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# Environmental, Social and Governance Report 2021



**M/I HOMES**

Welcome to Better



# TABLE OF CONTENTS

Introduction .....	1
Environment and Sustainability .....	2
Employee Engagement and Safety .....	9
Community Engagement.....	13
Corporate Governance .....	16
SASB and GRI Data Tables .....	17

*M/I Homes Corporate Office in Columbus, Ohio*



# I. INTRODUCTION



## *One of the Nation's Leading Homebuilders*

At M/I Homes, we have believed from our founding that there is nothing more important than building a quality home and treating our customers right. Everything that goes into one of our homes: acquisition of land, sourcing of raw materials, the construction and sales process, and post-closing customer care, is in service to this larger goal.

Treating our customers right means much more than just our direct interactions at the sales office or at the closing table. Part of our commitment to our customers is being a good steward for the communities in which our customers live. In addition, our employees would be unable to provide the kind of treatment our customers expect and deserve without M/I Homes' support, training, and commitment to operating with the highest ethical standards. Finally, the leadership and guidance provided by our directors and executive leadership team set the customer-focused, quality-driven culture here at M/I Homes. As we publish our 2021 Environmental, Social and Governance (ESG) Report and reflect on our past year, we're reminded that M/I Homes has been well served by our consistent focus on every aspect of the customer experience.

In this Report, we discuss our ESG policies, initiatives and strategies and the progress we achieved in furthering our ESG policies, initiatives and strategies in 2021. The quantitative and qualitative information presented in this Report aligns with the ESG topics that we believe are most relevant to the homebuilding industry, including the Value Reporting Foundation's industry-specific SASB Standards, as well as certain applicable aspects of the Global Reporting Initiative (GRI) and the Task Force on Climate-related Financial Disclosures (TCFD) standards and guidance.<sup>1</sup>

<sup>1</sup>If you have questions, comments, or feedback about this Report or our ESG policies, initiatives or strategies more generally, please contact us at [esg@mihomes.com](mailto:esg@mihomes.com).



## II. ENVIRONMENT AND SUSTAINABILITY

### A. Open Space Preservation and Vegetation

We design our communities with an eye toward maximizing green space availability for our customers and developing and implementing environmentally responsible site design. Among the factors that we consider when developing our communities are:

- Topography, including the presence or absence of low areas/steep slopes, high points and ridgelines determining natural drainage, tree cover, floodplains, jurisdictional Waters of the United States, wetlands or other natural/man-made bodies of water, soil characteristics and bearing capacity, potential for bedrock, landforms/unique natural features, and views and vistas;
- Appropriate stormwater management, including ensuring that adequate stormwater outfalls are present;
- The possibility of partnership with local governments, including the potential for donation of land or fee-in-lieu for open space, parks, schools, etc.;
- Soil quality, including an evaluation of whether the land is characterized by or exposed to poor soils, soil erosion, ground settling, ingress and egress limitations, poor surface drainage, or a high water table; and
- Other aesthetic concerns, including atypical sounds and smells, nearby cultural and historic resources, proximity to industrial/commercial facilities, unsightly views, railroad tracks, or heavy air or vehicular traffic.

*M/I's Woodland Cove Community in Minnesota*



*M/I's Bass Lake Crossing Community in Corcoran, Minnesota*



Once a site is under contract, M/I conducts in-depth due diligence to confirm the results of our preliminary investigation and continues to define site layout, site development, and construction. Our process incorporates multiple layers of investigation to help ensure the maximum positive environmental impact on a site from our development activities, including, by way of example:

- American Land Title Association land title survey;
- Soil borings to determine soil characteristics/depths, preliminary percolation tests, and ability to achieve adequate bearing capacity to construct homes;
- Environmental Site Assessments (Phase I and potentially Phase II) to determine if there are any hazardous materials that will require clean-up/disposal or remediation;
- Demographic/Fiscal Impact Study;
- Traffic Impact Study;
- Archaeological Investigation and sign-off from an applicable Historical Preservation Association or Office;
- Threatened and Endangered Species Investigation and sign-off from the U.S. Fish and Wildlife Service and/or applicable state agency;
- Wetland delineation and identification of other Waters of the United States to determine if any are located on the property, and whether they fall under any federal or state jurisdiction; and
- Review of FEMA floodplain and floodway maps.

Our due diligence process is particularly sensitive to the presence (or absence) of aquatic resources. In many of our divisions, streams and wetlands are routine environmental features occurring on prospective development sites. We do not walk away from a site just because of the presence of these features. Instead, we evaluate how they can be avoided, protected, preserved, and maintained as valuable wildlife habitat. This approach not only benefits our natural environment but also provides an amenity that our customers desire. We believe that natural amenities are one of the most distinguishing features of an M/I Homes' community and set us apart from our competitors.

Avoidance of wetland and stream areas is a primary goal during site design. If, however, impact to a wetland or stream area is unavoidable, we are committed to fully complying with environmental protection and mitigation requirements imposed by regulatory agencies. The disturbance of wetland and stream areas and subsequent mitigation efforts to reduce impact on them can result in extremely high costs, which can potentially impact the affordability of a

home or community. In situations in which the crossing of streams may be unavoidable, M/I may construct three-sided or arch structures that "span" the stream without disturbing it which allows us to avoid impacts to these sensitive resources. Once site development is complete, lots are typically laid out adjacent to these sensitive areas, while maintaining vegetation, buffer areas and tree lines as much as possible. This results in a highly desired lot amenity while maintaining protection for the valuable resource and any associated wildlife and vegetation habitat.



Our commitment to open space, vegetation, and wetland and stream preservation does not stop when we complete the design of a community. Because of the resources that we expend to create the optimal development plans, ensuring that construction proceeds in accordance with these plans is of utmost importance. Typically, one of our initial measures in land development is to educate the site contractors as to the presence of the natural features we are preserving, as well as delineating the areas where these features are located with snow fencing so that they remain protected. M/I Homes' employees are continually aware of these areas and monitor site development progress to ensure that they remain unimpacted. We also put systems in place to minimize the ongoing impact of our communities. For example, we have incorporated storm water reuse systems in several of our new communities. The system involves pumping storm water runoff from ponds to irrigate yards and common open spaces. This system not only helps to conserve ground water resources, but also reduces storm water runoff.



As just one example of how existing features are protected and integrated into our communities, we designed our Honeycutt Farm community in Raleigh, North Carolina to integrate two historic buildings, several champion trees, and a natural pond into the heart of the community. These features mark the entrance to the community and give the neighborhood the unique character that ties these homes together. In addition, our Spring Hill Farm community in the Columbus, Ohio suburb of Reynoldsburg integrates existing stream and wetland areas into a community with meandering pedestrian friendly walking trails, ponds, and existing and newly added tree cover. As a part of the development of this community, our Columbus division

entered into an Environmental Covenant with Ohio EPA to protect in perpetuity nearly 6.5 acres of land with substantial conservation value including one stretch of stream and four wetland areas. Finally, where possible, such as at Sarasota's Twin Rivers community, we utilize or expand existing ponds on properties for stormwater management or ornamental purposes rather than draining and building over the feature.

In 2021, M/I Homes' commitment to conservation resulted in the preservation or dedication of over 4,000 acres of open space and just over 1,250 acres of valuable wildlife habitat.



*M/I's Honeycutt Community in Holly Springs, North Carolina*



## B. Redevelopment and Infill

An important component of M/I Homes' development activities is the potential for redevelopment and infill opportunities. These opportunities offer the benefits of proximity and access to infrastructure, services, amenities and economic centers and are a primary consideration in site selection. Potential homebuyers likewise value walkability and recreational trail connectivity as well as proximity to services such as grocery stores, shopping, parks, and schools. In addition, we prioritize locations that offer ready access to regional transportation and employment centers. This provides homebuyers the opportunity to live, work and recreate within their own communities and improves quality of life by reducing commute times. This focus on proximity transportation links also has ancillary safety, environmental and infrastructure benefits by reducing roadway congestion, wear and tear and air pollution emissions. A site's proximity to infrastructure will also determine the number of regulatory controls placed on the development, which can affect approval time and development costs, and ultimately homebuyer affordability.

To meet the customer demand for neighborhood connectivity, we endeavor to design walkability and connectivity to nearby amenities, services and recreational trails into our community designs. The construction of infrastructure is extremely important when determining site selection and development. We

examine a site's proximity to electricity, transportation, communication resources, and other supporting civil infrastructure as well as water and sewer capacity access. The location and capacity of supporting infrastructure aids in determining site layout and the type of product and square footage we will build for the proposed development. Identifying sites proximate to existing infrastructure reduces the amount of off-site work required, curtails additional development costs, and minimizes disturbance to the surrounding natural environment.

Part of our redevelopment and infill efforts include offering our buyers the option to live in a community in which a car-free lifestyle is possible. Our Tribeca community in Grayslake, Illinois, outside of Chicago, is an excellent example of this emphasis. The community is within walking distance of two commuter rail stations, connecting our customers to the inner core of Chicago and the greater Chicagoland area without the need to drive or park a car. The entire community is designed for connectivity, with ample sidewalks throughout, seating areas with benches, and tree-lined streetscapes. In addition, Downtown Grayslake, along with restaurants, shopping or groceries, is minutes away.

In each of our divisions, M/I Homes continues to provide a variety of products to meet the expectations of our customers and to minimize the environmental footprint of our homebuilding operations. In 2021, we delivered nearly 515 lots and homes on redevelopment sites, converting unused impervious space into contributions to vibrant neighborhoods and improving the housing supply in core areas of our communities. We also delivered 1,288 homes in compact developments, with an average density of slightly over 4.5 dwelling units/acre.



*M/I's Tribeca Community in Illinois*



## c. Comfort and Energy Efficiency

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M/I Homes' commitment to responsible environmental stewardship continues through construction as set forth in our Whole Home Building Standards. These exclusive building standards view each home as a "system," rather than a collection of separate pieces. Each of our divisions' building standards have evolved as materials and technology improve, incorporating energy efficient technology and building standards into every home we build. From foundation to rooftop, from wall to wall, M/I Homes has systematically strived to give our homeowners the very best in solid, sound, energy efficient living. Examples of our Whole Home Building Standards include the use of locally sourced and sustainable building materials whenever possible, optimization of water flow and drainage, blower door tests, duct blast tests, determination of REM rates

(HVAC efficiency calculations), enhanced furnace filters, upgraded HVAC SEER ratings, PEX water supply tubing, and upgraded insulation. As a part of the Whole Home Building Standards, our homes are inspected multiple times to ensure that insulation is properly installed, duct work and gaps or leaks are sealed, holes are filled with expanding insulating foam, windows are caulked properly, joints, studs, and outlets are sealed and the fireplaces and tubs are properly insulated. All of these steps serve to improve the energy efficiency of our homes, not only benefitting our customers (and lowering their energy bills), but also reducing the impact of our homes on the environment.

We prioritize communicating to our customers the energy efficiencies M/I Homes incorporates into every home we build. It starts with our website presentation of the Whole Home Building Standards landing page<sup>2</sup>, which is supported and carried into our on-site community presentation. At our communities, customers will find similar information posted on exhibits displayed in our models and on flyers inserted into brochures and other paper materials. Throughout



*In 2021, M/I Homes-built homes achieved an average HERS Index Score of 58. Comparatively, an average new home built to standard practices has a HERS score of 100 (with the lower score being more energy efficient). In addition, nearly 1,200 of our homes built in 2021 were certified to a green building standard comparable to ENERGY STAR® or LEED standards.*

<sup>2</sup>Example from our Columbus division: <https://www.mihomes.com/why-mi/central-ohio/whole-home-quality>.





the buying experience, the New Home Consultants and Construction Managers consistently review the Whole Home Building Standards features and the benefits that they bring to our environment as well as the buyers' quality of life. In addition, we cover in detail, through those same vehicles, the third-party testing procedures that we have in place to maintain and/or exceed minimum standards in HERS scores on every home that we build.

Our construction process is geared toward productive resource allocation and sustainability. Our plans are designed by using a value engineering methodology. We maintain a strong network of vendors allowing our divisions to adjust labor resources where needed. Grouping permits and effectively staggering construction starts allows vendors to seamlessly move from house to house within a community without lag, which helps reduce cycle time. This reduction in cycle time also reduces the time our vendors spend transporting labor and equipment to and from sites, vehicle emissions and the carbon footprint of M/I Homes' construction activities. Base house plan specifications are also consistent in product series within communities, thereby reducing construction overruns and material spoilage.

In addition to building our homes to our own exacting internal standards, M/I Homes makes extensive use of third-party rating systems. In 2021, our homes achieved an average HERS Index Score of just under 58, an improvement on our 2020 average of 59. Comparatively, an average new home built to standard practices has a HERS score of 100 (with the lower score being more energy efficient).

M/I Homes' commitment to sustainability extends to individual home components, such as appliances, fixtures, and technology. In 2021, we installed more than 15,500 ENERGY STAR® appliances and smart thermostats in our homes. Where possible throughout our homes, we also maximized the use of products derived from recycled materials, such as recycled wood particle board exterior sheeting, carpeting, light

bulbs and fixtures. We have begun incorporating passive solar design into our homes where feasible. This design concept takes advantage of a building's site, climate, and materials to minimize energy use. A well-designed passive solar system first reduces heating and cooling loads through energy-efficiency strategies and then meets those reduced loads in whole or part with solar energy. We implement these concepts by considering local climate, site selection, and window placement and size in our homes.

In addition to responding to the market demand for energy efficiency, we are addressing the ongoing need for improved affordability in the housing industry in 2021, primarily through the continued roll-out of our Smart Series® homes. The Smart Series, which is designed for entry-level and downsizing buyers, originates from three pillars: Smart Process, Smart Design and Smart Decision. Developed exclusively by M/I Homes, we believe the Smart Series is simply a smarter way to build a new home, offering excellent value, great locations and pre-selected packages of finishes and appliances. With a Smart Series home, our homebuyers get the energy efficiency, plan layout, design features, and warranty that come with building a new construction home at a more affordable price. To deliver these affordable new homes, our team of designers created efficient layouts and neighborhood configurations and pre-selected desirable design packages up front. The development of these pre-selected packages offers our homebuyers the opportunity to buy with us at more affordable price points, making M/I Homes homeownership available to a new group of buyers. M/I Homes delivered approximately 3,200 Smart Series homes in 2021, 38% of our total homes delivered during the year.

As a part of our long-term commitment to our customers, we regularly track both customer satisfaction as well as warranty coverage requests. M/I Homes consistently receives high marks for overall customer satisfaction. In 2021, nearly 92% and 87% of our homebuyers reported that they would recommend us on surveys performed 30 days and six months post-closing, respectively.

Finally, our commitment to quality and the customer experience does not end with the delivery of a home to a customer. Every one of the homes we deliver comes with a homebuilder's limited warranty covering construction defects. These warranty offerings represent our long-term commitment to our customers and to the homes we build which extend well past closing.



## D. Adaptation to a Changing Climate and Commitment to Sustainability

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At M/I Homes, we are attuned to the potential impact of climate change and other environmental-related risks on our business. We are committed to continuing to evaluate and evolve our understanding of the increasing impact of these risks on our communities, customers, and homeowners.

We carefully review all land acquisitions as part of our acquisition due diligence process. Information presented to the Land Committee may include Phase 1 environmental site assessments (ESAs), wetland impacts and mitigation strategies, and 404 permitting obligations. Our divisions also consider the potential threats to homes that would be located in an area when considering land acquisitions. Land acquisitions in hazardous areas (e.g., prone to drought, fires, flooding, etc.) are avoided if possible, and, where practical, our divisions avoid typical sprawl patterns when identifying new development sites. We are also sensitive to our water use and the construction of homes in areas of high or extremely high water stress. In those markets in which it is possible to avoid these areas, our divisions take these limits into account.

As a precaution, we generally do not acquire land or build homes located in floodplains or coastal regions, which may be prone to weather risks and complications associated with rising sea levels or flooding. However, on rare occasion, we acquire land that may be designated by the U.S. Federal Emergency Management Agency

(FEMA) as a special flood hazard area. In those cases, we typically work with FEMA, prepare grading and drainage studies, and make necessary improvements to obtain a Letter of Map Revision and an update to the Flood Insurance Rate Map to remove the property from the flood plain before we proceed with home construction and closings.

All of our environmental due diligence processes begin with a Phase I Environmental Assessment and Geotechnical Report to evaluate the land and identify any potential liabilities. If there are any areas of concern, the sites will also undergo a Phase II Environmental Assessment consisting of detailed inspections and lab tests to determine compliance with local, state, and federal regulations. If contaminants or environmental risks are identified, we work to resolve all issues prior to building.

In 2021, we began offering solar panels as an option for customers in certain targeted locations in our Southern Region. We also wire homes in certain communities with appropriate conduit and wiring to allow a homeowner to install solar panels post-closing. As noted above in the discussion regarding energy efficiency, multiple divisions also incorporate passive solar design into homes to lessen the environmental impact from heating and cooling requirements.



# III. SOCIAL RESPONSIBILITY - EMPLOYEE ENGAGEMENT AND SAFETY

## A. Employee Focus

M/I Homes' beginning as a family-owned business still guides our corporate identity, even as the company has grown from the small homebuilder founded in 1976 in Columbus, Ohio. Today, we offer employees all the benefits of a large corporation without sacrificing the collaborative, entrepreneurial spirit of an energetic and dynamic environment. M/I Homes' employees pride themselves on fostering a working environment grounded in teamwork, respect and recognition of the talents of each individual employee.

We believe our employees are our most important resource. To fuel our success, we seek to recruit the best talent in the homebuilding industry, whether they be new or seasoned homebuilding professionals, who share the same commitment to opportunities to build and advance through training, development, and mentoring. Our commitment to the future of M/I Homes starts with our efforts to provide practical work experience to college, community college, technical school, and high school students through our internship programs, with the goal of not only improving the intern's education, but also identifying future full time M/I Homes employees. In 2021, we had 43 interns participate in various areas of the business with 50% being ethnically diverse and 26% female. We extended offers of full-time employment to 19% of the interns in 2021, all of which were accepted.

For example, our Minneapolis/St. Paul division has strong ties to the local Minnesota State University in Mankato (MNSU). The division employed four interns from MNSU this past year who worked in the field assisting construction managers, a member of the division's management team sits on the MNSU Construction Management Department Advisory Board, and our division assisted a group of MNSU students in a National Construction Management Competition.

The Chicago Division's construction internship program includes cross-departmental collaboration allowing the interns to experience other departments' roles and functions. Interns in Chicago spend time job-shadowing managers in Land, Purchasing, and Sales to learn a basic experience of how each department functions individually and as part of the bigger picture to achieve the Division's objectives.

Overall, our current workforce represents an effective blend of experience and newer employees, and our company continues to grow year over year as customers respond to our customer service and product offerings. As of the end of 2021, we had a total of 1,657 employees<sup>3</sup> with 14% under the age of 30, 48% between the ages of 30 and 50, and 38% over the age of 50. Our overall employee headcount increased by 142, from 1,515 to 1,657, during 2021.





## B. Diversity, Equity and Inclusion

M/I Homes' employee development strategy is rooted in building a workforce in which individuals from a diverse mix of backgrounds, experiences and talents can thrive, contribute, and develop professionally. We recognize the value of creating a collaborative, inclusive workplace. To help foster such an environment, we promote a culture of mutual understanding and respect among our employees. In an effort to reinforce our culture of diversity, equity and inclusion, we provide regular training focused on workplace harassment and discriminatory behavior. This training provides employees with strategies for identifying, managing, reporting and overcoming harassment or discrimination.

In addition to our regular training, we are also implementing a comprehensive program to expand the diversity of our employees. As part of this program our Diversity, Equity and Inclusion (DEI) Committee, which is comprised of certain members of our executive team and senior leaders in our human resources department and our mortgage and homebuilding divisions, provides leadership and guidance as we continue to strive to improve our DEI program, strategy, and practices. The DEI Committee is responsible for developing the guiding principles of our DEI program and a strategy to further these principles and achieve our DEI goals.

*Through the work of the DEI Committee, we have committed ourselves to the following principles:*

1. Building a more diverse and inclusive workplace will make us stronger.
2. In a diverse work environment where all individuals are treated fairly and respectfully, people will have equal access to opportunity as well as the ability to contribute fully to the company's success.
3. We commit to providing development opportunities that bring awareness to and educate our people on diversity, equity and inclusion.
4. We commit to dedicating resources to building the diversity of our workforce through recruitment, training and leadership opportunities.

To further these principles, in 2021, we continued implementing a number of initiatives. First among these has been a focus and commitment to DEI from our leadership team, including CEO Robert H. Schottenstein. In 2021, we reviewed each of our homebuilding division's efforts and progress with respect to DEI as part of the division's formal, annual review. Beyond the commitment from our top leadership, we require employees to complete unconscious bias training, and are developing training programs for new hires, including those employees who are new to the industry. We have also made changes to our hiring and recruiting practices, including a focus on recruiting from historically black colleges and universities, expanding our military veteran recruiting program and partnering with minority-focused recruiters to ensure our applicant pool is as inclusive as possible. Additionally, in 2021, we continued working with a diversity consultant to focus our efforts on improving our Unconscious Bias Leadership Training, Inclusive Recruiting, Inclusive Culture, and Assessment and Feedback of Leadership Cross-Cultural Competence.





## C. Benefits of Employment

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M/I Homes offers a comprehensive set of competitive benefits to full-time employees. We offer medical, dental, vision, flexible spending accounts, life insurance, disability coverage, accidental and critical illness coverage, an enhanced employee assistance program, 529 plan, employee stock purchase program, identity protection, and Cancerbridge (cancer diagnosis support). M/I Homes also offers a 401(k) Profit Sharing Plan to help employees plan for retirement.

## D. Safety and Training

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At M/I Homes, we believe in developing each employee's professional skills and promoting career development. We also believe it is in the best interest of the company and our employees to effectively match career aspirations, skills and strengths to appropriate internal opportunities.

To that end, our divisions have a training program in which employees are assigned training based upon their particular roles and responsibilities. Some training is mandatory company-wide, to ensure all employees

follow the same set of safety and ethical standards. Recent ongoing trainings covered topics such as workplace safety, cyber security, risk mitigation and anti-harassment.

Our sales, finance, legal, and risk management teams are also regularly trained on the extensive laws, rules and regulations governing homebuilding and sales, including the Fair Housing Act and other Department of Housing and Urban Development and Federal Housing Administration regulations. M/I Homes takes our compliance responsibilities seriously and places a high priority on ensuring that we operate in compliance with all applicable federal, state and local laws, rules and regulations.

In each of our divisions, M/I Homes' construction and land field personnel participate in health and safety training annually covering areas such as OSHA safety regulations, industry trends, use of specialized equipment, as well as CPR and First Aid training. Additionally, our construction managers regularly speak with our vendors and trade partners in the field to heighten day-to-day awareness on job sites of a wide range of topical safety and health related matters.

To further promote our commitment to safety and compliance, we have designated a National Construction Safety Director who is empowered to focus on the company's overall safety program. This individual is tasked with implementing a consistent safety-focused program in all of our divisions and managing our construction and development safety practices. In addition to the National Construction Safety Director, M/I Homes has three additional layers of safety to help ensure the safety of our employees and our vendor partners. First, each of our divisions has a Division Safety Coordinator responsible for overseeing the division's safety program, including training of personnel, conducting safety meetings, ensuring that proper signage and safety equipment is present at job sites and conducting periodic spot inspections. Second, M/I Homes' Construction Managers are responsible for identifying and communicating any safety trends, as well as maintaining our direct relationships with our vendor partners. Finally, every employee, regardless of their title, has a role in keeping each other safe and ensuring best safety practices are followed.

M/I Homes is committed to complying with all applicable safety laws, rules and regulations with the goal of protecting every employee from harm on all of our jobsites. Safety is a key value to the company and is vital to our success. To confirm that all divisions are maintaining an acceptable commitment to safety





practices, our National Construction Safety Director coordinates four inspections (two announced, and two unannounced) at each of our divisions. The divisions are scored on these inspections from 1-10, with scoring broken down as follows:

10=Superior;  
8=High Performance, M/I Homes Standard;  
6=Medium Performance, Industry Standard;  
4=Low Performance, Needs Improvement;  
2=Poor Performance, Risk & Liability Exposure;

The results of M/I's safety inspections continue to confirm our commitment to safety. In 2021, the average score across all inspections was 8.51, an improvement over 2020, with specific division scores ranging from 7.98 to 9.28

These results are borne out by M/I Homes' low employee injury rate. In 2021, our total recordable incident rate for direct employees was 0.7, below the national average for residential construction, based on the most recent data available from the Bureau of Labor Statistics, and an improvement on our 2020 rate of 0.9 and our 2019 rate of 1.4.

In addition to safety training, we train certain of our employees involved in home construction and land development in storm water pollution prevention,

environmental regulations, energy conservation and green building techniques and practices. Our divisions regularly receive stormwater management and erosion control training, including information on permitting and best management practices for preventing stormwater runoff, and we consider compliance with environmental laws and regulations, including those related to storm water, critical to environmental protection. Similar to our safety program, we have a company-wide stormwater program to promote effective stormwater management. This program starts with a National Storm Water Manager to coordinate and oversee our storm water program, and to provide the Division Storm Water Representatives, and other relevant employees, with periodic training to ensure appropriate knowledge and focus for compliance. Additionally, each division has a Designated Division Storm Water Representative to coordinate and oversee the division's storm water activities and to have primary responsibility for compliance with all applicable storm water laws, rules and regulations.

On the sales side, our New Home Sales Consultants hold the required licenses to sell new residential real estate in their jurisdictions. These employees engage in annual continuing education courses covering topics such as Fair Housing rules and legislation, environmental awareness, disclosure laws and real estate ethics.



# IV. SOCIAL RESPONSIBILITY - COMMUNITY ENGAGEMENT



In addition to our primary mission of providing quality homes and communities, M/I Homes recognizes the importance of being a supportive partner in our communities. From the time of our founding in 1976, and for each of the past 40+ years, M/I Homes and the M/I Homes Foundation, a 501(c)(3) charitable organization funded by M/I Homes, Inc., have been committed to supporting programs and institutions that strengthen education, provide shelter for the homeless, help the needy and the disadvantaged, empower women and minorities, nurture and mentor children, enhance and enrich the arts and invest in research and medicine. In many instances, M/I Homes or the M/I Homes Foundation support such programs by making annual contributions that provide meaningful support for operations. For example, over the years, we have annually supported the United Way, Big Brothers/Big Sisters, the YWCA, the Coalition Against Domestic Violence, the Mid-Ohio Food Collective, and Homeport, a non-profit housing developer committed to closing the housing gap for low-to-moderate income individuals, families and seniors. In addition to the support we provide annually for operations, we have made numerous substantial one-time gifts to support large projects or institutions engaged in the construction of new or expanded facilities.

In addition to these ongoing commitments, the M/I Homes Foundation contributed nearly \$975,000 to 31 different organizations in the cities in which we operate in 2021. Organizations that received contributions represented a diverse range of causes and included the

American Red Cross, Big Brothers Big Sisters of Tampa Bay, and the Mid-Ohio Food Collective. Our divisions also donated their time and energy to a myriad of worthy causes led by each division's leadership team. For example, our Austin division partnered with HomeAid Austin and Loaves and Fishes, another local service provider, to construct a micro home at Community First! Village in East Austin. This project provides housing for previously homeless individuals. M/I donated time and materials to supervise construction of one home in the village to provide safe and secure housing and contribute to efforts to assist in the homelessness crisis facing our communities. Our Chicago division is an enthusiastic support of both the Northern Illinois Food Bank and the local Habitat for Humanity chapter, contributing five-figure sums to each in 2021.

At our corporate headquarters and Columbus homebuilding division located in Columbus, Ohio, we have a long-standing relationship with Alvis, an organization which provides reentry services, behavioral health, substance abuse and family support to individuals recently released from incarceration. Over the years, M/I Homes has integrated support for this non-profit organization into a wide variety of fundraisers and volunteer opportunities. Chief among these has been M/I Homes' sponsorship of a "Holiday Cheer" event for the Alvis Family and Children program, providing a holiday experience for hundreds of children over the years. In 2021, M/I Homes and its employees provided support to Alvis' valuable mission, including assisting children of parents enrolled in drug and alcohol



rehab programs, distributing over 12,000 backpacks full of school supplies, participating in Random Acts of Kindness for Alvis' developmental disabilities clients, as well as supporting dozens of families through the Holiday Cheer program.

In recent years, we have focused our company-wide philanthropic efforts toward supporting Pelotonia, a non-profit organization based in Columbus. Founded in 2008, Pelotonia was established with the objective to fund life-saving cancer research. Each year, Pelotonia hosts a three-day experience that includes a weekend of cycling, entertainment and volunteerism. Through its first thirteen years, Pelotonia has raised more than \$236 million for cancer research. Pelotonia is able to direct 100 percent of every rider-raised dollar to cancer research at The Ohio State University Comprehensive Cancer Center.

Our Houston division made a special contribution toward Pelotonia this past year. A home in the Magnolia Ridge community was constructed to be a benefit home for Pelotonia. All proceeds from the sale of the home were donated to Pelotonia to fund cancer research. M/I coordinated discounted or no cost work from its vendor base, and contributed matching dollar donations and construction supervision time to maximize the amount that would be given to Pelotonia. All of this extra effort was recognized by the National Association of Home Builders Building Industry Community Spirit Silver Award. Overall, our employees in each division



safely devoted hundreds of hours to raising funds for Pelotonia, resulting in a donation from M/I Homes and its employees of over \$700,000 in 2021, more than double 2020's total and nearly double 2019's total.

In addition to community service and fundraising activities, we also work with our sales team to ensure that they are informed about programs available through the Fair Housing Administration, Veteran's Administration and a variety of state agencies that can assist lower-income buyers, veterans, first-time homebuyers, or other specific groups with purchasing one of our homes





We are particularly proud of our Welcome Home Club ("WHC"), coordinated through our M/I Financial, LLC subsidiary ("M/I Financial"). M/I Financial established the WHC in March 2019 to assist potential homebuyers with credit issues in qualifying for mortgage financing.

*In 2021, the  
Welcome Home Club  
assisted a record 464  
potential buyers in  
improving their credit,  
obtaining loan approval  
and closing on their  
M/I home*

There is no obligation for potential buyers who enter the WHC to purchase a home from us, and this service is provided to potential buyers at no cost. Participation in the WHC provides a number of potential benefits to a potential buyer, including improved credit scores and credit opportunities and lower interest rates and homeownership costs.

In the WHC, potential buyers are put in contact with an M/I Financial counselor. The counselor discusses the credit issues with the potential buyer and develops options for the buyer to improve their credit profile. For many potential buyers, this is the first time they have been presented with a financial plan to improve and maintain a solid credit profile. While participation in the program does not guarantee loan approval or reserve a home with us, the program has been very successful. The WHC is available in all of our divisions and, in 2021 the WHC assisted a record 464 buyers in improving their credit, obtaining loan approval and closing on their M/I home.



# V. CORPORATE GOVERNANCE

We believe that effective corporate leadership and governance is critical to our ability to create long-term value for our shareholders and, at M/I Homes, this starts at the top with our Board of Directors and executive officers. Our Board has adopted Corporate Governance Guidelines and charters for each of its committees as well as other policies to promote corporate governance and accountability.

## *Our key corporate governance practices include:*

- Majority of independent directors;
- Lead independent director;
- Majority voting policy for directors;
- Annual board and committee evaluations;
- Board oversight of risk management (including as it relates to ESG matters); and
- Executive compensation that is aligned with shareholder interests.

In connection with our focus on advancing our ESG practices and reporting, in February 2021, the Board updated our Corporate Governance Guidelines and the Nominating and Governance Committee's charter. Among other things, these updates explicitly (1) delegate to the Nominating and Governance Committee the responsibility to oversee our ESG policies and practices and, (2) require the Nominating and Governance Committee to take reasonable steps to ensure that female and minority candidates are considered for the pool of candidates from which director nominees are chosen to further reflect our commitment to diversity and inclusiveness.

When considering candidates for the Board, the Nominating and Governance Committee evaluates the entirety of each candidate's credentials and does not have any specific eligibility requirements or minimum qualifications. The Nominating and Governance Committee considers those factors it deems appropriate, in light of the then-current needs of the Board, including: independence; judgment; character, ethics and integrity; diversity; and business or other relevant experience, skills and knowledge useful to the oversight of the our

business, including experience with businesses and organizations of comparable size or scope, experience as an executive of, or advisor to, a publicly traded or private company, experience, skills and knowledge relative to other directors, and specialized experience, skills or knowledge. The Nominating and Governance Committee does, however, believe that all directors should have the highest character and integrity, a reputation for working constructively with others, sufficient time to devote to the Board and no conflict of interest that would interfere with performance.

The Nominating and Governance Committee regularly reviews the composition of the Board (including director tenure). The Nominating and Governance Committee believes that diversity is an important attribute of a well-functioning board and considers diversity of gender, race, ethnicity, education, professional experience, viewpoints, backgrounds and skills when identifying director nominees. The Nominating and Governance Committee does not, however, assign a specific weight to particular factors and, depending upon the then-current needs of the Board, may weigh certain factors more or less heavily. As noted above, to reflect and implement our commitment to diversity and inclusiveness, in February 2021, the Board amended the Nominating and Governance Committee's charter to require the Nominating and Governance Committee to take reasonable steps to ensure that female and minority candidates are considered for the pool of candidates from which director nominees are chosen.

Additionally, in 2021 in connection with our focus on DEI discussed above, the Board delegated to the Compensation Committee responsibility for periodically reviewing the Company's policies and practices concerning human capital management and DEI.

Our Board is currently comprised of nine directors who represent a diverse set of professional and personal perspectives. 33% of our directors are female or minorities, 22% of our directors are female, and our directors range in age from 44-82 with a median age of 68. We value a combination of fresh perspectives from newer directors together with the institutional knowledge of the company provided by our longer-term directors. Five of our directors have been on the Board for less than ten years and four directors have served for ten or more years. In each of the last two years, we have welcomed a new independent director to our Board as part of our ongoing efforts to balance the value of fresh perspectives with institutional knowledge. All of our non-employee directors are independent under the New York Stock Exchange rules.



## VI. SASB AND GRI DATA TABLES

SASB Topic	Code	Accounting Metric	2021 Information
Land Use and Ecological Impacts	IF-HB-160a.1	Number of lots delivered on redevelopment sites	270
		Number of homes delivered on redevelopment sites	244
	IF-HB-160a.2	Number of lots delivered in regions with High or Extremely High Baseline Water Stress	5,933
		Number of homes delivered in regions with High or Extremely High Baseline Water Stress	1,540
	IF-HB-160a.3	Total amount of monetary losses as a result of legal proceedings associated with environmental regulations	0
	IF-HB-160a.4	Discussion of process to integrate environmental considerations into site selection, site design, and site development and construction	See above, Section II. A
Workforce Health and Safety	IF-HB-320a.1	Total recordable incident rate (TRIR) for direct employees	0.7
		Total recordable incident rate (TRIR) for contract employees	0
		Total recordable fatality rate for direct employees	0

SASB Topic	Code	Accounting Metric	2021 Information
		Total recordable fatality rate for contract employees	0
Design for Resource Efficiency	IF-HB-410a.1	Number of delivered homes that obtained a certified HERS® Index Score	8,159
		Average HERS® Index Score	58
	IF-HB-410a.2	Percentage of installed water fixtures certified to WaterSense® specifications	57%
	IF-HB-410a.3	Number of homes delivered certified to a third-party multi-attribute green building standard (i.e. ENERGY STAR®, LEED)	1,198
	IF-HB-410a.4	Description of risks and opportunities related to incorporating resource efficiency into home design and how benefits are communicated to customers	See above Section II. C
Community Impacts of New Developments	IF-HB-410b.1	Description of how proximity and access to infrastructure, services, and economic centers affect site selection and development decisions	See above Section II. B
	IF-HB-410b.2	Number of lots delivered on infill sites	671
		Number of homes delivered on infill sites	383



SASB Topic	Code	Accounting Metric	2021 Information
	IF-HB-410b.3	Number of homes delivered in compact developments	1,288
		Average density of compact developments (DU/acre)	4.68
Climate Change Adaptation	IF-HB-420a.1	Number of lots located in 100-year flood zones	40
	IF-HB-420a.2	Description of climate change risk exposure analysis, degree of systematic portfolio exposure, and strategies for mitigating risks	See above Section II.D
General Activity Metrics	IF-HB-000.A	Number of controlled lots (owned and controlled)	43,957
	IF-HB-000.B	Number of homes delivered	8,638
	IF-HB-000.C	Number of active selling communities	175

GRI Topic	Metric	2021 Information
Energy	# of ENERGY STAR® appliances installed	11,110
	# of homes with smart/learning thermostats installed	4,413
Biodiversity	# of acres of preserve or open space dedicated	4,067
	# of acres owned, controlled, or managed in or adjacent to protected areas and areas of high biodiversity value	1,654
	# of acres of habitat protected or restored	1,270
Waste Reduction and Recycling	# of divisions incorporating recycling into their standard job site processes	8



# IMPORTANT INFORMATION AND DISCLAIMERS

The information presented in this Report is non-financial in nature and therefore has not been prepared in accordance with generally accepted accounting principles (GAAP), independently audited, or reviewed or evaluated using an established control framework. The information presented, including performance or other metrics, may be based on estimates and assumptions that require a high degree of complex and subjective judgement, and may not necessarily be comparable with similar information presented by other companies or calculated pursuant to all third-party standards of sustainability reporting. Certain of the standards and metrics used in preparing this Report continue to evolve and are based on management assumptions believed to be reasonable at the time of preparation but should not be considered guarantees. Inclusion of information in this Report is not an indication that we deem such information to be material or important to an understanding of our business or an investment decision with respect to our securities.

This Report contains or may contain forward-looking statements, including, but not limited to, statements regarding our future ESG-related policies or performance. Words such as "expects," "anticipates," "envisions," "targets," "goals," "projects," "intends," "plans," "believes," "seeks," "estimates," variations of such words and similar expressions are intended to identify such forward-looking statements. Forward-looking statements involve a number of risks and uncertainties. Any forward-looking statements that we make herein and in future reports and statements are not guarantees of future policy or performance, and actual policy or performance may differ materially from those in such forward-looking statements as a result of various risk factors, including, without limitation, factors relating to the economic environment, the impact of the COVID-19 pandemic, interest rates, availability of resources, competition, market concentration, land development activities, construction defects, product liability and warranty claims and various governmental rules and regulations. See "Item 1A. Risk Factors" in Part I of our Annual Report on Form 10-K for the year ended December 31, 2021, as the same may be updated from time to time in our subsequent filings with the SEC, for more information regarding those risk factors.

Any forward-looking statement speaks only as of the date made. Except as required by applicable law, we undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise. However, any further disclosures made on related subjects in our subsequent reports on Forms 10-K, 10-Q and 8-K should be consulted. This discussion is provided as permitted by the Private Securities Litigation Reform Act of 1995, and all of our forward-looking statements are expressly qualified in their entirety by the cautionary statements contained or referenced in this section.

This Report contains references to our website. Information on our website is not incorporated by reference in or otherwise considered a part of this Report.

Unless this Report otherwise indicated or the context otherwise requires, the terms "M/I" or "M/I Homes" "our," "its," "we," and "us" refer to M/I Homes, Inc. and its subsidiaries.