

NVR Inc (NVR)

Vote Yes: Item #5 – Shareholder Proposed Disclosure of Greenhouse Gas Emissions

Annual Meeting: May 7, 2026

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THE RESOLUTION

Shareholders request the Board issue a report, at reasonable expense and omitting proprietary information, disclosing its greenhouse gas emissions.

SUMMARY

NVR is one of the nation's largest residential home builders, constructing homes in 16 states and Washington D.C.¹ Today, every state faces climate-related harm, from water shortages and heatwaves to intensifying storms and sea level rise. These climate challenges are reshaping homeowner needs, regulatory policies, and market expectations. As a homebuilder, NVR must remain competitive amid increasing green building regulations, demand for energy-efficient homes, resource constraints, supply chain disruptions, and market changes.

NVR must also be concerned about its own greenhouse gas (GHG) emissions. In the U.S., home building emits over 50 million tons of carbon dioxide annually, with emissions concentrated in the production of building materials and daily home operations.² This has made the building sector subject to a growing number of state and local climate-related regulations that must be navigated. Investors too continue to seek climate related information including GHG emissions reporting.

Despite mounting attention to climate risk, NVR has neither assessed nor disclosed its GHG emissions, leaving it and its investors unable to determine whether the Company remains competitive with its peers or is emitting at significantly higher levels. NVR lags behind peers that have expanded their GHG emissions disclosures and are capitalizing on the advantages of a low-carbon business model, leaving NVR at a competitive disadvantage. To ensure NVR responds to these risks and remains competitive in an industry redefined by climate change, investors ask the Board to measure and disclose NVR's GHG emissions.

RATIONALE FOR A YES VOTE

1. **NVR is unprepared for new climate-related state and local policies.**
2. **Investors increasingly seek GHG emissions disclosure from companies.**
3. **NVR can capitalize on the opportunities associated with building green homes.**

¹ <https://nvri.gcs-web.com/static-files/0bdb8bd7-b532-4c34-8431-56ae402e053a>

² <https://rmi.org/insight/hidden-climate-impact-of-residential-construction/>



DISCUSSION

1. NVR is unprepared for new climate-related state and local policies.

U.S. corporations are facing increased legal requirements for GHG emissions disclosures. In the absence of federal climate oversight, state governments are stepping in to identify and reduce high-emitting business activity. NVR is particularly vulnerable to state-level policy developments because it operates across 16 states. Currently, several states where NVR operates, including New York, Illinois, and New Jersey, are considering legislation that would require corporate emissions disclosure.³ Undertaking an assessment of its emissions, and disclosing that emissions data, will ensure that NVR is in front of, and prepared to meet, new state disclosure regulations.

Homebuilding is also increasingly affected by green building standards aimed at reducing emissions from new construction, including policies that encourage or require all-electric homes. NVR is already affected by such policies in New York, Illinois, and Washington D.C., where local regulations or building codes promote or require all-electric, new-build homes.⁴ These state regulations are expected to grow in the absence of federal climate leadership and will likely require NVR to further reduce the emission profiles of its homes.

By undertaking an emissions inventory, NVR can understand where its most significant emissions and associated risks lie; improve planning for future carbon regulations; more efficiently and effectively guide its procurement decisions and housing design; and use the results to identify new market opportunities for producing and selling homes with lower GHG emissions and greater consumer benefits.

2. Investors increasingly seek GHG emissions disclosure from companies.

Investors routinely use GHG emissions data to assess climate-related risks and inform capital allocation decisions. As systemic and economic risks from climate change intensify, emissions disclosures have become a core input in evaluating regulatory exposure, transition risk, and long-term competitiveness.

Nearly 90% of S&P 500 companies disclose operational emissions (Scopes 1 and 2) and 70% disclose supply chain emissions (Scope 3).⁵ The majority of NVR's peers also disclose their emissions. D.R. Horton discloses Scope 1-2 emissions and PulteGroup, KB Home, Meritage Homes, and Lennar disclose Scope 1-3 emissions.⁶ The fact that multiple peers of similar size disclose emissions underscores that operational and supply chain emissions are likely material for NVR as well. For example, PulteGroup, which delivered

³ <https://www.hbs.edu/bigs/states-regulate-emissions-disclosure>

⁴ <https://buildingdecarb.org/zeb-ordinances>

⁵ <https://anderson-review.ucla.edu/climate-disclosures-by-the-sp-500-separating-corporate-action-from-the-political-environment/>

⁶ <https://investor.drhorton.com/~media/Files/D/D-R-Horton-IR/documents/d-r-horton-inc-fy2024-sustainability-report.pdf>, p.77; https://s204.q4cdn.com/680895981/files/doc_downloads/2024/2024_Sustainability_Report-FINAL.pdf, p.16; https://investor.kbhome.com/files/doc_downloads/2025/04/21/2024-Sustainability-Report_FINAL.pdf, p.53; https://d1io3yog0oux5.cloudfront.net/_59a33dbfc93f540e5625ea35022b4791/meritagehomes/db/845/7335/pdf/Meritage+Homes_2024_S%26CR+Report_vFINAL.pdf, p.51; <https://investors.lennar.com/~media/Files/L/Lennar-IR-V3/documents/governance-documents/Lennar%202023%20Social%20Responsibility%20Report.pdf>, p.9



31,000 homes in 2023 compared to NVR's approximately 22,000, disclosed full Scopes 1-3 emissions of 5.5 million tons.⁷

Diversified investors, in particular, are concerned about the growing systemic impacts of climate change and the role that portfolio companies play in contributing to these risks through their GHG emissions. An example of growing systemic risk is the national insurance crisis which has spread quickly across the insurance market due to catastrophic, climate-related weather events. To cover growing catastrophe costs, insurers are raising premiums, restricting coverage, or exiting high-risk regions, making it increasingly difficult for consumers to find and retain insurance coverage. This is particularly true for homeowners' insurance.

Because insurance is a prerequisite for most mortgages, these trends threaten housing affordability and demand, core drivers of NVR's business. In some regions, declining insurability is already contributing to reduced property values and market instability.⁸

Guidance for measuring and disclosing corporate GHG emissions has existed for more than two decades. The Greenhouse Gas Protocol is the most widely used corporate accounting standard. In 2023, 97% of disclosing S&P 500 companies reported to CDP using the GHG Protocol.⁹ It provides companies with a clear and consistent framework to measure and report emissions. This standard guides companies in understanding where significant emissions sources lie in their enterprises and allows them to better assess how and where to focus emission reduction activities.

3. NVR can capitalize on the opportunities associated with building green homes.

Companies that fail to prepare for the ongoing transition to a low-carbon economy risk losing market share to competitors that do. While this proposal explicitly requests GHG emissions disclosure, such disclosure is a foundational step toward identifying opportunities to reduce emissions and compete in the growing market for low-carbon homes. Green building is not limited to emissions reductions, but GHG emissions are the key metric that ties together core features like energy efficiency, electrification, and materials choices. Without measuring and disclosing its emissions, NVR cannot identify where reductions are possible, track progress, or credibly demonstrate the environmental performance of its homes.

Energy-efficient homes produce lower GHG emissions by reducing energy consumption and replacing fossil fuel-based systems with efficient alternatives, like electricity, providing a range of benefits for consumers including long-term savings on utility bills. As one example, homes with air-source heat pumps can save homeowners up to \$650 per year.¹⁰ This is a critical selling point for home builders as residential electricity rates have jumped nearly 40% since 2010.¹¹

⁷ https://s204.q4cdn.com/680895981/files/doc_downloads/2024/2024_Sustainability_Report-FINAL.pdf, p.16

⁸ <https://www.bankrate.com/insurance/homeowners-insurance/insurance-deserts/>

⁹ <https://ghgprotocol.org/>

¹⁰ <https://www.nrel.gov/news/press/2024/benefits-of-heat-pumps-detailed-in-new-nrel-report.html>

¹¹ <https://energyinnovation.org/wp-content/uploads/Clean-Energy-Isnt-Driving-Power-Price-Spikes.pdf>



Overall, the market is finding that homes with energy efficient features (and therefore lower emissions) are more marketable, especially to the newer generations of home buyers.¹² In fact, energy efficiency is no longer just a bonus — it is a key factor influencing homebuyer decisions and resale value. Consumer interest in energy-efficient homes has caught the attention of the National Association of Realtors, which reports that 57% of surveyed realtors consider energy efficiency somewhat or very valuable in listings.¹³ By disclosing GHG emissions, NVR can quantify and communicate these benefits, bridging the gap between “green” features and measurable climate performance.

Finally, state incentive programs in markets where NVR operates can further improve project economics. For example, programs in New York and Massachusetts offer incentives of up to approximately \$7,000 and \$25,000 per zero-emission, single-family home, respectively.¹⁴ As these incentives expand, builders that can measure and verify emissions reductions will be best positioned to capture them. Absent emissions data, NVR risks being unable to fully access these opportunities or adapt as regulatory and market expectations evolve.

CONCLUSION

Vote “Yes” on this Shareholder Proposal #5 requesting NVR disclose its greenhouse gas emissions.

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For questions, please contact Kelly Poole, As You Sow, kpoole@asyousow.org

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¹² <https://www.energystar.gov/newhomes/features-benefits/better-resale-value>; <https://zillow.mediaroom.com/2022-04-18-Eco-friendly-features-help-homes-sell-up-to-10-days-faster>;

¹³ <https://www.nar.realtor/research-and-statistics/research-reports/realtors-and-sustainability>

¹⁴ <https://www.nyserda.ny.gov/About/Newsroom/2024-Announcements/2024-10-23-Saving-Families-Money-Governor-Hochul-Announces-10-Million-For-Zero-Emission-Homes>; <https://www.masssave.com/residential/rebates-offers-services/new-home-construction/single-family>