

# **Climate-Related Financial Risk Report (inclusive of TCFD)**

**HNI Corporation**

2026



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## Executive Summary

This report details HNI Corporation's climate-related strategy, management and oversight, according to the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD), in fulfillment of the disclosure requirements under California Health and Safety Code § 38533 (HSC § 38533). With its Climate-Related Financial Risk report, HNI Corporation aims to be transparent about the status of its climate-related strategy, management, and oversight across the four pillars recommended by the TCFD<sup>1</sup>.

- » **Governance:** HNI Corporation has established a governance framework for oversight of corporate social responsibility ("CSR"), including climate-related goals, risks, and opportunities. The Board of Directors oversees the Corporation's CSR strategy and program and has delegated oversight of elements of the CSR program to its committees. The Audit Committee oversees required regulatory compliance and disclosures, and the Public Policy and Corporate Governance Committee oversees other elements of the CSR program, including sustainability and matters relating to climate change. Climate-related risks and opportunities are overseen by management through HNI's CSR governance structure, which integrates climate-related considerations into broader strategic, operational, and financial planning and provides regular reporting to the Board and its committees.
- » **Strategy:** HNI Corporation conducted a comprehensive climate risk assessment in November 2025, identifying 11 material risks and 7 opportunities, evaluated across short, medium, and long-term horizons utilizing a 1-5 scale for likelihood and magnitude. Based on the assessment, HNI Corporation is exploring approaches to mitigate climate-related risks and support long-term resilience and growth.
- » **Risk Management:** HNI Corporation assesses climate-related risks through its existing Enterprise Risk Management (ERM) framework. As part of the ERM program, HNI Corporation 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.
- » **Metrics & Targets:** HNI Corporation measures and discloses its Scope 1, Scope 2, and Scope 3 greenhouse gas emissions annually. The company also tracks key environmental performance indicators, including renewable electricity consumption, energy intensity, and landfilled waste. These efforts help HNI Corporation develop a more comprehensive view of its footprint, assess exposure to transition-related risks, and identify opportunities for decarbonization across its products and operations. *This year, HNI concluded its SBTi-approved target to reduce combined absolute Scope 1 and 2 GHG emissions 35% by 2025 from a 2018 base year. As of the end of 2025, HNI had surpassed this target, achieving a 78% reduction, and is evaluating opportunities to establish new, ambitious greenhouse gas reduction goals, to ensure continued progress and alignment with climate science. HNI has an SBTi-approved GHG emissions intensity target to reduce Scope 3 emissions 40% per ton of goods sold by 2035 from a 2018 base year. As of the end of 2025, HNI had achieved a 2% intensity reduction.*

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<sup>1</sup> In December 2025, the Company finalized the acquisition of Steelcase Inc. Information on risks, metrics, and targets, including Scope 1, 2, and 3 emissions, for Steelcase Inc. is not included in this report and will be incorporated in the next reporting cycles.



## Climate-Related Financial Risk Report

HNI Corporation has a robust sustainability governance structure, which oversees strong environmental management strategies and processes. The company has identified climate-related risks and opportunities over the short-, medium- and long-term and integrates this information into corporate operations, strategy, and financial planning.

# Compliance Statement

HNI Corporation has applied the TCFD recommendations (as per The Final Report of Recommendations of the TCFD, June 2017) in preparing its climate-related financial disclosures to comply with the minimum disclosure requirements outlined by California Health and Safety Code § 38533 (HSC § 38533).

HNI Corporation has fulfilled the TCFD disclosure recommendations:

- » Governance - recommended disclosures (a) and (b)
- » Strategy - recommended disclosures (a), (b) and (c)
- » Risk Management - recommended disclosures (a), (b) and (c)
- » Metrics and Targets - recommended disclosures (a), (b) and (c)

## HNI Corporation's TCFD-aligned Disclosure

### 1. Governance

#### a) Board's Oversight of Climate-Related Risks and Opportunities:

HNI Corporation'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, energy management, waste management, product lifecycle management, and materials sourcing. To maintain competency in 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) Management's Role in Climate-Related Risks and Opportunities

Climate-related risks and opportunities are overseen by management through HNI Corporation's management level CSR process. 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 risk management 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. Progress on goals is reported at least quarterly. Specific responsibilities of the CEO include assessment, management, monitoring, and measurement of impacts, risks, and opportunities, as well as oversight of related environmental policies and targets. These responsibilities also extend to managing strategy and financial planning such as acquisitions, mergers, divestitures, and capital/operational expenditures. HNI's executive compensation framework also incorporates individual performance objectives, which have included CSR-related advancement.

## 2. Strategy

- a) HNI Corporation's climate-related risks and opportunities identified over the short-, medium- and long-term and (b) their impact on its business operations, strategy, and financial planning.

HNI Corporation conducted a climate risk assessment in November 2025, and identified material risks and opportunities, across the short, medium, and long term. In evaluating the material risks and opportunities, HNI Corporation assessed their magnitude (severity of impact) and likelihood (probability of occurrence) using a 1–5 scale.

- » **Likelihood:** From *Very Unlikely (1)* to *Almost Certain/Actual (5)*
- » **Magnitude:** From *Minor (1)* to *Very High (5)* impact
- » **Timeframe:** *Short (0-3 years)*, *Medium (4-10 years)*, and *Long Term (11-25 years)*

### Transition Risks

HNI Corporation identified 11 material climate risks in total, with varying magnitudes and likelihoods under the three chosen scenarios.

- » **Net Zero 2050:** Severe Policy and Legal and Reputation risks due to stringent regulations and growing stakeholder pressure around decarbonization. Moderate to high Market and Technology risks, reflecting shifting consumer preferences, supply chain constraints, and research and development costs.
- » **Delayed Transition:** High Policy and Legal and Reputation risks in the medium- to long-term as regulations and stakeholder pressure around decarbonization increase. Similarly, moderate to high Market and Technology risks in the medium- to long-term as shifting consumer preferences, supply chain constraints, and research and development costs increase in response to increased climate action.
- » **Current Policies:** Overall low severity of Policy and Legal and Reputation risks due to the absence of significant climate action and the relatively minor financial impact of existing climate-related requirements. Market and Technology risks will be low to moderate resulting from potential supply chain disruptions and the cost to adopt and scale low-carbon solutions.

The following highlights HNI Corporation's material transition risks, their potential financial impacts, severity across different time horizons, under the three climate change scenarios considered in the analysis.

Table 1: Material climate-related transition risks

	Climate-Related Transitions Risks	Potential Financial Impact	Scenarios	Likelihood	Magnitude	Heat map	Time Horizon
Policy & Legal	<b>1. Carbon pricing mechanisms</b>  As governments and regulators expand carbon pricing to drive emission reductions, the cost of carbon-intensive activities is expected to rise.	Costs ↑	Net-zero 2050	Almost certain	High	■ ■ ■	S M L
			Delayed Transition	Almost certain	Moderate		■ ■ ■
			Current Policies	Very unlikely	Low		■ ■ ■
Policy & Legal	<b>2. Legal and litigation exposure</b>  Increased liability, penalties, or litigation costs arising from non-compliance with evolving environmental laws and regulations.	Costs ↑	Net-zero 2050	Likely	High	■ ■ ■	S M L
			Delayed Transition	Likely	Moderate		■ ■ ■
			Current Policies	Unlikely	Low		■ ■ ■
Policy & Legal	<b>3. Operational compliance with GHG reduction requirements</b>  Increased regulatory expectations for rapid Scope 1, 2, and 3 emissions reductions, along with the requirement to provide evidence of credible reduction pathways.	Costs ↑	Net-zero 2050	Almost certain	Very high	■ ■ ■	S M L
			Delayed Transition	Almost certain	High		■ ■ ■
			Current Policies	Unlikely	Low		■ ■ ■
Policy & Legal	<b>4. Operational compliance with restrictions on hazardous materials</b>  Evolving climate and chemical regulations (e.g., PFAS restrictions and embodied carbon standards) could require additional costly product redesigns, supply chain adjustments, and compliance measures beyond current voluntary actions.	Costs ↑	Net-zero 2050	Likely	High	■ ■ ■	S M L
			Delayed Transition	Likely	High		■ ■ ■
			Current Policies	Unlikely	Low		■ ■ ■

	Climate-Related Transitions Risks	Potential Financial Impact	Scenarios	Likelihood	Magnitude	Heat map	Time Horizon
Policy & Legal	<b>5. Inconsistent global climate regulations and disclosure requirements</b>						S M L
	Uncertainty and operational challenges created by varying, evolving, and sometimes conflicting climate-related laws, treaties, and regulatory disclosure requirements across different jurisdictions.	Costs ↑	Net-zero 2050	Almost certain	High		■ ■ ■
			Delayed Transition	Almost certain	High		■ ■ ■
			Current Policies	Unlikely	Low		■ ■ ■

	Climate-Related Transitions Risks	Potential Financial Impact	Scenarios	Likelihood	Magnitude	Heat map	Time Horizon
Reputation	<b>6. Increased stakeholder scrutiny</b>						S M L
	Failure to timely innovate, develop, and market climate-responsive products or align with investor and customer expectations may lead to competitive disadvantages, increased financial costs, and reduced market opportunities.	Revenue ↓	Net-zero 2050	Almost certain	High		■ ■ ■
			Delayed Transition	Likely	High		■ ■ ■
			Current Policies	Possible	Low		■ ■ ■

	Climate-Related Transitions Risks	Potential Financial Impact	Scenarios	Likelihood	Magnitude	Heat map	Time Horizon
Market	<b>7. Changing consumer preferences</b>						S M L
	Potential impact on demand for products as consumers increasingly favor sustainable and low-carbon options.	Revenue ↓	Net-zero 2050	Almost certain	High		■ ■ ■
			Delayed Transition	Likely	High		■ ■ ■
			Current Policies	Unlikely	Moderate		■ ■ ■

	Climate-Related Transitions Risks	Potential Financial Impact	Scenarios	Likelihood	Magnitude	Heat map	Time Horizon
Market	<b>8. Increased supply chain costs</b>						S M L
	Severe weather events driven by climate change could disrupt global supply chains, leading to material shortages, increased raw material costs, and reduced production capacity, which may decrease revenues.	Costs ↑	Net-zero 2050	Possible	High		■ ■ ■
			Delayed Transition	Likely	High		■ ■ ■
			Current Policies	Almost certain	High		■ ■ ■

Technology	Climate-Related Transitions Risks	Potential Financial Impact	Scenarios	Likelihood	Magnitude	Heat map	Time Horizon
		<b>9. Cost to adopt low carbon technology</b>					
	The potential financial impact associated with adapting to evolving technologies and market trends that prioritize low-carbon and lightweight components.	Costs ↑	Net-zero 2050	Almost certain	High		■ ■ ■
			Delayed Transition	Almost certain	High		■ ■
			Current Policies	Unlikely	Moderate		■ ■ ■

Technology	Climate-Related Transitions Risks	Potential Financial Impact	Scenarios	Likelihood	Magnitude	Heat map	Time Horizon
		<b>10. Current limited viability of scaling low carbon solutions</b>					
	Emerging low-emission technologies may not be able to be deployed at scale due to technological immaturity, high costs, supply chain constraints, and infrastructure limitations, which may hinder progress toward carbon reduction targets.	Costs ↑ Revenue ↓	Net-zero 2050	Unlikely	Moderate		■ ■
			Delayed Transition	Possible	Moderate		■ ■
			Current Policies	Possible	Moderate		■ ■ ■

Technology	Climate-Related Transitions Risks	Potential Financial Impact	Scenarios	Likelihood	Magnitude	Heat map	Time Horizon
		<b>11. Research and development costs</b>					
	Regulatory changes in environmental and energy efficiency standards, along with delays in developing compliant products and adapting to climate-driven technological demands, could negatively impact competitiveness, product demand, and overall business performance.	Costs ↑	Net-zero 2050	Almost certain	Likely		■ ■ ■
			Delayed Transition	Almost certain	High		■ ■
			Current Policies	Unlikely	Low		■ ■ ■



## Transition Opportunities

HNI Corporation also identified 7 material opportunities. As with risks, they have different magnitudes and likelihoods, across the three scenarios.

- » **Net Zero 2050:** Strong opportunities for cost savings in Resource Efficiency and Energy Source through circular practices and renewable energy investments, generating stronger returns under a Net Zero scenario. Products and Services also see strong opportunities for cost savings and revenue growth resulting from early and well-planned decarbonization efforts.
- » **Delayed Transition:** In the medium- to long-term, there are strong opportunities for cost savings in Resource Efficiency and Energy Source resulting from circular practices and

renewable energy investments as the climate transition accelerates. Products and Services also see strong opportunities for cost savings and revenue growth resulting from well-planned decarbonization efforts to meet consumer demand for more climate-friendly products.

- » **Current Policies:** Moderate opportunities in Resource Efficiency, Energy Source, and Products and Services due to weaker regulatory and market signals. However, efficient use of resources combined with targeted research and development efforts may lead to moderate cost savings and revenue growth.

The following highlights HNI Corporation’s material climate-related transition opportunities and the channels through which they affect or may affect the company’s financial performance:

Table 2: Material climate-related transition opportunities

	Climate-Related Transitions Opportunities	Potential Financial Impact	Scenarios	Likelihood	Magnitude	Heat map	Time Horizon
Resource Efficiency	<b>1. Energy efficiency</b>	Costs ↓	Net-zero 2050 Delayed Transition Current Policies	Almost certain	Very high		S M L
	Upgrading facilities with energy-efficient technologies, such as LED lighting, can reduce electricity consumption and associated carbon emissions.			Likely	Very high		■ ■ ■
	Unlikely			Moderate	■ ■		
	Resource Efficiency			<b>2. Improved supply chain engagement</b>	Costs ↓	Net-zero 2050 Delayed Transition Current Policies	Likely
Actively collaborating with suppliers to advance climate action.		Likely	Very high	■ ■ ■			
Possible		Moderate	■ ■				
Resource Efficiency		<b>3. Waste reduction and circularity</b>	Costs ↓	Net-zero 2050 Delayed Transition Current Policies			Likely
	Reusing, repurposing, and valorizing materials and waste streams to keep resources in use for as long as possible.	Likely			Very high	■ ■ ■	
	Unlikely	Moderate			■ ■		
	Energy Source	<b>4. Renewable energy procurement</b>			Costs ↓	Net-zero 2050	Almost certain
				■ ■ ■			

	Sourcing energy from renewable sources, such as wind, solar, or hydro, to power operations and reduce greenhouse gas emissions.	<b>Delayed Transition</b>	Almost certain	Very high		■	■
		<b>Current Policies</b>	Unlikely	Moderate			■ ■

Energy Source	Climate-Related Transitions Opportunities	Potential Financial Impact	Scenarios	Likelihood	Magnitude	Heat map	Time Horizon
		<b>5. Onsite renewable energy installation</b>					
	The production of energy from renewable sources, such as solar, wind, or geothermal, directly at a company’s facilities rather than purchasing it from external providers.	Costs ↓	<b>Net-zero 2050</b>	Likely	High		■ ■ ■
			<b>Delayed Transition</b>	Possible	Very high		■ ■
			<b>Current Policies</b>	Unlikely	High		■ ■

Products and Services	Climate-Related Transitions Opportunities	Potential Financial Impact	Scenarios	Likelihood	Magnitude	Heat map	Time Horizon
		<b>6. Development and/or expansion of low emission goods and services</b>					
	Creating and scaling products and processes that minimize greenhouse gas emissions through material innovation, energy efficiency, and adoption of low-GWP technologies.	Costs ↓ Revenue ↑	<b>Net-zero 2050</b>	Almost certain	Very high		■ ■ ■
			<b>Delayed Transition</b>	Likely	Very high		■ ■
			<b>Current Policies</b>	Possible	Low		■ ■ ■

Products and Services	Climate-Related Transitions Opportunities	Potential Financial Impact	Scenarios	Likelihood	Magnitude	Heat map	Time Horizon
		<b>7. Increased demand for environmentally sustainable products and services</b>					
	Growing market preference for low-carbon, energy-efficient, and responsibly sourced solutions that reduce environmental impact and align with global climate goals.	Costs ↓ Revenue ↑	<b>Net-zero 2050</b>	Almost certain	Very high		■ ■ ■
			<b>Delayed Transition</b>	Likely	High		■ ■
			<b>Current Policies</b>	Possible	Low		■



**Physical Risks**

For climate-related physical risks, HNI Corporation assessed its high-level exposure to five climate-related hazards, namely, river floods, wildfires, tropical cyclones, droughts, and heat stress. Future risk exposures were modeled using the three NGFS scenarios.

The assessment focused on HNI Corporation’s potential exposure to physical hazards that may be exacerbated by climate change. The physical risk exposure was assessed at a state and country level for the company’s relevant locations. Impacts were categorized as “High”, “Medium” or “Low” based on the relative change in climate impact indicators associated with each hazard, under the three NGFS scenarios.

Based on the assessment, HNI Corporation identified the following as potentially material climate-related physical risks. While multiple locations exhibit exposure, the company prioritizes monitoring and adaptation planning for facilities with higher relative exposure to river flooding and heat stress.

*Table 3: Material climate-related physical risks*

Risk Type	Net Zero 2050	Delayed Transition	Current Policies
Acute	HNI Corporation has facilities in India, Mexico and China, which may face increasing wildfires under this scenario by 2030 and 2050.	HNI Corporation has facilities in India, Mexico and China, which may face increasing wildfires under this scenario by 2030 and 2050.	HNI Corporation has facilities in India, Mexico and China, which may face increasing wildfires in this scenario by 2030 and 2050.
	India, China and Vietnam may also face increasing river floods in this scenario by 2030 and 2050. Mexico may face increased cyclone risks in this scenario by 2030 and 2050.	India, China and Vietnam may face increasing river floods in this scenario by 2030 and 2050. Mexico may face increased cyclone risks in this scenario by 2030 and 2050.	India, China and Vietnam may face increasing river floods in this scenario by 2030 and 2050. Mexico may face increased cyclone risks in this scenario by 2030 and 2050.
	Additionally, HNI Corporation has operations in Minnesota and South Carolina, which may see increased river floods by 2050 under this scenario, as well as Texas, which may see increased wildfires by 2030 and 2050 under this scenario.	Additionally, HNI Corporation has operations in Illinois, New York and Wisconsin, which may see increased river floods by 2050 under this scenario, as well as Texas, which may see increased wildfires by 2030 and 2050 under this scenario.	Additionally, HNI Corporation has operations in Illinois and New York, which may see increased river floods by 2050 under this scenario, as well as Texas, which may see increased wildfires by 2030 and 2050 under this scenario.
Chronic	HNI Corporation has operations in the District of Columbia, which may see increased droughts by 2050 under this scenario.	HNI Corporation has operations in India, Mexico and Vietnam, which may see increased heat stress by 2050 under this scenario, and the District of Columbia, which may see increased droughts by 2050 under this scenario.	HNI Corporation has operations in India, Mexico and Vietnam, which may see increased heat stress by 2050 under this scenario. U.S. states like Texas and Georgia may also see increased heat stress by 2030 and 2050 under this scenario.  HNI Corporation also has operations in the District of Columbia, which may see increased droughts by 2050 under this scenario.

c) The resilience of HNI Corporation’s strategy to different climate scenarios, including a 2°C or lower scenario.

HNI Corporation’s strategy is designed to remain resilient under multiple climate scenarios, including a 2°C or lower pathway, through the proactive integration of climate considerations into enterprise risk management, operational improvement, and long-term planning. In Q4 2025, the company conducted a climate risk assessment and scenario analysis evaluating both physical and transition risks under three NGFS-aligned scenarios: Net Zero 2050 (1.5°C), Delayed Transition, (~2°C), and Current Policies (>3°C).

Under the Delayed Transition scenario, HNI Corporation anticipates significant transition risks—such as evolving customer preferences toward low-carbon products, regulatory compliance costs, and rapid

technological shifts—but also strong opportunities in renewable energy investments and resource efficiency. These insights are informing operational adjustments, including energy efficiency initiatives and research and development efforts, to align with a low-carbon economy. For physical risks, HNI Corporation assessed exposure to hazards such as river floods, wildfires, cyclones, heat stress, and droughts across its operational footprint.

To strengthen the resilience of its operations, the company monitors its environmental footprint and identifies opportunities to enhance operational efficiency and reduce energy use. HNI Corporation has implemented LED lighting, compressed air, process optimization, and energy shutdown projects to reduce annual energy usage. Additionally, HNI Corporation sources 100% renewable electricity for its global operations, meeting the commitments of RE100 and EPA Green Power Partner programs, and has also implemented a number of solar energy projects. These efforts not only support HNI Corporation's sustainability objectives but also mitigate potential financial exposure to future carbon pricing mechanisms and energy-related cost volatility.

While risks related to changing consumer preferences and limits on adopting and scaling low-carbon solutions may occur, HNI Corporation has already worked to mitigate this risk by investing in research and development of more sustainable products.

As part of its established risk management framework, HNI Corporation continues to monitor and reassess climate-related risks and opportunities on an ongoing basis. These reviews will consider emerging regulatory changes, technological advancements, and market dynamics that may affect the company's operations, products, and supply chains. The insights gained will inform future updates to the company's strategy, capital planning, and risk management framework, ensuring that climate considerations remain embedded in HNI Corporation's broader approach to long-term business resilience.

### 3. Risk Management

#### a) Processes for Identifying and Assessing Climate-Related Risks:

Climate-related risks are integrated into HNI Corporation's 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 Corporation'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. Water and biodiversity risks, impacts, and dependencies are reviewed using the World Wildlife Fund (WWF) Water Risk and Biodiversity Risk Filters, and the Dun and Bradstreet (D&B) ESG tool is used to assess risk in the supply chain. Biennially, the CSR Team updates HNI Corporation's TCFD disclosure and conducts a specific climate-related risk and opportunity evaluation. Substantive impact is determined by using qualitative information and quantifiable information reviewed with the finance team and against materiality thresholds.

#### b) Processes for Managing and Mitigating Climate-Related Risks:

Climate strategies and goals and risk management 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 Corporation's CSR Executive Steering Team at least quarterly.

HNI monitors and responds to various climate related risks, including: (1) Weather emergencies such as tornados or floods; (2) Snow/hail/wind damage to buildings; (3) Flood damage; and (4) Ventilation and insulation. HNI also implements energy reduction projects to reduce impacts across the organization, including improvements in energy efficiency such as upgrading HVAC efficiency, addition of innovative air curtains, operational improvements, and fleet efficiency. HNI Corporation also has renewable energy sourcing goals with RE100 and EPA Green Power Partnership, supported by efforts on solar array installations and purchase of unbundled RECs from wind and solar projects.

#### c) Integration of Climate-Related Risk Management into Existing Risk Management Framework:

Climate-related risks are integrated into HNI Corporation's standard, company-wide Enterprise Risk Management (ERM) program, which evaluates the materiality of risks across strategic, operational, and financial dimensions.

## 4. Metrics and Targets

- a) Metrics used to assess climate-related risks and opportunities in line with strategy and risk management process:

Key metrics used to assess climate-related risks and opportunities include HNI Corporation'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.

Historical data from 2018 to 2025 is used to track progress on goals related to GHG emissions, energy intensity, and renewable electricity sourcing, allowing trend analysis.

- b) Scope 1, Scope 2 and, if appropriate, Scope 3 greenhouse gas (GHG) emissions and the related risks:

HNI Corporation's most recent annual emissions calculations are listed below:

- » 2025 Scope 1 Emissions: 50,459 MTCO<sub>2</sub>e<sup>2</sup>
- » 2025 Scope 2 Emissions (location-based): 64,863 MTCO<sub>2</sub>e<sup>2</sup>
- » 2025 Scope 2 Emissions (market-based): 0 MTCO<sub>2</sub>e<sup>2</sup>
- » 2025 Scope 3 Emissions: 1,800,252 MTCO<sub>2</sub>e<sup>2</sup>

Purchased goods and services Emissions	334,068 MTCO <sub>2</sub> e
Capital goods Emissions	8,394 MTCO <sub>2</sub> e
Fuel- and energy-related activities Emissions	23,782 MTCO <sub>2</sub> e
Upstream transportation and distribution Emissions	62,996 MTCO <sub>2</sub> e
Waste generated in operations Emissions	15,059 MTCO <sub>2</sub> e
Business travel Emissions	3,639 MTCO <sub>2</sub> e
Employee commuting Emissions	16,434 MTCO <sub>2</sub> e
Use of sold products Emissions	1,328,437 MTCO <sub>2</sub> e
End-of-Life treatment of sold products Emissions	7,443 MTCO <sub>2</sub> e

- c) Targets to manage climate-related risks and opportunities and performance against targets:

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 base year (approved by the Science Based Targets Initiative (SBTi));
  - 2025 Progress: HNI Reduced total Scope 1 and 2 GHG emissions by 78% since 2018
- » Reduce Scope 3 GHG emissions by 40% per ton of goods sold by 2035 from a 2018 base year (approved by the SBTi);

<sup>2</sup> Data assured to a limited level of assurance by ERM CVS. See HNI's [Verification Statement](#) and [Basis of Reporting](#) for additional information.

- 2025 Progress: HNI Reduced Scope 3 GHG emissions per ton of goods sold by 2% since 2018
- » Source 100% renewable electricity across global operations annually by 2030 (RE100 Commitment);
  - 2025 Progress: Sourced 100% renewable electricity for our global operations, meeting our RE100 and EPA Green Power Partner commitments
- » Achieve a 50% energy intensity reduction by 2035 from a 2018 base year.
  - 2025 Progress: Energy intensity Increased 8% since 2018 due to changes in production levels, while absolute energy consumption decreased 27%
- » Achieve zero waste to landfill for all manufacturing facilities by 2030.
  - 2025 Progress: Achieved zero waste to landfill at 14 of 23 manufacturing facilities, with three of these facilities achieving third-party verified TRUE Certification
- » 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.
  - 2025 Progress: Assessed 90% of materials across all brands for regulated PFAS
  - Workplace Furnishings: 100% of materials analyzed
  - Kimball International: 57% of materials analyzed (reflecting later program implementation)
  - Residential Building Products: Focused on regulatory PFAS compliance and chemical regulatory compliance

Further information on these goals is available in the [2025 Corporate Responsibility Progress Report](#) (p. 6).

# Annex

## TCFD disclosures index

Table 4: Index of HNI Corporation’s disclosures against TCFD recommendations

TCFD Pillar	TCFD Recommendations	CARB draft minimum requirements	Page No.
<b>Governance</b>	a. Describe the board’s oversight of climate-related risks and opportunities.	<p>Describe your organization’s governance structure, if any, for identifying, assessing, and managing climate-related financial risks. Details should include:</p> <ul style="list-style-type: none"> <li>Discussion of any management oversight of climate-related risks and opportunities and should provide a description pertaining to Board oversight of those climate-related risks and opportunities (if the reporting entity has a Board)</li> </ul>	<a href="#">Page 5</a>
	b. Describe management’s role in assessing and managing climate-related risks and opportunities.		<a href="#">Page 5</a>
<b>Strategy</b>	a. Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term.	<p>Describe the actual and potential impacts of climate-related risks and opportunities on the company’s operations, strategy and financial planning (where material). This includes describing:</p> <ul style="list-style-type: none"> <li>The climate-related risks and opportunities the organization has identified over the short, medium, and long term.</li> <li>The impact of climate-related risks and opportunities on the organization’s operations, strategy, and financial planning.</li> <li>The resilience of the organization’s strategy, if any, taking into consideration the future impacts of climate change under various climate scenarios. (As noted above, the discussion regarding climate scenarios may be qualitative in nature. Where a qualitative scenario-based assessment is feasible and relevant for a particular company, CARB encourages its inclusion.)</li> </ul>	<a href="#">Page 6-12</a>
	b. Describe the impact of climate-related risks and opportunities on the organization’s businesses, strategy, and financial planning.		<a href="#">Page 6-12</a>
	c. Describe the resilience of the organization’s strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.		<a href="#">Page 12</a>
<b>Risk Management</b>	a. Describe the organization’s processes for identifying and assessing climate-related risks.	<p>Describe how the reporting entity identifies, assesses, and manages climate-related risks including a description of:</p> <ul style="list-style-type: none"> <li>The process the reporting entity uses for identifying, managing and assessing climate-related risks, and how those considerations and processes are integrated into the</li> </ul>	<a href="#">Page 14</a>
	b. Describe the organization’s processes for managing climate-related risks.		<a href="#">Page 14</a>
	c. Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization’s overall risk management		<a href="#">Page 14</a>



TCFD Pillar	TCFD Recommendations	CARB draft minimum requirements	Page No.
		organization's overall risk management.	
<b>Metrics &amp; Targets</b>	a. Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process.	Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities adopted to reduce and adapt to climate-related risk, where such information is material. <sup>3</sup>	<a href="#">Page 15</a>
	b. Disclose Scope 1, Scope 2 and, if appropriate, Scope 3 greenhouse gas (GHG) emissions and the related risks.		<a href="#">Page 15</a>
	c. Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets		<a href="#">Page 15</a>

<sup>3</sup> CARB notes in its Climate Related Financial Risk Disclosures: Draft Checklist that Scope 1, 2 and 3 emissions reporting is not included as a minimum CARB requirement for the initial reporting period as it acknowledges that gathering this data may not be feasible by the legislatively-directed deadline of January 1, 2026.