KEMET

a YAGEO company

2020 CORPORATE SUSTAINABILITY REPORT

RELEASE DATE: NOVEMBER 2021

ABOUT THIS REPORT

KEMET is proud to share the progress we have made on our sustainability journey during a challenging year. This past year marked a major turning point for our business as KEMET Corporation (KEMET) was acquired by YAGEO Corporation (YAGEO) on June 15, 2020. We are excited to begin this new chapter focused on expanding and developing our business offerings with YAGEO. The combined organization will be a powerhouse of electronic passive components with a leading product portfolio of polymer, tantalum, ceramic, film and electrolytic capacitors, chip resistors, circuit protection as well as magnetics, sensors, actuators and inductors all addressing a full range of end markets. Additionally, the company will have an enhanced global footprint and will be better able to partner with customers worldwide. However, as this acquisition by YAGEO was completed mid-year 2020, only KEMET data is presented in this Sustainability Report for the reporting period of January 1, 2020 to December 31, 2020. **Due to the merger and post-acquisition integration processes, some changes in senior management, oversight, and corporate governance have occurred, which may not be reflected in this Sustainability Report. Consolidated YAGEO and KEMET data will be reported in future sustainability reports.**

Although the COVID-19 pandemic upended businesses and communities around the globe, KEMET remained dedicated to ensuring safe and sustainable operations. To build awareness around COVID-19, we prepared letters on COVID-19 impacts for distribution within our supply chain and to essential businesses. At our facilities, we implemented numerous training tools and resources to help stop the spread. We also supported the well-being of our employees through company-sponsored initiatives and our communities through pandemic-related donations. Through it all, we continued to expand our work around sustainability and tackle ambitious reduction initiatives on energy, waste, and water. These topics, as well as others KEMET has deemed most material to our company and its stakeholders, are presented in this report. While we do not currently seek independent assurance of report data, an independent third-party consultant qualitatively reviews and assesses the accuracy of our sustainability documentation and tracking efforts. Our Key Performance Indicators (KPI) are included in Appendix A. Alignment to KEMET's industry-specific Sustainability Accounting Standard Board (SASB) Standards can be found in Appendix B.

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WHO WE ARE

About KEMET

Established in 1919 and headquartered in Fort Lauderdale, Florida, KEMET is a leading global supplier of specialty electronic components with a global footprint that includes 21 manufacturing facilities and approximately 12,500 employees in 21 countries throughout the Americas, Asia, and Europe. KEMET's main products include tantalum, ceramic, film and aluminum electrolytic capacitors, magnetics, sensors and actuators, and a broad range of electromechanical devices, electromagnetic compatibility solutions, and supercapacitors. KEMET's products have a number of applications, such as advanced automotive electronics, industrial, defense and aerospace, medical, as well as smartphones, cloud/networking equipment, wireless communications, alternative energy, and 5G technology. Holding more than 1,600 patents and trademarks worldwide, KEMET has established a leading position for its products via its advanced research and development capabilities, materials science, technological innovations, and design-in capabilities.

We believe strong companies build strong communities, and strong communities build strong companies. Our rich culture of citizenship dates back 100 years and continues to thrive within our company today. We are firmly committed to exercising our social responsibility through philanthropic donations and actively addressing the global challenges of improving and strengthening our communities and people's lives.

KEMET's Sustainability Council (formerly, the Green Policy Council) was established in 2009 to support our commitment to environmental, health, safety, and social sustainability, as well as provide direction and focus in support of our **Facilities**, **Environmental, Health, and Safety (FEHS) Policy**, our **Global Code of Conduct**, and our commitment to the **Responsible Business Alliance (RBA) Code of Conduct**. The Sustainability Council has oversight responsibility to ensure internal awareness of, and compliance to, current applicable environmental legislation, regulations, and requirements and the development, maintenance, and continual improvement of the Environmental and Health and Safety Management Systems.

PLEDGE – SUSTAINABILITY IN FOCUS

Our pledge is to specifically support organizations that provide services to our communities and strive to be a positive example of civic leadership. This is accomplished through encouraging employee volunteerism, charitable giving, and being visible contributors to organizations that support programs focused on helping children and disadvantaged youth, education and technology, and supporting arts and culture. We have also provided aide during large-scale disasters in those areas where we have a presence. Organizations that we support include: American Heart Association, International Red Cross, Clemson University, Nova Southeastern University, ECIA, FIRST, Junior Achievement, Tantalum-Niobium International Study Center (TIC), United Way, Orange Bowl Leadership Academy, Children's Harbor, and Kisengo Foundation.

Our **MISSION** is to help make the world a better, safer, more connected place to live.

Our **VISION** is to be the world's most trusted partner for innovative component solutions.

Our **VALUES** are the key to our success, and they are:

- **Talent Oriented** - We believe in the passion, skills, and engagement of our people.
- **The Math Must Work** - Deliver sustainable, profitable growth.
- **Speed** - Energetically showing individual and organizational responsiveness.
- **Unparalleled Customer Experience** - Relentlessly responsive with our customers and partners.
- **Ethics & Integrity** - Courage to always do the right thing.
- **No Politics** - We support each other without selfish self-interest.
- **One KEMET** - One global team valuing diversity and inclusion.
- **Material Innovation** - Breakthrough technology leveraging sustainable material science.
- **Environmental Sensitivity** - Committed to protecting human health, safety, and natural resources.

HOW WE OPERATE

Governance & Management

Since our inception a century ago, KEMET has remained an industry leader in technological and economic advancement through our focus on corporate social responsibility. This means ensuring our conduct is always ethical and shaped by integrity and transparency. This commitment to doing the right thing underlies all our decisions and actions as a core company value. Our **Global Code of Conduct** defines the policies and procedures to guide all employees to perform their jobs ethically and with integrity.

GLOBAL CODE OF CONDUCT – SUSTAINABILITY IN FOCUS

For over a decade, we have adopted and enacted the principles of the **RBA Code of Conduct**. This comprehensive standard addresses all aspects of corporate responsibility including labor, health and safety, the environment, business ethics, and related management system elements. The **RBA Code of Conduct** outlines standards to ensure working conditions in the electronics industry supply chain are safe and free from slavery and human trafficking, workers are treated with respect and dignity, manufacturing processes are environmentally sustainable, and materials are sourced responsibly. KEMET reaffirmed our commitment to the principles of the **RBA Code of Conduct** in our updated **Global Code of Conduct** released in May 2020. Training on our **Global Code of Conduct** is required and documented for 100% of KEMET's employees, and we take adherence to our **Global Code of Conduct** very seriously. To that end, our Suzhou, China facility was recently recognized for the seventh year in a row as an AAAAA Enterprise Integrity facility from the local government. This achievement means we have had zero labor claims, participate actively in local social security activities, and have certified our local Human Resources team.

We utilize a Whistleblower Hotline platform through a third-party service provider. Our confidential and anonymous Whistleblower Hotline provides both telephone and web-based methods for reporting any concerns or grievances related to any activity which an employee believes may be a violation of our **Global Code of Conduct**. Updated posters and materials were translated to local languages and circulated throughout our global facilities providing the Whistleblower Hotline contact information. KEMET has a no-retaliation guarantee. We do not tolerate any retaliation against those who speak up, ask questions, or report concerns. KEMET's global Human Resources team prepared and participated in refresher training on the investigation of whistleblower claims.

Respect for human rights is a core value at KEMET. Our dedication to promoting human rights of all people is shown through our relationship with our employees, the communities in which we operate, and our suppliers. In furtherance of our commitment to social and environmental sustainability, we updated our **Human Rights Policy** in October 2020 with relevant YAGEO information as a result of the acquisition with YAGEO. It is guided by international human rights principles encompassed by various standards and conventions, such as the Universal Declaration of Human Rights, the UN Guiding Principles on Business and Human Rights, the International Labour Organization (ILO), and the ILO Declaration on Fundamental Principles and Rights at Work. Our **Human Rights Policy** declares our commitment to all employees, suppliers, partners, and any other people impacted by our business that we and our employees adhere to the principles and policies of the **RBA Code of Conduct** and our **Global Code of Conduct**.

Sustainability Strategy & Risk Management

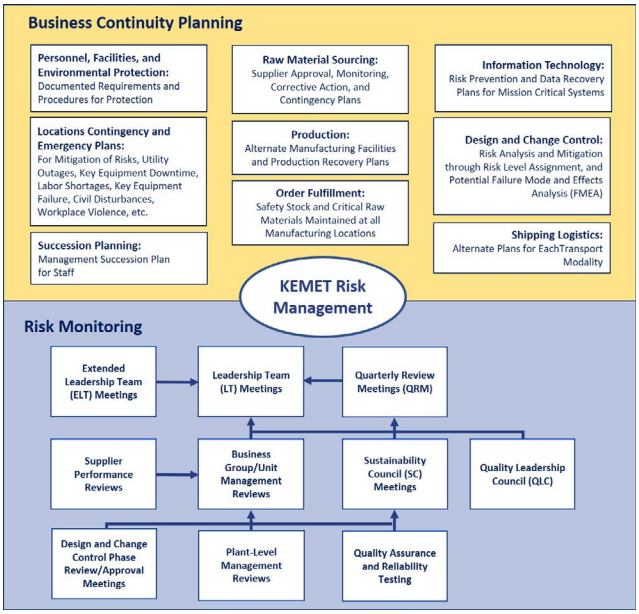
KEMET's Audit and Compensation Committees of our Board of Directors have oversight responsibility and review management's monitoring of our compliance with laws and our **Global Code of Conduct**. They ensure that management has proper review systems in place to verify financial statements, reports, and other information disseminated to governmental organizations and the public, are correct and satisfy legal requirements. The Nominating and Corporate Governance Committee of the Board of Directors of KEMET ("Corporate Governance Committee") monitors Board effectiveness in developing and implementing KEMET's corporate governance guidelines. In particular, the Corporate Governance Committee has the following authority and responsibilities: 1) to monitor trends and best practices in corporate governance, including the review of analyses and recommendations of leading institutional advisor services; and 2) to develop and recommend to the Board of Directors for its approval a set of corporate governance guidelines. The Corporate Governance Committee reviews the guidelines on an annual basis, or more frequently if appropriate, and recommends changes as necessary.

In accordance with KEMET's Quality Management System (QMS) and Environmental Management System (EMS), risk management activities are incorporated throughout our business processes and include two main components: Business Continuity Planning and Risk Monitoring. Business Continuity Planning measures our ability to conduct day-to-day operations and is key to addressing risk identification and risk mitigation. Key elements of our Business Continuity Planning include corporate-level emergency plans for force majeure, epidemics/pandemics, and guidelines for the protection of people, facilities, and the environment. Risk Monitoring is integrated at multiple levels, including departmental, facility-based, and management reviews. KEMET's Leadership Team reviews risk management activities annually to strategize, prioritize, and develop action plans for risk mitigation.

KEMET has not implemented climate-related scenario analysis due to the acquisition in June 2020 of KEMET by YAGEO. Prior to using climate-related scenario analysis to design our future business strategy, we want to better understand the full scope of YAGEO and KEMET's operations. However, KEMET plans to assess qualitative climate-related scenario analysis within the next two years as we continue to develop our climate goals and strategy. We anticipate integrating our Environmental Management System and sustainability programs within the next year. We will approach scenario analysis using the guidance of the Task Force on Climate-Related Financial Disclosures (TCFD) to inform our strategy.

We utilized the SASB Standard specific to our primary industry as identified by the Sustainable Industry Classification System® (SICS®): Technology & Communications Sector – Electronic Manufacturing Services & Original Design Manufacturing Standard (October 2018) as well as Extractives & Minerals Processing Sector – Metals & Mining Standard (2018), both of which KEMET has identified as germane to the overall scope of our business operations. An accounting of KEMET's metrics for the material topics identified in the SASB Standards is presented in Appendix B.

Since the beginning of the global pandemic in 2020, KEMET relied on our risk management and risk mitigation practices to support our business continuity efforts. As a major supplier to the Defense Industrial Base and health/medical industries, we worked diligently to ensure our manufacturing operations were able to continue as a designated essential business. We regularly communicated COVID-19 business impact statuses for distribution within our supply chain, to our customers, and to other essential businesses. These efforts included measures for safe continued operations for our employees and suppliers/vendors. Additionally, we engaged with a third-party risk management tool to help monitor and control our supply chain during the pandemic.



HOW WE OPERATE (cont.)

In addition to our ongoing business continuity and risk management practices, we prepared responses to numerous external third-party and customer-driven business continuity and risk management assessments. These requests were made at both the corporate level and facility level and surveyed various topics, including: supply chain and raw materials management, business interruption due to acts of God or other *force majeure* contingencies, the COVID-19 pandemic, export control compliance, environmental, health and safety, social, and corporate governance concerns. We often provided these to third parties and customers with documentation evidencing our EMS and QMS policies and procedures, **Global Code of Conduct**, **Human Rights Policy**, **FEHS Policy**, and many other documents. For specific facility-based surveys and business impact assessments, we utilized various publicly available websites and third-party information to evaluate the probability of force majeure events occurring in the region, potential risk to the facility, and the likelihood of impact to the facilities. Such events including river and coastal flooding, earthquakes, tsunamis and cyclones, volcanoes, water scarcity, extreme heat, wildfires, and other natural disasters.

GOVERNANCE – SUSTAINABILITY IN FOCUS

The Senior Vice President – Quality, Global Supply Chain, and Chief Compliance Officer is the head of the Sustainability Council and provides direction and focus in support of KEMET's **FEHS Policy**, including all climate-related issues. The Sustainability Council has oversight responsibility to ensure internal awareness of, and compliance to, current applicable environmental legislation, regulations, and requirements, as well as the development, maintenance, and continuous improvement of our Environmental Management System (EMS). Our EMS is based on the ISO14001:2015 International Standard, as well as legal, regulatory, and other requirements, which may be applicable to KEMET's headquarters and our manufacturing site activities. The Sustainability Council meets quarterly and the Senior Vice President – Quality, Global Supply Chain, and Chief Compliance Officer (Sustainability Council Chair) reports to the KEMET Leadership Team and Board of Directors as needed. Additionally, KEMET maintains documents such as SQP-108 Supplier Risk Management and Contingency Plan and QOD-400C KEMET Disaster Contingency Plan to monitor and manage climate-related risks, including supply chain and raw materials management, business interruption due to: the novel coronavirus (COVID-19) pandemic, acts of God or other force majeure contingencies, export control compliance, environmental, health and safety, social, and corporate governance concerns. We prepared business impact assessments, utilized various publicly available websites and third-party information gathering to evaluate the probability of force majeure events occurring in the region, potential risk to the facility and our employees, and the likelihood of impact to the facilities and our employees. Such events included the COVID-19 pandemic impacts, as well as river and coastal flooding, earthquakes, tsunamis and cyclones, volcanoes, water scarcity, extreme heat, wildfires, and other natural disasters.

ENVIRONMENTAL, HEALTH, AND SAFETY

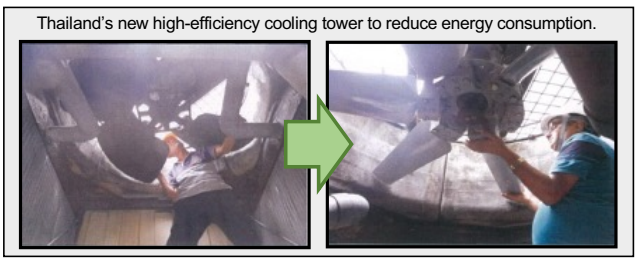
Although we were faced with many challenges in 2020, KEMET continued to make progress on reducing our environmental impact through facility operational efficiency. We have accomplished this by employing innovative strategies to decrease our environmental footprint through lowering our greenhouse gas emissions, water use, and waste, while at the same time increasing our use of renewable energy. Our comprehensive approach to sustainability performance also means a commitment to not only the health of the planet but our people as well, which is reflected in our health and safety metrics. We are proud of the progress we have made over the last year in these areas and are dedicated to driving additional improvement in the future.

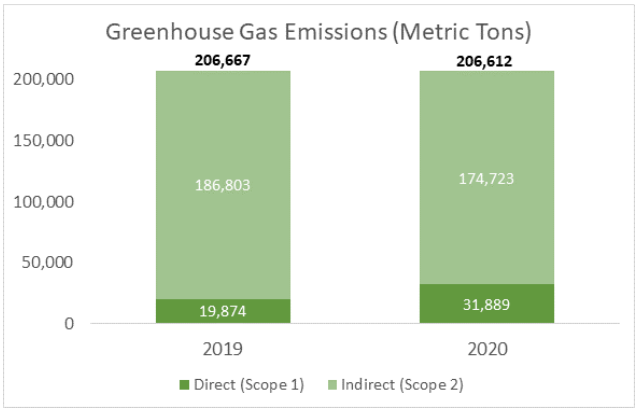
ENERGY EFFICIENCY – SUSTAINABILITY IN FOCUS

KEMET is making big changes at our Evora, Portugal facility to reduce the facility's electric energy consumption. A large-scale photovoltaic power system will be installed in 2021 that will, when completed, support over a fifth of Evora's current electricity needs. This project, championed by our local employees, will reduce our reliance on the local electricity grid and boost our renewable energy consumption. Additional 2020 facility energy efficiency projects include:

- **Thailand**: Installation of a high-efficiency cooling tower fan and upgraded lighting to LED fixtures;
- **Vietnam:** Optimization of solar power for heating water used in our canteen to drive down natural gas use at the facility; and
- **Suzhou**: We upgraded our boiler to a high-efficiency model that minimizes the amount of natural gas usage through recycled heat. This novel process uses heat from the boiler exhaust gas to preheat the feedwater, increasing the combustion efficiency from 89% to 95%. As a result of this energy efficiency upgrade, our Suzhou facility has saved ~12,500 m3 in natural gas monthly and reduced the nitrous oxide concentrations in their waste.

Thailand's new high-efficiency cooling tower to reduce energy consumption.





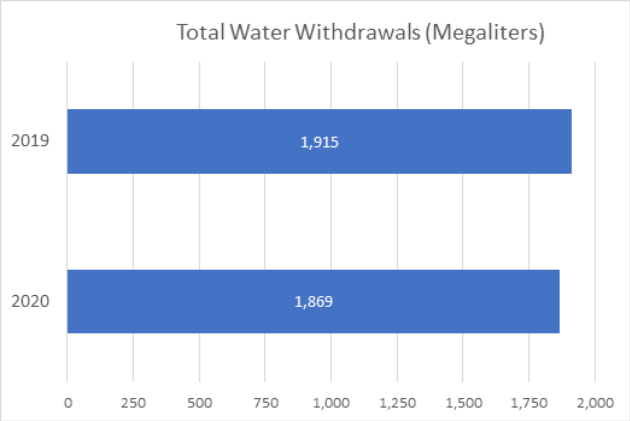
Greenhouse Gas Emissions

At KEMET, we pride ourselves on sustainable business practices and product offerings to help the world shift towards a more renewable, cleaner-powered future. As we continue the fight against climate change, we have looked for energy efficiency opportunities and initiatives within our global operations to reduce our greenhouse gas footprint further. We saw a decrease in our Scope 1 and Scope 2 greenhouse gas emissions from 2019 to 2020. As we continue with our sustainable business practices and initiatives, we will likely see more positive reductions in the future. Due to the acquisition by YAGEO, we chose to not set new goals or targets during the 2020 transition period. We plan to implement new goals and targets within the next two years and use climate-related scenario analysis to help us understand and chart a sustainable path towards reducing our company's overall carbon footprint in line with climate science.

ENVIRONMENTAL, HEALTH, AND SAFETY (cont.)

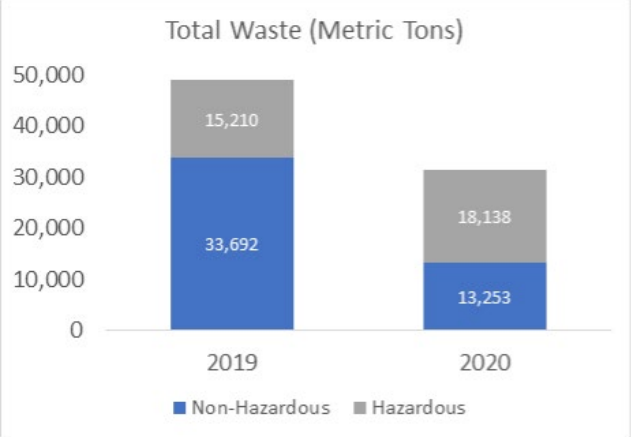
Water Use

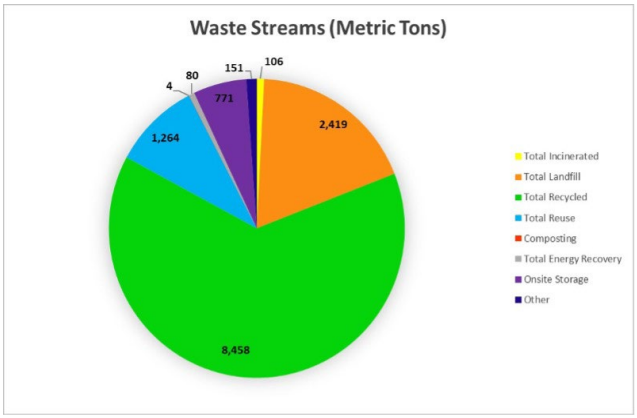
Maintaining a clean, high-quality supply of freshwater is a vital component of our manufacturing processes. We educate our employees on the importance of water efficiency and the actions necessary to support this. We make every effort to minimize water use at our manufacturing facilities and return as much water as possible to the local watersheds. Over the past year, we have reduced our overall water withdrawals by 2% and our discharges by 39% across our portfolio of global facilities through the application of innovative water efficiency solutions. Beyond that, we have strict guidelines to ensure that the quality of the water we discharge meets or exceeds any quality requirements of local regulatory frameworks.



Waste Disposal

In 2020, KEMET continued our efficiency efforts to minimize our waste generation throughout the company. We reduced our hazardous and non-hazardous waste generated by 36% and recycled 64% of our non-hazardous waste across all our global facilities. KEMET plans to assess circular solutions within our manufacturing facilities to yield further reductions in our waste production and deliver more sustainable products to our customers in the coming years.





WASTEWATER RECYCLING AND MONITORING – SUSTAINABILITY IN FOCUS

KEMET's Xiamen, China facility implemented a water savings project in 2020 that saved in excess of ~7,200 tons of water through water recycling. The recycled water was derived from wastewater coming from the facility's magnetic material cleaning processes. The processed water is diverted through a filtration system and reused in indirect operations to save on additional water consumption costs. Further, Xiamen's new continuous wastewater monitoring equipment ensures real time collection of data for the timely adjustment of environmental protection equipment preventing excess discharge of wastewater which could cause an adverse social impact.

ENVIRONMENTAL, HEALTH, AND SAFETY (cont.)

WASTE MANAGEMENT PRACTICES – SUSTAINABILITY IN FOCUS

In Suomussalmi, Finland, our facility has achieved zero waste to landfill through optimizing its waste management practices. Waste is sorted directly from the manufacturing process into 18 different categories (i.e., metal, battery, electrical and electronic, oils, solvent, cardboard, biowaste, etc.). After all the process waste is segregated, it is then reused, composted, or incinerated with energy recovery. Our Simpsonville, South Carolina, USA location also has well-established on-site recycling and waste management practices. Packaging materials (including cardboard, pallets, and paper) are collected, segregated, and prepared for recycling. Lead frame packaging reels are returned to our supplier for reuse and tantalum drums are repurposed for shipping.

Our Pandemic Response

In 2020, the importance of the health and safety of our employees and communities was brought into focus by the COVID-19 pandemic. As such, KEMET has prioritized our employees' health and safety both in our direct operations and within the communities in which we operate. We developed and implemented numerous training tools and resources related to the pandemic to improve our employees' awareness, some of which include limiting on site employees to essential personnel only, checking temperatures before entering, requiring masks, maintaining appropriate social distancing, and encouraging frequent hand washing and general hygiene. We also tried to drive change in our communities through pandemic-related donations.

PANDEMIC SUPPORT – SUSTAINABILITY IN FOCUS

We quickly stepped up to stop the spread COVID-19 by taking action to protect our employees and support our communities. These actions included arranging private bus transportation for our employees in a number of locations to avoid public transportation, setting up plexiglass dividers in the canteen and break areas, and providing our employees with any requested PPE. We leveraged our global supply chain to quickly source necessary PPE and move it around the globe to meet the needs of each plant and avoid shortages. Within our communities our Portugal facility donated gloves, masks, face protectors, alcohol disinfectant materials and ventilators to local hospitals and nursing homes. Our facility in Xiamen also donated ¥3,551.70 to the Xiamen Charity Federation for COVID-19.

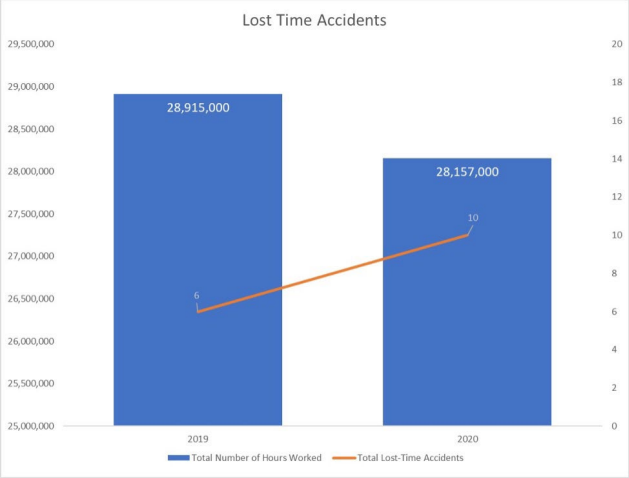
A global, company-wide "Thank You" campaign was conducted for all employees considered essential during the pandemic. Employees sent photos and videos in appreciation for their fellow employees' efforts in continuing to make critical components, such as life-saving devices, for those who need them most during this difficult time.

ENVIRONMENTAL, HEALTH, AND SAFETY (cont.)

Health and Safety

KEMET strives to provide the best working conditions and alternative health and safety practices for our employees, including conducting various health screenings at all facilities globally. Our facilities conduct on-site screenings for each employee, such as general physical examinations, laboratory tests, chest X-rays, color doppler ultrasounds, breast cancer screenings, and electrocardiograms.

Our Lost-Time Accidents and Days Away, Restricted, and Transferred (DART) incidents increased as a result of facility expansion and increased demand on our employees. We recognize this as an opportunity for improvement in the future.



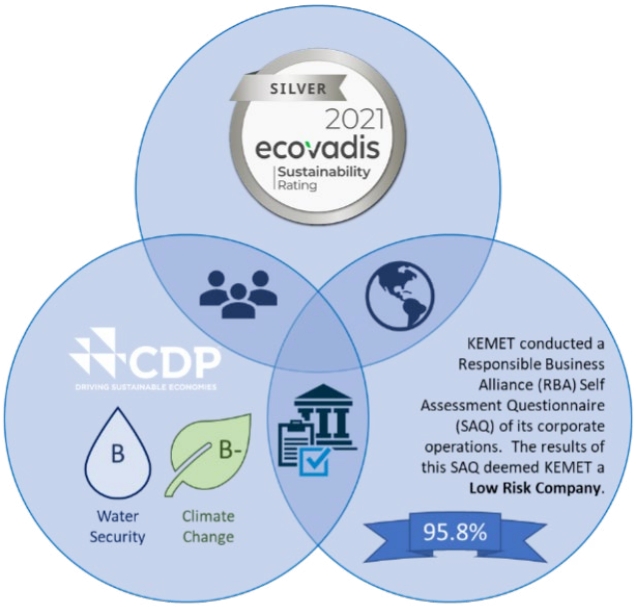
Additionally, KEMET employs an Environmental Management System (EMS), based on the ISO 14001:2015 International Standard, in our manufacturing facilities.

We require our suppliers to complete a self-assessment, which includes a Social Responsibility and Environmental section focused on ISO 14001 certification, energy consumption, and greenhouse gas emissions. Our Sustainability Council and our Senior VP – Quality, Global Supply Chain, and Chief Compliance Officer provide direction and focus in support of our EMS program and **FEHS Policy**.

We are focused on building our business to achieve both business objectives and sustainability goals. As a result, we've driven efficiency improvements throughout the organization, scaled back our manufacturing footprint, and developed more cost-efficient manufacturing equipment and processes.

Awards and Recognition

KEMET participated in numerous third-party environmental, social, and governance assessments during 2020 including Carbon Disclosure Project (CDP), EcoVadis, and the RBA and other customer-driven self-assessment questionnaires (SAQs). KEMET's continual improvement in water-related and climate-related activities drove improved scores for both CDP Water Security (B) and Climate Change (B-) questionnaires this past year, which was also consistent with the Global Average, our electronics industry peers, and was among only 31% of companies that achieved this score. We are proud to have maintained an EcoVadis Silver Medal Sustainability Rating since 2013, awarded most recently in 2021 for our 2020 sustainability data.



PRODUCT INNOVATION

Specialty Products

At KEMET, we have found that time and again we can do well as a business by doing good – for our customers and the environment. We allocate a significant amount to research and development funding for investment in specialty products, which has resulted in KEMET's establishment as one of the leading innovators in the renewable energy market. Unlike commercial and consumer goods where prices and demand can swing wildly, renewable energy sources and green technologies are universally projected to grow. It is not a matter of if, but when. We are proud to say that our products are used in nearly all the technologies supporting renewables – everything from smart grids, solar power and wind energy generation, to geothermal and tidal generation systems, and even in electric vehicles.

Today, KEMET centers its research and development in multiple Innovation Centers in the United States, Japan, Italy, and Portugal. The entire research and development program is organized through the Advanced Technology Group (ATG), which collaborates with academic institutions on research into fundamental issues in passive electronic components. The ATG is fundamental to what our Chief Technology Officer has called "the process of invention and reinvention," which has enabled the company to thrive at the cutting edge of scientific development.

Our film and aluminum electrolytic capacitors are already used in solar converters, wind generators, trains, hybrid vehicles, power supplies, and other crucial automotive and industrial applications. Our highly sensitive current sensors rely on patented magnetic alloys used for monitoring home energy management systems (HEMS). Our metal composite reactors, which are integrally molded using KEMET's unique technology, optimize the performance of boost inverters in Hybrid (HEV), Plug in Hybrid (PHEV), and Battery Electric (BEV) Vehicles. Our KC-LINK™ range using KONNEKT™ high-density packaging technology is designed to meet the growing demand for fast-switching wide band gap (WBG) semiconductors, BEV/HEV, resonant converters, and wireless charging applications. KEMET' s miniature KO-CAP® and ceramics will be key components in future generations of vehicles equipped with Simultaneous Localization and Mapping (SLAM) and other advanced driver-assistance

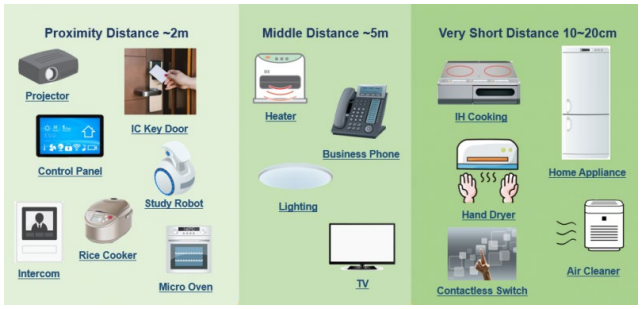
MINIMIZING OUR IMPACT THROUGH PRODUCT SUSTAINABILITY — SUSTAINABILITY IN FOCUS

KEMET introduced three new series of film capacitors (C44U-M, C44P-R, and R75H) in 2020 which are primarily focused on renewable energy applications and automotive applications. The latest C44U-M series features a DC-Link and DC filter power film capacitor designed for high-power conversion systems applications in green energy, industrial, and energy storage systems. It supports DC networks and proportionally supplies high current based on circuit needs or load demands—a common characteristic in wind, solar, and storage energy technologies. The new C44P-R series features high current capability for input and output AC filtering (up to 1,000 VAC) in solar converters, wind turbines, uninterruptible power supplies, and power factor correction systems. These cylindrical aluminum canister capacitors allow for higher energy density, extended life, reliability, and quality construction. The R75H Pulse series includes the same high energy density, extended life, and reliability benefits. This series meets one of the most rigorous reliability standards in the industry with its high voltage range (up to 2,000 VDC), high capacitance range, high dv/dt capability, and AEC-Q200 certified design. These automotive-grade capacitors can support power conversion for on-board electronics systems and on-board battery management systems in vehicles, and micro-inverters in solar panels.

KEMET film capacitors for green energy and automotive applications.

ENVIRONMENTAL SENSORS – SUSTAINABILITY IN FOCUS

KEMET's lineup of environmental sensors detect the condition of the environment and can be used to alert safety monitoring systems of changes in conditions. KEMET's Pyroelectric Infrared Sensors take advantage of ceramic's pyroelectric effect by absorbing the infrared rays emitted from the human body. This allows the sensors to detect the infrared signature naturally emitted by humans. The important feature here is energy saving! The proximity sensor only turns on when there is a person in its perimeter. For example, at most hotels, the door module is receiving power continuously waiting for a guest to approach the door with the key. All that power is wasted until the moment a guest approaches to open the door. If the hotel makes use of KEMET's 12-meter range proximity sensor, they can save a great deal of energy, as the door will only power on when a person is within range.



MEDICAL PRODUCTS AIDING IN THE FIGHT AGAINST COVID-19 – SUSTAINABILITY IN FOCUS

Components used in medical applications and solutions need to demonstrate high levels of reliability and safety as failure is not an option. KEMET has a long-standing history of supplying high-reliability components for mission critical applications. This expertise in technology development and materials science is applied to the medical industry where reliability is critical, and lives are at stake. KEMET components can be found in the body, on the body, and around the body. KEMET is a trusted supplier of components to devices that sustain and save lives.

In the Body: Perhaps one of the most mission-critical applications of our components are those in which devices are inside the body. Devices such as pacemakers and nerve stimulators have no options for serviceability and cannot be replaced in the event of failure. KEMET has a long history of success in supplying components and solutions for implantable devices.

On the Body: Portable devices worn on the body, such as blood glucose monitors, are no less important to sustaining lives. Components in battery-powered medical devices must be small in size to accommodate for the density of electronics, have low losses to maintain long battery life, and be highly reliable. Perhaps more critically important are the components in emergency applications such as automatic defibrillators that must lie in wait until an emergency happens and then perform reliably.

Around the Body: KEMET also supplies components to devices that are involved in large scale medical equipment for imaging. Devices such as MRI machines and CT scanners require large amounts of power to function, and components must be both highly reliable and capable of high-power applications. KEMET supplies components that fit both those needs to keep systems running effectively. Our aluminum electrolytic capacitors are found in the power supply to ultraviolet LED lights which are used to sanitize surfaces. Our proximity sensors are used in products which can detect when surfaces have been touched in order to initiate ultraviolet sterilization processes.

PRODUCT INNOVATION (cont.)

SUSTAINABLE SOURCING – SUSTAINABILITY IN FOCUS

As the world's largest user of tantalum, KEMET took an early leadership position in the industry on the issue of obtaining certified conflict free minerals. The KEMET Partnership for Social and Economic Sustainability program is the industry's most comprehensive social sustainability and economic program focused on meeting the short- and long-term needs of all stakeholders in the KEMET tantalum supply chain. This program includes a conflict free and vertically integrated tantalum supply chain.

Restricted Substance Management

Electronic waste is a major concern for the sustainability of our planet. Although KEMET does not produce electrical and electronic equipment, our products perform critical functions in these devices. The use of restricted substances in the manufacturing process, as well as product content, is highly scrutinized and controlled by various public and private interests. Integrated within our Quality Management System (QMS) are extensive new product development and product change control processes that contain a multi-disciplinary approach to the management of projects, including project leadership and participation, process phases, deliverables (outputs), and approvals.

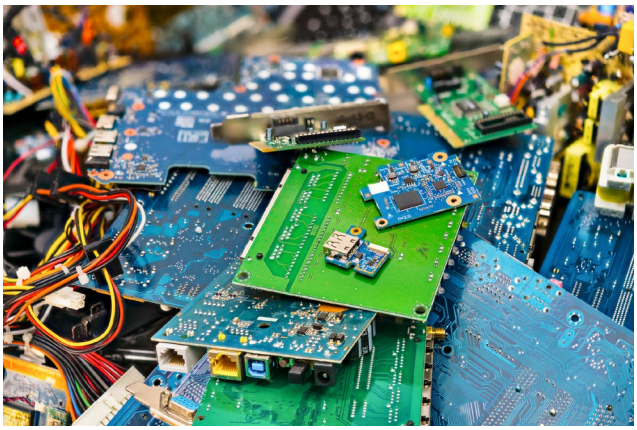
Special attention to environmental, health and safety impacts is incorporated into our Product, Process, Material, and Equipment Change Control (Change Control Process) procedures. A multi-disciplinary team of project leaders and team members are organized to evaluate the impacts and risks related to a change to a product, process, material, or equipment. Environmental, health, and safety impact assessments are conducted during the Change Control Process. The assessments include a review of material composition data against restricted substances regulations and industry and customer requirements, as well as analysis of any potential risks to health, safety, or the environment.

KEMET's Sustainability Council monitors and communicates the changing landscape of restricted substances regulations. Our monitoring incorporates the use of third-party providers for daily environmental compliance notifications and quarterly restricted materials update presentations. KEMET operates multiple laboratories within our facilities that provide for restricted substances testing capabilities.

We also engage accredited, external third-party laboratories to independently test our products and materials for substances controlled by various governmental regulations.

In 2020, KEMET participated in customer-initiated, external social and environmental responsibility audits of certain facilities to validate our overall sustainability program. Likewise, we performed social and environmental responsibility audits of certain suppliers to ensure compliance with our supply chain requirements. KEMET manufactures a limited number of products that contain lead by design and are required for high-reliability applications, such as military and aerospace.

Communication plays a key role in our restricted substance management. Regulations of particular focus in our industry are EU Directive 2015/863 Restriction on Hazardous Substances (RoHS); Regulation (EC) 1907/2006 Registration, Evaluation, Authorisation and Restriction of Chemicals (REACH); and California's Safe Drinking Water and Toxic Enforcement Act of 1986 (Prop 65). KEMET's **Product Environmental Compliance** webpage contains compliance information and certificates related to these regulations.



Supply-Chain Management

KEMET's Supplier Quality Procedures (SQPs) ensure the procurement of high-quality materials from only approved suppliers. Our suppliers are required to complete an extensive on-boarding process which includes a series of assessments based on supplier classification and the materials or services to be acquired. These assessments may include topics related to financial performance, supplier quality management systems, social and environmental responsibility, and responsible minerals sourcing data.

In addition to the approval process, suppliers must acknowledge and commit to adhering to KEMET's requirements for suppliers, our Purchase Order Terms and Conditions, and often a formal agreement. KEMET requires suppliers to comply with the **RBA Code of Conduct**, maintain a quality management system certified to ISO 9001 and/or IATF 16949, have a mature environmental, health and safety system compliant to regulatory requirements and industry standards such as ISO 14001, maintain an appropriate import and export compliance security program, and participate in conflict minerals due diligence practices when materials to be provided contain tin, tantalum, tungsten, or gold.

KEMET establishes and maintains long-term partnerships with strategic suppliers who share KEMET's commitment to continuous quality improvement and demonstrate an ability to make improvements in their processes, products, and services. KEMET works directly with each supplier to identify opportunities for improvement and to develop strategies to achieve their goals. These partnerships improve material quality and lower cost of ownership. Risk, QMS maturity, and Supplier Performance drives Supplier Development and Continuous Improvement Programs.

SUPPLIER COMPLIANCE – SUSTAINABILITY IN FOCUS

As part of our commitment to social responsibility, our **Supply Chain Policy** was developed to ensure all suppliers of conflict minerals (tin, tantalum, tungsten, and gold) meet specific expectations. Supplier responsibility is of the utmost importance for KEMET, and we strive to source responsibly and source conflict free raw materials. This policy is communicated to all suppliers, and KEMET's Supplier Quality Procedures are designed to track supplier conformance to this policy.

Our global logistics compliance team monitors certain supplier emissions data related to transport. We encourage and promote best practices within our supply chain to create transparency with our suppliers' carbon footprints. We meet with these suppliers to review emissions KPIs on a monthly and quarterly basis. We utilize a third-party tool to calculate CO2 emissions related to our subcontracted transport emissions.

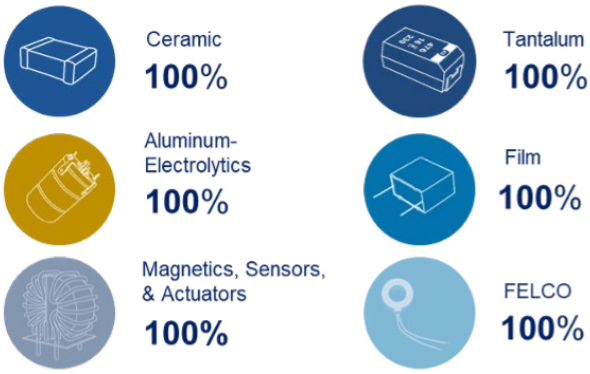
As the world's largest user of tantalum, KEMET took an early leadership position in the industry on the issue of obtaining certified conflict free minerals. As part of our commitment to corporate social responsibility, it is our goal to source conflict minerals (tin, tantalum, tungsten, and gold) in a manner that will not directly or indirectly finance or benefit armed groups in the Democratic Republic of Congo (DRC) and its adjoining countries or in any region determined to be a conflict-affected and high-risk area (CAHRA) as defined in the Organization for Economic Co-operation and Development Due Diligence Guidance for Responsible Supply Chain of Minerals from Conflict-Affected and High-Risk Areas (OECD Guidance), which include any entities therein. As part of our management systems, KEMET has adopted the OECD Guidance and will implement, where appropriate, the five-step framework for risk-based due diligence in the mineral supply chain including Annex II found in the OECD Guidance. We are members of the Responsible Minerals Initiative (RMI) as well as the Public Private Alliance for Responsible Minerals Trade (PPA). The PPA is a multi-sector initiative between leaders in civil society, industry, and the U.S. government that supports projects in the DRC and the surrounding Great Lakes Region of Central Africa that improve the due diligence and governance systems needed for ethical supply chains.

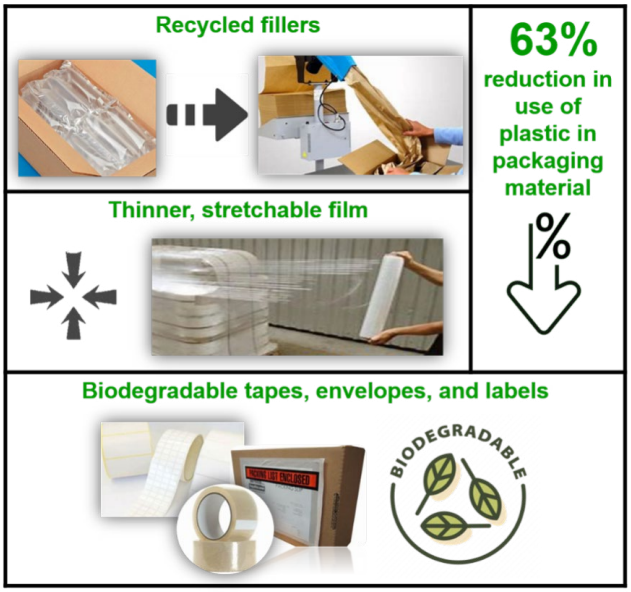
PEOPLE AND PLACES

KEMET is in the unique position of being both an upstream supplier and a downstream purchaser of tantalum. As such, KEMET's smelting and refining operations have been validated as conformant to the Responsible Minerals Assurance Program (RMAP), an independent third-party audit process administered by RMI. KEMET additionally relies on RMAP to supplement our internal due diligence of all conflict mineral suppliers. Our **Supply Chain Policy** requires suppliers of materials containing tin, tantalum, tungsten, and gold to source materials from smelters or refiners validated conformant to the RMAP standards. Since the inception of the U.S. Securities and Exchange Commission (SEC) conflict minerals reporting rules in 2013, KEMET is one of only four companies that have undergone an Independent Private Sector Audit of our Specialized Disclosure - Conflict Minerals Report (CMR) to the SEC every year until 2019. Due to KEMET's acquisition by YAGEO in 2020, we are no longer required to file a Specialized Disclosure with the SEC. However, in accordance with our commitment to transparency and due diligence practices to ensure a conflict-free supply chain, KEMET published an audited CMR for 2020. Our CMR is publicly available on **www.kemet.com**.

We are proud to report key results of supplier conformance to KEMET's **Supply Chain Policy** during 2020 as below. Notably, we had a 100% supplier Conflict Minerals Reporting Template (CMRT) response rate from suppliers to our major product offerings.

CMRT Supplier Response Rate by Business Group





CIRCULAR ECONOMY – SUSTAINABILITY IN FOCUS

Our Global Logistics Compliance team reviewed packaging materials for green alternatives. We transitioned to tapes, envelopes, and labels with biodegradable alternatives. We also replaced bubble wrap fillers, opting for recycled corrugated paper strips certified by the Forest Stewardship Council. The replacement of standard plastic film with coreless, pre-stretched film has reduced plastic use by 63%. We are planning to use bioplastic in the future. Our internal green dashboard manages facilities reusing materials by tracking the quantities of reused and new materials used in production. At some facilities, the percentage of reusable materials is as high as 74%. We hope to continue this process at more facilities in the future. We are also working to partner with logistics providers which are able to provide emissions data and which use green technologies to reduce idling, eliminate empty transport trips, and follow the most direct routes.

PEOPLE AND PLACES

Employee Empowerment

KEMET firmly believes that it is in the mutual interest of our employees, our customers, and our suppliers to meet the present and future requirements of the markets and society. This is accomplished by demonstrating responsibility for the people taking part in the manufacture of the products and services that make KEMET a global leader within our industry. Employee safety is one of KEMET's highest priorities. Careful concern for health and safety issues is both good for employees and good for the company. Each employee receives safety training tailored to the work they perform. KEMET employees have the right and responsibility to report anything they observe that could endanger others.

Our Human Resources teams provide training at our facilities and online related to KEMET's **Global Code of Conduct**, our positions on diversity and inclusion, and our anti-harassment and anti-bullying policies. Fairness, honesty, integrity, and respect are globally held values in our organization. All employees undergo anti-bullying and anti-harassment training. The trainings are designed to make clear that all employees should be comfortable at work in an environment that is free from harassment of any kind. The prohibition against harassment and bullying applies equally to coworkers and supervisory personnel. KEMET also takes all necessary actions to protect employees from harassment by customers, suppliers, and other non-KEMET employees. Employee complaints of harassment may be made to any supervisor, manager, officer of the company, or member of Human Resources staff. Employees also have the option of utilizing the Whistleblower Hotline if they are unable or uncomfortable with using other channels. Finally, KEMET does not tolerate retaliation against anyone who speaks up about harassment or bullying in good faith.

Every year in October, KEMET celebrates National Customer Service Week. Our Inside Sales & Service teams worldwide participate in numerous events designed to boost motivation, develop interpersonal skills, encourage teamwork, and ensure personal and mental health while providing the ultimate customer satisfaction experience.

FOSTERING A LEARNING CULTURE – SUSTAINABILITY IN FOCUS

KEMET ensures that all employees have the skills, knowledge, and competencies necessary so that they are motivated to support our Mission, Vision, and Values, achieve quality objectives, and make continual improvements while on the job. Some typical trainings would include those mandated by law (e.g. environmental, health, and safety), environmental awareness training related to KEMET's EMS, developmental courses addressing competencies such as leadership, teamwork, and computer and other technical skills, job-specific training (e.g. operator training, skills training, and cross-training), and quality training as required by KEMET's quality management system (QMS). For easy accessibility, we utilize KEMET University, our intranet platform, to publish, share, and document trainings and course completion. KEMET University supports our Value to be Talent Oriented: "Believing in the passion, skills, and engagement of our people." Finally, our human resources system allows managers/direct supervisors to determine training needs for long-term employee development.

Diversity at KEMET

As of December 2020, 54% of our total workforce was female. Women represented 13% of our senior management, which is defined as our Leadership Team and Board of Directors. While our Leadership Team is inclusive and diverse, representing the nationalities of our global operations, we are aiming to increase the percentage of women in senior management in the coming years. In March 2020, we celebrated International Women's Day, sharing in our gender diversity globally.

SUPPORTING OUR COMMUNITIES – SUSTAINABILITY IN FOCUS

KEMET has and continues to be an industry leader in the responsible sourcing of minerals in the Democratic Republic of Congo (DRC), including our development of the Partnership for Social and Economic Sustainability in a small tantalum mining village called Kisengo in the conflict-free province of Katanga in southeastern DRC. We also helped establish the Kisengo Foundation, which funded the construction of a hospital, a school, freshwater wells, solar lighting, and infrastructure improvements with the aim of improving the lives of women and their families in this region. KEMET remains a key board member and funder of the foundation with the goal of empowering and transforming lives in this remote village. During 2020, the Kisengo hospital treated several medical cases including everything from a child with measles to a woman with gynecological issues. The hospital had over 3,500 services, 2,000 consultations, and delivered over 200 newborn babies. Additionally, the Kisengo Foundation provided interior and exterior upgrades to the school along with a donation of school supplies.

Employee Wellness

We understand that our continued success depends on our employees, and we strive to make KEMET a great place to work every day. Through a range of employee engagement initiatives and programs, we encourage employee wellbeing and foster a culture of inclusion. Numerous employee health and wellness events were held in 2020, despite the challenges presented by the COVID-19 pandemic. For example, our Portugal facility opened a gym to be used by employees. Aside from a temporary closure during the pandemic, employees have been able to utilize the gym at their convenience. Additionally, this facility contracts with a local pharmacy for discounted goods.

EMPLOYEE WELLNESS – SUSTAINABILITY IN FOCUS

During an unprecedented year which was deeply impacted by the COVID-19 pandemic, many of our facilities still were able to encourage and conduct employee health and fitness activities. Our Xiamen, China facility organized walks on the Xiamen Shanhai health trail, as well as hosted weekly dance and fitness classes. Our Thailand employees organized “Healthy Breaks” during the workday to encourage physical and mental fitness.

Community Engagement & Volunteering

We think it's important to give back to the communities where we live and work, so we support employees in their volunteering efforts. We continuously engage our employees to support our communities by providing volunteer opportunities to help address local and global concerns. Even though the COVID-19 pandemic limited volunteer events and gatherings in 2020, KEMET still found ways to give back to our community. One way our employees contributed was through global participation in a virtual Heart Walk.

COMMUNITY ENGAGEMENT – SUSTAINABILITY IN FOCUS

One way that KEMET helps to make the world better, safer, and more connected is by supporting the communities where we do business. Each year, KEMET is a local sponsor of the Broward Heart Walk in Fort Lauderdale, FL, benefitting the American Heart Association (AHA). This year, the Heart Walk was supposed to take place in mid-March, just as COVID-19 started to shut down events in the Fort Lauderdale area. At first, the event was postponed, and then the AHA decided to take it virtual. This allowed us to involve our coworkers from around the world. On May 10, 2020, KEMET was a proud sponsor of the Broward Heart Walk, showing support from all around the globe. Our coworkers uploaded pictures of themselves walking from their respective time zones—and we had participation from Suzhou, China; Simpsonville, South Carolina; Skopje, Macedonia; Evora, Portugal; Tokyo, Japan; Bang Pakong, Thailand; San Nicolas, Monterrey, Mexico; Dallas, Texas; Matamoros, Mexico, and more to promote healthy hearts.

PEOPLE AND PLACES (cont.)

We are also proud to foster and encourage a positive culture around learning in our communities. Our Xiamen, China facility donated book purchasing cards for the local Marun primary school.

Xiamen, China and Bang Pakong, Thailand employees donated blood to their local blood banks in 2020. Over 26,000 mL of blood was donated to local hospitals. These donations were especially critical since COVID-19 caused drastic blood shortages across the world.

Our Xiamen, China facility organized 30 employees to clean the roads around the company to help improve and beautify the environment.

53 employees went to Song Klong Mangrove Forest, Bang Pakong, Thailand to plant a mangrove forest and clean up the environment.

ON THE HORIZON

Looking Forward

Over the coming year, KEMET will be aligning its sustainability strategy with YAGEO and Pulse as part of the combined YAGEO Group. This integration will drive the need for additional assessment of what ESG issues are material to YAGEO Group and its stakeholders. We plan to begin the materiality assessment process in 2021 to help us shape our sustainability strategy and prioritize our ESG initiatives. As part of that process, over the coming year, YAGEO Group will establish a **Global Code of Conduct** that includes considerations for setting new ESG goals and emissions targets for the combined group. This will include establishing a new baseline for our data as well as the standardization of assessments across all of our global facilities.

Once we have standardized our data collection process, we will reassess our operational impact on the environment and drive consequential reductions to our overall group footprint through new initiatives. Looking beyond our direct operations, our commitment to our supply chain has never been more important. We plan to further engage with our supply chain as YAGEO Group with a focus on sustainability initiatives and partnerships. We will also continue to monitor our sustainability efforts for alignment with the United Nations Sustainable Development Goals so we can highlight how our actions are helping shape a more sustainable future.

APPENDIX A

Key Performance Indicators

Environmental Data	Units	2020	2019
Energy Consumption			
Fuel Consumption			
Diesel	MWh	-	-
Coal	MWh	-	-
Renewable	MWh	-	-
Natural Gas	MWh	75,377	70,470
Other (Liquid Propane)	MWh	18,411	18,846
Other (Fuel Oil)	MWh	10,070	10,979
Electricity Consumption	MWh	359,776	383,156
Total	**MWh**	**463,634**	**483,452**
Greenhouse Gas Emissions			
Direct (Scope 1)	metric tons CO2e	31,889	19,874
Indirect (Scope 2)	metric tons CO2e	174,723	186,803
Indirect (Scope 3)*	metric tons CO2e	-	-
Total	**metric tons CO2e**	**206,612**	**206,677**
Greenhouse Gas Emissions Intensity (Scope 1 and 2)**	metric tons CO2e / $M revenue	222	210
Waste Disposal			
Non-Hazardous	metric tons	13,253	33,692
Hazardous	metric tons	18,138	15,210
Total	**metric tons**	**31,391**	**48,901**
Waste Streams			
Total Incinerated	metric tons	106	275
Total Landfill	metric tons	2,419	3,145
Total Recycled	metric tons	8,458	11,564
Total Reuse	metric tons	1,264	1,129
Composting	metric tons	4	62
Total Energy Recovery	metric tons	80	514
Onsite Storage	metric tons	771	12,071
Other	metric tons	116	4,931
Water Withdrawal			
Total	megaliters/year	1,869	1,915
Spills and Discharges			
Reportable Environmental Incident Rate	# per 200,000 hours worked	0	0
Social Data			
Employee Hours			
Total Number of Hours Worked	hours	28,157,000	28,915,000
Injuries and Process Safety Incidents			
Total Lost-Time Accidents	#	10	6
Days Away, Restricted, and Transferred (DART)	# per 200,000 hours worked	0.070	0.042
Total Recordable Incident Rate (TRIR)	# per 200,000 hours worked	0.18	0.069
Governance Data			
Revenue	$ in millions	932	986
Employees Worldwide at Year-end, approximate	#	14,919	14,478

** Scope 3 emissions were not calculated for this reporting period*

*** Revenue as part of the GHG intensity metric was recalculated for 2019 using corrected data*

APPENDIX B

SASB Alignment

The table includes select accounting metrics we have deemed material and are currently able to report on taken from the SASB standard specific to our primary industry as identified by the Sustainable Industry Classification System® (SICS®): Extractives & Minerals Processing Sector – Metals & Mining Sustainability Accounting Standard (October 2018). We have also reported accounting metrics from the Technology & Communications Sector - Electronic Manufacturing Services & Original Design Manufacturing Standard (October 2018) as appropriate. For clarification, SASB Codes have been provided: EM-MM – Metals & Mining; TC-ES – Electronic Manufacturing Services & Original Design Manufacturing.

SASB Code	Accounting Metric	Unit	2020	2019
Greenhouse Gas Emissions				
EM-MM-110a.1	Gross global Scope 1 emissions, percentage covered under emissions-limiting regulations	Metric tons (t) CO_2e	31,889	19,874
EM-MM-110a.2	Discussion of long-term and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets, and an analysis of performance against those targets: Further discussion is provided in the above section, Greenhouse Gas Emissions.			
Biodiversity Impacts				
EM-MM-160a.1	Description of environmental management policies and practices for active sites: KEMET provides discussion for environmental management practices on our website under the Facilities, Environmental, Health & Safety Policy section.			
Security, Human Rights & Rights of Indigenous Peoples				
EM-MM-210a.3	Discussion of engagement processes and due diligence practices with respect to human rights, indigenous rights, and operation in areas of conflict: Engagement processes and due diligence can be found in the above section, People and Places.			
Community Relations				
EM-MM-210b.1	Discussion of process to manage risks and opportunities associated with community rights and interests: KEMET's management of risks and opportunities can be found on our website under our Social sustainability section.			
Business Ethics and Transparency				
EM-MM-510a.1	Description of the management system for prevention of corruption and bribery throughout the value chain: A discussion of KEMET's corruption and bribery prevention policies can be found in our Global Code of Conduct.			
Water Management				
TC-ES-140a.1	(1) Total water withdrawn,	Thousand cubic meters (m3)	1,869	1,915
	(2) Total water consumed, percentage of each in regions with High or Extremely High Baseline Water Stress		1,075	613
Waste Management				
TC-ES-150a.1	Amount of hazardous waste from manufacturing, percentage recycled	Metric tons (t)	18,138	15,210

APPENDIX B (CONT.)

SASB Code	Accounting Metric	Unit	2020	2019
Labor Conditions				
TC-ES-320a.1	(1) Total recordable incident rate (TRIR) (a) direct employees and (b) contract employees	Rate	**0.18** (per 200,000 hours worked)	**0.069** (per 200,000 hours worked)
TC-ES-320a.2	Percentage of (1) entity's facilities audited in the RBA Validated Audit Process (VAP) or equivalent, by (a) all facilities and (b) high-risk facilities	Percentage (%)	**9.52%**	**9.09%**
	In 2020, KEMET participated in a RBA VAP audit at our Suzhou, China facility. Further, we participated in a customer-driven social and environmental responsibility audit at our Matamoros, Mexico facility. 20/21 facilities were determined to be low-risk companies and one facility was determined to be medium-risk, as per the RBA Self-Assessment Questionnaire (SAQ).			
Product Lifecycle Management				
TC-ES-410a.1	Weight of end-of-life products and e-waste recovered, percentage recycled: This topic is not applicable as we manufacture components that are used in other products; therefore, we cannot assess their end-of-life.			
Materials Sourcing				
TC-ES-440a.1	Description of the management of risks associated with the use of critical materials: A discussion on critical material risk management can be found in the above sections, Restricted Substance Management and Supply-Chain Management.			