



## **Environmental Policy**

[Adopted January 2022]

Forestar Group Inc. (“Forestar”, “the Company”, “we”, “our”) is a publicly traded residential lot development company headquartered in the United States of America, which is the only country in which the Company does business. Forestar is committed to environmental awareness and promoting ecologically friendly work practices to protect natural resources throughout the development process and all stages of its business activities. Environmentally responsible management strategies are integrated into our day-to-day business operations through educational training, utilization of systematic due diligence procedures and routine assessment of current pollution prevention best management practices. This Environmental Policy applies to all employees of Forestar, both full-time and part-time, and to employees of subsidiaries and joint ventures where Forestar has a controlling interest. To the extent reasonably possible, this Policy also applies to vendors, suppliers, and third-party contractors with whom the Company does business. The Nominating and Governance Committee of the Board of Directors is responsible for overseeing, reviewing and updating this Policy and its compliance, as appropriate. The Company welcomes feedback from all stakeholders on the contents, implementation and compliance of this Policy.

### **General Environmental Policy**

As a Company, we are dedicated to maintaining the following principles:

- The Nominating and Governance Committee and executive team are committed to promoting environmentally responsible values, sustaining full compliance with current environmental legislation and utilizing consistent processes to reduce environmental liabilities throughout the Company.
- Awareness of critical environmental issues is established during new employee orientation and reinforced through recurring training programs to ensure that all employees are empowered with the knowledge to fulfill their environmental responsibilities. The training curriculum covers key components of the Clean Water Act, Clean Air Act, Safe Drinking Water Act, Comprehensive Environmental Response Compensation and Liability Act and general pollution prevention and safety best practices.



- Comprehensive due diligence procedures have been established and are consistently followed to identify the environmental status of target land acquisitions and adjoining property, ensuring a clear understanding of any necessary subsurface investigations or potential remediation prior to commencing development.
- Routine assessments of development projects and field activities are conducted to ensure compliance with applicable requirements. Strategies for enhanced pollution prevention are identified and recommended for incorporation into current processes.
- Formal internal reporting and response procedures have been established and communicated to all employees to address any potential environmental impacts during our development and construction activities, including on-site response measures, the establishment of division-level compliance representatives and communication and coordination with municipal, state and federal agencies.
- We maintain a company-wide system hosted by SharePoint for tracking all outstanding environmental permits and supporting documentation.

Our level of dedication to these principles is communicated to third-party contractors, suppliers and vendors to set the expectation of full compliance while fulfilling their contractual obligations.

These principles will be reviewed annually, and improvements will be incorporated that enhance our Environmental Policy.

## Site Selection

The Company conducts monthly company-wide training, including a section dedicated to the acquisition and entitlement process. The training is mandatory for all new employees; however, all employees are encouraged to attend. As part of this monthly training (and other periodic acquisition-specific training seminars), the Company provides a detailed list of proposed factors to consider in selecting project sites and what due diligence measures should be taken. These measures include, but are not limited to, environmental site assessments (Phase I and II if necessary), wetlands investigations (jurisdictional determinations where necessary), geotechnical investigations, protected species and archaeological studies (general or site-specific depending on the particular site), density/product mix considerations, local zoning conditions (including environmental protection overlays) and community outreach.



Depending on the particular results of such measures, further investigations into these areas may be warranted or encouraged.

## Climate Considerations

As we identify parcels of land for potential development, we consider possible environmental and climate risks. Examples of risk considerations include, but are not limited to, the location of parcels, whether the parcels are in an area with high baseline water stress, and potential consequences that could arise after the development of sites from increased frequency or severity of weather events.

## Hazardous and Non-Hazardous Waste

As part of its commitment to the environment, Forestar sets a high standard requiring subcontractors to maintain clean work practices through compliance with all Federal, State and Local waste management standards. In turn, exposure of potential pollutants to outside sources is minimized.

## Water Resource Management

Forestar abides by the Clean Water and Safe Water Drinking Acts, which govern regulations for industry and help shape national water quality standards. We follow all regulations during the development of residential lots and communities.

In compliance with the Clean Water Act, we emphasize training to ensure our employees understand all required compliance obligations during land development operations. Application of Storm Water Pollution Prevention Plan (SWPPP) best management practices (BMPs) and collaboration with sub-contractors helps ensure National Pollutant Discharge Elimination System (NPDES) requirements are fulfilled, therefore minimizing offsite impacts. In addition, sustainable practices such as stormwater reuse for dust control and landscaping irrigation have been incorporated as a standard during active construction in certain markets. Similarly, post construction BMPs, such as bioretention basins, rain gardens and outfall restrictors, have been incorporated into engineering designs to help decrease flooding in post construction configurations.

Finally, we ensure that future homeowners in our communities will have access to clean water by constructing the infrastructure for water access via a municipal system or well and installing sanitary sewer systems.