



# ESG Standards & Approach

*Always do the right thing for the right reason*



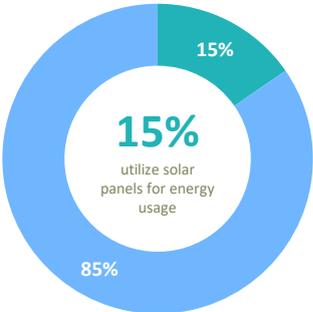
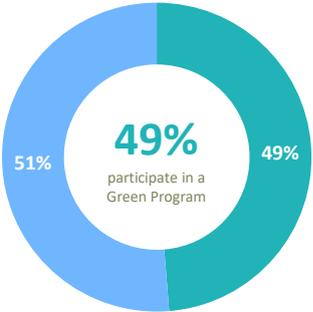


## Our Approach

At LMC, we proudly incorporate many environmentally friendly and energy efficient features into all our communities. Starting at the concept phase, our approach is to build with the environment in mind. We seek to incorporate energy efficient products, balanced to an acceptable return on investment.

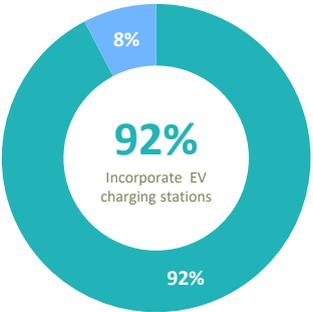
### Developing Energy Efficient Buildings

We comply with the requirements of the International Energy Conservation Code (IECC) but when required, we also comply with additional codes and certifications such as Austin Energy Code and LEED. Many of our regions have incorporated additional levels of water conservation, while California enacted Title 24 with much stricter regulations including the addition of solar power in some local jurisdictions.



### Energy Efficient Products We Utilize

- Smart thermostats
- Energy Star appliances
  - Kitchen
  - Laundry
  - Water heaters
  - HVAC
- Electric Vehicle (EV) Charging Stations
- Energy star windows
- Low flow faucets
- Low flow shower heads
- LED light fixtures
  - All common areas & most fixtures in apartment homes
- Low VOC / no VOC paint and coating products
- Low VOC adhesives
- Insulation designed to meet or exceed energy codes by jurisdiction
- Energy efficient air quality & ventilation



### LMC Sustainability Committee

The LMC Sustainability Committee was formed in 2019 in an effort to evaluate and refine our efforts in building sustainable, and energy efficient communities. The committee meets bi-annually, and analyzes our standards and procedures starting at the predevelopment stages, through the construction and operating stage of our developments. The committee is also in charge of our annual green energy audits. The composition of the board is as follows:

- ❖ Peter Chmielewski, *LEED Certified*
  - Development – City President (Chicago)
- Greg Belew
  - Development – Division President (New York)
- Alicia Scott
  - Design – Senior Vice President (East Coast)
- Paul Berry
  - Construction – Safety & Environment Director
- Johnny Yates
  - Construction – Vice President of PreCon
- Joni Sappington
  - Systems – Director of Utility Management Solutions
- Will Cannon
  - Development – Development Manager
- JR Plyler
  - Investments – Managing Director

### Proprietary EMS & Safety Protocol

LMC is a “Good Steward of the Environment.” We have incorporated a proactive Environmental Management System (EMS) into all our developments. We believe and have been told by Environmental Attorneys, Environmental Engineers, and Environmental Consultants that we have a “one of a kind” EMS program designed under the EPA’s regulations that are simple and easy to follow. We have even received compliments from local environmental regulators and inspectors. With our EMS we educate, promote, monitor, and report on our development from the conceptual project level through construction. This also includes post completion and management of each asset.

Our LMC EMS sets the process and standard for maintaining water quality, fully performing environmental due diligence, and incorporating site environmental aspects into each project. This ensures water quality while monitoring to guarantee required regulatory reports are completed and filed timely.

# Our Approach

# Social Responsibility



We believe that community is our company's north star. Whether we are building homes, or building relationships, our company cares about the future of the communities we build. Our teams across the country give back locally through relevant philanthropies that improve the lives of others.

## LMC is Local

As a Company, we focus and are committed to giving back at a local level. We are in the business of building communities, and places that people call home. We take community building very seriously, and are focused on the betterment of local communities nationwide.

## Habitat for Humanity

LMC supports Habitat for Humanity's vision of a world where everyone has a decent place to live. Our goal is to raise funds, build teams, and participate in home builds across the country to support this vision. Last year we had three teams participate in three different builds across the country. Over 60 LMC Associates, nearly 15% of our Associate population, with representation from all departments including Development, Construction, Property Management, Operations, Accounting, Investments, and HR from our major regional offices in Dallas, TX, Aliso Viejo, CA, and Charlotte, NC participated. Habitat for Humanity is just one of many organizations LMC partners with and supports.

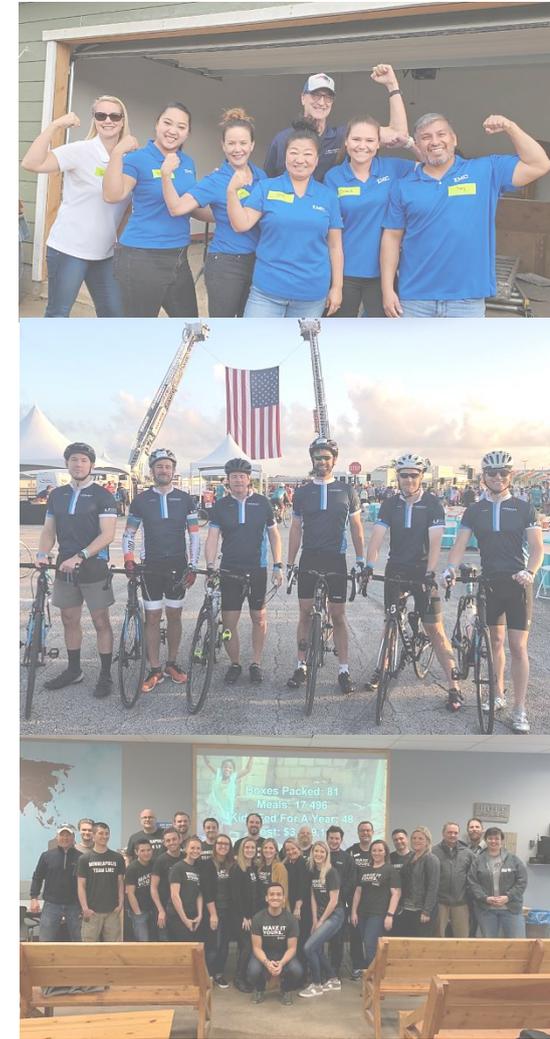
## Supporting the Troops

LMC supports 22KILL. 22KILL is a suicide prevention non-profit organization focused primarily on preventing United States military veterans from committing suicide. In 2012, the Veterans' Administration released a Suicide Data Report which found an average of 22 veterans die by suicide every day. In 2013 22Kill was created as a social media movement to raise awareness and later became an official nonprofit organization. The striking name 22KILL was chosen to shine a light on the suicide rate of 22 veterans per day. In support of the program, LMC and our associates donate money to sponsor apartments for veterans who suffer from PTSD and their families.

## Philanthropies Close to Our Hearts

LMC teams across the country were involved in Focused Acts of Caring where our local offices selected charities close to their hearts to give back to the community.

- The Relatives (Charlotte, NC): A system of resources that help youth and young adults in the Charlotte community fund shelter and support. Locally they provide shelter for homeless and runaway children
- Care Packages for the Troops (Herndon, VA)
- Toys4Tots (Atlanta, GA & Dallas, TX)
- Families Assistance Ministries Thanksgiving Food Drive (Aliso Viejo, CA)
- Senior Santa & Friends (Aliso Viejo, CA): Provides gifts and special request items to needy, lonely, disabled, isolated, low income or abused elderly individuals
- Lions In Sight (Aliso Viejo, CA): Promotes the collection of used eyeglasses for recycling and use in developing nations worldwide, and to provide no cost primary eye care to the needy and low-income citizens in economically disadvantaged countries
- Feed My Starving Children (Chicago, IL)
- Brighter Tomorrows Shelter (Dallas, TX)
- The Gathering Place (Denver, CO): The Gathering Place is the only daytime drop-in center in metropolitan Denver that serves women, their children, and transgender individuals who are experiencing poverty, many of whom are also experiencing homelessness.
- DeLaney Organic Farms (Denver, CO): DeLaney's mission is to support refugees through sustainable agriculture and community building.
- The Action Place (Denver, CO)
- American Red Cross Blood Drives (Phoenix, AZ)
- CASS Homeless Shelter Summer Water Drive (Phoenix, AZ)
- Phoenix Children's Hospital (Phoenix, AZ)
- Noche En Blanco Hance Conservatory (Phoenix, AZ)



# Our Approach

As the subsidiary of a publicly traded S&P 500 company, we understand that responsible business practices are integral to our success. Ethical business practices are part of who we are, and are the foundation of lasting relationships with our associates, investors, and residents nationwide.

## Collaboration

At LMC, we collaborate. We firmly believe that businesses who collaborate and break down silos succeed at higher rates than those who do not. Through robust processes, we aim to achieve flawless execution on all of our endeavors, while providing our partners with the utmost transparency and respect.

## Leadership Structure

Corporate Responsibility is managed at a divisional level across our verticals, with responsibility rolling up to executive level oversight.

## Centralized Investment Committee

Our Investment Committee is fully centralized and comprised of equal representation from each key LMC business vertical: Development, Construction, Investments, and Property Management. The head of the LMC Investment Committee is independent, and employed by our parent company, Lennar. Centralization allows for executive level decision making with a holistic approach eliminating departmental bias.

## Annual Audits

Our independent auditor, Deloitte, conducts annual audits across the entire LMC platform. In 2018, our two Fund audits represented 7 months of work, or 4,430 hours across 4 separate audits – both GAAP and IFRS standards. As a representation of the meticulousness of our internal reporting and accounting capabilities, 0 Adjustments were passed or recorded against us.

## Independent Compliance Department

LMC leverages Lennar’s internal compliance and legal department for independent oversight of legal and regulatory matters. LMC is required to comply with the Lennar Code of Business Ethics and Conduct and must abide by those standards.

## Transparency

LMC is dedicated to transparency across all of our partnerships. Our teams nationwide have a shared commitment to conduct our business with the highest degree of integrity, respect, pride, passion and professionalism.

# Governance & Business Practices



## Institutional Level Processes

Our Associates are required to follow our internal process guidelines known as the Collaboration Protocol. These sophisticated processes and procedures allow for uniformity and consistency across our platform, while ensuring excellence and encouraging collaboration and best practices.

## Risk Management

We manage risks across all spectrums of our business (tax, regulatory, counterparty, credit, etc.) through our various business verticals. LMC has an internal Risk Management team who manages various insurance policies and requirements. We leverage internal and external counsel on all endeavors to mitigate risk across the platform.

## Security & Continuity

LMC utilizes both in-house and Lennar IT/Security professionals to mitigate outside cyber threats. We also manage, test and continually improve our internal systems on an ongoing basis to ensure the highest standard of cyber security. LMC leverages Lennar’s robust IT team and their in-place risk and security policies.



# Our Approach

LMC is committed to the professional development and career advancement of our Associates. We seek to attract and retain top talent with a strong focus on promoting from within. We create opportunities to open channels of communication that bring our Associates together to work as a team and support, inspire, and celebrate each others successes.

## Let's Be Good People Together

We want our Associates to support, inspire, and encourage each other. To accomplish this, we start by treating everyone with respect through open communication and inclusion. We ensure the health and safety of our Associates, and promote career advancement while providing attractive and equitable benefits for all Associates.

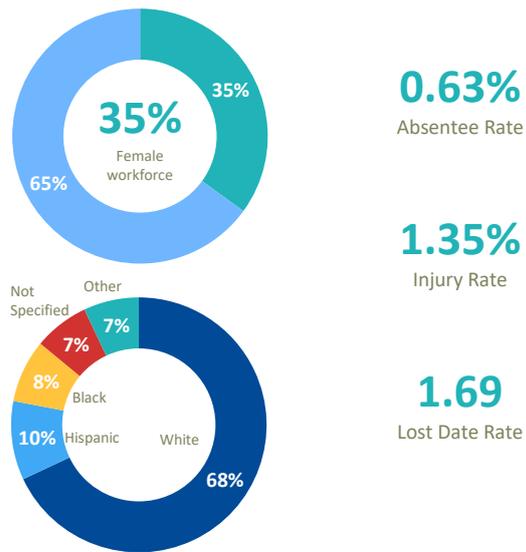
## Communication

LMC maintains open communication with Associates through multiple channels. Company announcements, resources, blogs, and success stories can be found on our internal portal, LMC Connect. We also regularly conduct Town Hall calls led by our Executive Committee where company updates are provided, Associate questions are answered, and concerns are voiced. Whether through LNN (our parent Company's internal online news network), the Company Portal (LMC Connect) or LSU (Lennar Success University) Online – we have a commitment to communicating with our associates and giving them the opportunity to be heard.

## Our Commitment to Diversity

We believe in the fair and equitable treatment of all our Associates. We value the unique contributions and perspectives offered by a diverse workplace, and are committed to providing equal employment opportunities for all Associates and potential Associates. We treat others with respect, and value everyone's input. LMC has zero tolerance for discrimination and harassment, and maintains a workplace free of both. We celebrate our differences and welcome diversity.

## Associate Statistics



# Investing in Our People



## Health & Safety

Our efforts to provide great quality homes and valuable services should never come at the expense of a safe workplace. LMC implements its extensive safety protocols for all on-site Associates.

## Associate Benefits

LMC focuses on attracting and retaining top talent, and maintains high standards when it comes to competitive compensation and benefits packages including 401(k) plan matching and extensive healthcare options. LMC Associates also have the opportunity to enroll in Lennar's Perks at Work Program, along with Associate Discount Programs. These offerings afford all Lennar Associates exclusive pricing and savings on goods and services.

## Training

LMC is committed to the professional development and career advancement of our Associates. We expect our managers and Associates to have ongoing check-in conversations and memorialize them in a year-end performance review to ensure that we are achieving associate engagement and development.

