

NEW  
HOME  
CO.

# 2023 SUSTAINABILITY REPORT



# Report Purpose and Structure

This is our 4th Annual Sustainability Report. In this report, we discuss our achievements in 2022, some 2023 updates, and our goals moving forward. In addition, with this report, we seek to cultivate continued engagement with all of our stakeholders on the complex issues surrounding sustainability and broader ESG practices for long-term value creation. All numeric information provided in this report is for the calendar year ending December 30, 2022, unless otherwise noted. Inquiries regarding our sustainability initiatives can be directed to [investorrelations@newhomeco.com](mailto:investorrelations@newhomeco.com).

## Reporting Standards

We believe transparency and accountability are important components of sustainability reporting. Our reporting is aligned with the SASB framework for companies within the Home Builders industry, providing data consistency and decision-useful information.

### Advisory Note

Certain matters discussed in this report, including any statements that are predictive in nature or concern future performance, or our future initiatives or actions and their expected results, are forward-looking statements and/or reflect aspirational goals. Forward-looking statements that are included in this Sustainability Report are generally accompanied by words such as “anticipate,” “believe,” “could,” “estimate,” “expect,” “future,” “goal,” “guidance,” “intend,” “likely,” “may,” “might,” “outlook,” “plan,” “potential,” “predict,” “project,” “should,” “strategy,” “target,” “will,” “would,” or other words that convey future events or outcomes. These statements are based on current expectations, hopes and projections about future events and are not guarantees of future performance. We do not have a specific policy or intent of updating or revising forward-looking statements. 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 economic 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, arbitral 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 communities and products; our ability to execute on our sustainability and other business plans or initiatives within the timeframes and at the cost, revenues or margins we expect; 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; an epidemic or pandemic (such as the outbreak and worldwide spread of COVID-19), and the measures that international, federal, state and local governments, agencies, law enforcement and/or health authorities implement to address it, which may (as with COVID-19) precipitate or exacerbate one or more of the above-mentioned and/or other risks; and other events outside of our control. In addition, the inclusion of information, or the manner in which it is described herein, in this report should not be construed as a characterization regarding the materiality or financial impact of that information.

We have included in this Sustainability Report metrics that are responsive to sustainability accounting standards promulgated by the Sustainability Accounting Standards Board (SASB) for companies within the “Home Builders” industry. We make no representation that all or any of such metrics are material, or the only metrics that are material, to an understanding of our business and performance. Further, certain data included in this Sustainability Report may (i) include management estimates and/or (ii) be based upon standards of measurement that we may revise or refine in the future as we continue to refine our data collection and reporting processes.

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## Our Commitment to Building Better Lives Through Corporate Responsibility and Sustainability

New Home Co. is a western regional builder and real estate development company headquartered in Irvine, CA. It has divisions within select growth markets in California, Arizona, Colorado, Oregon, and Washington. New Home Co. is one of the most awarded homebuilders in the United States. It was named 2019 Builder of the Year by Professional Builder and is a multi-year recipient of “The Eliant” for providing the Best Overall Customer Experience in North America in the Eliant Homebuyers’ Choice Awards. New Home Co. has won hundreds of awards in the homebuilding industry for its design and planning excellence, dozens of “Community of the Year” awards, and was recognized five straight years for creating the best community or master plan in all of the United States. For more information, visit [NewHomeCo.com](http://NewHomeCo.com).



# A Letter from Our President & CEO

During 2022, there were substantial changes in the housing market and uncertainty in the global economy. Our company continued to thrive and invest in its future by continuing to expand its lot position amidst this uncertainty. That is why our new tagline, “Move Forward,” could not be more relevant to the present.

Our dedication to entrepreneurship, diversity of thought, and innovation has been instrumental in shaping our success. We firmly believe that fostering an environment that encourages creativity, inclusivity, and fresh perspectives is crucial to our long-term growth. By embracing diverse ideas and promoting a culture of continuous improvement, we believe we can effectively address the evolving needs of our customers.

One of our primary areas of focus has been the energy efficiency of our homes. I am proud to announce that our commitment to sustainability has yielded remarkable results. In 2022, our HERS Index Score (or equivalent) which measures the energy efficiency of our homes, fell to an impressive level of 45, a notable improvement from 49 in the previous year. By embracing cutting-edge design trends, advanced technologies, and sustainable practices, we have continued to lead the industry in providing environmentally friendly homes. Increasing a home’s energy efficiency serves to save our homeowners on utility bills while also reducing greenhouse gas (GHG) emissions.

Looking ahead, our journey towards sustainability and corporate responsibility continues. We are dedicated to exploring innovative solutions, adopting best practices, and collaborating with stakeholders like you to achieve our shared goals. This past year we’ve entered into some valued partnerships at a national level that will allow us to leverage opportunities to include sustainable and innovative products for our homes. For example, our partnership with MOEN® has allowed us to install nearly all WaterSense® labeled fixtures in our homes helping to address water conservation which has long been a critical issue for housing, in particular in the areas in which we build. We further seek out products that provide independent sustainability assessments, like the Cradle to Cradle (C2C) Certified® Products Program. C2C offers an independent, third-party assessment of a product’s performance against rigorous standards and evaluates both a company’s products and operations based on material health, material reutilization, renewable energy, water stewardship and social fairness. Several of our national suppliers participate in the C2C certification process, including our flooring partner, Shaw®; our solar panel partner, SunPower®; and our paint partner, Sherwin-Williams®. Ultimately, our goal is not just to manufacture housing units but also to build sustainable, thriving communities that will stand the test of time.

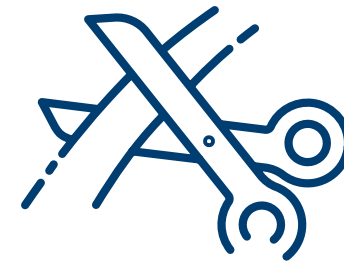
Moreover, we recognize the importance of giving back to the communities we serve. Our newly launched “Give Back” program underscores our commitment to social responsibility and community engagement. Through our charitable matching campaign, we are empowering our employees to make a positive impact by supporting causes close to their hearts. We firmly believe that by working together, we can create meaningful change and contribute to the well-being of the communities in which we operate.

While there is more work to do, I am proud of the progress we’ve made and the work that our team members continue to achieve to “move forward” and build a better tomorrow for all of our stakeholders. Thank you for your continued support.

Matthew R. Zaist  
President & Chief Executive Officer  
New Home Co.

# New Home Co. At-A-Glance

New Home Co. (NEW HOME) is a new generation homebuilder focused on the design, construction and sale of innovative and consumer-driven homes in major metropolitan areas within select growth markets in California, Arizona, Colorado, Oregon and Washington. In September of 2021, NEW HOME was acquired by funds managed by affiliates of Apollo Global Management, Inc. (NYSE: APO).



**FOUNDED**  
**2009**



**812 HOMES**  
DELIVERED IN 2022



**TOTAL ACTIVE SELLING COMMUNITIES AT END OF 2022** **17**

**HEADQUARTERED IN IRVINE, CALIFORNIA**

**AVERAGE COMMUNITIES BY PRODUCT TYPE**

**59%**  
ENTRY LEVEL

**21%**  
1ST MOVE-UP



## New Home Co. Values

We are New Home Co. We believe a home isn't new because of when it is built, but how it is built. A home is only as new as the ideas and innovations that live there. We are passionate about delivering on the promise of new with every home we design and build.

Our new homes artfully blend timeless style and innovative design. A modern way of life with more connectivity and sustainability for smarter and healthier ways to live. Inspired design and choice help to personalize each home with curated design packages that offer a flexible range of styles and costs. Our award-winning sales team is here to help every step of the way with more transparency and trust.

We have a new home for everyone, at every stage of life, from suburban communities to urban villages and residences. Every new home is a new beginning for all of us to start the next chapter in our lives. Every new home is a new opportunity to make progress on what it means to be new. We take pride in helping our homebuyers and our industry move forward.

To support our company's goal of moving forward, we are guided by five core values.



### NEW HOME OF CHOICE

We are inspired by an entrepreneurial spirit to think differently and believe a home is only as new as the ideas and innovations that live there. Our innovative approach ensures we listen to our buyers to deliver on what they want with the highest level of quality and efficiency.



### INSPIRED DESIGN

We believe a home helps to connect us to each other and ourselves. By partnering with best-in-class brands, we work to ensure every square foot of our new homes is guided by an elevated aesthetic that combines timeless ideas of comfort with new ways to live.



### LEADING INNOVATION

We believe new technology, sustainability and wellness are an essential part of delivery on our promise of new homes. We offer the next evolution of digital integration to connect to utilities, security, and entertainment for increased convenience and conservation.



### TRUST YOU CAN BUILD ON

We are passionate about award-winning customer service that is designed to offer transparency and integrity. With tools that streamline the homebuying process and keep you informed every step of the way, we work to build long-term relationships with homebuyers and partners.



### NEXT GENERATION BUILDERS

We believe our teams are the most important thing we are building. By creating a company that encourages diversity, we ensure we can create more inclusive and authentic new homes for a wider range of buyers and lifestyles.

# Sustainability Journey

2014	2015	2016	2017	2018	2019
<ul style="list-style-type: none"> <li>• New Home Company Goes Public</li> <li>• OC Register Top Workplace</li> <li>• OC Business Journal Best Places to Work</li> <li>• First Female Board Member Added</li> </ul>	<ul style="list-style-type: none"> <li>• Established the Guiding Principles</li> <li>• Expansion to Arizona</li> <li>• OC Register Top Workplace</li> <li>• OC Business Journal Best Places to Work</li> <li>• Sacramento Business Journal Best Places to Work</li> </ul>	<ul style="list-style-type: none"> <li>• OC Register Top Workplace</li> <li>• OC Business Journal Best Places to Work</li> <li>• San Francisco Times Best Places to Work</li> </ul>	<ul style="list-style-type: none"> <li>• OC Business Journal Best Places to Work</li> <li>• Sacramento Business Journal Best Places to Work</li> <li>• McKinley Village in Sacramento Named Community of the Year at MAME</li> </ul>	<ul style="list-style-type: none"> <li>• Won Award for Cannery Best Overall Masterplan Featuring an Urban Farm</li> <li>• Promontory in San Diego Named Community of the Year at ICON</li> </ul>	<ul style="list-style-type: none"> <li>• Orange County Register Top Workplace</li> <li>• Introduced ESG Board Oversight as Part of the Nominating and Corporate Governance Committee Charter</li> </ul>
2020	2021	2022	2023		
<ul style="list-style-type: none"> <li>• Established the Diversity &amp; Inclusion Council</li> <li>• First Sustainability Report Published</li> </ul>	<ul style="list-style-type: none"> <li>• Acquisition of Epic Homes in Colorado (February)</li> <li>• Acquisition of New Home Co. by Apollo Global Management (September)</li> <li>• Orange County Register Top Workplace</li> <li>• Added First Diverse Board Member</li> </ul>	<ul style="list-style-type: none"> <li>• Arizona Central Top Workplace</li> <li>• United States Top Workplaces USA</li> <li>• Added First Female Diverse Board Member</li> <li>• Orange County Top Workplace</li> <li>• Launched WeSpire Social Platform for New Wellness Program</li> <li>• Launched Oregon Division (May)</li> </ul>	<ul style="list-style-type: none"> <li>• Launched Washington Division (March)</li> <li>• Introduced “Give Back” Program with Charitable Contribution Match and Volunteer Time Off</li> <li>• Initiated Campaigns for Diversity &amp; Inclusion and Sustainability through the WeSpire Platform</li> </ul>		



Environmental





# Sustainable Advocacy

## SUSTAINABLE BUILDING MEASURES

Our homes are built with the following in order to uphold sustainability standards:

### ALL HOMES

- Our debris is recycled with material certificates
- Our floor sheathing, floor joist & beams are made of recycled wood
- Window glazing efficiency
- All Energy Star® appliances
- High efficiency Low NOx furnaces
- High efficiency HVAC systems
- All LED lighting
- Low flow toilets
- Low flow shower heads
- Low VOC paint
- Air sealing practices at all openings (flashing at window and door penetrations or openings)
- Technology features added (Cat-6A wiring, WAP, Ring, Door lock, etc.)

### E-WASTE DIVERSION PRACTICES

The New Home Co. e-waste program ensures that e-waste in offices is collected and appropriately disposed. When electronic items in working condition are no longer wanted, these items are erased, evaluated, and repurposed. All non-working electronics are delivered to an approved e-waste recycler for destruction after Company data has been removed. We partner with TechWaste Recycling which is certified as Environmental Protection Agency (EPA) & Department of Toxic Substances Control (DTSC) compliant. In 2022, with TechWaste Recycling, we successfully recycled 237 technology items including hard drives, laptops, servers, switches, and tablets.



### INCREASING AFFORDABILITY FOR HOMEOWNERS

As our company has matured, the entry-level homebuying segment has become increasingly more meaningful to our operations. The homes we build address the need in our markets to create additional housing that is attainable at median-income levels.



### LOWERING TOTAL COST OF HOMEOWNERSHIP

Energy- and water-efficient homes lead to lower operating costs than typical resale homes, making sustainability more affordable.



### REDUCING GHG EMISSIONS

We prioritize GHG reduction through energy- and water-efficient products as a business strategy for long term value creation for our stakeholders.



### DESIGNING HEALTHIER HOMES

Designing healthier homes is a key element of our sustainability platform, including use of low-VOC paint with less chemicals, smart thermostat technology to regulate temperature and hands free faucet options to avoid germs, addressing the growing number of homebuyers who prioritize homes that can promote the health of their residents as well as the environment.



### PROMOTING WATER CONSERVATION

We actively address this growing imperative for homebuyers, local communities and local governments. We provide water saving features in our homes that reduce our customers' water bills and may help to mitigate strain on local communities.



### INCORPORATING SUSTAINABILITY TECHNOLOGY FOR INCREASED COMFORT

Many of the sustainability technologies we build into our homes have the added benefit of offering our homeowners more comfort and personal efficiency, along with cutting-edge and user-friendly smart home interfaces.



### BECOMING THE EMPLOYER OF CHOICE

We seek to be an employer of choice for premier talent in the homebuilding industry and beyond by creating a culture of excellence and a socially and economically sustainable and safe work environment that supports inclusion, equity and meaningful work.

### IN-OFFICE SUSTAINABILITY MEASURES

According to FLOWATER, 66,248 bottles of water have been saved from the landfill by using FLOWATER in the Corporate Office.

According to DocuSign, from 2015 to 2022, New Home Co. has saved an estimated 14.6 million sheets of paper, 1,587 trees, 1.5 million gallons of water, 85,969 pounds of waste, and 1.2 million pounds of carbon dioxide. To learn more about how DocuSign estimates environmental impact based on reduced paper usage, see "<https://c.environmentalpaper.org/>" Paper Calculator 4.0 | Environmental Paper Network. This website is a third-party website and we do not represent that third-party sites or statements are complete or accurate.

Office efforts from division offices have further included the recycling of paper, cans, bottles, cardboard, and batteries.

# Sustainability and Environmental Responsibility

Homebuilding impacts the environment in a variety of ways, including through the use of water, gas and electricity, transportation of building materials, and the increase in density by constructing homes in areas that were previously undeveloped. However, our new homes utilize innovative technologies and systems to vastly improve the energy and water efficiency compared to resale homes. For example, beginning with all building permits issued after January 1, 2020, all such homes in California are equipped with a solar electric system. We believe that the standards for new home construction mitigate impacts to the environment by increasing home energy efficiency and reducing the impact of construction on the environment (such as limiting discharge of storm water and impacts to wetlands), all while addressing the serious need for housing in this country.

# 2022 Sustainability By-The-Numbers

## ENERGY EFFICIENCY

**45**

Average HERS Index energy performance score by the end of 2022, compared to a new-home average HERS Index score of 58 and resale average HERS Index score of 130

**225**

ENERGY STAR certified new homes built in 2022

**\$1.37M**

Estimated cumulative utility bill savings in 2022

**457**

Homes delivered with solar photovoltaic (PV) systems as an electric energy

**6.0**

Megawatts of solar power installed, producing an estimated 3.02 million total kilowatt hours of renewable energy annually

## WATER CONSERVATION

**9,008**

WaterSense labeled fixtures installed in 2022

**17.7**

Million gallons of water saved in 2022 from fixtures

## WASTE REDUCTION

**14.6**

Million sheets of paper saved from 2015-2022 through digital transformation

**85,969**

Pounds of waste saved from 2015-2022 through digital transformation

**100%**

Communities incorporating recycling into their standard on site processes

## COMMUNITY DEVELOPMENT

**9**

Infill communities in 2022

**259**

Lots owned or controlled on infill sites 2022

**286**

Homes delivered on infill sites in 2022

**12**

Compact development communities in 2022

**390**

Homes delivered in compact developments in 2022

## KEEPING HOMEOWNERSHIP ATTAINABLE

**8,700+**

Total new homes delivered since 2009\*

**469**

Entry-level buyers in 2022

**169**

First move-up buyers in 2022

**25**

New Home communities offered 2000 sq.-ft. plans or less

**12**

New Home communities offered 1,500 sq.-ft. plans or less

\* Includes deliveries from fee building and joint ventures

## CUSTOMER SATISFACTION 2022

**#1\***

New Home Co., Multi Division Builder

**83%**

Overall customer satisfaction rating in 2022 (Combined average Move In/Mid Year/Year End Surveys)

**83.8%**

Would recommend New Home Co. home to a friend

\* We were ranked #1 Multi Division Builder in 2022 by Elliant, a national home buyer survey company

## EMPLOYEES AND PARTNERS

**227**

Full-time employees as of December 31, 2022

**100%**

Employees and trade partners required to wear protective equipment at construction sites

**100%**

Employees covered by our Ethics Policy

**100%**

Employees are required to complete anti-harassment and anti-discrimination training

# Reducing Carbon Emissions

We can reduce GHG emissions by building more energy efficient homes. Our benchmark to achieve greater energy efficiency and establish our homes' Scope 3 carbon emission reduction targets is RESNET's HERS Index. The HERS Index is the standard by which a home's energy efficiency is measured using an easy-to-understand scale: the lower the number, the more energy-efficient the home and the fewer GHG emissions it generates over its lifetime. According to RESNET, each point reduction in HERS score equates to a 1% improvement in energy efficiency, potentially reducing GHG emissions by an average of 0.1 metric tons.



45

New Home Co. has a national average HERS score of 45 compared to the average resale home score of 130.



HOME ENERGY RATING SYSTEM (HERS) INDEX



**100%**  
BETTER HERS SCORE THAN THE  
TOP 13 PUBLIC HOMEBUILDERS\*



\* Based on the public homebuilders that report meaningful ESG data as reported in such builders' individual 2022 Sustainability Reports, or otherwise.



# Renewable Solar Energy

In partnership with SunPower, New Home Co.'s Eureka Grove Community, located in Granite Bay, California, became our first community to include as standard features in every home a SunPower Equinox solar system, the SunVault Energy Storage and Electric Vehicle charging. These innovative features give our homebuyers peace of mind in knowing they can power their essential loads in the event of grid outage, while increasing their monthly energy savings by discharging stored energy during high-priced peak rate periods. The solar, storage and EV charging systems are all smart home connected devices with powerful apps that give our customers the ability to take control of their energy use and reduce their reliance on the utility.

**1,575**  
Total solar homes delivered

**457**  
Built in 2022

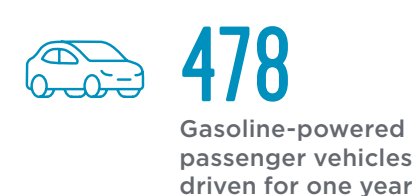
**6.0**  
Cumulative megawatts of solar power installed

**3.02**  
Million estimated kilowatt hours of annual renewable energy produced by our solar homes delivered in 2022

METRIC TONS OF CARBON DIOXIDE AVOIDED:



THE OFFSET CO2 IS EQUIVALENT TO NEGATING GREENHOUSE GAS EMISSIONS FROM:



THE OFFSET CO2 IS EQUIVALENT TO CARBON SEQUESTERED BY:





# Healthier Indoor Environments

We believe wellness starts at home, and it's in our homes where we can make the biggest changes to improve our overall well-being. Every New Home home is designed and built with quality construction techniques and features that support wellness and deliver a broad set of health-related benefits compared to typical resale homes without these features, including:

## HEALTHIER BUILDING MATERIALS & CONSTRUCTION

- Low-to-zero volatile organic compounds (VOC) materials, paints, stains and adhesives reduce the amount of potentially harmful VOCs in each home we build. We only use EPA-qualified low VOC paints, glues, varnishes, and other materials.
- Mechanical ventilation systems actively circulate fresh air using ducts and fans rather than relying on airflow through small holes or cracks in a home's walls, roof, or windows. Additionally, mechanical ventilation minimizes the indoor buildup of moisture, odors, and other pollutants.
- Spray foam insulation is a health-promoting barrier since it tightly seals interior and exterior walls which reduces space for potential external pests, mold, airborne pollutants and allergens to get into the home.

## PROMOTING BETTER INDOOR AIR QUALITY

- MERV-13 Air Filtration is one of the highest commercial-grade air filtration standards designed to remove smaller particles that can reduce or eliminate a variety of air allergens including dust, lint, pollen, mold and even some bacteria and viruses.
- Carbon monoxide and smoke detector devices in all new homes to alert homeowners if there are dangers related to carbon monoxide and smoke associated with the indoor air quality.

## ELEVATED LEVEL OF COMFORT

All New Home homes include a high-efficiency heating and cooling system designed to provide better comfort in every room through every season. We also feature smart thermostats, which can learn homeowner patterns and help save money on electric bills each year without impacting comfort.

## REDUCED SPREAD OF GERMS

Upgrades like Moen touchless faucets, our Brilliant Smart Home System with voice-activated light switches, and GE® smart appliances help reduce the spread of germs through minimizing the need to touch frequently touched surfaces.





NEW HOME CO. TECH & WELLNESS



## Building Tomorrow's Homes Today

We believe new technology, sustainability and wellness are an essential part of delivering on our promise of new homes. All new homes by New Home Co. will come equipped with our EVO Home Tech package for increased connectivity and convenience. Buyers can connect utilities, security and entertainment for greater customization and conservation. Answer the video doorbell from the living room or the conference room. Customize and monitor smart appliances, thermostats, and lighting with a mobile device. Work and play better with more connectivity around every corner.



Smart Home Control



Video Doorbell



Wi-Fi Thermostat



Smart Ready Lighting



Wi-Fi Garage Door Opener



USB Outlets



White Glove Orientation

# Home Construction & Environmental Impacts: Energy Efficiency and Water Conservation



## MORE EFFICIENT ENERGY MANAGEMENT

Most of our homes include energy-efficient appliances, LED lighting, tankless water heaters and drought-resistant landscaping. Additionally, solar-powered all-electric homes and electrical vehicle chargers are available, in many of our neighborhoods, with even more conservation and cost savings. Homeowners can also monitor and improve the natural elements within their home. Our program offerings include advanced air and water filtration to help create healthier indoor environments for all our homebuyers. Intelligent lighting adjusts to residents daily routines and sleep patterns for better rest and relaxation. Our owners can choose the right amount of new for their needs with a range of innovation packages for smarter and healthier ways to live.

### EVO HOME TECH

- White Glove Orientation provided by SafeStreets
- Honeywell Wi-Fi Thermostat
- Alarm.com Video Doorbell
- Deako Smart Lighting Ready
- Wi-Fi Garage Door Opener
- Kitchen USB Combo Outlet
- Alarm.com Smart Hub Control Panel

### EVO WELLNESS

- Tankless Water Heater with Integral Hot Water Recirculating Pump
- Solar Panels
- SolaTube Ventilation
- Bathroom Occupancy Sensors
- LED Lighting
- Insulated Exterior Walls
- Dual Pane, Low-E Vinyl Windows
- MERV 13 Air Filters

### HOME HQ

- CAT 6 Wiring
- Flat Screen TV Outlet and Conduit Great Room

### ALL IN DESIGN

- Included Features

### INSIGNIA

- Design Packages

### MASTER CHEF

Stainless Steel Appliance Package including:

- Stainless Steel Single Bowl Kitchen Sink
- Moen Pulldown Faucet in Chrome
- Quartz Countertops and Backsplash
- European Frameless Shaker Style Cabinets in White Thermafoil

# Quality Construction and Workplace Safety

We strive to build homes and communities that our customers are proud to own and our employees are proud to create and stand behind. Each of our homes reflects dedication to consistent product quality improvement, workplace safety and customer satisfaction.

## QUALITY CONSTRUCTION PRACTICES

Our third-party construction quality assurance partner assesses up to 800 checkpoints per home in areas related to occupant comfort, indoor air quality, waterproofing, and building durability. Inspections are plan- and elevation-specific to ensure thorough and consistent analysis.

## WORKPLACE SAFETY

Safety is a priority for our employees, our homebuyers and our independent contractors. In addition to our independent contractors' internal safety compliance programs, we conduct site meetings and inspections across key aspects of jobsite safety, including safety documentation, personal protective equipment, scaffolding and ladders, fall protection, trenching and excavation, hazard assessment protocol, first aid and emergency plans, electrical safety and material safety. Our practices include:

- Management review and update of our field safety manual
- A designated safety representative at each local operating division and at home office
- On-site construction managers who have completed OSHA training and conduct at least one weekly safety inspection of the sites for which they are responsible
- Bi-weekly construction manager meetings with management that include safety protocol reminders and discussions
- A quarterly safety inspection completed by each local operating division's head of operations and a company-wide safety representative
- Site safety inspections performed by third-party companies up to three times per month per jobsite
- Regular employee training and collaboration to ensure consistency of important components of our quality and safety program
- Use of high-quality trade partners that are familiar with our policies and history of safe practices



## COVID-19 SAFETY

Our initial response to the COVID-19 pandemic in 2020 was to focus primarily on the health and safety of employees and customers. We instituted self-guided tours, interactive tours, required strict adherence to safety guidelines including, at times, face coverings, sanitizer stations, on-site health surveys, and maximum tours/people per home in our model homes. An internal COVID-19 task force kept up to date on guidelines from the CDC and state and local public health authorities. More recently, we've continued to monitor and update guidelines to be prepared as the pandemic has evolved.



## QUALITY CONSTRUCTION PRACTICES

Our construction operations are overseen by a National Senior Vice President of Homebuilding Operations in charge of product improvement, construction best practices, and construction quality analysis. In addition, we partner with Constructive Forensics to perform quality assurance checks on our plans and perform quality control checks on critical construction milestones throughout the build cycle. Reports on QA/QC are made not only to the divisions but to our corporate team to oversee long-term construction quality.

Every quarter the Division Presidents and operations heads meet with home office to review and discuss long-term construction quality at closed-out projects to determine if any changes should be made to ongoing building practices to improve quality and design.

# SPOTLIGHT

## JOBSITE POLLUTION PREVENTION PRACTICES

Our jobsite management practices include Stormwater Pollution Prevention Plans (SWPPP) at each community. These mitigation efforts include dedicated concrete washouts, paint washouts, silt fencing, and inlet drain protection to prevent runoff into nearby waterways, which also keep debris out of the streets and off neighboring properties.



## WARRANTY PROGRAM

Long after our customers move in, we provide peace of mind with our extensive warranty programs. We offer one-year fit and finish coverage and up to ten years on systems and structural components.



# Partnerships in Homebuilding & Supply Chain Management

Healthier Indoor Environments



Energy-Efficient Solutions



Water-Saving Solutions



Carbon Emissions Reductions



Recycling and Material Conservation



Responsible Sourcing and Manufacturing



## SUPPLY CHAIN MANAGEMENT AND SOURCING

Our vendor and trade management process is overseen by our corporate Vice President of National Purchasing, as well as purchasing leaders in each of our local divisions. Through a competitive bidding and due diligence process, our purchasing teams look for suppliers that provide high quality materials on a consistent, scalable basis to meet our strategic goals and customer expectations.

Many of our national and regional suppliers have established robust ESG reporting practices and integrate sustainability into their operations. Where practical, we seek out products that provide independent sustainability assessment, like the Cradle to Cradle (C2C) Certified® Products Program. C2C offers an independent, third-party assessment of a product's performance against rigorous standards and evaluates both a company's products and operations based on material health, material reutilization, renewable energy, water stewardship and social fairness. Several of our national suppliers participate in the C2C certification process, including our flooring partner, Shaw®; our solar panel partner, SunPower®; and our paint partner, Sherwin-Williams®.

We partner with premier suppliers to procure high-quality building materials, with an emphasis on product quality and consumer preference. We leverage our industry-leading scale and strong supplier relationships to achieve cost savings, product availability guarantees, and other exclusive benefits for our homebuyers.

All of our trade partners have a signed Master Contractor Agreement (MCA) or Master Supplier Agreement (MSA) prior to bidding any work for New Home Co. The MCA is used when contracting labor only or turnkey (labor and materials) work. The MSA is used when a vendor provides materials only. In response to broad-based material shortages related to the COVID-19 pandemic, we have worked closely with our vendors and trade partners to ensure continued product availability and reliable delivery timelines. Additionally, our construction and purchasing teams have implemented enhanced scheduling processes, rationalized our product offerings, and streamlined our construction operations to better navigate the supply constraints facing our industry.





# Land Usage and Ecological Impacts

## SITE SELECTION

We recognize that land is a finite resource and it is our duty to responsibly design and develop land into communities. Environmental considerations are a priority alongside financial and operational targets in connection with our site selection, site design and development activities.

Governed by our land committee operating procedures, 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 upon a variety of strategic factors, including:

- Financial feasibility of the proposed project
- Market segment
- Ecological impact studies and considerations as well as environmental remediation plans
- Affordability and socioeconomic trends of the community
- Legal and regulatory diligence

## ENVIRONMENTAL ASSESSMENT

At New Home, environmental considerations are very important in our land acquisition strategy. In addition to abiding by all local, state and federal laws and environmental regulations related to land use and protected lands, we consult with local biologists, government entities and research organizations where applicable to ensure the analysis and recommendations of environmental subject matter experts are incorporated into site selection and design processes.

We utilize the following assessments to evaluate ecological and environmental impacts on every land deal and when applicable, execute any appropriate remediation plans:

### PHASE I

Conduct a Phase I Environmental Site Assessment to investigate potential land-related environmental risks and identify Recognized Environmental Conditions (RECs). If RECs are present, 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.

## FLOOD PLAIN REVIEW

Review water stress and flood zone conditions of the land, and take all necessary remedial actions in accordance with the Federal Emergency Management Agency regulations. If during surveying we identify that any of our lots are located in a 100-year floodplain, we will typically remediate and rezone the land appropriately in order to obtain a Letter of Map Revision. Where possible, we also utilize certain flooding areas for open spaces like ponds.

## BIOLOGICAL CONDITIONS

Study the local biological conditions, such as wetlands and native and/or endangered flora and fauna with the goal of promoting biodiversity and preserving wildlife corridors. When necessary, we re-home or relocate plants and animals impacted by our development and will typically only improve land during seasons that do not harm the natural habitation schedules of protected species.

## GROUND & WASTEWATER MANAGEMENT

During the land development and construction process, our Storm Water Pollution Prevention Program (SWPPP) provides ongoing management and oversight of storm water compliance in all our markets to reduce runoff and pollution problems and to evaluate the approaches and techniques for better drainage while sustaining the community's natural beauty. We spend additional dollars on every job site to reduce dust in the air as we develop the land.

## SUSTAINABLE SITE 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 and refinements that enhance the livability of our communities. Coupling sustainability and biodiversity conservation in our site design, we are focused on maintaining the existing native ecology and managing stormwater on-site appropriately during and after construction to ensure communities are ecologically resilient. We endeavor not to disturb native species and waterways, and incorporate them instead into the preserved open spaces within our communities.

In addition to designing our lots around heritage trees, we often encourage and promote sustainable landscaping for common areas, yards and recreational amenity designs. We use zeroscaping, or the use of low-water landscaping, and xeriscaping, or drought-tolerant landscape designs that use native trees and plants, to minimize or eliminate the need for irrigation. These designs benefit the community by encouraging water preservation, reducing the community's environmental footprint and impact, lowering water bills and reducing the impact on local ecosystems and wildlife habitats.



## Communities that Sustain Biodiversity

At New Home Co., we strive to align our land purchase process to be consistent with our commitment to provide customers with a sustainable home at an affordable cost. New Home Co. builds across the country in geographically diverse areas and wants to continue building in an environmentally sensitive manner. As such, our land purchase policy goes beyond environmental protection and includes considerations for community enhancements. Our decision-making process for land purchase approvals includes an evaluation of past use, environmentally sensitive sites, potentially sensitive wildlife habitats, community green spaces, storm water mitigation needs, culturally sensitive sites, and neighborhood amenities and features. We take these extensive measures as we recognize that we are not just building a home; we are building a community.

In the evaluation of a land acquisition, our priorities include:

### LIMIT IMPACT TO LOCAL ECOSYSTEMS

Beyond the thorough environmental assessment we require for all land acquisitions, we will also sometimes have the opportunity to impact or preserve existing plant and animal ecosystems; modify or delay our development activities to accommodate migratory, nesting or mating cycles; mitigate our impact through the design of the community or make financial or in-kind contributions to nearby dedicated nature conservancy zones or organizations.

### LAND EFFICIENCY THROUGH INFILL OPPORTUNITIES

We seek out opportunities to develop on previously developed lands and revitalize older neighborhoods. New Home's portfolio includes infill properties. With limited land resources available in many communities, we strive to make efficient use of land especially when developing in densely populated communities.

### VALUABLE PARTNERSHIPS

We prefer working with developers who share our values of sustainable developments. Many of our developers have their own sustainable development plans on top of conducting environmental assessments.

## Community Revitalization Through New Homes

We look for opportunities to help revitalize older neighborhoods or convert underutilized land to productive use with new homes. Creating infill communities and participating in redevelopment projects are among our considerations when evaluating potential land investments. Often, our homes are the first to be built in these locations in years and can enhance communities with more energy- and water-efficient housing.

**10.96**

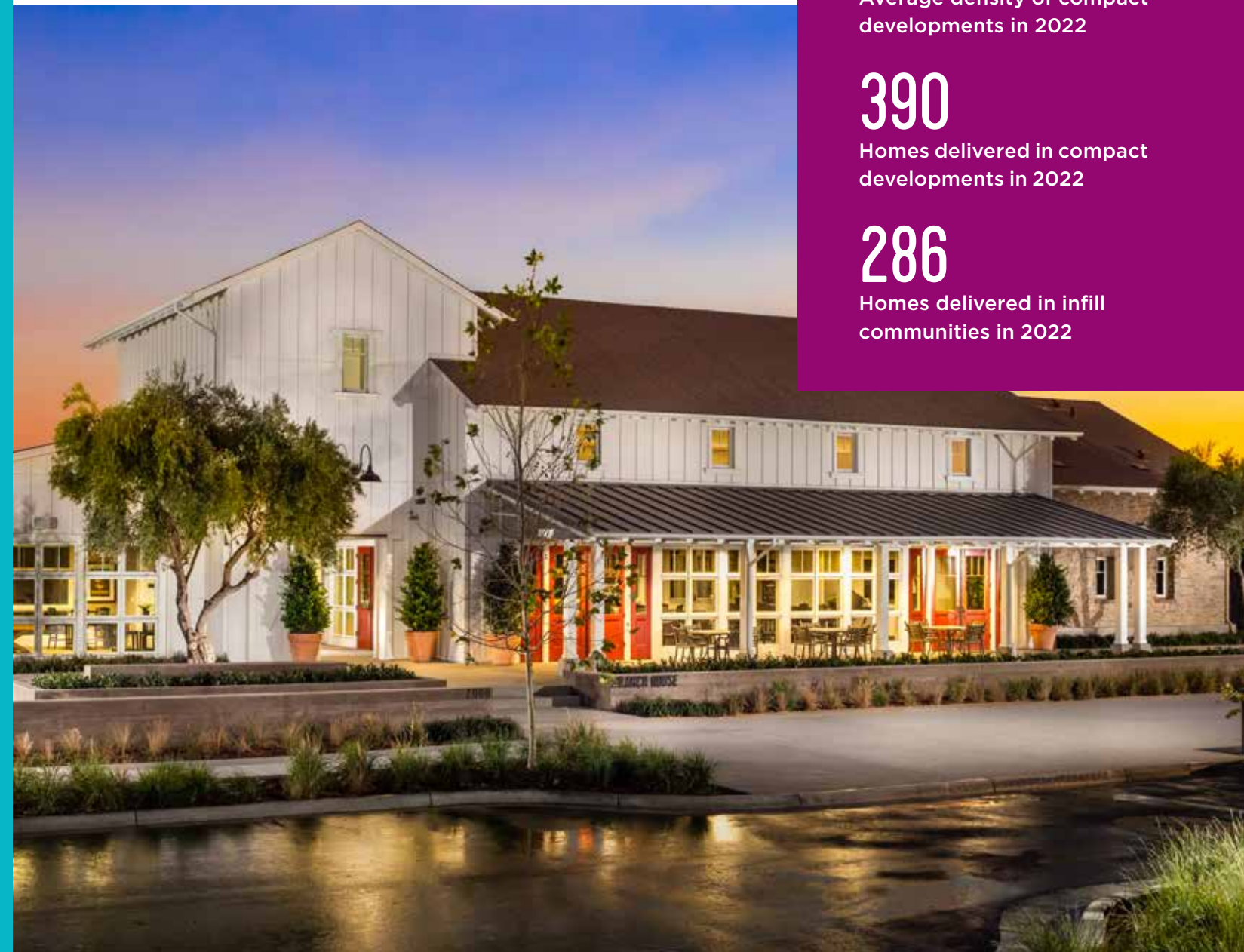
Average density of compact developments in 2022

**390**

Homes delivered in compact developments in 2022

**286**

Homes delivered in infill communities in 2022





## SPOTLIGHT The Cannery in Davis, CA

Viewed as a model of innovative design and sustainable living with a plan that was the first of its scale in Davis in more than 20 years, The Cannery includes approximately 547 for-sale homes and affordable apartments with energy efficient and Livable Design™ features built into every residence. The community features a 15-acre mixed-use area and an approximately 7.4-acre urban farm. As California's first farm-to-table new-home community, The Cannery was envisioned to provide the residents, nearby restaurants, and local neighbors with fresh seasonal produce. The Cannery Farm opened as a state-of-the-art example of sustainable urban farming and as an agri-classroom for students and beginning farmers.

In addition to the array of homes offered in the neighborhood, The Cannery was designed with alternative modes of transportation in mind. NEW HOME integrated design components that prioritize pedestrians, bicycles, electric vehicles, and public transportation. A transit station in the southern portion of The Cannery was designed as an outdoor gathering space with easy access to the neighborhood's retail experience, featuring covered bicycle parking and dedicated places to use and charge personal electronic devices.

In addition, NEW HOME dedicated substantial funds to the City of Davis for community enhancements that include safe transportation, parks and the city's bicycle and trail system.



### SUSTAINABLE FEATURES:

- 7.4-acre urban farm generating seasonal produce for residents of The Cannery, nearby restaurants, and neighbors in the region.
- A newly built, working barn with a kitchen, cold storage unit, produce washing station, dry storage area and office for managers overseeing the farm's operations.
- Roadways built with recycled materials – After demolishing concrete foundations left behind by Hunt-Wesson, New Home Co. recycled approximately 70,000 tons of the concrete in building The Cannery's roadways.
- The Ranch House Recreation Center – The Cannery's social center, with game room, kitchen, and outdoor pool and firepits, features a 14.2-kilowatt solar system that makes it net-zero electric.
- The Farm House Welcome Center – The community welcome center and event space will be deeded to the City of Davis and features a solar system.
- Sustainable Homes – The Cannery includes a wide range of homes, from condos and row houses to single-family detached residences, all built for energy efficiency. Each single-family home was built with a 1.5-kilowatt photovoltaic system, with optional upgrades for even more solar power.
- The homes were built to be retrofitted to become net-zero electric and/or net-zero energy.
- Every home's garage includes dedicated space for bikes and was pre-wired for electric-vehicle charging.
- The Cannery's public lighting consists of LED lights that run on solar power, produced in part by the 23-kilowatt system in the community's main park.

### KEY AWARDS:

- Sustainable Real Estate Project of the Year – Sacramento Business Journal
- Master-Planned Community of the Year in the United States – The Nationals
- Master-Planned Community of the Year – Gold Nugget Awards
- Northern California Master-Planned Community of the Year – MAME Awards



## Social

We strive to provide a working environment where coming to work feels more like coming home. To do this, we place considerable importance on team member equality and overall wellbeing.



# Our People

At New Home Co., we know that PEOPLE matter. Our homes are built on a strong foundation of focused, energized, and dedicated team members. The Company has been honored as an employer of choice by a variety of publications and seeks to create a working environment that reflects an outstanding, friendly, and diverse culture. It's easy to see why over the last several years the Orange County Business Journal, the Orange County Register, the Sacramento Business Journal, and the Arizona Central have all recognized New Home Co.



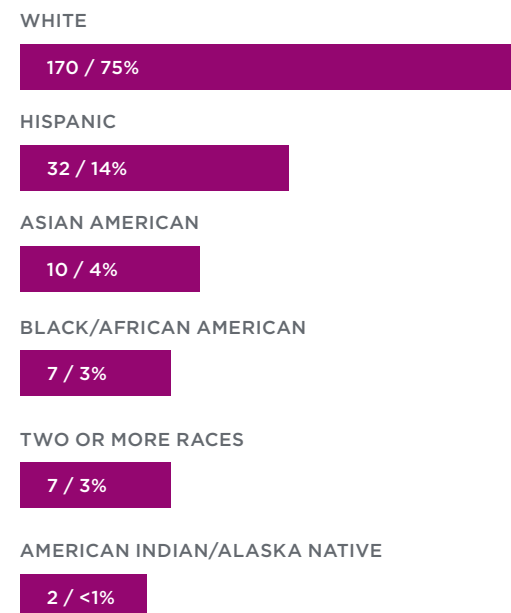
Sarah Carreon,  
Vice President People

“As a company we are committed to innovation and diversity. The intersection of these two values is a place where collaboration thrives. The unique thoughts, varied experiences, and the ways people of different backgrounds respond to challenges are the diversity that leads to creation. Through this diversity we seek to offer greater opportunities for all team members while also bringing innovation to the homebuilding industry.”

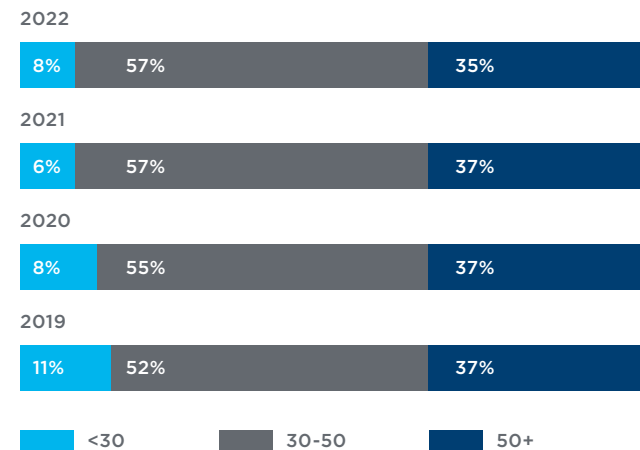
## People First Approach

Homebuilding is about people more than anything else. We are interested in identifying the best and brightest people to join our team. As we continue to grow and focus on increasing our diversity, we look forward to increased innovation and the opportunity to better serve our customers.

### RACE / ETHNICITY AS OF 12/31/22

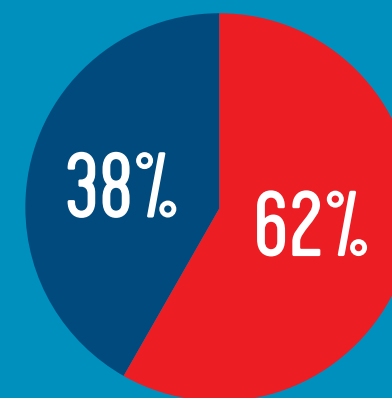


### AGE AS OF 12/31/22



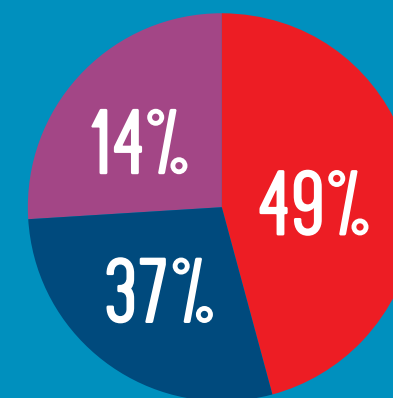
TOTAL EMPLOYEES 228

### 2022 FTE DEMOGRAPHICS



Female  
Male

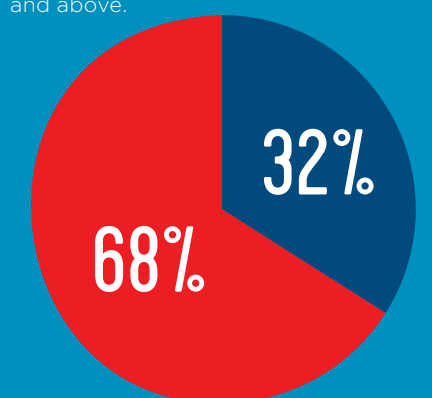
### 2022 FTE BREAKDOWN



Sales, Design & Marketing  
Operations (Construction Customer Care & Purchasing)  
Management & Administration

### 2022 WOMEN IN LEADERSHIP

Leadership positions refer to manager and above.



Female  
Male



# Women in Homebuilding

At New Home Co. we celebrate the advancement of women in the industry and are proud to share some of our best and brightest women leading the way.



**DIANA ASMAR**  
Director, Forward Planning

Diana Asmar began her journey in the homebuilding industry 8 years ago as a Contract Administrator. She loves the challenges that are thrown her way. Every project comes with unique challenges and she feels that there are always new things to learn. The most rewarding experience in homebuilding for Diana are fully sold projects. She loves seeing a piece of land turn into a beautiful community.



**MICHELLE HANLEY**  
Manager, Customer Care

Michelle Hanley has been in the homebuilding industry for 21 years. Her first position held in the industry was a receptionist for US Home in Denver, Colorado. Michelle stays in homebuilding because she loves being a part of something so important as providing shelter for families. She feels as though it is always changing so there is always something new to learn. Besides the relationships she has made along the way, seeing people that she has worked with become successful in their careers is the most rewarding experience for her.



**ANDREA GUERRA**  
Specialist, People

Andrea Guerra started her experience in homebuilding just two years ago as a People Coordinator here at New Home Co. Being a part of the People Team gives her a unique perspective of homebuilding through the lens of the Team Members who work tirelessly to make the home buying experience a memorable one for our homeowners. She appreciates the bonds that have been created between people that have been in the industry for many years and hopes to achieve those same ties and relationships. The most rewarding experience for her has been working with the leaders of the company to grow and support their own teams.



**LAURA STICKELMAN**  
Vice President, Sales

Laura Stickelman has spent 24 years in the homebuilding industry. She began her career as a Sales Agent and has always enjoyed being a part of a team that creates something so important and lasting. She has enjoyed working with a diverse group of talented people who are passionate and proud of their work. Laura finds it rewarding to help build a place that families call home and enjoys visiting the communities that she has helped bring to life over the years.



**TWANDA BEEKS**  
Neighborhood Sales Manager

Twanda Beeks has been in the dynamic and rewarding field of New Home Sales for 19 years. She loves the interactions she has with buyers while selling homes and product types that range from luxury estates to affordable condominiums. One of the most rewarding experiences Twanda has encountered is her involvement with selling affordably priced homes to teachers, nurses, police officers, firefighters and other community service workers in Playa Vista, California. This program offered affordable housing to workers who otherwise may not have been able to afford to purchase a home in the community they directly impact.



## DIVERSITY & INCLUSION

New Home Co. People

# Better Together: Diversity & Inclusion

The Diversity & Inclusion (D&I) Council at New Home Co. provides an opportunity for team members across the company to offer guidance and insight on diversity and inclusion topics while also supporting the Company's initiatives.

### BETTER TOGETHER MONTHLY NEWSLETTERS

Monthly newsletters explore diverse observances, holidays, and people by providing helpful links and reading material on the topics. The topics selected for the monthly newsletters are reviewed by the Diversity & Inclusion Council before publication. Topics covered have included Women's Equality Day, Juneteenth, Hispanic Heritage Month, Asian American and Pacific Islander Heritage Month and many more observances.

### HERITAGE POTLUCK

In 2022, New Home Diversity & Inclusion Council hosted the first ever company-wide Heritage Potluck. Team Members kicked-off the Fall season by sharing a dish that celebrated their heritage or that they found personally meaningful. This event allowed Team Members to learn more about other cultures through their peers.

### DIVERSITY & INCLUSION 2022 METRICS

**19%** of new hires in 2022 were diverse candidates

**24%** of new hires in 2022 were women

**25** women in leadership (manager +)

**32%** of leadership positions (manager+) held by women

**24%** of senior leadership positions (VP+) held by women



### MOVIE/BOOK CLUB

*Hidden Figures* was the 2022 second annual Movie & Book Club selection. This book and movie is about three brilliant African-American women at NASA – Katherine Johnson, Dorothy Vaughan and Mary Jackson – who served as the brains behind one of the greatest operations in history: the launch of astronaut John Glenn into orbit, a stunning achievement that restored the nation's confidence and turned around the Space Race. This incredible story is set with a backdrop of Jim Crow segregation, the civil rights movement, the cold war with the USSR and the ensuing space race, and the fight for gender equality. At the end of the month, a virtual meeting provided an opportunity to discuss the significance of the book and the movie with colleagues across the company.

### HARASSMENT AND DISCRIMINATION PREVENTION TRAINING

All team members complete a specific mandatory Harassment and Discrimination prevention training that is dependent on whether a team member is a supervisor as well as the primary state in which they work. Team members can engage with the training modules to dig deeper into specific state and federal laws, read articles and watch relevant videos. At the conclusion of these trainings, team members review the New Home Co. Harassment policy and acknowledge their comprehension.

### MANAGING BIAS TRAINING

Supervisors at the Company take a special course on Managing Bias which provides helpful content on understanding bias with the goal of managing and reducing the negative effects bias can have in the workplace. Hiring managers are asked to complete the training before engaging in hiring activities and each manager is provided a Manager's Guide to Fair Hiring Process for their knowledge and reference.





# NEW HOME CO. MILESTONES

## Team Member Rewards



## Our Team Members: Milestone Program

We recognize anniversaries to express the Company's gratitude to team members who choose to have careers with New Home Co. The Milestone program is an opportunity to formally acknowledge team members who reach important tenure milestones. At the completion of years 1, 3, 5, 10 & 15, team members receive special gifts to commemorate their service. In addition, starting with anniversaries at the 5-year mark, team members also receive bonus awards and additional vacation time. New Home Co. encourages award recipients to take time away from work to celebrate their accomplishments in individually meaningful ways. As the Company continues to grow, we look forward to adding additional milestone anniversaries to celebrate when team members reach new levels of tenure.

1 | ONE YEAR  
NEW HOME CO.  
TEAM MEMBER

The first year is often the most challenging as you are learning to work with new colleagues in a new environment. We are so grateful you have selected The New Home Co. and invested the time and energy to reach this important milestone. In honor of your first 365 days, we are pleased to give you a branded and personalized professional padfolio to celebrate your efforts and contributions.



3 | THREE YEAR  
NEW HOME CO.  
TEAM MEMBER

Three years marks a very special milestone in your career with New Home Co. Over the past 1,000 plus days you've certainly experienced both positive and challenging moments and have given tirelessly to advance the goals of the company. In honor of these three years, we are pleased to present you a branded Yeti to celebrate your efforts and contributions.



5 | FIVE YEAR  
NEW HOME CO.  
TEAM MEMBER

Five years, 1,825 days, and many hours committed to projects, goals, and initiatives for New Home Co. is a massive accomplishment. In honor of these past five years, we are pleased to present you with a North Face backpack, branded t-shirt, \$1,000 bonus (after taxes), and a bonus week of vacation (40 hours) to be granted on the date of your anniversary.



10 | TEN YEAR  
NEW HOME CO.  
TEAM MEMBER

It's been ten years of amazing accomplishments, challenging obstacles, and building better lives for our homeowners. To honor a decade of your service with New Home Co. we are pleased to present you with a branded North Face jacket, a commemorative crystal, \$5,000 bonus (after taxes), and bonus week of vacation (40 hours) to be granted on the date of your anniversary.

15 | FIFTEEN YEAR  
NEW HOME CO.  
TEAM MEMBER

For fifteen years you have made New Home Co. a better place. You are among the most tenured team members at the company and your dedication is evident in your loyalty. We thank you for choosing this company to be your home and are pleased to present you an executive gift of appreciation, \$7,500 bonus (after taxes), and a bonus week of vacation to be granted on the date of your anniversary.

# MDP

.....  
New Home Co. University

## Our Team Members: Management Development Program

New Home Co.'s Management Development Program (MDP) is a one-year proprietary course designed in-house to provide education opportunities to newer people managers as well as high-performing individual contributors with management aspirations. Participants are nominated by division and corporate leaders to attend. The program is organized around two focus areas: management skills and homebuilding knowledge. MDP provides team members with important knowledge to succeed as their careers grow within the company. During the first half of the program, participants will learn about and engage in group discussions on topics such as the qualities of managers and leaders, how to interview and hire, how to coach, motivate, and handle performance discussions, and how to avoid legal liabilities. The second half of the program focuses on topics specific to the homebuilding industry including Land Acquisition, Project Management, Finance, Marketing, Sales, and Operations. Senior Executives of the Company lead these sessions offering participants the unique opportunity to interact with a variety of leaders in a small-group setting.

Since its inception in 2021, more than forty team members have participated and graduated from the year-long course.



At the program's conclusion, team members celebrate their graduation with a special session in the home office and a graduation dinner.

**LOAN ASSISTANCE PROGRAM**  
**WELLNESS REWARDS**  
**STUDENT LOAN PAYDOWN**  
**VISION**  
**ACCIDENT PLAN**  
**BENEFIT HELP DESK**  
**EMPLOYER HSA CONTRIBUTION**  
**WELLNESS REWARDS**  
**STUDENT LOAN PAYDOWN**  
**CRITICAL ILLNESS**  
**MEDICAL PAID HOSPITAL CARE**  
**LOAN ASSISTANCE PROGRAM**  
**PET INSURANCE**  
**FLEXIBLE SPENDING ACCOUNT**  
**HOME PURCHASE DISCOUNT**  
**WELLNESS REWARDS**  
**STUDENT LOAN PAYDOWN**  
**CRITICAL ILLNESS**  
**MEDICAL PAID HOSPITAL CARE**  
**SUPPLEMENTAL LIFE INSURANCE**  
**VACATION**  
**BASIC LIFE**  
**TUITION REIMBURSEMENT**  
**401(K) WITH 50% EMPLOYER MATCH**  
**LONG TERM SHORT TERM DISABILITY**  
**CHARITABLE MATCH PROGRAM**  
**DENTAL**  
**BASIC AD&D**  
**PAID VOLUNTEER TIME OFF**

## Our Team Members: Onboarding and Wellbeing

### TEAM MEMBER ONBOARDING

We understand that starting a new job can be stressful, so we welcome our new hires warmly and help them feel at home as quickly as possible. At the start, new hires are welcomed to the Company with a welcome box of New Home Co. swag delivered to their home address before their first day. New hires receive an email guide providing information so they can be fully prepared for their first day at work. Following a 2-hour orientation the morning of their first day, new team members are treated to lunch by their team to help them start building strong relationships right away.

### TEAM MEMBER BENEFITS

#### Paid Time Off

We believe that team members need opportunities to rest and enjoy time away from work, so we offer generous vacation and sick time policies. Team Members accrue a minimum of 80 hours of vacation in the 12 months after they are hired. After hitting subsequent seniority tiers, annual vacation accruals increase to 120 hours and then 160 hours. In addition, all team members accrue 80 hours of sick time per year and continue to accrue up to a maximum of 240 hours.

#### Health Care

Medical, Dental and Vision insurance are offered to full-time team members as well as their families. Team members in all geographic regions have a medical option with \$0 deductible and low annual out-of-pocket maximums. Medical insurance includes coverage for virtual visits and telemedicine.

The company pays for full-time team members to have Basic Life & AD&D insurance, Short-Term Disability and Long-Term Disability. Additional benefit options for plans are also available for supplemental life insurance and AD&D, as well as plans to provide coverage for incidents of critical illness, hospital care, unexpected injury or illness associated with accidents.

Team Members can access Health Advocate to help them better understand their benefit offerings, assist with complicated claims and billing, locate in-network providers, or receive other insurance information.

# WELLBEING

All Team Members are set up with our wellness platform, A Healthier You through WeSpire, that incentivizes healthy behaviors and overall wellbeing. Team Members earn points for their annual physicals, vaccinations, exercising, hydrating, and more to receive quarterly cash rewards. Programs like Step Challenges and the Mental Health Awareness Week encourage participation and enthusiasm to collectively better our health.

Team Members with existing student loans are eligible to participate in “Gradifi” to receive a monthly student loan principal payment from the company. Since its inception in 2018, the Company has contributed \$78,817 toward reducing team member student-loan debt.

**Retirement:** Team Members 21 and older are eligible to contribute to the Company’s 401(k) on a pre-tax or ROTH basis and to receive employer match contributions. In 2022, the Company matched \$1,215,395.48 to the 401(k). Plan features include automatic enrollment and automatic escalation designed to help our team members plan for their retirement. The Company also offers webinars hosted by both the 401(k) provider and the advisor regarding financial wellness, saving for retirement, and understanding investing.



# Workplace Recognition, Accountability and Engagement

## RECOGNITION

We believe in the value of positive feedback and in recognizing a job well done. Opportunities to recognize and be recognized are an important part of the Company's culture and include anniversary "milestone" recognition awards, peer nominated Team Members of the Quarter, and a virtual "Shout-Out Wall" where team members can leave words of praise and encouragement for colleagues.

## ANNIVERSARIES

The Milestone program provides a special way to celebrate team members who reach 1, 3, 5, 10, 15+ years of service with the Company. Each milestone award includes a special gift and starting with the 5th anniversary the award also includes a bonus and an extra week of vacation.

## ASK THE EXECUTIVES

The New Home Co. leadership embraces communication, feedback, and continuous improvement. Through "Ask the Executive" all team members can submit confidential questions to the Executive team. Questions are often answered publicly on the company intranet or during all team meetings where everyone can benefit from both the question and the answer.

## TUESDAY NEWSDAY

A weekly information newsletter is published by the People team to provide ongoing updates on topics such as new hires, promotions, upcoming events, benefits, and special spotlights on division activities.

## TEAM MEMBER OF THE QUARTER

Since its inception in 2019, this program has formally recognized 64 team members for their exceptional contributions. Each quarter, team members are encouraged to nominate colleagues who have demonstrated excellence related to New Home Co.'s "Call to Action": Adaptability, Accountability, and Scalability. Nominations include specific examples of the team member's important contributions during the quarter. Executive leadership selects a quarterly winner who is recognized with a special bonus award, a personalized plaque, and a spotlight in the company wide newsletter.

## BLUEPRINT (QUARTERLY CORPORATE NEWSLETTER)

A company-wide corporate newsletter that provides important updates, news and information about the company to team members. It serves as a communication tool to keep all team members informed about various aspects of New Home Co.

## TOWNHALLS

Divisions hold quarterly townhall meetings in their respective markets. These are led by the Division President and feature information about upcoming communities, progress toward annual division-wide goals, and are also a time to celebrate anniversaries, birthdays, and important achievements. A company-wide townhall is typically held twice annually and led by the CEO to provide important updates to the company about the achievement of business goals as well as financial and market updates.

## SHOUT-OUT WALL

We strive to build better lives each day, at every community and office, in every department, and in everything we do. A home is not built by a single pair of hands. Together, our passion for homebuilding makes each home a great place to live and our company a great place to work. With New Home Co. Shout-Outs, team members can immediately recognize any colleague by submitting an electronic form and having their comments published on a company-wide intranet page that celebrates peer to peer recognition.



**CARLOS GOMEZ, SITE MANAGER  
& NOAH SOURAPAS, ASSISTANT SITE MANAGER**

"Both these gentlemen helped our homeowner at Lincoln move their personal items in as the street was blocked off due to paving. These were first-time buyers who were so excited to move in and spend their first night in their brand-new home. Carlos and Noah went the extra mile to help these homeowners since they couldn't drive their car to the front of the house. Thank you for helping to make this experience even more special for our homeowners!"

- Jennifer Greyshock & the Parkside Sales Team

# Workplace Recognition, Accountability and Engagement *continued*

## 2022 SURVEY RESULTS

**89.7%**

Response Rate

**89%**

Reported feeling genuinely appreciated by the Company

**89%**

Reported that their manager cares about their concerns

**83%**

Would highly recommend working at New Home Co. to others

## EMPLOYEE ENGAGEMENT

To ensure a positive and productive workplace, we proactively seek feedback and continuously engage in two-way communication with our team members. We conduct an annual team member engagement survey soliciting direct feedback from our team members utilizing a third-party survey and analytics provider. The Company asks team members to share their perspectives anonymously on what is working well and where the Company should focus for improvement. Results are reviewed and considered for opportunities for change based on specific feedback team members share at division and department levels. In 2022 more than 89% of the employee population responded to the request for survey feedback and reflected an overall employee engagement index score of 78%. The report also identified that 83% of employees feel that the leadership of New Home Co. is genuinely concerned about diversity and fairness for all (including race, gender, gender identity, sexual orientation, age).

## FRIENDS AND FAMILY DAY

At New Home Co. we know it's important for our team members to have time to celebrate and strengthen their relationships outside of work. Families come in different sizes and forms, but they all share something critical in common. They are the important people in our employees' lives who encourage and support them throughout all of their successes and challenges in life, including those at work. We are honored to help our team members celebrate these very important relationships by giving all team members annually an extra paid day off and a stipend of \$150.00 to spend time doing something they enjoy with a special person or people in their lives. After taking a Friends & Family Day, team members are encouraged to share a photo of their time away from work on the Company intranet page. In 2022, 104 team members took a paid day off to spend time with friends and family and the company reimbursed more than \$15,000 in related expenses.





## Let's Move Forward Together - New Home Co. Calls to Action

Moving forward we will provide attainable new homes, offering current design trends and flexible floor plans for today's homebuyer. Our portfolio of attached and detached homes provides us with visibility into our cost structure and cycle times. This allows us to be more transparent to our customers and our trade partners.



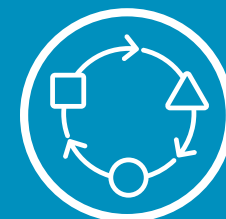
### SCALABILITY

New solutions and ideas need to be evaluated for their ability to scale with increased benefit and growth across multiple markets and regions.



### ACCOUNTABILITY

Each team member needs to be accountable to their work and each other. Every solution needs to be held accountable for its success and efficiency with results and data.



### ADAPTABILITY

New ideas need to be innovative and flexible to allow us to adapt and pivot our strategy and tactics to prevailing market conditions. Stay open to new solutions and ways of doing things that keep our focus on value and growth.



# 2022 Industry Awards

## 2022 THE NATIONALS AWARDS

- Gold Award at The Nationals for Best Detached Model Home at Atlas
- Epic Homes, A Member of The New Home Family, Gold Award for Best Interior Merchandising model \$850,000 to \$1Million at Trails at Crowfoot - The Invite

## 2022 ELIANT AWARDS

- Best Overall Purchase and Ownership Experience: New Home Co.
- Design Experience Award: New Home Co. Arizona
- First Place Sales Representative of The Year: James Patterson, New Home Co. , Arizona
- Third Place Sales Representative of the Year: Cece Guyatt, New Home Co. , Southern California & Malia Cheshire, New Home Co., Southern California
- Third Place Design Representative of The Year: Debbie Newell, New Home Co., Southern California
- Fifth Place Design Representative of The Year: Mindy Hamilton, New Home Co., Northern California
- Third Place Construction Representative of The Year: Jim Henderson, New Home Co., Southern California
- First Place Customer Service Representative of The Year: David Custodero, New Home Co., Southern California
- Second Place Customer Service Representative of The Year: Hieu Pham, New Home Co., Southern California

## 2022 PHOENIX METRO MAME AWARDS

- Salesperson of the Year: Gale Pyles
- Sales Team of the Year: Gale Pyles & Valerie Fabirkiewicz
- Online Sales Professional: Justyna Korczynski
- Customer Service Professional: Alex Lujan and Deanna Fero
- Construction Professional: Emilio Sanchez
- Rising Star: Sean Peterson
- Best Architectural Design for a Detached Home under 2,000 square feet: Element Plan 3

## 2022 SOCAL MAME AWARDS

- Best Architectural Series: Bryant at Nuvo Parkside
- Escrow Professional of the Year: Sherry Ivery
- Design Studio Professional of the Year: Debbie Newell

# Company & Employment Awards

Over the last several years New Home Co. has been repeatedly recognized as an employer of choice in both Southern and Northern California. In six of the last eight years, New Home Co. has also been recognized as an Orange County Register Top Workplace and in 2022 the Arizona division received its first Top Workplace recognition as well. Finally, the company prides itself on winning many Eliant Awards for Customer Care and satisfaction over the last decade.







# Attainable Homeownership

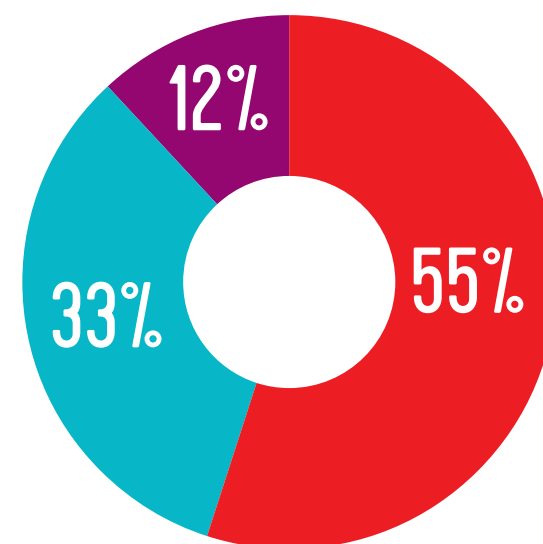
## BENEFITS OF HOMEOWNERSHIP

According to several governmental and economic studies, homeownership significantly impacts household wealth. Therefore, expanding affordable homeownership opportunities can potentially help reduce wealth disparities. Research has shown that stable homeownership is associated with higher participation in civic and volunteering activity, improved healthcare outcomes, better educational performance, and lower crime rates.

## EXPANDING HOMEOWNERSHIP OPPORTUNITIES

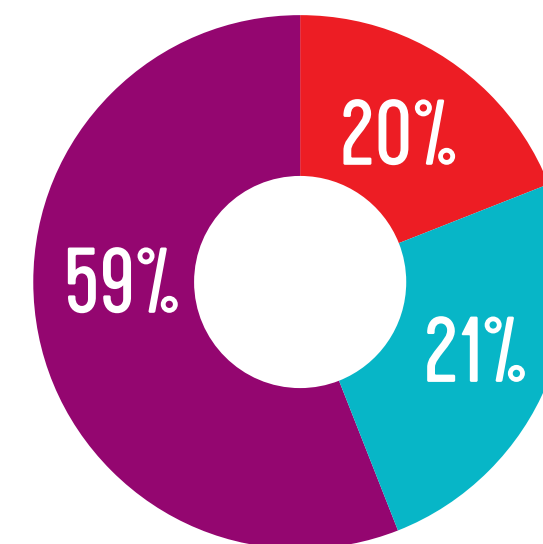
At New Home, we have sought to expand our buyer pool to make homeownership possible for a greater number of households. Over the past few years, we have transformed from a mostly high-end builder primarily based in California to a more diversified builder with expanded product offerings to include more affordably priced homes. In 2016, our average sales price of a home was \$2 million. In connection with our pivot to more affordable housing, by 2022 our average sales price moved to \$765,000.

HOMEOWNERSHIP IN 2016



Entry First Move-Up Executive/Luxury

HOMEOWNERSHIP IN 2022



Entry First Move-Up Executive/Luxury

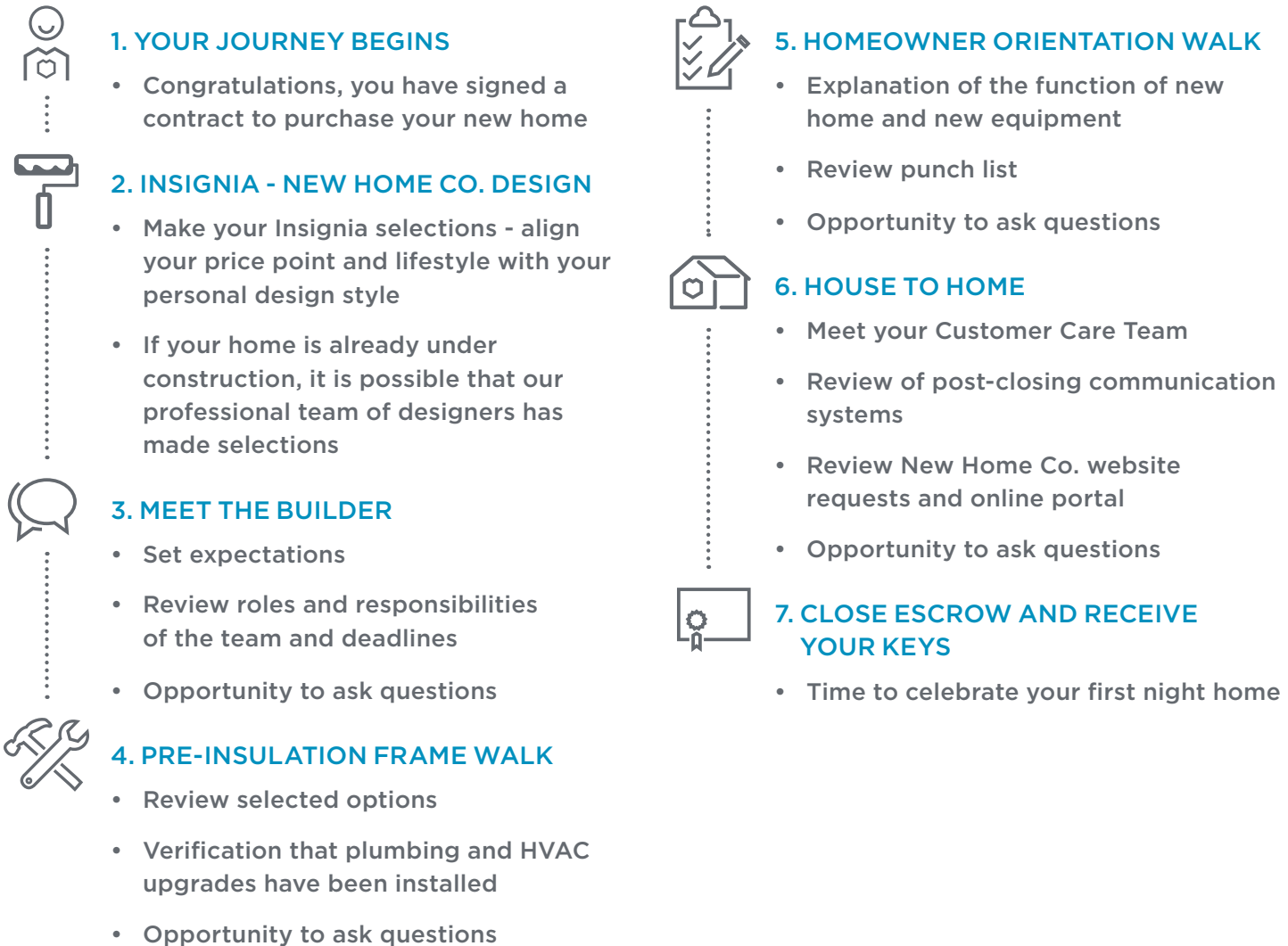
# Homebuyer Education

## FIRST-TIME HOMEBUYER EDUCATION PROGRAM

Buying a home is the most significant purchase most of us will ever make – which makes just starting the process a daunting undertaking at times. We want to make it easier. Through an interactive web experience and a series of short FAQ videos, we strive to break down barriers and educate buyers at all stages of life about the process of purchasing a new home.

## CUSTOMER JOURNEY

New Home Co. is committed to providing a clear timeline of events from the point of sale to close of escrow to ensure that all buyers know that the company is with them every step of the way.





## Digital Marketing Customer Journey

### ONLINE LEAD GENERATION

8,190

Total Online Leads in 2022 through New Home Co.

161

Purchasers

### PERSONALIZED OUTREACH

2,149

Online Sales Concierge Appointments Booked in 2022

310

Purchasers

### SELF-GUIDED TOURING

1,317

Unlocked Tours Booked in 2022

21

Purchasers

## POINT OF DISCOVERY



Multi Channel Digital Exposure - Top of Funnel Brand to In-Market Bottom Funnel



Re-Direct and Full Offering Exposure at NewHomeCo.com



Conversion to Web Registration and integration to CRM solution



Prospect offered Self-Guided Tour Platform - UNLOCKED



Prospect is put in contact with Online Sales Concierge for personal appointment scheduling



Drip Email Touch Program initiated for full brand exposure



Model Home Tours & Mastering Life through Instagram Live's for further discovery



Matterport™



Matterport Model Home Tours offered for re-engagement



Select SMS sales and incentive updates

## POINT OF SALE



Sales documents offered via DocuSign



Prospect able to reserve a home via email during virtual sales release

Prospect able to get pre-qualified online



# Homes for Our Heroes

New Home Co. is committed to opening more doors to home ownership for our community heroes - including first responders, educators, health care professionals, and service professionals who help keep us safe, here and abroad.

The HOME FOR OUR HEROES program offers an additional \$2,500 in incentives towards buyers who hold these important occupations as a means to say thank you.

# Most Recognized Builder in Customer Experience

From leading design to best-in-class quality, New Home Co. receives consistent recognition from homeowners through Eliant - the homebuilding industry's most trusted independent survey company for over 30 years. New Home Co. is proud and humbled to have received "The Eliant" award, for overall home purchase and home ownership experience. This acknowledgment, along with several other awards, provides further credence to New Home Co.'s position as the nation's most recognized builder in customer experience. To highlight the impact New Home Co. has on its homeowners, a campaign was launched this year to showcase real homeowner reviews on the website and social platforms.



11/27/22

"Everyone is very helping and it was a smooth transaction."  
- ANICIA A., HOMEOWNER AT BRYANT AT NUVO PARKSIDE

100% Customer Satisfaction 

11/26/22

"The team made me feel comfortable every step of the way. I am so appreciative to have them by my side with my first home buying experience."  
- JOSEPH L., HOMEOWNER AT NUVO PIEMONTE

100% Customer Satisfaction 

11/24/22

"The team was very professional and kept me posted with the status of my home. The team responded to my inquires promptly and professionally. The team was very thoughtful and assisted me during orientation to ensure most of the defects are caught and addressed before the move. The team ensured all requests are looked into and addressed timely. Experience with NUVO was great from contract to move-in."  
- MAURO III C.Z., HOMEOWNER AT NUVO ARTISAN SQUARE

100% Customer Satisfaction 

11/23/22

"The team was super helpful and attentive throughout the whole process."  
- JOHN H. , HOMEOWNER AT WAYPOINTE AT RIVER ISLANDS

100% Customer Satisfaction 

11/18/22

"Sales staff & customer rep are very helpful."  
- JOSEPHINE A., HOMEOWNER AT BRYANT AT NUVO PARKSIDE

100% Customer Satisfaction 

11/10/22

"The team was easy to work with and made me feel relaxed during this stressful time."  
- JUSTIN B., HOMEOWNER AT BRYANT AT NUVO PARKSIDE

97% Customer Satisfaction 

11/06/22

"Love this community."  
- PRAGYA K., HOMEOWNER AT NUVO ARTISAN SQUARE

100% Customer Satisfaction 

11/06/22

"The team was very friendly and made everything smooth."  
- AVINASH M. , HOMEOWNER AT EUREKA GROVE AT GRANITE BAY

100% Customer Satisfaction 



# give back

NEW HOME CO. CHARITABLE GIVING

Giving back to our communities and to each other is important to New Home Co. In addition to partnering with several organizations to give back to the communities where we build, we also empower and assist our team members in giving back to organizations they find personally meaningful. In 2023 the Company launched a comprehensive “Give Back” program to encourage and support team members’ efforts towards charitable giving related to both volunteer time and monetary donations.

## GIVE BACK

The “Give Back” campaign features a Team Member Volunteer Program and a Give Back Match Program.

## TEAM MEMBER VOLUNTEER PROGRAM

The Team Member Volunteer Program formalizes paid time-off for team members who are interested in volunteering for 501(c)(3) tax-exempt non-profit organizations. Each team member receives up to thirty-two hours of paid time off per calendar year to use toward volunteering for eligible organizations.

## GIVE BACK MATCH PROGRAM

The Give Back Match Program offers team members the opportunity to receive a match

on their personal charitable donations, made to qualifying organizations, up to \$250 per team member, up to \$25,000 company wide per year.

Some of the organizations supported so far through the “Give Back” program include:

- Angel Flight West
- Angels in the Alley
- Aplastic Anemia & Mds International Foundation
- Big Brothers - Big Sisters of the Greater Sacramento Area Inc.
- Foundation Fighting Blindness
- Friends of the Sacramento Public Library

- Happy Tails Pet Sanctuary
- HomeAid Orange County
- Jose’s Closet Inc.
- Little League Baseball Inc.
- Noble Friends Foundation for OC Animal Care
- Raise for Rowyn
- Shelter Providers of Phoenix, Inc.
- Shriner’s Hospital for Children
- St. Jude Children’s Research Hospital
- Theodore Roosevelt Conservation Partnership

**CHARITABLE ORGANIZATIONS SUPPORTED THROUGH COMPANY-SPONSORSHIP**

Since its inception in 2009, New Home Co. has been dedicated to supporting the communities where we build. As a company, we have historically supported a wide variety of non-profits with an emphasis on creating safe and secure living environments. Organizations supported in 2022 across the company include:

- American Cancer Society
- Armer Foundation
- Building Industry Association Orange County
- City of Hope
- HomeAid Orange County
- HomeAid Phoenix
- House of Refuge
- Interval House
- North State Building Industry Association
- Raise for Rowyn
- Rose Bowl Parade BIASC
- Second Harvest Walk to Feed OC

New Home Co. has supported the HomeAid organization in a variety of markets. HomeAid is a nonprofit organization that builds and renovates shelters for those who are homeless or at risk of becoming homeless.



Each year the Southern California Division supports HomeAid’s annual Diaper Drive which is a charitable event seeking one-million essential items (diapers, wipes, baby food) needed to raise babies and toddlers experiencing homelessness. The Company has been involved with this fundraising effort since 2009 and was especially excited to raise more than \$20,000 worth of essential items for the 2022 fundraiser.



The Arizona Division supports their local HomeAid organization as well. In 2022 the Company participated in HomeAid’s Trap Shoot which is a fundraising event to help combat homelessness in the Phoenix Valley. The Arizona division also participated in HomeAid’s Paint-A-Thon to help paint 13 homes for the House of Refuge campus in Mesa, Arizona. The House of Refuge is an organization that provides transitional housing for families experiencing homelessness.

For the last eight years the Northern California Division has hosted a golf tournament in support of the Building Industry Association. The August 2022 tournament raised \$58,000 for this organization. The Northern California Division has also supported Raise for Rowyn which is an organization that benefits and supports local families dealing with the tragedy of losing young children. In 2022, fundraising efforts for this organization totaled \$3,825.



**CITY OF HOPE**

For several years New Home Co. has been a proud supporter of City of Hope’s Construction Industry Alliance through a variety of efforts. Most recently, In 2022, Megan Eltringham, Corporate Vice President of Marketing and Design, was honored with the Champion for Hope Award, to recognize her leadership and professionalism in supporting the Alliance.

**COMMUNITY SERVICE OPPORTUNITY**

Annually, each division has been encouraged to select an organization to support for a Community Service opportunity. In past years, organizations supported have included The Second Harvest Food Bank with sorting produce, canned goods and other items to feed the hungry in the local community; HomeAid with the “Share the Warmth” Sock & Blanket drive, and the Hands 4 Hope golf tournament in Northern California.





# Interval House

New Home Co. is a longtime supporter of Interval House, a crisis shelter and center for victims of domestic violence. Annually, New Home Co. hosts a golf tournament to raise funds for Interval House. In 2022 the Company was pleased to raise \$290,000 through this tournament alone. Through the leadership team at New Home Co., over \$3 Million has been raised.

## ABOUT INTERVAL HOUSE

For over 40 years, Interval House has been a place for healing and growth. A refuge rich with support and guidance. A bridge to a new life for thousands of women and children who are the victims of domestic violence.

Interval House's mission is to provide a full range of comprehensive services to battered women and children and to educate the public about the epidemic of domestic violence and teen dating violence. Interval House also strives to increase awareness in our communities about the devastating effects of domestic violence on each and every one of us.

**\$3,000,000**

Total Dollars Raised for Interval House





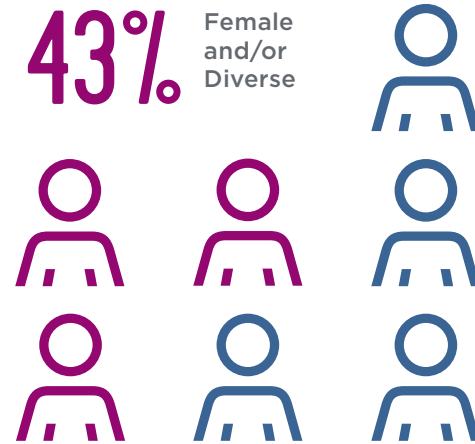


## Governance

# Our Corporate Governance

## BOARD OF DIRECTORS

Although New Home Co. was taken private in September of 2021, we continue to maintain a corporate governance structure and practices to ensure robust board and management accountability to our stakeholders. Our Board of Directors monitors and responds to important governance issues, including board independence, composition and refreshment, executive and board compensation, as well as succession planning. Our Board also performs annual evaluations and risk oversight.



## ETHICS HOTLINE

Team members are encouraged to voice issues or concerns without fear of retaliation. Our secure Ethics Hotline through a third party provider is anonymous and accessible on our company website and intranet. Issues are reported directly to our General Counsel and/or Audit Committee Chair depending on the type of concern raised and all issues are resolved as expeditiously as possible.

4 Committees to Assist in Governance



## ESG COMMITTEE

In 2022, we formed our Environmental, Social, Sustainability and Governance Committee (“ESG”). The ESG Committee is responsible for the support, development, strategy, prioritization, integration and reporting of the Corporation’s ongoing commitment to environmental, health, safety, corporate social responsibility, sustainability, corporate governance and other related trends, issues and concerns.

1 Non-CEO Chair



To support strategies and goals set by the ESG Committee, a group of high-level executives, including our General Counsel and our corporate vice presidents of People, Marketing and National Purchasing, convenes on a regular basis to discuss sustainability strategies and craft, refine company policies and initiatives, and create buy-in with leaders across all of our operating regions and major functional departments.

# Employment Policies and Training

New Home Co. is committed to creating and maintaining a community in which its team members are free from all forms of harassment and discrimination. New Home Co. has required team member training and protocols for preventing, reporting and addressing behavior that is not in line with our business standards and our core values, including but not limited to, discriminatory or harassing behavior and sexual misconduct. In 2021, New Home Co. implemented training on Diversity and Inclusion for all team members as well as Managing Bias for team members at or above the manager level. Some of the policies and training applicable to all team members include:

- Anti-Discrimination and Anti-Harassment training
- Conflicts of interest policy
- Personal contracting and use of New Home Co. trade policy
- Code of Ethics
- Securities Trading policy
- Cybersecurity training
- Confidentiality policy

Reinforcing our company culture and how we do business is not a one-time initiative – it is something over which we exercise constant vigilance.

## VENDOR CODE OF CONDUCT

We also recognize that our procurement decisions can have important economic, environmental, and social impact in the communities we serve and beyond. We have developed a Vendor Code of Conduct to establish the principles, guidelines, and standards with respect to the supply of the products and materials we use in our business.

These principals align with our own Code of Ethics and are intended to help us address certain supply chain risks. We also expect our covered suppliers and service providers to follow best industry practices.

## DATA SECURITY AND PRIVACY

We maintain an information security program that is designed to protect the integrity, confidentiality and availability of the company’s information assets and to protect customer and consumer data. We comply with federal customer privacy and data security regulations as well as state-level requirements such as the California Consumer Privacy Act (CCPA), which went into effect in early 2020.

We have a standing management committee consisting of our CFO, General Counsel, Director of IT, as well as a member of our internal audit provider, Protiviti, that meets or corresponds at least quarterly to evaluate any cybersecurity issues or concerns. We also report to our Board or Audit Committee at least annually regarding our privacy and information security programs.

- We have adopted and update at least annually a Written Information Security Program and Security Incident Response Policy.
- We retained an experienced company that can assist us in the event of a serious breach.
- Employees complete an annual required training on cybersecurity and safety.
- We issue periodic phishing tests that are designed to catch employee vulnerabilities and educate team members on phishing and malware.

# Human Rights

New Home Co. respects the basic human rights of all individuals, including our employees, business partners, customers and all other stakeholders. We empower our employees to bring their best selves and their ideas to work every day to improve our operations, our product and the customer experience as well as reduce our impact on the environment. Our Board of Directors has adopted our Human Rights Policy, which applies to all employees and Board of Directors.

Our Human Rights Policy addresses the following subjects:

- Equal opportunity, non-discrimination and preventing harassment
- Child labor, forced labor and human trafficking
- Wage, hour and compensation policies
- Health and safety

Oversight for this policy resides with our Board while our executive management team is responsible for its implementation.



# Sustainability Accounting Standards Board (SASB) Disclosure Topics and Accounting Metrics

For interested stakeholders, we are providing disclosures against activity metrics in line with the SASB Home Builders Industry Standard, Version 2018-10. All disclosures are for or as of the calendar year ending December 31, 2022, unless otherwise noted.

SASB Activity Metric	IF-HB-000.A Number of controlled lots	F-HB-000.B Number of homes delivered	F-HB-000.C Number of active selling communities
New Home Co. 2022 Disclosure	6,262 Lots	812 Homes Delivered	17 Communities

	SASB ACCOUNTING METRIC	NEW HOME CO. 2022 DISCLOSURES
Land Use & Ecological Impacts	IF-HB-160a.1 Number of (1) lots and (2) homes delivered on redevelopment sites	In 2022, we delivered over 24 homes at redevelopment communities, which we define as sites that were previously developed, including the replacement, remodeling or reuse of existing structures to accommodate new development.
	IF-HB-160a.2 Number of (1) lots and (2) homes delivered in regions with High or extremely high baseline water stress	255 homes delivered in regions with high or Extremely High Baseline Water Stress, as delineated by the World Resources Institute's (WRI) Water Risk Atlas (Aqueduct) tool.
	IF-HB-160a.3 Total amount of monetary losses as a result of legal proceedings associated with environmental regulations	\$0 (Zero)
	IF-HB-160a.4 Discussion of process to integrate environmental considerations into site selection, site design, and site development and construction	Environmental considerations are an integral part of our land acquisition strategy. We typically conduct a Phase I Environmental Site Assessment each time we acquire land. We also routinely conduct diligence on flood zone and biological conditions. We incorporate this diligence into the ultimate design and development of our communities. For example, in water stressed environments, we'll use drought-tolerant landscape designs. Please see Note 1 below and "Land Usage and Ecological Impacts" section in our Sustainability Report.

	SASB ACCOUNTING METRIC	NEW HOME CO. 2022 DISCLOSURES
Workforce Health & Safety	IF-HB-320a.1 (1) Total recordable incident rate (TRIR) and (2) fatality rate for (a) direct employees and (b) contract employees	(1) TRIR for calendar year 2022 – Work-related injuries (a) direct employees: 1.97* (b) contract employees: 0  (2) Work-related injury fatalities (a) direct employees: 0 (b) contract employees: 0  * The hours worked, which is part of the SASB-defined TRIR calculation, are calculated using a combination of actual and averages.
	IF-HB-410a.1 (1) Number of homes that obtained a certified HERS Index Score and (2) average score	(1) 100% of homes were rated and obtained a HERS Index Score or equivalent.* (The State of California uses a different but equivalent rating system called Energy Design Rating.)  (2) National average HERS Index Score was 45 for 2022 deliveries, down from 49, the New Home Co. average for homes delivered in 2021.
Design for Resource Efficiency	IF-HB-410a.2 Percentage of installed water fixtures certified to WaterSense® specifications	97% percent of indoor water fixtures installed in 2022 were within eligible WaterSense labeled product categories. Over 9,000 fixtures were installed according to EPA WaterSense specifications in 2022.
	IF-HB-410a.3 Number of homes delivered certified to a third-party multi-attribute green building standard	225 homes achieved EPA ENERGY STAR certification.
	IF-HB-410a.4 Description of risks and opportunities related to incorporating resource efficiency into home design, and how benefits are communicated to customers	See Note 2 on next page

# SASB Sustainability Disclosure Topics and Accounting Metrics

*continued*

	SASB ACCOUNTING METRIC	NEW HOME CO. 2022 DISCLOSURES
Community Impacts of New Developments	IF-HB-410b.1 Description of how proximity and access to infrastructure, services and economic centers affect site selection and development decisions	Proximity and access to infrastructure, services and economic centers are among the considerations when we evaluate potential land purchases for new communities. For a more detailed analysis of our land selection process, see sections under headings “Land Usage and Ecological Impacts” and “Community Revitalization Through New Homes”
	IF-HB-410b.2 Number of (1) lots and (2) homes delivered on infill sites	In 2022, we delivered over 286 homes at infill communities.
	IF-HB-410b.3 (1) Number of homes delivered in compact developments and (2) average density	We strive to make more efficient use of limited land resources by designing compact communities where zoning permits.  According to SASB, a compact development is defined, consistent with the U.S. National Association of Home Builders, as a cluster development, mixed-use development, and/or traditional neighborhood development. In order to ensure consistency in reporting, we have further internally defined these developments as those with more than 7 dwelling units per acre. In 2022, we delivered over 390 homes in “compact developments” with an average density of 10.96 dwelling units per acre.
Climate Change	IF-HB-420a.1 Number of lots located in 100-year flood zones	7 buildable lots were in 100-year flood zones.  From time to time, we purchase land that may include areas designated by the U.S. Federal Emergency Management Agency (FEMA) as special flood hazard areas (SFHA). Typically, we work with FEMA to prepare studies, grade the land and install necessary drainage facilities to obtain a letter of map revision (LOMR) and an update to the flood insurance rate map (FIRM) to remove the property from a flood plain before we move on to the next phase of community development.
	IF-HB-420a.2 Description of climate change risk exposure analysis, degree of systematic portfolio exposure and strategies for mitigating risks	See Note 3 on next page.

## ENERGY CONSUMPTION - ESTIMATED GHG EMISSIONS

To continue enhancing our reporting, we are adding new energy consumption and GHG emission metrics this year. With energy efficiency as an important way for us to enhance sustainability, we continue to take steps to monitor and improve our operational energy consumption. Our estimated energy consumption is based on utility invoices for the fiscal year 2022 as well as using other common estimation factors. Using GHG emissions reporting tools provided to us by our sponsor, we have used our estimated energy consumption data to determine estimated GHG emissions. As we continue to improve our data collection, we may revise or refine our methodology to, among other things, incorporate greater use of actual values and, as it relates to Scope 3 emissions, provide additional data on the Scope 3 emissions from the use of sold products.

The GHG Protocol Corporate Accounting and Reporting Standard defines three scopes for GHG reporting purposes:

- **Scope 1:** Direct GHG emissions that occur from sources that we own or control.
- **Scope 2:** Indirect GHG emissions from the generation of purchased electricity and heat that we consume in our owned or controlled operations.
- **Scope 3:** Indirect GHG emissions due to activities that we do not own or control but are associated with our upstream and downstream value chain.

Estimated Energy Metrics	Units	Amount of 2022
Scope 1 GHG Emissions <sup>1</sup>	CO2e in Metric Tons	2.71
Scope 2 GHG Emissions <sup>2</sup>	CO2e in Metric Tons	2,098.39
Scope 3 GHG Emissions <sup>3</sup> (Business Travel)	CO2e in Metric Tons	173.65
Total Energy Consumed	kWh	3,723,503
Total Energy Cost	Dollars	\$521,339

1. Scope 1 GHG emissions are calculated using data from on-site combustion, mobile combustion, or fugitive emissions in accordance with the GHG Protocol corporate standard methodology.

2. Scope 2 GHG emissions are calculated in accordance with the GHG Protocol corporate standard location-based methodology.

3. Scope 3 GHG emissions are calculated using data from business travel only in accordance with the GHG Protocol corporate standard methodology.

# SASB Sustainability Disclosure

## Topics and Accounting Metrics

*continued*

### NOTE 1 IF-HB-160A.4

#### Discussion of process to integrate environmental considerations into site selection, site design and site development and construction

We continuously evaluate land acquisition opportunities against our investment return standards, while balancing competing needs for financial strength, liquidity and land inventory for future growth. When we acquire land, we generally focus on parcels with lots that are entitled for residential construction and are either physically developed to start home construction (referred to as “finished lots” or partially finished).

However, depending on market conditions and available opportunities, we may acquire undeveloped and/or unentitled land. We may also invest in land that requires us to repurpose and re-entitle the property for residential use, such as urban infill developments. We expect that the overall balance of undeveloped, unentitled, entitled, partially finished and finished lots in our inventory will vary over time, and in implementing our strategic growth initiatives, we may acquire a greater proportion of undeveloped or unentitled land in the future if and as the availability of reasonably priced land with finished or partially finished lots diminishes.

As part of the decision-making process for approving a land purchase, our senior executive Land Committee reviews extensive information about a proposed project, including past use; assessment of environmentally sensitive areas and areas that may be suitable for parks, trails and open space preservation areas; assessment of site development required, including any work needed to comply with storm water regulations;

distance to major employment and retail centers; and a detailed proposal for site design and product (home designs and specifications).

Our strategies for mitigating risks include the use of third-party environmental consultants to investigate potential environmental risks in our due diligence process for land acquisitions. As we are subject to federal, state and local rules that can require us to undertake extensive measures to prevent or minimize discharges of stormwater and other materials from our communities and to protect wetlands and other designated areas as part of our due diligence process for land acquisitions, we often use third-party environmental consultants to investigate potential environmental risks, and we require disclosures, representations and warranties from land sellers regarding environmental risks. We also take steps prior to our acquisition of the land to gain reasonable assurance as to the precise scope of any remediation work required and the costs associated with removal, site restoration and/or monitoring.

For more information, please see “Land Usage and Ecological Impacts” section in our Sustainability Report.

### NOTE 2 IF-HB-410A.4

#### Description of risks and opportunities related to incorporating resource efficiency into home design, and how benefits are communicated to customers

The major risk with incorporating resource efficiency into our home designs is the increased cost associated with doing so, which we weigh carefully as part of our focus on serving our first-time and first move-up homebuyers.

In addition to the risks associated with incorporating resource efficiency into our homes, there are risks with not doing so; including with respect to entitling new communities and offering homes for sale to a consumer base that is becoming increasingly conscious of its environmental impact. Also, in considering the long-term perspective inherent with our business, not prioritizing the resource efficiency of our homes to the extent feasible may make communities more vulnerable to rising energy and water costs and potentially subject to use restrictions.

We seek to educate prospective homebuyers on the benefits of home energy efficiency so they can understand how choosing an energy-efficient new home can personally benefit them, with a current estimated average annual savings of \$1,697 on energy utility bills.

We have also found emphasis on both resource conservation and waste reduction to be important for local government planning boards and other local officials and can make the difference in receiving approval for a proposed new-home community.

### NOTE 3 IF-HB-420A.2

#### Description of climate change risk exposure analysis, degree of systematic portfolio exposure and strategies for mitigating risks

We are in the business of acquiring land, developing communities on that land and selling homes in those communities. During the early stages of an acquisition opportunity, we conduct comprehensive risk assessments that consider indicators that are closely associated with climate

change risk, including risks associated with potential floods and wildfires. In areas with increased risk of fire, for example, we assess everything from building materials used in the construction of our homes to the landscaping plan and plant palettes. In addition, we believe one of the greatest opportunities that a new home builder can provide is maximizing our homes’ energy efficiency. As noted elsewhere in our report, the average HERS rating for our homes is significantly lower than the average resale home as well as many of our competitors. As most of a home’s energy consumption occurs after it is delivered to a customer, we have prioritized maximizing our homes’ energy efficiency using advanced, cost effective products and technology. We believe that this is the best way that we can help reduce GHG emissions and minimize their climate impact. It also aligns with our core homebuyers’ long-term affordability needs through potentially lower utility bills. Equally important is the need to advance water conservation initiatives. To advance this priority, nearly all of our homes are built with WaterSense labeled fixtures that help homeowners use less water and lower their utility bills.

NEW  
HOME  
CO.