

Proper Business Practices

It is HNI Corporation's policy that its members act in all business situations in an honest and ethical manner. We should strive at all times to be a good corporate citizen and to achieve competitive excellence in a manner consistent with the applicable laws and regulations of any city, state and country in which we conduct business.

Accordingly, when acting as members of HNI Corporation, we will, under all circumstances:

1. Engage only in lawful and ethical behavior in relation to all business activities.
2. Use Company funds for legitimate business purposes, avoiding at all times receiving from or giving to an existing or potential customer or supplier any *personal* benefit, money, favor, or payment.
3. Not offer, authorize or make a payment on behalf of the Company to a political party or candidate.
4. Not offer anything of value to any government official to obtain for the Company any benefit to which the Company is not otherwise entitled.
5. Record all transactions accurately and fully in the Company's books and records.

Q

WHAT IF PROVIDING A "PERSONAL BENEFIT" TO A SUPPLIER OR CUSTOMER REPRESENTATIVE IS THE ONLY WAY I CAN MAKE A SALE FOR THE COMPANY?

A

No sale is worth it to the Company, and no payment or gift exceeding nominal value or lavish entertainment to any individual is permitted. The Company competes based upon quality, delivery and price and expects the same from its suppliers. If in doubt, make sure your actions are part of an authorized marketing program or seek guidance from a manager.

Q

WHAT DOES THE COMPANY CONSIDER "NOMINAL" VALUE?

A

The Company has designated \$25 as a standard for "nominal" gifts. Most items marked with a company's logo are considered to be of nominal value. According to the Internal Revenue Service (IRS) rules, gifts in excess of \$25 may be considered taxable items to the person receiving them, so keep this in mind as well.

Q

IS IT OKAY TO ACCEPT A SMALL "PERSONAL BENEFIT"—SUCH AS LUNCH OR SPORT TICKETS—FROM SOMEONE WORKING FOR A COMPANY WITH WHICH WE DO BUSINESS?

A

The safest policy is not to accept if you are unsure. Never ask for such a benefit. If a small benefit is offered, accept only if you can reciprocate, and don't accept repeated offers.

California Transparency in Supply Chains Act Disclosure

We are committed to being a responsible corporate citizen. We conduct our business in a way that sustains the well-being of society. We follow ethical and legal business practices. Our corporate social responsibility (CSR) program is part of this commitment. We know our efforts to improve the lives of people who work on behalf of our company help us to run a more successful business.

All of our suppliers must abide by our Supplier Code of Conduct (Supplier Code). Our Supplier Code includes standards in the areas of forced and child labor, harassment and abuse, discrimination, health and safety, freedom of association and collective bargaining, wages and benefits, hours of work, overtime compensation, and the environment. All of our suppliers must agree to comply with these standards in writing before we will do business with them.

Our Supplier Code, and the enforcement behind it, brings our CSR program to life within our supply chain. Our Supplier Code is enforced in numerous ways: supplier training and certification, risk assessments, announced factory audits, worker interviews, corrective action plans for any identified violations, and termination for serious/repeated noncompliance.

To achieve social best practices within our global supply chain, we use our HNI Asia affiliate, our Asian-based international procurement organization, and Det Norske Veritas, a third party CSR audit service provider, to proactively conduct social compliance audits and drive continuous social improvements with suppliers. Our HNI Asia affiliate has a team of CSR Auditors located in China (where our significant international suppliers are located) who monitor working conditions in the factories of our suppliers, and work with management to help ensure they abide by our Supplier Code.

The points outlined below in bold highlight each of the five pillars of the California Transparency in Supply Chains Act, followed by an explanation of what we are doing to address each pillar.

Company engages in verification of product supply chains to evaluate and address risks of human trafficking and slavery. The disclosure shall specify if the verification was not conducted by a third party.

We verify our product supply chains through both announced visits to measure factories' compliance with our Supplier Code, which includes strict prohibition of "involuntary or forced labor of any kind."

Most of our audits are conducted by HNI Asia. Additional audits are periodically conducted with Det Norske Veritas, a third party CSR audit service provider.

Company conducts audits of suppliers to evaluate supplier compliance with company standards for trafficking and slavery in supply chains. The disclosure shall specify if the verification was not an independent, unannounced audit.

Both announced audits are conducted in factories we monitor. These audits are primarily conducted by HNI Asia staff. Our company standards on labor laws and human rights are outlined in our Supplier Code. Our Supplier Code, with which all suppliers must comply, explicitly states suppliers must not use “involuntary or forced labor of any kind.” Human trafficking and slavery fall under the categorization of “forced labor” and “involuntary labor.” Our Supplier Code further states suppliers must allow us or our designees to confirm their “compliance with the Supplier Code through any reasonable means, including unannounced on site inspections of manufacturing facilities and employer-provided housing; reviews of supplier’s books and records relating to employment matters; and private interviews with employees selected by the Company or its designee.”

The assessment criteria used by our HNI Asia affiliate and Det Norske Veritas, a third party CSR audit service provider, in their social compliance audits include:

- Primary labor standards stipulated by the International Labor Organization (ILO) such as ILO Conventions 29 and 105 (Forced and Bonded Labor); and
- Labor laws of the country or countries in which the supplier operates.

Company requires direct suppliers to certify that materials incorporated into the product comply with the laws regarding slavery and human trafficking of the country or countries in which they are doing business.

Our suppliers are required to agree to be bound by our Supplier Code, which states:

“Supplier agrees that it will...[c]omply with all applicable laws and regulations, foreign and domestic....”

By agreeing to the Supplier Code, suppliers also agree to:

- *“Not use involuntary or forced labor of any kind, including, without limitation, prison, bonded and indentured labor.”*
- *“Treat all employees with dignity and respect, and not use or abide corporal punishment, threats of violence or other forms of physical, sexual, psychological or verbal harassment or abuse.”*

Company maintains internal accountability standards and procedures for employees or contractors failing to meet company standards regarding slavery and trafficking.

Failure of employees to abide by our Member (Employee) Code of Conduct can result in corrective action up to and including termination of employment. Failure of suppliers to abide by our Supplier Code can result in corrective action up to and including the termination of all existing and future business.

Company provides company employees and management, who have direct responsibility for supply chain management, training on human trafficking and slavery, particularly with respect to mitigating risks within the supply chains of products.

HNI Asia's team works directly with factory management and workers in the factories we monitor. Our Supplier Code explicitly states our suppliers must "not use involuntary labor or forced labor of any kind." Human trafficking and slavery fall under this categorization. Our Supplier Code also explicitly states our suppliers must "treat all employees with dignity and respect, and not use or abide corporal punishment, threats of violence or other forms of physical, sexual, psychological or verbal harassment or abuse," which can sometimes be exploited to create instances of indentured servitude for workers. Our HNI Asia team is trained in how to identify these potentially abusive situations.

Political Activity

It is the policy of this Company to encourage all members to become involved in the political process as private citizens.

The Company does, from time to time, make its position known on proposed legislation and issues of public concern affecting the Company. As a Company, however, we do not support specific political parties or candidates. We make no corporate campaign contributions of any kind.

The Company will:

1. Not contribute to political parties or candidates.
2. Not pay honoraria to public officials, except in rare cases for appropriate purposes approved by the HNI Corporation Law Department.
3. Provide information to members on proposed legislation and public issues that could affect our business, our members and shareholders or the geographic areas in which we operate.
4. Express views directly or through trade associations, industry groups, or other coalitions in support or in opposition to proposed legislation and public issues that may affect the Company.

Q

DOES OUR POLICY MEAN I CANNOT PERSONALLY CONTRIBUTE TO A CANDIDATE'S CAMPAIGN FOR ELECTION?

A

No, it only means you cannot use the Company's money to do so. You, of course, can make a personal donation to any candidate of your choice. The point is that any political affiliation you have is personal and cannot be represented as the Company's affiliation.

Q

MAY I RUN FOR OFFICE?

A

Of course. All members are encouraged to become involved in the political process, either by supporting the candidate of your choice or by running for office. However, remember, if you are elected, you are acting as an individual, and never as a Company spokesperson.

Q

WHAT IF I AM ELECTED AND ASKED TO CONSIDER MATTERS THAT AFFECT THE COMPANY?

A

First check any applicable rules that govern your elected position. Those rules may require that you not participate in those matters. In the absence of any rules, the decision is based on your good judgment as an elected official.