



LERETA

**ESG  
Report**

Inclusivity, Responsibility  
and Social Consciousness

Published December 10th, 2021

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## Introduction

LERETA is committed to doing its part to improve today's environmental and societal challenges, control and reduce the environmental and societal impacts of its operations in line with our industry's best practices, better serve our customers and community and simultaneously outperform our competitors in the products and service we deliver to our customers.

## Environmental

LERETA does not own any properties and while our operations have a limited direct environmental impact, we are committed to doing our part to operate in **an environmentally sustainable, safe and healthy manner**. Here are some of our sustainability efforts:

- LERETA's offices in Pomona meet Title 24 California Building Standards Code for a remodeled building, which include a broad set of requirements for energy conservation, green design, construction and maintenance, fire and life safety, and accessibility that apply to the structural, mechanical, electrical, and plumbing systems. These include, but are not limited to:
  - **New roof coating:** PolyBrite 90.1 is a premium grade high solid, moisture cure, liquid applied silicone coating which cures to form a seamless membrane when applied over the entire roof area. It also keeps the surface cool, providing protection from ultraviolet sun and other weather exposures.
  - **HVAC:** All new state of the art Daikin air handlers and computer-controlled building management system
  - **Lighting:** Motion sensors throughout to reduce energy consumption, all LEDs for interior lighting and some LEDs for exterior lighting
  - **Window Coverings:** Mecho shades throughout on all exterior windows to reduce energy consumption
  - **Appliances:** EnergyStar® appliances in our kitchens. Installed sustainable coffee machines at office to eliminate single-use coffee machines and single-use pods
- **Recycling bins are available** in all communal kitchens and co-worker lounges
- To reduce paper usage, **information is retained electronically wherever possible**, and we have **reduced office printers** so as to discourage paper waste. It is also our policy to **require paper documents be shredded**, which also ensures proper controls associated with document security.
- We try to ensure the default settings on printers **include black and white and double page printing** to reduce paper and ink waste.

- We have reduced our corporate travel by **using video conferencing and virtual meetings.**
- We **recycle hardware and equipment** such as laptops, monitors, computers and other IT hardware.
- **32 %** of LERETA's workforce **works remotely on a permanent basis** with that number being higher during COVID-19, that reduces greenhouse gas emissions through commuting.
- **Implementation of recycling and waste management programs** in all office locations.

## LERETA OFFICES

Pomona Headquarters Pictured



## Social

At LERETA, we strive to create a culture where employees feel respected, valued, and connected to our purpose and with each other. **We are committed to providing benefits that support our employees and their families physical and mental well-being.**

### Compensation and Benefits:

- We offer competitive compensation and comprehensive benefits to all regular-full time employees, including but not limited to **paid holiday, vacation, and sick time, a 401K program, medical, dental and vision coverage, company-paid basic life, accident and disability coverage, and voluntary supplemental group coverage for life, accident, critical illness, hospital and identity theft.** We also offer employees a Medical and a Dependent Flexible Spending Account.
- Our medical coverage **includes the ability to use 24/7/365 online health access.**
- **Our health and wellness programs offer incentives for completing preventive health screenings, increasing physical activity, following healthy nutrition and engaging in healthy**



**lifestyles.** We send out weekly reminders to employees to log their points in order to receive credits toward these incentives as well as ergonomic and other tips.

- We provide **an Employee Assistance Program to all employees that is free, confidential and available 24/7.** The Employee Assistance Program offers a variety of services including professional counseling and an online portal with a resource library of articles, tools and webinars that address topics such as parenting, elder care and work-life balance.
- We offer a minimum wage to US based employees of \$15 per hour.



## Employee Engagement

LERETA uses periodic anonymous employee-wide surveys and the feedback from these surveys to measure the level of employee engagement and help enhance culture and the work environment.

## Employee Recognition

We offer a recognition program where we highlight and celebrate the team and individual successes of our employees. The Excellence Award is given every month to an employee nominated by their colleagues and voted on by all employees for their significant positive impact on the company or one of our customers. To show appreciation for excellent work our employees do every day, we have a peer-to-peer recognition program where co-workers can recognize a co-worker with a note of appreciation and employees can be awarded points for exemplary work that can be redeemed for hotels, select ticket events, gift cards and more.

## Employee Engagement Events

We believe in fostering a hardworking, but enjoyable and friendly work environment. We celebrate birthdays, work anniversaries and holidays. We host internal contests, quizzes and other challenges and

have continued to do so virtually while our employees work remotely. Prior to COVID-19 we hosted food truck days, outdoor games and holiday parties. Even while working remotely, we continue to host many fun employee events and celebrate holidays and culturally significant days with online celebrations.

## Internal Communication

We have a web site where we deliver information, post our policies, provide management tips and engage with employees. Our CEO sends out a company-wide monthly update to inform employees on how the company is doing financially, operationally, and in its sales activities and information technology enhancements. These emails also inform on employee promotions, outside recognition or awards of employees and any noteworthy employee accomplishments.

## Diversity and Inclusion

We embrace and value diversity in all its forms. At LERETA we understand that a diverse workforce and an inclusive culture are imperative for our long-term sustainability as an organization.

- Equal opportunity is integral to our recruitment process, as we aim to develop a community of diverse talent. Our recruitment efforts include an internal application process to encourage career paths for current employees and broad external postings on career sites such as Indeed, LinkedIn® and others to attract the broadest possible candidate pool.
- We are committed to providing an environment that is free from harassment and discrimination. LERETA has implemented a range of supporting policies to ensure that our employees are provided a safe, secure and attractive working environment. These include our Equal Employment Opportunity Statement, Sexual Harassment Policy and Anti-Harassment, Discrimination and Retaliation Policy, all of which are included in our Employee Handbook. LERETA also embraces an “open door policy” to encourage honest and direct communication to resolve issues and concerns in an expeditious manner.
- LERETA provides mandatory annual sexual harassment training.
- Currently, women represent 50% of our manager and supervisor roles and 47% of our manager and supervisor roles are led by minorities.
- We embraced a diversity and inclusion initiative of celebrating culturally significant holidays unique to the diversity of each of its worksites.
- Members of our team have been recognized in the industry:  
2021 HousingWire Insiders Award - Dionne McBride  
2021 Progress In Lending – 25 Most Powerful Women in FinTech – Jonnine Eras

## Safety In the Workplace

In keeping with LERETA’s commitment to safety in the workplace, the Company has a “zero tolerance” policy for actual or threatened violence against employees, customers, visitors, or any other person who

has contact with employees during the course of their duties. This policy is included in LERETA's Employee Handbook. The Company also complies with the requirements of the American with Disabilities Act and any applicable comparable state law.

## Community Involvement

LERETA also strives to be a good partner with the communities in which it is located. Our employees volunteer in many ways. They serve on boards of religious institutions. They cook and serve meals at a community homeless shelter and put together hygiene care packages. They are involved in Girl Scouts and donate and wrap toys for the holidays. While a majority of traditional volunteer activities were put on hold during 2020 due to the pandemic, our employees still found ways to give back and are looking forward to doing more in the upcoming year. For 2021 we surveyed our employees to select an organization in one of the communities where we are located to receive a company donation.



## COVID-19 Initiatives

In March 2020, the majority of our population (except for a core essential team) shifted from working in our offices to being full-time remote workers. **To help our people manage this transition we:**

- Provided the technology and equipment for employees to set up home offices.
- Provided tools to our managers and supervisors on how to keep remote employees engaged.

- Suspended face-to-face meetings, including client visits, as well as attendance at seminars and conferences.
- Supported greater flexibility for work-life balance for our employees.
- Implemented a number of procedures in an effort to promote a safe environment so that the employees feel comfortable working inside our offices, such as reminders to socially distance in the office, required the wearing of face coverings, encouraged frequent hand washing and required symptom and temperature checks prior to coming into the office and at the beginning of each workday. We offered gift cards to those demonstrating excellent social distancing and frequent hand washing.
- Provided all on-site employees masks and enhanced building cleaning that included regular disinfecting of high touch surfaces.
- Updated our policies and procedures to reflect new state and local requirements
- Continued to effectively communicate with our employees, clients, vendors and service providers via phone, text, email and video conferencing.

We **provided on-site COVID PCR testing and currently conduct symptom checks and provide a Voice Command Thermal Temperature Check** upon entry to our facilities.

We continue to deliver excellent service to our customers and supported our customers by continuing to **provide our newsletters of legislative updates and offering temporary complimentary services to support their activities.** We **surveyed our tax agency partners** to understand the impact COVID was having on their offices so that we could convey this information to our customers.

We continue to **monitor the recommendations and guidelines provided by the CDC, OSHA, federal, state and local governments** for guidance on COVID-19 best practices and to evaluate our continuing response to the COVID-19 pandemic.





## Governance

We are committed to a compliance and risk management approach that **ensures a framework that we believe is commensurate with the size, nature and complexity of our business.**

### Leadership

LERETA has a highly skilled management team that possess relevant experience and expertise. Our Executive Committee and Advisory Board are collectively responsible for the leadership, management and long-term success of the Company. The Executive Committee meets regularly with the Advisory Board to review our operations and discuss our business plans and strategies. Our managers and supervisors are, in turn, responsible for the day-to-day management or risk and implementation of appropriate risk management controls and procedures.

### Code of Conduct and Ethics

The management team as well as all employees are required to conduct themselves with the highest moral and ethical standards, informed by our Code of Ethics which is included in our Employee Handbook. Our Employee Handbook also includes our Sexual Harassment Policy, our Anti-Harassment, Discrimination and Retaliation Policy and our Whistleblower Policy, among others. Our employees and all newly hired employees are required to read and acknowledge receipt of our Employee Handbook annually. One of our core principles is to always comply with both the spirit and letter of the law.

### Internal Policies

To demonstrate our commitment to governance we have formalized and adopted a number of internal policies such as Information Security, Incident Response, Business Continuity and Disaster Recovery, Records Retention, Pandemic Plan, and Fraud.

### Learning and Development

The training and development of our employees is designed to meet the needs of our employees to perform their responsibilities, ensure compliance with applicable laws and regulations and provide individuals with growth opportunities. All employees are required to take sexual harassment and data privacy and security training on an annual basis. Other courses are assigned as relevant to an employee's duties.

### Customer Engagement

We post articles, white papers and blogs on LinkedIn to provide helpful information to mortgage and other financial services companies on issues related to tax and flood tracking. We send a quarterly newsletter to clients with news and updates.

## Data Security and Protection and Privacy

The trust of our clients and employees in the security of the information we handle for them is of critical importance. We are committed to maintaining **an information security program that endeavors to protect the integrity and confidentiality of the company's, its employees and its customer's data.**



### Information Security

LERETA's security programs have strong board and senior management level support. Integration of security activities and controls are present throughout LERETA's business processes. The process is designed to identify, measure, manage, and control the risks to system and data availability, integrity, and confidentiality, and to ensure accountability for system actions. In order to support our information security efforts we continuously invest in tools, resources, security controls and personnel to safeguard information and our systems.

- For example, LERETA has implemented multifactor authentication for all LERETA personnel and third parties' access to LERETA's network and infrastructure, end point protection/anti-malware solution established on all LERETA infrastructure, improved virus scanning, filtering, and SPAM protection. We have engaged in an email security awareness campaign for all personnel to educate on phishing exploits. Security controls also include virtual private network (VPN) access, long passwords and screen saver timeouts.
- Our Chief Information Security Officer (CISO) oversees all matters related to information security, including compliance with our contractual and legal requirements.
- LERETA obtains a SOC1 Type2 report that demonstrates to our customers that we are taking the appropriate steps to protect their data and the data of the customers with whom they do business.

- All employees are required to take data privacy and security training on an annual basis.

## Business Continuity and Disaster Recovery

Our Business Continuity and Disaster Recovery Plan includes measures to ensure effective recovery of our business IT infrastructure and systems in the event of a human-induced or natural disaster.