



WHEREAS: According to the Intergovernmental Panel on Climate Change, the window for limiting global warming to 1.5 degrees Celsius (1.5°C) is quickly narrowing.¹ Investor demand for science-aligned greenhouse gas emission reductions reflects the reality that climate change poses a systemic risk to companies and to investor portfolios. Failure to reach Net Zero emissions by 2050 is projected to have dramatic economic consequences.² Immediate and significant emissions reduction is therefore required of all market sectors.³

The building sector is responsible for 40% of total energy use in the U.S. and 35% of carbon emissions.⁴ U.S. residential construction emits over 50 million tons of embodied carbon emissions annually.⁵ Fortunately, there is a clear path to decarbonization, with studies demonstrating that 30 to 50% of these emissions can be mitigated with commercially available, affordable, and code-compliant building materials.⁶

As stated in Lennar’s 2022 10-K, “changes in global or regional environmental conditions and governmental actions in response to such changes” pose significant risk to our Company.⁷ By reducing the emissions from its full value chain, Lennar can mitigate its climate-related physical and transition risks while also preparing to comply with heightened climate regulations and shifting consumer demands. However, Lennar lacks both emissions disclosures and emissions reduction targets.

Lennar also lags its peers in creating science-based climate transition plans. Fifty-eight companies operating in the U.S. real estate and construction and engineering sectors, including Lennar’s direct peer KB Home, have committed to or have already set emission reduction targets through the globally recognized target verification program Science Based Target initiative.⁸

By setting science-based reduction targets that cover its full value chain and disclosing a comprehensive and forward-looking decarbonization plan, Lennar can provide investors

¹ https://www.ipcc.ch/report/ar6/syr/downloads/report/IPCC_AR6_SYR_LongerReport.pdf p.88

² <https://www.nytimes.com/2021/04/22/climate/climate-change-economy.html>

³ https://www.ipcc.ch/report/ar6/syr/downloads/report/IPCC_AR6_SYR_LongerReport.pdf p.102

⁴ <https://www.energy.gov/articles/doe-announces-46-million-boost-energy-efficiency-and-slash-emissions-residential-and>

⁵ <https://rmi.org/insight/hidden-climate-impact-of-residential-construction>

⁶ <https://rmi.org/insight/hidden-climate-impact-of-residential-construction>

⁷ https://otp.tools.investis.com/clients/us/lennar_corporation2/SEC/sec-show.aspx?FilingId=16339466&Cik=0000920760&Type=PDF&hasPdf=1, p.19

⁸ <https://sciencebasedtargets.org/companies-taking-action>



with the assurance that it is both addressing its climate-related risks and capitalizing on the value-creating market opportunity of a net zero economy.

BE IT RESOLVED: Shareholders request the Board issue a report, at reasonable expense and excluding confidential information, disclosing how Lennar intends to reduce its full value chain greenhouse gas emissions in alignment with the Paris Agreement’s 1.5°C goal requiring Net Zero emissions by 2050.

SUPPORTING STATEMENT: Proponents recommend, at Company discretion, that the report include:

- Disclosure of all relevant Scope 1, 2, and 3 emissions;
- A timeline for setting a 1.5°C-aligned Net Zero by 2050 target for the Company’s Scope 1, 2, and 3 greenhouse gas emissions, as well as 1.5°C-aligned interim emissions reduction targets;
- An enterprise-wide climate transition plan including a quantification of the decarbonization initiatives required to meet its emissions reduction targets; and
- Annual progress towards meeting its emissions reduction goals.