Additional Information
We hope you find this ESG report engaging and informative. For further up to date information throughout the year, please visit our ESG webpage.

Contact Us
We welcome your input and views: investors@meritagehomes.com
Home. That word has taken on new significance over the last 18 months. After spending most of 2020 at home, a healthy home is valued now more than ever.

As the sixth-largest homebuilder in the US, we at Meritage Homes (Meritage) have embraced the healthy, energy-efficient home concept for over a decade. Energy efficiency, advanced fresh air ventilation and spray foam insulation are no longer “nice to haves”—they have become important differentiators for consumers as they make homebuying decisions. For Meritage, they are standard features for our homeowners.

Meritage has long been the builder of choice for families looking not just to save money on their utility bills, but also to find a solution for better indoor air quality and greater comfort while reducing the home’s impact on the earth. As an early adopter of energy-efficient homes, Meritage focuses on innovation in the homes we build, employing industry-leading building materials, techniques and technologies.

We were the first production homebuilder to adopt a 100 percent ENERGY-STAR® building standard in 2009 and we continually exceed the US Environmental Protection Agency’s (EPA) standards. We have never wavered from our energy-efficient initiative, which despite the incremental costs for these features in each home we build, aligns with our long-term Environmental, Social and Corporate Governance (ESG) goals to combat climate change and provide significant additional value to our customers.1

Since 2009, we’ve invested hundreds of millions of dollars in a relentless pursuit of building better, smarter, healthier homes through game-changing, money-saving energy efficiency, thoughtful design and higher building standards.

In fact, in 2020 we were the first public builder to include MERV-13 filters, the most advanced air filtration system offered today for residential construction, as a standard feature in our homes. As a result of our commitment to interior air quality with these new filters, we now carry the EPA’s Indoor airPLUS certification, which is a certification program recognizing homebuilders’ improvement to the quality of indoor air through particular construction practices and product specifications that minimize indoor air exposure to airborne pollutants and contaminants. Every one of our homes is now 100 percent double-certified under the ENERGY-STAR® and Indoor airPLUS programs.

We have been sharing our ESG performance since our first corporate sustainability report was issued in 2012. Today, this report encompasses a greater level of detail about our ESG journey. It highlights our 2020 achievements and progress toward our expanded goals, including:

Navigating COVID-19
Meritage remained operational during the pandemic and retained all of our employees despite the initial uncertainty about COVID-19’s impact on the homebuilding industry. We enhanced safety protocols in our sales centers and offices. Our utmost priority was to maintain the health and well-being of our employees, trade partners and customers.

Embracing Technology To Address Changing Customer Preferences
By providing the option of 100 percent contactless selling, we added innovative solutions that allow our customers to feel comfortable and safe while buying a home.

1 All of our homes in California meet California Energy Efficiency Standards, which exceed Energy Star’s National Version 3 Standards and are consistent with our commitment to higher building standards and money-saving energy efficiency.
Fostering A “Start With Heart” Company Culture
We are proud of the energy and spirit of our teams who, despite a pandemic, found ways to volunteer and help those in need. Our Meritage Cares Foundation donated more than $550,000 in 2020 to nonprofits that aided those affected by COVID-19, hunger and homelessness.

Supporting Green Homebuilding & Design
We broke ground on Solena at the Vineyards in Charlotte, North Carolina, which is a net zero, all electric community with electric grid optimization. The community is designed to minimize electricity drawn from the grid during peak hours in order to optimize the overall market’s electric load.

Furthering Our ESG Mission & Board Diversity
In 2020, our Board of Directors established an Environmental, Social & Sustainability (ES&S) committee to guide our ESG mission. The Company also engaged a third-party ESG advisor to assist in enhancing our ESG strategy and conducting an ESG-specific perception study with our investors. In its commitment to a policy of inclusiveness and diversity, our Board increased the number of independent female directors by appointing P. Kelly Mooney in March 2020.

Embracing Change For the Benefit Of All
Our Board of Directors and management team are focused on driving diversity, equity and inclusion (DE&I) throughout our organization. We conducted a company-wide training on unconscious bias in the workplace. We donated a combined $200,000 to INROADS and the United Negro College Fund to promote racial equity nationwide, and began our multiyear partnership with these organizations to help build the next generation of leaders in the homebuilding industry.

As you will read in this report, the ESG efforts we have made are meaningful and long-lasting, but we know that there is still so much more we can do. Responsible corporate citizenship, sustainability and creating an inclusive culture are not just short-term goals—they are at the core of who we are. Based on our commitment to setting the standard for energy-efficient homebuilding as well as the hard work of our dedicated team, we look forward to updating you annually about our ESG efforts going forward.

STEVEN J. HILTON Executive Chairman of Meritage Homes Corporation (Left)
PHILLIPPE LORD Chief Executive Officer of Meritage Homes Corporation (Right)
**Sustainability Journey**

**2009**
- One of the first production builders to adopt a 100% ENERGY STAR® building standard.

**2010**
- Published our first Corporate Sustainability Report.

**2011**
- First time recipient of Avid Gold award for customer excellence after prior year’s transition to Avid for measuring customer satisfaction.

**2012**
- Added gender diversity to our Board (1 of 9 - added Deborah Ann Henretta).

**2013**
- First production builder to offer net zero homes.

**2014**
- Built Meritage’s first triple-certified home (Indoor airPLUS, WaterSense and ENERGY STAR®).

**2015**
- First production builder to adopt a 100% ENERGY STAR® building standard.
- First time recipient of Avid Gold award for customer excellence after prior year’s transition to Avid for measuring customer satisfaction.
- Developed a unique community of ENERGY STAR® and Indoor airPLUS certified homes that also qualified under the Dept. of Energy's (DOE) Zero Ready Home Program (ReNEVable Living Home in Orlando, FL).

**2016**
- Added gender diversity to our Board (1 of 9 - added Deborah Ann Henretta).
- First time recipient of Avid Gold award for customer excellence after prior year’s transition to Avid for measuring customer satisfaction.
- Developed a unique community of ENERGY STAR® and Indoor airPLUS certified homes that also qualified under the Dept. of Energy's (DOE) Zero Ready Home Program (ReNEVable Living Home in Orlando, FL).
- Announced our brand promise of Life Built Better® to create an easy, stress-free and transparent homebuying experience.

**2017**
- Published our first Corporate Sustainability Report.
- First production builder to offer net zero homes.
- First production builder to offer net zero homes.
- First production builder to offer net zero homes.
- First time recipient of Avid Gold award for customer excellence after prior year’s transition to Avid for measuring customer satisfaction.
- Developed a unique community of ENERGY STAR® and Indoor airPLUS certified homes that also qualified under the Dept. of Energy's (DOE) Zero Ready Home Program (ReNEVable Living Home in Orlando, FL).
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- Announced our brand promise of Life Built Better® to create an easy, stress-free and transparent homebuying experience.

**2018**
- Established Environmental, Social & Sustainability board committee to guide ESG mission.
- Received EPA’s Builder of the Year Award.
- First production builder to build a net zero energy home in the US (Verrado in Buckeye, AZ).

**2019**
- Established Environmental, Social & Sustainability board committee to guide ESG mission.
- Received EPA’s Builder of the Year Award.
- First production builder to build a net zero energy home in the US (Verrado in Buckeye, AZ).

**2020**
- Established Environmental, Social & Sustainability board committee to guide ESG mission.
- Received EPA’s Builder of the Year Award.
- First production builder to build a net zero energy home in the US (Verrado in Buckeye, AZ).

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1 All of our homes in California meet California Energy Efficiency Standards, which exceed Energy Star’s National Version 3 Standards and are consistent with our commitment to higher building standards and money-saving energy efficiency.
Meritage Homes Corporation (NYSE: MTH) is the sixth-largest public homebuilder in the United States, based on homes delivered in 2020.

**Business**
Build new single family homes primarily for entry-level and first move-up homebuyers.

Our homebuilding operations are organized into the following regions and divisions:

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

**CENTRAL REGION:** Texas

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

Beyond being an early adopter in a green mission, Meritage Homes is an eight-time recipient of the EPA's ENERGY STAR® Partner of the Year for Sustained Excellence Award since 2013 for innovation and industry leadership in energy-efficient homebuilding.
WE DELIVERED 10,603 ENERGY STAR® CERTIFIED HOMES IN 2020 WITH AN AVERAGE HERS INDEX SCORE OF 56.3

In addition to the office recycling efforts in all Meritage sales and regional offices as well as corporate headquarters of paper, cardboard, plastic and glass bottles and cans, in 2020, according to DocuSign, Meritage achieved the below approximate savings by replacing internal and customer-related physical signatures on paper documents with e-signing electronic documents via DocuSign:

BUILT MORE THAN 87,000 ENERGY STAR® CERTIFIED NEW HOMES SINCE 2009 WITH THE IMPACT EQUIVALENT TO APPROXIMATELY: 4

<table>
<thead>
<tr>
<th>Benefit</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>$227 million reduction in homeowner utility bills</td>
<td>2.7+ billion pounds of carbon dioxide eliminated</td>
</tr>
</tbody>
</table>

2020 SUSTAINABILITY AWARDS
Year after year, the homes we design and build help deliver energy savings to our homeowners. In 2020, we earned various national awards, including:

PRIOR SUSTAINABILITY AWARDS
2018 US Department of Energy Housing Innovation Award

1 Source: Residential Energy Services Network (RESNET)
2 Source: RESNET data; internal calculations were based on EPA assumptions from http://www.epa.gov/cleanenergy/energy-resources/refs.html.
OUR APPROACH TO SUSTAINABILITY

SETTING THE STANDARD FOR ENERGY-EFFICIENT HOMEBUILDING

Meritage’s commitment to setting the standard for energy-efficient homebuilding extends into leadership in healthier living and integrating innovative smart home technology into the homes we build, demonstrating the value we place on sustainability. We strive to integrate sustainable practices into all aspects of our business—from land acquisition and development to the design and construction of homes to our financial services offerings, which include title and escrow, mortgage and insurance services.

By setting the standard in energy-efficient homebuilding since 2009, Meritage has deeply embedded environmental stewardship into its business model. We believe Meritage’s commitment to a green mission and a well-balanced ESG strategy enables the company to generate long-term value creation for shareholders.

DEBORAH ANN HENRETTA
Independent Director on Meritage’s Board and Board Chair of Environmental, Social & Sustainability Committee
OUR APPROACH TO SUSTAINABILITY CONTINUED

Meritage is an industry leader in advocating sustainable homebuilding materials and practices. Our advocacy efforts include:

- Partnering with DOE, Electric Power Research Institute (EPRI) and multiple municipalities and utilities to develop large-scale, energy-efficient communities and monitor energy usage patterns
- Training and educating municipal employees, realtors and industry groups to promote awareness for energy-efficient homes
- Conducting employee awareness and skills training to promote sustainable construction practices
- Partnering with trades and vendors to provide healthier, more energy-efficient and sustainable materials
- Complying with forestry, Army Corps of Engineers, stormwater management and environmental requirements
- Evaluating opportunities to redevelop and revitalize abandoned land into vibrant, affordable and energy-efficient housing communities
ABOUT THIS REPORT

By sharing our policies, strategies and business practices as well as our achievements related to ESG, we believe we are providing transparency and creating long-term value.

Environmental
Our environmental stewardship starts with site selection and development that respects the land on which we build and aims to preserve natural space in our communities. By building responsibly and continuously enhancing our energy efficiency offerings, Meritage is setting the standard in energy-efficient homes.

Social
Our approach to corporate social responsibility is based on respect for our people, our customers and our communities. We believe that fostering a culture that champions DE&I allows us to be an employer of choice to our people and a builder of choice to our customers and trade partners.

Corporate Governance
We take pride in being an organization driven by ethics and living by our core values and our promise to deliver a Life Built Better. We promote the long-term interests of stakeholders and customers and focus on the transparency and accountability of Meritage’s Board of Directors, executive management, our employees and trade partners.

Meritage worked with a third-party ESG advisor to advance our ESG program. We also engaged a greenhouse gas emissions consultant expert to evaluate and measure our 2019 and 2020 greenhouse gas emissions inventory.

We value stakeholder feedback to understand the ESG issues that matter most. In addition to addressing ESG-related topics in our regular conversations with investors, in 2020, we conducted our first ESG-specific investor perception study through our third-party advisor to better understand emerging ESG concerns to ensure our alignment.

We intend to continue reporting our ESG efforts on an annual basis to provide transparency to our stakeholders.

The information shared in this report relates to our fiscal year 2020 ending December 31, with additional historical data for fiscal year 2019—all of which is aggregated in the appendix.
Reporting Framework
We identified various topics that are material to our business and industry, which align with the key factors under specific ESG frameworks and ESG rating agencies. We elected to provide greater transparency in our sustainability disclosure under the Sustainability Accounting Standards Board (SASB) and the Global Reporting Initiative (GRI) reporting frameworks. Additionally, we have addressed sustainability topics evaluated by ESG ratings agencies, ISS and MSCI. This report also reflected the applicable sustainability indicators under the United Nations Sustainable Development Goals (UNSDGs).

For more information on SASB, please visit www.sasb.org. We determined that the sustainability issues and disclosure topics that most closely align with our business are under the Infrastructure sector standards for home builders.

For more information on GRI, please visit globalreporting.org. Our disclosure related to the GRI Standards: Core Option.

For more information on UN SDGs, please visit sdgs.un.org/goals.

Materiality for ESG reporting differs from that which relates to Securities and Exchange Commission (SEC) reporting. Issues that are deemed material for our ESG strategy may not necessarily be considered material in the context of SEC reporting and vice versa.

Materiality Topic Index
To facilitate the location of key issues impacting our business that are addressed throughout this report, we have identified in the index below the correlation between our content and the topics covered by SASB and leading ESG rating agencies.

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ENVI RONMENTAL

Meritage is committed to finding innovative ways to make our homes healthier, lower the cost of ownership, decrease the use of finite environmental resources and reduce waste throughout the development and building process. Our strategy is designed to reduce the environmental impact of both our operations and our homebuyers’ daily living in the homes we build.

In an effort to create more sustainable communities, as noted in the next section, we incorporate environmental stewardship in our land acquisition strategy, the design of our homes and communities, and our land development and construction activities.

We also believe it is our responsibility to educate our employees and trade partners regarding home energy conservation and environmental sustainability.

Meritage complies with—and often exceeds—all environmental regulations and legislation related to the homebuilding industry. We also employ internal construction protocols and policies, and build resilient homes based on local geographic conditions and building codes.

We at Meritage are passionate about our commitment to building energy-efficient homes that promote sustainability. Our homes are designed to benefit our customers, the greater community and the planet. We will continue to challenge ourselves and invest in doing better for the environment.

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

At Meritage, we want to minimize our impact on nature and integrate local biodiversity in each community we build, because a positive ecological impact ultimately increases our long-term value creation for customers and shareholders alike. We want to manage finite resources responsibly today to ensure long-term availability for future generations.”

GLEN TULK
Senior Vice President — Land
Meritage Homes
LAND USE & ECOLOGICAL IMPACTS CONTINUED

ENVIRONMENTAL ASSESSMENT
At Meritage, 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 1**: 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 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. We often 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.

WE SPENT NEARLY $20 MILLION IN 2020 ON SWPPP EXPENSES FOR AIR AND WATER QUALITY CONTROL IN OUR COMMUNITIES.
OPPORTUNITIES TO REDEVELOP LAND

We also evaluate redevelopment and infill site opportunities as well as compact developments to make efficient use of vacant land. Repurposing abandoned land addresses affordability and undersupply of housing issues. The potential benefits of redeveloping land range from creating a vibrant community to environmental and socioeconomic benefits—all while making use of existing infrastructure, as described below.

DAKOTA RIDGE—A COMMUNITY BUILT ON A FORMER CHURCH

Denver Division | Jefferson County, CO

A vacant church and parking lot previously occupied this land, which is surrounded by a combination of commercial activity and residential developments.

In addition to being a redevelopment, Dakota Ridge is also a high-density and infill community which will provide entry-level homes in a tight housing supply market at affordable price points below the FHA loan limits, while remaining close to Littleton’s bustling downtown and a short commute to Denver’s economic activity.

Creating productive and livable space offers new housing inventory that will be energy-efficient. Greater social impact also stems from increasing neighboring property values and creating new construction jobs for the redevelopment of the land into the community. A future larger tax base for this vacant land has the potential to improve infrastructure, education and other social benefits for the society.
LAND USE & ECOLOGICAL IMPACTS CONTINUED

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 onsite 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 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.

MEADOW RUN’S NESTING RED-TAILED HAWKS
Southern California Division | Menifee, CA

When the development team was ready to start rough grading at Meadow Run, a pair of red-tailed hawks nesting just off site of the property in a neighbor’s eucalyptus tree was identified. Since red-tailed hawks’ nests require a large buffer zone from a construction operation, we delayed the site development work until the three eyas, or baby red-tailed hawks, had time to develop.

Although the land development was delayed two and a half months, Meritage played a role in maintaining the local ecosystem and had a once in a lifetime front seat to monitoring the maturation of the eyas before they flew off.
SUMAC RIDGE’S PRESERVED NATIVE FLORA
Southern California Division | Menifee, CA

During the entitlement phase of Sumac Ridge, we discovered the existence of a riparian wetland habitat (land surrounding rivers and streams) and a vernal pool (a seasonal water habitat) on site. We hired an independent expert biologist who determined four acres of land contained federally protected species and drainage paths. In addition to designating this acreage as preserved lands, we decided to reduce the community by 40 homes and establish a natural open space buffer between the riparian habitat and the vernal pool. With walking trails and community signage to educate residents about the native species and wetland habitat, homeowners will coexist with the local biodiversity.

In collaboration with regulatory agencies and the city government, we further commissioned a third-party analysis and testing of our civil engineer’s drainage plan to ensure the community’s irrigation would not alter the natural drainage plane or impact the native habitat.

Upon the completion of Sumac Ridge, the 175-home community will have an enhanced landscaping design, including preserved land that promotes the beauty of native flora and fauna.
SAGUAROS VIEJOS’ PRESERVED SAGUAROS
Tucson Division | Oro Valley, AZ
During the entitlement phase of the 173-home community at Saguars Viejos, Meritage worked closely with the Oro Valley Planning and Zoning Department to preserve in place and build around saguaro cacti that were too large and/or were unable to be relocated. The Meritage team undertook great measures to protect these native plants, including redesigning certain lots, adding more landscaping surrounding these saguaros and making adjustments to common areas. During construction, 10 foot fencing surrounded these saguaros as protection.

**ADDING TO THE APPROXIMATELY 33 ACRES OF OPEN SPACE IN SAGUAROS VIEJOS, THESE ICONIC SAGUAROS ADD TO THE NATURAL DESERT BEAUTY AND BIODIVERSITY FOUND IN THE COMMUNITY.**
CLIMATE CHANGE ADAPTATION

Greenhouse Gas Emission Measurements
To increase transparency of our greenhouse gas (GHG) emissions, we hired a third-party expert to evaluate and measure the carbon footprint of our business operations and job sites to determine where we can make the greatest impact in the future. This first comprehensive GHG inventory establishes the baseline for Meritage’s carbon emissions. We have calculated our 2019 and 2020 GHG Emissions based on our current processes.

We have developed our greenhouse gas inventory in accordance with the GHG Protocol Corporate Accounting and Reporting Standard, calculating our emissions using both spend-based and activity-related data. The emissions are classified into three classifications:

- **SCOPE 1** relates to direct emissions within our offices.
- **SCOPE 2** calculates the input of purchased electricity for our direct operations.
- **SCOPE 3** estimates the indirect impact of our value chain, including but not limited to suppliers and trade partners.

We determined that our Scope 1 carbon emissions were not significant since we do not own manufacturing facilities, vehicles or buildings. Our headquarters and regional offices are leased.

The decision-making related to purchasing electricity and heating for our direct operations belongs to our various commercial landlords. For Scope 2, spend data related to our combined utility consumption was collected to develop estimations of the impact from purchased energy. These values were market-based, with certain location-based details depending on the type of information available per location.

The main source of Meritage’s GHG emissions was from Scope 3 since the emissions from our value chain capture the construction of our homes and homeowners’ use of the homes. Our Scope 3 assessment was comprised of the below relevant categories. For Category 11 (use of sold products), these values were based on energy consumption data per home, sourced from RESNET and the estimated lifetime of the energy system within the homes to generate energy consumption.

Even though total Category 11 emissions went up year-over-year, the per home emissions decreased.

**Scope 3’s Category Breakdown (in metric tons CO2e)**

<table>
<thead>
<tr>
<th>SCOPE 3 CATEGORY</th>
<th>2019</th>
<th>2020</th>
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<tr>
<td>11</td>
<td>1,383,738</td>
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<td><strong>TOTAL SCOPE 3</strong></td>
<td><strong>2,672,767</strong></td>
<td><strong>3,154,195</strong></td>
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**2019 and 2020 GHG Emissions (in metric tons CO2e)**

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<th>SCOPE 2019</th>
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<td>2</td>
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<tr>
<td>3</td>
<td>2,672,767</td>
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<tr>
<td><strong>Total</strong></td>
<td>2,677,957</td>
</tr>
</tbody>
</table>

**HOME CONSTRUCTION & ENVIRONMENTAL IMPACTS**

After the land acquisition and development phase, we move onto home construction, where our green mission fits into three categories:

- **CLIMATE CHANGE ADAPTATION**
- **GREEN PROCUREMENT OF BUILDING MATERIALS**
- **MORE EFFICIENT ENERGY MANAGEMENT**

During these two years of growth where the homes we delivered increased 28% year-over-year from 9,267 to 11,834 homes, we managed to maintain a slower pace of increase in our GHG emissions, which grew 18% year-over-year.
Construction, Compliance & Certification for Energy Efficiency
One main priority in setting the standard for energy-efficient homes is certification under various governmental and industry-recognized independent organizations focused on rating the energy efficiency of a new home.

ENERGY STAR® Certification
Since 2009, Meritage has been building homes that meet or exceed regional energy regulations, resulting in the EPA’s ENERGY STAR® certification. 5

Indoor airPLUS Certification
In leading the way in health-conscious homebuilding from construction to building materials specifications, Meritage reduced indoor exposure to certain airborne contaminants in line with the EPA’s Indoor airPLUS program. We engaged third-party raters starting in late 2020 to obtain Indoor airPLUS certification for our new homes.

Home Energy Rating System (HERS) Certification
The HERS Index is another industry standard by which our homes’ energy efficiency is measured. Developed by the independent non-profit firm, Residential Energy Services Network (RESNET), HERS is the nationally recognized system for calculating a home’s energy performance and comparing it to an empirical scale utilized for all residential construction. In order to obtain a certified HERS Index Score for any new home, the home must first be ENERGY STAR® certified. We engage third-party RESNET certified raters to rate the energy efficiency of every new Meritage home.

The lower the HERS score, the more energy-efficient the home is. A home must receive a HERS rating of 80 or lower to be considered an ENERGY STAR® rated home. A low HERS rating implies that a builder went above and beyond in building a superior performing home, a third-party expert inspected and tested the home to ensure superior performance, and that the superior performance yields energy savings and thus monetary savings every month for the homeowner.

Quality Standard
We have all new Meritage homes inspected by a third-party construction quality assurance firm who conducts a comprehensive inspection of the construction of the home, including building envelope, structural and building systems. Any deficiency identified is corrected before production continues.

5During 2020, the EPA revised requirements under the ENERGY STAR® certification program pertaining to California after California implemented its Title 24 energy code. For 2021 all new homes started in California will comply with the revised ENERGY STAR® certification.
RESPONSIBLE CONSTRUCTION

Streamlined Operations
Streamlined operations have been a key component of our strategy at Meritage since 2016. Reduced SKU counts and an optimized plan library have helped us improve the efficiency of our processes and lower materials waste and costs.

Sustainable Construction
Our energy-efficient homebuilding processes focus on advanced and innovative construction techniques and value engineering at scale. Enhancing the way we build a community and homes can achieve smart resource usage and limit construction waste. Our operating model includes pre-fabricated trusses and pre-cut lumber. Manufacturing is conducted off-site and then completed components are shipped to our job sites for final construction. The benefits are numerous and well worth the extra cost—less complexity, shorter build times, lower costs and far less waste than traditional homebuilding.

Our development and construction are centered around efficiency, streamlined operations and standardization, resource preservation and waste reduction while delivering premium quality.

CLINT SZUBINSKI
Chief Operating Officer
Meritage Homes
HOME CONSTRUCTION & ENVIRONMENTAL IMPACTS CONTINUED

We are proud to promote and demonstrate higher standards for the homebuilding industry. Our advanced construction techniques include:

- **Spray foam insulation** has been used by Meritage since 2009 to create a tighter building envelope (the barrier between the inside and outside of a home) and better climate-sealed homes. Maintaining controlled air movement and reducing loss of conditioned air improve healthy indoor air quality and lower air infiltration, which can reduce a home’s energy loss by up to 40 percent.

- **Advanced framing** minimizes the amount of lumber needed to construct the structure support and shape of a home compared to conventional framing. Meritage uses this technique to make our walls more energy-efficient through thermal breaks. Insulating the home building envelope reduces the areas of high heat transfer between conditioned areas and outdoors to help create a more consistent indoor temperature.

- **Conditioned attics** help to hold comfortable temperatures inside the home and stop temperature-regulated air from escaping. They can also reduce sources of deterioration from moisture, dust and extreme temperatures.

- **Sealed ducts** reduce air leaks and thereby increase energy efficiency of the home.

- **PEX plumbing** maintains better pressure and resists scale buildup. As a superior alternative to metal pipes, it reduces the use of scarce materials, is more resistant to temperature and pressure changes and does not transfer heat as readily as copper.

- **Panelization** for prefabricated roof trusses helps lower our carbon footprint. In addition to improving the standardization and consistency of the quality of our roofs, panelization reduces lumber consumption and waste.
COLLABORATION WITH EXPERTS FOR CHANGE
As the industry leader in energy-efficient homebuilding, Meritage has a longstanding relationship with the EPA and DOE. We have collaborated with these and other agencies on innovative improvements to reduce a home’s impact on the environment. We not only look to partner on new projects to test out climate change adaptation concepts, but also have a seat at the table to effect positive change in the industry.

Partnership Spotlight: EPRI
Through our participation in the DOE’s Zero Energy Ready Home program, we have teamed up with EPRI on three large-scale projects. Two Meritage communities in California were net zero concepts—Sierra Crest which was California’s first net zero energy community in 2015 and CitySquare, a net zero, all-electric community in 2019.

The third in the project series started in 2020 with Solena at the Vineyards in Charlotte, North Carolina. Meritage is working with EPRI to understand and demonstrate how to build energy-efficient homes that are also electric grid-friendly. This all-electric community is designed to avoid pulling electricity from the grid during the peak hour needs of the overall marketplace and optimize Duke Energy’s electric load. The energy-efficient homes we are building require less incremental electric utility infrastructure to support this community. And by reducing potential power grid failures or rolling brownout scenarios in the future, Solena at the Vineyards will help demonstrate a largescale proof-of-concept community’s impact on more efficient use of energy and ultimately reducing energy consumption overall.
GREEN PROCUREMENT OF BUILDING MATERIALS

Suppliers
Our suppliers are critical partners in our effort to champion more energy-efficient and sustainable building materials in the industry. We have a strong relationship with our suppliers, especially our national and regional accounts. The selection process for our suppliers starts with a competitive bidding process that balances costs, product quality, consistency and availability, as well as responsible material procurement. In addition to our local procurement teams purchasing certain categories of building materials from local vendors, our corporate procurement team enters into national or regional contracts with vendors noted below on categories ranging from carpet to lighting to paint in order to achieve volume discounts and ensure goal alignment.

Select National Vendors Include:

- Carrier
- Timberlake Cabinet
- SunPower
- Honeywell Home from Resideo
- dal tile
- Safe Streets
- Whirlpool
- Sherwin-Williams
- Shaw Floors
- 20/20 insight
- MOEN
Responsible Supply Chain

Responsible sourcing and the use of sustainable materials are important to our operations. Our raw materials consist primarily of lumber, concrete, drywall, roofing materials and similar construction materials, and are frequently purchased on a national or regional level. However, because such materials are substantially comprised of natural resource commodities, Meritage expects responsible management of social and environmental risks in our supply chain. We work closely with our partners to ensure they understand our needs and our Company culture and conduct. Our contracts require that our suppliers comply with all laws, environmental regulations and safety and labor practices pertaining to their products and work as well as follow our Code of Ethics. Meritage monitors compliance with zoning, building and safety codes.

Where possible, we use recycled building materials and use sustainably-sourced products. Certain of our building materials are sourced locally to reduce transportation and the related GHG emissions.

Vendor Spotlight: Daltile Corporation

Making a positive impact on green homebuilding, Meritage has partnered with Daltile as our product supplier for cutting-edge, high-quality wall and floor tile as well as countertops and backsplashes, which incorporate environmentally-friendly materials and processes as more than 98 percent of Daltile’s manufactured products contain pre-consumer recycled materials.

The relationship reflects both companies’ focus on creating beautiful and sustainable interiors for homebuyers. Together, Meritage and Daltile provide homebuyers access to the latest eco-friendly tile offerings that meet the entry-level and first move-up price points.
Sustainable Forestry
As a major purchaser of lumber, we are committed to sustainable forestry. Responsible forest management is important in order to maintain sustainable natural resources. Proper selection of trees to harvest can help with forest regeneration. We work with our suppliers to specify wood products which are primarily from new and high-growth forests or from specific tree farms used by the building industry. Our wood varieties most often come from inland areas of the western US and Canada rather than coastal areas with endangered wood varieties.

Durability and Maintainability of Building Materials
We specify that quality durable materials be used in the construction of our homes to ensure the home carries enduring value for our customers. Spray foam insulation and vinyl windows create a tight long-lasting housing envelope, which help ensure long-lasting value. We seek to minimize the use of wood products in our homes, such as replacing wood flooring with engineered vinyl panels.

Advancing Sustainable Homebuilding
Meritage participates in regional and national scale councils, partnerships and projects to advance sustainable home building in the US.

<table>
<thead>
<tr>
<th>ORGANIZATION</th>
<th>MERITAGE’S PARTICIPATION</th>
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</thead>
<tbody>
<tr>
<td>Federal government roundtable discussions</td>
<td>Meritage is a frequent participant in roundtable discussions about carbon policy initiatives, pushing for advancing homebuilding techniques to further reduce energy consumption during the homebuilding process and the daily operations of a home.</td>
</tr>
<tr>
<td>Policy Advisory Board of the Harvard Joint Center for Housing Studies</td>
<td>Meritage has been a long-time member of this advisory board, which advances the understanding of housing issues and informs policy.</td>
</tr>
<tr>
<td>Collaboration with the DOE and EPA</td>
<td>Since 2015, Meritage has been collaborating on large-scale community projects to demonstrate energy-efficiency and monitor energy usage patterns. The most recent project—Solena at the Vineyards in Charlotte, North Carolina—began in 2020 to illustrate electric grid optimization.</td>
</tr>
<tr>
<td>International Chamber of Commerce’s Carbon Policy Council</td>
<td>Meritage is a member of this council, which seeks to create greater transparency and standardization in carbon markets for funding coordinated global climate action.</td>
</tr>
<tr>
<td>RESNET Standards Management Board</td>
<td>Meritage is a member of this board to oversee the RESNET standards in verifying the building energy performance of a home.</td>
</tr>
<tr>
<td>Leading Builders of America’s Environmental Subcommittee</td>
<td>As a member, Meritage works to make further strides in promoting the construction of energy-efficient homes.</td>
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</table>
Energy Efficiency & Water Conservancy in the Home

Energy and water efficiency in new homes benefit the homeowners and the earth through reduced resource usage while maintaining a comfortable and healthy indoor environment. In addition to satisfying environmental regulatory requirements, these sustainable features produce substantial cost savings for homeowners.

We proudly offer all of the following energy-efficient and water-conserving features standard in every new Meritage home.

Additionally in California during 2020, the homes we started were compliant with the California Energy Commission’s Building Energy Efficiency Standards under Title 24. These homes have solar panels as a standard feature, which we provide primarily through third-party leases with an option to purchase. 553 California homes delivered in 2020 included solar panels.
HEALTHY HOMES

Healthier Building Materials & Construction
Meritage promotes healthy homes by using the following building materials:

- **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
Our homes include the following standard features:

- **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.

- **Temperature control technology** can aid in consistent indoor temperatures and also lower energy usage.
HOME CONSTRUCTION & ENVIRONMENTAL IMPACTS CONTINUED

M.Connected™ Suite Home Automation Adds to the Home’s Sustainability

As automation continues to advance and become more affordable, Meritage is innovating to meet growing demand to enable homeowners to be more effectively connected to their homes. We are proud to make wireless technology accessible to buyers at all price points with our M.Connected Home™ Automation Suite, which comes standard in our new builds.

M.Connected Home™ includes an array of features allowing owners to interact with their homes and take command of systems within their homes whether they are home or away. The smart system enhances the functionality, efficiency and performance of the home, while increasing its comfort, safety and security. The smart power controls and remote home management via the pre-wired WiFi hub allows the homeowner to use a mobile device to access the home system and reduce the home’s energy usage from anywhere.

- WiFi-enabled Thermostat
- Smart Door Locks
- Advanced Garage Door Openers
- USB Outlets
Throughout 2020, our team worked tirelessly to support our employees, customers, trade partners and communities. Meritage remained operational throughout the pandemic by implementing appropriate safety protocols in our sales offices, communities and offices. We implemented 100 percent contactless selling to provide customers comfort while doing business with Meritage.

Despite unprecedented challenges, we did not halt talent recruitment and retention efforts and we continued to foster a diverse and inclusive workplace. Meritage offered employees training and development opportunities as well as benefits programs focused on physical, mental and financial well-being. By continuing to invest in our employees, employee engagement and Glassdoor ratings remained high in 2020.

In 2020 through the Meritage Cares Foundation, our employees participated in volunteerism and our Company donated to relief efforts primarily aiding those impacted by COVID-19 and organizations promoting racial diversity.

Doing the right thing for all of our stakeholders has helped us become one of the most trusted builders in the US. We remain committed to building on our legacy of integrity, transparency and our focus on fair business practices.

### OUR PEOPLE

At 12/31/2020, we had 1,570 full-time employees (FTEs) compared to 1,510 in the prior year.

Breakdown of Meritage’s FTE population at 12/31/2020:

Of our five named executive officers, one was female and one was a minority.

Our most important asset is our people. We have a highly engaged workforce in all our markets and in our corporate office who help to build Meritage’s brand and reputation and drive customer satisfaction every day. In return, we are committed to supporting and developing our employees and making a difference in their lives.

JAVIER FELICIANO
Chief People Officer
Meritage Homes

Leadership positions refer to manager and above.
COVID-19 Response & Update
Our top priority from the very start of the global pandemic has been the health, safety and well-being of our employees and their families, our trade partners and customers. During this time, we consulted the evolving guidelines and practices from the Centers for Disease Control and Prevention (CDC) to shape our decisions in our sales offices, on our job sites and at our corporate headquarters.

For Our Employees
In addition to creating a COVID-19 internal task force that regularly met via video webcasts and frequently communicated to all employees, the internal procedures and protocols we instituted included:

- Expanded safety and health protocols at all locations
- Provided employees with personal protective equipment and cleaning supplies
- Allowed for flexibility to work remotely
- Restricted business travel and in-person meetings
- Invested in IT to enable secure remote work
- Offered free access to mental health counselors via our Employee Assistance Program
- Created a centralized hub for all COVID-19 communications, resources and educational materials
- Expanded paid leave to support employees and their families directly affected by COVID-19
- Conducted COVID-19 tracking
- Imposed appropriate quarantines for actual and suspected COVID-19 cases in order to reduce the potential spread of the virus

OUR PEOPLE CONTINUED
For Our Customers
As an essential business, we remained operational throughout the pandemic and focused on helping our customers purchase and move into their new healthy homes as quickly as possible. We provided the following ways to ensure customers’ safety and comfort throughout the homebuying journey:

- Implemented appointment-only visits, masking and social distancing requirements as well as frequent deep cleaning protocols at sales offices and model homes
- Implemented 100 percent contactless selling to customers including virtual home tours in all of our communities as well as extensive online tools with dynamic floor plans to mimic the live experience of walking through a model home for realtors and prospective buyers
- Offered partial or fully virtual signing of home closing documents in states where services are permitted

For Our Greater Community
Through the Meritage Cares Foundation, our Company’s philanthropic arm, $350,000 was donated in 2020 to Feeding America and Americares to help those affected by COVID-19, fighting hunger, combating homelessness across the country. Our employees also found ways to volunteer and donate time and the items in need.
Our six core values combine our entrepreneurial spirit, cutting-edge innovation and organizational agility to strive for industry-leading results in all four functional areas. The main tenets of these core values reflect our pledge to be responsible corporate citizens:

- Value, recognize and appreciate our employees, trade partners and customers;
- Provide the highest level of customer service by bringing passion and care to every customer interaction and make a difference by giving back to the communities we serve;
- Always act with honesty, character and integrity by demonstrating openness and transparency with our internal and external customers;
- Strive to have the best team available through investing in our people and fostering an environment that embraces continual growth and learning;
- Continuously and purposefully renew, rethink and innovate with the customer in mind by supporting and encouraging new ideas and recognizing efforts that grow shareholder value;
- Lead with action, be relentless in our pursuit of excellence and never settle;
- Commitment to drive DE&I throughout our organization and industry by partnering with organizations that support and promote diversity and by providing an inclusive environment by applying such standards in our everyday hiring, promotion and operational activities; and
- Create an inclusive and positive culture focused on cultivating an environment where every team member can be highly engaged in embracing opportunities to develop and grow in their careers.
Workplace Health & Safety
A safe work environment is a top priority at Meritage. We manage job sites in compliance with all applicable health and safety regulations. These include Occupational Safety and Health Administration (OSHA) regulations and certification, all applicable laws, as well as internal policies related to our own quality and construction standards which may exceed certain regulatory requirements. In 2020, we achieved our goal of 100 percent of our construction personnel being OSHA certified, excluding certain new hires working towards certification. We obtain all necessary permits and approvals for our work.

We act solely as a general contractor, and all construction operations are coordinated by our project and construction managers who schedule and monitor third-party independent subcontractors. Meritage also uses independent consultants and contractors for certain architectural and engineering work.

Worksite Safety
In addition to contractually requiring our subcontractors to comply with all laws and labor practices pertaining to their work, subcontractors must also adhere to Meritage’s Code of Ethics, follow local building codes and permit conditions, and meet performance, warranty and insurance requirements. Our construction managers also monitor compliance with zoning, building and safety codes.

Meritage maintains an extensive safety manual within our Employee Handbook for our construction personnel, which sets forth the mandatory safety work practices and policies. Applicable policies in our safety manual apply to our contractors and subcontractors as well. Every employee, contractor and trade partner is required to wear personal protective equipment on our job sites. In addition to providing continuous training regarding job site safety, our safety program and processes are designed to systematically identify, evaluate, and prevent or control hazards related to the workplace, specific tasks and those that could arise from our operations.

In addition to abiding by our policies, we create a safe work environment and promote safety culture on the job site by requiring our employees and all contractors and subcontractors to participate in our regular safety trainings.

- Our construction personnel complete OSHA certification training, which is tracked through a third-party website.
- Operations employees are assigned monthly classes in our library of third-party safety courses.
- Construction managers conduct weekly safety inspections on job sites and host Toolbox Safety Talks or Toolbox Meetings on a monthly basis for our contractors and subcontractors, which are discussions focusing on a particular safety issue each time to continue furthering our safety program.

Through our training, we encourage all employees to alert their managers of any safety concerns and/or contact our Ethics Hotline.

Meritage’s total recordable incident rate (TRIR) was 1.52 in 2020, OSHA’s measurement of occupational safety and health on a scale of 0 to 10 with 0 being a perfect TRIR.
Employee Engagement
At Meritage, it is important to create an exceptional experience not only for our customers, but our employees too, through an environment of growth, collaboration and fun. Meritage is committed to maintaining a positive work environment so employees remain positive, happy and focused on the customer experience. We look for employee feedback through our employee surveys and Glassdoor reviews to ensure we create and sustain a healthy, inclusive and productive workplace and meet our employees’ needs.

Our latest anonymous Employee Engagement Survey was conducted in December 2019. We typically conduct a new survey every 18-24 months. At certain times, we may replace the engagement survey with a culture survey. Meritage continues to have a high level of employee engagement and regularly reviews additional initiatives to improve our engagement score.

**THE DEC. 2019 EMPLOYEE ENGAGEMENT SURVEY RESULTS:**

<table>
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<tr>
<th></th>
<th>Percentage</th>
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<tbody>
<tr>
<td>Of our employees participated in the survey</td>
<td>98%</td>
</tr>
<tr>
<td>Overall Employee Engagement Index score</td>
<td>91.5%</td>
</tr>
<tr>
<td>Of our employees are proud to work for Meritage</td>
<td>94%</td>
</tr>
</tbody>
</table>

We believe our engagement score and Glassdoor rating demonstrate that Meritage is an employer of choice and reflect the Company’s inclusive culture, transparent leadership, focus on flexibility—especially as a result of COVID-19—and commitment to employee development and growth. This results in both **high employee engagement** and **lower voluntary employee turnover**.
Diversity, Equity, Inclusion (DE&I)

The real engine that drives our success is our 1,570 dedicated, full-time employees. We believe that cultivating a diverse team allows us to leverage individual talents and better address the needs of our customers. We champion a culture where team members are treated with respect, valued for their unique perspectives and experiences, and feel a sense of belonging.

While we have always strived to foster an inclusive culture, our Board of Directors and executive management team have determined to make DE&I a focus for the entire organization. Through a combination of targeted recruiting, education and talent development, we are working to expand the diversity of our employee base across the company over the coming years. The candidates we recruit, the relationships we form and the inclusion of underrepresented groups in our leadership structure are just a few of the areas in which we can demonstrate our DE&I promise.

DE&I in Action
Our commitment to expanding our DE&I program launched with the following efforts in 2020:

- Developed a longer-term DE&I strategic roadmap based on best practices from organizations at the forefront of DE&I initiatives as well as insights from Meritage employees.
- Identified a full-time leader to implement the strategy and support our ongoing efforts in this work.
- Implemented DE&I trainings to educate our employees about unconscious bias in the workplace. These trainings were a combination of live, facilitated webinars and an e-learning course that are now part of our new hire onboarding program.
- Donated to Building Talent Foundation as a founding partner in support of their efforts to advance the education, training and career progression of young people and people from underrepresented groups in companies across homebuilders, suppliers and trade partners alike.
- Participated in a residential construction executive roundtable discussion promoting DE&I awareness, education and understanding in the industry.
- Donated a combined $200,000 to INROADS and United Negro College Fund to support racial equity and inclusion initiatives.

These efforts were integrated in a broader DE&I focus for the organization that will extend into 2021 and beyond. Meritage is committed to the ongoing and intentional work to achieve inclusive excellence through learning, improving our practices and challenging our employees and leaders to close the gaps.
Human Rights
Meritage 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 everyday 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, and we intend to require compliance therewith by our contractors, subcontractors, vendors, suppliers and partners. We are committed to supporting the United Nations Universal Declaration of Human Rights.

Our Human Rights Policy addresses the following subjects

- Equal opportunity, non-discrimination and preventing harassment
- Diversity, equity, and inclusion in the workplace
- Child labor, forced labor and human trafficking
- Wage, hour and compensation policies
- Health and safety
- Civil liberties and freedom of speech
- Freedom of association and collective bargaining
- Data privacy
- Conflict minerals
- Training and education
- The role of our business partners

Oversight for this policy resides with our Board while our executive management team is responsible for its implementation. Similar to our Code of Ethics policy, we intend to require annual certification of our Human Rights policy and we will follow up regarding any reported alleged violation to our hotline that is monitored by our internal audit department.
Benefit & Offerings

With the goal of taking care of our employees, Meritage regularly enhances its commitment to all aspects of our employees’ well-being—from mental to physical to financial.

Healthcare
- Health, dental and vision insurance for eligible employees and their families
- Telemedicine and virtual visits
- Company-paid basic life insurance
- Short- and long-term disability benefits related to illness or non-work related injuries
- Supplemental life and supplemental dependent insurance

Paid Time Off
- A combination of earned holidays, vacation, sick time, floating holiday and volunteer hours

Education
- Training programs
- Tuition reimbursement
- Free e-learning tools to upskill through an online on-demand learning platform

Employee Assistance Program
- Free confidential professional mental health counseling sessions for employees and eligible dependents

Savings & Retirement Support
- 401K for qualified employees with Company match, automatic enrollment and annual escalator
- Pre-tax flex spending accounts for health and dependent care expenses
- Pre-tax health savings account with Company match
- Financial well-being program

Other Benefits
- Eligible discounts from national and local vendors as well as service providers
- Home purchase rebate program
- Wellness discounts on medical insurance premiums
- Identity theft and credit protection
- Smoking cessation program
- Employee referral fees
- Critical illness and accidental protection
- Employee service awards
- Meritage’s Wellness Program

Meritage’s Wellness Program

We offer the Meritage Wellness Program for free, which is designed to promote good mental, physical, nutritional and social well-being for our employees and their families by offering mental health and other topical webinars, recipes and meal planners, online workouts, individualized wellness coaching as well as personal and group fitness challenges.

The program aims to improve the overall well-being of our employees. As part of promoting personal health and identifying any potential health risks, the employee and their spouse and/or domestic partner are encouraged to conduct a biometric assessment annually.

Recruitment
Meritage’s goal is to attract, develop and retain the best talent to execute our business and serve our customers. We use the Predictive Index methodology, a third-party assessment of an individual’s behavioral drives and cognitive ability, to aid our Talent Acquisition team and departmental managers with strategic hiring decisions.

- We look for the best talent available for all open positions nationwide in both our regional markets and at corporate headquarters.
- We heavily utilize our internal recruitment team while also partnering with third-party hiring agencies.
- We encourage current employees to apply for open positions.
- We have a referral program where employees can refer applicants for open positions and receive a bonus for successful referrals.

Targeting Early Career Talent Recruitment
Meritage values early talent recruitment as a way of building a thriving, diverse team. To attract emerging talent to enter the homebuilding industry, we offer internships and participate in targeted recruitment and career fairs specific to homebuilding and construction for entry-level positions.

In 2020, we started working with institutions like INROADS and United Negro College Fund to enhance our recruitment of diverse and female talent for internships and full-time positions at Meritage.

Creating A Strong Workforce In Homebuilding
Labor challenges are a perennial issue in the homebuilding industry, especially during periods of high growth. Recruitment and retention of a dedicated, diverse and skilled labor force is key. Meritage is one of the founding partners of Building Talent Foundation (BTF), a nonprofit organization tasked with creating a sustainable workforce in residential construction. In 2020, Meritage donated to BTF in support of their efforts to advance the education, training and career progression of young people and people from underrepresented groups in companies across homebuilders, suppliers and trade partners alike.
Human capital is our greatest asset. Developing our employees enhances each individual’s work experience at Meritage and career progression in general. We work to retain top talent by engaging with our employees about their career progression through twice-annual performance management reviews as well as professional development-related training as described in the Training and Education section.

**Employee Performance Management**
We conduct semiannual performance and development discussions with our employees. Managers provide detailed feedback to employees on their job performance, areas of development, set joint goals and discuss potential career and internal opportunities, which demonstrates to our employees that we are invested in their success. Top management across the country participates, ensures all team members are aware of the skillsets of our employees and creates opportunity paths for employees looking for the next step in their career. At Meritage, we have a culture where employees are rewarded based on important factors such as qualifications, performance, experience, creativity, innovation, dedication, collaboration, effort, participation and alignment to our core values.

**Training and Education**
At Meritage, we believe that motivated and engaged employees make better business decisions. In addition to mandatory compliance-based training, Meritage invests in the development of our employees by providing access to professional and career development programs. Qualified employees can also receive tuition assistance and reimbursement.

**Compliance-Based Training**
We have a high expectation regarding accountability and ethical conduct by all employees. Our Code of Ethics policy sets forth our core values and the expected behaviors and actions that support these values. All employees receive mandatory annual training on our Code of Ethics as well as anti-harassment and anti-discrimination trainings upon hire and annually thereafter. In 2020, we achieved our goal of 100 percent completion of Code of Ethics training by active employees.

**Cybersecurity Training**
As part of our onboarding process, all employees complete an online cybersecurity course and compliance trainings. We continue the education with annual trainings and refresher courses. In 2020, we achieved our goal of 100 percent completion of cybersecurity training by active employees.

**DE&I Training**
In 2020, Meritage launched a mandatory diversity and inclusion training, as well as active shooter training for all employees. For this inaugural year, the diversity and inclusion training was focused on unconscious bias in the workplace.
Professional Development-Related Training

We are dedicated to helping our employees grow and learn by providing rich learning and development opportunities. We have a robust talent recognition and succession planning model in place to help identify talent and provide a roadmap for promotion of identified individuals.

At Meritage, we promote a culture of learning to upskill employees across all business functions through an online learning platform. We believe career development tools help increase employee productivity as well as employee retention and engagement. Business topics included construction, safety, business analysis and strategy, business software and tools, finance and accounting, leadership and management, sales and project management.

In 2020, the number of classes taken almost doubled to 44,917 classes on a year-over-year basis.

In addition to learning on the job, we offer three formal programs for employee career development:

- **Leadership Institute** is an annual multi-day event, focused on providing targeted leadership development skills building for senior leaders across the Company. This event is designed to drive excellence in leadership, providing tools and methods for applying the concepts learned on a go-forward basis.

- **Advanced Leadership Program** is focused on the development of early career, high-potential leaders who management believes have a long runway within the organization.

- **Meritage Executive Talent Program** is designed for the vice president level for high-performing leaders who Meritage believes could be ready to step into a division president role. This program aims to accelerate their development to prepare them for that role within 18-24 months.
OUR CUSTOMERS

In addition to delivering our customers an affordable, energy-efficient and healthy home, we focus on a positive customer experience throughout the homebuying process and beyond.

AFFORDABILITY

Advocating For Affordable Housing
Meritage is a member of industry associations at the national, state and regional levels advocating greater homeownership and affordable housing across America. Memberships include Leading Builders of America as a founding member, the National Association of Home Builders and local Building Industry Associations.

Building the American Dream
Meritage offers quality yet affordable homes in the entry-level and first move-up markets. Affordability is key to our strategy:

- In every community, the homes range in type, size, style and price.
- The price points of our entry-level homes are generally below the local FHA loan financing limits.
- For entry-level homes, we have a simple buying process with clear pricing and no surprises.
- For first move-up homes, we provide pricing transparency and simplify the design process with our curated, bundled Design Collections.
- Our 100 percent speculative building strategy combined with streamlining our product offerings and construction processes have enabled us to continually drive down cost and in turn, we share the cost savings with our customers.
- Our entry-level communities are typically located outside of city centers. We continue to work with municipalities to fund the development of the infrastructure into new parts of the cities we build in to reach our communities.
- Nearly 20% of our 2020 homes delivered were at or under 1,800 square feet.
- By building energy-efficient and water-saving homes, our homeowners reduce their energy resource usage and utility bills every month.
- Our marketing efforts promote an all-in monthly payment to ensure our buyers can comfortably afford their payments on the home.
Our Customers Continued

Customer Satisfaction
Quality customer experience is vital to our business. Over the recent years, we have focused on reducing stress, increasing pricing transparency and adding virtual homebuying options. We make the homebuying journey easy and accessible for all buyers, as evidenced by our higher-than-average Avid scores.

Hear what our customers have to say for themselves.

Avid Ratings For The Customer Homebuying Experience In 2019-2020

<table>
<thead>
<tr>
<th></th>
<th>Meritage Homes Rating</th>
<th>Industry Average Rating</th>
</tr>
</thead>
<tbody>
<tr>
<td>2019</td>
<td>92.8%</td>
<td>88.1%</td>
</tr>
<tr>
<td>2020</td>
<td>92.7%</td>
<td>89.2%</td>
</tr>
</tbody>
</table>

Avid is a third-party customer satisfaction rater that evaluates homebuyers’ experience for various production builders—including Meritage—30 days after closing and again one year after closing. Avid’s New Home Experience surveys collect detailed homebuyer feedback and provide insights on customer satisfaction, willingness to refer, actual number of recommendations, and the overall homebuying experience. The Avid Awards have been at the forefront of bringing transparency of homebuilder performance to consumers since 1992 and have long been regarded as the benchmark in tracking customer service.

In 2020, Meritage was named the winner of the Avid Diamond Award, Avid Gold Award and Avid Benchmark Award across nine separate divisions, marking the eighth straight year of award-winning recognition for the Company.

- The Southern California division was recognized with the Avid Diamond award and the Houston division received an Avid Gold award. Both were honored for having the highest new home move-in experience in their respective regions.
- The Austin, Denver, San Antonio, Tucson, Tampa, Charlotte and Northern California divisions all received an Avid Benchmark award and were recognized for scoring among the top 25 percent of homebuilders in the US for new homeowner experience and customer satisfaction nationwide.

At Meritage, we strive every day to deliver the highest level of customer service and home quality so our homeowners can be proud of their home for years to come. Being recognized by the Avid Awards in 2020 continues to underscore our commitment to creating a Life.Built.Better.™ for our buyers.

PHILIPPE LORD
Chief Executive Officer
Meritage Homes

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PHILIPPE LORD
Chief Executive Officer
Meritage Homes
Contactless Homebuying Process
Our goal as a builder is to provide the solutions that ensure a seamless process for our buyers from start to finish. Technology has transformed the homebuying process and as a leader in innovation, the Meritage team is constantly innovating to further digitize the customer buying experience and make it easier to interact virtually. Even before the global pandemic, we leveraged technology and began developing a 100 percent contactless homebuying experience, which proved beneficial in 2020 to help homebuyers navigate in a safe and comfortable manner. Based on personal preference, customers can choose an in-person or virtual buying experience, or a hybrid of the two. Our homebuyers can begin their search online, qualify for a mortgage, tour our models virtually, electronically remit their earnest deposit, sign their sales agreement and even close on a home online.6

With 97 percent of homebuyers starting their search online, Meritage’s website provides extensive resources to homebuyers starting their home purchase journey. Before even stepping foot in a Meritage model home, prospective homebuyers can get a sense of how it would feel to live in a Meritage home by viewing photos, floor plans, online video tours, interactive maps and digital community brochures that communicate to customers the features of our home and communities including our energy-efficiency features.

As a one-stop-shop, we offer financial services via Meritage affiliated providers for mortgage, title and escrow and insurance services. These tools make the homebuying process easier and more comfortable for customers while creating internal efficiencies and reducing paper usage and waste.

Educating The Consumer
We educate homebuyers on financial considerations related to homeownership, the benefits of energy-efficient homes and the do’s and don’ts about home maintenance through our online Homebuying 101 Guide as well as articles and videos on our consumer website. Since 2009, Meritage has been dedicated to educating customers and homeowners, trade partners and suppliers, and the general public to promote Meritage’s commitment to energy-efficient homebuilding and sustainable homes, as seen on the right.

Financial Education
Providing prospective buyers who may be first-time home buyers with a financial education about homeownership, financial considerations and budgeting for the new home are important as entry-level buyers are typically focused on a monthly payment. We want to ensure full transparency throughout the whole homebuying process.

• Provide an online calculator to calculate the total mortgage and the size of the all-in monthly payment
• Offer a complimentary Financial Solutions program that help increase a buyer’s credit score
• Outline the steps to financing a new home from prequalification to closing
• Help determine how much home a buyer can afford

Energy Efficiency Education
With the goal of consumers making well-informed homebuying decisions, we enhanced the Homebuyer’s Resources and launched the Homebuyer’s Guide to a Smarter Buy on our website with articles and videos outlining better building practices and the benefits and underlying features of an ENERGY STAR® certified home.

In addition to online manuals, operating guides and training videos, we teach consumers about energy-efficient homes through seminars and workshops, video webcasts and podcasts. Educating our homebuyers about the benefits of an energy-efficient and water-saving home is part of our sustainability focus.

Click here to watch videos

We want all homebuyers to be informed. We get there by educating buyers on how to discern better building practices and energy-efficiency features.

CLIFF STAHL
Vice President of Sales
Meritage Homes

6 Available in all markets except where not allowed by law.
OUR COMMUNITIES

Meritage Cares Philanthropy & Community Involvement

We are proud of our dedicated employees who donate their time, talent and resources in the cities and towns in which we build homes. We encourage our employees to volunteer by providing two paid days off per year for volunteerism. Even in a challenging year during which everyone’s health and safety concerns were front and center, employees volunteered a total of 475 hours. Many employees found ways to volunteer on a virtual platform or outdoors in a socially distanced manner.

Founded in 2014, the Meritage Cares Foundation (“Meritage Cares”) is a nonprofit entity to strengthen and facilitate our charitable efforts. We contribute $100 for each home closing as a donation to eligible charitable organizations to support children, families and military veterans in the areas where Meritage does business.

In 2020, we continued our partnership with the Arizona Housing Fund to encourage all of our new homeowners in Arizona to donate $25 towards affordable housing in the market, which Meritage matches in order to fund the construction of more nonprofit affordable housing units.

Giving back has been a Company core value for the last 35 years and 2020 was no exception. The impacts of the pandemic made it more important than ever for us to expand our dedication to corporate giving. I have been extremely proud to watch our teams come together to make a meaningful difference.

STEVEN J. HILTON
Executive Chairman
Meritage Homes Corporation
During 2020, donations benefited local and national organizations across the country with a focus on helping those affected by COVID-19, fighting hunger and combating homelessness, as well as supporting underrepresented groups and promoting racial diversity. In addition to $150,000 in donations to various regional organizations, Meritage Cares donated:

- **$250,000** to Feeding America to address food insecurity, particularly related to those impacted by COVID-19.
- **$200,000** split between the INROADS program and United Negro College Fund (UNCF) as an initial commitment of support for racial diversity, equity and inclusion initiatives, including funding scholarships through UNCF for college students at historically black colleges.
- **$100,000** to Americares for medical and health programs as a result of the pandemic.
- **$50,000** to Community Foundation of Middle Tennessee, Inc. for tornado relief.
**OUR COMMUNITIES CONTINUED**

**MERITAGE’S REGIONAL PHILANTHROPY**

Through corporate giving and with the help of our employees, Meritage Cares provides support to a variety of local and national charities through our Community Outpour efforts.

**Arizona**
- Gospel Rescue Mission
- Community Food Bank of Southern Arizona
- Military Assistance Mission
- F.O.R. Maricopa Food Bank

**Colorado**
- Hope House of Colorado
- Special Olympics of Colorado
- Local district fire departments
- Mission Hills Food Bank of Littleton

**Florida**
- E.C.H.O. of Brandon
- Hillsborough Education Foundation
- Apple A Day Foundation
- Cohen Veterans Network
- Feeding Tampa Bay
- Meals on Wheels PLUS
- Quest, Inc.
- Boys Town
- United Way Suncoast, Inc

**Georgia**
- Atlanta Ronald McDonald House
- Reflections of Trinity
- HomeAid Atlanta and HomeAid Care Day
- Atlanta Children Shelters
- Rebuilding Opportunities in Construction
- Atlanta Community Food Bank

**North Carolina**
- US Veterans Corps
- Children’s Hope Alliance Foundation
- Operation Homefront, Inc.
- The ROC Charlotte, Inc.

**South Carolina**
- Ronald McDonald House of the Carolinas
- United Way of Greenville County, Inc.
- Community Foundation of Greenville, Inc.

**Tennessee**
- The Community Foundation of Middle Tennessee, Inc.

**Texas**
- Hope Impacts
- West Houston Assisted Ministries
- Epiphany Community Health Outreach Services

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1 This is a partial list of charities supported in 2020.
GOVERNANCE

Outstanding people, strong leadership and sound governance are fundamental to executing at a high-level and consistently delivering for our customers, communities and shareholders. Under the oversight of our Board of Directors and the leadership of our executive management, Meritage is committed to fostering an environment of integrity, fairness and respect.

Day in and day out, we embrace the importance of being responsible corporate citizens by living out our core values and our promise to deliver Life.Built.Better®. We remain steadfast in our commitment to adhere to the high standards that our shareholders, regulators and others expect of us, and that we expect of ourselves. This includes training our employees on our Code of Ethics, clearly articulating our policies, championing diversity and inclusion, promoting the right tone from the top, having in place strong leadership and management, and working with like-minded trade partners.

Our governance standards and processes strive to promote accountability, transparency and ethical behavior to help us perform at the highest levels in everything we do.
89% of our Board of Directors were independent at December 31, 2020 (8 of 9). Our Board is comprised of a group of individuals whose previous experience, backgrounds, qualifications, personal ethics, dedication and commitment to our Company allow the Board to complete its key task as the overseer and governing body of the Company.

The Board is committed to a policy of inclusiveness and diversity. The Board believes members should be comprised of persons with diverse backgrounds, skills, expertise, and experiences including, without limitation, the following areas:

- management or board experience in a wide variety of enterprises and organizations
- banking, capital markets and finance
- accounting
- legal and regulatory
- real estate, including homebuilding, commercial and land development
- technology and cyber security
- sales, marketing and branding
- operations
- academia

Our Nominating / Corporate Governance Committee is responsible for board refreshment. When seeking new Board candidates, the Committee is committed to a policy of inclusiveness and has taken and will continue to take steps to ensure that female and minority candidates be considered for the pool of candidates from which the Board nominees are chosen and will endeavor to expand Director searches to include candidates from non-traditional venues. Consistent with our commitment to board diversity, two of the three most recent additions of independent Directors were female: Ms. Deborah Ann Henretta was appointed in March 2016 and Ms. P. Kelly Mooney was appointed in March 2020.

For more information about our Board of Directors and the board committees, please see our 2021 Proxy Statement.
BOARD OVERSIGHT

Our Board of Directors adopted a set of Corporate Governance Principles and Practices, which serves as a framework to assist the Board in the exercise of its responsibilities.

Board Oversight on Risk Management
Although Meritage’s executive management is responsible for the daily management of risk throughout the business, which includes operational, strategic, financial, legal and compliance risk, our Board has overall responsibility for the oversight of risk management. As part of this oversight, on a regular basis, our Board receives reports from various members of management, reviews executive management briefings at least four times a year and is actively involved in monitoring and approving key decisions relating to our operations and strategy.

Our Audit Committee is responsible for reviewing and analyzing significant financial and operational risks and how our executive leaders are managing and mitigating such risks through our internal controls and financial risk management processes. Our Audit Committee plays an important role in overseeing our internal controls monitoring and is regularly engaged in discussions with management and external auditors regarding business risks, operational risks, transactional risks, cyber-security and financial risks.

Our ES&S Committee, as discussed above, has oversight responsibility for environmental and social opportunities and risks.

Our Nominating / Governance Committee assists in identifying new Board members and leads the Board’s governance oversight function.

Our Executive Compensation Committee oversees risks relating to the compensation and incentives provided to our executive officers.

Our Land Committee reviews and approves any land acquisition above a pre-established threshold.

General Board Oversight
Per Meritage policy, Meritage’s CEO and other named executive officers are limited to serving on one additional public board. Meritage’s CEO currently only serves on Meritage’s Board. The Board limits its independent members from serving on more than three other public company boards and limits its executive chairman from serving on more than two additional public company boards.

8 As of February 2021
Board Oversight on ESG
The Board established the ES&S Committee in 2020 to demonstrate our commitment to building a sustainable future for our employees, our environment and the communities in which we live and operate. Meritage’s executive management reviews ESG-related initiatives and issues with the ES&S Committee. ES&S Charter

- **Purpose:**
The ES&S Committee is responsible for advising Meritage’s executive management on all matters related to our Company’s ongoing commitment to environmental, health, safety, corporate social responsibility, sustainability and other related trends, issues and concerns.

- **Composition:**
The committee is comprised of three members, each of which is independent, with Ms. Deborah Ann Henretta as the committee chair.

- **Responsibility:**
The committee reports to the Board and provides updates on the ES&S strategy, support, development, prioritization, integration and reporting of our Company’s ongoing commitment. The committee also regularly engages in discussions with management regarding the quality of our procedures for identifying, assessing, monitoring and managing the principal environmental and social risks to our Company.
CODE OF ETHICS

At Meritage, ethical principles are the cornerstone to our operations, culture and conduct. Our Code of Ethics applies to our Board of Directors, officers and employees as well as our suppliers, contractors and subcontractors and reinforce our commitment to conduct business consistent with the highest ethical and legal standards. It is designed to provide insight into one of our core values, Integrity Above All Else, and the expected behaviors that support it while also deterring any wrongdoing. Matters covered by our Code of Ethics include but are not limited to conflicts of interest, anti-bribery, antitrust, insider trading, financial integrity, equal opportunity, workplace health and safety, and environmental protection compliance.

At the time of hire, our expectations are clear and unwavering. Meritage includes our Code of Ethics in the Employee Handbook and includes it, along with other policies and procedures, as part of our new hire onboarding and training.

On an annual basis, every team member is responsible for completing the mandatory compliance training course that includes our Code of Ethics among other pertinent topics such as the Employee Handbook Review, Anti-Harassment and Anti-Discrimination Policy, Securities Trading Policy and Cybersecurity. To ensure accountability, participation in this mandatory training and compliance is monitored by our People Operations team and Internal Audit. The Meritage Board’s Nominating / Governance Committee is responsible for oversight of the Code of Ethics policy.

To view all of our corporate governance documents, please click here.
CODE OF ETHICS CONTINUED

Business Ethics & Compliance
All aspects of our business comply with federal, state and local, regulations and requirements. Meritage requires all of our stakeholders to conduct business operations with honesty and integrity. We prohibit any form of kickback or bribe. To promote accountability and transparency, we have formal procedures in place and outlined in our Code of Ethics to report actual or potential fraud and accounting concerns through an anonymous 24/7 Ethics Line monitored by an independent, third-party company. Available by phone and online, the hotline is designed to make it as convenient and comfortable as possible for our employees and third parties to send questions, concerns and comments to our senior management on a confidential basis.

Employees must report to their supervisor, the Chief Financial Officer, the Vice President, Internal Audit/Compliance or Chair of the Audit Committee any concerns that they have pertaining to our Company’s accounting, internal controls or audit practices.

To ensure our ethical standards at Meritage, we audit mandatory compliance courses annually, such as the Code of Ethics.

Bribery & Anti-Corruption Policy
At Meritage, there is zero tolerance for bribery, corruption, and fraud. As outlined in our Code of Ethics under the Gifts and Entertainment section, all decisions regarding the purchase of materials, supplies and services must be made on the basis of competitive prices, quality and performance in a way that preserves Meritage’s integrity and minimizes conflicts of interest.

Our procurement team adheres to strict operational policy and guidelines surrounding the bid award process that is audited by the internal audit department on an annual basis.

Additionally, our Conflict of Interest Policy addresses close relationships, other employment, financial investments and disclosures. Employees understand that honest and ethical conduct can avoid conflict of interest situations.

Cybersecurity & Privacy
At Meritage, we use information technology and other computer resources to carry out important operational, financial and marketing activities as well as to maintain our business records. We understand the importance of protecting our customer and business data in order to keep the trust our stakeholders have in Meritage. We abide by all federal and state regulations and requirements around cybersecurity to ensure the protection of consumer data, including the California Consumer Privacy Act. We do not disclose confidential information unless required by law.

We prioritize cybersecurity and consumer data privacy both at the Company level and with individual employees. Our information technology department is responsible for coordinating the protection of our business operations and information systems. In addition to internal information security-related policies and procedures, we have in place what we believe are appropriate security, disaster recovery and other preventative and corrective systems and processes. We maintain third-party cybersecurity insurance and conduct penetration tests on a recurring basis.

In addition to completing a mandatory information security training and compliance program every year, employees must comply with our privacy policy, security protocols and internal security controls every day to minimize and/or avoid data breaches and cyberattacks.

Our Audit Committee is responsible for oversight of our cybersecurity program and its associated risk mitigation strategy. They review cybersecurity at least twice each year.
**Responsible Marketing**

We encourage responsible marketing to promote the diversity we see in our homebuyers and communities. It is our Company’s policy to be truthful, fair and non-discriminatory in the advertising, marketing, and promotion of our products.

We market our homes by highlighting our highly desirable and affordable communities, industry leading energy efficient features and home automation packages, and a much more simplified home buying process. We believe our mission and commitment to build energy-efficient and healthier homes are aligned with buyer sensitivities about how eco-friendly designs, features and materials help impact the environment and the livability of communities and homes. We are also committed to providing our homebuyers with online resources that include chat bot, videos, and brochures through our customer website so that they can learn and be well-informed to make decisions throughout their journey to and with homeownership.

As we continue to focus on sustainability, our marketing efforts have also shifted to leveraging technology in order to reduce paper usage at our sales centers, which efforts included eliminating printed price sheets, contracts, brochures and area maps. We strive to cultivate a culture of doing more with less as a guiding principle in our marketing strategy to reduce waste and play our role in building a more sustainable future.
## Sustainability Accounting Standards Board (SASB) Index. Meritage Homes Corporation, 2019-2020 Data.

<table>
<thead>
<tr>
<th>SASB TOPIC</th>
<th>CODE</th>
<th>ACCOUNTING METRIC</th>
<th>2019</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Land Use &amp; Ecological Impacts</strong></td>
<td>IF-HB-160a.1</td>
<td>Number of lots on redevelopment sites</td>
<td>97</td>
<td>245</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Number of homes delivered on redevelopment sites</td>
<td>0</td>
<td>35</td>
</tr>
<tr>
<td></td>
<td>IF-HB-160a.2</td>
<td>Number of lots in regions with High or Extremely High Baseline Water Stress</td>
<td>8,476</td>
<td>10,818</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Number of homes delivered in regions with High or Extremely High Baseline Water Stress</td>
<td>4,867</td>
<td>6,147</td>
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<tr>
<td></td>
<td>IF-HB-160a.3</td>
<td>Total amount of monetary losses as a result of legal proceedings associated</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td></td>
<td></td>
<td>with environmental regulations</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>IF-HB-160a.4</td>
<td>Discussion of process to integrate environmental considerations into site</td>
<td>Reference: See sections Site Selection, Environmental Assessment and Sustainable Site Design &amp; Development</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>selection, site design, and site development and construction</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Workforce Health &amp; Safety</strong></td>
<td>IF-HB-320a.1</td>
<td>Total recordable incident rate (TRIR) for direct employees</td>
<td>1.28</td>
<td>1.52</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Fatality rate for direct employees</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Total recordable incident rate (TRIR) for contract employees</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Fatality rate for contract employees</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td><strong>Design for Resource Efficiency</strong></td>
<td>IF-HB-410a.1</td>
<td>Number of homes delivered that obtained a certified HERS® Index Score¹</td>
<td>9,267</td>
<td>11,834</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Average HERS® Index Score of homes delivered that obtained a certified HERS® Index Score²</td>
<td>57</td>
<td>56</td>
</tr>
<tr>
<td></td>
<td>IF-HB-410a.2</td>
<td>Percentage of installed water fixtures certified to WaterSense® specifications</td>
<td>100%</td>
<td>100%</td>
</tr>
<tr>
<td></td>
<td>IF-HB-410a.3</td>
<td>Number of homes delivered certified to a third-party multi-attribute green building standard (ENERGY STAR®)³</td>
<td>9,267</td>
<td>10,603</td>
</tr>
<tr>
<td></td>
<td>IF-HB-410a.4</td>
<td>Description of risks and opportunities related to incorporating resource efficiency into home design, and how benefits are communicated to customers</td>
<td>Reference: See sections More Efficient Energy Management and Educating The Consumer</td>
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</tr>
</tbody>
</table>
## SASB Index. Meritage Homes Corporation, 2019-2020 Data.

<table>
<thead>
<tr>
<th>SASB TOPIC</th>
<th>CODE</th>
<th>ACCOUNTING METRIC</th>
<th>2019</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Community Impacts of New Developments</td>
<td>IF-HB-410b.1</td>
<td>Description of how proximity and access to infrastructure, services, and economic centers affect site selection and development decision</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>IF-HB-410b.2</td>
<td>Number of lots on infill sites</td>
<td>7,077</td>
<td>8,842</td>
</tr>
<tr>
<td></td>
<td>IF-HB-410b.3</td>
<td>Number of homes delivered on infill sites</td>
<td>4</td>
<td>401</td>
</tr>
<tr>
<td></td>
<td>IF-HB-410b.3</td>
<td>Number of homes delivered in compact developments¹</td>
<td>4</td>
<td>131</td>
</tr>
<tr>
<td></td>
<td>IF-HB-410b.3</td>
<td>Average density of homes delivered in compact developments</td>
<td>13.3</td>
<td>11.2</td>
</tr>
<tr>
<td>Climate Change Adaptation</td>
<td>IF-HB-420a.1</td>
<td>Number of lots located in 100-year flood zones</td>
<td>216</td>
<td>854</td>
</tr>
<tr>
<td></td>
<td>IF-HB-420a.2</td>
<td>Number of homes delivered located in 100-year flood zones</td>
<td>0</td>
<td>39</td>
</tr>
<tr>
<td></td>
<td>IF-HB-420a.2</td>
<td>Description of climate change risk exposure analysis, degree of systematic portfolio exposure, and strategies for mitigating risks</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Activity Metrics</td>
<td>IF-HB-000.A</td>
<td>Number of controlled lots (owned and controlled)²</td>
<td>41,399</td>
<td>55,502</td>
</tr>
<tr>
<td></td>
<td>IF-HB-000.B</td>
<td>Number of homes delivered</td>
<td>9,267</td>
<td>11,834</td>
</tr>
<tr>
<td></td>
<td>IF-HB-000.C</td>
<td>Number of active selling communities</td>
<td>244</td>
<td>195</td>
</tr>
</tbody>
</table>

¹ In 2019, 100% of the homes delivered obtained a HERS Index Score from third-party RESNET-certified raters, with California homes obtaining a state-specific rating that is co-compliant with RESNET’s HERS Index Score but done through the rating system called Energy Design Rating. In 2020, 100% of homes delivered outside of California obtained a HERS Index Score or the equivalent. Please see footnote 3 below detailing the process in California.

² The stated average HERS Index Score was obtained from RESNET and does not include California homes’ Energy Design Rating.

³ The stated volume for 2020 excludes California. During 2020, the EPA revised requirements under the ENERGY STAR® certification program pertaining to California after California implemented its Title 24 energy code. For 2021, all new homes started in California will comply with the revised ENERGY STAR® certification.

⁴ Compact development refers to communities where density is seven or more units per acre.

⁵ Total controlled lots refers to the cumulative gross owned and controlled lots. It is not the newly approved land deals in each period, which totaled 18,058 and 29,481 for 2019 and 2020 respectively.
<table>
<thead>
<tr>
<th>DISCLOSURE NUMBER</th>
<th>DISCLOSURE DESCRIPTION</th>
<th>REFERENCE</th>
</tr>
</thead>
<tbody>
<tr>
<td>102-1</td>
<td>Name of the organization</td>
<td>Page 6</td>
</tr>
<tr>
<td>102-2</td>
<td>Activities, brands, products and services</td>
<td>Page 6, 2020 Form 10K</td>
</tr>
<tr>
<td>102-3</td>
<td>Location of headquarters</td>
<td>Page 6</td>
</tr>
<tr>
<td>102-4</td>
<td>Location of operations</td>
<td>Page 6, 2020 Form 10K</td>
</tr>
<tr>
<td>102-5</td>
<td>Ownership and legal form</td>
<td>2020 Form 10K</td>
</tr>
<tr>
<td>102-6</td>
<td>Markets served</td>
<td>Page 6, 2020 Form 10K</td>
</tr>
<tr>
<td>102-7</td>
<td>Scale of the organization</td>
<td>Page 6, 2020 Form 10K</td>
</tr>
<tr>
<td>102-8</td>
<td>Information on employees and other workers</td>
<td>Page 32</td>
</tr>
<tr>
<td>102-9</td>
<td>Supply chain</td>
<td>Page 25</td>
</tr>
<tr>
<td>102-10</td>
<td>Significant changes to the organization and its supply chain</td>
<td>Page 25, 2020 Form 10K</td>
</tr>
<tr>
<td>102-11</td>
<td>Precautionary principle or approach</td>
<td>2020 Form 10K</td>
</tr>
<tr>
<td>102-12</td>
<td>External activities</td>
<td>None</td>
</tr>
<tr>
<td>102-13</td>
<td>Membership of associations</td>
<td>Leading Builders of America, the National Association of Home Builders, local Building Industry Associations, Building Talent Foundation, Policy Advisory Board of the Harvard Joint Center for Housing Studies, International Chamber of Commerce’s Carbon Policy Council, RESNET Standards Management Board</td>
</tr>
</tbody>
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<thead>
<tr>
<th>DISCLOSURE NUMBER</th>
<th>DISCLOSURE DESCRIPTION</th>
<th>REFERENCE</th>
</tr>
</thead>
<tbody>
<tr>
<td>102-14</td>
<td>Statement from senior decision maker</td>
<td>Page 3</td>
</tr>
<tr>
<td>102-15</td>
<td>Key impacts, risks and opportunities</td>
<td>Pages 53, 54</td>
</tr>
<tr>
<td>102-16</td>
<td>Values, principles, standards and norms of behavior</td>
<td>Page 55</td>
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<tr>
<td>102-17</td>
<td>Mechanism for advice and concerns about ethics</td>
<td>Page 56</td>
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<td>102-18</td>
<td>Governance structure</td>
<td>Page 53</td>
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<tr>
<td>102-40</td>
<td>List of stakeholder groups</td>
<td>Page 10</td>
</tr>
<tr>
<td>102-41</td>
<td>Collective bargaining agreements</td>
<td>None</td>
</tr>
<tr>
<td>102-42</td>
<td>Identifying and selecting stakeholders</td>
<td>Page 10</td>
</tr>
<tr>
<td>102-43</td>
<td>Approach to stakeholder engagement</td>
<td>Page 10</td>
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<tr>
<td>102-44</td>
<td>Key topics and concerns raised</td>
<td>Page 10</td>
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<table>
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<tr>
<th>DISCLOSURE NUMBER</th>
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</thead>
<tbody>
<tr>
<td><strong>REPORTING PRACTICE CONTINUED</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>102.48</td>
<td>Restatement of information</td>
<td>None</td>
</tr>
<tr>
<td>102.49</td>
<td>Changes in reporting</td>
<td>None</td>
</tr>
<tr>
<td>102.50</td>
<td>Reporting period</td>
<td>Page 10</td>
</tr>
<tr>
<td>102.51</td>
<td>Date of most recent report</td>
<td>Page 10</td>
</tr>
<tr>
<td>102.52</td>
<td>Reporting cycle</td>
<td>Page 10</td>
</tr>
<tr>
<td>102.53</td>
<td>Contact point for questions regarding the report</td>
<td>Page 2</td>
</tr>
<tr>
<td>102.54</td>
<td>Claims of reporting in accordance with the GRI standards</td>
<td>Page 11</td>
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<tr>
<td>102.55</td>
<td>GRI Content Index</td>
<td>Page 61</td>
</tr>
<tr>
<td>102.56</td>
<td>External assurance</td>
<td>Our ESG report was subject to internal and third-party consultant reviews. Although we did not obtain external assurance for this report, the greenhouse gas emissions data was prepared and reviewed by a greenhouse gas emissions consultant expert</td>
</tr>
</tbody>
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<table>
<thead>
<tr>
<th>MANAGEMENT APPROACH</th>
<th></th>
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</thead>
<tbody>
<tr>
<td>103.1</td>
<td>Explanation of the material topic and its boundary</td>
<td>Pages 10, 11, 13, 51</td>
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<tr>
<td>103.2</td>
<td>The management approach and its components</td>
<td>Page 8</td>
</tr>
<tr>
<td>103.3</td>
<td>Evaluation of the management approach</td>
<td>Page 21</td>
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## ECONOMIC

<table>
<thead>
<tr>
<th>SPECIFIC STANDARD DISCLOSURE</th>
<th>DISCLOSURE NUMBER</th>
<th>DISCLOSURE DESCRIPTION</th>
<th>REFERENCE</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>201-1</strong> Direct economic value generated and distributed</td>
<td>201-1</td>
<td>2020 Form 10K</td>
<td></td>
</tr>
<tr>
<td><strong>201-2</strong> Financial implications and other risks and opportunities due to climate change</td>
<td>201-2</td>
<td>Pages 14, 15, 17, 60; 2020 Form 10K</td>
<td></td>
</tr>
<tr>
<td><strong>205-2</strong> Communication and training about anti-corruption policies and procedures</td>
<td>205-2</td>
<td>Pages 42, 56</td>
<td></td>
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## ENVIRONMENTAL

<table>
<thead>
<tr>
<th>SPECIFIC STANDARD DISCLOSURE</th>
<th>DISCLOSURE NUMBER</th>
<th>DISCLOSURE DESCRIPTION</th>
<th>REFERENCE</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>302-5</strong> Reductions in energy requirements of products and services</td>
<td>302-5</td>
<td>Pages 7, 21</td>
<td></td>
</tr>
<tr>
<td><strong>305-1</strong> Direct (Scope 1) GHG emissions</td>
<td>305-1</td>
<td>Page 20</td>
<td></td>
</tr>
<tr>
<td><strong>305-2</strong> Energy indirect (Scope 2) GHG emissions</td>
<td>305-2</td>
<td>Page 20</td>
<td></td>
</tr>
<tr>
<td><strong>305-3</strong> Other indirect (Scope 3) GHG emissions</td>
<td>305-3</td>
<td>Page 20</td>
<td></td>
</tr>
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### APPENDIX CONTINUED

GRI Content Index. Meritage Homes Corporation, 2020 Data.

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<thead>
<tr>
<th>DISCLOSURE NUMBER</th>
<th>DISCLOSURE DESCRIPTION</th>
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</tr>
</thead>
<tbody>
<tr>
<td>403-2</td>
<td>Hazard identification, risk assessment and incident investigation</td>
<td>Pages 36, 59</td>
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<tr>
<td>405-1</td>
<td>Diversity of governance bodies and employees</td>
<td>Pages 38, 52</td>
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<tr>
<td>413-1</td>
<td>Operations with local community engagement, impact assessments and development programs</td>
<td>Page 16, 47</td>
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<tr>
<td>417-1</td>
<td>Requirements for product and service information labeling</td>
<td>Page 21</td>
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<table>
<thead>
<tr>
<th>CATEGORY NUMBER</th>
<th>CATEGORY</th>
<th>DESCRIPTION</th>
<th>ALIGNMENT WITH UN SDG</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>No Poverty</td>
<td>End poverty in all its forms everywhere</td>
<td>Meritage contributes $100 for each home closing to provide donations to eligible charitable organizations to support of children, families and military veterans in the areas where Meritage does business. We continued our partnership with the Arizona Housing Fund to encourage all of our new homeowners in Arizona to donate $25 to combat the affordable housing problem. Meritage matches each $25 donation to fund the construction of nonprofit affordable supportive housing units. Included in the $750,000 total donations in 2020, Meritage supported Americares with a $100,000 donation for medical and health programs as a result of the pandemic.</td>
</tr>
<tr>
<td>2</td>
<td>Zero Hunger</td>
<td>End hunger, achieve food security and improved nutrition and promote sustainable agriculture</td>
<td>During 2020, Meritage contributed $250,000 to Feeding America to address food insecurity, particularly related to those impacted by COVID-19. Meritage employees donated to and volunteered at food pantries in our local markets, including the Second Harvest Food Bank in Orange County, CA, Hope House of Colorado, and the Atlanta Ronald McDonald House.</td>
</tr>
<tr>
<td>3</td>
<td>Good Health and Well-being for all at all ages</td>
<td>Our homes incorporate healthy indoor air quality in its design to promote good health for our homeowners, which is achieved through the use of spray foam insulation, MERV-13 air filtration and advanced air ventilation. Our Indoor airPLUS certification started at the end of 2020. M.Connected Home™ Automation Suite includes an array of features that enhances the functionality and performance of the home such as the smart thermostat, while increasing its comfort, safety and security. With the goal of taking care of our employees, Meritage offers benefits and a wellness program addressing the mental, physical and financial well-being of employees and family members. Benefits span healthcare, paid time off, savings and retirement support, education, an employee assistance program, and other benefits. Our top priority from the very start of the global pandemic has been the health, safety and well-being of our employees and their families, our trade partners and customers. During 2020, we consulted with the evolving guidelines and practices from the Centers for Disease Control and Prevention to shape our decisions in our sales offices, on our job sites and at our corporate headquarters.</td>
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## UN SDGs. Meritage Homes Corporation, 2020 Data.

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</tr>
</thead>
<tbody>
<tr>
<td>4</td>
<td>Quality Education</td>
<td>Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all</td>
<td>Meritage invests in the development of our employees by providing free access to an online upskilling learning platform as well as the professional and career development programs, Leadership Institute, Advanced Leadership Program and Meritage Executive Talent Program. Meritage offers tuition reimbursement to eligible employees. Meritage is one of the founding partners of Building Talent Foundation (BTF), a nonprofit organization tasked with creating a sustainable workforce in residential construction. In 2020, Meritage donated to BTF in support of their efforts to advance the education, training and career progression of young people and people from underrepresented groups in companies across homebuilders, suppliers and trade partners alike. During 2020, Meritage donated $100,000 to the United Negro College Fund (UNCF) as an initial commitment of support for racial diversity, equity and inclusion initiatives, including funding scholarships through UNCF. Meritage donated $100,000 to INROADS as an initial commitment of support for racial diversity, equity and inclusion initiatives, including future internship opportunities for underrepresented groups.</td>
</tr>
<tr>
<td>5</td>
<td>Gender Equality</td>
<td>Achieve gender equality and empower all women and girls</td>
<td>Gender diversity is evidenced in our Board composition, executive management and throughout the employee base, yet through a combination of targeted recruiting as well as education and talent development, we intend to expand diversity across the Company over the coming years. In order to build and maintain a sustainable company, Meritage Homes is committed to fostering an inclusive culture and cultivating a diverse team where team members are treated with respect, valued for their unique perspectives and experiences, and feel a sense</td>
</tr>
<tr>
<td>6</td>
<td>Clean Water and Sanitation</td>
<td>Ensure availability and sustainable management of water and sanitation for all</td>
<td>WaterSense certified water fixtures in Meritage homes help to manage and reduce water usage.</td>
</tr>
</tbody>
</table>
## UN SDGs. Meritage Homes Corporation, 2020 Data.

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</tr>
</thead>
<tbody>
<tr>
<td>7</td>
<td>AFFORDABLE AND CLEAN ENERGY</td>
<td>Ensure access to affordable, reliable, sustainable and modern energy for all</td>
<td>Meritage offers quality yet affordable homes in the entry-level and first move-up markets. Our entry-level homes are priced under regional FHA loan limits specifically to maintain affordability. Our first move-up homes are priced under conventional loan limits.</td>
</tr>
<tr>
<td></td>
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<td></td>
<td>Since 2009, Meritage has been building homes that exceed regional energy regulations, resulting in the EPA’s ENERGY STAR® certification and RESNET’s HERS Index Score certification.</td>
</tr>
<tr>
<td></td>
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<td></td>
<td>Meritage focuses extensively on energy and water efficiency in the homes we build. Our approach minimizes resource usage while maintaining energy-efficient and water-conserving homes. In addition to satisfying environmental regulatory requirements, these sustainable features produce substantial utility cost savings for homeowners.</td>
</tr>
<tr>
<td></td>
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<td></td>
<td>In California during 2020, the homes we started were compliant with the California Energy Commission’s Building Energy Efficiency Standards under Title 24. These homes have solar panels as a standard feature, which we provide primarily through third-party leases with an option to purchase. 553 California homes delivered in 2020 included solar panels.</td>
</tr>
<tr>
<td>8</td>
<td>DECENT WORK AND ECONOMIC GROWTH</td>
<td>Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all</td>
<td>Meritage upholds the standards of our Human Rights policy.</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Meritage invests in the development of our employees by providing free access to an online upskilling learning platform as well as the professional and career development programs, Leadership Institute, Advanced Leadership Program and Meritage Executive Talent Program.</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>When Meritage builds a new community, economic development takes place via residential construction jobs, new local and state taxes are created and local businesses have the opportunity to sell to new members in the greater community.</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Meritage is one of the founding partners of Building Talent Foundation (BTF), a nonprofit organization tasked with creating a sustainable workforce in residential construction. In 2020, Meritage donated to BTF in support of advancing the education, training and career progression of young people and people from underrepresented groups in companies across homebuilders, suppliers and trade partners alike.</td>
</tr>
<tr>
<td></td>
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<td></td>
<td>During 2020, Meritage donated a combined $200,000 to INROADS and the United Negro College Fund to promote racial equity nationwide, and began our multiyear partnership with these organizations to help build the next generation of leaders in the homebuilding industry, including future university scholarships and internship opportunities for underrepresented groups.</td>
</tr>
</tbody>
</table>

1 All of our homes in California meet California Energy Efficiency Standards, which exceed Energy Star’s National Version 3 Standards and are consistent with our commitment to higher building standards and money-saving energy efficiency.

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## CATEGORY NUMBER

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<tbody>
<tr>
<td>9</td>
<td>Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation</td>
<td>During the site selection process, Meritage researches water stress and flood zone conditions of the land, and takes 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 remediate and rezone the land appropriately in order to obtain a Letter of Map Revision to remove the lot from the flood plain. We also utilize certain flooding areas for open spaces like ponds. Meritage constructs energy efficient and water-conserving homes, including net zero energy homes in certain communities. With innovation as a key focus, Meritage offers the M.Connected Home™ Automation Suite of WiFi-enabled solutions standard in every new home. This digital solution allows homeowners to monitor and control key safety and security components of their homes from wherever and whenever, such as thermostats, smart door locks and the garage door. In line with fostering innovation and building a sustainable homebuying process, Meritage developed and made available contactless selling in 2020 to digitize the customer buying experience and make it easier to interact virtually, which proved very beneficial in 2020 to help buyers navigate in a safe and comfortable manner. As we continue to focus on sustainability, our marketing efforts have shifted to leveraging technology in order to reduce paper usage at our sales centers, which efforts included eliminating printed price sheets, brochures, contracts and area maps. We strive to cultivate a culture of doing more with less as a guiding principle in our marketing strategy to reduce waste and play our role in building a more sustainable future.</td>
</tr>
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</table>
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</thead>
<tbody>
<tr>
<td>11</td>
<td>SUSTAINABLE CITIES AND COMMUNITIES</td>
<td>Make cities and human settlements inclusive, safe, resilient and sustainable</td>
<td>In an effort to create more sustainable communities, we incorporate environmental stewardship in our land acquisition strategy, the design of our homes and communities, and our land development and construction activities. We look for innovative ways to make our homes more energy-efficient and sustainable, create open spaces in the community and minimize the impact of the community on the local biodiversity. During site selection, we evaluate redevelopment and infill site opportunities as well as compact developments to make efficient use of vacant land. Repurposing abandoned land addresses affordability and tight supply issues in the housing market. It gives Meritage an opportunity to create a vibrant community, provide environmental and socioeconomic benefits and make use of existing infrastructure. During the site selection process, Meritage researches water stress and flood zone conditions of the land, and takes 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 remediate and rezone the land appropriately in order to obtain a Letter of Map Revision to remove the lot from the flood plain. We also utilize certain flooding areas for open spaces like ponds. During the land development and construction process, our Storm Water Pollution Prevention Program 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. In 2020, Meritage broke ground on Solena at the Vineyards community, a net zero energy, all-electric community in North Carolina focused on electric load management. Solena at the Vineyards is designed to avoid pulling electricity from the grid during the peak hour needs of the overall marketplace and optimize the utility company’s electric load. By reducing potential power grid failures or rolling brownout scenarios in the future, Solena at the Vineyards will help demonstrate a community’s impact on more efficient use of energy and ultimately reducing energy consumption in the marketplace overall.</td>
</tr>
<tr>
<td>12</td>
<td>RESPONSIBLE CONSUMPTION AND PRODUCTION</td>
<td>Ensure sustainable consumption and production patterns</td>
<td>Meritage constructs homes through energy-efficient homebuilding processes focused on advanced construction techniques and value engineering at scale. Our operating model includes prefabricated roof trusses and pre-cut lumber. In doing so, our construction process has less complexity, shorter build times, lower costs and less waste than traditional homebuilding. Meritage builds energy-efficient homes that enable greater sustainability of the homes and allow homeowners to reduce energy consumption and in turn save on monthly utility bills. Meritage’s signature energy-efficiency features inside the home include spray foam insulation, ENERGY STAR® appliances, WaterSense water fixtures, LED lights, low-E windows and more.</td>
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</thead>
<tbody>
<tr>
<td>13</td>
<td>CLIMATE ACTION</td>
<td>Take urgent action to combat climate change and its impacts</td>
<td>Meritage constructs homes through energy-efficient homebuilding processes focused on advanced construction techniques and value engineering at scale. Our operating model includes prefabricated roof trusses and pre-cut lumber. In doing so, our construction process has less complexity, shorter build times, lower costs and less waste than traditional homebuilding. Meritage employs building techniques and technologies aimed at setting the standard for energy-efficient homes since the majority of energy consumption occurs from the home itself as compared to the construction of the home. Energy-efficient homes enable greater sustainability of the homes and allow homeowners to reduce energy consumption and in turn save on monthly utility bills. Meritage’s signature energy-efficiency features inside the home include spray foam insulation, ENERGY STAR® appliances, WaterSense water fixtures, LED lights, low-E windows and more. Our land acquisition process requires all land deals to undergo a rigorous land committee approval process, which includes ecological and environmental impact studies and considerations as well as environmental remediation plans. In California during 2020, the homes we started were compliant with the California Energy Commission’s Building Energy Efficiency Standards under Title 24. These homes have solar panels as a standard feature, which we provide primarily through third-party leases with an option to purchase. 553 California homes delivered in 2020 included solar panels.</td>
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## Appendix Continued

### UN SDGs. Meritage Homes Corporation, 2020 Data.

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<tbody>
<tr>
<td>15</td>
<td>LIFE ON LAND</td>
<td>Make cities and human settlements inclusive, safe, resilient and sustainable</td>
<td>Coupling sustainability and biodiversity conservation in our site design, we are focused on maintaining the existing native ecology and managing stormwater onsite 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.</td>
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<td></td>
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<td></td>
<td><strong>We evaluate ecological impacts on every land deal and execute any necessary remediation plans:</strong></td>
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<td></td>
<td><strong>Phase 1:</strong> 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.</td>
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<td></td>
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<td></td>
<td><strong>Flood Plain Review:</strong> Research 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 remediate and rezone the land appropriately in order to obtain a Letter of Map Revision to remove the lot from the flood plain. We also utilize certain flooding areas for open spaces like ponds.</td>
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<td><strong>Biological Conditions:</strong> 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. We often 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.</td>
</tr>
<tr>
<td></td>
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<td></td>
<td>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.</td>
</tr>
<tr>
<td>16</td>
<td>PEACE, JUSTICE AND STRONG INSTITUTIONS</td>
<td>Ensure sustainable consumption and production patterns</td>
<td>To enhance the inclusiveness and accountability of Meritage, under the oversight of our Board of Directors and the leadership of our executive management, the Company is committed to continue fostering an environment in which all of our employees act with integrity, fairness and respect.</td>
</tr>
<tr>
<td></td>
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<td></td>
<td>Meritage operates in a responsible and ethical manner. We embrace the importance of being responsible corporate citizens by living out our core values and our promise to deliver Life Built Better.®</td>
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</tbody>
</table>
CATALOG OF MERITAGE HOMES’ CORPORATE POLICIES

The Code of Ethics includes the below policy categories:
- Anti-harassment and anti-discrimination policy
- Anti-bribery and anti-corruption policy
- Business ethics and compliance
- Whistleblower protection in the reporting of actual or potential fraud; accounting concerns; no retaliation
- Conflicts of interest
- Affiliated and subsidiary companies
- Antitrust
- Insider trading
- Financial integrity
- Environmental protection compliance

The Social Policy formalizes our stance on the following topics:
- Equal opportunity, non-discrimination and preventing harassment
- Diversity, equity and inclusion in the workplace
- Child labor, forced labor and human trafficking
- Wage, hour and compensation policies
- Health and safety
- Civil liberties and freedom of speech
- Freedom of association and collective bargaining
- Data privacy
- Conflict minerals
- Training and education
- The role of our business partners

The Conflicts of Interest Policy establishes our guidelines on the subjects below:
- Prohibited investments
- Permitted investments
- A permitted personal real estate investment
- Prohibited activities
- Permitted activities
- Gifts and favors
- Work with professional organizations / associations
- Disclosure of conflicts
- Approval process for conflicts of interest
- Withdrawal from decisions and processes
- Misuse of information / taking of corporate opportunity
- Reporting suspected violations

The Securities Trading Policy details the parameters related to:
- Prohibition against trading on material nonpublic information
- Blackout period and trading window
- Additional problematic transactions and prohibited transactions
- Confidentiality
- The consequences
- Prioritization of all trades by directors, officers and other key personnel
- Company assistance

The Employee Handbook covers these subjects on our intranet:
- Workplace safety manual
- Computer-based systems acceptable use
- COVID-19 protocols
DISCLAIMER AND FORWARD-LOOKING STATEMENTS

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

The information covered by the report contains forward-looking statements within the meaning of the United States federal securities laws, including statements regarding our goals, aspirations, strategies or our future initiatives or actions and their expected results. These statements are based on current expectations, beliefs, intentions and projections about future events and are not guarantees of future performance. Actual events and results may differ materially from those expressed or forecasted in forward-looking or aspirational statements due to a number of factors which are identified in the Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q and Current Reports on Form 8-K filed by the Company with the Securities and Exchange Commission. Those reports are available on Meritage’s website (https://investors.meritagehomes.com) and on the Securities and Exchange Commission’s website (www.sec.gov). Except as required by law, we assume no obligation to update any forward-looking statements or information, which speak as of their respective dates.

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