2019 ENVIRONMENTAL SOCIAL AND GOVERNANCE (ESG) REPORT

INSPIRED BY GOOD.™
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Dear Taylor Morrison Stakeholders,

I often say we build communities—literally and figuratively. And at Taylor Morrison, we strive not only to be a good neighbor and responsible steward in the communities we call home but also to build the bonds of community with one another.

With a 100-year plus legacy of building communities, each year represents a new opportunity to add to our story, and this report marks our second year of sharing how Environmental, Social and Governance (ESG) principles and the management of ESG risk are ingrained into our culture.

In the past year, we deepened our commitments and exclusive partnership with the National Wildlife Federation (NWF), the nation’s largest and most trusted conservation organization. NWF helps us preserve, restore and protect wildlife habitats in our communities by getting our customers and team members involved. We also strengthened our partnership with HomeAid America, who we team up with to build and renovate homeless shelters in our communities. Many of our divisions have led the creation of local HomeAid chapters in their cities, and I have the honor of serving as chairman of the HomeAid national board.

Our tremendous culture, which we affectionally call TMLiving, was reaffirmed through several awards and accolades we received, including Glassdoor’s Best Place to Work, Fortune’s World’s Most Admired Companies and Bloomberg’s Gender Equality Index—all for a second year—and an unprecedented fifth consecutive year as America’s Most Trusted® Home Builder by Lifestory Research.

Our approach to governance, led by our board, remained focused on strong and strategic oversight of our business and key risks. In early 2019 we appointed one independent director, and following the successful acquisition of William Lyon Homes in early 2020—which propelled us into the position of the nation’s fifth-largest homebuilder—we welcomed two additional directors to our board. The diversity not only in experience, but also in gender, is a rarity in corporate boards across any industry.

When I look back over these past twelve months and the impact we have made in our communities, I am filled with nothing but pride. Yet, as I write this letter in April of 2020, the world is looking quite different. COVID-19 (coronavirus) is dominating our news headlines, overcrowding our hospitals and filling the world with a great sense of uncertainty for what lies ahead.

For many businesses, Taylor Morrison included, COVID-19 is uncharted waters. With suggested guidelines and protocols changing daily, and even hourly, we have had to take proactive and preventive measures for the best interest of all our stakeholders—team members, trades, customers and the public at large. While transparent, timely communication and an emphasis on health and safety have always been
two of our guiding principles, in light of recent events, each has become more important than ever before. Seemingly overnight, we undertook a major change in the way we conduct our business by taking much of our organization virtual, both in the way our team members work and in the way we service our customers. Through it all, I believe our quick response and ability to adapt amid COVID-19 underscores the continuity of our business plans and our approach to enterprise risk management.

When it comes down to what is truly important, my mind instantly goes to one word: community. In good times—and in bad—when we work together and conduct our business with all of our stakeholders in mind, we positively impact the communities around us.

Warmly,

Sheryl D. Palmer
Chairman and Chief Executive Officer
About Us

We are the fifth largest publicly traded homebuilder in the United States. Headquartered in Scottsdale, Arizona, we are also a land developer, with a portfolio of lifestyle and master-planned communities serving 22 markets in 11 states. We operate under three brands—Taylor Morrison, Darling Homes and William Lyon Signature Series.
At Taylor Morrison, we do what we say we will and deliver on our commitments—that is how we have been doing business for more than 100 years. Our five core values demonstrate our commitment to encourage an environment of high ethics and high performance.

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.

Our Core Values

- Trust and Integrity
- Teamwork and Respect
- Best in Class Customer Experience
- Operational Excellence
- Community Responsibility

For more information, please visit taylormorrison.com
Our Roots

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

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

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

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

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

2012
Taylor Morrison purchases Texas homebuilder Darling Homes

2013
Taylor Morrison becomes a public company listed on The New York Stock Exchange (NYSE: TMHC)

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

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

2019
Taylor Morrison forms exclusive partnership with Christopher Todd Communities—marking their entrance into the build-to-rent market.

2020
Taylor Morrison completes acquisition of William Lyon Homes (NYSE: WLH)

For our complete company history, please visit taylormorrison.com/timeline
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Named Builder Magazine’s 2020 Builder of the Year by Hanley Wood | Meyers Research
This is our second year publishing a standalone report sharing Taylor Morrison’s Environmental, Social and Governance strategy and practices. We hope this report will communicate the strong commitment to these practices that are ingrained in the culture of our company to all of our stakeholders. To help us determine the content to include in this ESG report, we performed a benchmarking analysis of what other firms in our sector were reporting. We drew upon the subject-matter expertise of our colleagues throughout Taylor Morrison to collect and organize the content relative to the areas we identified in our benchmarking.

We relied upon the Sustainability Accounting Standards Board (SASB) industry-specific standards to help us understand the areas that may be of most relevance to our U.S. investors, and we referred broadly to the Global Reporting Initiative (GRI) to help us identify anything that we may have missed. In addition, we have identified those UN Sustainable Development Goals (SDGs) with which our business and ESG practices are most closely aligned.
Our Approach to Governance and Leadership

Governance of ESG

The governance of ESG at Taylor Morrison starts at the top with our board of directors. The oversight of ESG-related matters is the responsibility of our Nominating and Governance Committee as set forth in its charter. In addition, our Audit Committee has oversight of Enterprise Risk Management (ERM), which includes those ESG risks we deem key to our business.

Our ERM Committee, which consists of many of our most senior leaders, periodically reviews the company’s ESG strategy as well as specific ESG policies and programs. The ERM Committee presents to the Audit Committee on a quarterly basis. As needed, members of the ERM Committee also provide reports to the full board of directors on ESG-related matters.

Our ESG Working Group was established to lead ESG initiatives across the company. The ESG Working Group works in tandem with members of the ERM Committee. The functions that are represented on the ESG Working Group and ERM Committee include:

- CEO and CFO
- Risk Management
- Legal
- Internal Audit
- Corporate and Field Operations
- Construction and National Purchasing
- People Services
- Investor Relations
- Corporate Communications
- Corporate Land Investment
- Subject matter experts as needed
Enterprise Risk Management and Portfolio Investment

Our ERM Committee identifies and assesses all key company risks and monitors risk mitigation efforts. A key focus for the ERM Committee is regulatory risk, with the legal department staying current on regulations on a federal level and the local divisions focusing at the municipality, county and state levels.

Our Vice President of Risk Management performs internal risk assessments and oversees the procurement of insurance coverage. The role also oversees the insurance requirements of trade partners, our safety protocols and our surety program, which includes performance bonds and subdivision improvement agreements with municipalities. We have a captive insurance company domiciled in Vermont and an in-house insurance agency licensed in all states in which we operate.

In addition, our Portfolio Investment Committee (PIC) reviews all land acquisitions and the environmental impact of each project as part of our acquisition due diligence process. For instance, the PIC considers Phase 1 environmental site assessments (ESAs), wetland impacts and mitigation strategies, and 404 permitting requirements under the Clean Water Act when considering land investments.

Transparent and honest communication has always been at the cornerstone of our business philosophy. Throughout the unfolding COVID-19 crisis, we have drawn upon our ability to communicate candidly and rapidly—along with our robust ERM processes—to ensure that our team members, customers and trades are kept healthy and safe while ensuring operational continuity and stewardship of our business.

In close communication and coordination with our board, our response efforts are led by our CEO, members of our ERM committee and a newly-formed COVID-19 task force, with assistance from a senior outside healthcare consultant.

We have taken, and will continue to take, proactive and preventive measures to help minimize risk of COVID-19 in our communities—both inside and outside of the organization. With the situation rapidly evolving, the task force holds daily meetings to adjust our response, informed by the latest recommendations from the Centers for Disease Control and Prevention (CDC), Occupational Safety and Health Administration (OSHA) and state and local governments.

Early in the unfolding of the crisis, we applied our emergency protocols focused on the safety of our team members, customers and communities. We are providing additional paid time off to any team member who tests positive for COVID-19 and our protocols address everything from personal safety precautions, resident and homeowner association safety, travel restrictions and work-from-home policies, sales and marketing procedures, warranty and customer service communications, field construction site operations and information technology and cybersecurity.

“This is an unprecedented time in our country, our business and the world, but if one thing’s for certain, it’s that we are absolutely in this together.

Sheryl Palmer, Chairman and CEO

To help our team members stay apprised of the latest information, we shared communication resources where they can connect and ask questions about our response to the current situation through our hotline, corporate email addresses and a dedicated internal webpage. In addition to routine CEO communications directly to our team members, we have instituted company-wide Huddles, led by CEO Sheryl Palmer, for our more than 3,000 team members to address the actions we are taking to mitigate COVID-19’s impact on our team members and business.
Board Diversity

We believe that effective corporate governance is critical to our ability to create long-term value for our stockholders. We have adopted and implemented charters, policies, procedures and controls that we believe promote and enhance corporate governance, accountability and responsibility and create a culture of honesty and integrity at our company.

Consistent with our Corporate Governance Guidelines, our Nominating and Governance Committee seeks director candidates from diverse professional and personal backgrounds who combine a broad spectrum of experience and expertise outside the industry. While the board has not adopted a formal policy with respect to the consideration of diversity in identifying director nominees, the Committee and the board’s consideration of diversity is consistent with the goal of creating a board that best serves the needs of the Company and the interests of its stockholders.

Our nine-person board is led by Chairman and CEO Sheryl Palmer, who brings more than 30 years of cross-functional building experience to her position, including leadership in land acquisition, sales and marketing, development and operations management. Ms. Palmer is joined by three other female directors, which represents the highest female representation on a board in our industry.

We also value board refreshment in order to provide for fresh perspectives in combination with the existing deep experience and knowledge of the company. Therefore, we aim to maintain an appropriate balance of tenure across our directors. In furtherance of the board’s active role in board succession planning, the board has appointed five new directors since 2018. Our board composition reflects the importance of diversity to our board, as demonstrated below.

Our Board Composition Reflects the Importance of Diversity to Our Board:

Gender Diversity

44% Women

Age Diversity

Average Age of Directors: 58

Age Range: 46 - 71

Board Tenure

> 6 Years

3

2-6 Years

3

< 2 Years

3
Our People and Human Capital Management

Number of Employees

<table>
<thead>
<tr>
<th>Year</th>
<th># of Employees</th>
<th>New Hires</th>
</tr>
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<tbody>
<tr>
<td>2017</td>
<td>1,844</td>
<td>433</td>
</tr>
<tr>
<td>2018</td>
<td>2,281</td>
<td>915</td>
</tr>
<tr>
<td>2019</td>
<td>2,268</td>
<td>466</td>
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Turnover in 2019

- **Involuntary**: 5.43%
- **Voluntary**: 16.30%
- **Total**: 21.73%

Age

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<th>Year</th>
<th>&lt;30</th>
<th>30-50</th>
<th>50+</th>
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<tr>
<td>2017</td>
<td>57%</td>
<td>32%</td>
<td>9%</td>
</tr>
<tr>
<td>2018</td>
<td>57%</td>
<td>32%</td>
<td>9%</td>
</tr>
<tr>
<td>2019</td>
<td>58%</td>
<td>32%</td>
<td>9%</td>
</tr>
</tbody>
</table>

Gender

<table>
<thead>
<tr>
<th>Year</th>
<th>Female</th>
<th>Male</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>51%</td>
<td>49%</td>
</tr>
<tr>
<td>2018</td>
<td>54%</td>
<td>46%</td>
</tr>
<tr>
<td>2019</td>
<td>53%</td>
<td>47%</td>
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Our People

We believe our people make us unique and our people-first mentality and culture set us apart from our peers, all of which have directly contributed to our success as a company. Our belief has always been that when you take care of your team members first and foremost, they will in turn take care of your customers—and then, strong financial performance will follow.

At year-end 2019, we directly employed more than 2,200 team members. And in early 2020, following the successful acquisition of William Lyon Homes, our employee base grew to more than 3,000—up over 36 percent. We invest not only in recruiting and retaining the most talented professionals in the industry, but also in building our workforce from within through training, development and career advancement.
We have developed comprehensive internal policies and procedures to promote team member health and safety and expect our trade contractors and other business partners to commit to the same levels of safety protection and quality management. We contract with sub-contractors for all building trades, including framers, plumbers and electricians. The site superintendents who oversee the construction process of our customers’ homes are our team members. The responsibilities of our trade partners and other vendors are contained in our trade and other master agreements, as well as in our Vendor Code of Conduct.

We are committed to acting responsibly in all actions that involve the health, safety and well-being of our team members, subcontractors, homebuyers, trade contractors, the public and the environment. This is supported through our Safety, Health and Environmental (SHE) Program and processes, including “Continuous Improvement Plans” and “Constraints Reviews.” As our business grows so does the risk of injury due to increased activity, which we see in the increase in the injury rate of direct employees. This remains an area of keen focus for all Taylor Morrison field, division and corporate leaders alike.

The SHE Program is an administrative framework to manage injury and illness prevention at both the corporate and division levels. Our SHE Program is aligned with relevant provisions of the Federal Occupational Safety and Health Administration (FedOSHA); relevant Federal regulations including, Code of Federal Regulations (CFR), Part 1910 and 1926 (as amended); relevant American National Standards Institute (ANSI) standards; and all other applicable national, state, regional and local laws and ordinances as they may apply to Taylor Morrison’s operations.

Our corporate Risk Management team, led by the Vice President of Risk Management, is responsible for implementing the provisions of the SHE Program company-wide. For the past 17 years, we have performed third-party health and safety audits twice a year at each of our divisions. The audits are focused on site health and safety conditions, subcontractor compliance, and protection for residents already living in the communities. Each division’s performance on the health and safety audits is included as a factor in its overall performance rating. Audit performance is also a part of the discretionary compensation program for our field management teams.

For our Vendor Code of Conduct, please visit https://taylrm.sn/2vmfrao

Team Member Safety, Health and Environmental Program

Workforce Health and Safety

Recordable Injury Rate for Direct and Contract Employees*

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<tr>
<th></th>
<th>2019</th>
<th>2018</th>
<th>2017</th>
</tr>
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<tbody>
<tr>
<td>Direct</td>
<td>0.354</td>
<td>0.295</td>
<td>0.113</td>
</tr>
<tr>
<td>Contract</td>
<td>0.084</td>
<td>0.07</td>
<td>0.099</td>
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Internal Safety Audit Score

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<tr>
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<th>2019</th>
<th>2018</th>
<th>2017</th>
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<tr>
<td></td>
<td>94%</td>
<td>92%</td>
<td>95%</td>
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*YOY Annual Closing Growth: 2019-14%, 2018-9%, 2017-9%
Training and Development

We are the CEOs of Our Careers
We believe in lifelong learning and continual development,—personally and professionally. We also 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 team members to drive their careers forward with us, and our digital learning and education hub—TMlearning—where team members can take virtual courses at their own pace. We also offer academic tuition assistance to qualifying team members and extend this benefit to immediate family members.

Training Programs
Taylor Morrison has a comprehensive training program where team members are assigned training modules based upon their roles and responsibilities. Some company-wide training is mandatory, to ensure all team members follow the same set of safety and ethical standards. To promote accountability, the participation in these modules is tracked and reported to senior management. Modules cover topics such as workplace safety, cyber security, risk mitigation, performance management for managers, and anti-harassment training. Our field personnel go through 12 or more hours of health and safety training annually covering focus areas such as OSHA specific topics, industry trends, silica exposure and use of electrical equipment.

Additionally, our superintendents hold regular tool-box safety talks with our 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. These talks are simple, straightforward, concise and typically sourced from a variety of outlets.

Career Week

In 2019, Taylor Morrison held an inaugural internal ‘Career Week.’ For five days, our team members had the opportunity to attend more than 50 different courses—ranging from topics like resume writing and interviewing skills, radical candor and informational sessions led by corporate and division department leaders. One team in Charlotte, North Carolina even hosted a viewing party for a few of the webinars, complete with BBQ cooked by one of our team members.

“I wish I could attend them all, the hard part has been picking one when there’s three. Outside of that the presenters have been amazing and refreshingly willing to take questions off line and ensure everyone that has a question gets an answer.”

Garrett Kinderdine
Tuition Assistance

We offer qualifying team members the opportunity to take an undergraduate or graduate course for academic credit at no tuition cost. In addition, team members may be eligible to receive a 30 percent tuition savings with a national partner and a waived application fee. We extend this benefit to immediate family members of qualifying team members. We also reimburse 50 percent of role-relevant tuition, books and lab fees—upon completion of courses—up to a calendar year maximum of $5,260 per team member.
Team Member Engagement, Diversity and Inclusion

We always strive to build a workplace where everyone feels valued and treated equally. We believe that by creating a collaborative and inclusive work environment we achieve operational excellence and superior financial results. To foster a spirit of teamwork and inclusiveness, we are committed to treating applicants, team members, customers and vendors with respect at all times. Harassment and discriminatory behavior undermine our values and the strength of our business and damage our relationships with each other. We do not tolerate harassment, discriminatory behavior or any kind or retaliation for reporting suspected misconduct. We make employment decisions based on merit and qualifications and avoid employment decisions based on protected characteristics.

We offer a comprehensive set of benefits to full-time team members such as medical, dental, vision and life insurance as well as paid-time off, paid parental leave and adoption assistance. We also offer benefits that include a 401(k) program with a company match, a team member home purchase rebate and a Taylor Morrison Home Funding mortgage incentive.

We support our team members when they experience hardships. In addition to our emergency assistance program (EAP), we created 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.

We have been recognized again and again for creating a gender-diverse workforce. Sheryl Palmer, the only woman to head a publicly traded homebuilder, has led Taylor Morrison for the last 12 years, growing the workforce to a nearly equal male-to-female representation (53 and 47 percent, respectively). 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 of our company.

Current Gender Diversity Among Senior Leaders

- **32%** Women across all senior leadership positions
- **44%** Women on executive team and among CEO’s direct reports

Human Rights

We support the principles outlined in the United Nations’ Universal Declaration of Human Rights (UDHR) and Guiding Principles on Business and Human Rights as set forth in our Human Rights Policy Statement. We are committed to upholding responsible human rights practices in all of our business activities per the International Bill of Human Rights and the International Labour Organization’s (ILO) Declaration on Fundamental Principles and Rights at Work.

In 2019, we launched an internal site on our intranet dedicated to health and wellness—emphasizing the importance of taking care of team members’ minds, bodies and souls. The site features mental health webinars, budget worksheets to sustain financial health, fitness tips (including exercises team members can complete at their desks) as well as healthy recipes.

To measure team member engagement and satisfaction, we conduct annual team member engagement surveys through a third party. We assess and track team member retention and satisfaction.

For our Human Rights Policy Statement, please visit https://taylrm.sn/2vtmxyn
Jessica Percel, an assistant superintendent in Sarasota, Florida, was 21 years old and working as a waitress when one of her longtime customers offered her a job at his pool construction company. While she was skeptical at first, she decided to seize the opportunity. About a decade later, Jessica made another big move—into a permit and construction coordinator role at Taylor Morrison—where she was quickly promoted to senior coordinator. And in February 2020, Jessica moved into an assistant superintendent role.

Outside of the office, Jessica is actively involved in the construction community and passionate about encouraging more people (especially women) to consider positions in construction. Jessica serves as the chair for the Young Professional Builders council in Manatee-Sarasota Building Industry Association and is also heavily involved with the Professional Women in Building group in Florida. She also works with the National Association of Home Builders and was even recently named their Young Professional of the Year at the International Builders’ Show (IBS) in Las Vegas, Nevada.
The Way We Build: Business Model and Innovation

Supply Chain Management and Sourcing

The Taylor Morrison vendor and trade management process is overseen by our corporate Vice President of National Purchasing. There are also heads of each division’s purchasing organization. The purpose of this process is to ensure we manage the quality and cost control across the company by centralizing decisions at senior levels of the organization.

Corporate purchasing negotiates national and regional agreements (national accounts) with certain manufacturers and distributors of products used by trade partners. Division purchasing departments work with our corporate purchasing group to ensure compliance with national account programs.

All Taylor Morrison trade partners have a signed Master Contractor Agreement (MCA) or Master Supplier Agreement (MSA) prior to bidding for any work for Taylor Morrison. The MCA is used when contracting labor only or turnkey (labor and materials) work. The MSA is used where a vendor supplies materials only.

Trust and integrity together make up one of Taylor Morrison’s five core values and we are committed to ethical and responsible business practices. To further that commitment, Taylor Morrison endeavors to ensure that its ethical standards are adhered to throughout its supply chain. Taylor Morrison’s contractors, suppliers, and other outside agents and representatives are expected, and required, to follow the policies included in our Vendor Code of Conduct.

Overall Customer Satisfaction

84.8%

3 Year Avg
We hold ourselves to the highest standards of quality and safety. We have a reputation for quality, integrity and honesty with our customers. Our commitment to giving customers a best-in-class experience goes beyond building safely. We provide an extensive home warranty and our Home Readiness process is focused on delivering nothing less than a fully complete home to our customers. We are committed to building processes that create consistent and predictable results, sharing best practices, and to continuous improvement. We have implemented the Taylor Morrison Quality Inspection (QI) process to help us achieve our goal of delivering finished homes with zero items of concern at the time of the New Home Demonstration (NHD). The process is designed to reduce warranty costs, improve the predictability of closings, and most importantly, result in higher levels of customer satisfaction.

While the Quality Inspection (QI) process is intended to review and test all the systems along with identifying remaining items, so that we have a complete home at NHD, true quality control is part of our daily process of walking each home and ensuring issues are corrected as soon as they are identified. Our scheduling system has recently been enhanced so that we can record and communicate any quality-related items directly to our contractors throughout the building process.

We conduct annual Construction Quality Assessments (CQA) with an industry leader in construction quality measurement and improvement. Through a customizable performance scorecard, they objectively measure construction quality at each of our sites and help us identify and prioritize risks. They help us improve building durability and avoid systemic building construction defects that could result in warranty claims.

We continue to invest in quality and continuous improvement. Every year we advance our quality programs and use a company-wide system to manage and track construction-related opportunities and the cost associated. Our continued improved quality performance has given us the confidence to expand the warranty coverage we offer our customers. We now offer a 1-year coverage on workmanship, a 2-year coverage on systems, and a 10-year warranty for structural defects. Home Readiness and Customer Satisfaction are key metrics in our incentive compensation programs for team members and senior executives.

Product Design, Lifecycle Management and Construction Quality

Home Readiness Process

CONSTRUCTION QUALITY ASSESSMENT

Annual site assessment:
- Objective 3rd party
- 600+ quality checkpoints
- Assessing on a scale from 1-4
- Building code and consistency
- YOY improvement trend

CONSTRUCTION FINISHED

By 2 weeks before Move in (MI):
- All major projects are completed
- Builder down to fine tuning only

TM QUALITY INSPECTION

2 weeks before Move in (MI):
- Detailed inspection by TM Quality Inspector
- Avg. checklist includes 200 items, tailored to regional req’s
- Each item addressed before the New Home Demonstration

NEW HOME DEMONSTRATION (NHD)

- Goal is to deliver the finished home with zero items of concern at the time of the NHD
- Demonstration focused on teaching how to use the home

MOVE IN (MI) AND CLOSING DATE

- Delivered with zero items of concern and no known defect
- Covered by TM Warranty:
  1 year - workmanship
  2 years - system
  10 years - structural
Housing affordability is a critical social issue and we focus on how our industry can promote home ownership. In states that mandate a certain number of units to be affordable, Taylor Morrison builds to those standards. But we also believe the best way to increase the supply of affordable housing is to remove certain kinds of regulations on home building. We actively participate in government outreach and advocacy efforts to help ensure that builders can produce more of the homes people need and more Americans can attain their dream of owning their own home.
Industry Engagement, Outreach and Advocacy

Taylor Morrison’s Building Strong Business PAC
Taylor Morrison’s Political Action Committee (PAC), Building Strong Business, is the largest PAC in the country sponsored by an individual homebuilder. Through the PAC we are able to make direct candidate and PAC-to-PAC donations at a local and national level, backing candidates whose agenda is supportive of the homebuilding industry. Our CEO Sheryl Palmer chairs the executive committee of the PAC.

In addition, we offer a charitable match program for PAC contributions and match dollar-for-dollar all PAC contributions by our team members. In 2019, we collected $193,500 in employee PAC contributions and matched it with charitable contributions from the Taylor Morrison Foundation.

The National Association of Home Builders (NAHB)
Taylor Morrison is a member of the National Association of Home Builders (NAHB). The NAHB is a federation of more than 700 state and local associations, representing more than 140,000 members of which one-third are home builders and remodelers. Each year, NAHB’s members construct about 80% of the new homes built in the United States. Taylor Morrison supports the work of the NAHB Federation to ensure that housing is a national priority and that all Americans have access to safe, decent and affordable housing.

Leading Builders of America (LBA)
The member companies of Leading Builders of America (LBA) include many of the largest homebuilding companies in North America and play a critical role in our nation’s economy. As a member of the group, Taylor Morrison supports the LBA’s purpose to support home ownership for American families by carefully evaluating the public policy dialog at the federal and state level and becoming actively engaged in regulatory issues that have the potential to impact home ownership in the United States.

Local Building Industry Associations
Taylor Morrison is a member of local Building Industry Associations in every state in which we operate. Through our membership in the local associations, we advocate for solutions to the myriad issues facing homebuilders across the United States.
Our Commitment to the Environment

Green Building

We embrace our responsibility to protect our planet through the way we develop land and build homes. We look for ways to reduce the environmental impact and Greenhouse Gas (GHG) emissions and increase energy efficiency through using innovative materials and advanced building technologies. We developed the "elem3nts™ by Taylor Morrison" building standards with the three core elements of our approach to design and build homes – energy, efficiency and the environment.

We engineer our homes for energy-efficiency and cost savings to reduce the impact on the environment. Taylor Morrison builds homes with high R-value insulation, low-E windows, tank-less water heaters, radiant barriers and jump ducts, while eliminating less efficient heating and cooling systems.

We offer customers a wide array of sustainable building materials and solutions for energy efficiency through our elem3nts™ program. The options are tailored for each specific market to align with regulatory requirements and customer preferences.

<table>
<thead>
<tr>
<th>Taylor Morrison Built</th>
<th>Installed More Than</th>
</tr>
</thead>
<tbody>
<tr>
<td>2,850 homes to ENERGY STAR® and LEED standards in 2019</td>
<td>18,000 ENERGY STAR® appliances</td>
</tr>
<tr>
<td>16 net zero homes</td>
<td>5,400 homes with smart/learning thermostats</td>
</tr>
<tr>
<td>Average HERS Index Score® of 63</td>
<td></td>
</tr>
<tr>
<td>Diverted 845,000 cubic yards from landfill (49% recycling rate)</td>
<td></td>
</tr>
</tbody>
</table>

*CA 2020 Mandate as not necessarily a universal offering and # of homes qualifying as Net Zero
Examples of What We Offer in Certain Homes:

- High efficiency A/C units & gas furnaces with programmable/smart thermostats
- ENERGY STAR® appliances
- Energy efficient insulation, roof barriers and lighting
- Low-e windows and sliding doors
- Solar roof panels
- Water saving fixtures and recirculation pumps
- Drought-resistant landscaping
- Net zero energy*
Ecological Impact

We are committed to promoting open space, native plants and wildlife vital to the ecosystems in our communities. In April 2019, we teamed up with the National Wildlife Federation (NWF), America’s most trusted conservation nonprofit, to restore and protect wildlife habitat in our communities nationwide. Together we are engaging staff, residents and the public in accessible and effective wildlife habitat stewardship and conservation.

We currently own or control more than 10,000 acres in or adjacent to protected areas and areas of high biological diversity value. In the first year of our NWF partnerships we **certified more than 1,000 acres of wildlife habitat**, created more than 12 Monarch butterfly demonstration gardens and innovated wildlife-friendly practices across our divisions.

![Certified Open Spaces](image)

- **15** Certified Open Spaces
- **1,111** Acres of Certified Wildlife Habitat™

TaylorMorrison + National Wildlife Federation
Key NWF Program Components are:

- Taking the Monarch Pledge to advance monarch butterfly recovery efforts by planting native milkweed, providing necessary elements for hundreds of new National Wildlife Federation certified butterfly gardens in our communities nationwide and providing community education.

- Enhancing wildlife habitat and connectivity in our communities by increasing the percentage of native plants, incorporating more nature trails and supporting outdoor experiences and encouraging sustainable landscape management practices.

- Collaborating with National Wildlife Federation to design and build Early Childhood Health Outdoors (ECHO) nature playscapes in select communities in lieu of traditional playground equipment. ECHO playscapes will support reconnecting tens of thousands of children and residents with nature on a regular basis.

- Developing Habitat Management Plans for open spaces and common areas that are Certified Wildlife Habitats™ and providing a template that may be easily adapted and incorporated into homeowners’ association guidelines to promote successful long-term stewardship of natural areas for generations.

- Providing recommendations to increase and enhance wildlife habitat and connectivity in new communities by increasing the percentage of native plants throughout a community, incorporating interpretive signage to support outdoor experiences for future residents, and encouraging sustainable landscape management practices.

The Science

Recent studies confirm that landscapes with more than 70 percent native plants and trees are the best thing homeowners can do to support biodiversity. NWF and Taylor Morrison have adopted a target criteria of 100 percent native plants for certified open space and 80 percent native plants across certified Communities.

Our experts and wildlife biologists review plant lists by zip code and the specific location for optimal biodiversity and wildlife benefits.
Case Studies

**Houston, Texas (Signature Trees)**
Our Houston land team identified 400-year-old pecan trees on site and decided to develop land plans around the signature trees. The team engaged an arborist to crack the code on preservation efforts—evaluating the health and longevity of the trees and doing a bit of preliminary pruning of the canopies and root system, as well as fertilization to make sure construction efforts did not harm them. The goal is for the pecan trees to live another hundred years or more.

**Esplanade at Naples, Florida (Butterfly Trail)**
The Taylor Morrison Esplanade at Naples community transformed a large common area into a butterfly garden by planting more than 600 native trees, shrubs and plants to benefit a variety of pollinators. Team members took special care to remove non-native milkweed and plant native milkweed, which is a host plant for migrating monarch butterflies. To complete the Certified Monarch Garden, puddling areas with wet sand and soil were included since butterflies are unable to drink from open water.

**Sea Summit at Marblehead, San Clemente, California (100.6 acres certified)**
The preserve in our Sea Summit community in San Clemente, California supported more than 107 native plant and 73 wildlife species, including 10 special status plant and wildlife species such as the Blochman’s dudleya (Dudleya blochmaniae subsp. blochmaniae), which is a small succulent plant rare throughout its range, and 31 breeding pairs of the coastal California gnatcatcher (Polioptila californica californica), a bird listed as “threatened” under the Endangered Species Act. People from all over come to enjoy the breath-taking views of the Pacific Ocean while walking the nearly four miles of aromatic nature trails. The Sea Summit project serves as a strong example of the balance that can be achieved between development and habitat conservation.
Storm Water Management

We have a robust company-wide Storm Water Pollution Prevention Program (SWPPP) that includes management oversight of all construction sites, team member training and inspections beyond the routine inspections required by permits that include:

- Dedicated and trained stormwater compliance representatives at the site, division and corporate levels
- Pre-construction inspections at all new sites to ensure permits are obtained, stormwater pollution prevention plans are developed, and adequate stormwater controls are in place
- Management oversight inspections at every site each quarter
- Stormwater compliance training program for all team members involved in construction activities
- Annual submission of compliance reports to the EPA

In 10 participating divisions, 76% of installed water fixtures certified to EPA WaterSense® specifications

Urban Site Development and Land Stewardship

Redeveloped land has several benefits for communities and environments. Taylor Morrison recognizes the importance and therefore transforms vacant, previously developed commercial parcels into lively communities with an awareness of 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.

In 2019, we delivered 3,078 lots and homes on redevelopment sites, transforming them into vibrant neighborhoods and improving the housing supply.

We also ensure our developments provide access to green spaces and are sensitive to the effects on the natural habitat. We take pride in preserving the land and place stewardship at the core of open space in our communities. In 2019, Taylor Morrison Dedicated 2,413 acres of preserves and open space in our communities and restored or protected 685 acres of habitat.
Our Approach to Social Engagement

A Culture Worth Celebrating

So much of what makes us an employer and homebuilder of choice for our team members and buyers is rooted in our strongly held values and culture, which we call TMLiving. Made up of four tenets—Spirit & Pride, Health & Wellness, Community & Giving, and our newest addition, Love & Inspire—TMLiving is how we show up for our customers and each other day in and day out.

Since its inception in 2016, TMLiving has grown and evolved organically, and we realized it had the potential to extend into the world beyond our walls. This idea led to our organization’s pledge to Love the Customer. Partnering with the Ritz-Carlton Leadership Center, we’ve spent the last year revolutionizing the customer experience—beginning with immersive leadership trainings and the adoption of daily standup meetings called Huddles. Exceptional customer experiences start with exceptional team member experiences, so we knew we had to formally incorporate a fourth tenet totally focused on our customers’ experiences into TMLiving.
Most Trusted Home Builder
For five years running, we have been recognized as America’s Most Trusted® Home Builder by Lifestory Research®. 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.

Fortune’s ‘World’s Most Admired Companies’
We were pleased to be included on Fortune’s ‘World’s Most Admired Companies’ list for the second year in a row, where companies like Microsoft, Walt Disney and Berkshire Hathaway top the charts. More than 3,700 executives, directors and analysts from around the world weigh-in to determine the Most Admired Companies list.
Bloomberg Gender Equality Index
We have a longstanding commitment to disclosing workplace gender practices and taking action to support transparently sharing our efforts. For the second year in a row, we earned the distinction of being one of only 325 companies—and the only U.S. homebuilder—selected for the 2020 Bloomberg Gender-Equality Index (GEI). Bloomberg’s standardized reporting framework offers public companies the opportunity to disclose information on how they promote gender equality.

Glassdoor Best Places to Work
We again earned a Glassdoor Employees’ Choice Award recognizing us as Best Places to Work for 2020 and were the only homebuilder included on the list. We improved our ranking from 87th on the list in 2018 to 42nd in 2020. We consider our positive company culture and highly engaged team members as the reason for our success.
Philanthropy and Volunteerism

The Taylor Morrison Foundation is committed to combating homelessness in the communities in which we build. In partnership with HomeAid America—a leading national provider of housing and resources for the homeless—we are able to serve more people in need of temporary or transitional housing. HomeAid, operating through a network of nine Chapters in 13 states, is dedicated to building new lives for America’s homeless through housing and community outreach.

Our Chairman and CEO Sheryl Palmer has served on HomeAid America’s national board since 2017 and is currently the Chairman of the board. Several of our division presidents have served, and currently serve, on local chapter boards of directors. Our efforts to help with the nonprofit have deepened in our markets, helping to continue to drive HomeAid’s mission to build new lives for America’s homeless. In fact, two brand-new chapters—Phoenix and Orlando—formed in 2019 with different platforms but the same end goal: to fight homelessness.

Involved with Nine HomeAid Chapters

HomeAid Austin
In summer 2019, our Austin Division, in partnership with the Home Builders Association of Greater Austin, broke ground on a benefit home. Our team members and trade partners worked to complete the two-story, 2,400 square foot home in just over four months. Proceeds from the sale of the home supported HomeAid Austin—providing funding for housing and programs to help fight homelessness. Together, both organizations donated nearly $100,000 to HomeAid Austin.

HomeAid Atlanta
Team members and trade partners from our Atlanta Division remodeled the North Georgia Angel House—a home where young women (ages 12 to 21 years old) from the foster care system call home. Everything from new gutters, to new walls were installed and the team prevented flooding in the home for the first time in 10 years.

460 team members volunteered
1,550 hours in 2019
Build Joy

If you were given $1,000 to #BuildJoy in your community, how would you spend it? That’s the question we ask team members ahead of each holiday season. The campaign, in its third year, has helped make a huge difference in our communities. Everything from serving Thanksgiving dinner at a local children’s hospital to paying tribute to our military heroes by installing thousands of U.S. flags in the community—we’ve created magical moments for families across the country.

Phoenix Division
School Lunch Debt, Frank Smith
One of our Phoenix Community Sales Manager’s helped to pay off student lunch debt in Title I schools, where 40% of the students are from families at or below the poverty level.

Taylor Morrison Home Funding (TMHF)
Church Rec. Center Honor, Ruthe Kellogg
Two years ago, one of our team members tragically lost her son. She decided to make a musical donation to her local church recreation center being built in her son’s memory. With the funds provided by Taylor Morrison, she was able to purchase instruments and music sensory toys for the children.
Selling Practices / Ethics

At Taylor Morrison, we do what we say we will and deliver on our commitments—that’s how we’ve been doing business for over 100 years. We expect the highest degree of honesty, integrity and ethical conduct from everyone who works on our behalf. Our Code of Conduct serves as a guide to help us meet our ethical commitments in all that we do.

We want to treat all customers fairly and do business honestly. Accordingly, we never participate in unfair business practices. This means that we never engage in any deceptive advertising or marketing activities that could mislead our homebuyers or business partners. Likewise, we do not take unfair advantage of anyone through manipulation, misrepresentation, inappropriate threats, fraud, misuse of confidential information or similar conduct. The same goes for our dealings with vendors, suppliers and any other business partners. We strive constantly to do business the right way.

When dealing with our competitors, we are careful not to discuss topics or engage in practices that could violate—or appear to violate—competition laws. Competition laws preserve a free market and allow us to compete fairly and ethically.

Our Ethics Hotline is directly accessible on our company website and across our offices. We communicate to our team members 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 do not tolerate retaliation against anyone who makes a good faith report of suspected wrongdoing.

Customer Privacy / Data Security

We comply with federal customer privacy and data security regulations as well as state-level requirements such as the California Consumer Privacy Act (CCPA), which went into effect in early 2020.

We have a standing Data Privacy Committee consisting of a senior member of our legal team, our Chief Information Officer, the Head of our Internal Audit Group, our Chief Customer Officer and representatives from our marketing department, among others. The Data Privacy Committee meets regularly to evaluate compliance with existing and emerging regulatory requirements with a view to ensuring that we meet our commitments to keeping our employees’ and customers’ data secure. We also have guidelines for our team members in our Code of Conduct and other policies on how to use and protect information and data.

Corruption and Instability

We are a U.S.-only business, currently operating in 11 states. We have a robust anti-corruption and anti-bribery policy as part of our Code of Conduct, which also includes a policy addressing conflicts of interest. We follow anti-corruption laws wherever we conduct business, regardless of local customs. We do not hire a third party to do something that we cannot ethically or legally do ourselves.

We also strive to work only with third parties whose commitment to honesty and integrity matches our own, and we hold them to our same high standards. Our conflict of interest policy addresses areas such as personal relationships, related persons transactions, investments, other employment and disclosure requirements. We have not had any legal proceedings or monetary losses related to anti-bribery or corruption.

For our complete code of conduct, please visit https://taylrm.sn/2Ibnub0
According to the SASB Industry Level Materiality Map, the following categories are “the most likely material issues for companies” in the Home Builders industry. The below table references accounting metrics within this report and other sources.

<table>
<thead>
<tr>
<th>SASB Topic</th>
<th>Code</th>
<th>Accounting Metric</th>
<th>2019</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Land Use and Ecological Impacts</td>
<td>IF-HB-160a.1</td>
<td>Number of lots delivered on redevelopment sites</td>
<td>2,043</td>
<td>1,458</td>
<td>815</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Number of homes delivered on redevelopment sites</td>
<td>1,035</td>
<td>1,831</td>
<td>1,940</td>
</tr>
<tr>
<td>IF-HB-160a.2</td>
<td></td>
<td>Number of lots delivered in regions with High or Extremely High Baseline Water Stress</td>
<td>1,785</td>
<td>3,349</td>
<td>1,716</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Number of homes delivered in regions with High or Extremely High Baseline Water Stress</td>
<td>2,510</td>
<td>3,244</td>
<td>1,997</td>
</tr>
<tr>
<td>IF-HB-160a.3</td>
<td></td>
<td>Total amount of monetary losses as a result of legal proceedings associated with environmental regulations</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>IF-HB-160a.4</td>
<td></td>
<td>Discussion of process to integrate environmental considerations into site selection, site design, and site development and construction</td>
<td>Urban Site Development and Land Stewardship, p.31</td>
<td>Our Commitment to the Environment, p.26</td>
<td></td>
</tr>
<tr>
<td>Workforce Health and Safety</td>
<td>IF-HB-320a.1</td>
<td>Total recordable incident rate (TRIR) for direct employees</td>
<td>0.354</td>
<td>0.295</td>
<td>0.113</td>
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<tr>
<td></td>
<td></td>
<td>Total recordable incident rate (TRIR) for contract employees</td>
<td>0.084</td>
<td>0.07</td>
<td>0.10</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Total recordable fatality rate for direct employees</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Total recordable fatality rate for contract employees</td>
<td>0</td>
<td>Not reported</td>
<td>Not reported</td>
</tr>
<tr>
<td>SASB Topic</td>
<td>Code</td>
<td>Accounting Metric</td>
<td>2019</td>
<td>2018</td>
<td>2017</td>
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<tr>
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<td>-----------------------------------------------------------------------------------</td>
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</tr>
<tr>
<td>Design for Resource Efficiency</td>
<td>IF-HB-410a.1</td>
<td>Number of homes that obtained a certified HERS® Index Score</td>
<td>4,318</td>
<td>4,054</td>
<td>4,120</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Average HERS® Index Score</td>
<td>63</td>
<td>69</td>
<td>69</td>
</tr>
<tr>
<td></td>
<td>IF-HB-410a.2</td>
<td>Percentage of installed water fixtures certified to WaterSense® specifications</td>
<td>76%</td>
<td>81%</td>
<td>82%</td>
</tr>
<tr>
<td></td>
<td></td>
<td>(limited to 10 participating divisions)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>IF-HB-410a.3</td>
<td>Number of homes delivered certified to a third-party multi-attribute green building standard (i.e. ENERGY STAR®, LEED)</td>
<td>2,850</td>
<td>2,920</td>
<td>2,246</td>
</tr>
<tr>
<td></td>
<td>IF-HB-410a.4</td>
<td>Description of risks and opportunities related to incorporating resource efficiency into home design, and how benefits are communicated to customers</td>
<td>Green Building, p.26</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Community Impacts of New Developments</td>
<td>IF-HB-410b.1</td>
<td>Description of how proximity and access to infrastructure, services, and economic centers affect site selection and development decisions</td>
<td>Urban Site Development and Land Stewardship, p.31</td>
<td></td>
<td></td>
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<td></td>
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<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>IF-HB-410b.2</td>
<td>Number of lots delivered on infill sites</td>
<td>1,732</td>
<td>1,628</td>
<td>716</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>1,225</td>
<td>1,427</td>
<td>1,267</td>
</tr>
<tr>
<td></td>
<td>IF-HB-410b.3</td>
<td>Number of homes delivered on infill sites</td>
<td>550</td>
<td>446</td>
<td>331</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>7.2</td>
<td>8.2</td>
<td>11.0</td>
</tr>
<tr>
<td>Climate Change Adaptation</td>
<td>IF-HB-420a.1</td>
<td>Number of lots located in 100-year flood zones</td>
<td>310</td>
<td>83</td>
<td>1</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Number of homes delivered in 100-year flood zones</td>
<td>0</td>
<td>67</td>
<td>0</td>
</tr>
<tr>
<td></td>
<td>IF-HB-420a.2</td>
<td>Description of climate change risk exposure analysis, degree of systematic portfolio exposure, and strategies for mitigating risks</td>
<td>Our Commitment to the Environment, p.26</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Activity Metrics</td>
<td>IF-HB-000.A</td>
<td>Number of controlled lots (Owned and controlled)</td>
<td>53,879</td>
<td>56,840</td>
<td>37,812</td>
</tr>
<tr>
<td></td>
<td>IF-HB-000.B</td>
<td>Number of homes delivered¹</td>
<td>9,964</td>
<td>8,760</td>
<td>8,032</td>
</tr>
<tr>
<td></td>
<td>IF-HB-000.C</td>
<td>Number of active selling communities²</td>
<td>351</td>
<td>307</td>
<td>297</td>
</tr>
</tbody>
</table>

¹Home closings (units)
²Average number of active selling communities for the period
We are aligning our activities with the United Nation’s Sustainable Development Goals (SDGs). The goals were established in 2015 by world leaders to end poverty, protect the planet and seek to ensure prosperity for all. As a result of our review, we have determined that our current activities most closely align with the following goals.
<table>
<thead>
<tr>
<th>Goal</th>
<th>Name</th>
<th>Full Description</th>
<th>Target TMHC is Aligned With</th>
<th>Report Section(s)</th>
</tr>
</thead>
</table>
| 5    | Gender Equality | Achieve gender equality and empower all women and girls | 5.5 Ensure women’s full and effective participation and equal opportunities for leadership at all levels of decision making in political, economic and public life | Board Diversity and Leadership, p.15  
Team Member Engagement, Diversity and Inclusion, p.20 |
| 8    | Decent Work and Economic Growth | Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all | 8.5 By 2030, achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value | Our People and Human Capital Management, p.16 |
| 11   | Sustainable Cities and Communities | Make cities and human settlements inclusive, safe, resilient and sustainable | 11.1 By 2030, ensure access for all to adequate, safe and affordable housing and basic services and upgrade slums  
11.6 By 2030, reduce the adverse per capita environmental impact of cities, including by paying special attention to air quality and municipal and other waste management  
11.7 By 2030, provide universal access to safe, inclusive and accessible, green and public spaces, in particular for women and children, older persons and persons with disabilities | Affordable Housing, p.24  
Industry Engagement, Outreach and Advocacy, p.25  
Urban Site Development and Land Stewardship, p.31  
Our Commitment to the Environment, p.26 |
| 12   | Responsible Consumption and Production | Ensure sustainable consumption and production patterns | 12.2 By 2030, achieve the sustainable management and efficient use of natural resources  
12.4 By 2020, achieve the environmentally sound management of chemicals and all wastes throughout their life cycle, in accordance with agreed international frameworks, and significantly reduce their release to air, water and soil in order to minimize their adverse impacts on human health and the environment  
12.5 By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse | Our Commitment to the Environment, p.26 |
| 13   | Climate Action | Take urgent action to combat climate change and its impacts | 13.1 Strengthen resilience and adaptive capacity to climate-related hazards and natural disasters in all countries | Our Commitment to the Environment, p.26 |
| 15   | Life on Land | Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss | 15.1 By 2020, ensure the conservation, restoration and sustainable use of terrestrial and inland freshwater ecosystems and their services, in particular forests, wetlands, mountains and drylands, in line with obligations under international agreements  
15.5 Take urgent and significant action to reduce the degradation of natural habitats, halt the loss of biodiversity and, by 2020, protect and prevent the extinction of threatened species | Urban Site Development and Land Stewardship, p.31  
Our Commitment to the Environment, p.26 |
| 16   | Peace, Justice and Strong Institutions | Access to justice for all, and building effective, accountable institutions at all levels. | 16.2 End abuse, exploitation, trafficking and all forms of violence against and torture of children | Human Rights, p.20 |
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.

### GRI Disclosures

<table>
<thead>
<tr>
<th>Topic</th>
<th>Metric</th>
<th>2019</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Energy</strong></td>
<td># of ENERGY STAR(^\circ) Appliances installed</td>
<td>18,226</td>
<td>16,346</td>
<td>15,354</td>
</tr>
<tr>
<td></td>
<td># of homes with Solar installed</td>
<td>33</td>
<td>81</td>
<td>92</td>
</tr>
<tr>
<td></td>
<td># of Zero Net Energy homes(^1)</td>
<td>16</td>
<td>7</td>
<td>26</td>
</tr>
<tr>
<td></td>
<td># of homes with smart/learning thermostats installed</td>
<td>5,403</td>
<td>Not reported</td>
<td>Not reported</td>
</tr>
<tr>
<td><strong>Biodiversity</strong></td>
<td># of acres of preserve or open space dedicated</td>
<td>2,413</td>
<td>1,675</td>
<td>754</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>10,060</td>
<td>8,113</td>
<td>7,815</td>
</tr>
<tr>
<td></td>
<td># of acres of habitat protected or restored</td>
<td>685</td>
<td>209</td>
<td>23</td>
</tr>
<tr>
<td><strong>Waste Reduction and Recycling</strong></td>
<td># of divisions incorporating recycling into their standard job site processes</td>
<td>10</td>
<td>11</td>
<td>11</td>
</tr>
<tr>
<td></td>
<td>% of communities incorporating recycling into their standard job site processes</td>
<td>73%</td>
<td>100%</td>
<td>100%</td>
</tr>
<tr>
<td></td>
<td>Recycling sorted (cubic yards)</td>
<td>845,784</td>
<td>492,630</td>
<td>400,800</td>
</tr>
<tr>
<td><strong>Community Impacts</strong></td>
<td>School related fees paid</td>
<td>$23,822,505</td>
<td>$11,364,055</td>
<td>$10,479,317</td>
</tr>
<tr>
<td></td>
<td># of Below Market Rate (BMR) affordable homes delivered</td>
<td>16</td>
<td>9</td>
<td>10</td>
</tr>
</tbody>
</table>

\(^1\)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.