

Welcome to your CDP Water Security Questionnaire 2023

W0. Introduction

W0.1

(W0.1) Give a general description of and introduction to your organization.

Kimball Electronics was founded in 1961 and incorporated in 1998. We are a global, multifaceted manufacturing solutions provider of 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 deliver 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, drug delivery solutions, precision molded plastics, and production automation, test, and inspection equipment. Our design and manufacturing expertise coupled with robust processes and procedures help us ensure that we deliver the highest levels of quality, reliability, and service throughout the entire life cycle of our customers’ products. We deliver award-winning service across our global footprint and operating system that is enabled by highly integrated procedures, standardization, 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, they value our track record of quality, financial stability, social responsibility, and commitment to long-term relationships.

We have been producing safety critical electronic assemblies for our automotive customers for over 35 years. During this time, we have developed expertise that has proven to be valuable not only to our automotive customers, but also to our medical, industrial, and public safety customers as well. We have been successful in growing and diversifying our business by leveraging this experience and know-how in the areas of design and process validation, traceability, process and change control, and lean manufacturing to create valuable and innovative solutions for customers across these verticals. This includes diversified contract manufacturing services for medical disposables, precision molded plastics, and design, production, and servicing of automation, test, and inspection equipment for industrial applications.

We have harmonized our quality systems to be compliant with various important industry certifications and regulatory requirements, which allows us to take advantage of other strategic points of leverage in the supply chain, and within our operations, to cost-effectively manufacture electronic and non-electronic products in the same production facility for customers from all four end market verticals.

Our corporate headquarters is located in Jasper, Indiana. Production occurs in our facilities located in the United States, China, Mexico, Poland, Romania, Thailand, and Vietnam. Our services are sold globally on a contract basis. We also have operations in India and Japan. We produce products to our customers' specifications with our multifaceted manufacturing services.

In our Vision and Guiding Principles, under Citizenship, we state that "The environment is our home. We will be leaders in not only protecting but enhancing our world." Our Company's Purpose Statement: Creating Quality for Life. ties directly to our environmental philosophies and activities highlighted in our annual ESG reports and dating back to our company's founding in 1961. Our Vision, Guiding Principles, and Purpose Statement are more than just words to us: they are our actual practices and our promises to the world.

This CDP Water Security response contains "forward-looking statements" within the meaning of United States federal securities laws, including statements regarding our climate-related plans, goals, commitments, expectations and objectives. These statements are not guarantees of future performance and actual results are subject to numerous evolving risks, uncertainties, changes in circumstances, or assumptions not being realized that we may not be able to accurately predict or assess, including those we identify below and other risk factors we identify in our SEC filings, including our most recent Quarterly Report on Form 10-Q or Annual Report on Form 10-K. Any of these factors could cause actual results to differ materially from the expectations we express or imply in this press release. We cannot assure you that the results reflected or implied by any forward-looking statement will be realized or, even if substantially realized, that those results will have the forecasted or expected consequences and effects. We make these forward-looking statements as of the date of this response and undertake no obligation to publicly update or revise any forward-looking statement, whether as a result of new information, future events or otherwise.

W0.2

(W0.2) State the start and end date of the year for which you are reporting data.

	Start date	End date
Reporting year	January 1, 2022	December 31, 2022

W0.3

(W0.3) Select the countries/areas in which you operate.

- China
- India
- Japan

Mexico
Poland
Romania
Thailand
United States of America
Viet Nam

W0.4

(W0.4) Select the currency used for all financial information disclosed throughout your response.

USD

W0.5

(W0.5) Select the option that best describes the reporting boundary for companies, entities, or groups for which water impacts on your business are being reported.

Companies, entities or groups over which operational control is exercised

W0.6

(W0.6) Within this boundary, are there any geographies, facilities, water aspects, or other exclusions from your disclosure?

No

W0.7

(W0.7) Does your organization have an ISIN code or another unique identifier (e.g., Ticker, CUSIP, etc.)?

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

W1. Current state

W1.1

(W1.1) Rate the importance (current and future) of water quality and water quantity to the success of your business.

	Direct use importance rating	Indirect use importance rating	Please explain
Sufficient amounts of good quality freshwater available for use	Vital	Important	Our primary use for good quality freshwater in our operations is for sanitation and drinking water. In our manufacturing operations, freshwater is also used for activities such as rinsing parts, cleaning, HVAC and cooling water. This is important to our business, because access our operations require affordable, reliable and adequate freshwater supply to meet customer needs. Our business is not water intensive and our facilities with the highest relative water use are not located in water-stressed areas. Nonetheless, some of our operations are in water-stressed areas and some of our customers have greater use requirements for freshwater than others. We use water management practices and partner with our customers on innovations in manufacturing to reduce our freshwater withdrawals. We do not anticipate any change in water dependency in the future because sufficient freshwater supply will remain an important component of our operations and employee wellbeing.
Sufficient amounts of recycled, brackish and/or produced water available for use	Not very important	Neutral	Our primary use for non-freshwater is irrigation and cooling, though these opportunities for non-freshwater use are limited. Recycled and brackish water has no current use in our production processes We continue to assess opportunities for water recycling, evaluate new technologies that can withdraw water from the air, and that allows water recovered from production processes to be treated and reused. We expect future dependency on recycled, brackish and/or produced water for operations to increase because we are driving efforts to implement water recycling practices, thereby increasing supply resilience.

W1.2

(W1.2) Across all your operations, what proportion of the following water aspects are regularly measured and monitored?

	% of sites/facilities/operations	Frequency of measurement	Method of measurement	Please explain
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<p>Water withdrawals – total volumes</p>	<p>100%</p>	<p>Monthly</p>	<p>We regularly measure and monitor water withdrawals in total volumes for 100% of our sites within our operational control on a monthly basis based on metering at the site and invoicing from the vendor. At the two office locations outside of our operational control, we used the U.S. Energy Information Administration’s Commercial Buildings Energy Consumption Survey (CBECS) average annual usage of 20 gallons per square foot to estimate our withdrawals.</p>	<p>2 of our 15 locations are leased in multi-tenant buildings and not within our operational control, and we therefore have no reasonable means to monitor water withdrawals at those locations. Our water withdrawals at these small office locations are limited to common sanitary and potable uses.</p>
<p>Water withdrawals – volumes by source</p>	<p>100%</p>	<p>Monthly</p>	<p>We regularly measure and monitor water withdrawals by source for 100% of our sites within our operational control on a monthly basis based on metering at the site and invoicing from the vendor. At the two office locations outside of our operational control, we used</p>	<p>2 of our 15 locations are leased in multi-tenant buildings and not within our operational control, and we therefore have no reasonable means to monitor water withdrawals at those locations. Our water withdrawals at these small office locations</p>

			the U.S. Energy Information Administration's Commercial Buildings Energy Consumption Survey (CBECS) average annual usage of 20 gallons per square foot to estimate our withdrawals.	are limited to common sanitary and potable uses.
Water withdrawals quality	100%	Continuously	At most of our facilities, water quality is monitored at the municipal level. We monitor water withdrawals for quality at the facility level where required. At our facilities, some of our customers require that we deionize water that we withdraw to use for production processes. For these processes, we continuously monitor water withdrawal quality.	2 of our 15 locations are leased in multi-tenant buildings and not within our operational control, and we therefore have no reasonable means to monitor water quality at those locations. Our water withdrawals at these small office locations are limited to common sanitary and potable uses.
Water discharges – total volumes	100%	Monthly	Water consumption is low at many of our facilities; for these, we know that discharges are close to withdrawals, and explicitly make that assumption in our calculations. Where there is	2 of our 15 locations are leased in multi-tenant buildings and not within our operational control, and we therefore have no reasonable means to monitor water discharge from the common

			consumption (such as for landscaping, evaporative coolers, cooling towers, settling ponds), we ensure that discharge equals the difference between withdrawals and consumption in our annual water inventory.	sanitary and potable uses at those locations.
Water discharges – volumes by destination	100%	Monthly	The majority of our discharges are conveyed to municipal treatment plants. Our facility in Romania performs primary treatment processes prior to discharge as required and discharges to a septic system, from which the water is recycled for agricultural irrigation. Water quality is monitored where required.	2 of our 15 locations are leased in multi-tenant buildings and not within our operational control, and we therefore have no reasonable means to monitor water discharge from the common sanitary and potable uses at those locations.
Water discharges – volumes by treatment method	1-25	Monthly	The majority of our discharges are conveyed to municipal treatment plants. Our facility in Romania discharges to a septic system, from which the water is recycled	2 of our 15 locations are leased in multi-tenant buildings and not within our operational control, and we therefore have no reasonable means to monitor water discharge

			for agricultural irrigation. Water quality is monitored where required.	from the common sanitary and potable uses at those locations. For our facilities other than Romania, given that such discharges go to municipal wastewater treatment plants, we do not currently have information on the treatment method that is used those locations and therefore do not have the volumes disaggregated by treatment method.
Water discharge quality – by standard effluent parameters	1-25	Monthly	The majority of our discharges are conveyed to municipal treatment plants. Our facility in Romania discharges water to a septic system. The facility performs primary treatment processes prior to discharge as required and provides the required information to the appropriate reporting agency. In other locations,	2 of our 15 locations are leased in multi-tenant buildings and not within our operational control, and we therefore have no reasonable means to monitor water discharge from the common sanitary and potable uses at those locations. At our facilities other than Romania, water quality is monitored at the municipal level.

			water discharge quality is monitored where required.	We monitor water withdrawals for quality at the facility level where required.
Water discharge quality – emissions to water (nitrates, phosphates, pesticides, and/or other priority substances)	Not monitored			2 of our 15 locations are leased in multi-tenant buildings and not within our operational control, and we therefore have no reasonable means to monitor water discharge from the common sanitary and potable uses at those locations. At our facilities, we filter wash water used in our production processes but do not take measurements of the water prior to discharge and are not required to conduct onsite secondary treatment of our discharge by any environmental regulation or standard.
Water discharge quality – temperature	Not relevant			We do not run thermal processes. Therefore, none of our sites are monitoring water discharge temperature. We

				do not expect this to be relevant in the future since we do not anticipate changing the nature of our business.
Water consumption – total volume	100%	Monthly	Except in limited instances, we do not measure and monitor consumption, but our operations generally do not consume water. Accordingly, if we did not specifically identify consumption, we considered all of our water withdrawals to be discharged for purposes of this survey.	
Water recycled/reused	1-25	Monthly	We regularly monitor water recycling/reuse at one of our facilities.	In 2023, we began to measure and monitor water recycle/reused in some of our other facilities as well.
The provision of fully-functioning, safely managed WASH services to all workers	100%	Daily	We provide fully functioning water, sanitation, and hygiene (WASH) services to all employees at 100% of our sites. As part of our daily custodial services, WASH services are monitored daily (frequency of	

			<p>measurement). WASH services are also cleaned daily (method of measurement). We comply with our internal and external stakeholders' requests locally and globally.</p>	
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W1.2b

(W1.2b) What are the total volumes of water withdrawn, discharged, and consumed across all your operations, how do they compare to the previous reporting year, and how are they forecasted to change?

	Volume (megaliters/year)	Comparison with previous reporting year	Primary reason for comparison with previous reporting year	Five-year forecast	Primary reason for forecast	Please explain
Total withdrawals	154.48	Higher	Increase/decrease in business activity	Higher	Increase/decrease in business activity	Since 2019, we have increased our square footage by 29%, increased our number of employees by 25%, and our sales by 26%, and we expect our growth to continue. We are continuing to focus on water efficiency and

						<p>decreasing our water use intensity across our operations. For year to year comparisons in this survey, we define the thresholds as follows: more than 50% less is 'much lower,' 5%-50% less is 'lower,' plus or minus 5% is 'about the same,' 5%-50% more is 'higher' and greater than 50% more is 'much higher.' This definition applies to all water use comparisons in this survey.</p>
Total discharges	146.62	Higher	Increase/decrease in business activity	Higher	Increase/decrease in business activity	Since 2019, we have increased our square footage by 29%,

						<p>increased our number of employees by 25%, and our sales by 26%, and we expect our growth to continue. We are continuing to focus on water efficiency and decreasing our water use intensity across our operations. For our calculations, we have made the assumption that all water obtained from 3rd party sources is being discharged to sanitary sewer systems.</p>
Total consumption	7.86	This is our first year of measurement	Other, please specify This is our first year of measurement	Higher	Increase/decrease in business activity	Except in limited instances, we do not measure and monitor

							consumption, but our operations generally do not consume water. Accordingly, if we did not specifically identify consumption, we considered all of our water withdrawals to be discharged for purposes of this survey.
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W1.2d

(W1.2d) Indicate whether water is withdrawn from areas with water stress, provide the proportion, how it compares with the previous reporting year, and how it is forecasted to change.

	Withdrawals are from areas with water stress	% withdrawn from areas with water stress	Comparison with previous reporting year	Primary reason for comparison with previous reporting year	Five-year forecast	Primary reason for forecast	Identification tool	Please explain
Row 1	Yes	11-25	About the same	Increase/decrease in business activity	Higher	Increase/decrease in business activity	WRI Aqueduct	We entered all of our global facilities into the WRI Aqueduct

								<p>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, Poland, Vietnam, Tampa, Florida, and Suzhou, China are considered areas with water stress pursuant to this</p>
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							<p>indicator. Our withdrawals from areas with water stress increased less than 5% year-over-year. However, based on the current WRI Aqueduct data, we classified more of our facilities as being in areas with water stress in 2022 than we did in 2021. Comparing all of these facilities year-over-year, our withdrawals would be “Lower” because approximately 31% of our withdrawals in 2021 were from areas we determine</p>
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								<p>d in 2022 were areas with water stress. In 2022, approximately 24% of our withdrawals were from those areas. This reduction was due to relative changes in business activity among our global facilities. For year to year comparisons in this survey, we define the thresholds as follows: more than 50% less is 'much lower,' 5%-50% less is 'lower,' plus or minus 5% is 'about the same,' 5%-50% more is 'higher' and</p>
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								greater than 50% more is 'much higher.' This definition applies to all water use comparisons in this survey.
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W1.2h

(W1.2h) Provide total water withdrawal data by source.

	Relevance	Volume (megaliters/year)	Comparison with previous reporting year	Primary reason for comparison with previous reporting year	Please explain
Fresh surface water, including rainwater, water from wetlands, rivers, and lakes	Not relevant				We do not withdraw from this source.
Brackish surface water/Seawater	Not relevant				We do not withdraw from this source.
Groundwater – renewable	Relevant	5.47	This is our first year of measurement	Other, please specify This is our first year of measurement.	Our location in Romania draws water from a well.
Groundwater – non-renewable	Not relevant				We do not withdraw from this source.
Produced/Entrained water	Relevant	16.66	This is our first year of measurement	Other, please specify This is our first year of measurement	In 2022, we are able to report Produced/Entrained water for 3 of our locations. This water is generated

					through the use of our HVAC units which produces condensate water.
Third party sources	Relevant	132.35	Higher	Increase/decrease in business activity	<p>During 2022, we completed our expansion of our Thailand facility (110,000 square feet) and opened our second Mexico facility (240,000 square feet). Some of our customers have greater use requirements for freshwater than others. We use water management practices and partner with our customers on innovations in manufacturing to reduce our freshwater withdrawals.</p> <p>For year to year comparisons in this survey, we define the thresholds as follows: more than 50% less is 'much lower,' 5%-50% less is 'lower,' plus or minus 5% is 'about the same,' 5%-50% more is 'higher' and greater than 50% more is</p>

					<p>'much higher.'</p> <p>This definition applies to all water use comparisons in this survey.</p>
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W1.2i

(W1.2i) Provide total water discharge data by destination.

	Relevance	Volume (megaliters/year)	Comparison with previous reporting year	Primary reason for comparison with previous reporting year	Please explain
Fresh surface water	Not relevant				We do not discharge to this source.
Brackish surface water/seawater	Not relevant				We do not discharge to this source.
Groundwater	Relevant	8.8	This is our first year of measurement	Other, please specify This is our first year of measurement.	Our location in Romania discharges water to a septic system and then the treated water is recycled for agricultural irrigation.
Third-party destinations	Relevant	137.82	Higher	Increase/decrease in business activity	During 2022, we completed our expansion of our Thailand facility (61,400 square feet) and opened our second Mexico facility (240,000 square feet). Some of our customers have greater use requirements for

					<p>freshwater than others. We use water management practices and partner with our customers on innovations in manufacturing to reduce our freshwater withdrawals. Our operations generally do not consume water. Accordingly, we consider all of our water withdrawals obtained from third parties to be discharged for purposes of this survey.</p> <p>For year to year comparisons in this survey, we define the thresholds as follows: more than 50% less is 'much lower,' 5%-50% less is 'lower,' plus or minus 5% is 'about the same,' 5%-50% more is 'higher' and greater than 50% more is 'much higher.' This definition applies to all water use</p>
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					comparisons in this survey.
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W1.2j

(W1.2j) Within your direct operations, indicate the highest level(s) to which you treat your discharge.

	Relevance of treatment level to discharge	Volume (megaliters/year)	Comparison of treated volume with previous reporting year	Primary reason for comparison with previous reporting year	% of your sites/facilities/operations this volume applies to	Please explain
Tertiary treatment	Not relevant					Tertiary treatment of water is not relevant to our operations because we do not have onsite water recycling and treatment plants, as we are not required to conduct onsite tertiary treatment of our discharge by any environmental regulation or standard.

Secondary treatment	Not relevant					Secondary treatment of water is not relevant to our operations because we do not have onsite water recycling and treatment plants, as we are not required to conduct onsite secondary treatment of our discharge by any environmental regulation or standard.
Primary treatment only	Relevant	8.8	This is our first year of measurement	Other, please specify This is our first year of measurement.	1-10	Our location in Romania discharges water to a septic system from which the water is recycled for agricultural irrigation. In our other

						facilities, primary treatment of water is not relevant to our operations because we do not have onsite water recycling and treatment plants, as we are not required to conduct onsite primary treatment of our discharge by any environmental regulation or standard.
Discharge to the natural environment without treatment	Not relevant					Discharge to the natural environment without treatment is not relevant to our operations as we discharge 100 percent of

						our untreated discharge to local municipal treatment plants.
Discharge to a third party without treatment	Relevant	137.82	Higher	Increase/decrease in business activity	91-99	Discharge to a third party without treatment is relevant because, except at our Romania facility that treats discharged water in a septic system, the water that we do not consumed at our sites is discharged to local municipal treatment plants. We are unaware if municipally treated water is recycled for further use. For year to year compariso

						<p>ns in this survey, we define the thresholds as follows: more than 50% less is 'much lower,' 5%-50% less is 'lower,' plus or minus 5% is 'about the same,' 5%-50% more is 'higher' and greater than 50% more is 'much higher.' This definition applies to all water use comparisons in this survey.</p>
Other	Not relevant					<p>Other treatment is not relevant to our operations because we do not have onsite water recycling and</p>

						treatment plants, as we are not required to conduct onsite treatment of our discharge by any environmental regulation or standard.
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W1.3

(W1.3) Provide a figure for your organization’s total water withdrawal efficiency.

	Revenue	Total water withdrawal volume (megaliters)	Total water withdrawal efficiency	Anticipated forward trend
Row 1	1,532,102,035	154.48	9,917,801.883739	We anticipate our water withdrawal efficiency figure to increase in the future, because historically our revenue has increased at a faster rate than our water withdrawals. However, this is dependent on customer demand and the water use profile of the processes that our customers direct us to use when manufacturing products for them. We will continue to implement water use reduction projects in our facilities and to work with our customers to reduce their use requirements for freshwater.

W1.4

(W1.4) Do any of your products contain substances classified as hazardous by a regulatory authority?

	Products contain hazardous substances
Row 1	Yes

W1.4a

(W1.4a) What percentage of your company’s revenue is associated with products containing substances classified as hazardous by a regulatory authority?

Regulatory classification of hazardous substances	% of revenue associated with products containing substances in this list	Please explain
Annex XVII of EU REACH Regulation	Less than 10%	Kimball Electronics does not place any products on the markets covered by this regulatory classification but provides manufacturing services to our customers. We do not substitute components, materials, and vendors in our customers’ specifications without their written consent. Accordingly, we rely on our customers to specify components, materials, and vendors that meet or exceed the regulatory requirements that apply to their products. If, in any due diligence and evaluations that we conduct for our customers, we identify materials that may contain substances in excess of the limits allowed by regulation, we notify our customers in writing and work with them to assist with their environmental regulation compliance for any of their affected products.
Candidate List of Substances of Very High Concern for Authorisation above 0.1% by weight (EU Regulation)	Less than 10%	Kimball Electronics does not place any products on the markets covered by this regulatory classification but provides manufacturing services to our customers. We do not substitute components, materials, and vendors in our customers’ specifications without their written consent. Accordingly, we rely on our customers to specify components, materials, and vendors that meet or exceed the regulatory requirements that apply to their products. If, in any due diligence and evaluations that we conduct for our customers, we identify materials that may contain substances in excess of the limits allowed by regulation, we notify our customers in writing and work with them to assist with their environmental regulation compliance for any of their affected products.
Guidelines for Controlling the Use of	Less than 10%	Kimball Electronics does not place any products on the markets covered by this regulatory classification

Key Chemical Substances in Consumer Products (China Regulation)		but provides manufacturing services to our customers. We do not substitute components, materials, and vendors in our customers' specifications without their written consent. Accordingly, we rely on our customers to specify components, materials, and vendors that meet or exceed the regulatory requirements that apply to their products. If, in any due diligence and evaluations that we conduct for our customers, we identify materials that may contain substances in excess of the limits allowed by regulation, we notify our customers in writing and work with them to assist with their environmental regulation compliance for any of their affected products.
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W1.5

(W1.5) Do you engage with your value chain on water-related issues?

	Engagement
Suppliers	Yes
Other value chain partners (e.g., customers)	Yes

W1.5a

(W1.5a) Do you assess your suppliers according to their impact on water security?

Row 1

Assessment of supplier impact

Yes, we assess the impact of our suppliers

Considered in assessment

Basin status (e.g., water stress or access to WASH services)

Supplier dependence on water

Supplier impacts on water availability

Supplier impacts on water quality

Procurement spend

Number of suppliers identified as having a substantive impact

150

% of total suppliers identified as having a substantive impact

1-25

Please explain

For 2022, we used Water Watch, CDP's Water Impact Index, to identify industrial activities that our suppliers engage in and the activities' potential impact on water

resources. The tool makes a qualitative assessment of impact on freshwater resources at different stages of the value chain, based on independent and trusted academic, scientific, and industry-recognized sources. We analyzed the Index and assessed industrial activities as having a “substantive impact on water security” if the Index’s overall water impact rank for those business activities was equal to/greater than ‘High’ (water impact rank of 8-10). Our purchases of components from manufacturers of displays, touch screens, PCBs, and semiconductors are considered business activities that have a “substantive impact on water security” pursuant to this indicator. We calculated the number of suppliers by identifying our suppliers that conduct such business activities and with whom we spent a material amount in 2022.

W1.5b

(W1.5b) Do your suppliers have to meet water-related requirements as part of your organization’s purchasing process?

	Suppliers have to meet specific water-related requirements
Row 1	Yes, water-related requirements are included in our supplier contracts

W1.5c

(W1.5c) Provide details of the water-related requirements that suppliers have to meet as part of your organization’s purchasing process, and the compliance measures in place.

Water-related requirement

Complying with going beyond water-related regulatory requirements

% of suppliers with a substantive impact required to comply with this water-related requirement

100%

% of suppliers with a substantive impact in compliance with this water-related requirement

100%

Mechanisms for monitoring compliance with this water-related requirement

- Fines and penalties
- Grievance mechanism/Whistleblowing hotline
- Off-site third-party audit
- On-site third-party audit
- Supplier self-assessment
- Supplier scorecard or rating

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

Retain and engage

Comment

Our supply chain teams determine an appropriate approach for supplier compliance with these requirements, including any repercussions (e.g. marking them out of compliance, putting them on remediation, reporting nonconformance through the supplier's quality system, placing their account on hold, removing them from our systems).

Water-related requirement

Providing fully-functioning, safely managed WASH services to all workers

% of suppliers with a substantive impact required to comply with this water-related requirement

100%

% of suppliers with a substantive impact in compliance with this water-related requirement

100%

Mechanisms for monitoring compliance with this water-related requirement

- Fines and penalties
- Grievance mechanism/Whistleblowing hotline
- Off-site third-party audit
- On-site third-party audit
- Supplier self-assessment
- Supplier scorecard or rating

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

Retain and engage

Comment

Our supply chain teams determine an appropriate approach for supplier compliance with these requirements, including any repercussions (e.g. marking them out of compliance, putting them on remediation, reporting nonconformance through the supplier's quality system, placing their account on hold, removing them from our systems).

Water-related requirement

Reducing total water withdrawal volumes

% of suppliers with a substantive impact required to comply with this water-related requirement

100%

% of suppliers with a substantive impact in compliance with this water-related requirement

100%

Mechanisms for monitoring compliance with this water-related requirement

- Fines and penalties
- Grievance mechanism/Whistleblowing hotline
- Off-site third-party audit
- On-site third-party audit
- Supplier self-assessment
- Supplier scorecard or rating

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

- Retain and engage

Comment

Our supply chain teams determine an appropriate approach for supplier compliance with these requirements, including any repercussions (e.g. marking them out of compliance, putting them on remediation, reporting nonconformance through the supplier's quality system, placing their account on hold, removing them from our systems).

W1.5d

(W1.5d) Provide details of any other water-related supplier engagement activity.

Type of engagement

- Incentivization

Details of engagement

- Incentivize demonstrable progress against targets on WASH in your supplier relationship management
- Offer financial incentives to suppliers improving water management and stewardship across their own operations and supply chain

% of suppliers by number

- 100%

% of suppliers with a substantive impact

- 100%

Rationale for your engagement

We constantly evaluate approaches around our value chain, including its water footprint. All Kimball Electronics suppliers, employees, agents, and subcontractors must understand and agree to follow our Code of Conduct, our Global Human Rights Policy, and our ISO 14001-based Global Supplier Quality Manual (GSQM), which contain both ethical and environmental practices (including water-related requirements). These requirements are also part of our standard terms and conditions of purchase. The presentation of these requirements and the discussions they foster provide a critical opportunity for us to strengthen our relationship with suppliers and further encourage innovation to reduce climate and water impacts. They create an opportunity for us to improve information sharing and discussion.

Our supply chain teams determine an appropriate approach for supplier compliance with these requirements, including any repercussions (e.g. marking them out of compliance, putting them on remediation, reporting nonconformance through the supplier's quality system, placing their account on hold, removing them from our systems).

Impact of the engagement and measures of success

This engagement's impact is that it enables us to track and understand the environmental practices of our suppliers. We collect relevant information from these suppliers in partnership with our customers, who have goals that are aligned with ours. We then compile and analyze this information along with our customers to identify any significant changes or gaps that may require our attention based on our understanding of our suppliers' operations. We measure the success of this work by the accuracy and sufficiency of information provided by the suppliers and the establishment and continuous improvement of information tracking and reporting methods/systems. This work gives us a clear understanding of the water consumption amount and trend associated with supply chain while enabling us to identify potential opportunities to reduce water consumption in our supply chain.

Our ultimate measure of success is understanding and applying sound practices for land and water use consistent with emerging international practices while considering the impact of our global activities on water stress (defined as lack of quantity, quality and accessibility of water).

Comment

Type of engagement

Innovation & collaboration

Details of engagement

Encourage/incentivize innovation to reduce water impacts in products and services
Encourage/incentivize suppliers to work collaboratively with other users in their river basins toward sustainable water management
Educate suppliers about water stewardship and collaboration

% of suppliers by number

100%

% of suppliers with a substantive impact

100%

Rationale for your engagement

We constantly evaluate approaches around our value chain, including its water footprint. All Kimball Electronics suppliers, employees, agents, and subcontractors must understand and agree to follow our Code of Conduct, our Global Human Rights Policy, and our ISO 14001-based Global Supplier Quality Manual (GSQM), which contain both

ethical and environmental practices (including water-related requirements). These requirements are also part of our standard terms and conditions of purchase. The presentation of these requirements and the discussions they foster provide a critical opportunity for us to strengthen our relationship with suppliers and further encourage innovation to reduce climate and water impacts. They create an opportunity for us to improve information sharing and discussion.

Our supply chain teams determine an appropriate approach for supplier compliance with these requirements, including any repercussions (e.g. marking them out of compliance, putting them on remediation, reporting nonconformance through the supplier's quality system, placing their account on hold, removing them from our systems).

Impact of the engagement and measures of success

This engagement's impact is that it enables us to track and understand the environmental practices of our suppliers. We collect relevant information from these suppliers in partnership with our customers, who have goals that are aligned with ours. We then compile and analyze this information along with our customers to identify any significant changes or gaps that may require our attention based on our understanding of our suppliers' operations. We measure the success of this work by the accuracy and sufficiency of information provided by the suppliers and the establishment and continuous improvement of information tracking and reporting methods/systems. This work gives us a clear understanding of the water consumption amount and trend associated with supply chain while enabling us to identify potential opportunities to reduce water consumption in our supply chain.

Our ultimate measure of success is understanding and applying sound practices for land and water use consistent with emerging international practices while considering the impact of our global activities on water stress (defined as lack of quantity, quality and accessibility of water).

Comment

W1.5e

(W1.5e) Provide details of any water-related engagement activity with customers or other value chain partners.

Type of stakeholder

Customers

Type of engagement

Education / information sharing

Details of engagement

Educate and work with stakeholders on understanding and measuring exposure to water-related risks

Run an engagement campaign to educate stakeholders about your water-related performance and strategy

Rationale for your engagement

We value feedback and input from our customers, suppliers, and other internal and external stakeholders. We prioritize engagements with our customers and with our key stakeholders, or 'other partners in our value chain', which include our employees, Share Owners, potential investors, suppliers, subcontractors, governments/regulatory agencies, unions, Non-Governmental Organizations (NGOs), and industry associations. We prioritize these stakeholders because their concerns may have the potential to impact our business. KE has processes in place through all of our major business functions to collect both internal and external stakeholder feedback and provide input for consideration in the Enterprise Risk Management process. Reputation risk is part of several of our evaluation criteria in our Enterprise Risk Management process used to evaluate risks to the Company.

Impact of the engagement and measures of success

Every year, we publish information, including our ESG report, based on requests for qualitative and quantitative information on corporate GHG emissions, water withdrawals, performance trends, emissions reduction goals, climate change risks and opportunities, and social and governance practices. We use multiple communication channels to engage stakeholders, including written communication, meetings, regular and specialized reports, contracts, surveys, and other methods. Engagement may be daily, monthly, quarterly, annually, or as needed to identify key sustainability topics and concerns. We also measure success in terms of scores we receive for various sustainability ratings and rankings, including CDP.

Type of stakeholder

Customers

Type of engagement

Innovation & collaboration

Details of engagement

Collaborate with stakeholders on innovations to reduce water impacts in products and services

Rationale for your engagement

We proactively engage our customers to understand and prioritize the topics that impact our business and our communities, as well as theirs. Water stewardship is one of those relevant topics. As a company that is the manufacturing/ production service provider for our customers, we necessarily partner with our customers on innovations in manufacturing to reduce our freshwater withdrawals. By innovating in areas such as

adoption of water-saving methods in production lines and reuse of washing water to create a closed loop; exploring opportunities to collect and recycle condensate water from HVAC systems; and collecting rainwater, we can lessen the impact of water stress for us and our customers.

Impact of the engagement and measures of success

Every year, we publish information, including our ESG report, based on requests for qualitative and quantitative information on corporate GHG emissions, water withdrawals, performance trends, emissions reduction goals, climate change risks and opportunities, and social and governance practices. We use multiple communication channels to engage stakeholders, including written communication, meetings, regular and specialized reports, contracts, surveys, and other methods. Engagement may be daily, monthly, quarterly, annually, or as needed to identify key sustainability topics and concerns. We also measure success in terms of scores we receive for various sustainability ratings and rankings, including CDP.

Type of stakeholder

Investors & shareholders

Type of engagement

Education / information sharing

Details of engagement

Educate and work with stakeholders on understanding and measuring exposure to water-related risks

Run an engagement campaign to educate stakeholders about your water-related performance and strategy

Rationale for your engagement

We value feedback and input from our customers, suppliers, and other internal and external stakeholders. We prioritize engagements with our customers and with our key stakeholders, or 'other partners in our value chain', which include our employees, Share Owners, potential investors, suppliers, subcontractors, governments/regulatory agencies, unions, Non-Governmental Organizations (NGOs), and industry associations. We prioritize these stakeholders because their concerns may have the potential to impact our business. KE has processes in place through all of our major business functions to collect both internal and external stakeholder feedback and provide input for consideration in the Enterprise Risk Management process. Reputation risk is part of several of our evaluation criteria in our Enterprise Risk Management process used to evaluate risks to the Company.

Impact of the engagement and measures of success

Every year, we publish information, including our ESG report, based on requests for qualitative and quantitative information on corporate GHG emissions, water withdrawals, performance trends, emissions reduction goals, climate change risks and opportunities, and social and governance practices. We use multiple communication channels to

engage stakeholders, including written communication, meetings, regular and specialized reports, contracts, surveys, and other methods. Engagement may be daily, monthly, quarterly, annually, or as needed to identify key sustainability topics and concerns. We also measure success in terms of scores we receive for various sustainability ratings and rankings, including CDP.

W2. Business impacts

W2.1

(W2.1) Has your organization experienced any detrimental water-related impacts?

No

W2.2

(W2.2) In the reporting year, was your organization subject to any fines, enforcement orders, and/or other penalties for water-related regulatory violations?

	Water-related regulatory violations	Comment
Row 1	No	We have not received any fines, enforcement orders or any penalties for water-related regulatory issues.

W3. Procedures

W3.1

(W3.1) Does your organization identify and classify potential water pollutants associated with its activities that could have a detrimental impact on water ecosystems or human health?

	Identification and classification of potential water pollutants	How potential water pollutants are identified and classified
Row 1	Yes, we identify and classify our potential water pollutants	All Kimball manufacturing facilities are ISO 14001 certified and operate on a set of Safety, Environmental, and Facility (SEF) standards that go beyond compliance with regulatory requirements and ISO certifications. The SEF standards include water management and non-hazardous and hazardous waste management standards. We identify and classify potential water pollutants in accordance with local water quality requirements and regulatory/permit requirements that are specific to discharge destination so that we can identify and classify potential water pollutants that may have detrimental impacts. We also comply with applicable product material safety data and maintain a

		<p>company-wide reporting platform for all of our environmental data, including water security and hazardous material information. For example, we maintain Safety Data Sheets in US and compliance with applicable Registration, Evaluation, Authorization and Restriction of Chemicals (REACH) requirements for products managed in the European Union. We measure our success through routine compliance audits under our SEF standards at each of our facilities.</p>
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W3.1a

(W3.1a) Describe how your organization minimizes the adverse impacts of potential water pollutants on water ecosystems or human health associated with your activities.

Water pollutant category

Inorganic pollutants

Description of water pollutant and potential impacts

Potential impacts of inorganic pollutants vary depending on the source and how such inorganic pollutants are treated by filtration systems on our production lines or at wastewater treatment facilities operated by third parties. If they are inadequately removed, wastewater effluent impacts may include metals and other compounds that may adversely impact aquatic ecosystems.

Value chain stage

Direct operations

Actions and procedures to minimize adverse impacts

- Assessment of critical infrastructure and storage condition (leakages, spillages, pipe erosion etc.) and their resilience
- Resource recovery
- Beyond compliance with regulatory requirements
- Implementation of integrated solid waste management systems
- Industrial and chemical accidents prevention, preparedness, and response
- Provision of best practice instructions on product use
- Reduction or phase out of hazardous substances

Please explain

All Kimball manufacturing facilities are ISO 14001 certified and operate on a set of Safety, Environmental, and Facility (SEF) standards that go beyond compliance with regulatory requirements and ISO certifications. The SEF standards include water management, non-hazardous and hazardous waste management, infrastructure/facility management, chemical storage, spill control, and spill response programs to effectively prevent contamination, spills, and leaks and ensure that we have properly designed and operated these programs. We also routinely assess our process equipment and methods and we invest in our own continuous improvement and in collaborative projects

with our customers to minimize adverse impacts on ecosystems. We comply with all applicable regulations and emphasize environmental responsibility throughout our supply chain through supplier agreements and policies. We work to reduce or phase out hazardous materials, and each of our facilities has a waste management plan to recover, treat, and properly dispose of or recycle all hazardous and non-hazardous waste. We filter and recycle water in our production processes. All of these actions together minimize the adverse impacts of potential water pollutants on water ecosystems or human health associated with our operations.

Water pollutant category

Other synthetic organic compounds

Description of water pollutant and potential impacts

Potential impacts of other synthetic organic compounds vary depending on the source and how such synthetic organic compounds are treated by filtration systems on our production lines or at wastewater treatment facilities operated by third parties. If they are inadequately removed, wastewater effluent impacts may include compounds that may adversely impact aquatic ecosystems

Value chain stage

Direct operations

Actions and procedures to minimize adverse impacts

Assessment of critical infrastructure and storage condition (leakages, spillages, pipe erosion etc.) and their resilience
Resource recovery
Beyond compliance with regulatory requirements
Implementation of integrated solid waste management systems
Industrial and chemical accidents prevention, preparedness, and response
Provision of best practice instructions on product use
Water recycling
Reduction or phase out of hazardous substances
Requirement for suppliers to comply with regulatory requirements
Upgrading of process equipment/methods
Procedure(s) under development/ R&D

Please explain

All Kimball manufacturing facilities are ISO 14001 certified and operate on a set of Safety, Environmental, and Facility (SEF) standards that go beyond compliance with regulatory requirements and ISO certifications. The SEF standards include water management, non-hazardous and hazardous waste management, infrastructure/facility management, chemical storage, spill control, and spill response programs to effectively prevent contamination, spills, and leaks and ensure that we have properly designed and operated these programs. We also routinely assess our process equipment and methods and we invest in our own continuous improvement and in collaborative projects with our customers to minimize adverse impacts on ecosystems. We comply with all

applicable regulations and emphasize environmental responsibility throughout our supply chain through supplier agreements and policies. We work to reduce or phase out hazardous materials, and each of our facilities has a waste management plan to recover, treat, and properly dispose of or recycle all hazardous and non-hazardous waste. We filter and recycle water in our production processes. All of these actions together minimize the adverse impacts of potential water pollutants on water ecosystems or human health associated with our operations.

Water pollutant category

Other physical pollutants

Description of water pollutant and potential impacts

Potential impacts of other physical pollutants vary depending on the source and how such other physical pollutants are treated by filtration systems on our production lines or at wastewater treatment facilities operated by third parties. If they are inadequately removed, wastewater effluent impacts may lead to decreases in dissolved oxygen and detrimental variations in water temperature. Dissolved oxygen in a water body is critical for fish and other aquatic organisms. Changes in the temperature of water can have detrimental impacts on aquatic life.

Value chain stage

Direct operations

Actions and procedures to minimize adverse impacts

Assessment of critical infrastructure and storage condition (leakages, spillages, pipe erosion etc.) and their resilience
Resource recovery
Beyond compliance with regulatory requirements
Implementation of integrated solid waste management systems
Industrial and chemical accidents prevention, preparedness, and response
Provision of best practice instructions on product use
Water recycling
Reduction or phase out of hazardous substances
Requirement for suppliers to comply with regulatory requirements
Upgrading of process equipment/methods
Procedure(s) under development/ R&D

Please explain

All Kimball manufacturing facilities are ISO 14001 certified and operate on a set of Safety, Environmental, and Facility (SEF) standards that go beyond compliance with regulatory requirements and ISO certifications. The SEF standards include water management, non-hazardous and hazardous waste management, infrastructure/facility management, chemical storage, spill control, and spill response programs to effectively prevent contamination, spills, and leaks and ensure that we have properly designed and operated these programs. We also routinely assess our process equipment and methods and we invest in our own continuous improvement and in collaborative projects

with our customers to minimize adverse impacts on ecosystems. We comply with all applicable regulations and emphasize environmental responsibility throughout our supply chain through supplier agreements and policies. We work to reduce or phase out hazardous materials, and each of our facilities has a waste management plan to recover, treat, and properly dispose of or recycle all hazardous and non-hazardous waste. We filter and recycle water in our production processes. All of these actions together minimize the adverse impacts of potential water pollutants on water ecosystems or human health associated with our operations.

W3.3

(W3.3) Does your organization undertake a water-related risk assessment?

Yes, water-related risks are assessed

W3.3a

(W3.3a) Select the options that best describe your procedures for identifying and assessing water-related risks.

Value chain stage

Direct operations
Supply chain

Coverage

Full

Risk assessment procedure

Water risks are assessed as part of an established enterprise risk management framework

Frequency of assessment

More than once a year

How far into the future are risks considered?

More than 6 years

Type of tools and methods used

Tools on the market
Enterprise risk management
International methodologies and standards
Databases

Tools and methods used

EcoVadis
WRI Aqueduct
COSO Enterprise Risk Management Framework
Enterprise Risk Management

IPCC Climate Change Projections
ISO 14001 Environmental Management Standard
Regional government databases
Other, please specify
Internal company methods, external consultants, materiality assessment and scenario analysis.

Contextual issues considered

Water availability at a basin/catchment level
Water quality at a basin/catchment level
Stakeholder conflicts concerning water resources at a basin/catchment level
Impact on human health
Implications of water on your key commodities/raw materials
Water regulatory frameworks
Status of ecosystems and habitats
Access to fully-functioning, safely managed WASH services for all employees

Stakeholders considered

Customers
Employees
Investors
Local communities
NGOs
Regulators
Suppliers
Water utilities at a local level
Other water users at the basin/catchment level

Comment

Multiple teams across Kimball Electronics and our facilities, including our corporate Safety, Environmental, and Facilities (SEF) team and our Chief Legal & Compliance Officer, perform risk assessments using these tools with varying frequencies. For example, each facility addresses its water supply risk in an ISO 14001 risk assessment and/or pursuant to our internal company SEF assessment at least annually and tracks its progress on water security monthly. Annual property risk assessments conducted with our property insurer clarify our risk exposure to underwriters, identify areas for improvement of our operations, and benchmark the choice of coverages and coverage limits that we purchase. We conduct other risk assessments quarterly and more often when needed and share those results with our Enterprise Risk Management team, which identifies, assesses, and prioritizes risks and assists our leadership team and our Board with risk governance.

W3.3b

(W3.3b) Describe your organization's process for identifying, assessing, and responding to water-related risks within your direct operations and other stages of your value chain.

	Rationale for approach to risk assessment	Explanation of contextual issues considered	Explanation of stakeholders considered	Decision-making process for risk response
Row 1	<p>RATIONALE:</p> <p>-The rationale for our process includes our goals of water consumption and withdrawal reductions by our facilities; promotion of water recycling and reuse at our facilities; promotion of wastewater treatment and freshwater conservation measures; and achievement of more efficient water management. Our ERM process is also useful when screening greenfield locations for new facility investments to ensure adequate water supply during a facility's operating life.</p> <p>TOOL AND METHOD APPLICATION</p> <p>Direct operations:</p> <p>-WRI Aqueduct: annual evaluation of current basin water-related risks</p> <p>-ISO 14001 certification: annual process to identify risk using the significant aspects</p>	<p>-Water availability/quality: access to potable and non-potable supply is among our criteria when evaluating locations.</p> <p>-Stakeholder conflicts: engaging local communities in the areas where our presence has the most impact helps avoid loss of local goodwill and negative effects on our brand value.</p> <p>-Key commodities/raw materials: access to sufficient water supply is essential to provide adequate working conditions for our employees, suppliers, and others in our value chain and represent a critical manufacturing input.</p> <p>-Water regulatory frameworks: all our facilities are subject to local regulatory frameworks with varying compliance requirements (including for water).</p> <p>-Status of ecosystems, habitats,</p>	<p>-Customers: as our Guiding Principles state, our customer is our business</p> <p>Employees: access to freshwater is essential to provide fully functioning WASH services for all workers.</p> <p>-Investors: increasingly concerned about the environmental performance and impact of companies in which they invest, including water-related issues.</p> <p>-Local communities: as our Guiding Principles state, the environment is our home. We will be leaders in not only protecting but enhancing our world. We also strive to help our communities be great places to live. Engagement & sharing our values with our local communities helps avoid loss of local goodwill & negative effects on stakeholders' perception of our value.</p> <p>-NGOs: if we operate in a way that provides us with sufficient water while depriving the</p>	<p>Multiple teams across Kimball Electronics and our facilities, including our corporate Safety, Environmental, and Facilities (SEF) team and our Chief Legal & Compliance Officer, perform risk assessments using these tools with varying frequencies. For example, each facility addresses its water supply risk in an ISO 14001 risk assessment and/or pursuant to our internal company SEF assessment. Annual property risk assessments conducted with our property insurer clarify our risk exposure to underwriters, identify areas for improvement of our operations, and benchmark the choice of coverages and coverage limits that we purchase. We conduct other risk assessments quarterly and more often when needed, and share those results with our Enterprise Risk Management team,</p>

<p>and impacts review process.</p> <p>-ERM program: company-wide process used to assess critical risks and, through regular reporting, assist senior management and the Board with governance of risk.</p> <p>-Physical and transition risk assessment: TCFD-aligned scenario analyses (using IPCC Climate Change Projections, regional government databases, external consultants, internal company methods, etc.).</p> <p>-Property risk assessments: by FM Global to estimate probable impact from hazards like hurricanes, floods, and supply chain disruptions.</p> <p>Supply Chain:</p> <p>-Supplier audit program: internal company methods to assess supplier compliance status of hardware manufacturing suppliers.</p>	<p>and biodiversity: inherent in federal, state, and local regulations and critical to the health of the communities and environments where we and our supply chain operates.</p> <p>-Access to WASH services: essential for the well-being of our employees and communities in the areas where we operate.</p>	<p>local community & ecosystem of the same, we would be subject to criticism from NGOs that advocate for ecosystem preservation & for social justice in our communities</p> <p>Regulators: regulatory requirements (including restrictions, water rights, and permits) can affect the availability of local water, essential to the running of our business.</p> <p>-Suppliers: water is an essential input for suppliers activities, including PCB, semiconductor manufacturing.</p> <p>-Local water utilities: access to sufficient water is critical for our operations.</p> <p>-Other water users at the basin/catchment level: high demand for water (particularly in areas of water stress) from other users could affect our operations.</p>	<p>which identifies, assesses, and prioritizes risks and assists our leadership team and our Board with risk governance.</p>
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W4. Risks and opportunities

W4.1

(W4.1) Have you identified any inherent water-related risks with the potential to have a substantive financial or strategic impact on your business?

Yes, only within our direct operations

W4.1a

(W4.1a) How does your organization define substantive financial or strategic impact on your business?

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

W4.1b

(W4.1b) What is the total number of facilities exposed to water risks with the potential to have a substantive financial or strategic impact on your business, and what proportion of your company-wide facilities does this represent?

Total number of facilities exposed to water risk	% company-wide facilities this represents	Comment

Row 1	6	26-50	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 manufacturing locations in Mexico, Poland, Vietnam, Tampa, Florida, and Suzhou, China are considered areas with water stress pursuant to this indicator.
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W4.1c

(W4.1c) By river basin, what is the number and proportion of facilities exposed to water risks that could have a substantive financial or strategic impact on your business, and what is the potential business impact associated with those facilities?

Country/Area & River basin

Mexico
Bravo

Number of facilities exposed to water risk

2

% company-wide facilities this represents

1-25

% company's total global revenue that could be affected

21-30

Comment

Country/Area & River basin

Poland
Oder River

Number of facilities exposed to water risk

1

% company-wide facilities this represents

1-25

% company's total global revenue that could be affected

11-20

Comment

Country/Area & River basin

Viet Nam

Saigon

Number of facilities exposed to water risk

1

% company-wide facilities this represents

1-25

% company's total global revenue that could be affected

1-10

Comment

Country/Area & River basin

China

Yangtze River (Chang Jiang)

Number of facilities exposed to water risk

1

% company-wide facilities this represents

1-25

% company's total global revenue that could be affected

Less than 1%

Comment

Country/Area & River basin

United States of America

Other, please specify

Tampa Bay

Number of facilities exposed to water risk

1

% company-wide facilities this represents

1-25

% company's total global revenue that could be affected

1-10

Comment

W4.2

(W4.2) Provide details of identified risks in your direct operations with the potential to have a substantive financial or strategic impact on your business, and your response to those risks.

Country/Area & River basin

Mexico

Bravo

Type of risk & Primary risk driver

Acute physical

Cyclone, hurricane, typhoon

Primary potential impact

Reduction or disruption in production capacity

Company-specific description

Natural disasters or other catastrophic events, including severe weather, cyclones, floods, hurricanes, terrorist attacks, power interruptions, fires, and pandemics, could disrupt operations and likewise our ability to produce or deliver products. Our manufacturing operations require significant amounts of energy, including natural gas and oil, and governmental regulations may control the allocation of such fuels to Kimball Electronics. Employees are an integral part of our business, and events such as a pandemic could reduce the availability of employees reporting for work. In the event we experience a temporary or permanent interruption in our ability to produce or deliver product, revenues could be reduced, and business could be materially adversely affected. In addition, catastrophic events, or the threat thereof, can adversely affect U.S. and world economies, and could result in reduced demand for our customers' products and delayed or lost revenue for our services. Further, any continuing disruption in our computer systems could adversely affect the ability to receive and process customer orders, manufacture products, and ship products on a timely basis, and could adversely affect relations with customers, potentially resulting in reduction in orders from customers or loss of customers. We maintain insurance to help protect us from costs relating to some of these matters, but such may not be sufficient or paid in a timely manner to us in the event of such an interruption.

Timeframe

Current up to one year

Magnitude of potential impact

Medium-high

Likelihood

Unlikely

Are you able to provide a potential financial impact figure?

Yes, an estimated range

Potential financial impact figure (currency)

Potential financial impact figure - minimum (currency)

1,000,000

Potential financial impact figure - maximum (currency)

10,000,000

Explanation of financial impact

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

Primary response to risk

Amend the Business Continuity Plan

Description of response

We maintain business continuity plans that are intended to allow us to recover from natural disasters or other catastrophic events that can be disruptive to our business, our facilities and the services we perform for customers. We maintain product liability and other insurance coverage that we believe to be generally in accordance with industry practices. Capital and expense planning are parts of our normal strategic planning process. As we adjust our strategy to address risks, we naturally incorporate business strategies into our spending, including by adding redundancy/resiliency features to facilities, upgrading and/or maintaining new and current facilities, disaster recovery planning, etc.

Cost of response

1,000,000

Explanation of cost of response

The cost of response is expected to equal approximately \$1M, the low end of the range of typical retained amounts under insurance policies and/or sizes of potential claims that we may choose to self-fund. It is difficult to accurately quantify the cost of responding to acute physical risks, as well as other emerging risks, since the process of managing physical risks to our operations falls within the normal course of business and does not incur estimable marginal costs.

Country/Area & River basin

Poland
Oder River

Type of risk & Primary risk driver

Acute physical
Heavy precipitation (rain, hail, snow/ice)

Primary potential impact

Reduction or disruption in production capacity

Company-specific description

Natural disasters or other catastrophic events, including severe weather, power interruptions, fires, and pandemics, could disrupt operations and likewise our ability to produce or deliver products. Our manufacturing operations require significant amounts of energy, including natural gas and oil, and governmental regulations may control the allocation of such fuels to Kimball Electronics. Employees are an integral part of our business, and events such as a pandemic could reduce the availability of employees reporting for work. In the event we experience a temporary or permanent interruption in our ability to produce or deliver product, revenues could be reduced, and business could be materially adversely affected. In addition, catastrophic events, or the threat thereof, can adversely affect U.S. and world economies, and could result in reduced demand for our customers' products and delayed or lost revenue for our services. Further, any continuing disruption in our computer systems could adversely affect the ability to receive and process customer orders, manufacture products, and ship products on a timely basis, and could adversely affect relations with customers, potentially resulting in reduction in orders from customers or loss of customers. We maintain insurance to help protect us from costs relating to some of these matters, but such may not be sufficient or paid in a timely manner to us in the event of such an interruption.

Timeframe

Current up to one year

Magnitude of potential impact

Medium

Likelihood

Unlikely

Are you able to provide a potential financial impact figure?

Yes, an estimated range

Potential financial impact figure (currency)

Potential financial impact figure - minimum (currency)

1,000,000

Potential financial impact figure - maximum (currency)

10,000,000

Explanation of financial impact

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

Primary response to risk

Amend the Business Continuity Plan

Description of response

We maintain business continuity plans that are intended to allow us to recover from natural disasters or other catastrophic events that can be disruptive to our business, our facilities and the services we perform for customers. We maintain product liability and other insurance coverage that we believe to be generally in accordance with industry practices. Capital and expense planning are parts of our normal strategic planning process. As we adjust our strategy to address risks, we naturally incorporate business strategies into our spending, including by adding redundancy/resiliency features to facilities, upgrading and/or maintaining new and current facilities, disaster recovery planning, etc.

Cost of response

1,000,000

Explanation of cost of response

The cost of response is expected to equal approximately \$1M, the low end of the range of typical retained amounts under insurance policies and/or sizes of potential claims that we may choose to self-fund. It is difficult to accurately quantify the cost of responding to acute physical risks, as well as other emerging risks, since the process of managing physical risks to our operations falls within the normal course of business and does not incur estimable marginal costs.

Country/Area & River basin

Viet Nam
Saigon

Type of risk & Primary risk driver

Acute physical
Heavy precipitation (rain, hail, snow/ice)

Primary potential impact

Reduction or disruption in production capacity

Company-specific description

Natural disasters or other catastrophic events, including severe weather, power interruptions, fires, and pandemics, could disrupt operations and likewise our ability to produce or deliver products. Our manufacturing operations require significant amounts of energy, including natural gas and oil, and governmental regulations may control the allocation of such fuels to Kimball Electronics. Employees are an integral part of our business, and events such as a pandemic could reduce the availability of employees reporting for work. In the event we experience a temporary or permanent interruption in our ability to produce or deliver product, revenues could be reduced, and business could be materially adversely affected. In addition, catastrophic events, or the threat thereof, can adversely affect U.S. and world economies, and could result in reduced demand for our customers' products and delayed or lost revenue for our services. Further, any continuing disruption in our computer systems could adversely affect the ability to receive and process customer orders, manufacture products, and ship products on a timely basis, and could adversely affect relations with customers, potentially resulting in reduction in orders from customers or loss of customers. We maintain insurance to help protect us from costs relating to some of these matters, but such may not be sufficient or paid in a timely manner to us in the event of such an interruption.

Timeframe

Current up to one year

Magnitude of potential impact

Medium-low

Likelihood

Unlikely

Are you able to provide a potential financial impact figure?

Yes, an estimated range

Potential financial impact figure (currency)

Potential financial impact figure - minimum (currency)

1,000,000

Potential financial impact figure - maximum (currency)

10,000,000

Explanation of financial impact

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

Primary response to risk

Amend the Business Continuity Plan

Description of response

We maintain business continuity plans that are intended to allow us to recover from natural disasters or other catastrophic events that can be disruptive to our business, our facilities and the services we perform for customers. We maintain product liability and other insurance coverage that we believe to be generally in accordance with industry practices. Capital and expense planning are parts of our normal strategic planning process. As we adjust our strategy to address risks, we naturally incorporate business strategies into our spending, including by adding redundancy/resiliency features to facilities, upgrading and/or maintaining new and current facilities, disaster recovery planning, etc.

Cost of response

1,000,000

Explanation of cost of response

The cost of response is expected to equal approximately \$1M, the low end of the range of typical retained amounts under insurance policies and/or sizes of potential claims that we may choose to self-fund. It is difficult to accurately quantify the cost of responding to acute physical risks, as well as other emerging risks, since the process of managing

physical risks to our operations falls within the normal course of business and does not incur estimable marginal costs.

Country/Area & River basin

United States of America
Other, please specify
Tampa Bay

Type of risk & Primary risk driver

Acute physical
Cyclone, hurricane, typhoon

Primary potential impact

Reduction or disruption in production capacity

Company-specific description

Natural disasters or other catastrophic events, including severe weather, cyclones, floods, hurricanes, terrorist attacks, power interruptions, fires, and pandemics, could disrupt operations and likewise our ability to produce or deliver products. Our manufacturing operations require significant amounts of energy, including natural gas and oil, and governmental regulations may control the allocation of such fuels to Kimball Electronics. Employees are an integral part of our business, and events such as a pandemic could reduce the availability of employees reporting for work. In the event we experience a temporary or permanent interruption in our ability to produce or deliver product, revenues could be reduced, and business could be materially adversely affected. In addition, catastrophic events, or the threat thereof, can adversely affect U.S. and world economies, and could result in reduced demand for our customers' products and delayed or lost revenue for our services. Further, any continuing disruption in our computer systems could adversely affect the ability to receive and process customer orders, manufacture products, and ship products on a timely basis, and could adversely affect relations with customers, potentially resulting in reduction in orders from customers or loss of customers. We maintain insurance to help protect us from costs relating to some of these matters, but such may not be sufficient or paid in a timely manner to us in the event of such an interruption.

Timeframe

Current up to one year

Magnitude of potential impact

Medium-low

Likelihood

More likely than not

Are you able to provide a potential financial impact figure?

Yes, an estimated range

Potential financial impact figure (currency)

Potential financial impact figure - minimum (currency)

1,000,000

Potential financial impact figure - maximum (currency)

10,000,000

Explanation of financial impact

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

Primary response to risk

Amend the Business Continuity Plan

Description of response

We maintain business continuity plans that are intended to allow us to recover from natural disasters or other catastrophic events that can be disruptive to our business, our facilities and the services we perform for customers. We maintain product liability and other insurance coverage that we believe to be generally in accordance with industry practices. Capital and expense planning are parts of our normal strategic planning process. As we adjust our strategy to address risks, we naturally incorporate business strategies into our spending, including by adding redundancy/resiliency features to facilities, upgrading and/or maintaining new and current facilities, disaster recovery planning, etc.

Cost of response

1,000,000

Explanation of cost of response

The cost of response is expected to equal approximately \$1M, the low end of the range of typical retained amounts under insurance policies and/or sizes of potential claims that we may choose to self-fund. It is difficult to accurately quantify the cost of responding to acute physical risks, as well as other emerging risks, since the process of managing

physical risks to our operations falls within the normal course of business and does not incur estimable marginal costs.

Country/Area & River basin

China
Yangtze River (Chang Jiang)

Type of risk & Primary risk driver

Acute physical
Flood (coastal, fluvial, pluvial, groundwater)

Primary potential impact

Reduction or disruption in production capacity

Company-specific description

Natural disasters or other catastrophic events, including severe weather, floods, power interruptions, fires, and pandemics, could disrupt operations and likewise our ability to produce or deliver products. Our manufacturing operations require significant amounts of energy, including natural gas and oil, and governmental regulations may control the allocation of such fuels to Kimball Electronics. Employees are an integral part of our business, and events such as a pandemic could reduce the availability of employees reporting for work. In the event we experience a temporary or permanent interruption in our ability to produce or deliver product, revenues could be reduced, and business could be materially adversely affected. In addition, catastrophic events, or the threat thereof, can adversely affect U.S. and world economies, and could result in reduced demand for our customers' products and delayed or lost revenue for our services. Further, any continuing disruption in our computer systems could adversely affect the ability to receive and process customer orders, manufacture products, and ship products on a timely basis, and could adversely affect relations with customers, potentially resulting in reduction in orders from customers or loss of customers. We maintain insurance to help protect us from costs relating to some of these matters, but such may not be sufficient or paid in a timely manner to us in the event of such an interruption.

Timeframe

Current up to one year

Magnitude of potential impact

Low

Likelihood

Unlikely

Are you able to provide a potential financial impact figure?

Yes, an estimated range

Potential financial impact figure (currency)

Potential financial impact figure - minimum (currency)

1,000,000

Potential financial impact figure - maximum (currency)

10,000,000

Explanation of financial impact

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

Primary response to risk

Amend the Business Continuity Plan

Description of response

We maintain business continuity plans that are intended to allow us to recover from natural disasters or other catastrophic events that can be disruptive to our business, our facilities and the services we perform for customers. We maintain product liability and other insurance coverage that we believe to be generally in accordance with industry practices. Capital and expense planning are parts of our normal strategic planning process. As we adjust our strategy to address risks, we naturally incorporate business strategies into our spending, including by adding redundancy/resiliency features to facilities, upgrading and/or maintaining new and current facilities, disaster recovery planning, etc.

Cost of response

1,000,000

Explanation of cost of response

The cost of response is expected to equal approximately \$1M, the low end of the range of typical retained amounts under insurance policies and/or sizes of potential claims that we may choose to self-fund. It is difficult to accurately quantify the cost of responding to acute physical risks, as well as other emerging risks, since the process of managing physical risks to our operations falls within the normal course of business and does not incur estimable marginal costs.

W4.2c

(W4.2c) Why does your organization not consider itself exposed to water risks in its value chain (beyond direct operations) with the potential to have a substantive financial or strategic impact?

	Primary reason	Please explain
Row 1	Risks exist, but no substantive impact anticipated	KE has enterprise risk management processes to identify, assess and prioritize business risks. We use a systematic process to evaluate risks. The process includes identifying risks, assessing exposures, and quantifying the value at risk to the company. The evaluation considers level of potential impact, the overall vulnerability to an event based on the time and our capacity to react and adapt, and the likelihood of an occurrence. A substantive risk is one where the impact is medium to high across a number of criteria and has a high likelihood to disrupt our ability to operate our business. We have not identified any substantive water risks in our value chain, beyond direct operations. Our sourcing function also has a system in place to monitor high risk suppliers which may be impacted by risks such as water and identify any that would have a substantive impact.

W4.3

(W4.3) Have you identified any water-related opportunities with the potential to have a substantive financial or strategic impact on your business?

Yes, we have identified opportunities, and some/all are being realized

W4.3a

(W4.3a) Provide details of opportunities currently being realized that could have a substantive financial or strategic impact on your business.

Type of opportunity

Efficiency

Primary water-related opportunity

Improved water efficiency in operations

Company-specific description & strategy to realize opportunity

Strategically, improved water efficiency has the potential to have a substantial positive impact to our business as some of the products that we manufacture for our customers require the use of freshwater during the manufacturing process.

We are and have been investing in capital and infrastructure to promote water efficiency. These capital investments fund projects to help us reach our 2025 water reduction goals. We also improve efficiency through engaging our employees in conserving water. Through these efficiencies, we are reducing our water consumption

and discharge expenses, reducing our regulatory risk and helping to preserve water supplies. Examples include: We have identified capital projects to increase use of recycled water. Some of our facilities are re-using/recycling water used in our cleaning processes, and we are investigating with our customers how to expand these reuse/recycling projects. In other locations, we are collecting rainwater and /or condensate water for landscaping irrigation.

Estimated timeframe for realization

1 to 3 years

Magnitude of potential financial impact

Low

Are you able to provide a potential financial impact figure?

Yes, a single figure estimate

Potential financial impact figure (currency)

20,000

Potential financial impact figure – minimum (currency)

Potential financial impact figure – maximum (currency)

Explanation of financial impact

The potential financial impact figure of \$20,000 was calculated based on the cost of the water that we could save through the potential water efficiency projects, water recycling, and water reuse described above with no additional marginal costs for management and operation.

W5. Facility-level water accounting

W5.1

(W5.1) For each facility referenced in W4.1c, provide coordinates, water accounting data, and a comparison with the previous reporting year.

Facility reference number

Facility 1

Facility name (optional)

KEMX 1; Reynosa, Mexico

Country/Area & River basin

Mexico

Bravo

Latitude

26.0333

Longitude

-98.2194

Located in area with water stress

Yes

Total water withdrawals at this facility (megaliters/year)

21.32

Comparison of total withdrawals with previous reporting year

About the same

Withdrawals from fresh surface water, including rainwater, water from wetlands, rivers and lakes

0

Withdrawals from brackish surface water/seawater

0

Withdrawals from groundwater - renewable

0

Withdrawals from groundwater - non-renewable

0

Withdrawals from produced/entrained water

0

Withdrawals from third party sources

21.32

Total water discharges at this facility (megaliters/year)

21.32

Comparison of total discharges with previous reporting year

About the same

Discharges to fresh surface water

0

Discharges to brackish surface water/seawater

0

Discharges to groundwater

0

Discharges to third party destinations

21.32

Total water consumption at this facility (megaliters/year)

0

Comparison of total consumption with previous reporting year

About the same

Please explain

In 2021 we withdrew 20.75 megaliters of water. In 2022 we withdrew 21.32 megaliters of water. Water withdrawals, discharges, and consumption increased very slightly from 2021 because the sales/production at this facility increased. All our reporting facilities report water withdrawn data on a monthly basis. Data is obtained from their water bills/invoices and or water meter records, and our corporate SEF and internal audit teams validates and approves the data.

For year to year comparisons in this survey, we define the thresholds as follows: more than 50% less is 'much lower,' 5%-50% less is 'lower,' plus or minus 5% is 'about the same,' 5%-50% more is 'higher' and greater than 50% more is 'much higher.' This definition applies to all water use comparisons in this survey.

Facility reference number

Facility 2

Facility name (optional)

KEMX 2, Reynosa, MX

Country/Area & River basin

Mexico

Bravo

Latitude

26.044811

Longitude

-98.22723

Located in area with water stress

Yes

Total water withdrawals at this facility (megaliters/year)

4.95

Comparison of total withdrawals with previous reporting year

This is our first year of measurement

Withdrawals from fresh surface water, including rainwater, water from wetlands, rivers and lakes

0

Withdrawals from brackish surface water/seawater

0

Withdrawals from groundwater - renewable

0

Withdrawals from groundwater - non-renewable

0

Withdrawals from produced/entrained water

0

Withdrawals from third party sources

4.95

Total water discharges at this facility (megaliters/year)

4.95

Comparison of total discharges with previous reporting year

This is our first year of measurement

Discharges to fresh surface water

0

Discharges to brackish surface water/seawater

0

Discharges to groundwater

0

Discharges to third party destinations

4.95

Total water consumption at this facility (megaliters/year)

0

Comparison of total consumption with previous reporting year

This is our first year of measurement

Please explain

KEMX 2 became operational in 2022. All our reporting facilities report water withdrawn data on a monthly basis. Data is obtained from their water bills/invoices and or water meter records, and our corporate SEF and internal audit teams validates and approves the data.

Facility reference number

Facility 3

Facility name (optional)

KEPS, Poznan, Poland

Country/Area & River basin

Poland

Oder River

Latitude

52.4522

Longitude

16.7025

Located in area with water stress

Yes

Total water withdrawals at this facility (megaliters/year)

7.56

Comparison of total withdrawals with previous reporting year

Lower

Withdrawals from fresh surface water, including rainwater, water from wetlands, rivers and lakes

0

Withdrawals from brackish surface water/seawater

0

Withdrawals from groundwater - renewable

0

Withdrawals from groundwater - non-renewable

0

Withdrawals from produced/entrained water

0

Withdrawals from third party sources

7.56

Total water discharges at this facility (megaliters/year)

7.56

Comparison of total discharges with previous reporting year

Lower

Discharges to fresh surface water

0

Discharges to brackish surface water/seawater

0

Discharges to groundwater

0

Discharges to third party destinations

7.56

Total water consumption at this facility (megaliters/year)

0

Comparison of total consumption with previous reporting year

About the same

Please explain

In 2021 we withdrew 8.91 megaliters of water. In 2022 we withdrew 7.56 megaliters of water. Water withdrawals, discharges, and consumption decreased from 2021 due to water conservation/re-use projects. All our reporting facilities report water withdrawn data on a monthly basis. Data is obtained from their water bills/invoices and or water meter records, and our corporate SEF and internal audit teams validates and approves the data.

For year to year comparisons in this survey, we define the thresholds as follows: more than 50% less is 'much lower,' 5%-50% less is 'lower,' plus or minus 5% is 'about the same,' 5%-50% more is 'higher' and greater than 50% more is 'much higher.' This definition applies to all water use comparisons in this survey.

Facility reference number

Facility 4

Facility name (optional)

GES-VN, Ho Chi Minh City, Vietnam

Country/Area & River basin

Viet Nam

Saigon

Latitude

10.81296

Longitude

106.640037

Located in area with water stress

Yes

Total water withdrawals at this facility (megaliters/year)

0.13

Comparison of total withdrawals with previous reporting year

Higher

Withdrawals from fresh surface water, including rainwater, water from wetlands, rivers and lakes

0

Withdrawals from brackish surface water/seawater

0

Withdrawals from groundwater - renewable

0

Withdrawals from groundwater - non-renewable

0

Withdrawals from produced/entrained water

0

Withdrawals from third party sources

0.13

Total water discharges at this facility (megaliters/year)

0.13

Comparison of total discharges with previous reporting year

Higher

Discharges to fresh surface water

0

Discharges to brackish surface water/seawater

0

Discharges to groundwater

0

Discharges to third party destinations

0.12

Total water consumption at this facility (megaliters/year)

0

Comparison of total consumption with previous reporting year

About the same

Please explain

In 2021 we withdrew 0.104 megaliters of water. In 2022 we withdrew 0.126 megaliters of water. Water withdrawals, discharges, and consumption increased from 2021 because the sales/production at this facility increased. All our reporting facilities report water withdrawn data on a monthly basis. Data is obtained from their water bills/invoices and or water meter records, and our corporate SEF and internal audit teams validates and

approves the data.

For year to year comparisons in this survey, we define the thresholds as follows: more than 50% less is 'much lower,' 5%-50% less is 'lower,' plus or minus 5% is 'about the same,' 5%-50% more is 'higher' and greater than 50% more is 'much higher.' This definition applies to all water use comparisons in this survey.

Facility reference number

Facility 5

Facility name (optional)

KETA, Tampa, Florida

Country/Area & River basin

United States of America

Other, please specify

Tampa Bay

Latitude

28.0675

Longitude

-82.6464

Located in area with water stress

Yes

Total water withdrawals at this facility (megaliters/year)

3

Comparison of total withdrawals with previous reporting year

About the same

Withdrawals from fresh surface water, including rainwater, water from wetlands, rivers and lakes

0

Withdrawals from brackish surface water/seawater

0

Withdrawals from groundwater - renewable

0

Withdrawals from groundwater - non-renewable

0

Withdrawals from produced/entrained water

0

Withdrawals from third party sources

3

Total water discharges at this facility (megaliters/year)

3

Comparison of total discharges with previous reporting year

About the same

Discharges to fresh surface water

0

Discharges to brackish surface water/seawater

0

Discharges to groundwater

0

Discharges to third party destinations

3

Total water consumption at this facility (megaliters/year)

0

Comparison of total consumption with previous reporting year

About the same

Please explain

In 2021 we withdrew 3.03 megaliters of water. In 2022 we withdrew 3.00 megaliters of water. Water withdrawals, discharges, and consumption decreased from 2021 due to water conservation/re-use projects. All our reporting facilities report water withdrawn data on a monthly basis. Data is obtained from their water bills/invoices and or water meter records, and our corporate SEF and internal audit teams validates and approves the data.

For year to year comparisons in this survey, we define the thresholds as follows: more than 50% less is 'much lower,' 5%-50% less is 'lower,' plus or minus 5% is 'about the same,' 5%-50% more is 'higher' and greater than 50% more is 'much higher.' This definition applies to all water use comparisons in this survey.

Facility reference number

Facility 6

Facility name (optional)

GES-CN, Suzhou, China

Country/Area & River basin

China

Yangtze River (Chang Jiang)

Latitude

31.304955

Longitude

120.664835

Located in area with water stress

Yes

Total water withdrawals at this facility (megaliters/year)

0.04

Comparison of total withdrawals with previous reporting year

Lower

Withdrawals from fresh surface water, including rainwater, water from wetlands, rivers and lakes

0

Withdrawals from brackish surface water/seawater

0

Withdrawals from groundwater - renewable

0

Withdrawals from groundwater - non-renewable

0

Withdrawals from produced/entrained water

0

Withdrawals from third party sources

0.04

Total water discharges at this facility (megaliters/year)

0.04

Comparison of total discharges with previous reporting year

Lower

Discharges to fresh surface water

0

Discharges to brackish surface water/seawater

0

Discharges to groundwater

0

Discharges to third party destinations

0.04

Total water consumption at this facility (megaliters/year)

0

Comparison of total consumption with previous reporting year

About the same

Please explain

In 2021 we withdrew 0.06 megaliters of water. In 2022 we withdrew 0.04 megaliters of water. Water withdrawals and discharges decreased from 2021 due to water conservation/re-use projects. All our reporting facilities report water withdrawn data on a monthly basis. Data is obtained from their water bills/invoices and or water meter records, and our corporate SEF and internal audit teams validates and approves the data.

For year to year comparisons in this survey, we define the thresholds as follows: more than 50% less is 'much lower,' 5%-50% less is 'lower,' plus or minus 5% is 'about the same,' 5%-50% more is 'higher' and greater than 50% more is 'much higher.' This definition applies to all water use comparisons in this survey.

W5.1a

(W5.1a) For the facilities referenced in W5.1, what proportion of water accounting data has been third party verified?

Water withdrawals – total volumes

% verified

Not verified

Please explain

There is a lack of universally applied verification standards for water accounting, particularly for multinational corporations operating in many jurisdictions. All our reporting facilities report water withdrawn data on a monthly basis. Data is obtained from their water bills/invoices and or water meter records, and our corporate SEF and internal audit teams validates and approves the data. As part of our continual improvement process, we are considering the feasibility of adopting a third-party verification process pursuant to ISAE 3000 standards.

Water withdrawals – volume by source

% verified

Not verified

Please explain

There is a lack of universally applied verification standards for water accounting, particularly for multinational corporations operating in many jurisdictions. All our reporting facilities report water withdrawn data on a monthly basis. Data is obtained from

their water bills/invoices and or water meter records, and our corporate SEF and internal audit teams validates and approves the data. As part of our continual improvement process, we are considering the feasibility of adopting a third-party verification process pursuant to ISAE 3000 standards.

Water withdrawals – quality by standard water quality parameters

% verified

Not verified

Please explain

There is a lack of universally applied verification standards for water accounting, particularly for multinational corporations operating in many jurisdictions. All our reporting facilities report water withdrawn data on a monthly basis. Data is obtained from their water bills/invoices and or water meter records, and our corporate SEF and internal audit teams validates and approves the data. As part of our continual improvement process, we are considering the feasibility of adopting a third-party verification process pursuant to ISAE 3000 standards.

Water discharges – total volumes

% verified

Not verified

Please explain

There is a lack of universally applied verification standards for water accounting, particularly for multinational corporations operating in many jurisdictions. All our reporting facilities report water withdrawn data on a monthly basis. Data is obtained from their water bills/invoices and or water meter records, and our corporate SEF and internal audit teams validates and approves the data. As part of our continual improvement process, we are considering the feasibility of adopting a third-party verification process pursuant to ISAE 3000 standards.

Water discharges – volume by destination

% verified

Not verified

Please explain

There is a lack of universally applied verification standards for water accounting, particularly for multinational corporations operating in many jurisdictions. All our reporting facilities report water withdrawn data on a monthly basis. Data is obtained from their water bills/invoices and or water meter records, and our corporate SEF and internal audit teams validates and approves the data. As part of our continual improvement process, we are considering the feasibility of adopting a third-party verification process pursuant to ISAE 3000 standards.

Water discharges – volume by final treatment level

% verified

Not verified

Please explain

There is a lack of universally applied verification standards for water accounting, particularly for multinational corporations operating in many jurisdictions. All our reporting facilities report water withdrawn data on a monthly basis. Data is obtained from their water bills/invoices and or water meter records, and our corporate SEF and internal audit teams validates and approves the data. As part of our continual improvement process, we are considering the feasibility of adopting a third-party verification process pursuant to ISAE 3000 standards.

Water discharges – quality by standard water quality parameters

% verified

Not verified

Please explain

There is a lack of universally applied verification standards for water accounting, particularly for multinational corporations operating in many jurisdictions. All our reporting facilities report water withdrawn data on a monthly basis. Data is obtained from their water bills/invoices and or water meter records, and our corporate SEF and internal audit teams validates and approves the data. As part of our continual improvement process, we are considering the feasibility of adopting a third-party verification process pursuant to ISAE 3000 standards.

Water consumption – total volume

% verified

Not verified

Please explain

There is a lack of universally applied verification standards for water accounting, particularly for multinational corporations operating in many jurisdictions. All our reporting facilities report water withdrawn data on a monthly basis. Data is obtained from their water bills/invoices and or water meter records, and our corporate SEF and internal audit teams validates and approves the data. As part of our continual improvement process, we are considering the feasibility of adopting a third-party verification process pursuant to ISAE 3000 standards.

W6. Governance

W6.1

(W6.1) Does your organization have a water policy?

Yes, we have a documented water policy that is publicly available

W6.1a

(W6.1a) Select the options that best describe the scope and content of your water policy.

	Scope	Content	Please explain
Row 1	Company-wide	<p>Description of the scope (including value chain stages) covered by the policy</p> <p>Description of business dependency on water</p> <p>Description of business impact on water</p> <p>Commitment to align with international frameworks, standards, and widely-recognized water initiatives</p> <p>Commitment to prevent, minimize, and control pollution</p> <p>Commitment to reduce water withdrawal and/or consumption volumes in direct operations</p> <p>Commitment to safely managed Water, Sanitation and Hygiene (WASH) in the workplace</p> <p>Commitment to stakeholder education and capacity building on water security</p> <p>Commitment to water stewardship and/or collective action</p> <p>Commitments beyond regulatory compliance</p> <p>Reference to company water-related targets</p> <p>Acknowledgement of the human right to water and sanitation</p> <p>Recognition of environmental linkages, for</p>	<p>Access to affordable, reliable, and adequate freshwater supply is critical to the success of our business because it is required to provide WASH services to our employees and to meet our customers' needs across our operations and supply chain. The primary use of freshwater outside of our manufacturing operations and those of our supply chain partners is for sanitation, drinking water, cooking, and bathing, etc. ("WASH" services). In manufacturing, KE and its suppliers use freshwater for rinsing parts, cleaning, HVAC, and cooling, etc. For these reasons, we have incorporated water management into our environmental management system under ISO 14001 and our global Human Rights Policy, both of which go beyond the requirements of regulatory compliance. We monitor our supply chain to ensure compliance with our social and environmental standards in the global Human Rights Policy and our global Supplier Quality Manual. To align our efforts with the United Nations Sustainable Development Goals (SDGs), we committed to a water goal (2020-2025). This goal to reduce water usage helps drive water efficiency in our operations, reduce operating expenses, increase the value we bring to our customers, and further engage employees in our overall sustainability efforts. Our publicly available water policies include commitments to taking the necessary measures to provide a safe and healthy workplace; preventing labor risks like forced labor, child labor, and human trafficking; and protecting the environment. We apply sound practices for land and water use consistent with emerging international practices while considering the impact of our global activities on water stress. KE strives to respect human rights in support of our environmental management policies and goals.</p> <p>📎 1</p>

	example, due to climate change	
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 1policy-human-rights.pdf

W6.2

(W6.2) Is there board level oversight of water-related issues within your organization?

Yes

W6.2a

(W6.2a) Identify the position(s) (do not include any names) of the individual(s) on the board with responsibility for water-related issues.

Position of individual or committee	Responsibilities for water-related issues
Other, please specify Board of Directors	<p>Kimball Electronics' Corporate Governance Guidelines describe the Board of Directors' role in overseeing water-related issues:</p> <p>Oversee Sustainability/ESG Issues:</p> <ul style="list-style-type: none"> -Directly and as appropriately delegated to the Nominating and ESG Committee, shape effective corporate governance and oversee matters related to climate, sustainability and environmental, social and governance (ESG) issues (including climate change and environmental sustainability policies, programs, goals, and progress) -Directly and as appropriately delegated to the Nominating and ESG Committee, shape and oversee targets, standards, and other metrics used to measure and track ESG performance and progress.
Board-level committee	<p>The Board of Directors' Nominating and ESG Committee (NESG), comprised exclusively of independent directors, oversees Kimball's corporate responsibility & sustainability/ESG programs, including all water-related issues. NESG supports the Board in reviewing, monitoring, and engaging with management on the development of climate change, water & environmental policies, programs, goals and progress, and regularly reviewing such matters with the full Board.</p> <p>The NESG Committee has express responsibilities for overseeing the Company's ESG performance, including water-related issues. The NESG charter includes the following responsibilities: "overseeing and advising the Board on the Company's goals, strategies, and initiatives related to climate, sustainability, and ESG, including climate risks and opportunities; community and social impact; and disclosures and external stakeholder input related to human rights and human capital management; and diversity, equity, inclusion, and belonging."</p> <p>The NESG Committee is updated at least quarterly on ESG-related priorities including those related to water and our achievement of water- and</p>

	<p>environmental goals. Their feedback and alignment was obtained as part of the process for developing our strategic plan for stakeholder outreach during the past year. NESG also regularly receives updates on ESG issues of relevance to our stakeholders, including our Share Owners, which often includes information related to climate and water risks, oversight and disclosure. Also, in the past year, our full Board met in two special, ESG-focused meetings with presentations by outside subject matter experts. The Board encourages directors to attend director education opportunities, with expenses covered by the Company, including for various ESG topics, including climate. Among other decisions, NESG decided in 2022 to create climate- and water-related environmental goal dashboards that management reports to NESG at each of its quarterly meetings.</p>
Chief Executive Officer (CEO)	<p>The CEO, who is on the Board, is responsible for the company’s ESG strategy, which includes our overall climate and water strategy.</p> <p>The CEO is directly responsible for the company’s strategic goals, including, for example, climate-related, water-related, and ESG targets. The CEO is tasked with ensuring that the company is actively making progress toward our climate and water related goals, integrating our ESG Goals with our business and executive compensation strategies, the CEO was responsible for reviewing and approving that integration as head of the Company.</p>
Chief Sustainability Officer (CSO)	<p>The Chief Legal and Compliance Officer and Secretary is Kimball’s Chief Sustainability Officer. This position oversees climate-related strategy development and the collection of climate, water, and other environmental information. This position is tasked with ensuring that the company is actively making progress toward our climate related goals and has responsibility for meeting them The Director of Safety, Environmental and Facilities reports to this position and oversees all the global Safety, Environmental and Facility (SEF) Managers in the company and is responsible for the day-to-day climate- and environmental issues.</p>

W6.2b

(W6.2b) Provide further details on the board’s oversight of water-related issues.

	Frequency that water-related issues are a scheduled agenda item	Governance mechanisms into which water-related issues are integrated	Please explain
Row 1	Scheduled - all meetings	<p>Monitoring implementation and performance</p> <p>Monitoring progress towards corporate targets</p>	<p>The Board of Directors has a dedicated Committee, the Nominating and ESG Committee, that oversees water-related and other ESG issues. Our Board of Directors, through the NESG Committee, provides oversight of policies and operational controls related to our climate, water, environmental, health and safety, and social risks.</p>

	<p>Overseeing acquisitions, mergers, and divestitures</p> <p>Overseeing and guiding public policy engagement</p> <p>Overseeing major capital expenditures</p> <p>Overseeing the setting of corporate targets</p> <p>Providing employee incentives</p> <p>Reviewing and guiding annual budgets</p> <p>Reviewing and guiding business plans</p> <p>Reviewing and guiding corporate responsibility strategy</p> <p>Reviewing and guiding strategy</p> <p>Reviewing innovation/R&D priorities</p>	<p>In addition, oversight of the enterprise risk management framework and cybersecurity risks are the responsibility of the Board's Audit Committee.</p> <p>The Board reviews and approves our business plans and budgets annually and as necessary to oversee major capital expenditures, acquisitions, and divestitures. The Board and its Committees also set annual performance objectives and monitors their implementation and performance, including our progress against goals and targets for environmental and water-related issues. The Board sets compensation for our executives, and both our CEO and our Chief Legal & Compliance Officer are compensated in part based on their achievement of ESG-linked objectives.</p> <p>During 2022, the Board held 2 special meetings focused on ESG and climate matters, risks, and the Board's oversight role of the same.</p> <p>We provide comprehensive updates on ESG risks and opportunities, including human rights and water-related risks quarterly to the NESG Committee and our Board of Directors at their regular meetings. Our Board reviews and provides input in the fall of each year on our annual ESG report. We also provide updates on specific risks, including ESG and water issues, at least quarterly and / or more often as warranted.</p>
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W6.2d

(W6.2d) Does your organization have at least one board member with competence on water-related issues?

	Board member(s) have competence on water-related issues	Criteria used to assess competence of board member(s) on water-related issues
Row 1	Yes	The Board looks to ensure that individual Board members possess a broad variety of personal attributes, experience, and skills to give the Board the depth and breadth necessary to effectively oversee management on behalf of our Share Owners. Personal attributes include integrity, commitment to our Vision and Guiding Principles,

		<p>practical judgment, broad complementary education, and willingness to commit the time and energy necessary to effectively contribute as a Board member. Our Board maintains a dedicated NESG Committee. Each of its three members has competence in climate change, water-related issues, ESG, sustainability, and related strategy creation and oversight due to their individual and collective operational, regulatory, strategy, and ESG expertise in complementary industries with similar climate change, water, and sustainability risks and opportunities. More broadly, each of our Directors has skills and experience in one or more aspects of ESG risks and opportunities oversight, as more fully disclosed in our proxy. The Board conducts an annual assessment of the major strengths, skills, and experience determined to be most critical to a well-balanced and effective Board that is best able to understand the strategies and risks related to our operations. We disclose the results of this assessment in a skills matrix in our annual proxy statement.</p> <p>To expand and supplement the expertise of our directors, we bring in outside subject matter experts to advise and educate members on current and developing issues relevant to our business, such as environmental, sustainability, climate change, and water security.</p>
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W6.3

(W6.3) Provide the highest management-level position(s) or committee(s) with responsibility for water-related issues (do not include the names of individuals).

Name of the position(s) and/or committee(s)

Safety, Health, Environment and Quality committee

Water-related responsibilities of this position

- Assessing future trends in water demand
- Assessing water-related risks and opportunities
- Managing water-related risks and opportunities
- Monitoring progress against water-related corporate targets
- Managing major capital and/or operational expenditures related to low water impact products or services (including R&D)

Frequency of reporting to the board on water-related issues

More frequently than quarterly

Please explain

The Safety, Environmental, and Facilities (SEF) Council of representatives from all of our global facilities meets twice each month. The SEF Council reports on and discusses climate-related, water-related, and other environmental, employee health and safety,

and related issues and goals at each of our facilities at each of these meetings. The Chief Legal & Compliance Officer is responsible for then reporting these climate-related issues to the Board Committee (NESG) on a quarterly basis and more frequently as needed.

Name of the position(s) and/or committee(s)

Chief Executive Officer (CEO)

Water-related responsibilities of this position

Assessing water-related risks and opportunities
Managing water-related risks and opportunities
Monitoring progress against water-related corporate targets
Managing public policy engagement that may impact water security
Managing value chain engagement on water-related issues
Integrating water-related issues into business strategy
Managing annual budgets relating to water security
Managing major capital and/or operational expenditures related to low water impact products or services (including R&D)
Managing water-related acquisitions, mergers, and divestitures
Providing water-related employee incentives

Frequency of reporting to the board on water-related issues

More frequently than quarterly

Please explain

Board oversight of ESG matters, including water and ESG/sustainability issues, includes (1) establishing broad policies for guidance of the organization, (2) implementing those policies by delegation of authority and assigning responsibilities to Board committees, the CEO and other officers or employees as appropriate, and (3) monitoring and evaluating performance to assure that the stated policies are being followed. The Board's NESG Committee reviews the company's ESG/sustainability practices, including water issues, and the CEO provides risk assessments (inclusive of climate and water issues) to the NESG Committee, as well as the Audit Committee.

Name of the position(s) and/or committee(s)

Chief Sustainability Officer (CSO)

Water-related responsibilities of this position

Assessing water-related risks and opportunities
Managing water-related risks and opportunities
Conducting water-related scenario analysis
Setting water-related corporate targets
Monitoring progress against water-related corporate targets
Managing public policy engagement that may impact water security

Managing value chain engagement on water-related issues
Integrating water-related issues into business strategy
Managing annual budgets relating to water security
Managing major capital and/or operational expenditures related to low water impact products or services (including R&D)
Managing water-related acquisitions, mergers, and divestitures

Frequency of reporting to the board on water-related issues

More frequently than quarterly

Please explain

The Chief Legal and Compliance Officer and Secretary is Kimball's Chief Sustainability Officer (CSO). Board oversight of ESG matters, including water and ESG/sustainability issues, includes (1) establishing broad policies for guidance of the organization, (2) implementing those policies by delegation of authority and assigning responsibilities to Board committees, the CEO, CSO and other officers or employees as appropriate, and (3) monitoring and evaluating performance to assure that the stated policies are being followed. The Board's NESG Committee reviews the company's ESG/sustainability practices, including water issues, and the CSO provides risk assessments (inclusive of climate and water issues) to the NESG Committee, as well as the Audit Committee, and reports on ESG/sustainability progress to the NESG Committee and to the Board.

Name of the position(s) and/or committee(s)

Risk committee

Water-related responsibilities of this position

Assessing water-related risks and opportunities
Managing water-related risks and opportunities
Conducting water-related scenario analysis
Monitoring progress against water-related corporate targets
Managing public policy engagement that may impact water security

Frequency of reporting to the board on water-related issues

Half-yearly

Please explain

The Enterprise Risk Management team, which consists of executives and other senior leaders, meets quarterly and updates the Board, including its Audit Committee, about material risks, including water-related risks, at least twice per year.

W6.4

(W6.4) Do you provide incentives to C-suite employees or board members for the management of water-related issues?

	Provide incentives for management of water-related issues	Comment
Row 1	Yes	Kimball Electronics has integrated our ESG goals into our business strategy and operations. For our salaried staff, one component of their bonus relates to their facility meeting environmental and safety goals. Meeting these goals improves facility profitability, increasing the component of the bonus related to the facility's operations. Consistent with our integrated strategy, as part of the holistic Personal Performance Incentive assessments in our FY2023, the Board's Talent, Culture, and Compensation (TCC) Committee determined that the performance of our CEO and our Chief Legal & Compliance Officer would be assessed in part based on those executives' individual contributions toward certain ESG-related goals for 2023. Their achievement of the full 10% Personal Performance Incentive opportunity depends on their achievement of these ESG targets, which more directly links ESG risk and performance to the remuneration of the executives most responsible for them. (See Section W6.4a).

W6.4a

(W6.4a) What incentives are provided to C-suite employees or board members for the management of water-related issues (do not include the names of individuals)?

	Role(s) entitled to incentive	Performance indicator	Contribution of incentives to the achievement of your organization's water commitments	Please explain
Monetary reward	Chief Executive Officer (CEO) Chief Sustainability Officer (CSO)	Reduction of water withdrawals – direct operations Reduction in water consumption volumes – direct operations Improvements in water efficiency – direct operations Improvements in water efficiency – supply chain	The addition of the ESG incentive to our CEO and Chief Legal & Compliance Officer more directly links ESG risk and performance, including the implementation and achievement of our climate commitments, to the remuneration of the executives most responsible for them.	Our CEO and CSO can achieve a Personal Performance Incentive equal to up to 10% of base salary depending on achievement of these ESG and sustainability targets that include climate-related issues: Develop a sustainability/ESG plan and metrics that are consistent with our company purpose, values, and strategy; Enhance the structure,

		<p>Improvements in water efficiency – product use</p> <p>Improvements in wastewater quality – supply chain</p> <p>Improvements in wastewater quality – product use</p> <p>Increased access to workplace WASH – direct operations</p> <p>Increased access to workplace WASH – supply chain</p> <p>Company performance against a sustainability index with water-related factors (e.g., DJSI, CDP Water Security score, etc.)</p> <p>Implementation of employee awareness campaign or training program on water-related issues</p> <p>Supply chain engagement</p>		<p>comparability, and comprehensiveness of our sustainability/ESG disclosures;</p> <p>Adopt one or more globally recognized standards for sustainability/ESG reporting and disclose to the selected framework(s) in the calendar year 2022 ESG Report;</p> <p>Provide transparency regarding our ESG approach and performance through various channels and platforms of ESG reporting;</p> <p>Engage with leading ESG firms on Kimball Electronics' corporate profile;</p> <p>Increase the number of sustainability rating agencies that evaluate our ESG performance</p>
Non-monetary reward	<p>Chief Executive Officer (CEO)</p> <p>Chief Sustainability Officer (CSO)</p>	<p>Reduction of water withdrawals – direct operations</p> <p>Reduction in water consumption</p>	<p>By recognizing employees' efforts, achievements, and contributions in the areas of sustainability, climate, and water security, we create a</p>	<p>All employees at the various locations are recognized through multiple methods, including a peer-to-peer and manager driven recognition system in our HRIS (Workday), luncheons, gifts,</p>

	<p>Other, please specify</p> <p>All employees</p>	<p>volumes – direct operations</p> <p>Improvements in water efficiency – direct operations</p> <p>Improvements in water efficiency – supply chain</p> <p>Improvements in water efficiency – product use</p> <p>Improvements in wastewater quality – direct operations</p> <p>Improvements in wastewater quality – supply chain</p> <p>Improvements in wastewater quality – product use</p> <p>Implementation of employee awareness campaign or training program on water-related issues</p> <p>Supply chain engagement</p>	<p>positive feedback loop that encourages continuous engagement and commitment to our organization's climate and water commitments. This recognition system serves as a powerful motivator for employees to actively participate in climate-related initiatives and incorporate sustainable practices into their daily work routines. Furthermore, our internal and public recognitions provide a platform to celebrate the achievements of our employees in sustainability and climate-related projects. This not only enhances employee morale and satisfaction but also raises awareness among stakeholders about Kimball's dedication to its climate commitments, including water security. By showcasing these achievements, we inspire others within and outside the organization to join our cause and contribute to the broader climate transition.</p>	<p>and internal and public recognitions for their achievements. Employees' efforts can also earn awards for their facility on sustainability/ESG, and employee health and safety goals or performance. The recognitions and awards cover sustainability and climate-related goals and projects.</p>
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W6.5

(W6.5) Do you engage in activities that could either directly or indirectly influence public policy on water through any of the following?

Yes, direct engagement with policy makers

Yes, trade associations

W6.5a

(W6.5a) What processes do you have in place to ensure that all of your direct and indirect activities seeking to influence policy are consistent with your water policy/water commitments?

To ensure that our policies are aligned with any organizations, non-profit associations, agencies, or others, before engaging, we assess the positions, policies & goals to ensure alignment with our existing environmental policies & strategies. Should an organization participate in an activity that does not align with our strategies or if we change our strategy & no longer align with those organizations, we will revisit our continued engagement & decide whether to continue our affiliation. We do not make contributions to or otherwise financially support for political, religious, or military entities. Kimball works with a number of non-trade-entities to further sustainability initiatives including:

For example, we joined the Indiana Partners for Pollution Prevention, a multistakeholder organization whose mission is to champion P2 and environmental stewardship programs in businesses and organizations by promoting successful practices & approaches to achieve measurable reduction of pollution in Indiana.

In Thailand, we are a member of the Corporate Social Responsibility Department of Industrial Works: (CSR-DIW). DIW Thailand partners with & provides a forum for businesses on ESG, including the use and handling of hazardous substances, production, safety and the environment, energy generation & use, and social responsibility.

In India we are members of the Safe Earth Team, an NGO which organizes events like beach cleaning, save water, awareness about nature.

W6.6

(W6.6) Did your organization include information about its response to water-related risks in its most recent mainstream financial report?

Yes (you may attach the report - this is optional)

Reference file:

<https://www.sec.gov/ix?doc=/Archives/edgar/data/1606757/000160675722000042/ke-20220630.htm>

The 10-K filing is public - see pages 15 through 17 discussing water-related risks and climate-related risks in our Risk Factors.

W7. Business strategy

W7.1

(W7.1) Are water-related issues integrated into any aspects of your long-term strategic business plan, and if so how?

	Are water-related issues integrated?	Long-term time horizon (years)	Please explain
Long-term business objectives	Yes, water-related issues are integrated	5-10	Our ESG commitment is integrated into every aspect of our business, including our supply chain and in the way we serve our customers sustainably. Our programs and initiatives exemplify our strategy. Access to affordable, reliable, and adequate freshwater supply is critical to the success of our business because it is required to provide WASH services to our employees and to meet our customers' needs across our operations and supply chain. The primary use of freshwater outside of our manufacturing operations and those of our supply chain partners is for sanitation, drinking water, cooking, and bathing, etc. ("WASH" services). In manufacturing, KE and its suppliers use freshwater for rinsing parts, cleaning, HVAC, and cooling, etc. For these reasons, we have incorporated water management into our environmental management system under ISO 14001 and our global Human Rights Policy, both of which go beyond the requirements of regulatory compliance. We monitor our supply chain to ensure compliance with our social and environmental standards in the global Human Rights Policy and our global Supplier Quality Manual. An example of how these water issues are integrated into our strategy for achieving long-term objectives to reduce freshwater withdrawals is our decision to align our efforts with the United Nations Sustainable Development Goals (SDGs) by committing to a 5-year water reduction goal (2020-2025).
Strategy for achieving long-term objectives	Yes, water-related issues are integrated	5-10	Access to affordable, reliable, and adequate freshwater supply is critical to the success of our business because it is required to provide WASH services to our employees and to meet our customers' needs across our operations and supply chain. The primary use of freshwater outside of our manufacturing operations and those of our supply chain partners is for sanitation,

			<p>drinking water, cooking, and bathing (“WASH” services). In manufacturing, KE and its suppliers use freshwater for rinsing parts, cleaning, HVAC and cooling, etc. For these reasons, we have incorporated water management into our environmental management system under ISO 14001 and our global Human Rights Policy, both of which go beyond the requirements of regulatory compliance. We monitor our supply chain to ensure compliance with our social and environmental standards in the global Human Rights Policy and our global Supplier Quality Manual. To align our efforts with the United Nations Sustainable Development Goals (SDGs), we committed to a water goal (2020-2025). Our publicly available water policies include commitments to taking the necessary measures to provide a safe and healthy workplace; preventing labor risks like forced labor, child labor, and human trafficking; and protecting the environment. We apply sound practices for land and water use consistent with emerging international practices while considering the impact of our global activities on water stress.</p>
Financial planning	Yes, water-related issues are integrated	5-10	<p>The primary use of freshwater outside of our manufacturing operations and those of our supply chain partners is for sanitation, drinking water, cooking, and bathing, etc. (“WASH” services). In manufacturing, KE and its suppliers use freshwater for rinsing parts, cleaning, HVAC, and cooling, etc. For these reasons, we have incorporated water management into our environmental management system under ISO 14001 and our global Human Rights Policy, both of which go beyond the requirements of regulatory compliance. We monitor our supply chain to ensure compliance with our social and environmental standards in the global Human Rights Policy and our global Supplier Quality Manual. To align our efforts with the United Nations Sustainable Development Goals (SDGs), we committed to a water goal (2020-2025). Understanding the financial impacts of water risks and opportunities is an important part of our strategy. These financial aspects include the operation costs of water, the impact on our supply chain, customer and other stakeholder issues as well as reputational impacts. We use our water management strategy and related financial planning to evaluate projects involving</p>

			our goals including reduction of water consumption and withdrawal by our facilities; promotion of water recycling and reuse at our facilities; promotion of wastewater treatment and freshwater conservation measures; and achievement of more efficient water management.
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W7.2

(W7.2) What is the trend in your organization’s water-related capital expenditure (CAPEX) and operating expenditure (OPEX) for the reporting year, and the anticipated trend for the next reporting year?

Row 1

Water-related CAPEX (+/- % change)

2

Anticipated forward trend for CAPEX (+/- % change)

2

Water-related OPEX (+/- % change)

5

Anticipated forward trend for OPEX (+/- % change)

5

Please explain

Access to affordable, reliable, and adequate freshwater supply is critical to the success of our business because it is required to provide WASH services to our employees and to meet our customers’ needs across our operations and supply chain. The primary use of freshwater outside of our manufacturing operations and those of our supply chain partners is for WASH services. In manufacturing, our water-related CAPEX and OPEX investments were tied to the use of freshwater for rinsing parts, cleaning, HVAC, and cooling. We do not anticipate our potable water needs changing, and we do not yet have large scale reclaimed water systems to offset our dependency. As a result, we have not experienced, nor do we anticipate, a significant change in CAPEX or OPEX. We expect future operational expenditures to change an average of +/- 5% per year based on business growth, efficiency improvements, divestitures, and acquisitions.

W7.3

(W7.3) Does your organization use scenario analysis to inform its business strategy?

Use of scenario analysis	Comment

Row 1	Yes	We conduct a scenario analysis using WRI Aqueduct’s Water Risk Assessment tool annually to identify which of our global facilities could be vulnerable to baseline water stress (BWS) in 2030 and 2040 for optimistic, business as usual, and pessimistic scenarios. 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 selected the risk type “future water stress” and identified locations with a baseline water stress equal to/greater than 'High' (40-80%). We use this scenario analysis to inform our business strategy because it aligns to our medium and long-term company-wide planning horizons, which align with human resources, facility planning, and business projections.
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W7.3a

(W7.3a) Provide details of the scenario analysis, what water-related outcomes were identified, and how they have influenced your organization’s business strategy.

	Type of scenario analysis used	Parameters, assumptions, analytical choices	Description of possible water-related outcomes	Influence on business strategy
Row 1	Water-related Climate-related	<p>The WRI Aqueduct tool provides insights into overall water risk for an organization, including both regulatory and reputational risks as well as physical risks such as baseline water stress, water depletion, flooding and drought risk. The tool defines baseline water stress as the ratio of total water withdrawals to available renewable surface and ground water supplies.</p> <p>By assessing overall water risk, the tool considers regulatory and reputational risk (unimproved/no drinking water or sanitation, etc.), quantity-based physical risks (coastal flood risk, drought risk, groundwater table decline, etc.), and quality-related physical risks (untreated connected</p>	<p>Scarcity of freshwater could result in an increase in the price of water and, as a result, an increase in our operational costs. In more extreme scenarios, the scarcity of sufficient water could result in the curtailment of our production at facilities without such access for discrete periods or cause us or our customers to permanently shift production to other locations.</p>	<p>We continue to analyze and monitor this data to address any potential impacts through our business strategy. We have already integrated the following water issues into our business strategy: reduction in water consumption and withdrawal, promotion of water recycling and reuse, and implementing water and wastewater conservation measures. All of these strategies will help to reduce our dependency on freshwater and achieve more efficient management of the water we withdraw over our long-term (5-10 year) planning timescale.</p>

		<p>wastewater and coastal eutrophication potential).</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 manufacturing locations in Mexico, Poland, Vietnam, Tampa, Florida, and Suzhou, China are considered areas with water stress pursuant to this indicator.</p>		
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W7.4

(W7.4) Does your company use an internal price on water?

Row 1

Does your company use an internal price on water?

No, but we are currently exploring water valuation practices

Please explain

Our business is not water intensive and our approach to water security is driven by our overall sustainability strategy, our exposure to water-stressed regions, and our water reduction goals. The rates we pay for water vary widely from facility to facility and our needs vary based on customer demand. Setting an internal price on water would not add practical value to our water security strategy at this time, but we continue to explore water valuation practices to determine if they would add value to our strategies for the future.

W7.5

(W7.5) Do you classify any of your current products and/or services as low water impact?

	Products and/or services classified as low water impact	Definition used to classify low water impact	Please explain
Row 1	Yes	The parts we manufacture for our customers are most often used in end products that do not consume water. In addition, some of our products are designed as sensors and controls and similar technologies that our customers can incorporate into technologies that minimize water use and loss.	We minimize water impacts by improving our water efficiency throughout our global operations. The parts we manufacture for our customers are most often used in end products that do not consume water. In addition, some of our products are designed as sensors and controls and similar technologies that our customers can incorporate into technologies that minimize water use and loss.

W8. Targets

W8.1

(W8.1) Do you have any water-related targets?

Yes

W8.1a

(W8.1a) Indicate whether you have targets relating to water pollution, water withdrawals, WASH, or other water-related categories.

	Target set in this category	Please explain
Water pollution	Yes	
Water withdrawals	Yes	
Water, Sanitation, and Hygiene (WASH) services	Yes	
Other	No, and we do not plan to within the next two years	No other targets at this time.

W8.1b

(W8.1b) Provide details of your water-related targets and the progress made.

Target reference number

Target 1

Category of target

Water withdrawals

Target coverage

Company-wide (direct operations only)

Quantitative metric

Reduction of water withdrawals from municipal supply or other third party sources

Year target was set

2020

Base year

2019

Base year figure

111.26

Target year

2025

Target year figure

100.13

Reporting year figure

132.35

% of target achieved relative to base year

-189.4878706199

Target status in reporting year

Underway

Please explain

In the base year 2019, we withdrew 111.269 megaliters. In 2022, we withdrew 132.35 megaliters. Compared to 2019, we have increased our production floor space by 29%, we employ 25% more employees, and have increased our sales by 26%. During 2022, we completed our expansion of our Thailand facility (110,000 square feet) and opened our second Mexico facility (240,000 square feet). Despite these expansions of our business, our water withdrawals per dollar of sales have only increased by 3.2% since 2019.

Some of our customers have greater use requirements for freshwater than others. We use water management practices and partner with our customers on innovations in manufacturing to reduce our freshwater withdrawals.

Target reference number

Target 2

Category of target

Water pollution

Target coverage

Company-wide (direct operations only)

Quantitative metric

Reduction in water discharge volumes

Year target was set

2020

Base year

2019

Base year figure

111.26

Target year

2025

Target year figure

100.13

Reporting year figure

146.62

% of target achieved relative to base year

-317.69999101527

Target status in reporting year

Underway

Please explain

In the base year 2019, we discharged 111.269 megaliters. In 2022, we discharged 146.62 megaliters. Compared to 2019, we have increased our production floor space by 29%, we employ 25% more employees, and have increased our sales by 26%. During 2022, we completed our expansion of our Thailand facility (61,400 square feet) and opened our second Mexico facility (240,000 square feet). Despite these expansions of our business, our water discharges per dollar of sales have only increased by 3.2% since 2019.

Target reference number

Target 3

Category of target

Water, Sanitation and Hygiene (WASH) services

Target coverage

Company-wide (direct operations only)

Quantitative metric

Increase in the proportion of employees using safely managed sanitation services, including a hand-washing facility with soap and water

Year target was set

2021

Base year

2021

Base year figure

0

Target year

2022

Target year figure

100

Reporting year figure

100

% of target achieved relative to base year

100

Target status in reporting year

Achieved

Please explain

Each year, our goal is to provide fully functioning water, sanitation, and hygiene (WASH) services to all employees at 100% of our sites.

W9. Verification

W9.1

(W9.1) Do you verify any other water information reported in your CDP disclosure (not already covered by W5.1a)?

No, we do not currently verify any other water information reported in our CDP disclosure

W10. Plastics

W10.1

(W10.1) Have you mapped where in your value chain plastics are used and/or produced?

	Plastics mapping	Please explain
Row 1	Not mapped – and we do not plan to within the next two years	Kimball Electronics receives and uses packaging materials when receiving components from suppliers and when shipping products to customers. Several of these packaging materials are comprised of Polypropylene and other polymers incorporated in packaging items such as Electrostatic Discharge (ESD) bags, tapes, reels, magazines, chip trays, etc. ESD integrity in the packaging materials used is critical to maintain the integrity of the product. These packaging materials are often specified by our suppliers and/or our customers. We work closely with our suppliers and customers to ensure the sustainability of these specified materials and to minimize plastic waste. Each of our suppliers and customers are committed to using environmentally-friendly substances in their products. Specifications for these materials are controlled by our customers, not our company. Nonetheless, we are not aware of any alternatives that could fully replace current packaging within this category.

W10.2

(W10.2) Across your value chain, have you assessed the potential environmental and human health impacts of your use and/or production of plastics?

	Impact assessment	Please explain
Row 1	Not assessed – and we do not plan to within the next two years	We are not currently aware of any environmental impacts caused by our customers' use of packaging that contains plastics. Kimball Electronics receives and uses packaging materials when receiving components from suppliers and when shipping products to customers. Several of these packaging materials are comprised of Polypropylene and other polymers incorporated in packaging items such as Electrostatic Discharge (ESD) bags, tapes, reels, magazines, chip trays, etc. ESD integrity in the packaging materials used is critical to maintain the integrity of the product. These packaging materials are often specified by our suppliers and/or our customers. We work closely with our suppliers and customers to ensure the sustainability of these specified materials and to minimize plastic waste. Each of our suppliers and customers are committed to using environmentally-friendly substances in their products. Specifications for these materials are controlled by our customers, not our company. Nonetheless, we are not aware of any alternatives that could fully replace current packaging within this category.

W10.3

(W10.3) Across your value chain, are you exposed to plastics-related risks with the potential to have a substantive financial or strategic impact on your business? If so, provide details.

	Risk exposure	Please explain
Row 1	Not assessed – and we do not plan to within the next two years	Kimball Electronics receives and uses packaging materials when receiving components from suppliers and when shipping products to customers. We are not currently aware of the potential for substantive financial or strategic impacts to our business that could be caused by plastics-related risks to packaging materials.

W10.4

(W10.4) Do you have plastics-related targets, and if so what type?

	Targets in place	Please explain
Row 1	No – and we do not plan to within the next two years	Kimball Electronics receives and uses packaging materials when receiving components from suppliers and when shipping products to customers. Several of these packaging materials are comprised of Polypropylene and other polymers incorporated in packaging items such as Electrostatic Discharge (ESD) bags, tapes, reels, magazines, chip trays, etc. ESD integrity in the packaging materials used is critical to maintain the integrity of the product. These packaging materials are often specified by our suppliers and/or our customers. We work closely with our suppliers and customers to ensure the sustainability of these specified materials and to minimize plastic waste. Each of our suppliers and customers are committed to using environmentally-friendly substances in their products. Specifications for these materials are controlled by our customers, not our company. Nonetheless, we are not aware of any alternatives that could fully replace current packaging within this category.

W10.5

(W10.5) Indicate whether your organization engages in the following activities.

	Activity applies	Comment
Production of plastic polymers	No	N/A
Production of durable plastic components	No	N/A
Production / commercialization of durable plastic goods (including mixed materials)	No	N/A
Production / commercialization of plastic packaging	No	N/A

Production of goods packaged in plastics	Yes	Kimball Electronics receives and uses packaging materials when receiving components from suppliers and when shipping products to customers. Several of these packaging materials are comprised of Polypropylene and other polymers incorporated in packaging items such as Electrostatic Discharge (ESD) bags, tapes, reels, magazines, chip trays, etc. ESD integrity in the packaging materials used is critical to maintain the integrity of the product. These packaging materials are often specified by our suppliers and/or our customers. We work closely with our suppliers and customers to ensure the sustainability of these specified materials and to minimize plastic waste. Each of our suppliers and customers are committed to using environmentally-friendly substances in their products. Specifications for these materials are controlled by our customers, not our company. Nonetheless, we are not aware of any alternatives that could fully replace current packaging within this category.
Provision / commercialization of services or goods that use plastic packaging (e.g., retail and food services)	No	N/A

W10.8

(W10.8) Provide the total weight of plastic packaging sold and/or used, and indicate the raw material content.

	Total weight of plastic packaging sold / used during the reporting year (Metric tonnes)	Raw material content percentages available to report	Please explain
Plastic packaging used	0	None	Kimball Electronics receives and uses packaging materials when receiving components from suppliers and when shipping products to customers. Several of these packaging materials are comprised of Polypropylene and other polymers incorporated in packaging items such as Electrostatic Discharge (ESD) bags, tapes, reels, magazines, chip trays, etc. ESD integrity in the packaging materials used is critical to maintain the integrity of the product. These packaging materials are often specified by our suppliers and/or our customers. We work

			<p>closely with our suppliers and customers to ensure the sustainability of these specified materials and to minimize plastic waste. Each of our suppliers and customers are committed to using environmentally-friendly substances in their products. Specifications for these materials are controlled by our customers, not our company. Accordingly, we have not yet attempted to identify the circularity potential of plastic packaging we receive or use.</p>
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W10.8a

(W10.8a) Indicate the circularity potential of the plastic packaging you sold and/or used.

	Percentages available to report for circularity potential	Please explain
Plastic packaging used	None	<p>Kimball Electronics receives and uses packaging materials when receiving components from suppliers and when shipping products to customers. Several of these packaging materials are comprised of Polypropylene and other polymers incorporated in packaging items such as Electrostatic Discharge (ESD) bags, tapes, reels, magazines, chip trays, etc. ESD integrity in the packaging materials used is critical to maintain the integrity of the product. These packaging materials are often specified by our suppliers and/or our customers. We work closely with our suppliers and customers to ensure the sustainability of these specified materials and to minimize plastic waste. Each of our suppliers and customers are committed to using environmentally-friendly substances in their products. Specifications for these materials are controlled by our customers, not our company. Accordingly, we have not yet attempted to identify the circularity potential of plastic packaging we receive or use.</p>

W11. Sign off

W-FI

(W-FI) Use this field to provide any additional information or context that you feel is relevant to your organization's response. Please note that this field is optional and is not scored.

W11.1

(W11.1) Provide details for the person that has signed off (approved) your CDP water response.

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

Submit your response

In which language are you submitting your response?

English

Please confirm how your response should be handled by CDP

	I understand that my response will be shared with all requesting stakeholders	Response permission
Please select your submission options	Yes	Public

Please indicate your consent for CDP to share contact details with the Pacific Institute to support content for its Water Action Hub website.

Yes, CDP may share our Main User contact details with the Pacific Institute

Please confirm below