

Kimball Electronics Supplier Code of Conduct

Kimball Electronics' Guiding Principles reflect our deep commitment to our customers, our people, our communities and the environment—and our belief that profitability and financial resources give us the freedom to shape our future. Part of our commitment to citizenship means that we will be leaders in not only protecting but enhancing our world. Many things and many people have changed since we were founded in 1961, but our Guiding Principles remain a constant. They are not just a part of our heritage, but the fabric of who we are as people and as a company.

As our partners in serving our customers, we expect all of our Suppliers and their employees, agents, and subcontractors to understand and abide by our Supplier Code of Conduct and applicable laws, and to implement appropriate and effective policies to ensure the same. We also expect Suppliers to cascade these practices throughout the supply chain, and enforce them through contractual terms and conditions, guidelines, audits and training. Our Code applies to all of our "Suppliers" regardless of type, location, or duration. "Supplier" includes without limitation the entities (and their agents, employees, or contractors) engaged in manufacturing, brokering, or distributing products, packaging, parts, components, subassemblies, materials ("Product Suppliers"); providing services to, or on behalf of, Kimball ("Services Suppliers"); or otherwise being involved in any processes related to being a Product or Services Supplier to Kimball (collectively, "Suppliers").

Fundamental to this Code is our Suppliers' compliance with our [Global Human Rights Policy](#) and the Responsible Business Alliance Code of Conduct ("RBA Code"). Both our Global Human Rights Policy and the RBA Code embody a set of standards on social, environmental, governance, and ethical issues in supply chains. We derived our Supplier Code of Conduct from the RBA Code, which is comprised of five sections: A (Labor), B (Health and Safety), C (Environment), D (Ethics), and E (management systems). While our Code uses the RBA Code as its basis, our standards exceed those of the RBA Code. However, our Code is not intended to create new or additional third-party rights, including for workers. For us, like for you, human rights are more than just being compliant, they are about doing the right thing. For this reason, we expect you will find the Code straightforward and unobjectionable. We look forward to your continued partnership with us!

Jamey Mann

Vice President, Global Supply Chain

Doug Hass

Chief Legal & Compliance Officer

About Kimball Electronics:

Kimball Electronics is a multifaceted manufacturing solutions provider of electronics and diversified contract manufacturing services to customers around the world. From our operations in the United States, China, Mexico, Poland, Romania, and Thailand, our teams are proud to provide manufacturing services for a variety of industries. Recognized for a reputation of excellence, we are committed to a high-performance culture that values personal and organizational commitment to quality, reliability, value, speed, and ethical behavior. Kimball Electronics, Inc. (Nasdaq: KE) is headquartered in Jasper, Indiana.

To learn more about Kimball Electronics, visit: www.kimballelectronics.com.

A. LABOR

Kimball Electronics ("Kimball") is committed to uphold the human rights of workers, and to treat them with dignity and respect as understood by the international community and through the principles described in our [Global Human Rights Policy](#). This applies to all workers including temporary, migrant, student, contract, direct employees, and any other type of worker. The recognized standards, as set out in the References, were used in preparing the Code and may be useful sources of additional information.

The labor standards are:

1. Freely Chosen Employment

Forced, bonded (including debt bondage) or indentured labor, involuntary or exploitative prison labor, slavery or trafficking of persons is not permitted. This includes transporting, harboring, recruiting, transferring, or receiving persons by means of threat, force, coercion, abduction or fraud for labor or services. There shall be no unreasonable restrictions on workers' freedom of movement in the facility in addition to unreasonable restrictions on entering or exiting company provided facilities including, if applicable, workers' dormitories or living quarters. As part of the hiring process, all workers must be provided with a written employment agreement in their native language that contains a description of terms and conditions of employment. Foreign migrant workers must receive the employment agreement prior to the worker departing from his or her country of origin and there shall be no substitution or change(s) allowed in the employment agreement upon arrival in the receiving country unless these changes are made to meet local law and provide equal or better terms. All work must be voluntary, and workers shall be free to leave work at any time or terminate their employment without penalty if reasonable notice is given as per worker's contract. Employers, agents, and sub-agents' may not hold or otherwise destroy, conceal, or confiscate identity or immigration documents, such as government-issued identification, passports, or work permits. Employers can only hold documentation if such holdings are required by law. In this case, at no time should workers be denied access to their documents. Workers shall not be required to pay employers' agents or sub-agents' recruitment fees or other related fees for their employment. If any such fees are found to have been paid by workers, such fees shall be repaid to the worker.

2. Young Workers

Child labor is not to be used in any stage of manufacturing. The term "child" refers to any person under the age of 15, or under the age for completing compulsory education, or under the minimum age for employment in the country, whichever is greatest. Suppliers shall implement an appropriate mechanism to verify the age of workers. The use of legitimate workplace learning programs, which comply with all laws and regulations, is supported. Workers under the age of 18 (Young Workers) shall not perform work that is likely to jeopardize their health or safety, including night shifts and overtime. Suppliers shall ensure proper management of student workers through proper maintenance of student records, rigorous due diligence of educational partners, and protection of students' rights in accordance with applicable laws and regulations. Suppliers shall provide appropriate support and training to all student workers. In the absence of local law, the wage rate for student workers, interns, and apprentices shall be at least the same wage rate as other entry-level workers performing equal or similar tasks. If child labor is identified, assistance/remediation is provided.

3. Working Hours

Studies of business practices clearly link worker strain to reduced productivity, increased turnover, and increased injury and illness. Working hours are not to exceed the maximum set by local law. Further, a workweek should not be more than 60 hours per week, including overtime, except in emergency or unusual situations. All overtime must be voluntary. Workers shall be allowed at least one day off every seven days.

4. Wages and Benefits

Compensation paid to workers shall comply with all applicable wage laws, including those relating to minimum wages, overtime hours and legally mandated benefits. In compliance with local laws, workers shall be compensated for overtime at pay rates greater than regular hourly rates. Deductions from wages as a disciplinary measure shall not be permitted. For each pay period, workers shall be provided with a timely and understandable wage statement that includes sufficient information to verify accurate compensation for work performed. All use of temporary, dispatch and outsourced labor will be within the limits of the local law.

5. Humane Treatment

There is to be no harsh or inhumane treatment including violence, gender-based violence, sexual harassment, sexual abuse, corporal punishment, mental or physical coercion, bullying, public shaming, or verbal abuse of workers; nor is there to be the threat of any such treatment. Disciplinary policies and procedures in support of these requirements shall be clearly defined and communicated to workers.

6. Non-Discrimination/Non-Harassment

Suppliers should be committed to a workplace free of harassment and unlawful discrimination. Companies shall not engage in discrimination or harassment based on race, color, age, gender, sexual orientation, gender identity and expression, ethnicity or national origin, disability, pregnancy, religion, political affiliation, union membership, covered veteran status, protected genetic information or marital status in hiring and employment practices such as wages, promotions, rewards, and access to training. Workers shall be provided with reasonable accommodation for religious practices. In addition, workers or potential workers should not be subjected to medical tests, including pregnancy or virginity tests, or physical exams that could be used in a discriminatory way. This was drafted in consideration of ILO Discrimination (Employment and Occupation) Convention (No.111).

7. Freedom of Association

In conformance with local law, Suppliers shall respect the right of all workers to form and join trade unions of their own choosing, to bargain collectively, and to engage in peaceful assembly as well as respect the right of workers to refrain from such activities. Workers and/or their representatives shall be able to openly communicate and share ideas and concerns with management regarding working conditions and management practices without fear of discrimination, reprisal, intimidation, or harassment.

B. HEALTH AND SAFETY

Kimball and its Suppliers each recognize that in addition to minimizing the incidence of work-related injury and illness, a safe and healthy work environment enhances the quality of products and services, consistency of production and worker retention and morale. Kimball and its Suppliers also recognize that ongoing worker input and education are essential to identifying and solving health and safety issues in the workplace. Recognized management systems such as ISO 45001 and ILO Guidelines on Occupational Safety and Health were used as references in preparing the Code and may be useful sources of additional information.

The health and safety standards are:

1. Occupational Safety

Worker potential for exposure to health and safety hazards (chemical, electrical and other energy sources, fire, vehicles, and fall hazards, etc.) are to be identified and assessed, mitigated using the Hierarchy of Controls, which includes eliminating the hazard, substituting processes or materials, controlling through proper design, implementing engineering and administrative controls, preventative maintenance and safe work procedures (including lockout/tagout), and providing ongoing occupational health and safety training. Where hazards cannot be adequately controlled by these means, workers are to be provided with appropriate, well-maintained, personal protective equipment, and educational materials about risks to them associated with these hazards. Reasonable steps must also be taken to remove pregnant women and 'nursing mothers from working conditions with high hazards, remove or reduce any workplace health and safety risks to pregnant women and nursing mothers, including those associated with their work assignments, and provide reasonable accommodations for nursing mothers.

2. Emergency Preparedness

Potential emergency situations and events are to be identified and assessed, and their impact minimized by implementing emergency plans and response procedures including emergency reporting, employee notification and evacuation procedures, worker training, and drills. Emergency drills must be executed at least annually or as required by local law, whichever is more stringent. Emergency plans should also include appropriate fire detection and suppression equipment, clear and unobstructed egress, adequate exit facilities, contact information for emergency responders, and recovery plans. Such plans and procedures shall focus on minimizing harm to life, the environment, and property.

3. Occupational Injury and Illness

Procedures and systems are to be in place to prevent, manage, track and report occupational injury and illness, including provisions to encourage worker reporting, classify and record injury and illness cases, provide necessary medical treatment, investigate cases, and implement corrective actions to eliminate their causes, and facilitate the return of workers to work.

4. Industrial Hygiene

Worker exposure to chemical, biological, and physical agents is to be identified, evaluated, and controlled according to the Hierarchy of Controls. If any potential hazards were identified, Suppliers shall look for opportunities to eliminate and/or reduce the potential hazards. If elimination or reduction of the hazards is not feasible, potential hazards are to be controlled through proper design, engineering, and administrative controls. When hazards cannot be adequately controlled by such means, workers are to be provided with and use appropriate, well-maintained, personal protective equipment free of charge. Protective programs shall be ongoing and include educational materials about the risks associated with these hazards.

5. Physically Demanding Work

Worker exposure to the hazards of physically demanding tasks, including manual material handling and heavy or repetitive lifting, prolonged standing, and highly repetitive or forceful assembly tasks is to be identified, evaluated, and controlled.

6. Machine Safeguarding

Production and other machinery shall be evaluated for safety hazards. Physical guards, interlocks, and barriers are to be provided and properly maintained where machinery presents an injury hazard to workers.

7. Sanitation, Food, and Housing

Workers are to be provided with ready access to clean toilet facilities, potable water and sanitary food preparation, storage, and eating facilities. Worker dormitories provided by the Supplier, or a labor agent, are to be maintained to be clean and safe, and provided with appropriate emergency egress, hot water for bathing and showering, adequate lighting and heat and ventilation, individually secured accommodations for storing personal and valuable items, and reasonable personal space along with reasonable entry and exit privileges.

8. Health and Safety Communication

Suppliers shall provide workers with appropriate workplace health and safety information and training in the language of the worker or in a language the worker can understand for all identified workplace hazards that workers are exposed to, including but not limited to mechanical, electrical, chemical, fire, and physical hazards. Health and safety related information shall be clearly posted in the facility or placed in a location identifiable and accessible by workers. Training is provided to all workers prior to the beginning of work and regularly thereafter. Workers shall be encouraged to raise any health and safety concerns without retaliation.

C. ENVIRONMENT

Kimball recognizes that environmental responsibility is integral to producing world-class products. Suppliers shall identify the environmental impacts and minimize adverse effects on the community, environment, and natural resources within their manufacturing operations, while safeguarding the health and safety of the public. Recognized management systems such as ISO 14001 and the Eco Management and Audit System (EMAS) were used as references in preparing the Code and may be a useful source of additional information.

Suppliers shall take commercially reasonable steps to comply with Kimball sustainability requirements to (a) reduce air pollution, energy, and water consumption, (b) avoid the generation of waste, including wastewater by creating value-adding cycles, and (c) reduce greenhouse gases.

The environmental standards are:

1. Environmental Permits and Reporting

All required environmental permits (e.g., discharge monitoring), approvals, and registrations are to be obtained, maintained, and kept current and their operational and reporting requirements are to be followed.

2. Pollution Prevention and Resource Reduction

Emissions and discharges of pollutants and generation of waste are to be minimized or eliminated at the source or by practices such as adding pollution control equipment; modifying production, maintenance, and facility processes; or by other means. The use of natural resources, including water, fossil fuels, minerals, and virgin forest products, is to be conserved by practices such as modifying production, maintenance and facility processes, materials substitution, re-use, conservation, recycling, or other means.

3. Hazardous Substances

Chemicals, waste, and other materials posing a hazard to humans, or the environment are to be identified, labeled, and managed to ensure their safe handling, movement, storage, use, recycling or reuse, and disposal.

4. Solid Waste

Suppliers shall implement a systematic approach to identify, manage, reduce, and responsibly dispose of or recycle solid waste (non-hazardous).

5. Air Emissions

Air emissions of volatile organic chemicals, aerosols, corrosives, particulates, ozone depleting substances, and combustion byproducts generated from operations are to be characterized, routinely monitored, controlled, and treated as required prior to discharge. Ozone-depleting substances are to be effectively managed in accordance with the Montreal Protocol and applicable regulations. Suppliers shall conduct routine monitoring of the performance of its air emission control systems.

6. Materials Restrictions

Suppliers are to adhere to all applicable laws, regulations, and customer requirements regarding the prohibition or restriction of specific substances in products and manufacturing, including labeling for recycling and disposal.

7. Water Management

Suppliers shall implement a water management program that documents, characterizes, and monitors water sources, use and discharge; seeks opportunities to conserve water; and controls channels of contamination. All wastewater is to be characterized, monitored, controlled, and treated as required prior to discharge or disposal. Suppliers shall conduct routine monitoring of the performance of its wastewater treatment and containment systems to ensure optimal performance and regulatory compliance.

8. Energy Consumption and Greenhouse Gas Emissions

Kimball and its customers are committed to reduce their direct and indirect greenhouse gas emissions in all of their operations. Suppliers are expected to undertake measures to do the same considering their capabilities and restraints, and to aim to set emission reduction targets. Suppliers shall pursue continuous improvement in their methods to improve energy efficiency and to minimize their energy consumption and greenhouse gas emissions. Upon Kimball's request, Supplier shall provide Scope 1-3 emissions data in accordance with the [GHG Protocol Corporate Accounting and Reporting Standards](#) for the products, manufacturing processes, and services provided to Kimball, or the requisite underlying data and financial information related to its CO2 footprint that would allow Kimball to calculate the same.

9. Protection of Biodiversity

Kimball believes that biodiversity and healthy ecosystems are key for enjoying a broad range of human rights, including those for food and health. In turn, exercising human rights, such as public participation and access to information, can foster stronger action for conservation and the sustainable use of biodiversity and ecosystems. We expect our Suppliers to work with us to ensure production does not cause a loss of natural ecosystems or biodiversity, deforestation, or human rights infringements, among other environmental or social issues. We expect our Suppliers, where applicable, to commit to the principles of sustainable agriculture, use of land, and forests, and protection of marine life.

10. Protection of Animal Rights and Welfare

Animals are not components in our supply chain, and neither our manufacturing nor our design processes involve experimentation on animals. We expect that our Suppliers adhere to the same standard. No Supplier should raise and kill an animal for the single purpose of being used in products or services provided to Kimball. We expect our Suppliers to give preference to processes in the supply chain that do not rely on animal testing or its equivalent.

D. ETHICS

To meet social responsibilities and to achieve success in the marketplace, Suppliers shall conform with [Kimball's Code of Conduct](#) and this Code, and to uphold the highest standards of ethics, including related to the items listed below:

1. Business Integrity

The highest standards of integrity are to be upheld in all business interactions. Suppliers shall have a zero-tolerance policy to prohibit any and all forms of bribery, corruption, extortion, and embezzlement.

2. No Improper Advantage

Bribes or other means of obtaining undue or improper advantage are not to be promised, offered, authorized, given, or accepted. This prohibition covers promising, offering, authorizing, giving, or accepting anything of value, either directly or indirectly through a third party, in order to obtain or retain business, direct business to any person, or otherwise gain an improper advantage. Monitoring, record keeping, and enforcement procedures shall be implemented to ensure compliance with anti-corruption laws.

3. Disclosure of Information

All business dealings should be transparently performed and accurately reflected on the Supplier's business books and records. Information regarding Supplier's labor, health and safety, environmental practices, business activities, structure, financial situation, and performance is to be disclosed in accordance with applicable regulations and prevailing industry practices. Falsification of records or misrepresentation of conditions or practices in the supply chain are unacceptable.

4. Intellectual Property

Intellectual property rights are to be respected, transfer of technology and know-how is to be done in a manner that protects intellectual property rights, and customer and Supplier information is to be safeguarded.

5. Fair Business, Advertising and Competition

Standards of fair business, advertising and competition are to be upheld.

6. Protection of Identity and Non-Retaliation

Programs that ensure the confidentiality, anonymity, and protection of Supplier and employee whistleblowers¹ are to be maintained, unless prohibited by law. Suppliers should have a communicated process for their personnel to be able to raise any concerns without fear of retaliation.

¹ Whistleblower definition: Any person who makes a disclosure about improper conduct by an employee or officer of a company, or by a public official or official body.

7. Responsible Sourcing of Minerals

Suppliers shall comply with Kimball's Responsible Sourcing Policy, located on Kimball's [Supplier Documentation](#) website and shall adopt a policy and exercise due diligence on the source and chain of custody of tantalum, tin, tungsten, and gold (referred to as "3TG") as well as mica and cobalt in the products they supply to reasonably assure that they are sourced consistent with the Organisation for Economic Cooperation and Development (OECD) Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas or an equivalent and recognized due diligence framework.

Suppliers shall make their due diligence measures, as well as RBA Conflict Minerals Reporting Templates and Extended Minerals Reporting Templates available to Kimball upon request.

8. Developing Sound Practices for Land and Water Use

The right to water is a fundamental human right. Suppliers shall work toward understanding and applying sound practices for land and water use consistent with emerging international practices while considering the impact of its global activities on water stress (defined as lack of quantity, quality and accessibility of water). Kimball expects Suppliers to strive to respect human rights in support of our environmental management policies and goals.

9. Adopting Proportionate Security Arrangements

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

10. Privacy

Suppliers are to commit to protecting the reasonable privacy expectations of personal information of everyone they do business with, including their suppliers, customers, consumers, and employees. Suppliers are to comply with privacy and information security laws and regulatory requirements when personal information is collected, stored, processed, transmitted, and shared.

11. Facilitating Reporting

If Suppliers or persons within our supply chain, among our stakeholders, or any third party have any questions or wish to report potential violations of this Code, Kimball's Global Human Rights Policy, or Kimball's Code of Conduct, they may notify (a) any Kimball supply chain manager with whom they feel comfortable discussing the problem, (b) Kimball's Human Resources team or Chief Compliance Officer, or (c) Kimball's anonymous, confidential, third-party "hotline" reporting system at <https://hotline.kimballelectronics.com>.

E. MANAGEMENT SYSTEMS

Suppliers shall adopt or establish a management system with a scope that is related to the content of this Code. The management system shall be designed to ensure: (a) compliance with applicable laws, regulations and customer requirements related to the Supplier's operations and products; (b) conformance with this Code; and (c) identification and mitigation of operational risks related to this Code. It should also facilitate continual improvement.

The management system should contain the following elements:

1. Company Commitment

Corporate social and environmental responsibility policy statements affirming Supplier's commitment to compliance and continual improvement, endorsed by executive management, and posted in the facility in the local language.

2. Management Accountability and Responsibility

Supplier clearly identifies senior executive and company representative(s) responsible for ensuring implementation of the management systems and associated programs. Senior management reviews the status of the management systems on a regular basis.

3. Legal and Customer Requirements

A process to identify, monitor and understand applicable laws, regulations, and customer requirements, including the requirements of this Code.

4. Risk Assessment and Risk Management

A process to identify the legal compliance, environmental, health and safety² and labor practice and ethics risks associated with operations. Determination of the relative significance for each risk and implementation of appropriate procedural and physical controls to control the identified risks and ensure regulatory compliance.

5. Improvement Objectives

Written performance objectives, targets and implementation plans to improve the Supplier's social, environmental, and health and safety performance, including a periodic assessment of Supplier's performance in achieving those objectives.

6. Training

Programs for training managers and workers to implement Supplier's policies, procedures, and improvement objectives and to meet applicable legal and regulatory requirements.

² Areas to be included in a risk assessment for environmental health and safety are production areas, warehouse and storage facilities, plant/facilities support equipment, laboratories and test areas, sanitation facilities (bathrooms), kitchen/cafeteria and worker housing/dormitories.

7. Communication

A process for communicating clear and accurate information about Supplier's policies, practices, expectations and performance to workers, Suppliers, and customers.

8. Worker Feedback, Participation and Grievance

Ongoing processes, including an effective grievance mechanism, to assess employees' understanding of and obtain feedback on or violations against practices and conditions covered by this Code and to foster continuous improvement. Employees must be given a safe environment to provide grievance and feedback without fear of reprisal or retaliation.

9. Audits and Assessments

Periodic self-evaluations to ensure conformity to legal and regulatory requirements, the content of the Code and customer contractual requirements related to social and environmental responsibility.

10. Corrective Action Process

A process for timely correction of deficiencies identified by internal or external assessments, inspections, investigations, and reviews.

11. Documentation and Records

Creation and maintenance of documents and records to ensure regulatory compliance and conformity to company requirements along with appropriate confidentiality to protect privacy.

12. Supplier Responsibility

A process to communicate Code requirements to Suppliers and to monitor Supplier compliance to the Code.

REFERENCES

The following standards were used in preparing this Code and the RBA Code and may be useful sources of additional information. Standards that the RBA used in preparing the RBA Code may or may not be endorsed by Kimball.

- Dodd-Frank Wall Street Reform and Consumer Protection Act
<http://www.sec.gov/about/laws/wallstreetreform-cpa.pdf>
- Eco Management & Audit Scheme
http://ec.europa.eu/environment/emas/index_en.htm
- Ethical Trading Initiative
www.ethicaltrade.org/
- ILO Code of Practice in Safety and Health
www.ilo.org/global/topics/safety-and-health-at-work/normative-instruments/code-of-practice/lang-en/index.htm
- ILO International Labor Standards
www.ilo.org/public/english/standards/norm/whatare/fundam/index.htm
- ISO 14001
www.iso.org/iso-14001-environmental-management.html
- National Fire Protection Association
<https://www.nfpa.org/>
- OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas
<http://www.oecd.org/corporate/mne/mining.htm>
- OECD Guidelines for Multinational Enterprises
<http://www.oecd.org/investment/mne/1903291.pdf>
- ISO 45001
<https://www.iso.org/standard/63787.html>
- Universal Declaration of Human Rights
<https://www.un.org/en/universal-declaration-human-rights/>
- United Nations Convention Against Corruption
<https://www.unodc.org/unodc/en/treaties/CAC/>

- United Nations Convention on the Rights of the Child
<https://www.ohchr.org/en/professionalinterest/pages/crc.aspx>
- United Nations Convention on the Elimination of All Forms of Discrimination Against Women
<https://www.ohchr.org/EN/ProfessionalInterest/Pages/CEDAW.aspx>
- United Nations Global Compact
www.unglobalcompact.org
- United States Federal Acquisition Regulation
www.acquisition.gov/far/
- SA 8000
<https://sa-intl.org/programs/sa8000/>
- Social Accountability International (SAI)
www.sa-intl.org