We are one of the largest publicly traded homebuilders in the United States. Headquartered in Scottsdale, Arizona, we are also a land developer, with a portfolio of lifestyle and master-planned communities serving 21 markets in nine states. We operate under two brands—Taylor Morrison and Darling Homes.

We are committed to integrating sustainable values into all aspects of our business. The homes and communities we build have a lasting positive impact on our customers, the public and the environment. It is our top priority to be a responsible steward for all our stakeholders.
We are delighted to present this inaugural report on Corporate Responsibility for 2018. This report is intended to showcase in a single format how we make corporate responsibility core to our business. We reference the Global Reporting Initiative (GRI) and Sustainability Accounting Standards Board (SASB) standards in several instances in this report. As our business grows, we intend to continue to develop our sustainability reporting practices in alignment with leading ESG reporting standards.

This material references GRI Standards indicators: 102-50; 102-51; 102-52; 102-14; 102-1; 102-2; 101-3; 102-4; 102-6; 102-7; 102-18; 102-16; 201-1; 102-40; 102-42; 102-43; 401-1; 304-1; 304-3; 403-2, 404-1.

Inquiries about our sustainability practices and policies can be directed to ESG@taylormorrison.com
Dear Taylor Morrison Stakeholders,

With a century-long history of building communities, every year marks another opportunity to add a new and exciting chapter to Taylor Morrison’s story. Since the start of 2018, we became a fully floated public company following the exit of our former private equity owners, reinvented our board and acquired a midsize publicly traded homebuilder. One of the keys to our continued, sustainable growth is consistent transparency and accountability. That’s why I’m excited to share this report as part of our commitment to candid communication—and the self-reflection that comes with telling our story.

Developing communities with the utmost respect and care for the environment is already part of our DNA. But we wanted to do better—and include more of our stakeholders in the process. We recently formed a strategic partnership with the National Wildlife Federation (NWF), America’s largest and most trusted conservation organization. NWF has been advocating for wildlife since 1936 and fighting for the conservation values that are woven into the fabric of our nation’s collective heritage. Together, we are working to preserve, restore and protect thriving wildlife habitats in the open space within our own communities—and we are inviting our customers and team members to connect with the wonders of nature in their own backyards, too.

In the past year, we appointed three new independent directors to our board. The selection process was an occasion to demonstrate our approach, which is based on doing what is right, not just meeting minimum standards. We stayed true to our governance and recruitment philosophy of selecting the best person for the job and formed a board with equal gender representation—a rarity in corporate boards in any industry. Although this closely mirrors our company team member makeup, we continue to aspire to do even better for our company by working to improve our ethnic diversity and thought leadership from more diverse fields.

Developing communities with the utmost respect and care for the environment is already part of our DNA.
Finally, I am thrilled to have accepted the role of chairman of the board for the 2019-2020 term for HomeAid America, a nonprofit partner we team up with to build and renovate homeless shelters in our surrounding communities. Together, we provide transitional housing for individuals and families who face homelessness and look to local shelters for support.

As I reflect on the past year, I’m proud of how we conduct business with the values of every one of our stakeholders in mind. This is the strength that binds Taylor Morrison together as an organization. I look forward to sharing our progress in even greater depth in the years to come, and I welcome any feedback you would like to share on this inaugural report.

Warmly,

Sheryl D. Palmer
Chairman and CEO
Fortune’s World’s Most Admired Companies

We were named by Fortune Magazine as one of the World’s Most Admired Companies® for 2019 and No. 3 among homebuilders. The prestigious annual ranking is based on an independent survey of top leaders from 680 companies in 30 countries, measuring key indicators of company performance and reputation.
Our Company and Strategy

We are passionate about designing and creating superior communities and building quality homes that our customers aspire to live in, all while driving long-term shareholder value. Our long-term strategy is built on four pillars:

- Pursuing core locations
- Building distinctive communities driven by consumer preferences
- Maintaining a cost-efficient culture
- Appropriately balancing price with pace in the sale of our homes

We believe the Taylor Morrison difference begins by providing our customers with homes that are both conducive to their lifestyles and built to last, prioritizing our commitment to our homeowners’ long-term satisfaction. Delivering on this commitment involves thoughtful design and research to accommodate the needs of our diverse customers and surrounding communities.

Portfolio of Brands

For more information, please visit taylormorrison.com

See our 2018 Annual Report investors.taylormorrison.com
Our Roots

1880
George Wimpey establishes stoneworking business in the U.K.

1952
Taylor Woodrow begins two decades’ worth of construction at London Heathrow Airport

1921
16-year-old Frank Taylor builds two homes in Blackpool, England

1954
Taylor Woodrow has construction projects underway on every continent

1974
Taylor Woodrow and George Wimpey become two of five contractors to construct the Channel Tunnel (soon to be known as the Chunnel)

1984
George Wimpey acquires American homebuilder Morrison Homes

For our complete company history, please visit taylormorrison.com/timeline
1992
Taylor Woodrow Construction builds Main Street USA at Disneyland® Paris

2008
Taylor Morrison becomes the Official Builder of the Dream Home at Innoventions in Disneyland® Park

2012
Taylor Morrison purchases Texas homebuilder Darling Homes

2018
Taylor Morrison becomes a fully floated public company following the exit of our former private equity owners, and acquires AV Homes (NASDAQ: AVHI)

2007
George Wimpey and Taylor Woodrow merge to form Taylor Wimpey in the U.K. and Taylor Morrison in the U.S.

2011
Taylor Morrison is acquired from Taylor Wimpey by a private equity group led by TPG and Oaktree Capital

2013
Taylor Morrison becomes a public company listed on The New York Stock Exchange (NYSE: TMHC)
Our Markets and Financial Performance

Markets
Two brands serving 21 markets in nine states

Financial Performance in 2018

- 57,000+ Lots owned or controlled
- 8,760 Homes delivered
- Average communities: 307
- Total revenue: $4.2 BILLION
- Average sales price: $470,000
Our Key Stakeholders

We identify our key stakeholders based on the significance of their impact to our business, operations and communities. We have listed those stakeholders below and regularly engage with them through various channels.

Customers
We pride ourselves on our customer research and engagement. We conduct customer surveys regularly and use the feedback received to incorporate strategic changes in our business to improve the customer experience.

Love the Customer

Employees
We conduct annual employee engagement surveys through a third party to measure employee motivation, satisfaction and confidence in our organization and its leadership.

Trade Partners and Suppliers
We build trust with our suppliers and trade partners through regular engagement, review of contracts and requests for feedback on how to be their builder of choice.

Communities and Governments
We engage with community leaders and officials, public policymakers and legislators at every level of government to ensure that we can deliver on our promise to build communities of enduring value. Through our industry-leading Taylor Morrison Building Strong Business Political Action Committee, we make strategic decisions to support candidates for public office whose philosophy and vision for our industry align with ours. It’s critical that the issues that matter most to our company and industry are heard by those in positions of influence.

Nonprofit Partners
Our primary nonprofit partners, HomeAid America and the National Wildlife Federation, collaborate with us on projects nationwide. We engage with their executives as well as operational leaders in order to advance our shared missions.

Investors
Our CEO, CFO and head of Investor Relations routinely meet our key investors from around the world, and present at major investor conferences across the country.
As a responsible developer and homebuilder, we are dedicated to building communities with long-term, sustainable value. We invest care and consideration into developing in core locations, building energy-efficient homes, creating thriving open space, and providing lifestyle-relevant amenities.
Protecting Open Spaces and Wildlife Habitats

We recently formed a partnership with the National Wildlife Federation (NWF), America’s most trusted conservation nonprofit dedicated to educating and inspiring people across the country to save wildlife.

Together, we are working to establish Certified Wildlife Habitats™ in parks and open spaces that we set aside in our communities. We are applying NWF’s esteemed wildlife habitat certification standards, which are designed to promote native plants, wildlife and pollinators that are vital to ecosystems. To ensure these habitats are preserved for future generations to enjoy, we are also creating Habitat Management Plans to guide homeowner associations in long-term habitat preservation in communities we build.

NWF is building a monarch butterfly conservation network across the United States to help save this iconic migrating pollinator. We are leveraging our coast-to-coast footprint to create monarch butterfly habitats in our model home parks and open spaces. The gardens provide an opportunity to engage our teams and customers in an accessible—and beautiful—conservation activity.

We are also working together to design Early Childhood Health Outdoors (ECHO) nature playscapes for select communities in lieu of traditional playground equipment. Developed by NWF and the Natural Learning Initiative at North Carolina State University, ECHO playscapes incorporate research-based designs that engage children in healthy outdoor play. Playscapes incorporate native natural materials that add visual appeal while reducing the use of plastics and other traditional playground materials. Elements of these playscapes include stones and boulders for climbing, sensory gardens for exploration, and circular pathways that encourage continuous motion.

Taylor Morrison owned, controlled, or managed 8,000+ acres of open space and areas in or adjacent to areas of high bio-diversity value in 2018.
Case study – Skyestone

Skyestone, an amenity-inspired 55+ community in Colorado, sits between the rugged Rocky Mountains and vibrant metropolitan Denver. The community’s amenity center—The Lodge—has a neighboring natural pond skirted by cottonwood trees that provide a feeding and nesting habitat for native birds. Fallen trees near the water’s edge prompted some resident calls to remove the dead material for aesthetic purposes. But we recognized the value in leaving the habitat undisturbed. Instead of removing the trees, we reached out to residents to communicate why we had preserved the pond’s ecosystem. Residents embraced the effort and the pond remains a bustling bird-watching area for residents to enjoy.
Taylor Morrison values the importance of redeveloped land and the positive impacts it has on communities and the environment. For example, we transform vacant, previously developed commercial parcels or brownfields into vibrant communities with sensitivity to natural habitats and effects on urban population. This type of development adds economic value to unused areas in both urban and suburban environments, often aiding areas challenged by lack of housing supply.

We take pride in the preservation and stewardship of open space in our communities. We believe that healthy, natural environments are key to long-term, sustainable communities that inspire resident stewardship.

3,200+ homes built on redeveloped sites in 2018
1,600+ acres of preserve or open space dedicated in 2018
Resource Efficiency

Our environmental footprint includes the initial and long-term impact of the homes we design and build. We leverage our supply chain to deliver materials and features that meet or exceed our customers’ demand for home efficiency. Taylor Morrison is a proud Energy Star® partner, focused on material waste reduction through value engineering efforts that maximize the efficiency of our home designs and build process.

Our value engineering team conducted a comprehensive review of floorplans and building practices to identify opportunities to streamline both. During the design phase, the team modified architectural designs to reduce materials while maintaining structural integrity. Improved processes during the construction phase increased the accuracy of material delivery verification, and training on material use according to design specifications further reduced material waste and reorders.

Our Elem3nts® program aims to build energy-efficient homes by utilizing technology and building methods that reduce the carbon footprint of our homes. Taylor Morrison uses innovative building products such as higher R-value insulation, radiant barriers, jump ducts and low-E windows to achieve a low Home Energy Rating System (HERS) score. This nationally recognized benchmark helps customers quickly assess the energy efficiency of the homes we build.

Water resource efficiency is a fundamental consideration in the design and construction of our homes, with 11 divisions installing EPA labeled WaterSense fixtures in 79 percent of our communities on average. We also offer tankless water heaters to further increase our homes’ water and energy efficiency.

All of our communities in California are now being built ‘solar-ready.’ At Del Mar Station in Sacramento, we offered an 8-panel 2.25 kilowatt solar system that is owned—not leased—as a standard feature included within the base price of each floorplan. The offering has broadly appealed to our homebuyers for both the long-term financial and environmental value it provides.

<table>
<thead>
<tr>
<th>16,000+</th>
<th>1,500+</th>
<th>4,000+</th>
</tr>
</thead>
<tbody>
<tr>
<td>Energy Star® appliances installed in our homes in 2018</td>
<td>homes built by our Phoenix division received an Energy Star® home certification</td>
<td>Taylor Morrison homes received—on average—a RESNET HERS score of 69</td>
</tr>
</tbody>
</table>

For more information, please visit taylormorrison.com/elements
## Environment Metrics

<table>
<thead>
<tr>
<th>SASB Topic</th>
<th>Code</th>
<th>Accounting Metric</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Climate Change Adaptation</strong></td>
<td>IF-HB-420a.1</td>
<td># of lots located in FEMA 100-year floodplain</td>
<td>0</td>
<td>1</td>
<td>83</td>
</tr>
<tr>
<td></td>
<td>IF-HB-420a.1</td>
<td># of homes delivered in FEMA 100-year floodplain</td>
<td>0</td>
<td>0</td>
<td>67</td>
</tr>
<tr>
<td><strong>Design for Resource Efficiency</strong></td>
<td>IF-HB-410a.1</td>
<td># of homes receiving a HERS index score</td>
<td>3,285</td>
<td>4,120</td>
<td>4,054</td>
</tr>
<tr>
<td></td>
<td>IF-HB-410a.1</td>
<td>Average HERS score</td>
<td>67</td>
<td>69</td>
<td>69</td>
</tr>
<tr>
<td></td>
<td>IF-HB-410a.2</td>
<td># of divisions installing EPA WaterSense fixtures</td>
<td>9</td>
<td>10</td>
<td>11</td>
</tr>
<tr>
<td></td>
<td>IF-HB-410a.2</td>
<td>% of fixtures installed to EPA WaterSense specifications</td>
<td>87%</td>
<td>82%</td>
<td>81%</td>
</tr>
<tr>
<td></td>
<td>IF-HB-410a.3</td>
<td># of homes delivered to a multi-attribute green building standard (i.e. Energy Star, LEED etc.)</td>
<td>2,216</td>
<td>2,246</td>
<td>2,920</td>
</tr>
<tr>
<td><strong>Land Use &amp; Ecological Impacts</strong></td>
<td>IF-HB-160a.1</td>
<td># of homes delivered on redevelopment sites</td>
<td>1,766</td>
<td>1,940</td>
<td>1,831</td>
</tr>
<tr>
<td></td>
<td>IF-HB-160a.2</td>
<td># of homes delivered in regions with high or extremely high baselines water stress</td>
<td>1,789</td>
<td>1,997</td>
<td>3,244</td>
</tr>
<tr>
<td><strong>Community Impacts of New Developments</strong></td>
<td>IF-HB-410b.2</td>
<td># of lots and homes delivered on infill sites</td>
<td>1,906</td>
<td>1,983</td>
<td>3,055</td>
</tr>
<tr>
<td></td>
<td>IF-HB-410b.3</td>
<td># of homes delivered in compact developments</td>
<td>280</td>
<td>331</td>
<td>446</td>
</tr>
<tr>
<td></td>
<td>IF-HB-410b.3</td>
<td>Average density of compact developments (DU/acre)</td>
<td>5.0</td>
<td>7.3</td>
<td>4.9</td>
</tr>
<tr>
<td>Topic</td>
<td>Metric</td>
<td>2016</td>
<td>2017</td>
<td>2018</td>
<td></td>
</tr>
<tr>
<td>-----------------------------------</td>
<td>------------------------------------------------------------------------</td>
<td>------------</td>
<td>------------</td>
<td>------------</td>
<td></td>
</tr>
<tr>
<td>Energy</td>
<td># of Energy Star® Appliances installed</td>
<td>14,779</td>
<td>15,354</td>
<td>16,346</td>
<td></td>
</tr>
<tr>
<td></td>
<td># of homes with Solar installed</td>
<td>39</td>
<td>92</td>
<td>81</td>
<td></td>
</tr>
<tr>
<td></td>
<td># of Zero Net Energy homes</td>
<td>0</td>
<td>26</td>
<td>7</td>
<td></td>
</tr>
<tr>
<td>Biodiversity (GRI 304-1; 304-3)</td>
<td># of acres of preserve or open space dedicated</td>
<td>1,399</td>
<td>754</td>
<td>1,675</td>
<td></td>
</tr>
<tr>
<td></td>
<td># of acres owned, controlled, or managed in or adjacent to protected areas and areas of high biodiversity value</td>
<td>5,640</td>
<td>7,815</td>
<td>8,113</td>
<td></td>
</tr>
<tr>
<td></td>
<td># of acres of habitat protected or restored</td>
<td>36</td>
<td>23</td>
<td>209</td>
<td></td>
</tr>
<tr>
<td>Waste Reduction &amp; Recycling</td>
<td># of divisions incorporating recycling into their standard job site processes</td>
<td>11</td>
<td>11</td>
<td>11</td>
<td></td>
</tr>
<tr>
<td></td>
<td>% of communities incorporating recycling into their standard job site processes</td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Recycling sorted (cubic yards)</td>
<td>425,800</td>
<td>400,800</td>
<td>492,630</td>
<td></td>
</tr>
<tr>
<td>Community Impacts</td>
<td>School related fees paid</td>
<td>$9,946,840</td>
<td>$10,479,317</td>
<td>$11,364,055</td>
<td></td>
</tr>
<tr>
<td></td>
<td># of Below Market Rate (BMR) affordable homes delivered</td>
<td>3</td>
<td>10</td>
<td>9</td>
<td></td>
</tr>
</tbody>
</table>

2 Redevelopment sites are defined as those sites with a previously developed use other than agricultural.
3 High baseline water stress measures the ratio of total annual water withdrawals to total available annual renewable supply accounting for upstream consumptive use. High stress resources are as per Aqueduct Water Risk Atlas.
4 Infill sites defined as those sites in areas that are largely developed.
5 Compact developments are defined as those sites with 7 or more dwelling units per acre, such as cluster developments, mixed-use developments and traditional neighborhood developments.
6 Under the California Long-Term Energy Efficiency Strategy Plan, all new residential buildings in California are required to be Zero Net Energy (ZNE) by 2020. At Taylor Morrison, we began ZNE home construction in 2017.
Our Community Impact

Building the Foundation for Stronger Communities

The Taylor Morrison Foundation is dedicated to fighting homelessness in the communities in which we operate. We are uniquely positioned to support this cause by using our industry skills and resources to build and remodel multi-unit shelters. We are partners in this endeavor with local chapters of HomeAid America—a building industry nonprofit and one of the nation’s largest builders of housing for the homeless. Our collaboration, together with local building industry associations, enables shelter providers to serve more people in need of temporary or transitional housing.

Our company, the Taylor Morrison Foundation and our team members have contributed funding and volunteer hours to support HomeAid shelter housing projects. Several of our division presidents have served, and currently serve, on local chapter boards of directors.

In spring 2018, our Sacramento division volunteered for a renovation project benefitting Sacramento’s military veterans, in partnership with HomeAid Sacramento and Volunteers of America. A 12-unit apartment building received much-needed remodeling along with new furnishings to create beautiful, move-in ready homes for veterans and their families.

Taylor Morrison, HomeAid Atlanta and members of the Greater Atlanta Homebuilders Association, partnered for a HomeAid Care Day at Covenant House Georgia, a shelter for homeless and trafficked youth. The work and in-kind material donations provided through this effort were valued at more than $27,000, funds that the service provider needed for the essential improvements.

For more information, please visit taylormorrison.com/homeaid

9 Taylor Morrison Divisions and the Corporate office participated in HomeAid volunteer projects

HomeAid Atlanta

After serving on HomeAid America’s national board of directors since 2017, our Chairman and CEO, Sheryl Palmer, assumed the role of chairman of the HomeAid America board for the 2019-2020 term. The goal of this deepened engagement is to amplify Taylor Morrison’s efforts, create new chapters in key markets and continue to drive HomeAid’s mission to build new lives for America’s homeless.

For more information, please visit taylormorrison.com/homeaid
Phoenix Division
Volunteers

Employee Volunteer Hours

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hours in 2016</td>
<td>833</td>
<td>1,691</td>
<td>3,197</td>
</tr>
<tr>
<td>Hours in 2017</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Hours in 2018</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Number of Volunteers

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
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<tbody>
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<td></td>
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<td>2016</td>
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<td></td>
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<tr>
<td>2017</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2018</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>220</td>
<td>363</td>
<td>373</td>
</tr>
</tbody>
</table>
Our People

When we reflect on our long-term success, we can trace everything back to building a people-first organization. We must nurture a capable and caring workforce to best serve our customers and other stakeholders.

For four years running, Taylor Morrison has been recognized as America’s Most Trusted® Home Builder by Lifestory Research®—an unprecedented achievement. The independently validated award is based on surveys of consumers actively shopping for a new home, who are asked to rate the trustworthiness of more than 100 homebuilders in the U.S.

After learning that we claimed this honor once again, we did not choose to rest. Instead, we made a bold commitment to refine our customer experience even more. We partnered with a world-renowned customer service leader to evaluate and redesign our training and service practices to ensure they exceed evolving customer expectations.

Workforce Diversity

While homebuilding has traditionally been known as a male-dominated industry, Taylor Morrison has been recognized for creating a gender-diverse workforce. Sheryl Palmer, the only woman to head a publicly traded homebuilder, has led Taylor Morrison for the last 11 years, growing the workforce to a nearly equal male-to-female representation (54 and 46 percent, respectively) over the last few years.

Women across our company comprise:

<table>
<thead>
<tr>
<th></th>
<th>33%</th>
<th>47%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Senior leadership</td>
<td>of</td>
<td>of</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

More than any recruiting initiative, it has been key for us to demonstrate that there is an open door and a path to leadership for all team members at any level in our company.

Investing in Our Team Members

At year-end 2018, we directly employed more than 2,200 people, growing by nearly 20 percent over 2017 due largely to acquisition activities. We invest in not only recruiting and retaining the most talented professionals in the industry, but in building our workforce from within through training, development, and career advancement.

Our employee value proposition—TMliving—is based on three core tenets inspired by employees’ passion and the value system we hold:

- Spirit and Pride
- Community and Giving
- Health and Wellness
Glassdoor Top CEO and Best Places to Work

CEO Sheryl Palmer was named a Top CEO in 2018 in the Glassdoor Employees’ Choice Awards. Among the 770,000 companies reviewed on Glassdoor, the average CEO approval rating was 69 percent—Palmer’s was 96 percent. She is the only CEO in the homebuilding industry to earn such a distinction and one of three women in the Top 20. Taylor Morrison was also named one of Glassdoor’s 100 Best Places to Work for 2018, an honor based on company reviews shared by employees.

Bloomberg Gender Equality Index

Taylor Morrison recently joined the ranks of 230 companies selected for the 2019 Bloomberg Gender-Equality Index (GEI), which distinguishes companies committed to transparency in gender reporting and advancing women’s equality. Bloomberg’s standardized reporting framework offers public companies the opportunity to disclose information on how they promote gender equality. Taylor Morrison scored above a globally-established threshold, based on the extent of disclosures and the achievement of best-in-class statistics and policies, in order to be included in the GEI. Taylor Morrison joins the ranks of respected companies in gender equality including Adidas, AT&T, Bank of America, Campbell Soup Company, The Estee Lauder Companies, GAP, Scholastic and Visa.
**Employee Engagement Surveys**

We conduct annual employee engagement surveys through a third party to measure employee motivation and confidence in our organization and its leadership. Specifically, we assess three indicators of engagement: retention, satisfaction, and pride. Our engagement score gauges employees’ degree of understanding of Taylor Morrison’s strategy, the degree to which it inspires them, their trust that we can achieve it and confidence in leadership’s ability to drive this strategy forward.

<table>
<thead>
<tr>
<th>2018 Survey Scores (Out of 10)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Engagement</td>
</tr>
<tr>
<td>Retention</td>
</tr>
<tr>
<td>Satisfaction</td>
</tr>
<tr>
<td>Pride</td>
</tr>
</tbody>
</table>

We will continue working to improve the factors that drive employee engagement and satisfaction, as we believe that an engaged and enthusiastic workforce is key to achieving our performance goals.

**Training and Development**

We believe it is in the best interest of the company and our team members to effectively match career aspirations, skills and strengths to appropriate internal opportunities. Our goal is to encourage internal transfers and promotions wherever possible. We offer tools such as career path profiles that serve as roadmaps for advancement in various fields and that encourage employees to drive their careers forward with us.

**Tuition Assistance**

We offer qualifying employees the opportunity to take an undergraduate or graduate course for academic credit at no tuition cost. In addition, employees may be eligible to receive a 30 percent tuition savings with a national partner and waived application fee. These benefits also extend to immediate family members of qualifying employees. Taylor Morrison also reimburses 50 percent of role-relevant tuition, books and lab fees—upon completion of courses—up to a calendar year maximum of $5,260 per employee.

**Emergency Assistance**

We recognize that life-altering events can significantly impact the lives of our valued team members, and we help to ensure they are cared for and able to return to work when they are ready.

Through the Taylor Morrison Care Fund—administered by the St. Louis Foundation—our team members can confidentially request and receive up to $2,000 three times throughout their career with Taylor Morrison for relief and assistance with qualifying events, including: natural disasters; serious illnesses or injuries; death of an immediate family member or other extreme circumstances that impact a team member’s ability to cover basic living expenses.

**Employees by Age**

<table>
<thead>
<tr>
<th>Year</th>
<th>&lt; 30</th>
<th>30–50</th>
<th>50+</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>31%</td>
<td>58%</td>
<td>11%</td>
</tr>
<tr>
<td>2017</td>
<td>32%</td>
<td>57%</td>
<td>11%</td>
</tr>
<tr>
<td>2018</td>
<td>32%</td>
<td>57%</td>
<td>11%</td>
</tr>
</tbody>
</table>

**Employee New Hires and Turnover**

<table>
<thead>
<tr>
<th>Year</th>
<th># of Employees</th>
<th>New Hires</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>1788</td>
<td>543</td>
</tr>
<tr>
<td>2017</td>
<td>1844</td>
<td>433</td>
</tr>
<tr>
<td>2018</td>
<td>2281</td>
<td>915</td>
</tr>
</tbody>
</table>
Our Commitment to Workplace Health & Safety

Our top priority is to protect the safety of our employees, trade partners, customers and neighbors. Rigorous safety training, audits and awareness campaigns have and always will be a core focus for our operations.

Site safety
We conduct two annual, third-party health and safety audits at each division focusing on site conditions, subcontractor compliance with health and safety practices, Stormwater Pollution Prevention Plan (SWPPP) compliance and recordkeeping.

We recently amplified our customer safety communications to improve compliance with our policy of appointment-only construction site visits. We paired this effort with increased enforcement and surveillance measures to reduce risk to our customers and other visitors.

Training is Key
Our vision of a safe working environment is one in which every team member feels respected—personally and professionally. We are most effective when we lead with integrity and empower each other to reach our full potential. This includes taking proactive measures to protect team members from hazards of any nature.

To ensure all team members are working from the same set of safety practices and ethical standards, some training courses are mandatory, and tracked and reported to our Chief People Officer and division leadership. This includes Workplace Safety (online and tailored to job function); Cyber Security (online); and Mitigating Risk (anti-harassment training—online course for non-managers, in-person for managers). To ensure accountability, all safety training compliance figures are also reported to executive leadership and our board of directors.

In addition to online health and safety training, team members have access to first aid, Bloodborne Pathogens (BBP), and CPR training locally.

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Recordable injury rate</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Direct employees</td>
<td>.058</td>
<td>.113</td>
<td>.295</td>
</tr>
<tr>
<td>Contractors</td>
<td>.07</td>
<td>.10</td>
<td>.07</td>
</tr>
<tr>
<td>Recordable fatality rate</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Direct employees</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Total safety training hours</td>
<td>1,376</td>
<td>1,889</td>
<td>3,433</td>
</tr>
<tr>
<td>Total training hours</td>
<td>4,112</td>
<td>11,371</td>
<td>29,531</td>
</tr>
<tr>
<td>Percentage of the organization operating in verified compliance with an internationally recognized health and safety management system (OSHA)</td>
<td>100</td>
<td>100</td>
<td>100</td>
</tr>
<tr>
<td>Internal safety audit scores</td>
<td>95%</td>
<td>95%</td>
<td>92%</td>
</tr>
</tbody>
</table>
We believe that strong financial performance and sustainable business practice begins with sound, responsible governance that values doing the right thing. Our approach to corporate governance involves a commitment to independent oversight, transparency and communication, board diversity, and ethics and integrity in everything that we do.
Independent Oversight
Oversight of our business—most importantly our strategic direction and the management of our key business risks—starts with independent decision-making at our board of directors. In 2018, following the exit of our former private equity owners, our board transitioned from sponsor control to full independence (other than our one management director, who is our Chairman and CEO). Our seven independent directors each serve on at least one of our fully independent standing board committees—our audit committee, compensation committee and nominating and governance committee.

Transparency and Communication
We are committed to full transparency in how our company is governed, including communicating our strategy and key risks with our investors and other stakeholders. We also believe in communicating about important developments relating to our company on a timely basis, both externally and internally. This report is an example of proactive ESG communication, which we intend to develop in greater depth as we grow.

Board Diversity
We know that when diverse groups get together, they make better decisions. Our board is led by Chairman and CEO Sheryl Palmer, the only woman to lead a public homebuilding company, who is joined by three other female directors. In addition to this industry-leading diversity, members of our board bring a broad array of skills from a variety of different industries and business backgrounds, including media, finance, real estate operations, retail, consulting, accounting and government service. Our most recently appointed director, a former U.S. Senator, provides us with a unique ability to navigate the increasingly complex regulatory framework that applies to our business.

Managing Sustainability Risk and Reporting
- Our Enterprise Risk Management (ERM) Committee, which consists of senior management, reviews and assesses our key risks, including environmental, human capital and general business risks and reports to our board of directors.

- Our corporate Portfolio Investment Committee (PIC) meets to consider each land investment we make and, among other things, reviews the environmental impact of each project, including: consideration of Phase 1 ESAs, wetland impacts and mitigation, and 404 permitting.

- A cross functional team works to drive sustainability initiatives and enhanced reporting.

Ethics and Integrity
Our mission, vision and corporate values, combined with our corporate governance structure, are essential to serving our stakeholders with integrity. Our Code of Conduct and Ethics, which applies to our corporate officers, our board and all of our employees, drives our daily business decisions and is governed by our five Core Values:
- Trust & Integrity
- Diversity & Inclusion
- Best in Class Customer Experience
- Operational Excellence
- Community Responsibility

Our Ethics Hotline is directly accessible on our company website and across our offices. We communicate to our employees and other stakeholders not only the importance of compliance with our Code of Conduct and Ethics but also the availability, use and importance of the Ethics Hotline. We never tolerate retaliation against anyone who makes a good faith report of suspected wrongdoing.

For more information about our board of directors and corporate governance, please visit investors. taylormorrison.com/corporate-governance/highlights

For more information on our Code of Conduct and Ethics and our Core Values, please visit https://taylrm.sn/corevalues