HOK Group, Inc.'s

Climate-Related Financial Risk Report

Reporting Period: 2024

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Prepared by: HOK Compliance Team

Contents

1. Executive Summary

Executive Summary

HOK presents its inaugural Climate-Related Financial Risk Report for the fiscal year 2024. This report has been prepared with reference to IFRS Sustainability Disclosure Standards S2 and reflects the transition reliefs permitted by California's Senate Bill 261. As a global design, architecture, engineering and planning firm, HOK recognizes that climate change presents both material risks to its operations and significant opportunities to advance the built environment. A glossary defining technical terms used throughout this document is located in Appendix E.

GOVERNANCE AND STRATEGY

The HOK Group Inc. Board of Directors maintains ultimate oversight of climate-related risks and opportunities, ensuring these factors are integrated into HOK's strategic direction and risk appetite. The firm's strategy is informed by a comprehensive scenario analysis using two global warming levels: an "Orderly Transition" (1.5°C) and a "Limited/ Late Transition" (~4°C). This dual approach allows HOK to test the resilience of its business model against a plausible range of climate realities.

RISK MANAGEMENT

HOK has identified material climate-related risks and opportunities across short, medium and long-term horizons. The analysis highlights acute and chronic physical risks that may disrupt office operations alongside transition risks related to policy, legal, technology and market shifts. Conversely, the transition to a low-carbon economy presents growth opportunities. The firm anticipates that increased demand for net-zero and certified buildings could drive 5-10% revenue growth by 2030.

METRICS AND TARGETS

HOK is committed to decarbonization in alignment with the Paris Agreement. In September 2025, the Science Based Targets initiative verified HOK's absolute emissions reduction targets. The firm has committed to reducing Scope 1 and 2 GHG emissions by 46.2% and Scope 3 emissions by 42% by 2030. For the 2024 reporting period, annual emissions totaled 14,335 metric tons of CO2e. To bridge the gap as the firm works toward net-zero by 2050, HOK continues to purchase a diversified portfolio of high-quality carbon credits.

2. Basis of Preparation

Basis of Preparation

2.1 COMPLIANCE WITH IFRS S2

This Climate-Related Financial Risk Report ("**Report**") has been prepared with reference to IFRS Sustainability Disclosure Standards S2: Climate-related Disclosures, as issued by the International Sustainability Standards Board (ISSB), for the annual period FY2024 ("Year 1").

As HOK's inaugural Report, it focuses on the firm's current efforts to assess and communicate its current understanding and consideration of climate-related risks and opportunities. This Report reflects the transition reliefs permitted by IFRS S2 and California's SB261.

2.2 REPORTING BOUNDARY

Unless otherwise stated, metrics and narratives in this Report relate to HOK's own operations within Year 1. When identifying climate-related risks and opportunities, HOK also considered value chain stakeholders.

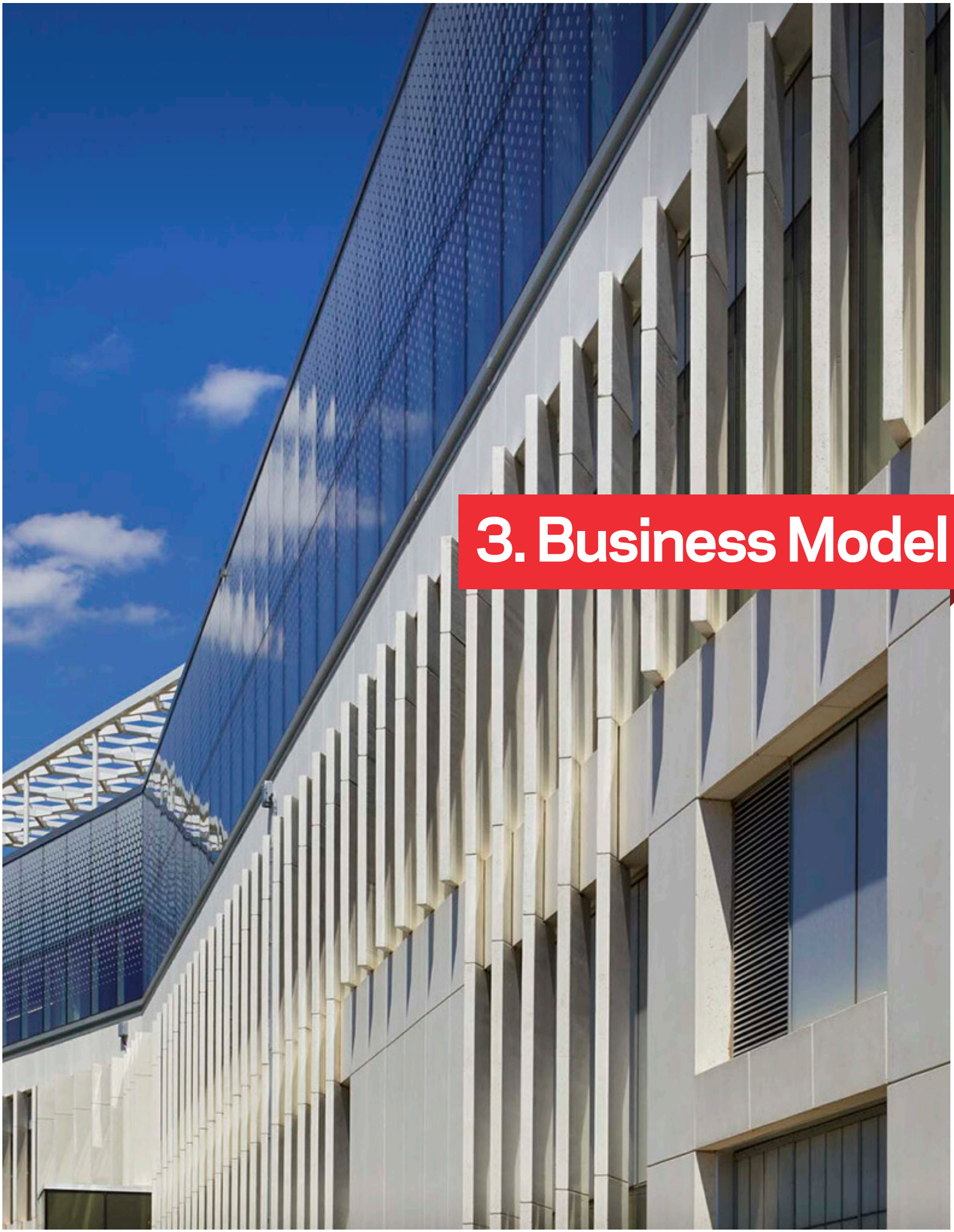
The reporting period and reporting entity for this Report are the same as those used in HOK's FY2024 financial statements. No transactions or other events occurred after the reporting period that require disclosure in this Report.

2.3 SIGNIFICANT JUDGMENTS, ASSUMPTIONS & MEASUREMENT UNCERTAINTY

The preparation of this Report required judgments and the use of estimates. Key areas involving such judgments include:

- Materiality judgements used to determine which climate-related risks and opportunities could reasonably be expected to affect HOK's prospects and what information is material to disclose.
- Methodological choices and assumptions for describing the anticipated impact of climate-related risks and opportunities.
- Boundary judgements, methodological choices and assumptions for GHG accounting.
- Measurement uncertainty due to value-chain data coverage, reliance on third-party sources and evolving methodologies.

Where estimates or proxies are used, the basis, assumptions and limitations are appropriately described.



3. Business Model

Business Model

3.1 WHO WE ARE

HOK is a privately-owned global design, architecture, engineering and planning firm. Its 1,700 people collaborate across a network of 27 offices on three continents.

HOK is a collective of future-forward thinkers and designers driven to face the critical challenges of the modern era. The firm is dedicated to improving people's lives, serving clients and healing the planet. Together, HOK cultivates a culture of design excellence at the confluence of art and science, blending the power of creative expression with a clear sense of purpose.

3.2 WHAT WE OFFER

HOK's experts bring deep market knowledge and specialized expertise to every design opportunity. The firm serves a broad spectrum of sectors, including:

Market-Based Experience

- Aviation + Transportation
- Civic + Justice
- Corporate + Commercial
- Federal Government
- Healthcare
- Higher Education
- Lifestyle
- Mixed-Use
- Renovation + Refurbishment
- Science + Technology
- Sports + Recreation + Entertainment

Holistic Design Approach

HOK approaches design challenges from multiple perspectives, blending creative expression with rigorous problem-solving. Its teams integrate services such as:

- Architecture
- Consulting
- Engineering
- Experience Design
- Interiors
- Landscape Architecture
- Lighting Design
- Planning + Urban Design
- Sustainable Design

3.3 HOW SUSTAINABILITY SHAPES HOK'S WORK

Sustainability is ingrained into the firm's culture and designs. HOK's ESG Report (2025) outlines our progress in environmental, social and governance areas, highlighting how global teams come together to challenge the status quo, deliver design excellence and create positive impacts on the built environment.

Refer to HOK's ESG Report (2025) for more information about the climate-related goals for HOK's design portfolio and operations, which inform the firm's strategic decision-making. Additionally, HOK strives to embed climate-related innovation and research—focused on advancing climate resilience and low-carbon outcomes—in the delivery of all projects.

3.4 VALUE CHAIN OVERVIEW

HOK's key upstream relationships are with resource suppliers and consultants with whom the firm works during projects or rely on for office operations. Key downstream relationships are with clients for whom we design projects.

The current and expected effects on HOK's value chain of material climate-related risks and opportunities are discussed elsewhere in this Report.

4. Governance

Governance

4.1
BOARD OVERSIGHT

The HOK Group, Inc. Board of Directors is ultimately responsible for HOK's strategic direction on climate-related risks and opportunities.

The Board:

- Sets direction and risk appetite for climate-related matters.
- Considers climate in major strategic decisions and market/service expansion.
- Reviews material climate-related targets, internal policies and disclosures (including this Report).
- Receives regular updates on climate-related information, including: the status of key risks/opportunities and progress on measures to address them; GHG performance and target tracking; and significant judgments or uncertainties affecting disclosures.
- Engages in continuing education on evolving regulations, industry breakthroughs and best practices regarding sustainability and climate change.

HOK's Corporate Compliance Officer (CCO) and Director of Sustainable Design lead oversight of climate-related risks and opportunities. Both have direct reporting lines to the Board and provide relevant updates on climate-related matters at Board meetings.

The CCO and director of sustainable design work collaboratively to prepare proposals, service approvals from the Board and present relevant strategies and progress updates.

4.2 MANAGEMENT RESPONSIBILITIES

Sustainability is part of HOK's DNA. While every HOK employee can help deliver on the goal of building a sustainable company, the Sustainable Design and Compliance teams are mainly responsible for the firm's sustainability efforts, including oversight of climate-related risks and opportunities.

The Compliance Team and the CCO lead the development of policies and procedures for firmwide sustainable operations, including those required for GHG emissions tracking and climate-related disclosures. The Compliance Team is supported by a Sustainability Compliance Specialist whose primary focus is implementing and administering HOK's firmwide climate-related policies.

The Sustainable Design Team and its director lead the development of service offerings and cross-discipline climate programs and initiatives. The Sustainable Design Team is supported by a Sustainable Design Leader: Resiliency, whose primary focus is on developing service offerings related to climate resiliency.

The **RACI** matrix to the right summarizes who is **R**esponsible, **A**ccountable, **C**onsulted and **I**nformed. When necessary, the CCO and director of sustainable design report to the Board of Directors.

Climate-Related RACI Matrix

Tasks	Compliance Team	Chief Compliance Officer	Sustainable Design Team	Director of Sustainable Design
Completing relevant sections in RFPs	R	C	R	C
Managing supplier engagement	R	A	I	I
Risks & opportunities: ID & management	R	A	C	C
ESG disclosures: voluntary & mandatory	R	A	I	C
Operations-related metrics & targets	R	A	I	C
Design-related metrics & targets	I	I	R	A
Operations-related scenario analysis	R	A	C	C
Design-related scenario analysis	I	I	R	A
Development of R&D & toolkit expansion	I	I	R	A

4.3 REMUNERATION

Currently, HOK does not provide monetary incentives directly linked to climate-related key performance indicators (KPIs). However, exceptional project performance, including sustainability leadership, is recognized during annual performance evaluations across all staff levels and can positively impact compensation. HOK is open to exploring targeted rewards in the future as metrics mature and data assurance scales.

5. Strategy

Strategy

As a professional services firm that does not own significant real estate assets, the climate risk analysis conducted for HOK's Climate Action Plan (2024) focused on city-level physical climate risks. At the time, HOK focused on understanding the impact of climate change on its offices and employees around the world.

Since then, HOK has expanded its capabilities to identify more targeted climate-related risks and opportunities via scenario analysis, increasing the resiliency of the firm's business model.

5.1 CLIMATE SCENARIOS

HOK used two global warming levels described below as anchor scenarios. These bracket a plausible range of climate-related realities used for HOK's strategic decision making.

During the scenario analysis exercise, HOK considered a wide variety of variables to help determine materiality and calibrate climate-related risks and opportunities with broader risk identification and management.

HOK does not apply an internal carbon price during scenario analysis. Scenario insights reflect methodological choices (e.g., hazard models, policy trajectories), data availability across the value chain and the use of proxies where primary data is limited.

Anchor Scenario 1: Orderly Transition (1.5°C)

- **Key Global Behaviors**: Early, coordinated policy action; rapid clean-energy deployment; net zero CO2 around 2050 (consistent with SSP1-1.9/SSP1-2.6).
- **Key Global Outcomes**: More salient transition risks while physical risks are comparatively lower but still material.
- **Impact on HOK's Service Mix**: Accelerated demand for net-zero designs and embodied-carbon advisory; bolstered building code/compliance strategy; prioritization of LCA capabilities and performance workflows for design.
- **Impact on HOK's Operational Planning**: Accelerated planning for policy-driven cost shifts (e.g., carbon price, more sustainability disclosures).

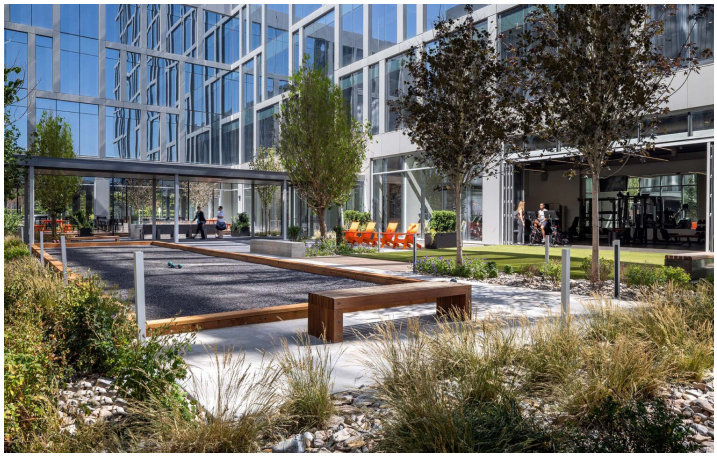
5.2 TIME HORIZONS

Below are the time horizons HOK uses to categorize the immediacy of climate-related risks and opportunities, which align with those used for firmwide strategic decision-making.

- **Short-term (0-3 years)**: Includes more immediate operational and organizational considerations incorporated in annual operating plans and drive short-term strategic decisions.
- **Medium-term (3-10 years)**: Includes industry and regulatory transitions and aligns with HOK's SBTi-validated 2030 absolute emission reduction targets, which serve as a benchmark for mid-term strategic decisions.
- **Long-term (10+ years)**: Includes systemic climate-related challenges shaping long-term service evolution and aligns with HOK's SBTi-validated 2050 net-zero target, which serves as a benchmark for long-term strategic decisions.

HOK's global presence adds complexity to the characterization of time horizons. Going forward, these will reflect evolving physical and transition risks and be adjusted as necessary.

In 2025, using Year 1 data, the Compliance team, with input from the Sustainable Design team and senior leaders, identified climate-related risks and opportunities using an updated scenario analysis exercise. The Compliance team applied two climate scenarios and combined insights from third-party datasets and screening tools with those from HOK's internal project-level tools. Refer to Appendices B and C and the Risk Management section of this Report for additional information.



Anchor Scenario 2: Limited/Late Transition (~4 °C)

- **Key Global Behaviors**: Delayed or insufficient policy action; continued use of high-emission energy sources (consistent with SSP5-8.5).
- **Key Global Outcomes**: Physical risks dominate and compound via substantially higher chronic warmth and more frequent/severe extreme weather.
- **Impact on HOK's Service Mix**: Elevated demand for designs focused on climate adaptation, climate resilience and business continuity services.
- **Impact on HOK's Operational Planning**: increased stress-testing for office siting; expanded contingencies in business continuity plans for extreme weather.

5.3 CLIMATE-RELATED RISKS & OPPORTUNITIES

HOK identified material climate-related physical risks (acute and chronic), transition risks and opportunities. The firm considered its value chain during the identification process, ensuring consideration of critical relationships and interdependencies where climate-related risks and opportunities could be concentrated.

- **Acute physical risks** are event-driven hazards (e.g., wildfire smoke migration, extreme precipitation and temperature) that can disrupt office operations, employee health/safety and project schedules because of changes in intensity, duration, frequency and geographic distribution of events.
- **Chronic physical risks** are associated with longer-term climate pattern shifts (e.g., sea-level rise, aridification) that can increase operating costs, affect office siting and change design requirements.
- **Transition risks** arise from the pace and extent at which the world transitions to a lower-carbon economy and HOK's ability to manage and adapt to that transition. There are four categories: Policy/Legal, Technology, Market and Reputation.

Refer to the Risk Management section of this Report for more information about the identification process and Appendices B and C for more information about specific risks.

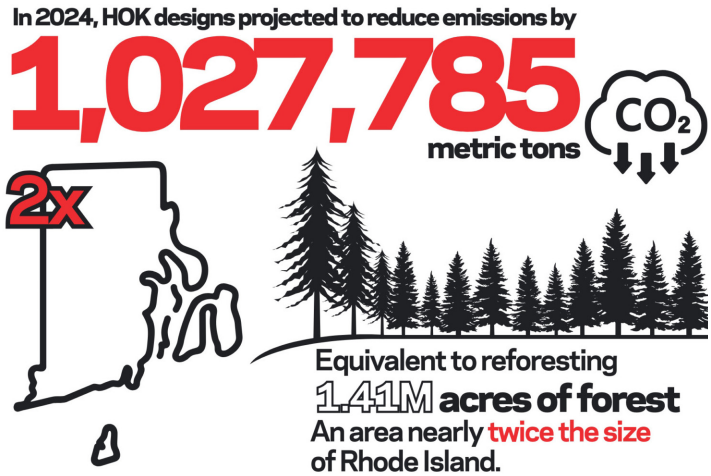
5.4 BUSINESS MODEL RESILIENCE

Responding to climate change and transitioning to a lower-carbon economy could impact what HOK sells, how it delivers, where it invests and how it operates. As an industry leader, HOK has already executed efforts to build resiliency across its operations and design services.

Resilient Operations

HOK's dedication to operational decarbonization is a key part of its overall resiliency. The firm's SBTi-verified absolute emission reduction targets place it on a pathway toward net zero by 2050, which aligns with the 1.5°C scenario—the Paris Agreement's goal. HOK is transitioning to electrification, enhancing energy efficiency and advancing sustainable procurement practices within its offices. To achieve its targets, HOK must continue to enhance internal sustainability initiatives to reduce its carbon footprint. For more information, refer to the Metrics and Targets section of this Report.

As climate change intensifies, detrimental effects can hinder business operations and raise health and safety concerns for employees. HOK recognizes that a secure and safe work environment is foundational to success, making the safety, health and well-being of employees top priorities. Alongside this commitment, business continuity is integrated into operations. This ensures offices can maintain continuous functionality and support the confidentiality, integrity and availability of data across all HOK offices. For additional information, refer to the Resiliency section of HOK's Climate Action Plan (2024).



Resilient Design Services

Through its innovative design practice, HOK actively integrates sustainability into every project, significantly contributing to the reduction of carbon emissions across the built environment. This approach is grounded in building science and sustainability practices, focusing on creating high-performance, resilient and healthy environments fit for purpose over their intended design service life.

Early integration of project-specific sustainable design targets drives decision making for energy-efficient design strategies, utilizing sustainable embodied carbon reducing materials and advocating for green building codes and third-party standards. In pursuit of sustainable objectives for projects, HOK conducts climate analyses, engages in environmental and energy modeling, perform life-cycle assessments and explores opportunities for passive and climate-responsive design. This commitment also encompasses climate-adaptive, climate-resilient and regenerative design practices.

HOK provides professional design services that address physical and transition risks for clients across financial and non-financial sectors around the world, helping inform their risk management decisions and supporting their commitments to a low-carbon economy. Additionally, HOK has committed to multiple industry-recognized decarbonization pledges, putting its design portfolio on a pathway toward decarbonization. For more information, refer to the Metrics and Targets section of this Report.

To remain an industry leader in sustainability and in anticipation of increased demand for design services as the world transitions to a lower-carbon economy, HOK aims to maintain an innovative design practice that serves clients' evolving needs.

This includes:

- Expansion of resilience and climate adaptation design services, which has the potential to influence over 50% of the firm's large project pipeline.
- Growth in embodied carbon reductions and circular materials design services, which could represent up to 10% of service offerings by 2030.
- Continued investment in sustainability-related research and toolkits through new third-party tools and datasets.

HOK is already seeing climate-related opportunities shape its work through increased demand for net-zero and certified (LEED v5 and others) buildings, which could add 5-10% revenue growth by 2030.

6. Risk Management

Risk Management

6.1 IDENTIFICATION & DETERMINING MATERIALITY

The scenario analysis exercise described previously identified climate-related physical risks (acute and chronic), transition risks and opportunities for HOK. In addition to a detailed understanding of its operations and value chain, HOK considered other information sources to determine climate-related risks and opportunities, including:

- Third-party physical climate risk tools.
- Educational materials issued by the IFRS Foundation.
- Climate-related risks and opportunities identified by industry peers.
- HOK's existing risk management and due diligence processes.

The identified climate-related risks and opportunities were prioritized based on the likelihood of occurrence and magnitude of the impact on HOK's financial prospects. During this qualitative analysis, the firm assessed plausible defining characteristics of each climate scenario (1.5°C or 4°C) during the identified short-, medium, and long-term time horizons and their potential impact on the identified climate-related risks and opportunities. Characteristics included policy/market signals, technology costs and physical hazards.

The results were plotted on a matrix to identify the risks and opportunities that could be reasonably expected to affect HOK. No definitive thresholds were applied; however, those with a higher likelihood and/or magnitude were deemed material and disclosed in this Report (Appendix B).

6.2 METRICS FOR CLIMATE-RELATED RISKS & OPPORTUNITIES

The process of identifying metrics for the assessment and management of material climate-related risks and opportunities is ongoing. The table below includes an initial list of potential metrics. It is subject to change as HOK assesses applicability, impact, measurement capabilities and more.

After finalizing metrics, HOK plans to establish a baseline using Year 1 financial data for comparative analysis in later reporting cycles. For example, HOK had nearly $220 million in design revenue in Year 1 from projects registered with third-party green building or sustainable construction ratings organizations, even if the project has not yet achieved final certification. Tracking this year over year is a metric that gives HOK the opportunity to measure climate-related opportunity.

Category	Metric	Definition	Impact
Physical Risk	Annual number of disrupted days per HOK office	All-day office closures attributable to acute extreme weather events	Assists in measuring realized acute physical risk; informative for strategic decisions about HOK offices
Physical Risk	Annual % change in insurance costs for HOK offices	Year-to-year change in cost of insurance deductibles or premiums for HOK offices	
Transition Risk: Policy & Legal	Annual number of sustainability-related incidents against HOK	Number of formal incidents and/or complaints concerning HOK's sustainability efforts	Assists in monitoring how HOK balances potential litigation exposure with sustainability-related efforts
Transition Risk: Policy & Legal	Annual number of green leases signed for HOK studios	Number of new signed leases for HOK studios with sustainability-related stipulations	Assists in measuring an aspect of HOK's operational decarbonization efforts
Opportunity	Annual revenue from projects pursuing sustainable certifications	Revenue from projects that pursue certifications like LEED, BREEAM, WELL, Passive House, etc.	Assists in measuring HOK's pursuit of climate-related market opportunity and changing client preferences resulting from the global transition to a low-carbon economy
Opportunity	Annual revenue from projects focused on climate adaptation / resilience	Revenue from projects whose contracted scope includes one or more climate adaptation/resilience deliverables (e.g., climate-hazard screening, site/campus resilience strategy, passive survivability analysis, flood/heat/wildfire mitigation measures)	Assists in measuring HOK's pursuit of climate-related marketing opportunity and measuring changing client preferences resulting from increased climate impacts
Opportunity	Annual % of HOK staff trained on sustainability-related design tools	% of relevant staff trained on design tools related to climate adaptation/resilience, LCA workflow, etc.	Assists in measuring HOK's capitalization of market opportunity to meet changing client preferences

6.3
MANAGEMENT & MITIGATION

HOK's business continuity and resiliency risk management is led by the Advanced Technology Group (ATG), with oversight from the Board of Directors. The ATG conducts ongoing monitoring of the risk landscape and reports to the Board annually and on an as-needed basis.

Material climate-related risks and opportunities are monitored and managed by a collaboration between the ATG, the Compliance team and the Sustainable Design team. While much of the approach toward climate-related risk identification and management is consistent with the firmwide approach, this multi-team collaboration works to continuously improve alignment between the two. Material risks, climate-related or otherwise, are considered by the Board during all strategic decisions.

Much of HOK's climate-related risk management stems from efforts to build resiliency across operations and design services, as discussed in the Strategy section of this Report and HOK's ESG Report (2025).

HOK's dedication to decarbonizing both operations and its design portfolio helps reduce residual operational exposure and support business continuity. Generally, HOK works to limit impacts of climate-related risks and take advantage of climate-related opportunities by:

1. Mitigating negative impacts through controlling measures focused on resiliency.
2. Increasing climate literacy through new-hire sustainability training.
3. Pursuing opportunities by increasing climate-related design service offerings and investing in sustainability-related tools and skills for HOK designers.

SUSTAINABILITY BY THE NUMBERS

DECEMBER 2025

503
Sustainably certified projects

461
LEED certified projects

161 million
Square feet of sustainably certified projects

149 million
Square feet of LEED certified projects

700
Personnel with at least one sustainability credential

656
Personnel with LEED credentials

7. Metrics & Targets

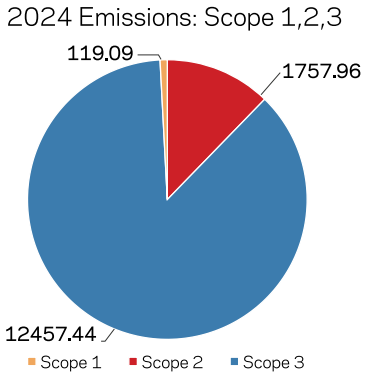
Metrics & Targets

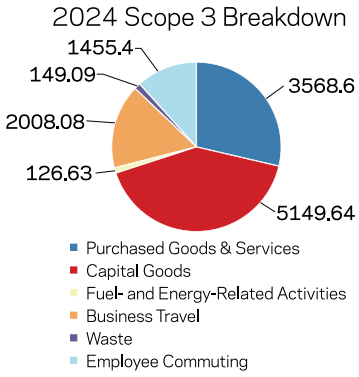
7.1 GHG EMISSIONS (SCOPES 1 - 3)

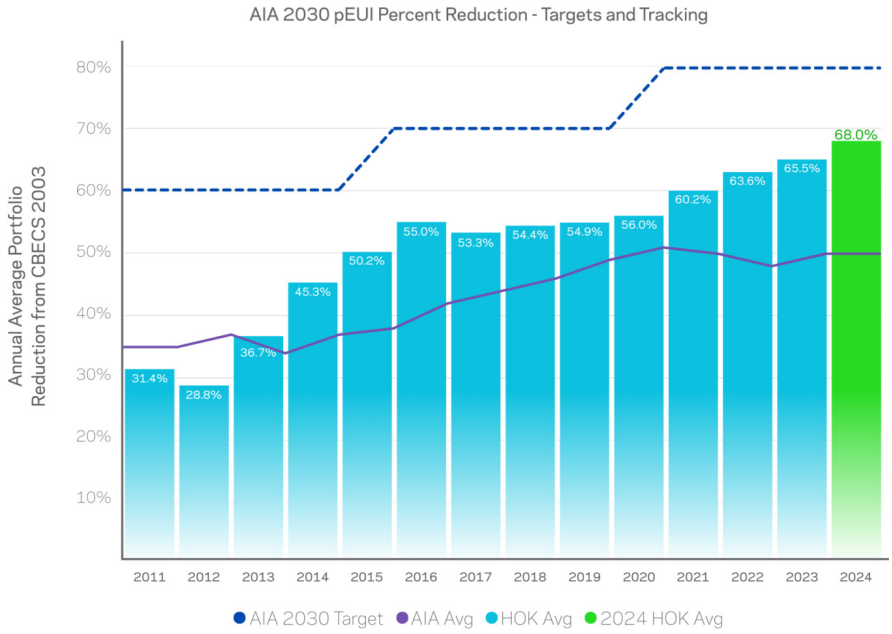
In 2024, HOK's annual emissions total measured 14,335 metric tons of CO2e. HOK measures greenhouse gas (GHG) emissions in accordance with the *GHG Protocol: A Corporate Accounting and Reporting Standard (2015)* and the *GHG Protocol Corporate Value Chain (Scope 3) Standard* and applies the operational control approach. Refer to Appendix A for details about HOK's calculation methodology.

For HOK, Scope 1 emissions are from natural gas combustion in stationary equipment at its physical office spaces. Scope 2 emissions are location-based and derived from purchased electricity and steam used by offices. Scope 3 emissions are indirect emissions that occur in the value chain, both upstream and downstream.

HOK has gradually expanded its annual emissions tracking efforts through the progressive inclusion of material Scope 3 categories based on guidance from the GHG Protocol, sector best practices and data availability. Through 2024, the firm has identified Categories 1, 2, 3, 5, 6 and 7.







7.2 CLIMATE-RELATED TARGETS

Science Based Targets initiative (SBTi)

In September 2025, the SBTi verified HOK's absolute emissions reduction targets, which are aligned with the Paris Agreement's 1.5°C scenario. HOK is committed to the following reduction targets:

- Scopes 1 and 2 GHG emissions by 46.2% by 2030 from a 2019 base year.
- Scope 3 GHG emissions by 42% by 2030 from a 2023 base year.
- Scopes 1 and 2 GHG emissions by 90% by 2050 from a 2019 base year.
- Scope 3 GHG emissions by 90% by 2050 from a 2023 base year.

HOK measures progress toward those targets through its annual emissions calculation, which is included in the firm's annual Carbon Disclosure Project (CDP) disclosure. HOK submitted its first CDP disclosure in the 2024 reporting period after being requested by a supply chain member.

These commitments are based on economic and regulatory conditions in effect at the time of this Report. HOK will periodically assess its performance toward these targets, which are subject to reassessment in the event of a material change in economic and regulatory conditions.

Industry-Specific Targets

HOK's commitment to sustainability is further supported through its leadership and alignment with several key industry-specific initiatives. For additional information, refer to the Design Portfolio section of HOK's Climate Action Plan (2024).

- **AIA 2030:** Carbon-neutral energy use in new construction and major renovations by 2030.
- **MEP 2040:** Zero operational carbon emissions in mechanical, engineering and plumbing (MEP) systems by 2030 and zero embodied carbon in MEP systems by 2040.
- **ASLA 2040:** Carbon-neutral landscape design by 2040.
- **SE 2050:** 50% reduction in embodied carbon by 2030 and 100% reduction by 2050.

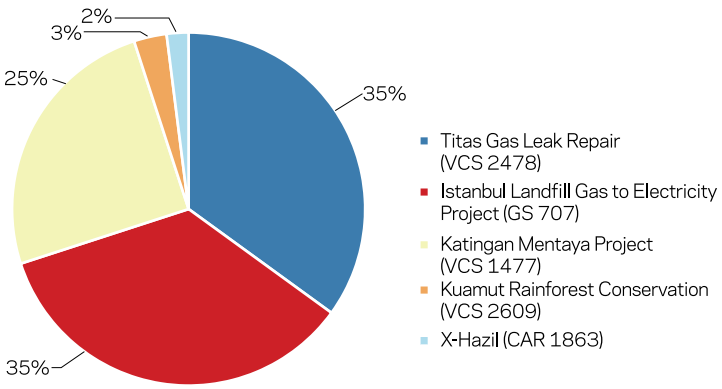
For AIA 2030, HOK achieved a 68% reduction in energy use intensity (EUI) in 2024, surpassing the AIA average of 50%. Regarding progress toward the other commitments, HOK works with industry peers and each commitment's governing body to develop strategies for tracking and disclosing annual performance for each target.

7.3
PURCHASE OF CARBON CREDITS

HOK has purchased carbon credits annually to offset emissions and be carbon neutral since 2022. The purchase of these credits does not count toward HOK's achievement of its SBTi-verified absolute emission reduction targets.

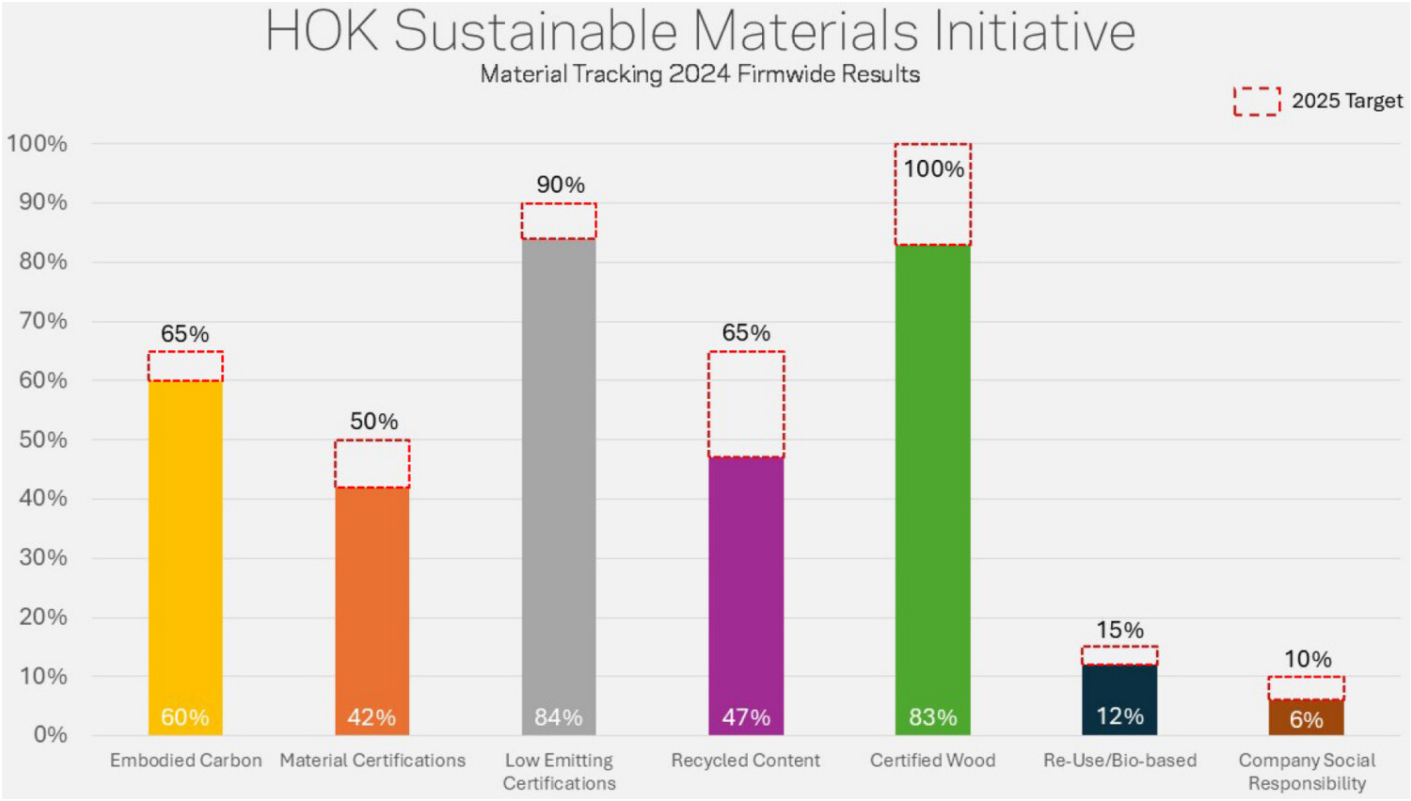
HOK purchased a diversified portfolio of high-quality carbon credits in 2025 to offset emissions in the 2024 reporting period. As recommended by the World Economic Forum, a carbon credit portfolio helps maximize impact, mitigate risk and foster innovation.

Carbon Credits Purchased for 2024



HOK's portfolio embodied the science-based best practices laid out in Oxford's *Principles for Net-Zero Aligned Carbon Offsetting (2024)*, and each project is highly rated by independent third parties. The portfolio is 70% technology-based reductions (Oxford Category I), 25% nature-based reductions (Oxford Category II) and 5% nature-based removals (Oxford Category IV).

In compliance with California AB 1305, HOK discloses information about its purchased carbon credits on its internet website. Moving forward, HOK will continue to develop and enhance emissions reduction strategies to meet its SBTi-verified targets, which will also decrease its use of offsets.



Appendix A – Emissions Calculation Methodology

The methodology below includes a variety of necessary assumptions and judgments that can over- or underestimate emissions. Over time, HOK will work to use more localized estimates and improve data granularity to increase the accuracy of its emissions calculation.

Scope 1 & 2

In 2024, HOK's Scope 1 emissions measured 119.09 metric tons of CO2e and Scope 2 emissions measured 1,757.96 metric tons of CO2e. Currently, HOK does not measure non-CO2 emissions from refrigerants or air-conditioning equipment.

The centralized calculation approach is used, meaning each HOK office reports monthly energy usage to the corporate level where GHG emissions are calculated using the formulas below.

- Emissions (metric tons CO2e) = natural gas usage x emission factor
- Emissions (metric tons CO2e) = electricity usage x emission factor
- Emissions (metric tons CO2e) = steam usage x emission factor

Natural gas, electricity and steam usage comes from utility bills specific to the HOK office space. When unavailable, an estimation is determined by taking the percentage of the property's total energy consumption that is equal to the percentage of square footage HOK occupies in the property (e.g., if HOK occupies 5% of the property, the firm estimates it is responsible for 5% of the property's energy usage).

The emission factors used were specific to the geographical region where the HOK office is located and those published most recently by the region's relevant government body.

SCOPE 1 EMISSION FACTORS		
HOK Office Location	Geographical Region	Emission Factor Source
Chicago	USA	U.S. Environmental Protection Agency (EPA)
London	United Kingdom	Department for Energy Security and Net Zero
Toronto	Ontario, Canada	Environment & Climate Change Canada (ECCC)
Ottawa	Ontario, Canada	Environment & Climate Change Canada (ECCC)
Calgary	Alberta, Canada	Environment & Climate Change Canada (ECCC)

SCOPE 2 EMISSION FACTORS		
HOK Office Location	eGrid Region	Emission Factor Source
Washington, DC	RFCE, USA	U.S. Environmental Protection Agency (EPA)
Atlanta	SRSO, USA	
New York	NYCW, USA	
Boston	NEWE, USA	
Tampa	FRCC, USA	
Miami	FRCC, USA	
Philadelphia	RFCE, USA	
Chicago	RFCW, USA	
St. Louis	SRMW, USA	
Kansas City	SPNO, USA	
Los Angeles	CAMX, USA	
San Francisco	CAMX, USA	
Seattle	NWPP, USA	
Austin	ERCT, USA	
Houston	ERCT, USA	
Dallas	ERCT, USA	
Denver	RMPA, USA	
Dubai	UAE, USA	Climatiq
Hong Kong	Hong Kong	
Beijing	China	
Shanghai	China	
Toronto	Ontario, Canada	Environment & Climate Change Canada (ECCC)
Ottawa	Ontario, Canada	
Calgary	Alberta, Canada	
London	United Kingdom	UK Department for Energy Security and Net Zero
Mumbai	N/A	N/A

Scope 3 Category 3 - Fuel- and Energy-Related Activities

Emissions were calculated based on U.S. EPA typical transport and delivery energy loses.

- Emissions (metric tons CO2e) = (3% x 2024 Scope 1 tCO2e) + (7% x 2024 Scope 2 tCO2e)

Scope 3 Category 5 - Waste Generated in Operations

To establish a 2023 base year, a firmwide waste analysis was conducted. This practice will be completed biennially, so emissions for 2024 were calculated based on company growth (measured in percent change in headcount).

- Emission (metric tons CO2e) = 2023 emissions + [2023 emissions x headcount % change]

To estimate the kilograms of waste generated daily for each waste stream (recycling, landfill, composting), the 2023 waste analysis determined:

- Average daily attendance of full-time equivalent (FTE) employees for each HOK office.
- Average working days per year for FTE employees based on HOK PTO policies.
- The waste disposal split (1 kg/FTE/day split as 30% recycling, 50% landfill and 20% composting).

Remote workers and hazardous waste, e-waste and project-related waste are excluded. While local waste infrastructure and policies were reviewed for each city to understand typical waste processing, the decision was made to apply a common set of emission factors and waste disposal split for all HOK offices for standardization and consistency.

SCOPE 3 CATEGORY 5 EMISSION FACTORS		
Waste Stream	Emission Factor Source	Notes
Recycling	UK DEFRA 2023	Net emissions from processing recycled waste
Landfill	UK DEFRA 2023	Includes methane generation
Composting	UK DEFRA 2023	Net emissions from compost operations

Scope 3 Category 6 - Business Travel

For reimbursable travel in personal vehicles, the distance-based calculation method was used. The emission factor used is the EPA's Vehicle Factor, which assumes gasoline vehicles at standard efficiency.

- Emissions (metric tons CO2e) = distance traveled (miles) x emission factor (kg CO2e/mile) / 1,000

For air and rail travel, annual emissions totals from travel agency partners were used whenever possible, and the spend-based calculation approach was used to fill data gaps (using internally calculated emission factors).

- Emissions (metric tons CO2e) = spend (USD) x internal emission factor (kg CO2e/USD) / 1,000

The internally calculated emission factor used for air travel was determined by dividing the total air travel emissions in the U.S. region by air travel spend in the U.S. region. The former data is from HOK's travel agency partner in the U.S. while the latter is from HOK's expense management and accounting. The U.S. region was used as the data was most comprehensive and accurate. The same process was used for the internally calculated emission factor for rail travel.

Emissions from rental cars and hotel stays are not included due to data availability issues.

SCOPE 3 CATEGORY 6 SUMMARY			
HOK Region	Air	Rail	Personal Vehicle
Asia-Pacific	Spend data + internal emission factor	Spend data + internal emission factor	Mileage + EPA emission factor
Canada	Spend data + internal emission factor	Spend data + internal emission factor	Mileage + EPA emission factor
U.K.	Travel agency data	Travel agency data	Mileage + EPA emission factor
Middle East	Travel agency data	N/A: no spend data	Mileage + EPA emission factor
U.S.	Travel agency data	Travel agency data	Mileage + EPA emission factor

Scope 3 Category 7 - Employee Commuting

To establish a 2023 base year, a firmwide employee commuting analysis was conducted. This practice will be completed biennially, so emissions for 2024 were calculated based on company growth (measured in percent change in headcount).

- Emission (metric tons CO2e) = 2023 emissions + [2023 emissions x headcount % change]

The 2023 employee commuting analysis used an anonymous employee survey to collect:

- Distance travelled to work.
- Frequency of commuting (days per week).
- Mode of transportation: (1) cab/Uber/Lyft, (2) personal car (non-electric), (3) electric car/bike/scooter, (4) public transit: bus, (5) public transit: metro/rail.
- Primary HOK office location.

That data was used to determine the average daily attendance of full-time equivalent (FTE) employees for each HOK office and the annual distance traveled for each mode of transportation for each office. The latter used the following formula:

- Annual distance traveled (km) = FTE x average daily distance traveled x average working days per year for FTE employees based on HOK PTO policies.

Finally, the annual emissions from employee commuting for each HOK office were calculated using the formula below and emission factors specific to each of the five modes of transportation. For HOK offices in the U.S., the emission factors were based on the City of Atlanta's Climate Action Plan and other relevant sources, while the International Energy Agency (IEA) was used for offices outside the U.S.

- Emissions (tCO2e) = distance traveled (km) x emission factor (kg CO2e/km) / 1,000

Remote workers and fully virtual teams were excluded, and occasional telecommuting was modeled using average attendance weights from the survey.

HOK Office Location	Cab, Uber, Lyft	Car (non-electric)	Electric: Car, Bike, Scooter	Public Transit: Bus	Public Transit: Metro/Rail
Atlanta, GA, USA	0.17	0.17	0.055	0.102	0.028
Austin, TX, USA	0.17	0.17	0.055	0.102	0.028
Beijing, China	0.15	0.15	0.1	0.12	0.04
Boston, MA, USA	0.17	0.17	0.055	0.102	0.028
Calgary, AB, Canada	0.16	0.16	0.045	0.095	0.03
Chicago, IL, USA	0.17	0.17	0.055	0.102	0.028
Dallas, TX, USA	0.17	0.17	0.055	0.102	0.028
Denver, CO, USA	0.17	0.17	0.055	0.102	0.028
Dubai, UAE	0.17	0.17	0.1	0.11	0.045
Hong Kong	0.12	0.12	0.05	0.08	0.02
Houston, TX, USA	0.17	0.17	0.055	0.102	0.028
Kansas City, MO, USA	0.17	0.17	0.055	0.102	0.028
London, UK	0.13	0.13	0.045	0.07	0.025
Los Angeles, CA, USA	0.17	0.17	0.055	0.102	0.028
Miami, FL, USA	0.17	0.17	0.055	0.102	0.028
New York City, NY, USA	0.15	0.15	0.045	0.09	0.025
Ottawa, ON, Canada	0.15	0.15	0.045	0.09	0.025
Philadelphia, PA, USA	0.17	0.17	0.055	0.102	0.028
Salt Lake City, UT, USA	0.17	0.17	0.055	0.102	0.028
San Francisco, CA, USA	0.15	0.15	0.045	0.09	0.025
Seattle, WA, USA	0.15	0.15	0.045	0.09	0.025
Shanghai, China	0.15	0.15	0.1	0.12	0.04
St. Louis, MO, USA	0.17	0.17	0.055	0.102	0.028
Tampa, FL, USA	0.17	0.17	0.055	0.102	0.028
Toronto, ON, Canada	0.15	0.15	0.045	0.09	0.025
Washington, DC, USA	0.15	0.15	0.045	0.09	0.025

Appendix B – Material Climate-Related Risks and Opportunities

ID	Category	Driver	Impact on HOK	Current and/or Anticipated Management Response
R1	Physical Risk: Acute	Extreme weather events: extreme heat, wildfires, flooding, extreme wind.	Negatively affects access to HOK offices and employee health, safety, well-being.	Maintain extensive operational resilience efforts that protect business continuity and employee health, safety, well-being.
R2	Physical Risk: Chronic	Long-term changes in climate and weather patterns (e.g., sea level rise, changes in precipitation patterns).	Exacerbate acute physical risks and their impacts; increased data center server costs.	Monitor data center server costs; consider chronic physical risks during siting for new HOK offices; maintain operational resilience efforts.
R3	Transition Risk: Policy & Legal	Increasing global concern regarding climate change might increase possibility of lawsuits against industries whose products impact the environment.	Financial cost of lawsuits and potential negative effect on HOK's reputation with value chain partners.	Enhance legal compliance and transparency to address evolving climate-related regulations and potential litigation risks. Strengthen ESG practices and stakeholder engagement to protect HOK's reputation and support sustainable business operations.
R4	Transition Risk: Policy & Legal	Increased sustainability disclosure requirements from governments, clients and other value chain partners.	Higher compliance workload and need for stronger data systems/controls across offices and suppliers; potential assurance and legal/contractual exposure from client/vendor questionnaires; risk of bid ineligibility or reputational damage if data are incomplete or inconsistent; incremental OpEx for reporting, tools and training.	Strengthen sustainability-related data governance; continuously work to align HOK sustainability efforts with disclosure requirements and industry best practices.
R5	Transition Risk: Policy & Legal	Efforts to reduce operational emissions could be hindered by the fact HOK leases all its office spaces.	Difficulty meeting emission reduction goals, which could negatively affect HOK's reputation as a sustainability leader.	Pursue signing green leases for HOK offices; establish more personal relationships with real estate partners.
R6	Transition Risk: Technology	Operating costs associated with transitioning to energy sources with little-to-no emissions for operations and acquiring necessary tools for design service provision.	Financial costs initially, but outweighed by long-term positive impact through meeting client needs and operational decarbonization.	Research the low-carbon energy sources best suited for the HOK office location; conduct cost-benefit analysis for changing energy sources; monitor evolving client preferences and invest in most relevant design tools.
R7	Transition Risk: Market	Evolving building energy codes and performance standards (potentially including embodied carbon limits) based on status of global transition to a low-carbon economy.	Increased design complexity, modeling/coordination time and specialist staffing requirements; potential margin compression and schedule risk if not priced/planned; rework risk as standards tighten mid-project; competitive risk if capabilities lag balanced by growth in high-performance/net zero project demand.	Expand building code and performance standard design advisory; upskill project teams; monitor code and standard updates in major markets.
O1	Opportunity	Increasing global concern regarding climate change means potential clients and talent are looking for companies with a positive sustainability-related reputation.	Increased revenue by leveraging the firm's preparedness for a potential Transition Risk (Reputation).	Increase external marketing of sustainability-focused projects (especially award winners); package "net zero ready" design service offerings.

Appendix C – Climate-Related Physical Risks for HOK Offices

For operations in the United States, the risk profile was assessed based on the specific office location using First Street Foundation's Risk Factor tool.

- Low: 1-3 factor
- Moderate: 4-6 factor
- High: 7-10 factor

For operations outside the United States, the risk profile was based on overall city risk exposure using the following tools:

- Global Forest Watch Index for Wildfires: Low: 0-30, Moderate: 31-75, High: 76-100.
- World Resource Institute Water Risk Atlas: Low: 0-2, Medium: 2-3, High: 3-5.

Note: Where data was unavailable for a specific hazard in a specific region (e.g., international wind/temperature data), it is marked as N/A.

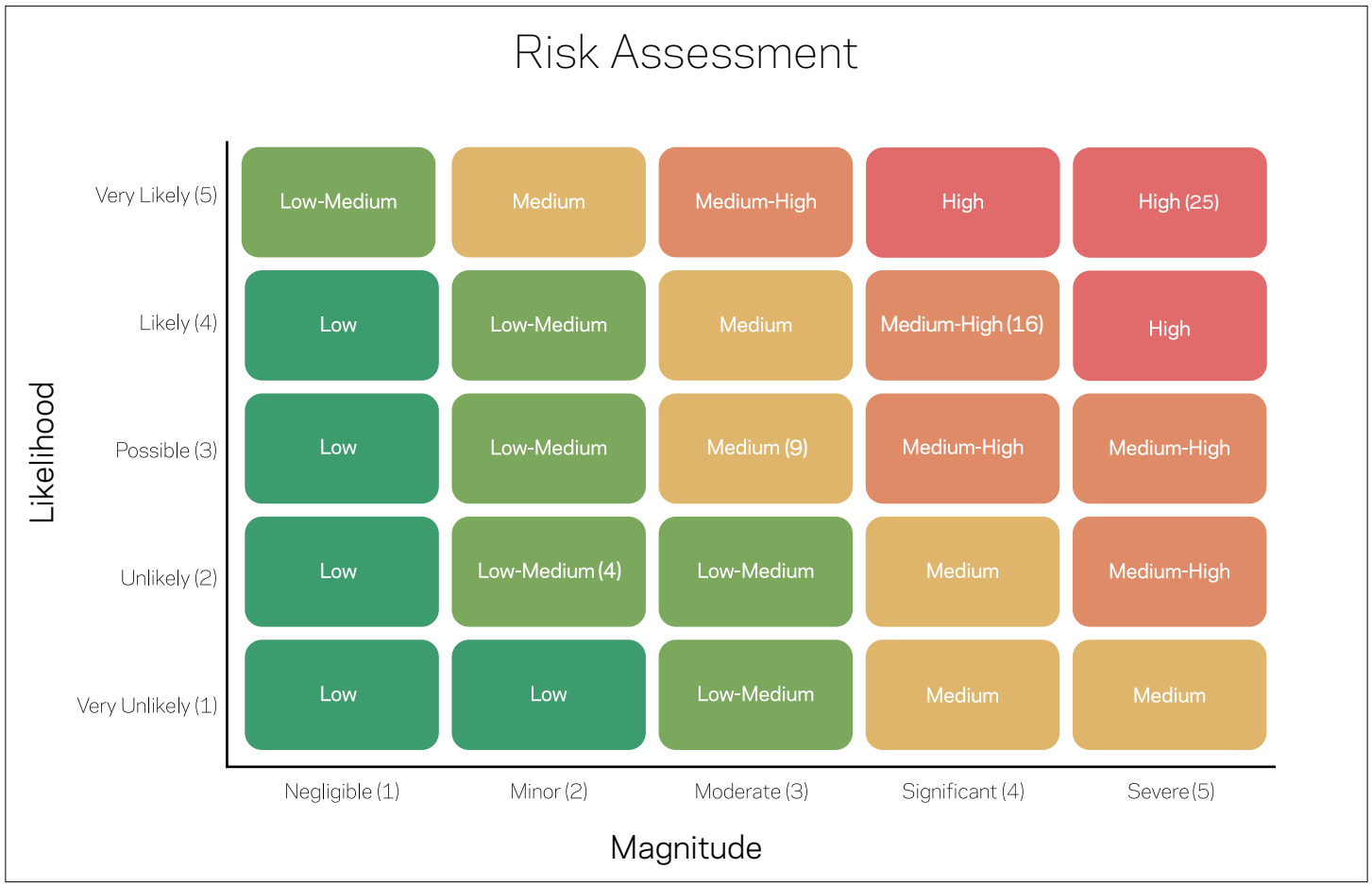
Extreme Temperature

Wildfires

Flooding

Extreme Wind

Appendix D – Risk Scoring Framework Matrix



Likelihood (L) - Assessed per time horizon using internal and external indicators.

Score	Descriptor	Guide (directional)
1	Rare	Would require unusual conditions; no current signal.
2	Unlikely	Limited precedent; weak/ambiguous signals.
3	Possible	Credible pathway; multiple signals emerging.
4	Likely	Strong momentum or recurring hazard.
5	Almost Certain	Already occurring or imminent under base case.

Magnitude (M) - Directional effect on cash flows, access to finance, cost of capital or business continuity (consider mitigating controls already in place).

Score	Descriptor	Guide (directional)
1	Minimal	Little/no effect; easily absorbed.
2	Low	Localized impact; minor cost/time.
3	Moderate	Noticeable effect on margin, delivery or pipeline.
4	High	Significant effect; requires leadership action/budget.
5	Severe	Enterprise-level effect; strategic shift required.

Appendix E – References & Glossary

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GLOSSARY

Adaptation: Actions taken to adjust to actual or expected climate change and its effects to moderate harm or exploit beneficial opportunities.

Assurance: An independent assessment process that provides confidence in the accuracy and completeness of disclosed information, such as greenhouse gas emissions or climate risk data.

Base Year Emissions: In the context of inventory accounting, base year emissions refer to a company's emissions in a specific year against which a company's emissions are tracked over time.

Baseline Scenario: A reference pathway that reflects expected future conditions in the absence of new climate-related policies or measures.

Carbon Footprint: The total amount of greenhouse gases emitted directly and indirectly by an organization, expressed as carbon dioxide equivalent (CO_2e).

Carbon Neutral: This term is generally used when an entity counts the use of carbon offsets as counterbalancing some or all of its GHG emissions. It does not necessarily mean that direct emission reductions have taken place or include GHGs other than carbon dioxide.

Climate-Related Opportunities: Potential positive impacts of climate change on an organization, such as new markets, products or efficiency gains resulting from the transition to a low-carbon economy.

Climate-Related Risks: Potential negative impacts of climate change on an organization. These include both *physical risks* (from specific climate events or long-term shifts) and *transition risks* (from policy, technology, market or reputational changes).

Climate Scenario Analysis: A tool to explore and assess the potential business implications of climate-related risks and opportunities under different plausible future climate conditions.

Decarbonization: The process of reducing carbon dioxide emissions associated with energy production, consumption, and industrial processes.

Embodied Carbon & Life Cycle Assessment (LCA): Embodied carbon refers to the GHG emissions associated with the life cycle of building materials. A life cycle assessment is a standardized methodology to evaluate the environmental impacts of a product, service or process throughout its entire lifespan, from raw material extraction to disposal.

Emissions Scope 1, 2 and 3:

- **Scope 1:** Direct emissions from owned or controlled sources.
- **Scope 2:** Indirect emissions from the generation of purchased electricity, heat or steam.
- **Scope 3:** All other indirect emissions in the value chain, including those from suppliers and product use.

Financial Materiality: The threshold at which climate-related risks or opportunities are likely to influence an organization's financial condition, operating performance or access to capital.

Governance: Structures and processes used by an organization's board and management to oversee and manage climate-related risks and opportunities.

Greenhouse Gas (GHG): Gases in the atmosphere that trap heat and contribute to global warming, including CO_2, CH_4, N_2O and fluorinated gases.

Low-Carbon Transition: The global shift toward energy systems, products and processes with reduced greenhouse gas emissions.

Mitigation: Efforts to reduce or prevent the emission of greenhouse gases, enhancing carbon sinks or implementing technologies that remove CO_2 from the atmosphere.

Materiality Assessment: A process for identifying and prioritizing climate-related issues that are most significant to an organization and its stakeholders.

Net Zero: Net zero emissions are achieved when anthropogenic (human-caused) GHG emissions are balanced by removing some quantity of emissions from the atmosphere over a specified period.

Paris Agreement: This legally binding international treaty on climate change was adopted within the United Nations Framework Convention on Climate Change (UNFCCC) in December 2015. It commits participating countries to limit global temperature rise to well below 2°C above pre-industrial levels and pursue efforts to limit warming to 1.5°C, adapt to changes already occurring and regularly increase efforts over time.

Physical Risks: Climate-related risks resulting from acute events (e.g., extreme weather) or chronic shifts (e.g., sea level rise, temperature changes).

Portfolio Alignment: A method for assessing how an organization's investments or assets align with climate goals, such as the Paris Agreement's 1.5°C or 2°C targets.

Resilience: The capacity of an organization to adapt and recover from climate-related shocks or stresses.

Risk Management: Processes for identifying, assessing and responding to climate-related risks within an organization's broader risk management framework.

Scenario Analysis: A structured approach for exploring the potential effects of different climate futures on an organization's strategy and performance.

SB 261 (California Senate Bill 261): A California law requiring large entities to prepare and disclose biennial reports describing their climate-related financial risks and the measures adopted to reduce and adapt to those risks, consistent with frameworks like IFRS S2.

Science Based Targets initiative (SBTi): A corporate climate action organization that enables companies and financial institutions worldwide to play their part in combating the climate crisis. They develop standards, tools and guidance that allow companies to set GHG emissions reduction targets in line with what is needed to keep global heating below catastrophic levels and reach net zero by 2050 at latest.

Stakeholder: Any individual or group affected by or able to affect an organization's activities, such as investors, regulators, employees, customers and communities.

Strategy (Climate-Related): An organization's plans to manage climate-related risks and opportunities, including integration into business models, targets and resource allocation.

Transition Risks: Financial and operational risks arising from the transition to a low-carbon economy, including changes in regulation, technology, market preferences and reputational dynamics.

Value Chain: The full range of activities that businesses undertake to bring a product or service from conception to the customer. It encompasses activities from both the upstream (inputs into a product or service) and downstream (outputs from a product or service) associated with the operations of the reporting company.

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