

TCFD DISCLOSURE RECOMMENDATION

2024 RESPONSE

Governance

a) Describe the board's oversight of climate-related risks and opportunities.

HNI's Board oversees the Corporation’s corporate social responsibility (“CSR”) strategy and program, which encompasses the Corporation’s climate-related goals, risks, and opportunities. The Board has delegated to each Board committee responsibility for overseeing elements of the Corporation’s CSR program, and the committees regularly report to the Board regarding these program elements.

The Audit Committee is charged with overseeing required regulatory compliance and disclosures, and the Public Policy and Corporate Governance Committee is charged with overseeing all other elements of the Corporation’s CSR program, including climate change, product lifecycle management, and materials sourcing.

To maintain competency on sustainability and climate issues, the CSR Director and other internal subject-matter experts inform the Board as issues arise. HNI's Board also includes directors with executive level experience in roles with responsibility for corporate social responsibility or sustainability at a large organization.

The CEO and either the full Board or Public Policy and Corporate Governance Committee are briefed quarterly on risks, opportunities, strategy and progress towards HNI’s CSR targets.

b) Describe management's role in assessing and managing climate-related risks and opportunities.

Climate-related risks and opportunities are overseen by management through the Corporate Social Responsibility Executive Steering Team, which is chaired by the CEO and includes senior management. The SVP, General Counsel & Secretary, who reports to the CEO, is responsible for managing the HNI CSR Team, which consists of the HNI Director of CSR, Product Compliance, Safety, and CSR Managers and analysts. Climate strategies and goals and management of risk are the responsibility of the CSR Team and functional leadership. With CEO and Board oversight, they are required to set reduction and mitigation goals, develop strategies, identify initiatives, and implement action plans. The team members report to the CSR Executive Steering Team at least quarterly and are also reviewed against their individual and corporate goals as part of their position's annual performance review. The CEO's annual incentive compensation and the other Named Executive Officers' incentive compensation are tied to implementation and progress of CSR initiatives.

Strategy

a) Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term.

Climate-related risks are integrated into the HNI Enterprise Risk Management (ERM) system. HNI defines the time horizons for sustainability-related risks and opportunities as:

- short term: 0-3 years to support annual budgeting and short-term goal achievement planning
- medium term: 4-10 years, which aligns with the Science Based Targets Initiative's criteria for near-term targets
- long term: 11-25 year, which aligns with the Science Based Targets Initiative's criteria for long-term targets and the time frame used in HNI's scenario analysis

Details of HNI's sustainability and climate-related risks and opportunities are available in HNI's [CDP Disclosure](#) | Section C3.

b) Describe the impact of climate-related risks and opportunities on the organization’s businesses, strategy, and financial planning.

To avoid loss of revenue from changing customer behavior, shifting preferences, and potential regulation and address the opportunity to provide customers with products that have lower environmental impacts and embodied carbon, HNI has included science based emissions, material and chemical transparency, and product sustainability goals as part of our global strategy over the short and medium terms.

The potential impacts of HNI's risks and opportunities on our business, strategy, and financial planning are identified in HNI's [CDP Disclosure](#) | Sections C3 and C5.

TCFD DISCLOSURE RECOMMENDATION

c) Describe the resilience of the organization’s strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.

2024 RESPONSE

HNI is evaluating potential processes and tools to assist in performing quantitative scenario analysis for both our direct operations and supply chain. In 2023, HNI piloted a tool that performs scenario analysis of physical risks in our supply chain. The analysis included historical trends and moderate and worst-case Shared Socioeconomic Pathway (SSP) scenarios.

Further detail of HNI's risks and opportunities is available in HNI's [CDP Disclosure](#) | Sections C3 and C5.

Risk Management	
a) Describe the organization’s processes for identifying and assessing climate-related risks.	<p>Climate-related risks are integrated into our standard, company-wide Enterprise Risk Management (ERM) program. As part of the ERM program, HNI performs quarterly reviews to identify new and potential risks. HNI's CSR Team also monitors and addresses emerging risks on an ongoing basis. This process covers production, suppliers, and markets and includes physical, regulatory, reputational, technology, and legal risks.</p> <p>Further detail of HNI's risks and opportunities is available in HNI's CDP Disclosure Section C2.</p>
b) Describe the organization’s processes for managing climate-related risks.	<p>Climate strategies and goals and management of risk are the responsibility of the CSR Team and functional leadership. With CEO and Board oversight, they are required to set reduction and mitigation goals, develop strategies, identify initiatives, and implement action plans. The team members report progress to HNI's CSR Executive Steering Team at least quarterly.</p>
c) Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization’s overall risk management.	<p>Climate-related risks are integrated into our standard, company-wide Enterprise Risk Management (ERM) program.</p> <p>Further detail of HNI's risks and opportunities is available in HNI's CDP Disclosure Section C2.</p>
Metrics and Targets	
a) Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process.	<p>Key metrics used to assess climate-related risks and opportunities include HNI's CSR goals to reduce greenhouse gas emissions and energy intensity, source 100% renewable electricity, achieve zero waste to landfill for all manufacturing facilities, and 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.</p> <p>2024 Corporate Responsibility Report Reducing Impacts, page 16</p> <p>2024 Corporate Responsibility Report Redefining Tomorrow, page 26</p>
b) Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.	<p>2024 Scope 1 Emissions: 48,252 MTCO2e</p> <p>2024 Scope 2 Emissions (market-based): 0 MTCO2e</p> <p>2024 Scope 3 Emissions: 1,893,024 MTCO2e</p> <p>2023 Scope 1 Emissions: 49,622 MTCO2e</p> <p>2023 Scope 2 Emissions (market-based): 0 MTCO2e</p> <p>2023 Scope 3 Emissions: 1,949,540 MTCO2e</p> <p>Further detail of HNI's greenhouse gas emissions are available in HNI's CDP Disclosure Section C7.</p>



TCFD DISCLOSURE RECOMMENDATION

c) Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.

2024 RESPONSE

Targets used to manage climate related risks and opportunities include:

- Reduce absolute combined Scope 1 and 2 GHG emissions by 35% by 2025 from a 2018 baseline (approved by the Science Based Targets Initiative (SBTi))
- Reduce Scope 3 GHG emissions by 40% per ton of goods sold by 2035 from a 2018 baseline (approved by the SBTi)
- Source 100% renewable electricity across global operations annually by 2030 (RE100 Commitment)
- Achieve a 50% energy intensity reduction by 2035 from a 2018 baseline
- Achieve zero waste to landfill for all manufacturing facilities by 2030
- 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