

Poised to Make an Impact

2022 Environmental, Social and Governance Report





- [About](#)
- [Letter](#)
- [Appendix](#)

→ [Environmental](#)

- [Corporate Sustainability Strategy](#)
- [Renewable Energy](#)
- [Environmental Metrics](#)
- [2025 Environmental Goals](#)
- [Environmental Initiatives](#)

→ [Social](#)

- [Global Human Rights](#)
- [Labor](#)
 - [Cyberspace: A Priority of Focus](#)
 - [Diversity, Equity, Inclusion & Belonging](#)
 - [Company Culture](#)
- [Societal Impact](#)

→ [Governance](#)

- [Introduction](#)
- [Effective Board](#)
- [Stakeholder Engagement](#)
- [Fair Compensation](#)
- [Transparent Integrity](#)

This ESG Report contains certain forward-looking statements based on our management's current expectations and assumptions as of the date of the Report, including statements regarding our ESG targets, goals, commitments, and programs and other business plans, initiatives, and objectives. The statements may be identified by the use of words such as "believes," "goal," "journey," "long-term," "grow," "future," "vision," "plan," "would," "will," and similar expressions. Many of the numbers and percentages used in this Report are estimates or approximations and may be based on assumptions. All such statements are intended to enjoy the protection of the safe harbor for forward-looking statements within the meaning of Section 21E of the Securities Exchange Act of 1934, as amended. Our actual future results, including the achievement of our targets, goals, or commitments, could differ materially from those expressed in forward-looking statements as the result of risks, uncertainties, and factors, including the risk factors discussed in Item 1A - Risk Factors of our most recent annual report on Form 10-K. We make no commitment to update these factors or to revise any forward-looking statements for events or circumstances occurring after the statement is issued, except as required by law.



Who We Are and What We Do

Kimball Electronics was founded in 1961. We are 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 has 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 (“CRM”) 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.

Our services are sold globally on a contract basis, and we produce products to our customers’ specifications. Our manufacturing services primarily include:

- Design services and support;
- Supply chain services and support;
- Rapid prototyping and new product introduction support;
- Product design and process validation and qualification;
- Industrialization and automation of manufacturing processes;
- Reliability testing (testing of products under a series of extreme environmental conditions);
- Production and testing of printed circuit board assemblies (PCBAs);
- Production and assembly of medical devices, medical disposables including packaging, and other non-electronic products;
- Drug delivery devices and solutions with and without electronics;
- Class 8 clean room assembly, cold chain and product sterilization management;
- Design engineering and manufacturing of automation, test, and inspection equipment;
- Design engineering and production of precision molded plastics;
- Software design; and
- Complete product life cycle management.



Our Global Presence

Our global footprint supports our customers’ specialized manufacturing needs. Whether the requirement is in-region support for an end market, access to a lower cost market, or proximity to a customer team, Kimball Electronics has a solution.

North America

Jasper, Indiana*
 Indianapolis, Indiana
 Tampa, Florida
 San Jose, California
 Reynosa, Mexico

Asia

Nanjing, China
 Suzhou, China
 Trivandrum, India
 Chiba, Japan
 Laem Chabang, Thailand
 Ho Chi Minh City, Vietnam

Europe

Poznan, Poland
 Timișoara, Romania

* Manufacturing Facility and World Headquarters Facility



“This year, you will see that we have taken the next step by integrating internationally recognized reporting standards into this report, part of our journey to be leaders in not only protecting but enhancing our world.”

Don Charron
Chairman and CEO

Welcome to our Environment, Social and Governance (ESG) report for 2022!

Our ESG Report highlights the long-term environmental, social, and governance principles and practices designed to support our commitment to sustaining “lasting relationships” and achieving “global success” with our stakeholders wherever Kimball Electronics’ touch is felt throughout the world.

This year’s report ties closely to our 2022 Annual Report to Share Owners, both in what it contains and even in how it looks. That is by design. Our Company purpose, “Creating Quality for Life,” supported by our Guiding Principles drives everything we do, including how we approach our work, and particularly relevant for this report, how we demonstrate our leadership as citizens of the world and the communities in which we operate. This is why we have integrated our ESG goals into our business strategy and our operations.

We’ve decided to strengthen our disclosures in this way because our ESG performance is and long has been fundamental to Kimball Electronics’ lasting relationships and success with our customers, our people, and our communities. We want our reporting to show how we proactively address challenges in our business and to our stakeholders and that we recognize the connection between significant ESG issues and the long-term value we deliver to Share Owners.

Customers, consumers, investors, and other stakeholders, particularly in the EMS industry, are increasingly focusing on environmental issues, including climate change, water use, deforestation, waste, and other sustainability concerns. Along with our stakeholders and our broader industry, we have increased our focus on sustainability and measurement of our progress against ESG criteria. We have established sustainability and ESG programs aligned with sound environmental, social, and governance principles.

The challenges we faced in 2022 were both new (record-high input cost inflation and ongoing demand normalization) and known (supply chain disruptions and ongoing COVID-19-related impacts). Still, we continued to execute on our strategic plan, controlled what we could control, and delivered profitable growth and capacity for future expansion on our journey to the next billion dollars in sales.

We’re leveraging the depth of our electronics manufacturing expertise to take advantage of the ever-increasing demand for electrification and connectivity in the vehicles we drive, the medical devices that help professionals deliver medical care, and the smart devices that power our factories and homes. These continued evolutions have led to record quarterly sales in recent quarters and are creating long-term growth opportunities across our portfolio.

We published our first ESG report in 2019. We have learned a lot from our Share Owners and other stakeholders about transparency in ESG reporting since then. In fact, our Board of Directors dedicated two special meetings this past calendar year to ESG issues, including hearing from different internal and external stakeholders.

This year, you will see that we have taken the next step by integrating internationally recognized reporting standards into this report, part of our journey to be leaders in not only protecting but enhancing our world.

A key highlight: We were awarded the “AA” rating in the Morgan Stanley Capital International (MSCI) ESG Ratings for 2022, ranking us among the top 9% of companies in the “Electronic Equipment, Instruments & Components” industry with well-above industry average performance in Governance, Sourcing, and Labor Management measured through the ESG dimensions. KE has outperformed the industry average in MSCI’s ESG ratings since 2020. This result demonstrates our continuous improvement and commitment to sustainability and our excellence in ESG practices.

In addition, Morningstar Sustainalytics, a leading ESG research, ratings, and data firm that supports investors around the world with the development and implementation of responsible investment strategies, rated us #1 among electronics manufacturers for ESG risk. They also placed us in the top 10—not just top 10%, but *top 10*—of the over 15,000 companies around the world that they rate, because of the robustness of our ESG programs, practices, policies, and disclosures.

I am heartened to see how far we’ve come in ESG reporting in just a short time.

A broad cross-functional team of employees and leaders from our Finance, Legal, Facilities, Audit and Management Services, Human Resources, Marketing, and Communications teams created this report and are advancing our plans for the external assurance of nonfinancial metrics you see reported here.

We’re still in the early stages, but we are excited about our strategy and, most importantly, our continuous improvement of transparency and open communication. Our goal is that when you read our ESG report, you get a holistic view of how our ESG performance integrates into our overall company performance.

As ever, we remain committed to our company purpose of Creating Quality for Life through the many life-saving and life-improving products we provide to our customers and their end users; to our people through a respectful and rewarding company culture that encourages meaningful work, promotes a sense of family (at work and at home), and keeps their best interests in mind; for our communities through our positive societal and environmental impacts; and for our Share Owners by providing a positive financial return and a sound financial investment.

Thank you for your continued interest in Kimball Electronics!

Thank you.



Donald D. Charron
Chairman and Chief Executive Officer

Awarded the

AA

Rating in the Morgan
Stanley Capital
International (MSCI)
ESG Ratings for 2022





Environmental

Making our communities better through a people-centered culture and a commitment to responsible operations.

- Corporate Sustainability Strategy
- Renewable Energy
- Environmental Metrics
- 2025 Environmental Goals
- Environmental Initiatives

Photo by Natasha Ambrose, Earth Day Nature Photography Contest Finalist



Renewable Energy

KE is committed to investigating renewable energy options, including embracing solar energy. A recent success was the implementation of our company's first solar energy system at our Thailand manufacturing facility. The 136-kilowatt solar energy system represents 8% of our facility's electrical load. In 2023, we plan to implement solar energy systems at our manufacturing facilities in Poland, Mexico, and Romania, while expanding the Thailand system by an added 850 kilowatts, which will represent 56% of our electrical load in Thailand.

Photo: Our safety, environmental, and facilities leaders from around the world met for face-to-face, strategic discussions in Indianapolis.

Our Corporate Sustainability Strategy

Our corporate sustainability strategy is part of our Guiding Principles' commitment to being a leader in protecting and enhancing our world, because the environment is our home. This principle shapes our approach to sustainability and serves as a reminder of the importance of our actions and decisions. We are committed to reducing our environmental impact and promoting sustainability in all aspects of our business.

Continuous improvement is a key aspect of our sustainability strategy. We set clear sustainability goals and regularly review our progress towards achieving them, including our ultimate goal of zero greenhouse gas emissions by 2050. We continuously monitor, evaluate, and improve the environmental impact of our products, services, and supply chain, incorporating sustainable practices into our daily operations and decision-making processes. We also invest in technology and innovation to drive sustainability and reduce emissions. We seek common benchmarks and methodologies for reducing our environmental impact, and we are committed to regularly monitoring our progress towards reducing emissions and our energy and water usage. We have implemented and will continue to maintain appropriate environmental management systems in our business.

We avoid and minimize the impact of business practices that conflict with our sustainability goals or that have negative

environmental or social impacts. We also expect all of our operations and those of our suppliers, contractors, and business partners to adhere to our sustainability standards, and we conduct due diligence to ensure alignment. Additionally, we educate and engage our internal and external stakeholders on the importance of sustainability and provide them with tools and resources to raise their awareness of environmental issues, to reduce their personal environmental impact, and to live sustainably.

By following these principles, we hope to serve as a leader in environmental protection and enhancement for future generations.

At Kimball Electronics, Safety is a Value

KE strives to create safe and secure workplace environments with an injury-free culture, truly believing that all injuries can be prevented. Employees are expected to work safely, follow safety policies and regulations, report unsafe conditions, and wear appropriate safety equipment. The [Safety, Environmental, and Facility Policy](#) at KE emphasizes that safety is a value—unlike priorities, values never change. KE promotes awareness and education among employees with the goal of eliminating exposures, or risks, that create unsafe conditions and behaviors.

Our corporate environmental, health, and safety beliefs:

Environmental Management

Our Environmental Management System is the foundation of our environmental best practices globally. We have developed a robust environmental management system and all of our production facilities are ISO 14001 certified.

Carbon & Climate

We have participated in the Carbon Disclosure Project (CDP) since 2011 to help drive continuous improvement. We focus on increasing the efficiency of our electrical energy usage and reducing greenhouse gas emissions. We utilize cost effective technology to help drive efficiencies. See our latest [CDP climate report](#).

Natural Resources

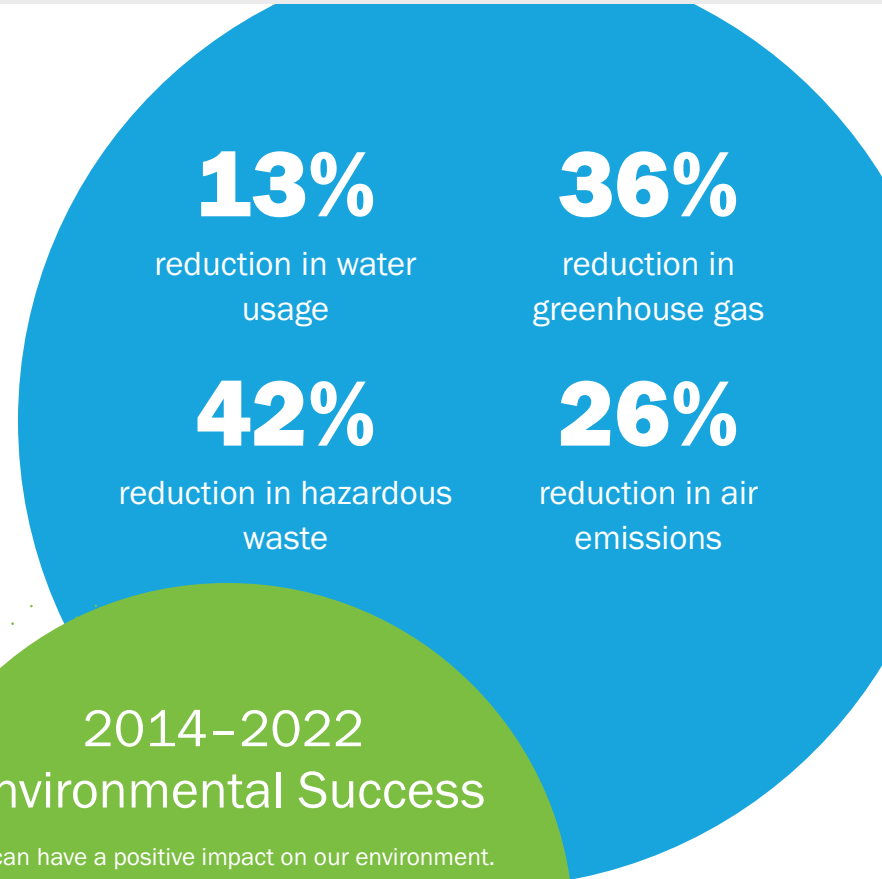
We are focused on decreasing water usage and increasing water recycling, and we have participated in the CDP water security questionnaire since 2019. Each location undergoes wastewater testing to ensure that we are compliant with regulations. See our latest [CDP water report](#).

Waste, Toxicity, and Air Emissions

Each of our facilities meets or even exceeds applicable air emissions standards, and we have procedures in place for the handling of our hazardous waste. We strive to reduce hazardous and non-hazardous waste and landfill usage. We focus on the reuse and recycling of our packaging material.

Health & Safety

We strive to provide all employees with a safe place to work. Employees are expected to work safely, follow safety policies and regulations, report unsafe conditions, and wear appropriate safety equipment. KE strives to create safe and secure workplace environments with an injury-free culture, truly believing that all injuries can be prevented. The Safety, Environmental, and Facility Policy at KE emphasizes that safety is a value—unlike priorities, values never change. Kimball promotes awareness and education among employees. We are in the process of implementing ISO 45001 across the enterprise. Seven of our nine manufacturing facilities have implemented it, and five have achieved external ISO 45001 certification. Our 2022 recordable injury rate was 0.26, and our 2022 lost-time injury rate was 0.06.



2014–2022 Environmental Success

We can have a positive impact on our environment. We strive to reduce our energy and water usage and greenhouse gas footprint. That starts with our local environment, health and safety teams, and their sharing of best practices globally. The percentages above reflect usage decreases on a per-unit produced basis from 2014 to 2022. This progress is even more amazing when you consider that we have more than doubled sales and added and expanded several facilities over this time.

We recycled or reused **92%** of our waste in 2022.



The long-term effects of climate change on the global economy and our industry in particular are unclear. We have committed to cut our greenhouse gas emissions, air emissions, electrical usage, and water usage by 2025 as part of our long-term sustainability strategy.

In 2019, we established absolute environmental goals to reach by 2025:

10%
Reduction in
Greenhouse Gases

10%
Reduction in Air
Emissions

15%
Reduction in
Electrical Usage

20%
Reduction in Water
Usage

Since calendar year 2019, our company has grown substantially:

29%
Increase in Square
Footage

25%
Increase in Number of
Employees

26%
Growth in Sales

Even with this growth, we have still reduced our greenhouse gas (GHG) emissions by 16% and our air emissions by 19%, on pace to exceed our 2025 goals.

Our electrical usage has increased slightly (2.6%) since 2019 on an absolute kilowatt hour basis, but it decreased by over 12% per dollar of sales and by 4.7% per employee hour worked.

Our water usage has increased as well, particularly over the past year (25.5%), but only 3.2% per dollar of sales since 2019. This increase is attributable to doubling the size of one of our facilities and new business at that expanded facility that has specialized water usage requirements. We remain committed to decreasing our usage as we grow and are working on ways to conserve and reuse water across the organization and to improve our water use and recycling/reuse measurement program.

Our culture is a recipe for always doing the right thing globally. Essentials to success include keeping our people safe, keeping the environment clean, and keeping our facilities in excellent condition. Here are examples of what we have done recently at our global locations to support our commitment to the environment, health, and safety.



Photo: Our employees in Vietnam took advantage of onsite health screenings focused on prevention.



Photo: Employees in Suzhou participated in fire safety training.

Photo: 2022 marked the 13th year for our Nanjing facility's Safety Knowledge competition.



Tampa, Florida

- In anticipation of the arrival of Hurricane Ian, shut down production to keep employees safe, demonstrating our commitment to crisis planning.
- On Earth Day, encouraged our employees to bring items from home to our facility for recycling.
- Captured HVAC condensation water for reuse.

Indianapolis, Indiana

- Hosted safety, environmental, and facilities managers from around the world for our annual face-to-face gathering to share best practices.
- On World Environment Day, gave employees wildflower seeds.
- On Earth Day, an employee team volunteered to clean up the outdoor area that surrounds our facility.
- Donated used flower vases to a nonprofit organization that reuses them to deliver flowers to healthcare facility patients.

Ho Chi Minh City, Vietnam

- Offered health screenings to employees.
- Held occupational safety training.
- Held an extensive fire drill, which featured a realistic mock crisis involving all employees.
- On World Environment Day, planted an ornamental Areca tree to enhance our rooftop green space.

Nanjing, China

- Held our 13th annual Safety Knowledge competition.
- On World Environment Day, we held a flea market promoting the reuse of home items, and we shared information on how to have a low carbon lifestyle.
- On Earth Day, we volunteered to pick up litter in a nearby village.

Suzhou, China

- Named one of the top five organizations for fire management by our landlord after participating in a fire drill focused on safety awareness, employee protection, and rescue procedures.

Jasper, Indiana (Manufacturing)

- Earned Indiana Governor’s Workplace Safety Award, given to “companies that have made safety the top priority for their employees.”
- Passed an Indiana Voluntary Protection Program Association audit, completed every three years, verifying the sustainability of our STAR safety status.
- Achieved ISO 45001 certification, the Global Standard for Safety and Health.
- On Earth Day, gave employees wildflower seeds to support pollination and pest control and help stop erosion.
- Sponsored a car built by area students that competed in the Greenpower Electric Car Challenge. Greenpower’s mission is to advance the understanding of Science, Technology, Engineering, and Mathematics (STEM) topics and inspire innovation in young people through the designing, building, and racing of electric-powered vehicles.

Jasper, Indiana (World Headquarters)

- Participated in four Adopt-A-Street sessions, removing litter from the street that we sponsor.
- On World Environment Day, hosted a virtual event for global employees featuring ocean conservation expert Alex Rose.
- On Earth Day, gave employees wildflower seed cards and started replacing breakroom plastic utensils with wooden utensils.
- On Earth Day, hosted a virtual event for global employees featuring Anna Sacks, an environmentalist and a waste reduction influencer based in New York City.
- On Earth Day, hosted a nature photography contest open to employees and the public around the world, with proceeds benefiting worthy nonprofit causes.

Trivandrum, India

- In celebration of World Heart Day, invited a senior cardiologist to speak about cardiovascular disease and how to live healthier.
- On World Environment Day, raised awareness about how employees can help the environment in the face of climate change.



Photo: Employees participated in First Aid Safety Certification Training in San Jose.



Small Photo: Employees volunteered to help Ecostuff Romania plant trees to form a protective forest curtain in Timișoara.

Large Photo: Our Reynosa facility donated supplies to a local fire and rescue department.

Timișoara, Romania

- Raised employee awareness of the importance of early breast cancer detection and prevention during International Day to Fight Breast Cancer.
- For Earth Day, visited a local school to teach and inspire children about environmental responsibility.
- For Earth Day, shared 52 Ways to Invest in our Planet on social media.
- Continued to support the OilRight organization, which recycles used cooking oil to make scented candles. To date, KERO employees have donated 50 liters of oil to the organization.
- Volunteered to help Ecostuff Romania plant trees to form a protective forest curtain in Timișoara.

Reynosa, Mexico

- On Earth Day, gave fruit trees to employees to plant on personal property.
- Supported a local fire and rescue department by donating firefighter boots, helmets, hoods, a stretcher, and liquid hand soap.
- Captured HVAC condensation water for reuse.

San Jose, California

- Held First Aid Safety Certification Training.
- On Earth Day, held a contest encouraging employees to use a reusable bag at the grocery store; use a reusable water bottle instead of a one-time use plastic one; and compost food scraps at home.



Large Photo: Our Poland facility held a World Environment Day art contest for children of employees.

Small Photo: Our Thailand facility became our first facility to use solar panels for onsite renewable energy.

Poznan, Poland

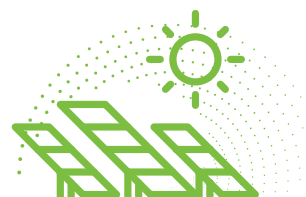
- Changed electrical suppliers to one that provides 100% renewable energy from wind, sun, water, and biogas.
- On World Environment Day, sponsored an environmental-related art contest for children of employees.
- On Earth Day, collected 1,349 pounds of home electronic devices from employees for recycling.
- Employees pedaled 28,080 kilometers as part of KIMBIKERS program, which encourages employees to bicycle to work, and we helped cover expenses for employees using public transportation. Both activities reduce the number of people who drive to work in their cars.

Laem Chabang, Thailand

- Became first KE facility to use solar panels for onsite renewable energy. When fully online in 2023, we expect the solar energy system to account for 56% of the facility's connected load.
- On World Environment Day, helped clean up a mangrove forest.
- Participated in advanced firefighting training.
- On Earth Day, gave employees flowers, ornamental plants, and kitchen plants to increase "green spaces" where they live. Also, employees shared personal thoughts and answers to Earth Day-related questions, including the topic of global warming.
- Employees brought their old cardboard and paper calendars to work, which were then given to an organization that recycles them into materials to make Braille books and notebooks for the visually impaired.

"I am very proud of our global teams' focus on the environment, health, and safety at our facilities. We have always done the right thing to sustain our culture of continuous improvement for today and tomorrow."

Chris Whann, Director, Safety, Environment, and Facilities





Social

We are committed to engaging in meaningful ways to live up to our customers, people, and citizenship guiding principles around the world.

- Global Human Rights
- Labor
 - Cybersecurity: A Priority of Focus
 - Diversity, Equity, Inclusion & Belonging
 - Company Culture
- Societal Impact

Global Human Rights

We are a people-centered company committed to the highest standards of conduct in our daily human interactions and business dealings. For us, human rights are more than just being compliant, they are about doing the right thing.



Photo: A freshwater system that KE financially supported through Water to Thrive, a nonprofit organization based in Austin, Texas, became operational in the village of Mugno Gato, Ethiopia, in 2022. Estimated number of people positively affected: 1,200. (Photo provided by Water to Thrive)

- Our [Guiding Principles](#) outline the critical role KE plays as a corporate citizen for our customers, our people, our supply partners, our share owners, our environment, and our communities. Our human rights beliefs are deeply rooted in our Guiding Principles.
- Our extensive [Global Human Rights Policy](#) is accessible in its entirety on KE's [Environmental, Social and Governance Web site](#). The standards in this policy apply to all our operations, regardless of their geographic location. We also require our suppliers, contractors, and business partners to adhere to this same policy.
- We believe in the inherent value of all individuals and their inalienable rights and acknowledge the risks of specific impacts to particularly vulnerable segments of society, including minorities, women, and indigenous peoples. We respect internationally recognized human rights principles.
- We believe that no company should prosper while violating the basic human rights of others, whether through unlawful slavery, servitude, forced or compulsory labor, or otherwise exploitative means.
- To raise awareness of our commitment to human rights and to foster compliance with our Human Rights Policy, we have incorporated this policy as an integral part of our Code of Conduct and train all of our employees worldwide on human rights issues annually.
- We support and comply with child and compulsory labor laws worldwide. We do not accept or condone any aspect of forced or unlawful child labor or of human trafficking. In accordance with conventions of the International Labour Organization (ILO), we do not make use of forced, bonded, or child labor to manufacture or assemble products.
- Both within our own operations and our supply chain, we require remuneration to be consistent with the provisions of all applicable wage laws, including those relating to the minimum wage, overtime/overtime premiums, maximum working hours, and legally mandated benefits. We prohibit wage deductions as disciplinary measures. We promote and apply principles of economic inclusion for our employees, customers, and the suppliers we select, including the principle of equal pay for work of equal value, in all countries where we and our supply chain operate.

Global Human Rights

- We require that all employment, whether with KE or with our suppliers, complies with applicable laws, regulations, and prevailing labor relations and employment practices, including those concerning hours, compensation, overtime payments, opportunity, and working conditions. Work weeks cannot exceed the maximum set by local law and workers shall be allowed at least one day off every seven days.
- We work to ensure that all employees receive a living wage under humane living/working conditions at KE and throughout our supply chain, meaning workers earn enough to provide food, housing, and basic needs for themselves and their dependents, regardless of the country where they work.
- The right to water is a fundamental human right. KE works toward understanding and applying sound practices for land and water use consistent with emerging international practices while considering the impact of its global activities on water stress (defined as lack of quantity, quality, and accessibility of water).
- KE strives to respect human rights in support of our environmental management policies and goals (see the Environmental section of this report).
- Animals are not components in our supply chain, and neither our manufacturing nor our design processes involve experimentation on animals.
- In fiscal year 2022, zero forced labor, child labor, human trafficking, bribery, facilitation payments, corruption, anti-competitive acts (including false/deceptive marketing practices), or other priority non-conformance incidents (including labor rights, health and safety, and compliance with our Global Supplier Quality Manual and Code of Conduct by our suppliers) were reported to management and none were forwarded to local authorities, or, if appropriate, to a human rights organization for further investigation.
- We provided training to 100% of our employees annually on our Code of Conduct, including our Human Rights Policy, other core human rights matters, and how to report matters of concern to KE. The training is translated to meet the language needs of all of our employees.
- Our employee training includes how to recognize signs of potential human rights abuses, corruption, facilitation payments, and bribery.

Photo: Our Thailand facility and employees donated money and items in support of child victims of human trafficking who have sought refuge at a center committed to their protection. KE recognized National Slavery and Human Trafficking Prevention Month by sharing information with employees worldwide about how to spot signs of human trafficking and who to report this to.



Our Human Rights Policy derives from principles such as those defined in the United Nations' Universal Declaration of Human Rights and the two International Covenants making up the International Bill of Human Rights; the United Nations' Guiding Principles on Business and Human Rights; the International Labor Organization's (ILO) Declaration on Fundamental Principles and Rights at Work; the OECD Guidelines for Multinational Enterprises; the Ten Principles of the United Nations Global Compact and the guidance provided by ISO 26000.

Labor

From recruitment to separation, we do not discriminate based on age, race, skin color, social background, religion, ethnicity or national origin, gender, gender identity and expression, disability, genetic information, sexual orientation, political affiliation, union membership, marital status, status as a protected veteran, caste, property, birth, or any legally protected classification.



"It's encouraging to note that we have not experienced any reportable breaches in the past three years, but that in no way means we can rest. Recently, we invited specialists from a leading cybersecurity technology company, CrowdStrike, to assess our environment and systems, to benchmark us to our peers, and to identify areas of improvement. The results were consistent with our expectations and as a result we have a strategy and plan to become even more cybersecure."

— Tracey Blendowski, Senior Information Security Manager

Cybersecurity: A Priority of Focus

- Mitigating cybersecurity risk is imperative for any company, and it's a growing concern for investors.
- Cybersecurity risk management is a common thread running throughout our company, including our environmental, social, and governance practices.
- We continuously monitor and develop our information technology environment to prevent, detect, address, and mitigate the risk of unauthorized access, misuse, data loss, computer viruses, and other cybersecurity events that could harm our business.
- Our world headquarters in the U.S. and our manufacturing facility in Romania completed successful re-certification ISO 27001 surveillance audits for their information security management systems (ISMS) in 2022. The auditors noted strengths such as leadership commitment and comprehensive internal audit processes.
- Our Poland facility became the first KE manufacturing facility to achieve Trusted Information Security Assessment Exchange (TISAX) certification. TISAX is a European automotive industry-standard information security assessment catalog based on key aspects of information security such as data protection and connection to third parties. To complete the TISAX assessment, our Poland facility successfully completed an audit by an accredited, independent assessor.
- Just as we rely on technology to keep us cybersecure, we also rely on our people to understand their personal role in helping protect us from cyber threats. Employees worldwide are routinely tested on their cybersecurity knowledge to help identify and avoid online phishing techniques and social engineering practices that could threaten our operations.
- We encourage the personal development and growth of employees who work on our cybersecurity team. A 2022 highlight for us was when our Senior Information Security Manager Tracey Blendowski achieved her Certified Information Systems Security Professional (CISSP) certification. We rely on people of Tracey's caliber to help us build and manage a safe environment for our organization and, as a manager, to help in the growth and development of others on her team.

Measuring How We Live Up to Our Guiding Principles

- The average tenure within our workforce is 6.15 years.
- We work hard to mitigate turnover risk by consistently and formally surveying our workforce each year about how well we are living up to our People Guiding Principles by asking them to anonymously rate us on a scale from 1 (low) to 10 (high).
- We currently have a score of 8.44 across our enterprise, surpassing our goal of 8.0.
- We consistently have a participation rate in our Guiding Principles survey that exceeds 90%.
- The survey results continue to show that the vast majority of our employees would recommend KE to friends and family as a strong employer with which to seek a career.
- Upon completion of this survey every year, each local management team receives qualitative and quantitative feedback and is responsible for crafting improvement plans based on our people's inputs.
- We are proud to have a global Net Promoter Score of greater than 50%, giving us a world-class distinction.

Suppliers Are Our Partners

- KE is a member of the Responsible Minerals Initiative (RMI), which is

evaluating the supply chain risks of conflict minerals and other minerals (e.g., cobalt, mica) and studying how to mitigate those risks.

- We require our suppliers, vendors, contractors, and partners to meet each of our global Human Rights standards.
- Our [Global Supplier Quality Manual](#) (GSQM) functions as our certification program for suppliers, ensuring that we obtain written acknowledgment of their obligation to comply with all applicable laws, our [Code of Conduct](#), and our [Global Human Rights Policy](#).
- Our [Supply Chain Transparency Policy](#) is accessible on Kimball Electronics' [Environmental, Social and Governance Web site](#).
- Our product compliance team conducts due diligence and analysis to help our customers ensure that their products meet the many important product compliance requirements created to protect the environment and to prevent human rights and health issues, including REACH, RoHS, California Proposition 65, those pertaining to Conflict Minerals, and more.
- We are committed to the use of a socially responsible supply chain to reduce both the risk of human rights violations and the use of conflict minerals (tin, tungsten, tantalum, and gold, or "3TG") from the Democratic Republic of Congo and certain adjoining

countries. Our efforts include requiring our suppliers to undertake reasonable due diligence within their supply chain to ensure that the 3TG in the materials we source from them do not directly or indirectly contribute to significant adverse human rights impacts, as well as conducting due diligence before allowing a potential supplier to become one of our preferred suppliers.

- We request the return of reporting forms related to conflict minerals from our suppliers under the RMI Conflict Minerals Survey. Further, we seek to remove any suppliers that continue to fail to meet our supplier and conflict minerals policies after being provided the opportunity to remedy non-compliance via implementation of a corrective action plan.
- We provide recurring internal trainings for employees and certain select contractors on export compliance, anti-corruption and anti-slavery, and insider trading.
- Suppliers also commit to allowing us to conduct supply chain audits for safety and compliance, to engaging in only legitimate and ethical business and labor practices, and to ensuring that their employees, supply chain, and stakeholders understand how to report any actual or suspected misconduct using our ethics hotline.

- We reserve the right to terminate a contract, withhold payment, and assess fees and/or costs for any non-compliant supplier.



"Kimball Electronics is not only growing its business but growing its commitment to integrate ESG across our business activities. Our guiding principles are the heart of our operation. I am honored to be part of this journey. I truly believe this integration is key to our success and sustainable future."

— Arlette Santamaria, HR Supervisor, Global Reporting Initiative (GRI) Certified



Large Photo: Scholarship winner Yige Liu, of Nanjing, China.

Small Photo: Scholarship winner Benjamin March, of Tampa, Florida.



Creating Quality for Life Scholarships

In 2022, Kimball Electronics began offering Creating Quality for Life College Scholarships to high-school seniors who are dependents of our employees worldwide. Winners were chosen based on their demonstrated commitment to volunteering time to help others in their community or to help the environment.

- We were moved by the various ways applicants are helping create quality for life in their communities: assisting in fundraisers helping immigration centers and children with cancer; recycling, planting trees, and composting; helping at animal shelters; building a water check dam enabling a forest to retain moisture longer and reducing the severity of forest fires; preserving water canals; helping the elderly; volunteering at an orphanage and a foster home for abused, abandoned, and neglected children.
- The 10 winners earned scholarships worth \$1,250 for each year of college they attend up to four years. Winners were dependents of employees in the U.S., Mexico, India, Thailand, China, and Vietnam.
- Winners were selected by three judges from outside the company: Alex Rose, Senior Editor for Ocean Geographic Magazine and founder of Blue Ring, Inc., which supports the funding of globally significant ocean exploration and conservation projects that will positively shape the future; Jen Chapin, a professional musician, a high-school humanities teacher in Brooklyn, NY, and a long-time board member of WhyHunger, a nonprofit focused on fighting hunger that was founded in 1975 by her late father, the musician Harry Chapin; and Anna Sacks, who is known as THE TRASH WALKER in the media for documenting usable items that she finds in both corporate and residential waste in New York City to raise people’s consciousness about waste and consumption.
- To further demonstrate the spirit of our Creating Quality for Life scholarship program, the company donated \$250 to each judge’s recommended charity of choice: WhyHunger, Blue Ring, and the Lower East Side Ecology Center in New York City.

Diversity, Equity, Inclusion & Belonging (DEI&B)

We continue to execute on our commitment to DEI&B and exhibit our commitment to gender, racial, and ethnic diversity by striving toward increased racial and ethnic diversity at the executive and senior management levels so our leadership will reflect our organization and the communities in which we operate.

- Our [DEI&B statement](#) is accessible on Kimball Electronics' [Environmental, Social and Governance Web site](#).
- We value and work to promote a diverse, equitable, and inclusive work environment. We are committed to holding ourselves accountable, to taking action to continuously improve our policies and practices, and to upholding the principles outlined in our DEI&B statement.
- We actively promote DEI&B, and incorporate DEI&B into our culture, values, and strategies. We provide a report on the diversity of our employees to the Board of Directors annually.
- We began using software to evaluate our recruitment ads to help us identify potential social bias in job postings and descriptions as another way to help attract diverse candidates.
- KE is committed to eradicating all forms of discrimination, harassment, and abuse. We do not tolerate any sort of discrimination, harassment, or abuse by anyone toward any other person, whether or not they are an employee.
- We provide our employees access to various annual trainings regarding diversity, inclusion, and unconscious bias.



Photos: 2022 marked the first in-person meetings involving all of our global leaders since the pandemic began in 2020.

In 2022, KE was honored to feature the following guest speakers during virtual events encouraging open-mindedness, new insights, creating connection, and learning about others through personal stories.

- **Martin Luther King Day:** Dr. Talitha M. Washington, Director of the Data Science Initiative for the Atlanta University Center Consortium, the first woman to be named a fellow by both the American Mathematical Society and the Association for Women in Mathematics in the same year.
- **Black History Month:** Kimberly Brazwell, a trauma-informed social justice coach and consultant, Founder and CEO for KiMISTRY LLC; Indiana University professor Andy Hollinden, who talked about the history of the blues; Phil Armstrong, the interim executive director for Greenwood Rising Black History Center, who talked about the 1921 Tulsa Race Massacre; Andrew Aydin, co-author of the New York Times best-selling book, MARCH, about civil rights icon John Lewis.
- **Asian American Pacific Islander Month:** Anna Yin, acclaimed Chinese-Canadian poet; historian Hanako Wakatsuki, superintendent of the Honouliuli National Historic Site, who

discussed the mass incarceration of Japanese Americans during World War II; and Melissa May Borja, Ph.D., a USA Today 2022 Women of the Year Honoree, who spoke about anti-Asian racism in the U.S.

- **LGBTQ+ Pride Month:** Cameron Miller, a trans man, who shared his personal story of growth and change, and his journey to realizing his true self.
- **Hispanic Latino Heritage Month:** Lillian Casillas-Origel, Director of Indiana University's La Casa/Latino Cultural Center, who discussed how the center provides programming, support, and opportunities to foster a sense of belonging and pride for Latino students; Indiana University student Jaffet Cruz, who discussed his personal story of growing up as a Peruvian American in southern Indiana and the challenges and successes he experienced; Marysol Quevedo, Assistant Professor of Musicology at the Frost School of Music at the University of Miami (in Florida), who discussed music in Cuba and Latin America.
- **Indigenous Peoples' Day:** Brit Hensel, a citizen of Cherokee Nation and an award-winning filmmaker, shared her short film, What They've Been Taught, an official selection of the Sundance Film Festival, and discussed the importance of using storytelling to help amplify the voices and values of her community.



“Thank you for showing support of Asian Americans during this month. I’m impressed your company has three different AAPI Heritage Month Events. It’s amazing.”

— Dr. Melissa May Borja
USA Today Women of the Year honoree and a leading expert on anti-Asian racism during the pandemic.

Kimball Electronics Diversity Metrics:

10.6%
of our U.S. workforce is ethnically diverse

12.5%
of our U.S. workforce is racially diverse

4.8%
of our U.S. workforce are individuals with disabilities

3.4%
of our U.S. workforce are military veterans

51.1%
of our global workforce is female

50%
of our executive management team is female

12.5%
of our executive management team is ethnically diverse

83.1%
of our global employees are located outside the U.S.





Celebrating Women in the Workplace

- On International Women’s Day (IWD), we invited acclaimed authors Frances and Ginger Park, daughters of Korean immigrants, to talk about their memoir, “Chocolate Chocolate,” which is also the name of their family-run chocolate shop that has been open in downtown Washington D.C. since 1984. In conjunction with the event, our Company donated \$2,500 to the [World Association of Girl Guides and Girl Scouts](#) to support its Scouting centers in countries that neighbor Ukraine. The centers offer heated rooms and support refugees at border crossings by distributing essential supplies like food, water, clothes, blankets, and menstrual supplies.
- On IWD, we gave female employees in Romania pink t-shirts, scarves, and sweets in recognition of their valuable contributions to our company’s success.
- In Nanjing, China, we gave female employees a shampoo set on IWD.
- To recognize IWD, our Polish facility donated money to Różowa Skrzyneczka (The Pink Box Foundation), which provides hygiene products to Ukrainian refugees.
- During IWD in India, employees participated in a presentation featuring a local physician discussing work-life balance, stress management, mental health, and psychological well-being.
- As part of our efforts to build an enterprise-wide peer group to discuss the challenges and successes of women engineers, the Company covered the costs for several employees to participate in the Society of Women Engineers (SWE) Conference in Houston, Texas, billed as The World’s Largest Conference for Women in Engineering and Technology.

Large Photo: Employees at our manufacturing facility in Jasper recognized IWD by posing together with their arms crossed at the wrist to show solidarity when it comes to battling bias.

Small Photo: During IWD, employees in Reynosa, Mexico, were given a snack and beverage and posed at a photo booth. They were also encouraged to wear purple clothing to symbolize overcoming challenges and accelerating equality.



Employee Development

- To mitigate external and internal pressures, we have worked toward building vitality and visibility in our talent pipeline. We leverage the talent we bring into our organization through our future-focused, individualized performance management practices.
- Our people deserve more than a rating, so we empower them to own and drive their personal and professional development within the context of our overall business plan so that real needs, not rules, are met. We use accomplishments, aspirations, and challenges to qualitatively determine development needs.
- Our Leadership Development strategy, “Leading, The Kimball Way,” is grounded in research about effective behavior change and leadership development.
- Since the initial rollout of Leading, The Kimball Way in 2018, we have successfully assessed more than 1,182 employees through the Predictive Index tool and managed over 800 personal development plans via our human resources information system, Workday.

Workplace Flexibility

We apply workplace and work time flexibility strategies (dependent care leave, hybrid or remote work, compressed work weeks) and focus on reducing part-time work assignments to promote and support our team members’ physical, mental, and financial well-being.

Open, Non-Defensive Communication

- In support of open, non-defensive communication, our Guiding Principles, and our Open Door Policy, employees are encouraged to report potential violations of our Code of Conduct via various company management contacts. Or they can utilize an anonymous, confidential, third-party ethics “hotline” reporting system.
- Our investigatory process is prompt, impartial, and transparent to those involved.
- For each of the five reports to our hotline during 2022, we opened dialogues with the reporting parties, began investigations within 24 hours of receipt, and completed necessary investigations and actions in less than seven days.
- KE promptly investigates all reports and does not retaliate nor tolerate retaliation against any person or entity who, in good faith, makes a report or cooperates in an investigation.
- Any person or entity that retaliates or threatens retaliation against anyone who makes a report or cooperates in an investigation is subject to discipline, up to and including immediate termination of the relationship with KE.
- Within the framework of law, regulations, and prevailing labor relations and employment practices, we respect each employee’s right to make an informed decision, free of coercion, about membership in associations and/or labor unions. Where employees are

represented by a legally recognized labor union or other employee organization, we establish a constructive dialogue and engage in negotiations or consultation as required with their freely chosen representatives. We provide written documentation to our employees about their wages and terms and conditions of employment, and we do so wherever possible in their native languages.



Photo: Our leaders are coaches who model our values, align expectations, and adapt to our people’s needs.





Small Photo:
On World Mental Health Day, employees in Romania received an anti-stress ball to remind them to stop and breathe and be comfortable discussing their stress with family, friends, or even a colleague.

Large Photo:
Kathy Thomson, Vice President, Global Business Development and Design Services, shared with employees her personal story about her sister's suicide and the steps she has taken to cope with her loss.

“We are all human and sometimes have the same struggles ... sessions like this help us keep that in the forefront of our minds and to always care about others because we never know what they are going through.”

— Krista Drew, Shared Services Employee, following a Stress and Mental Health Awareness virtual event with top leaders



Stress and Mental Well-being Awareness

In 2022, our Leadership Team recognized that we need to do a better job of talking about stress and mental health with our employees. Just as physical safety is our priority around the world, so should be the psychological safety of our people.

- To support this belief, Leadership Team members participated in virtual events open to all employees sharing personal stories about how they've recognized, accepted, and normalized conversations about their own stress and mental health.
- Another virtual event featured a guest speaker sharing his personal story of attempting suicide and another speaker who talked about the suicide of her brother and how she copes.
- One of our Asian American Pacific Islander Heritage Month guest speakers, Chinese Canadian poet Anna Yin, challenged employees to take a hike and write a haiku based on the experience as a means of slowing down and being “more mindful of the beauty and the peacefulness of the small things around you.” Employees from around the world submitted their “Take A Haiku Hike” entries. The winning entry was written by employee Joshua Belcher: “A single raindrop/Splashing the back of my hand/Falls from a clear sky.”

Other localized activities supporting stress and mental well-being awareness.

- Our Indianapolis campus shared a video featuring Indianapolis Colts players helping raise awareness about mental health disorders and remove the stigma too often associated with these illnesses.
- Our Romania facility gave employees sunshades for their vehicles' windshields, a symbolic reminder that we need to take care of mental health just as we protect dashboards during the summer.
- Employees at our World Headquarters spent part of their afternoon walking rescue dogs at a local animal shelter. Not only were the walks good for the dogs, but they also proved to be therapeutic for the volunteers.
- In celebration of International Yoga Week, our India facility offered 15-minute yoga sessions each day focused on meditation, breathing, concentration, achieving better sleep, and muscle relaxation. An employee, Onkar Paldhe, who is a certified yoga instructor, led the sessions.
- During the early months of the Ukraine invasion, our Poland facility offered a source for employees and family members to receive free mental health assistance.
- Through our U.S. employee benefits provider, we offered employees free online sessions with a mental health professional.

Societal Impact

There is so much more that we can do to demonstrate our company purpose, Creating Quality for Life, for our stakeholders than just doing our jobs. This year, we donated even more treasure, time, and talent to help others—not only in the communities where we have operations, but also beyond where our buildings exist by helping worthy causes worldwide. In 2022, we donated \$333,865 worth of treasure, time, and talent (including 1,619 hours of paid employee time). We strive to donate up to 1% of our net income to worthy causes annually.



Largest Photo: Our facility in Tampa, Florida, is a consistent supporter of Children's Home Network, which provides services and programs that benefit at-risk children and families.



Smallest Photo: Our Vietnam facility hosted a blood drive resulting in 121 units of blood being donated, impacting 363 lives.

Second Largest Photo: Our Thailand facility donated time for employees to support the Sabina Heart and Sew program, during which employees created hypoallergenic bra fillers for women who have had mastectomies.

Photo: Engineers at our India facility visited a center in a remote area to mingle with students and learn about their goals and aspirations.



Laem Chabang, Thailand

- Donated money to a center that helps children who are victims of human trafficking.
- Donated essential items to a local Buddhist temple.
- Supported a charitable organization that provides tuition to underprivileged children.

Trivandrum, India

- Donated laptops to a school in a remote area.
- Donated money to an NGO that helps people in rural communities struggling to break the cycle of poverty, exploitation, and lack of opportunities. The money was used to fund modern technology aimed at enhancing learning for students. Employees also volunteered at the school.

Ho Chi Minh City, Vietnam

- Donated money to Nhat Hong Support Center for Blind Children.
- Held a Mid-Autumn Festival mooncake bake sale to raise money for a community cause.

Suzhou, China

- The Company and employees donated money to a local nursing home, and we also volunteered there.

Tampa, Florida

- Donated money to support a cottage for autistic children via Children's Home Network.
- Donated Halloween costumes to Children's Home Network.
- Supported Red Nose Day, an international, nonprofit organization that "supports programs that help break the cycle of child poverty and ensure children are healthy, safe, educated, and empowered, at home and abroad."
- Hosted employee blood drives.
- Held a Christmas toy drive for Children's Home Network.
- Held a Thanksgiving food drive for Metropolitan Ministries.

Nanjing, China

- To celebrate Protection of Minors Month in China, we partnered with Nanjing Charity Foundation to donate money to help children in need. Also donated paid time for employees to volunteer at the center receiving the money.

Jasper, Indiana (Manufacturing)

- Donated money to Dubois County Court Appointed Special Advocate (CASA), which represents the best interests of children who have faced abuse and neglect.
- Donated money to the local Child Hunger Ending Workshop (CHEW) organization.
- Donated money to help flood victims in Eastern Kentucky.
- Donated food to a local food bank.
- Held a soup contest to raise money for Riley Children’s Hospital and a local humane society.
- Partnered with a local university, schools, and other businesses to educate students on job skill needs.
- Hosted employee blood drives.
- Supported various youth sports organizations.
- Donated money to help Ukrainian refugees.

Jasper, Indiana (World Headquarters)

- Donated \$25,000 to Southwestern Indiana Child Advocacy Center Coalition (SWICACC) as part of our three-year

\$100,000 commitment. SWICACC provides a safe reporting location for children who are victims of abuse.

- The KE Gives employee giving circle, which had 70 employee partners, granted \$8,406 to seven worthy causes in 2022, including a summer camp for disabled children, nonprofits helping abused women and children, the North Texas Food Bank in Plano, Texas, Children’s Home Network in Tampa, Florida, and the Wheeler Mission in Indianapolis. In five years, KE Gives has donated \$41,500 to worthy causes in communities where we operate throughout the U.S.
- Hosted employee blood drives.
- Our legal department donated 56 hours of pro bono legal services.
- Donated money to a local food bank.
- Held a holiday toy drive for Toys for Tots.
- Sponsored the Latino Culture Fest in Huntingburg, Indiana.
- Recognized as a “partner in helping save lives” through customer ZOLL’s The Heroes for Life program. We provide manufacturing support for ZOLL’s automated external defibrillator product. On our behalf, ZOLL donated an AED to the Indianapolis Public Schools system. “Kimball Electronics components are part of what enables this lifesaving technology,” stated ZOLL.
- An employee donated money on our behalf to sponsor several local sports teams.



Partnering with schools, donating time to spruce up the headquarters of a charity focused on child abuse, and supporting a food bank represent some of the many ways our employees in Jasper, Indiana, support the community.

San Jose, California

- Donated money to Hope Services, which delivers a range of services to thousands of people with developmental disabilities.

Indianapolis, Indiana

- Donated money to a charity that assists homeless military veterans and their families.
- Created awareness for the Indiana Canine Assistant Network during a family picnic. The charity offers a service dog placement program that provides safety, friendship, and independence for children and adults with disabilities.
- Raised money for Special Olympics.
- 76 employees created and packaged 12,000 boxes of macaroni and cheese—positively impacting 3,000 families—for the charity, Million Meal Movement.
- Hosted an employee blood drive.
- Held a chili contest to raise donations for Servants at Work, which builds wooden wheelchair ramps for low-income, permanently disabled clients.
- Donated food to a food bank.

Reynosa, Mexico


- Donated money to a local migrant center for food, clothes, and blankets to help migrants arriving in Reynosa.
- Donated 100 bags of food to a local organization that supports domestic abuse victims.

- Donated canes, uniforms, and shoes to a local school for blind children.
- Provided insulation to a local school to help keep students and staff safe from sweltering temperatures.
- Donated hygiene items to a local school.
- Donated soccer balls to a youth soccer team.
- Donated 20 thermometers to a local kindergarten.
- Supported a local drug rehab center’s bakery program, which helps addicts return to society with job skills.
- Donated pet food to a local animal shelter.
- Donated money to a local food bank.

- Donated money to a local kindergarten to upgrade restrooms.
- Donated air conditioners to a local elementary school.
- Donated money to repair tennis courts used by blind athletes.
- Donated money to a local cancer center.

Tokyo, Japan

- Donated money to the Chiba Association for Physically Disabled Children.



Throughout 2022, Kimball Electronics sponsored employee blood drives, resulting in our employees donating 263 units of blood, positively impacting 789 lives.



Donating company time to worthy causes can prove as beneficial to others as donating money—sometimes both types of donations go hand in hand for even greater results. In support of a Greater Indy Habitat for Humanity project and a Million Meal Movement project, the Company donated a combined \$25,000 and 280 hours of paid volunteer work time to help create quality for life in the Indianapolis area. Employees from our facility in Mexico donated 272 hours of time at Senda de Vida, a refugee center serving thousands of migrants from Central America and beyond, and the company purchased the food prepared and served by our employees.



Coming Together to Help Ukrainian Refugees

The devastation resulting from the conflict in Ukraine is unimaginable for all of us. For our Ukrainian associates, particularly those in our facilities located in nearby Poland and Romania, it hits even closer to home.

Most notably, our Poland facility and its employees continue to demonstrate extraordinary care and concern for the Ukrainian refugees in the Poznan area. One unique action was donating money to a local government effort to help cover costs for a seaside vacation for children of refugees, providing them with a much needed break from the trauma of war. Last spring, our Poland facility provided two full days of paid time off to each employee that volunteered to help the refugees, resulting in a total of 200 hours. KE also provided financial assistance to Poland employees to help with costs associated with housing refugee families.

In 2022, Kimball Electronics as a whole has donated \$100,000 to refugee-related activities and aid causes, including Ukrainian refugees.



Photo: Participating in The Lion's Run is a popular way that many of our employees in Poland are involved in their community.



Poznan, Poland

- Donated money and time to support refugees from Ukraine.
- Continued to support The Great Orchestra Charity Foundation, focused on helping provide the highest standards of diagnosis and treatment of children's eyesight.
- Donated toys and Teddy Bears to a children's oncology hospital on Teddy Bear Day.

Timișoara, Romania

- Continued to support Little People Association, which helps children with cancer.
- The KIMKind Hero volunteer program held fundraisers to purchase items necessary for daily living for those in need and pet food for a local animal shelter.
- Donated money to Timișoara for Ukraine, Romanian Red Cross Timis Branch, Ecostuff Romania, Oilright, Lindefeld Association's "We Get Big" project, and Animal Hope Association.

In Fall 2021, the Director of General School No. 15 Timișoara made an appeal to multinational companies to support the renovation of a classroom. In return, the classroom would bear the name of the supporting company. Our General Manager Dan Copocean immediately knew it was the right thing to do. Every child has the right to education and the right to have basic conditions met that are conducive to their development. In 2022, 25 students represented the inaugural class of the Kimball Electronics classroom. KE Romania employees occasionally return to the classroom to further show their support of the students. Most recently, the Company donated coats to keep the students warm in the winter. "We want this project to resonate in the community. We want it to make an impact for its direct beneficiaries and serve as an example of a good practice for other companies in Timis," says Copocean.





Governance

We are committed to good corporate governance.

- Introduction
- Effective Board
- Stakeholder Engagement
- Fair Compensation
- Transparent Integrity

Photo by Hans Xiong, Earth Day Nature Photography Contest Finalist

Good governance at Kimball Electronics has four key foundations: An Effective Board, Fair Compensation, Share Owner Engagement, and Transparent Integrity.

Each of the four key foundations of governance above are anchored in our [Guiding Principles](#). Our Guiding Principles reflect our deep commitment to our customers, our people, our communities and the environment—and our belief that profitability and financial resources give us the freedom to shape our future. Part of our commitment to citizenship means that we will be leaders in not only protecting but enhancing our world. Many things and many people have changed since KE was founded in 1961, but our Guiding Principles remain a constant. They are not just a part of our heritage, but the fabric of who we are as people and as a company.

Since we began publishing our annual ESG reports in 2019, we have aimed

to produce and publish reliable and meaningful ESG information and apply a continuous improvement mindset to our ESG reporting process and data governance. We recognize our stakeholders' need for robust data that is consistent, comparable, and reliable year over year. Periodic reviews of our processes, transparent integrity audits and disclosures, and our desire for continuous improvement along our ESG journey are essential to our governance foundations.

This year represents a milestone for KE. We have enhanced our four key foundations, including transparent integrity, by adopting globally recognized ESG reporting standards that our stakeholders value and by partnering with our internal audit team in strengthening and testing ESG data controls. This is part of our journey to obtaining third-party assurance for select metrics, and, most importantly, evidences our commitment to transparent integrity for our stakeholders by producing and publishing reliable and meaningful ESG information.

Our commitment to measure, monitor, report, and reduce our greenhouse gas emissions, energy and water use, and improve our waste recovery is a reflection of our Guiding Principles and our four governance foundations. The standardization and integrity of our ESG

data disclosures help us to build trust with those who use our data to make more informed decisions about us. It also helps us understand the progress we are making toward our ESG ambitions while equipping us to make better and more strategic business choices.

In the past year, we have increased our focus on sustainability in many different ways, big and small. We are publishing disclosures that comply with the Sustainability Accounting Standards Board (SASB) and the Task Force On Climate-Related Financial Disclosures (TCFD) frameworks and highlighting our alignment with the UN Sustainable Development Goals and the UN Global Compact. We joined the Responsible Minerals Initiative. We worked closely with the Indiana Partners for Pollution Prevention and the Indiana Environmental Stewardship Program. Our legal department formalized its pro bono program, enabling both non-lawyers and lawyers to give back to the community in a substantive and charitable way while creating opportunities for employees to work on new legal issues. All of these steps help us meet our stakeholder needs, regulatory requirements, and DEI&B goals; contribute to the prosperity and quality of life of our global community; and deliver long-term, sustainable profits for our Share Owners.



“Many things and many people have changed since Kimball Electronics was founded in 1961, but our Guiding Principles remain a constant. They are not just a part of our heritage, but the fabric of who we are as a company.”

Doug Hass, Chief Legal & Compliance Officer



Effective Board

Independence

Our Board’s independence standards are based on the principle that an Independent Director should be free of any relationship with KE or our senior management. With the exception of our CEO, all of our Board members are independent, extending accountability for our stakeholders beyond just our executive team. We have a Lead Independent Director who will become our independent Chairperson on March 1, 2023, separating the roles of Chairperson and CEO.

Board Governance

Our Board operates under formal corporate governance guidelines that define its composition, operations, and responsibilities, and each Board committee operates under a formal charter. The Board and its committees regularly review these governance guidelines and charters to ensure they are state of the art. See our governance guidelines and charters [here](#). These policies and practices help the Board and our management achieve our long-term strategic plans and ensure we continue to serve our customers efficiently and effectively, all for the benefit of our Share Owners. This year, our Board reorganized its 100% independent committees, adding a Talent, Culture, and Compensation

Committee with a focus on maintaining and enhancing our ability to create quality for life, and a Nominating and ESG Committee dedicated to overseeing and monitoring our goals, policies, procedures, initiatives, and disclosures related to sustainability and ESG matters.

Aligned Financial Interest

Each Independent Director is required to maintain ownership of shares of our common stock equal to three times their annual retainer. Hedging or pledging our stock is prohibited.

Refreshment

Our Board has a culture of continuous evolution, and believes in the importance of new directors and fresh perspectives. We have tenure limits for Board membership of age 72 or four consecutive three-year terms. Our three-tiered classified board structure also ensures that the average tenure of our Board's Independent Directors does not exceed 10 years.

Diversity

We are proud of and benefit from our diversity. Each year since we became a public company in 2014, we have been recognized by 50/50 Women on Boards for having a Board comprised at least

20% of women. Three of our Independent Directors are female. Our directors come from diverse backgrounds in terms of viewpoint, ethnicity, professional experience, education, background, and skill, all of which help to create a well-balanced and effective Board. To support our DEI&B objectives, we have an enterprise-wide expectation that 100% of the candidate slates for our Board include candidates from underrepresented groups in the technology and manufacturing industries (Women, Black, Latino/a, Asian, Indigenous, Multiracial, LGBTQ, People with Disabilities, and Veterans).

Performance Evaluation

Performance evaluations are critical for continuous improvement in Board performance. Our Board conducts annual performance evaluations of itself and our CEO, utilizing an independent third-party evaluator as appropriate. Participation is a critical component of performance, and we expect all Board members to attend all Board and committee meetings.

Share Owner Rights

Our Share Owners benefit from:

- A single class of shares with each share entitled to one vote.
- No multiple voting rights, enhanced voting rights, voting certificates, or non-voting shares.
- A majority voting standard for directors in uncontested elections.
- A simple majority vote to amend our By-Laws.
- Required Share Owner approval to materially modify our equity capital structure.
- A confidential voting policy.

Board Leadership

We believe that we best serve our Share Owners if the Board retains flexibility to decide what leadership structure works best for us under our current facts and in our present circumstances. With the February 28, 2023 retirement of Don Charron, our long-time CEO, the Board determined that it was in the best interests of the Company and its Share Owners to separate the roles of Chairperson of the Board and Chief Executive Officer effective March 1, 2023. Our CEO has primary responsibility for our day-to-day leadership and strategic direction, and our Chairperson, as he did as our Lead Independent Director, facilitates oversight of management, promotes communication among

management and between management and the Board, presides over meetings of the Independent Directors, and helps to set and maintain Board culture.

Succession

The Board reviews its management succession and retention plans annually. Additionally, the Board oversees the risks and exposures associated with management succession planning. Our directors and executive officers collaborate on succession planning, and the entire Board is involved in the critical aspects of the management succession planning process, including establishing selection criteria that reflect our business strategies, identifying and developing internal candidates to ensure the continuity of our culture, and making key management succession decisions.



Stakeholder Engagement

By-Laws

By-Laws are the operational rules for the legal organization of the Company and the Board and include items such as principal office location, officer and director roles and responsibilities, and meeting rules. We believe these types of matters are best managed by the Board to allow for flexibility and effective operation in an ever-changing business landscape. Our Share Owners play an important role in shaping these rules, too, which is why our Share Owners also have the right to amend our By-Laws by majority vote.

Board Structure

We believe our current three-tiered classified Board provides an appropriate balance between Company and Share Owner interests because it offers independence, stability, continuity, and long-term focus, and it promotes value creation while still providing full Share Owner accountability.

Equal Voting Rights

We believe a classified stock structure is a significant diminution of Share Owner rights, so we maintain a single-class structure. We adhere to the principle that all shareholders should have equal voting rights in public companies and each shareholder should have one vote.

Outreach and Feedback

Our Board and management team engage year round with a range of stakeholders,

including not only our Share Owners, but also our workforce, our vendors, our customers, and our communities. In 2022, our Board held two additional, special meetings specifically to review and discuss ESG initiatives, challenges, and opportunities, and to hear from internal stakeholders, from the investor community, and from our industry. Our engagement program includes maintaining formal global councils and task forces within our Company on subject matters including human resources and employee engagement; safety, environmental, and facilities (SEF); enterprise information security and cybersecurity; materials management; supplier quality; quality systems; digital processes; community engagement/outreach; and business planning.

Global Perspectives

Each of our councils and task forces holds regular meetings and collaborates and engages with their own internal and external stakeholders. They each report back to our executive team and our Board. Our global councils provide us a system to consult and engage with our internal and external stakeholders formally and to offer them ongoing opportunities to provide feedback and to direct and influence our business in support of our sustainable growth.

Fair Compensation

Strong Clawback Policy to Ensure Accountability

Any performance-based compensation ultimately shown to be based on incorrect financial results or other criteria should be returned to the Company. We have a specific “clawback” policy that requires recoupment of any officer or director compensation earned if the Company’s financial statements must be restated due to material errors or omissions.

Alignment with Share Owner Value Creation

We do not lose sight of governance and market best practices when crafting fair compensation programs for our executives. We tie a large portion of both short- and long-term executive compensation to our company performance. Our executive compensation plans reward significant positive performance relative to our industry. We require a minimum one-year vesting period for performance shares granted under our stock plan, and our executives must retain 100% of all net shares (post-tax) that vest until achieving their stock ownership requirements.

Market Compensation Practices

The Board reviews pay for our CEO and each of our executives annually, often with the assistance of a third-party compensation consultant. The

Board develops and consults relevant data sources to ensure our pay is competitive and the incentives we provide management are relevant and aligned with our Company’s long-term interests.

Performance-Based Compensation

Incentive compensation has been a bedrock principle of our compensation philosophy since our founding. We believe it is important for our salaried employees, especially our executive officers, to have a significant portion of their compensation based on our financial results and operational metrics. The incentivized nature of our compensation drives collaboration, cooperation, personal development, and continuous improvement to create long-term Share Owner value by rewarding performance, aligning with our Share Owners’ interest, retaining executive talent, and enhancing collaboration as employees achieve results as a team.

The Board has also incorporated ESG/ sustainability in the fiscal year 2023 annual incentive framework for our CEO, our Chief Legal & Compliance Officer, and our Vice President, Human Resources to more directly link ESG risk and performance to the remuneration of the executives most responsible for them. All three of these executives can earn a cash incentive of up to 8% of their base salaries

linked to our achievement of specific qualitative and quantitative ESG goals and key performance indicators during fiscal year 2023. More information will be disclosed in our 2023 Proxy Statement.



Transparent Integrity

Transparent Integrity and ESG

At KE, our Guiding Principles are built around our core values of integrity, respect, and accountability. Transparent integrity is a principle driven by those values as part of our commitment to sustainability and corporate responsibility. Our commitment to transparent integrity fuels our public commitment to measure, report, and reduce our greenhouse gas emissions, energy and water use, and waste. We believe that by operating with transparency and honesty, we demonstrate our commitment to responsible corporate citizenship and build trust with our stakeholders.

Our belief in transparent integrity requires that we are open and honest about our environmental impact and that we are proactive in our efforts to reduce it. By regularly measuring and reporting on our environmental impact, we are able to identify areas for improvement, set goals, and track progress over time. This helps us to better understand our impact and make informed decisions that will help us to reduce our environmental footprint.

ESG Governance

We instill the sense of personal integrity, responsibility, and ethics from our Guiding Principles in our employees, suppliers, vendors, contractors, and partners around the world. These

principles ensure that we maintain a strong governance culture that works against corruption in all its forms. They are the foundation of our commitment to our ESG management systems, which meet or exceed applicable standards, including our environmental management systems under ISO 14001, occupational health and safety management systems under ISO 45001, and our reinforcing policies, procedures, training and culture. 100% of our employees in our global manufacturing facilities are covered by ISO 14001-certified systems, and approximately 94% of employees at Kimball Electronics manufacturing facilities are covered by ISO 45001-certified systems. Our comprehensive ESG standards include our [Code of Conduct](#), our [Global Human Rights Policy](#) and [Supply Chain Transparency Policy and Statement](#), our [Responsible Sourcing Policy](#), our [Safety, Environmental, and Facility \(SEF\) Policy](#), and our [Diversity, Equity, Inclusion, and Belonging Statement](#). We make available—and apply—these policies to all of our employees; our suppliers, vendors, contractors, and partners globally; and to members of the public that interact with us.

Honest, Standards-Based Disclosures

Our public commitment to measure, report, and reduce our environmental impact is rooted in our belief that sustainability is not just about mitigating harm, but also about continuous improvement because the environment is our home. Clear, concise, and timely communication is also critical to our Share Owners' understanding of our Company.

We adopted ESG reporting standards, such as SASB (using their Electronic Manufacturing Services & Original Design Manufacturing Standard) and TCFD, and report our alignment to the 17 UN Sustainable Development Goals and the 10 Principles of the UN Global Compact to further our commitment to transparency and sustainability. These reporting standards and alignment reports provide a standardized framework for reporting on our environmental, social, and governance performance and help us to effectively communicate our progress to stakeholders. By adhering to these reporting standards and reporting our alignment, we are able to demonstrate our commitment to responsible corporate citizenship, to encourage others to hold us accountable, and to invite all of our stakeholders to join us in our efforts to create a more sustainable future.

Robust Training, Internal Controls, and External Audit

Our internal audit management services team regularly reviews and tests our internal controls, working closely with our outside auditors, Deloitte and Touche. We enjoy a positive working relationship with our external auditors, and Deloitte personnel are regularly rotated to provide fresh audit insights.

Using our internal learning platform that tracks and monitors completion and comprehension, we train our employees annually on our Code of Conduct, our Human Rights Policy, and other core human rights and ESG-linked policies to ensure that they understand and can comply with them. We also actively monitor and audit internal and external compliance through annual audits and training, including by conducting annual audits of our supply chain and of our own company and its subsidiaries to verify ongoing compliance with our ESG-linked policies.

Proactive Risk Management

We employ a formalized Enterprise Risk Management (ERM) process that helps us evaluate a broad range of operational, strategic, compliance, and reporting risks. Our senior leaders meet quarterly, and we also identify risks through interviews, surveys, and discussions with our leadership teams and others throughout

Transparent Integrity (continued)

our organization. Our leaders rank and prioritize our potential risks along the two continuums of “likelihood” and “impact,” and our team develops a specific remediation strategy for the significant risks. Individually and collectively, our leaders continually monitor, reassess, and validate risks and mitigation efforts throughout the year.

We consider creating quality for life for our customers, our people, and our communities as our top priority, so we follow the precautionary principle of the UN Global Compact in our business. For instance, we ensure the safe handling, storage, use and disposal of all substances, processes and materials, especially those considered as hazardous to health and safety at each of our sites. We are committed to the continuous development of best practices and expertise to support sustainable environmental discipline.

Absolute Financial Integrity

We are committed to the highest standard of financial integrity. We have never received an adverse auditor opinion, nor restated our financial statements. We maintain multiple procedures, standards, and audit checks to help ensure our financial integrity. These include our Disclosure Committee comprised of senior

executives that meets with members of our finance and internal audit teams to carefully review our public filings and financial disclosures for accuracy, compliance, and consistency.

Audit Committee Financial Expertise

The Board’s Audit Committee must have a “financial expert” under SEC rules to ensure proper Board oversight of our financial disclosures. All members of our audit committee are qualified financial experts and “financially sophisticated,” exceeding the minimum standards set by the SEC and Nasdaq.





Electronic Manufacturing Services & Original Design Manufacturing SASB Standard

Response to SASB’s standards on material metrics for the “Electronic Manufacturing Services & Original Design Manufacturing” sector.

SASB Topic	Accounting Metric	Category	Unit of Measure	Code	Response and Comments
Water Management	<p>(1) a. Total water withdrawn, b. percentage in regions with High or Extremely High Baseline Water Stress</p> <p>(2) a. total water consumed, b. percentage of each in regions with High or Extremely High Baseline Water Stress</p>	Quantitative	Thousand cubic meters (m ³), Percentage (%)	TC-ES-140a.1	<p>(1) a. 136.21 thousand cubic meters (1) b. 11-25% (2) a. See narrative response (2) b. 11-25%</p> <p>We entered all of our global facilities into the WRI Aqueduct tool and analyzed the output report in the context of our global operations. We assessed areas as water stressed in terms of quantity and their thresholds for reporting to CDP as those locations with a baseline water stress equal to/greater than ‘High’ (40-80%). Our locations in Mexico and Suzhou, China are considered areas with water stress pursuant to this indicator. (CDP Water Security Questionnaire, W1.2d)</p> <p>11-25% of our total water withdrawals were from areas with water stress. (CDP Water Security Questionnaire, W1.2d)</p> <p>We do not measure and monitor water consumption at all of our facilities, but our operations generally do not consume water. Accordingly, we consider all of our water withdrawals to be discharged for purposes of our reporting. (CDP Water Security Questionnaire, W1.2b)</p>
Waste Management	(1) a. Amount of hazardous waste from manufacturing, b. percentage recycled	Quantitative	Metric tons (t), Percentage (%)	TC-ES-150a.1	<p>(1) a. 81.91 metric tons (1) b. See narrative response</p> <p>In 2022, we generated 81.91 metric tons of hazardous waste, using the definitions of “hazardous waste” pursuant to applicable law at each of our facilities. 100% of our hazardous waste was safely recycled or disposed of by third party vendors in accordance with applicable law. We are developing processes for data collection and analysis to determine what meaningful information we can collect from these third party vendors about the disposition of hazardous waste they recycle or dispose of.</p>

Electronic Manufacturing Services & Original Design Manufacturing SASB Standard (continued)

SASB Topic	Accounting Metric	Category	Unit of Measure	Code	Response and Comments
Labor Practices	(1) Number of work stoppages and (2) total days idle	Quantitative	Number, Days idle	TC-ES-310a.1	(1) 0 work stoppages (2) 0 days idle
Labor Conditions	(1) Total recordable incident rate (TRIR) and (2) near miss frequency rate (NMFR) for (a) direct employees and (b) contract employees	Quantitative	Rate	TC-ES-320a.1	(1) 0.26 (2) We do not track NMFR separately for direct employees and contract employees. For comparison purposes, our TRIR in our past three fiscal years (July 1 to June 30) was 0.48 in 2020, 0.27 in 2021, and 0.26 in 2022.
	Percentage of (1) entity's facilities and (2) Tier 1 supplier facilities audited in the RBA Validated Audit Process (VAP) or equivalent, by (a) all facilities and (b) high-risk facilities	Quantitative	Percentage (%)	TC-ES-320a.2	We do not currently conduct audits using the RBA VAP. However, our facilities, vendors, and suppliers operate under our Code of Conduct , Human Rights Policy , and Global Supplier Manual , which align with the RBA Code of Conduct, including labor, health and safety, environment, ethics, and management systems. We actively monitor and audit internal compliance with our Code of Conduct by conducting thorough due diligence investigations prior to engaging with suppliers or vendors and applying appropriately higher levels of scrutiny where there are traditionally higher risks of compliance violations and/or human rights abuses. We maintain a certification program for suppliers, ensuring that we obtain written acknowledgment of their obligation to comply with all applicable laws, key environmental standards, our Code of Conduct, Global Supplier manual, and our Human Rights Policy. By accepting our Global Supplier Quality Manual, our certified suppliers also commit to allowing us to conduct supply chain audits for safety and compliance, to engage only in legitimate and ethical business and labor practices, and to ensure that their employees, supply chain, and stakeholders understand how to report any actual or suspected misconduct using our ethics hotline. We reserve the right to terminate the certified supplier relationship and/or any contract, withhold payment, and assess fees and/or costs for any non-compliant supplier.
	(1) Non-conformance rate with the RBA Validated Audit Process (VAP) or equivalent and (2) associated corrective action rate for (a) priority non-conformances and (b) other nonconformances, broken down for (i) the entity's facilities and (ii) the entity's Tier 1 supplier facilities	Quantitative	Rate	TC-ES-320a.3	Please see above for an overview of our detailed audit process.

Electronic Manufacturing Services & Original Design Manufacturing SASB Standard (continued)

SASB Topic	Accounting Metric	Category	Unit of Measure	Code	Response and Comments
Product Lifecycle Management	Weight of end-of-life products and e-waste recovered, percentage recycled	Quantitative	Metric tons (t), Percentage (%)	TC-ES-410a.1	<p>Not applicable. Kimball Electronics is a global, multifaceted manufacturing solutions provider. We provide contract electronic manufacturing services and diversified manufacturing services, including engineering and supply chain support, to customers in the automotive, medical, industrial, and public safety end markets. We further offer diversified contract manufacturing services for non-electronic components, medical disposables, precision molded plastics, and production automation, test, and inspection equipment.</p> <p>We do not make our own products—we are the manufacturing/production service provider for our customers. To understand our business model, please see our Business Overview in our Form 10-K.</p>
Materials Sourcing	Description of the management of risks associated with the use of critical materials	Discussion and Analysis	N/A	TC-ES-440a.1	Please see the discussions in our Responsible Sourcing Policy and our 2022 Conflict Minerals Report .
Activity Metric	Number of manufacturing facilities	Quantitative	Number	TC-ES-000.A	11
	Area of manufacturing facilities	Quantitative	Square feet (ft ²)	TC-ES-000.B	1761000
	Number of employees	Quantitative	Number	TC-ES-000.C	7970



Alignment to the Taskforce on Climate-related Financial Disclosure (TCFD)

Topic	Disclosure	Response
Governance	a) Describe the board’s oversight of climate-related risks and opportunities	2022 Proxy , page 14 2022 CDP Climate Change Questionnaire : C1, C1.1, C1.1a, C1.1b, C1.2a, C2.2 2022 CDP Water Security Questionnaire : W6.2, W6.2a, W6.2b, W6.2d, W7.1
	b) Describe management’s role in assessing and managing climate-related risks and opportunities	2022 Proxy , page 14 2022 CDP Climate Change Questionnaire : C1.2, C1.2a, C2.2, C2.2a 2022 CDP Water Security Questionnaire : W1.4, W1.4c, W3.3, W3.3a, W3.3b, W6.3, W7.1
Strategy	a) Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term	2022 10-K , pages 15 - 17 2022 CDP Climate Change Questionnaire : C2.1, C2.1a, C2.2a, C2.3, C2.3a, C2.4, C2.4a 2022 CDP Water Security Questionnaire : W4.1, W4.1a, W4.1b, W4.1c, W4.2, W4.2c, W4.3, W4.3a
	b) Describe the impact of climate-related risks and opportunities on the organization’s businesses, strategy, and financial planning	2022 10-K , pages 15 - 17 2022 CDP Climate Change Questionnaire : C2.1, C2.2a, C2.3a, C2.4, C2.4a, C3.1, C3.2, C3.2a, C3.2b, C3.3, C3.4 2022 CDP Water Security Questionnaire : W4.1b, W4.1c, W4.2, W4.3, W4.3a
	c) Describe the resilience of the organization’s strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario	2022 CDP Climate Change Questionnaire : C2.1, C3.1, C3.2, C3.2a, C3.2b, C3.3 2022 CDP Water Security Questionnaire : W3.3b, W4.2
Risk Management	a) Describe the organization’s processes for identifying and assessing climate-related risks	2022 Proxy , page 14 2022 10-K , pages 15 - 17 2022 CDP Climate Change Questionnaire : C1.1a, C1.1b, C1.2, C1.2a, C2.1, C2.1a, C2.1b, C2.2, C2.2a, C3.2a 2022 CDP Water Security Questionnaire : W1.4, W1.4c, W3.3, W3.3a, W3.3b, W6.2, W6.2a, W6.2b, W6.2d, W6.3
	b) Describe the organization’s processes for managing climate-related risks	2022 Proxy , page 14 2022 10-K , pages 15 - 17 2022 CDP Climate Change Questionnaire : C1.1b, C1.2, C2.1, C2.1a, C2.1b, C2.2, C2.2a, C3.2a 2022 CDP Water Security Questionnaire : W1.4, W1.4c, W3.3, W3.3a, W3.3b
	c) Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization’s overall risk management	2022 CDP Climate Change Questionnaire : C2.1, C2.1a, C2.1b, C2.2, C2.2a, C3.2a, C3.2b 2022 CDP Water Security Questionnaire : W3.3a, W3.3b
Metrics and Targets	a) Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process	2022 CDP Climate Change Questionnaire : C4.1, C4.1a, C4.1b, C4.2, C4.2b, C4.3, C4.3a, C4.3b, CDP C7.9,C 7.9a, C8.2a, C8.2g, C9, C9.12 2022 CDP Water Security Questionnaire : W1.2, W1.2b, W1.2d, W1.2h, W1.2i, W1.2j, W1.3, W4.1b, W4.1c, W4.2, W5.1, W8.1, W8.1a, W8.1b
	b) Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks	2022 CDP Climate Change Questionnaire : C6.1, C6.3, C6.5, C6.5a, C6.10, C7.1, C7.2, C7.3, C7.3b, C7.5, C7.6, C7.6b, C7.9a
	c) Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets	2022 CDP Climate Change Questionnaire : C4.1, C4.1a, C4.1b, C4.2, C4.2b, C9.1



Alignment to the UN Sustainable Development Goals (SDGs)



SDG	Report Alignment	SDG	Report Alignment
	Global Human Rights Societal Giving		Corporate Environmental, Health, and Safety Beliefs Corporate Sustainability Strategy Examples of Commitments to Environment, Health, and Safety
	Global Human Rights Societal Giving		Global Human Rights 2025 Environmental Goals
	Celebrating Women in the Workplace Creating Quality for Life Scholarships Examples of Commitments to Environment, Health, and Safety Global Human Rights Health & Safety Societal Giving		Cybersecurity: A Priority of Focus Outperformance of Industry Averages per MSCI ESG Ratings
	Corporate Environmental, Health, and Safety Beliefs Corporate Sustainability Strategy Societal Giving		Celebrating Women in the Workplace Global Human Rights Diversity Metrics Societal Giving
	Celebrating Women in the Workplace Diversity Metrics Global Human Rights		2025 Environmental Goals Corporate Environmental, Health, and Safety Beliefs Creating Quality for Life Scholarships Examples of Commitments to Environment, Health, and Safety Global Human Rights
	2025 Environmental Goals Corporate Environmental, Health, and Safety Beliefs Creating Quality for Life Scholarships Examples of Commitments to Environment, Health, and Safety Global Human Rights		2025 Environmental Goals Corporate Environmental, Health, and Safety Beliefs Corporate Sustainability Strategy Creating Quality for Life Scholarships Examples of Commitments to Environment, Health, and Safety Global Human Rights

Alignment to the UN Sustainable Development Goals (SDGs) (continued)



SDG	Report Alignment
	2025 Environmental Goals Corporate Environmental, Health, and Safety Beliefs Creating Quality for Life Scholarships Examples of Commitments to Environment, Health, and Safety Global Human Rights
	2025 Environmental Goals Corporate Environmental, Health, and Safety Beliefs Creating Quality for Life Scholarships Examples of Commitments to Environment, Health, and Safety Global Human Rights
	Celebrating Women in the Workplace Diversity Metrics Global Human Rights Societal Giving
	2025 Environmental Goals Celebrating Women in the Workplace Corporate Environmental, Health, and Safety Beliefs Corporate Sustainability Strategy Diversity Metrics Global Human Rights Societal Giving



Alignment to the 10 UN Global Compact Principles (UNGC)

UN Global Compact Principles	How We Align
Human Rights	
Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights;	Global Human Rights Policy (page 1)
Principle 2: make sure that they are not complicit in human rights abuses.	Global Human Rights Policy (pages 2-3)
Labor	
Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;	Global Human Rights Policy (page 3)
Principle 4: the elimination of all forms of forced and compulsory labour;	Global Human Rights Policy (pages 2-3)
Principle 5: the effective abolition of child labour; and	Global Human Rights Policy (pages 2-3)
Principle 6: the elimination of discrimination in respect of employment and occupation.	Global Human Rights Policy (pages 2,4) Diversity, Equity, Inclusion and Belonging Statement

UN Global Compact Principles	How We Align
Environment	
Principle 7: Businesses should support a precautionary approach to environmental challenges;	Transparent Integrity and ESG Governance
Principle 8: undertake initiatives to promote greater environmental responsibility; and	Carbon & Climate Corporate Sustainability Strategy Environmental Management Health & Safety Natural Resource Waste, Toxicity, and Air Emissions
Principle 9: encourage the development and diffusion of environmentally friendly technologies.	Examples of Environmental Stewardship
Anti-Corruption	
Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.	Transparent Integrity and ESG Governance



World Headquarters
Kimball Electronics, Inc.
1205 Kimball Blvd.
Jasper, IN 47546

www.kimballelectronics.com

