Welcome to your CDP Climate Change Questionnaire 2022

C0. Introduction

C0.1

(C0.1) Give a general description and introduction to your organization.

Kimball Electronics (KE) is a global, multifaceted manufacturing solutions provider. We provide contract electronics manufacturing services (“EMS”) and diversified manufacturing services, including engineering and supply chain support, to customers in the automotive, medical, industrial, and public safety end markets. We offer a package of value that begins with our core competency of producing durable electronics and have expanded into diversified contract manufacturing services for non-electronic components, medical disposables, precision molded plastics, and production automation, test, and inspection equipment. This package of value includes our set of robust processes and procedures that help us ensure that we deliver the highest levels of quality, reliability, and service throughout the entire life cycle of our customers’ products. We believe our customers appreciate our body of knowledge as it relates to the design and manufacture of their products that require durability, reliability, the highest levels of quality control, and regulatory compliance. We deliver award-winning service from our highly integrated global footprint which is enabled by a largely common operating system, a standardization strategy, global procedures, and teamwork. Our Customer Relationship Management model is key to providing our customers convenient access to our global footprint and all of our services throughout the entire product life cycle. Because our customers are in businesses where engineering changes must be tightly controlled and long product life cycles are common, our track record of quality, financial stability, social responsibility, and commitment to long-term relationships is important to them.

We have been producing safety critical electronic assemblies for our automotive customers for over 35 years. During this time, we have built up a body of knowledge that has not only proven to be valuable to our automotive customers, but to our medical, industrial, and public safety customers as well. We have been successful in growing and diversifying our business by leveraging our automotive experience and know-how in the areas of design and process validation, traceability, process and change control, and lean manufacturing to create valuable and innovative solutions for customers in the medical, industrial, and public safety end market verticals. These solutions include diversified contract manufacturing services for medical disposables, precision molded plastics, and design, production, and servicing of automation,

test, and inspection equipment for industrial applications. We have harmonized our quality systems to be compliant with various important industry certifications and regulatory requirements. This allows us to take advantage of other strategic points of leverage in the supply chain and within our operations so we can cost-effectively manufacture electronic and non-electronic products in the same production facility for customers from all four of our end market verticals.
Our corporate headquarters is located at 1205 Kimball Boulevard, Jasper, Indiana. Production occurs in our facilities located in the United States, China, Mexico, Poland, Romania, Thailand, and Vietnam.

Our services are sold globally on a contract basis, and we produce products to our customers' specifications. Our manufacturing services are multifaceted.

Environmentally, KE 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 of our manufacturing facilities worldwide has been registered in ISO 14001-2015.

Of great importance, in 2019, KE established company-wide environmental goals. 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 (as of 2021: -14%);
- 15% reduction in electrical usage (as of 2021: -1%);
- 10% reduction in air emissions (as of 2021: -21%).

(Relating to CDP Water Security)

- 20% reduction in water usage (as of 2021: +5%).

Our facilities have environmental programs that influence our successfully achieving our company-wide goals. We report on our progress toward these environmental goals, as well as our ESG activities, in our annual ESG reports.

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. Kimball Electronics creates quality for life for our customers, employees, communities, and share owners. Our Purpose Statement ties directly to our environmental, social, and governance philosophies and activities highlighted in the 2021 ESG report. Our ESG philosophies, with roots dating back to our company's founding in 1961, are more than just words to us: they are our actual practices; they are our promises to the world.

C0.2

(C0.2) State the start and end date of the year for which you are reporting data.

	Start date	End date	Indicate if you are providing emissions data for past reporting years	Select the number of past reporting years you will be providing emissions data for
Reporting year	January 1, 2021	December 31, 2021	Yes	1 year

C0.3

(C0.3) Select the countries/areas in which you operate.

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

C0.4

(C0.4) Select the currency used for all financial information disclosed throughout your response.

USD

C0.5

(C0.5) Select the option that describes the reporting boundary for which climate-related impacts on your business are being reported. Note that this option should align with your chosen approach for consolidating your GHG inventory.

Operational control

C0.8

(C0.8) Does your organization have an ISIN code or another unique identifier (e.g., Ticker, CUSIP, etc.)?

Indicate whether you are able to provide a unique identifier for your organization	Provide your unique identifier
Yes, a Ticker symbol	KE We trade on the Nasdaq stock exchange.

C1. Governance

C1.1

(C1.1) Is there board-level oversight of climate-related issues within your organization?

Yes

C1.1a

(C1.1a) Identify the position(s) (do not include any names) of the individual(s) on the board with responsibility for climate-related issues.

Position of individual(s)	Please explain
Other, please specify CEO and Chairman of the Board	This person is a member of Kimball Electronics, Inc. Board of Directors; and is our CEO and Chairman of the Board of Kimball Electronics, Inc. (KEI). This position has overall responsibility for climate-related issues at the Board and management level.
Board-level committee	Management of KE's fundamental governance policies and practices, including environmental and climate-related issues, are overseen by KE's Board of Directors Compensation and Governance Committee. The Committee: • Reviews and evaluates KE's programs, policies and practices pertaining to sustainability, environmental, social, governance, and related social responsibility issues and impacts to support the sustainable growth of the Company. • Assists the Board in fulfilling its oversight responsibility for KE's broad enterprise risk management program by identifying, evaluating, and monitoring sustainability and environmental trends, issues, risks and concerns that could affect KE's business activities and performance. • Discusses with management and advises the Board on maintaining and improving corporate sustainability strategies that preserve, create, and enhance long-term Share Owner value consistent with KE's Guiding Principles. • Monitors KE's overall approach to corporate sustainability, its alignment with the overall business strategy, and the overall effectiveness of its sustainability policies and disclosures. • Monitors KE's performance and disclosures against relevant external sustainability indices, including through a review of KE's annual Environmental, Social, and Governance (ESG) Report.

	This Chief Legal & Compliance Officer, who KE's CEO/Chairperson of the Board reports to the Board and Committee on compliance matters including climate-related and ESG issues. Together with the global Director of Safety, Environmental and Facilities who reports to him, the Chief Legal & Compliance Officer has operational responsibility for climate-related issues and reports environmental and other climate-related issues contained in this CDP report to the Board, the Committee, and other stakeholders.
Other, please specify Board Lead Independent Director/Director on Board	Led by our Lead Independent Director, the KE Board of Directors (the "Board") has active responsibility for broad corporate policy and overall performance of KE through oversight of management and stewardship of the Company, including climate-related issues. Example: The Board scheduled 2 special ESG meetings in fiscal year 2022 to discuss ESG trends and climate-related matters, including reviewing progress towards achieving our climate-related goals and how to structure Board oversight as ESG issues continue to grow in importance.

C1.1b

(C1.1b) Provide further details on the board's oversight of climate-related issues.

Frequency with which climate-related issues are a scheduled agenda item	Governance mechanisms into which climate-related issues are integrated	Please explain
Scheduled – all meetings	Reviewing and guiding strategy Reviewing and guiding major plans of action Reviewing and guiding risk management policies Reviewing and guiding annual budgets Reviewing and guiding business plans Setting performance objectives Monitoring implementation and performance of objectives	The Board of Directors meets at least four times per year, in February, May, September, and November. Our Board of Directors provides oversight of policies and operational controls related to our environmental, health and safety, and social risks. . In addition, oversight of the enterprise risk management framework and cybersecurity risks are the responsibility of the Board's Audit Committee. The Board reviews and approves our business plans and budgets annually and as necessary to oversee major capital expenditures, acquisitions, and divestitures. The Board also sets annual performance objectives and monitors their implementation and performance, including our progress against goals and targets for environmental and climate-related

	Overseeing major capital expenditures, acquisitions and divestitures Monitoring and overseeing progress against goals and targets for addressing climate-related issues	issues. The Board sets compensation for our executives, and both our CEO and our Chief Legal & Compliance Officer are compensated in part based on their achievement of ESG-linked objectives. During KE's fiscal year 2022, the Board scheduled 2 special meetings focused on ESG and climate matters, risks, and the Board's oversight role of the same. We provide comprehensive updates on ESG risks and opportunities, including human rights and climate-related risks quarterly to our Board of Directors at their regular meetings. Our Board reviews and provides input in the fall of each year on our annual ESG report. We also provide quarterly updates on specific risks, including ESG and climate issues, to the Board, at least quarterly and / or as warranted.

C1.1d

(C1.1d) Does your organization have at least one board member with competence on climate-related issues?

	Board member(s) have competence on climate-related issues	Criteria used to assess competence of board member(s) on climate-related issues
Row 1	Yes	Our Board is climate change, ESG, and sustainability literate, and these and other environmental issues are discussed at the board level and taken into account in our strategic decisions. Directors have extensive operational, regulatory, and financial expertise in the industries where we operate, and in complementary industries with similar climate change and sustainability risks and opportunities. Each of our Directors has skills and experience in one or more aspects of ESG risks and opportunities oversight, as more fully disclosed in our proxy. To supplement the expertise of our directors, we bring in outside subject matter experts to advise and educate members on current and developing issues relevant to our business, such as environmental, sustainability, and climate change. Board members, together with our executives and other leaders within our organization, also participate in strategy meetings at least three times a year, and more frequently as business needs dictate, to understand and oversee our key strategies and risks, including on environmental issues. During these meetings, the Directors engage with our teams and observe how we are

		managing our risks and opportunities, including environmental and climate change.

C1.2

(C1.2) Provide the highest management-level position(s) or committee(s) with responsibility for climate-related issues.

Name of the position(s) and/or committee(s)	Responsibility	Frequency of reporting to the board on climate-related issues
Corporate responsibility committee 💬1	Assessing climate-related risks and opportunities 💬2	More frequently than quarterly
Safety, Health, Environment and Quality committee 💬3	Both assessing and managing climate-related risks and opportunities 💬4	More frequently than quarterly
Business unit manager 💬5	Both assessing and managing climate-related risks and opportunities 💬6	More frequently than quarterly
Environmental, Health, and Safety manager 💬7	Both assessing and managing climate-related risks and opportunities 💬8	More frequently than quarterly
Chief Executive Officer (CEO) 💬9	Both assessing and managing climate-related risks and opportunities 💬10	More frequently than quarterly
Chief Risks Officer (CRO) 💬11	Both assessing and managing climate-related risks and opportunities 💬12	More frequently than quarterly

💬1This is the Operational Excellence Team report delivered during the Spring Planning and Fall Review meeting held with all if attended by KEI's global leadership teams and members of its Board of Directors. The SEF Council Leader makes this report and takes questions and suggestions concerning our environmental focus.

Our Operation Excellence (OPEX) Council (consisting of all facilities' General Managers, representatives from the Kimball Electronics (KE) Leadership Team and the Council Team leaders from all of our global council stakeholder groups) meet on a monthly basis.

💬[2]2During these meetings, the SEF Council Leader reports, among other topics, on progress toward our environmental goals in each of our facilities. At the end of the year, we discuss and establish of our goals for upcoming calendar / fiscal year, based on our Significant Environmental Aspect programs.

💬[3]As it relates to the environment, the SEF (Safety, Environmental, and Facilities) Council meets 2 times per month. Each facility reports on where they stand with environmental/climate-related projects and if they are meeting their environmental, safety, and related goals.

💬[4]The SEF (Safety, Environmental, and Facilities) Council meets 2 times per month. Each facility reports on where they stand with environmental/climate-related projects and if they are meeting their environmental, safety, and related goals.

💬[5]Each facility is under the control of the General Manager (business unit manager). This position oversees the SEF Manager (Environmental, Health and Safety Manager). The SEF Manager keeps the General Manager up to date as to where the facility stands on the environmental and safety goals and initiatives. These updates are provided daily, weekly, monthly, or, as otherwise needed based on the topics to discuss in the update and the individual schedules of the parties involved.

💬[6]The General Manager is informed of their facility's status Safety and Environmental issues and goals that the company has established for the current year. They also meet on a monthly basis with the Director of Safety, Environmental and Facilities (corporate). The results of their facility's progress is reported in the SEF Council's monthly meeting and is available on demand to the General Managers through the SEF Council's online dashboard.

Additionally, the General Manager reports to the OPEX Council and these results are shared with the Board of Directors at its quarterly meetings.

💬[7]The SEF Manager (Environmental, Health and Safety manager) is responsible for planning and implementing all the environmental and safety initiatives at their facility. Their responsibility is to ensure that all documents are kept up to date and recorded and stored. They must also verify that the employees are aware of what is happening in their facility concerning these same safety and environmental issues/programs. Goals are communicated to every employee in the facility and progress is tracked on a monthly basis.

💬[8]The SEF Manager communicates to the employees of their facility, the General Manager and the SEF Council as to what is happening concerning their Environmental projects. They follow procedures set up in the ISO14001 registered Environmental Management System or per KEI required procedures. These reports are on an on-going basis at the facility during the year.

💬[9]Our CEO has the overall responsibility over our climate related issues and leads the Board of Directors. This position has the overall guidance authority as to where our facilities must initiate actions on environmental issues.

💬[10]This position provides guidance on KE's environmental goals. The CEO monitors that progress and interfaces with our global teams to help enable achievement of our goals. The CEO updates the Board of Directors at the Board's quarterly meetings on our environmental and safety initiatives and goals.

[11]This position is held by our Chief Legal & Compliance Officer and Secretary. This position reports to our CEO, receives updates twice a month from the SEF council and reports on ESG matters to our Board of Directors.

[12]This position gathers all the environmental and safety information and presents to the Board of Directors at their scheduled meetings or as needed.

C1.2a

(C1.2a) Describe where in the organizational structure this/these position(s) and/or committees lie, what their associated responsibilities are, and how climate-related issues are monitored (do not include the names of individuals).

In our leadership format shown above, the reporting structure is as follows.

The Board of Directors meets at least four times per year, in February, May, September, and November. Our Board of Directors provides oversight of policies and operational controls related to our environmental, health and safety, and social risks. We provide comprehensive updates on ESG issues, including human rights and climate-related risks, at least annually to our Board of Directors at their regular meetings, and our Board reviews and provides input on our annual ESG report. We also provide more frequent updates on specific risks, including ESG issues, to the Board quarterly as warranted. In fiscal year 2022, the Board scheduled 2 special meetings focused on ESG and climate matters, risks, and the Board's oversight role of the same.

The KE leadership team consists of currently nine (9) officers of the company disclosed on our Investor Relations website under the "Management" section. They conduct bi-weekly meetings and meet at other times as necessary throughout the year to discuss issues that include environmental issues in this report. Members of the KE leadership team review this report prior to submission to CDP. In addition, during the calendar year, the leadership team meet two (2) times with all leaders within Kimball Electronics (Spring Planning; Fall Review). At the Spring Planning and Fall Review meetings, the leaders of the KE Operational Excellence Council (OPEX Council) present detailed reports on our global operations and facilities, including environmental updates and updates on achievement of our environmental goals. The SEF Council Leader, a member of the OPEX Council who is appointed to a 2-year term, reports on the safety and environmental issues.

The SEF Council is a global council of all SEF Managers at each of KE's global facilities. Each SEF Manager is a member of the SEF Council. One member of this Council is appointed as Council Leader and serves on the Operational Excellence Council (OPEX Council) for a 2-year term. The SEF council meets 2 times per month (virtual phone conference). On a monthly basis, every SEF Manager reports to the SEF Council concerning their environmental goals and challenges. Both the Director of SEF and the Chief Compliance Officer are invited to and attend these meetings on behalf of the KE leadership team. Copies of the monthly meeting minutes are sent to members of the SEF Council and all General Managers and posted on an

internal SEF Council site for all members of the KE leadership team and other internal stakeholders. Each calendar year, the SEF Council holds an in-person, week-long conference at one of our global locations to discuss individual facility and collective progress on safety and environmental goals, and to share best practices.

In parallel, the SEF Manager at each facility reports directly to the facility's General Manager on safety, environmental, and facility matters. Each General Manager meets regularly with their facility's SEF Manager and with the global Director of SEF. The General Manager of each facility represents that facility as a member of the OPEX Council and updates the OPEX Council on environmental issues and goal progress, among other matters.
The global Director of SEF provides additional oversight for each facility SEF Manager and ensures that the SEF Managers, with the assistance of facility leadership and stakeholders, develop appropriate environmental programs to meet the location's goals and the overall company-wide goals. SEF Managers also communicate these programs to and seek input from managers, supervisors, and employees at their facilities.

C1.3

(C1.3) Do you provide incentives for the management of climate-related issues, including the attainment of targets?

	Provide incentives for the management of climate-related issues	Comment
Row 1	Yes	For our indirect (salaried) staff, one component of their bonus relates to their facility's success in meeting environmental and safety goals. Meeting these goals positively impacts facility profitability, increasing the component of the bonus related to the facility's operations. Most importantly, in support of our focus on leadership environmental, social, and governance issues, up to 10% of the short-term incentive plan bonus for both our CEO and our Chief Legal & Compliance Officer is determined by our achievement of certain sustainability goals and of certain ratings by independent organizations that rate our ESG performance (See the information C1.3a).

C1.3a

(C1.3a) Provide further details on the incentives provided for the management of climate-related issues (do not include the names of individuals).

Entitled to incentive	Type of incentive	Activity incentivized	Comment
All employees	Non-monetary reward	Emissions reduction target	We recognize individual employees and departments at our various locations through multiple methods, including luncheons, gifts, and publications of their environmental stewardship achievements both

		Energy reduction project Efficiency project	internally and publicly (including in our annual ESG report).
Other, please specify All salaried positions	Monetary reward	Efficiency project	All Salaried Positions globally participate in an incentive-based Profit Sharing Bonus plan. The bonus has two primary, equally weighted components for participants: company-wide performance and individual business unit/facility performance. Our achievement of environmental efficiency goals and successful deployment of environmentally efficient projects is captured in both components, as those achievements increase profits and, consequently, bonuses. For example, by implementing environmental projects that decrease energy consumption and increase facility efficiency or reliability, we lower our production costs. Our hourly employees in some facilities participate in bonus plans that reward efficiency achievements, including environmental achievements.
All employees	Monetary reward	Efficiency target	Some facilities have established programs where the hourly employees receive an hourly bonus plan based on their facilities accomplishments in production, quality, and fulfilling their goals in Safety and Environment.
Other, please specify CEO, Chief Legal &Compliance Officer	Monetary reward	Efficiency target	Up to 10% of the short-term incentive plan bonus for both our CEO and our Chief Compliance Officer is determined by our achievement of certain sustainability goals and of certain ratings by independent organizations that rate our ESG performance.

C2. Risks and opportunities

C2.1

(C2.1) Does your organization have a process for identifying, assessing, and responding to climate-related risks and opportunities?

Yes

C2.1a

(C2.1a) How does your organization define short-, medium- and long-term time horizons?

	From (years)	To (years)	Comment
Short-term	0	1	An expectation of our Board of Directors is that each facility will address environmental challenges every year. Each facility reviews the various Aspects they deal with that have an effect upon the local environment. They determine a number of projects, called Significant Environmental Aspect projects, that will help them better their surrounding community. The facility's General Manager, SEF Manager and their local environmental committee determine which projects to undertake and design them in consultation with the SEF Council and the global Director of SEF. KE undertakes a Risk Assessment process as part of the ISO 14001 Environmental Management System that helps determine the critical, immediate needs. These are then called the Significant Environmental Aspect (SEA) projects. An Action Plan is developed to help the facility meet their goal. The project will be run during the current fiscal or calendar year. We also develop facility and company-wide projects at the global level (through our Director of SEF) to help us achieve our company wide Environmental goals.
Medium-term	1	5	In late 2019, we issued our first ESG Report. In conjunction with this report, we established company- wide environmental goals to achieve by the end of calendar year 2025 in (1) the reduction of greenhouse gas emissions, (2) the reduction of electrical usage, (3) the reduction of water usage, and (4) the reduction of air emissions. We use the results from our individual facilities' SEA and other annual projects described above to drive results toward the achievement of our goals. We report on our progress toward these 5-year goals quarterly with the SEF Council and OPEX Council. We publicly disclose our progress toward these goals in our annual ESG Report.
Long-term	6	29	KE's longest term goal is to reach net zero greenhouse gas emissions by 2050. We expect each facility to develop long range plans that will help us to achieve this goal while accommodating future growth and expansion. We review our progress quarterly. We may develop longer term strategies for specific capital investments for long-lived assets, valuable intellectual property, or specific environmental, social, or governance topics due to the time scale for these issues. All major investment decisions, portfolio reviews, acquisitions and divestitures are reviewed in the light of long-term trends, opportunities and threats.

			Those reviews consider evolution of global trends in regulations, climate change, energy and raw material markets, and customer demand.

C2.1b

(C2.1b) How does your organization define substantive financial or strategic impact on your business?

Substantive financial or strategic impacts are events that could materially impact our business or operations. In making this determination, we incorporate the concept of materiality as defined by the SEC and FASB, and we consider both qualitative and quantitative measures. The quantitative measures evaluated include potential impacts to revenue and earnings as well as certain non-GAAP financial measures that management uses in its financial and operational decision making. Qualitative measures include but are not limited to consideration of impacts to employee/community safety, our reputation, regulatory requirements, business continuity, trends in our underlying business, and the needs of and impacts to our customers. Material impacts would include those that would have a high likelihood to result in death, serious breaches of legal and regulatory compliance, market disintegration, significant impact on shareholders, fundamental or catastrophic business continuity exposure and fundamental financial losses/opportunities. The impacts considered include those related to our direct operations as well as possible impacts to the continuity of our supply chain and our ability to meet customer commitments. Consistent with guidance published by the SEC and FASB with regard to materiality, a specific climate-related risk or opportunity may be considered as having a substantive financial impact if it would reasonably be expected to affect the company's planned earnings positively or negatively by a certain quantitative threshold. However, magnitude by itself, without regard to the nature of the specific risk or opportunity and the circumstances in which the judgment has to be made, will not generally be a sufficient basis for the materiality judgment. KE considers both qualitative and quantitative factors together when evaluating whether a specific climate-related risk or opportunity would have a substantive financial or strategic impact on the Company.

C2.2

(C2.2) Describe your process(es) for identifying, assessing and responding to climate-related risks and opportunities.

Value chain stage(s) covered

Direct operations
Upstream
Downstream

Risk management process

Integrated into multi-disciplinary company-wide risk management process

Frequency of assessment

More than once a year

Time horizon(s) covered

Short-term
Medium-term
Long-term

Description of process

We accomplish corporate-level identification and evaluation of risk systematically using an enterprise risk management (ERM) approach. KE defines major risks as those that could have a substantive financial or reputational impact on the company. The KE risk management team, which consists of senior leaders and executives representing each of our internal businesses and functions, conducts a quarterly risk analysis process to validate existing and identify new and emerging risks facing KE – including considerations for risks or opportunities related to the environment and climate change. The risk analysis process considers input from our stakeholders on a broad range of economic, social and environmental topics, as well as external inputs. Each risk is reviewed, evaluated, and prioritized based on the potential likelihood the risk will occur, our ability to control the risk, and the degree of impact a given risk could have on the Company. Potential impacts evaluated include those related to our direct operations (e.g., financial impacts, threats to our ability to operate, Company reputational damage, environment or community impact, etc.) as well as possible impacts to the continuity of our supply chain and ability to meet customer commitments. When any significant new or emerging risks arise during the year, we analyze and prioritize them and incorporate them in our risk management process. After our leadership team reaches final alignment, we then communicate these risks to our Board.

The Board of Directors is responsible for overseeing the overall ERM process, and its leadership structure supports its effective oversight. In fulfilling its oversight responsibility, the Board receives various management and Board Committee reports and engages in discussions with the KE's leadership team, as it may deem appropriate. Specifically, the Audit Committee oversees the policies and practices that govern the processes by which major risk exposures are identified, assessed, managed and controlled on an enterprise-wide basis. Responsibility for managing risk rests with the CEO and other executive officers of the Company. The appropriate function or business leaders are appointed as risk owners and sponsors for each major risk. Risk mitigation plans are developed and implemented by the risk owner with support from their respective team and risk sponsor. The risk owner develops and monitors key risk indicators to track progress managing the risk and determine if intervention or corrective action is needed. The risk management progress is communicated quarterly to management and the Audit Committee. Additionally, all risks are reviewed and reassessed on at least a semi-annual basis to identify changes in the internal or external environment which may cause certain risks to recede or others to appear. We value collaboration to drive change and are committed to working with policymakers, our value chain, and other organizations to encourage collective action for reducing GHGs.

In addition to the enterprise-wide ERM process, as part of our ISO 14001 process in our manufacturing locations, each facility conducts an environmental Risk Assessment and reviews the risks that their facility faces. They conduct a risk analysis on those aspects and determine what impacts those risks have on the environment. We use a scoring mechanism in those answers, with more significant impacts receiving higher scores. The local facility team designs a project to address the top 3 or 4 highest scoring aspects, which become the Significant Environmental Aspects for this facility. In addition to the highest scoring aspects, facilities also monitor some projects, that score lower on our Risk Assessment but still relate to company -wide goals and priorities. The facility develops an action plan to monitor progress throughout the project's year. The assessment is done annually by a third party vendor and by KE's corporate SEF team every 12 to 18 months basis. On a monthly basis, as a part of the SEF Council's monthly meetings, each facility reports their progress on these environmental projects.

C2.2a

(C2.2a) Which risk types are considered in your organization's climate-related risk assessments?

	Relevance & inclusion	Please explain
Current regulation	Relevant, always included	KE's Enterprise Risk Management process considers climate-related government regulation risks. Our SEF managers track current & emerging regulations. Our facilities are subject to extensive environmental, health and safety laws, regulations, and inspections at local, state, federal/national, and international levels related to pollution, protection of the environment, climate change, transportation & storage of raw materials & finished products, storing & disposing of hazardous wastes, product content and other safety concerns. As an electronics manufacturing company, we are or may be subject to current and emerging climate change regulations targeting targeting energy use, efficiency & emissions reductions, particularly in Europe & Mexico. These regulations could result in added costs. The long-term effects of climate change on the global economy & our industry in particular are unclear. Changes in climate where we, our customers, & our supply chain operate could have a long-term adverse impact on our business, results of operations, & financial condition. We have committed to cut our greenhouse gas emissions, water usage, electrical usage, & air emissions significantly by 2025 as part of our long-term sustainability strategy. We may take added voluntary steps to mitigate our impact on the environment. Increases in the cost of energy could reduce our profitability. Given the

		political significance and uncertainty around these issues, we cannot predict how legislation, regulation, and increased awareness of these issues will affect our operations & financial condition. We are also subject to a variety of federal, state, local & foreign EHS, product stewardship and producer responsibility laws & regulations. In addition, new technical classifications of e-Waste being discussed in the Basel Convention technical working group could affect both our customers' abilities & obligations in electronics repair & refurbishment. If we fail to comply with any present / future regulations or timely obtain needed permits, we could become subject to liabilities, could face fines/penalties, suspension of production, or prohibitions on sales of products we manufacture. Such regulations could restrict our ability to expand facilities, could require us to acquire costly equipment, to incur significant expenses, including expenses associated with the recall of any non-compliant product or changes in our operational, procurement and inventory management activities.
Emerging regulation	Relevant, always included	Global environmental laws & regulations change frequently, & tend to become more stringent over time, which may result in significant new compliance costs, investments in, or restrictions on our operations. As an electronics manufacturing company, we are subject to current & emerging regulations targeting energy use & efficiency & reduction of emissions. Such regulations may result in significant added compliance costs, increased cost of purchased energy, additional capital costs for installation/modification of GHG-emitting equipment, &/or additional direct costs relating to GHG emissions. Climate change regulations are emerging & changing in different locations where KE has operations. We carefully manage our emissions & closely monitor regulatory changes where we operate to remain compliant & prepared to adapt our operational practices accordingly. We engage with governments either directly or indirectly through industry organizations to ensure there is an understanding of our business & that we fully understand the impact of emerging regulations. We encourage our employees to participate in local environmental organizations and committees where they can offer input into new legislation and are made aware of upcoming new laws that may affect their location. We are subject to a variety of federal, state, local and foreign environmental, health and safety, product stewardship and producer responsibility laws and regulations, including those arising from global pandemics or relating to the use, generation, storage, discharge and disposal of hazardous chemicals, worker health and safety, recycling or reuse of products we manufacture, and those requiring design

		changes, supply chain investigation or conformity assessments. If we fail to comply with any present or future regulations or timely obtain any needed permits, we could become subject to liabilities, and we could face fines or penalties, the suspension of production, or prohibitions on sales of products we manufacture. In addition, such regulations could restrict our ability to expand our facilities or could require us to acquire costly equipment, or to incur other significant expenses, including expenses associated with the recall of any non-compliant product or with changes in our operational, procurement and inventory management activities.
Technology	Relevant, always included	As an electronics manufacturer, our industry and our customers experience frequent technological changes and product improvements. Our future growth will depend on our ability to gauge the direction of commercial and technological progress in our markets and our ability to fund and successfully develop and manufacture products for our customers in such changing markets. If we fail to keep pace with the evolving technological innovations our customers demand, our financial condition and results of operations could be adversely affected. Technology is extremely relevant to our ability to address risks related to climate change and to reach our environmental goals. It is important to remain aware of current effective technologies as well as future technology trends that we may adopt to help manage climate-related risks. We track evolving technology trends and provide that input for consideration in the Enterprise Risk Management process.
Legal	Relevant, always included	Our results of operations could be adversely affected by litigation and other commitments and contingencies. As a publicly traded company, KE is required to disclose detailed financial filings in accordance with the Securities Exchange Commission, which include descriptions of material risks that are identified through the company's Enterprise Risk Management approach. Legal risks, including regulatory issues, are closely monitored and managed with respect to ensuring transparent and consistent information is available for shareholders including such matters that may be relevant and related to climate change. Our legal team monitors legal risks and provides input for consideration in the Enterprise Risk Management process.
Market	Relevant, sometimes included	As an electronics manufacturer, our industry and our customers experience frequent technological changes and product improvements. Our future growth will depend on our ability to gauge the direction of commercial and technological progress in our markets and our ability to fund and successfully develop and manufacture products for our customers in such changing markets. If we fail to keep pace with the evolving technological innovations our customers demand, our financial condition and results of operations could be adversely affected.

		We work with our customers on their efforts to build safer, cleaner, and more efficient products and to create processes that help us and our customers reduce GHG emissions, our dependence on natural resources, and their overall environmental footprint. We work closely with our customers to develop superior offerings that help us mutually achieve our sustainability objectives. We value collaboration to drive change and commit to working with policymakers, our supply chain, our customers, and other stakeholders to encourage collective action for reducing the impact of climate change and our use of natural resources. Our business units conduct impact assessments of market trends, integrates the findings into strategy development, and reports impacts and provides input for consideration in the Enterprise Risk Management process.
Reputation	Relevant, always included	Our stakeholders, including our customers, investors, and current and prospective employees, expect KE to operate responsibly and act proactively on the challenges of climate change. Some major investors are becoming increasingly outspoken about the risk of climate change to the financial market. If major investors or sustainability-oriented customers perceive our business activities to be misaligned with the growing global momentum to act against climate change, this could pose a reputational risk to the company that could lead to the loss of customers, and ultimately to lower sales and a reduced market valuation. A reduced reputation as an environmentally responsible organization could impact our ability to attract and retain employees. The actions taken to mitigate our contributions to climate change help reduce associated reputational risks. KE has processes in place through all of our major business functions to collect both internal and external stakeholder feedback and provide input for consideration in the Enterprise Risk Management process. Reputation risk is part of several of our evaluation criteria in our Enterprise Risk Management process used to evaluate risks to the Company.
Acute physical	Relevant, always included	Acute physical climate risks are deemed relevant and are included in our Enterprise Risk Management assessment because major hazards driven by climate change (natural disasters, severe weather, power loss, fires, and pandemics) and long-term climate changes may disrupt operations & our ability to produce/deliver products, may have adverse impacts on our business, operations, and financial condition. We have committed to cut our GHG emissions, water usage, electrical usage, and air emissions significantly by 2025 (our long-term sustainability strategy). We may take additional voluntary steps to mitigate our impact on the environment.

		We monitor our exposure to extreme weather events that may lead to interruptions of utility services that impact our manufacturing process. Energy cost is a critical component of freight expense & the cost of operating manufacturing facilities. Increases in energy costs could reduce our profitability. Business interruptions we experience may cause delays in our product, service delivery & hindered ability to perform critical functions. This could adversely affect our revenue & require significant recovery time/expenditures to resume operations. Recently, severe weather events and other catastrophic events impacted our facilities in China and Mexico, , though the impact was not material to our results and was not described in our 10-K or other reports. To identify and assess our exposure to acute physical climate stressors, our SEF teams collaborate to identify and assess physical climate risks at the facility level in all locations where we operate. We conduct a SEF Assessment at each facility to assess their exposure of climate risks/hazards, equipment and occupancy hazards, We generate site specific audit findings & action items. All facilities are required to obtain and maintain ISO 14001 registration (to identify, address, mitigate, & control site-level risks), have emergency and business continuity plans in place. Results are reported to the global Director of SEF and the Chief Legal & Compliance Officer.
Chronic physical	Relevant, always included	Chronic physical climate risks are deemed relevant and are included in our Enterprise Risk Management assessment because chronic physical risks from climate change could disrupt operations and likewise our ability to produce or deliver products. This, in turn, could have an adverse effect on our operations and financial results across our facilities. We monitor our exposure to chronic climate-related risks, such as water stress and prolonged droughts that could, for example, disrupt service from water utilities and impact our operations or systems. Such events could make it difficult or impossible to manufacture or deliver products to our customers or perform critical business functions, which could adversely affect our revenue and require significant recovery time and expenditures to resume operations. To identify and assess our exposure to chronic physical climate stressors, our SEF teams actively collaborate to identify and assess physical climate risks at the facility level in all locations where we operate. For example, we conduct a Safety, Environmental and Facility Assessment at each facility to assess the exposure of our sites to various risks and hazards, including climate related risks and hazards, as well as equipment and occupancy hazards, and generate site specific audit findings and action items. All manufacturing facilities are required to obtain and maintain ISO 14001 certification and to identify, address, mitigate, and control site-level risks. All locations have emergency and business continuity plans in place. Results are reported to the global Director of SEF and the Chief Legal &

		Compliance Officer. Risks are reported through the Enterprise Risk Management process, to KE's leadership team, and to our Board of Directors' and its Audit Committee for evaluation and mitigation.

C2.3

(C2.3) Have you identified any inherent climate-related risks with the potential to have a substantive financial or strategic impact on your business?

Yes

C2.3a

(C2.3a) Provide details of risks identified with the potential to have a substantive financial or strategic impact on your business.

Identifier

Risk 1

Where in the value chain does the risk driver occur?

Direct operations

Risk type & Primary climate-related risk driver

Emerging regulation

Carbon pricing mechanisms

Primary potential financial impact

Increased direct costs

Company-specific description

Our facilities are subject to multiple EHS laws & regulations. Inspections at local, state, federal/national, and international levels related to pollution, protection of the environment, climate change, transportation/storage raw materials & finished products, storing/disposing of hazardous wastes, product content & other safety concerns. As an electronics manufacturing company, we are & will be subject to current & emerging regulations on energy use & efficiency, & the reduction of emissions. Such regulations may result in significant added compliance costs, increased cost of purchased energy, additional capital costs for installation/modification of GHG-emitting equipment, and/or direct costs (cap-and-trade systems / carbon taxes) associated with GHG emissions. Climate change regulations apply (or may in the future apply) to operations in Europe (EU ETS), in Mexico (ETS pilot), & in Tamaulipas, MX (carbon tax).

We are also subject to a variety of federal, state, local and foreign laws & regulations relating to environmental, health & safety, product stewardship & producer responsibility, global pandemics, the generation, storage, discharge & disposal of hazardous chemicals, worker health & safety, supply chain investigation/conformity assessments, & the recycling/reuse of products we manufacture. These include the EU

Restrictions on Hazardous Substances (RoHS) (and its counterpart in China), Waste Electrical and Electronic Equipment ("WEEE") directives, and the Registration, Evaluation, Authorization, and Restriction of Chemicals ("REACH") regulation. In addition, new technical classifications of e-Waste may affect both our customers' abilities & obligations in electronics repair/refurbishment. If we fail to comply with any regulations or obtain any needed permits, we may become subject to liabilities, fines, penalties, suspension of production, or prohibitions on sales of products we manufacture. Regulations may restrict our ability to expand facilities, require us to acquire costly equipment or incur significant expenses (cost per recall of non-compliant product, changes in our operational, procurement & inventory activities). Not meeting climate related compliance requirements can create reputational impacts associated with stakeholder concern or negative stakeholder feedback.

Time horizon

Medium-term

Likelihood

More likely than not

Magnitude of impact

Medium

Are you able to provide a potential financial impact figure?

No, we do not have this figure

Potential financial impact figure (currency)

Potential financial impact figure – minimum (currency)

Potential financial impact figure – maximum (currency)

Explanation of financial impact figure

Financial impacts can include increased operating costs associated with reporting, disclosure, environmental compliance and management (e.g., taxes, carbon offsets, or management costs such as legal and consulting fees). We could also incur costs associated with altering our manufacturing and operations in order to comply with environmental regulations. In addition, our failure to comply with environmental laws and regulations could also limit our ability to expand our facilities. It is difficult to accurately quantify the financial implications. We cannot predict what environmental legislation or regulations will be enacted in the future, how existing or future laws or regulations will be administered or interpreted, or what environmental conditions may be found to exist. Compliance with more stringent laws or regulations, or stricter interpretation of existing laws, may require additional expenditures, some of which could be material. In addition, any investigations or remedial efforts relating to environmental matters could involve material costs or otherwise result in material liabilities.

Cost of response to risk

0

Description of response and explanation of cost calculation

We continuously monitor our exposure to risks in environmental compliance activities designed to meet applicable laws and regulations. To identify and assess our exposure to acute physical climate stressors, our SEF teams actively collaborate to identify and assess regulatory risks at the facility level in all locations where we operate. For example, we conduct a Safety, Environmental and Facility Assessment at each facility to assess the exposure of our sites to various risks and hazards, including changes to laws and regulations or their interpretation, and generate site specific audit findings and action items. All facilities are required to obtain and maintain ISO 14001 certification and to identify, address, mitigate, and control site-level risks.

Results are reported to the global Director of SEF and the Chief Legal & Compliance Officer. Legal risks, including regulatory issues, are closely monitored and managed with respect to ensuring transparent and consistent information is available for shareholders including such matters that may be relevant and related to climate change. Our legal team monitors regulatory risks and provides input for consideration in the Enterprise Risk Management process. Risks are reported through the Enterprise Risk Management process, to KE's leadership team, and to our Board of Directors' and its Audit Committee for evaluation and mitigation.

Comment

Identifier

Risk 2

Where in the value chain does the risk driver occur?

Direct operations

Risk type & Primary climate-related risk driver

Acute physical

Other, please specify

Increased severity and frequency of extreme weather events such as cyclones and floods

Primary potential financial impact

Decreased revenues due to reduced production capacity

Company-specific description

Climate related hazards and acute shocks associated with cyclones and floods could have a material adverse impact on our direct operations and financial results across. Such events could make it difficult or impossible to manufacture or deliver products to our customers, receive production materials from our suppliers, or perform critical

functions, which could adversely affect our revenue and require significant recovery time and expenditures to resume operations. We could experience business interruptions indirectly, as a result of service interruption from utilities, transportation or telecommunications providers, as well as directly, as a result of disrupted manufacturing operations. Reduced production due to business interruption can affect our ability to timely deliver products to our customers, or perform critical business functions, which could adversely affect our revenue and require significant recovery time and expenditures to resume operations. While we maintain business recovery plans that are intended to allow us to recover from natural disasters or other events that can be disruptive to our business, some of our systems are not fully redundant and we cannot be sure that our plans will fully protect us from all such disruptions. Severe winter storms in 2021 closed our operations in Mexico and Texas due to damaged infrastructure and loss of power. While these closures did not cause a substantive impact, they represent an example of our vulnerability to acute physical risks.

Time horizon

Short-term

Likelihood

About as likely as not

Magnitude of impact

Medium-low

Are you able to provide a potential financial impact figure?

Yes, an estimated range

Potential financial impact figure (currency)

Potential financial impact figure – minimum (currency)

1,000,000

Potential financial impact figure – maximum (currency)

10,000,000

Explanation of financial impact figure

It is difficult to predict the exact change and impact of each climate parameter, and only some significant changes to the climate may have an impact on the Company. Financial implications could include higher utilities and logistics costs from damaged infrastructure, higher insurance costs at facilities exposed to extreme weather events, costs of physical repairs, and loss of profit following a significant weather-related event. Disruption of utilities (electric, gas, water) could result in prolonged facility outages, causing disruption in the production and supply of raw materials and finished goods and could have negative revenue implications. Financial impacts can include potential temporary, long-term, or permanent closure of operations, facility repair costs, lost work time, increased utility costs, lost revenue, damaged equipment, lost inventory, and increased insurance premiums. The financial impact is expected to range between $1M and $10M, which are typical retained amounts under insurance policies and/or sizes of

potential claims that we may choose to self-fund. Kimball Electronics maintains insurance that is intended to mitigate the high end of financial impacts.

Cost of response to risk

Description of response and explanation of cost calculation

We maintain business continuity plans that are intended to allow us to recover from natural disasters or other catastrophic events that can be disruptive to our business, our facilities and the services we perform for customers, but we cannot be sure that our plans will fully protect us from all such disruptions. While we maintain product liability and other insurance coverage that we believe to be generally in accordance with industry practices, our insurance coverage may not be adequate to protect us fully against substantial claims and costs that may arise from liabilities in our business. Capital and expense planning are parts of our normal strategic planning process. As we adjust our strategy to address risks, we naturally incorporate business strategies into our spending, including by adding redundancy/resiliency features to facilities, upgrading and/or maintaining new and current facilities, disaster recovery planning, etc. It is difficult to accurately quantify the cost of responding to acute physical risks, as well as other emerging risks, since the process of managing physical risks to our operations falls within the normal course of business and does not incur estimable marginal costs.

Comment

Identifier

Risk 3

Where in the value chain does the risk driver occur?

Upstream

Risk type & Primary climate-related risk driver

Acute physical

Cyclone, hurricane, typhoon

Primary potential financial impact

Decreased revenues due to reduced production capacity

Company-specific description

We depend on suppliers globally to provide timely delivery of materials, parts, and components for use in our products. Due to increased exposure to extreme weather events influenced by climate change, such as severe storms or floods, we may experience adverse impacts in our supply chain or inventory, resulting in shortages of raw materials and required electronic components. Certain components purchased by us are primarily manufactured in select regions of the world and issues in those regions could cause manufacturing delays. Maintaining strong relationships with key suppliers of components critical to the manufacturing process is essential. Price increases of

commodity components, including increased tariffs, could have an adverse impact on our profitability if we cannot offset such increases with other cost reductions or by price increases to customers. Materials utilized in our manufacturing process are generally available, but future availability is unknown and could impact our ability to meet customer order requirements. The EMS industry is currently experiencing component shortages, component allocations, and shipping delays, particularly with semiconductors, driven by the strong demand in consumer electronics and the beginning of a global recovery, and complicated by the continued impact of COVID-19. Component shortages or allocations could increase component costs and potentially interrupt our operations and negatively impact our ability to meet commitments to customers. If suppliers fail to meet commitments to us in terms of price, delivery, or quality, or if the supply chain is unable to react timely to increases in demand or extreme weather events, it could interrupt our operations and negatively impact our ability to meet commitments to customers.

Time horizon

Short-term

Likelihood

More likely than not

Magnitude of impact

Medium

Are you able to provide a potential financial impact figure?

Yes, an estimated range

Potential financial impact figure (currency)

Potential financial impact figure – minimum (currency)

1

Potential financial impact figure – maximum (currency)

10,000,000

Explanation of financial impact figure

Financial impacts can include potential temporary, long-term, or permanent closure of operations, unrecovered expenses, increased material costs, lost work time, increased utility costs, lost revenue, lost or obsolete inventory, and increased insurance premiums. The financial impact is expected to range between $1M and $10M, which are typical retained amounts under insurance policies and/or sizes of potential claims that we may choose to self-fund. Kimball Electronics maintains insurance that is intended to mitigate the high end of financial impacts.

Cost of response to risk

0

Description of response and explanation of cost calculation

We have developed a rigorous Enterprise Risk Management program that includes collecting certain compliance data from our suppliers, reporting of our own environmental metrics such as GHG emissions, energy usage, and water usage. To manage financial impacts from potential shortages of raw materials and electronic components, we aim to diversify our supply base and work with our customers to identify alternative suppliers. We work with our suppliers to identify, assess, and manage risks, and we ensure that our suppliers comply with social and environmental standards that meet and exceed those in our code of conduct. We actively monitor and audit internal and external compliance through annual audits and training, including by conducting annual audits of our supply chain. In the past year, Kimball's audits covered approximately 99% of our inventory and 98% of our accounts payable, and we conducted a dozen audits of own company and its subsidiaries. Given the unique obstacles presented by the COVID-19 pandemic, we conducted many of these audits remotely this past year. All such audits were conducted using audit protocols and procedures developed by our internal auditor teams. Specifically, Kimball has conducted audits in the following countries: China, Japan, Mexico, Poland, India, Romania, Thailand, and the United States. Through direct engagement with our suppliers, we can also mitigate potential risks such as those related to component shortages caused by severe weather events. Additionally, we are able to mitigate financial impacts from component shortages by increasing our cost of goods sold. It is difficult to accurately quantify the cost of responding to component shortages, as well as other emerging risks, since the process of managing component shortages falls within the normal course of business and does not incur estimable marginal costs.

Comment

Identifier

Risk 4

Where in the value chain does the risk driver occur?

Direct operations

Risk type & Primary climate-related risk driver

Chronic physical

Changing precipitation patterns and types (rain, hail, snow/ice)

Primary potential financial impact

Decreased revenues due to reduced production capacity

Company-specific description

We maintain significant concentrations of physical assets in certain geographical locations, some of which may be prone to long-term changes in weather patterns and atmospheric temperatures caused by climate change and related political and regulatory changes and instability that such long-term changes can trigger. Such events could seriously impact our operations, and we continue to study the long-term implications of

changing climate parameters and their resulting effects on current and future facility siting, operational issues, energy availability, and water availability. Disruptions and/or events that cause such effects could have a negative impact on our business, results of operations, financial condition, and cash flows. For example, climate change is creating shifts in rainfall patterns causing some regions to become wetter while exacerbating droughts in other regions. Increased frequency and intensity of rainfall in certain regions can lead to flooding that disrupts operations and logistics, and damages infrastructure. Conversely, lower precipitation levels in certain regions could reduce the availability and quality of water or energy to our manufacturing facilities causing decreased production capacity and/or a change in modes of transport. Today, for example, our manufacturing sites in Mexico and China are located in areas with predicted water stress according to the Global Facility for Disaster Reduction and Recovery (GFDRR) database. That number could increase. Currently, none of our manufacturing operations are limited by water availability.

Time horizon

Long-term

Likelihood

More likely than not

Magnitude of impact

Medium

Are you able to provide a potential financial impact figure?

Yes, an estimated range

Potential financial impact figure (currency)

Potential financial impact figure – minimum (currency)

1

Potential financial impact figure – maximum (currency)

10,000,000

Explanation of financial impact figure

It is difficult to predict the exact change and impact of each climate parameter, and only some significant changes to the climate may have an impact on the Company. Financial implications could include higher utilities and logistics costs from damaged infrastructure, higher insurance costs at facilities exposed to extreme weather events, costs of physical repairs, and loss of profit following a significant weather-related event. Disruption of utilities (electric, gas, water) could result in prolonged facility outages, causing disruption in the production and supply of raw materials and finished goods and could have negative revenue implications. Financial impacts can include potential temporary, long-term, or permanent closure of operations, facility repair costs, lost work time, increased utility costs, lost revenue, damaged equipment, lost inventory, and increased insurance premiums. The financial impact is expected to range between $1M and $10M, which are typical retained amounts under insurance policies and/or sizes of

potential claims that we may choose to self-fund. Kimball Electronics maintains insurance that is intended to mitigate the high end of financial impacts.

Cost of response to risk

Description of response and explanation of cost calculation

We maintain business continuity plans that are intended to allow us to recover from natural disasters or other catastrophic events that can be disruptive to our business, our facilities, and the services we perform for customers, but we cannot be sure that our plans will fully protect us from all such disruptions. While we maintain product liability and other insurance coverage that we believe to be generally in accordance with industry practices, our insurance coverage may not be adequate to protect us fully against substantial claims and costs that may arise from liabilities in our business. Capital and expense planning are parts of our normal strategic planning process. As we adjust our strategy to address risks, we naturally incorporate business strategies into our spending, including by making decisions informed by our Enterprise Risk Management process about where to locate facilities, and adding redundancy/resiliency features, upgrading and/or maintaining them. Nonetheless, it is difficult to accurately quantify the cost of responding to acute physical risks, as well as other emerging risks, since the process of managing physical risks to our operations falls within the normal course of business and does not incur estimable marginal costs.

Comment

C2.4

(C2.4) Have you identified any climate-related opportunities with the potential to have a substantive financial or strategic impact on your business?

Yes

C2.4a

(C2.4a) Provide details of opportunities identified with the potential to have a substantive financial or strategic impact on your business.

Identifier

Opp1

Where in the value chain does the opportunity occur?

Downstream

Opportunity type

Products and services

Primary climate-related opportunity driver

Development and/or expansion of low emission goods and services

Primary potential financial impact

Increased revenues resulting from increased demand for products and services

Company-specific description

As more customers increase their focus on climate change issues they demand more energy-efficient products and services, such as electric vehicles and smart meters. We will continue partnering with existing and new customers to deliver more energy-efficient products. The rapid adoption of electric vehicles, the expansion of autonomous driving, and vehicles with increasing connectivity are opportunities where our chassis control expertise and core manufacturing competencies could align very well with the stringent production requirements of the automotive industry. Indeed, in FY2022, we reached an all-time high for the automotive vertical market that resulted from the ramp up of certain programs, including programs supporting fully electric vehicles. Longer term we continue to see growth opportunities in our industrial vertical as well as the importance of consumption, awareness and conservation of water, gas and electricity continues to increase globally.

Time horizon

Short-term

Likelihood

Virtually certain

Magnitude of impact

High

Are you able to provide a potential financial impact figure?

Yes, a single figure estimate

Potential financial impact figure (currency)

160,000,000

Potential financial impact figure – minimum (currency)

Potential financial impact figure – maximum (currency)

Explanation of financial impact figure

Although the scale of the financial opportunity associated with the development and/or expansion of energy efficient and low emission goods and services is difficult to quantify, these products drive substantial new business to our company. In our most recently reported quarter, net sales were $368 million, a 19% increase compared to the prior year quarter and $50 million higher sequentially. The strength this quarter occurred in all four vertical markets with sales and automotive exceeding $160 million, a 16% increase year-over-year, and were 44% of our total company sales in the quarter.

Industrial vertical sales in our most recent quarter were up 22%, in part due to market demand for climate control products.

Cost to realize opportunity

0

Strategy to realize opportunity and explanation of cost calculation

Our business teams work with existing and new customers to identify opportunities to design and build more energy-efficient products. Our design engineers work with our customers to identify more energy-efficient product designs. There is zero cost to design and build more energy-efficient products over and above the normal costs of management and operation, thus our cost to realize this opportunity is zero.

Comment

Identifier

Opp2

Where in the value chain does the opportunity occur?

Direct operations

Opportunity type

Resource efficiency

Primary climate-related opportunity driver

Use of more efficient production and distribution processes

Primary potential financial impact

Reduced direct costs

Company-specific description

We have an opportunity to increase the efficiency of production and distribution processes at our owned and operated manufacturing locations through implementation of energy efficiency and low carbon initiatives. This opportunity is driven, in part, by our customers, who are increasingly setting supply chain sustainability targets and requesting that we improve our energy performance and water usage and lower our emissions, as well as increase purchases of renewable energy to power our facilities where such options are available. A majority of our scope 1 and 2 GHG emissions result from electricity purchases at our operated locations. We see this as an opportunity to reduce our operating costs. Through energy efficiency initiatives and renewable energy purchases, we can enhance our reputation, improve the resiliency of our operations and further develop relationships with key customers.

Time horizon

Short-term

Likelihood

Very likely

Magnitude of impact

Medium

Are you able to provide a potential financial impact figure?

Yes, a single figure estimate

Potential financial impact figure (currency)

112,766.85

Potential financial impact figure – minimum (currency)

Potential financial impact figure – maximum (currency)

Explanation of financial impact figure

Cost-savings achieved through implementation of energy efficiency initiatives in calendar year 2021 was approximately 887,928 KWH using a USD$0.127/KWH average, which is the potential financial impact figure.

Cost to realize opportunity

0

Strategy to realize opportunity and explanation of cost calculation

There is zero incremental cost to finding opportunities to use less energy above the normal costs of management and operation, thus our cost to realize this opportunity is zero.

Comment

Identifier

Opp3

Where in the value chain does the opportunity occur?

Downstream

Opportunity type

Markets

Primary climate-related opportunity driver

Access to new markets

Primary potential financial impact

Increased revenues through access to new and emerging markets

Company-specific description

According to the Ellen MacArthur Foundation, in Europe, India, and China, a circular economy could reduce GHG emissions between 22% to 44% by 2050 compared to the current development path in Europe, India, and China, when implemented in sectors such as environment, mobility, food, electronics, and textiles. Acknowledging the importance of circular economy solutions in climate change mitigation, KE works with our customers to help them reduce the CO2e impacts of their products and identify potential efficiencies in the design and manufacturing of those products. Development of new and expansion of existing low-carbon products and services will enable us to enter new markets and develop new business opportunities. In the past year, we partnered with our customers to avoid CO2 emissions by performing repairs and refurbishments that permit products to re-enter the stream of commerce instead of going to landfills.

Time horizon

Long-term

Likelihood

More likely than not

Magnitude of impact

Medium

Are you able to provide a potential financial impact figure?

Yes, a single figure estimate

Potential financial impact figure (currency)

25,000,000

Potential financial impact figure – minimum (currency)

Potential financial impact figure – maximum (currency)

Explanation of financial impact figure

The potential financial impact of the opportunity relates to the estimated new business associated with customers interested in leveraging our services to minimize embedded carbon in products and reduce supply chain emissions.

Cost to realize opportunity

0

Strategy to realize opportunity and explanation of cost calculation

There is zero incremental cost above the normal costs of management and operation to find opportunities to repair and refurbish products for our customers instead of disposing of them, thus our cost to realize this opportunity is zero.

Comment

C3. Business Strategy

C3.1

(C3.1) Does your organization's strategy include a transition plan that aligns with a 1.5°C world?

Row 1

Transition plan

No, but our strategy has been influenced by climate-related risks and opportunities, and we are developing a transition plan within two years

Explain why your organization does not have a transition plan that aligns with a 1.5°C world and any plans to develop one in the future

Kimball Electronics has been aware of environmental challenges to the world for many years. Our goal of net zero emissions by 2050 aligns with a 1.5°C world. We are focused on our individual locations in areas of increased recycling, better management of all our waste, decreasing VOCs and Greenhouse Gas emissions, and maintaining our ISO 14001 compliance. Kimball Electronics was one of the businesses that supports the Paris Accords. Our approach is driven by our commitment to reduce our GHG emissions to net zero by 2050. Our strategy includes investing in solutions to improve energy efficiency in our manufacturing operations, procuring electricity from renewable energy and/or certified zero carbon sources, and by working with our customers to design and build efficient, sustainable designs.

C3.2

(C3.2) Does your organization use climate-related scenario analysis to inform its strategy?

	Use of climate-related scenario analysis to inform strategy
Row 1	Yes, quantitative

C3.2a

(C3.2a) Provide details of your organization's use of climate-related scenario analysis.

Climate-related scenario	Scenario analysis coverage	Temperature alignment of scenario	Parameters, assumptions, analytical choices
Transition scenarios Customized publicly available	Other, please specify WRI Aqueduct Water Risk	1.5°C	In 2022, we conducted a preliminary water availability scenario analysis using WRI Aqueduct's Water Risk Assessment tool for all of our global sites to evaluate current and potential future water stress/availability in 2030 and 2040 under different climate and development

transition scenario	Atlas Version 3.0		scenarios. The scenarios included the "optimistic" scenario (SSP2 RCP4.5), the "business as usual" scenario (SSP2 RCP8.5), and the "pessimistic" scenario (SSP3 RCP8.5). The objective of the analysis is to identify regions where water stress may impact current and/or future site operations and to provide input for developing site specific water stewardship plans and management strategies to protect future site operations. We entered all of our global facilities into the WRI Aqueduct tool and analyzed the output report in the context of our global operations. Our assessment focused on identifying facilities at high risk of future baseline water stress. We selected the risk type “future water stress” and identified which sites fell under the categories of “High” and “Extremely High” to determine those that could be impacted so that we could align our medium- and long-term company-wide planning horizons with these risks in mind. The results of this scenario analysis show that our sites in in Mexico, Poland, and the U.S. may be at “High” or “Extremely High” baseline water stress in 2030 and 2040 under some or all scenarios. As our analysis is in the early stages, we are currently in the process of analyzing data and understanding what it means for our business. We will leverage results to inform our business strategy and objectives for risk mitigation based on our experience with currently vulnerable locations. This includes reporting the results to the Chief Legal & Compliance Officer and discussing with our teams during our ERM process. Our current annual ERM process flags key risks by region, impact, and likelihood, and prioritizes them for mitigation and considers input from compliance-area owners and management from across our business.

C3.2b

(C3.2b) Provide details of the focal questions your organization seeks to address by using climate-related scenario analysis, and summarize the results with respect to these questions.

Row 1

Focal questions

The model includes predictive scenarios to evaluate current and potential future water stress/availability in 2030 and 2040 under different climate and development scenarios as described below. • The "optimistic" scenario (SSP2 RCP4.5) represents a world with stable economic development and carbon emissions peaking and declining by 2040, with emissions constrained to stabilize at ~650 ppm CO2 and temperatures to 1.1–2.6°C by 2100. • The "business as usual" scenario (SSP2 RCP8.5) represents a world with stable economic development and steadily rising global carbon emissions, with CO2 concentrations reaching ~1370 ppm by 2100 and global mean temperatures increasing by 2.6–4.8°C relative to 1986–2005 levels. • The "pessimistic" scenario (SSP3 RCP8.5) represents a fragmented world with uneven economic development, higher population growth, lower GDP growth, and a lower rate of urbanization, all of which potentially affect water usage; and steadily rising global carbon emissions, with CO2 concentrations reaching ~1370 ppm by 2100 and global mean temperatures increasing by 2.6–4.8°C relative to 1986– 2005 levels. The objective of the analysis is to identify regions where water stress may impact current and/or future site operations (e.g. sufficient water availability, potential cost increases, etc.) and to provide input for developing site specific water stewardship plans and management strategies to protect future site operations.

Results of the climate-related scenario analysis with respect to the focal questions

As our analysis is in the early stages. We are currently in the process of analyzing data and understanding what it means for our business. We will leverage results to inform our business strategy and objectives for risk mitigation based on our experience with currently vulnerable locations. This includes reporting the results to the Chief Legal & Compliance Officer and discussing with our teams during our Enterprise Risk Management (ERM) process. Our current annual ERM process takes into account input from compliance-area owners and interviews with senior management from across our business. Key risks are flagged by region and prioritized for mitigation based on impact and likelihood. Our preliminary analysis of the water stress scenario analysis reinforces our decision to incorporate a goal to reduce our absolute water usage by 20% by 2025 and will inform our future goal setting processes. Our goals include reduction of water consumption and withdrawal by our facilities; promotion of water recycling and reuse at our facilities; promotion of wastewater treatment and freshwater conservation measures; and achievement of more efficient water management. The WRI Aqueduct Water Risk Atlas tool is also useful when screening greenfield locations for new production facility

investments to ensure adequate water supply will be available during the operating life of the facility. At this time, our preliminary analysis informed by our actual experiences at each of our global facilities, there is no significant water risk to our operations.

C3.3

(C3.3) Describe where and how climate-related risks and opportunities have influenced your strategy.

	Have climate-related risks and opportunities influenced your strategy in this area?	Description of influence
Products and services	Yes	Climate change can influence consumer behavior, as demonstrated by the opportunities creates by demand for energy-efficient and low-carbon products/services. As more customers increase their focus on climate change issues, demand for more energy-efficient products and services increases, such as electric vehicles and smart meters. We will continue partnering with existing and new customers to deliver more energy-efficient products. The rapid adoption of electric vehicles, the expansion of autonomous driving, and vehicles with increasing connectivity are opportunities where our chassis control expertise and core manufacturing competencies could align very well with the stringent production requirements of the automotive industry. Indeed, in FY2022, we reached an all-time high for the automotive vertical market that resulted from the ramp up of certain programs, including programs supporting fully electric vehicles. Longer term we continue to see growth opportunities in our industrial vertical as well as the importance of consumption, awareness and conservation of water, gas and electricity continues to increase globally.
Supply chain and/or value chain	Yes	We have identified short to medium-term potential risks to our supply/value chain due to operational disruptions caused by climate-related physical events. These climate-related impacts can disrupt our operations by impacting shipment & supply of materials, manufacturing, and timely delivery of our products and services, leading to potential financial & reputational impacts. Extreme weather events have information our business continuity planning. We maintain business recovery plans at each sites & appropriate insurance coverage across multiple carriers. Our sites are required to maintain ISO 14001 certification, to identify, address, mitigate, & control site-level risks.

		In addition, carbon pricing and/or renewable energy regulation are longer-term risks that could impact our supply & value chain with increased costs that could be passed through to us from our suppliers & that we may not be able to pass through fully to our customers. The number of KE customers considering sustainability-related information in their supply relationships (e.g. sustainability-oriented supplier performance reviews like EcoVadis, Assent, CDP Supply Chain Program, or sustainability characteristics of purchased products) is growing. Actions we currently take to meet customer expectations include progressing toward our environmental goals, engaging with customers and our upstream supply chain through various sustainability assessments, & helping our customers reduce their product footprints,& create products that deliver climate benefits and meet regulatory requirements. We have experienced shortages of raw materials & electronic components due to natural or environmental occurrences that impact our supply chain. Unanticipated component shortages could result in curtailed production or delays in production. Supply chain/value chain climate-related risks have influenced our supplier engagement strategy in the short- to medium-term. Examples include our adoption of a robust Code of Conduct and Supplier Quality Manual that requires our suppliers to measure and report certain aspects of their ESG performance, & our conduct of supplier audits and due diligence to increase our visibility into our key suppliers and provide recommendations on corrective actions to mitigate climate-related impacts. The time horizon associated with the strategy is short- to medium-term.
Investment in R&D	Yes	Our R&D investment strategy addresses medium to long term climate-related risks and opportunities through investments to manufacture products and design products and processes for our customers that are safer, cleaner, and more efficient. These investments help our consumers reduce both their GHG emissions and their overall environmental footprint. Our commitment to deliver manufacturing and design services to our customers that will help address climate-related impacts as part of our responsible growth business strategy and is expressed through our emissions reduction and other publicly disclosed environmental goals.

Operations	Yes	Extreme, climate-related weather events and increasing or decreasing temperatures could present potential short to medium-term risks to our operations, supply chain, and communities. These climate-related risks could impact our energy usage and increase operational costs or disrupt production capacity. We manage these risks through improved efficiencies in usage and through the addition of onsite power generation capabilities, where appropriate. Our company-wide strategic plan includes provisions for business continuity planning and emergency preparedness that detail actions to take in the event of severe weather to assist our manufacturing sites in preparing for and recovering from severe weather events. Our Corporate Emergency Response Team has been activated in recent years and functioned effectively to help minimize potential disruptions to operations, such as during extreme winter weather events in Mexico and Texas in the past year. Each of our facilities has also prepared site-specific business continuity plans and emergency preparedness plans designed to maximize the safety of employees, communities, the environment, and our physical assets and facilities. We also assess potential risks to operations from severe weather events in terms of potential capital and revenue losses from interruptions to ensure we have sufficient insurance coverages.

C3.4

(C3.4) Describe where and how climate-related risks and opportunities have influenced your financial planning.

	Financial planning elements that have been influenced	Description of influence
Row 1	Direct costs Indirect costs Capital expenditures Acquisitions and divestments Assets	Climate-related risks and opportunities are at the forefront of our financial planning and other decision-making processes to ensure that we can group our business sustainably in accordance with our Guiding Principles. We have set environmental and other sustainability goals in a way that integrates with our long-term corporate strategy called. For example, our financial planning process has integrated our business objectives with our ESG objectives, including our climate-based objectives. The increased desire for products that are sustainable may have a high impact on our revenues. For example, the rapid adoption of electric vehicles, the expansion of autonomous driving, and vehicles with increasing connectivity are opportunities where our chassis control expertise and core manufacturing competencies drove us to an all-time

		high for the automotive vertical market that resulted from the ramp up of certain programs, including programs supporting fully electric vehicles. Longer term we continue to see growth opportunities in our industrial vertical as well as the importance of consumption, awareness and conservation of water, gas and electricity continues to increase globally. We evaluate the revenue impact of these risks and opportunities on a project by project basis as part of our financial planning process for the medium and long term horizons. Climate-related impacts can also create revenue losses because of severe weather events that can impact our manufacturing operations. Losses could include business interruption as well as physical damage to facilities. These revenue and product related risks and opportunities are medium and there is potential for the revenue opportunities to be material. Extreme weather events and increasing or decreasing temperatures could result in indirect cost impacts if site energy or water usage increase, operational costs increase, or our production capacity is disrupted. This risk is being managed through improved efficiencies at our facilities and the addition of power generation capabilities, where appropriate. There are no material cost expenditures at this time, but there is a high likelihood of occurrence that is medium in terms of magnitude. Our financial planning process has integrated with our internal assessments of direct and indirect operating costs. We plan for the impact of obtaining sustainability sourced or certified compliant materials when we provide quotes to and suggest product improvements for our customers. We evaluate ways to deliver manufacturing services more efficiently and with less environmental impact, including in generating renewable energy. The risks, including financial risks, and the opportunities, including increased sales and reduced footprints, are accounted for in our short and medium-term strategic plans. Our financial planning process has integrated with our capital expenditures planning. We continue to purchase and replace manufacturing equipment to manufacture and process products for our customers that contributes to lower emissions and environmental impact. This creates a low to medium impact on our capital expenditures planning over the medium- to long-term. We anticipate increased capital spending on our facilities to reach our current and future environmental goals. Our current risk assessment process has not identified any current significant risks or opportunities related to access to capital or to our current assets and liabilities.

C4. Targets and performance

C4.1

(C4.1) Did you have an emissions target that was active in the reporting year?

Absolute target

Intensity target

C4.1a

(C4.1a) Provide details of your absolute emissions target(s) and progress made against those targets.

Target reference number

Abs 1

Year target was set

2019

Target coverage

Company-wide

Scope(s)

Scope 1

Scope 2

Scope 2 accounting method

Location-based

Scope 3 category(ies)

Base year

2019

Base year Scope 1 emissions covered by target (metric tons CO2e)

1,217.89

Base year Scope 2 emissions covered by target (metric tons CO2e)

50,247.76

Base year Scope 3 emissions covered by target (metric tons CO2e)

Total base year emissions covered by target in all selected Scopes (metric tons CO2e)

49,790.15

Base year Scope 1 emissions covered by target as % of total base year emissions in Scope 1

100

Base year Scope 2 emissions covered by target as % of total base year emissions in Scope 2

100

Base year Scope 3 emissions covered by target as % of total base year emissions in Scope 3 (in all Scope 3 categories)

Base year emissions covered by target in all selected Scopes as % of total base year emissions in all selected Scopes

100

Target year

2025

Targeted reduction from base year (%)

10

Total emissions in target year covered by target in all selected Scopes (metric tons CO2e) [auto-calculated]

44,811.135

Scope 1 emissions in reporting year covered by target (metric tons CO2e)

1,101.85

Scope 2 emissions in reporting year covered by target (metric tons CO2e)

41,342.58

Scope 3 emissions in reporting year covered by target (metric tons CO2e)

Total emissions in reporting year covered by target in all selected scopes (metric tons CO2e)

42,444.43

% of target achieved relative to base year [auto-calculated]

147.533598513

Target status in reporting year

Achieved

Is this a science-based target?

Yes, we consider this a science-based target, and we have committed to seek validation of this target by the Science Based Targets initiative in the next two years

Target ambition

1.5°C aligned

Please explain target coverage and identify any exclusions

In 2019, Kimball Electronics set company-wide goals to be achieve by the calendar year 2025. Our GHG reduction goal was 10% from our 2019 baseline by calendar year 2025. 2019 GHG emissions were 51,565.65 MT CO2e. In 2020 we further reduced these emissions to 49,790.15 MT CO2e. In 2021, our Scope 1 and 2 emissions were 42,444.43 despite increasing sales by 9.3% over that same time and doubling the size of our Thailand plant. As of 2021 we have reduced our GHG emissions by 17.6% compared to the 2019 emission baseline.

Plan for achieving target, and progress made to the end of the reporting year

List the emissions reduction initiatives which contributed most to achieving this target

In our Mexico and Thailand facilities, we introduced solar generation capabilities in 2021.

Target reference number

Abs 2

Year target was set

2019

Target coverage

Company-wide

Scope(s)

Scope 2

Scope 2 accounting method

Location-based

Scope 3 category(ies)

Base year

2019

Base year Scope 1 emissions covered by target (metric tons CO2e)

Base year Scope 2 emissions covered by target (metric tons CO2e)

50,347.76

Base year Scope 3 emissions covered by target (metric tons CO2e)

Total base year emissions covered by target in all selected Scopes (metric tons CO2e)

50,347.76

Base year Scope 1 emissions covered by target as % of total base year emissions in Scope 1

Base year Scope 2 emissions covered by target as % of total base year emissions in Scope 2

100

Base year Scope 3 emissions covered by target as % of total base year emissions in Scope 3 (in all Scope 3 categories)

Base year emissions covered by target in all selected Scopes as % of total base year emissions in all selected Scopes

100

Target year

2025

Targeted reduction from base year (%)

15

Total emissions in target year covered by target in all selected Scopes (metric tons CO2e) [auto-calculated]

42,795.596

Scope 1 emissions in reporting year covered by target (metric tons CO2e)

Scope 2 emissions in reporting year covered by target (metric tons CO2e)

100

Scope 3 emissions in reporting year covered by target (metric tons CO2e)

Total emissions in reporting year covered by target in all selected scopes (metric tons CO2e)

41,342.58

% of target achieved relative to base year [auto-calculated]

119.2397304931

Target status in reporting year

Underway

Is this a science-based target?

Yes, we consider this a science-based target, and we have committed to seek validation of this target by the Science Based Targets initiative in the next two years

Target ambition

1.5°C aligned

Please explain target coverage and identify any exclusions

In 2019, Kimball Electronics set company-wide goals to be achieved by the end of calendar year 2025. One of our goals is to reduce our absolute usage of electricity in KWH by 15% from our 2019 baseline.

In 2019 we used 65,084,563 KWH of electricity. In 2020, this was reduced to 63,020,939 KWH; a reduction of 3.17%. In 2021, we used 64,197,023 KWH, a reduction from the 2019 baseline of 1.36%, despite increasing sales by 9.3% over that same time and doubling the size of our Thailand plant.

Plan for achieving target, and progress made to the end of the reporting year

We continue to reduce the electrical use of some of our equipment when not in use. We continue to replace regular florescent light bulbs with LED bulbs. In Mexico and Thailand, we are introducing solar power generation to offset some of our electricity usage. As we replace older production lines, we add newer, more efficient equipment.

Our emission reduction initiatives are as follows:
• We introduced changes to the waste segregation system.
• We conducted internal audits of the environmental system.
• We conducted audits of 5S Practices covering waste segregation.
• We trained employees on segregation as part of 5S training.

List the emissions reduction initiatives which contributed most to achieving this target

Target reference number

Abs 3

Year target was set

2019

Target coverage

Company-wide

Scope(s)

Scope 2 accounting method

Scope 3 category(ies)

Base year

2019

Base year Scope 1 emissions covered by target (metric tons CO2e)

Base year Scope 2 emissions covered by target (metric tons CO2e)

Base year Scope 3 emissions covered by target (metric tons CO2e)

Total base year emissions covered by target in all selected Scopes (metric tons CO2e)

76.38

Base year Scope 1 emissions covered by target as % of total base year emissions in Scope 1

Base year Scope 2 emissions covered by target as % of total base year emissions in Scope 2

Base year Scope 3 emissions covered by target as % of total base year emissions in Scope 3 (in all Scope 3 categories)

Base year emissions covered by target in all selected Scopes as % of total base year emissions in all selected Scopes

100

Target year

2025

Targeted reduction from base year (%)

10

Total emissions in target year covered by target in all selected Scopes (metric tons CO2e) [auto-calculated]

68.742

Scope 1 emissions in reporting year covered by target (metric tons CO2e)

Scope 2 emissions in reporting year covered by target (metric tons CO2e)

Scope 3 emissions in reporting year covered by target (metric tons CO2e)

Total emissions in reporting year covered by target in all selected scopes (metric tons CO2e)

57.88

% of target achieved relative to base year [auto-calculated]

242.2100026185

Target status in reporting year

Underway

Is this a science-based target?

Yes, we consider this a science-based target, and we have committed to seek validation of this target by the Science Based Targets initiative in the next two years

Target ambition

1.5°C aligned

Please explain target coverage and identify any exclusions

In 2019, Kimball Electronics set company-wide goals to be achieved by the end of calendar year 2025. One of our goals is to reduce our Volatile Organic Compound (VOC) emissions in Kimball Electronics EMS and DCMS facilities (excluding our GES facilities) by 10% from our 2019 baseline. Our EMS and DCMS facilities combined represent the largest source of VOC emissions. In 2019, we had reported 76.38 tons of VOC emitted. In 2021 we reported 57.88 tons of VOC; a reduction from the 2019 baseline of 24.22%, despite increasing sales by 9.3% over that same time and doubling the size of our Thailand plant.

Plan for achieving target, and progress made to the end of the reporting year

We continue to evaluate the chemicals being used in our facilities and their effects upon the environment. Our aim is to meet the regulations in each country we work in while working to use these chemicals more efficiently and with less waste each year. We achieved our goal.

List the emissions reduction initiatives which contributed most to achieving this target

Target reference number

Abs 4

Year target was set

2021

Target coverage

Site/facility

Scope(s)

Scope 2

Scope 2 accounting method

Location-based

Scope 3 category(ies)

Base year

2020

Base year Scope 1 emissions covered by target (metric tons CO2e)

Base year Scope 2 emissions covered by target (metric tons CO2e)

9,625.53

Base year Scope 3 emissions covered by target (metric tons CO2e)

Total base year emissions covered by target in all selected Scopes (metric tons CO2e)

9,625.53

Base year Scope 1 emissions covered by target as % of total base year emissions in Scope 1

Base year Scope 2 emissions covered by target as % of total base year emissions in Scope 2

100

Base year Scope 3 emissions covered by target as % of total base year emissions in Scope 3 (in all Scope 3 categories)

Base year emissions covered by target in all selected Scopes as % of total base year emissions in all selected Scopes

100

Target year

2021

Targeted reduction from base year (%)

4

Total emissions in target year covered by target in all selected Scopes (metric tons CO2e) [auto-calculated]

9,240.5088

Scope 1 emissions in reporting year covered by target (metric tons CO2e)

Scope 2 emissions in reporting year covered by target (metric tons CO2e)

9,200.39

Scope 3 emissions in reporting year covered by target (metric tons CO2e)

Total emissions in reporting year covered by target in all selected scopes (metric tons CO2e)

9,200.39

% of target achieved relative to base year [auto-calculated]

110.4198937617

Target status in reporting year

Achieved

Is this a science-based target?

Yes, we consider this a science-based target, and the target is currently being reviewed by the Science Based Targets initiative

Target ambition

1.5°C aligned

Please explain target coverage and identify any exclusions

This project is in support of our goal to reduce our GHG emissions, company-wide, by 10% by the end of calendar year 2025.

In our Poland facility, we set a goal to reduce our Scope 2 emissions by 4% from 2020 to 2021. In 2020, we had 9,625.53 MT CO2e; and in 2021, we reduced emissions to 9,200.39 MT CO2e. This project was a success: we exceeded our target by 10.4%.

In addition to the emissions reduction, we reduced costs as well. Project costs were $3,707 USD. Our savings were $65,999 USD.

Plan for achieving target, and progress made to the end of the reporting year

List the emissions reduction initiatives which contributed most to achieving this target

This was achieved by the following:

 Modernization of lighting (using LED lighting in the production hall - approx. 900 light points)

 Ongoing optimization of compressor and air conditioning system,

 Changes in air conditioning systems use during plant shutdowns.

 Reduction of the air flow rate to the production hall

Target reference number
Abs 5

Year target was set
2021

Target coverage
Site/facility

Scope(s)
Scope 3

Scope 2 accounting method

Scope 3 category(ies)
Category 5: Waste generated in operations

Base year
2020

Base year Scope 1 emissions covered by target (metric tons CO2e)

Base year Scope 2 emissions covered by target (metric tons CO2e)

Base year Scope 3 emissions covered by target (metric tons CO2e)
204.45

Total base year emissions covered by target in all selected Scopes (metric tons CO2e)
204.45

Base year Scope 1 emissions covered by target as % of total base year emissions in Scope 1

Base year Scope 2 emissions covered by target as % of total base year emissions in Scope 2

Base year Scope 3 emissions covered by target as % of total base year emissions in Scope 3 (in all Scope 3 categories)
100

Base year emissions covered by target in all selected Scopes as % of total base year emissions in all selected Scopes

100

Target year

2021

Targeted reduction from base year (%)

10

Total emissions in target year covered by target in all selected Scopes (metric tons CO2e) [auto-calculated]

184.005

Scope 1 emissions in reporting year covered by target (metric tons CO2e)

Scope 2 emissions in reporting year covered by target (metric tons CO2e)

Scope 3 emissions in reporting year covered by target (metric tons CO2e)

216.43

Total emissions in reporting year covered by target in all selected scopes (metric tons CO2e)

216.43

% of target achieved relative to base year [auto-calculated]

-58.596233798

Target status in reporting year

Underway

Is this a science-based target?

Yes, we consider this a science-based target, and the target is currently being reviewed by the Science Based Targets initiative

Target ambition

1.5°C aligned

Please explain target coverage and identify any exclusions

This is a local project for our Poland (KEPS) facility. The SEA goal is to reduce the municipal waste that the facility generates by 10%. In 2020, our Poland facility generated 3.32 kg of municipal waste per employee; the goal for 2021 was 2.99 kg per employee. This project was a success: we exceeded our goal and reduced municipal waste generated to 2.48 kg per employee.

Plan for achieving target, and progress made to the end of the reporting year

We achieved our target. Please see the description of the progress/initiatives below.

List the emissions reduction initiatives which contributed most to achieving this target

C4.1b

(C4.1b) Provide details of your emissions intensity target(s) and progress made against those target(s).

Target reference number
Int 1

Year target was set
2021

Target coverage
Site/facility

Scope(s)
Scope 2

Scope 2 accounting method

Scope 3 category(ies)

Intensity metric
Metric tons CO2e per unit hour worked

Base year
2020

Intensity figure in base year for Scope 1 (metric tons CO2e per unit of activity)

Intensity figure in base year for Scope 2 (metric tons CO2e per unit of activity)
0.00428

Intensity figure in base year for Scope 3 (metric tons CO2e per unit of activity)

Intensity figure in base year for all selected Scopes (metric tons CO2e per unit of activity)
0.00428

% of total base year emissions in Scope 1 covered by this Scope 1 intensity figure

% of total base year emissions in Scope 2 covered by this Scope 2 intensity figure

100

% of total base year emissions in Scope 3 (in all Scope 3 categories) covered by this Scope 3 intensity figure

% of total base year emissions in all selected Scopes covered by this intensity figure

100

Target year

2021

Targeted reduction from base year (%)

3

Intensity figure in target year for all selected Scopes (metric tons CO2e per unit of activity) [auto-calculated]

0.0041516

% change anticipated in absolute Scope 1+2 emissions

3

% change anticipated in absolute Scope 3 emissions

0

Intensity figure in reporting year for Scope 1 (metric tons CO2e per unit of activity)

Intensity figure in reporting year for Scope 2 (metric tons CO2e per unit of activity)

0.00193

Intensity figure in reporting year for Scope 3 (metric tons CO2e per unit of activity)

Intensity figure in reporting year for all selected Scopes (metric tons CO2e per unit of activity)

0.00193

% of target achieved relative to base year [auto-calculated]

1,830.2180685358

Target status in reporting year

Achieved

Is this a science-based target?

Yes, we consider this a science-based target, and we have committed to seek validation of this target by the Science Based Targets initiative in the next two years

Target ambition

1.5°C aligned

Please explain target coverage and identify any exclusions

In 2019, Kimball Electronics set company-wide goals to be achieved by the end of calendar year 2025. Based on our 2019 emissions, our Greenhouse Gas reduction goal was 10% from our 2019 baseline. This project is in support of our goal to reduce our GHG emissions company-wide by 10% by the end of calendar year 2025.

This facility target is related to a Significant Environmental Aspect goal of our facility (KETA) in Tampa, Florida USA. Reducing plant-wide electrical consumption will benefit the environment by reducing air pollution (Green House Gas production), reducing water and land pollution from the process of generating electricity, reducing purchased energy, and improving overall quality of life.

In 2020, the facility emitted 1598.62 MT CO2e and worked 373,068 employee hours, a total of 0.00428 MT CO2e per employee hour worked . In 2021, the facility emitted 981.26 MT of CO2e and worked 506,249 employee hours, a total of 0.00193 MT CO2e per employee hour worked. This project was a success: the reduction represents 1,830% of our goal. Furthermore, despite increasing the number of hours worked by 35%, the Tampa facility's absolute emissions decreased substantially.

We achieved our target. Please see the description of the progress/initiatives below.

Plan for achieving target, and progress made to the end of the reporting year

List the emissions reduction initiatives which contributed most to achieving this target

1. Continue full plant multi-year migration to LED lighting, with completion expected in – 2022.
2. Replace 2 – 25 -Ton HVAC Roof-top Units with new, high efficiency units
3. Install plant-wide HVAC control system with thermostat scheduling and personnel monitoring to reduce usage

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Target reference number

Int 2

Year target was set

2021

Target coverage

Site/facility

Scope(s)

Scope 3

Scope 2 accounting method

Scope 3 category(ies)

Category 5: Waste generated in operations

Intensity metric

Metric tons CO2e per unit hour worked

Base year

2020

Intensity figure in base year for Scope 1 (metric tons CO2e per unit of activity)

Intensity figure in base year for Scope 2 (metric tons CO2e per unit of activity)

Intensity figure in base year for Scope 3 (metric tons CO2e per unit of activity)

0.0000922

Intensity figure in base year for all selected Scopes (metric tons CO2e per unit of activity)

0.0000922

% of total base year emissions in Scope 1 covered by this Scope 1 intensity figure

% of total base year emissions in Scope 2 covered by this Scope 2 intensity figure

% of total base year emissions in Scope 3 (in all Scope 3 categories) covered by this Scope 3 intensity figure

100

% of total base year emissions in all selected Scopes covered by this intensity figure

100

Target year

2021

Targeted reduction from base year (%)

3

Intensity figure in target year for all selected Scopes (metric tons CO2e per unit of activity) [auto-calculated]

0.000089434

% change anticipated in absolute Scope 1+2 emissions

0

% change anticipated in absolute Scope 3 emissions

3

Intensity figure in reporting year for Scope 1 (metric tons CO2e per unit of activity)

Intensity figure in reporting year for Scope 2 (metric tons CO2e per unit of activity)

Intensity figure in reporting year for Scope 3 (metric tons CO2e per unit of activity)

0.0000309

Intensity figure in reporting year for all selected Scopes (metric tons CO2e per unit of activity)

0.0000309

% of target achieved relative to base year [auto-calculated]

2,216.1966738973

Target status in reporting year

Expired

Is this a science-based target?

Yes, we consider this a science-based target, and we have committed to seek validation of this target by the Science Based Targets initiative in the next two years

Target ambition

1.5°C aligned

Please explain target coverage and identify any exclusions

This project is in support of our goal to reduce our GHG emissions company-wide by 10% by the end of calendar year 2025.This project is in support of our goal to reduce our GHG emissions company-wide by 10% by the end of calendar year 2025.

This is a Significant Environmental Aspect goal of our facility (KETA) in Tampa, Florida USA. This project target was to increase the amount of material that we recycle by 3%.

The numbers shown in MT CO2e are negative.

In 2020 we recycled 227,048 pounds of materials. With the amount sent for recycling and for reuse as a fuel, the facility saw a negative 34.43 MT CO2e. There were 373,068 employee hours; and a negative 0.0000922 MT CO2e per employee hour worked.

In 2021, we recycled 146,481 pounds of materials. With the amount sent for recycling and for reuse as a fuel, the facility saw a negative 19.55 MT CO2e. There were 506,249 employee hours; and this presents us with a negative 0.0000386 MT CO2e per employee hour worked. This is a 69% increase in MT CO2e per employee hour worked due to our recycling efforts.

Our emission reduction initiatives are:
1. Utilize a new vendor for recycling of white office paper.
2. Utilize a new vendor for reliable pickup of cardboard bales.
3. Previously, it was difficult to get bales picked up and sometimes they were disposed of in the regular waste. Cost of recycling was not beneficial to recycling vendors, so pickups were not always scheduled.
4. Utilize a local recycler to recycle scrap metal.
5. Continued recycling of electrical waste.

Plan for achieving target, and progress made to the end of the reporting year

List the emissions reduction initiatives which contributed most to achieving this target

Target reference number

Int 3

Year target was set

2021

Target coverage

Site/facility

Scope(s)

Scope 3

Scope 2 accounting method

Scope 3 category(ies)

Category 5: Waste generated in operations

Intensity metric

Metric tons CO2e per unit hour worked

Base year

2020

Intensity figure in base year for Scope 1 (metric tons CO2e per unit of activity)

Intensity figure in base year for Scope 2 (metric tons CO2e per unit of activity)

Intensity figure in base year for Scope 3 (metric tons CO2e per unit of activity)

341.52

Intensity figure in base year for all selected Scopes (metric tons CO2e per unit of activity)

341.52

% of total base year emissions in Scope 1 covered by this Scope 1 intensity figure

% of total base year emissions in Scope 2 covered by this Scope 2 intensity figure

% of total base year emissions in Scope 3 (in all Scope 3 categories) covered by this Scope 3 intensity figure

100

% of total base year emissions in all selected Scopes covered by this intensity figure

100

Target year

2021

Targeted reduction from base year (%)

0

Intensity figure in target year for all selected Scopes (metric tons CO2e per unit of activity) [auto-calculated]

341.52

% change anticipated in absolute Scope 1+2 emissions

0

% change anticipated in absolute Scope 3 emissions

0.5

Intensity figure in reporting year for Scope 1 (metric tons CO2e per unit of activity)

Intensity figure in reporting year for Scope 2 (metric tons CO2e per unit of activity)

Intensity figure in reporting year for Scope 3 (metric tons CO2e per unit of activity)

353.35

Intensity figure in reporting year for all selected Scopes (metric tons CO2e per unit of activity)

353.35

% of target achieved relative to base year [auto-calculated]

Target status in reporting year

Achieved

Is this a science-based target?

Yes, we consider this a science-based target, and we have committed to seek validation of this target by the Science Based Targets initiative in the next two years

Target ambition

1.5°C aligned

Please explain target coverage and identify any exclusions

This project is in support of our goal to reduce our GHG emissions company-wide by 10% by the end of calendar year 2025.This project is in support of our goal to reduce our GHG emissions company-wide by 10% by the end of calendar year 2025.

The figures shown above are NEGATIVE emission numbers.

This a Significant Environmental Aspect goal for our facility (KEJ) located in Jasper, Indiana USA. The goal was to increase the amount of material being recycled and not sent to the landfill by 0.5%. By improving the recycling percentage, we will decrease the volume of waste being placed in the landfill and avoid GHG emissions.

In 2020, we were able to recycle 1,657,760 pounds of material, or 91.8% of our waste. In 2021, we were able to recycle 1,914,669 pounds of material, or 92.3% of our waste and a 15.49% increase over 2020.

Accordingly, in 2020, we had negative 332.15 MT CO2e and 1,201,231 employee hours worked. In 2021 we had a negative 346.56 MT CO2e and 1,116,587 employee hours worked. For 2020, this equals emissions of negative 0.000276 MT CO2e per employee

hour worked, which we improved in 2021 to emissions of negative 0.000310 MT CO2e per employee hour worked.

Plan for achieving target, and progress made to the end of the reporting year

List the emissions reduction initiatives which contributed most to achieving this target

We added a baler for plastics which has been beneficial. In addition, we increased the use of returnable/reusable containers in the past 12 months. Our Program Managers, engineers, and other team members continue to work with the customers to use returnable/reusable containers if possible.

In addition we have continued the to provide recycling education for all employees

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Target reference number

Int 4

Year target was set

2021

Target coverage

Site/facility

Scope(s)

Scope 2

Scope 2 accounting method

Location-based

Scope 3 category(ies)

Intensity metric

Metric tons CO2e per unit hour worked

Base year

2020

Intensity figure in base year for Scope 1 (metric tons CO2e per unit of activity)

Intensity figure in base year for Scope 2 (metric tons CO2e per unit of activity)

7.79

Intensity figure in base year for Scope 3 (metric tons CO2e per unit of activity)

Intensity figure in base year for all selected Scopes (metric tons CO2e per unit of activity)

7.79

% of total base year emissions in Scope 1 covered by this Scope 1 intensity figure

% of total base year emissions in Scope 2 covered by this Scope 2 intensity figure

100

% of total base year emissions in Scope 3 (in all Scope 3 categories) covered by this Scope 3 intensity figure

% of total base year emissions in all selected Scopes covered by this intensity figure

100

Target year

2021

Targeted reduction from base year (%)

0.5

Intensity figure in target year for all selected Scopes (metric tons CO2e per unit of activity) [auto-calculated]

7.75105

% change anticipated in absolute Scope 1+2 emissions

0.5

% change anticipated in absolute Scope 3 emissions

0

Intensity figure in reporting year for Scope 1 (metric tons CO2e per unit of activity)

Intensity figure in reporting year for Scope 2 (metric tons CO2e per unit of activity)

7.6

Intensity figure in reporting year for Scope 3 (metric tons CO2e per unit of activity)

Intensity figure in reporting year for all selected Scopes (metric tons CO2e per unit of activity)

7.6

% of target achieved relative to base year [auto-calculated]

487.8048780488

Target status in reporting year

Achieved

Is this a science-based target?

Yes, we consider this a science-based target, and we have committed to seek validation of this target by the Science Based Targets initiative in the next two years

Target ambition

1.5°C aligned

Please explain target coverage and identify any exclusions

This project is in support of our goal to reduce our GHG emissions company-wide by 10% by the end of calendar year 2025.

This a Significant Environmental Aspect goal for our facility (KEJ) located in Jasper, Indiana USA. Our goal was to lower the monthly average of KWH per employee hour worked by 0.5% over 2020.

In 2020, we had 8,807.27 MT CO2e with 1,201,231 employee hours, or, 0.00733 MT CO2e per employee hour worked. In comparison to the results of 2021, we had 5,554.00 MT CO2e with 1,116,587employee hours, or, 0.00497 MT CO2e per employee hour worked. This project was successful.

Plan for achieving target, and progress made to the end of the reporting year

List the emissions reduction initiatives which contributed most to achieving this target

The consumption decrease was driven in large part by reducing energy use in office areas and conference rooms (aided by reduced use of office areas and conference rooms due to COVID-19), the installation of additional LED lighting, powering down electronic devices and equipment when possible, and installing additional automatic light switches.

Target reference number

Int 5

Year target was set

2021

Target coverage
Site/facility

Scope(s)
Scope 3

Scope 2 accounting method

Scope 3 category(ies)
Category 5: Waste generated in operations

Intensity metric
Other, please specify
Increase recycle weight measured in pounds

Base year
2020

Intensity figure in base year for Scope 1 (metric tons CO2e per unit of activity)

Intensity figure in base year for Scope 2 (metric tons CO2e per unit of activity)

Intensity figure in base year for Scope 3 (metric tons CO2e per unit of activity)
2,019,199

Intensity figure in base year for all selected Scopes (metric tons CO2e per unit of activity)
2,019,199

% of total base year emissions in Scope 1 covered by this Scope 1 intensity figure

% of total base year emissions in Scope 2 covered by this Scope 2 intensity figure

% of total base year emissions in Scope 3 (in all Scope 3 categories) covered by this Scope 3 intensity figure
100

% of total base year emissions in all selected Scopes covered by this intensity figure
100

Target year
2021

Targeted reduction from base year (%)

1.3

Intensity figure in target year for all selected Scopes (metric tons CO2e per unit of activity) [auto-calculated]

1,992,949.413

% change anticipated in absolute Scope 1+2 emissions

0

% change anticipated in absolute Scope 3 emissions

5

Intensity figure in reporting year for Scope 1 (metric tons CO2e per unit of activity)

Intensity figure in reporting year for Scope 2 (metric tons CO2e per unit of activity)

Intensity figure in reporting year for Scope 3 (metric tons CO2e per unit of activity)

2,698,492

Intensity figure in reporting year for all selected Scopes (metric tons CO2e per unit of activity)

2,698,492

% of target achieved relative to base year [auto-calculated]

-2,587.8235722337

Target status in reporting year

Achieved

Is this a science-based target?

Yes, we consider this a science-based target, and we have committed to seek validation of this target by the Science Based Targets initiative in the next two years

Target ambition

1.5°C aligned

Please explain target coverage and identify any exclusions

This project is in support of our goal to reduce our GHG emissions company-wide by 10% by the end of calendar year 2025.

The figures shown above are NEGATIVE emission numbers.

This a Significant Environmental Aspect goal for our facility (KEMX) located in Reynosa,

Mexico . The goal was to increase the amount of material being recycled and not sent to the landfill by 33% . By improving the recycling percentage, we will decrease the volume of waste being placed in the landfill and avoid GHG emissions.

In 2020, we recycled 2,019,199 pounds of waste materials. In 2021, we were able to recycle 2,698,492 pounds of materials, which exceeded our goal of 33%. In 2020 we had a negative 412.56 MT CO2e and 3,801,860 employee hours worked for an emissions impact of negative 0.0001085 MT CO2e per employee hour worked. In 2021, we had negative 471.18 MT CO2e and 4,208,305 employee hours worked for an emissions impact of negative 0.0001119 MTCO2e per employee hour worked.

This project was a success.

Plan for achieving target, and progress made to the end of the reporting year

List the emissions reduction initiatives which contributed most to achieving this target

We segregated and reclassified solid waste to avoid sending it to the landfill.
We trained our operators to avoid mix recycling solid waste in production lines.
We increased solid waste recycling material each month & reviewed trends.
We reviewed the solid waste sent to landfill to identify the opportunities for recycling.
We trained the operators in our production line about the correct solid recycling materials.

Target reference number

Int 6

Year target was set

2021

Target coverage

Site/facility

Scope(s)

Scope 2

Scope 2 accounting method

Location-based

Scope 3 category(ies)

Intensity metric

Metric tons CO2e per unit hour worked

Base year

2020

Intensity figure in base year for Scope 1 (metric tons CO2e per unit of activity)

Intensity figure in base year for Scope 2 (metric tons CO2e per unit of activity)

0.0023

Intensity figure in base year for Scope 3 (metric tons CO2e per unit of activity)

Intensity figure in base year for all selected Scopes (metric tons CO2e per unit of activity)

0.0023

% of total base year emissions in Scope 1 covered by this Scope 1 intensity figure

% of total base year emissions in Scope 2 covered by this Scope 2 intensity figure

100

% of total base year emissions in Scope 3 (in all Scope 3 categories) covered by this Scope 3 intensity figure

% of total base year emissions in all selected Scopes covered by this intensity figure

100

Target year

2021

Targeted reduction from base year (%)

1

Intensity figure in target year for all selected Scopes (metric tons CO2e per unit of activity) [auto-calculated]

0.002277

% change anticipated in absolute Scope 1+2 emissions

1

% change anticipated in absolute Scope 3 emissions

0

Intensity figure in reporting year for Scope 1 (metric tons CO2e per unit of activity)

Intensity figure in reporting year for Scope 2 (metric tons CO2e per unit of activity)

0.0019

Intensity figure in reporting year for Scope 3 (metric tons CO2e per unit of activity)

Intensity figure in reporting year for all selected Scopes (metric tons CO2e per unit of activity)

0.0019

% of target achieved relative to base year [auto-calculated]

1,739.1304347826

Target status in reporting year

Achieved

Is this a science-based target?

Yes, we consider this a science-based target, and we have committed to seek validation of this target by the Science Based Targets initiative in the next two years

Target ambition

1.5°C aligned

Please explain target coverage and identify any exclusions

This project is in support of our goal to reduce our GHG emissions company-wide by 10% by the end of calendar year 2025.

This a Significant Environmental Aspect goal for our facility (KEMX) located in Reynosa, Mexico. The goal was to decrease MT CO2e per employee hour worked by 1% from 2020 to 2021.

In 2020 we had 8,769.50 MT CO2e, and 3,801,860 employee hours worked, for an emissions impact of 0.002306 MT CO2e per employee hour worked. In 2021, we had 8,019.88 MT CO2e with 4,208,305 employee hours worked, for an emissions impact of 0.001905MT CO2e per employee hour worked. This is a decrease of 17.4%, and we reached our goal.

This phase of the project was successful.

Plan for achieving target, and progress made to the end of the reporting year

List the emissions reduction initiatives which contributed most to achieving this target

1. Consumer education about the impact of excessive energy use.
2. Replacement of new technology equipment for energy-efficient consumption in HVAC air conditioning areas.
3. Efficient HVAC temperature programming.

Target reference number

Int 7

Year target was set

2021

Target coverage

Site/facility

Scope(s)

Scope 2

Scope 2 accounting method

Location-based

Scope 3 category(ies)

Intensity metric

Metric tons CO2e per unit hour worked

Base year

2020

Intensity figure in base year for Scope 1 (metric tons CO2e per unit of activity)

Intensity figure in base year for Scope 2 (metric tons CO2e per unit of activity)

0.00316

Intensity figure in base year for Scope 3 (metric tons CO2e per unit of activity)

Intensity figure in base year for all selected Scopes (metric tons CO2e per unit of activity)

0.00316

% of total base year emissions in Scope 1 covered by this Scope 1 intensity figure

% of total base year emissions in Scope 2 covered by this Scope 2 intensity figure

100

% of total base year emissions in Scope 3 (in all Scope 3 categories) covered by this Scope 3 intensity figure

% of total base year emissions in all selected Scopes covered by this intensity figure

100

Target year

2021

Targeted reduction from base year (%)

1

Intensity figure in target year for all selected Scopes (metric tons CO2e per unit of activity) [auto-calculated]

0.0031284

% change anticipated in absolute Scope 1+2 emissions

1

% change anticipated in absolute Scope 3 emissions

0

Intensity figure in reporting year for Scope 1 (metric tons CO2e per unit of activity)

Intensity figure in reporting year for Scope 2 (metric tons CO2e per unit of activity)

0.00238

Intensity figure in reporting year for Scope 3 (metric tons CO2e per unit of activity)

Intensity figure in reporting year for all selected Scopes (metric tons CO2e per unit of activity)

0.00238

% of target achieved relative to base year [auto-calculated]

2,468.3544303798

Target status in reporting year

Achieved

Is this a science-based target?

Yes, we consider this a science-based target, and we have committed to seek validation of this target by the Science Based Targets initiative in the next two years

Target ambition

1.5°C aligned

Please explain target coverage and identify any exclusions

This project is in support of one of our company-wide 2025 goals to reduce our GHG emissions, company-wide, by 10%.

This a Significant Environmental Aspect goal for our facility (KETL) located in Thailand. The goal was to reduce our electrical usage per employee hour worked by 1% by evaluating our electrical usage in various areas of the plant.

In 2020, our emissions were 5,122.34 MT CO2e with 1,619,501 hours for 0.00316 MT CO2e emissions per employee hour worked. In 2021, we had 3,388.04 MT CO2e emissions with 1,423,548 employee hours; for an emissions impact of 0.00238 MT Co2e per employee hour worked. We did achieve our goal.

Notably, during the reporting year, we increased sales and doubled the size of the production facility by completing an expansion. Our production was also impacted by Coronavirus-related shutdowns in our supply chain and by industry-wide parts shortages.

Plan for achieving target, and progress made to the end of the reporting year

List the emissions reduction initiatives which contributed most to achieving this target

Changing 8 Metal Halide light bulbs (250 W street lighting) to LED bulbs; Adding solar powered lighting for the car and motorbike park; Installing occupancy sensors in the restrooms to automatically turn on and-off the lights; Re-arranging the lighting fixtures layout to optimize the lighting distribution for the entire 2nd production floor while complying with Thai Laws.

Target reference number

Int 8

Year target was set

2021

Target coverage

Site/facility

Scope(s)

Scope 2

Scope 2 accounting method

Scope 3 category(ies)

Intensity metric

Metric tons CO2e per unit hour worked

Base year

2020

Intensity figure in base year for Scope 1 (metric tons CO2e per unit of activity)

Intensity figure in base year for Scope 2 (metric tons CO2e per unit of activity)

0.000891

Intensity figure in base year for Scope 3 (metric tons CO2e per unit of activity)

Intensity figure in base year for all selected Scopes (metric tons CO2e per unit of activity)

0.000891

% of total base year emissions in Scope 1 covered by this Scope 1 intensity figure

% of total base year emissions in Scope 2 covered by this Scope 2 intensity figure

100

% of total base year emissions in Scope 3 (in all Scope 3 categories) covered by this Scope 3 intensity figure

% of total base year emissions in all selected Scopes covered by this intensity figure

100

Target year

2021

Targeted reduction from base year (%)

4

Intensity figure in target year for all selected Scopes (metric tons CO2e per unit of activity) [auto-calculated]

0.00085536

% change anticipated in absolute Scope 1+2 emissions

4

% change anticipated in absolute Scope 3 emissions

0

Intensity figure in reporting year for Scope 1 (metric tons CO2e per unit of activity)

Intensity figure in reporting year for Scope 2 (metric tons CO2e per unit of activity)

0.000619

Intensity figure in reporting year for Scope 3 (metric tons CO2e per unit of activity)

Intensity figure in reporting year for all selected Scopes (metric tons CO2e per unit of activity)

0.000619

% of target achieved relative to base year [auto-calculated]

763.1874298541

Target status in reporting year

Achieved

Is this a science-based target?

Yes, we consider this a science-based target, and we have committed to seek validation of this target by the Science Based Targets initiative in the next two years

Target ambition

1.5°C aligned

Please explain target coverage and identify any exclusions

This project is in support of our goal to reduce our GHG emissions company-wide by 10% by the end of calendar year 2025.

This a Significant Environmental Aspect goal for our facility (KEHQ) located in Jasper, Indiana USA. Our goal was to reduce the MT CO2e per employee hour worked by 4%.

In 2020, we emitted 333.40 MT CO2e with 373,797 employee hours worked, a total of 0.000891 MT CO2e per employee hour worked. In 2021, we emitted 249.62 MT CO2e, with 402,993 employee hours worked, a total of 0.000619 MT CO2e per employee hour worked. This is a 69.4% decrease, so we met our goal, despite having to run fans continuously for proper air turnover due to COVID-19 and having a greater percentage of employees working in the headquarters in 2021 compared to 2020.

Plan for achieving target, and progress made to the end of the reporting year

List the emissions reduction initiatives which contributed most to achieving this target

We have programmed and set the HVAC units to occupied and unoccupied times to save energy. We replaced fluorescent lights with LED' lights.

Target reference number

Int 9

Year target was set

2021

Target coverage

Site/facility

Scope(s)

Scope 3

Scope 2 accounting method

Scope 3 category(ies)

Category 5: Waste generated in operations

Intensity metric

Metric tons CO2e per unit hour worked

Base year

2020

Intensity figure in base year for Scope 1 (metric tons CO2e per unit of activity)

Intensity figure in base year for Scope 2 (metric tons CO2e per unit of activity)

Intensity figure in base year for Scope 3 (metric tons CO2e per unit of activity)

0.00000554

Intensity figure in base year for all selected Scopes (metric tons CO2e per unit of activity)

0.00000554

% of total base year emissions in Scope 1 covered by this Scope 1 intensity figure

% of total base year emissions in Scope 2 covered by this Scope 2 intensity figure

% of total base year emissions in Scope 3 (in all Scope 3 categories) covered by this Scope 3 intensity figure

100

% of total base year emissions in all selected Scopes covered by this intensity figure

100

Target year

2021

Targeted reduction from base year (%)

0

Intensity figure in target year for all selected Scopes (metric tons CO2e per unit of activity) [auto-calculated]

0.00000554

% change anticipated in absolute Scope 1+2 emissions

0

% change anticipated in absolute Scope 3 emissions

2.5

Intensity figure in reporting year for Scope 1 (metric tons CO2e per unit of activity)

Intensity figure in reporting year for Scope 2 (metric tons CO2e per unit of activity)

Intensity figure in reporting year for Scope 3 (metric tons CO2e per unit of activity)

0.00000792

Intensity figure in reporting year for all selected Scopes (metric tons CO2e per unit of activity)

0.00000792

% of target achieved relative to base year [auto-calculated]

Target status in reporting year

Achieved

Is this a science-based target?

Yes, we consider this a science-based target, and we have committed to seek validation of this target by the Science Based Targets initiative in the next two years

Target ambition

1.5°C aligned

Please explain target coverage and identify any exclusions

This project is in support of one of our company-wide 2025 goals to reduce our GHG emissions, company-wide, by 10%.

The figures shown above are NEGATIVE emission numbers.

This a Significant Environmental Aspect goal for our Headquarters facility located in Jasper, Indiana USA. The goal was to increase the amount of material being recycled and not sent to the landfill by 2.5% measured by MT CO2e per employee hour worked, while maintaining our goal of recycling 75% of our total waste at the facility. By improving the recycling percentage, we will decrease the volume of waste being placed in the landfill and avoid GHG emissions.

In 2020, we recycled 73.9% of the waste we generated, excluding a one-time recycling event described below. We had a negative 2.07 MT CO2e with 373,797 employee hours worked, a total of negative 0.00000554 MT CO2e per employee hour worked. In 2021, we recycled 83.3% of the waste we generated and had negative 3.19 MT CO2e with 402,993 employee hours worked, a total of of negative 0.00000792 MT CO2e per employee hour worked. We reached our goal.

We excluded a one-time recycling event from the base year of 2020. In 2020, we replaced and recycled a cooling tower at our headquarters facility. This unusual one-time recycling event added 10,952 pounds to our total recycled weight in 2020 (or negative 3.129MT CO2e. Because this was a one-time event, we excluded this weight from our calculations when comparing 2020 with 2021.

Plan for achieving target, and progress made to the end of the reporting year

List the emissions reduction initiatives which contributed most to achieving this target

During 2021, we

1) continued our recycling program at KEHQ and added the ability to recycle glass in 2021.

2) Pushed for more employee awareness and involvement and added a recycle from home program.

Target reference number

Int 10

Year target was set

2021

Target coverage

Site/facility

Scope(s)

Scope 2

Scope 2 accounting method

Scope 3 category(ies)

Intensity metric

Metric tons CO2e per unit hour worked

Base year

2020

Intensity figure in base year for Scope 1 (metric tons CO2e per unit of activity)

Intensity figure in base year for Scope 2 (metric tons CO2e per unit of activity)

0.00702

Intensity figure in base year for Scope 3 (metric tons CO2e per unit of activity)

Intensity figure in base year for all selected Scopes (metric tons CO2e per unit of activity)

0.00702

% of total base year emissions in Scope 1 covered by this Scope 1 intensity figure

% of total base year emissions in Scope 2 covered by this Scope 2 intensity figure

100

% of total base year emissions in Scope 3 (in all Scope 3 categories) covered by this Scope 3 intensity figure

% of total base year emissions in all selected Scopes covered by this intensity figure

100

Target year

2021

Targeted reduction from base year (%)

3

Intensity figure in target year for all selected Scopes (metric tons CO2e per unit of activity) [auto-calculated]

0.0068094

% change anticipated in absolute Scope 1+2 emissions

3

% change anticipated in absolute Scope 3 emissions

0

Intensity figure in reporting year for Scope 1 (metric tons CO2e per unit of activity)

Intensity figure in reporting year for Scope 2 (metric tons CO2e per unit of activity)

0.00635

Intensity figure in reporting year for Scope 3 (metric tons CO2e per unit of activity)

Intensity figure in reporting year for all selected Scopes (metric tons CO2e per unit of activity)

0.00635

% of target achieved relative to base year [auto-calculated]

318.138651472

Target status in reporting year

Achieved

Is this a science-based target?

Yes, we consider this a science-based target, and we have committed to seek validation of this target by the Science Based Targets initiative in the next two years

Target ambition

1.5°C aligned

Please explain target coverage and identify any exclusions

This project is in support of our goal to reduce our GHG emissions company-wide by 10% by the end of calendar year 2025.

This a Significant Environmental Aspect goal for our facility (KEIND) located in

Indianapolis, Indiana USA. We reviewed the entire electrical usage in the facility and set a goal of a 3% reduction in MT CO2e per employee hour worked.

In 2020, we had 2,619.17 MT CO2e emitted, with 373,068 employee hours worked, a total of 0.00702 MT CO2e per employee hour worked. In 2021, we had 2,112.71 MT CO2e emitted, with 332,606 employee hours worked, for a total of 0.00635 MT CO2e per employee hour worked. This is a 9.5% decrease so we met our goal

Plan for achieving target, and progress made to the end of the reporting year

List the emissions reduction initiatives which contributed most to achieving this target

In 2021 we did the following:
1. We removed about 40% of fluorescent lighting and incandescent bulbs and replaced them with LEDs
2. We placed motion sensors in about 40% of lighted areas to regulate energy usage.
3. Our electrical team promoted using energy saving new equipment for the facility.

Target reference number

Int 11

Year target was set

2021

Target coverage

Site/facility

Scope(s)

Scope 2

Scope 2 accounting method

Location-based

Scope 3 category(ies)

Intensity metric

Metric tons CO2e per unit hour worked

Base year

2020

Intensity figure in base year for Scope 1 (metric tons CO2e per unit of activity)

Intensity figure in base year for Scope 2 (metric tons CO2e per unit of activity)

0.00007

Intensity figure in base year for Scope 3 (metric tons CO2e per unit of activity)

Intensity figure in base year for all selected Scopes (metric tons CO2e per unit of activity)

0.00007

% of total base year emissions in Scope 1 covered by this Scope 1 intensity figure

% of total base year emissions in Scope 2 covered by this Scope 2 intensity figure

100

% of total base year emissions in Scope 3 (in all Scope 3 categories) covered by this Scope 3 intensity figure

% of total base year emissions in all selected Scopes covered by this intensity figure

100

Target year

2021

Targeted reduction from base year (%)

0

Intensity figure in target year for all selected Scopes (metric tons CO2e per unit of activity) [auto-calculated]

0.00007

% change anticipated in absolute Scope 1+2 emissions

1

% change anticipated in absolute Scope 3 emissions

0

Intensity figure in reporting year for Scope 1 (metric tons CO2e per unit of activity)

Intensity figure in reporting year for Scope 2 (metric tons CO2e per unit of activity)

0.000135

Intensity figure in reporting year for Scope 3 (metric tons CO2e per unit of activity)

Intensity figure in reporting year for all selected Scopes (metric tons CO2e per unit of activity)

0.000135

% of target achieved relative to base year [auto-calculated]

Target status in reporting year

Expired

Is this a science-based target?

Yes, we consider this a science-based target, and we have committed to seek validation of this target by the Science Based Targets initiative in the next two years

Target ambition

1.5°C aligned

Please explain target coverage and identify any exclusions

This project is in support of our goal to reduce our GHG emissions company-wide by 10% by the end of calendar year 2025.

Our goal was to examine entire electrical use in the facility with a goal of reducing electricity usage by 1.0% based on MT CO2e per employee hour worked.

In 2020, we emitted 30.94 MT CO2e , with 428,408 employee hours worked, a total 0.000072 MT CO2e per employee hour worked. In 2021, we emitted 66.0 MT CO2e , with 486,708 employee hours worked, a total of 0.000135 MT CO2e per employee hour worked. We did not meet our goal and plan to renew this target for 2022.

Our reduction initiatives which contributed most to achieving this target were:
• Train all employees to follow the rules for electrical usage in different situations, such as turning off lights, HVAC, and test equipment when not in use.
• Place posters to remind every employee to reduce electrical usage.
• Conduct team reviews to identify solutions to improve usage.

Plan for achieving target, and progress made to the end of the reporting year

List the emissions reduction initiatives which contributed most to achieving this target

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Target reference number

Int 12

Year target was set

2021

Target coverage

Site/facility

Scope(s)

Scope 2

Scope 2 accounting method

Location-based

Scope 3 category(ies)

Intensity metric

Metric tons CO2e per unit hour worked

Base year

2020

Intensity figure in base year for Scope 1 (metric tons CO2e per unit of activity)

Intensity figure in base year for Scope 2 (metric tons CO2e per unit of activity)

0.00184

Intensity figure in base year for Scope 3 (metric tons CO2e per unit of activity)

Intensity figure in base year for all selected Scopes (metric tons CO2e per unit of activity)

0.00184

% of total base year emissions in Scope 1 covered by this Scope 1 intensity figure

% of total base year emissions in Scope 2 covered by this Scope 2 intensity figure

100

% of total base year emissions in Scope 3 (in all Scope 3 categories) covered by this Scope 3 intensity figure

% of total base year emissions in all selected Scopes covered by this intensity figure

100

Target year

2021

Targeted reduction from base year (%)

1

Intensity figure in target year for all selected Scopes (metric tons CO2e per unit of activity) [auto-calculated]

0.0018216

% change anticipated in absolute Scope 1+2 emissions

1

% change anticipated in absolute Scope 3 emissions

0

Intensity figure in reporting year for Scope 1 (metric tons CO2e per unit of activity)

Intensity figure in reporting year for Scope 2 (metric tons CO2e per unit of activity)

0.0014

Intensity figure in reporting year for Scope 3 (metric tons CO2e per unit of activity)

Intensity figure in reporting year for all selected Scopes (metric tons CO2e per unit of activity)

0.0014

% of target achieved relative to base year [auto-calculated]

2,391.3043478261

Target status in reporting year

Achieved

Is this a science-based target?

Yes, we consider this a science-based target, and we have committed to seek validation of this target by the Science Based Targets initiative in the next two years

Target ambition

1.5°C aligned

Please explain target coverage and identify any exclusions

This project is in support of our goal to reduce our GHG emissions company-wide by 10% by the end of calendar year 2025.

This a Significant Environmental Aspect goal for our facility (KERO) located in Romania.

Our goal was to examine electrical use in the facility and reduce MT CO2e emissions per employee hour worked by 1%.

In 2020, we emitted 1,453.68 MT CO2e , with 787,950 employee hours worked, a total 0.00184 MT CO2e per employee hour worked. In 2021, we emitted 1012.19 MT CO2e, with 718,560 employee hours worked, a total of 0.00140 MT CO2e per employee hour worked. This is a 31.14% decrease. We met our goal. Notably, we achieved ISO 50001 certification and met our goal despite COVID-19 and supply chain related disruptions to our production schedules.

Plan for achieving target, and progress made to the end of the reporting year

List the emissions reduction initiatives which contributed most to achieving this target

In 2021, we achieved the EN ISO 50001: 2018 certification for our energy management systems and developed a formal energy policy, that establishes objectives, procedures, and an energy monitoring plan. We have an Energy Team from Kimball Electronics Romania that is composed of 11 members directly involved in identifying all energy sources and uses (consumers) for direct (e.g.: production equipment) and indirect (e.g. heating/ cooling system, HVAC, lighting, ventilation, office equipment) purposes.

Target reference number

Int 13

Year target was set

2021

Target coverage

Site/facility

Scope(s)

Scope 1

Scope 2 accounting method

Scope 3 category(ies)

Intensity metric

Metric tons CO2e per megawatt hour (MWh)

Base year

2020

Intensity figure in base year for Scope 1 (metric tons CO2e per unit of activity)

0.13037

Intensity figure in base year for Scope 2 (metric tons CO2e per unit of activity)

Intensity figure in base year for Scope 3 (metric tons CO2e per unit of activity)

Intensity figure in base year for all selected Scopes (metric tons CO2e per unit of activity)

0.13037

% of total base year emissions in Scope 1 covered by this Scope 1 intensity figure

100

% of total base year emissions in Scope 2 covered by this Scope 2 intensity figure

% of total base year emissions in Scope 3 (in all Scope 3 categories) covered by this Scope 3 intensity figure

% of total base year emissions in all selected Scopes covered by this intensity figure

100

Target year

2021

Targeted reduction from base year (%)

1

Intensity figure in target year for all selected Scopes (metric tons CO2e per unit of activity) [auto-calculated]

0.1290663

% change anticipated in absolute Scope 1+2 emissions

1

% change anticipated in absolute Scope 3 emissions

0

Intensity figure in reporting year for Scope 1 (metric tons CO2e per unit of activity)

0.13038

Intensity figure in reporting year for Scope 2 (metric tons CO2e per unit of activity)

Intensity figure in reporting year for Scope 3 (metric tons CO2e per unit of activity)

Intensity figure in reporting year for all selected Scopes (metric tons CO2e per unit of activity)

0.13038

% of target achieved relative to base year [auto-calculated]

-0.7670476337

Target status in reporting year

Expired

Is this a science-based target?

Yes, we consider this a science-based target, and we have committed to seek validation of this target by the Science Based Targets initiative in the next two years

Target ambition

1.5°C aligned

Please explain target coverage and identify any exclusions

This project is in support of our goal to reduce our GHG emissions company-wide by 10% by the end of calendar year 2025.

This a Significant Environmental Aspect goal for our facility located in Romania. Our goal was to examine natural gas use in the facility and reduce emissions of metric tons CO2e per megawatt hour (MWh) by 1% over 2020..

We received the EN 50001: 2018 certification for our energy management systems. This allows the development of an energy policy, that establishes objectives, procedures and an energy monitoring plan. We have an Energy Team from Kimball Electronics Romania that is composed of 11 members directly involved in Identifying of all energy sources and uses (consumers) for direct (e.g.: production equipment) and indirect (e.g. heating/ cooling system, HVAC, lighting, ventilation, office equipment) purposes. Our team has worked to Identify of all gas consumers in the facility, implemented the installation of gas consumption monitoring systems, and have increased the permissible humidity range (setpoint 55%).

In 2020, we emitted 87.32 MT CO2e , with 669.74 MWH, a total of 0.13037 MT CO2e per MWH. In 2021, we emitted 82.71 MT CO2e, with 634.37 MWH, a total of 0.13038 MT CO2e per MWH. We did not achieve our goal. We believe that COVID-19 and supply chain related disruptions to our production schedules impacted our ability to meet this goal, and we plan to renew it in 2022.

In 2021, we achieved the ISO 50001: 2018 re-certification for our energy management

systems and developed a formal energy policy that establishes objectives, procedures, and an energy monitoring plan. We have an Energy Team from Kimball Electronics Romania that is composed of 11 members directly involved in identifying all energy sources and uses (consumers) for direct (e.g.: production equipment) and indirect (e.g. heating/ cooling system, HVAC, lighting, ventilation, office equipment) purposes. Our team has worked to identify of all gas consumers in the facility, implemented the installation of gas consumption monitoring systems, and increased the permissible humidity range (setpoint 55%).

Plan for achieving target, and progress made to the end of the reporting year

List the emissions reduction initiatives which contributed most to achieving this target

C4.2

(C4.2) Did you have any other climate-related targets that were active in the reporting year?

Other climate-related target(s)

C4.2b

(C4.2b) Provide details of any other climate-related targets, including methane reduction targets.

Target reference number

Oth 1

Year target was set

2021

Target coverage

Site/facility

Target type: absolute or intensity

Intensity

Target type: category & Metric (target numerator if reporting an intensity target)

Waste management

Other, please specify

Reduction of hazardous waste

Target denominator (intensity targets only)

Other, please specify

pounds of hazardous waste to reduce VOC emissions

Base year

2020

Figure or percentage in base year

62,728

Target year

2021

Figure or percentage in target year

10

Figure or percentage in reporting year

52,412

% of target achieved relative to base year [auto-calculated]

16.4482285787

Target status in reporting year

Achieved

Is this target part of an emissions target?

This project is one of the Significant Environmental Aspect programs in our Mexico facility. In it, we are working to reduce the amount of hazardous materials (based on Mexican regulations) and in doing so, reduce the VOC emissions that we are responsible for in our documenting process.

Is this target part of an overarching initiative?

Other, please specify

Reduce the volatile organic compound emissions.

Please explain target coverage and identify any exclusions

We (Kimball Electronics, Inc.) are committed to continued excellence, leadership, and stewardship when it comes to protecting the environment and promoting the health and safety of our employees and members of our communities. In doing so, in 2021, we established goals for us to show our commitment as a complete company.

Our overall company-wide goal is to reduce our GHG emissions 10% by 2025. Our base year is 2019. The first year of our challenge is 2020. A second goal the company has is to reduce our air emissions (VOC) by 10% by the end of 2025.

This particular project is one of the Significant Environmental Aspect programs in our Mexico facility. The facility optimized the use of chemical materials that generate hazardous waste in potting dispensing processes and in conformal coating; installation

of equipment with new technology (evaporator) in their process of washing carriers which reduces the generation of contaminated water; and optimized the use of industrial rag and absorbent grey mats in the process of preventive maintenance to our production equipment.

In 2020, we had 62,728 pounds of hazardous waste. In 2021, our hazardous waste was 52,412 pounds. this is a reduction of 16%.

In 2020 we had 30.72 tons of VOC while, in 2021, we had 27.57 tons of VOC. This is a reduction of 10.2%.

We had a successful project in 2021 and will continue it into 2022.

Plan for achieving target, and progress made to the end of the reporting year

List the actions which contributed most to achieving this target

Reviewed the top five (5) hazardous waste materials in KEMX and work to reduce the use of these materials. Also, work to reduce contaminated clots for maintenance.

Target reference number

Oth 2

Year target was set

2021

Target coverage

Site/facility

Target type: absolute or intensity

Intensity

Target type: category & Metric (target numerator if reporting an intensity target)

Waste management

Percentage of total waste generated that is recycled

Target denominator (intensity targets only)

Other, please specify

percent recycled

Base year

2020

Figure or percentage in base year

81.6

Target year

2021

Figure or percentage in target year

89.6

Figure or percentage in reporting year

89.6

% of target achieved relative to base year [auto-calculated]

100

Target status in reporting year

Achieved

Is this target part of an emissions target?

This is part of our Scope 3 emission reduction. The facility underwent a major change in the production processes and that eliminated a metal works operation. This resulted in a substantial reduction in our total material waste weight, so we could not conduct an MT CO2 comparison between these two years.

Is this target part of an overarching initiative?

Science Based targets initiative - other

Please explain target coverage and identify any exclusions

In 2020, we had recycled 512,141 pounds of material and had an 81.6% recycling rate.
In 2021, we had recycled 330,553 pounds of material and had an 89.6% recycling rate.

Plan for achieving target, and progress made to the end of the reporting year

List the actions which contributed most to achieving this target

a. Excess materials from the plastic runners in our injection molding department were recycled and not discarded.
b. Our tooling department reused scrap steel inserts instead of discarding them, which both reduced waste and costs.
c. We recycled or reused all of our cardboard containers from shipping and receiving products.
d. We increased the use of our in-house recycle bins to separate the different types of recyclable materials.

C4.3

(C4.3) Did you have emissions reduction initiatives that were active within the reporting year? Note that this can include those in the planning and/or implementation phases.

Yes

C4.3a

(C4.3a) Identify the total number of initiatives at each stage of development, and for those in the implementation stages, the estimated CO2e savings.

	Number of initiatives	Total estimated annual CO2e savings in metric tonnes CO2e (only for rows marked *)
Under investigation		
To be implemented*		
Implementation commenced*	20	7,000
Implemented*		
Not to be implemented		

C4.3b

(C4.3b) Provide details on the initiatives implemented in the reporting year in the table below.

Initiative category & Initiative type

Energy efficiency in production processes
Electrification

Estimated annual CO2e savings (metric tonnes CO2e)

6,900

Scope(s) or Scope 3 category(ies) where emissions savings occur

Scope 2 (location-based)

Voluntary/Mandatory

Voluntary

Annual monetary savings (unit currency – as specified in C0.4)

1,000,000

Investment required (unit currency – as specified in C0.4)

500,000

Payback period

1-3 years

Estimated lifetime of the initiative

3-5 years

Comment

Cost of new machinery versus the savings we feel could be achieved.

Initiative category & Initiative type

Waste reduction and material circularity

Waste reduction

Estimated annual CO2e savings (metric tonnes CO2e)

45

Scope(s) or Scope 3 category(ies) where emissions savings occur

Scope 3 category 5: Waste generated in operations

Voluntary/Mandatory

Voluntary

Annual monetary savings (unit currency – as specified in C0.4)

300,000

Investment required (unit currency – as specified in C0.4)

120,000

Payback period

1-3 years

Estimated lifetime of the initiative

3-5 years

Comment

Cost to increase transportation of our additional recycle initiatives.

Initiative category & Initiative type

Energy efficiency in buildings

Building Energy Management Systems (BEMS)

Estimated annual CO2e savings (metric tonnes CO2e)

23

Scope(s) or Scope 3 category(ies) where emissions savings occur

Scope 1

Voluntary/Mandatory

Voluntary

Annual monetary savings (unit currency – as specified in C0.4)

300,000

Investment required (unit currency – as specified in C0.4)

150,000

Payback period

1-3 years

Estimated lifetime of the initiative

3-5 years

Comment

C4.3c

(C4.3c) What methods do you use to drive investment in emissions reduction activities?

Method	Comment
Compliance with regulatory requirements/standards	Kimball Electronics will work to maintain compliance with all local and national requirements and standards. All of our manufacturing facilities are ISO 14001 registered.
Internal finance mechanisms	Kimball Electronics Inc. utilizes an internal finance mechanism called a "4-Block". The 4-Block encompasses the following areas: Investment/Expense Overview, Program Overview, Project Milestones (Critical Path), and Financial Benefits. The 4-Block process includes consideration of the impact on emissions and we dedicate material portions of our capital expenditure budget to energy and water efficiency projects.
Employee engagement	Various methods of employee engagement are utilized at our facilities. These may include: Employee Training and Education, Employee participation on Improvement Teams, Active Employee Suggestion Processes, Active Involvement of Employees within the Significant Environmental Aspect Programs, Communication of project progress Information to all Employees, Recognition and other Reward Activities for Employee Participation.
Internal incentives/recognition programs	Successful Significant Environmental Aspect programs may result in various incentive, recognition events, or activities. These may include publication of articles in local or intercompany newsletters and/or community papers. It also may include incentive items that are distributed to program teams, or to all employees of a facility. Additionally, we created an annual Safety, Environmental, and Facility award for the facility that has accomplished the most in these fields. The facility is honored at a company -wide meeting that celebrates the facility's employees. The SEF award and is considered a high honor within Kimball Electronics.

C4.5

(C4.5) Do you classify any of your existing goods and/or services as low-carbon products?

No

C5. Emissions methodology

C5.1

(C5.1) Is this your first year of reporting emissions data to CDP?

No

C5.1a

(C5.1a) Has your organization undergone any structural changes in the reporting year, or are any previous structural changes being accounted for in this disclosure of emissions data?

Row 1

Has there been a structural change?

No

C5.1b

(C5.1b) Has your emissions accounting methodology, boundary, and/or reporting year definition changed in the reporting year?

	Change(s) in methodology, boundary, and/or reporting year definition?
Row 1	No

C5.2

(C5.2) Provide your base year and base year emissions.

Scope 1

Base year start

January 1, 2020

Base year end

December 31, 2020

Base year emissions (metric tons CO2e)

1,122.68

Comment

Our Scope 1 GHG numbers are from our use of natural gas, mobile propane, and fugitive emissions.

Scope 2 (location-based)

Base year start

January 1, 2020

Base year end

December 31, 2020

Base year emissions (metric tons CO2e)

48,667.47

Comment

Our Scope 2 GHG numbers are from our electrical usage and purchased steam usage.

Scope 2 (market-based)

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

Not applicable

Scope 3 category 1: Purchased goods and services

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

Scope 3 category 2: Capital goods

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

Scope 3 category 3: Fuel-and-energy-related activities (not included in Scope 1 or 2)

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

Scope 3 category 4: Upstream transportation and distribution

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

Scope 3 category 5: Waste generated in operations

Base year start
January 1, 2020

Base year end
December 31, 2020

Base year emissions (metric tons CO2e)
1,413.7

Comment
This is a negative number for our waste going to landfills and recycled materials.

Scope 3 category 6: Business travel

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

Scope 3 category 7: Employee commuting

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

Scope 3 category 8: Upstream leased assets

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

Scope 3 category 9: Downstream transportation and distribution

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

Scope 3 category 10: Processing of sold products

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

Scope 3 category 11: Use of sold products

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

Scope 3 category 12: End of life treatment of sold products

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

Scope 3 category 13: Downstream leased assets

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

Scope 3 category 14: Franchises

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

Scope 3 category 15: Investments

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

Scope 3: Other (upstream)

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

Scope 3: Other (downstream)

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

C5.3

(C5.3) Select the name of the standard, protocol, or methodology you have used to collect activity data and calculate emissions.

The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition)
The Greenhouse Gas Protocol: Scope 2 Guidance

C6. Emissions data

C6.1

(C6.1) What were your organization's gross global Scope 1 emissions in metric tons CO2e?

Reporting year

Gross global Scope 1 emissions (metric tons CO2e)
1,101.85

Start date
January 1, 2021

End date
December 31, 2021

Comment
This includes our natural gas and propane usage. A decrease from 2020.

Past year 1

Gross global Scope 1 emissions (metric tons CO2e)
1,122.68

Start date
January 1, 2020

End date
December 31, 2020

Comment

This includes our natural gas and propane usage.

C6.2

(C6.2) Describe your organization's approach to reporting Scope 2 emissions.

Row 1

Scope 2, location-based

We are reporting a Scope 2, location-based figure

Scope 2, market-based

We have operations where we are able to access electricity supplier emission factors or residual emissions factors, but are unable to report a Scope 2, market-based figure

Comment

Our Scope 2 emissions come from our purchase of electrical power and steam at our various facilities.

C6.3

(C6.3) What were your organization's gross global Scope 2 emissions in metric tons CO2e?

Reporting year

Scope 2, location-based

41,342.58

Start date

January 1, 2021

End date

December 31, 2021

Comment

Our Scope 2 emissions come from our purchase of electrical power and steam at our various facilities. This was a decrease of 15.05% from 2020 emissions.

Past year 1

Scope 2, location-based

48,667.47

Start date

January 1, 2020

End date

December 31, 2020

Comment

Our Scope 2 emissions come from our purchase of electrical power and steam at our various facilities.

C6.4

(C6.4) Are there any sources (e.g. facilities, specific GHGs, activities, geographies, etc.) of Scope 1 and Scope 2 emissions that are within your selected reporting boundary which are not included in your disclosure?

No

C6.5

(C6.5) Account for your organization's gross global Scope 3 emissions, disclosing and explaining any exclusions.

Purchased goods and services

Evaluation status

Relevant, not yet calculated

Please explain

We are in the process of creating an estimate of purchased goods and services cradle-to-gate emissions by categorizing our total spend data into sector categories. We will multiply the spend in each category by sector-specific emission factors (kg CO2e per 2018 US dollar) from the U.S. EPA Supply Chain GHG Emission Factors for US Industries and Commodities (US EEIO).

Capital goods

Evaluation status

Relevant, not yet calculated

Please explain

We are in the process of creating an estimate of purchased goods and services cradle-to-gate emissions by categorizing our total spend data into sector categories. We will multiply the spend in each category by sector-specific emission factors (kg CO2e per 2018 US dollar) from the U.S. EPA Supply Chain GHG Emission Factors for US Industries and Commodities (US EEIO).

Fuel-and-energy-related activities (not included in Scope 1 or 2)

Evaluation status

Relevant, not yet calculated

Please explain

We are developing processes for data collection and analysis.

Upstream transportation and distribution

Evaluation status

Relevant, not yet calculated

Please explain

We are developing processes for data collection and analysis.

Waste generated in operations

Evaluation status

Relevant, calculated

Emissions in reporting year (metric tons CO2e)

1,369.34

Emissions calculation methodology

Waste-type-specific method

Percentage of emissions calculated using data obtained from suppliers or value chain partners

100

Please explain

Emissions in this category include those that result from landfilling, recycling, and composting of waste from our facilities. We collect data regarding the amount, type, and disposal method of waste from SEF managers at each of our facilities. We calculate emissions from waste using methodologies and emission factors from the EPA's Waste Reduction Model (WARM).

Business travel

Evaluation status

Relevant, not yet calculated

Please explain

Business travel emissions include air travel, rail travel, rental cars, and hotel stays. We are in the process of obtaining information on air and rail travel from our travel agency and rental car activity data from rental car providers so that we can complete our calculations. We will calculate estimated emissions based on the activity data and emission factors from the Guidelines to DEFRA / DECC's GHG Conversion Factor for Company Reporting, Climate Leaders Mobile Source Guidance, Climate Leaders Business Travel and Commuting Guidance, and EPA Emission Factor for Greenhouse Gas Inventories.

Employee commuting

Evaluation status

Relevant, not yet calculated

Please explain

We are developing processes for data collection and analysis.

Upstream leased assets

Evaluation status

Not relevant, explanation provided

Please explain

Under the operational control approach which we use to define our inventory boundary, emissions from upstream leased assets would be included in our Scope 1 and Scope 2 emissions, therefore upstream leased assets would not be relevant (e.g. immaterial) to our estimated Scope 3 GHG emissions.

Downstream transportation and distribution

Evaluation status

Relevant, not yet calculated

Please explain

We are developing processes for data collection and analysis.

Processing of sold products

Evaluation status

Relevant, not yet calculated

Please explain

We ship our finished products to the companies that contracted us to build them per their instructions. At this time, the only Scope 3 emissions are the waste we send to the appropriate landfills and the emissions from our recycling of waste materials from our operations. We report that 0% of our emissions are calculated using actual data from suppliers/value chain.

Use of sold products

Evaluation status

Relevant, not yet calculated

Please explain

We do not have primary data on the processing of our sold products because we make intermediate products for our customers, not finished products that we place on the market.

End of life treatment of sold products

Evaluation status

Relevant, not yet calculated

Please explain

We do not have primary data on the processing of our sold products because we make intermediate products for our customers, not finished products that we place on the market.

Downstream leased assets

Evaluation status

Relevant, not yet calculated

Please explain

We are developing processes for data collection and analysis for the two locations where we have leased assets to others to confirm, but we do not anticipate that any such emissions would be relevant (e.g. material) to our estimated Scope 3 GHG emissions.

Franchises

Evaluation status

Not relevant, explanation provided

Please explain

We have no franchises; therefore, emissions from franchises are not relevant for us and constitute 0% of our Scope 3 emissions

Investments

Evaluation status

Not relevant, explanation provided

Please explain

We do not have investments in investee companies; therefore, emissions from investments are not relevant for us and constitute 0% of our Scope 3 emissions.

Other (upstream)

Evaluation status

Not evaluated

Please explain

Not applicable.

Other (downstream)

Evaluation status

Not evaluated

Please explain

Not applicable.

C6.5a

(C6.5a) Disclose or restate your Scope 3 emissions data for previous years.

Past year 1

Start date

January 1, 2020

End date

December 31, 2020

Scope 3: Purchased goods and services (metric tons CO2e)

0

Scope 3: Capital goods (metric tons CO2e)

0

Scope 3: Fuel and energy-related activities (not included in Scopes 1 or 2) (metric tons CO2e)

0

Scope 3: Upstream transportation and distribution (metric tons CO2e)

0

Scope 3: Waste generated in operations (metric tons CO2e)

1,413.7

Scope 3: Business travel (metric tons CO2e)

0

Scope 3: Employee commuting (metric tons CO2e)

0

Scope 3: Upstream leased assets (metric tons CO2e)

0

Scope 3: Downstream transportation and distribution (metric tons CO2e)

0

Scope 3: Processing of sold products (metric tons CO2e)

0

Scope 3: Use of sold products (metric tons CO2e)

0

Scope 3: End of life treatment of sold products (metric tons CO2e)

0

Scope 3: Downstream leased assets (metric tons CO2e)

0

Scope 3: Franchises (metric tons CO2e)

0

Scope 3: Investments (metric tons CO2e)

0

Scope 3: Other (upstream) (metric tons CO2e)

0

Scope 3: Other (downstream) (metric tons CO2e)

0

Comment

At this time, the only Scope 3 emissions are the waste we send to the appropriate landfills and the emissions from our recycling of waste materials from our operations.

C6.7

(C6.7) Are carbon dioxide emissions from biogenic carbon relevant to your organization?

No

C6.10

(C6.10) Describe your gross global combined Scope 1 and 2 emissions for the reporting year in metric tons CO2e per unit currency total revenue and provide any additional intensity metrics that are appropriate to your business operations.

Intensity figure

42,444.43

Metric numerator (Gross global combined Scope 1 and 2 emissions, metric tons CO2e)

42,444.43

Metric denominator

unit hour worked

Metric denominator: Unit total

13,453,557

Scope 2 figure used

Location-based

% change from previous year

18.98

Direction of change

Decreased

Reason for change

In 2020 we had 49,790.15 MT CO2e with 13,263,408 hours worked for a total of 0.00375395 MT of CO2e per employee hour worked. We achieved a decrease despite increasing sales by 9.3% since 2019 and doubling the size of our Thailand plant.

C7. Emissions breakdowns

C7.1

(C7.1) Does your organization break down its Scope 1 emissions by greenhouse gas type?

No

C7.2

(C7.2) Break down your total gross global Scope 1 emissions by country/region.

Country/Region	Scope 1 emissions (metric tons CO2e)
Mexico [1]	68.51
Poland [2]	321.37
China [3]	0
Thailand [4]	0
United States of America [5]	619.92
Romania [6]	82.71
Viet Nam [7]	0
India [8]	0
Japan [9]	0

[1] One location.

[2] One location.

[3] Two locations.

[4] One location.

[5]Six locations.

[6]One location.

[7]One location.

[8]One location.

[9]One location.

C7.3

(C7.3) Indicate which gross global Scope 1 emissions breakdowns you are able to provide.

By facility

C7.3b

(C7.3b) Break down your total gross global Scope 1 emissions by business facility.

Facility	Scope 1 emissions (metric tons CO2e)	Latitude	Longitude
KEMX in Reynosa, Mexico	68.51	26.0333	98.2194
KETL in Lam Chabang, Thailand	0	13.0847	-100.92
KECN in Nanjing, China	0	31.8958	-118.835
KEJ in Jasper, Indiana, USA	336.79	38.4008	86.9175
KEPS in Poznan, Poland	321.37	52.4522	-16.7025
KERO in Timisoara, Romania	82.71	45.7823	-21.3559
KEIND in Indianapolis, Indiana, USA	262.8	38.8097	86.0611
KETA in Tampa, Florida, USA	0	28.0675	82.6464
KEHQ in Jasper, IN, USA	9.33	38.3714	86.9522
GES-CN in Suzhou, China	0	31.304955	120.664835
GES- SJ in San Jose, California, USA	20.33	37.277085	121.793678
GES-VN in Saigon, Viet Nam	0	10.81296	106.640037
GES-IN in Kerala, India (Office structure)	0	8.569368	76.890643
GES-Japan - in Mihama-ku Chiba (office structure)	0	35.647418	140.035095

C7.5

(C7.5) Break down your total gross global Scope 2 emissions by country/region.

Country/Region	Scope 2, location-based (metric tons CO2e)	Scope 2, market-based (metric tons CO2e)
Mexico	8,019.88	0

[1]		
China [2]	9,637.3	0
Thailand [3]	3,388.04	0
Poland [4]	9,200.39	0
Romania [5]	1,012.19	0
United States of America [6]	8,681.63	0
India [7]	0	0
Viet Nam [8]	420	0
Japan [9]	0	0

[1] One location.

[2] Two locations.

[3] One location.

[4] One location.

[5] One location.

[6] Six locations.

[7] One location.

[8] One location.

[9] One location.

C7.6

(C7.6) Indicate which gross global Scope 2 emissions breakdowns you are able to provide.

By facility

C7.6b

(C7.6b) Break down your total gross global Scope 2 emissions by business facility.

Facility	Scope 2, location-based (metric tons CO2e)	Scope 2, market-based (metric tons CO2e)
KEJ - Indiana, USA	2,112.71	0
KETA - Florida USA	981.26	0
KEMX in Mexico	8,019.88	0
KECN in China	9,571.3	0
KETL in Thailand	3,388.04	0
KEPS in Poland	9,200.39	0
KERO in Romania	1,012.19	0
KEIND in Indianapolis, IN USA	2,112.71	0
KEHQ in Jasper, IN USA	249.62	0
GES-SJ in San Jose, California, USA	33.66	0
GES-CN in Suzhou, China	66	0
GES-VN in Saigon, Viet Nam	1,068	0
GES-IN in Kerala, India (Office structure)	0	0
GES-Japan - in Mihama-ku Chiba (office structure)	0	0

C7.9

(C7.9) How do your gross global emissions (Scope 1 and 2 combined) for the reporting year compare to those of the previous reporting year?

Decreased

C7.9a

(C7.9a) Identify the reasons for any change in your gross global emissions (Scope 1 and 2 combined), and for each of them specify how your emissions compare to the previous year.

	Change in emissions (metric tons CO2e)	Direction of change	Emissions value (percentage)	Please explain calculation
Change in renewable energy consumption				

Other emissions reduction activities	20.83	Decreased	1.85	This was the change in our use of natural gas and propane. Propane use went up in one facility; while natural gas usage decreased overall.
Divestment				
Acquisitions				
Mergers				
Change in output	7,324.89	Decreased	15.05	This was the result of a company-wide initiative to reduce electrical usage.
Change in methodology				
Change in boundary				
Change in physical operating conditions				
Unidentified				
Other				

C7.9b

(C7.9b) Are your emissions performance calculations in C7.9 and C7.9a based on a location-based Scope 2 emissions figure or a market-based Scope 2 emissions figure?

Location-based

C8. Energy

C8.1

(C8.1) What percentage of your total operational spend in the reporting year was on energy?

More than 0% but less than or equal to 5%

C8.2

(C8.2) Select which energy-related activities your organization has undertaken.

	Indicate whether your organization undertook this energy-related activity in the reporting year

Consumption of fuel (excluding feedstocks)	No
Consumption of purchased or acquired electricity	Yes
Consumption of purchased or acquired heat	No
Consumption of purchased or acquired steam	Yes
Consumption of purchased or acquired cooling	No
Generation of electricity, heat, steam, or cooling	No

C8.2a

(C8.2a) Report your organization's energy consumption totals (excluding feedstocks) in MWh.

	MWh from renewable sources	MWh from non-renewable sources	Total (renewable and non-renewable) MWh
Consumption of purchased or acquired electricity	0	64,193.03	64,193.03
Consumption of purchased or acquired steam	0	3.57	3.57
Total energy consumption	0	64,196.64	64,196.64

C8.2g

(C8.2g) Provide a breakdown of your non-fuel energy consumption by country.

Country/area

China

Consumption of electricity (MWh)

8,881.29

Consumption of heat, steam, and cooling (MWh)

3.57

Total non-fuel energy consumption (MWh) [Auto-calculated]

8,884.86

Country/area
India

Consumption of electricity (MWh)
121.03

Consumption of heat, steam, and cooling (MWh)
0

Total non-fuel energy consumption (MWh) [Auto-calculated]

121.03

Country/area
Viet Nam

Consumption of electricity (MWh)
116.35

Consumption of heat, steam, and cooling (MWh)
0

Total non-fuel energy consumption (MWh) [Auto-calculated]

116.35

Country/area
United States of America

Consumption of electricity (MWh)
13,845.57

Consumption of heat, steam, and cooling (MWh)
0

Total non-fuel energy consumption (MWh) [Auto-calculated]

13,845.57

Country/area
Mexico

Consumption of electricity (MWh)

17,861.75

Consumption of heat, steam, and cooling (MWh)

0

Total non-fuel energy consumption (MWh) [Auto-calculated]

17,861.75

Country/area

Poland

Consumption of electricity (MWh)

9,917.35

Consumption of heat, steam, and cooling (MWh)

0

Total non-fuel energy consumption (MWh) [Auto-calculated]

9,917.35

Country/area

Romania

Consumption of electricity (MWh)

4,636.22

Consumption of heat, steam, and cooling (MWh)

0

Total non-fuel energy consumption (MWh) [Auto-calculated]

4,636.22

Country/area

Thailand

Consumption of electricity (MWh)

7,760.59

Consumption of heat, steam, and cooling (MWh)

0

Total non-fuel energy consumption (MWh) [Auto-calculated]

7,760.59

C9. Additional metrics

C9.1

(C9.1) Provide any additional climate-related metrics relevant to your business.

Description
Waste

Metric value
44,278

Metric numerator
779,269 pounds of waste to the landfill in 2021

Metric denominator (intensity metric only)
823,547 pounds of waste to the landfill in 2020

% change from previous year
5.37

Direction of change
Decreased

Please explain
We sent less material to the landfill; 5.37% or 44,278 pounds less material in 2021.

Description
Energy usage

Metric value
1,175.74

Metric numerator
64,200.21 MWH (2021)

Metric denominator (intensity metric only)
63,024.467 MWH (2020)

% change from previous year
1.86

Direction of change

Increased

Please explain

We increased sales by 9.3% since 2019 and doubled the size of our Thailand plant.

Description

Other, please specify

We measure the amount of Volatile Organic Compounds emitted into the air from our facilities. Each facility keeps track of their usage and we measure by tons of VOC emitted.

In December 2019, Kimball Electronics set company-wide goals to be achieved by the end of calendar year 2025. One of our goals is to reduce our Volatile Organic Compound (VOC) emissions in Kimball Electronics EMS and DCMS facilities by 10% from our 2019 baseline.

Metric value

5.03

Metric numerator

57.88 tons of VOC emissions (2021)

Metric denominator (intensity metric only)

62.91 tons of VOC emissions (2020)

% change from previous year

8

Direction of change

Decreased

Please explain

We have been measuring VOCs, which has raised awareness about these emissions and led to a greater focus on their reduction by our facilities.

C10. Verification

C10.1

(C10.1) Indicate the verification/assurance status that applies to your reported emissions.

	Verification/assurance status
Scope 1	No third-party verification or assurance
Scope 2 (location-based or market-based)	No third-party verification or assurance

Scope 3	No third-party verification or assurance

C10.2

(C10.2) Do you verify any climate-related information reported in your CDP disclosure other than the emissions figures reported in C6.1, C6.3, and C6.5?

No, but we are actively considering verifying within the next two years

C11. Carbon pricing

C11.1

(C11.1) Are any of your operations or activities regulated by a carbon pricing system (i.e. ETS, Cap & Trade or Carbon Tax)?

No, and we do not anticipate being regulated in the next three years

C11.2

(C11.2) Has your organization originated or purchased any project-based carbon credits within the reporting period?

No

C11.3

(C11.3) Does your organization use an internal price on carbon?

No, and we do not currently anticipate doing so in the next two years

C12. Engagement

C12.1

(C12.1) Do you engage with your value chain on climate-related issues?

Yes, our customers/clients

C12.1b

(C12.1b) Give details of your climate-related engagement strategy with your customers.

Type of engagement & Details of engagement

Education/information sharing

Run an engagement campaign to educate customers about the climate change impacts of (using) your products, goods, and/or services

% of customers by number

100

% of customer - related Scope 3 emissions as reported in C6.5

100

Please explain the rationale for selecting this group of customers and scope of engagement

We publish our environmental performance information annually in our ESG report.

Acknowledging the importance of circular economy solutions in climate change mitigation, KE works with our customers to help them reduce the CO2e impacts of their products and identify potential efficiencies in the design and manufacturing of those products. Development of new and expansion of existing low-carbon products and services will enable us to enter new markets and develop new business opportunities. In the past year, we partnered with our customers to avoid CO2 emissions by performing repairs and refurbishments that permit products to re-enter the stream of commerce instead of going to landfills.

We engage with customers by completing the CDP questionnaires and sharing them with customers, by completing other sustainability-related information and performance reviews like EcoVadis and Assent, and by maintain current information with sustainability/ESG ratings organizations like ISS, Sustainalytics, and MSCI. We also respond to customer-designed and industry-specific questionnaires.

Impact of engagement, including measures of success

Some of our key customers have asked us to respond to the use the CDP assessments as part of their evaluation of us. We have collaborated with several of our customers on design, manufacturing optimizations, and repair/refurbishment programs designed to minimize carbon intensity and GHG emissions. These projects are the result of our prioritization of climate-related engagements and the beneficial outcomes they create in energy consumption reductions, GHG emission reductions, and cost savings.

C12.2

(C12.2) Do your suppliers have to meet climate-related requirements as part of your organization’s purchasing process?

Yes, climate-related requirements are included in our supplier contracts

C12.2a

(C12.2a) Provide details of the climate-related requirements that suppliers have to meet as part of your organization’s purchasing process and the compliance mechanisms in place.

Climate-related requirement

Complying with regulatory requirements

Description of this climate related requirement

KE requires its suppliers to comply with all applicable laws, regulations, orders, and policies in providing materials and services to KE.

% suppliers by procurement spend that have to comply with this climate-related requirement

100

% suppliers by procurement spend in compliance with this climate-related requirement

100

Mechanisms for monitoring compliance with this climate-related requirement

Supplier self-assessment
Grievance mechanism/Whistleblowing hotline
Supplier scorecard or rating

Response to supplier non-compliance with this climate-related requirement

Retain and engage

Climate-related requirement

Implementation of emissions reduction initiatives

Description of this climate related requirement

KE requires its suppliers to take necessary steps to minimize environmental pollution and make continuous improvements towards environmental protection; make all reasonable efforts to promote compliance with industry-recognized social and environmental responsibility guidelines; have initiatives to promote greater environmental responsibility with actions for continuous improvement. (Example: Significant Environmental aspects with Annual Goals); and to engage to investigate opportunities to reduce product's environmental impact to improve the quality of life in their communities and the world community.

% suppliers by procurement spend that have to comply with this climate-related requirement

100

% suppliers by procurement spend in compliance with this climate-related requirement

100

Mechanisms for monitoring compliance with this climate-related requirement

Supplier self-assessment
Grievance mechanism/Whistleblowing hotline

Supplier scorecard or rating

Response to supplier non-compliance with this climate-related requirement

Retain and engage

C12.3

(C12.3) Does your organization engage in activities that could either directly or indirectly influence policy, law, or regulation that may impact the climate?

Row 1

Direct or indirect engagement that could influence policy, law, or regulation that may impact the climate

Yes, we engage directly with policy makers

Yes, we engage indirectly through trade associations

Does your organization have a public commitment or position statement to conduct your engagement activities in line with the goals of the Paris Agreement?

No, but we plan to have one in the next two years

Describe the process(es) your organization has in place to ensure that your engagement activities are consistent with your overall climate change strategy

Kimball Electronics asks each facility to be invested in the local and national governments process so we can have a voice in future legislation. Some examples are:

At KEJ in Indiana, USA, we have engaged in the following:
1) Indiana Environmental Stewardship Program:
The Indiana Department of Environmental Management (IDEM) encourages Indiana's regulated entities to proactively manage their environmental responsibilities and commit to continuous environmental improvement. Environmental Stewardship Program (ESP) members can earn extended regulatory incentives in exchange for "going beyond compliance" and making measurable efforts toward achieving continuous environmental improvement initiatives. In addition focusing on improving Indiana's environment and business climate through innovation and efficient resource allocation.

2) Indiana Partners for Pollution Prevention:
The Partners for Pollution Prevention is an organization comprised of Indiana industries, businesses, nonprofit organizations and governmental entities that are interested in pollution prevention (P2) and the financial and environmental benefits P2 projects can bring. The Partners for Pollution Prevention mission is to champion pollution prevention and environmental stewardship programs in businesses and organizations by promoting successful practices and approaches to achieve measurable reduction of pollution in Indiana. The P2 vision is to assist the State of Indiana in becoming a place where people embrace pollution prevention as a means to live and proper in a clean

environment while enjoying and preserving our natural resources forever.

At KEJ we continue to work via the Indiana Environmental Stewardship Program and the Indiana Partners for Pollution Prevention to ensure that Dubois County and the State of Indiana are properly viewed as environmentally beneficial for businesses, their workers and people in general.

In Thailand, we are a member of Corporate Social Responsibility (Environmental Topic), Department of Industrial Works : CSR-DIW (Thailand) and Certified to the White Flag Green Stars (ESG of Thailand).

In Mexico, we are a member of the INDEX Maquiladora Industrial Association (Mexico) and the Assessor of the Environmental Committee of the Reynosa Maquiladora Industry Association. We help other companies of the INDEX association to clarify Environmental legal requirements that apply to Reynosa industry.

C12.3a

(C12.3a) On what policy, law, or regulation that may impact the climate has your organization been engaging directly with policy makers in the reporting year?

Focus of policy, law, or regulation that may impact the climate

Climate-related targets
Mandatory climate-related reporting

Specify the policy, law, or regulation on which your organization is engaging with policy makers

1. Working to control the VOC emissions requirements in the State of Indiana, USA.
2. Adopting US EPA Solid Waste Rule in the State of Indiana, USA.
3. Expanding Electric Vehicle manufacturing and infrastructure.

Policy, law, or regulation geographic coverage

Regional

Country/region the policy, law, or regulation applies to

United States of America

Your organization's position on the policy, law, or regulation

Support with minor exceptions

Description of engagement with policy makers

In Indiana, we are part of a group of Environmental managers who meet on a monthly basis to discuss environmental issues facing our organizations in Indiana. Members of the Indiana Legislature and Indiana Department of Environmental Management have met with us as part of this group and we have discussed climate and environmental impacts and how legislators and the state government can make changes to the law to

support adoption of VOC emissions requirements in the state. We are able to ask questions and discuss possible changes.

Support with no exceptions: Indiana manufacturers are finding ways to support industrial recycling and reuse of materials to offset costs, weather supply chain disruptions, produce more materials, and reach sustainability goals. The Environmental Protection Agency (EPA) approved the 2018 definition of Solid Waste Rule that creates a new definition of legitimate recycling and provides for three solid waste exclusions that promote expanded industrial recycling efforts. 14 states, many manufacturing intensive states, have fully adopted this federal rule. However, not only has Indiana not adopted this rule fully, but the rule has been stuck in the rulemaking process for three years with no movement. As the most manufacturing intensive state in the country, regulatory burdens that impede manufacturers from producing materials is unacceptable. Indiana needs to adopt the federal 2018 Definition of Solid Waste Rule and promote industrial recycling.

Support with no exceptions: Indiana is working to become a leader in the electric vehicle space. During the last legislative session, the Electric Vehicle Product Commission was created to support the workforce and education needed to grow the EV sector. This past summer, Indiana became member of a new five-state regional networking promoting EV infrastructure, in hopes to add more EV manufacturing across the state. With a heavy automobile manufacturing economy, it is necessary for Indiana to support innovation, investment, and infrastructure that is vital to supporting and maintaining the Indiana's auto industry.

Details of exceptions (if applicable) and your organization's proposed alternative approach to the policy, law or regulation

We do not have exceptions to these laws and regulations, and have advocated in support of them.

Have you evaluated whether your organization's engagement is aligned with the goals of the Paris Agreement?

Yes, we have evaluated, and it is aligned

C12.3b

(C12.3b) Provide details of the trade associations your organization engages with which are likely to take a position on any policy, law or regulation that may impact the climate.

Trade association

Other, please specify

Indiana Environmental Stewardship Program

Is your organization's position on climate change consistent with theirs?

Consistent

Has your organization influenced, or is your organization attempting to influence their position?

We are attempting to influence them to change their position

State the trade association's position on climate change, explain where your organization's position differs, and how you are attempting to influence their position (if applicable)

Environmental Stewardship Program (ESP) members can earn extended regulatory incentives in exchange for "going beyond compliance" and making measurable efforts toward achieving continuous environmental improvement initiatives. In addition focusing on improving Indiana's environment and business climate through innovation and efficient resource allocation.

Funding figure your organization provided to this trade association in the reporting year, if applicable (currency as selected in C0.4) (optional)

0

Describe the aim of your organization's funding

Have you evaluated whether your organization's engagement with this trade association is aligned with the goals of the Paris Agreement?

Yes, we have evaluated, and it is aligned

Trade association

Other, please specify

Indiana Partners for Pollution Prevention

Is your organization's position on climate change consistent with theirs?

Consistent

Has your organization influenced, or is your organization attempting to influence their position?

We publicly promote their current position

State the trade association's position on climate change, explain where your organization's position differs, and how you are attempting to influence their position (if applicable)

The Partners for Pollution Prevention mission is to champion pollution prevention and environmental stewardship programs in businesses and organizations by promoting successful practices and approaches to achieve measurable reduction of pollution in Indiana. The P2 vision is to assist the State of Indiana in becoming a place where people embrace pollution prevention as a means to live and proper in a clean environment while enjoying and preserving our natural resources forever.

Funding figure your organization provided to this trade association in the reporting year, if applicable (currency as selected in C0.4) (optional)

0

Describe the aim of your organization's funding

Have you evaluated whether your organization's engagement with this trade association is aligned with the goals of the Paris Agreement?

Yes, we have evaluated, and it is aligned

Trade association

Other, please specify

Indiana Manufacturers Association

Is your organization's position on climate change consistent with theirs?

Consistent

Has your organization influenced, or is your organization attempting to influence their position?

We are attempting to influence them to change their position

State the trade association's position on climate change, explain where your organization's position differs, and how you are attempting to influence their position (if applicable)

In the last year, we have encouraged the Indiana Manufacturers Association to embrace transparency requirements proposed by the SEC and to work to shape those transparency requirements in a way that encourages compliance by manufacturers across industries. We have spoken at association events, to association leaders, and written an article for association members in support of the transparency requirements and continued advocacy with the SEC.

Funding figure your organization provided to this trade association in the reporting year, if applicable (currency as selected in C0.4) (optional)

11,200

Describe the aim of your organization's funding

To advocate for a business climate that creates, protects, and promotes quality manufacturing jobs in Indiana.

Have you evaluated whether your organization's engagement with this trade association is aligned with the goals of the Paris Agreement?

Yes, we have evaluated, and it is aligned

C12.4

(C12.4) Have you published information about your organization's response to climate change and GHG emissions performance for this reporting year in places other than in your CDP response? If so, please attach the publication(s).

Publication
In voluntary communications

Status
Complete

Attach the document
2021_KimballElectronics_ESG.pdf
2021 Greenhouse Gas Emissions Report.docx

Page/Section reference
See all pages.

Content elements
Strategy
Risks & opportunities
Emissions figures
Emission targets
Other metrics

Comment
The ESG Report and the Greenhouse Gas Report are updated annually and published on the Kimball Electronics home page.

Publication
In voluntary sustainability report

Status
Complete

Attach the document
2021 Greenhouse Gas Emissions Report.docx

Page/Section reference
Complete report.

Content elements

Emissions figures

Comment

This report is updated annually and published on the Kimball Electronics website.

C15. Biodiversity

C15.1

(C15.1) Is there board-level oversight and/or executive management-level responsibility for biodiversity-related issues within your organization?

	Board-level oversight and/or executive management-level responsibility for biodiversity-related issues	Description of oversight and objectives relating to biodiversity
Row 1	Yes, both board-level oversight and executive management-level responsibility	Kimball Electronics believes that biodiversity and healthy ecosystems are key for enjoying a broad range of human rights, including those for food and health. In turn, exercising human rights, such as public participation and access to information, can foster stronger action for conservation and the sustainable use of biodiversity and ecosystems. Responsibility for the implementation and operation of our policies and operational controls related to biodiversity, environmental, health, safety, and social issues, lies with our most senior personnel: our Executive Leadership Team, our Human Resources Department, our Legal Department, and our global procurement team. In addition, Kimball has created a global Safety, Environmental, and Facilities (SEF) council comprised of stakeholders from each of our facilities that meets monthly and reports directly to our Chief Compliance Officer. Our Board of Directors oversees policies and operational controls related to our environmental, health and safety, and social risks, including risks that our operations pose to the environment and biodiversity. Our Board as a whole serves as our Sustainability Committee. We provide comprehensive updates on ESG risks and issues, including human rights and climate-related risks and our compliance and mitigation efforts, to the Board at their regular quarterly meetings and whenever it is appropriate. Our Board reviews and provides input on our annual ESG report.

C15.2

(C15.2) Has your organization made a public commitment and/or endorsed any initiatives related to biodiversity?

	Indicate whether your organization made a public commitment or endorsed any initiatives related to biodiversity
Row 1	No, but we plan to do so within the next 2 years

C15.3

(C15.3) Does your organization assess the impact of its value chain on biodiversity?

	Does your organization assess the impact of its value chain on biodiversity?
Row 1	Yes, we assess impacts on biodiversity in our upstream value chain only

C15.4

(C15.4) What actions has your organization taken in the reporting year to progress your biodiversity-related commitments?

	Have you taken any actions in the reporting period to progress your biodiversity-related commitments?	Type of action taken to progress biodiversity- related commitments
Row 1	Yes, we are taking actions to progress our biodiversity-related commitments	Land/water protection Land/water management Law & policy

C15.5

(C15.5) Does your organization use biodiversity indicators to monitor performance across its activities?

	Does your organization use indicators to monitor biodiversity performance?	Indicators used to monitor biodiversity performance
Row 1	No, we do not use indicators, but plan to within the next two years	

C15.6

(C15.6) Have you published information about your organization's response to biodiversity-related issues for this reporting year in places other than in your CDP response? If so, please attach the publication(s).

Report type	Content elements	Attach the document and indicate where in the document the relevant biodiversity information is located
In voluntary sustainability report or other voluntary communications	Governance Details on biodiversity indicators Influence on public policy and lobbying Risks and opportunities	Annual ESG report. 1
In voluntary sustainability report or other voluntary communications	Governance	https://www.kimballelectronics.com/docs/default-source/careers/policy-human-rights.pdf?sfvrsn=caf0e339_12

1 2021KimballElectronicsESG (1).pdf

C16. Signoff

C-FI

(C-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.

C16.1

(C16.1) Provide details for the person that has signed off (approved) your CDP climate change response.

	Job title	Corresponding job category
Row 1	Chief Legal & Compliance Officer	Chief Risk Officer (CRO)