



Kimball[®] Electronics

Lasting relationships. Global success.

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Global Human Rights Policy and Supply Chain Transparency Policy and Statement

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

Kimball has been built upon the tradition of pride in craftsmanship, mutual trust, personal integrity, respect for dignity of the individual, a spirit of cooperation, and a sense of family and good humor. We seek to enhance this culture as we grow. We believe in the inherent value of all individuals and their inalienable rights and acknowledge the risks of specific impacts to particularly vulnerable segments of society, including minorities, women, and indigenous peoples. As expressed in this Policy, we respect internationally recognized human rights principles. We derived this Policy from principles such as those defined in the United Nations' Universal Declaration of Human Rights and the two International Covenants making up the International Bill of Human Rights; the United Nations' Guiding Principles on Business and Human Rights; the International Labor Organization's (ILO) Declaration on Fundamental Principles and Rights at Work 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. We believe that no company should prosper while violating, or being complicit in the violation of, the basic human rights of others whether through unlawful slavery, servitude, forced or compulsory labor, or otherwise exploitative means.

To this end, Kimball, through its Guiding Principles and Purpose Statement (found in our [Environmental, Social & Governance Report](#)) champions transparency and accountability for itself. This transparency and accountability includes our commitment to report regularly on this issues and to create awareness of environmental, social and, governance issues. To raise awareness of our commitment to human rights and to foster compliance with this Policy, we have incorporated this Policy as an integral part of our [Code of Conduct](#) and train all of our employees worldwide on human rights issues.



Governance and Oversight

Responsibility for the implementation and operation of this Policy lies with our most senior personnel: our Executive Leadership Team, our Human Resources Department, our Legal Department, and our global procurement team. In addition, Kimball has created a global Safety, Environmental, and Facilities (SEF) council comprised of 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 reviews and provides input on our annual ESG report.

Human Rights Standards

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

Forced Labor, Child Labor, and Human Trafficking

We support and comply with child and compulsory labor laws worldwide. We do not accept or condone any aspect of forced or unlawful child labor, or of human trafficking. In accordance with conventions of the ILO, we do not make use of forced, bonded, or child labor to manufacture or assemble products. In this context, a “child” is defined as a person younger than any of the following: the age of 16, the age for completing compulsory education in their country, or the minimum age for employment in their country.



Unless required by local law, our employees are not required to make financial deposits, pay recruitment fees, or deposit original government-issued identification, passports, or work permits as a condition of employment. Subject to local law requirements, employees are free to terminate their employment with us with or without reasonable notice.

Fair Remuneration and Economic Inclusion

Remuneration must be consistent with the provisions of all applicable wage laws, including those relating to the minimum wage, overtime, and legally mandated benefits. We prohibit wage deductions as disciplinary measures. We 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.

Fair Labor Practices

We require that all employment, whether with Kimball 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 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 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.

Safe and Healthy Work Environment

We strive to provide all employees with a safe place to work. Employees are expected to work safely, follow safety policies and regulations, report unsafe conditions, and wear appropriate safety equipment. Kimball strives to create safe and secure workplace environments with an injury-free culture, truly believing that all injuries can be prevented. The [Safety, Environmental, and Facility Policy](#) at Kimball Electronics emphasizes that safety is a value—unlike priorities, values never change. Kimball promotes awareness and education among employees with the goal of eliminating exposures, or risks, that create unsafe conditions and behaviors.

Diversity, Equity, Inclusion, & Belonging

We value and work to promote a diverse, equitable and inclusive work environment. We are committed to holding ourselves accountable, taking action to continuously improve our policies and practices, and to uphold the principles that encompass diversity, inclusion, equity, & belonging as outlined in our [Diversity, Equity, Inclusion, and Belonging \(DEI&B\) statement](#). 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, sense of belonging, and meaningful work for our employees. We actively promote DEI&B, and incorporate DEI&B into our culture, values, and strategies. We provide a report on the diversity of our employees to the Board of Directors annually.

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

Kimball is committed to eradicating all forms of discrimination, including harassment and abuse. We do not tolerate any sort of discrimination, harassment, or abuse by anyone toward any other person, whether or not they are an employee. Abuse includes any harsh or inhumane treatment of employees, including corporal punishment, mental or physical coercion, verbal abuse, or the threat of any such treatment. For all employment practices from recruitment to separation, we do not discriminate based on age, race, skin color, social background, religion, ethnicity or national origin, gender, gender identity and expression, disability, genetic information, sexual orientation, political affiliation, union membership, marital status, status as a protected veteran, caste, property, birth, or any legally protected classification in accordance with local country laws. Employees with disabilities are provided reasonable accommodations.



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

Employee Development

To mitigate external and internal pressures, we have worked toward building vitality and visibility in our talent pipeline. We leverage the talent we bring into our organization through our future-focused, individualized performance management practices. Our people deserve more than a rating, so we empower them to own and drive their personal and professional development within the context of our overall business plan so that real needs, not rules, are met. We use accomplishments, aspirations and challenges to qualitatively determine development needs. Our leaders are coaches who model our values, align expectations and adapt to our people's needs. With a commitment to the role they play in our success, our people make our Company whole.

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

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

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

Functionally, we manage employee performance by creating priorities of focus with specific, measurable goals relevant to the facility and job function. We set these priorities of focus in a collaborative manner with the employee each year and routinely follow up on these goals during and after each year.



At Kimball, we conduct multidimensional performance appraisals where we obtain “360-degree” feedback for managers from the employee, the manager, peers, and direct reports. This variety of inputs helps us to cultivate talent and ensure that employees meet objective goals in their priorities of focus as well as the values and objectives in our Guiding Principles, receiving feedback from their peers, direct reports, and other stakeholders. Each team and facility also has their own goals, and we also measure each individual employee's performance as part of their contribution to their teams and facilities' achievement of those goals.

One of our People Guiding Principles is that *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.* In the employee development performance appraisal context, this means we provide a less-rigid approach to managing employee performance and development throughout the year by supporting collaborative, regular conversations and feedback so that employee development is focused on our People Guiding Principle of continuous improvement, and not merely a particular annual performance outcome or rating.

Employee Training

Like leadership development, training is critical to building employee competencies that will improve compliance, reduce risks and drive continuous improvement. We offer annual training in three broad categories:

- Job-Specific Training that covers specific job responsibilities and technical expertise that supports our “safety-first” culture;
- Occupational Health & Safety Training that covers safe and healthy work environments, the reduction of workplace accidents, and how to report matters of concern to Kimball.
- Human Rights Training that 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.

We take a systematic approach to evaluating these training programs, including when there are changes to our internal needs, and/or applicable national, regional, state, or local requirements. 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 these important topics and the ability to proactively search other training courses as development opportunities.



Workplace Flexibility and Employee Support

Flexibility, collaboration, and strong relationships are key elements of our Guiding Principles and core strengths of our service to all 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.

Privacy

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

Adopting Proportionate Security Arrangements

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

Developing Sound Practices for Land and Water Use

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

Animal Rights and Biodiversity

Animals are not components in our supply chain, and neither our manufacturing nor our design processes involve experimentation on animals. Kimball believes that biodiversity and healthy ecosystems are key for enjoying a broad range of human rights, including those for food and health. In turn, exercising human rights,



such as public participation and access to information, can foster stronger action for conservation and the sustainable use of biodiversity and ecosystems. We are committed to working with our supply chain to ensure production does not cause a loss of natural ecosystems or biodiversity, deforestation, or human rights infringements, among other environmental or social issues.

How We Facilitate Reporting Among Our Stakeholders

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 this Policy and our Code of Conduct. If employees at Kimball, 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 supervisor or manager with whom they feel comfortable discussing the problem, (b) Kimball's Human Resources team or Chief Compliance Officer, or (c) Kimball's anonymous, confidential, third-party "hotline" reporting system. 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 employee 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 investigatory process is fair, impartial, and transparent to those involved.

No Retaliation

Kimball will promptly investigate all reports and will not retaliate nor tolerate retaliation against any person or entity who, in good faith, makes a report or cooperates in an investigation. Any person or entity that retaliates or threatens retaliation against anyone who makes a report or cooperates in an investigation will be subject to discipline, up to and including immediate termination of the relationship with Kimball.



Annual Statement for FY2023

Kimball on behalf of itself and its subsidiaries, and in furtherance of its dedication to this Policy and its [Guiding Principles](#), presents this review of our activities for our fiscal year 2023. This annual review explains some of the practical actions that we have taken in the past year to implement this Policy and to help ensure that slavery and human trafficking are not taking place within Kimball's supply chain. Some countries and U.S. states have implemented legislation that requires certain businesses to provide public statements in this regard. This legislation includes the California Transparency in Supply Chains Act of 2010 and Part 6, Section 54 of the United Kingdom Modern Slavery Act of 2015.

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

As described below, Kimball took the following steps in fiscal year 2023 to responsibly manage our supply chain relationships and to identify and mitigate specific risks under our Policy that our activities and business relationships may pose:

Employee and Supplier Compliance

We expect that all employees and suppliers understand and comply with this Policy and our Code of Conduct, and require both employees and suppliers to confirm this in writing. We actively monitor and audit internal and external compliance through annual in-person and remote audits, assessments, and training that we conduct, including of our supply chain. This year, Kimball's audits and assessments covered approximately 99% of our inventory and 95% of our accounts payable, and we conducted a dozen audits of our own company and its subsidiaries. All such audits were conducted using audit protocols and procedures developed by our internal auditor teams that are consistent with the standards of ISAE 3000. Specifically, Kimball has conducted audits in the following countries: China, India, Mexico, Poland, Romania, Vietnam, Thailand, and the United States. Upon request, a list of specific locations can be made available,

redacted as needed for confidentiality obligations. Kimball Electronics Compliance can be reached via email at: [KE Compliance](#).

As part of this audit process, we evaluated different approaches to assess and report on our actual and potential risks, including in the areas covered by this Policy, across our value chain. We review and revise this Policy and 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.

Our [Global Supplier Quality Manual](#) (GSQM) incorporates this Policy, and functions as our certification program for suppliers, ensuring that we obtain written acknowledgment of their obligation to comply with all applicable laws, our Code of Conduct, and this Policy. Suppliers also commit to allowing us to conduct supply chain audits for safety and compliance, to engaging in only legitimate and ethical business and labor practices, and to ensuring that their employees, supply chain, and stakeholders understand how to report any actual or suspected misconduct using our ethics hotline. We reserve the right to terminate a contract, withhold payment, and assess fees and/or costs for any non-compliant supplier.

We believe that providing effective training to employees annually on our Global Code of Conduct, including this Policy, and other core human rights matters is critical to our success. Improvements to the platforms we use to provide our training enabled us to conduct both virtual and classroom training sessions globally in each of the three categories described above.

In 2023, 100% of our employees in procurement and 100% 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 98% 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.

Incident Investigation and Reporting

In fiscal year 2023, any conduct that could reasonably be believed to violate this Policy has been reported to management for further investigation. Since our last report, we received three reports to our hotline during fiscal year 2023, all of which were employee relations concerns. We received zero reports via any source of breaches of our Code of Conduct, GSQM, or this Policy in any of the other following areas that we track:

- Forced labor
- Child labor
- Human trafficking
- Bribery
- Facilitation payments
- Corruption
- Anti-competitive acts (including false or deceptive marketing or labeling practices) or standards
- Other priority non-conformance incidents (including labor rights, health and safety, and compliance with our GSQM and Code of Conduct by our suppliers)

For each of the three 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 local authorities, or, if appropriate, a human rights organization for further investigation. We also can report that we had no legal or regulatory fines, monetary losses, enforcement actions, or settlements associated with any of the above areas. We have not implemented large-scale redundancies or significant job cuts affecting more than 5% of our total workforce in the past year or in the past three years.

Diversity, Equity, Inclusion, & Belonging

One of our Guiding Principles is to seek a diversified group of employees who can be committed to preserving and enhancing the values in our Guiding Principles and this Policy. In addition to the Diversity, Equity, Inclusion & Belonging (DEI&B) goals, reporting channels, and audits described above, Kimball supports community activities on a global scale that promote the development of a productive workforce capable of resisting attempts to perpetuate human rights abuses. Specifically, as a human-centered company focused on DEI&B, we promote various “heritage” days and months by giving employees the option to participate in virtual events encouraging open-mindedness, new insights, and creating connection and learning. In fiscal year 2023, the events, featuring internal and external experts, recognized Black History Month, Martin Luther King Jr. Day, Hispanic and Latino Heritage Month, Asian American Pacific Islander Heritage Month, Indigenous Peoples’ Day, LGBTQ+ Pride Month, and International Women’s Day.

We also encourage employees to network with peers and share ideas for future event topics that further promote a sense of personal belonging in our company culture. We engaged with important stakeholders within and outside our company each month in fiscal year 2023, including through these events and monthly meetings of our global SEF council. In fiscal year 2023, to further our

initiatives supporting a diverse workforce, we formed our first Employee Resource Group, Women in STEM Empowerment (WISE), aimed at building allyship, mentorship, and sponsorship for women in science, technology, engineering and math at Kimball Electronics.

Another 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 this Policy when we contribute and encourage our employees to contribute to our local communities. Below are examples of our contributions in fiscal year 2023:

- In 2022, we committed \$100,000 to Southwestern Indiana Child Advocacy Center Coalition ("SWICACC"), a safe reporting center for abused or neglected children that serves seven counties in southwestern Indiana. We made our final installment of the commitment in fiscal year 2023.
- On International Women's Day 2021, we donated \$5,000 to Water To Thrive to build a freshwater well system for a village in Ethiopia because safe, fresh drinking water is a basic human right. This well was fully operational during fiscal year 2023.
- We donated \$100,000 to refugee-related activities and aid causes, including Ukrainian refugees.
- Kimball Electronics Gives, an employee-based giving circle, raised enough money to offer grants totaling \$8,400 to seven worthy causes selected by our employees. To date, Kimball Electronics Gives has donated \$41,500 to various worthy causes.
- We implemented our Creating Quality for Life Scholarship program, awarding 10 dependents of employees a total of \$12,500.
- We also initiated our Employee Relief Fund to help employees with undue financial stress placed on them and their families due to a catastrophic event or other unfortunate personal event creating financial hardship..

In accordance with our Code of Conduct and our employee expense policy, gifts or donations that we gave over \$500 were approved in writing by our CEO, CFO, or our corporate donations committee (on which the CFO serves). All gifts and donations are governed by our [Global Policy on Philanthropic Contributions and Non-Commercial Sponsorships](#).



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We strive to routinely review and refine our approach to addressing human rights and supply chain transparency. We also track and publicly report on these and other matters through our annual [Environmental, Social & Governance Report](#).

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

Sincerely,

Ric Phillips
Chief Executive Officer and Director

Last Updated: September 2023