

2022 People and Citizenship Report

August 30, 2023

Kimball Electronics reports against the following corporate-wide KPIs for our global employees and operations as a measure of our alignment to our People and Citizenship Guiding Principles. Our 2022 reporting period covers January 1, 2022 to December 31, 2022.

Leadership

KPI	Result
Share of women on company board	42.9% (independent directors), 37.5% (total)
Gender balance in board leadership	66% (2 of 3 Board committees)
Share of women in senior management positions	50% (1)

Talent Pipeline

KPI	Result
Share of women in total workforce	51.1%
Share of women in all management positions	33%
Share of women in senior management	50% (1)
Share of women in middle management	33%
Share of women in non-managerial positions	52%
Share of women in total promotions	45%
Share of women in IT/Engineering	14%
Share of women in STEM	14%
Share of women in revenue-generating functions	18%

(1) Chief Financial Officer; VP, Human Resources; Chief Commercial Officer; Chief Information Officer

Hiring & Turnover

KPI		2022	2021	2020	2019
Total workforce		7,200	6,400	6,400	6,300
Share of women in total workforce		51%	50%	50%	52%
Total new hires		3,333	1,992	1,452	2,140
Women		48%	47%	47%	52%
Internal candidates		32%	41%	40%	41%
Women internal candidates		44%	44%	44%	46%
Total turnover rate		35%	28%	23%	29%
By gender	<i>Male</i>	32%	28%	22%	28%
	<i>Female</i>	28%	26%	23%	27%
By age group	<i>20-30</i>	47%	45%	34%	41%
	<i>31-40</i>	25%	21%	17%	18%
	<i>41-50</i>	17%	14%	14%	18%
	<i>51-60</i>	12%	15%	15%	15%
	<i>60+</i>	26%	28%	30%	27%
By management level	<i>All Mgmt</i>	12%	11%	8%	9%
	<i>Senior</i>	25%	33%	20%	0%
	<i>Middle</i>	10%	11%	8%	9%
	<i>Non-Mgmt</i>	38%	30%	26%	32%
By voluntary departure		20%	17%	14%	17%

Employee Health and Safety

KPI (1)	2022	2021	2020	2019
Total Recordable Incident Rate	0.26	0.27	0.47	N/A
Industry Total Recordable Incident Rate		1.0	1.0	1.0
Lost Time Injury Rate (LTIR)	0.06	N/A	N/A	N/A
Near Miss Injury Rate	1.34	N/A	N/A	N/A
Workplace Fatalities	0	0	0	0

(1) N/A indicates that we did not track the KPI in the listed year.

Employee Engagement and Training

KPI (1)	2022	2021	2020	2019
Hours of Occupational Health & Safety and Human Rights training	2.5	2.0	N/A	N/A
Independent trade union or works council representation	56%	N/A	N/A	N/A
Guiding Principles survey participation	88%	90%	N/A	90%
Guiding Principles score	8.44	8.15	N/A	8.10
Net Promoter score	50.12%	44.87%	N/A	42.14%

(1) N/A indicates that we did not track the KPI in the listed year.

Paid Leave

KPI	Result
Fully paid primary parental leave offered	<ul style="list-style-type: none"> • U.S. – 26 weeks (short-term disability), 4 weeks (company paid) • Mexico – 12 weeks <ul style="list-style-type: none"> ○ 2-6 weeks prenatal, 6-10 weeks postnatal • Poland – 20 weeks <ul style="list-style-type: none"> ○ 0-6 weeks prenatal, 14-20 weeks postnatal ○ Up to 17 additional weeks for multiple births • Romania – 18 weeks (126 days) <ul style="list-style-type: none"> ○ 63 days prenatal, 63 days postnatal ○ Up to 17.1 weeks (120 days) for prenatal maternal risk leave • China – 18.3 weeks (128 days) <ul style="list-style-type: none"> ○ 2.1 weeks (15 days) additional leave each for difficult, multiple births • Thailand – 14 weeks <ul style="list-style-type: none"> ○ Includes prenatal check-up leave • India – 12 – 26 weeks <ul style="list-style-type: none"> ○ Length depends on number of children • Vietnam – 26 weeks (6 months) <ul style="list-style-type: none"> ○ 4 weeks (1 month) additional leave each for multiple births
Fully paid secondary parental leave offered	<ul style="list-style-type: none"> • U.S. – 4 weeks • Mexico – 0.7 weeks (5 days) • Poland – 0-6 weeks <ul style="list-style-type: none"> ○ Shares 6 of the 20-week total with primary caregiver • Romania – 2 weeks (10 working days) <ul style="list-style-type: none"> ○ 1 week (5 working days) additional leave with a child care training certificate • China – 1.4 weeks (10 days) annually until age 3 <ul style="list-style-type: none"> ○ Excludes national statutory leave days • Vietnam – 0.7 weeks (5 days) to 2 weeks, depending on the nature of the birth

Leadership Definitions

KPI	Definition
Share of women on company board	Women on the Board directors
Gender balance in board leadership	Board committees chaired/co-chaired by a woman
Share of women in senior management positions	Women executives of the company (direct reports to the CEO)

Talent Pipeline Definitions

KPI	Definition
Share of women in total workforce	Women in the workforce, as a percentage of the total workforce
Share of women in all management positions	Women in management who have senior- (executive-) level, middle- or lower-level supervisory responsibilities, as a percentage of total management positions
Share of women in senior management	Women executives who are in senior management, defined as direct reports to the CEO, as a percentage of total senior management
Share of women in middle management	Women in management who have middle- or lower-level supervisory responsibilities, defined as 2 or more levels from the CEO, as a percentage of total middle- and lower-level management
Share of women in non-managerial positions	Women employees in non-managerial roles (individual contributors), as a percentage of total non-managerial positions
Share of women in total promotions	Women promoted or who underwent career advancement of total promotions and career advancements, as a percentage of all promotions and career advancements
Share of women in IT/Engineering	Women working in functional roles with IT (Information Technology) and/or Engineering (Research & Development; Programming/Coding) responsibilities, as a percentage of the total employees working in these roles
Share of women in STEM	Women working in functional roles with science-, technology-, engineering- or math-related responsibilities, as a percentage of the total employees working in STEM roles
Share of women in revenue-generating functions	Women working in revenue-generating functions (e.g. sales, business development, and excluding support functions such as HR, IT, Legal, etc.), as a percentage of all such managers working in these roles

Hiring & Turnover Definitions

KPI	Definition
Total workforce	Number of people employed on a full-time and part-time basis by the company
Share of women in total workforce	Percentage of women out of the total number of employees
Total new hires	Number of people hired in the calendar year on a full-time or part-time basis by the company
Women	Percentage of women new hires out of the total number of new hires
Internal candidates	Percentage of open positions filled by our own employees (internal hires)
Women internal candidates	Percentage of women internal candidates filling open positions as a percentage of all internal hires
Total turnover rate	Proportion of employees who left the company as a percentage of the total employees
By gender	Proportion of employees who left the company by gender
By age group	Proportion of employees who left the company by age group
By management level	Proportion of employees who left the company by management level
By voluntary departure	Proportion of employees who left the company voluntarily (such as resignation, retirement, early retirement, etc.)

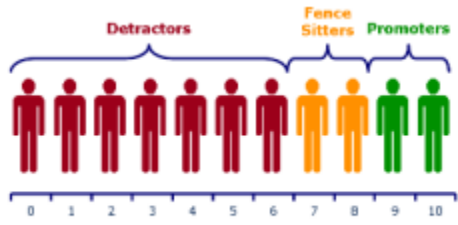
Employee Health and Safety Definitions

KPI	Definition
Total Recordable Incident Rate	As defined by U.S. OSHA , the number of “recordable incidents” per 100 employees, calculated as the Number of Incidents x 200,000 / total number of hours worked in a year
Industry Total Recordable Incident Rate	The Total Recordable Incident Rate for the “Printed circuit assembly (electronic assembly) manufacturing” industry (NAICS Code 334418) as reported by the U.S. Department of Labor’s Bureau of Labor Statistics (BLS) Survey of Occupational Injuries and Illnesses
Lost Time Injury Rate (LTIR)	As defined by U.S. OSHA , the number of incidents that result in time away from work per 100 employees, calculated as the Number of Incidents x 200,000 / total number of hours worked in a year

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Near Miss Injury Rate	As defined by U.S. OSHA , a potential hazard or incident in which no property was damaged and no personal injury was sustained, but where, given a slight shift in time or position, damage or injury easily could have occurred, calculated as the Number of Incidents x 200,000 / total number of hours worked in a year.
Workplace Fatalities	As defined by U.S. OSHA , an employee death resulting from a work-related incident or exposure.

Employee Engagement and Training

KPI	Definition
Hours of Occupational Health & Safety and Human Rights training	Average number of hours of Occupational Health & Safety Training and Human Rights training received by each employee globally during the reporting year. Occupational Health & Safety Training covers safe and healthy work environments, including on how to report matters of concern to Kimball. Human Rights Training covers core human rights matters, anti-corruption/anti-bribery, business ethics and essentials, information security, diversity and unconscious bias, equal employment opportunity, non-discrimination, and harassment.
Independent trade union or works council representation	Percentage of global employees represented by an independent trade union, works council, or other similar sector-, national-, regional-, entity-, or workplace-level organization
Guiding Principles Survey participation	Percentage of employees globally that responded to the Guiding Principles Survey
Guiding Principles score	The average score of employee responses to the Guiding Principles Survey question "On a scale of 1-10, please rate how well your work area lives up to the "People" Guiding Principles."
Net Promoter score	<p>A standardized score of employee responses to the Guiding Principles Survey question "On a scale of 1-10, please identify how likely you would be to recommend Kimball Electronics as a good place to work" calculated as follows:</p>  <p>A score of > 50% is considered "Best in Class"; a score of 11% to 49% is considered "Above Average."</p> <p>Net promoter score = % promoters - % detractors*</p>

Paid Leave Definitions

KPI	Definition
Fully paid primary parental leave offered (weeks)	The number of weeks of fully paid primary caregiver parental leave (or maternity leave) for employees globally provided by the company or by law. A primary caregiver is the person with primary responsibility for childcare or is the designated primary custodial parent.
Fully paid secondary parental leave offered (weeks)	The number of weeks of fully paid secondary/non-caregiver parental leave (or paternity leave) for employees globally provided by the company or by law. A secondary caregiver is the person with lesser responsibility for childcare duties or is not designated as the primary custodial parent.
Parental leave retention rate	Percentage of women employees that remained employed by the company 12 months after their return from parental leave out of all women employees that used parental leave during previous fiscal year

Additional Notes and Information

Additional Notes

The Guiding Principles Survey is a Kimball Electronics-designed survey that is currently comprised of twenty-six quantitative questions rated on a Likert Scale (1 lowest to 4 highest), and five open text questions for qualitative comments (see Appendix A for question detail and sequencing). The questions in the survey are aligned to either specific 'People' Guiding Principles or Employer of Choice aspects and gives greater context than the two rating questions disclosed in this Report. These probing questions ask for feedback on two dimensions: *Satisfaction* and *Importance*, measured on a scale of 1 (lowest) to 4 (highest). We also calculate the gap between *Importance* and *Satisfaction* to understand areas of strength (small gap between *Importance* and *Satisfaction*) and opportunity (large gap between *Importance* and *Satisfaction*). We began administering the Guiding Principles Survey annually in 2021, instead of bi-annually.

U.S. Bureau of Labor Statistics industry Total Recordable Incident Rate (TRIR) data available through 2021 as of the date of this Report.

Information on Calculations

Reported figures include estimates or assumptions where actual data is unavailable. Historic data is restated where we have made material changes due to data improvements. Annual data is reported as of the last date of the stated calendar year.

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At Kimball Electronics, we remain true to our work in “Creating Quality for Life” in both our local communities and the world. As our Guiding Principles say:

“Our people are the company. 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.”



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Appendix A: Guiding Principles Survey Questions

1.01	I feel valued and respected.	Numerical Answer for Importance and Satisfaction (1=lowest, 4=highest)
1.02	My work area is free from intimidation.	Numerical Answer for Importance and Satisfaction (1=lowest, 4=highest)
1.03	I receive timely performance feedback, positive reinforcement, and coaching.	Numerical Answer for Importance and Satisfaction (1=lowest, 4=highest)
1.04	I have the flexibility I need to balance the responsibilities of my job with my personal obligations.	Numerical Answer for Importance and Satisfaction (1=lowest, 4=highest)
1.05	People help each other and work together to achieve success.	Numerical Answer for Importance and Satisfaction (1=lowest, 4=highest)
1.06	There is a sense of family and good humor within my work environment.	Numerical Answer for Importance and Satisfaction (1=lowest, 4=highest)
1.07	My immediate team leader/supervisor/manager is open and non-defensive.	Numerical Answer for Importance and Satisfaction (1=lowest, 4=highest)
1.08	I can trust my immediate team leader/supervisor/manager to be honest, fair and consistent.	Numerical Answer for Importance and Satisfaction (1=lowest, 4=highest)
1.09	The leadership of my work area are accessible and support the Open Door Policy.	Numerical Answer for Importance and Satisfaction (1=lowest, 4=highest)
1.10	I have the opportunity to share in the financial success of my business unit and Kimball Electronics.	Numerical Answer for Importance and Satisfaction (1=lowest, 4=highest)
1.11	I have opportunities to develop and grow.	Numerical Answer for Importance and Satisfaction (1=lowest, 4=highest)

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1.12	I can share ideas or suggestions for improvement, knowing they will be considered.	Numerical Answer for Importance and Satisfaction (1=lowest, 4=highest)
1.13	The leadership of my work area encourages individual initiative and empowerment.	Numerical Answer for Importance and Satisfaction (1=lowest, 4=highest)
1.14	Diversity (differences between people, their opinions and experiences) is valued and sought out.	Numerical Answer for Importance and Satisfaction (1=lowest, 4=highest)
1.14a	My work environment allows me to feel comfortable in expressing my personal identity	Numerical Answer for Importance and Satisfaction (1=lowest, 4=highest)
1.14b	I have a sense of belonging to my team	Numerical Answer for Importance and Satisfaction (1=lowest, 4=highest)
1.14c	I feel connected to our company's purpose: Creating Quality for Life	Numerical Answer for Importance and Satisfaction (1=lowest, 4=highest)
1.14d	What can Kimball Electronics do to increase diversity and inclusion in our workplace?	Open text box for comments.
1.15	My work area discourages rigid rules and policies in favor of individual responsibility and flexibility.	Numerical Answer for Importance and Satisfaction (1=lowest, 4=highest)
1.16	If you have additional feedback or specific suggestions on any of the items above, please comment.	Open text box for comments.
2.01 (GP Question)	On a scale of 1-10, please rate how well your work area lives up to the "People" Guiding Principles.	Numerical Answer for Importance and Satisfaction (1=lowest, 10=highest)
2.02	Please provide feedback on where we should focus to improve and any other suggestions or recommendations you have.	Open text box for comments.
3.01	The goals, strategies and priorities of my business unit are communicated.	Numerical Answer for Importance and Satisfaction (1=lowest, 4=highest)
3.02	I understand my role in achieving those goals and how I can positively impact results.	Numerical Answer for Importance and Satisfaction (1=lowest, 4=highest)

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3.03	I have a high level of pride in the company.	Numerical Answer for Importance and Satisfaction (1=lowest, 4=highest)
3.04	My work area's processes are well developed and continuously improved.	Numerical Answer for Importance and Satisfaction (1=lowest, 4=highest)
3.05	My work area embraces change.	Numerical Answer for Importance and Satisfaction (1=lowest, 4=highest)
3.06	I have the opportunity to share my career goals and aspirations, which are then used to guide my development plan.	Numerical Answer for Importance and Satisfaction (1=lowest, 4=highest)
3.07	My work area is focused on the external customer.	Numerical Answer for Importance and Satisfaction (1=lowest, 4=highest)
3.08	My work area follows through on commitments and achieves positive results.	Numerical Answer for Importance and Satisfaction (1=lowest, 4=highest)
3.09	If you have additional feedback or specific suggestions on any of the items above, please comment.	Open text box for comments.
4.01 (EOC Question)	On a scale of 1-10, please identify how likely you would be to recommend Kimball Electronics as a good place to work.	Numerical Answer for Importance and Satisfaction (1=lowest, 10=highest)
4.02	Please provide feedback on what we could do to improve these ratings.	Open text box for comments.