

# Lennar 2023 Social Responsibility Report



**LENNAR**



# Executive letter

Our Company was founded as a local Miami homebuilder in 1954. Since that time, we have become one of the largest homebuilders in the United States, an originator of residential and commercial mortgage loans, a provider of title insurance and closing services, a developer of multifamily rental properties, and a leader in the use of new technologies to improve new homes and the process of purchasing them, among other things. Our success is rooted in our culture of integrity and our foundation of solid governance principles, combined with our laser focus on the financial success of the business. We are continually cognizant of how our stockholders, our associates, our customers, our trade partners, and the communities where we do business rely on us to do well and continue to support the vast ecosystem of benefits that we provide. Our social responsibility relies on success in our business so that we can be an engine of social good for decades to come.

We believe that our ability to serve each of our stakeholders plays a vital role in our success. Creating long-term value for our stockholders is of primary importance to us. We do this through a commitment to corporate ethics, risk management, careful execution of our strategies, and investments in initiatives that are redefining the future of both Lennar and our industry. In an effort to increase efficiencies and further reduce our risk profile, we have managed down our SG&A

expenses as a percentage of revenues from home sales to an all-time low of 6.2% (as compared to an industry average of 8.6%), and our homebuilding debt to total capital improved to 14.4% (as compared to an industry average of 34%). Our controlled homesites increased to 63%, as compared to 21% just five years ago in November 2017. In the past couple of years, by carefully managing our balance sheet, we have been able to return value to our stockholders through stock buybacks and increased dividends. In addition, we are working to spin off certain non-core businesses to our stockholders, which we believe are undervalued as part of Lennar but will provide increased value to our stockholders as a standalone business. Our executive compensation is tightly aligned with the interests of our stockholders, and our Board and management continually seek feedback from our stockholders on governance and any other matters of interest.

Our associates are our most valuable asset, and we are committed to building an inclusive and diverse workforce that supports each associate's unique journey. We understand the importance of life balance and offer associates a competitive and comprehensive benefits package, which we periodically update based on associate feedback and market comparisons. We recently moved our corporate headquarters to a newly renovated space in Miami, designed with collaboration and productivity in mind. While most of our associates

are engaging in a combination of work from home and work at the office, we believe we have created an inviting space that supports and encourages in-office work. Our most recent associate survey is complete, and we are reflecting and acting on the feedback we received to continue to create an environment where associates prosper and want to grow their careers.

Our homebuyers have made our Company the success it is today, and we carefully protect our reputation for well-built, innovative homes so our homebuyers can feel safe when they buy from the Lennar name. Over the years our homes have become more energy efficient, healthier and easier to live in, and have less impact on the environment than prior generations of homes. We invest in technologies, like solar, micro-grids, and water re-use, that make owning a home less expensive and more independent of scarce resources.

Through trying times, like the beginning of the COVID-19 pandemic in March 2020, and now in the face of interest rate driven challenges, our trade partners have worked with us to ensure that we could continue to deliver homes and to right-size our cost structure to current market conditions. Our efficient scheduling, predictable needs and steady flow of starts have made us a partner of choice.

We build communities, but our homebuyers create them. We give back to the communities in which we operate in part through our charitable giving arm, the Lennar Foundation. In 2022, we pledged to donate \$1,000 for every home that we deliver. In recent years, the Lennar Foundation has donated \$50 million to

each of the Lennar Foundation Cancer Center at City of Hope Orange County in Irvine, California and the Lennar Foundation Medical Center in Miami, Florida. Not only do we support our communities through the Lennar Foundation, but through the Focused Acts of Caring program, each of our divisions across the country chooses a local charity of choice to support with their volunteered time and grants from the Lennar Foundation.

Even in the face of uncertainty, we strive to be a stable, successful Company that each of our stakeholders is proud of. We are focused on thriving in our business, managing risks and giving back to the people and communities that make us great. We believe this is our social responsibility.



A handwritten signature in black ink, appearing to read 'Stuart Miller'.

**Stuart Miller**  
Executive Chairman &  
Co-Chief Executive Officer



# Reducing environmental impact

We are meeting customer tastes for environmentally sustainable products, and the desire of our best-in-class employees, which we refer to as associates, to be part of the positive way we impact the environment and the community.

Lennar looks at every part of a new home—from flooring to roof trusses—as an opportunity to incorporate sustainable products.

Our purchasing power enables us to include energy- and resource-saving features as standard items in our homes. As a result, each new home we build is more energy-efficient, and has less impact on the environment than many existing homes.

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**ESG and sustainability are core parts of the way that we think about and configure our business.**

— Stuart Miller

Executive Chairman & Co-Chief Executive Officer

# Sustainable home features

Due to our comprehensive sustainability efforts, 18% of the homes we built in 2022 were ENERGY STAR® certified. These homes are at least 10% more energy-efficient than homes built to code, reducing both environmental impact and homeowners' costs. Below is information about some of the sustainable products that we use in the homes we build.



## Sample sustainable products

<b>Appliances</b>	At least 90% of our homes have one or more ENERGY STAR® appliances installed.	<b>Vinyl flooring</b>	At least 45% of our homes use PET Enhanced Plank, which is made from 40% percent recycled content.	<b>Low-VOC paint</b>	Almost all of our homes use these paints, which create less air pollution than traditional paints and can be less likely to trigger problems like asthma, headaches, and nausea.
<b>Light drywall</b>	~25% lighter than standard drywall and used in nearly all our homes — it has less of an environmental impact to ship and less material is needed as compared to standard drywall.	<b>HVAC</b>	At least 80% of the systems in our homes are high efficiency furnace (90%+) and high SEER (13+) air conditioning. A Seasonal Energy Efficiency Ratio of 13+ represents a 30%+ increase in minimum energy efficiency requirements.	<b>Toilets</b>	Standard 1.2 GPF, used in all of our homes, is significantly more water-efficient than older versions.
<b>Entry doors</b>	Most of our doors are ENERGY STAR® qualified.	<b>Insulation</b>	All of our fiberglass batt and blown insulation is formaldehyde free; blown cellulose is made almost exclusively from recycled materials.	<b>Low-E windows</b>	Low-Emissivity windows are used in almost all Lennar homes. These windows help keep homes warmer in the winter and cooler in the summer, which can reduce energy use and the associated costs.
<b>Faucets</b>	All of our kitchen and bathroom faucets are WaterSense®, which use at least less water than federal water efficiency requirements.	<b>Lighting</b>	100% of Lennar homes contain energy-saving LED lights.	<b>Weather-based irrigation system</b>	Used in select divisions, these systems shut off sprinklers when rain is detected.
<b>Carpet pad</b>	95% of our homes have post-commercial recycled content carpet pads and carpet from recycled bottles.	<b>Lumber</b>	Most of the lumber we use comes from responsible/sustainable certified forests.	<b>Xeriscaping</b>	We use native plants that need little or no added water on lawns in Las Vegas, Phoenix, and Colorado.
<b>Hardwood flooring</b>	100% of our hardwood is from responsible/sustainable certified forests.	<b>Tankless water heaters</b>	Used in at least 30% of our homes, these units can be up to 34% more energy-efficient than traditional storage water heaters.		

# Solar power

We believe in the value of clean energy from solar power, which is why we formed our own captive solar power company in 2013 — well before the California mandate that requires new homes to draw energy from solar power starting in 2020.

Through the SunStreet business, we brought state-of-the-art solar technology with real-time monitoring to every new home in our and others' solar communities, at no upfront cost to the homeowner. While California is currently the only state to mandate use of solar power, many states and the federal government offer tax incentives to encourage homeowners to shift to solar power. By making solar panels standard in many of our new homes, Lennar has made it easy for homeowners to take advantage of these incentives, and can help them save money on utility bills.

In 2021, we sold the SunStreet solar operations to Sunnova in exchange for stock in the company. We benefitted by simplifying our business through partnering with Sunnova to be Lennar's exclusive solar and battery storage provider while progressing the development of community microgrids, which enable energy independence from the local utility. We are working with the Sunnova team to continue to include solar technology in Lennar homes and develop next-generation energy

solutions for new homes and communities that will solve the problem of power outages and electric grid deficiencies for new communities.

Over 61,000 solar power home deliveries since 2013

Almost 13,000 solar power home deliveries in fiscal year 2022



## Community highlights

### Southshore Bay

- The Southshore Bay residential community, developed by Lennar and another developer, comprises 37 new homes, all equipped with rooftop solar PV systems.
- Each home has a battery storage and power electronic control system, which connects to the neighborhood distribution network, where it communicates and shares energy as needed within the community.
- The community has a central energy park containing supplemental batteries, optional additional generation for use during outages, and a connection to the electric utility power grid.

### Babcock Ranch

- A Southwest Florida master-planned community of approximately 17,000 acres focused on innovation and energy resilience. Lennar is a participant along with other national homebuilders.
- The Babcock Ranch Solar Energy Center, developed by FPL, is home to two 74.5-MW solar facilities and multiple SolarNow™ trees, innovative solar structures that provide shade and generate emissions-free energy. The Energy Center is also home to an innovative battery storage system which brings the benefits of solar throughout the day.

# 3D-printed homes

In 2022, in collaboration with ICON, Lennar broke ground on a 3D-printed community of 100 homes north of Austin in the city of Georgetown, TX—the largest of its kind currently underway.

We teamed up with ICON to build an innovative community of 3D-printed homes which were co-designed by BIG-Bjarke Ingels Group. In the midst of housing and building material shortages, this innovative project aims to increase the supply and sustainability of homes

without compromising on quality or beauty. ICON's 3D-printing technology can deliver homes with less waste than traditional construction methods. Its proprietary wall system and materials are stronger and longer-lasting than traditional building materials, resulting in resilient homes designed to withstand extreme weather and reduce the impact of natural disasters.

The walls are made with ICON's advanced material, "Lavacrete," which is custom blended based on location using real time weather conditions to create a high strength cementitious-based material. This Lavacrete provides thermal mass that slows heat transfer into the home and the

combination of thermal mass, increased insulation, and an airtight wall increases the energy efficiency of the home. The architecture and photovoltaic roofs are meaningful innovations that make these homes more durable, sustainable, and energy-efficient. This pivotal project reimagines the future of homebuilding and demonstrates our longstanding commitment to innovation and problem-solving.



## Compliance with environmental regulations

We are subject to numerous environmental regulations that govern stormwater discharges from construction sites, air emissions, and the disposal of construction related waste at our construction sites. We are committed to complying with all applicable environmental laws and regulations.

We have a robust company-wide environmental compliance program called the Lennar Environmental Management System (LEMS), which sets consistent standards and procedures to promote and improve the evaluation of environmental conditions and compliance with environmental laws to which we are subject. The LEMS program has several components, including those relating to environmental due diligence, air quality, spill containment, control, and countermeasures (SPCC) and stormwater management. Under the LEMS, every region

employs a Regional Environmental Manager (REM) to provide oversight and guidance to the divisions and each homebuilding division has a Division Environmental Manager (DEM) who manages environmental compliance within the division on a day-to-day basis. The DEM reports to a REM,

who in turn reports to our National Environmental Manager, who reports to our National Director of Environmental Compliance and Safety. All office and field associates responsible for field operations attend stormwater and air quality training upon hire, as well as a yearly refresher.



# Greenhouse gas emissions

In 2022, Lennar hired a third-party sustainability expert to evaluate and measure our greenhouse gas (GHG) emissions across Scopes 1, 2 and 3 in accordance with the GHG Protocol.

The table shown sets forth the results of Lennar's first comprehensive GHG emissions inventory for fiscal year 2022 and establishes the base year emissions for Lennar's carbon emissions across all three scopes based on the operational control approach. We believe that calculating our carbon footprint allows us to provide greater transparency regarding our current GHG emissions and is an important step in our efforts to better understand the impact of our business operations on the environment.

## The GHG Protocol Corporate Accounting and Reporting Standard provides three scopes for GHG reporting purposes:

- **Scope 1:** Direct GHG emissions that occur from sources that we own or control.
- **Scope 2:** Location-Based indirect GHG emissions from the generation of purchased electricity and heat that we consume in our owned or controlled operations.
- **Scope 3:** Indirect GHG emissions due to activities that we do not own or control but are associated with our upstream and downstream value chain. Our Scope 3 emissions represent the largest segment of GHG emissions from our business operations and products, and primarily comprises emissions associated with our purchased goods and services, sold homes, and unconsolidated joint ventures. Accurately measuring Scope 3 emissions is a challenging process. We utilize the best available data to estimate such emissions. For example, we use HERs ratings for Lennar homes to provide reasonable estimates of Scope 3 carbon emissions from homes sold since we do not have direct access to our customers' current or future utility usage.

## Fiscal year 2022 GHG emissions

(metric tons CO<sub>2</sub>e)

		GHG emissions
<b>Scope 1</b> <b>10,515 Total</b>	Refrigerant Loss	552
	Company-Owned Fleet	6,700
	Joint Ventures - Scope 1	3,263
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<b>Scope 2</b> <b>34,064 Total</b>	Electricity	18,315
	Natural Gas	5,179
	Joint Ventures - Scope 2	10,570
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<b>Scope 3</b> <b>14,827,169 Total</b>	Purchased Goods & Services	6,241,697
	Capital Goods	16,946
	Fuel- & Energy- Related Activities	4,641
	Waste Generated in Operations	2,832
	Business Travel	7,747
	Employee Commuting (including Teleworking)	31,195
	Use of Sold Products	8,433,491
	Downstream Leased Assets	816
	Investments	87,806
	<hr/>	
<b>Total GHG emissions</b>		<b>14,871,748</b>
(Scope 1 + Scope 2 + Scope 3)		

While we prioritized the use of activity-related data to calculate our GHG emissions, we also relied upon estimates and assumptions where such data was unavailable.

## Joint Ventures

In determining our GHG emissions, we used the operational control approach, which means we included 100% of the GHG emissions from joint ventures over which we had operational control in Scopes 1 and 2, while unconsolidated joint ventures for which we do not have operational control are accounted for in Scope 3 and estimated based on our percent of ownership interest.

# Sustainable investing

Our LEN<sup>x</sup> strategic investments business drives a focused strategy within Lennar to integrate technology solutions across the homebuilding industry.

We build strong relationships with forward-thinking companies that share our core values. We collaborate and support these companies from product development to market rollout, allowing them to scale at an unprecedented pace. Together, we innovate and implement technology that enhances our business along every path of the customer's journey — from the discovery and shopping experience, to enjoying their dream home. This enables us to drive both financial growth and a better, more sustainable future. Our strategic relationships include the companies highlighted on pages 10-11.



## Energy efficiency

### Dandelion – Home geothermal system

Offers an environmentally-friendly solution for heating and cooling a home by harnessing the steady temperature below the earth's surface and eliminating the use of natural gas

- 30% more efficient than central A/C
- Improves a home's HERS rating by 5-10 points\*
- Reduces a home's CO<sub>2</sub> emissions by ~64% per year, equivalent 7,882 pounds of carbon\*\*
- As of August 2022, Dandelion's current geothermal systems have avoided the use of 22,757 tons of CO<sub>2</sub> and, over the next 25 years, will avoid the use of 399,665 tons of carbon

\* Based on a 5-ton Dandelion Geothermal Heating & Cooling System in a typical 2500 sqft home in Westchester, NY

\*\* Based on HERS impact models run by Ekotrope

### Rheia – Compact air distribution system

Develops innovative flexible ducting for HVAC systems with meaningful improvements in labor productivity, design efficiency, and homeowner comfort

- Cuts installation time by up to 50%
- Reduces job site waste by as much as 75%
- Improves HERS score by minimum of 3 points
- HVAC contributes to about 50% of a home's total energy consumption. By moving ducts and equipment into conditioned space, Rheia removes energy loss by 30%

We invest in technology-powered solutions that help evolve our core business and create more enjoyable living through sustainable homes and vibrant communities.

## Water conservation

### Greyter – Residential-scale water recycling system

Creates water-efficient communities with a water conservation system that treats shower and bathtub water to meet the home's toilet flushing demands

- More than 50% of all in-home water consumption happens in bathrooms
- Reduces indoor water consumption by up to 25% and helps homeowners save on their water utility bills
- Certified to NSF 350, the stringent national standard for onsite treatment of wastewater for reuse

### Moen

Lennar homes saved ~1 billion gallons of water by installing Moen fixtures -- that's the equivalent of 28.7M bathtubs (2021)\*

- Lennar homes used 7,904 lbs of ocean recycled plastic by installing Moen fixtures -- that's the equivalent of 387,587 plastic water bottles\*\*

\* Based on builder annual closings, each home built with 2.5 baths: bath lavs flow rate of 1.20 GPM, showerheads flow rate of 1.75GPM, kitchen flow rate of 1.50 GPM. Bathtub average 36 gallons.

\*\*Based on builder annual closings, each home using two Moen posi-temp valves, each valve containing .066 lbs. of ocean recycled plastic. Average weight of a plastic bottle equals 0.020392735 lbs.





# Social impact

The American dream of homeownership is an essential aspiration of the U.S. population, and Lennar has always been focused on helping families achieve their dream. Together, these programs and innovations strive to make homeownership achievable.

## Everything's Included®

Through our Everything's Included® approach, we use our purchasing power to include luxury features as standard items in our homes.

## NuHome and American Dream Series

We offer affordable homes and communities in several markets across the country, including our NuHome and American Dream Series brands of affordable homes.

## Next Gen®

Every Next Gen® home provides a separate suite — with its own private entrance and kitchenette — that is still connected to the main home. The suite is ideal for aging parents or young adult children, and can be used for a variety of other purposes, from guest suite to home gym or home office.

## Workforce housing

In several markets across the country, Lennar Divisions offer workforce housing to help more middle-income families afford homeownership.

## The Connected Home by Lennar

Our Connected Homes include the most sought-after technology brand devices and are wifi guaranteed with no dead spots.

## Homebuyer Solutions Group

Through Lennar Mortgage's Homebuyer Solutions Group, potential new homebuyers can receive complimentary credit education to help overcome credit challenges and better understand the home financing process.

## Making single-family living accessible

More people are moving out of cities and apartments in search of a life where they can have more space.

Renters want a backyard, to be near schools and jobs, and to have the upward mobility to someday own their own home. Unfortunately, living in a single-family home remains out of reach for many due to affordability challenges such as a down payment and mortgage approval requirements.

Our single-family rental business is focused on enabling affordable living through the Upward America Venture, which makes single-family living accessible to a broader and more diverse array of the American population.



Upward America offers brand-new Lennar homes for rent by purchasing newly completed homes and making them available to those with the desire to experience a single-family lifestyle, but are not yet able to own. Upward America's social focus provides a unique opportunity for families and individuals across the country to live in brand-new Lennar homes, at an attainable price point, all without putting up a down payment. Our professional ownership of homes enables renters to access a single-family lifestyle while they build the credentials

to own, empowering them with social equity and upward mobility.

Rooted in ESG principles, Upward America rents homes that are sustainability-focused, technology-driven, and built with environmentally sensitive materials designed to minimize ongoing environmental impact.



## People and community

Lennar is positioned to do well, but always focused on doing good.

Lennar associates care for all of our core stakeholders: our Customers, our Shareholders, our Trade Partners, our Community, and each other. The harmony and camaraderie at Lennar is a tremendous source of pride that drives us all to excellence and innovation in our business, to integrity in everything we do, and to shared prosperity across our communities with our money and our time, in coordination with the Lennar Foundation.

Our commitment to Quality, Value and Integrity is the underlying foundation our company was built upon when it was founded in 1954, and that commitment continues to guide us today. Each Lennar associate is dedicated to always doing the right thing for the right reasons.

# Everyone's Included

Lennar was built on a culture of inclusivity and a conscious focus on the associate experience, bringing together the best talent to drive success as part of our “Lennar family.”

Evolving that focus, Lennar has an “Everyone’s Included” mission relative to inclusion and diversity within our company. We are focused on attracting, retaining, and developing talent that will represent the communities which we serve, and continuing to build a sustainable Lennar.

## Awareness & education panels

- We initiated a series of awareness and education panels that are live-streamed to associates throughout the company in order to provoke important conversations around inclusion and diversity.
- We invited leaders and associates to have open discussions about important inclusion and diversity topics, such as Women in Leadership, Women in Construction, and a candid conversation about race entitled “In My Shoes.” These panels, as well as other events, engage our associates in dynamic opportunities to come to work as their true, authentic selves. Enhanced communication also allows for associates to learn more about themselves, their peers, and the organization.



Members of the Everyone's Included Advisory Council

## Everyone's Included Advisory Council

- Lennar brought together a diverse cross-representation of our company to create our Everyone’s Included Advisory Council, comprising associates across the country and in varying functional roles.
- The Council meets regularly to debate, coordinate, and align on key topics affecting our associates and stakeholders across the business and tackles controversial and difficult topics in a safe environment to foster and promote a culture where all perspectives are welcome, and all voices are heard as we define programming and best practices across the Company.

Lennar has focused on building our employer value proposition – with a new careers website, positioning ourselves as an employer of choice for candidates looking for an inclusive organization to build a career within. Our investment in building and maintaining partnerships with organizations focused on career opportunities for Women, People of Color, and Veterans has allowed for our candidate pool to be more diverse and truly represent the communities that we build in.

At Lennar, Inclusion and Diversity is an essential part of our core values. It is very important that our strategy develops and evolves as our associates continue to develop and evolve.

## Associate well-being

### Health and well-being

The health and well-being of our associates is a top priority at Lennar. Associates are offered a competitive and comprehensive benefits package, including paid parental leave and resources for whole-self well-being (physical, social, and financial). We are committed to ensuring that benefits are affordable, and Lennar has consistently covered 75% of the cost for all our associates. To support associates further, we launched The Well-Being Max program in 2020 to encourage our associates to make healthier choices regarding diet, physical activity, sleep, stress management, and risk avoidance.

In addition, we have partnered with The Jha Lab at the University of Miami to introduce a Mindfulness Training program. This program teaches techniques that promote a sharper mind, facilitate calmness under pressure, and encourage sound judgment – mindfulness practices which have been attributed to higher productivity and focus.



### Lennar Educational Assistance Program

It is Lennar's mission to help eliminate student debt for our Associates. To continue our focus on providing our Associates with world-class benefits, we provide our Associates with student debt repayment through our Lennar Education Assistance Program (LEAP). This program will give eligible Associates up to \$2,000 for the first qualifying year and up to \$5,250 for each year after.

### Inclusive benefits

Lennar has also focused on developing a more inclusive benefits package – including a voter policy that allows for associates to exercise their rights, an Everyone's Included Day where associates are encouraged to learn and act within their communities, and a wellness package that creates access and opportunities for associates to thrive, built by our Chief Medical Officer. These are just a few of many actions that we are taking across our platform to demonstrate our commitment to our Associates' well-being!



## Caring for our associates

Lennar's success starts and ends with having the best talent.

To ensure that success, Lennar's Talent Acquisition team is focused on attracting, developing, engaging, and retaining a highly skilled workforce, with efforts to diversify that workforce in an

intentional, authentic and sustainable way. In addition, to recruit from a broad population, we have invested in new recruiting technology, and are committed to enhancing the candidate experience.

### Lennar Associate Pulse Survey

In order to continue our focus and enhance our efforts in providing the best possible experience for our associates, Lennar distributes Associate Pulse surveys. The associate feedback provided from these surveys gives us valuable insight into what makes Lennar a great place to work, while giving associates across the country an opportunity to share suggestions for anything they feel could be improved.

### Associate Development Program

This program brings diverse new college graduates and summer interns into Lennar and rotates them through assignments in Internal Audit, Corporate Accounting and Division and Regional Accounting offices over a period of 18 months. Upon successful completion of the program, the associates are assigned to full-time positions with our homebuilding divisions or at our corporate offices.

### Lennar Management Training and Leadership Development

Lennar partnered with Harvard Business School Publishing to provide our associates the opportunity to take online courses covering essential business topics and critical management skills. The programs offered combine participants completing assignments, online modules, studying business cases, and study group work, with participation in live virtual sessions with a Harvard Business facilitator. These programs help to build relationships and networks across the talent pool to foster collaboration and knowledge sharing across the organization, while developing the critical thinking skills needed to be effective in today's challenging business environment and preparing associates for future leadership roles at Lennar.

### Lennar News Network (LNN)

LNN is a weekly series of short videos that highlight important topics, new initiatives, special recognitions and more for our associates across the nation.

### Lennar Success University (LSU)

LSU is our nationwide associate training program that offers web-based professional education modules that can be completed at an individual associate's own pace, and gives us the ability to assist in and track our associates' training as it is completed.

## Workplace health & safety

At Lennar, the health, safety and well-being of our associates and their families, our Customers, our Trade Partners, and our Community is our number one priority.

Lennar welcomed Dr. Pascal Goldschmidt to the company full-time as our Chief Medical Officer in early 2020 as the COVID-19 pandemic began. Dr. Pascal is the former Dean of the University of Miami's Miller School of Medicine, and his expertise and guidance were crucial as we developed protocols and best practices in response to the pandemic, keeping our associates educated and informed with news and updates. Dr. Pascal continues to advise us on our associate and jobsite safety protocols, and provide our associates and trade partners with crucial information and tips on how to stay healthy, and navigate healthcare when ill.



**Safe work environments, through worker safety and regulatory compliance, are a priority for us at Lennar.**

Our Board of Directors regularly reviews worker safety metrics to ensure we are successfully managing and improving our safety program.

Each region employs a Regional Safety Manager (RSM) to provide oversight and guidance to the divisions, and each division has associates who are responsible for the oversight of the safety program within the division. Every division has a safety committee that reviews safety matters regularly and promotes safe work practices within the division. The RSMs report to a National Safety Manager, who reports in turn to the National Director of Environmental Compliance and Safety.

We maintain a robust Associate Safety & Ethics Training Program to ensure that all associates are

knowledgeable about our safety practices and ethical standards. Our mandatory training for all associates includes a review of our:

- Injury and Illness Prevention Program
- Preventing Sexual Harassment Training
- Security Awareness Fundamentals
- Foreign Corrupt Practices Act Training
- Code of Business Ethics and Conduct
- Cybersecurity Training

We also require that office associates with oversight of construction and associates who work in the field take additional safety courses, including the OSHA 10-hour and 30-hour Outreach trainings, our Lennar Safety 101 course, a safety refresher training and our hazard communication training, among others.

## Caring for our community: The Lennar Foundation

Giving back to the communities in which we do business and that have helped us to be successful has long been one of our core cultural values.

Created in 1989, the Lennar Foundation reflects our commitment to our community. The Lennar Foundation partners with organizations that assist underserved communities and improve their quality of life.

Every time a homebuyer closes on a new Lennar home, our company contributes \$1,000 to the Lennar Foundation to help support those in need.

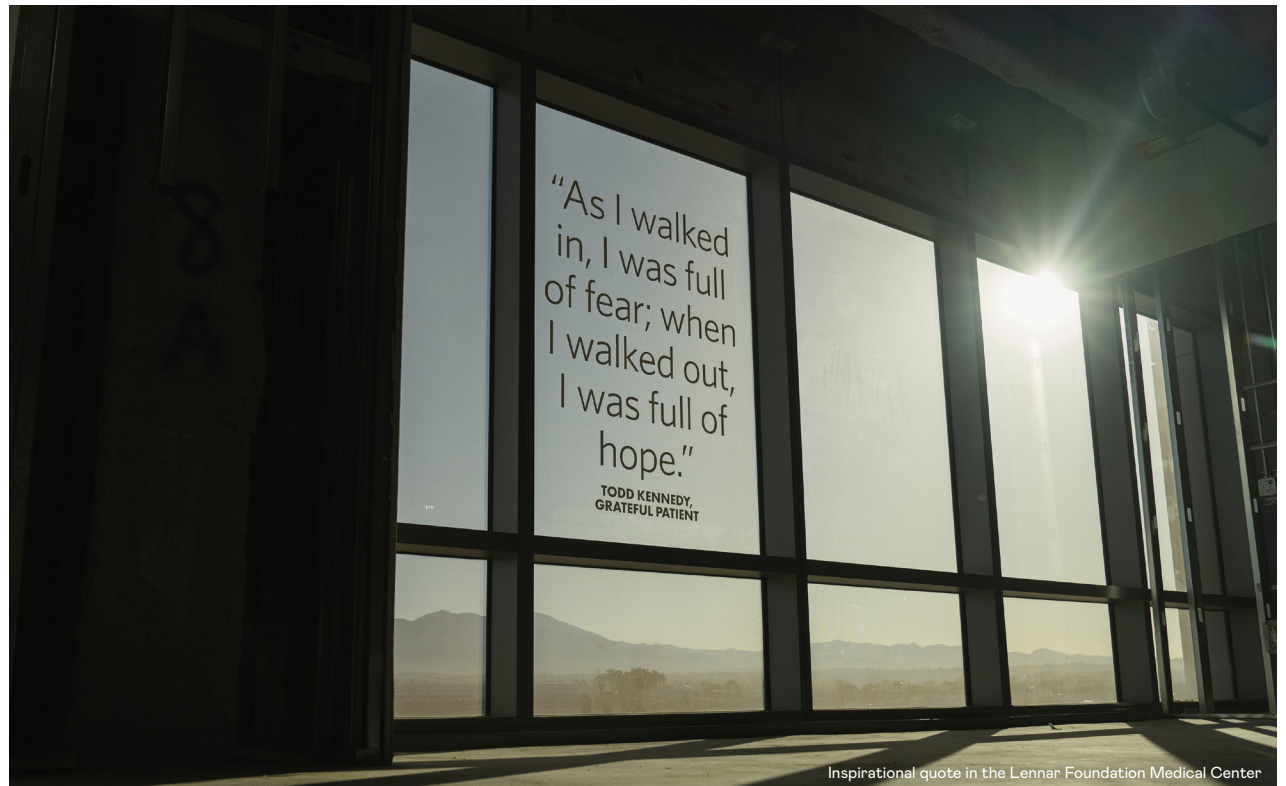


The Lennar Foundation's goal has always been to have a broad impact on the areas of our communities that need it the most and to touch the lives of our most challenged community members. The Lennar Foundation focuses its giving on:

- Inner-city at-risk children
- Homeless rehabilitation
- Returning military veterans, particularly wounded warriors
- Youths aging out of foster care
- Individuals temporarily homeless after escaping from abusive relationships
- Youths in the juvenile justice system
- Improving public education
- Jobs skills training programs
- Care for the elderly
- Emergency community disaster relief
- Medical research, particularly cancer research

Recent examples of the Lennar Foundation's giving and support include:

- Donated \$50 million to establish the Lennar Foundation Cancer Center at City of Hope Orange County in Irvine, California. A portion of the Lennar Foundation's gift will support collaborative research among City of Hope, Sylvester Comprehensive Cancer Center, and the University of Miami and Jackson Memorial health systems on precision medicine approaches to cancer that will help eliminate health inequities.



Inspirational quote in the Lennar Foundation Medical Center

- Donated \$50 million to the University of Miami to build the Lennar Foundation Medical Center, a state-of-the-art outpatient hospital that provides easy health care access to leading physicians for University of Miami students, faculty, staff, and surrounding communities.
- Donated \$1 million to create the Pete Andersen FUSION Family Center in Federal Way, Washington, which provides temporary housing and support services to homeless families. Pete Andersen, an associate from our Lennar Seattle division, was one of the first people in the United States to pass away due to COVID-19.
- Proudly supports the Dolphins Challenge Cancer (DCC) and its active role in the fight against cancer, raising over \$53 million for cancer research, diagnosis, and treatment.

### Construction Trade Certificate Program

- The Lennar Foundation partners with Florida International University (FIU) to offer certificate programs that provide training in construction, electrical, plumbing, concrete, masonry, and carpentry.
- The FIU Certificate Program on Construction Trades is a 12-week program that is free to participating students.
- Most of the students who complete the program have attained entry-level jobs in the construction industry with Lennar's trade partners, and as a result, the construction industry has access to an expanded pool of educated, trained workers.



### Construction Skills Training Programs

- The Lennar Foundation currently offers construction skills training programs in seven locations in Miami, along with Fort Myers, Tampa, Orlando, and Jacksonville, and offers similar programs in partnership with other builders in Houston, Denver, Phoenix, Las Vegas, Portland and Seattle.
- To date, the program has graduated over 3,000 students, placing approximately 80% of those students in jobs with Lennar's and other builders' trade partners.
- By sponsoring these programs, it is the Lennar Foundation's hope that training like this can lead not only to participants enjoying successful careers, but also potentially owning their own company one day.

### Florida Memorial University's Certificate Program in Construction Trades

- In 2021, the Lennar Foundation partnered with the Miami Dolphins Social Impact Committee to fund Florida Memorial University's Certificate Program in Construction Trades.
- The first of its kind at a historically black college in Florida, this free program plays a key role in economic empowerment by providing equitable access for minorities through employment in the construction industry.
- The program leaders work with the National Center for Construction Education and Research and Associated Builders and Contractors Institute to develop curriculum, lab material, transportation, and industry-recognized credentials.

### Lennar Foundation Scholars

- The Lennar Foundation created the Lennar Foundation Scholars program for students in underserved communities who are interested in the business side of construction, such as finance and real estate.
- Students entering universities are eligible for scholarships to cover tuition and living expenses.
- To supplement classroom learning, Lennar offers several paid internships in our homebuilding divisions to give students real work experience in these business specialties.
- Our hope is that this program will expand the diversity and inclusion of the residential construction industry by attracting new associates from a diverse range of backgrounds.

### Computer Skills Training Program

- In 2021, the Lennar Foundation initiated a Computer Skills Training Program, much like our construction skills program, that provides certifications for participants to help them establish a career in computer science.



## Focused Acts of Caring

Lennar understands that giving back is about more than just money — we give our time and our hearts on a continuous and connected basis to make our communities better.

Lennar does not have holiday parties. Instead, supported by grants from the Lennar Foundation, which range from \$10,000 to \$25,000 for every participating division every year, each division is encouraged to host caring and fundraising events for their local partner charities. These Focused Acts of Caring make our communities more vibrant, and show them that Lennar is a good neighbor. Following is a sample collection of charities supported by our divisions between 2021-2022.



# Focused Acts of Caring: 2021-2022



## Honoring heroes with new homes

Operation Finally Home is a national, non-profit organization dedicated to building homes for wounded, ill or injured military veterans and their families. Lennar is proud to partner with Operation Finally Home to build new homes for these veterans in our communities across the nation at no cost to the veteran. As a tradition, Lennar associates and members of the community are invited to write personal notes of thanks and inspiration on the homes' framing, and to escort the families through the homes during construction to read the messages. Community leaders and military personnel are invited to join Lennar and Operation Finally Home as we celebrate and honor these heroes and present them with the keys to their new home.



## Caring for babies and children in need

Many of our Lennar Divisions focus their Acts of Caring on partnering with charities that provide safe, clean and quality clothing and supplies for babies and children in foster care or other sheltered living situations. Our teams host annual diaper drive events, encouraging their communities, trade partners and other homebuilders to donate millions of diapers, baby wipes, formula and other needed items for local diaper banks, shelters and foster families.



## Supporting schools and students

In order to help care for children of our Lennar homeowners and economically disadvantaged students, our Divisions partner with schools that are challenged with limited resources. Events are held throughout the year to pack school lunches, and to ensure children who go without access to regular nutrition receive a healthy meal after school and over the weekend, when they are not receiving meals at school. Donations of school supplies, uniforms, backpacks and educational toys are also organized by our Lennar associates, as well as special events and gifts for teachers.



## Helping the homeless, elderly and others at risk

Whether caring directly for people in need or working to improve their living environments, our Lennar Divisions partner with local charities to support those who are homeless, hungry, abused or neglected. Our teams utilize their construction experience to build, renovate, maintain and beautify homeless shelters and temporary emergency housing facilities, while creating and hosting programs that offer learning and job opportunities for residents. Our Divisions also support local food banks, retirement homes, rescue missions and other facilities with donations and onsite assistance.

## Dolphins Challenge Cancer

In Miami, our company's hometown, Lennar proudly supports the Dolphins Challenge Cancer (DCC) and its active part in the fight against cancer.

The DCC hosts 5k runs, cycling rides, and other events, with 100% of participant-raised funds going towards cancer research at the University of Miami's Sylvester Comprehensive Cancer Center. Lennar encourages associates to get involved and raise money for DCC events, either as volunteers or participants. Our Miami associates have also been heavily involved with the United Way, Overtown Youth Center and other South Florida-based charitable organizations through the years. Collectively, we have raised over \$53 million for cancer research, diagnosis, and treatment.





# Business and corporate governance

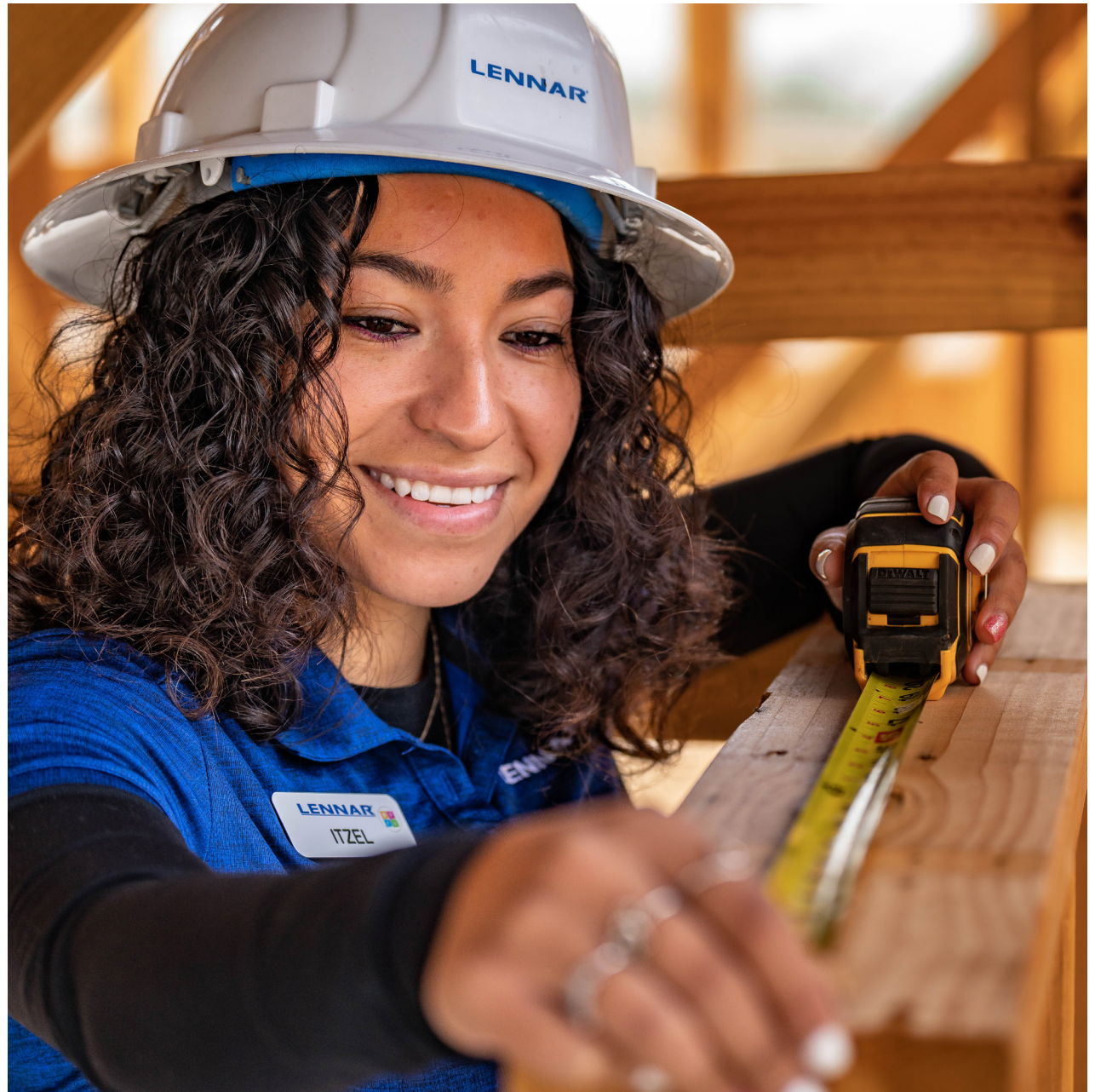
We are focused on creating long-term value for our stockholders through a commitment to corporate ethics, risk management, careful execution of our strategies, and investments in initiatives that are redefining the future of Lennar.

## Stakeholder engagement

We work with our stakeholders on a variety of issues.

We understand that close collaboration and frequent communication with our stakeholders is necessary to ensuring that we are responding to their needs and that our vision is clearly conveyed. We engage with:

- Potential home buyers and current homeowners
- Associates
- Trade partners and suppliers
- Stockholders and other investors
- Community and neighborhood organizations



# Leadership and corporate governance

Our Board is built on a foundation of strong governance practices that promote integrity and accountability. This foundation guides our conduct and commitment to doing the right thing for the right reason.

Lennar's management model is simple and consistent. We start with managers who are proven and experienced veterans of the industry and, in most cases, are promoted from within our Company. We operate under a system of broad local autonomy harnessed by a simple and consistent group of corporate operating controls.

The Lennar culture is constantly fostering teamwork and team achievement. Whether newly purchased operations are being incorporated, or we are refreshing our long-standing management team, we use company culture and leadership development programs to maintain consistent processes.



## Our governance practices include:

### Independence

- All non-management directors are independent
- Independent directors meet regularly in executive session
- All members of the Audit, Compensation, and Nominating and Corporate Governance Committees are independent

### Board Practices

- Corporate Governance Guidelines that are publicly available and reviewed annually
- Balanced and diverse Board composition
- Regular review of cybersecurity, safety and other significant risks

### Accountability

- Annual election of all directors and majority voting in uncontested elections
- Annual stockholder advisory vote to approve named executive officer compensation
- Compensation clawback policy
- Annual board and committee evaluations

### Ethical Practices

- Code of Business Ethics and Conduct that is applicable to all our directors, officers, and associates
- Ethics hotline available to all associates, as well as third parties
- Audit Committee responsible for reviewing complaints regarding financial, accounting, auditing, code of conduct or related matters

### Alignment with Stockholder Interests in Executive Compensation Practices

- Pay-for-performance executive compensation program
- Three-year performance period for performance-based restricted stock
- Outside compensation consultant retained by the Compensation Committee
- "Double trigger" severance benefits in the event of a change-in control
- Mix of performance metrics, including total shareholder return
- Robust stock ownership guidelines for directors and executive officers
- Prohibition against director and executive officer hedging of Lennar stock
- Prohibition against director and executive officer pledging of Lennar stock used to satisfy stock ownership guidelines

## Risk Management by the Board

Our Board oversees the management of risks that could affect Lennar. Management, in consultation with the Board, identifies areas of risk that particularly affect us.

Senior members of our management team report to the Board on each of those areas of risk on a rotating basis at the regularly scheduled quarterly Board meetings. The areas of risk reported to the Board change from time to time based on business conditions, the advice of outside advisors, and a review of risks identified by our competitors in their public filings.

Currently, the risk areas reported on to our Board on a regular basis relate to:

- Housing inventory and land supply
- Construction costs and homebuilding overhead
- Construction quality and warranty
- Our multifamily business
- Our financial services business
- Associate retention and human resources



- Legal (including regulatory and compliance issues)
- Natural disasters and information technology (including cybersecurity)
- Taxation
- Strategic investments

At each quarterly meeting of the Audit Committee, the Company's Internal Audit team provides the Committee with an update on internal audit activities and results of investigations, and the Company's Security team provides the Committee with an update on security matters, including any cybersecurity risks. The Board reviews our

long-term strategic plans at each Board meeting, and in between as needed.

We also have an Ethics Hotline that is administered by a third party where communications are automatically sent to the Chair of our Audit Committee. Stockholders and other interested parties may communicate with our Board by sending an e-mail to [Feedback@Lennar.com](mailto:Feedback@Lennar.com). These communications are automatically sent to our Lead Director, who distributes them as appropriate.

# Alignment with the UN SDGs

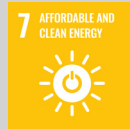
As Lennar evolves its sustainability strategy, it is inspired by the 17 Sustainable Development Goals (SDGs) set forth by the United Nations.

These goals encourage businesses across all sectors to help end poverty, protect the planet, and ensure prosperity for all. Lennar supports the goals that most closely align with our business activities. Selected examples of our efforts are provided.



## UN SDG

## Lennar Activities



- Over 61,000 solar power home deliveries since 2013
- Inclusion of ENERGY STAR® appliances in our homes
- Use of energy efficient products, like tankless water heaters, in many of our homes
- Support the innovation of energy efficient products through investment and inclusion of such products in our homes



- Provide competitive benefits and compensation
- Provide over 11,000 jobs throughout our operations
- Focus on being the builder of choice for our trade partners by providing predictable and consistent work
- Invest in the growth of associates through training and development programs
- Establish and encourage practices to ensure a safe workplace



- Invest in innovative technology to promote sustainable building practices and enhance customer experiences
- Collaborate with government agencies to make sustainable products a more commercially viable option for homeowners



- Enable home ownership through affordable homes that include green building features
- Support local communities where we live, work and serve through the Lennar Foundation and other company initiatives



- Work with our suppliers to purchase sustainable raw materials, such as lumber from responsible/sustainable rated forests
- Comply with environmental regulations in the areas of homebuilding

**LENNAR**<sup>®</sup>

Lennar 2023  
Social Responsibility Report

