

Sustainability Policy

Kimball Electronics, Inc.

At Kimball Electronics, Inc. we are responsible stewards of our economic, environmental, and social resources. Our sustainability strategy is grounded in strong governance, clearly defined roles and responsibilities, and full integration of environmental, social, and governance (ESG) management into our corporate decision-making.

This Policy is approved by senior management and overseen by our Board of Directors, the highest decision-making body for ESG performance. The Board's Nominating and ESG (NESG) Committee provides oversight of corporate governance and sustainability. Senior leadership and functional teams drive initiatives aligned with our corporate strategy and sustainability goals. Leaders report quarterly to the NESG Committee on priorities and progress.

Rooted in our core values, our Guiding Principles, we embed sustainability throughout our operations. This Policy reflects our commitment to transparency, accountability, and long-term value creation. It guides our efforts to manage impacts, mitigate risks, and pursue opportunities across our global operations and value chain, delivering positive outcomes for people, the planet, and prosperity.

This Policy applies to all global operations, facilities, and subsidiaries of Kimball Electronics, including production, business facilities, products and services, distribution, and logistics. It also extends to key business partners such as non-managed operations, joint ventures, licensees, and outsourcing partners, as well as employees, officers, directors, contractors, service providers, suppliers, and other affected stakeholders. Sustainability is embedded in our due diligence processes, including mergers and acquisitions, to support responsible growth.

Customers

Our objective is to retain a responsibly and ethically sourced supply chain of materials and components that we can use to manufacture products for our customers. Climate risk mitigation, responsible sourcing, and resource efficiency are core to our approach.

Climate Change

We mitigate climate-related risks across our value chain. All of our manufacturing facilities operate under ISO 14001-certified environmental management systems. We monitor and report Scope 1, 2, and relevant Scope 3 emissions in line with the GHG Protocol. We prioritize emissions reduction, renewable energy sourcing, resource efficiency, and climate change adaptation.

Responsible Sourcing

We conduct risk-based due diligence across our supply chain to identify and address potential environmental, human rights, and anti-corruption risks. Our approach aligns with internationally recognized standards, including the United Nations Guiding Principles on Business and Human Rights, the OECD Guidelines for Multinational Enterprises, and the Ten Principles of the United Nations Global Compact. It also reflects the principles of the Universal Declaration of Human Rights, the two International Covenants that make up the International Bill of Human Rights, and

the International Labour Organization (ILO) Declaration on Fundamental Principles and Rights at Work, including ILO Conventions 98 and 111. Additionally, we are informed by the guidance provided by ISO 26000 on social responsibility.

We are committed to fair labor practices, safe working conditions, and respect for human dignity throughout our value chain. We adhere to applicable laws and regulations, including the U.S. SEC conflict minerals rule under the Dodd-Frank Act, and our responsible minerals sourcing follows the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas. To comply with these requirements, we conduct a Reasonable Country of Origin Inquiry (RCOI) and, where necessary, due diligence on the source and chain of custody of 3TG (tantalum, tin, tungsten, and gold) used in our products. We disclose our findings through annual SEC filings and are committed to sourcing minerals that are DRC conflict-free. Our conflict minerals program includes the use of the Conflict Minerals Reporting Template (CMRT), supplier declarations, traceability assessments, and ongoing supplier engagement to improve transparency. We also publicly disclose our efforts to eradicate slavery and human trafficking from our supply chains, including practices such as supplier verification, audits, certifications, internal accountability, and employee training.

We believe that no company should prosper while violating, or being complicit in the violation of, the basic human rights of others, including through slavery, servitude, forced or compulsory labor, or other exploitative means. Suppliers are expected to adhere to our [Supplier Code of Conduct](#) and conduct due diligence to ensure that sourcing of 3TG materials does not finance or benefit armed groups in the Democratic Republic of the Congo or adjoining countries. We monitor supplier performance and program effectiveness through ESG-related supply chain metrics, including the percentage of Tier 1 and high-risk suppliers assessed for ESG compliance, conflict minerals compliance rates, corrective actions issued and resolved, and progress on traceability for high-risk materials.

We uphold high standards of governance and compliance by integrating sustainability requirements into supplier contracts, procurement processes, and performance evaluations. Our responsible sourcing program is guided by our enterprise risk and sustainability frameworks, and includes regular training, risk assessments, and control audits. We also promote accessible reporting mechanisms and reinforce our commitment to ethical business conduct and supplier accountability.

People

Our employees are our greatest asset. We foster an inclusive, diverse, and equitable workplace while ensuring health and safety for all employees and value chain workers.

Equal Treatment & Opportunities for All

We are committed to diversity, equity, and inclusion. Our [Diversity, Equity, Inclusion, and Belonging \(DEIB\) Policy](#) ensures equal opportunities for all. We track diversity metrics, provide training programs, and promote an inclusive culture through education and engagement.

We prioritize employee wellbeing by fostering a supportive workplace, offering flexible work arrangements, and promoting mental health awareness. These efforts enhance job satisfaction, engagement, and overall workplace experience.

Health & Safety

We are dedicated to ensuring a safe, healthy, and secure work environment for all employees and value chain workers. Our ISO 45001-certified occupational health and safety management systems guide our practices. We are committed to maintaining workplaces free from hazards by proactively identifying and eliminating occupational health and safety risks. We comply with all applicable occupational health and safety legal and regulatory requirements. Employees actively participate in the continuous development and improvement of our safety management systems through consultation and feedback processes. Regular risk assessments, comprehensive safety training, and monitoring of key safety indicators, including near misses, recordable incidents, and lost time injury rates, support our objectives. Emergency preparedness and incident response plans are maintained at all operational sites. Employees have the right to refuse unsafe work and have access to appropriate personal protective equipment. Contractor and visitor safety are managed through site-specific protocols and orientation programs. Continuous improvement is pursued through the application of corrective and preventive measures.

Citizenship

As part of our commitment to responsible corporate citizenship, we recognize the essential role environmental stewardship plays in supporting thriving communities and ecosystems. We commit to protecting the environment by prioritizing pollution prevention, emissions reduction, renewable energy sourcing, sustainable resource use, biodiversity conservation, climate change adaptation, and compliance with applicable legal and regulatory requirements. We apply a life-cycle perspective to continually improve our environmental performance and manage impacts effectively.

To enhance environmental accountability, we promote awareness and provide training to employees to help them understand the environmental impacts of their work. We encourage internal and external stakeholder engagement and collaboration around sustainability topics.

Zero Waste

We are committed to waste minimization, circular economy principles, and reducing landfill waste. We track and disclose waste generation and beneficial use rates and work with suppliers and customers to enhance product lifecycle circularity. Our waste policies emphasize avoidance, minimization, reuse, recycling, and responsible disposal.

Water Stewardship

We recognize water as a shared resource and manage it responsibly. Water use is monitored at all facilities. We assess risks, implement efficiency measures, promote water reuse and recycling, and take steps to avoid contamination and excessive withdrawal in water-stressed regions.

Profits

We operate with integrity, ethical business practices, and responsible corporate behavior.

Business Ethics & Corporate Behavior

We foster a culture of ethical business conduct and integrity. Our [Code of Conduct](#) applies to all employees, officers, and directors. We enforce anti-corruption policies, maintain a confidential whistleblower hotline, and uphold fair competition and tax transparency standards. We conduct compliance training and perform internal audits to assess ethical and legal adherence across business functions.

We maintain a confidential whistleblower hotline and online platform as part of our grievance mechanism, available 24/7 in multiple languages and accessible to employees, suppliers, customers, and other stakeholders. This system enables the identification, reporting, investigation, and remediation of concerns related to unlawful behavior or violations of our Code of Conduct, including issues such as discrimination, harassment, anti-competitive practices, corruption, and data security. Progress is tracked through ESG-related KPIs. We enforce a strict non-retaliation policy to protect individuals who raise concerns. All reports are promptly investigated using structured procedures, including evidence collection, stakeholder interviews, and clearly defined resolution strategies. Investigations are conducted independently and objectively to ensure fair and transparent outcomes.

Giving

Our philanthropic efforts are guided by our [Philanthropic Donations and Non-Commercial Sponsorships Policy](#), ensuring contributions align with our values and sustainability goals. We invest in STEM education, workforce development, community health, and environmental stewardship. We encourage employee volunteering and publicly disclose contributions and impact.

We track sustainability performance through KPIs, internal audits, management reviews, and external assurance. Progress is transparently reported in our annual [Guiding Principles Report](#), and we set targets as needed to address material impacts—ensuring they are specific, measurable, and aligned with our broader sustainability strategy.

Where a material sustainability matter lacks a standalone policy, this Sustainability Policy, along with our Code of Conduct and other governance documents, applies.

Effective Date: 31 March 2025