

Corporate Responsibility Report



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INTRODUCTION

The Farmhouse II Cape, a modular home by Nationwide Homes in Martinsville, VA



The Vintage Farmhouse, a manufactured home by Palm Harbor Homes in Austin, TX

MESSAGE FROM THE CEO

Every employee at Cavco is involved in the important work of building, selling, funding, and insuring high-quality, affordable homes. We take great pride in our work because these are the homes that provide stability, security, and wealth-building opportunities for families across the country. We've been in business for over 50 years, and during that time, we've expanded the positive impact we have in homeowners' lives and in the communities we touch.

With that in mind, I'm proud to present to you Cavco's first Corporate Responsibility Report. This document represents a significant milestone for our company. In this report, we present a framework for how we think about our impact across the spectrum of stakeholders in our work. To consider ourselves successful as a company, we must consider and improve the impact we have on those stakeholders. We have chosen to direct this report to you, the employees of Cavco, because we want you to see our impact and understand how your actions will enable us to become the company we want to be.

In this first report, we are taking a balanced view of how we are doing and where we are going with regard to our customers, our suppliers, the communities in which we operate, our investors, and most importantly, you, the employees that make Cavco the company we are. We have a lot to be proud of at Cavco. In the broadest sense, we are making a difference in the lives of our homebuyers. Without our work, many would not be able to own and protect a home, which provides stability and opportunity for families to grow, and many others would not have the quality of life they are enjoying in their retirement years. Additionally, our company is providing career opportunities for all of us to achieve personal success, and, as you'll read in the following pages, we are striving to become a better employer every day.

We have divided the report into several focus areas – our employees, our community, our environment, and corporate governance, with additional topics covered within. The goal in evaluating our impact is to identify specific areas of greatest importance where we can reduce any negative impact and, equally as important, where we can increase our positive impact. Within this framework, we will explain our priorities and the work that lies ahead.

We endeavor to be a great corporate citizen because anything less would be inconsistent with our values. This first Corporate Responsibility Report demonstrates that, in addition to having opportunities for improvement, we have a lot to be proud of as a team of people working to make a difference.



A handwritten signature in blue ink that reads "Bill Boor". The signature is fluid and cursive.

Bill Boor
President and Chief Executive Officer
Cavco Industries, Inc.

COMPANY OVERVIEW

To understand where we're going, it's important to remember where we started.

In 1965, Cavco began as a family-owned manufactured housing company, and over the next four decades we grew to become a successful, regional manufacturer and retailer, operating a few plants in Arizona and Texas. In 2003, Cavco Industries became a publicly owned company during one of the industry's historical low points in manufactured home shipments. However, because of the company's fiscally responsible, no-debt management philosophy, Cavco not only survived the nearly decade-long downturn, but actually grew impressively. In the decade that followed, Cavco grew rapidly by acquiring some of the most respected brands in the industry. Those brands continue to develop product specifically suited to compete well in their regional markets.

Today, Cavco remains headquartered in Phoenix, Arizona. We design and produce factory-built homes in 19 factories and distribute those homes primarily through a network of independent and company-owned retailers, planned community operators and residential developers. We are one of the largest producers of manufactured homes in the United States, marketed under a variety of brand names, including Cavco, Fleetwood, Palm Harbor, Fairmont, Friendship, Chariot Eagle and Destiny. We are also a leading producer of park model RVs, vacation cabins and systems-built commercial structures, as well as modular homes built primarily under the Nationwide Homes brand. Our finance subsidiary, CountryPlace Mortgage, offers mortgages and home-only loans to purchasers of factory-built homes. Our insurance subsidiary, Standard Casualty Company, provides property and casualty insurance, primarily to owners of manufactured homes.

Over the last five decades, Cavco has built a reputation for its outstanding quality, value and service. We remain committed to providing high-quality, energy-efficient and affordable homes to our customers and offering a safe, rewarding workplace where our team members can achieve their potential. Our team members take pride in the important part they each play in building, funding, delivering and insuring new homes for our customers and their families.



Cavco factory circa 1977



CAVCO OPERATIONAL FOOTPRINT



DRIVEN TO MAKE A DIFFERENCE

Our Commitment

TO MAKE A DIFFERENCE THROUGH

- Our drive to solve affordable housing issues in new and existing markets
- Our relentless focus on excellence in operations
- Our aligned creativity and experimentation to reach for new solutions
- Our dedication to the success of the members of the Cavco family

What Drives Us

- Helping our customers buy and protect homes that improve their lives
- Our belief that we create the most value for all stakeholders when we engage our employees in a positive workplace and invest in their development and success

What Matters

- Being the best
- Being proud of our impact
- Being safe and respectful without exception
- Standing for integrity and ethics in everything we do
- Growing ourselves and the company



ONE CAVCO

Knowing our history allows us to move forward together as ONE company.

Regardless of how you individually came to Cavco, you can be proud of the legacy of the companies that have come together to make us a national leader in the manufactured housing industry.

Last year, Cavco initiated ONE Cavco as an internal discussion intended to create alignment with the company vision, drive and ethics across

19
PRODUCTION
PLANTS

40
RETAIL
STORES

SOLD
OVER
14,000
HOMES

\$165m
IN FINANCING TO
MORE THAN
1,200 HOMEBUYERS

WELCOME
PROVIDED INSURANCE
TO APPROXIMATELY
60,000
HOMEOWNERS

FAST & EFFICIENT
CLAIMS ASSISTANCE
5,200
HOMEOWNERS

all points of the company. ONE Cavco conveys the vision for what we want to be as a company and outlines the driving motivations for all of our actions, attitudes and initiatives, company-wide. As a builder of affordable homes and a good corporate citizen, we are committed to making a difference to our employees, our customers and our other stakeholders through three primary areas of focus.

• **First, we accept nothing less than excellence in our operations.** Being low cost and efficient have always been fundamental characteristics across all of our businesses. This has enabled our success so far, and it will continue to do so.

• **Second, we will make a difference in solving the affordable home crisis.** New trends and opportunities are emerging that beg for innovative factory-built housing solutions. Where we see opportunities, we will be creative and take measured risks to maximize the outcome for the benefit of our stakeholders.

• **And third, we focus on engaging, developing and supporting the people in our company so we can all have rewarding careers and reach our fullest potential at Cavco.** As a company, we are driven by our belief that the best way to build value for our stakeholders is by investing in the development of our team members and providing a safe, positive workplace that presents opportunities to grow and succeed. This is the source of our strength as a company.

OUR STAKEHOLDERS

As a company focused on building meaningful careers and affordable homes for people, we are keenly aware that the way we do business can provide a positive impact and long-term value for our stakeholders. A key tenet of ONE Cavco is ensuring that we all understand our commitments to those stakeholders – whom we serve, how we serve them, and why.

Our stakeholders are varied, as are their needs and the ways we engage with them. Consequently, we must evaluate our engagements with these valued stakeholders to ensure that we are having a positive impact.

<i>Who They Are</i>	<i>What They Care About</i>	<i>How We Engage With Them</i>
Employees	Our employees care about their opportunity to grow and advance in their careers, working in a safe, healthy workplace for an ethical and responsible company, and the positive impact we have on affordable housing issues.	We engage with our team members every day, through every interaction throughout the workday. From pay and benefits to job site conditions to supervisor feedback to leadership communications, every moment our employees are at work is an opportunity for us to positively impact their experience at Cavco. We have much to do to encourage a proactive culture of recognition and communication, and this report is an important step in holding ourselves accountable for our actions.
Investors	Investors have many interests in our company, including thoughtful resource management, growth strategies and corporate governance. By investing in Cavco, they have placed their trust in us, and they rely on our integrity and execution.	We engage with our investors through public reporting, press releases, conference calls and investor meetings. As a publicly traded company, our investors are critical stakeholders, and their confidence in our company is essential to our success.
Homebuyers	Our homebuyers care about the quality and affordability of their homes, and they count on us delivering on our commitments to them. Increasingly, homebuyers are interested in energy efficiency, environmental impact and their total cost of ownership.	We engage with homebuyers through the design and build phases and then throughout the entire home sales process, which includes financing and insuring their new home, following-up to resolve warranty issues and soliciting feedback through customer satisfaction surveys.

<i>Who They Are</i>	<i>What They Care About</i>	<i>How We Engage With Them</i>
Homebuyers Using our Lending and/or Insurance Services	Our homebuyers and insurance policyholders are concerned with our ability to assist them through the lending process and our service reliability during any claims while they own their homes.	We engage with finance and insurance stakeholders during the buying and construction processes as well as when an event occurs requiring them to make insurance claims.
Independent Manufactured and Modular Homes Dealers	Our dealers care about the ease of doing business with us as they work to match buyers to homes that fit their needs. Our flexibility to customize our homes is important to them, as is the quality of our homes and our service performance – all of which ensure their customers are satisfied. Their local reputation is dependent on customer satisfaction and referrals.	We engage dealers through the process they are managing to quote and sell our homes as well as the funding, set-up and warranty service processes.
Suppliers	Our supplier partners are interested in our integrity, planning and prompt payment as well as thoughtful input for product development. Their expertise and experience are important for collaborating on innovation, safety, waste reduction and sustainability.	We engage with our suppliers in several ways, but the most important is through good communication and prompt payment for their goods and services. We also have opportunities, working with our suppliers, to develop innovative products that reduce wasted time and resources while improving the sustainability and energy efficiency of our homes.
Local Communities	In the areas where we have operations, the local municipalities, counties and community developments and their citizens are interested in our production of homes for the region, particularly given the affordability issues in most areas. Also, they are interested in our ability to create good jobs for members of the communities as well as our commitment to being a good corporate neighbor by positively contributing to the community through local civic and charitable causes, environmental stewardship and addressing any concerns with our operations.	We engage with local municipalities to support urban renewal efforts and affordable housing developments and communities. On a local basis, our associates are actively engaged in supporting civic and charitable activities through volunteer work as well as financial and material donations. As stewards of the environment, we are actively engaged in conservation and recycling efforts as a company and as local operating units.



The Casa Grande, a manufactured home by Cavco - Durango Homes in Phoenix, AZ



OUR EMPLOYEES

Sandi McCain • Collection and Customer Service Supervisor - CountryPlace Mortgage

OUR EMPLOYEES

Employees are our most important stakeholders, which is why we have written this report to you. As a company, Cavco has a responsibility to keep you safe, pay you fairly, help you grow and create a welcoming and respectful culture where you can contribute and be successful.

SAFETY

Creating a rewarding and welcoming workplace is only possible if we first provide a safe workplace. While reducing workplace injuries and their associated costs is good business, it is also how we demonstrate that we care about each other. Doing our best to make sure that

everyone goes home in the same condition they came to work is a shared responsibility that we owe to each other. In 2020, we resolved to increase our focus on safety and expanding our approaches to improving it.

One important achievement was to launch our *Safety Now* program across the manufacturing group to build safety awareness and provide training and incentives to create a 'safety first' culture.

SAFETY NOW PROGRAM ELEMENTS

- Safety suggestion box program at all plants to encourage employee suggestions on making their workplaces safer
- Safety Bucks awarded for safety suggestions to be redeemed for company-branded apparel, tools, gift certificates and other items
- Improved safety training, especially for our newest associates
- Banners and posters to enhance safety awareness
- Reward programs for teams with the best and most improved safety records
- Safety Observation Reports that allow systematic review of the most frequent accidents by department



Our Moultrie, GA plant was recognized for the lowest safety incident rate and our Woodburn, OR plant was recognized for having the most improvement.

We also introduced regular safety calls with leadership from all of our manufacturing factories. These calls have opened the lines of communication to share best practices, issues and success stories.

We have been focusing on process changes to eliminate hazards and reduce activities that can result in acute or repetitive motion activities. Examples of these improvements include automated saws to process lumber and lifting devices that eliminate the need to manually lift appliances and other heavy objects into homes.

Using input gathered from those actually doing the work, we use technology whenever possible to eliminate the risk of workplace injuries. For example, we invested in Saw Stop table saws with proprietary technology that eliminate the risk of saw cut injuries.

Since 2019, company-wide safety as a whole has improved through the reduction in total number of Recordable

**INJURIES
DOWN
14.7%**





According to the U.S. Consumer Product Safety Commission, 64,000 table saw emergency department-treated injuries occurred in 2017 alone. For an additional level of safety, a Saw Stop table saw comes with an extra component, a flesh-detecting sensor. A current of electricity runs through the blade and monitors the signal. If the user touches the blade, that changes the signal because flesh is conductive. This change sets off the safety system. Within 5 milliseconds, a brake slams into the blade, stopping the spin and pulling it down below the table surface, preventing serious injury to the operator.

To improve overall working conditions, we are moving forward to create the next generation of building centers with climate-controlled production environments and carefully designed material flows to reduce wasted steps and effort. Our industrial engineers are devising efficient systems that integrate workers, machines, materials, information and systems with the intent to create a safer, more rigorous and repeatable manufacturing process.

Additionally, we are looking to increase productivity by implementing Lean Manufacturing principles for the people at work on the production line and by applying the theory of constraints, which helps identify underlying bottlenecks and propose new solutions to those restrictions.

An inherent part of this work to increase productivity includes improving the work environment and reducing trauma injuries by decreasing improper repetitive workplace motions through improved ergonomics and motion studies. By developing workstation standards and providing mechanization, Cumulative Trauma Disorders can be reduced by applying anthropometric data, reducing the number of repetitions,

reducing the force required and eliminating awkward postures as much as possible. Other improvements involve using better systems and controls for dust collection and paint fume reduction, improving lighting and creating climate-controlled factories to improve overall quality of work life for our Cavco teams.

To that end, Cavco is developing a new 125,000 square foot park model factory in Glendale, Arizona. Starting with a clean slate, we have the opportunity to build a truly state-of-the-art factory. The climate-controlled Glendale plant will have an efficient layout and new equipment. All of this translates into an improved and safer workplace for our employees.

We are evaluating all meaningful opportunities at our 19 existing factories to materially increase throughput. Currently, we are considering major projects for at least 7 plants. In all cases, these project opportunities include an evaluation of workplace improvements that will benefit our employees by creating safer and better places to work.



New park model production facility - Glendale, AZ

PAY & BENEFITS

We recognize that as talented employees, each of you had a choice in joining Cavco or another company and can decide whether to stay with our company or move on. We intend to be an employer of choice. To that end, we consistently assess the current landscape and labor market to refine our total rewards programs. Over the past year we have undertaken an active review of employee compensation and benefits. As a result of this work, wages for our production employees increased 15.5% compared to last year. Here are some ways we are working to ensure we pay our employees fairly for the work you perform and ensure we are succeeding together as ONE Cavco.



LIVING WAGE

At Cavco, our intention is to provide a workplace where our employees can build careers. At a basic level, this means that an individual needs the opportunity to earn enough money to support themselves and their family. This year we began looking at the data to understand how our lowest earning co-workers fared against nationally accepted thresholds.

We focused our analysis on our production plants and looked at the total income of employees who have been with us at least one year. For each plant, we identified the lowest 10% of earners and compared their pay to third party benchmarks.

In relation to minimum wage, our lowest earning production employees average 68% over their state minimum wages, with our plants ranging from 24% to 142% over minimum wage.

It is our belief that minimum wages are not adequate to support an individual or a family. Consequently, for another comparison we used the recently updated "Living Wage Calculator" published by the Massachusetts Institute of Technology (MIT). MIT establishes county-specific living wage estimates based on the local cost of living and household characteristics. Overall, our lowest 10% of production earners exceeded the Living Wage by 4%.



It is our intention that everyone at Cavco has an opportunity to be successful. This includes earning enough to take care of themselves and their family. Our entry-level employees not only need acceptable wages and benefits, they also need a path to higher income, so we are investing in creating new development and career progression programs to clarify paths for advancement.

Importantly, we believe there is a direct relationship between creating successful employees and doing our best for all of our stakeholders. We will continue monitoring our progress in raising the incomes of our lowest wage earners so they can achieve success for themselves and their families as part of ONE Cavco.

PAY & BENEFITS HIGHLIGHTS FOR 2020

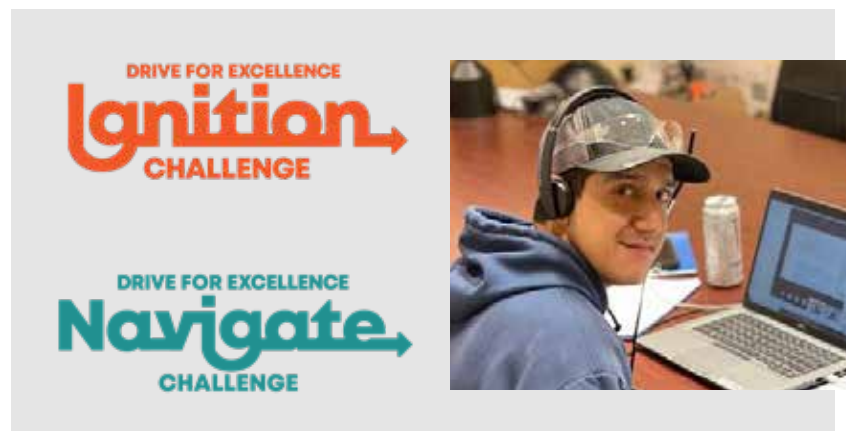
- Increased overall production wages in 16 of our 19 plants by an average of 15.5% over last year
- Refreshed market pricing on all of our jobs across the company and made adjustments across all job families
- Implemented a mental health benefit in fiscal 2021 free of charge to our team members because we view mental health as a fundamental part of our humanity
- Broadened our healthcare network to provide greater accessibility to care for all team members including those in more rural locations
- Launched multi-channel communications to answer questions and implemented a bilingual approach for all benefits materials
- Improved dental plan coverages and reduced cost for team members who elect this coverage
- Reduced team member costs for vision care and increased access to care
- Increased life insurance coverage for all team members, especially our production job family
- Provided additional life support services for all team members to include financial wellness, physical wellness, family services and other programs, free of charge
- **In response to the COVID-19 pandemic**
 - Adjusted certain employment-related policies and provided additional avenues of support to ensure care, testing and vaccinations free of charge for all team members and their families

DEVELOPMENT

Our dedication to the success of the members of the Cavco family is demonstrated through continuous learning and development opportunities. These include increasing technical skills, improving professional skills, expanding technology experience and educating on safety and security protocols, to name a few.

Last year, Cavco invested in our first-level managers and supervisors by developing and rolling out our leadership development programs, *Navigate* and *Ignition*. Leaders from across the company contributed to the development of these programs, which use group learning, individual study, team projects, and state-of-the-art virtual reality and interactive learning to help build stronger leaders.

This year, our retail organization unveiled *JumpStart* to train our retail sales associates in our unique and highly effective sales process. Using a self-paced, modular training presentation augmented by video support and in-office role play, this training sets our new sales members on a path to immediate success within days of their hire.



Joshua Esperanza • Cavco Homes - Seguin, TX

Our mortgage company, CountryPlace Mortgage, worked with the corporate Human Resources team to develop an on-boarding and core curriculum called *Engage*. This program prepares new hires for success by teaching them the information, skills and regulatory requirements for their positions. It also acts as a refresh for existing team members. Delivered through a multi-media approach and utilizing our new learning management system, the new training provides a solid foundation and ongoing support for both new and existing team members.



Rudy Arevalo Jr., Edwin Dominguez and Waylon Drinkard • Line Assemblers – Frame Shop



James "JD" Duhart • Group Leader – Exteriors
Ryan Killingsworth • Line Assembler – Exteriors



Tomas Neave • Line Assembler – Cabinet Shop

CULTURE

While safety, pay and professional development play a large role in our company culture, other factors also contribute to building a successful company. Each time our employees interact, we are demonstrating our values as a company. We must act with respect toward each other and treat each other as a family. Likewise, our leaders must create the conditions for a positive culture to grow. We are doing this in several ways.

As mentioned earlier, a significant step we have taken to initiate conversations about our culture is the introduction of the ONE Cavco principles, emphasizing the importance of the work we do to help our customers buy and protect homes that improve their lives and to provide meaningful careers where people feel safe and valued. This common drive to make a difference is producing a culture of excellence where we are proud of the work we do to find innovative ways to solve the affordable housing problem.

Even at this early stage in the introduction of ONE Cavco, we are encouraged by the progress we see and look forward to working together to grow ourselves and the company.

DIVERSITY & INCLUSION

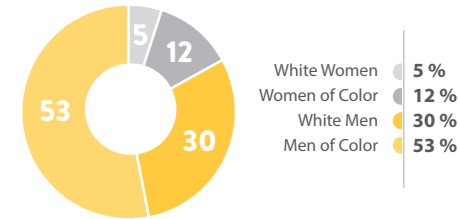
At Cavco, our goal with regard to diversity and inclusion is that everyone in our company experiences fair and respectful treatment and that their contribution potential is determined solely by factors related to job performance.

At the most basic level, this requires that we create a work environment free of harassment and discrimination. To create positive change, all hiring decisions and opportunities for training and advancement must be based solely on work performance factors. As we create that workplace, we will see it expressed in our diversity, and it will result in having a greater impact as a company.

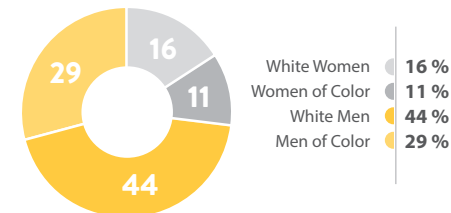
We have recently developed the ability to look at our diversity data both at a company level and within each operation. As shown on this page, this data admittedly does not reflect our ideal for fairness and opportunity. However, we consider the process of looking at the data to be one of reflection and problem solving. The solutions are not to simply force diversity statistics through mandated hiring and promotion of diversity candidates. The opportunity is to reflect and discuss the data, looking for root causes which, when addressed, will result in a truly changed – and better – workplace.

WORKFORCE DIVERSITY STATISTICS

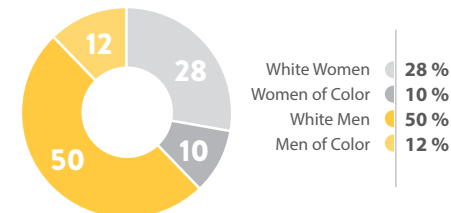
ENTRY LEVEL



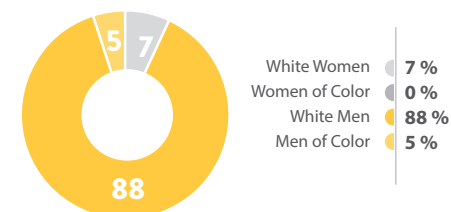
MANAGER / PROFESSIONAL



MIDDLE MANAGEMENT



SENIOR / EXECUTIVE



HOMES FOR OUR OWN

As is so often the case in making a difference, it is best to start close to home. We are taken by the realization that many of our co-workers who build, sell, fund and insure homes for other homebuyers are unable to afford a home of their own or need a better understanding of how they can achieve homeownership. For many of our team members, owning their own home is not something they believe they can achieve. However, with a better understanding of what it takes to purchase a home, a plan to make that happen, support through the process and possibly some financial help, we believe many of them can achieve that dream.

At Cavco, we want to foster the dream of homeownership for our employees. Consequently, this year we are starting a program called *Homes for Our Own*. This program will generally involve two elements: Education and Financial Assistance.

The home-buying process can be complicated and intimidating. Through *Homes for Our Own*, we will strive to help employees understand the process, from getting financially ready to buy and maintain a home to how the actual process works. Our intention is to provide resources

and education tailored to our Cavco family. Some may need to improve their credit and save for a down payment. They also need to understand the ongoing costs of homeownership. Equally as important, they need to determine for themselves, with good information, whether homeownership is the right path for them at this time. The *Homes for Our Own* education program will provide the understanding they need and will demystify the home-buying process.

The second element of *Homes for Our Own* is financial assistance. This year, a *Homes for Our Own* committee will be formed to provide oversight of the education program development. They will also work through the complex process of determining the *Homes for Our Own* form of financial assistance and deciding how recipients will be selected.

We are very excited about this new program that exemplifies “What Drives Us” within ONE Cavco. We believe this is a great opportunity for employees to help one another, to put our commitment to affordable housing into action close to home and to make a meaningful contribution to the success of our co-workers.

COVID-19 RESPONSE

At the outbreak of the COVID-19 pandemic, the management team created a COVID task force which continues to meet regularly to discuss, among other things, recent infection rates and related trends and the latest Center for Disease Control recommendations. The task force determines the appropriate protocols and procedures to maintain health and safety in all our business units, as well as with our customers and trade partners. During the pandemic, the company took the following steps to support our employees.

- Proactively established additional paid time off for those who needed to be tested, quarantined, recover or to care for family members
- Adjusted certain employment-related policies, most notably regarding absenteeism, and provided other support programs for all team members
- Made changes to our benefits programs and health plans to ensure care, testing and vaccinations are free of charge for all team members
- Implemented policies to maintain a safe working environment, including requiring masks, providing visual markers, implementing technology solutions, social distancing and placing a high priority on sanitizing our facilities for the safety of our team members



COMMUNITY IMPACT

Team talk at the Cavco - Durango Homes production facility in Phoenix , AZ

COMMUNITY IMPACT

At Cavco, we believe that the homes we build and the jobs we provide are an important part of supporting our local communities. However, we also encourage our employees and facilities to become involved in volunteering with local charities to support causes that are important to them. Although the pandemic put a considerable damper on much of the localized volunteer work done as an extension of the Cavco workplace, we are very proud of the charitable efforts of our employees to support the needs of their fellow team members as well as their local community at large.

AFFORDABLE HOUSING

Our core objective is to provide the high quality, affordable homes that are desperately needed to improve the lives of our homebuyers. Becoming a homeowner is the single most important purchase in most people's lives. Homeownership has been proven to be one of the most important investments a person can make for wealth creation and long-term financial stability. Additionally, our homes are the places where families are raised and retirement dreams become real. Approximately

Approximately
22 **MILLION** people in
 the United States
 live in **FACTORY-BUILT**
HOMES

22 million people in the United States live in factory-built homes. Many of these homeowners would not be able to own their own home were it not for manufactured housing because our efficient processes and well-designed products provide the most affordable ownership opportunities.

At Cavco, we have an opportunity to grow our impact through product innovation that enables factory-built solutions to increasingly impact affordability in urban and suburban locations. The very nature of our work provides tremendous opportunity to positively impact people's lives and the surrounding communities. It is our good fortune that the more success we achieve and the more we grow, the more positive impact we have in the places where we live and work.



Water Oaks Manufactured Home community
 Sun Communities - Lady Lake, FL



GIVING BACK

Giving back is a critically important function of any company that operates within a given community. We are especially proud of the Cavco team for all of your efforts to support your fellow citizens during such a challenging year.

<i>Plant</i>	<i>Community Service</i>
Austin, TX	<ul style="list-style-type: none"> • Food drive with Capital Area Food Bank • Animal rescue with Austin Pets Alive • Fundraiser for cancer treatments for a team member's daughter
Fort Worth, TX	<ul style="list-style-type: none"> • Toys for children in need at Christmas • Donated material for Boy Scouts and local YMCA • Coaching, sponsorships and donations to youth and high school sports teams
Lafayette, TN	<ul style="list-style-type: none"> • Participation in Veterans Day parade with the veterans from the plant • Donations/sponsorship to the school athletic programs • Donation/sponsorship of a local 5k • Donation to local high school vocational program • Annual Red Cross blood drive at the plant • Annual Christmas Angel Tree program • Donations to associates/families with funeral expenses • Food and clothing drive for associates in need
Martinsville, VA	<ul style="list-style-type: none"> • Support of local schools to promote learning and building trades, including donating building materials for projects, offering plant tours, conducting classroom instruction, and sponsoring athletics • Support of The Hope Center a local substance abuse organization which offers rehabilitation services • Sponsorship of local fire and police departments
Montevideo, MN	<ul style="list-style-type: none"> • Volunteer work with food barn at the 4H agricultural fair which helps raise money for local Boy Scout troops • Support of local cancer research the Relay Walk for Life • Work with school children during a week of cleaning up parks and helping local elderly who need yard work • Raise money to offset students' cost for band instruments • Work with school faculty to pack and deliver lunches to kids in need

Below are some highlights of the work done last year by our many locations who include community service as a core value.

<i>Plant</i>	<i>Community Service</i>
Nampa, ID	<ul style="list-style-type: none"> • Donate to Cops for Tots • Food drive donated to a local charity • Donation to a Fleetwood employee in need
Nappanee, IN	<ul style="list-style-type: none"> • Partner with United Way to promote donations and community service
Phoenix, AZ	<ul style="list-style-type: none"> • Cavco West and Cavco Durango teams donated materials and labor to provide additional cabins at the Elk's Youth Camp near Young, AZ
Plant City, FL	<ul style="list-style-type: none"> • Operate a We Care Committee focused on the needs of company associates funded through scrap scales, fund raisers, etc. Recently helped an associate that had been in a motorcycle accident pay some bills. • Adopted a road in front of plant to pick up litter
Riverside, CA	<ul style="list-style-type: none"> • Donation of Thanksgiving turkeys to Valley Re-start Center, a homeless shelter in the Inland Empire
Rocky Mount, VA	<ul style="list-style-type: none"> • Work with Social Services, Piedmont Community Services and The Faith Network to find housing and other supportive services (utility payment assistance and counseling) for our employees • Donations to Goodwill, the Rescue Mission and several food pantries and clothing closets
Seguin, TX	<ul style="list-style-type: none"> • Food and toy drives after hurricane • Donations to the local food bank • Material donations to local charitable and service organizations • Food donation to the family violence shelter • School supply donations

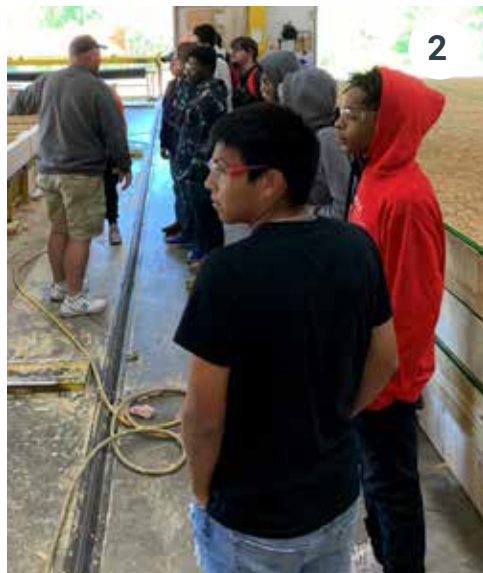
Giving Back Highlights



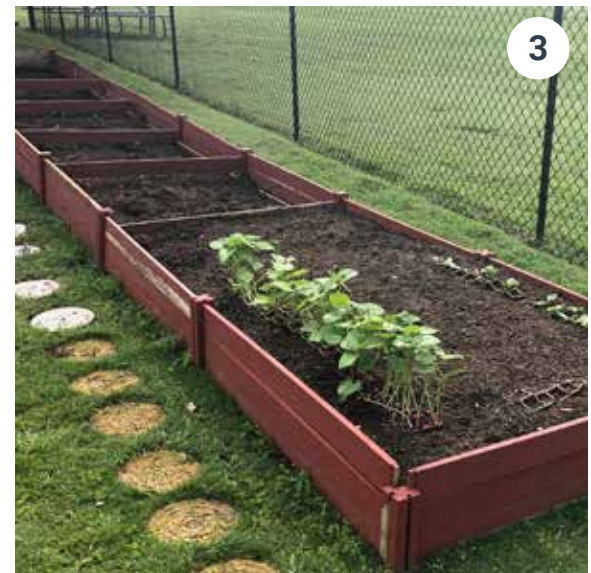
Nationwide Homes in Martinsville, VA, partners with the Career Academy by donating remnants and overages to their programs where students build projects to sell. The Career Academy provides students with the opportunity to tour the Nationwide plant to inform them on modular and manufactured homes and how they are built. Additionally, Nationwide participates with job fairs at local high schools and supports their trades program, informing the participating young adults that home construction trades are an excellent opportunity for rewarding, long-term careers.



Giving Back Highlights



- 1. Hope Center Mission - Vocational Training - Martinsville, VA
- 2. Career Academy - Martinsville, VA
- 3. Fort Worth YMCA - Recycling remnants for planter boxes in Ft. Worth, TX





ENVIRONMENTAL STEWARDSHIP

Builder customized modern applications on a California manufactured home - Palm Harbor Homes - Millersburg, OR

ENVIRONMENTAL STEWARDSHIP

The themes that run throughout this report are *responsibility* and *impact*. We must be responsible as a company in order to make a positive impact on our employees and our communities. However, in order to consider ourselves a successful company, we must also pay attention to and improve our impact on the environment. Our manufacturing processes have distinct advantages in the area of environmental responsibility when compared to site-built construction. At the same time, it is imperative that we identify where we can do better and execute on those opportunities.

At Cavco, we strive to be responsible stewards of the environment through more efficient, low-waste production processes, innovation that reduces the use of raw materials and emphasizes environmentally sustainable inputs, product designs that create energy efficient homes, and education to enable customers to choose more sustainable options for their homes.

Success in our efforts to positively impact lives and being responsible stewards of the environment are inseparable.



Delivering a crane-set factory-built home minimizes the impact on the surrounding environment.

Energy Efficiency and Environmentally Friendly Materials

We are conscious that the thoughtful choice of components and materials can further reduce our impact on the environment and provide a clean, healthy air quality within the home. We constantly evaluate new materials, systems and products for our homes to determine where we can make cost efficient changes to improve the quality of living in our homes and the impact on the environment.



ENERGY STAR® rated appliances are either standard or an available option on all homes constructed by Cavco.

We use
Water Based Paints
EXCLUSIVELY TO ELIMINATE VOC Emissions.


WE REDUCE, RECYCLE
and REUSE
EVERYTHING.


WE DESIGN OUR HOMES
to be energy efficient and
environmentally FRIENDLY.


Most of our homes have
UPGRADED INSULATION
in the attic, walls & floors.

Cavco employs the following practices and materials in our construction process:

- We design our homes to be energy efficient and environmentally friendly.
- Our homes are tightly constructed with upgraded insulation in the attic, walls and floors. These improvements eliminate air gaps and help maintain the desired indoor temperature and air quality, typically reducing the cost of heating and cooling significantly over similar site-built construction.

Additionally, we recognize the responsibility to educate our homebuyers on the impact they can have on the energy efficiency of their home by making some informed decisions during the planning and construction process.

- **Passive Solar Positioning** – Setting the home on a north-south axis allows it to benefit from passive solar gain and provides significant savings in heating and cooling costs.
- **Square Footage and Volume** – Carefully considering the real square footage needs for heating and cooling to choose appropriately-sized equipment for energy efficiency.
- **Water Efficiency** – Capture, store and reuse rainwater for landscaping needs. Also, ensure that the home site is graded properly to conserve



Jharron Kellough
Line Assembler – Partition Walls



Vu Chau
Line Assembler – Side walls



Recycling bins at Palm Harbor production facility - Austin, TX

REDUCING WASTE

As the world community grows increasingly concerned regarding plastics and other forms of waste that are accumulating at alarming rates, construction waste goes largely unnoticed, despite the fact that it makes up 60 million tons of the debris filling the nation's limited landfill space each year, per the EPA's 2018 statistics. In traditional site-built construction, an estimated 30 percent of the total weight of building materials is wasted at the construction site and is typically carted away by the truckload. Additionally, traffic and noise pollution increase during the construction process, and runoff from the construction area during a rainstorm must be carefully mitigated to avoid contaminating local water supplies.

By contrast, our manufacturing process of building homes in centralized, environmentally protected building centers allows us to minimize adverse impacts on the environment, resulting in waste that can typically be measured in buckets, not truckloads.

Building an entire home at a single site factory centralizes and reduces material deliveries as they are ordered and shipped in bulk to one location. It also allows workers to use public transportation or carpool to the same work location each day.

Rather than having crews and managers potentially driving to multiple work sites each day, our entire work force makes one trip to the manufacturing plant, thereby reducing auto emissions and fuel costs.

Our repetitive manufacturing process minimizes waste and maximizes the utilization of materials that would otherwise go to a landfill. Every component we build is a system within a system. This reduces waste and increases efficiency. No wasted plumbing runs, duct runs or electrical runs. No wasted lumber, decking or sheathing. Less waste, period.





RESPONSIBLE GOVERNANCE

RESPONSIBLE GOVERNANCE

Ultimately, it is business success that allows us to grow our positive impact on homeowners, communities, the environment, and most importantly, you, the people of Cavco. Our investors are key stakeholders and partners in this work. As a public company, we must be good stewards of the capital entrusted to us. Profitably growing our business creates opportunities that benefit all of our stakeholders. We take a long-term view on our approach to growth, investment and business strategy, as we plan and expect to be in business for another 50 years and beyond. This perspective shapes our approach to governance and includes acting with integrity and being the company with whom our suppliers and customers trust and want to do business.

BOARD OF DIRECTORS & EXECUTIVE OFFICERS RESPONSIBILITIES

Governance starts with the company leadership, which includes the executive officers and the Board of Directors. As a public company, officers and board members are fiscally and legally responsible for proper use of company funds. The company expects high standards of ethical conduct from its Directors, management, and all employees as described in Cavco's Corporate Governance Guidelines and Code of Conduct and Ethics. Over the past 2 years, we have focused on clarifying expectations by developing a renewed Code of Conduct and the supporting company-wide policies. Our Executive Team has developed those policies directly, and we have communicated these tools throughout the company.

BOARD OF DIRECTORS DIVERSITY

33%
OF THE
INDEPENDENT
BOARD MEMBERS
ARE
FEMALE

BOARD OF DIRECTORS



Steven G. Bunger

Chairman of the Board
President and Chief Executive Officer
Pro Box Portable Storage, Inc.



William C. Boor

President and Chief Executive Officer
Cavco Industries, Inc.



David A. Greenblatt

Retired Senior Vice President and
Deputy General Counsel
Eagle Materials, Inc.

Committees:
Audit, Corporate Governance and
Nominating (Chair), Legal and
Compliance Oversight

**Susan L. Blount**

Retired Executive Vice President and General Counsel
Prudential Financial, Inc.

Committees:
Compensation, Corporate Governance and Nominating, Legal and Compliance Oversight (Chair)

**Richard A. Kerley**

Retired Senior Vice President and Chief Financial Officer
Peter Piper, Inc.

Committees:
Audit (Chair), Corporate Governance and Nominating, Legal and Compliance Oversight

**Julia W. Sze**

Impact Investment Strategy,
Julia W. Sze Consulting

Committees:
Audit and Compensation

**Steven W. Moster**

President and Chief Executive Officer
Viad Corporation

Committees:
Compensation (Chair)

BOARD STRUCTURE

Board structure is important to governance in that it demonstrates a company's commitment to transparency and accountability. For the first time in our history, the Chairman of the Board is an Independent Director, which means the Chairman cannot also be a member of management. This enhances the independence of the Board from company management and creates a system of checks and balances that ensures accountability for decisions is shared across the Board and management team.

The Board has four standing committees: (1) Audit; (2) Compensation; (3) Corporate Governance & Nominating; and (4) Legal & Compliance Oversight. Each committee operates under a written charter adopted by the Board and reviewed by the Board at least annually. Each committee charter is posted on our website at <https://investor.cavco.com/general-documents>.

RISK MANAGEMENT

Management of risk is the responsibility of the company's executive officers and senior management team. The Board has overall responsibility but has designated the Audit, and Legal and Compliance Oversight Committees to oversee the company's processes to manage business and financial risk along with compliance-related laws and regulations.

The Board expects management to promote a culture that incorporates risk management into the company's corporate strategy and day-to-day business operations. With the input of the Board, the company's executive officers regularly assess and analyze the most likely areas of future risk to the company.

The Audit Committee reports to the Board regarding the adequacy of the Company's risk management processes. To assist the Audit Committee in overseeing risk management, the company's Director of Internal Audit is directly accessible by the Audit Committee and reports to the Audit Committee upon request.

Additionally, the Legal and Compliance Oversight Committee reports to the Board regarding the development and implementation of legal and compliance-related programs. The General Counsel and Chief Compliance Officer directly interacts with the Legal and Compliance Oversight Committee and provides regular updates.

STOCK OWNERSHIP

To ensure alignment between management and shareholders, all non-employee Directors and key executives are expected to meet certain minimum stock ownership requirements.

Directors and executives are prohibited from hedging, pledging, short selling and buying or selling derivatives related to Cavco's stock. The Securities Trading Policy is posted on the Cavco website at <https://investor.cavco.com/general-documents>.

CAPITAL PROCESS AND BALANCE SHEET MANAGEMENT

At Cavco, we strive to manage and maximize the cash that we generate from our operations and determine the proper allocation of how to reinvest. Proper allocation of resources results in high-value, effective results. Our approach takes a long-term view on value creation and shareholder return. We don't chase quarterly profits at the expense of long-term impacts to our business, our people or the environment.

As part of our overall capital allocation strategy, we are investing in ourselves, via a share repurchase program. In October 2020, the Board of Directors approved a \$100 million repurchase authorization. We recognize that we have a responsibility to get appropriate returns on the capital entrusted to us by our investors. This repurchase authorization provides management with a valuable tool to responsibly manage the company's cash balance by returning capital to shareholders when our cash balance exceeds levels we deem necessary for risk management and strategic investment.

CODE OF CONDUCT

Our Code of Conduct lays out guidelines and expectations for how we all must behave legally and in accordance with our own ethical standards. It is impossible for any document to provide clear guidance for every situation, but the Code is an important foundation each of us needs to understand as a guide for our actions. The Code of Conduct is available at <https://www.flipsnack.com/palmharborhomes/cavco-code-of-conduct/full-view.html>.



Beyond the legal requirements, this Code is really about how we treat our customers, suppliers, shareholders, communities and each other. Cavco's continued success relies on high standards of ethics and integrity in all of our relationships, and this all starts with treating one another with respect and dignity.

INTEGRITY AND ETHICS

Standing for integrity and ethics in everything we do is a core value and key tenet of ONE Cavco. The importance of these concepts is manifested in our approach to oversight of the Code of Conduct and Cavco Policies. The drafting, review, implementation and administration of the Code and Policies is led by a Committee consisting of Cavco's top management with input from leaders from across the company. A member of management is assigned as the owner with direct responsibility for the content, and communication and training, once approved.

HARASSMENT AND DISCRIMINATION

Cavco takes a strict stance against harassment or discrimination of any kind by any employee. This is a foundational belief that is essential to achieving the goal of each member of our Cavco family feeling valued and respected. We have taken significant steps toward identifying and addressing workplace issues with our Speak Up Cavco! process to identify issues and the thorough investigation approaches that have resulted. Our expectations in this regard have been amplified through our Code of Conduct and ONE Cavco principles which demand respect, integrity, and ethical behavior. Again, we recognize that this does not, by itself, achieve the positive outcome we intend, but no positive change can occur without a safe and respectful workplace for all of us.



SPEAK UP CAVCO!

There is no real success if our accomplishments are not achieved with integrity. We have to earn our reputation for acting ethically and with high integrity each and every day.

Holding ourselves accountable means having a way for employees to come forward in a safe and confidential way if they have concerns or questions about something that might not seem ethical. Sometimes an employee doesn't feel comfortable going to their manager or can't go to the manager if the manager is the source of the concern. For those situations, we have established a compliance hot line called Speak Up Cavco!

Speak Up Cavco! is available 24 hours a day, 7 days a week, online at www.speakupcavco.com, by phone at 1-844-93CAVCO and by text to 602-786-8683.



We are ONE Cavco, working together to make a difference every day.

THANK YOU

To all of our employees, investors, customers and partners for helping Cavco make a difference for 2021 and beyond.



Marcus Wilson • Line Assembler – Tape and Texture

Cavco