



CORPORATE  
RESPONSIBILITY  
REPORT  
2021-22



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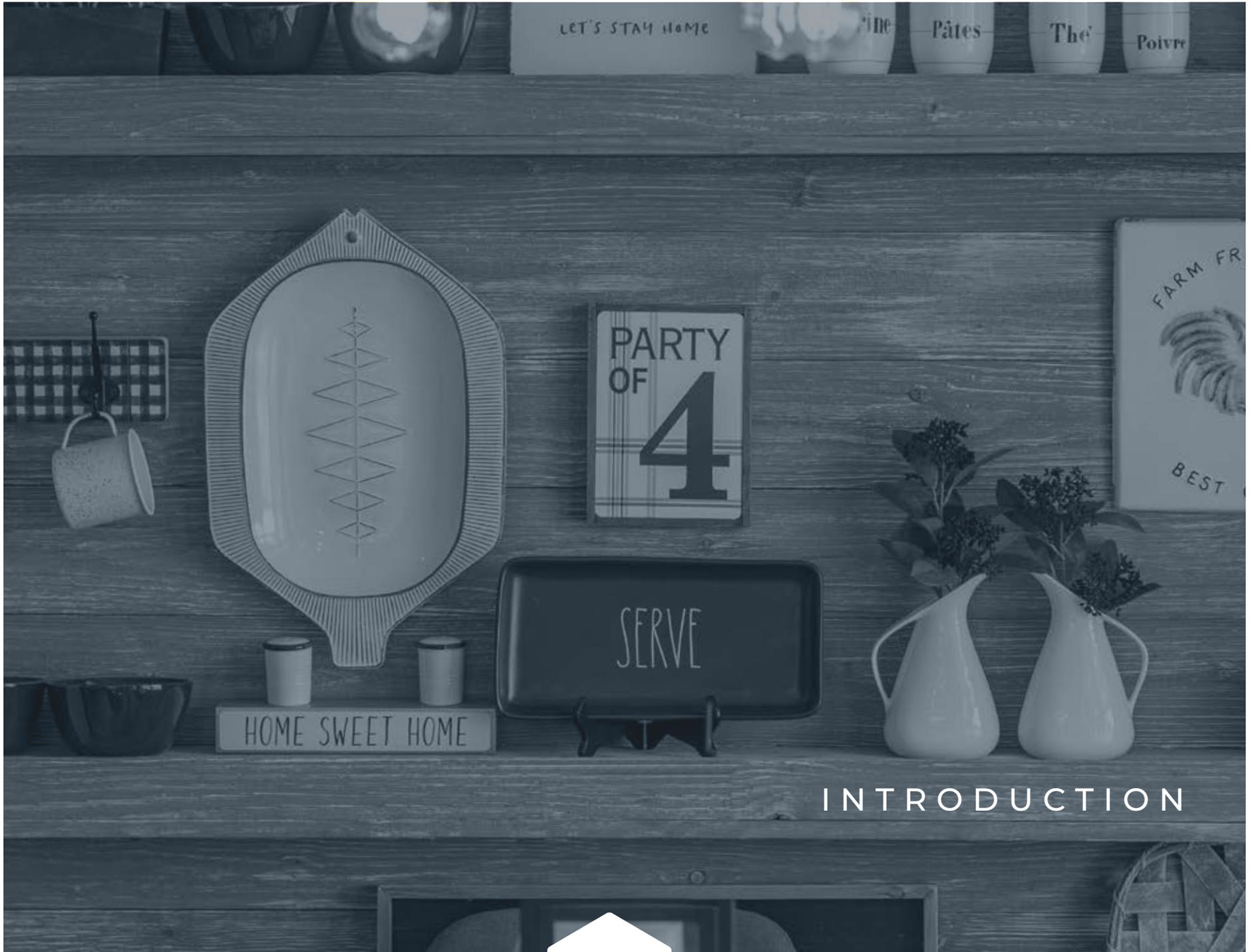
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## INTRODUCTION



LA BELLE MODEL

Manufactured home by Palm Harbor Homes

# MESSAGE FROM THE CEO

Last year Cavco's inaugural Corporate Responsibility Report (CRR) was a first step on an important path of priority setting and improvement. We laid out some major areas where we either see an opportunity to improve or can grow our already positive impact.

Sustainability and ESG (Environment, Social and Governance) have been prominent in the discussion about the responsibility of companies for many years. The topics are very broad and outside stakeholders such as investors, government entities, environmental groups, and even stock listing exchanges all have their own perspectives on what companies like ours should do and how we should do it. However, those perspectives are often far too narrow and tend to be highly prescriptive.

Rather than trying to satisfy all of those outside constituencies, in our first report we deliberately grounded ourselves in the principle that our Corporate Responsibility journey is about the company we are today and the company we are becoming. We defined our self-chosen priorities within the context of all that we do and how we define our success. Under this principle, Corporate Responsibility is not separable from operating and growing the business. It is an integral component of what makes Cavco successful. The priorities that emerged in our 2021 report and continue to develop in the 2022 CRR are the ones we believe are right to focus our energies on and those that will improve us as a company dedicated to making a difference.

Every employee at Cavco is involved in the important work of building, selling, funding and insuring affordable homes with the highest quality, efficiency and durability on the market. 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 have been in business for over 50 years, and during that time, we've expanded the positive impact we have in homeowners' lives, our team members' lives and in the communities we touch.

The 2021 report moved us off the starting line and in it we declared our path. In 2022, we are beginning to establish a track record as we measure our improvement. It's extremely gratifying to see our progress in a year that had more than its share of challenges. This progress indicates that while we are executing with excellence day to day and month to month, we are also making the big improvements that will grow Cavco's impact and enable our long-term success.

As a nationwide manufactured housing company, we endeavor to be a great corporate citizen. Anything less would be inconsistent with our values. Our business strategies, corporate responsibility priorities and the principles of ONE Cavco are inseparable. They combine to inform our daily operations and our plans for growth and make up the blueprint for the company we strive to be - one that improves our communities, makes a huge difference in our homeowners' lives, and enables each of us to be successful and proud of our company.



**Bill Boor**  
President and CEO  
Cavco Industries, Inc.

Regards,

A handwritten signature in blue ink that reads "Bill Boor". The signature is written in a cursive, slightly slanted style.

# COMPANY OVERVIEW

In 1965, Cavco began as a family-owned company building truck campers and travel trailers. In 1969, we began producing custom mobile homes – selling our products wholesale through dealerships in Arizona. In 1973, in the face of rising fuel prices from the oil crisis, the original product lines of truck campers and travel trailers were discontinued, and mobile home production became the sole focus of the company. Over the next four decades Cavco 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 grew impressively. In the decade that followed, Cavco acquired some of the most respected companies in the industry. We retained those brands, and we continue to develop products specifically suited to compete well in our regional markets.

Still headquartered in Phoenix and employing over 6,000 people, Cavco is a leading designer and builder of factory-built housing products, with distribution points in 43 U.S. states and in Canada, 45 retail stores

and 26 production lines. Our products are marketed under a variety of well-known brand names including Cavco, Fleetwood, Palm Harbor, Nationwide, Fairmont, Friendship, Chariot Eagle, Destiny, Commodore, Colony, Pennwest, R-Anell, Manorwood and MidCountry. Cavco is also a leading producer of park model RVs, vacation cabins and factory-built commercial structures. Our finance subsidiary, CountryPlace Mortgage, is an approved Fannie Mae and Freddie Mac seller/servicer and a Ginnie Mae mortgage-backed securities issuer that offers conforming mortgages, non-conforming mortgages and home-only loans to purchasers of factory-built homes. Finally, our insurance subsidiary, Standard Casualty, provides property and casualty insurance to owners of manufactured housing.

Since our humble beginnings 57 years ago, Cavco has built a reputation for outstanding quality, value and service. We are steadfastly committed to the mission of providing affordable, high-quality and energy-efficient homes for our customers and creating a safe, rewarding workplace where our team members can reach their highest potential. Understanding the role Cavco plays in providing homes that fulfill customers' dreams of homeownership, our team members take pride in the work we do to build, fund, deliver and insure new homes for our customers.







The current day Cavco is one built over five decades, a combination of various companies and cultures across the country. Our ONE Cavco philosophy is how we create alignment with the company vision across all business operations. It 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, an employer of choice and a good corporate citizen, we are committed to making a difference to our team members, to our customers and to our stakeholders in three ways.

### **COMMITMENT TO EXCELLENCE IN OPERATIONS**

First, we strive for nothing less than excellence in our operations. A primary tenet for Cavco's success since its inception has been its commitment to low cost and efficiency in our operations, balanced with quality and affordable products for our customers. Being the best at this means that we are constantly looking for new ways to improve our efficiencies and lower our costs. That principle is the bedrock of who we are as an organization and how we operate daily.

### **SOLVING AFFORDABLE HOUSING**

Second, we are on a mission to make a difference in solving the affordable home crisis. New opportunities, economic developments and trends are emerging that beg for innovative factory-built housing solutions. We must remain alert for these opportunities and resourceful in our approach to solve them, taking measured risks to maximize the results for the benefit of our stakeholders.

### **BUILDING A HIGH-PERFORMANCE WORKFORCE**

And third, we are single-minded in our focus to engage, develop and support the people in our company so we can all have rewarding careers and reach our fullest potential. At Cavco, we are driven by the conviction that the best way to build value for our stakeholders is by investing in the development of our team members and by providing them with safe, positive workplaces that present opportunities to grow and succeed. This is the source of our strength as a company.



# ONE CAVCO CULTURE

## OUR COMMITMENT

### To Make a Difference Through:

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

## WHAT DRIVES US

- 1 | Helping our customers buy and protect homes that improve their lives
- 2 | 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

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



# OUR STAKEHOLDERS

## Who They Are, What They Care About and How We Engage With Them

While we grow as a company dedicated to serving our customers with affordable, high-quality homes and providing our associates with safe, meaningful careers with growth opportunities, it is essential that we consistently do business in a way that results in a strong, positive impact on all of our other stakeholders as well. As part of our ONE Cavco tenet to be the best and to make a difference, we must be intentional in interactions with each of our stakeholders, knowing whom we serve, how we serve them and why.

Our list of stakeholders is as varied as their individual needs. Consequently, we must continually evaluate our relationships with these valued partners to ensure that our impact is positive.

Who They Are	What They Care About	How We Engage With Them
<b>Employees</b>	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.
<b>Investors</b>	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.
<b>Home Buyers</b>	Our home buyers care about the quality and affordability of their homes, and they count on us delivering on our commitments to them. Increasingly, home buyers are interested in energy efficiency, environmental impact and their total cost of ownership.	We engage with home buyers through the design and build phases and then throughout the entire home sales process, which includes financing and insuring their new homes, following-up to resolve warranty issues and soliciting feedback through customer satisfaction surveys.

Who They Are	What They Care About	How We Engage With Them
<b>Home Buyers Using our Lending and/or Insurance Services</b>	Our borrowers 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.
<b>Independent Manufactured and Modular Homes Dealers</b>	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, setup and warranty service processes.
<b>Suppliers</b>	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.
<b>Local Communities</b>	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 TEAM MEMBERS

# SAFETY COMMITMENT

As stated in ONE Cavco, we believe that we provide the most value to all of our stakeholders when we invest in the development and success of Cavco employees. In 2022, we focused heavily on initiatives that addressed Cavco's responsibility to keep our team members as safe as possible, pay them fairly, help them develop and create a respectful culture where they can contribute and be successful. There is more work to be done, but we have seen significant improvement in these key areas for our employees.

To create a rewarding and welcoming workplace for our team, nothing is more important than providing them with a safe workplace. Consequently, safety is an area we have been focused on for improvement over the last several years. 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 one another.

## SAFETY NOW PROGRAM

In 2020 we launched 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 is a multi-faceted approach to encourage safe behaviors through monitoring working conditions, rewarding safe behaviors, providing enhanced safety training and investing in modern, safer equipment.

During 2021 we integrated technology by developing a tablet-based version of our Safety Observation Reports. This improvement not only makes completion of these reports quick and easy, but also provides a growing database of safety-related information, allowing measurement of improvements in safe behaviors and conditions over time.

Continued monthly safety calls with leadership from all our manufacturing factories maximize communication to share best practices, issues and success stories. We are focused on process changes to eliminate hazards and reduce risks that can result in acute or repetitive motions. Using input gathered from those actually doing the work, we use technology whenever possible to eliminate the potential for workplace injuries.





**BUNK SAW**

**PNEUMATIC LIFTING**

**EQUIPMENT & FACILITIES UPGRADES**

Last year we also initiated systematic replacement of aging equipment with new machines that are not only less labor intensive, but also far safer. Cavco continued its replacement of nearly all table saws with Saw Stop table saws, a proprietary technology that eliminates the risk of injuries. This technology has been implemented at all of our manufacturing locations, including our newly acquired Commodore Homes facilities.

Additionally, other new and safer cutting technologies are being employed in our production areas, including the use of up cut saws to replace radial arm saws and large bunk saws capable of safely cutting an entire bunk of lumber at once. Because these bunk saws cut enormous quantities of lumber at one time, reducing the number of lifts and cuts, they naturally reduce the number of accidental cuts and injuries.

To reduce injuries from cuts, our plants now use auto-retracting box cutters. Unlike standard utility knives, the auto-retracting safety utility knife retracts the blade automatically the moment it loses contact with the material being cut. This knife blade automatically retracts even if the user is still holding the blade slider forward in the 'open' position, virtually eliminating the possibility of accidental injuries during use.

**CNC ROUTERS**

At our production facilities, we also invested in computer numerical control (CNC) routers. This computer-controlled machinery automates the cutting of cabinets and other panel parts along with pneumatic lifting devices, allowing one person to easily lift an entire panel onto the CNC table. The pneumatic lifter reduces physical strain and awkward positioning for our production workers.

**CLIMATE-CONTROLLED PRODUCTION ENVIRONMENTS**

To continue to improve overall working conditions for our employees, Cavco is progressing in its work 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.



“This is an opportunity to build a truly **state-of-the-art factory** and an improved & safer workplace for **our employees.**”

- Steve Like, SVP - Corporate Development

### LEAN MANUFACTURING PROCESSES

We strive to increase productivity by implementing Lean Manufacturing principles for our team members at work on the production line and by applying the theory of constraints, which helps identify underlying bottlenecks and proposes innovative solutions to those restrictions.

An inherent part of this work to increase productivity includes improving the work environment and reducing injuries by decreasing improper repetitive workplace motions through improved ergonomics and motion studies. Other improvements involve using better systems and controls for dust collection and paint fume reduction, improving lighting and creating climate-controlled factories to improve the overall quality of work life for our Cavco teams.

### SAFETY PROTOCOL & PROCESS UPDATES

As part of our increased safety training plan, Safety Coordinators for our manufacturing plants completed the OSHA-10-Hour training course as part of OSHA's Outreach Training Program or attended an OSHA-30-Hour training program that was hosted at our Austin, Texas location.

### THE NEXT GENERATION CAVCO MANUFACTURING FACILITY

Our first “next generation” manufacturing facility is scheduled to open the summer of 2022 in Glendale, Arizona. This 125,000 square foot, climate-controlled factory has an efficient layout and all new equipment. Starting from the ground up, this new manufacturing facility is being built as a truly state-of-the-art factory and an improved and safer workplace for our team members.

We continue to invest in productivity improvements across our 26 production lines. For example, during FY2022 we built a new chassis and paint shop and redesigned the production line at our Ft. Worth, Texas, facility which resulted in a 20% increase in capacity. Currently, we have major capital improvement projects either in the planning stage or underway at several of our other production facilities. In all cases, these project opportunities include an evaluation of workplace improvements that will benefit our team members by creating safer and better places to work.



## YOUR SAFETY IS OUR JOB

One of the many enhancements to our manufacturing plants' safety culture is the introduction of electronic pads, known as Safety Observation Tablets. Cavco safety managers are using these devices as they perform, document and report required safety inspections across the company, allowing us to aggregate and share information and improve safety. For example, Safety Manager Daniel Carranza is shown above using his Safety Observation Tablet at Cavco West (Goodyear, Arizona).





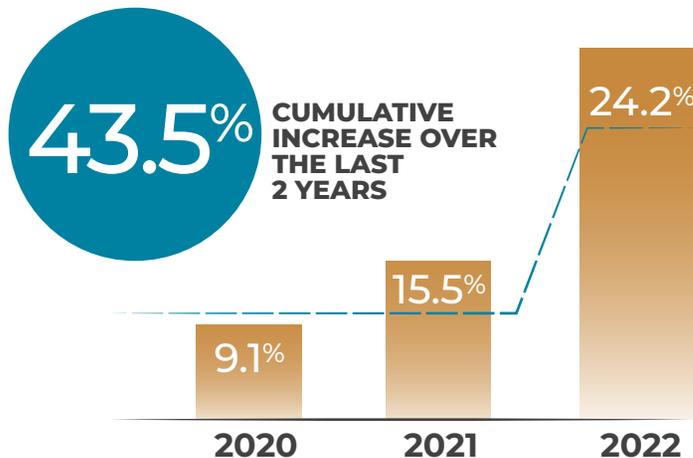
THE FARMHOUSE II  
a modular home by Nationwide Homes in Martinsville, VA

# PAY & BENEFITS

In addition to safety, another especially important aspect of ONE Cavco is the commitment we make to the success of our employees. Simply stated, we can only do our best for our investors, customers, suppliers and communities if we are truly committed to the success of our employees. Although many factors come into the assessment of whether we are a great place to work, pay and benefits are fundamental to the success of our employees and their ability to provide for themselves and their families.

Last year we reported that wages for our production employees increased 15.5% over FY20. We are happy to report that this year wages increased 24.2% over FY21, for a cumulative increase of 43.5% over the past 2 years. This improvement is the result of each production site reviewing and refining pay levels and structures. The gains have been a combination of base wage increases and higher payouts through incentive programs that align pay to the success of the company. In a year in which we had significantly improved business results, that success has directly impacted take-home pay.

## PRODUCTION EMPLOYEE WAGES



## LIVING WAGE

While our pay programs are designed with a close eye on market rates, we decided last year to take a closer look at the Cavco team members with the lowest take-home pay and assess whether or not they are earning enough to support themselves and their families. At Cavco, our intention is to provide a workplace where our employees can build careers, but that is only possible if they are earning a “living wage.”

We focused our analysis on our production plants and looked at the total income of employees who have been with us for at least one year of incentive eligibility. For each plant, we identified the lowest 10% of earners and compared their pay to third party “living wage” benchmarks specific to their location as published annually by the Massachusetts Institute of Technology (MIT). MIT establishes county-specific living wage estimates based on the local cost of living and household characteristics.

We are delighted to announce that the take-home pay for fiscal year 2021 for our lowest earners still exceeded their local Living Wage, despite rapid inflation nationwide resulting in MIT’s Living Wage benchmark increasing by 16%.



# PAY & BENEFITS

Because there is a direct relationship between committing to our employees' success 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.



## BENEFIT HIGHLIGHTS - 2021

### CAVCO INCREASED ITS CONTRIBUTION

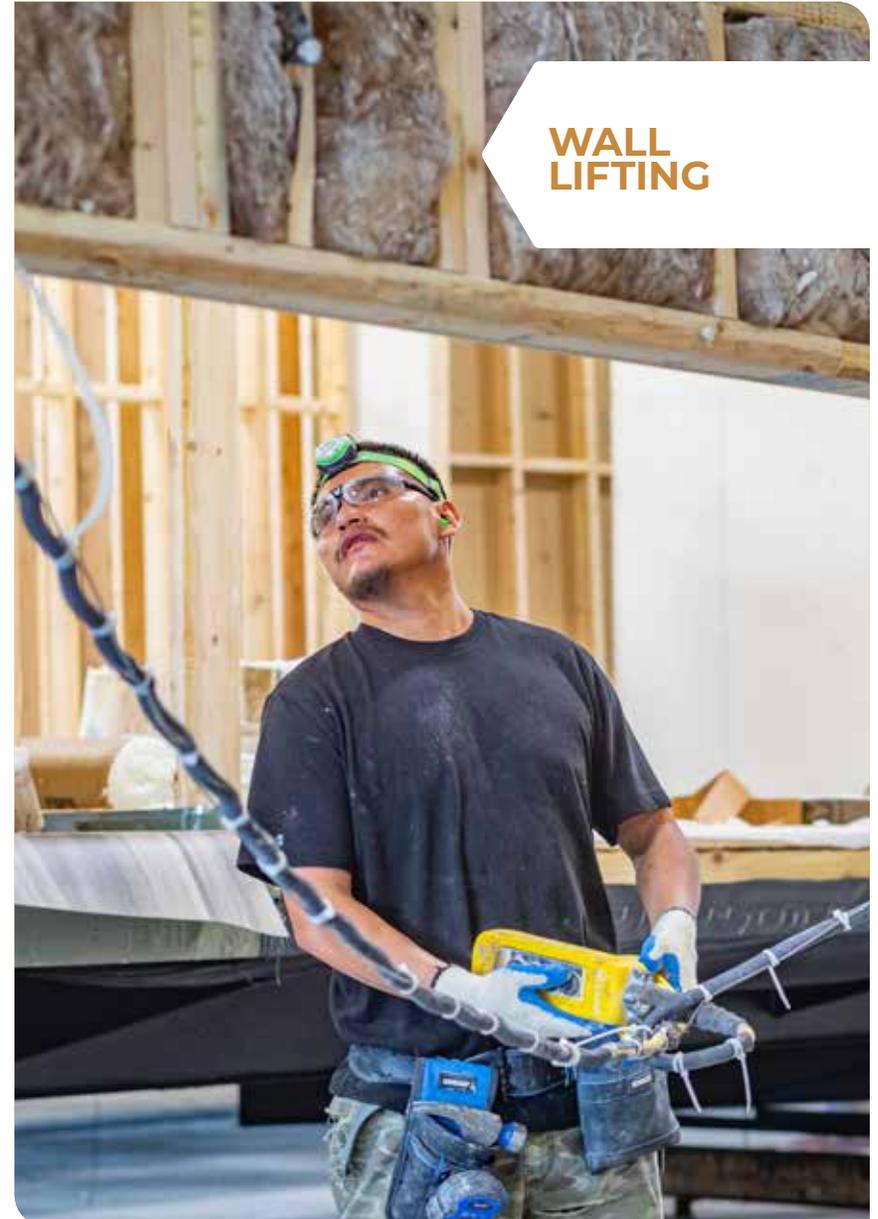


**Reducing the cost of benefits** for Cavco team members by almost **5% in year-over-year comparison**

### RESULTING IN



**20% more employees opting to enroll in Cavco's healthcare benefits** for themselves and their families.



# TRAINING & DEVELOPMENT

Providing continuous learning and development opportunities is another demonstration of our commitment to help our associates grow to their highest potential. In 2021 we continued to expand our training programs to include increasing technical skills, improving leadership skills, expanding technology experience and educating on safety and security protocols.

### LEADERSHIP DEVELOPMENT

Recognizing that strong, well-trained leaders are essential to Cavco's growth and success as a company, we continued the roll out of our **Ignition** leadership training.

As part of the Ignition program, individuals who complete the challenge become members of the Ignition alumni community where we see increased levels of collaboration between Cavco business units.

Based on the success of this program, we have also created a training program called **Navigate**, which is focused on the development of new managers.

experience. Each new associate is assigned an Ambassador (a tenured associate), who is responsible for helping the new employee acclimate into the Cavco culture. In addition, team leads and supervisors conduct weekly one-on-one meetings and evaluations with all new employees.

**To date, we are seeing the following results from locations who have implemented Spark for at least 90 days:**

- The average 30-day attrition at participating locations has been reduced by 25%
- Six plants have experienced 30-day attrition drops as high as 45%

We plan to expand the Spark on boarding training to all our manufacturing locations in the coming year and anticipate seeing similar positive results in our retention and productivity levels across the company.

<b>357</b> Cavco Leaders trained to date	<b>85%</b> have committed to regular 1:1 sessions with their direct reports	<b>95%</b> of attendees felt they <b>improved</b> as managers
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### NEW HIRE TRAINING PROGRAMS

In addition to leadership development, Cavco introduced **Spark**, a new 30-day training program focused on engaging new employees early in their tenure with the company to ensure that they receive a consistent on boarding



# COMPANY CULTURE

While safety, pay and professional development play a significant role in our company culture, other factors also contribute to building a successful company. Each time our employees interact, we demonstrate 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.

Our ONE Cavco principles provide the framework to initiate conversations about our culture, 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.

## DIVERSITY & INCLUSION

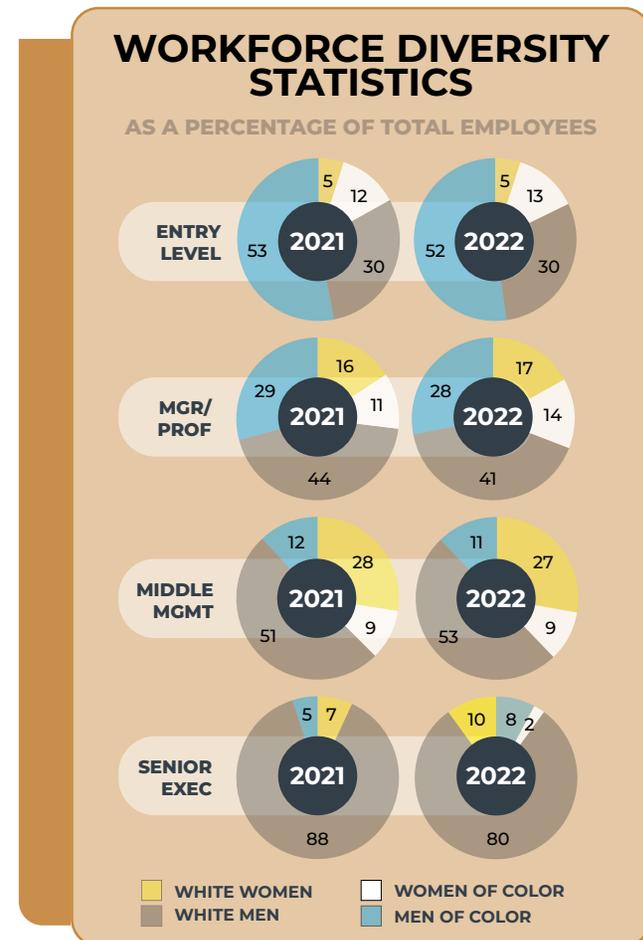
At Cavco, diversity and inclusion begin when everyone in the company experiences fair and respectful treatment and their unique contribution potential is determined solely by factors related to job performance.

At the most basic level, this requires 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 track our diversity data both at a company level and within each operation. As shown on this page, this data admittedly does not reflect consistency across levels or with general demographics, indicating that there is work to be done to ensure fairness and opportunity. However, we have seen a meaningful shift from last year at the uppermost levels of our organization.

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, identifying root causes which, when addressed, will result in a truly changed – and better – workplace. We see a direct tie-in with diversity to other elements of our workplace and strategy. For example, we are beginning to track participation in our learning and development programs to ensure that opportunities for improvement and advancement reflect inclusivity.





COMMUNITY IMPACT



# COMMUNITY IMPACT

At Cavco, we are fortunate that the very nature of what we do has a positive impact on individual lives and the communities we serve. We provide the most affordable opportunity for homeownership. We take great pride in our impact through the homes, loans and insurance we provide deserving families.



Beyond this, Cavco employees across the company engage in volunteering efforts that are important to their communities. Recognizing that our local team members often know the needs of their communities best, we launched a company wide **CAVCOcommunity** program to provide each location with access to funding to supplement their team's volunteer efforts. We are enormously proud of our employees' charitable efforts to support the needs of their fellow team members as well as their local community at large. Every time our team members work to improve the lives of others, it is a reflection of who we are at Cavco.

### GIVING BACK

The communities where we live and work sustain local businesses, families and, of course, our employees. We recognize that Cavco's success is intrinsically linked to the well-being of our local communities. We are committed to building and strengthening communities in which we do business because it is a critical part of who we are and a natural outgrowth of our ONE Cavco mindset. We are especially proud of the Cavco team for all their efforts to support the local communities they touch.

On the next page are some highlights of the work done in local communities last year by our many locations who include community service as a core value.



**PALM HARBOR &**

# Homes for Pups



# 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 their efforts to support their fellow citizens and coworkers during challenging times. Below are some highlights of the work done last year by our many locations who include community service as a core value.

Location	Community Service	Location	Community Service
<b>Austin, TX – Palm Harbor Homes</b>	<ul style="list-style-type: none"> <li>· Provided fundraising events for employee assistance</li> <li>· Donated food to local homeless shelter</li> <li>· Provided Thanksgiving donations to local churches</li> <li>· Donated supplies to local animal shelters</li> <li>· Built and donated 16 custom dog houses to local animal shelters in Palm Harbor for Pups ‘Build a House, Save a Life’ campaign</li> </ul>	<b>Lafayette, TN - Fleetwood Homes</b>	<ul style="list-style-type: none"> <li>· Participated in Veterans’ Day parade</li> <li>· Donated materials to local fire department for training exercises</li> <li>· Hosted an Easter bag giveaway to local Head Start children’s program</li> <li>· Gold member sponsor of Lafayette Rotary Club</li> <li>· Donated to Lions Club Spring Fundraiser Auction</li> <li>· Hosted American Red Cross blood drive</li> <li>· Hosted COVID-19 vaccination and booster shot clinic with local health department</li> <li>· Donated to local elementary school’s fundraiser</li> <li>· Hosted a Chiropractic clinic where all proceeds were donated to area firefighters</li> <li>· Donated to The Learn Center’s summer program for children</li> <li>· Sponsored students to attend and compete in the Family, Career and Community Leaders of America Conference</li> <li>· Donation/sponsorship of area vocational school</li> <li>· Hosted annual Christmas Angel Tree program</li> <li>· Developed an assistance program for team members in need of groceries, utilities, etc.</li> </ul>
<b>Clarion, PA – Commodore Homes of Pennsylvania</b>	<ul style="list-style-type: none"> <li>· Sponsored ‘Autumn Leaf Festival,’ an award-winning community festival</li> <li>· Provided building materials and volunteer labor for a family in West Virginia who lost their home from a fire</li> </ul>		
<b>Douglas, GA- Fleetwood Homes</b>	<ul style="list-style-type: none"> <li>· Partnered with Magnolia House, a shelter for victims of domestic violence relationships</li> <li>· Raised money in partnership with the Douglas County Sheriff’s Office for a police officer with cancer</li> <li>· Helped a team member obtain a house, food and electricity</li> <li>· Donated school supplies</li> <li>· Donated and supported Passionately Pink for Breast Cancer</li> </ul>		
<b>Emlenton, PA – Pennwest</b>	<ul style="list-style-type: none"> <li>· Raised money for Keystone Smiles, a local organization that provides Christmas dinners for Veterans and their families</li> <li>· Sponsored the Forsythe Annual Kickball Tournament, a local organization that raises money for families in need</li> <li>· Donated to needs of local fire companies</li> <li>· Participated in a Sock Drive for Pennies from Heaven</li> <li>· Participated in food drive for military</li> </ul>	<b>Montevideo, MN – Friendship Homes</b>	<ul style="list-style-type: none"> <li>· Volunteered with the Food Barn at 4-H Fair to raise money for local Boy Scout troops</li> <li>· Supported Relay for Life, an organization that supports local cancer research</li> <li>· Sponsored and volunteered with school programs to clean up parks and yards of elderly community members</li> <li>· Volunteered at Montevideo Band Carnival to raise money to offset cost of instruments</li> <li>· Volunteered with Hungry Caterpillar Food Drive to pack and deliver lunches to kids in need</li> </ul>

Location	Community Service	Location	Community Service
Moultrie, GA - Destiny Homes	<ul style="list-style-type: none"> <li>· Hosted a canned food drive for the local food bank and donated money to purchase perishables</li> </ul>	Rocky Mount, NC - Fleetwood Homes	<ul style="list-style-type: none"> <li>· Delivered food baskets to families in need at Thanksgiving, in collaboration with the Virginia Knights of Columbus</li> <li>· Worked with Department of Rehabilitative Services (DARS) and Goodwill Industries to recruit uniquely able associates</li> <li>· Worked with Social Services, Piedmont Community Services and Crescent Counseling for associates needing supportive services</li> <li>· Worked with several municipalities of Probation &amp; Parole to employ returning citizens</li> <li>· Served on promotion panels with local law enforcement</li> <li>· Donated PPE to local law enforcement</li> <li>· Donated clothing and electronics to Goodwill Industries and The Rescue Mission</li> <li>· Assisted in the identification of housing for associates in need</li> <li>· Donated school supplies to local school</li> </ul>
Nampa, ID - Fleetwood Homes	<ul style="list-style-type: none"> <li>· Donated to Cops for Tots</li> <li>· Donated to the local food bank</li> </ul>		
Plant City, FL - Palm Harbor Homes	<ul style="list-style-type: none"> <li>· Provided assistance to company associates in need through a special employee-formed We Care committee</li> <li>· Adopted a road in front of plant to pick up litter</li> <li>· Donated materials to local technical college construction program</li> </ul>		
Riverside, CA - Fleetwood Homes	<ul style="list-style-type: none"> <li>· Donated 49 turkeys to Valley Restart in Hemet, CA to feed the homeless</li> </ul>	Woodburn, OR - Palm Harbor Homes	<ul style="list-style-type: none"> <li>· Collected coats and sweatshirts for the Greater Woodburn Coat Drive organized by local businesses to distribute to shelters</li> <li>· Hosted three COVID-19 and flu vaccine events open to the public and Cavco employees</li> </ul>
Seguin, TX - Cavco of Texas	<ul style="list-style-type: none"> <li>· Donated to Guardian Angels for abused and neglected children</li> <li>· Donated materials to Habitat for Humanity</li> <li>· Donated toys to Blue Santa</li> <li>· Donated materials to local animal shelters</li> </ul>	Millersburg, OR - Palm Harbor Homes	<ul style="list-style-type: none"> <li>· Hosted mobile COVID-19 vaccination clinics in conjunction with the Linn County Department of Health Services to provide vaccinations for 68 members of the community</li> </ul>
Martinsville, VA - Nationwide Homes	<ul style="list-style-type: none"> <li>· Donated and provided employment opportunities for 'The Hope Center,' a men's rehabilitation center</li> <li>· Donated to the Martinsville City Police Department</li> <li>· Donated to the Henry County Sheriff's Office</li> <li>· Donated to the Martinsville City Fire Department</li> <li>· Donated to Toys for Tots</li> <li>· Volunteered time and donated materials to help local church with their parking area</li> </ul>		
Fort Worth, TX - Palm Harbor Homes	<ul style="list-style-type: none"> <li>· Provided donations to Toys for Tots during the holidays</li> <li>· Uber Eats for families suffering from food insecurity</li> </ul>		
New Braunfels, Texas - Standard Casualty Insurance	<ul style="list-style-type: none"> <li>· Sponsored a Food Drive benefiting the New Braunfels Food Bank collecting over 250 pounds of food for the community</li> <li>· Sponsored a Toy Drive benefiting the Salvation Army of New Braunfels</li> </ul>		





AWARDED THE  
**Community  
Impact Project  
of the Year**

The Five Points Neighborhood Initiative  
in Martinsville, VA



In 2022, Cavco won the Manufactured Housing Institute's (MHI) inaugural "Community Impact Project of the Year" award for Nationwide Homes' Five Points Neighborhood Initiative in Martinsville, Virginia. This Five Points grassroots initiative was recognized for creating opportunities for families that otherwise may not be able to achieve the dream of home ownership.

# HOMES FOR OUR OWN



As we work together to make a difference in providing affordable homes nationally, it is important to start that work close to home. We continue to be taken by the stark realization that many of our co-workers who build, sell, fund and insure homes for other home buyers 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 even something they believe they can achieve.

At Cavco, we are committed to fostering the dream of homeownership for our team members. Consequently, we have launched a formalized internal program to help us accomplish that end. We call it **Homes for our Own**, and it generally involves two primary elements: Education and Financial Assistance.

It is Cavco's belief that with a greater understanding of what is required to purchase a home, a plan to make that happen, support throughout the process and financial assistance, many of our team members can achieve that dream.

The home-buying process can be complicated and intimidating. Through Homes for Our Own, we will help interested team members understand the process, from preparing financially to buy and maintain a home to understanding 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. Others may need to understand the ongoing costs of homeownership. Equally important, they need to determine, with useful information, whether homeownership is the right path for them at this time. The Homes for Our Own education program will provide the information they need to demystify the home-buying process.

The second element of Homes for Our Own is financial assistance. This year, a Homes for Our Own director was hired and a steering committee was formed to provide oversight of the program development. That group has been charged to develop both the educational approach and the financial assistance program for participating associates.

We believe this is a wonderful opportunity for team members 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 and prosperity of our team members.







ENVIRONMENTAL STEWARDSHIP

# ENVIRONMENTAL STEWARDSHIP

Today it is more important than ever to connect with our team members, customers, suppliers, community partners and other stakeholders on multiple levels. Through these relationships, we must remain steadfast in moving toward our goal of being an affordable builder of quality homes – but we need to accomplish this goal in a socially responsible way, staying true to our ONE Cavco principle of “what matters” that calls for “standing for integrity and ethics in everything we do.”

## OUR APPROACH

Our home manufacturing processes have distinct advantages in the area of environmental responsibility when compared to site-built construction. Despite the advances we have made, it is imperative that we continue to identify where we can improve. We strive to be responsible stewards of the environment by seeking efficient, low-waste production processes, adopting innovations that reduce the use of raw materials and emphasize sustainable inputs, developing product designs that create energy-efficient homes and providing educational materials to enable customers to choose more sustainable options for their homes. Many of our manufacturing facilities are certified to build ENERGY STAR® homes through a special Environmental Protection Agency (EPA) program for manufactured homes.

## ENVIRONMENTALLY CONSCIOUS MATERIALS PROCUREMENT

The thoughtful choice of components and materials can further reduce our impact on the environment and provide clean, healthy air quality within the home. As a company, 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 associated impact on the environment.

## EFFICIENT USE OF BUILDING MATERIALS

We strive to use building materials in the most efficient means possible, driving down waste and costs.

- **100% of 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. This results in a reduced energy consumption per home when compared to site-built construction.
- **100% of our homes are built with pre-constructed panels.** These panels are produced in our own controlled, company-owned environments – which itself minimizes waste due to inclement weather, using standard shapes and sizes that produce stronger, more airtight homes. Additionally, this means better insulation and lower utility bills for the homeowner. Use of these panels has advantages over on-site construction by reducing waste, noise and air pollution and the use of larger framing members that require large trees to be cut.
- **Our material suppliers typically ship directly to our manufacturing facilities,** as opposed to dropping off materials to several different and potentially far-reaching job sites, reducing gas consumption as well as noise and air pollution.
- **We use oriented strand board (OSB),** which is made from wood chips, rather than traditional plywood and truss joints. This reduces the need for large framing members and the need for additional timber to be cut.
- **100% of our facilities incorporate recycling** into their standard site processes, including reusing materials on site, separating recyclable construction waste and diverting it away from landfills.



## Use of Building Materials with Recycled Content

The majority of our manufacturing plants use building materials made with recycled content such as the following items:

- Cellulose insulation made from recycled newspapers which has improved performance and diverts waste from landfills
- Engineered wood products such as finger-jointed studs and trim materials that are created from recycled lumber are used company wide. In laboratory tests, these engineered wood products have proven to be stronger than products made from natural wood.

### SUSTAINABILITY PROCESS IMPROVEMENTS

Increasing operational efficiencies at our manufacturing facilities across the country is a significant opportunity for our business to reduce waste, preserve natural resources and increase our use of recycled materials to keep costs down and reduce our carbon footprint. We are committed to continually increase our awareness of the environmental impact of our construction activities and take measurable steps to reduce that impact.

#### Vendor-Related Recycling Efforts

- Scrap metal and scrap wire contractors remove metal refuse, purchasing it from Cavco at scrap metal prices.
- Used pallets from material freighted in are sold to a pallet builder.
- Bailed cardboard is purchased by a wood pulp recycling company.
- Vinyl siding is repurchased by the siding manufacturer for recycling.
- Wood refuse is chipped up and sold to a local company that uses it as turkey bedding. Any unsold portion can also be made into mulch.

Cavco has engaged with a third-party, end-to-end waste and recycling solution provider in Fort Worth, Texas to assess the opportunities to improve our waste recycling efforts at that location. Early in the evaluation process, they are projecting an immediate reduction of 8% of total hauling. Given the opportunities to recycle wood, cardboard and other materials, we anticipate this number to grow significantly over the course of a long-term partnership.

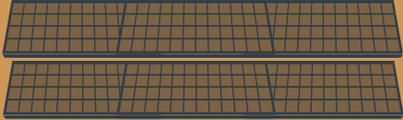
By leveraging this firm’s hyper-efficient landfill-diversion strategies and national buying power, we anticipate the ability to benefit from guaranteed increases in recycling volumes. Because different geographical areas have different environmental and recycling standards, we are committed to aligning ourselves with applicable area experts to optimize our stewardship efforts.

### OPTIMIZED FACILITIES PERFORMANCE

We are installing solar panels on the roof and over parking areas at our new Glendale, Arizona factory. This solar array will supply approximately 60% of the total electrical usage of this facility and will reduce its carbon footprint by an estimated 1,642 metric tons annually. This is the equivalent of eliminating greenhouse gas emissions from 357 vehicles or adding 2012 acres of forest to sequester carbon dioxide. We are also evaluating additional renewable energy opportunities for our other building facilities.

**NEW GLENDALE, AZ PLANT**

**INSTALLING  
SOLAR PANELS**



to supply approximately

**60% ELECTRICAL  
USAGE**

**EQUIVALENT TO**

**ELIMINATING**

**357** 

**GAS VEHICLES**

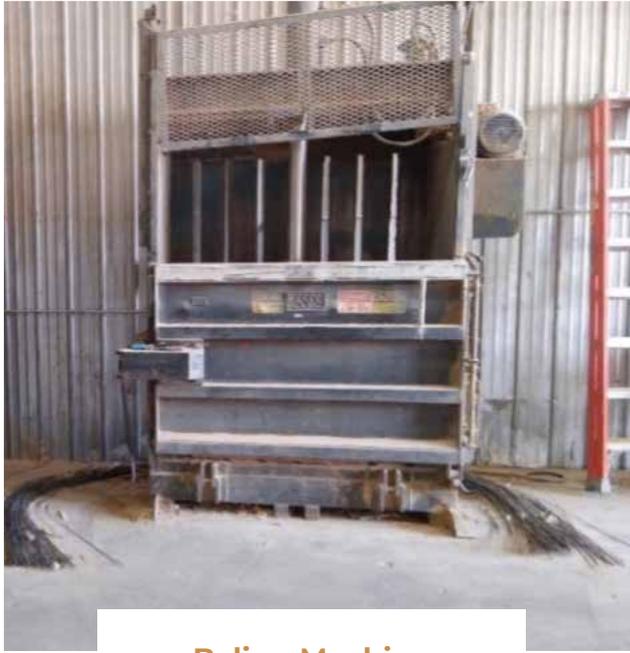
or

**PLANTING**



**2,012 ACRES of  
FOREST**

Cavco takes seriously its practices regarding construction waste management. Our initiatives focus on reducing the mass of materials such as lumber, sheet rock and shingles that is shipped to landfills. Using this approach, every stakeholder wins – our customers, our suppliers, our investors, the environment and Cavco.

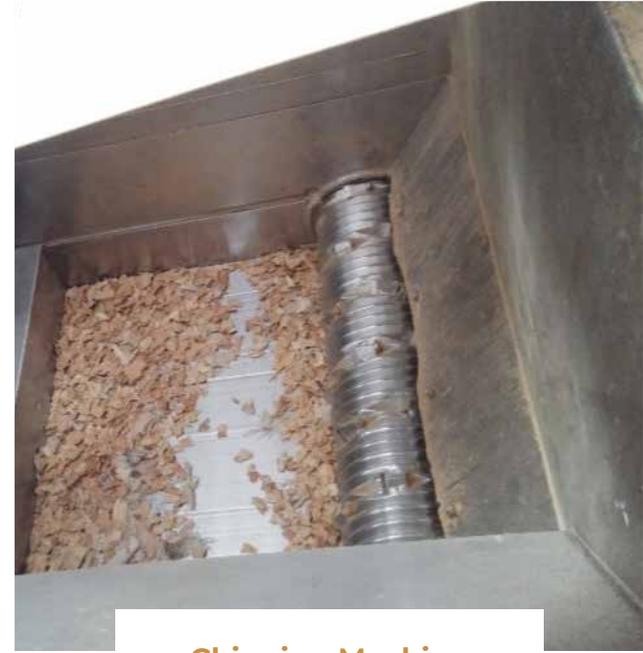


Baling Machine

100%  
OF OUR  
MANUFACTURING  
FACILITIES  
INCORPORATE



RECYCLING  
INTO THEIR  
STANDARD  
SITE PROCESSES



Chipping Machine

### OPTIMIZED FACILITIES PERFORMANCE (CONT.)

Our objectives in this area are as follows:

- Define and implement standard practices to track, report and reduce the volume and costs of waste in our facilities to reduce and/or divert landfill mass.
- Better understand the composition of our waste stream and create facility-specific action plans to reduce, reuse and recycle our high-volume materials such as lumber, sheet rock and shingles.

### LONG-TERM SOLUTIONS FOR CAVCO CUSTOMERS

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

Here are a few examples of educational opportunities for our new home buyers.

**Passive Solar Positioning** – Setting the home with a north-south orientation 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 water.



RESPONSIBLE GOVERNANCE

# RESPONSIBLE GOVERNANCE

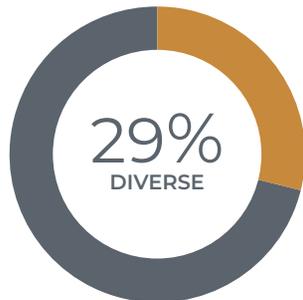
Ultimately, it is business success that allows us to grow our positive impact on homeowners, communities, the environment and the people of Cavco. Our investors are key stakeholders and partners in this work. As a public company, we must be good stewards of the capital entrusted to us. Profitably growing our business creates opportunities that benefit all 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

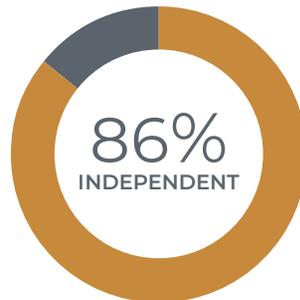
Governance starts with the company leadership, which includes the executive officers and the Board of Directors. As a public company, officers and board members are fiscally and legally responsible for proper use of company funds. The company expects high standards of ethical conduct from its Directors, management and all employees as described in Cavco's Corporate Governance Guidelines and Code of Conduct. We continue to focus on setting clear expectations. Our Executive Team will continue its stewardship through direct oversight and involvement.

## BOARD OF DIRECTORS

### GENDER DIVERSITY



### INDEPENDENT DIRECTORS



# BOARD OF DIRECTORS



## Steven G. Bunger

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



## William C. Boor

President and Chief Executive Officer  
Cavco Industries, Inc.



## Susan L. Blount

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

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

# RESPONSIBLE GOVERNANCE



**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



**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



**Steven W. Moster**  
President and Chief Executive Officer  
Viad Corp

Committees:  
Compensation (Chair)



**Julia W. Sze**  
Impact Investment Strategy  
Julia W. Sze Consulting

Committees:  
Audit and Compensation

## BOARD STRUCTURE

Board structure is important to governance in that it demonstrates a company's commitment to transparency and accountability. The Chair of the Board is an Independent Director, which means the Chair 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 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 <http://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 meets separately with the Audit Committee and has free access to the Chair.

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.

# RESPONSIBLE GOVERNANCE

## 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 <http://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 for reinvestment. Proper allocation of resources produces 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 which was completed in May 2022. The Board of Directors subsequently approved another \$100 million repurchase authorization which 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 provides guidelines and expectations for how we all must behave legally and in accordance with our own ethical standards. Cavco's continued success relies on high standards of ethics and integrity in all of our relationships, and this begins with treating one another with respect and dignity. The Code of Conduct is available on our company intranet.

The Code of Conduct sets an important foundation for our actions. In 2022, we continue our in-person Code training to key front office and front-line leaders. Additionally, we launched in-person and online training addressing key topics from the Code.

## 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, communication and training, once approved.

## HARASSMENT AND DISCRIMINATION

Cavco takes a strict stance against harassment or discrimination of any kind by any employee. It is critically important that every employee feels safe, valued and respected. We have taken significant steps toward identifying and addressing workplace issues with our **Speak Up Cavco!** process. Our

expectations have been amplified through our Code of Conduct and ONE Cavco principles which demand respect, integrity, and ethical behavior. Again, we recognize that this by itself does not achieve the positive outcome we intend, but positive change can only occur when we have created 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 every day. Holding ourselves accountable means having avenues for employees to come forward in a safe and confidential way, without fear of retaliation, if they have concerns or questions. We encourage team members to engage with local management and Employee Relations professionals. In situations when that is not practical, we have established a compliance hot line called **Speak Up Cavco!** which is available to everyone, 24 hours a day, 7 days a week, online at [www.speakupcavco.com](http://www.speakupcavco.com).



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