



*LIFE. BUILT. BETTER.®*

2023

ESG REPORT



## DISCLAIMER AND FORWARD-LOOKING STATEMENTS

All estimates and claims related to energy savings or performance are derived from third-party suppliers, rating services, consultants and/or our own assumptions, based on the EPA's methodology/information and average energy use and scores. Actual energy savings and performance of any home or any of its features may vary widely and may be more or less than indicated savings and performance, depending on the personal energy consumption choices of the occupants and changes in energy provider rates and programs, among other factors.

The information covered by the report contains forward-looking statements within the meaning of the United States federal securities laws, including statements regarding our goals, aspirations, strategies or our future initiatives or actions and their expected results. These statements are based on current expectations, beliefs, intentions and projections about future events and are not guarantees of future performance. Actual events and results may differ materially from those expressed or forecasted in forward-looking or aspirational statements due to a number of factors including, but not limited to: general macroeconomic and business conditions; government actions and regulations directed at or affecting the housing market, the homebuilding industry or construction activities; costs and/or charges arising from regulatory compliance requirements or from legal or regulatory proceedings, investigations, claims or settlements, including injunctions, consent decrees or other voluntary or involuntary restrictions or adjustments to our business operations; consumer interest in our new home products; our ability to execute on our sustainability and other business plans or initiatives within the timeframes and at the cost, revenues or profitability we expect; supply shortages and other risks of acquiring land, building materials and skilled labor and obtaining regulatory approvals; our exposure to and impacts from natural disasters or severe weather conditions; the pace, scale, trajectory and affordability of technologies that can generally address, or specifically enable us to address, climate change and any negative effects from it; potential disruptions to our business by an epidemic or pandemic and measures that federal, state and local governments and/or health authorities implement to address it; and other events outside of our control which are identified in the Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q and Current Reports on Form 8-K filed by the Company with the Securities and Exchange Commission and we are under no obligation to update them. Those reports are available on [Meritage's website](#) and on the [Securities and Exchange Commission's website](#). Except as required by law, we assume no obligation to update any forward-looking statements or information, which speak as of their respective dates.

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**ESG** refers to Environmental, Social and Governance  
**TCFD** refers to Task Force on Climate Related Financial Disclosures  
**SASB** refers to Sustainability Accounting Standards Board  
**GRI** refers to Global Reporting Initiative  
**UN SDGs** refers to United Nations Sustainable Development Goals

**Additional Information**  
 This report was published August 2024. We hope you find this ESG report engaging and informative. For further up to date information throughout the year, please visit our [ESG webpage](#).

**Contact Us**  
 We welcome your input and views: [investors@meritagehomes.com](mailto:investors@meritagehomes.com).

## JOINT EXECUTIVE CHAIRMAN AND CHIEF EXECUTIVE OFFICER LETTER



At Meritage, we are fundamentally committed to delivering a Life. Built. Better.® Our evergreen ESG efforts are central to our purpose and a driving force behind every home we build. In this ESG report, we reflect on the milestones we achieved in 2023 and celebrate our environmental and social initiatives while strengthening our financial resilience.

**Affordability:** Meritage has been building the American Dream since 1985. To date, Meritage has helped nearly 180,000 families and individuals across the U.S. achieve homeownership. We continue to provide much needed housing for entry-level and first move-up buyers in over 270 communities from coast to coast, including the expansion of our operations in **two**

**new markets—Salt Lake City, Utah and Jacksonville, Florida.** Affordability continues to be a primary concern for homebuyers and our rate buy-downs and mortgage rate locks help our homebuyers solve for a monthly payment in a volatile interest rate environment.



**Energy Efficiency:** Since 2009, we have been building **ENERGY STAR® certified homes** nationwide. We continue to deliver on this commitment so our homebuyers can enjoy a comfortable place to live while reducing energy and water consumption and lowering their monthly utility bills.

**Voice of the Employee:** Listening to what our employees have to say is at the heart of our business, culture and strategy. We believe that investing in our team leads to outsized results as our successes are shared and we will continue to foster an inclusive workplace environment where our employees can thrive. In 2023, we achieved **Great Place To Work Certified** status. We also launched our inaugural **employee resource groups (ERG)** designed to promote inclusivity and empowerment, celebrate diversity and create connections for all our employees.

**Start with Heart:** We support our communities by providing monetary contributions and our employees' time and energy toward local and national philanthropic causes that address the housing crisis, food insecurity, sustainability and gender and ethnic equality, as well as educational opportunities. **We were honored to receive the highly coveted 2023 Hearthstone BUILDER Humanitarian Award** – recognizing Meritage's lifetime commitment to public service. We celebrated our **10th year of partnership with Operation Homefront this year.**

**Shareholder Engagement:** To promote long-term shareholder value, our corporate responsibility remains focused on strong governance and risk management practices, developing and enhancing sustainable business practices and fostering innovation. In 2023, we formalized internal controls for ESG data collection to ensure consistency, completeness and accuracy. We will continue to seek new perspectives through our ongoing shareholder engagement to regularly align shareholder priorities with our ESG goals and their contribution to our business strategy.

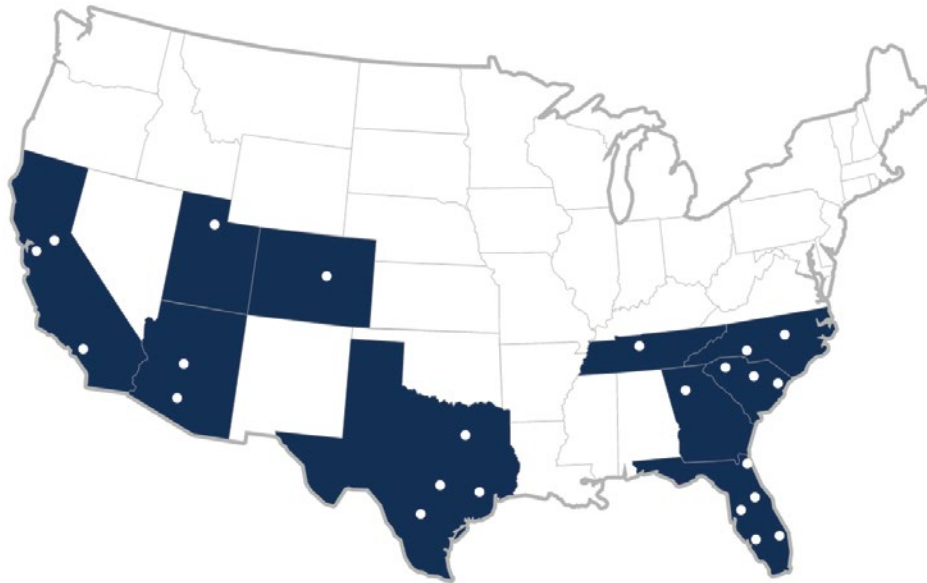
Although we are proud of what we have achieved, we know that there is more work ahead and we are excited to tackle these challenges head-on to deliver a **Life. Built. Better.®** for all of our stakeholders. We thank you for your support of Meritage and in our ESG initiatives.

Sincerely,

**Steven J. Hilton**, Executive Chairman  
**Phillippe Lord**, Chief Executive Officer

## AT A GLANCE

Meritage Homes Corporation (NYSE: MTH) is the fifth-largest public homebuilder in the U.S. based on homes delivered in 2023.



### BUSINESS

We design and build entry-level and first move-up single family detached and attached homes across our geographies, all of which include energy-efficient and healthy home features and a standard M.Connected Home™ Automation Suite smart home technology package.

### OPERATIONS

**WEST REGION:** Arizona, Colorado, California, Utah

**CENTRAL REGION:** Texas

**EAST REGION:** Florida, Georgia, North Carolina, South Carolina, Tennessee

Founded  **1985**

NYSE stock ticker **MTH** 

 Headquartered in **Scottsdale, AZ**

**TOP 5**  **BUILDER** 2023 based on homes delivered in 2023

Delivered nearly  **180K HOMES** in our 38-year history

 **13,976** homes delivered in 2023

2023 home closing revenue **\$6.1B**

Average communities by product type:  
**84%** | **15%** | **1%**  
 entry-level | first move-up | other  
 as of December 31, 2023

**64,313** total lots controlled as of **December 31, 2023**

 **1,838** Full time employees as of December 31, 2023

**LIFE. BUILT. BETTER.®  
HIGHLIGHTS OF OUR  
PROGRESS IN 2023**

**Affordability  
Focus**

- 88% of homes delivered were priced below 2023 FHA loan limits.<sup>1</sup>
- 27% of homes delivered were at or under 1,800 sq. ft.



**Hearing the Voice  
of the Employee**

- Launched our three initial ERGs.
- Achieved Great Place to Work Certified status for the first time.<sup>2</sup>
- 92% of employees say Meritage is a great place to work.
- Launched our Field Safety Council.



**Building Energy-  
Efficient Homes**

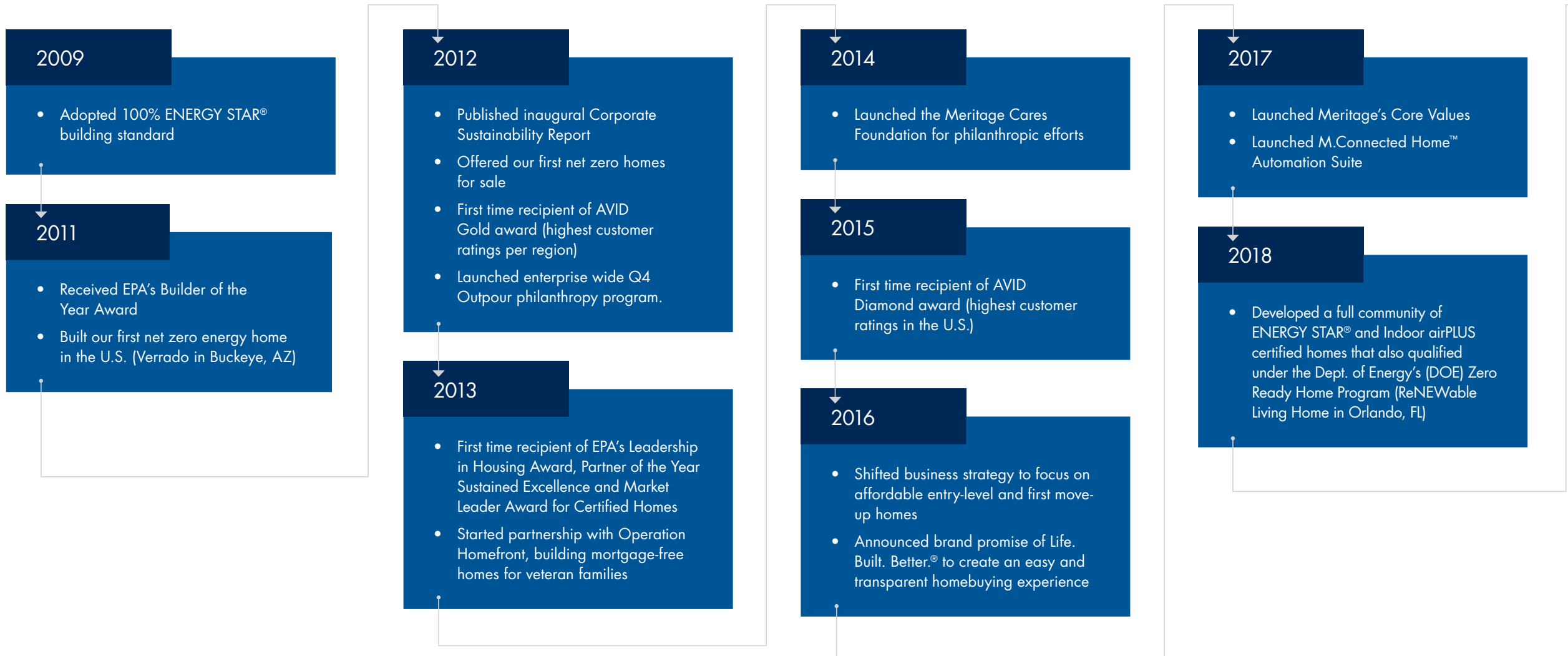
- Delivered over 13,300 ENERGY STAR® certified homes.
- Delivered an average home energy efficiency HERS index score of 52.<sup>3</sup>

<sup>1</sup>Source: FHA loan limit data from U.S. Department of Housing and Urban Development.

<sup>2</sup>Source: Great Place to Work.

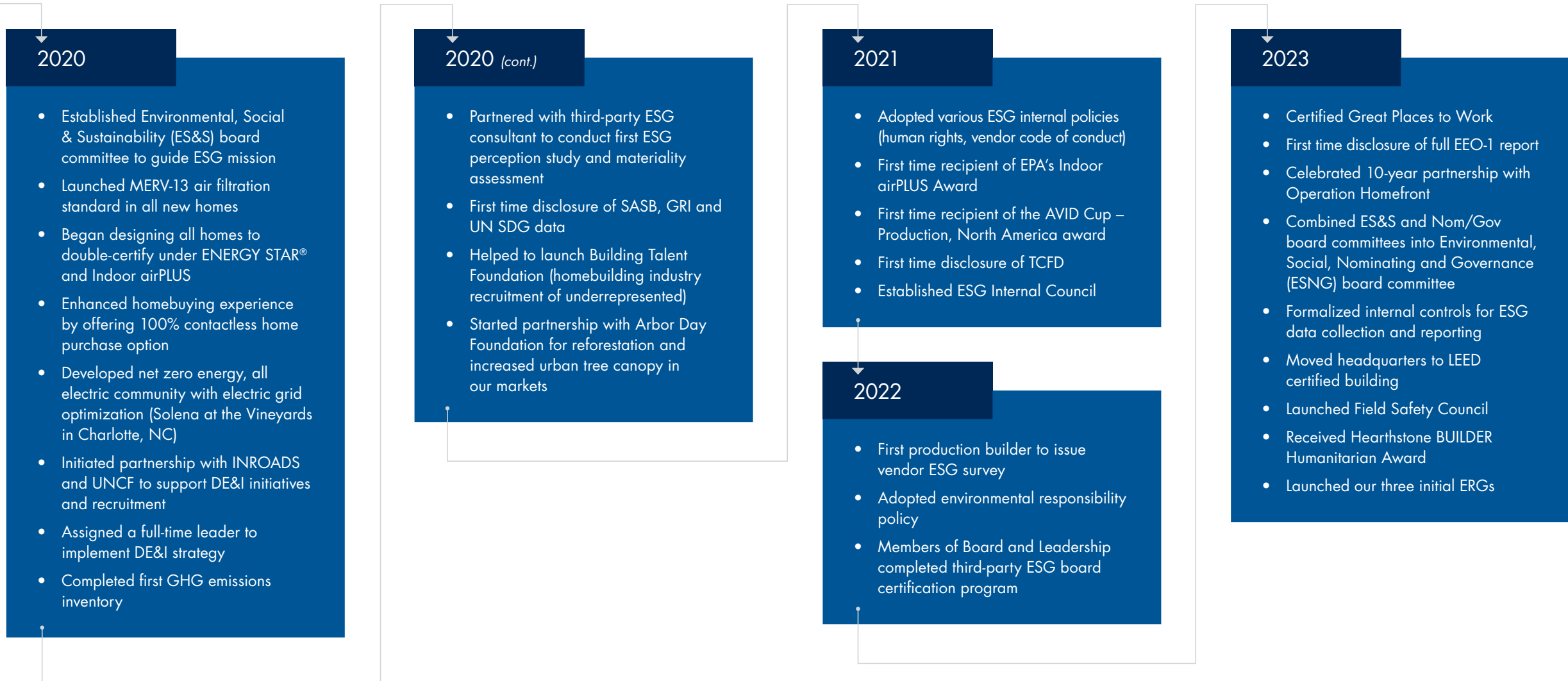
<sup>3</sup>Source: RESNET.

## OUR ESG MILESTONES





# OUR ESG MILESTONES continued



# MERITAGE HOMES' ESG AWARD RECOGNITION

## 2023 SUSTAINABILITY AWARDS



Eleventh time honor

Also 2022, 2021, 2020, 2019, 2018, 2017, 2016, 2015, 2014 and 2013



Eleventh time honor

Also 2022, 2021, 2020, 2019, 2018, 2017, 2016, 2015, 2014 and 2013



Third time honor

### America's Climate Leaders 2023

USA Today

### 2023 ESG Leaders

Green Builder Media

## 2023 CORPORATE STEWARDSHIP AWARDS



### Most Admired Companies 2023

AZ Big Media

### 2023 Arizona Business Angels Honoree

AZ Big Media

### 2023 Best Companies to Work for

US News & World Report

### Best Places to Work 2023

Phoenix Business Journal

# OUR STAKEHOLDERS

## STAKEHOLDER ENGAGEMENT

Our **routine engagement** helps us identify the ESG matters where Meritage can provide value and address risk. We look to align the opportunities with Meritage’s long-term value creation to enable us to address the high-priority and high-impact issues.



Learn more in the [Statistics](#)

	Homebuyers	Employees	Investors	Vendors	Industry Partners	Greater Community
ENGAGEMENT TOPICS	<ul style="list-style-type: none"> <li>• Customer service &amp; satisfaction</li> <li>• Product stewardship</li> <li>• Home ownership education</li> <li>• Market research</li> </ul>	<ul style="list-style-type: none"> <li>• Core values</li> <li>• Job site health &amp; safety</li> <li>• DE&amp;I / company culture</li> <li>• Training &amp; development</li> <li>• Employee voice</li> </ul>	<ul style="list-style-type: none"> <li>• Financial performance</li> <li>• Corporate governance</li> <li>• Long-term value creation</li> </ul>	<ul style="list-style-type: none"> <li>• Product sustainability</li> <li>• Homebuilding innovation</li> <li>• Quality assurance</li> <li>• Supply chain risk management</li> </ul>	<ul style="list-style-type: none"> <li>• Government &amp; environmental regulatory compliance</li> <li>• Energy-efficient homebuilding</li> </ul>	<ul style="list-style-type: none"> <li>• Community engagement</li> <li>• Education</li> <li>• Inclusive workforce development</li> </ul>
ENGAGEMENT EFFORTS	<ul style="list-style-type: none"> <li>• Sales team interaction</li> <li>• Warranty portal</li> <li>• Financial &amp; energy-efficiency tutorials</li> <li>• Customer satisfaction surveys</li> <li>• Market research surveys</li> </ul>	<ul style="list-style-type: none"> <li>• Employee resource groups</li> <li>• Internal communications</li> <li>• Engagement survey</li> <li>• Education &amp; training programs</li> <li>• Anonymous 24/7 ethics line</li> </ul>	<ul style="list-style-type: none"> <li>• Quarterly earnings call</li> <li>• Investor conferences</li> <li>• ESG reporting, proxy statement, SEC filings</li> <li>• Press releases</li> <li>• Shareholder outreach</li> </ul>	<ul style="list-style-type: none"> <li>• Forecasting meetings</li> <li>• ESG vendor survey</li> <li>• Sustainability pilot programs</li> <li>• Vendor Code of Conduct</li> </ul>	<ul style="list-style-type: none"> <li>• Strategic partnerships</li> <li>• Industry organization memberships</li> </ul>	<ul style="list-style-type: none"> <li>• Volunteerism &amp; philanthropy</li> <li>• Beautification efforts</li> <li>• Academic scholarships</li> <li>• Recruitment partnerships</li> </ul>



## REPORTING FRAMEWORK

We report our ESG efforts on an annual basis. The information shared in this report relates to our fiscal year 2023 ending December 31, with additional historical data, all of which is aggregated in the statistics section.

We addressed various topics that are material to our business and industry, which align with the key factors under universally-endorsed ESG frameworks and by ESG ratings agencies. We elected to provide greater transparency in our sustainability disclosure under the Sustainability Accounting Standards Board (SASB) and the Global Reporting Initiative (GRI) reported frameworks. This report also reflects the applicable sustainability indicators under the United Nation’s Sustainable Development Goals (UN SDGs).

Our responses to the Task Force on Climate Related Financial Disclosures (TCFD) can be found in this report.

We support ESG reporting under the leading standards and frameworks that best provide comparability and sound disclosure of material factors to our stakeholders. We continue to use the SASB standards today, but we are evaluating the inaugural standards of the International Sustainability Standards Board (ISSB) and its incorporation of TCFD for potential future disclosures.

Category	Topic for Framework and Agencies	Reference Page in this Report
<b>Environmental</b>	Land Use & Ecological Impacts	20-21
	Climate Change Adaptation	22
	Green Procurement of Building Materials	24
	Energy Management	25
	Waste Reduction & Water Consumption	25
	Design for Resource Efficiency	22-23,25
<b>Social</b>	Workforce Health & Safety	31
	Customer Satisfaction	41
	Human Capital Management	32-33,35-36
	Diversity, Equity & Inclusion	29-30,36
	Community Impacts of New Developments	20-21
	Suppliers	42
<b>Governance</b>	Business Ethics & Compliance	46-47
	Bribery & Anticorruption	46-47
	Board Oversight on ESG	46,49
	Board Diversity	46

**ESG MATERIALITY MATRIX**

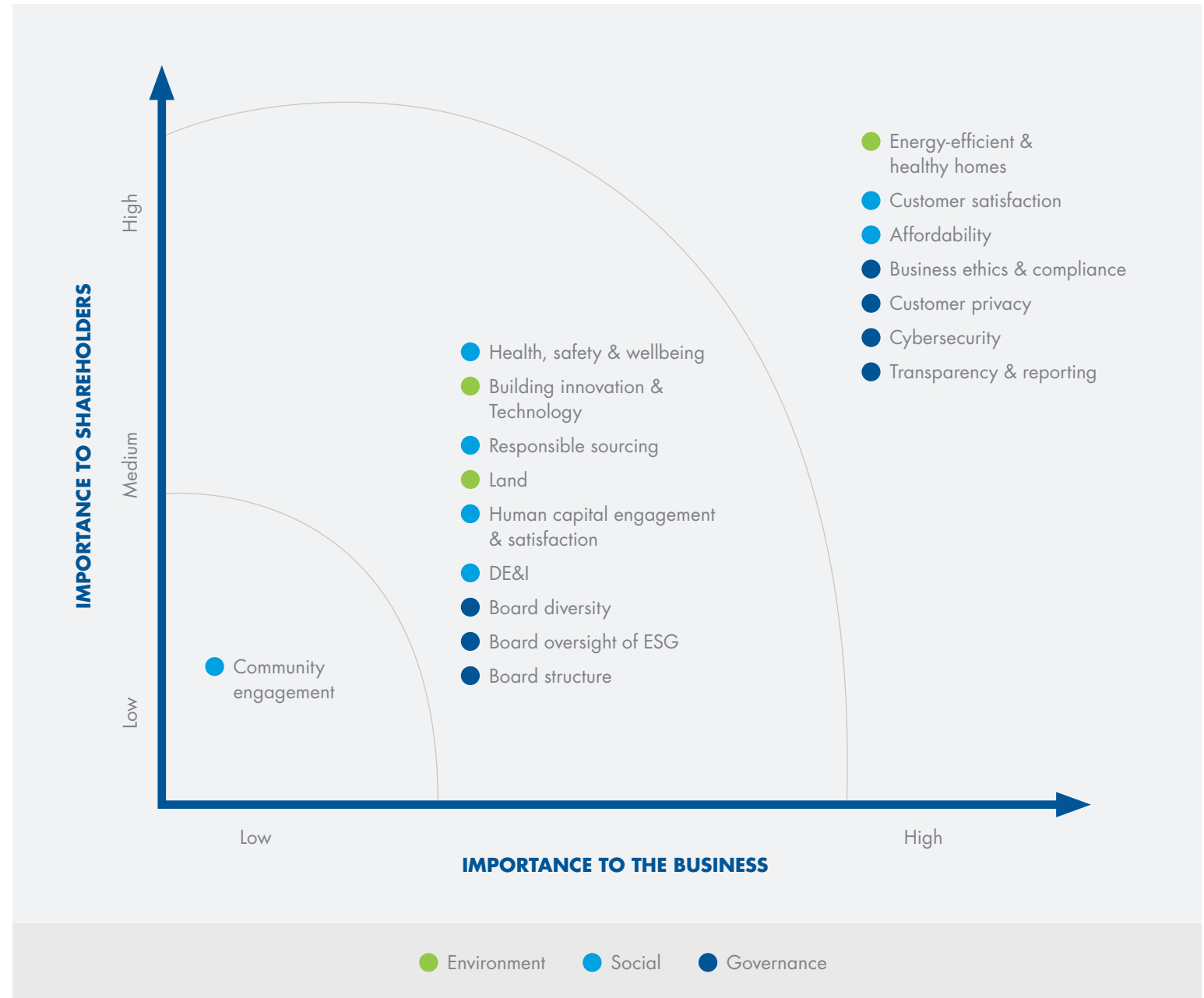
At Meritage, materiality for ESG reporting is primarily guided by:

- The GRI reporting principles and regular feedback from our stakeholders and internal subject matter experts.
- Benchmarking of peers and industry leaders.
- Evaluating the relative importance of topics through a review of ESG best practices, standards and trends.

In 2020, we conducted a materiality assessment in collaboration with a third-party consultant to identify and focus our ESG activities. Since then, on an annual basis, we assess the inherent ESG risks and opportunities for our business to prioritize our enterprise-wide ESG initiatives to determine our annual ESG Action Plan. These annual assessments will ensure we always aim to do the right thing for our stakeholders, greater communities and the planet.

This graph to the right identifies our current most important ESG topics.

Materiality for ESG reporting differs from that which relates to Securities and Exchange Commission (SEC) reporting. Issues that are deemed material for our ESG strategy may not necessarily be considered material in the context of SEC reporting and vice versa. The topics identified in this ESG report may not be considered important, material and/or significant for other purposes.



# ENVIRONMENTAL



Learn more in the [Statistics](#) →

## THE PILLARS OF OUR SUSTAINABILITY STRATEGY

1. **Certification under governmental and industry-recognized programs** for the energy efficiency of new builds since 2009
2. Energy efficiency and healthy attributes in our homes
3. **Achieving homeownership cost savings** for our homeowners from our sustainability efforts

For 15 years, our unwavering commitment to innovation has allowed Meritage to produce high quality, energy efficient homes that are smarter, healthier and more cost effective for our homeowners.

Steven J. Hilton, Executive Chairman of Meritage Homes

# 1. CERTIFICATION FOR THE ENERGY EFFICIENCY OF OUR NEWBUILDS SINCE 2009

To **deliver on our promised efficiencies**, we are committed to complying with the most recognized energy efficiency homebuilding certification programs in the industry:

- U.S. EPA'S ENERGY STAR® home certification reflects homes that are designed and built for quality and responsible stewardship of the environment and exceeds building codes by at least 10%.
- Third-party RESNET Home Energy Rating System (HERS) certification calculates a home's energy performance, comparing it to the RESNET Reference Home, a standard based on a HERS index score of 100 for a typical home built in 2006.

## 45L Tax Credit for Energy-efficient Homes

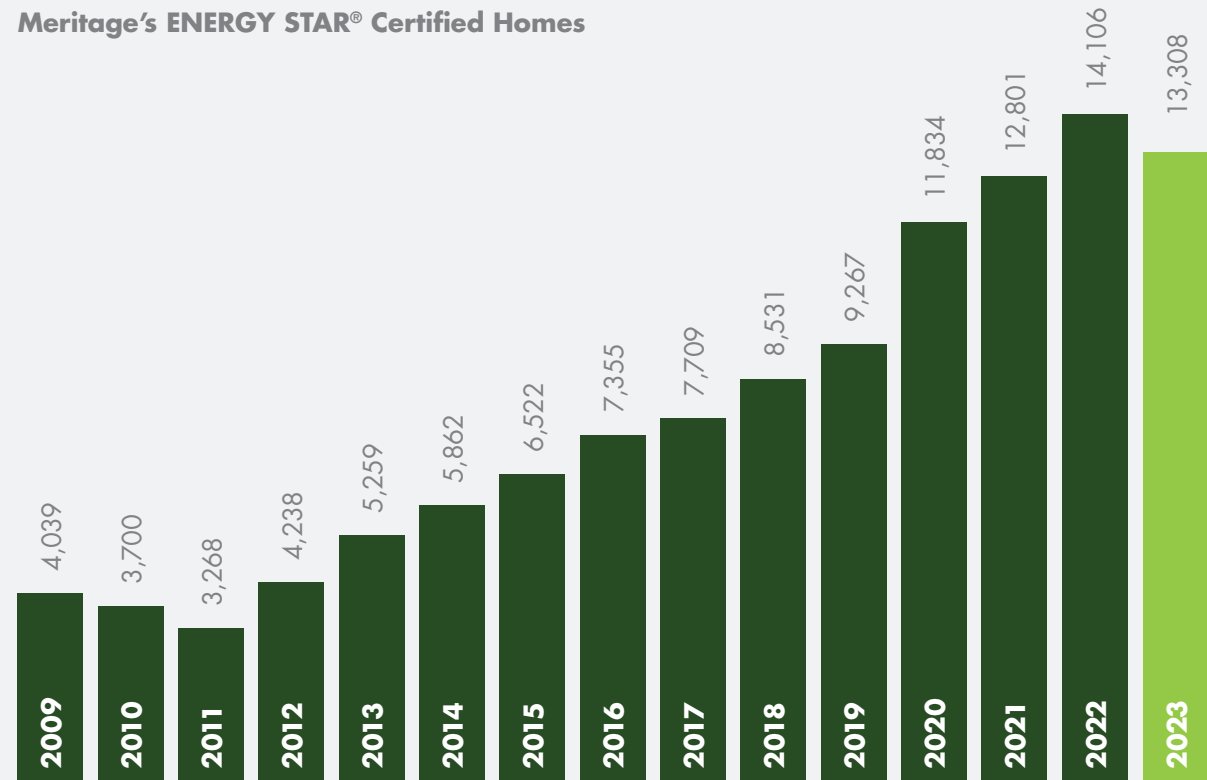
The IRS changed the criteria for 45L tax credits to ENERGY STAR home certification version 3.1 during 2023. Meritage was one of the few builders that built homes in a sustainable manner that allowed us to continue to harvest the 45L tax credits on most of our home closings even after the tax credit eligibility changed to a tougher standard.

ENERGY STAR home certification standards for 45L tax credit continue to change and a new incremental tax credit will start in 2025 that relates to the DOE's Zero Energy Ready Home program. Meritage continues to weigh the cost impact of meeting these tax credit qualifications with homebuyer affordability.

## ENERGY STAR CERTIFICATION

At December 31, 2023, we have delivered over 126,000 cumulative ENERGY STAR® certified homes since 2009.

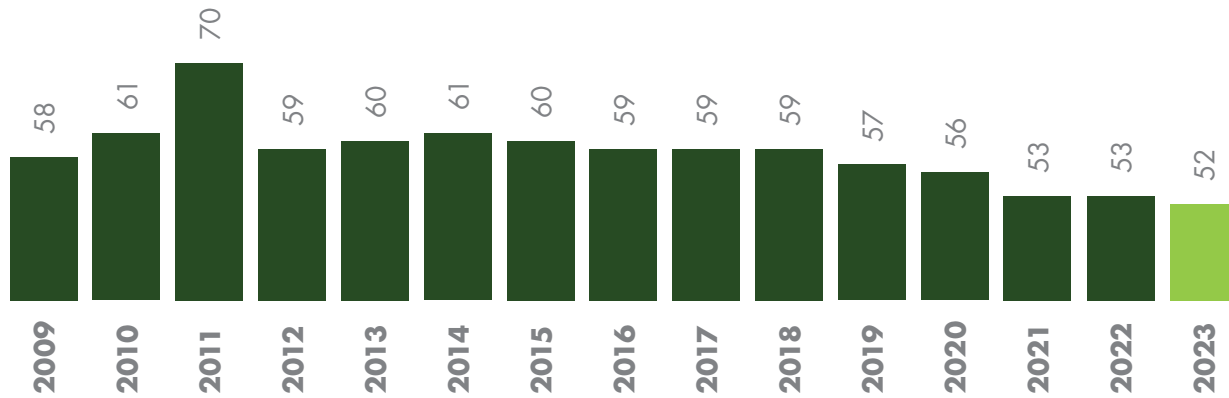
Meritage's ENERGY STAR® Certified Homes



**HERS INDEX CERTIFICATION<sup>1</sup>**

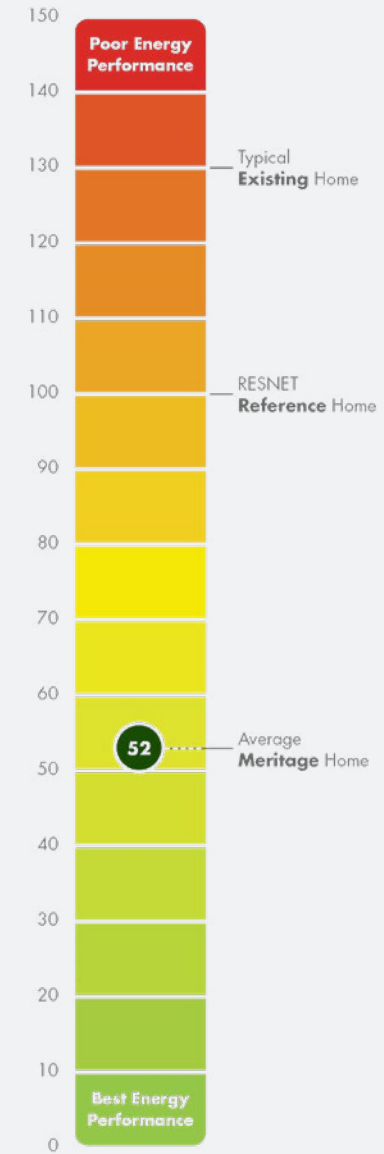
Meritage’s average HERS index score of 52 in 2023 implies our average home will consume 48% less energy than the RESNET Reference Home.

**Meritage’s Average HERS Index Score**



<sup>1</sup>Source: RESNET.

**2023 AVERAGE HERS INDEX SCORES**





## 2. OUR ENERGY EFFICIENCY AND HEALTHY HOME OFFERINGS SINCE 2009

As an industry leader, Meritage has been committed since 2009 to finding innovative ways to make our homes **energy-efficient** and **healthy**, lower the cost of ownership and create more sustainable communities.

Our new homes in 2023 included these features:

- 100% commitment to build ENERGY STAR® certified homes
- 100% commitment to build Indoor airPLUS certified homes
- Spray foam insulation
- MERV-13 air filtration
- Multispeed HVAC in new homes in most geographies
- Solar panels in all new California homes
- Offering ENERGY STAR® certified appliances for applicable categories
- WaterSense certified water fixtures
- Smart thermostat
- Heat Pump water heaters or tankless water heaters in certain geographies
- Fresh air management system
- LED Lights
- Low-E windows
- Thermal breaks
- Insulated, sealed ducts in conditioned space or attics
- Low-to-zero volatile organic compounds materials, paints, stains and adhesives

### 3. ACHIEVING HOMEOWNERSHIP COST SAVINGS FOR OUR HOMEOWNERS FROM OUR SUSTAINABILITY EFFORTS<sup>1</sup>

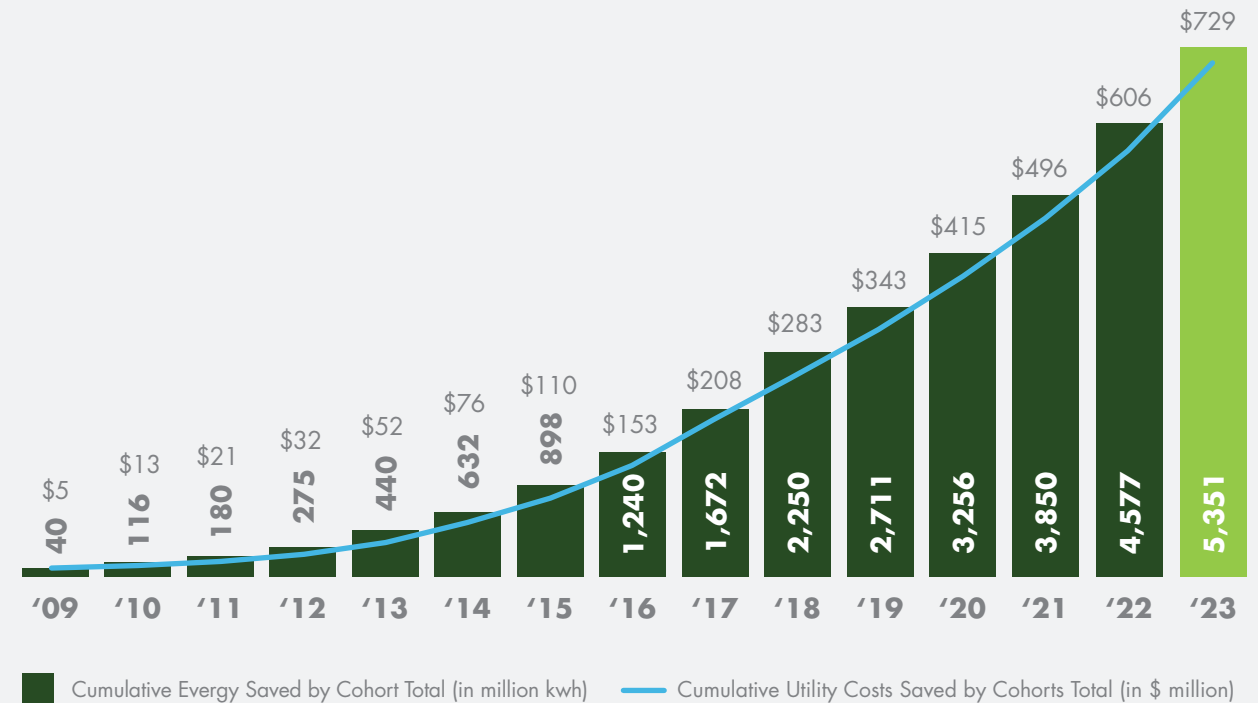
The energy-efficient homes we delivered in 2023 had an average HERS index score of 52 which yielded the following estimated impacts:

- 102.1 million kilowatt hours of annual electricity saved
- 157.4 million pounds of annual carbon dioxide eliminated
- \$16.3 million annual reduction in homeowner utility bills

We delivered over 126,000 new energy-efficient homes since 2009 which yielded the following estimated impacts:

- 5.4 billion kilowatt hours of cumulative electricity saved
- 8.2 billion pounds of cumulative carbon dioxide eliminated
- \$729.4 million cumulative reduction in homeowner utility bills

Cumulative Annual Electricity Saved & Utility Bill Reduction From Homes Delivered By Meritage



<sup>1</sup>Source: RESNET, U.S. Energy Information Administration, U.S. EPA and internal calculations. The annual savings and cumulative savings from 2009 to 2023 are both compared to the RESNET Reference Home annual energy usage.

## CORPORATE SUSTAINABILITY EFFORTS

Meritage encourages sustainable practices in all of our offices across the country.

### CORPORATE SUSTAINABILITY FEATURES

- Responsible recycling of IT hardware reduces waste generation
- Digital workflow and ultrawide computer monitors reduce or eliminate paper printing
- LED lighting, automatic light dimmers and motion sensors save on electricity
- Video conferencing technology reduces the need for business travel

### CORPORATE SUSTAINABILITY ACHIEVEMENTS IN 2023

Meritage replaced traditional physical signatures on certain internal documents and all customer paper sales contracts with electronic documents and signature via a third-party provider.



While the third-party's calculation for our paper savings assume 18 pages for all documents we generate on their platform, our typical customer sales contract is about 70 pages on average, implying potentially greater savings.

Source: DocuSign. Please note that Meritage now has access to the DocuSign environmental impact dashboard that will provide consistent and standardized reporting of ESG data related to Meritage's use of DocuSign for 2023 data and onwards.

DocuSign uses the Environmental Paper Network Paper Calculator methodology now, so 2021-2022 data was rerun, which can be found in the Statistics.



### NEW CORPORATE HEADQUARTERS

In October 2023, Meritage moved its corporate headquarters to a new LEED-certified office building in Scottsdale, AZ. The new facility comes equipped with energy-conscious amenities such as electric car charging stations in the parking garage.

Source: Cavasson

Meritage disposes IT hardware through a third-party provider who repurposes, reuses or recycles the electronics and their raw components and materials in compliance with EPA's Responsible Recycling Standard.

**453**

Total devices recycled or sold

**4.4**

Kg of toxic materials waste avoided

**27,300**

Kg of CE of GHG savings

Source: DMD. Please note that Meritage now has access to the DMD environmental impact dashboard that will provide consistent and standardized reporting of ESG data related to the resale, recycling and proper disposal of Meritage's used electronics for 2023 data and onwards. The data for 2021-2022 above was rerun using the DMD dashboard, which can be found in the Statistics.

## OUR APPROACH TO SUSTAINABILITY

### ENVIRONMENTAL RESPONSIBILITY POLICY

We integrate sustainable practices into our business operations, strategy and financial planning, which enhances the resilience of our new homes and communities. In addition to abiding by all local, state and federal laws and environmental regulations related to land use and protected lands, our [Environmental Responsibility Policy](#) sets our protocols for the stages of our operations:



## SITE SELECTION: LAND USE & ECOLOGICAL IMPACTS

We recognize that **land is a finite resource** and it is **our duty to design and develop land responsibly** into communities.

### SITE SELECTION

Governed by our land underwriting playbook, our land acquisition process requires all land deals to undergo a **rigorous land committee approval process**.

When evaluating any land acquisition opportunity, our decision is based on a variety of strategic factors, including:

- Financial feasibility
- Affordability
- Strategic suitability
- Biodiversity impact and environmental remediation
- Legal and regulatory

### ENVIRONMENTAL ASSESSMENT OF SITES

We evaluate ecological and environmental impacts on every land deal and when applicable, execute any appropriate remediation plans:

**Phase I:** We conduct a **Phase I Environmental Site Assessment** to investigate potential land-related environmental risks and identify any potential Recognized Environmental Conditions (RECs). If additional analysis is needed, we conduct



a Phase II Environmental Site Assessment and take all necessary remediation actions in accordance with federal, state and local laws, regulations and requirements prior to construction.

**Floodplain Review:** If the land is in a flood zone per the Federal Emergency Management Agency mapping, we typically design around floodways and floodplains first and then remediate the land so that it is no longer in a floodplain.

**Water Stress:** We analyze the water stress of the land we look to acquire, using the World Resource Institute's (WRI) Baseline Water Stress Test. We may consider avoiding areas where the burden on land development is overwhelming, such as limited water availability or sources.

**Biodiversity Analysis:** Our **environmental assessment** (archaeological, biological and ecological studies) of the land helps us **prioritize conservation and the preservation of protected plant and animal species**, as well as **minimize adverse impact**.

### SOCIAL ASSESSMENT OF SITES

#### Infill and/or Redevelopment Sites

We take advantage of opportunities to repurpose and develop land that was previously occupied but now vacant that are primarily in existing, already largely developed urban areas, increasing the supply of entry-level and first move-up housing in core neighborhoods with infill communities. These parcels could be prior churches, schools, movie theaters and office buildings. Our development of abandoned land can be a **catalyst to attract local commerce and business, create job opportunities, build schools and contribute to an appetite for more housing in the area that will lead to further community development and vibrant communities**. Our belief is that increasing the housing supply will **reduce pressure on housing prices**.

In 2023, we delivered 3,730 homes on infill sites and 1,126 homes in compact developments—together totaling 35% of total homes delivered during the year.

## SUSTAINABLE COMMUNITY DESIGN & DEVELOPMENT

Our land design and development process incorporates site planning and engineering that **preserves natural resources and provides road, sewer, water, utilities and drainage** as well as landscaping improvements, recreation amenities and other improvements that enhance the livability of our communities.

### WATER CONSERVATION

In the community design, we try to utilize certain flood areas for open spaces like ponds to maintain local ecological dynamics. We also use **zeroscaping** and **xeriscaping** landscape designs that use native trees and plants to minimize or eliminate the need for irrigation. We also encourage and **promote sustainable landscaping** for common areas, yards and recreational amenity designs.

### STORMWATER & AIR QUALITY MANAGEMENT

During the land development and construction process, our **Storm Water Pollution Prevention Program (SWPPP)** helps us keep pollutants from paint, concrete and other waste out of stormwater runoff. We are compliant with the **Clean Water Act** in

all our markets. We spent over \$36 million in 2023 and nearly \$32 million in 2022 for **air and water quality control** in all of our communities to **reduce dust in the air and avoid pollutant discharge** into waterways from our job sites.

### ADAPTING FOR BIODIVERSITY CONSERVATION & RESPONSIBLE LAND USE DURING LAND DEVELOPMENT

We may alter our community design of specific lots and/or open spaces during the land development and construction process in order to **preserve biodiversity of plants and animals**. We incorporate existing native animal habitats in areas of high biodiversity into the preserved open spaces within our future communities.

To limit degradation and/or fragmentation of ecosystems and habitats, we preserve heritage plants like oak trees in Florida, saguaro cacti in Arizona and orange groves in California.

For responsible wildlife management, we delay construction during the nesting period for threatened species like red-tailed hawks in California and bald eagles in Texas and/or rehome animals like tortoises in Florida.



As builders, we embrace our role in shaping the American dream while promoting community well-being and environmental stewardship. Our commitment at Meritage is to create vibrant, sustainable spaces where people can live, work and connect.

Phillippe Lord, Chief Executive Officer of Meritage Homes



We spent over \$36 million in 2023 and nearly \$32 million in 2022 for air and water quality control in all of our communities.

## ENERGY-EFFICIENT HOME DESIGN & CONSTRUCTION

After site selection and community development, we move on to the design and construction of our homes, where our green mission centers around these three tenets:

- Energy-efficiency and climate change adaptation for our customers
- Sustainable construction methods
- Procurement of green building materials



### CLIMATE CHANGE ADAPTATION IN HOME CONSTRUCTION

We design all of our homes to be double certified ENERGY STAR® and Indoor airPLUS.



#### ENERGY STAR® CERTIFICATION

This home certification guarantees our homes deliver **better durability, better comfort and reduced utility and maintenance costs. We have committed to building 100% of our new homes under the ENERGY STAR® certification since 2009.**



#### INDOOR AIRPLUS CERTIFICATION

As an industry leader in **health-conscious homebuilding, we are committed to building 100% of our new homes under the EPA's Indoor airPLUS program**, a voluntary partnership and labeling certification. This program improves indoor air quality by requiring construction practices and product specifications that **minimize exposure to airborne pollutants and contaminants.**

## Sustainable Home Construction

We encourage our national vendors to use **innovative construction techniques** and **value engineering** at scale which can achieve **smarter resource usage** and **limit construction waste**.

By using **spray foam insulation** in all new homes, we create a tighter building envelope (the barrier between the inside and outside of a home) and build **better climate-sealed homes**. Spray foam further promotes healthy indoor air quality and, according to the U.S. Department of Energy, properly functioning insulation can lead to approximately 20% energy savings on heating and cooling bills.<sup>1</sup>

As lumber comprises the single largest commodity in our homes, we are committed to **responsible forest management** to maintain sustainable natural resources. We work with our vendors to specify wood products which are primarily from new and high-growth forests or from specific tree farms used by the building industry. Our wood varieties most often come from inland areas of the western U.S. and Canada rather than coastal areas with endangered wood varieties. Our lumber national vendors have the following lumber certifications:



**Advanced framing and panelization** refers to offsite manufacturing of roof and wall trusses that are shipped to our job sites for final construction. Compared to traditional homebuilding, **pre-fabricated components and pre-cut lumber minimize the amount of lumber needed and lumber waste, reduce complexity and shorten build times on the job site.**



Builders FirstSource, one of our major lumber vendors, estimates that by using its READY-FRAME® and Components, Meritage

**saved approx. 24,000 trees in 2023**

compared to traditional construction.

Source: Builders FirstSource

<sup>1</sup>Source: U.S. DOE



**PROCUREMENT OF GREEN BUILDING MATERIALS**



All of the showering valves going into Meritage homes utilize ocean recycled plastic. In 2023, Moen estimates that Meritage

**reused over 1,800 pounds of ocean-recycled plastic.<sup>1</sup>**

<sup>1</sup>Source: Moen.

Within our value chain, our national vendors are also focusing on sustainability in their manufacturing process.

**RECYCLED MATERIALS USAGE:**



The EverStrand carpet products we purchase are made from recycled plastic bottles.



Majority of Therma-Tru door end rails are made from 90% recycled or scrap material, and the Company reuses most of the scrap lite frame material to make new lite frames.

**WASTE REDUCTION:**



85% of total waste diverted from landfill.

Source: Company-specific datapoints about their own manufacturing processes provided by specific national vendors as noted above.

**WATER CONSUMPTION REDUCTION IN THE MANUFACTURING PROCESS:**



12% reduction in water intensity in the past five years.

**USE OF RENEWABLE ENERGY IN THE MANUFACTURING PROCESS:**



Completed on-site solar energy installation at Orlando, Florida manufacturing site, producing approximately 1,800 MWh annually.



Generates sufficient renewable energy through 88 wind turbines, approximately 53 megawatts annually, to cover 100% of the electrical consumption for Whirlpool's U.S. sites.

**CARBON EMISSIONS REDUCTION:**



58% reduction in 2023 scopes 1-2 emissions from 2019 baseline and 39% reduction in 2023 scope 3 emissions from 2020 baseline.

### GREATER EFFICIENT ENERGY MANAGEMENT

Within our value chain, our national vendors are focusing on the various components of sustainability in their manufacturing process and end products that are sold to Meritage.

Every Meritage home comes standard with our signature energy efficiency package and our M.Connected Home™ Automation Suite of solutions to our homebuyers for nominal additional cost while providing significant additional value to our customers.

### REDUCING ENERGY AND WATER CONSUMPTION

We offer **100% ENERGY STAR certified** appliances for categories of appliances that have products with this certification and we use **100% WaterSense certified** water fixtures in our homes to reduce energy and water consumption on a daily basis.

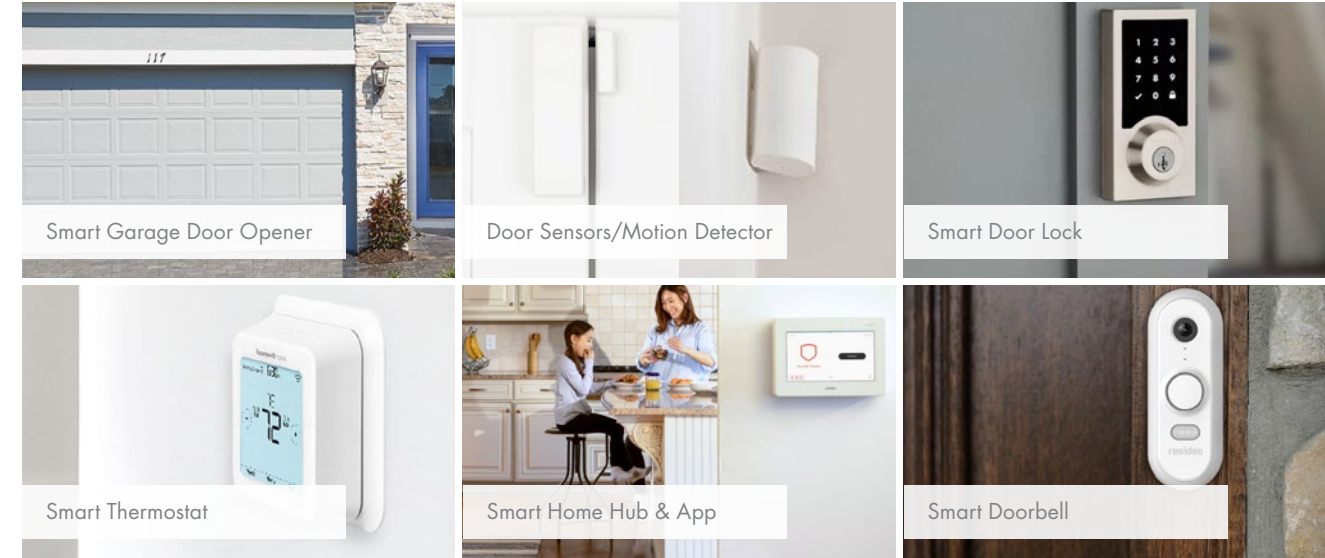


On average, smart thermostats that meet ENERGY STAR® criteria save users about 8% on their monthly utility bills, compared to traditional thermostats.<sup>1</sup> **100% of Meritage homes delivered in 2023 were outfitted with smart thermostats.**

<sup>1</sup>Source: Energy Star

### SMART HOME TECHNOLOGY ADDS TO THE HOME'S SUSTAINABILITY

Our M.Connected Home™ Automation Suite comes standard in our homes and provides our homeowners an array of smart home technology that enhances the functionality and performance of the home, helps with energy management both at home and afar and increases the home's comfort, safety and security.



### ADDITIONAL SUSTAINABILITY HOME FEATURES

#### Solar Panels in Our California Homes

In California, we abide by the state's Title 24 energy code related to solar panels installation required in new homes. **In 2023, all 1,337 new homes we delivered in California had solar panels, which generate approximately 8.8 million kwh of annual electricity in total.**<sup>2</sup> Ultimately, this will help to reduce stress on both the electrical grid and these homeowners' monthly utility bills.







#### Healthy Homes

In addition to **spray foam insulation**, we install **MERV-13 air filters** in all of our new homes, which work in unison with spray foam to create a protective barrier to reduce unwanted air particles and maintain **indoor air quality** in the home.

<sup>2</sup>Source: Sunpower

**ENVIRONMENTAL & GOVERNMENTAL AFFAIRS**

Meritage participates in regional and national councils, partnerships and projects to **advance sustainable homebuilding in the U.S.**

ORGANIZATION	MERITAGE'S PARTICIPATION	
	<p><b>Residential Energy Services Network</b></p>	<p>Meritage actively participates and contributed to multiple initiatives within the RESNET organization, including representation on its Board of Directors and its standards committee.</p>
	<p><b>Policy Advisory Board of the Harvard Joint Center for Housing Studies</b></p>	<p>Meritage has been a long-time member of this advisory board, which advances the understanding of housing issues and informs policy.</p>
	<p><b>Collaboration with the DOE and EPA</b></p>	<p>Since 2015, Meritage has been collaborating on large-scale community projects to demonstrate energy efficiency and monitor energy usage patterns. Past and current projects include communities that are net zero energy or all-electric, as well as a community that optimizes electric grid usage.</p>
	<p><b>Leading Builders of America's Environmental Subcommittee</b></p>	<p>As a founder, Meritage participates with LBA initiatives and numerous committees, including the Environmental Subcommittee. As a member, Meritage works to make further strides in promoting the construction of energy-efficient homes.</p>
	<p><b>National Association of Home Builders</b></p>	<p>Meritage actively participates with state and local home building association initiatives to support industry activities in our markets.</p>
	<p><b>Institute for the Building Envelope (IBE)</b></p>	<p>Meritage is a co-founding member of the IBE, a resource for consumers, builders, designers and policymakers seeking to improve public policy that supports stronger energy-efficient and cost-effective building materials.</p>
	<p><b>Public Builder Industry ESG Committee</b></p>	<p>Active since 2022, Meritage is a founding member and co-chairs this committee to advance the discussion with the peer group about standardizing certain ESG disclosures and metrics calculations.</p>

The **Meritage Homes Political Action Committee** (Meritage PAC) is organized to support federal political candidates and other industry-related PACs that advocate for legislation that supports residential construction. Participation in the Meritage PAC by employees and Board Directors is completely voluntary and all contributions by the PAC are approved by Meritage executive management and made under strict adherence to federal, state and local regulations and filing disclosures.

# SOCIAL





## OUR PEOPLE

Meritage is committed to cultivating a diverse team, fostering an inclusive culture and creating a workplace environment where our team members can reach their full potential in support of organizational goals.

## OUR CORE VALUES

-   
**START WITH HEART**
-   
**DEVELOP TO EMPOWER**
-   
**INTEGRITY ABOVE ALL ELSE**
-   
**BUILD VALUE**
-   
**THINK STRATEGICALLY**
-   
**PLAY TO WIN**

- 4** QUALITY EDUCATION  

- 5** GENDER EQUALITY  

- 8** DECENT WORK AND ECONOMIC GROWTH  

- 10** REDUCED INEQUALITIES  


Learn more in the [Statistics](#)

OUR DE&I MISSION

At Meritage, we cultivate an inclusive environment that encourages our employees to grow and connect with each other.

Javier Feliciano, Chief People Officer of Meritage Homes



WORKPLACE + WORKFORCE + MARKETPLACE

OUR DE&I JOURNEY

DE&I COUNCIL

Comprised of corporate and field team members, the DE&I Council leads, develops and implements DE&I-related initiatives approved by executive management, including the roll-out of the initial ERGs in 2023.



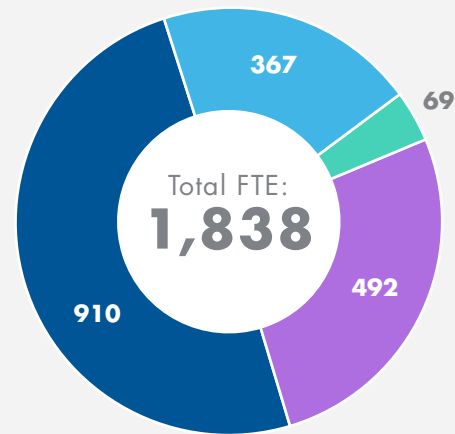
WOMEN IN OPERATIONS SPOTLIGHT

Building the Future

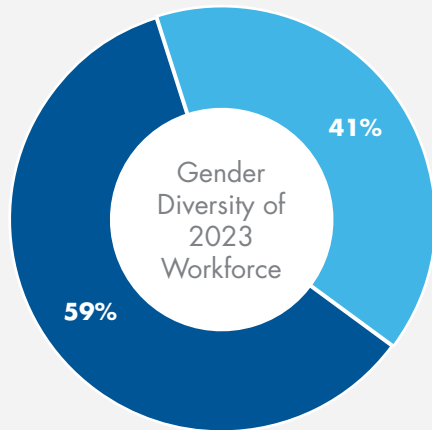
Under this new internal initiative in 2023, a dedicated group of employees provide recommendations to executive management so that Meritage can support, develop and attract more female representation in operations.

**WORKFORCE DIVERSITY**

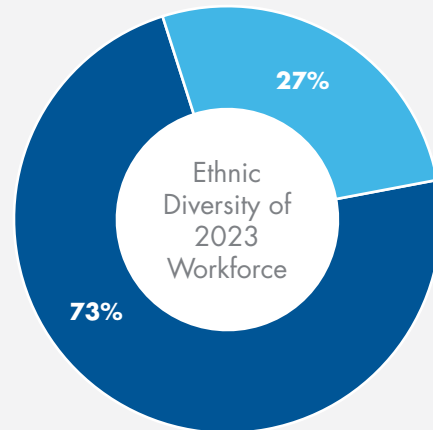
At December 31, 2023, we had 1,838 full-time employees (FTEs):



- Construction and Warranty Operations
- Management and Administration
- Title and Insurance Companies
- Sales and Marketing



- Men
- Women



- Non-diverse
- Ethnically Diverse

**TOTAL CORPORATE WORKFORCE DATA**

Due to the unique nature of the homebuilding business, as communities open and close in different geographic locations, our impacted local employees may elect to terminate their employment with us in order to remain closer to home. This sector-specific high turn-over of field employees results in limited ability to provide meaningful benchmarking and therefore, the information below only reflects the demographics of our corporate employees and local management teams.

**Breakdown of Corporate Full Time Employees in 2023**

	Total	Women	Ethnically Diverse
<b>Headcount</b>	323	60%	28%
<b>Promotions</b>	6	83%	0%
<b>Turnover %</b>	13%	13%	15%

**Breakdown of Operations Senior Leadership in 2023**

	Total	Women	Ethnically Diverse
<b>Headcount</b>	24	17%	17%
<b>Promotions</b>	4	50%	25%
<b>Turnover %</b>	17%	0%	25%

### WORKPLACE HEALTH AND SAFETY

We promote a proactive **culture of safety** that identifies and prevents hazards through safety courses, weekly inspections of job sites and monthly **Toolbox Safety Talks**.

We require contractors and subcontractors to comply with:

- All applicable laws and labor practices, including applicable health and safety and heat illness prevention

- Meritage’s **Vendor Code of Conduct**
- Local building codes, permit conditions and quality construction standards
- Warranty and insurance requirements

#### Our commitment to safety:

- 100% of our construction personnel are OSHA-certified.
- Our industry-leading TRIR ratings (0.8 in 2023).

#### Field Safety Council

In 2023, we initiated a Field Safety Council comprised of internal regional construction managers and corporate operations that meet regularly to audit safety protocols, run OSHA special emphasis trainings and deploy safety initiatives.



Our **TRIR of 0.8** in 2023 compared to the U.S. public production builder industry median TRIR of 1.1, on a scale of 0 to 10 with 0 being a perfect TRIR.<sup>1</sup>

#### Meritage’s TRIR



TRIR refers to total recordable incident rate.

<sup>1</sup>Based on U.S. public production builders’ most recent company publications.

Note that OHSAS 18001 or ISO 45001 certification is not applicable to U.S. public homebuilders.





## RECRUITMENT

Developing the best talent starts with **hiring a diverse team.**

- Participate in recruiting fairs and utilize both national job boards and third-party hiring agencies
- Leverage third-party assessments of candidates' behavior and cognitive ability to align talent, skills and cultural fit for each position
- Opportunities to promote from internal talent pipeline
- Employee referral bonuses

### Targeting Early Career Talent Acquisition

Early talent recruitment via academic scholarships and internships is one of our key strategies to developing our future leaders.

- We funded \$200,000 in 2023 for 60+ academic scholarships.



- 34 of our 2023 interns were finishing school and therefore eligible for job opportunities, of which 15 accepted offers for full time employment at Meritage. **43% of the conversions were female (38% in 2022) and 19% were ethnically diverse (15% in 2022).**
- In 2023, we continued to support the Building Talent Foundation's efforts in attracting 100,000 new skilled workers from underrepresented groups into the homebuilding industry by 2030.<sup>1</sup>

<sup>1</sup>Source: Building Talent Foundation.

**TALENT DEVELOPMENT**

Career progression and professional development help us **retain top talent as well as increase employee productivity and engagement.**

**Employee Performance Management**

At Meritage, our culture rewards **performance, experience, creativity, innovation, dedication, collaboration and alignment with our core values.** Our employee performance management includes:

- Annual goal planning
- Semi-annual performance reviews
- Professional development, career opportunities and joint goal setting meetings between employee and their managers

**Professional Development**

We provide role-based and skill-based training, as well as self-guided online training opportunities.

- **Leadership Institute** is our annual leadership development skills event for senior leaders.
- **Road to Mastery** trainings align sales, construction, land and procurement employees with each discipline’s best practice techniques and processes.



- Qualified employees aspiring for division president and other senior leadership roles can participate in formal career development programs like our **Advanced Leadership Program** and **Meritage Executive Talent Program**
- **Nearly 60,000 online classes were taken by Meritage employees in 2023.**
- Cybersecurity training includes frequent **microlearning sessions regarding phishing, multi-factor authentication and protection of credentials and data**
- Third-party expert-led DE&I sessions and company-wide discussions in 2023 focused on **psychological safety and the inclusive mindset**

**Company-wide Training & Education**

- Achieved our goal of **100 percent completion in 2023 of Code of Ethics and Cybersecurity trainings by active full time employees**

## EMPLOYEE BENEFITS

We strive to provide our employees an exceptional experience by investing in their overall health and future.

### Savings and Retirement Support

We offer a 401K plan and health savings account to eligible employees—both with a Company match. Additionally, we provide a deferred compensation savings plan, flex spending accounts (including dependent care), and a financial well-being program to support our employees through every stage of life.

### Education

In addition to a library of free on-demand e-learning tools for employees paid by Meritage, we offer tuition reimbursement, tutoring discounts, as well as formal training and workshops.

### Flexible Working

Our flexible workplace model, MTH Flex, allows eligible employees to work remotely. We provide paid time off for specific family-related events, holidays, paid vacation and personal days and sick time.

### Enhanced Family Benefits

Our added enhanced family benefits include **parental leave opportunities at fully paid time off** for maternity, paternity and for new parents via adoption, as well as **adoption financial assistance** for reimbursement of expenses incurred. At the Company's cost, our employees have a free subscription to Care.com to **access care options related to children, elderly, special needs and pets.**

Our employees also have dedicated hours for volunteer activities, fostering community engagement and well-being.

### Health and Wellness

Our comprehensive healthcare package contains medical, dental and vision insurance. Employees can access virtual telehealth visits, options related to life insurance, critical illness and accident protection, disability coverage and a smoking cessation program. Other wellness programs, including coaching and discounts, are designed to promote mental, physical, nutritional and social well-being.

### Employee Assistance Program (EAP)

Our EAP provides access to free confidential professional mental health counseling sessions. The program's broad support spans family, caregiving, financial guidance and crisis support.



**EMPLOYEE ENGAGEMENT**

Employee surveys and Glassdoor reviews reflect the **voice of our employees.**

**EMPLOYEE SURVEYS**

We typically conduct an anonymous employee engagement survey every 12-24 months, which may be replaced by a culture survey from time to time. We also have periodic shorter, real-time pulse surveys. Our last engagement survey was in 2022 and our next one will be in 2024.

In 2023, Meritage achieved the **Great Place To Work-Certified designation** which showcases our high trust culture. **92% of our employees affirmed that Meritage is a great place to work,** which is higher than the 57% of employees for a typical U.S.-based company.



92% of employees at **Meritage Homes Corporation** say it is a great place to work compared to **57%** of employees at a typical **U.S.-based company.**



Source: Great Place To Work.



Meritage's average employee rating on Glassdoor was

**4.3 in 2023**

on a scale of 1 (dissatisfied) to 5 (very satisfied). This compares to the 2023 U.S. public production builder industry group average rating of 3.7<sup>1</sup>

<sup>1</sup>Source: Glassdoor

### EMPLOYEE RESOURCE GROUPS (ERG) OVERVIEW

Based on our latest employee engagement survey, we launched three inaugural ERGs in 2023 that are voluntary, employee-led and designed to empower and promote belonging for all employees while creating community and connection.



- Empowers women by establishing a strong foundation rooted in education, advocacy, mentorship and networking
- Members can invest in their personal and professional development, overcome obstacles and achieve growth while maintaining a healthy life balance



- A comprehensive and inclusive community dedicated to support our employees' diverse family structures at all stages of life.
- Strives to address the competing demands of work and personal life within our organization



- Places great value on diversity through education and advocacy
- Expanding Meritage's inclusive environment and celebration of everyone

## OUR CUSTOMERS

We strive to create a customer experience that delivers on the American dream of homeownership and provides flexibility during the homebuying process.



Learn more in the [Statistics](#)

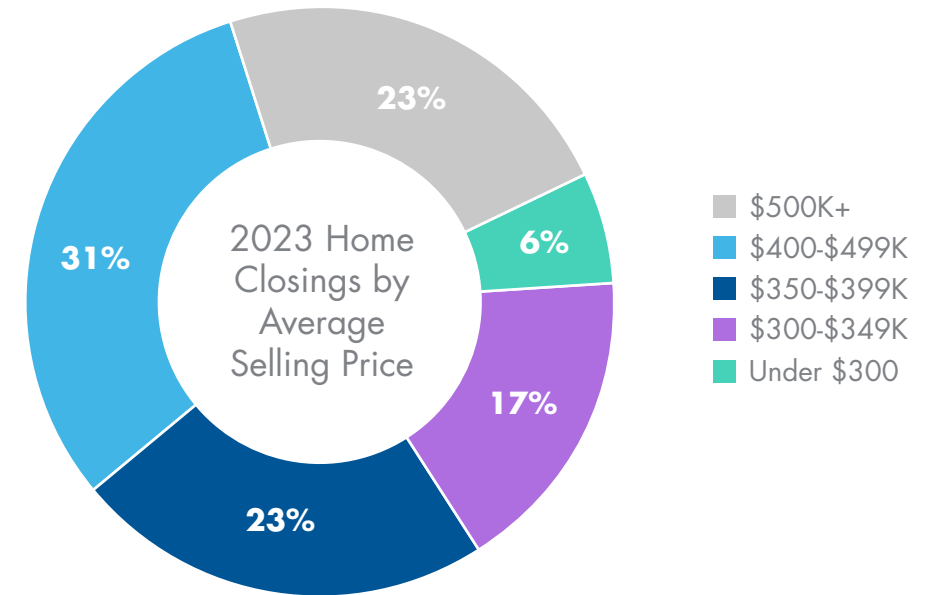


**AFFORDABILITY FOR OUR BUYERS**

We build high-quality and affordable entry-level homes for our customers, who are typically Millennials and Gen Z as they look to buy their first homes, as well as Baby Boomers who are on a fixed income in retirement and seeking to downsize.

		Entry-Level	First Move-Up	Other
<b>Home Closings</b>	2023	84%	15%	1%
	2022	84%	14%	2%
	2021	77%	20%	3%

		Entry-Level	First Move-Up	Other
<b>Average Communities</b>	2023	84%	15%	1%
	2022	81%	18%	1%
	2021	76%	21%	3%



**88%**  
of our homes delivered in 2023 were priced below 2023 FHA loan limits.<sup>1</sup>

**46%**  
of homes delivered in 2023 had an average selling price under \$400,000.

**27%**  
of homes delivered in 2023 were at or under 1,800 sq. ft.

<sup>1</sup>Source: U.S. Department of Housing and Urban Development.

## ADDRESSING AFFORDABILITY

We seek to deliver a Life. Built. Better. for our homebuyers. Our operational strategies combined with our land selection and development decisions allow us to share cost savings with our customers. Further, we help them solve for a monthly payment through our array of financing incentives as well as our offerings for mortgages and homeowners' insurance.

Hilla Sferruzza, Chief Financial Officer of Meritage Homes

- In every community, homes range in type, size, style and price and may include **floorplans starting from 1,200 square feet.**
- We **focus on first-time buyers** with our affordable entry-level homes.
- Our buying process includes **clear pricing and no surprises.**
- We endeavor to keep our homes priced under the FHA loan limit to provide our homebuyers the option to put down a lower down payment and use an FHA mortgage loan.
- Our financing incentives to homebuyers include rate locks to **assist in offering an affordable monthly payment and down payment assistance.**
- We primarily only build in areas where at a minimum, our own broker will offer insurance to ensure at least one provider in town.
- Our **100% spec building strategy** combined with our streamlined operations keep our costs down.
- By building **energy-efficient homes with energy and water conservation features**, our homeowners reduce their resource usage and utility bills every month.







### **AFFORDABILITY THROUGH BUILD FOR RENT (BFR)**

Rentals are a crucial component of the housing equation, supporting both permanent renters and individuals looking to bridge the gap to ownership who need more time to save for the down payment or secure better credit. Our BFR institutional partners purchase and lease our new entry-level single-family homes to those seeking rental housing.

### **ADVOCATING FOR AFFORDABLE HOUSING**

Homeownership is often a family's largest investment and is typically central to building equity and accumulating wealth in the U.S. Meritage is a member of various national and regional industry associations, allowing us to **advocate for affordable housing nationwide through public policy**, while expanding our relationships and collaborating with other builders, suppliers and trade partners to develop solutions for better, more efficient construction.



### **SUPPORTING AFFORDABLE HOUSING IN ARIZONA**

Arizona Housing Fund sponsors the development of housing units that qualify as permanent low-income and working-poor housing in Arizona. In 2023, our Arizona divisions continued to support this affordable housing initiative with **\$70,000+ in donations from our homebuyers and Meritage.**

## OMNICHANNEL HOMEBUYING EXPERIENCE

Our goal is to provide our customers a seamless omnichannel homebuying experience **tailored to our clients' needs**. Meritage's comprehensive **digital homebuying options** include:

- Online research and the ability to compare our available quick move-in inventory
- Online video tours and interactive maps of our homes
- Self-schedule an in-person visit with a sales counselor or a **self-guided tour** where available
- **Pre-qualify and get pre-approved** online for the mortgage
- Pay the home purchase deposit electronically in a secure manner
- Sign sales documents, applicable mortgage and closing documents electronically (in states that allow it)
- Get an on-demand **electronic homeowners' insurance quote**

## EDUCATING OUR CUSTOMERS

### Financial Education

Providing prospective first-time buyers financial education promotes **full transparency**, as many entry-level buyers are focused on monthly payments.

- Access to an online calculator to determine the total mortgage and the size of the all-in monthly payment.

### Energy Efficiency Education

Our comprehensive [Homebuyer's Resources](#) and Homebuyer's Guide to a Smarter Buy highlight the sustainability benefits and features of our homes.

- ENERGY STAR certified homes are at least 10% more energy-efficient than new home building code, which will provide the homebuyer **monthly utility bill savings**

## AVID AWARDS REFLECT CUSTOMER SATISFACTION

### Meritage's Avid Ratings

	Meritage Homes Rating	Industry Average Rating
2023	94.2%	87.9%
2022	91.5%	90.6%
2021	92.1%	88.4%

2023 was the **12th straight year** that Meritage has been recognized for the highest homebuyer ratings. Meritage's Southern California Division received the prestigious **Avid Cup-Production for the third year in a row**, which is the program's top honor given annually to only one builder in North America in the production category.

Note that Avid is a third-party customer experience survey provider across the homebuilding industry.

## OUR VENDORS



Learn more in the [Statistics](#)

Meritage and our vendors share a mutual goal: to deliver high quality energy-efficient homes that are affordable.

When selecting our vendors, we consider the following factors: **product quality assurance, scalability, timeliness of delivery, cost and product sustainability.** Further, **we only seek partners that act with integrity and conduct business through legal, ethical, safe, fair and environmentally sound business practices.**

The vendor code of conduct can be found [here](#).

In recent years, we have partnered with our vendors to enhance the future sustainability of our value chain. Leveraging our robust relationships, we can pinpoint additional opportunities for innovation in our homebuilding efforts and advance our ESG initiatives collaboratively.

Clint Szubinski, Chief Operating Officer of Meritage Homes

### VENDOR ESG ENGAGEMENT

Our ESG-related discussions with national vendors help us to **mutually align on sustainability initiatives** and learn about their latest innovations, which can lead to our participation in pilot programs.

### VENDOR ESG SURVEY

We collect sustainability data from our vendors via our annual vendor ESG survey. In 2023, this survey focused on life cycle assessments (LCAs) and environmental product declarations (EPDs). The EPDs we received will provide a path to improved accuracy of our GHG accounting in the coming years.

- 38% of our national vendor manufacturer respondents have conducted an LCA already—the majority of which occurred in the last three years.
- **24% of our national vendor manufacturer respondents conducted an LCA and completed an EPD.**

Per the EPD Registry, an EPD is an objective, comparable and third-party verified summary of a specific product’s embodied carbon. This is created based on an LCA, which evaluates a product’s environmental performance over its entire life cycle from material extraction to production as well as its usage stage to end of life.

## OUR COMMUNITIES

Meritage has been helping to shape stronger and more resilient communities and neighborhoods across the country and delivering a Life. Built. Better.® to those in need through both **charitable donations** from our philanthropic foundation, Meritage Cares and **volunteer efforts** by our employees.

Our contributions help nonprofits to **combat ongoing food insecurity and support shelter and affordable housing, sustainable forestry, as well as gender and ethnic equality in education and career initiatives.**

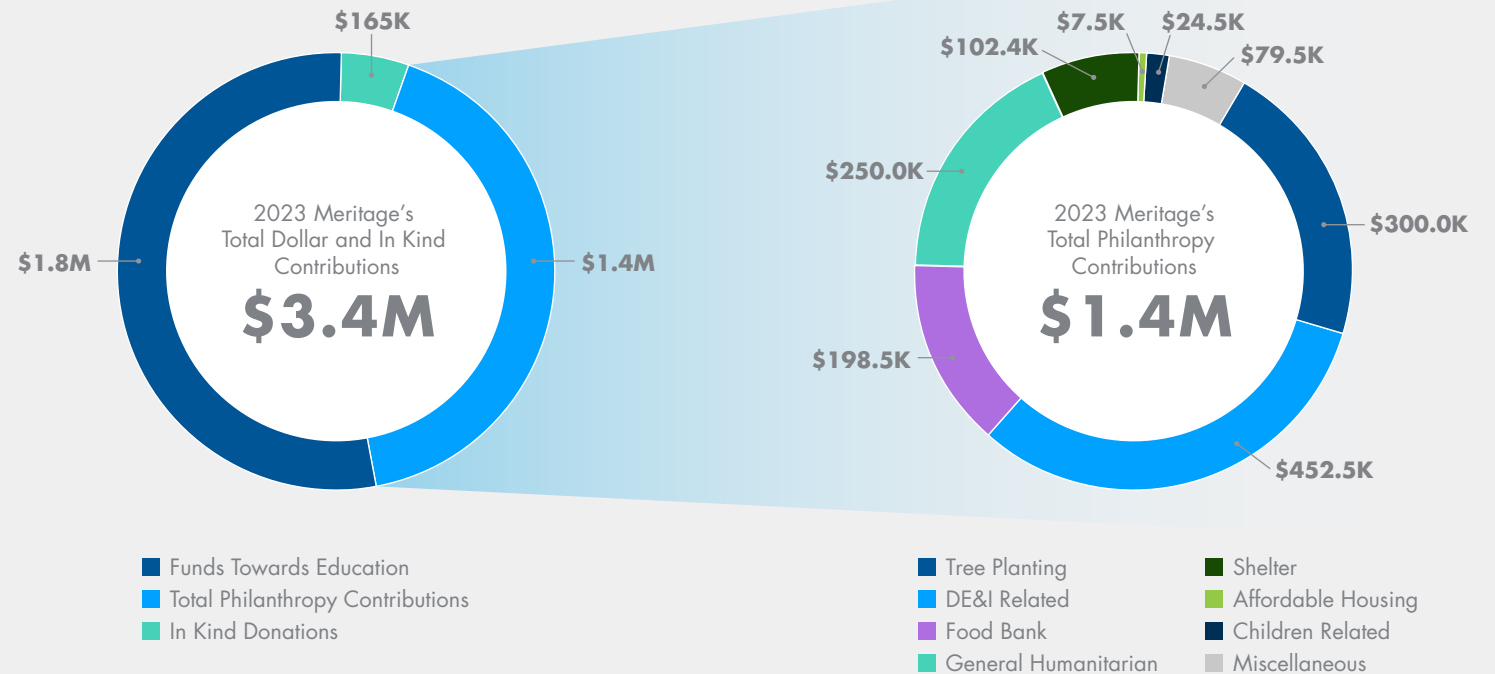
Meritage contributes to fund education opportunities in certain states. We also build and donate new mortgage-free homes to veterans and their families in our communities.



Learn more in the [Statistics](#)

## A COMMITMENT TO GIVING

Cumulatively from 2014 (when Meritage Cares was founded) to 2023, we contributed nearly **\$18.2 million in philanthropy, in-kind donations and education-related funding**, of which \$3.4 million in total related to 2023.





**VOLUNTEERISM**

Volunteerism enhances the resiliency of our greater communities while also driving employee engagement. All employees receive two paid days off to conduct volunteerism activities.

VOLUNTEER HOURS	2021	2022	2023
Total volunteer hours <sup>1</sup>	590	2,844	3,396

<sup>1</sup>Formal volunteer hours tracking started in 2022.



**Q4 OUTPOUR**

Our team chooses what causes to focus Meritage’s efforts for our **Q4 Outpour** every year. We come together as an entire company and donate time and money to one charitable organization or cause annually.

In 2023, our team chose to support No Child Hungry for a second year in a row, **donating over \$175,000 and packaging nearly 240,000 meals for children in the U.S., including those impacted by the summer 2023 Maui wild fires.**



**STANDING BY OUR HEROES:**

10 YEAR PARTNERSHIP WITH OPERATION HOMEFRONT  
18 TOTAL HOMES DONATED BY MERITAGE

In 2023, we celebrated **10 years of our partnership** with Operation Homefront.

Additionally, Meritage joined Operation Homefront's Chairman's Circle, reserved for donors that have exceeded \$1,000,000 in cash and in-kind donations.



In 2023, we built and donated a new mortgage-free home to a deserving military family in Babcock Ranch, Florida.



2013



2014



2015



2016



2017



2018



2019



2021



2022

# GOVERNANCE

Strong leadership and sound governance are fundamental to executing responsibly and ethically while consistently delivering quality products.

## BOARD DIVERSITY

These statistics can be found in our 2024 proxy statement, which can be [located here](#).



Learn more in the [Statistics](#) →



## GOVERNANCE DOCUMENTS

- [Code of Ethics](#)
- [Conflict of Interest](#)
- [Corporate Governance Principles and Practices](#)
- [Securities Trading Policy](#)
- [Human Rights Policy](#)
- [Vendor Code of Conduct](#)
- [Responsible Marketing Policy](#)
- [Environmental Responsibility Policy](#)
- [DE&I Statement](#)

## STRONG GOVERNANCE PRACTICES

- 82% of our Directors were independent (9 of 11)<sup>1</sup>
- 100% of our Board committee members were independent<sup>1</sup>
- 36% of our Directors were ethnically or gender diverse (4 of 11)<sup>1</sup>
- Commitment to a diverse Director candidate pool and specifically adding an additional female Director before the end of 2024
- Director overboarding policy
- Single class of voting stock
- No stockholder rights plan
- Annual Board and Board Committee self-evaluations

### Declassification in Progress

Our Board acknowledges that annually elected boards increase accountability of Directors to the Company's stockholders. In early 2023, the Board shared its intent to **sunset the current classified board structure**, which was anticipated to be completed by 2028. In late 2023, in light of recent director retirements, the Board intends to **accelerate the timeline to conclude the declassification by 2027**.

<sup>1</sup>Statistics as of March 21, 2024

## DATA PROTECTION & PRIVACY

We understand the importance of protecting our customers', employees' and vendors' business, personal and financial data in order to keep the trust that our customers and other stakeholders have in Meritage. We abide by all federal and state regulations and requirements around personally identifiable information to ensure the protection of consumer data, including the **California Consumer Privacy Act**. We do not disclose confidential information unless required by law.

## CYBER RISK MANAGEMENT

We prioritize **cybersecurity and consumer data privacy**. Our information technology department is responsible for coordinating the protection of our information systems and the data they maintain. To manage cyber risk and secure technology ecosystems, our information security framework is based on the **National Institute of Standards and Technology principles (NIST)**, which we execute through our adherence to the **Center for Internet Security control framework**. We review annually the SOC 1 and SOC 2 reports of all of our third-party vendors hosting our data to ensure they conform to those requirements.

Our multipronged approach to cyber risk management aims to minimize and/or avoid data breaches and cyberattacks.

- Mandatory information security training
- Security protocols and internal security controls
- Data breach detection software
- Active systems management by cybersecurity consultants
- Internal cyber incident exercises and recurring penetration tests



# 2023 TCFD RESPONSE



Learn more in the [Statistics](#)

## Task Force on Climate-Related Financial Disclosures Introduction

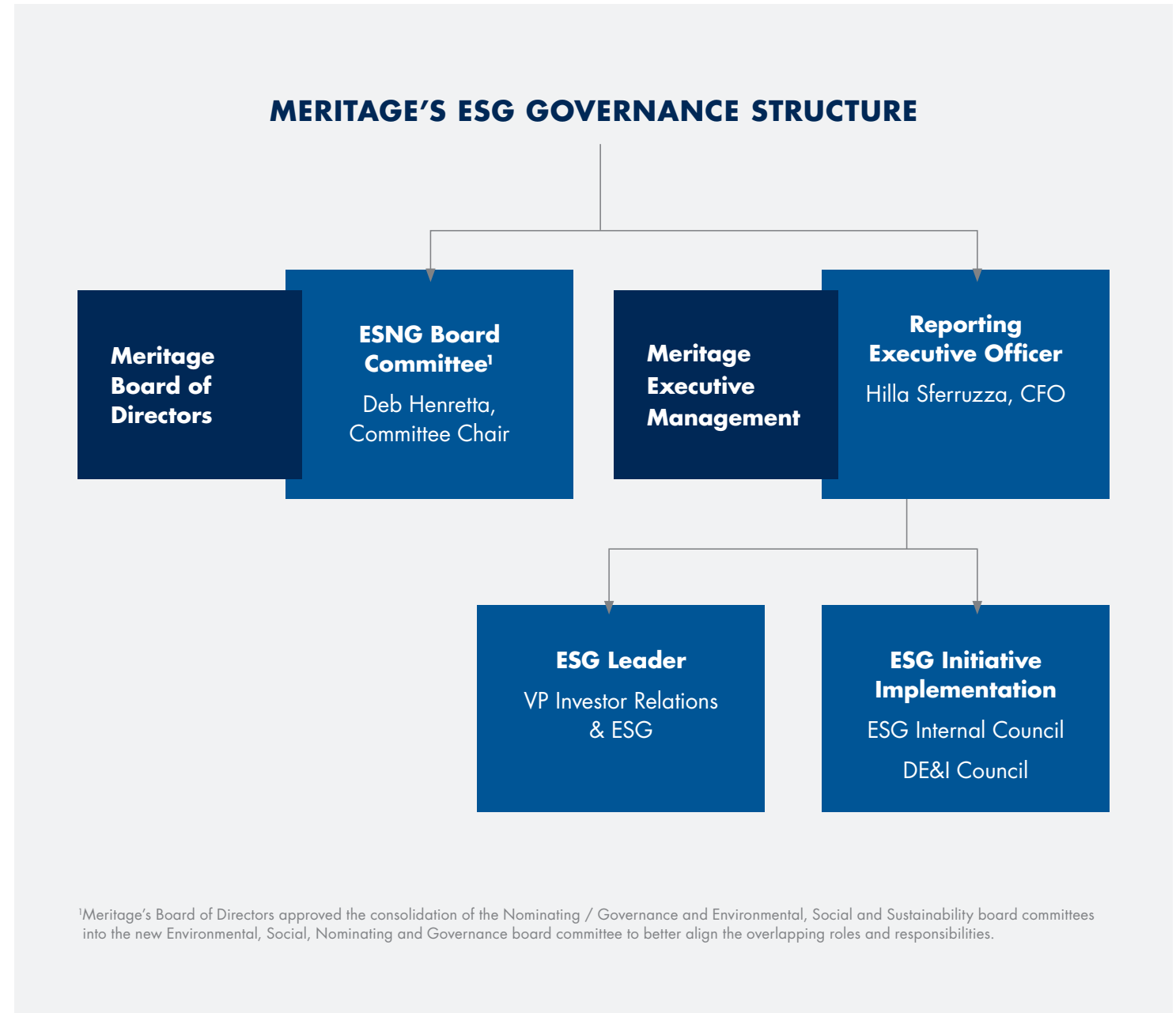
Our TCFD reporting addresses our climate-related risks and opportunities under the four TCFD recommendations, **Governance, Strategy, Risk Management and Metrics & Targets**. As an **ongoing official TCFD supporter**, we believe addressing the current and future impacts of climate change on our business helps us maintain the trust of our investors.

We update TCFD disclosures in each annual ESG report and continually monitor and improve our internal processes where needed. We conducted our latest quantitative scenario analysis in conjunction with the 2022 ESG report and will follow best practices to do an in-depth update every three years. Further, understanding that TCFD is being sunset in the near future, we are reviewing the adoption and implications of the TCFD architecture into ISSB.

**ESG GOVERNANCE**

At Meritage, we have several organizational structures that manage and implement ESG-related initiatives.

1. **ESNG BOARD COMMITTEE** approves the annual ESG Action Plan, monitors progress and reviews pertinent trends in environmental and social initiatives and ESG reporting.
2. **EXECUTIVE MANAGEMENT** is responsible for integrating environmental and social issues into our business, financial and strategy planning.
3. The **ESG LEADERSHIP** at Meritage under the CFO is responsible for:
  - Understanding environmental and social risks and opportunities and providing recommendations to the executive management about which are material for Meritage and what actions to take.
  - Developing ESG strategy and the annual ESG Action Plan.
  - Publishing annual ESG reporting and disclosures, including data collection and analysis.
  - Working with the ESG Internal Council to evaluate and implement initiatives.
  - Conducting stakeholder engagement, such as investor and vendor outreach throughout the year and working with ESG consultants to remain up-to-date on greater trends.
4. The **ESG INTERNAL COUNCIL** researches ESG opportunities across all of Meritage’s business disciplines and implements ESG-related initiatives. The council is comprised of nine members across various internal departments that meets regularly. The council is chaired by the VP of Investor Relations and ESG, who reports about the council’s discussions and actions to the CFO.



## Overview of Meritage’s Environmental Management System (EMS)

As part of ESG Governance, Meritage’s EMS was mapped in line with the U.S. EPA’s definition and **takes a holistic approach to reduce GHG emissions stemming from the use phase of the new homes we build.** This framework guides our actions in land acquisition and development, home and community design and construction and ESG reporting. The below table summarizes the layers of our climate-related process efforts.

Processes	Practices
<b>Commitment &amp; Strategy</b>	<p><b>Board of Directors &amp; ESNG Board Committee</b> – ESG strategy oversight.</p> <p><b>Meritage Executive Management</b> – Integrate sustainability and social initiatives into business strategy.</p> <p><b>ESG Leadership</b> – Develop ESG strategy and publish ESG reporting.</p> <p><b>ESG Internal Council</b> – Implement ESG initiatives.</p>
<b>Targets &amp; Plans</b>	<p>Annual objectives captured in ESG Action Plan.</p> <p>New home energy efficiency certifications related to RESNET’s HERS index scores and ENERGY STAR.</p> <p>Home features that reduce homeowners’ electricity and water consumption.</p>
<b>Implementation &amp; Measurements</b>	<p><b>Home design</b> – Members of Meritage’s design, building science, procurement and operations teams design and evaluate home plans.</p> <p><b>Home construction &amp; energy efficiency rating</b> – Meritage designs and, with trade partners and suppliers, delivers new homes. Third-party raters assign the energy efficiency rating of the new homes. Depending on geography, certain new homes are also Indoor airPLUS certified.</p>
<b>Performance Review</b>	<p><b>Home energy efficiency rating</b> – Receipt of HERS rating and ENERGY STAR home certification for each home closing.</p>
<b>Process &amp; Product Improvement</b>	<p>Data driven improvement process related to the home design and building process.</p>
<b>Annual Reporting</b>	<p>Report on ESG and TCFD annually, which includes GHG emissions inventory.</p>

**TCFD STRATEGY**

**Scenario Analysis**

To identify the material risks and opportunities associated with climate change, we undertook scenario analysis to understand a range of future potential scenarios based on physical and transition pathways across both three time horizons and our mature and active selling markets. These climate scenario narratives are hypothetical descriptions of futures that may occur under different levels of climate change. When we update our quantitative scenario analysis in two years, we will also reassess our time horizons.

**Meritage-Defined Time Horizons**

Time Horizon	Range Considered	End year
Short-term	Less than one year	2024
Medium-term	1-3 years	2026
Long Term	3-28 years	2050

**Physical Risk Analysis**

This measures the impacts associated with increased frequency of extreme chronic and acute weather events. Using the **SustGlobal climate analytics platform**, we quantitatively assessed the exposure of our mature markets to chronic and acute climate-related hazards detailed in two Intergovernmental Panel on Climate Change (IPCC) Shared Socioeconomic Pathways (SSP) 5-8.5 and SSP 2-4.5.

- The SSP 5-8.5 scenario is used to evaluate the worst-case climate outcome—a potential future with unabated emissions to the point that chronic risks will increase globally.
- The SSP 2-4.5 scenario is used to illustrate middle-of-the-road circumstances, where environmental systems experience degradation but overall, the intensity of resource and energy use declines.

**Conclusion:** From our assessment, **water stress and hurricanes** were identified to be the most pertinent physical hazards that impact specific regions within our geographic portfolio across all time horizons, while **heatwaves** are a potential risk in the long-term.

**Transition Risk Analysis**

This measures the impact associated with a shift to a lower-carbon economy, capturing disruptions from policy, technology, market and reputational factors. We applied carbon pricing projections via **IEA’s NZE 2050 global emissions 1.5°C scenario** to our GHG emissions, which were based on our forecasted volume of annual home closings and the anticipated average HERS index score on future new homes. We do not currently set an internal carbon price.

**Conclusion:** The results translate into **higher carbon price-induced costs** related to our current emissions trajectory, which we conservatively assumed Meritage would bear the full cost responsibility.

## TCFD RISK MANAGEMENT

### Meritage-Identified Risks, Opportunities and Our Strategy & Actions

Risk Topic	Potential Impact	Opportunities	Our Strategy & Actions
<p><b>CHANGING WEATHER PATTERNS &amp; INCREASE IN EXTREME WEATHER EVENTS</b></p> <p><b>Risk Type:</b> Acute and chronic physical</p> <p><b>Time Horizon:</b> Short, medium and long</p> <p><b>Opportunity Type:</b> Product &amp; Services, Resilience, Resource Efficiency</p>	<ul style="list-style-type: none"> <li>■ Potential operational disruptions</li> <li>■ Potentially reduced water availability and strained electric grid impacting customers</li> <li>■ Potential increasing costs of materials and to adapt sites and homes to the changing climate</li> </ul>	<ul style="list-style-type: none"> <li>■ Adapt workplace practices at job site</li> <li>■ Vendor engagement</li> <li>■ Inclusion of electricity and water conservation in the design of communities and homes</li> </ul>	<ul style="list-style-type: none"> <li>■ Health and safety protocols like adjusting working hours to address job site heat illness prevention</li> <li>■ Community resiliency to flooding and water stress via remediating land out of a floodplain, xeriscaping/zeroscaping and retention ponds</li> <li>■ Home attributes for electricity and water conservation: spray foam insulation, ENERGY STAR appliances, WaterSense fixtures, multispeed HVAC, solar panels and tankless water heaters</li> <li>■ To help reduce embodied carbon, we utilize off site construction techniques and incorporate low carbon materials and components into our homes</li> <li>■ Resource resiliency via pipeline of both additional trade partners and alternate sources for materials in case of supply chain issues</li> </ul>
<p><b>INCREASED HOME CONSTRUCTION REGULATIONS</b></p> <p><b>Risk Type:</b> Transition</p> <p><b>Time Horizon:</b> Short, medium and long</p> <p><b>Opportunity Type:</b> Markets, Resilience, Resource Efficiency</p>	<ul style="list-style-type: none"> <li>■ Potential for increasingly stringent building codes and environmental regulations on new construction</li> </ul>	<ul style="list-style-type: none"> <li>■ Federal, state and local regulatory body engagement</li> <li>■ Build homes that are ENERGY STAR certified and RESNET rated for energy efficiency</li> </ul>	<ul style="list-style-type: none"> <li>■ Continuing partnership with regulatory bodies provides opportunities for feedback before policy change rollouts, and also enables Meritage to be selected for builder participation in pilot programs</li> <li>■ Industry association memberships allow us to influence legislative and regulatory changes and to adapt our home design in a timely manner</li> <li>■ Adjust the build and design of our new homes to meet ENERGY STAR home certification v3.1 requirements for 45L tax credit on energy-efficient homes, while currently assessing whether Meritage will pursue 45L tax credit changes in 2025</li> </ul>
<p><b>SHIFT IN CONSUMER PREFERENCES</b></p> <p><b>Risk Type:</b> Transition</p> <p><b>Time Horizon:</b> Short, medium and long</p> <p><b>Opportunity Type:</b> Markets</p>	<ul style="list-style-type: none"> <li>■ Potentially not meet changing consumer expectations in relation to climate change features in a new home</li> </ul>	<ul style="list-style-type: none"> <li>■ Consumer engagement</li> <li>■ Reputation for energy-efficiency builder leading to increased trust in our brand</li> </ul>	<ul style="list-style-type: none"> <li>■ Utilize our consumer preference research and surveys to evolve our energy efficiency home features</li> <li>■ Educate customers about the benefits of energy efficiency</li> <li>■ Double home certification of ENERGY STAR and Indoor airPLUS in certain geographies</li> </ul>
<p><b>NEW TECHNOLOGIES</b></p> <p><b>Risk Type:</b> Transition</p> <p><b>Time Horizon:</b> Medium and long</p> <p><b>Opportunity Type:</b> Product &amp; Services</p>	<ul style="list-style-type: none"> <li>■ Potential to miss a first adopter position on new technology</li> </ul>	<ul style="list-style-type: none"> <li>■ Engagement with technology innovators in the homebuilding space</li> </ul>	<ul style="list-style-type: none"> <li>■ Internal building science team identifies beneficial new building technology with features like lower emissions</li> <li>■ First look at new innovation concepts for home construction, homebuying process and homeownership experience</li> </ul>



**TCFD METRICS & TARGETS**

To understand our climate risks, we track and publish a range of data that span operations and the use of the home, as well as climate-related metrics and industry-specific metrics in the SASB Index. We will continue to evolve our climate reporting and to develop additional metrics if needed to support disclosure to our stakeholders.

Tracked Metrics	Reference Page in this Report
Average HERS index score of delivered homes	15
Number of delivered homes with ENERGY STAR® home certification	14
Number of solar panels installed in completed homes	25
Percentage of appliance offerings that are ENERGY STAR® certified for categories that offer such certification	25
Percentage of water fixtures that are WaterSense® certified	25
Percentage of delivered homes with smart thermostats installed	25
Environmental statistics (100-year flood zones and water stress) related to land acquisition	58
Annual spend on job sites to manage and reduce construction impact on the air and water	21

## GREENHOUSE GAS EMISSIONS

Meritage's operations in the homebuilding sector generate direct and indirect emissions. A third-party expert evaluated and calculated the estimated 2023 carbon footprint of our business operations, job sites and value chain in accordance with the **GHG Protocol Corporate Accounting and Reporting Standard**, using both spend-based and activity-related data. Our 2023 GHG inventory incorporates the emissions factors under the **U.S. Environmentally-Extended Input-Output model**, which project the market value within all categories of goods and services in the U.S. economy.

At this time, although our GHG estimates are computed by a third party expert, we did not seek additional external assurance over our 2023 GHG inventory. We have not established any science-based GHG reduction goals.

Our **Scope 1 (Direct GHG emissions)** carbon emissions continue to be the least significant since we do not own manufacturing facilities, vehicles or buildings.

For **Scope 2 (Indirect GHG emissions)**, the decision-making related to purchasing utilities for the heating and cooling of our office locations belongs to our various commercial landlords. Spend data was collected to develop estimations of the impact from purchased energy.

As with most companies in our sector, the main source of Meritage's GHG emissions is from **Scope 3 (Indirect value chain emissions)** since the emissions from our value chain capture material and supplier inputs, the home construction process and the lifetime energy consumption of homes delivered. We limited Scope 3 disclosure **to Category 11 (use of sold products)** due to the lack of precision or completeness in the estimation methodologies in the other Scope 3 categories. Scope 3 work is ongoing with our national vendors to be able to use the EPDs they published, which can enhance the accuracy of our future calculations of other categories under Scope 3. We are committed to continuous improvement in our data processes and quality, as well as methodology refinement as necessary.

For **Scope 3 Category 11** (use of sold products), these values were derived from estimated per-home energy consumption based on HERS index scores from third-party RESNET raters, as well as takes on a new assumption related to the decarbonization of the electric grid in the future to put us in line with peers. Further, we continued to estimate 20 years as the average useful life for a new home, which is based on the estimated lifetime of heating and cooling systems as a proxy for GHG accounting purposes only. This is not indicative of the actual useful life of our homes, nor is it used for any other purpose in our business.

### 2021-2023 GHG Emissions

(in metric tons CO <sub>2</sub> e)	2021	2022	2023	2023 vs 2022 Variance
<b>Estimated Scope 1</b> (GHG emissions)	142	127	201	58%
<b>Estimated Scope 2</b> (Indirect GHG emissions)	4,974	5,432	5,490	1%
<b>Total Estimated Scopes 1-2 GHG Emissions</b>	5,116	5,559	5,691	2%
<b>Estimated Scope 3</b> - Category 11, Use of sold products	925,215	1,005,508	981,071	-2%

Scopes 1-2 and Scope 3-Category 11 in total for 2023 declined 2% year-over-year, mainly as we improved the operational carbon emissions of the homes we delivered, while homes delivered declined only 1%.

**Our focus continues to be on designing and building energy-efficient homes that generate fewer GHG emissions in our homeowners' daily lives.** The 2023 Scope 3-Category 11 GHG intensity factor improved 2% year-over-year as the energy efficiency of our new homes improved and lowered the average HERS index rating in 2023.

### Emissions Intensity Breakdown

	2021	2022	2023	2023 vs 2022 Variance
Total Scopes 1-2 GHG intensity (mtCO <sub>2</sub> e per full-time employee)	2.9	2.9	3.1	7%
Scope 3 Cat 11 GHG Intensity (mtCO <sub>2</sub> e per homes delivered)	72.3	71.3	70.2	-2%

### Revised Methodology for Scope 3 - Category 11

	2022	2023
Prior calculation methodology	1,843,742	1,774,662
New calculation methodology to align with industry peers	1,005,508	981,071

### 2022-2023 Energy Consumption

	2022	2023
Electricity consumption (kWh)	3,288,683	3,701,121
Natural gas consumption (kWh)	184,109	403,811
<b>Total energy consumption (kWh)</b>	<b>3,472,792</b>	<b>4,104,932</b>
Total energy consumption per home closing revenue (kWh/\$ in millions)	576	678

We have added energy consumption disclosures for all of our leased facilities. In the absence of raw consumption data, the estimates are based on square footage of the occupied space and spend related to energy consumption.



# STATISTICS

**SUSTAINABILITY ACCOUNTING STANDARDS BOARD (SASB) INDEX.  
MERITAGE HOMES CORPORATION, 2021-2023 DATA.**

SASB TOPIC	CODE	ACCOUNTING METRIC	2021	2022	2023
<b>Land Use &amp; Ecological Impacts</b>	IF-HB-160a.1	Number of lots on redevelopment sites	845	385	161
		Number of homes delivered on redevelopment sites	52	112	383
	IF-HB-160a.2	Number of lots in regions with High or Extremely High Baseline Water Stress	15,995	4,483	14,026
		Number of homes delivered in regions with High or Extremely High Baseline Water Stress	6,263	6,110	7,504
	IF-HB-160a.3	Total amount of monetary losses as a result of legal proceedings associated with environmental regulations	0	0	0
IF-HB-160a.4	Discussion of process to integrate environmental considerations into site selection, site design and site development and construction	Reference: See sections Site selection, Sustainable site design & development and Home construction & environmental impacts			
<b>Workforce Health &amp; Safety</b>	IF-HB-320a.1	Total recordable incident rate (TRIR) for direct employees	0.7	1.4	0.8
		Fatality rate for direct employees	0	0	0
		Total recordable incident rate (TRIR) for contract employees	0	0	0
		Fatality rate for contract employees	0	0	0
<b>Design for Resource Efficiency</b>	IF-HB-410a.1	Number of homes delivered that obtained a certified HERS® Index Score <sup>1</sup>	12,801	14,106	13,574
		Average HERS® Index Score of homes delivered that obtained a certified HERS® Index Score <sup>2</sup>	53	53	52
	IF-HB-410a.2	Percentage of installed water fixtures certified to WaterSense® specifications	100%	100%	100%
	IF-HB-410a.3	Number of homes delivered certified to a third-party multi-attribute green building standard (ENERGY STAR®) <sup>3</sup>	12,801	14,106	13,308
	IF-HB-410a.4	Description of risks and opportunities related to incorporating resource efficiency into home design and how benefits are communicated to customers	Reference: See 2023 TCFD response and Energy-efficient home design & construction		

\*Excluding the Activity Metrics section, all datapoints in the sections of the SASB table above relate to approved land deals in 2019 and onwards.

<sup>(1)</sup>Source is RESNET for all states except California, which utilizes the state-specific Energy Design Rating (EDR) system. Ratings are obtained through physical ratings, desktop ratings, sampling and/or projected per plan per community methods.

<sup>(2)</sup>The stated average HERS Index Score was calculated on a weighted average basis utilizing RESNET and EDR data.

<sup>(3)</sup>Refers to ENERGY STAR certified homes.

**SUSTAINABILITY ACCOUNTING STANDARDS BOARD (SASB) INDEX.  
MERITAGE HOMES CORPORATION, 2021-2023 DATA.**

SASB TOPIC	CODE	ACCOUNTING METRIC	2021	2022	2023
<b>Community Impacts of New Developments</b>	IF-HB-410b.1	Description of how proximity and access to infrastructure, services and economic centers affect site selection and development decision	Reference: See section Sustainable community design & development		
	IF-HB-410b.2	Number of lots on infill sites	7,636	2,992	3,680
		Number of homes delivered on infill sites	1,774	3,627	3,730
	IF-HB-410b.3	Number of homes delivered in compact developments <sup>1</sup>	574	1,403	1,126
Average density of homes delivered in compact developments		10.9	11.8	12.0	
<b>Climate Change Adaptation</b>	IF-HB-420a.1	Number of lots located in 100-year flood zones	956	1344	2,432
		Number of homes delivered located in 100-year flood zones <sup>2</sup>	0	0	0
	IF-HB-420a.2	Description of climate change risk exposure analysis, degree of systematic portfolio exposure and strategies for mitigating risks	Reference: See 2023 TCFD response		
<b>Activity Metrics</b>	IF-HB-000.A	Number of controlled lots (owned and controlled) <sup>3</sup>	75,049	63,182	64,313
	IF-HB-000.B	Number of homes delivered	12,801	14,106	13,976
	IF-HB-000.C	Number of active selling communities	259	271	270

\*Excluding the Activity Metrics section, all datapoints in the sections of the SASB table above relate to approved land deals in 2019 and onwards.

<sup>1</sup>Compact development refers to communities where density is seven or more units per acre.

<sup>2</sup>Since we always take remedial actions in accordance with FEMA regulations, lots previously located in 100-year flood zones become homes that are no longer in flood zones.

<sup>3</sup>Total controlled lots refer to our total lot inventory at year end. It is not the cumulative gross newly secured lots from approved land deals in each period, which totaled 35,731, 8,380 and 18,287 for 2021, 2022 and 2023, respectively.

**GLOBAL REPORTING INITIATIVE (GRI) CONTENT INDEX.  
MERITAGE HOMES CORPORATION, 2023 DATA.**

DISCLOSURE NUMBER	DISCLOSURE DESCRIPTION	REFERENCE
GRI 2: General Disclosures		
2-1	Organizational details	2023 Form 10-K; page 5
2-2	Entities included in the consolidated financial statements	2023 Form 10-K
2-3	Reporting period, frequency and contact point	Page 11
2-6	Activities, value chain and other business relationships	2023 Form 10-K; page 5
2-7	Employees	Pages 28-36
2-9	Governance structure and composition	Pages 46-47
2-10	Nomination and selection of the highest governance body	2024 Proxy
2-11	Chair of the highest governance body	2024 Proxy
2-12	Role of the highest governance body in overseeing the management of impacts	2024 Proxy; pages 46-47
2-13	Delegation of responsibility for managing impacts	Page 49
2-14	Role of the highest governance body in sustainability reporting	Page 49
2-17	Collective knowledge of the highest governance body	2024 Proxy

DISCLOSURE NUMBER	DISCLOSURE DESCRIPTION	REFERENCE
2-19	Remuneration policies	2024 Proxy
2-20	Process to determine remuneration	2024 Proxy
2-21	Annual total compensation ratio	2024 Proxy
2-22	Statement on sustainable development strategy	2024 Proxy; 2023 Form 10-K; pages 13-26
2-23	Policy commitments	Corporate governance documents
2-26	Mechanisms for seeking advice and raising concerns	Code of Ethics; Page 46
2-27	Compliance with laws and regulations	2023 Form 10-K
2-28	Membership of associations	Page 26
2-29	Approach to stakeholder engagement	2024 Proxy; page 11
GRI 3: Material Topics		
3-1	Process to determine material topics	Page 12
3-2	List of material topics	Page 11
3-3	Management of material topics	Page 12

**GLOBAL REPORTING INITIATIVE (GRI) CONTENT INDEX.**  
**MERITAGE HOMES CORPORATION, 2023 DATA.** *(continued)*

DISCLOSURE NUMBER	DISCLOSURE DESCRIPTION	REFERENCE
SPECIFIC STANDARD DISCLOSURE		
GRI 201: Economic Performance		
<b>201-1</b>	Direct economic value generated and distributed	2023 Form 10-K; page 5
<b>201-2</b>	Financial implications and other risks and opportunities due to climate change	2023 Form 10-K, 2023 TCFD response pages 48-55
GRI 203: Indirect Economic Impacts		
<b>203-1</b>	Infrastructure Investments and services supported	Pages 62-66
<b>203-2</b>	Significant indirect economic impacts	Page 20
GRI 205: Anti-Corruption		
<b>205-2</b>	Communication and training about anti-corruption policies and procedures	Page 33; Code of Ethics
GRI 207: Tax		
<b>207-1</b>	Approach to Tax	2023 Form 10-K
GRI 301: Material		
<b>301-2</b>	Recycled input materials used	Page 24





DISCLOSURE NUMBER	DISCLOSURE DESCRIPTION	REFERENCE
GRI 302: Energy		
<b>302-1</b>	Energy consumption within the organization	2023 TCFD response pages 48-55
<b>302-5</b>	Reductions in energy requirements of products and services	Page 24
GRI 303: Water and Effluents		
<b>303-2</b>	Management of water discharge-related impacts	Page 21
GRI 304: Biodiversity		
<b>304-2</b>	Significant impacts of activities, products and services on biodiversity	Pages 20-21
<b>304-3</b>	Habitats protected or restored	Pages 20-21
GRI 305: Emissions		
<b>305-1</b>	Direct (Scope 1) GHG emissions	2023 TCFD response pages 48-55

**GLOBAL REPORTING INITIATIVE (GRI) CONTENT INDEX.**  
**MERITAGE HOMES CORPORATION, 2023 DATA.** *(continued)*

DISCLOSURE NUMBER	DISCLOSURE DESCRIPTION	REFERENCE
<b>305-2</b>	Energy indirect (Scope 2) GHG emissions	2023 TCFD response pages 48-55
<b>305-3</b>	Other indirect (Scope 3) GHG emissions	2023 TCFD response pages 48-55
<b>305-4</b>	GHG emissions intensity	2023 TCFD response pages 48-55
<b>GRI 306: Waste</b>		
<b>306-4</b>	Waste diverted from disposal	Page 24
<b>GRI 401: Employment</b>		
<b>401-1</b>	New employee hires and employee turnover	2023 Form 10-K; page 30
<b>GRI 403: Occupational Health and Safety</b>		
<b>403-1</b>	Occupational health and safety management system	Page 31
<b>403-3</b>	Occupational health services	Page 31, 34
<b>403-5</b>	Worker training on occupational health and safety	Page 31
<b>403-6</b>	Promotion of worker health	Page 31, 34
<b>403-7</b>	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Page 31
<b>403-8</b>	Workers covered by an occupational health and safety management system	Page 31
<b>403-9</b>	Work-related injuries	Page 31

DISCLOSURE NUMBER	DISCLOSURE DESCRIPTION	REFERENCE
<b>GRI 404: Training and Education</b>		
<b>404-2</b>	Programs for upgrading employee skills and transition assistance programs	Pages 32-35
<b>GRI 405: Diversity and Equal Opportunity</b>		
<b>405-1</b>	Diversity of governance bodies and employees	DE&I Statement; Pages 29-30, 47
<b>GRI 413: Local Communities</b>		
<b>413-1</b>	Operations with local community engagement, impact assessments and development programs	Pages 43-45
<b>GRI 417: Marketing and Labeling</b>		
<b>417-1</b>	Requirements for product and service information labeling	Responsible marketing policy

**UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS (UN SDGS).  
MERITAGE HOMES CORPORATION, 2023 DATA.**




CATEGORY	DESCRIPTION	Meritage Commentary
	End poverty in all its forms everywhere	<ul style="list-style-type: none"> <li>Partnership with Operation Homefront for ten years to build and donate 18 new homes to veterans.</li> <li>Partnered with homebuyers for affordable housing, donating over \$70K to Arizona Housing Fund in 2023. Other shelter-related financial support: HomeAid, Goodwill, United Way, Ronald McDonald House.</li> <li>Volunteer efforts include building new homes through Habitat for Humanity and Homeaide.</li> </ul>
	End hunger, achieve food security and improved nutrition and promote sustainable agriculture	<ul style="list-style-type: none"> <li>Addressing hunger through donations, meal packing events and food drives through regional food banks.</li> <li>Donated \$175K and volunteered over 1,100 hours to pack nearly 240K meal kits to No Child Hungry, in part to donate to Maui wild fire victims and others in 2023.</li> </ul>
	Ensure healthy lives and promote well-being for all at all ages	<ul style="list-style-type: none"> <li>Promote employee and family health and well-being via competitive health benefits, wellness incentives and employee assistance program.</li> <li>Beyond maternity leave, enhanced family benefits in 2023 to include paid paternity and adoption paid time off, plus adoption reimbursement support. Promote employee financial health via company investments to HSA, company matches to 401K and Financial Fitness program.</li> <li>Support employees through newly formed ERGs.</li> <li>Introduced care.com subscription benefit (fee paid by Meritage) for employees to search for children, elderly, special needs, as well as pet care.</li> <li>Build improved indoor air quality and healthy living standards in our homes that are Indoor airPLUS certified in certain geographies.</li> </ul>
	Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all	<ul style="list-style-type: none"> <li>Over 60 academic scholarships totaling \$200K in 2023 across women-related organizations, HBCUs and HSIs as well as philanthropic contributions to BTF for trade schools.</li> <li>Contributed \$1.8M in 2023 to education-related opportunities in certain states.</li> <li>Tuition reimbursement for employees for ongoing education, free LinkedIn Learning classes for employees, discounted higher education opportunities to employees and families and upskilling training programs.</li> <li>Career development opportunities through Meritage Executive Talent Program (MET) and Advanced Leadership Program (ALP).</li> <li>Expanded internal Road to Mastery training programs.</li> <li>Leadership development opportunities through ERGs.</li> </ul>

**UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS (UN SDGS).**  
**MERITAGE HOMES CORPORATION, 2023 DATA.** *(continued)*





CATEGORY	DESCRIPTION	Meritage Commentary
	Achieve gender equality and empower all women and girls	<ul style="list-style-type: none"> <li>Support for our diverse workforce including MTH Flex and fully paid time off for parental leave opportunities; DE&amp;I program for training and development; advocacy and support via women’s ERG.</li> <li>41% of employees self-identified as women as of December 31, 2023; ALP training program participation was over 35% women. Our corporate employee workforce was comprised of 60% women and our gender board diversity includes 2 women out of 11 Board Directors as of March 21, 2024.</li> <li>Sponsored academic scholarships through women-focused organizations (NAWIC and SWE); recruitment efforts with WayUp and INROADS to recruit underrepresented groups like women.</li> <li>Formed the Building the Future internal program in 2023 to promote women in operations, starting with the inclusion of female employees at every Meritage recruitment event.</li> </ul>
	Ensure availability and sustainable management of water and sanitation for all	<ul style="list-style-type: none"> <li>Manage and reduce water usage in Meritage homes with 100% use of WaterSense certified water fixtures.</li> <li>Xeriscaping and/or zeroscaping in our communities to reduce water consumption.</li> <li>Avoid pollutant discharge into waterways from our job sites through our management and oversight of storm water and Clean Water Act compliance in all our markets.</li> </ul>
	Ensure access to affordable, reliable, sustainable and modern energy for all	<ul style="list-style-type: none"> <li>Commitment to building 100% ENERGY STAR certified homes.</li> <li>Our affordable and energy-efficient homes (average HERS score of 52 in 2023) reduce homeowner utility costs.</li> <li>100% of the homes completed in California in 2023 included solar panels; our Crescent Lakes Community in Babcock Ranch, FL, the first fully solar-powered town in the U.S., is 100% powered by solar.</li> </ul>
	Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all	<ul style="list-style-type: none"> <li>Focus on health &amp; safety on our job sites and in our corporate offices including heat illness prevention training on our job sites.</li> <li>2023 TRIR score: 0.8, compared to peer group average of 1.1.</li> <li>Formed Field Safety Council to discuss OSHA trends in safety on our job sites to ensure employees, contractors and subcontractors can sustain a productive and safe workplace.</li> <li>Our Code of Ethics, Human Rights policy and Vendor Code of Conduct explicitly prohibit the use of child labor, forced labor and other exploitative labor practices. Contribute to Building Talent Foundation to support recruitment of underrepresented groups into homebuilding to promote sustainable labor force.</li> <li>DE&amp;I Council collaborates with management on diversity and inclusion initiatives to ensure productive management, including the launch of initial ERGs in 2023.</li> </ul>



**UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS (UN SDGS).**  
**MERITAGE HOMES CORPORATION, 2023 DATA.** *(continued)*

CATEGORY	DESCRIPTION	Meritage Commentary
	Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation	<ul style="list-style-type: none"> <li>■ Build new infrastructure for our new communities in all of our markets.</li> <li>■ Participate in regional and national initiatives that involve industry-level organizations and government agencies to promote public policies around affordable housing, the construction of energy-efficient homes and stronger energy-efficient and cost-effective building materials.</li> <li>■ Internal ESG Council addresses company-wide sustainability efforts.</li> <li>■ Participation in the DOE’s Connected Communities Funding Program for grid-interactive efficient building.</li> </ul>
	Reduce inequality within and among countries	<ul style="list-style-type: none"> <li>■ Provide affordability to our homebuyers via bulk rate locks and buydowns to solve for a monthly payment, plus down payment assistance.</li> <li>■ Focus on entry-level homes mainly targeting first-time homebuyers.</li> <li>■ 88% of homes delivered in 2023 were priced below 2023 FHA loan limits.</li> <li>■ 27% of homes delivered in 2023 were at or under 1,800 sq. ft.</li> <li>■ 46% of homes delivered in 2023 had an average sales price under \$400,000.</li> <li>■ Participate in municipality programs that incentivize affordable housing in underserved areas through a cost-sharing agreement between the city and Meritage.</li> </ul>
	Make cities and human settlements inclusive, safe, resilient and sustainable	<ul style="list-style-type: none"> <li>■ Xeriscaping and/or zeroscaping in our communities to reduce water consumption.</li> <li>■ We spent over \$36 million in 2023 and nearly \$32 million in 2022 for air and water quality control in our communities. Preserve local biodiversity in our open spaces within our communities for native flora and fauna habitats.</li> <li>■ Planted trees with Arbor Day Foundation to increase tree canopy and reduce our carbon footprint in our markets in 2023.</li> <li>■ Adhere to our Environmental Responsibility Policy and biodiversity assessments during site selection and designing the communities. Build and fund infrastructure for new communities.</li> <li>■ Build infill and/or redevelopment land for our new communities to be a catalyst to attract local commerce and business, create job opportunities, build schools and address affordable housing needs. 35% of homes delivered in 2023 were infill, compact and/or redevelopment sites.</li> </ul>

**UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS (UN SDGS).**  
**MERITAGE HOMES CORPORATION, 2023 DATA.** *(continued)*

CATEGORY	DESCRIPTION	Meritage Commentary
	Ensure sustainable consumption and production patterns	<ul style="list-style-type: none"> <li>■ Vendor sustainability efforts include waste reduction, water conservation, the use of recycled materials, carbon emissions reduction and increased use of renewable energy in the production process.</li> <li>■ Innovative construction techniques and value engineering at scale like advanced framing and panelization minimizes lumber waste.</li> <li>■ Educate customers on energy efficiency.</li> </ul>
	Take urgent action to combat climate change and its impacts	<ul style="list-style-type: none"> <li>■ Increase transparency by publishing TCFD and GHG emissions data.</li> <li>■ Our GHG emissions intensity related to Scope 3 Category 11 per home delivered reduced 2% year-over-year in 2023 resulting from building better energy-efficient homes, while home closings decreased 1%.</li> <li>■ Engage with vendors for procurement of green building materials and more sustainable production patterns.</li> <li>■ Working with national vendors to encourage them to conduct LCAs and complete EPDs for products we purchase from them.</li> </ul>
	Conserve and sustainably use the oceans, seas and marine resources for sustainable development.	<ul style="list-style-type: none"> <li>■ Spent over \$36M in 2023 on air and water quality control in our communities, including the avoidance of pollutant discharge into waterways from our job sites per the Clean Water Act.</li> </ul>
	Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification and halt and reverse land degradation and halt biodiversity loss	<ul style="list-style-type: none"> <li>■ Lumber certifications held by our vendors include Sustainable Forest Initiative, Forest Steward Council and Programme for the Endorsement of Forest Certification.</li> <li>■ Environmental diligence conducted by third-party environmental experts during land acquisition and development help to ensure both our adherence to local and national environmental regulations as well as local biodiversity.</li> <li>■ Partnership with Arbor Day Foundation for reforestation projects in our markets.</li> <li>■ Preserve local biodiversity in our open spaces within our communities for native flora and fauna habitats.</li> </ul>

**UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS (UN SDGS).**  
**MERITAGE HOMES CORPORATION, 2023 DATA.** *(continued)*

CATEGORY	DESCRIPTION	Meritage Commentary
	Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels	<ul style="list-style-type: none"> <li>■ Accountability regarding environmental and social opportunities and risks established at the top, including board-level oversight from ESNG Committee.</li> <li>■ Company-wide Code of Ethics compliance training (100% employee participation achieved in 2023).</li> <li>■ Regional philanthropy contributions to nonprofits promoting shelter to protect women and children from abuse, advocating for children and/or providing a safe place for children activities.</li> <li>■ Support employees through newly formed ERGs.</li> </ul>
	Strengthen the means of implementation and revitalize the global partnership for sustainable development.	<ul style="list-style-type: none"> <li>■ Partnerships with municipalities regarding new infrastructure build for new communities, especially in underserved areas.</li> <li>■ Build infill and/or redevelopment land for our new communities to be a catalyst to attract local commerce and business, create job opportunities, build schools and contribute to an appetite for more housing. 35% of homes delivered in 2023 were infill, compact and/or redevelopment sites.</li> </ul>

## ENERGY STAR CERTIFIED HOMES

	2021	2022	2023
ENERGY STAR Certified Homes	12,801	14,106	13,308
Average Annual HERS Index Score	53	53	52
Homes delivered	12,801	14,106	13,976
Savings related to the homes delivered			
Annual electricity saved	98M kwh	101M kwh	102M kwh
Annual carbon dioxide eliminated	149M lb.	154M lb.	157M lb.
Annual reduction in homeowner utility bills	\$13M	\$15M	\$16M

## CORPORATE SUSTAINABILITY SAVINGS

	2021	2022	2023
Savings related to electronic documentation usage <sup>1</sup>			
Annual carbon dioxide eliminated	1.0M lb.	1.0M lb.	1.0M lb.
Annual solid waste avoided	68K lb.	71K lb.	72K lb.
Annual trees saved	1,262 trees	1,317 trees	1,333 trees
Annual water conserved	1.2M gallons	1.3M gallons	1.3M gallons
Savings related to electronics recycling and/or reselling <sup>2</sup>			
Annual total devices recycled or sold	327	160	453
Annual toxic materials waste avoided	3.6 Kg	1.6 Kg	4.4 Kg
Annual GHG Savings	10,900 Kg of CE	9,320 Kg of CE	27,300 Kg of CE

<sup>1</sup>Source: DocuSign. Please note that Meritage now has access to the DocuSign environmental impact dashboard that will provide consistent and standardized reporting of ESG data related to Meritage's use of DocuSign for 2023 data and onwards. DocuSign uses the Environmental Paper Network Paper Calculator methodology now, so 2021-2022 was rerun.

<sup>2</sup>Source DMD. Please note that Meritage now has access to the DMD environmental impact dashboard that will provide consistent and standardized reporting of ESG data related to the resale, recycling and proper disposal of Meritage's used electronics for 2023 data and onwards. The data for 2021-2022 was rerun using the DMD dashboard.

**GHG EMISSIONS**

	2021	2022	2023	YOY Variance
<b>Estimated Scope 1</b> (GHG emissions)	142	127	201	58%
<b>Estimated Scope 2</b> (Indirect GHG emissions)	4,974	5,432	5,490	1%
<b>Total Estimated Scopes 1-2</b> GHG Emissions	5,116	5,559	5,691	2%
<b>Estimated Scope 3</b> - Category 11, Use of sold products	925,215	1,005,508	981,071	-2%

**GHG EMISSIONS INTENSITY**

	2021	2022	2023	YOY Variance
Total Scopes 1-2 GHG intensity (mtCO <sub>2</sub> e per full-time employee)	2.9	2.9	3.1	7%
Scope 3 Cat 11 GHG Intensity (mtCO <sub>2</sub> e per homes delivered)	72.3	71.3	70.2	-2%

**2022-2023 ENERGY CONSUMPTION**

	2022	2023
Electricity consumption (kWh)	3,288,683	3,701,121
Natural gas consumption (kWh)	184,109	403,811
Total energy consumption (kWh)	3,472,792	4,104,932
Total energy consumption per home closing revenue (kWh/\$ in millions)	576	678

## EEO-1 REPORT

	2021	2022
<b>Percentage of women in our workforce</b>		
Executive/Senior Officials and Managers	13%	18%
First/Mid Officials and Managers	21%	20%
Professionals	38%	40%
Technicians	17%	0%
Sales Workers	60%	60%
Administrative Support	85%	89%
Total Company	40%	39%

	2021	2022
<b>Percentage of ethnically diverse in our workforce</b>		
Executive/Senior Officials and Managers	13%	21%
First/Mid Officials and Managers	18%	20%
Professionals	30%	33%
Technicians	42%	64%
Sales Workers	34%	36%
Administrative Support	28%	28%
Total Company	25%	26%

Note: We disclose our equal employment opportunity (EEO-1) annually and will provide the 2023 data once available

## PEOPLE TALENT

	2021	2022	2023
<b>Breakdown of Full Time Employees</b>			
Total Company	1,773	1,921	1,838
Construction and Warranty Operations	878	995	910
Management and Administration	346	384	367
Sales and Marketing	494	475	492
Title and Insurance Companies	55	67	69

### Breakdown of Corporate Full Time Employees in 2023

	Total	Men	Women	Non-Diverse	Ethnically Diverse
Headcount	323	40%	60%	72%	28%
Promotions	6	17%	83%	100%	0%
Turnover %	13%				

### Breakdown of Local Operations Senior Leadership in 2023

	Total	Men	Women	Non-Diverse	Ethnically Diverse
Headcount	24	83%	17%	83%	17%
Promotions	4	50%	50%	75%	25%
Turnover %	17%				

## ADDITIONAL SOCIAL-RELATED METRICS

	2021	2022	2023
Total Recordable Incident Rate (TRIR)	0.7	1.4	0.8
Peer average TRIR <sup>1</sup>	Not Available		1.1
Glassdoor rating	4.6	4.2	4.3
Peer average Glassdoor rating <sup>2</sup>	3.9	3.8	3.8
Online classes taken by employees	Over 58,000	Nearly 65,000	Nearly 60,000
Employee compliance training participation			
Code of Ethics	100%	100%	100%
Cybersecurity	99%	100%	100%

<sup>1</sup>Source: Peer companies' latest ESG reporting.

<sup>2</sup>Source: Glassdoor.

## AFFORDABILITY METRICS

	2021	2022	2023
<b>Home Closings</b>			
Entry-Level	77%	84%	84%
First Move-Up	20%	14%	15%
Other	3%	2%	1%
<b>Average Communities</b>			
Entry-Level	76%	81%	84%
First Move-Up	21%	18%	15%
Other	3%	1%	1%
Percentage of homes delivered at or under 1,800 square feet	22%	26%	27%

## CUSTOMER RELATED

	2021	2022	2023
<b>Avid Rating for customer satisfaction</b>			
Meritage Avid Rating	92.1%	91.5%	94.2%
U.S. public production builder group average Avid Rating <sup>1</sup>	88.4%	90.6%	87.9%

<sup>1</sup>Source: Avid.



**PHILANTHROPY AND VOLUNTEERISM**

	2021	2022	2023
Amount contributed through Meritage and Meritage Cares	\$2.8M	\$3.8M	\$3.4M
Contributions for philanthropy	\$1.0M	\$1.3M	\$1.4M
Contributions for educational opportunities	\$1.6M	\$1.9M	\$1.8M
In kind donation value	\$0.2M	\$0.6M	\$0.2M
Amount contributed through Meritage Cares	\$1.0M	\$1.3M	\$1.4M
Tree planting	\$300K	\$300K	\$300K
DE&I related	\$303K	\$300K	\$453K
Food banks	\$140K	\$213K	\$199K
General humanitarian	\$108K	\$163K	\$250K
Shelter	\$48K	\$99K	\$102K
Affordable housing	\$43K	\$77K	\$8K
Children related	\$73K	\$74K	\$25K
Miscellaneous	\$32K	\$41K	\$80K
Number of hours volunteered	590	2,844	3,396



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