



Kimball® Electronics

Lasting relationships. Global success.

1205 Kimball Blvd.
Jasper, IN 47546
United States of America

D: (812) 634-4742
P: (812) 634-4000
F: (812) 634-4001

www.kimballelectronics.com

Global Human Rights Policy and Supply Chain Transparency Policy and Statement

As reflected in our Vision and Guiding Principles, Kimball Electronics, Inc. (the “Company” or “Kimball”) is committed to the highest standards of conduct in its business dealings. We are a human-centered company that fully supports human rights. For us, human rights are more than just being compliant, they are about doing the right thing. Our Guiding Principles outline the critical role Kimball plays as a corporate citizen for our customers, our people, our partners, our environment, and our communities. Our human rights beliefs are deeply rooted in our Guiding Principles.

Kimball has been built upon the tradition of pride in craftsmanship, mutual trust, personal integrity, respect for dignity of the individual, a spirit of cooperation, and a sense of family and good humor. We seek to enhance this culture as we grow. 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. As expressed in this Policy, we respect internationally recognized human rights principles. We derived this Policy 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. 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 this end, Kimball, through its Guiding Principles and Purpose Statement (found in our [Environmental, Social & Governance Report](#)) champions transparency and accountability for itself. To raise awareness of our commitment to human rights and to foster compliance with this 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.

Governance and Oversight

Responsibility for the implementation and operation of this Policy lies with our most senior personnel: our Executive Leadership Team, our Human Resources Department, our Legal Department, and our global procurement team. In addition, Kimball has created a global Safety, Environmental, and Facilities (SEF) council comprised of stakeholders from each of our facilities that meets monthly and reports directly to our Chief Compliance Officer. Our Chief Compliance Officer, who reports to our CEO, and SEF council are heavily involved in the development of this Policy, the implementation of our environmental, social, and governance (ESG) initiatives and the evaluation of their outcomes. We update and seek input from these internal global stakeholders on ESG issues at regular monthly meetings of our SEF council convened for this purpose.

Our Board of Directors oversees policies and operational controls related to our environmental, health and safety, and social risks. Our Board as a whole serves as our Sustainability Committee. We provide comprehensive updates on ESG risks and issues, including human rights and climate-related risks and our compliance and mitigation efforts, to the Board at their regular quarterly meetings and whenever it is appropriate. Our Board reviews and provides input on our annual ESG report.

Human Rights Standards

The standards in this Policy apply to all our operations, regardless of their geographic location. In addition, we require our suppliers, vendors, contractors, and partners to meet each of the global Human Rights Standards described below through our [Code of Conduct](#) and [Global Supplier Quality Manual](#). We reserve the right to terminate a contract, withhold payment, and assess fees and/or costs for any non-compliant supplier, vendor, contractor, or partner.

Forced Labor, Child Labor, and Human Trafficking

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 ILO, we do not make use of forced, bonded, or child labor to manufacture or assemble products. In this context, a “child” is defined as a person younger than any of the following: the age of 16, the age for completing compulsory education in their country, or the minimum age for employment in their country.

Unless required by local law, our employees are not required to make financial deposits, pay recruitment fees, or deposit original government-issued identification, passports, or work permits as a condition of employment. Subject to local law requirements, employees are free to terminate their employment

with us with or without reasonable notice.

Fair Remuneration

Remuneration must be consistent with the provisions of all applicable wage laws, including those relating to the minimum wage, overtime, and legally mandated benefits. We prohibit wage deductions as disciplinary measures. We apply the principle of equal pay for work of equal value in all countries where we operate.

Fair Labor Practices

We require that all employment 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. 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.

Safe and Healthy Work Environment

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. Kimball 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 Kimball Electronics emphasizes that safety is a value—unlike priorities, values never change. Kimball promotes awareness and education among employees with the goal of eliminating exposures, or risks, that create unsafe conditions and behaviors.

Animal Rights

Animals are not components in our supply chain, and neither our manufacturing nor our design processes involve experimentation on animals.

Equal Employment Opportunities, Non-Discrimination, and Anti-Harassment

Kimball is committed to eradicating all forms of discrimination, including 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. Abuse includes any harsh or inhumane treatment of employees, including corporal punishment, mental or physical coercion, verbal abuse, or the threat of any such treatment. For all employment practices 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 in accordance with local country laws. Employees with disabilities are provided reasonable accommodations.

Any person or entity that engages in prohibited discrimination, harassment, or abuse will be subject to discipline, up to and including immediate termination of the relationship with Kimball. This policy applies to conduct on Kimball's premises and in the course of its business, as well as off-premises conduct that affects any employee in the workplace or that creates a hostile working environment.

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 leaders are coaches who model our values, align expectations and adapt to our people's needs. With a commitment to the role they play in our success, our people make our Company whole.

Our Leadership Development strategy is to prepare our employees to lead by utilizing a structured high-impact, culturally congruent program based on our *Leading, the Kimball Way* capabilities:

- Be a catalyst for growth
- Have an enterprise mindset
- Show courage
- Build followership
- Cultivate talent

The design of our *Leading, the Kimball Way* journey has been grounded in research about effective behavior change and leadership development. We

started the journey by focusing on *leading selves* before transitioning to *leading teams*, and the last phase centers on *leading at the enterprise*. On these leadership development journeys, we continue to build capabilities of advocacy and inquiry in our leaders, especially as it relates to leading others. Our growth and development efforts aim to close the identified gaps in leadership capabilities required to execute our business strategy by designing leadership development leveraging face-to-face education, virtual learning, peer learning, mentoring and developmental feedback.

Privacy

We are committed to protecting the privacy of those who entrust us with their personal information, including our customers, suppliers, website visitors, employees, and all those who do business with us. Whenever possible, we explain how personal information can be corrected, updated, or deleted. We keep personal information secure and follow the applicable laws governing that information.

Adopting Proportionate Security Arrangements

Kimball aims to ensure that the provision of security to our operations and our engagement with public and any private security forces is consistent with the laws of the relevant country and relevant international standards and guidelines, such as the Voluntary Principles on Security and Human Rights. We will adapt our security arrangements to balance the need for safety while respecting human rights.

Developing Sound Practices for Land and Water Use

The right to water is a fundamental human right. Kimball 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). Kimball strives to respect human rights in support of our environmental management policies and goals.

How We Facilitate Reporting at Kimball and Within Our Supply Chain

Our employee training includes training on how to recognize signs of potential human rights abuses, corruption, and bribery. If employees at Kimball or other persons within our supply chain have any questions or wish to report potential violations of this Policy, they may notify (a) any Kimball supervisor or manager with whom they feel comfortable discussing the problem, (b) Kimball's Human Resources team or the Chief Compliance Officer, or (c) Kimball's anonymous, confidential, third-party ethics "hotline" reporting system. Reporting persons can access the hotline worldwide, 24 hours a day, 7 days a week via e-mail, the Internet, or telephone in a language of their choice. We publicize this hotline in

our communications to employees and publicly in our Code of Conduct, this Policy, and other outlets that we make available to the public, including workers and other stakeholders in our supplier chain. Our CEO, Chief Compliance Officer, and Vice President, Human Resources provide executive oversight for our human rights and anti-bribery/anti-corruption programs. Our investigatory process is fair, impartial, and transparent to those involved.

No Retaliation

Kimball will promptly investigate all reports and will 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 will be subject to discipline, up to and including immediate termination of the relationship with Kimball.

Annual Statement for FY2021

Kimball on behalf of itself and its subsidiaries, and in furtherance of its dedication to this Policy and its [Guiding Principles](#), presents this review of our activities for our fiscal year 2021. This annual review explains some of the practical actions that we have taken in the past year to implement this Policy and to help ensure that slavery and human trafficking are not taking place within Kimball's supply chain. Some countries and U.S. states have implemented legislation that requires certain businesses to provide public statements in this regard. This legislation includes the California Transparency in Supply Chains Act of 2010 and Part 6, Section 54 of the United Kingdom Modern Slavery Act of 2015.

We firmly believe that identifying and understanding employee, health, safety, and environmental issues, including any potential human rights concerns, are critical to our supply chain, our business development efforts, and any acquisition activities. We actively monitor and audit internal compliance with our Code of Conduct and our responses to any reported concerns. We conduct thorough due diligence investigations prior to engaging with suppliers or vendors, acquiring businesses, and selecting partners, and will apply appropriately higher levels of scrutiny where there are traditionally higher risks of compliance violations and/or human rights abuses. We escalate and remediate any issues after our relationship with a third party begins and as we integrate operations that we acquire into the Kimball family.

As described below, Kimball took the following steps in fiscal year 2021 to responsibly manage our supply chain relationships and to identify and mitigate specific risks under our Policy that our activities and business relationships may pose:

We expect that all employees and suppliers understand and comply with this Policy. We actively monitor and audit internal and external compliance through annual audits and training, including by conducting annual audits of our supply chain. This year, Kimball's audits covered approximately 99% of our inventory and 98% of our accounts payable, and we conducted a dozen audits of our own company and its subsidiaries. Given the unique obstacles presented by the COVID-19 pandemic, we conducted many of these audits remotely this year. All such audits were conducted using audit protocols and procedures developed by our internal auditor teams. Specifically, Kimball has conducted audits in the following countries: China, Japan, Mexico, Poland, India, Romania, Thailand, and the United States. Upon request, a list of specific locations can be made available, redacted as needed for confidentiality obligations. Kimball Electronics Compliance can be reached via email at: [KE Compliance](#).

As part of this audit process, we evaluated different approaches to assess and report on our actual and potential risks, including in the areas covered by this Policy, across our value chain. We revised the Policy and this Statement as part of our continuous improvement of our company and as a further demonstration of our commitment to human rights and to Creating Quality for Life.

Our [Global Supplier Quality Manual](#) (GSQM) incorporates this Policy, and 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 this Policy. 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.

We train our employees annually on our Code of Conduct, including this Policy, and other core human rights matters. This year, we trained 100% of our employees in procurement and 100% of our total global employees on our Code of Conduct, which incorporates the Policy, including on how to report matters of concern to Kimball. We trained 97% of our employees on safe and healthy work environments, anti-corruption/anti-bribery, business ethics and

essentials, information security, equal employment opportunity, non-discrimination, and harassment.

Any conduct that could reasonably be believed to evidence of violations of the Policy have been reported to management for further investigation. We are pleased to report that since our last report, zero Forced Labor, Child Labor, Human Trafficking, bribery, corruption, anti-competitive acts (including false/deceptive marketing practices), or other priority non-conformance incidents (including labor, health and safety, and compliance with our GSQM and Code of Conduct) were reported to management and zero were forwarded to local authorities, or, if appropriate, a human rights organization for further investigation.

In addition to these audits, Kimball supports community activities on a global scale that promotes education which we hope will lead to a productive workforce capable of resisting attempts to perpetuate human rights abuses. Specifically, we promote and celebrate Juneteenth, Black History Month, International Women's Day, and Martin Luther King Jr. days internally as times to "reflect on the unquestionable value of respecting the dignity of the individual and the undeniable importance of human freedom." We engaged with important stakeholders within and outside our company each month in fiscal year 2021, including through monthly meetings of our global SEF council.

We strive to routinely review and refine our approach to addressing human rights and supply chain transparency. We make updates to this document annually with extensive input from key internal stakeholders across our enterprise. We also track and publicly report on these and other matters through our annual [Environmental, Social & Governance Report](#).

This Statement has been approved by Kimball's Board of Directors.

Sincerely,

Don Charron
Chairman and Chief Executive Officer

Last Updated: September 2021