Corporate Responsibility

2024 Report

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HNI

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Redefining Tomorrow

Letter from the CEO



Our family of industry-leading brands has been improving where people live, work, and gather since 1947. The work and personal lives of our customers are enhanced and more productive in places and spaces proudly outfitted by an extensive portfolio of products designed and manufactured by HNI members.

The world has changed, and so have we. Today, investors, supply chain partners, and customers demand more from the products that we supply, and they use every day: understanding the impacts of material selections, transparency across supply chains, and insight into the environmental footprint of manufacturing processes, to name a few.

The gathering and analysis of data and the implementation of sustainable solutions in our products and operations has been a significant part of our work for years—and is growing. As such, we've built our corporate responsibility strategy around three core pillars: respecting people, reducing impacts, and redefining tomorrow. As the demand for more sustainable products has increased, we've turned to our guiding principles and asked not just how we can manage today's needs, but how we can best position ourselves for those of the future.

Throughout this report, we've highlighted key initiatives that showcase our corporate responsibility strategy as it comes to life every day through the work of our members.

Our respect for people is inclusive of our members and all with whom we engage, from suppliers to investors to our local communities. In our relentless pursuit to be better, you'll read, for example, stories about our translation work and our language training offered to members. You'll see our leaders engaging in ongoing learning and bringing strength and accountability into our inclusive culture.

For HNI, reducing impacts means vigorously reviewing all processes in pursuit of operating more efficiently, with lower energy demand and producing less waste. As part of our sustainability summit, members across HNI built a scorecard program that introduced innovation and drives improvement across the businesses. Today, we consider ideas within every level of the workforce as we engage in energy, carbon, waste, and water reduction initiatives.

Beyond reductions, we seek to redefine tomorrow by converting to recyclable packaging, investing in technology to engage suppliers on product chemistry and sustainability risk, and bringing full life cycle assessments in-house. These improvements allow us to create more sustainable products while meeting customer and regulatory demands. All these efforts are a part of our relentless pursuit of redefining a better tomorrow.

We invite you to read this year's report and join us in our mission to continuously do better for our world.



Jeffrey D. Lorenger Chairman, President, and Chief Executive Officer HNI Corporation



About HNI

HNI is a global family of industry-leading brands for the workplace and home. Founded in Muscatine, Iowa, by visionaries C. Maxwell Stanley, Clement Hanson, and H. Wood Miller, HNI opened its doors under the premise that all employees would be treated equally and respectfully as members and owners of a productive industrial enterprise. We remain steadfast to these founding principles.

HNI's Workplace Furnishings, Kimball International, and Residential Building Products brands are among the strongest, most widely known and respected in their industries.

The depth and breadth of our furniture products, our increased focus on expanding our service offerings, the scale and capability of our manufacturing operations, and the strength of our distribution footprint enable us to provide the best solutions to meet the needs of every customer and every environment—from the largest multinational organizations to the local entrepreneur.

Our Residential Building Products segment includes a full array of gas, electric, wood, and pellet-fueled fireplaces, inserts, stoves, facings, and accessories. Together, these brands make up North America's largest manufacturer of hearth products and services.

In 2023, HNI celebrated Kimball International joining our family of brands. Aligned with HNI's commitment to culture and a history of craftsmanship, Kimball International's brands have focused on turning ordinary spaces into meaningful places in the workplace, health, education, and hospitality markets since 1950.





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WORKPLACE FURNISHINGS





Introduction Res

Redefining Tomorrow

Governance

HNI

HNI's Board of Directors oversees the business affairs of the corporation. The Board has established a corporate culture of accountability, responsibility, and ethical behavior through the careful selection and evaluation of senior management and directors.

For many years, HNI has been proud to have a Board of Directors made up of highly qualified and diverse business leaders representing all of our stakeholders. With the exception of our CEO, all of our directors operate independently under the New York Stock Exchange (NYSE) rules and applicable law. Details regarding the qualifications and backgrounds of our current Board are available on our <u>website</u>.

The corporate responsibility strategy and program, encompassing HNI's publicly announced goals, is overseen by the Board, including quarterly reviews. Sustainability is embraced in every aspect of HNI culture, at all levels of the organization, and is centrally considered in business decisions.

To learn more about our Governance and Board of Directors, visit our website.



HNI

Basis for This Report

Scope

HNI Corporation ("HNI" or the "Company"), a publicly traded company on the NYSE under the ticker symbol "HNI," is headquartered in Muscatine, Iowa. This report covers global operations within HNI's operational control.

Reporting Year

HNI reports biennially on the corporate responsibility of our operations. The report focuses on our progress and performance for the full years of 2023 and 2024, and the guantitative data used covers those years, unless otherwise noted.

Data Integrity

In data calculations, HNI documents sources of estimation and outcome uncertainty, particularly for those metrics subject to a high level of measurement uncertainty. This document was prepared using data available at the time of publishing. Historical data is updated for acquisitions, divestitures, changes in methodology, and significant errors. In this report, historical data has been updated to include Kimball International, which was acquired in 2023.

For our waste initiatives, HNI defines zero waste to landfill as achieving 95% diversion from landfill, allowing for 5% residual landfill waste for items that are difficult to recycle or reuse. With the acquisition of Kimball International in 2023, we have expanded this definition to include sites which have achieved TRUE waste certification. As defined by Green Business Certification, Inc. (GBCI), this certification requires 90% diversion, and does not include incineration for energy generation as an acceptable diversion method.

Reporting Frameworks

This report was prepared with reference to the Global Reporting Initiative (GRI) Standards and is informed by the Sustainability Accounting Standards Board (SASB) and the Task Force on Climaterelated Financial Disclosures (TCFD).

Materiality

HNI conducted a review of the corporation's materiality assessment in 2024 and concluded that it accurately reflects the most significant topics across environmental priorities and all stakeholder groups.

In working with a third party, HNI sought to understand its greatest impacts, opportunities, and risks and the influence of these on stakeholders' decision-making. Perspectives of several key stakeholder groups — including management, members, suppliers, and customers were gathered through a combination of direct engagement, analysis, public data, and other research to determine the statistical significance. Items of highest priority to stakeholders included but were not limited to culture and inclusion, climate change and strategy, and training and education.

The assessment serves as a guide to approach reporting, a framework for planning future sustainability goals and objectives, and a way to inform opportunities to improve strategy.

Trademarks, Trade Names, Logos

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Future-Thinking Language

A description of these risks can be found in the Corporation's annual and guarterly reports filed with the Securities and Exchange Commission on Forms 10-K and 10-Q. The Corporation assumes no obligation to update, amend, or clarify forward-looking statements.

This report contains "forward-looking" statements based on current expectations regarding future plans, events, outlooks, objectives, and financial performance, specifically including, but not limited to, the goals stated on page 7. Forward-looking statements can be identified by words including "expect," "believe," "anticipate," "estimate," "may," "will," "would," "could," "confident," or other similar words, phrases, or expressions. Forward-looking statements involve known and unknown risks and uncertainties, which may cause the Corporation's actual future results and performance to differ materially from expected results.

Redefining Tomorrow

by 19% since 2022, achieving a 28% total

reduction since 2018

Progress on Current Goals

Respecting People

GOAL

Invest 1% of pre-tax profits,

on average, in communities where HNI operates.

GOAL EXCEEDED

PROGRESS

Since 2019, the HNI Char has donated:

- 1.3% pre-tax profits or
- \$4.1 million to 177 unio community organizatio
- More than \$1.9 million

100% strategic* supplier compliance with HNI Code of Conduct by 2022.

GOAL ACHIEVED

Achieved 100% complian Furnishings, Residential E Kimball International

HNI will continue to champion an inclusive workplace for everyone, consistent with corporate values.

✓ GOAL ACHIEVED

Achieved 100% participation Inclusive Leadership train

* Previously referred to as Tier 1, defined as those suppliers that account

| | Reducing Impact | | Red |
|---|--|---|---|
| | GOAL | PROGRESS | GOAL |
| aritable Foundation on average | Source 100% renewable electricity across global operations annually. | GOAL ACHIEVED Sourced 100% renewable electricity for our global operations, meeting our RE100 and EPA Green Power Partner commitments | Eliminate packaging 100% red by 2025. |
| nique ions on in scholarships | Reduce absolute combined Scope 1 and 2 greenhouse gas (GHG) emissions by 35% by 2025, from a 2018 baseline. | ★ GOAL EXCEEDED Reduced Scope 1 and 2 GHG emissions by 29% since 2022, achieving a 79% total reduction since 2018 | Evaluate |
| ance across Workplace Building Products, and | Reduce Scope 3 GHG emissions by 40% per ton of goods sold by 2035, from a 2018 baseline. | GOAL IN PROGRESS Reduced Scope 3 GHG emissions per ton of goods sold by 16% since 2022, resulting in a 5% total increase since 2018 | and chen in produc ecosyste attempt t impacts t |
| nation in Accountable ining t for 75% of our spend. | Achieve zero waste to landfill for all manufacturing facilities by 2030. | GOAL IN PROGRESS Achieved zero waste to landfill at 10 of 26 manufacturing facilities Achieved third-party verified TRUE Certification at two facilities | the Environment *Determinonevaluate t |
| | Achieve a 50% energy intensity reduction by 2035 from a 2018 baseline. | GOAL IN PROGRESS Increased energy intensity by 1% since 2022, resulting in a 6% total increase since 2018 due to changes in production levels Reduced absolute energy consumption | |

defining Tomorrow

PROGRESS

te non-recyclable foam ing and move toward recyclable packaging 5

O GOAL IN PROGRESS

- Eliminated 100% of expanded polystyrene non-recyclable foam across Kimball International and Residential Building Products
- · Eliminated 100% across systems, tables, and architectural product lines, increasing overall elimination from 47% to 61% for Workplace Furnishings

te 100% of materials emical substances ucts for human and tem impacts and to minimize those through Design for /ironment by 2025.

O GOAL IN PROGRESS

- · Percent of material by spend analyzed:
- > 80%* Workplace Furnishings
- > 40% Kimball International
- > 28% Residential Building Products
- Made progress on eliminating per- and polyfluoroalkyl substances (PFAS) in paints, textiles, and other components across Kimball International and Workplace Furnishings

nined prior to moving product lines and opening a new manufacturing facility. In 2025, we will the sustainability impacts of these changes and incorporate our findings

Respecting People

At HNI, we strive to be a great employer through our commitment to being a safe, inclusive, and supportive environment, empowering the development and generosity of our members and extending this commitment to the communities where we live, work, and play.

Goals and Progress Promoting a Supportive Workplace: ELA Classes Achieving 100% Participation for Rollout of Inclusive Leadership Training HNI's Growing Member Resource Group: Women in STEM Engaging our Communities



Goals and Progress

GOAL

Invest 1% of pre-tax profits on average, in communities where HNI operates GOAL

100% strategic* supplier compliance with HNI Code of Conduct



PROGRESS

Since 2019, the HNI Charitable Foundation has exceeded the goal by donating an average of 1.3% pre-tax profits. Proudly, the Foundation has invested over \$4.1M to 177 unique community organizations and more than \$1.9M in scholarships during this time period.

In 2023 and 2024, the Foundation supported a regional wellness center, a community sports complex, an agricultural learning center expansion, and a talent training foundation. Additionally, HNI supported City of Hope, furthering research for life-threatening illnesses. PROGRESS

100% of strategic suppliers have signed the Supplier Code of Conduct for Residential Building Products, Workplace Furnishings, and Kimball International.

*Previously referred to as *Tier 1*, defined as those suppliers that account for 75% of our spend.







Promoting a Supportive Workplace: ELA Classes

HNI strives to create an inclusive workplace where all members are valued and supported. This year, HNI invested in member feedback to better understand and serve the needs of our workforce and their families. A need was identified to support our non-English speaking members.

The Member and Community Relations team partnered with key members to understand not only the most critical needs, but areas where language barriers impacted understanding and wellbeing. Members subsequently adopted a plan to roll out a comprehensive translation program. As a result, the team is working to provide all internal materials and communication boards to our members in Spanish, with QR codes for fully translated options. Individual departments are also leveraging a variety of technologies to provide live translation support across multiple languages.

To further support members, Workplace Furnishings launched company-sponsored English Language Acquisition (ELA) classes in partnership with Eastern Iowa Community College. These free, ten-week classes are offered on-site, twice weekly for first or second shift members, with content tailored to the group's needs. In the first pilot group, members focused on manufacturing topics and language common to the work environment. Thirty members attended this pilot program, and HNI plans to expand it to other locations in the future.

This program is building momentum to empower our multilingual workforce with better tools and confidence. In addition, it provides a long-term potential to advance multilingual leaders.

HNI is committed to fostering an inclusive, thriving workforce, recognizing that a sustainable future depends on the development and engagement of all members.





Achieving 100% Participation for Rollout of Accountable Inclusive Leadership Training

Launched in 2023, the Accountable Inclusive Leadership Training is empowering HNI's leadership through the development and cultivation of a culture that treats all members with fairness and respect. Leaders are responsible for fostering teams where all members are rooted in a supportive work environment and feel valued, respected, and heard. With upwards of 1,000 leaders globally, from the CEO to site-level managers, HNI proudly reports a 100% training completion rate, reflecting strengthened inclusive leadership skills and a deepened focus on belonging.

Leaders were brought together monthly in peer working groups for hands-on discussion. During these sessions, they were able to share their experiences and take away actionable ideas to support their teams and create a deeper sense of belonging. The program received praise from leaders across the organization. To sustain this effort, two sessions will be held annually for all new or promoted leaders, emphasizing HNI's commitment to our values of building community and fostering inclusion.

Building Community for All at HNI

Accountable leadership training includes monthly communications, peer group discussions, and workplace skills development.



HNI's Growing Member Resource Group: Women in STEM

At HNI, Member Resource Groups (MRGs) are an essential part of creating a workplace where all members can thrive. These groups focus on three pillars: careers, culture, and community.



HNI's longest standing resource group, Women in STEM, was started in 2019 with a mission to empower and support members at HNI to achieve their full potential in STEM careers. Open to all members, the group is a homegrown effort. Women in STEM was established to break down corporate silos, facilitate meaningful connections, and provide training opportunities for members. Today, with over 250 members, the group hosts coffee hours with leadership, interdepartmental panel discussions, an annual International Women's Day gathering in Muscatine, Iowa, and opportunities to engage with the broader community. As part of this group's activities, HNI members have been inspired to champion the next generation of women in STEM through outreach efforts. In 2022, the group launched a K–6 outreach program in Muscatine-area schools, collaborating with STEM teachers to introduce technology and play-based learning. Within a year, the program reached 2,193 students, engaging them with interactive activities like programming and operating their own robots.

In just one year, Women in STEM outreach reached every single K-6 student in the Muscatine school district.

The group didn't stop there. Women in STEM partnered with Girls Who Code, a national nonprofit dedicated to closing the gender gap in technology. The local chapter, which meets weekly with fourth-graders, equips the students with STEM skills, models women in science, and helps the students to overcome their own apprehension with technology. While geared solely toward fourthgraders, the program has been so successful that students are eager to return as "helpers" the following year. During a Women in STEM outreach visit, HNI members witnessed a first-grader grow frustrated with a remote robot and give up. With encouragement, access, and coaching, the student returned and successfully coded her robot.



HNI

Reducing Impacts

Engaging Our Communities

HNI Charitable Foundation

Founded in 1985, the HNI Charitable Foundation supports communities by focusing on education, health, and key issues impacting members and their families. Over the last two decades, the foundation has awarded \$7.7 million in scholarships to HNI members and their families. Since 2019, the foundation has donated over \$4.1 million to 177 community organizations. In the last two years, the HNI Charitable Foundation supported key projects in the communities where we operate:

In Jasper, the Regional Wellness Center will help address challenges related to quality of life, economic growth, childcare capacity, and educational attainment. The new 90,000-squarefoot facility will include a large fitness center, four full-court gymnasiums, an indoor aquatic center, a walking track, exercise studios, and community rooms, including a community kitchen.

The Musco Sports Center, expected to open in 2025, will be the second largest facility of its kind in the Midwest and will include a full-size field for football or soccer, two softball fields, concessions, and restrooms. The facility will host year-round activities, tournaments, and other events, attracting thousands of local and regional athletes, spectators, visitors, and users.

The Muscatine Agricultural Learning Center provides a support system for students to become competent, caring, responsible citizens and future community leaders through hands-on activities, agriculture education, and life skills development. The new addition to the center will benefit more than 650 students from local schools.

The Building Talent Foundation (BTF), a national non-profit, was established in 2019 to address workforce challenges in the construction industry. These challenges—including talent supply, training, and retention of skilled trade workers — have resulted in a severe gap in industry talent. BTF is addressing these challenges by partnering with prospective employees and employers on various initiatives, including career exploration events, individualized career coaching sessions, and support for new hires to enhance retention. HNI partnered with this organization to raise awareness for careers in residential construction and provide a talent pipeline in our communities.

The Mulberry Health Clinic opened in 2024 and demonstrates HNI's commitment to improving health care in Muscatine and surrounding communities. The \$20 million, three-floor, 42,000-square-foot facility is owned by the Community Foundation of Greater Muscatine, operated by UnityPoint Clinic, and connected to the UnityPoint Health-Trinity Muscatine Hospital. It includes internal medicine and surgery on the first floor, family medicine and pediatrics on the second floor, and OB/GYN and multi-specialty on the third floor.



COMMUNITY FOUNDATION OF GREATER MUSCATINE'S MULBERRY HEALTH CLINIC PROJECT



REGIONAL WELLNESS CENTER IN JASPER, INDIANA



\$400,000 PLEDGED

MUSCO SPORTS CENTER COMING TO MUSCATINE, IOWA







Engaging our Communities

City of Hope

Each year, HNI hosts fundraisers to support City of Hope's mission to transform the future of health through top-notch care, innovative research, and vital education focused on eliminating cancer, diabetes, and other life-threatening diseases. Through our partnership with City of Hope, HNI supports healthcare providers in advancing technology, finding cures, and providing world class care to save more lives and to help thousands in devastating medical situations find hope.

Through generous donations from HNI members, suppliers, dealers, and channel partners, HNI was able to raise \$675,000 in 2023 and a record-breaking \$860,000 in 2024, bringing the total support to over \$9.3 million in 22 years.

Volunteerism at HNI

In addition to these programs, individual HNI members volunteer their time and energy to serve the local community. A few examples include an annual Muscatine tree planting in partnership with the Muscatine Parks and Recreation Department, support for Leaders Who Lunch, and the United Way Day of Caring.

In 2023 and 2024 HNI volunteers partnered with the Muscatine Parks and Recreation Department to plant nearly 50 diverse species of mature trees to strengthen biodiversity in the Muscatine parks.

During the 2024 United Way Day of Caring, in partnership with other local organizations, a total of 94 interns completed 17 projects, investing a total of 376 volunteer hours back into our community. Leaders Who Lunch is a monthly event with HNI Leaders and sixth-grade students in the Muscatine School District. At the luncheons, leaders discuss career opportunities and leadership attributes and help students build confidence.



At HNI, we believe in positively impacting the planet and doing business in ways that are good for the planet today and for generations to come. Because sustainability does not have an endpoint, we continually work to lessen our environmental footprint across all systems and processes through the alignment of our global efforts.

Goals and Progress Sustainability Summit: Universal Goals, Collaborative Solutions Impacts Around the Globe: Energy and Waste





Appendix

Goals and Progress



GOAL

Reduce Scope 3 GHG emissions by 40%

PER TON OF GOODS SOLD BY 2035 FROM A 2018 BASELINE



PROGRESS

Since 2022, we've reduced Scope 3 GHG emissions per ton of goods sold by 16%.

Scope 3 Emissions

in MTCO₂e per ton of product sold



Appendix

Goals and Progress





PROGRESS

Since 2018, our energy intensity has increased by 6% due to changes in production levels.At the same time, we've reduced our absolute energy consumption by 28%.

Sustainability Summit: Universal Goals, Collaborative Solutions

To align global sustainability efforts, HNI has set ambitious goals across its segments, from supply chain to product development to manufacturing operations, aiming to reduce environmental impacts across its footprint. While this vision is driven by the corporate team, individual business segments collaborate to champion progress, mobilize members, and operationalize solutions for collective impact.

Since 2022, HNI holds regular sustainability summits with representatives from each business segment—ranging from C-suite to marketing, facilities, product development, and operations—to set strategies and develop actionable plans aligned with corporate sustainability goals. This unified approach ensures that all brands, regardless of product focus, adhere to the same sustainability standards, creating a consistent enterprise-wide commitment.

HNI Sustainability Scorecards

During the summits, each segment collaborates on a sustainability scorecard identifying segment-specific tactics and annual activities aligned with corporate goals. These scorecards define activities, owners, and timeframes, allowing for accountability and collaboration across the organization. Progress is presented to the CEO monthly and Board of Directors quarterly, providing leadership with transparency and visibility into the unique approaches of each business segment in the pursuit of a shared vision for sustainability.

Collaborative Strategy Across Leadership

HNI has established governance structures to oversee implementation of sustainability efforts within operations, supply chain, product, and marketing. Specialized committees focus on energy, water, waste in manufacturing facilities, product sustainability, and supply chain efforts. As a way of sustaining collaboration, cross-functional and enterprise-wide teams meet regularly and all members are engaged through Mi Ideas, an internal program to collect and implement ideas for improvement in areas such as safety, quality, and sustainability. Members and teams across HNI continue to identify new opportunities and solutions, fostering a sense of ownership, camaraderie, and commitment to reach HNI's collective goals.

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The spirit of collaboration doesn't end at the sustainability summit. Initiatives like unified supplier scorecards, alternative packaging research, and innovative energy reduction tactics are shared crossfunctionally throughout the year across HNI's business segments and brands.



Respecting People

Reducing Impacts

Impacts Around the Globe: Energy and Waste

In our continuous effort to reduce impacts across the organization, we have adopted a collaborative approach to energy and waste reduction that has significantly accelerated our progress.



Proven Methodology for Energy Savings

In 2021, we began implementing "treasure hunts" across HNI's facilities to provide visibility into energy usage and identify opportunities to improve operational efficiency. Our shared methodology simultaneously empowers each facility to identify unique opportunities and focus on the most significant and costeffective projects, while aligning with our corporate environmental goals. By building a common approach, our teams can strategize, troubleshoot, problem solve, and prioritize in a way that is comparable across HNI globally.

Energy Reduction Project Highlights

HVAC EFFICIENCY \rightarrow 11% REDUCTION IN ENERGY USAGE

In one notable "treasure hunt", our Vermont-based facilities identified over 20 opportunities to increase energy efficiency, including upgrading or switching energy sources from compressed air and partnering with the local utility for substantial cost savings. In another facility, the implementation of a building management system targeting HVAC is estimated to result in an 11% decrease in energy usage at that facility and allow the team to centralize data on performance and equipment controls, providing both process and sustainability improvements.

INNOVATIVE AIR CURTAINS \rightarrow 30% REDUCTION PER OVEN

To target hotspots for energy demand, our teams addressed oven efficiency and optimized paint booth ovens to reduce heat loss and decrease overall temperature. In our Muscatine operations, the addition of in-house designed air curtains reduced oven energy demand by up to 30% per oven and stabilized internal temperatures. These efforts received the 2024 Better Plant Project Innovation Award from the U.S. Department of Energy, recognizing Workplace Furnishings' advancements in reducing natural gas usage and enhancing process control. Similar projects are now being implemented across other HNI facilities.

Across our Muscatine operations, skilled trade team members identified an opportunity to optimize wood dust collection schedules through automating shutdown procedures and reducing excessive baghouse cleaning pulses. These efforts resulted in annual savings of over 600,000 kWh.

OPERATIONAL IMPROVEMENTS \rightarrow 2 MILLION KWH SAVED ANNUALLY

REGIONAL DISTRIBUTION CENTER \rightarrow 22% REDUCTION IN MILES DRIVEN

Beyond energy reduction within manufacturing facilities, Kimball International launched a new Southwest regional distribution center which leverages robust logistics software to plan efficient routes and consolidate shipments, leading to a 22% reduction in miles driven by the Kimball International fleet. By reducing the length and frequency of deliveries, Kimball International provides drivers with predictable hours and shorter routes for improved work-life balance, job satisfaction, and reduced GHG emissions from fuel usage.

WOOD DUST COLLECTION ightarrow 600,000 KWH SAVED ANNUALLY

Kimball International took impressive strides to streamline and consolidate operations by relocating its color development and finish line activities. This project eliminated idle equipment times, integrated processes, optimized operations, and improved energy efficiency by 2 million kWh.

Impacts Around the Globe: Energy and Waste

A Commitment to Renewable Energy

In addition to improving operational efficiency, HNI has renewable energy sourcing goals with RE100 and EPA Green Power Partnership. These commitments are important to advance the green power market, encourage the development of renewable electricity sources, and achieve our climate goals while helping to reduce air emissions and pollution from conventional power sources.

To support these efforts, HNI installed a 500-kW solar array on the roof of our seating operations. The array is expected to offset approximately 10% of the plant's electrical demand, reducing Scope 2 emissions and aligning with HNI's commitment to mitigate climate change and reduce carbon impacts.

This project, which required collaboration across skilled trades, operations, and corporate teams, marks HNI's first step toward investing in onsite renewable energy. The array generates up to 960 MWh annually enough to power nearly 90 homes for a year. In addition to this project and to purchasing unbundled renewable energy certificates, HNI engages with local energy providers on power purchase agreements and is evaluating additional onsite solar projects.

HNI is also excited to announce plans for our largest solar installation to date at our biggest manufacturing facility in Muscatine, Iowa. This solar array will generate over 1,500 MWh annually—equivalent to approximately 7% of the facility's annual electricity consumption. This marks a significant step in our sustainability journey, as it will be our first solar installation at a U.S. facility.



707.771 kWh saved

ENOUGH TO POWER **65 HOMES** ANNUALLY

COMPRESSED AIR PROJECTS

2,939,433 kWh saved

ENOUGH TO POWER 272 HOMES ANNUALLY

PROCESS OPTIMIZATION PROJECTS

8,450,611 kWh saved

ENOUGH TO POWER 783 HOMES ANNUALLY

16 **ENERGY SHUTDOWN PROJECTS**

2.654.041 kWh saved

ENOUGH TO POWER 246 HOMES ANNUALLY

SOLAR INSTALLATION PROJECT

960,000 kWh saved

ENOUGH TO POWER 90 HOMES ANNUALLY



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Impacts Around the Globe: Energy and Waste



HNI's Methodology for Waste Diversion

Similar to energy treasure hunts, our shared approach to waste mapping across all business segments allows for visibility into unique, facility-level opportunities, while aligning with our corporate goals and strategy. Through waste audits, our teams work together to identify opportunities to reduce, recycle, and divert materials from the landfill. To further our impact, we've built a third-party partnership which gives our team access to a large network of vetted recyclers and waste experts to support us in achieving our goals.

Zero Waste Verification Process

Site-level waste minimization efforts are critical to achieving HNI's zero waste to landfill goal. To guide our facilities in setting site-level waste targets, collecting data, monitoring progress, and evaluating waste minimization performance, HNI established its own waste standards. These standards provide a collective understanding of waste terminology, reduction strategy, prioritization practices, waste mapping processes, and a shared methodology to verify our zero waste to landfill achievements. By establishing clear waste standards, HNI ensures that each facility is aligned in its approach to waste reduction, making the initiative more efficient, transparent, and ultimately successful.

To support zero waste initiatives, Kimball International has its own recycling center, allowing manufacturing sites to enhance recycling and reduce waste accumulation. This center helps to increase the number of recycled commodities by thoroughly evaluating each waste stream and connecting with external vendors for recycling opportunities. Additionally, this center provides recycling and paper shredding services for other regional businesses and industries.

TRUE Certification

Over the last two years, we've integrated Kimball International's approach to zero waste with HNI's standards and expanded the possible pathways for waste reduction to include GBCI's Total Resource Use and Efficiency (TRUE) Certification as well as 95% diversion. Through these efforts, Kimball International has achieved the third-party verified TRUE Certification at two facilities and over 85% diversion at almost all manufacturing sites.

Currently, 10 of 26 manufacturing facilities implemented projects to achieve the zero waste to landfill designation, including two facilities which received external certification through GBCI's TRUE program. HNI diverted a total of 90,000 tons of waste in 2023 and 2024 and decreased overall solid waste by over 20% from 2022.

Impacts Around the Globe: Energy and Waste

Waste Reduction Progress

At HNI, reducing waste is critical to our corporate sustainability strategy. By applying a structured methodology to waste reduction, we have made significant strides in minimizing waste generation and diverting materials from landfills. Since 2022, our efforts have contributed to a 68% reduction in total waste sent to landfill. At the same time, we've achieved an impressive diversion rate of 88% across all of our facilities in 2024.

These accomplishments result from substantial collaboration with our waste partners to identify new solutions and our members' dedication to sorting and segregating materials while continuously seeking ways to improve our processes. Our commitment to sustainability drives efficiency, reduces material waste, and fosters the development of circular solutions that extend the life cycle of materials.

While financial savings are not the primary driver of our waste reduction efforts, these activities make good business sense. By reducing waste and optimizing resource use, we not only lessen our environmental footprint, but also enhance operational efficiency, reduce disposal costs, and create value through recycling and material reuse. In 2024 alone, HNI generated almost \$600K in recycling rebates and achieved a total landfill cost avoidance of almost \$5 million through waste diversion efforts.

HNI remains dedicated to advancing waste reduction initiatives, demonstrating that responsible resource management benefits both the environment and our business.



70,000











Impacts Around the Globe: Energy and Waste

Waste Reduction Project Highlights



WOOD \rightarrow 30,000 TONS DIVERTED

At our Cedartown facility, we partnered with a logistics company to divert almost 200 tons of wood waste to create temporary structures during flood relief efforts in Kentucky. Excess wood is also used for energy generation at a nearby cement kiln, reducing overall carbon emissions by replacing natural gas use. Workplace Furnishings has found beneficial reuse options for all wood waste, resulting in over 30,000 tons of wood diverted from the landfill since 2022.

POWDER PAINT \rightarrow 150 TONS DIVERTED

In December 2023, Workplace Furnishings initiated a powder paint waste recycling program that guickly expanded to three locations and celebrates 150 tons recycled to date. Inspired by the successful circularity initiative to turn wood scrap into seat bases, the team is exploring pathways to return powder paint waste to production use.

SAND \rightarrow 100% DIVERTED

In the Residential Building Products foundry, sand was identified as a significant waste stream during a waste audit. After connecting with an external partner to divert 100% of the sand, the overall facility diversion rate increased from 6% to 85%.

BRICK \rightarrow 45 TONS DIVERTED

Leaving no waste stream untouched, the Halifax facility identified recycling opportunities for brick materials, diverting over 45 tons of waste from the landfill annually.

Many of the materials used in our furniture and hearth products contain recycled content. One example is Residential Building Products' use of 100% recycled cast iron from components like brake drums and rotors which are melted and reused internally or returned to the supplier for reuse.

REFRACTORY \rightarrow 407 TONS DIVERTED

The Mount Pleasant facility advanced toward zero waste by partnering with a local construction company to recycle refractory waste. After overcoming contamination challenges, the team developed a custom mold design, allowing the extra waste to be cured, separated, and recycled. Overall, the team diverted 407 tons of waste from landfill in 2024.

3D PRINTING \rightarrow 75 MOLDS AVOIDED

Kimball International leveraged 3D printing to reduce waste and improve efficiency in production. The technology produces minimal waste, with much of the material reclaimed and reused. In 2024, this approach enabled the production of over 7,700 parts, eliminating the need for 15 injection molds and replacing more than 60 prototype molds with 3D-printed versions.

RECYCLED CONTENT \rightarrow 100% RECYCLED CAST IRON

Respecting People

Reducing Impacts

Impacts Around the Globe: Energy and Waste

Community Recycling Initiatives

The passion to reduce impact extends beyond our doors. Both Workplace Furnishings and Kimball International facilitate community recycling programs and events. Kimball International has hosted community paper shredding events since 2021 and, in its most recent event, collected 5,461 pounds of paper, cardboard, and mixed paper. Workplace Furnishings is following suit, with one facility helping its community divert over 15 tons of waste since 2023.

Championing Circularity

GREEN STANDARDS

HNI is committed to optimizing resource use and minimizing waste across our production processes as well as finding ways to support recycling and reuse of our products when they have reached the end of their useful life. Kimball International and Workplace Furnishings have made significant improvements to their product take-back programs alongside partner, Green Standards. Through this partnership, we connect our customers with a global network of end-of-use service providers to aid them in the reuse, refurbishment, and recycling of products and their components. Through the development of educational materials and a comprehensive dealer playbook, both segments are equipped to better engage and inform customers of the benefits, options, and data available through Green Standards.

Beyond the Green Standards partnership, we publish disassembly diagrams and environmental data sheets for our products. These documents detail information on product materials and recyclability. Our product engineering teams are exploring opportunities to design products with the "end in mind" by increasing recycled content, selecting materials that are more easily recyclable, and designing for ease of repair or ability to refresh fabrics and colors. An example of integrating recycling considerations into product design is the elimination of adhesives in many of Workplace Furnishings task chairs, allowing for the components to easily be separated into appropriate recycling streams.



SEAQUAL INITIATIVE

HNI has partnered with SEAQUAL INITIATIVE® to help turn reclaimed marine plastics into beautiful sustainable fabrics available for upholstered products. Over two million tons of plastic enter the ocean every year, potentially remaining in the water for centuries. Through the SEAQUAL partnership, HNI supports ocean cleanups around the globe and brings value to the waste they recover. Additionally, by incorporating these reclaimed materials, we are actively decreasing our reliance on virgin materials, thereby contributing to a more circular economy.

Redefining Tomorrow

We believe that if we work with intention and embrace creative change, our achievements in designing for a better future can be unlimited. Reaching beyond our goals, we aim to create products that are designed for the environment, manufactured responsibly, and delivered with efficiency.

Goals and Progress Leveraging In-House Technologies for Transparency and Innovation Designing for a Better Future: Engaging Suppliers Dashboard of Progress: Rolling Out Corporate Sustainability Software





Goals and Progress

GOAL

Eliminate non-recyclable foam packaging and move toward 100% recyclable packaging

BY 2025



PROGRESS

Since 2022, we've eliminated over 8,000,000 pieces of non-recyclable foam packaging in HNI manufactured products.

Kimball International and Residential Building Products achieved 100% elimination of expanded polystyrene non-recyclable foam, and Workplace Furnishings achieved 100% across systems, tables, and architectural product lines.

Overall, Workplace Furnishings advanced from 47% to 61% in total elimination.

GOAL

Evaluate 100% of materials and chemical substances in products

FOR HUMAN AND ECOSYSTEM IMPACTS AND ATTEMPT TO MINIMIZE THOSE IMPACTS THROUGH DESIGN FOR THE ENVIRONMENT BY 2025

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PROGRESS

Since 2022, Workplace Furnishings achieved 80%*, Kimball International achieved 40%, and Residential Building Products achieved 28% of material by spend analyzed. In addition, Workplace Furnishings published an HPD on 11 products, and achieved a Declare label for our full offering of architectural products. Both Kimball International and Workplace Furnishings made progress on eliminating PFAS in paints, textiles, and other components.

* Determined prior to moving product lines and opening a new manufacturing facility. In 2025, we will evaluate the sustainability impacts of these changes and incorporate our findings.

PRO Indo BIFIV

Certi

| PRODUCT CERTIFICATIONS | 2024 |
|--|------|
| Indoor Advantage Gold certified products | 775 |
| BIFMA Level 1 certified products | 270 |
| BIFMA Level 2 certified products | 118 |
| BIFMA Level 3 certified products | 184 |
| Environmental Product Declarations | 20 |
| Health Product Declarations | 12 |
| Declare labels | 2 |
| MindClick certified programs | 9 |
| Certified Autism Resource (CAR) | 1 |
| | |

Ecomedes Product Search: HNL | Kimball International

HNI

Appendix

Leveraging In-House Technologies for Transparency and Innovation

Life Cycle Assessments (LCAs) are essential tools for understanding the environmental impacts of a product, service, or material, informing decisions regarding design, materiality, or supplier selection. At HNI, we are seeking to evaluate a product's entire life cycle measuring carbon, water, waste, and other critical sustainability indicators. As we redefine a better tomorrow, HNI is leveraging technology in life cycle analysis, carbon accounting, and chemical transparency to improve baselines and accelerate our impacts.

This year, Workplace Furnishings has expanded its in-house capabilities, enabling teams to gain closer, more actionable insights for informed decision-making. Thus far, captured insights have identified hot spots for improvements in manufacturing, operations, materials choices, and supplier partnerships. To date, HNI has modeled four product categories. Alongside chemical analysis initiatives with supply chain partners, moving forward, HNI will have a full depth of understanding of its portfolio makeup, allowing us to stay ahead of evolving regulations and improve products as customer needs evolve.

HNI's investment in LCA technology, a direct result of growing inquiries from customers and investors regarding product sustainability, enables us to provide clear and transparent metrics surrounding our impact.

Applying Insights to Innovate Design

BEYOND BY ALLSTEEL

HNI's Allsteel brand developed a study with the intent of confirming the environmental benefits of Beyond demountable wall products. The impact of the Beyond product was calculated against conventional construction materials to realize the environmental impact generated during the entire life cycle of each construction type.

The study found that upon initial install, Allsteel Beyond saw 56% less carbon emissions. After five reconfigurations, Beyond has a 68% lower climate change impact and 64% solid waste reduction as compared to conventional construction materials. This study validated the sustainability benefits of Beyond and quantified the positive impact our product can make in a building.





In addition, HNI is working to guantify product improvements over time. In a comparative analysis of the Beyond product examining 2018 to 2023 impacts, we demonstrate a 13% reduction in embodied carbon. These improvements are the result of energy and waste reductions achieved in our manufacturing facilities, as well as product level improvements. These results are one example of our overall progress in providing more sustainable products.

INCEPTION BY SIMPLIFIRE

Launched in 2023 and updated in 2024, Inception is Residential Building Products' most innovative electric fireplace, expanding the portfolio of low-emission products and setting a new industry standard for realism. Offering the charm of a traditional fireplace with nearly 100% efficient heat generation, it supports a sustainable lifestyle with easy installation to existing walls without major construction. This groundbreaking product aligns with HNI's commitment to sustainability and environmental innovation.



Leveraging In-House Technologies for Transparency and Innovation

Applying Insights to Innovate Design, continued

ELIMINATION OF EPS PACKAGING ACROSS HNI'S PORTFOLIO

HNI has eliminated 100% of expanded polystyrene (EPS) packaging in our Kimball International and Residential Building Products product lines. Workplace Furnishings has made significant progress by eliminating over 61% of EPS foam across systems, tables, and architectural product lines. This non-biodegradable material is derived from fossil fuels that contribute to long-term pollution and resource depletion. Eliminating EPS reduces non-recyclable waste, mitigates environmental harm, and conserves finite resources.

Since 2018, HNI has been transitioning to materials like cardboard, kraft paper, and recycled pulp to align with our goals to reduce waste and carbon emissions, while increasing recycling. Sustainable packaging design efforts stemmed from the corporate level, trickling down to the business segment and brand levels through thoughtful, cross-functional collaboration. This success reflects HNI's broader commitment to delivering environmentally responsible products and advancing sustainability practices within our industry.



Designing for a Better Future: Engaging Suppliers

Supplier Risk Evaluations

After achieving 100% strategic supplier compliance with the Code of Conduct, HNI strengthened supplier engagement with a new scorecard. Using analytical software, we consolidated data from multiple platforms, integrating quality, reliability, cost, business relationships, and sustainability factors. These scorecards offer a clear view of supplier performance, risk, and sustainability while ensuring consistent metrics for alignment.

Covering over 80% of Workplace Furnishings and Kimball International spend and over 50% of Residential Building Products spend, this tool streamlines quarterly business reviews, enabling commodity managers to prioritize high-impact areas when engaging with suppliers and facilitating collaboration toward the achievement of corporate sustainability goals. These insights aren't just available to us—suppliers have access to a dashboard, facilitating communication for troubleshooting, improvement, and support.

Additionally, the scorecard data has been integrated into HNI's assessment of high-risk suppliers. HNI manages a robust supplier audit process focused on regions with higher potential for risk and workplace safety noncompliance. The audit process is thorough, covering policies, procedures, escalation plans, scoring rubrics, and structured follow-ups to foster continuous improvement. To enhance audit guality and effectiveness, HNI partners with a third-party consultant who supports the team in reviewing and refining the process. This collaboration drives progress toward long-term sustainability targets by embedding sustainability into our purchasing process and fostering proactive risk mitigation across our supply chain.

Tools for Full Material Disclosure

As a leader in the industry, HNI is tackling the identification of every material utilized in product development to achieve complete chemical transparency and create safer, more sustainable products. In addition to utilizing supplier requests and inventories, we are continually exploring tools, partnerships, and resources to improve information accuracy and create complete material inventories.

Since 2022, we've increased our analysis of material by spend, covering 80% of Workplace Furnishings, 40% of Kimball, and 28% of Residential Building Products.

To advance and supplement internal tools, HNI has partnered with the industry association BIFMA on SOURCE, a platform tailored specifically to the commercial furniture industry. SOURCE provides a centralized database of sustainability information designed to reduce repetitive requests, optimize data management, provide screening tools for chemical analysis, and address the increasing regulatory and market demands for material transparency.

To further support this effort, we also work with Iowa State University for advanced chemical analysis, specifically leveraging this partnership for proactive analysis related to PFAS, or "forever chemicals." Additionally, HNI invested in more advanced tools such as X-ray fluorescence (XRF) analyzers for elemental composition analysis of materials and spectrometers for identifying organic and polymeric materials.

HNI has successfully completed a Health Product Declaration (HPD) on 11 products and Declare labels for the full line of Aspect and Beyond, and we are proudly expanding third-party verified Environmental Product Declarations across our portfolio.



These tools and partnerships add capabilities that allow us to better understand chemical composition, underpinning our unwavering dedication to material disclosure and enabling us to make informed design decisions.

These efforts lay the foundation to increase chemical disclosures, meeting consumer demands, while promoting human health and well-being. At HNI, we believe it is our responsibility to design a better tomorrow for all.



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Appendix

Dashboard of Progress: Rolling Out Corporate Sustainability Software

At a corporate level, there is an increased expectation and interest from stakeholders to disclose sustainability data and goal progress. As part of HNI's sustainability strategy, internal teams have consolidated years of historical energy and waste data into a comprehensive system, unlocking and streamlining data management and reporting capabilities. Previously, data collection was manual and challenging to centralize.

Over the last year, HNI implemented a company-wide carbon management software, enabling tracking and reporting of Scope 1, 2, and 3 GHG emissions, as well as energy consumption, water usage, and waste from the corporate level all the way down to each specific facility. With this system, HNI can analyze data quickly and easily while reviewing progress toward goals monthly, rather than annually, increasing the efficiency and frequency of reporting progress towards goals and data transparency throughout the organization.

Accurate data is crucial for driving sustainability efforts, providing substantiation for company and product claims, and measuring progress. The commitment to improving data management and governance isn't just for one department but is the responsibility of all. By increasing data accessibility, we can create more granular goals for each facility and ultimately connect with data from life cycle work to target product improvements across the portfolio.

Improved Data: Rapid Outcomes

This software represents a critical and foundational investment in HNI's future. It provides the tools necessary to measure, monitor, and refine reduction strategies, including science-based emissions targets, our RE100 goal to source 100% renewable electricity, and our goal of 50% energy intensity reduction by 2035. With greater accuracy and transparency, not only is HNI audit-ready at all times, but the faster and more efficient reporting offers more time for engaging with the organization to drive reductions at a granular level—moving the team from data management to process improvement.





Redefining Tomorrow

Appendix

Awards and Achievements



USA TODAY AMERICA'S CLIMATE LEADERS 2024

HNI recognized for dedication to reducing greenhouse gas emissions, energy conservation, and renewable energy.

DOE BETTER CLIMATE 2023 GOAL ACHIEVER

HNI recognized for achieving emissions reduction targets as a partner in the Better **Climate Challenge.**



DOE 2024 BETTER PROJECT AWARD WINNER

HNI recognized for innovative internally designed energy reduction methods.





TIME WORLD'S BEST COMPANIES -SUSTAINABLE GROWTH 2025

HNI recognized in the inaugural edition of the ranking for commitment to financial growth while promoting sustainable environmental practices.



U.S. NEWS AND WORLD REPORT'S 2024 BEST COMPANIES TO WORK FOR

HNI was top ranked among companies recognized for creating a positive work environment.





NEWSWEEK'S AMERICA'S MOST RESPONSIBLE COMPANIES

In 2025, HNI ranked #3 among consumer goods companies and #36 overall.

GREEN POWER PARTNERS

HNI was included in the U.S. EPA Green **Power Partnership** National Top 100 in 2023 and 2024.



FORBES

HNI ranked in top 100 of America's Most Successful Midsize Companies





Redefining Tomorrow

Appendix

Continued Commitments





Reaching Higher: Goals on Our Horizon

Our past corporate responsibility commitments were not simply a declaration of transparency; rather, they represent a focused effort to improve our future. As we approach completion of these initial goals, we celebrate the successes and look for ways to reach even higher. In pursuit of a better tomorrow, HNI members are evaluating and declaring new ways to drive sustainability advancements and continued improvement across our operations and products.

| AREA | COMPLETED GOAL | NEW REACH |
|---------------------|---|--|
| Reducing Impact | Reduce absolute combined Scope 1 and 2 GHG emissions by 35% by 2025, from a 2018 baseline. | Having far exceeded this goal, during 2025 HNI will evaluate opportunities to establish new emissions reduction goals for the future. |
| Redefining Tomorrow | Eliminate non-recyclable foam packaging and move toward 100% recyclable packaging by 2025. | By the end of 2025, we plan to have eliminated expanded polystyrene. We plan to move toward 100% recyclable, reusable, or industrially compostable packaging by 2032. |
| | Evaluate 100% of materials and chemical substances in products for human and ecosystem impacts and attempt to minimize those impacts through Design for the Environment by 2025. | By the end of 2025, we plan to have analyzed all materials. We plan to progress our material and chemical evaluation efforts to reduce the human and ecosystem impact of HNI's manufactured products by 2032. |
| | | Carbon: Evaluate and reduce carbon impact of products from previous generations by 15% for highest volume products. |
| | | Circularity: Design 100% of new products for longevity and circularity. Increase end-of-life program utilization and expand beyond furniture. |
| | | Chemical: Complete chemical disclosure on products. Eliminate PFAS in HNI products by 2032. Develop plan to eliminate targeted chemicals of concern. |

Alongside our existing goals, we plan to pursue the following:





Appendix

Click to view and download resources:



Materiality Table

