

# 2023 Guiding Principles Report

HOW WE ARE WINNING TOGETHER  
THE KIMBALL WAY



## 2023 Guiding Principles Report

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# About This Report

Welcome to Kimball Electronics' annual sustainability Report of our global business operations. This Report covers calendar year 2023 unless otherwise noted. This Report is written in accordance with the Global Reporting Initiative (GRI) Standards and is aligned to the United Nations (UN) Sustainability Development Goals (SDG) and Global Compact (UNGC), the Sustainable Accounting Standards Board (SASB) Electronic Manufacturing Services & Original Design Manufacturing Standard, and the Task Force on Climate-related Financial Disclosures (TCFD) framework. This Report builds on our demonstrated commitment to transparency and focuses on how our business materially impacts people, the environment, and the economic well-being of our stakeholders for whom this Report is intended—our customers, employees, communities, investors, and suppliers. This Report is published on our public website.

### Forward-Looking Statement

This document contains certain forward-looking statements. These are statements made by management, using their best business judgment based upon facts known at the time of the statements, or reasonable estimates, about future results, plans, or future performance and business of the Company. Such statements involve risk and uncertainty, and their ultimate validity is affected by a number of factors, both specific and general. They should not be construed as a guarantee that such results or events will, in fact, occur or be realized as actual results may differ materially from those expressed in these forward-looking statements. The statements may be identified by the use of words such as “believes,” “anticipates,” “expects,” “intends,” “plans,” “projects,” “estimates,” “forecasts,” “seeks,” “likely,” “future,” “may,” “might,” “should,” “would,” “could,” “will,” “potentially,” “can,” “goal,” “predict,” and similar expressions. It is not possible to foresee or identify all factors that could cause actual results to differ from expected or historical results. We make no commitment to update these factors or to revise any forward-looking statements for events or circumstances occurring after the statement is issued, except as required by law. At any time when we make forward-looking statements, we desire to take advantage of the “safe harbor” which is afforded such statements under the Private Securities Litigation Reform Act of 1995 where factors could cause actual results to differ materially from forward-looking statements.



## Creating Quality for Life

**Creating Quality for Life** is our purpose statement, and it sums up why we exist as a company beyond earning profit. It articulates the enduring value we deliver to our broad base of stakeholders, including our customers and end users; our people and their families; our communities; and our Share Owners.

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# Welcome From Our CEO

If you have followed our ESG journey since our first annual ESG Report in 2019, you probably noticed a big change on this year's cover.

Gone from the Report's title is the reference to ESG. In its place: Guiding Principles Report.

While the Report remains strategically focused on our environmental, social, and governance principles and practices, we renamed the Report to better reflect the deep roots those principles and practices have in our Guiding Principles: *Customers, People, Citizenship, and Profits*.

Our Guiding Principles, all 468 words, continue to stand the test of time and remain extremely meaningful to us. They define us as a company and they differentiate us from other companies. We hear this from so many of our new hires when they tell us the key reasons they wanted to become part of our global family. I should know. It was one of the key reasons I joined Kimball Electronics in 2023.

For decades, these principles have been the foundation for our reputation as a company that customers depend on for lasting relationships. They demonstrate our purpose of Creating Quality for Life for all our stakeholders.

As you read this Report, you will notice another first regarding our ESG journey. This year's Guiding Principles Report is written in accordance with the Global Reporting Initiative (GRI) standards, the world's most widely used sustainability reporting framework.

This required us to conduct a materiality assessment based on GRI's requirements to identify where we can have the greatest impact, through both our risks and our

opportunities, on people, the planet, and the economy.

This assessment is helping us ensure we're focusing our efforts to control our most significant ESG risks and develop our greatest ESG opportunities. As part of our continued commitment to transparency, we obtained independent, third-party assurance of the data and narrative within this Report from Keramida, which provides sustainability services worldwide and is one of the few companies in the U.S. certified to train others how to report sustainability based on the GRI framework.

In 2023, we also enhanced our sustainability efforts by hiring our first Director of Sustainability, Sara Leeman, and our first Director of Social Responsibility, Scott Saalman, to join our Director of Safety, Environmental, and Facilities, Chris Whann, on the sustainability team led by our Chief Legal & Compliance Officer, Doug Hass. Our expanded team will help us further develop our corporate strategies and enhance our ESG disclosures.

These enhancements exemplify how, true to our company culture, we focus on sustainable development, a common thread that runs through all four pillars of our Guiding Principles.

The 2023 Guiding Principles Report is the next evolutionary step in our strategy for contributing to sustainable development, as well as for our high level of transparency. We continue to gain recognition for our efforts from prominent entities across the ESG landscape (see page 4).

Strong ESG performance is a manifestation of our Guiding Principles and an increasingly important factor in communicating shared values. Ratings from ISS ESG and others are

valuable guides for those seeking to identify sustainable companies like ours.

I am very proud of how we champion transparency and accountability.

Today, we owe much of our ESG success to our Guiding Principles, and I assure you that those are the same Guiding Principles that will continue to guide our future success. They embody the heart of our company's culture.

When I became Kimball Electronics' CEO in March 2023, I knew I had made the right choice because I saw firsthand how our people around the globe took great pride in their connection to our Guiding Principles and demonstrated those philosophies and beliefs. Put simply, our Guiding Principles are not just words that make for nice window dressing.

I inherited a framed copy of our Guiding Principles from Don Charron, our former CEO, upon his retirement. I equate that to Don having given me the key to our future global success. Those Guiding Principles still hang on my office wall, and I am committed to living by those words. Our Guiding Principles are where it starts for me, each and every day.

Thank you for your continued interest in Kimball Electronics!



Richard D. Phillips  
Chief Executive Officer

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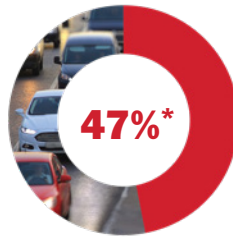
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# Who We Are and What We Do

Kimball Electronics is a global, multifaceted manufacturing solutions provider recognized for its reputation of excellence. Founded in 1961, we deliver award-winning service across our highly integrated global footprint, which is enabled by our largely common operating system, procedures, and standardization. We are well recognized by customers and industry trade publications for our excellent quality, reliability, and innovative service.

**Diversified Portfolio of End Markets – Calendar Year 2023**



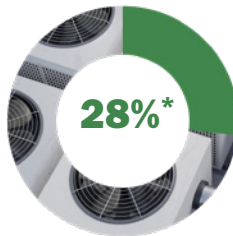
**Automotive**

- Electronic Power Steering
- Electronic Braking Systems
- Body Controls



**Medical**

- Sleep Therapy and Respiratory Care
- AED
- Image Guided Therapy
- In Vitro Diagnostics
- Drug Delivery
- Patient Monitoring



**Industrial**

- Climate Controls
- Automation Controls
- Optical Inspection
- Public Safety
- EV Charging

\*Percentage of annual sales



## Our Global Presence

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

**North America**

- Jasper, Indiana
- (Manufacturing and World Headquarters)
- Indianapolis, Indiana
- Tampa, Florida
- San Jose, California
- Reynosa, Mexico

**Europe**

- Poznan, Poland
- Timisoara, Romania

**Asia**

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

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# Awards and Recognitions



MSCI ESG Ratings provide an assessment of the long-term resilience of companies to environmental, social, and governance (ESG) issues. We are ranked “LEADER” among the Electronic Equipment, Instruments & Components industry.



We continue to receive all 1s—the best scores possible—on each Environment, Social, and Governance rating in ISS ESG’s QualityScore.



Ranked #13 on *Forbes’* America’s Most Successful Small-Cap Companies list. We were the highest ranking company in the Technology Hardware & Equipment industry and the highest ranked Indiana-based company on the list.



Recognized by 50/50 Women on Boards for having a Board comprised of at least 20% women.



We earned the #24 spot on *Newsweek’s* Most Trusted Companies in America in the Technology Hardware category.



Ranked 1<sup>st</sup> in Sustainalytics’ ESG in Electronics Manufacturing and 4<sup>th</sup> overall of nearly 16,000 rated companies. Ratings cover three dimensions: Preparedness; Disclosure; and Performance.



Earned Silver medal sustainability ranking by EcoVadis (82<sup>nd</sup> percentile).

## S&P Global

Scored in the 95<sup>th</sup> percentile out of 9,365 companies across 62 industries assessed in S&P’s 2023 Corporate Sustainability Assessment.



ISS Corporate Rating: Prime status and 1<sup>st</sup> Decile rating within our industry.



CDP Climate Change Rating: B  
CDP Water Security Rating: B

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# Our Guiding Principles

Our Guiding Principles, first put to paper in 1990, define who we want to be as a company when it comes to Creating Quality for Life for our key stakeholders.

## Customers

- Our customer is our business. We must provide innovative products and services that excite our customers and exceed their expectations of quality, features, and enduring value. We also must recognize and respond quickly and creatively to ideas of others, both internally and externally.
- Long-term customers are more important than short-term results. We will promise only what we know can be delivered; we will strive to deliver more than was promised.
- We seek to consistently demonstrate a sense of warmth, humor, and mutual respect in our relationships with our customers, to be the company with which they most enjoy working.

## People

- Our people are the Company. Kimball has been built upon the tradition of pride in craftsmanship, mutual trust, personal integrity, respect for dignity of the individual, a spirit of cooperation, and a sense of family and good humor. We seek to enhance this culture as we grow.
- We cultivate a leadership style that embraces the attitudes of personal autonomy and empowerment; individual initiative and teamwork; employee involvement and continuous improvement; and open, non-defensive communication.
- We shall foster an organizational structure, information systems, and development of personal skills that maximize our peoples' flexibility to respond to our customers on their own terms.
- We want employees to share in their company's success, both financially and through personal growth and fulfillment.

- The most unfair system of all is one that blindly treats all situations the same. Therefore, we discourage rigid rules and policies in favor of a philosophy of individual responsibility and flexibility, so that real needs, rather than the rules, are met.
- Offering ideas for improvements and new products is an opportunity we all share, a responsibility we must all accept. We seek to promote and reinforce an entrepreneurial spirit—a conviction that growth and continuous improvement is everyone's job.
- We seek a diversified group of employees who can be committed to preserving and enhancing these values.
- Suppliers are our partners, an extension of our company. They must share our commitment to total quality that exceeds our customers' expectations.

## Citizenship

- The environment is our home. We will be leaders in not only protecting but enhancing our world.
- Recognizing that an attitude of pride in the company and the community are intertwined, we seek to share, but not impose, our values within the communities in which we live. We also strive to help our communities be great places to live.
- We believe the greatest contribution we can make to the prosperity and quality of life of the communities in which we operate lies in being a dynamic, growing company.

## Profits

- Profits are the ultimate measure of how efficiently and effectively we serve our customers and are the only true source of long-term job security. Profitability and financial resources give us the freedom to shape our future and achieve our vision.



**CUSTOMERS**



**PEOPLE**



**CITIZENSHIP**



**PROFITS**

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# Our Sustainability Priorities

**Reporting in Accordance with the GRI Standards**

We were proud to add our first sustainability director to our global family this past August. Shortly thereafter, we embarked on our journey to assess and report our material economic, environmental, and social impacts in accordance with the GRI Standards for the first time.

We know that through our activities and business relationships we can impact the economy, environment, and people, and, therefore, we can impact sustainable development. We strive to meet the needs of the present without compromising the needs of future generations.

Using the GRI Standards this year provides more transparency on our ESG impacts and increases our organizational accountability. By reporting in accordance with the GRI Standards, we are reporting information about our impacts, credibly and comparably. This supports users of this information in making informed assessments and decisions about our impacts and contributions to sustainable development.

Our process to determine our material topics followed the GRI Standards' methods for identifying actual and potential impacts on the people, planet, and economy. We considered all GRI Topics in our evaluation of our own impacts as well as our influence on stakeholder assessments and decisions.

To measure our direct impact, we considered those impacts already identified through our internal environmental and safety assessments, applicable ESG regulations, as well as our enterprise risk management processes. We also considered our ESG strategic priorities and the measured materiality impacts reported throughout our value chain.

Our stakeholders include our employees, customers, suppliers, investors and other shareholders, the communities where we operate and live, regulators, and the people in our supply chain. When considering how we influence stakeholder assessments and decisions, we considered feedback collected through our Guiding Principles Employee Survey and other communication channels, including our third-party ethics hotline. We also considered global problems and risks reported by World Economic Forum's Global Risk Reports and those being addressed by the United Nations Sustainability Development Goals and Global Compact Principles. We considered the important topics identified by third-party sustainability ratings and rankings services. Finally, we considered our customers' sustainability goals and requirements.

We then prioritized identified impacts based on their significance, considering the severity and likelihood of our impacts, the priority given by our value chain partners through their materiality disclosures, and the frequency that stakeholders referred to particular GRI Topics in our evaluation. We gave extra weight to impacts we had previously identified, as well as our customers' requirements and expectations.

We distributed the Topics we measured in a materiality matrix (shown on the next page of this Report) and deemed material all topics falling into the upper right quadrant. We also included as material any topics outside of that quadrant that we had already identified as having a material impact.

Kimball Electronics is proud to issue our first Guiding Principles Report in accordance with the GRI Standards for the period January 1, 2023, through December 31, 2023.

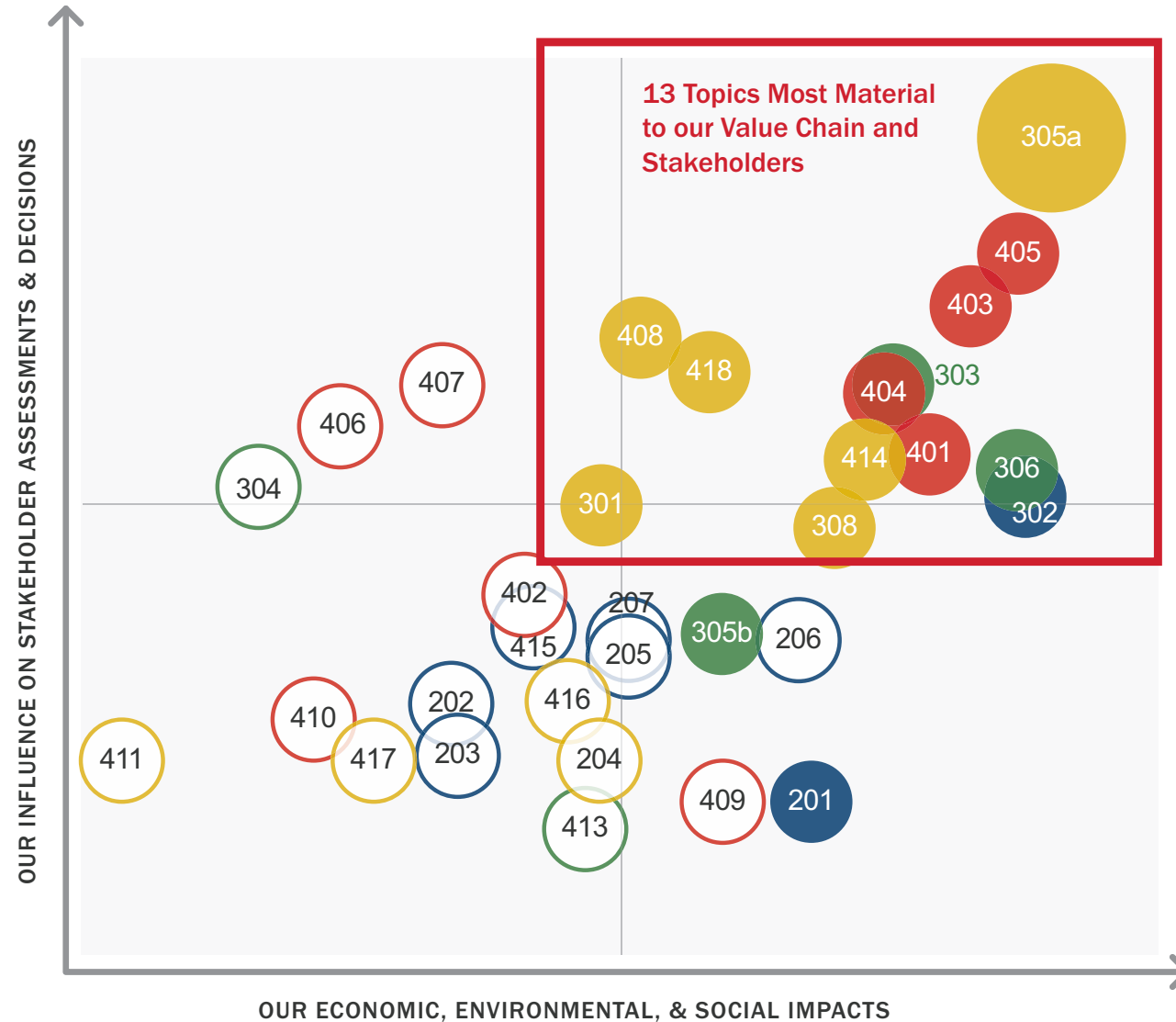


*Sara Leeman, Director of Sustainability,  
Kimball Electronics*

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# Our Materiality Matrix Aligned to Our Guiding Principles



<p><b>Customers</b></p> <ol style="list-style-type: none"> <li><b>Responsible Sourcing</b> GRI 414: Supplier Social Assessment GRI 408: Child Labor GRI 308: Supplier Environmental Assessment GRI 301: Materials</li> <li><b>GRI 305a: GHG Emissions</b></li> <li><b>GRI 418: Customer Privacy</b></li> </ol>
<p><b>People</b></p> <ol style="list-style-type: none"> <li><b>GRI 405: Diversity and Equal Opportunity</b></li> <li><b>GRI 403: Occupational Health and Safety</b></li> <li><b>Employee Benefits, Development &amp; Retention</b> GRI 404: Training and Education GRI 401: Employment</li> </ol>
<p><b>Citizenship</b></p> <ol style="list-style-type: none"> <li><b>GRI 306: Waste</b></li> <li><b>GRI 303: Water and Effluents</b></li> <li><b>*GRI 305b: Other Emissions</b></li> </ol>
<p><b>Profits</b></p> <ol style="list-style-type: none"> <li><b>Energy Efficiency</b> GRI 302: Energy</li> <li><b>Giving</b> *GRI 201: Economic Performance</li> </ol>

\*Topics 305b and 201 included as material due to applicable regulations and our focus on charitable giving.



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**Doug Hass**, Chief Legal and Compliance Officer and Secretary

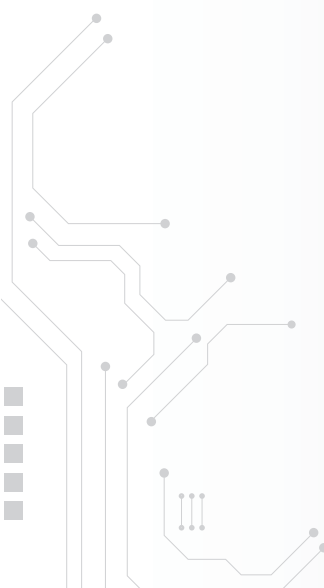
# Our Social, Environmental & Governance Commitment

Kimball Electronics champions transparency and accountability for itself. This transparency and accountability includes our commitment to report regularly and to create awareness of environmental, social, and governance issues.

Our Board of Directors oversees policies and operational controls related to our environmental, health and safety, and social risks. Our Nominating and ESG Committee serves as our Sustainability Committee. We provide comprehensive updates on ESG risks, impact assessments, and issues, including human rights and climate-related risks and our compliance and mitigation efforts, to the Committee at their regular quarterly meetings and whenever it is appropriate. The Committee and our Board review and provide input on this Report. We update and seek input on sustainability issues from our Executive Leadership Team, our Human Resources Department, our Legal Department, our Global Procurement Team, and at regular monthly meetings of our global Safety, Environmental, and Facilities (SEF) Council convened for this purpose.

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

*Recycling is always on the minds of our people. In August 2023, we began composting our HQ break room coffee grounds and composted nearly 100 pounds worth of grounds by year end. Our HQ also eliminated all single-use plastic bottles from our vending machine and common areas.*



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# Customers

Our customer is our business. They depend on us for lasting relationships. How we champion human rights, support the environment, and demonstrate our corporate citizenship is critical to sustaining these relationships.

*Our customer ZOLL's Supply Chain team was on site to celebrate our Thailand manufacturing facility's 2023 performance related to ramping up production for automated external defibrillators (AED), awarding our employees with a T-shirt touting our relationship.*



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# Our Customers

We create quality for life through the many life-saving and life-improving products we provide to our customers and their end users. Our purpose extends beyond simply building something: we expect that what we do will create a positive impact in our world.



*In 2023, we achieved the Highest Overall Customer Ratings in CIRCUITS ASSEMBLY'S 2023 Service Excellence Awards in four categories, Dependability/Timely Delivery, Technology, Value for the Price, and Manufacturing Quality, based solely on direct customer input.*



**We view these awards as a very meaningful testament to our outstanding achievement in service excellence.**

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# Responsible Sourcing and Hazardous Substances

**Our Responsible Sourcing Commitment**

Our Responsible Sourcing commitment is deeply rooted in our Guiding Principles and aligns with our Global Human Rights Policy by promoting material and mineral procurement practices that support peaceful economic and community development in conflict-affected and high-risk areas (CAHRAs). We work collaboratively with our supply chain partners to source materials responsibly and consistently with our human rights values; business ethics; labor, health, and safety practices; and environmental stewardship.

We communicate our Responsible Sourcing Policy to our customers and suppliers along with our expectations under that Policy. By accepting our Global Supplier Quality Manual, our certified suppliers commit to allowing us to conduct supply chain audits for safety and compliance, to engage only in legitimate and ethical business and labor practices, and to ensure that their employees, supply chain, and stakeholders understand how to report any actual or suspected misconduct using our ethics hotline. We reserve the right to terminate the certified supplier relationship and/or any contract, withhold payment, and assess fees and/or costs for any non-compliant supplier.

We engage with suppliers to obtain updated, accurate, and complete information about our supply chain and actively support industry initiatives to encourage smelters and refiners to participate in audits of their Conflict Minerals due diligence activities. When appropriate, we send requests to certain high-risk smelters to provide Country of

Origin information and reconsider our partnerships with suppliers who do not comply with our Responsible Sourcing Policy.

We align our policies to the Responsible Business Alliance’s Code of Conduct for social, environmental, and ethical industry standards and adhere to the Responsible Minerals Initiative’s Responsible Minerals Assurance Process to cultivate transparent mineral supply chains and sustainable corporate engagement in the mineral sector with a view to prevent the extraction, processing, and trade of minerals from becoming a source of conflict, human rights abuses, and insecurity.

We strive to improve the efficiency and quality of our supplier onboarding, outreach, and education.

**Our Hazardous Substances Commitment**

We are committed to protecting our people and communities from the safety and environmental risks of our business operations. These risks include the potential impact of hazardous substances used in the production of electronics components, products, and assemblies.

We verify our compliance and support customer compliance with applicable federal, state, local, and foreign environmental, health and safety, product stewardship, and producer responsibility laws and regulations relating to the use, generation, storage, discharge, and disposal of hazardous substances used during our manufacturing process; worker health and safety; design changes; supply chain investigation or conformity



*Our international team of Global Supply Chain members work diligently to make wise supply chain choices that adhere to all social, environmental, and ethical industry standards. Our people play vital, direct roles in how we are Creating Quality for Life through positive societal and environmental impacts. The photo shows some of our supply chain members.*

assessments; and the recycling or reuse of products we manufacture. These include the U.S. Hazardous Communication Standard; E.U. regulations and directives, such as the Restrictions on Hazardous Substances (RoHS), the Waste Electrical and Electronic Equipment (WEEE) directives, and the Registration, Evaluation, Authorization, and Restriction of Chemicals (REACH) regulation; and similar regulations in China (the Management Methods for Controlling Pollution for Electronic Information Products or “China RoHS”), which require the safe management, reduction, and/or removal of numerous hazardous substances.

Kimball Electronics does not place any products on the markets covered by these regulations, and we do not substitute components, materials, and vendors in

our customers’ specifications without their written consent. We help our customers to investigate the components, materials, and vendors that they have selected for their products. If, in any due diligence and evaluations that we conduct for our customers, we identify materials that may contain substances that do not meet or exceed applicable regulatory requirements, we notify our customers in writing and work with them to assist with their environmental regulation compliance for any of their affected products. Our operations carefully evaluate and control, in accordance with our management systems, any environmental or safety risk presented from hazardous substances used in our operations.

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# Greenhouse Gas Emissions Management

We help our customers meet increasing market demand for “low carbon” or “no carbon” products. In collaboration with our customers and suppliers, we strive to eliminate pollution generated at the source, to use renewable materials, and to maximize the reclamation and recycling of materials to minimize adverse impacts on the environment.

We generate greenhouse gas emissions through fuel consumption in our operations and throughout our value chain.

We continue to take a multi-pronged emissions reduction approach to support our ambitious goals, including investing

in facility and manufacturing efficiencies, procuring and deploying renewable energy sources, and continuing to collaborate with our customers and suppliers to develop and implement energy and emissions reduction strategies.

Our efforts to reduce our carbon footprint, increase energy efficiency, and develop low-carbon products and services position us to minimize risks and maximize opportunities for the ongoing low-carbon transition. Our global platform’s focus on providing in-region manufacturing options for our customers and our emphasis on procuring renewable energy reduces our carbon footprint.

**Total 2023 Greenhouse Gas Emissions** (Metric Tons CO<sub>2</sub>e)

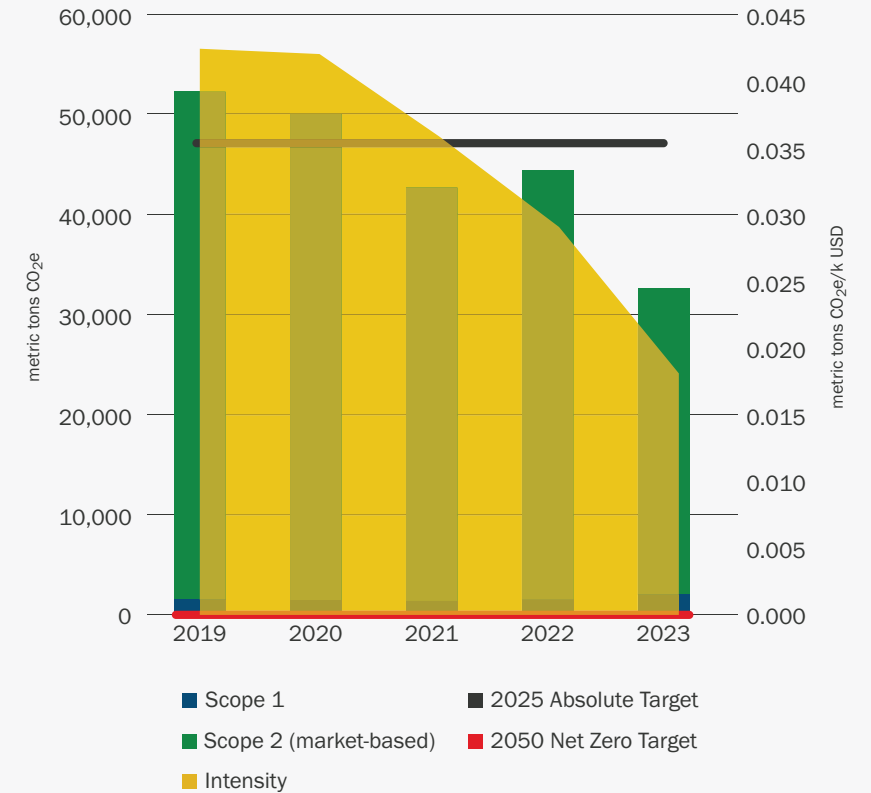


**2023 Scope 3 Emissions\*** (Metric Tons CO<sub>2</sub>e)

Category 1	Category 2	Category 3	Category 4	Category 5	Category 6	Category 7
154,947	8,168	5,537	19,027	1,465	2,237	5,845

\*All greenhouse gases are included in these Scope 3 measurements screened in accordance with the GHG Protocol for Categories 1-7. Categories 9-12 are applicable but excluded per GHG Protocol guidance on intermediate products, and Categories 8 and 13-15 are inapplicable.

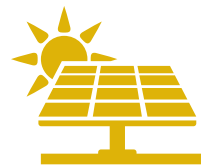
**Scope 1+2 GHG Progress Towards Absolute 10% & Net Zero Targets Including Intensity**



In this Report, we have clarified the Scope 2 accounting method we use for our 2025 Scope 1+2 reduction target. We have historically presented our performance against the 2019 baseline for this target with market-based Scope 2 calculations. However, previous Reports did not explicitly identify the method we used.

**“We’re proud to contribute to the decarbonization of our value chain with our 36% scope 1+2 emissions reduction since 2019.”**

—Chris Whann, Director, Safety, Environment, Facilities



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# Creating Quality for Life for our Customers, Consumers, and the Planet

## Supporting Customers in Global Life-Changing Industrial and Automotive Innovations

Given the increasing trend emphasizing the responsible utilization of natural resources and a goal of heightened conservation, we anticipate that “green and clean” Industrial applications will present an avenue for sustained, and sustainable, growth in the long run. This potential becomes even more pronounced as consumer interest in the adoption of electric and hybrid vehicles expands globally. Our business supporting these low-carbon markets is anticipated to gain traction in the market. Our “low carbon” or “no carbon” products accounted for \$324 million in 2023 revenue, an increase from \$124 million in 2022.

### 1 Climate Control and Smart Energy Management: \$214 million\*

Electronic climate controls and smart energy management systems are revolutionizing building efficiencies. These systems enable precise regulation of indoor environments; optimize heating, cooling, and ventilation; and minimize energy waste and carbon emissions, all while maximizing the comfort and productivity of building occupants. Through real-time monitoring, predictive analytics, and remote accessibility, building managers can ensure optimal energy usage, identify potential inefficiencies, and implement proactive strategies for energy conservation.

### 2 Smart Meters and Industrial Controls: \$74 million\*

Smart meters and industrial controls provide real-time electricity, gas, and water monitoring, enabling informed decisions that continue to revolutionize energy management and production processes. Smart meters support demand-response programs that foster a more balanced energy grid, while industrial controls optimize manufacturing with real-time data analysis, enhancing precision and resource efficiency.

### 3 Green Energy, Charging, and Storage: \$36 million\*

Renewable energy sources, such as solar and wind, are bolstered by more efficient charging for electric vehicles and devices. Innovative storage, like high-capacity batteries, ensures steady clean power by harnessing excess energy. The synergy between alternative energy, charging, and storage helps advance a greener future by reducing reliance on fossil fuels and maximizing the potential of sustainable alternatives.



\*Calendar year 2023 revenue

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# Cybersecurity, Data Protection, and Privacy



**“In 2023, Kimball Electronics identified no substantiated complaints regarding breaches of consumer privacy, nor did we identify any leaks, thefts, or losses of customer data.”**

–Isabel Wells, CIO



Management of risks around cybersecurity, privacy, and data protection are key responsibilities throughout our company. We continuously monitor and develop our information technology environment to prevent, detect, address, and mitigate the risk of unauthorized access, misuse, data loss, computer viruses, and other cybersecurity and data security events that could harm our business.

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

We employ robust procedural, contractual, and technological measures to ensure the integrity and security of all sensitive data that we collect, store, and process for our employees, customers, and suppliers. Just as we rely on technology to keep us cybersecure, we also rely on our people to understand their personal role in helping protect us from cyber threats.

Throughout each year, we train, educate, and test our employees on protecting information security practices. All employees play a key role in helping us identify and avoid online phishing techniques and social engineering practices that could threaten our operations. We closely monitor the global regulatory landscape as part of our continuous improvement efforts. We are confident that the cybersecurity, privacy,

and data protection competencies, policies, and procedures that we have built comply with all applicable information security laws and data privacy regulations, including the General Data Protection Regulation (GDPR).

We continue to maintain a globally applicable ISO 27001 certification at our headquarters in support of our Information Security Management System. In addition, our manufacturing facility in Poland joined our Romania facility in obtaining its own, separate ISO 27001 certification, and our Nanjing, China facility joined Poland in becoming a certified Trusted Information Security Assessment Exchange (TISAX) facility. TISAX is a European automotive industry-standard information security assessment catalog based on key aspects of information security such as data protection and connection to third parties.



*In 2023, our manufacturing facility in Poznan, Poland added ISO 27001 certification to its existing TISAX certification.*

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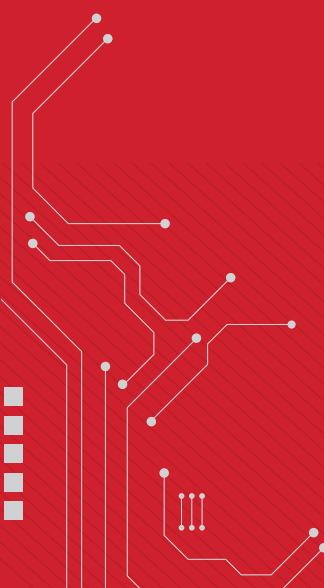
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# People

Our people are the company. Our company culture is a differentiator in the marketplace and a competitive strength. We believe you win with people, and we have worked very hard to develop a corporate culture that attracts, develops, and retains the best and brightest talent available. “The Kimball Way” manifests through our team members and throughout a company culture centered on respect, appreciation, and enriching the lives of our employees with meaningful work.



*In 2023, our employees at our Poznan, Poland manufacturing facility celebrated the completion of a Board-approved expansion in response to the needs of our customers.*





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# Our People

When we say “our people are the company,” we believe that:

- we are a people-centered company committed to the highest standards of conduct in our daily human interactions and business dealings.
- our people are a competitive edge for our service, quality, and value.
- our people directly link to our lasting relationships and global success and help us demonstrate how we create quality for life.

From improving our customer scorecards to enhancing our recycling programs, our employees truly impact our company and communities through their spirit of innovation, mutual trust, integrity, and egoless execution of our strategy.

We strive to build lasting relationships with our people, because they are the ones who enhance our culture of Winning Together The Kimball Way and create our success. In return, we share our collective success with our people through our Total Rewards program.

We believe that remuneration is demonstrated through the principle of equal pay for work of equal value in all countries where we operate.

Diversity, equity, inclusion, and belonging are part of our core values that make us strong, not only as a company, but as a global society.

## Achievements

Our facility in India received a Kerala Best Employer Brand Award in the technology industry category as determined by the World Federation of HR Professionals.



Jana Croom, our Chief Financial Officer (CFO), earned the #7 spot on *Finance & Investing's* Top 25 CFOs in Manufacturing for 2023.

Our Romania manufacturing facility earned first place in the large company category for electronics manufacturing during the annual Top Companies of Timis County Awards event.



Our Jasper manufacturing facility was named #7 on the “Indiana Best Places to Work in Manufacturing” awards, as determined by the Indiana Chamber of Commerce.

The Industrial Estate Authority of Thailand awarded our Thailand facility a Green Star-White Flag Award in recognition of our environmental management, transparency, and good governance.



*We encourage our facilities to instill a sense of fun and good humor in our company culture. In Nanjing, China, employees took part in Sports Day, which included hula hoops, paper airplane races, and tug of war.*



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# Diversity, Equity, Inclusion, and Belonging

We embed our company’s Guiding Principles in our deep-seated belief in the value of diversity, equity, inclusion, and belonging (DEI&B) by respecting the dignity of the individual, increasing well-being, creating trust, sustaining a global sense of family, and promoting meaningful work for our employees.

Diverse, talented, and engaged employees are a key competitive advantage. We are committed to building a workforce with the characteristics and attributes that best serve our markets and the communities in which we do business. We promote an environment where each employee is valued, respected, and treated with dignity—and has a sense of belonging.

We use a data-driven approach to attract, retain, and promote the most qualified individuals as a result of a diverse and equitable talent pipeline.

We are committed to eradicating all forms of discrimination, including harassment and abuse. We do not tolerate any sort of discrimination, harassment, or abuse by anyone toward any other person, whether or not they are an employee.

We continue to execute on our commitment to diversity, equity, inclusion, and belonging by striving toward the corporate goals we outline in our Global Human Rights Policy on our website. We’re focused on increasing representation of underrepresented groups in the technology and manufacturing industries (Women, Black, Latino/a, Asian, Indigenous, Multiracial, LGBTQIA+, People with Disabilities, and Veterans) globally among our executives and across all management levels.

Our diversity initiatives, overseen by management and our Board, include targeted recruitment initiatives aimed at these underrepresented groups; training and guidance regarding diversity; and performing diversity reviews at different management levels and facilities within the company.

We strive to have all our employees worldwide complete discrimination and harassment training on an annual basis. Our U.S.-based managers complete additional role- and state-specific training on unconscious bias, workplace diversity and inclusion, equal employment opportunity, and how we can prevent discrimination and harassment.

Additionally, we train employees regularly throughout the year on our Code of Conduct and core human rights matters, including how employees, suppliers, customers, and third parties can report matters of concern to Kimball Electronics without retaliation.

We also assess our vendors, suppliers, and third-party partners in order to facilitate decision making in our own supply chain, prioritizing those suppliers who mirror our Guiding Principles and Code of Conduct.

We are also committed to a policy of inclusiveness and to pursuing diverse backgrounds and perspectives when evaluating candidates for nomination to our Board of Directors.

Our strategy is to achieve excellence in customer service, employee relations, and business objectives through creativity, responsiveness, and innovation as a

result of increased well-being, a sense of belonging, and meaningful work for our employees.

We provide a report on our DEI&B initiatives and metrics to the Board of Directors annually and to the Board’s Talent, Culture and Compensation Committee quarterly.



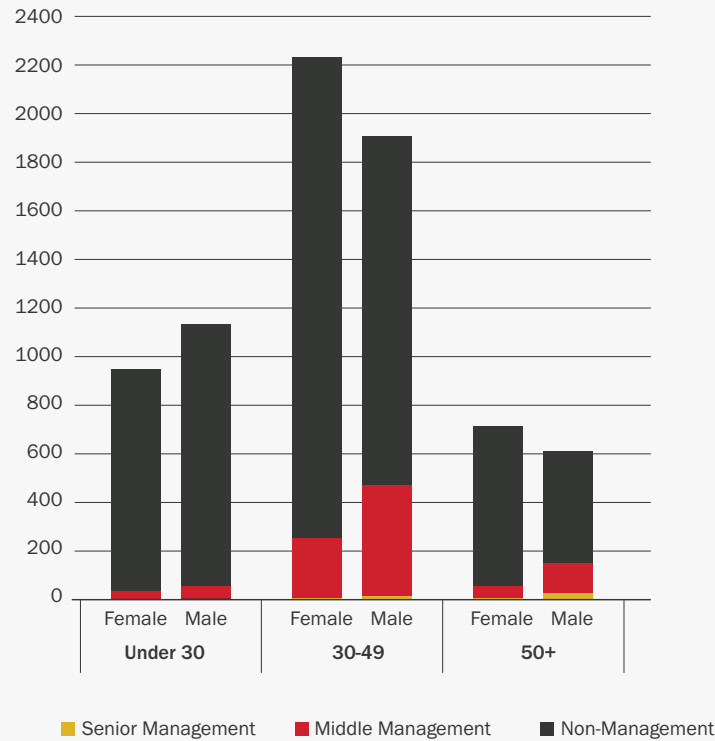
*Enterprise-wide, our facilities are encouraged to celebrate International Women’s Day.*

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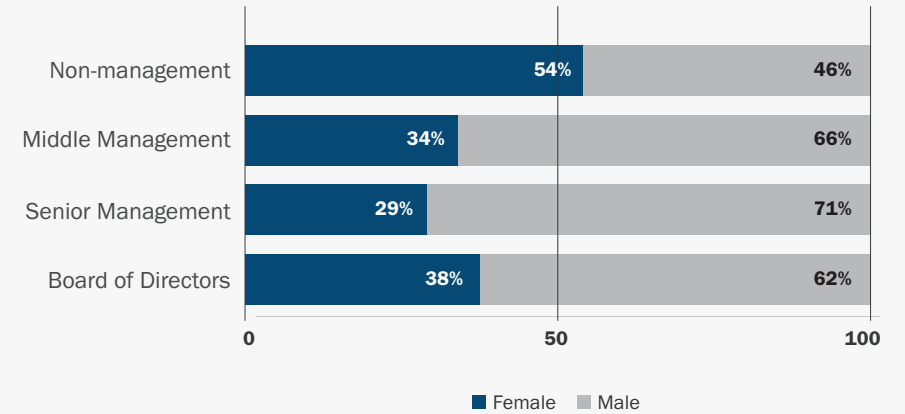
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# Diversity, Equity, Inclusion, and Belonging

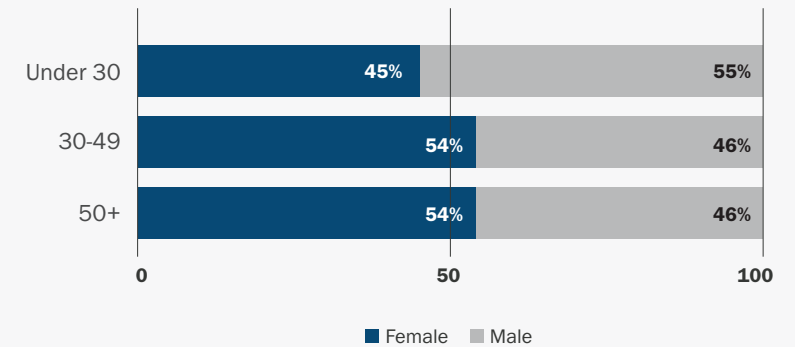
**Employee Diversity**



**Gender Diversity by Management Level**



**Gender Diversity by Age Group**



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# Employee Resource Groups (ERGs)

In 2023, we became a founding member of the Manufacturers Alliance Diversity and Inclusion Council. And, we now have three ERGs that offer allyship, mentorship, and sponsorship programs and opportunities for underrepresented groups in our industry, including women, LGBTQIA+ employees, and veterans. We actively encourage and support our employees to create resource groups, and we provide funding for their activities.



**PRIDE**

“For me, a thriving workplace is one that embraces and celebrates learning and curiosity—a place where people get to collaborate and show up as themselves,” says Safety, Environmental, and Facilities Manager Darcy Parks, based in Indianapolis, who leads PRIDE. “I feel so privileged to help create a safe, inclusive, and diverse community where employees of any sexual orientation, gender identity, and gender expression feel valued, respected, supported, and empowered. We’ve only just begun our journey as an established group, and I cannot wait to learn and grow with team members as we serve our mission and this important community.”



**Veterans and Military Service Advocacy**

“Being part of a workplace like Kimball Electronics that embraces its veterans and shares their experiences is truly remarkable. After leaving the military, many veterans experience a sense of loss of camaraderie and purpose. Our hope is to bridge that gap and create a space where these shared military experiences provide a sense of belonging for our members,” says VMSEA leader Michael Mosher, Database Administration Engineer, based in Jasper, Indiana.



**Women in STEM Empowerment**

“Learning new ways to develop connections with others in the Kimball Electronics family is very important to me,” says WISE leader and Component Engineer Sadina Neal, based in New Mifflin, Pennsylvania. “Having the opportunity to work with so many strong women and supporting men allies while promoting empowerment and fellowship is extremely powerful. I cannot wait to see what we can accomplish together within the company and how we can support our local communities globally.”



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# DEI&B Events

We value and work to promote a diverse, equitable, and inclusive work environment. We offer our employees the option to take part in events that celebrate individuals and cultures within our family that honor humanity and belonging. In 2023, we offered 16 events, including one tied to International Women’s Day.

## JANUARY

### Martin Luther King Day

Jacqueline “Cookie” Hamer Flakes, daughter of the late civil rights icon Fannie Lou Hamer, shared memories of her mother, including her role in Black voter rights.



## MARCH

### International Women’s Day

Our three female Board of Directors, Colleen C. Repplier (left), Holly A. Van Deursen (center), and Michele A.M. Holcomb, PHD (right), discussed the challenges and successes they have experienced during their celebrated careers.



## JUNE

### PRIDE Month

Musical entertainment by two Southern Indiana based duos, The Honey Vines and Troubadours of Divine Bliss, who are members of the LGBTQIA+ community.



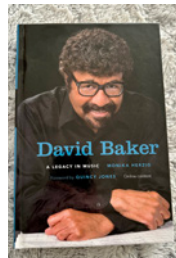
## OCTOBER

### Indigenous People’s Day

Professor Brenda J. Child, a native of the Red Lake Ojibwe Reservation and author of books of American Indian history.

## FEBRUARY

### Black History Month



Monika Herzig, who spoke about jazz influences in Indiana, including legendary jazz composer and educator David Baker; Justice Shannon Frison, Massachusetts Superior Court Justice and Marine Corps Judge Advocate; reggae artist Zion Albert who talked about Bob Marley; and Phil S. Dixon, sportswriter and co-founder of the Negro Leagues Baseball Museum.

## MAY

### Asian American Pacific Islander Month

Mayly Tao, author of “An American Dream, With Sprinkles,” which chronicles her Cambodian mother’s harrowing experiences of war, escape, near death, and business success; Dr. Russell Jeung, professor of Asian American Studies at San Francisco State University and co-founder of Stop AAPI Hate; Chefs Tim Ma and Kevin Tien, founders of Chefs Stopping AAPI Hate; and Lin Miao, our Sr. Corporate Counsel, who moved to the U.S. from China in 2013.

## SEPTEMBER– OCTOBER

### Hispanic Latino Heritage Month



Mexico-born painter Fernando Lozano; Mara De La Fuente, a painter and Kimball Electronics employee in Mexico; Jorge Fuentes, Director of Operations for WWOZ, a community radio station operating out of the French Quarter in New Orleans; author Juanita E. Mantz, a criminal defense attorney and champion of mental health law; Evelyn Rivas (in photo), President of Asociación Latinoamericana del Sur de Indiana (ALASI).

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# Occupational Health and Safety

Safety is a value at Kimball Electronics—unlike priorities, values never change.

We strive to provide all workers and guests a safe environment, and we promote an injury-free culture.

We train our employees to understand the impacts of their work activities on health and safety issues. We require job-specific training that supports our “safety-first” culture and occupational health & safety (OH&S) training that covers safe and healthy work environments, the reduction of workplace accidents, and how to report matters of concern.

The involvement of our workers in the OH&S management system is paramount. We consult with and encourage all of our workers to actively participate in our OH&S Program. Communication starts from day one in the new employee orientation and continues throughout an employee’s tenure with daily toolbox talks, monthly communication meetings, and annual refreshers. Our safety teams are comprised of employees from many departments, each meeting at varying frequencies during the month and year. We promote an open-door policy that allows employees to share concerns and ideas in an open, non-defensive environment, and, if they prefer, our stakeholders can share concerns with us using our anonymous hotline.

We believe that all injuries can be prevented, and we work for continuous improvement as we proactively reduce occupational injury and illness risks and hazards while promoting the health and well-being of our employees and interested

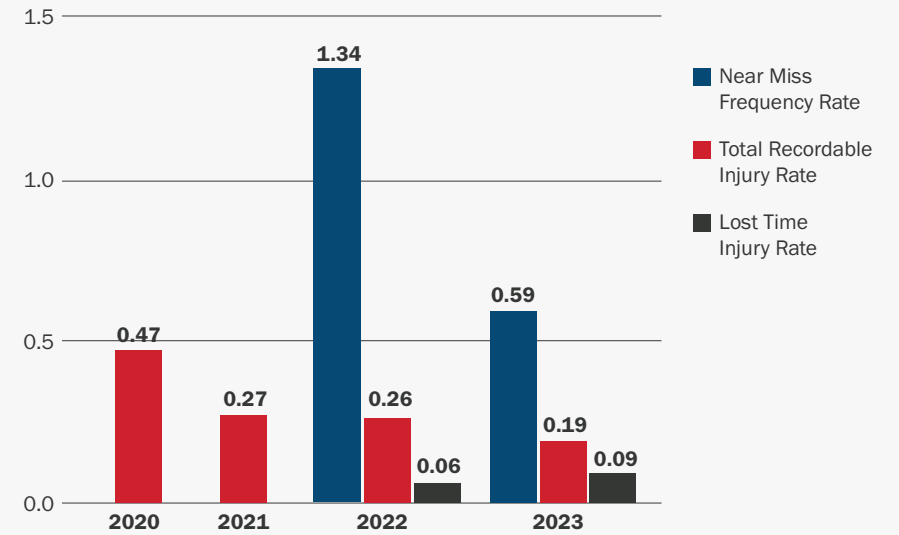
parties. We track recordable and lost-time injuries, as well as near misses.

In 2023, we had zero workplace fatalities. We experienced 17 recordable work-related incidents in 2023, three fewer than in 2022. The focus on prevention of injuries, continuous improvement, and sharing of best practices and key learnings between locations has allowed us to decrease our recordable injury rate over year.

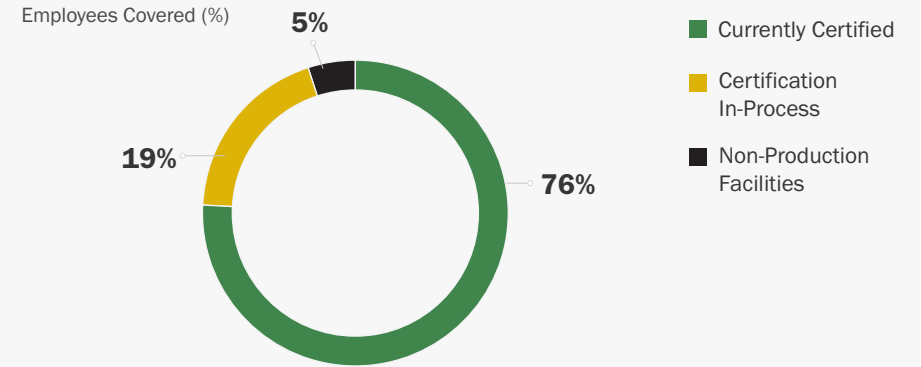
The main types of work-related injuries are slips, lacerations, sprains, and strains. We continuously work to educate workers on these tasks through our Safety, Environmental, and Facilities (SEF) Council, our global SEF teams, and within each department in our facilities. We identify work-related hazards that pose a risk of high-consequence injury through the design and implementation of our hazard identification process, which includes completion of a Job Hazard Analysis and developing a Risk Matrix. During the reporting period, a pinch point hazard caused or contributed to a high-consequence hand injury. To minimize the risk of this hazard, we engineered and installed tooling guarding, conducted additional employee training, and shared and discussed learnings with all SEF teams globally.

Our case rates include all of our operations, employees, and other workers whose work and/or workplace we control. None of these other workers (including our contingent staff) were injured in 2023. No workers are excluded from this disclosure.

**Safety Rates**



**ISO 45001 Certification**



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# Occupational Health and Safety



**Nanjing, China**

For the 14th year in a row, our manufacturing facility in Nanjing, China held a Safety Knowledge Contest that promotes both a sense of fun and friendly competition in order to improve safety.



**Poznan, Poland**

Our manufacturing facility in Poznan, Poland earned the coveted Safe Work Leader Gold Card from the Central Institute for Labor Protection–National Research Institute, the second time we have achieved this success. It demonstrates the focus all of our people place on continuously improving our occupational health and safety practices to provide the safest workplace possible.



**Jasper, Indiana**

The Safety Team at our World HQ in Jasper participated in training regarding the proper use of an emergency evacuation chair to transport people down the stairs in an emergency event when the elevator cannot be used.



**Ho Chi Minh City, Vietnam**

Employees at our Vietnam facility regularly engage in training to not only improve safety but to save lives. In 2023, employee firefighting training was made possible through relationships developed with the local fire department.



**“Getting everyone involved is the first crucial step to achieving our safety goal of keeping our employees safe. We’ve witnessed excellent involvement and engagement enterprise-wide.”**

**–Sarawut Jarusirisawat, Global SEF Council Leader**

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# Employee Benefits, Development, and Retention



Since the 1990s, we have honored our employees for achieving 35-year employment anniversaries, a testament to how we strive to be an employer of choice wherever we are located in the world.

We provide a portfolio of benefits that addresses the different physical, mental, emotional, and financial health needs of our diverse global workforce and their families. We develop culturally appropriate and cost-efficient benefit and wellness programs in the markets in which we operate. We use a third-party benefits expert to help us benchmark against other companies, ensuring we provide leading, well-rounded benefits that keep us an employer of choice in each of the local markets we serve. Our global HR teams have worked with our experts to improve the competitiveness and cost-effectiveness of our benefits offerings in various countries. Our portfolio of benefits also ensures that we are compliant with all regulatory requirements around the world.

Our remuneration programs are consistent with the provisions of all applicable wage laws, including those relating to minimum wage, overtime, and legally mandated benefits. We prohibit wage deductions as disciplinary measures. We promote and apply principles of economic inclusion for our employees, customers, and the suppliers we select, including the principle of equal pay for work of equal value, in all countries where we operate.

Flexibility, collaboration, and strong relationships are key elements of our Guiding Principles and core strengths of our service to all of our stakeholders. We appreciate the uniqueness of our employees' individual roles and personal circumstances, just as we do with our customers' unique needs, while also recognizing the authority our people leaders have to manage their teams.

Consistent with our operational needs, we apply workplace and worktime flexibility and employee support strategies, such as employee assistance programs, dependent care leave, hybrid or remote work, compressed workweeks, and reduced or part-time work assignments, to promote and support our team members' physical, mental, and financial well-being and to manage workplace stress. Additionally, we limit our use of non-regular employment to specific organizational needs and routinely evaluate this use to ensure proper classification and equal compensation.



*We share our success with our employees through our Total Rewards program, which includes (clockwise from the one o'clock position) community, affinity and citizenship opportunities; various forms of compensation and time off; work-life balance practices; meaningful careers that create quality for life; various forms of personal recognition; physical, mental and financial well-being; competitive health and welfare benefits; and growth, learning, and development opportunities.*



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# Training and Education

The varied experiences, skills, and qualifications of our people enhance our overall effectiveness.

We support the education, personal growth, and development of our employees, enhancing specifically identified skill and personal development needs that link closely to better satisfying our customers and improving company performance.

Employees have accountability for their continued skill and knowledge development. They are encouraged to collaborate with their managers to identify and execute their specific personal development plans. Examples include projects, on-the-job training, seminars, technical training courses, professional certifications, college courses, or college degrees.

We review training and training schedules annually to ensure that they remain current and assigned to appropriate employee groups. We continue to implement improvements to our training delivery system and content of these trainings. These improvements ensure our employees have easy access to training on important core topics and the ability to proactively search other training courses as development opportunities.

Our people deserve more than a rating, so we empower them to own and drive their personal and professional development within the context of our overall business plan so that real needs, not rules, are met. We use accomplishments, aspirations, and challenges to qualitatively determine development needs.

Training is critical to building employee competencies that will improve compliance, reduce risks, and drive continuous improvement.



*We encourage and support our employees in their continued career development and focus on upskilling our talent globally through on-the-job training, technical training courses, professional certifications, and continuing education through college and university programs.*



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# Leading, The Kimball Way



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

Our Leadership Development strategy, Leading, The Kimball Way (LTKW), is grounded in research about effective behavior change and leadership development. Over 95% of our global extended leadership team—managers who report either to our CEO or to one of our CEO's direct reports—have participated in LTKW. Through LTKW we continue to build capabilities of advocacy and inquiry in our leaders, especially as it relates to leading others. Our growth and development efforts aim to close the identified gaps in leadership capabilities required to execute our business strategy by designing leadership development and leveraging face-to-face education, virtual learning, peer learning, mentoring, and developmental feedback.

Our LTKW initiative has enhanced our next generation of leaders' skills, confidence, and readiness for advancement at Kimball Electronics, enabling us to promote from within more often. Promotions of women who participate in LTKW outpace the rate of promotions in the general population of manager-level and above at our company.

**95%**  
of our extended leadership team have participated in LTKW globally

**86%**  
of the total LTKW participants are still with the company



Top leaders from around the globe met for our Leadership Summit in Chicago to network in person, discuss our strategic vision and planning process, and continue on their Leading, The Kimball Way journey.

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# Fair Labor Practices

We require that all employment, whether with Kimball Electronics or with our suppliers, complies with applicable laws, regulations, and prevailing labor relations and employment practices, including those concerning hours, compensation, overtime payments, opportunity, and working conditions. Work weeks cannot exceed the maximum set by local law and workers shall be allowed at least one day off every seven days.

We work to ensure that all employees at Kimball Electronics and throughout our supply chain receive a living wage under humane conditions, meaning workers earn enough to provide food, housing, acceptable living conditions, and basic needs for themselves and their dependents, regardless of the country in which they work.

Kimball Electronics is committed to employment security and to avoiding or minimizing compulsory redundancies. Where these are unavoidable, our employees benefit from special protections against redundancy under collective agreements and our promotion of responsible redundancy procedures that mitigate the consequences for affected employees, particularly when no other legal or collective frameworks provide such protections and procedures.

Within the framework of law, regulations, and prevailing labor relations and employment practices, we respect each employee's right to make an informed decision, free of coercion, about membership in associations and/or labor unions. When employees are represented by a legally recognized labor union or other employee organization, we establish a constructive dialogue and engage in negotiations or consultation as required with their freely chosen representatives.

We provide written documentation to our employees about their wages and terms and conditions of employment, and we do so wherever possible in their native languages.



*Sustaining a sense of family and belonging within our enterprise-wide culture is one of our company strengths as defined by the People pillar of our Guiding Principles. At our manufacturing facility in Thailand, employees fondly consider the workplace to be their "second home."*

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# Citizenship

We are committed to making our communities better through a people-centered culture and a commitment to responsible operations.



*Photo by employee Lance Lucas, Grand Champion runner-up in our 2023 Earth Day Nature Photography Contest.*

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# Citizenship

Our robust Environmental Management System is the foundation of our global environmental best practices. We will be leaders in not only protecting but enhancing our world.

**Our Safety, Environmental, and Facility (SEF) Commitment:**

- We will adhere to and observe all relevant environmental legislation, regulations, customer specifications, and other requirements that apply to our organization.
- We are committed to the continuous development of best practices and expertise in a sustainable environmental performance and discipline.
- We will pursue pollution prevention by continuously striving to minimize the negative impact on our environment through a process of continuous improvement in our environmental performance that supports our sustainability strategy.
- Our executive management reviews all pertinent changes to our business to determine how they impact our environment.
- Our Board reviews, monitors, and engages with management on the development of SEF policies, programs, goals, and progress.
- We set priorities, action plans, and quantitative and qualitative targets for our continuous improvement efforts.
- We train our employees to understand the impacts of their work activities on all SEF issues.
- We review our SEF Policy annually and communicate it to all employees.
- We are transparent about our SEF Policy, the impacts SEF has on our business, and the programs and training we implement through public disclosures to our internal and external stakeholders.



*Our Thailand manufacturing facility donated time and treasure to a community mangrove forestry project. During work hours, a team of employees planted seedlings in the forest, and the company donated money to support the conservation efforts.*

**All of our production facilities are ISO 14001 certified.**

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# Waste Management

Waste management is the top environmental aspect identified by each of our locations through their local Environmental Management Systems.

We have procedures in place for the handling of our hazardous waste. We strive to reduce hazardous and non-hazardous waste and landfill usage. We focus on the reuse and recycling of our packaging material.

Prior to entering one of our facilities, all input materials go through an initial waste determination and are then classified as Recyclable, Non-Hazardous Industrial Waste, or Hazardous Waste. After source reduction efforts have been exhausted, we partner with approved vendors for responsible waste management solutions. Each waste vendor is internally audited by each of our locations' SEF departments to ensure proper handling of our waste and that all applicable regulations are followed. All waste data in this Report are provided by the waste vendors or weighed at our facilities.

Recycling at our locations has continued to be very strong year after year because of our fundamental commitment to waste management. We continue to work with external partners to beneficially use as much of our waste as possible.



**Jasper, Indiana**

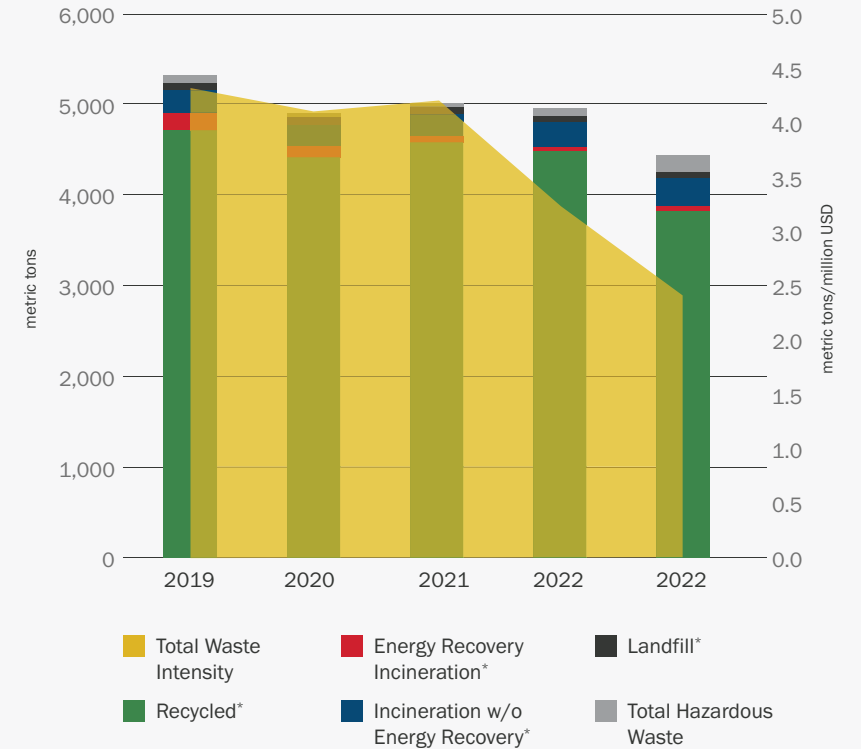
Our World Headquarters Recycling Team members served as mentors for high school students in Dubois County, Indiana who had an Earth Day goal of leading a recycling contest involving aluminum cans and plastic bottles at their schools.



**Poznan, Poland**

Our Poznan, Poland facility organized a collection of electronic waste, collecting 120 kilograms, and rewarded participants with seedlings to plant in their community.

**Waste Management**



\*Non-hazardous waste only

**90%+**  
of our waste is beneficially used\*



\*Beneficial use includes recycling and energy recovery from incineration

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# Water Stewardship

The right to water is a fundamental human right that we strive to respect in support of our environmental management policies and goals.

Our primary use for quality freshwater in our operations is for sanitation and drinking water. Most of our freshwater is supplied by local municipalities, with the exception of our Romania facility that draws its freshwater from a well. In our manufacturing operations, freshwater is also used for activities such as rinsing parts, cleaning, HVAC, and cooling water.

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.

Our business is not water intensive. Nonetheless, some of our operations are in water-stressed areas, and some of our customers have greater use requirements for freshwater than others. Because water is a critical resource for our business and our communities, we apply several approaches to identify and control our water-related impacts. Our sites annually conduct significant environmental aspect assessments pursuant to ISO 14001, and our enterprise risk management team assess critical risks quarterly. 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.

Annually, we evaluate baseline water stress, the ratio of total annual water withdrawal to total available annual renewable water supply, for each of our locations with the World Resources Institute (WRI) Aqueduct Water Risk Atlas. Based on our evaluation conducted in June 2023, our manufacturing locations in Mexico and Suzhou, China are considered areas with water stress pursuant to this indicator.

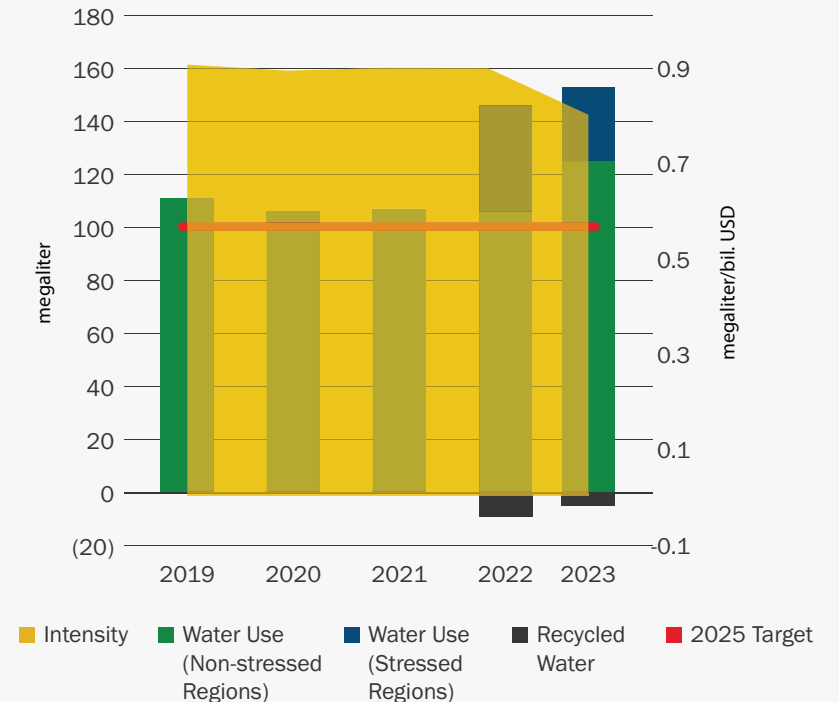
We also use Water Watch, CDP's Water Impact Index, to identify industrial activities that our suppliers engage in and the activities' potential impact on water resources. Our purchases of components from manufacturers of displays, touch screens, PCBs, and semiconductors are considered business activities that have a "substantive impact on water security" pursuant to this indicator.

As a company that is the manufacturing/production service provider for our customers, we necessarily partner with them on innovations in manufacturing to reduce our freshwater withdrawals with a focus on where we can have a substantial impact. Using approximately 40% of our company total, our Thailand facility is finding ways to mitigate the impact of special customer requirements for water use. In 2023, our Thailand team implemented a reverse osmosis water recycling process that will conserve over two million gallons of water annually.



Our manufacturing facility in Laem Chabang, Thailand implemented reverse osmosis equipment that's conserving two million gallons of freshwater annually.

**Water Use Progress Towards Absolute 20% Goal Including Intensity**



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# Chemical Safety Management

All of our sites protect workers exposed to hazardous substances through their hazardous substances management and safety systems. All workers supervised by Kimball Electronics are included in our systems' scope of coverage.

Each location conducts hazard identification and risk assessments in accordance with established procedures. We measure identified hazards and consider opportunities to eliminate them. Where that is not feasible, we implement control measures to ensure worker safety and environmental protection. These risk mitigations and controls include engineering controls, training and hazard information sharing, safe work practices, and personal protective equipment (PPE).

The sites each have written, comprehensive programs that include provisions for procuring hazardous substances or chemical products that we may use or alter within our facilities, compliance and safety review protocols for all new chemicals, container labeling, safety data sheets, and worker training programs. Each written program contains a list of hazardous chemicals in the workplace, means used to inform employees of hazardous non-routine tasks, and methods used to inform all workers and other third parties in our manufacturing facilities of chemical hazards to which they may be exposed.

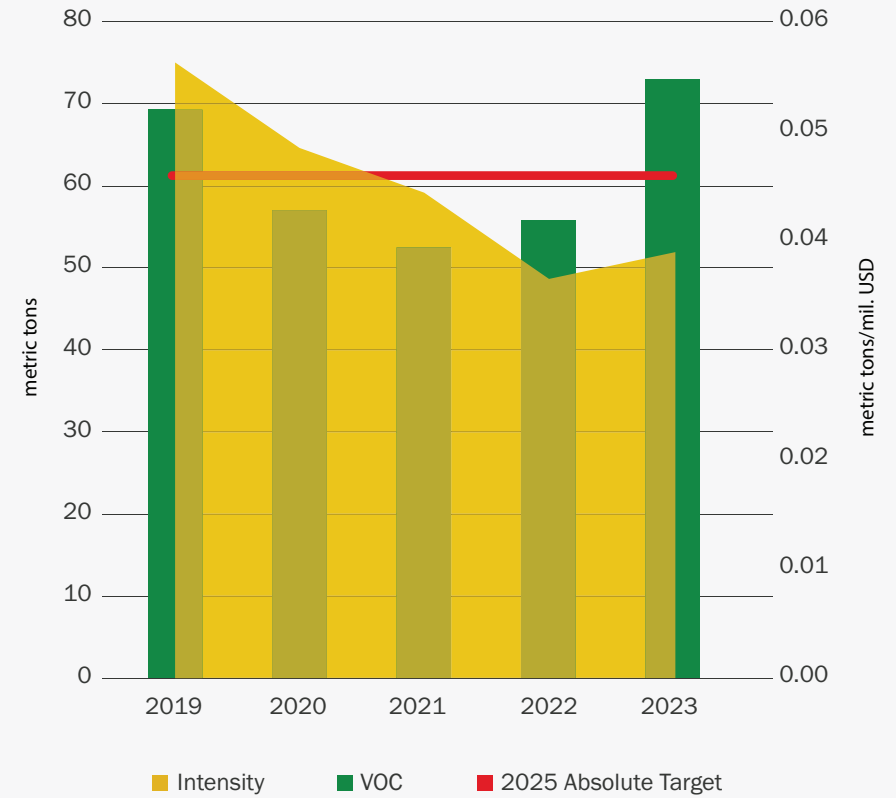
## Other Emissions

We have established a target to reduce absolute VOC emissions against a 2019 baseline, a measurement that we have carried over from our 2014 spin off from our former parent company, furniture manufacturer Kimball International.

**We will ensure the safe handling, storage, use, and disposal of all substances, processes, and materials, especially those considered hazardous to health and safety.**



**VOC Emissions Progress Towards Absolute 10% Goal Including Intensity**





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# The Environment is Our Home

Our facilities are encouraged to recognize Earth Day and World Environment Day each year. Employees participate in creative ways to celebrate Earth and increase awareness of wise environmental practices. We hosted virtual events featuring guest speaker Kate O’Neill, a global waste expert and author of the acclaimed book, *Waste*, and leading ethnobotanist Ina Vandebroek, of the University of West Indies, who discussed the importance of plants to our planet.



For World Environment Day, children of employees at our Poznan, Poland manufacturing facility participated in an art contest designed to create awareness about plastic pollution.



**Timisoara, Romania**  
Employees from our Timisoara, Romania manufacturing facility celebrated Earth Day by educating children at a local school about the importance of recycling and repurposing plastic.



**Nanjing, China**  
On Earth Day, our Nanjing, China manufacturing facility’s employees demonstrated their artistic talents by creating beautiful interpretations of our planet.

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# Profits

Profits are the ultimate measure of how efficiently and effectively we serve our customers and are the only true source of long-term job security. Profitability and financial resources give us the freedom to shape our future and achieve our vision.

*Photo by Kimball Electronics employee Bartosz Mejza, Grand Champion in our 2023 Earth Day Nature Photography Contest.*



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# Profits

Our financial success directly impacts our people, the planet, and the economy.

Profits also provide us the freedom to demonstrate our Company's purpose statement, Creating Quality for Life.

While Creating Quality for Life sums up why we exist as a company beyond earning profit, we also know that profit allows us to do even more to deliver enduring value to our broad base of stakeholders (our customers and end users, our people, our Share Owners, and our communities), including how we create quality for life for them through our positive societal and environmental impacts.



*Our facilities in Reynosa, Mexico donate time and treasure to support the well-being of migrants seeking relief at the Senda de Vida refugee center. We have committed to helping the center build a roof in 2024.*

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# Energy Efficiency

The efficiency of our energy consumption is a top priority for our operations and is managed as a significant environmental aspect at all of our manufacturing operations.

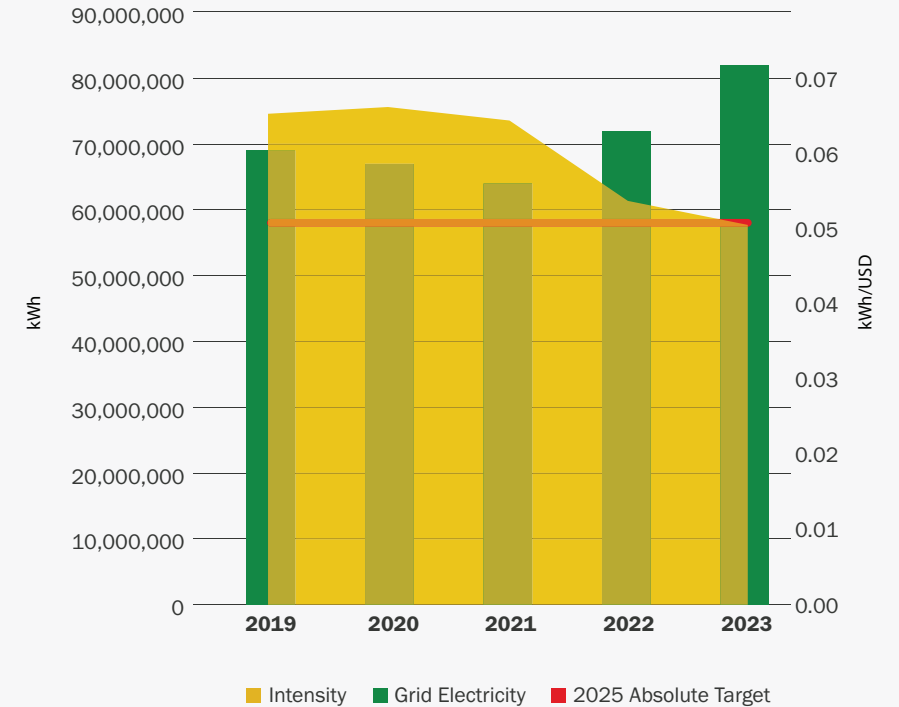
All of our facilities monitor, manage, and internally report their absolute energy consumption and energy intensity each month. Each site and the global SEF Council review energy performance, and we present this information to the Board's Nominating, Environmental, Social, and Governance (NESG) Committee quarterly.

We are in the process of securing or installing additional renewable energy capacity at all of our manufacturing facilities globally. In 2022, we installed our first solar energy system at our manufacturing facility in Thailand, and we are currently in the process of installing additional solar capacity there. In 2023, we installed a solar energy system at our new facility in Mexico and expect government approval to begin using the system in 2024. Employees interested in contributing energy efficiency improvement ideas meet monthly to share ideas and discuss ways to improve performance.



Top picture shows our solar installation in Thailand. Bottom picture shows our installation in Mexico.

**Grid Electricity Consumption Progress Towards Absolute 15% Goal Including Intensity**



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# Giving

Our Guiding Principles include a commitment to social responsibility. We aim to be a committed and active, but non-discriminatory and neutral, part of our communities.

Our contributions are intended to support the communities in which we operate, those who may not be in a position to directly benefit from employment with us or from our primary business activities, or those who can benefit from the value derived from our support or collaboration.

In accordance with our Global Policy on Philanthropic Contributions and Non-Commercial Sponsorships, we focus on four main categories of giving: Community, Charitable, Education and Arts, and Scientific (as it pertains to the electronics manufacturing industry).

We are proud to support a wide range of charitable and non-commercial causes through donations of time, talent, and treasure that align with our Guiding Principles.

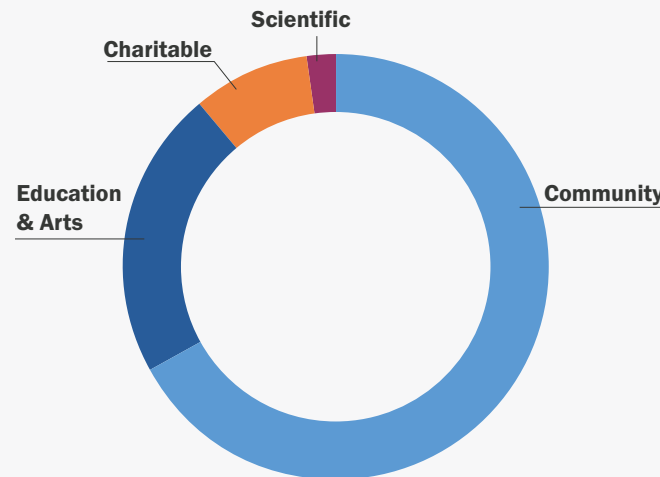
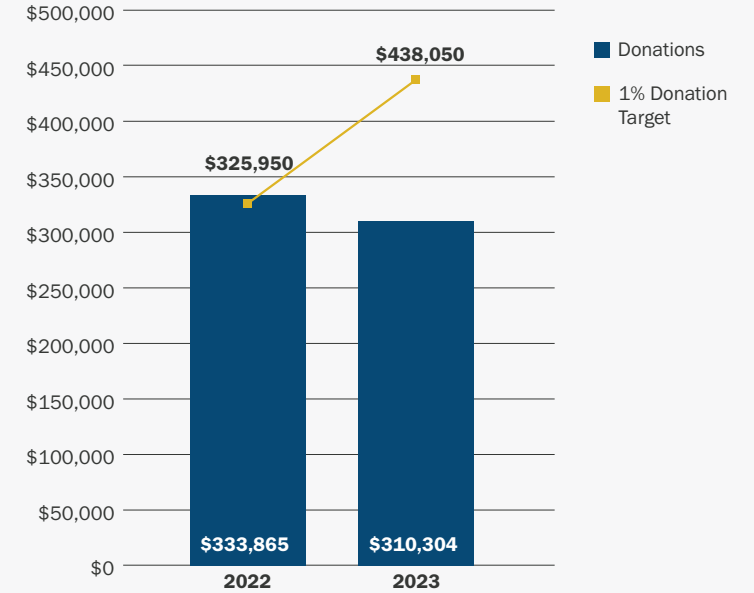
In 2019, we set a target to donate up to 1% of our total annual net income in time, talent, and treasure.

It's worth noting that while our donations surpassed 1% of our net income in 2022, it was due to special donations of over \$100,000 to activities and aid related to Ukrainian refugees.

We continue to work toward sustainable ways to donate up to 1% of our annual net income, including by establishing appropriate future endowments and expanding opportunities for our locations to increase the time they donate to worthy causes.

Near the end of 2023, we promoted Scott Saalman, a longtime employee and champion of company giving, to the newly created Director of Social Responsibility role to help us deepen our commitment to social responsibility and to our 1% giving goal as Kimball Electronics continues to grow.

## Time, Talent, and Treasure Donations



	Hours Donated	Total Monetary Value
Community	2,287	\$208,820
Education & Arts	977	\$67,186
Charitable	57	\$28,298
Scientific	-	\$6,000

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# Giving

We are committed to engaging in meaningful ways to live up to our Customers, People, Citizenship, and Profits Guiding Principles around the world. Each location is encouraged to donate time, talent, and treasure to worthy causes locally. Our teams entered 261 acts of giving on our online giving report in 2023.

**Areas of Giving**

- Scientific
- Education & Arts
- Charitable
- Community

**Don Charron Memorial Scholarships**

In memory of our former CEO, Donald D. Charron, who passed away after his retirement in 2023, Kimball Electronics donated \$6,000 to South Dakota School of Mines and Technology, where he earned an Electrical Engineering Degree and played football. The scholarship money was awarded to three School of Mines football players. The Company has also committed to a sustainable gift in Don's memory. The scholarships are aimed at bringing attention to the electrical engineering and EMS industry and showing the career opportunities possible in our industry with an engineering degree.



1963-2023

**Ho Chi Minh City, Vietnam**

Prepared 500 meals for patients and their families at an oncology hospital.



**Poznan, Poland**

Teams participated in the Poland Business Run which raises money for a charity that provides prostheses, wheelchairs, and physical rehabilitation to those in need.



**San Jose, CA & Chiba, Japan**

Our San Jose facility donated money to support a local watershed focused on clean waters and wildlife protection. Our Chiba facility donated money to a local charity supporting physically handicapped children.



**Trivandrum, India**

Visited remote school and provided essential school and educational items (uniforms, notebooks, pens, etc.) to the students.



**Laem Chabang, Thailand**

Delivered food for stray and disabled dogs sheltered at an NGO, The Man That Rescues Dogs Foundation.



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# Giving

**Areas of Giving**

- Scientific
- Education & Arts
- Charitable
- Community

**Timisoara, Romania**

Employees at our manufacturing facility in Romania donated money during a fundraiser in support of a hospital for children with disabilities. Employees purchased tassels made from red and white string, a traditional symbol of Mărțișor, which, on March 1, recognizes the triumph of spring over winter.



**Jasper, IN (Mfg.)**

Helped the Southwestern Indiana area Red Cross create tote bags filled with items to benefit homeless military veterans.



**Jasper, IN (World HQ)**

Helped a local worthy cause, Heart of Jasper, plant flowers to further beautify Jasper's downtown area.



**Indianapolis, IN**

54 employees participated in KEIND's fourth Million Meal Movement activity, creating and packaging 9,480 meals, positively affecting 2,370 families.



**Reynosa, Mexico**

Not only did we donate building materials to help improve classroom conditions, our people donated time and talent to assist in the construction of a new classroom.



**Tampa, Florida**

Donated time and money to The Bautista Project, a non-profit that provides basic living essentials, educational resources, and support groups to assist unhoused community members with reintegration.

**Suzhou, China**

Donated money and items to a school for 50 students who have physical and mental disabilities. We also participated in sporting events, much to the delight of the children.



**Nanjing, China**

On International Children's Day, we made more than 200 wishes come true at a local home for disabled children. We donated money to fund gifts requested by the children and personally delivered the items.



**Legal Department**

Our entire Legal Team committed to The Corporate Pro Bono Challenge Statement, which addresses the critical importance of providing readily available pro bono legal services and access to justice for those who might not otherwise be able to afford it. As part of the challenge, our Legal Team reports its pro bono hours to the Pro Bono Institute. In 2023, the team surpassed 100 donated pro bono hours.

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# Giving



There is so much more that we can do to demonstrate our company purpose, Creating Quality for Life, for our stakeholders than just doing our jobs. We know our communities are enriched anytime we help others in need through our giving practices. Our People are encouraged to become involved in our “giving” practices, individually and as teams, through a variety of charity supported efforts locally and enterprise-wide. Employee donations through company sponsored events are one contribution type that we measure. Employees are also encouraged to help local causes during work hours while still being paid. In 2023, we donated 3,320 company hours to community projects. An employee giving circle, called KE Gives, provides an option for employees to combine partnership fees and help select charities deserving of grants. In the past six years, KE Gives, through employee giving and company matches, has donated nearly \$54,000 to dozens of charities.

**Kimball Electronics Creating Quality for Life Scholarships**

Ten high-school seniors who are dependents of our employees worldwide earned our Creating Quality for Life college scholarships in 2023. The winners earned scholarships worth \$1,250 for each year of college they attend up to four years. Winners were dependents of employees in the U.S., Mexico, China, and Poland. They



were chosen based on their demonstrated commitment to volunteering time to help others in their community or to help the environment. This year’s panel of judges were Alex Rose, Senior Editor for Ocean Geographic Magazine and founder of Blue Ring, Inc., which supports the funding of globally significant ocean exploration and conservation projects that will positively shape the future; Dave Wilson, a director for the Eiteljorg Museum in Indianapolis, which seeks to inspire an appreciation and understanding of the arts, histories and cultures of the Native peoples of North America and of the American West; and Mayly Tao, an author and podcaster who uses social media to elevate Asian American voices and representation in Los Angeles. To further demonstrate the spirit of our Creating Quality for Life scholarship program, the Company donated \$500 to each judge’s charity of choice. Another scholarship program milestone in 2023 was that Khanittha Maliong (above), of Thailand, became our first award recipient

to graduate from college and is now a professional nursing assistant, Creating Quality for Life for others through her inspiring career choice.



**Blood Drives**

Donating blood is a way that some of our locations are Creating Quality for Life for others. In 2023, employees in Indianapolis, Jasper, Tampa, Thailand, and Vietnam donated enough blood to potentially save 918 lives.





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# Appendices

Through this Index, we report disclosures from the GRI Topic Standards for each topic identified as material through our materiality assessment process discussed [here](#). Any GRI Topic Standard not included in this index was determined through that assessment to be 'not applicable' and is omitted because it is not relevant to our impacts in relation to our material topics. The terms "material" or "materiality" are used in this Report in accordance with the GRI framework and do not have the same meanings as they have under the Federal securities laws.

GRI Standard	Disclosure	SASB	UN SDG	UNGC	TCFD
<b>About Us</b>					
<b>The organization and its reporting practices</b>					
<b>GRI 2: General Disclosures 2021</b>					
<b>2-1</b> Organizational details	Kimball Electronics, Inc. provides electronics manufacturing and contract manufacturing services for the Automotive, Industrial, and Medical markets. As a public company, our common stock trades on the Nasdaq Stock Exchange under the symbol "KE." Our company headquarters is located in Jasper, Indiana. Kimball Electronics operates twelve manufacturing facilities with two located in Indiana, two in China, two in Mexico, and one located in each of California, Florida, Poland, Romania, Thailand, and Vietnam. These facilities occupy approximately 1,803,000 square feet in the aggregate, substantially all of which are owned. We lease facilities in India and Japan that accommodate our software design and other support services. In addition, we own a 42,000 square-foot building to house our headquarters.	000.A 000.B			
<b>2-2</b> Entities included in the organization's sustainability reporting					
<b>2-3</b> Reporting period, frequency and contact	The reporting period for this annual sustainability report published in March 2024 is calendar year 2023. Any references to public filings with the Securities and Exchange Commission (SEC) are to filings that we made during calendar year 2023 (including during our fiscal year 2023, which ended June 30). Because we have a commitment to report regularly on environmental issues and a commitment to create environmental awareness, we intend to continue to release our sustainability reports on an annual basis. Any questions about this report should be directed to <a href="mailto:KELegalNotices@kimballelectronics.com">KELegalNotices@kimballelectronics.com</a> .				
<b>2-4</b> Restatements of information	Any performance tables that have been corrected are noted in the footnotes beneath those particular sets of data with the particular reasons as to why the data may have been updated.				
<b>2-5</b> External assurance	Keramida Inc. was engaged by Kimball Electronics to provide limited assurance of our GRI disclosures and materiality assessment and greenhouse gas verification. <a href="#">Link</a>				

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GRI Standard	Disclosure	SASB	UN SDG	UNGC	TCFD
<b>About Us</b>					
<b>Activities</b>					
<b>2-6</b> Activities, value chain and other business relationships	<p>We offer electronics manufacturing services, including engineering and supply chain support, to customers in the automotive, medical, and industrial end market verticals. We further offer contract manufacturing services for non-electronic components, medical disposables, precision molded plastics, as well as production automation, test, and inspection equipment. Our services support the complete product life cycle of our customers' products, and our processes and capabilities cover a range of products from high volume-low mix to high mix-low volume. We bring innovative, complete design solutions to our customers. We offer Design for Excellence input to our customers as a part of our standard package of value, and we use sophisticated software tools to integrate the supply chain in a way that provides our customers with the flexibility their business requires. Our robust new product introduction process and our extensive manufacturing capabilities give us the ability to execute to the various quality and reliability expectations of our customers in each of our end market verticals.</p> <p>We do not make our own products—we are the manufacturing/production service provider for our customers. Our services primarily include:</p> <ul style="list-style-type: none"> <li>Production and testing of printed circuit board assemblies (PCBAs)</li> <li>Full box build manufacturing and assembly</li> <li>Final Assembly of medical electronic products</li> <li>Design services and support</li> <li>Supply chain services and support</li> <li>Rapid prototyping and new product introduction support</li> <li>Product design and process validation and qualification</li> <li>Industrialization and automation of manufacturing processes</li> <li>Reliability testing (testing of products under a series of extreme environmental conditions)</li> <li>Aftermarket services</li> <li>Production and assembly of medical devices, medical disposables including packaging, and other non-electronic products</li> <li>Drug delivery devices and solutions with and without electronics</li> <li>Class 7 and 8 clean room assembly, cold chain and product sterilization management</li> <li>Design engineering and production of precision molded plastics</li> <li>Design engineering and manufacturing of automation, test, and inspection equipment</li> <li>Software design</li> <li>Complete product life cycle management</li> </ul> <p>Our objective is to retain a responsibly and ethically sourced supply chain of materials and components that we can use to manufacture products. While the total electronic assemblies market has broad applications, our customers are concentrated in the automotive, medical, and industrial end markets. We are committed to protecting the planet by combating climate change, including contributing to a lower carbon future, in our operations, our value chains, and in the services we offer to our customers. Our strategies include actions to optimize our manufacturing facilities and processes for sustainability, increase clean energy in our purchased power mix, collaborate with our customers and supply chain to address upstream and downstream carbon emissions, invest in clean energy solutions for climate protection, and develop low carbon products, technologies and services.</p> <p>Please see our 2023 Annual Report on <a href="#">Form 10-K</a>, Item 1 (Business), pages 3-19, for additional information about our company's sectors, value chain, and relevant business relationships.</p>				

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<p><b>2-7</b> Employees and <b>2-8</b> Workers who are not employees</p>	<p>Headcount was measured at the end of reporting period. We apply definitions of each category as per the national laws of the countries where the employees are based. We define "non-guaranteed hours employees" as those employees paid on an hourly, rather than salary, basis. Increased production at our facilities drove increases in employee headcount in 2023.</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;">Employees by Gender</th> <th style="text-align: center;">Female</th> <th style="text-align: center;">Male</th> <th style="text-align: center;">Total</th> </tr> </thead> <tbody> <tr> <td>Number of employees (headcount)</td> <td style="text-align: center;">3,860</td> <td style="text-align: center;">3,620</td> <td style="text-align: center;">7,480</td> </tr> <tr> <td>Number of permanent employees (headcount)</td> <td style="text-align: center;">3,859</td> <td style="text-align: center;">3,619</td> <td style="text-align: center;">7,478</td> </tr> <tr> <td>Number of temporary employees (headcount)</td> <td style="text-align: center;">1</td> <td style="text-align: center;">1</td> <td style="text-align: center;">2</td> </tr> <tr> <td>Number of non-guaranteed hours employees (headcount)</td> <td style="text-align: center;">1,785</td> <td style="text-align: center;">1,563</td> <td style="text-align: center;">3,348</td> </tr> <tr> <td>Number of full-time employees (headcount)</td> <td style="text-align: center;">3,843</td> <td style="text-align: center;">3,605</td> <td style="text-align: center;">7,448</td> </tr> <tr> <td>Number of part-time employees (headcount)</td> <td style="text-align: center;">17</td> <td style="text-align: center;">15</td> <td style="text-align: center;">32</td> </tr> </tbody> </table> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;">Employees by Region</th> <th style="text-align: center;">North America</th> <th style="text-align: center;">Europe</th> <th style="text-align: center;">Asia</th> <th style="text-align: center;">Total</th> </tr> </thead> <tbody> <tr> <td>Number of employees (headcount)</td> <td style="text-align: center;">4,214</td> <td style="text-align: center;">1,517</td> <td style="text-align: center;">1,749</td> <td style="text-align: center;">7,480</td> </tr> <tr> <td>Number of permanent employees (headcount)</td> <td style="text-align: center;">4,214</td> <td style="text-align: center;">1,517</td> <td style="text-align: center;">1,747</td> <td style="text-align: center;">7,478</td> </tr> <tr> <td>Number of temporary employees (headcount)</td> <td style="text-align: center;">0</td> <td style="text-align: center;">0</td> <td style="text-align: center;">2</td> <td style="text-align: center;">2</td> </tr> <tr> <td>Number of non-guaranteed hours employees (headcount)</td> <td style="text-align: center;">3,348</td> <td style="text-align: center;">0</td> <td style="text-align: center;">0</td> <td style="text-align: center;">3,348</td> </tr> <tr> <td>Number of full-time employees (headcount)</td> <td style="text-align: center;">4,186</td> <td style="text-align: center;">1,513</td> <td style="text-align: center;">1,749</td> <td style="text-align: center;">7,448</td> </tr> <tr> <td>Number of part-time employees (headcount)</td> <td style="text-align: center;">28</td> <td style="text-align: center;">4</td> <td style="text-align: center;">0</td> <td style="text-align: center;">32</td> </tr> </tbody> </table>	Employees by Gender	Female	Male	Total	Number of employees (headcount)	3,860	3,620	7,480	Number of permanent employees (headcount)	3,859	3,619	7,478	Number of temporary employees (headcount)	1	1	2	Number of non-guaranteed hours employees (headcount)	1,785	1,563	3,348	Number of full-time employees (headcount)	3,843	3,605	7,448	Number of part-time employees (headcount)	17	15	32	Employees by Region	North America	Europe	Asia	Total	Number of employees (headcount)	4,214	1,517	1,749	7,480	Number of permanent employees (headcount)	4,214	1,517	1,747	7,478	Number of temporary employees (headcount)	0	0	2	2	Number of non-guaranteed hours employees (headcount)	3,348	0	0	3,348	Number of full-time employees (headcount)	4,186	1,513	1,749	7,448	Number of part-time employees (headcount)	28	4	0	32	000.C	8, 10	6,7	
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Employees by Region	North America	Europe	Asia	Total																																																																
Number of employees (headcount)	4,214	1,517	1,749	7,480																																																																
Number of permanent employees (headcount)	4,214	1,517	1,747	7,478																																																																
Number of temporary employees (headcount)	0	0	2	2																																																																
Number of non-guaranteed hours employees (headcount)	3,348	0	0	3,348																																																																
Number of full-time employees (headcount)	4,186	1,513	1,749	7,448																																																																
Number of part-time employees (headcount)	28	4	0	32																																																																

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<b>2-9</b> Governance structure and composition	<p>The Board will protect the best interests of the Company’s Share Owners through oversight of its business by providing advice and consent for certain major decisions, and by overseeing and monitoring management’s performance. The Board helps align our corporate culture with the values expressed in our Guiding Principles and provides advice and counsel to management on significant cultural challenges facing the Company. The Chief Executive Officer (CEO) reports to the Board, and the Board delegates to the CEO, and through that person to other members of senior management, the authority and responsibility for managing the Company’s business.</p> <p>The Board has established committees to assist it in the execution of its responsibilities and has delegated important responsibilities to them. The Board can appoint standing committees, as well as ad hoc committees for a specified purpose and/or time. Committees of the Board may also appoint subcommittees. The Board currently has three standing committees: Audit; Talent, Culture, and Compensation; and Nominating and ESG. The latter two committees are the committees primarily responsible for decision making on and overseeing the management of our impacts on the economy, environment, and people.</p> <p>The Board appoints the members of all standing committees, all of whom must be independent directors. These committees will normally meet quarterly, or more frequently as circumstances dictate. Each committee carries out its responsibilities in accordance with the authority delegated in its charter from the Board of Directors. The Chair of each committee of the Board will, in consultation with appropriate committee members and members of management, and in accordance with the committee’s charter, determine the frequency and length of committee meetings and develop the committee’s agenda. Each committee has the authority to engage outside advisors and reports its findings and recommendations for action.</p> <p>We published detailed information about our Board’s qualifications/competencies, composition (including independence, expertise, and tenure), and diversity, including the number of other significant positions and commitments held by each member and the nature of the commitments in our <a href="#">2023 Proxy Statement</a>, pages 10-15. For more information about our governance structure and composition, please see the governance documents located on our <a href="#">website</a>, in particular our Nominating &amp; ESG Committee and Talent, Culture, and Compensation Committee Charters as well as our Corporate Governance Principles.</p>		5,16		G a.

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<b>2-10</b> Nomination and selection of the highest governance body	<p>Pursuant to Section 2.6 of our By-Laws, nominations of persons for election as Directors may be made by the Board of Directors or by any shareholder who is a shareholder of record at the time of giving the notice of nomination provided for in that section and who is entitled to vote in the election of Directors.</p> <p>The Nominating, Environmental, Social, and Governance (NESG) Committee:</p> <ul style="list-style-type: none"> <li>Assists the Board of Directors in identification of individuals qualified for Board and Board Committee service</li> <li>Determines the qualifications, qualities, skills, and other expertise required to be a Company director and develops, and recommends to the Board for its approval, criteria to be considered in selecting nominees for director (the "Director Criteria")</li> <li>Identifies and screens individuals qualified to become members of the Board and Board committees, consistent with the Director Criteria, to fill vacancies</li> <li>Selects and approves the nominees for director to be submitted to a Share Owner vote at the annual meeting of Share Owners, subject to approval by the Board</li> <li>Reviews the Board's committee structure and composition and makes recommendations annually to the Board regarding the appointment of directors to serve as members of each committee and as committee chairpersons</li> <li>Monitors the composition and size of the Board and considers whether the number of directors on the Board is appropriate given the duties and structure of the Board and its committees</li> </ul> <p>The rapidly changing business conditions and markets in which the Company operates require a high-performance and committed Board. Expectations of our Board members include:</p> <ul style="list-style-type: none"> <li>Personal integrity</li> <li>Commitment to the Company's Mission, Vision, and Guiding Principles</li> <li>Practical judgment</li> <li>Broad and complementary experience and expertise in areas relevant to the Company's business such that the members can bring a diverse set of skills and backgrounds to bear on the complicated issues which come before it</li> <li>Prepare for, attend, and participate in all Board and applicable committee meetings</li> <li>Commitment to serve over a period sufficient to understand the Company's history, markets, and business operations</li> <li>Willingness to think independently and present reasoned points of view</li> </ul> <p>The Committee shall consider any director candidates recommended by the Company's Share Owners pursuant to the procedures described in the Company's proxy statement, and in accordance with applicable laws, rules and regulations and the provisions of the Company's governing documents. To support our DEI&amp;B objectives, we have an enterprise-wide target and expectation that 100% of the candidate slates for Board of Directors, executive, and director-level employee positions include candidates from underrepresented groups. The exercise of independent judgment by the directors is critical to effective corporate governance. The Board shall consist of a substantial majority of independent directors. An "independent" director is one who meets the definitions of independence specified in governing laws and regulations, and the listing standards of any applicable national securities exchange, as well as an evaluation by the Board of any circumstances that may affect a director's ability to exercise independent judgment. Each independent director who experiences a change in circumstances that could affect such director's independence should deliver a notice of such change to the Company's Corporate Secretary. We operate in rapidly changing business conditions and markets, which requires a high-performance and committed Board. Each of our individual Board members possesses a broad variety of personal attributes, experience, and skills that give the Board the depth and breadth necessary to effectively oversee management on behalf of our Share Owners and that align with our current needs. Personal attributes include integrity, commitment to our Vision and Guiding Principles, practical judgment, broad complementary education and experience, and willingness to commit the time and energy necessary to effectively contribute as a Board member.</p> <p>The Nominating and ESG Committee and Board have collectively assessed the most critical major strengths, skills, and experience that contribute to a well-balanced and effective Board that is best able to understand the strategies and risks related to our operations:</p> <ul style="list-style-type: none"> <li>Public Company Executive/CEO Experience</li> <li>Financial &amp; Accounting Expertise</li> <li>Industry Knowledge</li> <li>Cybersecurity &amp; Technology Experience</li> <li>Strategy Development Expertise</li> <li>Corporate Governance Experience</li> <li>Environmental &amp; Facility Experience</li> <li>Social/Talent/Culture Experience</li> </ul> <p>For more information about the nomination and selection of directors, please see the governance documents located on our <a href="#">website</a>, in particular our Nominating &amp; ESG Committee and Talent, Culture, and Compensation Committee Charters as well as our Corporate Governance Principles.</p>		5,16		

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<b>2-11</b> Chair of the highest governance body	<p>The Board believes that we best serve our Share Owners if the Board retains flexibility to decide what leadership structure works best for us in our current circumstances. Since becoming a public company, we have had a variety of leadership structures, Board committees, and committee assignments. As part of our ongoing, proactive efforts to implement effective corporate governance, the Nominating and ESG Committee reviews our leadership structure annually and throughout each year, taking into account the Board's and Company's needs, legislative and regulatory developments, stakeholder input, and corporate governance trends. Currently, we have separate Chairperson of the Board and Chief Executive Officer roles supported by strong independent committee chairs. Our Chairperson, Bob Phillippy, is an independent director and not an executive of the company.</p>		16		
<b>2-12</b> Role of the highest governance body in overseeing the management of impacts <b>2-13</b> Delegation of responsibility for managing impacts <b>2-14</b> Role of the highest governance body in sustainability reporting	<p>Kimball Electronics' Corporate Governance Guidelines describe the Board of Directors' role (directly and as appropriately delegated to the Nominating and ESG Committee) in overseeing sustainable development and sustainability/ESG Issues such as shaping effective corporate governance; overseeing climate change and sustainability policies, programs, goals, and progress; and shaping and overseeing the targets, standards, and other metrics used to measure and track our sustainability/ESG performance.</p> <p>The Board's Nominating and NESG Committee, comprised exclusively of independent directors, oversees Kimball's corporate responsibility and sustainability/ESG programs, including all climate-related issues. The NESG Committee supports the Board in reviewing, monitoring, and engaging with management on the development of climate change and environmental policies, programs, goals, and progress, and regularly reviewing such matters with the full Board. The NESG Committee has express responsibilities for overseeing the Company's ESG performance, including climate change issues. The charter of the NESG Committee includes the following responsibilities:</p> <ul style="list-style-type: none"> <li>Oversees and advises 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; disclosures and external stakeholder input related to human rights and human capital management; and diversity, equity, inclusion, and belonging</li> <li>Oversees implementation of sustainability policies</li> <li>Monitors the Company's performance related to its sustainability and ESG goals, strategies, and initiatives</li> <li>Reviews and oversees the Company's sustainability and ESG-related statements and disclosures, including its annual ESG/sustainability report, and policies and procedures used to prepare them</li> <li>Oversees and advises the Board on the Company's sustainability and ESG-related engagement efforts with Share Owners and other key stakeholders, including employees, proxy advisory firms, non-governmental organizations (NGOs), and key ESG ratings agencies and providers</li> <li>Develops and oversees a legal and regulatory compliance program for the Company, including the Company's compliance with legal and regulatory requirements other than those related to accounting or financial reporting (which are the responsibility of the Audit Committee of the Board) or executive and Director compensation (which are the responsibility of the Talent, Culture, and Compensation Committee of the Board)</li> <li>Oversees and regularly reviews reports on the recommendations and actions of the Company's Chief Compliance Officer; meets with the Chief Compliance Officer and other appropriate members of management regarding significant sustainability and ESG-related events and matters</li> <li>Reviews and oversees the Company's government relations strategies and activities, including any political activities, contributions, and lobbying activities, including with respect to trade associations or other business associations that engage in lobbying</li> <li>Reviews and oversees the Company's charitable and community investment activities, including overseeing the Company's charitable contribution policy</li> </ul> <p>The NESG Committee is updated at least quarterly on ESG-related priorities, including those related to climate and our achievement of climate and 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. The NESG Committee also regularly receives updates on ESG issues of relevance to our stakeholders, including our Share Owners, which often includes information related to climate risks, oversight and disclosure. The Board encourages directors to attend director education opportunities, with expenses covered by the Company, including for various ESG topics, including sustainable development.</p> <p>In addition to the NESG Committee's sustainable development-specific roles, oversight of the enterprise risk management framework and cybersecurity risks are the responsibility of the Board's Audit Committee. The Board reviews and approves our business plans and budgets annually and as necessary to oversee major capital expenditures, acquisitions, and divestitures. The Board also sets annual performance objectives and monitors their implementation and performance, including our progress against goals and targets for environmental and climate-related issues. The Board sets compensation for our executives, and both our CEO and our Chief Legal &amp; Compliance Officer are compensated in part based on their achievement of ESG-linked objectives.</p> <p>The CEO, a member of the Board of Directors, is responsible for the company's sustainable development strategy, which includes our overall climate strategy. The CEO is directly responsible for the company's strategic goals, including, for example, climate related and ESG targets. The CEO is tasked with ensuring that the company is actively making progress toward our climate related goals and integrating our ESG goals with our business and executive compensation strategies. The CEO is responsible for reviewing and approving that integration as head of the Company. The Chief Legal and Compliance Officer and Secretary is Kimball's Chief Sustainability Officer. This position oversees sustainable development-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. Employees that report to this position oversee all the global Safety, Environmental and Facility (SEF) operations in the company and are responsible for the day-to-day sustainable development, climate, and environmental issues.</p>		16		G b.

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<b>2-15</b> Conflicts of interest	<p>The Board expects all directors to act ethically at all times and to adhere to the Company's Code of Conduct. Directors shall avoid any situation that may give rise to a conflict of interest or the appearance of a conflict of interest. If an actual or potential conflict of interest (or a situation reasonably likely to appear to pose such a conflict) arises for a director, the director shall promptly inform the Corporate Secretary. If a significant conflict exists and cannot be resolved through recusal or other means, the director should offer to resign. All directors will recuse themselves from any discussion or decision affecting their business activities, that of their affiliates, or any personal interests. Directors should notify the Chair, the Company's Secretary, and the chair of the Nominating and ESG Committee (or the Lead Independent Director if the chair of the Nominating and ESG Committee is providing notice) in advance of accepting an invitation to serve on the board or committee of another company, whether public or private.</p> <p>Conflicts of interest are disclosed to stakeholders. We disclose other board service, whether conflicting or otherwise, and comply with regulations and listing standards regarding cross-board service. Cross-shareholding with suppliers and other stakeholder would disclose for Board members and executives if a relevant conflict existed. We disclose the existence of controlling shareholders as required by SEC regulations. We have no controlling shareholders. SEC regulations require us to disclose related parties, their relationships, transactions, and outstanding balances.</p>		16		
<b>2-16</b> Communication of critical concerns	<p>At least quarterly and more frequently as needed, the Audit Committee and the full Board receive updates regarding critical concerns including but not limited to principal risks that may negatively impact the future results of the Company (a detailed discussion of which is included in the section titled "Risk Factors" in the Company's Annual Report on <a href="#">Form 10-K</a>), the effectiveness of the Company's ethics and compliance programs (including the handling of conflicts of interest and reported concerns about potential misconduct), and the effectiveness of the Company's cybersecurity and information security framework and material incidents relating to information systems security, if any.</p> <p>In the reporting period, any critical concerns or conduct that could reasonably be believed to constitute critical concerns were reported to management for further investigation. We received six reports to our hotline during calendar year 2023, all of which were employee relations concerns. We received zero reports, via any source, of breaches of our Code of Conduct, our supplier quality manual, or our Human Rights Policy in any of the other following areas that we track:</p> <ul style="list-style-type: none"> <li>• Forced labor</li> <li>• Child labor</li> <li>• Human trafficking</li> <li>• Bribery</li> <li>• Facilitation payments</li> <li>• Corruption</li> <li>• Anti-competitive acts (including false or deceptive marketing or labeling practices or standards)</li> <li>• Other priority non-conformance incidents (including labor rights, health and safety, and compliance with our Global Supplier Quality Manual and Code of Conduct by our suppliers)</li> </ul> <p>For each of the six reported matters, we opened dialogues with the reporting parties, began investigations within 24 hours of receipt, and completed necessary investigations and actions in less than 7 days. None of the matters required forwarding to the Audit Committee, the Board, local authorities, or, if appropriate, a human rights organization for further investigation.</p>				
<b>2-17</b> Collective knowledge of the highest governance body	<p>An important aspect of the Board's risk management is proactive director education on the topics necessary to enable the Board to consider timely and salient issues and risks in our industry and business. The Board and its committees, coordinated by the NESG Committee, offer continuing director and executive education during portions of regular board and committee meetings and during select special meetings or outside events. Continuing education for our directors and executives helps these leaders keep abreast of our evolving products and services; significant risks and compliance issues; laws, regulations and requirements applicable to us; corporate governance best practices; sustainable development; and changes in the EMS industry. This education program often takes the form of "white papers" and management- and third party-led presentations. Additionally, the Board and management collect and distribute additional relevant materials that cover timely subjects or topics, which a director can review before a meeting and ask questions about during the meeting. Continuing director education also involves directors' attendance at director education seminars and programs sponsored by other organizations. We pay the cost for any director to attend outside director education seminars on topics relevant to their service as directors.</p>				G a.
<b>2-18</b> Evaluation of the performance of the highest governance body	<p>The Board conducts an annual review of its performance, its committees, and its members, with the opportunity for evaluations, utilizing an independent third-party evaluator as appropriate, with a focus on determining the effectiveness of the Board in operating as a coherent and effective governing body. The self-evaluation process provided valuable insight regarding areas of effectiveness and opportunities for continuous improvement. For example, in CY2023, assessment feedback prompted the NESG Committee and Board to adopt specific action items to enhance areas of strength and address areas of opportunity identified in the self-assessment process such as continued focus in Board materials and during Board and Committee meetings on key strategic messages; continued enhancements to strategic planning collaboration with management; succession planning including opportunities for engagement with deeper levels of management; and further development of strategic priorities including sustainability.</p>				

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<b>2-19</b> Remuneration policies	<p>Directors' compensation is set by the Board. The level of compensation is guided by the following goals: compensation should fairly pay directors for work required in a company of Kimball Electronics' size and scope; and the structure of the compensation should be simple, transparent, market-competitive, easy to understand, and aligned with Share Owner interests. Non-employee Directors receive an annual cash retainer and an annual equity award. Kimball Electronics does not provide Directors who are also Company employees any additional compensation for serving as a Director. We published detailed information about our fiscal year 2023 non-employee director compensation program in our <a href="#">2023 Proxy Statement</a> in the Director Compensation section, page 16, and the tables therein.</p> <p>Kimball Electronics applies a consistent philosophy to compensation for all employees, including management. We link annual base salary to performance, contribution, leadership, market, and demand for talent. The variable incentive portion of pay is linked to financial results and operational metrics. We believe it is important to have a significant portion of our variable compensation at risk for our salaried employees, especially our executive officers. This incentivized nature drives collaboration, cooperation, personal development, and continuous improvement to create long-term Share Owner value by rewarding performance; aligning with Share Owners' interest; attracting, motivating, and retaining executive talent; and strengthening collaboration. The Talent, Culture, and Compensation Committee is responsible for overseeing the compensation program for all executive officers, plays a key role in designing and administering the Company's executive compensation program. All principal elements of compensation paid to our executive officers are subject to approval by the Committee. The Committee also regularly reviews principles of good governance and market pay best practices to monitor the Company's compensation process to ensure alignment to creating Share Owner value.</p> <p>Accountability is fundamental to our Guiding Principles. To reinforce this fundamental value, we have adopted a strong, "no fault" clawback policy providing that the Board will seek to recover payments of incentive compensation if the performance results leading to such payment are later subject to a downward adjustment or restatement of financial performance. The Board will require executives to reimburse or forfeit any portion of performance-based or incentive compensation paid or granted during the three (3) completed fiscal years immediately preceding the date of the restatement that is greater than the amount that would have been paid or granted if calculated based on the restated financial results. Under this policy, the Board may use its judgment in determining the amount to be recovered where the incentive compensation was awarded subjectively or where the covered executive committed misconduct, as defined in the policy.</p> <p>Our ESG/sustainability performance objectives have been integrated into our business strategy and our operations. Consistent with this integration, as part of the holistic Personal Performance Incentive assessments in fiscal year 2023, the Committee added six ESG disclosure and performance metrics focused on independent, third-party ESG disclosure, performance, and risk assessments. The Committee included these six metrics in the Incentives for both our CEO and for our Chief Legal &amp; Compliance Officer. Achieving the full Personal Performance Incentive required achieving these metrics, each of which we have described in the personal performance summary table below. The Committee also provided an ESG-focused incentive opportunity and ESG-related personal performance objectives to our Vice President, Human Resources. We expect that the Committee's philosophy on the incorporation of ESG-related metrics into the assessment of individual performance of our CEO and other executive officers will evolve over time as we consider ways to best align the compensation of our executives with our long-term goals.</p> <p>We published detailed information about our philosophy, objectives, process, components, and additional aspects of our fiscal year 2023 executive compensation program in our <a href="#">2023 Proxy Statement</a> in the Compensation Discussion and Analysis section, pages 44-65 and the tables that immediately follow that section.</p>				



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<b>2-20</b> Process to determine remuneration	<p>The Committee sets the CEO's compensation and approves the compensation of the other executive officers in consultation with the CEO, who directly supervises those executive officers throughout the year. The Committee gives significant consideration to the recommendation of the CEO, but the final compensation decisions affecting our executive officers are within the Committee's purview. No other roles are taken by the executive officers in setting their compensation, except for discussion of their individual performance with the CEO and Vice President, Human Resources. The Committee uses competitive information as one of multiple reference points to inform its decisions about overall compensation opportunities and specific compensation elements, generally targeting at least the 25<sup>th</sup> percentile for total target direct compensation levels.</p> <p>We set individual performance goals for each executive at the start of the fiscal year. In addition, we provide executives with feedback related to their leadership and results execution through the annual talent review and performance management process, which results in a personal development plan reviewed and approved by the CEO and Vice President, Human Resources. Consistent with our performance-driven compensation philosophy, the Committee allocates a significant portion of our NEOs' total compensation to variable, at-risk pay elements (performance-based STI and LTI awards). Our executive compensation program uses the same compensation components for each of our executives but assigns different pay levels due to differing market compensation levels for similar roles. Nonetheless, our compensation program is also designed with internal pay equity in mind so that compensation opportunities are similar for executives with comparable responsibilities, experience, and tenure.</p> <p>During fiscal year 2023, the Committee used data from Aon, its third-party compensation consulting firm, in setting executive compensation. Aon was engaged directly by the Committee to advise on levels and components of executive compensation and peer incentive pay practices, and to consult on our peer group composition. The Committee also uses full market compensation studies provided by Aon. The data from Aon included information on base pay, stock awards, and other forms of compensation awarded at comparable companies. The Committee used this data and recommendations from management as a reference point when making compensation decisions during fiscal year 2023 to ensure that the types and amounts of executive compensation were reasonable and competitive.</p> <p>For compensation planning purposes, the Committee, with input from management and Aon, has constructed a peer group to compare the compensation of our executive officers with that paid by other companies that are similar to us and that we believe compete with us for executive talent. For fiscal year 2023, we chose companies for the peer group using filtering criteria such as:</p> <ul style="list-style-type: none"> <li>• Company size and performance (revenue, operating income, market capitalization, performance criteria)</li> <li>• Companies identified as specific competitors for executive and critical talent</li> <li>• Geographic footprint</li> <li>• Industries served, primarily those in the electronic components and electronics manufacturing services industries</li> <li>• Organizational structure</li> <li>• Companies identified by others as our competitors for executive talent</li> </ul> <p>The Committee conducts reviews of the peer group and selection criteria annually to ensure that both are appropriate.</p> <p>We published detailed information about the process that the Talent, Culture, and Compensation Committee followed in setting our fiscal year 2023 executive compensation program in our <a href="#">2023 Proxy Statement</a> in the Compensation Discussion and Analysis section, pages 44-65 and the tables that immediately follow that section.</p>				

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<b>2-21</b> Annual total compensation ratio	<p>In accordance with Section 953(b) of the Dodd-Frank Wall Street Reform and Consumer Protection Act (the "Dodd-Frank Act") and Item 402(u) of Regulation S-K ("Item 402(u)"), we are providing the ratio of the annual total compensation of our CEO to the annual total compensation of our median employee. This pay ratio is a reasonable estimate calculated based on the SEC rules and our payroll and employment records using the methodology described below. In calculating the pay ratio, SEC rules allow companies to adopt a variety of methodologies, apply certain exclusions, and make reasonable estimates and assumptions reflecting their unique employee populations. Therefore, our reported pay ratio may not be comparable to that reported by other companies due to differences in industries, scope of international operations, business models and scale, as well as the different estimates, assumptions, and methodologies applied by other companies in calculating their respective pay ratios. As of June 30, 2023, we employed approximately 7,900 employees worldwide, that meet the definition of employee under Item 402(u), other than our CEO. We determined our median employee by reviewing the annualized base salaries as of June 30, 2023, of our considered population, which excludes our CEO, plus their target incentive compensation for the fiscal year ended June 30, 2023. For employees located outside the U.S., their compensation was converted to U.S. dollars using the spot exchange rate as of June 30, 2023. The median employee was determined to be a production operator employee located outside the U.S. The total compensation of the median employee for fiscal year 2023 was \$11,538. The average foreign exchange rate for fiscal year 2023 was used to convert the median employee's actual fiscal year 2023 compensation into U.S. dollars. We have selected the option to calculate the total compensation of our CEO at June 30, 2023, the date we use to identify the median employee. The total compensation of our CEO was \$5,651,344 for fiscal year 2023, as set forth in the Summary Compensation Table for Mr. Phillips and annualized for a full year of service. The ratio of our CEO's total compensation to our median employee's total compensation for fiscal year 2023 was 490:1. The CEO Pay Ratio was based on the fiscal year 2023 total compensation of our median employee, determined in the same manner and using the same methodology used to determine the "Total Compensation" shown for our CEO in the Summary Compensation Table. The elements included in the CEO's total compensation are fully discussed above in the footnotes to the Summary Compensation Table. The ratio of the percentage increase in annual total compensation for our CEO to the median employee was not relevant in fiscal year 2023, since our CEO was appointed CEO effective March 1, 2023, and we therefore had no percentage increase to calculate.</p> <p>To set some context for the above CEO pay ratio, as a large global manufacturing company, the nature of our operations relies significantly on employees outside the United States. Of the 7,900 employees included in our analysis, approximately 80% are located outside the United States. The compensation elements and pay levels of our employees differ from country to country based on market trends as well as fluctuations in currency exchange rates. We regularly conduct competitive market pay analysis in all of the countries in which we operate to ensure we are competitive with local market practices.</p>				
<b>Strategy, Policies and Practices</b>					
<b>2-22</b> Statement on sustainable development strategy	<a href="#">Welcome From Our CEO</a>				S a.

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2-23 Policy commitments	<p>Our commitment to the highest standards of conduct in our business dealings is described in our Guiding Principles and Purpose Statement, Code of Conduct, Supplier Code of Conduct, Global Human Rights Policy, Responsible Sourcing Policy, and Safety, Environmental, and Facility (SEF) Policy, all of which are posted on our public website <a href="https://kimballelectronics.com/esg">https://kimballelectronics.com/esg</a> and/or <a href="https://kimballelectronics.com/documentation">https://kimballelectronics.com/documentation</a> and referenced in this Report. The policies, which govern all of our activities and business relationships, stipulate conducting due diligence, applying the precautionary principle, and respecting human rights.</p> <p>Fundamental to our Code of Conduct and our Supplier Code of Conduct is our compliance and 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: Labor; Health and Safety; Environment; Ethics; and Management Systems. While our Supplier Code of Conduct uses the RBA Code as its basis, our standards exceed those of the RBA Code.</p> <p>Our human rights policy is derived from principles such as those defined in the United Nations' Universal Declaration of Human Rights and the two International Covenants making up the International Bill of Human Rights; the United Nations' Guiding Principles on Business and Human Rights; the International Labor Organization's (ILO) Declaration on Fundamental Principles and Rights at Work, and ILO Conventions 98 and 111; the OECD Guidelines for Multinational Enterprises; the Ten Principles of the United Nations Global Compact, and the guidance provided by ISO 26000.</p> <p>Our responsible minerals policy is based on the framework of the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas. Consistent with our Guiding Principles and our Global Human Rights Policy, we commit to conduct due diligence to identify and mitigate risks in our supply chain for 3TG, following the OECD Guidance, including all risks identified in its Annex II, which include Forced Labor, Child Labor, Human Trafficking, bribery, corruption, gross human rights violations, war crimes, and direct or indirect support to non-state armed groups and security forces. We participate in industry initiatives to create and deploy supply chain verification processes, such as the Conflict Minerals Reporting Template (CMRT).</p> <p>We conduct thorough due diligence investigations prior to engaging with suppliers or vendors, acquiring businesses, and selecting partners, and will apply appropriately higher levels of scrutiny where there are traditionally higher risks of compliance violations and/or human rights abuses. We also require our suppliers to undertake reasonable due diligence within their supply chain to ensure that the 3TG in the materials we source from them do not directly or indirectly contribute to significant adverse human rights impacts in CAHRAs, including in the DRC. We consider responsible business conduct as a top priority and we apply the principle to all aspects of our operations, including the manufacturing of products for our customers. We implement continuous improvement measures to our activities and evaluate the appropriateness, timeliness, and scope of these activities to ensure that we meet our commitments to our employees, customers, Share Owners, communities, and other internal and external stakeholders. We are a human-centered company that fully supports human rights. For us, human rights are more than just being compliant, they are about doing the right thing. Our Guiding Principles outline the critical role Kimball Electronics plays as a corporate citizen for our customers, our people, our partners, our environment, and our communities. These policies are deeply rooted in our Guiding Principles. We believe in the inherent value of all individuals and their inalienable rights and acknowledge the risks of specific impacts to particularly vulnerable segments of society, including minorities, women, and indigenous peoples.</p> <p>Responsibility for the implementation and operation of this Policy lies with our most senior personnel: our Executive Leadership Team, our Human Resources Department, our Legal Department, and our Global Procurement Team. In addition, Kimball Electronics has created a global Safety, Environmental, and Facilities (SEF) Council comprised of workers from each of our facilities that meet monthly and reports directly to our Chief Compliance Officer. Our Chief Compliance Officer, who reports to our CEO, and SEF Council are heavily involved in the development of this Policy, workplace health and safety management, the implementation of our environmental, social, and governance (ESG) initiatives, and the evaluation of their outcomes. We update and seek input from these internal global stakeholders on ESG issues at regular monthly meetings of our SEF Council convened for this purpose. Our Board of Directors oversees policies and operational controls related to our environmental, health and safety, and social risks. Our Nominating and ESG Committee serves as our Sustainability Committee. We provide comprehensive updates on ESG risks, impact assessments, and issues, including human rights and climate-related risks and our compliance and mitigation efforts, to the Committee at their regular quarterly meetings and whenever it is appropriate. The Committee and our Board review and provide input on this annual Report.</p> <p>The Kimball Electronics Code of Conduct demonstrates the high value we place on ethical standards related to the treatment of our people, the belief in and provision of safe and healthy working conditions, the treatment of our environment, and our overall business ethics. The high standards set forth in our Code of Conduct guide us to make the right decisions enabling us to widen our global outreach and maintain our recognized standing as a good global citizen. At the core of our Code of Conduct are our Guiding Principles, which serve as our moral compass. Kimball Electronics strives to adhere to the highest standards of legal and ethical conduct in all aspects of the business in ALL of our locations around the world. It's simple: we do the right thing.</p>		16	10	

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<b>2-24</b> Embedding policy commitments	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 Global Supplier Quality Manual. These policies and our Supplier Code of Conduct are part of our standard terms and conditions of purchase for all suppliers as well. The Supplier Code of Conduct is based on the RBA Code of Conduct, and the Manual is based on the requirements of ISO 14001. The Manual functions as our certification program for suppliers, ensuring that we obtain written acknowledgment of their obligation to comply with all applicable laws and our applicable policies. Suppliers also commit to allowing us to conduct supply chain audits for safety and compliance, to engaging in only legitimate and ethical business and labor practices, and to ensuring that their employees, supply chain, and stakeholders understand how to report any actual or suspected misconduct using our ethics hotline. We reserve the right to terminate a contract, withhold payment, and assess fees and/or costs for any non-compliant supplier.				
	We believe that providing effective training to employees annually on our Code of Conduct, including our Global Human Rights Policy, and other core human rights matters is critical to our success. The platforms we use to provide our training have enabled us to conduct both virtual and classroom training sessions globally in each of the areas described therein. In 2023, 99.9% of our total global employees completed training on our Code of Conduct, which incorporates the Policy, including on how to report matters of concern to Kimball. We trained 99.6% of our employees on the Occupational Health and Safety and Human Rights Training categories described in this Policy. In 2023, our employees received an average of over two and a half hours of targeted training in these two categories, in addition to Job-Specific Training that varies by employee, facility, and function.				
<b>2-25</b> Processes to remediate negative impacts	Our employee training includes training on how to recognize signs of potential human rights abuses, corruption, facilitation payments, and bribery, all of which are prohibited by our Global Human Rights Policy and our Code of Conduct. Our investigatory process is fair, impartial, and transparent to those involved. Kimball will promptly investigate all reports and will not retaliate nor tolerate retaliation against any person or entity who, in good faith, makes a report or cooperates in an investigation. Any person or entity that retaliates or threatens retaliation against anyone who makes a report or cooperates in an investigation will be subject to discipline, up to and including immediate termination of the relationship with Kimball Electronics. To remediate negative impacts quickly and effectively, when we receive reports, we open dialogues with the reporting parties, begin investigations within 24 hours of receipt, and complete necessary investigations and actions in less than 7 days. We met this standard with each of the reports that we received through our hotline in 2023.				
<b>2-26</b> Mechanisms for seeking advice and raising concerns	If employees at Kimball Electronics, other persons within our supply chain, or among our stakeholders have any questions or wish to report potential violations of this Policy, they may notify (a) any Kimball Electronics supervisor or manager with whom they feel comfortable discussing the problem, (b) Kimball Electronics' Human Resources team or Chief Compliance Officer, or (c) Kimball Electronics' anonymous, confidential, third party hotline reporting system. Reporting persons can access the hotline worldwide, 24 hours a day, 7 days a week via e-mail, the Internet, or telephone in a language of their choice. We publicize this stakeholder hotline in this Policy, our public Code of Conduct, and our communications, both to employees and to the public, including workers and other stakeholders in our supply chain. Our CEO, Chief Compliance Officer, and Vice President, Human Resources provide executive oversight for our human rights and anti-bribery/anti-corruption programs. We review and revise our Human Rights Policy and Supply Chain Transparency Statement each year as part of our continuous improvement of our company and as a further demonstration of our commitment to human rights and to Creating Quality for Life. This process involves obtaining extensive input from key stakeholders across our enterprise and externally, including from workers' councils or trade unions that represent our employees.		16	10	
<b>2-27</b> Compliance with laws and regulations	We had zero significant instances of non-compliance with laws and regulations during the reporting period. 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.				
<b>2-28</b> Membership associations	We are members of many trade organizations across our business and work with a number of non-trade-entities to further environmental sustainability initiatives. We are members of the Responsible Minerals Initiative, one of the most utilized and respected resources for companies from a range of industries addressing responsible mineral sourcing issues in their supply chains. We participate in the Indiana Environmental Stewardship Program by the State of Indiana Department of Environmental Management (IDEM). This program encourages Indiana's regulated entities to proactively manage their environmental responsibilities and commit to continuous, environmental improvement. We joined the Indiana Partners for Pollution Prevention, an organization comprised of Indiana industries, businesses, non-profit organizations, and governmental entities that are interested in pollution prevention (P2) and the financial and environmental benefits P2 projects can bring. The organization's mission is to champion P2 and environmental stewardship programs in businesses and organizations by promoting successful practices and approaches to achieve measurable reduction of pollution in Indiana. We are a member of the Dubois County Local Emergency Planning Committee and a Kimball Electronics employee serves on the Committee's Advisory Board. In Thailand, we are a member of the Corporate Social Responsibility Department of Industrial Works (CSR-DIW). DIW Thailand partners with and provides a forum for industrial enterprises on ESG areas, including the use and handling of hazardous substances, production, safety and the environment, energy generation and use, and social responsibility. We also work with the Industrial Estate Authority of Thailand (IEAT). IEAT awarded our Thailand facility a Green Star-White Flag Award in recognition of our environmental management, transparency, and good governance. In India, we are members of the Safe Earth Team, an NGO which organizes events like beach cleaning, water conservation, and nature awareness.				

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<b>Stakeholder Engagement</b>					
<b>2-29</b> Approach to stakeholder engagement	Our Board and management team engage on a year-round basis with a range of stakeholders, including not only our Share Owners, but also our workforce, our vendors, our customers, and our communities. Our engagement program includes maintaining formal global councils, employee resource groups, and task forces within our Company on subject matters including human resources and employee engagement; safety, environmental, and facilities (SEF); enterprise information security and cybersecurity; materials management; supplier quality; quality systems; digital processes; community engagement/outreach; and business planning. Each of our councils and task forces holds regular meetings either monthly or quarterly throughout the year, and additionally as warranted, to collaborate and engage with their own internal and external stakeholders. They each report back to our executive team and our Board. Our global councils, employee resource groups, and task forces provide us a system to consult and engage with our internal and external stakeholders formally and to offer them ongoing opportunities to provide feedback in support of our sustainable growth. We have increased our focus on sustainability in many different ways, big and small. We are publishing disclosures that comply with the Global Reporting Initiative (GRI), Sustainability Accounting Standards Board (SASB) and the Task Force on Climate-Related Financial Disclosures (TCFD) frameworks and highlighting our alignment with the UN Sustainable Development Goals and the UN Global Compact. We joined the Responsible Minerals Initiative. We worked closely with the Indiana Partners for Pollution Prevention and the Indiana Environmental Stewardship Program. Our legal department maintains a commitment to pro bono service and participates in the Corporate Pro Bono Challenge initiative, enabling both non-lawyers and lawyers to give back to the community in a substantive and charitable way while creating opportunities for employees to work on new legal issues. All of these steps help us meet our stakeholder needs, regulatory requirements, and Diversity, Equity, Inclusion, and Belonging (DEI&B) goals; contribute to the prosperity and quality of life of our global community; and deliver long-term, sustainable profits for our Share Owners. One of our Guiding Principles is to strive to help our communities be great places to live. We live this Guiding Principle and further the goals of our Policy on Philanthropic Donations and Non-Commercial Sponsorships when we contribute and encourage our employees to contribute to our local communities.				
<b>2-30</b> Collective bargaining agreements	Our U.S. operations are not subject to collective bargaining arrangements. Certain foreign operations are subject to collective bargaining arrangements, many mandated by government regulation or customs of the particular countries. We believe that our employee relations are good. We require that all employment, whether with Kimball Electronics or with our suppliers, complies with applicable laws, regulations, and prevailing labor relations and employment practices, including those concerning hours, compensation, overtime payments, opportunity, and working conditions. Work weeks cannot exceed the maximum set by local law, and workers shall be allowed at least one day off every seven days. We work to ensure that all employees at Kimball Electronics and throughout our supply chain receive a living wage under humane conditions, meaning workers earn enough to provide food, housing, acceptable living conditions, and basic needs for themselves and their dependents, regardless of the country where they work. Kimball Electronics is committed to employment security and to avoiding or minimizing compulsory redundancies. Where these are unavoidable, our employees benefit from special protections against redundancy under collective agreements and our promotion of responsible redundancy procedures that mitigate the consequences for affected employees, particularly when no other legal or collective frameworks provide such protections and procedures. For example, in the United States, all full-time employees with one or more years of full-time service with us who are made redundant are eligible for our employee severance plan and receive one week of pay and one week of medical insurance allowance (COBRA) for each year of service with us, with a minimum of 2 weeks. Within the framework of law, regulations, and prevailing labor relations and employment practices, we respect each employee's right to make an informed decision, free of coercion, about membership in associations and/or labor unions. Where employees are represented by a legally recognized labor union or other employee organization, we establish a constructive dialogue and engage in negotiations or consultation as required with their freely chosen representatives. We provide written documentation to our employees about their wages and terms and conditions of employment, and we do so wherever possible in their native languages.		8	3	
<b>Customers</b>					
<b>Responsible Sourcing</b>					
<b>GRI 414:</b> Supplier Social Assessment 2016 <b>GRI 408:</b> Child Labor 2016 <b>GRI 308:</b> Supplier Environmental Assessment 2016 <b>GRI 301:</b> Materials 2016					
<b>3-3</b> Management of material topics	<a href="#">Responsible Sourcing and Hazardous Substances</a>				
<b>414-1</b> New suppliers that were screened using social criteria	All suppliers are included in our annual Conflict Minerals campaign. During our 2023 campaign, screening was conducted for 88.74% of our CY2022 direct materials spend.		5, 8, 16		

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<b>Responsible Sourcing</b>					
	<p><b>GRI 414:</b> Supplier Social Assessment 2016</p> <p><b>GRI 408:</b> Child Labor 2016</p> <p><b>GRI 308:</b> Supplier Environmental Assessment 2016</p> <p><b>GRI 301:</b> Materials 2016</p>				
<b>414-2</b>	<p>Negative social impacts in the supply chain and actions taken</p> <p><b>408-1</b> Operations and suppliers at significant risk for incidents of child labor</p> <p><b>308-1</b> New suppliers that were screened using environmental criteria</p> <p><b>308-2</b> Negative environmental impacts in the supply chain and actions taken</p>	<p>We align our supply chain policies to the Responsible Business Alliance's Code of Conduct social, environmental, and ethical industry standards and adhere to Responsible Minerals Initiative's (RMI) Responsible Minerals Assurance Process (RMAP) to cultivate transparent mineral supply chains and sustainable corporate engagement in the mineral sector with a view to prevent the extraction, processing and trade of minerals from becoming a source of conflict, human rights abuses, and insecurity. Raw materials utilized in the manufacture of contract electronic products are generally readily available from both domestic and foreign sources, although from time to time the industry experiences shortages of certain components due to supply and demand forces, combined with rapid product life cycles of certain components. In addition, unforeseen events such as natural disasters and global events, like pandemics, can and have disrupted portions of the supply chain. We believe that maintaining close communication with suppliers helps minimize potential disruption in our supply chain. We take various actions to attempt to mitigate the risk and minimize the impact to our customers, as well as the adverse effect component shortages, component allocations, or shipping delays could have on our results. Through contractual pricing arrangements and negotiations with our customers, we attempt to mitigate the adverse effect that cost increases could have on our results. Raw materials are normally acquired for specific customer orders and may or may not be interchangeable among products. Inherent risks associated with rapid technological changes within this contract industry are mitigated by procuring raw materials, for the most part, based on firm orders. In certain instances, such as when lead times dictate, we enter into contractual agreements for material in excess of the levels required to fulfill customer orders. In turn, material authorization agreements with customers cover a portion of the exposure for material which is purchased prior to having a firm order. We may also purchase additional inventory to support new product introductions, transfers of production between manufacturing facilities, and to mitigate the potential impact from component shortages.</p> <p>We also assess our suppliers according to their impact on water security. As reported in our 2023 CDP Water Security disclosure, 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. For our 2023 CDP Climate Change disclosure, we calculated that 150 of our suppliers have a substantive impact by identifying which conduct such business activities and with whom we spent a material amount in 2023. 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, our Supplier Code of Conduct, 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).</p> <p>In the Conflict Minerals Report that we filed in May 2023 pursuant to Rule 13p-1 and Form SD of the Securities Exchange Act of 1934, we surveyed approximately 1,992 direct suppliers of components who potentially contributed "Necessary Conflict Minerals" as defined in our Conflict Minerals Report, representing 100% of our direct suppliers relevant for Conflict Minerals inquiry. We requested that each of them complete the Responsible Minerals Initiative's CMRT. We used the CMRT responses to collect information regarding the sources of the Necessary Conflict Minerals in the products they supplied to us, including the processing smelters and refiners ("SORs") and countries and mines of origin of such Conflict Minerals from our direct suppliers and in their supply chains. To the extent possible, we followed up with direct suppliers who did not respond to our survey or who provided incomplete or inconsistent information. For example, we followed up with suppliers surveyed to collect or correct missing and inconsistent information, implausible statements regarding the presence of Conflict Minerals, responses that did not identify SORs, and where the reported sourcing country is not a known reserve for the specified Conflict Mineral. We compared the smelter information provided by our direct suppliers in our supply chain surveys to multiple sources including the CMRT's Smelter Reference List and the Conformant and Active Smelter &amp; Refiner Lists from RMI. We followed up with direct suppliers who indicate high risk smelters in their supply chain via their CMRT as appropriate to request additional data analysis and verification.</p> <p>If a supplier did not provide the information requested, we initiated an escalation process. The escalation process included contacting alternate persons at the supplier, enlisting help from our manufacturing locations engaged with the supplier, obtaining assistance from our global sourcing team, and working with our customers to contact the suppliers. We have taken or are taking the following steps, among others, to mitigate the risk that our Necessary Conflict Minerals benefit Armed Groups (as defined in our Conflict Minerals Report) and to improve the results of our due diligence measures:</p> <ul style="list-style-type: none"> <li>• We communicate our Responsible Sourcing Policy to our customers and suppliers along with our expectations under that Policy</li> <li>• We improve the efficiency and quality of our supplier onboarding, outreach, and education</li> <li>• We engage with suppliers to obtain updated, accurate, and complete information about our supply chain</li> <li>• We actively support industry initiatives to encourage smelters and refiners to participate in audits of their Conflict Minerals due diligence activities</li> <li>• We send requests when appropriate to certain high risk smelters to provide Country of Origin information</li> <li>• We reconsider our partnerships with suppliers who do not comply with our Responsible Sourcing Policy</li> <li>• We cooperate with industry groups seeking to identify best practices for a good faith RCOI and related due diligence</li> <li>• We encourage suppliers to implement responsible sourcing and effective traceability measures</li> </ul>	440a.1 320a.2 320a.3	5, 8, 16	5

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<b>301-1</b> Materials used by weight or volume <b>301-2</b> Recycled input materials used	Information unavailable/incomplete - this information is not yet tracked. We will work to standardize a global data collection process so that we can report this information in future years.		8, 12	7, 8																															
<b>Greenhouse Gas Emissions</b>																																			
<b>GRI 305: Emissions 2016 - GHG</b>																																			
<b>3-3</b> Management of material topics	<a href="#">Greenhouse Gas Emissions Management</a>																																		
<b>305-1</b> Direct (Scope 1) GHG emissions <b>305-2</b> Energy indirect (Scope 2) GHG emissions <b>305-4</b> GHG emissions intensity <b>305-5</b> Reduction of GHG emissions	<table border="1"> <thead> <tr> <th>Scope 1+2 mt CO<sub>2</sub>e</th> <th>Base Year</th> <th>2020</th> <th>2021</th> <th>2022</th> <th>2023</th> </tr> </thead> <tbody> <tr> <td>Scope 1</td> <td>1,509</td> <td>1,459</td> <td>1,395</td> <td>1,502</td> <td>2,010</td> </tr> <tr> <td>Scope 2 Location-based</td> <td>50,814</td> <td>48,667</td> <td>41,343</td> <td>42,993</td> <td>52,391</td> </tr> <tr> <td>Scope 2 Market-based</td> <td>50,814</td> <td>48,667</td> <td>41,343</td> <td>42,993</td> <td>31,293</td> </tr> <tr> <td>Scope 1+2 Intensity (per thousand USD)</td> <td>0.043</td> <td>0.042</td> <td>0.036</td> <td>0.029</td> <td>0.018</td> </tr> </tbody> </table> <p>We have restated total Scope 1 emissions from reporting periods 2019 through 2022 after correcting a natural gas conversion factor, resulting in an average increase of total Scope 1 emissions by 26% and total Scope 1+2 emissions by 0.7%.</p> <p>Greenhouse gases included in our measurements are CO<sub>2</sub>, CH<sub>4</sub>, N<sub>2</sub>O, HFCs. We do not consume any biogenic fuels. We selected 2019 as our baseline year because we first collected and published this information in our inaugural ESG report for reporting period 2019. The consolidation approach for emissions is operational control and applied emission factors and global warming potential rates are all in accordance with the GHG Protocol. Calendar year sales in \$1,000 USD are the denominator chosen to calculate the intensity ratio.</p>	Scope 1+2 mt CO <sub>2</sub> e	Base Year	2020	2021	2022	2023	Scope 1	1,509	1,459	1,395	1,502	2,010	Scope 2 Location-based	50,814	48,667	41,343	42,993	52,391	Scope 2 Market-based	50,814	48,667	41,343	42,993	31,293	Scope 1+2 Intensity (per thousand USD)	0.043	0.042	0.036	0.029	0.018		3, 12, 14, 15	7, 8, 9	
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<b>305-3</b> Other indirect (Scope 3) GHG emissions	<table border="1"> <thead> <tr> <th>Scope 3 Category</th> <th>1</th> <th>2</th> <th>3</th> <th>4</th> <th>5</th> <th>6</th> <th>7</th> <th>Total</th> </tr> </thead> <tbody> <tr> <td>Mt CO<sub>2</sub>e</td> <td>154,947</td> <td>8,168</td> <td>5,537</td> <td>19,027</td> <td>1,465</td> <td>2,237</td> <td>5,845</td> <td>197,227</td> </tr> </tbody> </table> <p>All greenhouse gases are included in these Scope 3 measurements screened in accordance with the GHG Protocol for Categories 1-7. Categories 9-12 are applicable but excluded per GHG Protocol guidance on intermediate products and Categories 8 and 13-15 are inapplicable.</p>	Scope 3 Category	1	2	3	4	5	6	7	Total	Mt CO <sub>2</sub> e	154,947	8,168	5,537	19,027	1,465	2,237	5,845	197,227		3, 12, 14, 15	7, 8													
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<b>Customer Privacy</b>					
<b>GRI 418: Customer Privacy 2016</b>					
<b>3-3</b> Management of material topics	<a href="#">Cybersecurity, Data Protection, and Privacy</a>				
<b>418-1</b> Substantiated complaints concerning breaches of customer privacy and losses of customer data	In 2023, Kimball Electronics identified no substantiated complaints regarding breaches of consumer privacy, nor did we identify any leaks, thefts, or losses of customer data.		16		
<b>People</b>					
<b>Diversity and Equal Opportunity</b>					
<b>GRI 405: Diversity and Equal Opportunity 2016</b>					
<b>3-3</b> Management of material topics	<a href="#">Diversity, Equity, Inclusion, and Belonging</a>				



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<b>People</b>														
<b>Diversity and Equal Opportunity</b>														
<b>GRI 405: Diversity and Equal Opportunity 2016</b>														
<b>405-1</b> Diversity of governance bodies and employees		<b>Under 30</b>		<b>30-49</b>		<b>50+</b>		<b>Total</b>			5			
		<b>Female</b>	<b>Male</b>	<b>Female</b>	<b>Male</b>	<b>Female</b>	<b>Male</b>	<b>Female</b>	<b>Male</b>					
	Board of Directors					38%	62%	38%	62%					
	Senior Management	0%	100%	30%	70%	20%	80%	29%	71%					
	Middle Management	39%	61%	35%	65%	28%	72%	34%	66%					
	Non-management	46%	54%	58%	42%	59%	41%	54%	46%					
	<b>Ancestry and ethnic origin - United States Workers</b>													
	White (Not Hispanic or Latino)	78.12%												
	Hispanic or Latino	10.71%												
	Black or African American (Not Hispanic or Latino)	5.59%												
Asian (Not Hispanic or Latino)	4.11%													
Two or More Races (Not Hispanic or Latino)	1.24%													
American Indian or Alaska Native (Not Hispanic or Latino)	0.16%													
Native Hawaiian or Other Pacific Islander (Not Hispanic or Latino)	0.08%													
<b>Reported Diversity</b>	<b>21.50%</b>													
<b>405-2</b> Ratio of basic salary and remuneration of women to men	Information unavailable/incomplete—this information is not yet available for disclosure. We promote and apply principles of economic inclusion for our employees, customers, and the suppliers we select, including the principle of equal pay for work of equal value, in all countries where we operate. We are exploring how to enhance our reporting capabilities on a more granular level. We will assess our ability to include this detail in future reporting.										5, 10			

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<b>People</b>					
<b>Occupational Health and Safety</b>					
<b>GRI 403: Occupational Health and Safety 2018</b>					
<b>3-3</b> Management of material topics	<a href="#">Occupational Health and Safety</a>				
<b>403-1</b> Occupational health and safety management system <b>403-8</b> Workers covered by an occupational health and safety management system	We have implemented an occupational health and safety management system across our global operations. Our Safety, Environmental, and Facilities (SEF) Policy is in effect at all locations and meets applicable compliance requirements of the jurisdictions where we operate, such as the Occupational Safety and Health 1910 standards in the United States. Our implemented management system is based on the recognized risk management and management system standards/guidelines of the ISO 45001 standard. All workers supervised by Kimball Electronics are included in our management system's scope of coverage. No work stoppages were experienced at any Kimball Electronics location during the reporting period.	310a.1	8		
<b>403-2</b> Hazard identification, risk assessment, and incident investigation	<p>To identify work-related hazards and assess risks on a routine and non-routine basis, we adhere to the ISO 45001 standard for hazard identification and assessment of risks and opportunities. We have established, implemented, and maintained an ISO 45001-adherent processes for the elimination of hazards and reduction of occupational health and safety risks using the following hierarchy of controls:</p> <ul style="list-style-type: none"> <li>a) eliminate the hazard</li> <li>b) substitute with less hazardous processes, operations, materials or equipment</li> <li>c) use engineering controls and reorganization of work</li> <li>d) use administrative controls, including training</li> <li>e) use adequate personal protective equipment or controls in order to eliminate hazards and minimize risks</li> </ul> <p>To ensure the quality of these processes, we adhere to ISO 45001's performance evaluation requirements for monitoring, measuring, and analysis. To ensure the competency of persons who carry out these processes, we adhere to ISO 45001's competence requirements. The results of these processes are used to evaluate and continually improve the occupational health and safety management system.</p> <p>Our Code of Conduct includes the processes for workers to report work-related hazards and hazardous situations. It is the responsibility of all employees to report any on-the-job injury, safety incident, or illness, no matter how minor, to the location Safety Manager or local HR, so that appropriate incident reports can be completed and any safety hazard can be corrected. Additionally, if employees at Kimball Electronics, other persons within our supply chain, or among our stakeholders have any questions or wish to report matters or potential violations, they may notify (a) any Kimball Electronics supervisor or manager with whom they feel comfortable discussing the problem, (b) Kimball Electronics' Human Resources team or Chief Compliance Officer, or (c) Kimball Electronics' anonymous, confidential, third-party hotline reporting system. Reporting persons can access the hotline worldwide, 24 hours a day, 7 days a week via e-mail, the Internet, or telephone in a language of their choice. We publicize this stakeholder hotline in this Policy, our public Code of Conduct, and our communications, both to employees and to the public, including workers and other stakeholders in our supply chain. Our CEO, Chief Compliance Officer, and Vice President, Human Resources provide executive oversight for our human rights and anti-bribery/anti-corruption programs. Our Code clarifies that all reports will be promptly investigated and there will be no retaliation for making a report or cooperating with an investigation.</p> <p>Workers are expected to remove themselves from work situations that they believe could cause injury or ill health in line with our ISO 45001 emergency response procedures.</p> <p>Our processes used to investigate work-related incidents, including the processes to identify hazards and assess risks relating to the incidents, to determine corrective actions using the hierarchy of controls, and to ensure improvements needed in the occupational health and safety management system adhere to ISO 45001 requirements.</p>		8		
<b>403-3</b> Occupational health services	Each location partners with a medical facility staffed with competent individuals with recognized qualifications and accreditations during working hours. Information about these services is provided to all workers in their language easily understood by workers. Each location tracks injury-related visits to these facilities.		8		

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<b>Occupational Health and Safety</b>																							
<b>GRI 403: Occupational Health and Safety 2018</b>																							
<b>403-4</b> Worker participation, consultation, and communication on occupational health and safety	Kimball Electronics consults with and allows participation of all our employees in our Occupational Health and Safety Program. Communication occurs from day one in the new employee orientation, to daily tool box talks, monthly communication meetings, and annual refreshers. Our various safety teams are comprised of employees from across the entire location, each meeting at varying frequencies during the month and year. In addition, Kimball Electronics has created a global Safety, Environmental, and Facilities (SEF) Council comprised of workers from each of our facilities that meet monthly and reports directly to our Chief Compliance Officer. Our Chief Compliance Officer, who reports to our CEO, and SEF Council are heavily involved in the development of workplace health and safety management.		8, 16																				
<b>403-5</b> Worker training on occupational health and safety	Training around safety for all employees include New Employee Orientation, Hazardous Communication (HazCom), Fire Drill Evacuation, Code Orange/Intruder, Severe Weather, PPE, and Job Safety Procedures. Some examples of job specific safety training include Lockout/Tagout, Electrical Safety, Forklift, Electric Walker Lift, Confined Space, Fall Protection, Emergency Response Team, first-aid/CPR/AED, and Hot Work.		8																				
<b>403-6</b> Promotion of worker health	<p>We understand that our employees' well-being is multi-faceted, so Kimball Electronics provides a portfolio of benefits that addresses the different physical, mental and emotional, and financial health needs of our diverse domestic and global workforce and their families. Benefit programs are deemed culturally appropriate and cost-efficient in markets in which we operate and are designed to:</p> <ul style="list-style-type: none"> <li>• Enhance well-being, work-life integration, and personal development</li> <li>• Protect employees and their families from financial hardship as a result of illness, disability, or death</li> <li>• Promote the company's culture of performance excellence and personal accountability</li> </ul> <p>Employee benefit programs are organized and managed in a manner that reflects the principles of regulatory compliance, sound financial management, availability of globally consistent opportunities and shared responsibility to safeguard our commitment to:</p> <ul style="list-style-type: none"> <li>• Deliver a core set of benefits at a competitive cost that supports all facets of the health and well-being of our employees and their dependents</li> <li>• Offer meaningful opportunities to enhance the basic benefit package so that employees can address their particular benefits needs and/or plan for their future financial well-being</li> <li>• Purchase benefits coverage via local cost-efficient and tax-preferred benefit structures that support our growth objectives in our specific locations</li> <li>• Share the costs of the overall benefits package through a combination of co-payments and deductibles that promote cost-containment and consumerism</li> <li>• Provide benefits information, resources, and counseling to our employees to enable them to actively educate themselves on their available benefits and facilitate the making of informed benefit choices relative to their individual situation</li> </ul>		3																				
<b>403-9</b> Work-related injuries <b>403-10</b> Work-related ill health	<table border="1"> <thead> <tr> <th>GRI 403-9</th> <th>Number</th> <th>Rate</th> </tr> </thead> <tbody> <tr> <td>Fatalities</td> <td>0</td> <td>0</td> </tr> <tr> <td>High-consequence work-related injuries</td> <td>1</td> <td>0.01</td> </tr> <tr> <td>Recordable work-related injuries</td> <td>17</td> <td>0.19</td> </tr> <tr> <td>Near miss frequency rate</td> <td>52</td> <td>0.59</td> </tr> <tr> <td>Hours worked</td> <td>17,615,202</td> <td>--</td> </tr> </tbody> </table> <p>The main types of work-related injury are slips, lacerations, sprains, and strains. We work to educate workers on these risks continuously, through our SEF Council, our global SEF teams, and within each department in our facilities. We identify work-related hazards that pose a risk of high-consequence injury through the design and implementation of our hazard identification process, which includes completion of a Job Hazard Analysis and developing a Risk Matrix. During the reporting period, a pinch point hazard caused or contributed to a high-consequence hand injury. To minimize the risk of this hazard, we engineered and installed tooling guarding, conducted additional employee training, and shared and discussed learnings with all SEF teams globally.</p> <p>Recordable incident rates are defined as the number of work-related injuries or illnesses serious enough to require treatment beyond first-aid. All rates are per 200,000 hours worked. Our case rates include all of our operations, employees, and other workers whose work and/or workplace we control. No workers are excluded from this disclosure.</p>	GRI 403-9	Number	Rate	Fatalities	0	0	High-consequence work-related injuries	1	0.01	Recordable work-related injuries	17	0.19	Near miss frequency rate	52	0.59	Hours worked	17,615,202	--	320.a 1	3, 8, 16		
GRI 403-9	Number	Rate																					
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<b>People</b>												
<b>Employee Benefits, Development, and Retention</b>												
<b>GRI 404: Training and Education 2016</b>												
<b>GRI 401: Employment 2016</b>												
<b>3-3</b> Management of material topics	<a href="#">Employee Benefits, Development, and Retention</a>											
<b>404-1</b> Average hours of training per year per employee	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 50%;">Employee Training</th> <th style="width: 25%;">Female</th> <th style="width: 25%;">Male</th> </tr> </thead> <tbody> <tr> <td></td> <td style="text-align: center;">1.4 hours</td> <td style="text-align: center;">1.4 hours</td> </tr> </tbody> </table>				Employee Training	Female	Male		1.4 hours	1.4 hours	4, 8, 10	
Employee Training	Female	Male										
	1.4 hours	1.4 hours										
	<p>We offer annual training in three broad categories:</p> <ul style="list-style-type: none"> <li>Job-Specific Training that covers specific job responsibilities and technical expertise that supports our “safety-first” culture</li> <li>Occupational Health &amp; Safety Training that covers safe and healthy work environments, the reduction of workplace accidents, and how to report matters of concern to Kimball Electronics</li> <li>Core Training that covers the core subjects of human rights, anti-corruption/anti-bribery, business ethics and essentials, information security, diversity and unconscious bias, equal employment opportunity, nondiscrimination, and harassment</li> </ul> <p>Our global workforce receives annual training in:</p> <ul style="list-style-type: none"> <li>Cybersecurity/Information Security</li> <li>Code of Conduct</li> <li>Diversity and Inclusion</li> <li>Ethics and Compliance Essentials</li> <li>Unconscious Bias</li> </ul> <p>Based on their specific role, members of our workforce also receive additional annual training in the following topics:</p> <ul style="list-style-type: none"> <li>Preventing Discrimination and Harassment for Managers</li> <li>Anti-Corruption/Anti-Bribery</li> <li>U.S. Health Insurance Portability and Accountability Act (HIPAA)</li> <li>Conflicts of Interest</li> <li>Responsible Sourcing/Conflict Minerals</li> </ul> <p>The average hours of training per year disclosed above includes Core Training only. We are exploring how to enhance our reporting capabilities on a more granular level to include Job-Specific Training and Occupational Health &amp; Safety Training. We will assess our ability to include this additional detail in future reporting.</p>											
<b>404-2</b> Programs for upgrading employee skills and transition assistance programs	<p>To upgrade employee skills, we’ve embarked on our Leading, The Kimball Way Leadership development journey for current leaders and high potential employees within the organization, and we provide training to all employees for skill development. Cybersecurity training is also provided.</p> <p>We have severance plans that cover all of our U.S.-based employees, including an executive severance plan for covered executives. Please see our <a href="#">2023 Proxy Statement</a> in the Employment Agreements with NEOs and Potential Payments Upon Termination or Change-In-Control section, pages 72-74, and the tables within that section for more information about our executive severance plans. Outside the U.S., transition assistance plans vary and are typically prescribed by law. We have existing relationships with outplacement firms and have offered that assistance as appropriate beyond severance/transition plans themselves.</p>					8						
<b>404-3</b> Percentage of employees receiving regular performance and career development reviews	<p>Our target, as part of our talent strategy, is to have a formal performance or career development discussion with each employee annually, in addition to informal discussions that we encourage all managers to have with employees throughout the year. More than 80% of our employees currently receive formal performance or career development discussions annually.</p>					5, 10						

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<b>Employee Benefits, Development, and Retention</b>											
<b>GRI 404: Training and Education 2016</b>											
<b>GRI 401: Employment 2016</b>											
<b>401-1</b> New employee hires and employee turnover	<b>New Employee Hires</b>	<b>50+</b>		<b>30-49</b>		<b>Under 30</b>		<b>All Ages Total</b>	5, 8, 10		
		<b>Female</b>	<b>Male</b>	<b>Female</b>	<b>Male</b>	<b>Female</b>	<b>Male</b>				
	United States	39	43	65	73	62	77	359			
	<i>Rate</i>	12%	15%	35%	28%	6%	51%	28%			
	International	42	45	293	259	339	424	1,402			
	<i>Rate</i>	12%	15%	15%	16%	38%	41%	23%			
	<b>Total</b>	<b>81</b>	<b>88</b>	<b>358</b>	<b>332</b>	<b>401</b>	<b>501</b>	<b>1,761</b>			
	<b>Employee Turnover</b>	<b>50+</b>		<b>30-49</b>		<b>Under 30</b>		<b>All Ages Total</b>			
		<b>Female</b>	<b>Male</b>	<b>Female</b>	<b>Male</b>	<b>Female</b>	<b>Male</b>				
	United States	63	57	48	60	53	60	341			
<i>Rate</i>	20%	19%	26%	23%	63%	40%	26%				
International	40	52	285	275	319	464	1,435				
<i>Rate</i>	11%	17%	14%	17%	36%	44%	23%				
<b>Total</b>	<b>103</b>	<b>109</b>	<b>333</b>	<b>335</b>	<b>372</b>	<b>524</b>	<b>1,776</b>				
<b>401-2</b> Benefits provided to full-time employees that are not provided to temporary or part-time employees	<p>We value the well-being of all our workers, regardless of their full-time, part-time, or temporary status. We work to ensure our global benefit offerings are progressive and remain relevant and competitive in the local market so that we remain an employer of choice. We also designed benefit offerings to build on the social benefits provided in each country and, as a result, our benefit programs vary by country. All full-time and part-time employees globally are eligible for health care; disability and invalidity coverage; parental leave; and retirement provisions, each either provided by the Company or by law. Because Kimball Electronics is a publicly traded company, all full-time and part-time employees globally can purchase our stock. In the United States, we provide a 401(k) retirement plan to all full-time and part-time employees that includes a Company stock fund option and a Company match; life insurance; short-term and long-term disability insurance; accidental death insurance; health savings accounts; and dependent care flexible savings accounts.</p> <p>In addition to parental leave for full-time and part-time employees in the United States, we also offer paid parental leave to full-time employees in the United States who have worked for us for at least six months. Information about life insurance and other benefits available to our employees outside the United States is unavailable/incomplete. We will work to standardize a global data collection process so that we can report this information in future years.</p>							3, 5, 8			
<b>401-3</b> Parental leave			<b>United States</b>		<b>International</b>				5, 8		
			<b>Female</b>	<b>Male</b>	<b>Female</b>	<b>Male</b>					
a. Total number of employees that were entitled to parental leave, by gender.			538	629	3,268	2,697					
b. Total number of employees that took parental leave, by gender.			5	7	Information unavailable/incomplete						
c. Total number of employees that returned to work, in the reporting period after parental leave ended, by gender.			5	7							
d. Total number of employees that returned to work after parental leave ended that were still employed 12 months after their return to work, by gender.			100%	100%							
e. Return to work and retention rates of employees that took parental leave, by gender.			100%	100%							

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<b>Waste Management</b>																																																																							
<b>GRI 306: Waste 2020</b>																																																																							
<b>3-3</b> Management of material topics	<a href="#">Waste Management</a>				M a, c.																																																																		
<b>306-1</b> Waste generation and significant waste-related impacts	Through our contract electronic and diversified manufacturing services, we generate primarily non-hazardous packaging and other mixed recyclable and recyclable electronics waste, general plant trash, and small amounts of hazardous waste. Because the products we manufacture are components of our customers' products, products are not returned to or otherwise recovered by us at end of life.	TC-ES-410a.1	3, 6, 11, 12																																																																				
<b>306-2</b> Management of significant waste-related impacts	Prior to entering a Kimball Electronics facility, all input materials go through an initial waste determination and are then classified as a Recyclable material, a Non-Hazardous Industrial Waste or Hazardous waste. After source reduction efforts have been exhausted and waste still exists from our operations, we work with approved vendors to responsibly manage such waste. Every vendor is internally audited by each of our locations' SEF departments to ensure proper management of our waste and that the vendors follow all applicable contractual and/or legal obligations. All waste data in this Report are provided by the waste vendors or weighed at our facilities. Because we do not make our own products—we are the manufacturing/production service provider for our customers—we do not recover products, components, or materials from waste and no products are returned to us at end of life.		3, 6, 11, 12																																																																				
<b>306-3</b> Waste generated	<table border="1"> <thead> <tr> <th><b>Waste Management (metric tons)</b></th> <th><b>2019</b></th> <th><b>2020</b></th> <th><b>2021</b></th> <th><b>2022</b></th> <th><b>2023</b></th> </tr> </thead> <tbody> <tr> <td><b>Total Waste</b></td> <td><b>5,315</b></td> <td><b>4,901</b></td> <td><b>5,014</b></td> <td><b>4,949</b></td> <td><b>4,433</b></td> </tr> <tr> <td>Total Non-Hazardous Waste</td> <td>5,236</td> <td>4,849</td> <td>4,971</td> <td>4,867</td> <td>4,252</td> </tr> <tr> <td><i>Non-Hazardous Waste Intensity (per mil. USD)</i></td> <td>4.26</td> <td>4.07</td> <td>4.18</td> <td>3.18</td> <td>2.31</td> </tr> <tr> <td>Non-Hazardous Recycling</td> <td>4,712</td> <td>4,414</td> <td>4,579</td> <td>4,479</td> <td>3,822</td> </tr> <tr> <td>Non-Hazardous Energy Recovery Incineration</td> <td>192</td> <td>122</td> <td>68</td> <td>47</td> <td>51</td> </tr> <tr> <td>Non-Hazardous Incineration w/o Energy Recovery</td> <td>244</td> <td>235</td> <td>236</td> <td>274</td> <td>309</td> </tr> <tr> <td>Non-Hazardous Landfill</td> <td>88</td> <td>78</td> <td>88</td> <td>67</td> <td>71</td> </tr> <tr> <td><b>Total Hazardous Waste</b></td> <td><b>79</b></td> <td><b>52</b></td> <td><b>43</b></td> <td><b>82</b></td> <td><b>181</b></td> </tr> <tr> <td><b>Hazardous Waste Intensity (per mil. USD)</b></td> <td><b>0.0642</b></td> <td><b>0.0437</b></td> <td><b>0.0361</b></td> <td><b>0.0536</b></td> <td><b>0.0985</b></td> </tr> <tr> <td><b>Hazardous Waste Energy Recovery Incineration</b></td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td><b>65</b></td> </tr> </tbody> </table> <p>All waste data numbers are for onsite operational waste only and are received from the waste vendors or weighed at our facilities. Calendar year sales in million USDs are the denominator chosen to calculate the non-hazardous and hazardous waste intensity ratios.</p>	<b>Waste Management (metric tons)</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>Total Waste</b>	<b>5,315</b>	<b>4,901</b>	<b>5,014</b>	<b>4,949</b>	<b>4,433</b>	Total Non-Hazardous Waste	5,236	4,849	4,971	4,867	4,252	<i>Non-Hazardous Waste Intensity (per mil. USD)</i>	4.26	4.07	4.18	3.18	2.31	Non-Hazardous Recycling	4,712	4,414	4,579	4,479	3,822	Non-Hazardous Energy Recovery Incineration	192	122	68	47	51	Non-Hazardous Incineration w/o Energy Recovery	244	235	236	274	309	Non-Hazardous Landfill	88	78	88	67	71	<b>Total Hazardous Waste</b>	<b>79</b>	<b>52</b>	<b>43</b>	<b>82</b>	<b>181</b>	<b>Hazardous Waste Intensity (per mil. USD)</b>	<b>0.0642</b>	<b>0.0437</b>	<b>0.0361</b>	<b>0.0536</b>	<b>0.0985</b>	<b>Hazardous Waste Energy Recovery Incineration</b>	-	-	-	-	<b>65</b>	TC-ES-150a.1	3, 6, 11, 12, 15		
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<b>Hazardous Waste Energy Recovery Incineration</b>	-	-	-	-	<b>65</b>																																																																		
<b>306-4</b> Waste diverted from disposal																																																																							
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<b>303-1</b> Interactions with water as a shared resource <b>303-2</b> Management of water discharge-related impacts <b>303-3</b> Water withdrawal <b>303-4</b> Water discharge <b>303-5</b> Water consumption	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th colspan="2" style="text-align: right;"><b>Megaliters</b></th> </tr> </thead> <tbody> <tr> <td><b>Total water withdrawal from all areas in megaliters, and a breakdown of this total by the following sources:</b></td> <td style="text-align: right;"><b>151.88</b></td> </tr> <tr> <td>Freshwater (≤1,000 mg/L Total Dissolved Solids);</td> <td style="text-align: right;">151.88</td> </tr> <tr> <td>Groundwater;</td> <td style="text-align: right;">4.4</td> </tr> <tr> <td>Third-party water.</td> <td style="text-align: right;">147.48</td> </tr> <tr> <td><b>Total water withdrawal from all areas with water stress in megaliters, and a breakdown of this total by the following sources:</b></td> <td style="text-align: right;"><b>27.56 ML (.04 GES China, 20.04 KEMX-1, 7.48 KEMX-2)</b></td> </tr> <tr> <td>Third-party water, and a breakdown of this total by the withdrawal sources;</td> <td style="text-align: right;">27.56</td> </tr> <tr> <td>Any contextual information necessary to understand how the data have been compiled, such as any standards, methodologies, and assumptions used.</td> <td style="text-align: right;">Water withdrawal data is obtained either directly from the 3rd party water vendors or usage determined based on in-line metering at our facilities.</td> </tr> <tr> <td><b>Total water discharge to all areas in megaliters, and a breakdown of this total by the following types of destination, if applicable:</b></td> <td style="text-align: right;"><b>110.89</b></td> </tr> <tr> <td>Surface water;</td> <td style="text-align: right;">4.7</td> </tr> <tr> <td>Third-party water;</td> <td style="text-align: right;">106.19</td> </tr> <tr> <td>Freshwater (≤1,000 mg/L Total Dissolved Solids);</td> <td style="text-align: right;">110.89</td> </tr> <tr> <td><b>Total water discharge to all areas with water stress in megaliters, and a breakdown of this total by the following categories:</b></td> <td style="text-align: right;"><b>23.53</b></td> </tr> <tr> <td>Freshwater (≤1,000 mg/L Total Dissolved Solids);</td> <td style="text-align: right;">23.53</td> </tr> <tr> <td>Priority substances of concern for which discharges are treated;</td> <td style="text-align: right;">None</td> </tr> <tr> <td>Any contextual information necessary to understand how the data have been compiled, such as any standards, methodologies, and assumptions used.</td> <td style="text-align: right;">Water Discharge data is obtained through direct metering on-site.</td> </tr> <tr> <td><b>Total water consumption from all areas in megaliters.</b></td> <td style="text-align: right;"><b>40.99</b></td> </tr> <tr> <td><b>Total water consumption from all areas with water stress in megaliters.</b></td> <td style="text-align: right;"><b>4.03</b></td> </tr> <tr> <td><b>Total water recycled</b></td> <td style="text-align: right;"><b>5.04</b></td> </tr> <tr> <td><b>Any contextual information necessary to understand how the data have been compiled, such as any standards, methodologies, and assumptions used, including whether the information is calculated, estimated, modeled, or sourced from direct measurements, and the approach taken for this, such as the use of any sector-specific factors.</b></td> <td style="text-align: right;"><b>Recycled water is subtracted from total consumption</b></td> </tr> </tbody> </table>		<b>Megaliters</b>		<b>Total water withdrawal from all areas in megaliters, and a breakdown of this total by the following sources:</b>	<b>151.88</b>	Freshwater (≤1,000 mg/L Total Dissolved Solids);	151.88	Groundwater;	4.4	Third-party water.	147.48	<b>Total water withdrawal from all areas with water stress in megaliters, and a breakdown of this total by the following sources:</b>	<b>27.56 ML (.04 GES China, 20.04 KEMX-1, 7.48 KEMX-2)</b>	Third-party water, and a breakdown of this total by the withdrawal sources;	27.56	Any contextual information necessary to understand how the data have been compiled, such as any standards, methodologies, and assumptions used.	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<p><b>303-1</b> Interactions with water as a shared resource</p> <p><b>303-2</b> Management of water discharge-related impacts</p> <p><b>303-3</b> Water withdrawal</p> <p><b>303-4</b> Water discharge</p> <p><b>303-5</b> Water consumption</p>	<p>Our primary use for good quality freshwater in our operations is for sanitation and drinking water. Most of our freshwater is supplied by local municipalities, with the exception of our Romania facility that draws its freshwater from a well. 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 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 well-being. Our primary use for non-freshwater is irrigation and cooling, though these opportunities for non-freshwater use are limited. 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. 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.</p> <p>We apply several approaches to identify our water-related impacts. Our sites annually conduct significant environmental aspect assessments pursuant to ISO 14001 and our enterprise risk management team assess critical risks quarterly. 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. Annually, we enter all of our global facilities into the WRI Aqueduct tool and analyze the output report in the context of our global operations. We ran this analysis in June 2023 and 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 and Suzhou, China are considered areas with water stress pursuant to this indicator. We also use 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 analyze 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 calculate the number of suppliers by identifying our suppliers that conduct such business activities and with whom we spent a material amount in a reporting period.</p> <p>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.</p> <p>Suppliers, employees, agents, and subcontractors must understand and agree to follow our Code of Conduct, our Global Human Rights Policy, our Supplier Code of Conduct, 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).</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>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. 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 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 U.S. and comply 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>	140a.1	6, 7, 8, 12		



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<b>GRI 305: Emissions 2016 - Other</b>																																				
<b>3-3</b> Management of material topics	<a href="#">Chemical Safety Management</a>																																			
<b>305-7</b> Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	Volatile organic compounds (VOC): 73.01 Metric Tons Hazardous air pollutants (HAP): 6.02 Metric Tons No other standard emissions categories to report because our operations do not generally result in these categories of emissions. VOC/HAP % compositions were obtained from Safety Data Sheets or directly from the product manufacturer. General calculation method is to take material usages multiplied by appropriate emission factor.		3, 12, 14, 15	7, 8																																
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<b>3-3</b> Management of material topics	<a href="#">Energy Efficiency</a>				M a, c.																															
<b>302-1</b> Energy consumption within the organization	All energy usage data at Kimball Electronics is compiled from invoices provided by each facility's third-party energy vendor(s). Consumption reductions achieved as a direct result of conservation and efficiency initiatives are measured in kWh per our annual sales, are measured against our 2019 baseline and include all energy sources.																																			
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<b>302-1</b> Energy consumption within the organization <b>302-3</b> Energy intensity <b>302-4</b> Reduction of energy consumption	<b>Total Energy Use</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>				
	kWh	80,797,954	79,146,310	77,118,139	82,612,599	93,560,638				
	kWh/annual sales USD	0.0657	0.0665	0.0648	0.0540	0.0508				
	<b>Grid Electricity Use</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>				
	kWh	69,071,000	67,025,410	64,196,640	71,805,720	82,026,607				
	kWh/annual sales USD	0.0562	0.0563	0.0539	0.0469	0.0446				
<b>Giving</b>										
<b>GRI 201: Economic Performance 2016</b>										
<b>3-3</b> Management of material topics	<a href="#">Giving</a>									G b. S a, b. R a, b, c. M a, b, c.
<b>201-1</b> Direct economic value generated and distributed		<b>Community</b>	<b>Education &amp; Arts</b>	<b>Charitable</b>	<b>Science</b>		8, 9, 13	7		
	Hours Donated	2,287	977	57	-					
	Total Monetary Value	\$208,820	\$67,186	\$28,298	\$6,000					

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<b>GRI 201: Economic Performance 2016</b>					
<b>201-2</b> Financial implications and other risks and opportunities due to climate change	<p>If we have assessed a climate risk as having a high likelihood potential for significant chronic or acute impact on our business, and/or as highly controllable by us, we consider the risk to have potentially substantive financial/strategic impact. In these assessments, a "substantive" impact can range from zero-tolerance to qualitative thresholds, and varies on a case-by-case basis. We manage risks that we identify through our enterprise risk management process, our controls, and our corporate governance.</p> <p>Consistent with guidance published by the SEC and FASB with regard to materiality, a specific climate-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. We consider both qualitative and quantitative factors together when evaluating whether a specific climate-related risk or opportunity would have a substantive financial or strategic impact on the Company. The details of this materiality are included in our Form 10-K filings. No bright line test exists for the definition of substantive financial or strategic impacts to our business. Specific to climate-related issues, we analyze the materiality/priority of each climate-related risk using the same criteria used to assess other types of risks. For purposes of this report only, we are assuming that a substantive financial or strategic impact is any activity equal to or greater than 5% of our annual pre-tax income. This response is not meant to contradict or supersede the information in our public filings.</p> <p>We have identified inherent climate-related risks with the potential to have a substantive financial or strategic impact on our business. Among those risks are increased direct costs and decreased revenues associated with risks such as emerging regulatory risks and the increased severity and frequency, of extreme weather events such as cyclones and floods. Financial impacts can include increased operating costs associated with reporting, disclosure, environmental compliance, and management (e.g., taxes, carbon offsets, or management costs such as legal and consulting fees). We could also incur costs associated with altering our manufacturing and operations in order to comply with environmental regulations or to adapt to different environmental conditions. It is difficult to accurately quantify the financial implications. We cannot predict what environmental legislation or regulations will be enacted in the future, how existing or future laws or regulations will be administered or interpreted, or what climate impacts or environmental conditions may exist in the future. Compliance with more stringent laws or regulations, or stricter interpretation of existing laws, may require additional expenditures, some of which could be material. In addition, any investigations or remedial efforts relating to extreme weather events or environmental matters could involve material costs or otherwise result in material liabilities.</p> <p>For purposes of this report only, we calculated the incremental cost of responding to emerging regulatory risks as zero, since managing policy and legal risks falls within the normal course of our business. If we experience losses from acute risks such as extreme weather events, for purposes of this response, we expect the financial impact could range from \$1M to \$10M, which are typical retained amounts under insurance policies and/or sizes of potential claims that we may choose to self-fund. These amounts are also consistent with the 5% net income threshold in this report for substantive financial impact that we described above. We maintain insurance that is intended to mitigate the high end of financial impacts above self-insured limits.</p>				

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SASB	SASB Electronic Manufacturing Services & Original Design Manufacturing Standard
000.A	TC-ES-000.A Number of manufacturing facilities
000.B	TC-ES-000.B Area of manufacturing facilities
000.C	TC-ES-000.C Number of employees
140a.1	TC-ES-140a.1 (1) Total water withdrawn and percentage from regions with High or Extremely High Baseline Water Stress
310a.1	TC-ES-310a.1 (1) Number of work stoppages and (2) total days idle
320.a.1	TC-ES-320.a.1 (1) Total recordable incident rate (TRIR) and (2) near miss frequency rate (NMFR) for (a) direct employees and (b) contract employees
320a.2	TC-ES-320a.2 Percentage of (1) entity's facilities and (2) Tier 1 supplier facilities audited in the RBA Validated Audit Process (VAP) or equivalent, by (a) all facilities and (b) high-risk facilities
320a.3	TC-ES-320a.3 (1) Non-conformance rate with the RBA Validated Audit Process (VAP) or equivalent and (2) associated corrective action rate for (a) priority non-conformances and (b) other nonconformances, broken down for (i) the entity's facilities and (ii) the entity's Tier 1 supplier facilities
440a.1	TC-ES-440a.1 Description of the management of risks associated with the use of critical materials

UN SDG	United Nations Sustainable Development Goals Alignment
	No Poverty
	Zero Hunger
	Good Health and Well-Being
	Quality Education
	Gender Equality
	Clean Water and Sanitation
	Affordable and Clean Energy
	Decent Work and Economic Growth
	Industry, Innovation and Infrastructure
	Reduced Inequalities
	Sustainable Cities and Communities
	Responsible Consumption and Production
	Climate Action
	Life Below Water
	Life on Land
	Peace, Justice and Strong Institutions
	Partnerships for the Goals

**2023**  
**Guiding Principles**  
**Report**

- About Us
- Our Guiding Principles
- Our Sustainability Priorities
- Customers
- People
- Citizenship
- Profits

**Appendices**

- GRI Disclosures & Other Framework Alignment
- SASB & UN SDG Legends
- UNGC & TCFD Legends**
- Assurance Statements

**UNGC & TCFD Legends**

UNGC	United Nations Global Compact Principles Alignment
1	Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights; and
2	Principle 2: make sure that they are not complicit in human rights abuses.
3	Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;
4	Principle 4: the elimination of all forms of forced and compulsory labour;
5	Principle 5: the effective abolition of child labour; and
6	Principle 6: the elimination of discrimination in respect of employment and occupation.
7	Principle 7: Businesses should support a precautionary approach to environmental challenges;
8	Principle 8: undertake initiatives to promote greater environmental responsibility; and
9	Principle 9: encourage the development and diffusion of environmentally friendly technologies.
10	Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.

TCFD	Task Force on Climate-related Financial Disclosures
G a.	Governance a. Describe the board's oversight of climate-related risks and opportunities.
G b.	Governance b. Describe management's role in assessing and managing climate-related risks and opportunities.
S a.	Strategy a. Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term.
S b.	Strategy b. Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning.
S c.	Strategy c. Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.
R a.	Risk Management a. Describe the organization's processes for identifying and assessing climate-related risks.
R b.	Risk Management b. Describe the organization's processes for managing climate-related risks.
R c.	Risk Management c. Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management.
M a.	Metrics and Targets a. Describe the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process.
M b.	Metrics and Targets b. Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.
M c.	Metrics and Targets c. Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.

March 6, 2024

KERAMIDA Inc. (KERAMIDA) was engaged by Kimball Electronics (Kimball) to provide limited assurance greenhouse gas (GHG) verification of their 2023 Scope 1, 2, and 3 GHG emissions inventory.

The calculation of the GHG inventory is the sole responsibility of Kimball using guidance per US Environmental Protection Agency, GHG Protocol standards, and other applicable guidance documents.

### **Statement of Independence**

KERAMIDA affirms our independence from Kimball and is free from bias and conflicts of interest related to the assurance of the environmental data.

### **Verification Assurance Opinion**

Based on the process and procedures conducted, there is no evidence that the GHG emissions calculations and verified data are not a fair representation of the actual GHG emissions data and information.

### **KERAMIDA's Approach**

Verification was conducted in accordance with ISO 14064-3: 2019 *Specification with guidance for the validation and verification of greenhouse gas assertion*, which is an approved verification standard accepted by CDP. KERAMIDA reviewed 100% of Kimball's emissions during this audit.

#### *Validation scope of the reporting company GHG emissions*

- Organizational boundaries: Operational Control Approach

#### *Time Period*

- January 1, 2023 – December 31, 2023

#### *Level of Assurance*

- Limited
- Materiality Threshold: 5% as suggested by ISO 14064-3 (2019).

## **KERAMIDA’s Methodology and Procedure**

### *Procedure performed during the verification*

- Interviews with key personnel involved in the process of compiling, calculating, and preparing the emissions data report and energy data;
- Review of evidence and data in support of disclosures being verified;
- Review of a variety of data analytics to check the reasonableness of the data and calculations;
- A variety of re-calculation procedures to confirm stated quantities;
- Evaluated the reasonableness of any assumptions used in support of disclosures;
- Reviewed how disclosures were presented and determined if they were representative of data and operations.

**Table 1. Data Verified by KERAMIDA, Fiscal Year 2023**

<b>Scope</b>	<b>CO<sub>2</sub> e (Metric Tons)</b>
Scope 1	2,010
Scope 2	31,293
Scope 3, Category 1	154,947
Scope 3, Category 2	8,168
Scope 3, Category 3	5,537
Scope 3, Category 4	19,027
Scope 3, Category 5	1,465
Scope 3, Category 6	2,237
Scope 3, Category 7	5,845

This verification statement, including the opinion expressed herein, is provided to Kimball and is solely for their benefit in accordance with the terms of our agreement. We consent to the release of this statement by you but without accepting or assuming any responsibility or liability on our part to any other party who may have access to this statement.

KERAMIDA, Inc,



Albert Chung, PhD, PE  
Senior Vice President, Accredited Lead GHG Verifier



Brady Koetting, CPA  
Senior Sustainability Accounting Analyst

March 6, 2024

KERAMIDA Inc. (KERAMIDA) was engaged by Kimball Electronics (Kimball) to provide limited assurance on its disclosures and materiality assessment for Calendar Year 2023 as presented consistent with the Global Reporting Initiative (GRI) Standards' reporting requirements.

### **Statement of Independence**

KERAMIDA affirms our independence from Kimball and is free from bias and conflicts of interest related to the assurance of the environmental data.

### **Management's responsibility**

Kimball's Management is responsible for the preparation of the disclosures consistent with the GRI Sustainability Reporting Standards. Kimball's Board is ultimately responsible for overseeing all Sustainability-related issues, including the company's sustainability reporting. The Management is responsible for the collection and presentation of the information and for maintaining adequate records and internal controls that are designed to support the sustainability reporting process.

### **Auditor's responsibility**

Our responsibility is to form a conclusion on Kimball's preparation of the Subject Matter Information based on our work performed within a limited assurance. The extent of our work depends on our professional judgment and assessment of the engagement risk. Our review was limited to specific GRI disclosures (Refer to Table 1) based on data from January 1, 2023 to December 31, 2023, and Management's forward-looking statements such as targets, plans and intentions.

### **Reporting criteria**

As a basis for the assurance engagement, we have used the criterion of "Accuracy" as defined by GRI and specific criteria determined by Kimball as being relevant for its sustainability performance. We consider this reporting criterion to be relevant and appropriate to review the GRI disclosures. We do not issue a separate conclusion for each disclosure. As the assurance procedures performed in a limited assurance engagement are less comprehensive than in an extensive assurance engagement, the level of assurance obtained is based on more general evaluations.

### **Assurance standard used and level of assurance**

This limited assurance engagement was conducted according to ISAE3000. This standard was developed by the International Auditing and Assurance Standards Board and is used to independently assess a company's report and disclosures. A limited assurance engagement consists of making inquiries and applying analytical and other review procedures.



While we considered the effectiveness of Management’s internal controls when determining the nature and extent of our procedures, our review was not designed to provide assurance on internal controls. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

### **KERAMIDA’s Approach**

We designed our procedures in order to state whether anything has come to our attention to suggest that the information detailed above has not been reported consistent with the Global Reporting Initiative (GRI) Sustainability Reporting Standards. To form our conclusions, we undertook the steps below, as required:

- Inquiries to and discussion with Kimball’s Sustainability team to:
  - Understand principal business operations;
  - Identify data providers with their responsibilities;
  - Appreciate key sustainability issues related to the select indicators and processes for the collection, calculation, and accurate reporting of performance information;
- Review of evidence and data in support of disclosures being verified, and;
- Recognize the likelihood of possible manipulation of sustainability data.

Observations and areas for improvement were raised through internal communication to Kimball’s Management. These observations do not affect our conclusions on the Report set out below.

### **Conclusion**

Our responsibility in performing our limited assurance activities is to the Management of Kimball only and consistent with the terms of reference agreed with them. We do not accept or assume any responsibility for any other purpose or to any other person or organization. Based on the procedures performed and evidence obtained, nothing has come to our attention that causes us to believe that the information disclosed was not presented fairly and calculated in all material respects consistent with the reporting criteria detailed above. Therefore, Kimball’s 2023 disclosures as presented consistent with the selected GRI Standards’ reporting requirements satisfy the requirements of a Limited Assurance.

KERAMIDA Inc.



Anastasia Kyrmanidou, Ph.D.,  
Senior Sustainability Analyst



Albert Chung, Ph.D., P.E.,  
Senior Vice President, Accredited Lead GHG Verifier

**Table 1: GRI disclosures subject to KERAMIDA's procedures:**

<b>Economic Topics</b>
<b>GRI 201: Economic Performance 2016</b>
201-1 Direct economic value generated and distributed
202-2 Financial implications
<b>Environmental Topics</b>
<b>GRI 302: Energy 2016</b>
302-1 Energy consumption within the organization
302-2 Energy consumption outside the organization
302-3 Energy Intensity
302-4 Reduction of energy consumption
<b>GRI 303: Water and Effluents 2018</b>
303-1 Interaction with water as a shared source
303-2 Management of water discharge-related impacts
303-3 Water withdrawal
303-4 Water discharge
303-5 Water consumption
<b>GRI 305: Emissions 2016</b>
305-1 Direct (Scope 1) GHG emissions
305-2 Indirect (Scope 2) GHG emissions
305-3 Other indirect (Scope 3) emissions
305-4 GHG emissions intensity
305-5 Reduction of GHG emissions
305-7 Nitrogen oxides (NO <sub>x</sub> ), sulfur oxides (SO <sub>x</sub> ), and other significant air emissions
<b>GRI 306: Waste 2020</b>
306-1 Waste generation and significant waste-related impacts
306-2 Management of significant waste-related impacts
306-3 Waste generated
306-4 Waste diverted from disposal
306-5 Waste directed to disposal
<b>GRI 308: Supplier Environmental Assessment 2016</b>
308-1 New suppliers that were screened using environmental criteria
308-2 Negative environmental impacts in the supply chain and actions taken
<b>Social Topics</b>
<b>GRI 401: Employment 2016</b>
401-1 New employee hires and employee turnover
402-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees
402-3 Parental leave

<b>GRI 403: Occupational Health and Safety 2018</b>
403-1 Occupational Health and Safety Management System
403-2 Hazard identification, risk assessment and incident investigation
403-3 Occupational health services
403-4 Worker participation, consultation, and communication on occupational health and safety
403-5 Worker training on occupational health and safety
403-6 Promotion of worker health
403-7 Prevention and mitigation of occupational health and safety impacts linked by business relationships
403-8 Workers covered by an occupational health and safety management system
403-9 Work-related injuries
403-10 Work-related ill health
<b>GRI 404: Training and Education 2016</b>
404-1 Average hours of training per year per employee
404-2 Programs for upgrading employee skills and transition assistance programs
404-3 Percentage of employees receiving regular performance and career development reviews
<b>GRI 405: Diversity and Equal Opportunity 2016</b>
405-1 Diversity of governance bodies and employees
405-2 Ratio of basic salary and remuneration of woman to man
<b>GRI 408: Child Labor 2016</b>
408-1 Operations and suppliers at significant risk for incidents of child labor
<b>GRI 414: Social Supplier Assessment</b>
414-1 New suppliers that were screened using social criteria
414-2 Negative social impacts in the supply chain and actions taken
<b>GRI 418: Customer privacy 2016</b>
418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data

Note: Dates indicated in above tables are dates the GRI standard was revised



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