



NVR Corporate Social Responsibility

While NVR, Inc. (NYSE: NVR) ranked below industry average in corporate social responsibility scores (CSR), the Undergraduate Student Managed Fund will continue with the purchase of the company for the following reasons:

Business Pros

- NVR is a conservative, honest homebuilder that is well positioned for any economic environment
- NVR only operates on the East Coast and Mid West regions resulting in a specialized knowledge of their target market
- Mortgage segment compliments NVR's housing division by making loans readily available to customers who are buying homes (vertical integration)
- Management has a commitment to returning free cash flow back to shareholders through the repurchase of shares

Environmental Sustainability

- NVR ensures that every new home that they build is 100 percent STAR Certified and third-party verified to deliver energy savings
- Every home they sell is also tested by an independent energy rater and receives a specific HERS (Home Energy Rating System) score

Corporate Responsibility

- NVR and its subsidiaries are committed to the highest level of ethical behavior
- NVR's business success depends upon the reputation of the company and its directors, officers and employees to perform with the highest level of integrity and principled business conduct
- NVR seeks to outperform its competitors fairly and honestly and seeks competitive advantages through superior performance, never through unethical business practices

Though the CSR ratings are negative relative to the industry average for NVR, it is more of an issue of the company not disclosing information rather than the company having bad corporate social responsibility. Because of the lack of disclosure the SMF Managers believe that NVR is getting a worse CSR rating than they really deserve and because of this the SMF would like to continue our effort to purchase \$75,000 worth of stock.

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Source: NVR Investor Relations

