D·R·HORTON
America's Builder

2024 Sustainability Report

Carrying on the Legacy



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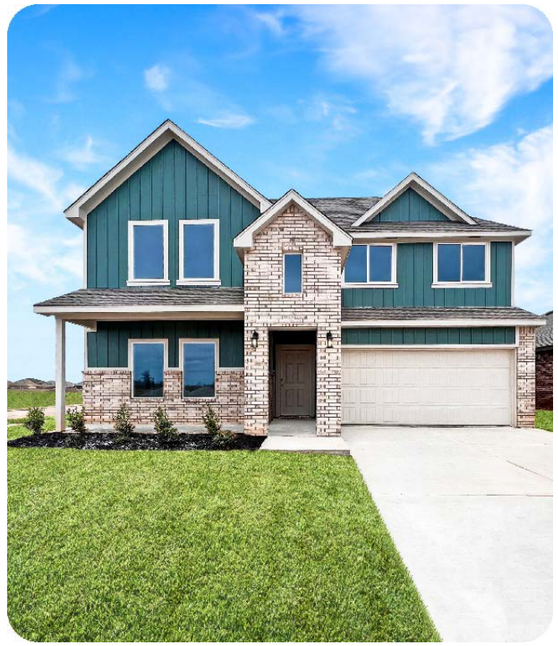
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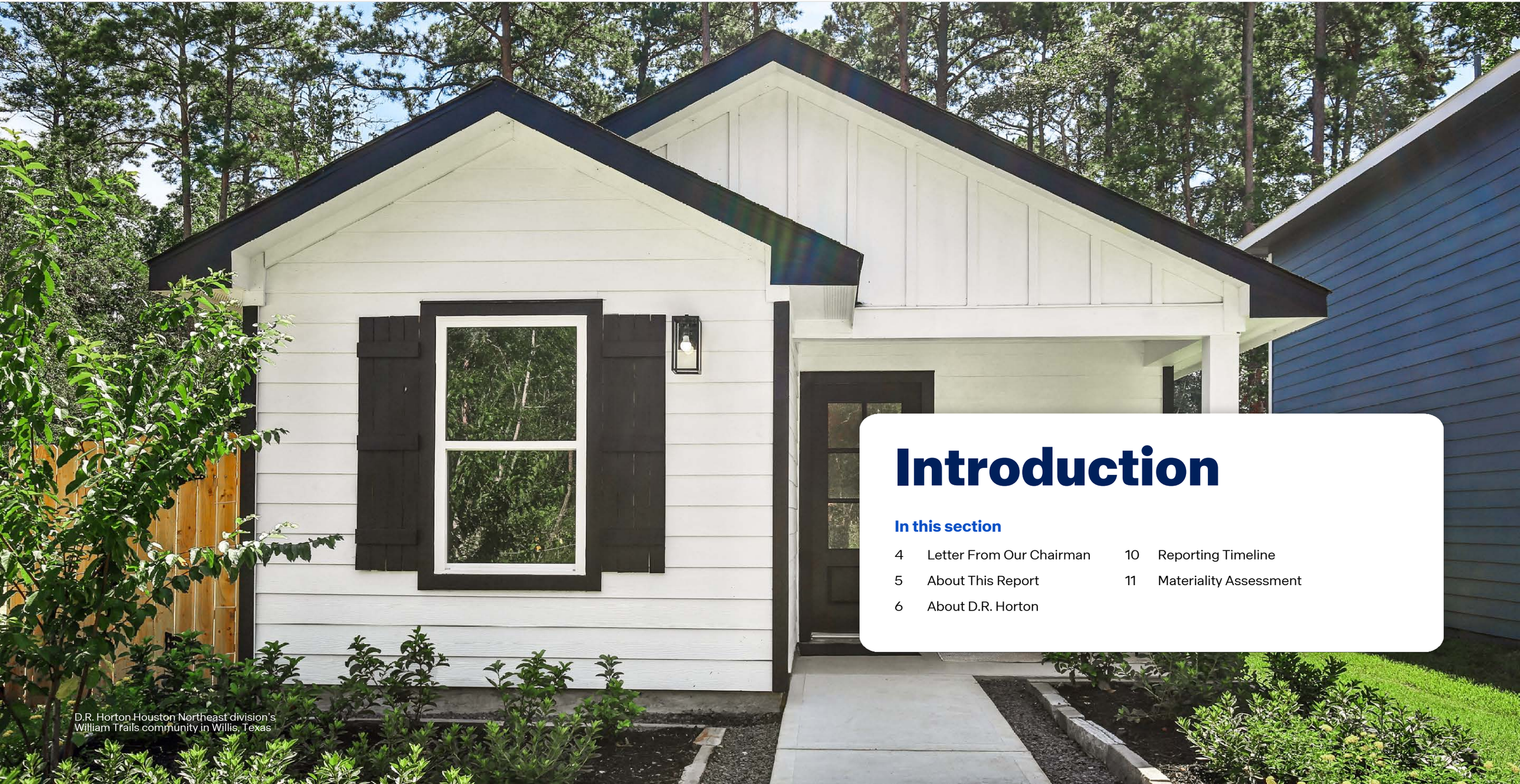












D.R. Horton Houston Northeast division's William Trails community in Willis, Texas

Introduction

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Letter From Our Chairman

Fiscal 2024 was a year marked by both excitement and sadness; a year in which we welcomed 3 new members to our Board of Directors, 1,300 new employees and nearly 90,000 new homebuyers to the Horton Family, but in May 2024 we lost our founder, chairman and my dear friend, Don ("DR") Horton.

Don came from humble beginnings and worked tirelessly to build not just homes but something greater - a company, a culture and a legacy. He was a pioneer in the homebuilding industry, deeply committed to making housing more affordable so that realizing the dream of homeownership is possible for more individuals and families across the country. Don's definition of the "Horton Family" expanded beyond blood relatives and through the reaches of our organization to include every one of our employees, homebuyers, land developers, trade partners, vendors and suppliers and real estate agents.

We celebrate that Don witnessed many amazing milestones of his life's work, including the expansion of our operations nationwide, securing and maintaining the position of the largest homebuilder by volume in the United States and welcoming the homebuyers of our one millionth home to the Horton Family in 2023. That moment, which was one of his proudest accomplishments, symbolized how far his vision had come. On the day we closed our millionth home, I promised Don that it would not take another 45 years to close our next one million homes; I stand behind that promise today and truly believe we are incredibly well positioned to continue to make homeownership more accessible.

Since then, we have continued to focus on driving affordability, while navigating the challenges of the housing market and broader economy to further expand the number of communities we serve, strengthen the Horton Family and make progress toward more company milestones. 2024 marked our 23rd consecutive year as the nation's largest homebuilder and our 46th year in business - meaning for half of our company's life, we have been delivering the advantages of our unmatched scale and purchasing power to the communities we serve.

Don structured our company with a uniquely decentralized operating model, empowering our operators and market leaders to make the decisions that are right for their local markets and stakeholders. Our operators have adjusted their product offerings, pricing and incentive levels to meet the needs of our homebuyers over the last year, demonstrating resiliency and efficiency in focus to strike the right balance between affordability and sustainability. Over the last year, we increased our participation in the EPA's ENERGY STAR New Homes program by 232% while still closing nearly 70% of our homes at an average sales price below $400,000. Our goal remains clear: to serve our communities with high-quality, attainable homes for every stage in life.

As we continually improve our operations, we remain committed to engaging with our stakeholders and fine-tuning our sustainability reporting and disclosures to express the D.R. Horton story. Our third sustainability report addresses human capital management, energy efficiency, climate change, business ethics, cybersecurity and other topics, reflecting our continued focus on transparency and our commitment to getting a little better every day. We are pleased that in 2024 we were the only homebuilder named to the Dow Jones Sustainability North America Index (now renamed the Dow Jones Best-in-Class North America Index) for the second consecutive year as a result of our continuous progress refining and reporting our sustainability initiatives.

As we reflect on who we are as a company and where we want to go, we are excited about the opportunities ahead, and we are just getting started. Don's passing reminds us that our work is ultimately about people and taking care of those who matter most; our employees, homebuyers, land developers, trade partners, vendors and suppliers, real estate agents and all of the members of the Horton Family. We must carry on the legacy.

Sincerely,



David V. Auld
Executive Chairman



> **"We have continued to focus on driving affordability, while navigating the challenges of the housing market and broader economy to further expand the number of communities we serve, strengthen the Horton Family and make progress toward more company milestones."**

About This Report

Our third annual Sustainability Report reflects the continued evolution of our sustainability journey and data collection as we navigate shifts both within our organization and across the broader landscape. We are pleased to weave DR's legacy throughout this report, which highlights our strategy and impacts across three core tenets: Leading with Purpose; People, People, People; and Environment.

We recognize the importance many of our stakeholders place on environmental, human capital and risk management topics and are committed to publishing consistent and relevant sustainability information on an annual basis.

The data presented within this report is as of or for the fiscal year ended September 30, 2024, unless otherwise noted, and is presented in accordance with the homebuilders industry reporting standards prepared by the Sustainability Accounting Standards Board (SASB), now part of the International Sustainability Standards Board (ISSB) of the IFRS Foundation. We have also aligned our climate risk and opportunity discussion with the recommendations of the body formally known as the Task Force on Climate-Related Financial Disclosures (TCFD), now also under the purview of the ISSB. Finally, we also reference the United Nations' Sustainable Development Goals (SDGs) where we believe our company best aligns.

Data provided within the report may reflect consolidated information that is inclusive of multiple business entities in addition to D.R. Horton's homebuilding operations, including Forestar, Rental, Financial Services and other ancillary business activities. Due to the decentralized nature of our business, the data collection processes for some of our reported metrics are more mature than others. As our internal reporting and data collection processes continue to evolve, we anticipate providing comparable periods for certain metrics in future sustainability reporting and disclosures. We believe that providing transparency and insights into our journey by disclosing some data now is more important than perfection, and we plan for our reporting to expand and improve as our processes mature.

Certain policies and governance documents referenced within this report, including our Corporate Code of Conduct, Human Rights Policy and Political Contributions Policy Statement, are publicly available on our Investor Relations website at investor.drhorton.com under the Policy & Governance Documents link within the Corporate Governance section. For any questions regarding this report, please email us at InvestorRelations@drhorton.com.







Forward-Looking Statements

This report may include "forward-looking statements" as defined by the Private Securities Litigation Reform Act of 1995. Although D.R. Horton believes any such statements are based on reasonable assumptions, there is no assurance that actual outcomes will not be materially different. Factors that may cause the actual results to be materially different from the future results expressed by the forward-looking statements include, but are not limited to: the cyclical nature of the homebuilding, rental and lot development industries and changes in economic, real estate or other conditions; adverse developments affecting the capital markets and financial institutions, which could limit our ability to access capital, increase our cost of capital and impact our liquidity and capital resources; reductions in the availability of mortgage financing provided by government agencies, changes in government financing programs, a decrease in our ability to sell mortgage loans on attractive terms or an increase in mortgage interest rates; the risks associated with our land, lot and rental inventory; our ability to effect our growth strategies, acquisitions, investments or other strategic initiatives successfully; the impact of an inflationary, deflationary or higher interest rate environment; risks of acquiring land, building materials and skilled labor and challenges obtaining regulatory approvals; the effects of public health issues such as a major epidemic or pandemic on the economy and our businesses; the effects of weather conditions and natural disasters on our business and financial results; home warranty and construction defect claims; the effects of health and safety incidents; reductions in the availability of performance bonds; increases in the costs of owning a home; the effects of information technology failures, data security breaches, and the failure to satisfy privacy and data protection laws and regulations; the effects of governmental regulations and environmental matters on our land development and housing operations; the effects of governmental regulations on our financial services operations; the effects of competitive conditions within the industries in which we operate; our ability to manage and service our debt and comply with related debt covenants, restrictions and limitations; the effects of negative publicity; the effects of the loss of key personnel; and the effects of actions by activist stockholders.

Additional information about issues that could lead to material changes in performance is contained in D.R. Horton's annual report on Form 10-K and its most recent quarterly report on Form 10-Q, both of which are filed with the Securities and Exchange Commission.

About D.R. Horton

D.R. Horton, Inc., America's Builder, has been the largest homebuilder by volume in the United States since 2002 and has closed more than 1,100,000 homes in its over 46-year history.

D.R. Horton has operations in 125 markets in 36 states across the United States and is engaged in the construction and sale of high-quality homes through its diverse product portfolio with sales prices generally ranging from $200,000 to over $1,000,000. The Company also constructs and sells both single-family and multi-family rental properties.

During its fiscal year ended September 30, 2024, D.R. Horton closed 89,690 homes in its homebuilding operations, in addition to 3,970 single-family rental homes and 2,202 multi-family rental units in its rental operations. D.R. Horton also provides mortgage financing, title services and insurance agency services for its homebuyers and is the majority-owner of Forestar Group Inc., a publicly traded national residential lot development company.

Ranked at #120 on the 2024 Fortune 500 list, D.R. Horton has consistently delivered top-quality new homes to homebuyers across the nation.

Our company stock is traded on both the New York Stock Exchange and NYSE Texas under the ticker symbol DHI.

125
Number of Markets in which we Operate

36
Number of States in which we Operate

14,766
Number of Employees

D.R. Horton's homebuilding operating segments are aggregated into six reporting segments. The reporting segments and the states in which the Company has homebuilding operations are as follows:

Northwest:
Colorado, Oregon, Utah, Washington

North:
Delaware, Illinois, Indiana, Iowa, Kansas/Missouri, Kentucky, Maryland, Minnesota, Nebraska, New Jersey, Ohio, Pennsylvania, Virginia, West Virginia, Wisconsin



East:
Georgia, North Carolina, South Carolina, Tennessee

Southwest:
Arizona, California, Hawaii, Nevada, New Mexico

South Central:
Arkansas, Oklahoma, Texas

Southeast:
Alabama, Florida, Louisiana, Mississippi

Company Snapshot

D.R. Horton was the largest builder in 61 of the 125 markets in which we operated at September 30, 2024.[1]

1978
Year Founded

46
Years in Business

> 1,100,000
Homes closed since 1978

89,690
Homes Closed

$378,000
Average Sales Price (Closings)

$36.8 billion
Consolidated Revenues

57%
First-Time Homebuyers

37,400
Homes in Inventory

152,500
Land/Lots Owned

480,400
Lots Controlled Through Land and Lot Purchase Contracts

632,900
Total Land/Lots Owned and Controlled

1 *Based on data provided by Zonda and D.R. Horton estimates for the trailing twelve months ended September 30, 2024.*

Data represents D.R. Horton's homebuilding operations and is presented as of or for the fiscal year ended September 30, 2024 unless otherwise noted.

Don Horton: A Lasting Legacy



The Horton Family

The beloved founder of D.R. Horton, Inc., Don ("DR") Horton, passed away in May 2024 at 74 years old. He dedicated his life to building the world's best homebuilding company and made a name for himself along the way. Although DR is no longer physically strolling the halls of the corporate office humming a tune or touring communities across the country to shake hands with sales agents, his spirit lives on in the Company and through his legacy. DR truly viewed D.R. Horton, and all who support it, including our employees, homebuyers, land developers, trade partners, vendors and suppliers, real estate agents and the communities we serve, as family - the "Horton Family." One of DR's guiding principles was to always take care of family, and that spirit continues to resonate throughout the organization and its extended network, as reflected throughout this report.



Taking Care of Family

Don Horton was born in a rural area of north-central Arkansas, where he had an extremely modest upbringing. His first childhood home did not have indoor plumbing. When his father became a county sheriff, DR's family moved to the small town of Marshall, Arkansas, where they lived under the same roof as the local jail. While sharing a single bedroom with his four siblings, he learned the importance of taking care of family at an early age and grew up spending quality time surrounded by extended family.



After graduating from high school, DR initially studied business at present day University of Central Arkansas before transferring to the University of Oklahoma to study pharmacy. On his first day of pharmacy school, DR met his wife, Marty, and the pair were married within four months. He subsequently dropped out of college, and DR and Marty moved back to Arkansas to join his father's real estate brokerage company. Eventually, the couple settled in Fort Worth where he briefly worked for a local homebuilder.







Don Horton: A Lasting Legacy

Building a Legacy

Once he learned the basics of the homebuilding business, DR set his sights on going into business for himself. With tenacity and grit, he founded his company in 1978 with $3,000 and a dream. When he finally found a banker who would agree to a meeting, DR was determined to not walk away empty handed. After more than an hour of discussion, the banker dropped his glasses on the table, looked at DR and said, "I'm going to loan you the money to build this house... not that I think you know what you're doing, but I think you will sell it." DR later acknowledged that the banker "was right on both counts." The $30,000 loan DR secured that day to construct his first home changed everything. DR sold the home before it was completed and used the proceeds to build more homes and began building his legacy.



As the Company grew from one market to more than one hundred and from one home closed to more than one million, DR transitioned from the “jack of all trades,” to director, president, CEO, Executive Chairman and finally, Chairman of the Company. Through every stage of leadership, he never wavered from his guiding principle of taking care of family.

The incredible achievements of the Company under DR’s leadership helped secure his legacy as a homebuilding industry pioneer. As a tribute to and in recognition of his contributions to homebuilding, DR was inducted into the National Association of Home Builders Hall of Fame in 2025.

DR remained steadfast in his vision of providing affordable, quality homes across the United States. He never forgot his humble beginnings and lived frugally in his personal life, which translated to a rigorous focus on cost control in the business to help drive affordability. DR’s entrepreneurial spirit and determination shaped the culture of this company and his mindset continues to influence each of the market leaders representing D.R. Horton across the country.

Outside of his impact on the homebuilding industry, a major part of DR’s legacy was his love of children. As shared by those close to him, DR would have claimed that his favorite people called him “Papaw,” referring to his four grandchildren who were the light of his life. DR’s passion for children extended beyond the bounds of his biological family, and into the Horton Family. In 2001, DR founded Camp Horton at the Company’s ranch in West Texas, which offers employees a safe and friendly environment for their children or relatives to grow, learn and be inspired through week-long summer programs at no cost to our employees.



We honor the memory of DR, and every single member of the Horton Family is striving to carry on the legacy.



Don Horton posing in front of the Company’s first home with the sister of his first homebuyer who now owns the home



Don Horton and the executive team with the family who purchased our one millionth home

Don Horton: A Lasting Legacy

Carrying on the Legacy

In keeping his spirit alive, many stories about DR circulate throughout the Company. A few may be merely myth, but many of these stories are true, including the origin of some of DR's trademark phrases or "Hortonisms." A few company-favorite Hortonisms, include:

- Together, we are America's Builder
- Nothing happens until we sell something
- Homebuilding is a local business
- Are you on the deal?
- It's a people business
- Treat the customer like family
- Nothing is impossible – some things take a little longer
- We don't build homes for practice
- We're not looking for a weather report
- Watch the pennies and the dollars will take care of themselves

DR is sorely missed by all throughout the company and industry, but he is not forgotten. The D.R. Horton leadership team is dedicated to continuing what he started and is focused on maintaining affordability, operating a sustainable business model and nurturing the unique culture of our organization while taking care of our employees, homebuyers and the communities we serve.











Reporting Timeline

2020

- Began internal tracking of certain social and environmental data and metrics
- Updated our Corporate Code of Business Conduct and Ethics

2021

- Adopted Human Rights Policy and published our Political Contributions Policy Statement
- Performed initial Climate and Human Capital Risk Assessment

2022

- Published a Human Capital document with quantitative demographic metrics and EEO-1 data for the first time
- Refined and increased internal data collection processes to enhance reporting of various metrics
- Published a Vendor Spotlight highlighting the great work of some of our key suppliers
- Started data collection for baseline Scope 1 and 2 GHG Emissions quantification
- Obtained results of 2022 ESG Materiality Assessment and reported to Board of Directors

2023

- Published Inaugural ESG Report
- Continued to refine and improve upon data collection processes
- Collaborated with multiple internal and external stakeholders to begin building reporting systems specifically designed to enhance completeness and accuracy of data
- Conducted a Vendor ESG Survey
- Completed Scope 1 and 2 GHG emissions calculation for fiscal 2022
- Completed CDP Climate Questionnaire and had it scored for the first time
- Added to the Dow Jones Sustainability North America Index
- Published second annual ESG Report

2024

- Completed Scope 1 and 2 GHG emissions calculation for fiscal 2023
- Completed a scored CDP Climate Questionnaire and made the disclosure public for the first time
- Remained on the Dow Jones Sustainability North America Index for the second year in a row (now renamed the Dow Jones Best-in-Class North America Index)
- Hosted our biennial National Purchasing Trade Show with Sustainability Awards presented for the first time - both to a homebuilding division and to a vendor

2025 & beyond

- Published third annual Sustainability Report
- Preparation for compliance with SB-253 and SB-261, the California Climate Laws, including data collection and an initial calculation of our Scope 3 GHG emissions and obtaining limited assurance on Scopes 1 and 2
- Refresh Materiality Assessment
- Refresh Climate Risk Assessment
- Continued assessment and refreshment of key policy documents, including potentially establishing additional policies
- Annual publication and disclosure of key sustainability and human capital disclosures and political contribution amounts
- Consideration of GHG reduction targets

Materiality Assessment

D.R. Horton's sustainability reporting is largely informed by engaging with our stakeholders and is focused on those environmental, social and governance (ESG)-related matters that could have the most material impact on our business. Before drafting our inaugural sustainability report in fiscal 2022, we engaged a third-party sustainability firm to assist us with conducting a materiality assessment to help establish our baseline reporting priorities.

To conduct our materiality assessment, we leveraged the expertise of our third-party sustainability firm, previous feedback received from our stakeholders, ESG/sustainability disclosure frameworks, ESG ratings providers, disclosures from other homebuilding companies and a variety of other data sources to compile a targeted list of questions that formed our materiality survey. The survey was then sent to over 100 of our stakeholders, and feedback was collected from several key stakeholder groups, including employees, trade associations, suppliers, non-government officials, investors, customers and community.

Stakeholders were asked to select, rank and provide rationale for the sustainability topics they viewed as most significant for D.R. Horton, both today and in 2030. When combining the results from stakeholders for topics they viewed as important in both time periods, the following ten items were identified as the top sustainability topics of importance to D.R. Horton stakeholders.

The results of our materiality assessment were reviewed with the Company's Board of Directors and have guided our social and sustainability priorities and disclosures over the last few years. We intend to periodically refresh our materiality assessment to ensure we remain focused on those topics that our stakeholders view as most important and that could have the most material impact on our business.

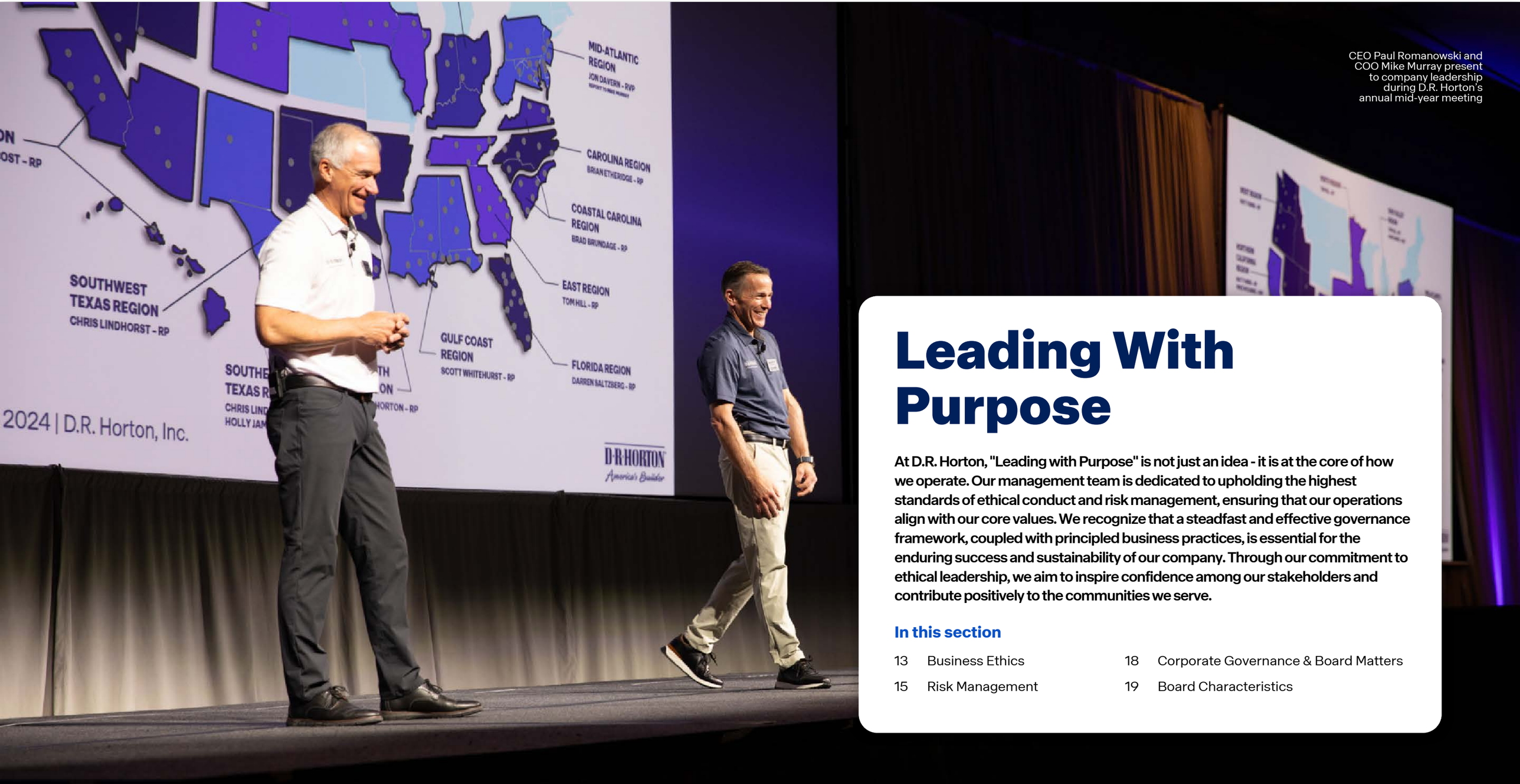


We are currently scheduled to conduct a full refreshed materiality assessment with the assistance of our sustainability consultants in late 2025, and we intend to incorporate the results and feedback into our 2025 Sustainability Report. As the homebuilding industry and the broader regulatory and political environment have shifted over the last few years, we have remained engaged with a number of stakeholders to ensure our reporting remains dynamic and relevant.

D.R. Horton engages with key governmental and oversight bodies and industry and trade organizations to varying degrees through surveys, informal discussions, participation in working groups, involvement with the Leading Builders of America and National Quality Council, advocacy efforts of our mortgage and title companies and other means throughout the year to stay aware of sustainability topics that could impact our industry and our business.

Additionally, we are preparing to comply with the California Climate Laws (SB-253 and SB-261), which expand the scope of our current reporting, including the calculation of scope 3 greenhouse gas emissions. This is also a topic that many of our stakeholders, particularly our investors, have communicated is important. With this in mind, we continue to have ongoing discussions with our vendors and suppliers about sustainability, manufacturing processes, recycling and carbon footprint, among other relevant topics. We conducted a formal vendor ESG survey in 2023 and had the opportunity to connect in person with many of our largest suppliers at our 2024 National Purchasing Vendor Trade Show. We maintain many other informal touchpoints with our vendors on a regular basis, including both virtual and in person meetings discussing sustainability.

D.R. Horton welcomes stakeholder feedback on our sustainability initiatives at any point, not just when formally solicited through a survey or assessment. We strive to continually improve our sustainability initiatives while keeping affordability at the forefront of our company's mission and efforts.



CEO Paul Romanowski and COO Mike Murray present to company leadership during D.R. Horton's annual mid-year meeting

Leading With Purpose

At D.R. Horton, "Leading with Purpose" is not just an idea - it is at the core of how we operate. Our management team is dedicated to upholding the highest standards of ethical conduct and risk management, ensuring that our operations align with our core values. We recognize that a steadfast and effective governance framework, coupled with principled business practices, is essential for the enduring success and sustainability of our company. Through our commitment to ethical leadership, we aim to inspire confidence among our stakeholders and contribute positively to the communities we serve.

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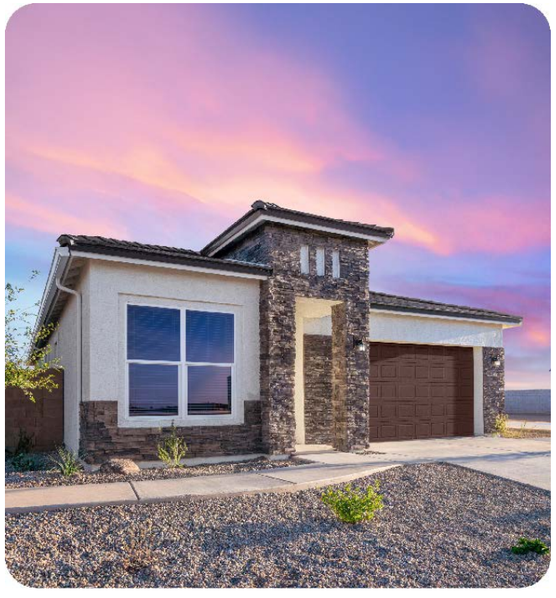
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Business Ethics

Our commitment to business ethics is foundational to establishing and maintaining a culture of trust and creating lasting value for our three key stakeholders:

1. **Our homebuyers;**
2. **Our investors; and**
3. **Our employees.**

By fostering transparency, integrity and responsibility throughout our operations, we deliver quality homes, compelling returns and a supportive workplace culture that drives long-term success for everyone involved.



Corporate Code of Conduct

Our standards of ethics, policies and procedures are communicated to our employees through our Corporate Code of Conduct. All D.R. Horton employees, including executive management as well as our Board of Directors, are subject to the Code and are required to review and acknowledge it on an annual basis. The principles that underpin our Corporate Code of Conduct are those of:

- Honesty
- Compliance
- Accountability
- Opportunity
- Mutual respect
- Integrity
- Quality
- Knowledge
- Civility
- Reliability
- Fairness

Our Code of Conduct explicitly outlines D.R. Horton's zero tolerance policy for racism, discrimination or harassment of any kind. The Code also sets expectations for ethical sales practices, advertising, dealings with vendors, suppliers, competitors and government agencies and protection and treatment of confidential and proprietary information, among other key elements. Our Code of Conduct specifically prohibits all forms of bribery and kickbacks, including the receipt of gifts, bribes and facilitation payments.

We have a Human Rights Policy, which reinforces our commitment to respect human rights, including supporting non-discrimination, opportunity and inclusion; providing good labor conditions, working hours, wages and benefits; promoting health and safety in the workplace and the communities we serve; prohibiting forced labor, child labor and human trafficking; preserving water and natural resources; not using conflict minerals; and appropriately handling hazardous materials.

We also maintain a Political Contributions Policy to ensure transparency and accountability in how we engage in public advocacy, The Policy is overseen by the Board and the Governance Committee of the Board and requires an annual review of both the policy and any lobbying or political contributions made throughout the year. During fiscal 2024, the Company's political contributions totaled approximately $90,500, which were made primarily to local municipalities and organizations across our markets in support of candidates and initiatives that promote housing affordability. Additionally, Forestar Group Inc., our majority-owned subsidiary, made a $10,000 contribution to the Quality Growth Coalition.



To support our employees in upholding these commitments, we provide annual training for all employees on our Code of Conduct and workplace behavior, which incorporates topics such as harassment, bullying and anti-corruption. Each employee is also required to acknowledge their receipt and understanding of the Corporate Code of Conduct and Human Rights Policy on an annual basis. We also maintain an open-door policy, a confidential employee hotline and a separate confidential hotline for accounting, auditing and finance matters, ensuring every employee has a safe avenue to raise concerns regarding compliance, business ethics or human rights.

Responsible Marketing

We strive to communicate with transparency, accuracy, clarity and fairness in every interaction with our homebuyers. Maintaining the utmost integrity and professionalism guide our sales and marketing practices. Our Corporate Code of Conduct reinforces some of the key practices we expect from our employees, including:

- Statements made in the course of selling our homes or financial services must be truthful and accurate.
- In all dealings with homebuyers or potential homebuyers, we have zero tolerance for racism or discrimination of any kind, including discrimination on the basis of race, color, genetics, religious beliefs, gender, gender identity or expression, sexual orientation, national origin, disability, age, veteran status, marital status, citizenship status or any other legally protected characteristic.
- Any sales incentives offered for using our own mortgage origination company and/or title companies must comply fully with the Real Estate Settlement Procedures Act.
- Advertising must reflect the same standards of integrity and honesty that guide our other sales efforts; advertising must be truthful and not misleading.
- Claims about the quality of our homes or financial and warranty services can be supported.
- Price references accurately reflect the true cost of the homes for sale or services being provided.
- Statements made in the home sales process do not slander our competitors, their homes or services by making false or misleading statements.

To further reinforce our responsible marketing practices, all D.R. Horton employees have access to guidance and training materials through our Marketing intranet site. These resources include branding and posting guidelines for social media; training on our internal sales tools and other common tools used by our teams; brand standards and templates; guidance on legal matters, including appropriate disclaimer language; and an assortment of content highlighting best practices and providing answers to common questions.







Risk Management

Our business and operations are subject to numerous risks and uncertainties. These risks are fully described in our periodic reports to the SEC, including our 2024 Annual Report on Form 10-K.

While it is impossible to fully eliminate these risks from our business, we strive to mitigate and manage our risks via a robust risk management program founded on sound business principles. Risk management is overseen by our senior management and our Board of Directors, which is responsible for the overall risk oversight of the Company as further described on page 18.

Risk management in our day-to-day operations is guided by the strategic decisions made by our senior management team and executed by our teams of employees across the Company.

Our corporate executives and departments are responsible for establishing our operational policies and internal control standards and for monitoring compliance throughout our operations. The corporate office also has primary responsibility for direct management of certain key risk elements and initiatives through the following centralized functions:

- Financing;
- Cash management;
- Allocation of capital;
- Issuance and monitoring of inventory investment guidelines;
- Approval and funding of land and lot acquisitions;
- Monitoring and analysis of profitability, returns, costs and inventory levels;
- Risk and litigation management;
- Environmental assessments of land and lot acquisitions;
- Technology systems to support management of operations, marketing and financial information, including preventing, monitoring and reporting of cybersecurity issues;
- Accounting and management reporting;
- Income taxes;
- Internal audit;
- Public reporting and investor and media relations;
- Administration of payroll and employee benefits;
- Negotiation of national purchasing contracts;
- Administration, reporting and monitoring of customer satisfaction surveys and resolutions of issues; and
- Approval of major personnel decisions and management incentive compensation plans.

Oversight of certain key risk management systems and processes is the primary responsibility of our Risk Management Department, which evaluates and recommends mitigation strategies for operational risks across the Company. Some of the key functions of our Risk Management Department include:

- Development of various operating and safety policies and procedures;
- Overseeing health and safety initiatives and compliance with state and federal OSHA rules;



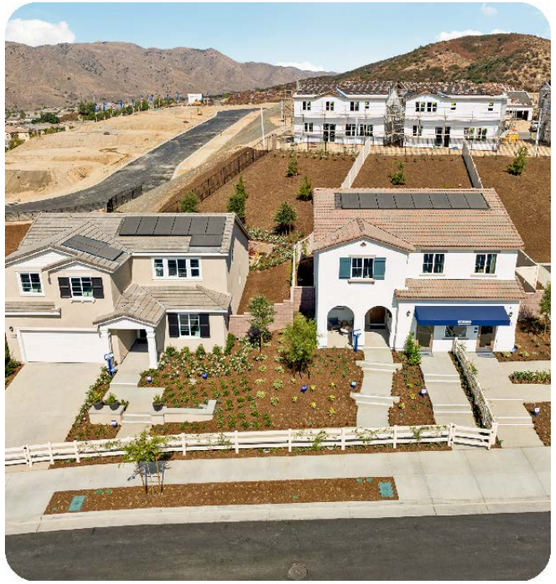
- Managing workplace safety incidents and injury claims;
- Preparation for and prevention of property loss, including obtaining builders' risk insurance to mitigate losses from damage to our homes under construction due to fire, flood, hurricane, earthquake and other natural disasters;
- Monitoring and evaluating claims related to home quality, warranty and construction defects;
- Overseeing contractual obligations and vendor insurance coverage and contract requirements; and
- Collaborating with the National Purchasing team regarding standards for product selection for our homes.

The Risk Management Department is led by our Senior Vice President of Risk Management who reports directly to our executive management team and provides regular updates to the executive officers and our Board of Directors.

The management of other types of risks is integrated into the operations of the Company. These include, but are not limited to, financial and liquidity risk, real estate and market risk, cybersecurity risk and climate-related transitional and physical risks, among others. Our general strategies for addressing these types of risk are listed below.

Financial and Liquidity Risks

Our executive officers and management team have implemented significant measures to mitigate potential financial and liquidity risks and position the Company to operate effectively through economic cycles. During past economic and housing downturns, the credit markets constricted and reduced our sources of liquidity when we had higher leverage ratios. As a result of lessons we learned from those difficult times, we significantly reduced our leverage and made maintaining a strong balance sheet with ample liquidity and low leverage core to our operating strategy. Our disciplined approach provides us with the financial flexibility to adjust to changes in economic and market conditions.



Since the last major housing industry downturn that began in 2006, we have consistently prioritized strong operating and financial discipline and have made a concerted effort to maintain a strong balance sheet and liquidity position. Our debt to total capital ratio (notes payable divided by stockholders' equity plus notes payable) was 18.9% at September 30, 2024 compared to 48.5% at September 30, 2006 and our cash balance increased to $4.5 billion from $600 million over the same period. With strong cash balances and access to additional short-term liquidity through our revolving credit facilities, we believe we are well positioned to support and grow the scale and level of activity in our business, while also maintaining the flexibility to adjust to changing conditions and opportunities.

Real Estate and Market Risks

Our executive officers and management team have also implemented important measures to mitigate the Company's risks related to real estate ownership through market cycles. During the 2006 to 2011 housing downturn, we owned considerable land inventories and recorded substantial impairment charges on our inventories of raw land, lots and parcels under development. As a result, we made a strategic shift to our land and lot ownership strategy by transitioning the majority of land and lot development, and the associated risks, to trusted third-party land developers. Of the 632,900 total lots we controlled as of September 30, 2024, 480,400 were controlled through purchase contracts and 152,500 were owned. The change in our land ownership strategy has also helped the Company improve its returns on assets and equity while generating substantial operating cash flows. We further mitigate our exposure to real estate inventory and market risks by:

- Controlling our level of inventory investment and managing our supply of land/lots owned and controlled through purchase contracts with the expected housing demand in each of our operating markets;
- Monitoring local market and demographic trends, housing preferences and related economic developments, including the identification of desirable housing submarkets based on the quality of local schools, new job opportunities, local growth initiatives and personal income trends;
- Prioritizing the acquisition of developed lots which are substantially ready for home construction, where possible; and
- Monitoring and managing the number of speculative homes (homes under construction without an executed sales contract) built in each subdivision.

Management and Employee Risks

We believe the people who work for our company are our most important resources and are critical to our continued success. Our management team focuses on attracting, developing and retaining talented and experienced individuals to lead and manage our operations across the markets we serve. We expect our leaders to maintain workplace standards that encourage ethical decision-making, respectful conduct and an inclusive workforce. We strongly support a culture of developing future leaders from within the Company, and the majority of leadership roles are filled by internal candidates. This provides long-term focus and continuity to our operations and creates meaningful career opportunities for our employees to grow and advance at D.R. Horton. Management's commitment to maintaining a strong, ethical culture with experienced leaders and a long-term focus helps to mitigate the Company's risks from potential decisions and actions of its employees that could harm the Company. Please see the People, People, People section of this report for more information about how our local teams positively impact their communities and how the Company supports and encourages our employees and maintains a strong, representative workforce and healthy, safe workplaces.



Cybersecurity & IT Risks

We rely on information technology and other digital resources to conduct important operational and marketing activities and to maintain our business records, which makes us inherently subject to cybersecurity and other information technology (IT) risks. The management of these risks is overseen by our Chief Information Officer (CIO) and our IT Cyber Security Risk Officer (CSRO). Together with their teams, they have established processes for assessing, identifying and managing risks from cybersecurity threats that could impact our systems, operations and data. We have implemented systems and processes utilizing a multilayered, proactive approach to identify, evaluate, mitigate and prevent potential cybersecurity threats, such as unauthorized access, data theft, computer viruses, ransomware, malicious software and other disruptions. Each layer contains multiple levels of protection and implements industry standards including the National Institute of Standards and Technology (NIST) Cybersecurity Framework.
To mitigate IT and cybersecurity risks, we have implemented:

- Multi-factor authentication
- Layered email protection
- Zero-trust security model
- Continuous monitoring
- Regular scans
- Quarterly penetration testing
- Collaborative evaluation and remediation
- Regular assessments and gap analyses
- Comprehensive risk assessment
- Incident response readiness
- Data backup

In addition to the above-described technology controls, we have also implemented:

- Annual cybersecurity awareness training for all employees
- Quarterly phish testing and reporting tools available to employees
- Firewall defenses
- File scanning tools
- Regular vendor risk assessments
- Ongoing internal evaluations and vulnerability testing
- Business contingency plans and incident response procedures that are tested at least annually
- Multiple IT policies and procedures, including a security policy, available to all employees via the company intranet
- A cybersecurity risk insurance policy with plans to explore options for renewal in the coming months

The Audit Committee of the Board of Directors has formal responsibility for oversight of cybersecurity risk for the Company, and they carry out this duty by receiving regular updates from Internal Audit and the CFO, paired with periodic presentations from the CIO and CSRO.

To date, we have not identified risks from known cybersecurity threats, including previous cybersecurity incidents, that have materially affected or are reasonably likely to materially affect our business strategy, results of operations or financial condition. As cybersecurity threats continue to increase and evolve, we regularly enhance our security measures to protect our systems and data against a future cybersecurity incident.

Data Privacy

Given our reliance on technology and personal information in our daily business activities, we emphasize safely managing and protecting the personal and financial data of all prospective and actual D.R. Horton homebuyers, employees, vendors and others. To ensure the safety of this data, we have implemented administrative, technical and physical safeguards to protect personal information from accidental, unlawful or unauthorized access, destruction, loss, alteration, disclosure or use. We have designed our data and privacy program to comply with applicable federal and state laws and regulations, including but not limited to the California Consumer Privacy Rights Act, as amended; Colorado Privacy Act; Connecticut Data Protection Act; and Virginia Consumer Data Privacy Act. Sensitive personal information is used only when it is required by law or to complete transactions requested by our homebuyers. For more information regarding the collection, use, protection and disclosure of personal and other information, please refer to the Privacy Policy on our website.



Human Capital, Environmental & Climate Risks

We recognize that climate change, environmental-related risks and personnel challenges could have an impact on our business. These risks and our strategies for mitigating them are described throughout this report. For a more robust review of climate risks we may face, refer to page 83 for disclosure aligned with the majority of the recommendations outlined by the Task Force on Climate-Related Financial Disclosures (TCFD), including discussion of our governance, strategy, risk management and metrics and targets around climate risk. We continue to work to improve our risk assessments, data tracking and disclosures across each of these topics for our future reports.

Corporate Governance & Board Matters

Strong corporate governance principles guide everything we do. We believe fair, transparent and effective corporate governance is critical to delivering long-term value to our stockholders and to fulfilling our commitment to being responsible corporate citizens in the business community and in all of the markets in which we operate.



At D.R. Horton, strong corporate governance underpins our operations, ensuring fairness, transparency and accountability to our stockholders. We are committed to being responsible corporate citizens within the business community and our local markets. The foundation of D.R. Horton's corporate governance lies with our Board of Directors (Board), which is responsible for the independent oversight of senior management and is committed to the alignment of interests between the Company and our stockholders. Our Board has implemented and monitors compliance with the following corporate governance standards:

- Our stockholders elect directors for one-year terms by a majority vote standard
- Seven of our nine directors are independent as of September 30, 2024, and all three standing Board committees are comprised solely of independent directors
- Independent directors regularly meet in executive sessions led by an independent presiding director
- Our Bylaws permit stockholder proxy access
- Our Board and of each of its committees conducts annual performance reviews
- Our stock ownership guidelines for executive officers and directors strengthen alignment with long-term stockholder interests
- Our executive compensation incentives are based on Company performance that emphasize the creation of sustainable long-term stockholder value
- Our stock-based compensation, subject to a minimum of three-year vesting, aligns with long-term performance and reduced compensation risk
- Our Clawback Policy applies to both cash and equity incentive compensation and is triggered by either a financial restatement or material harm to the Company
- Hedging or pledging of Company securities is forbidden for all directors and employees
- An annual advisory stockholder vote is conducted to signify approval of executive compensation
- Our director recruitment policy supports consideration of highly-skilled, qualified and diverse candidates
- Senior management and the Board actively engage with our stockholders on strategy, performance, executive compensation, governance, sustainability and human capital topics

Our Board also oversees the Company's risk management, including, but not limited to, the following key risk areas:

- Financing and liquidity risk, including approvals of the maximum amount of debt and equity that may be repurchased and approval of any public issuances of debt or equity;
- The process of reviewing, approving and funding land and lot acquisitions;
- Financial reporting, internal control over financial reporting, internal audit and related regulatory compliance matters;
- Compensation and succession plans of the Company's executive officers and other key officers;
- Environmental, climate-related and human capital risks such as employee health and safety, retention and inclusion; and
- Information technology and cybersecurity risk.

The Board oversees these risks through its four primary committees: the Nominating and Governance Committee, Audit Committee, Compensation Committee and Executive Committee. The Executive Committee, while the Board is not in session, may carry out duties of the Board in the management of the Company, except as limited by law and NYSE Rules. During fiscal 2024, the Executive Committee was composed of Don Horton until his passing in May 2024. Following his passing, David Auld, our Executive Chairman, and Paul Romanowski, our CEO, were appointed to the Executive Committee. The composition of the other committees is as follows:

	Committees		
Name	Nominating and Governance	Compensation	Audit
Barbara R. Smith	M		
Benjamin S. Carson, Sr.	C		
Brad S. Anderson		M	M
Elaine D. Crowley			M
M. Chad Crow		C	
Maribess L. Miller		M	C
Michael R. Buchanan	M		

M Member C Chairperson

Board Characteristics

We believe that the best companies embrace diversity of backgrounds, experiences and perspectives while fostering inclusive, engaging work environments. These principles are modeled by our Board, which is currently comprised of nine directors, including seven independent directors, our Executive Chairman, David V. Auld and our President and CEO, Paul J. Romanowski. Fiscal 2024 was a year of transition and renewal for our Board.

- As part of the Board's succession planning initiatives, effective October 1, 2023, the Nominating and Governance Committee appointed our then-CEO, David Auld, as Executive Vice Chair of the Board, and Paul Romanowski was promoted to CEO and appointed director.
- Company founder, Don Horton continued to serve as Chairman, but ceased to serve as an executive officer of the Company, effective with David Auld's appointment to Executive Vice Chair on October 1, 2023.
- Upon Don Horton's passing in May 2024, Mr. Auld was appointed Executive Chairman.
- In August 2024, the Nominating and Governance Committee appointed three new independent directors to the Board: Barbara R. Smith, M. Chad Crow and Elaine D. Crowley.
- Director Barbara Allen, who had served on the Board since 2014 did not stand for re-election at the 2025 Annual Meeting. Although Ms. Allen was a director at September 30, 2024, the characteristics highlighted on this page exclude her, since she is no longer a member of the Board.

The Nominating and Governance Committee of the Board is responsible for identifying and evaluating potential director nominees when seeking board expansion, refreshment and succession planning.

The Nominating and Governance Committee is dedicated to maintaining a balanced mix of skills, experience and leadership within our Board. Potential director nominees are evaluated on their qualifications, experiences and perspectives, including potential knowledge or relevant experience in real estate, business, management, accounting, finance and leadership positions, among other potential skill sets, as well as high personal and professional ethical standards, practical wisdom and mature judgment.

Independence is as important as a director's other qualifications, experiences and perspectives to ensure that our Board can be objective and accountable to our stockholders as it carries out its responsibilities. Of the director nominees at our 2025 Annual Meeting, 78% were independent as defined by the rules of the New York Stock Exchange. Given that neither David Auld, Executive Chairman, nor Paul Romanowski, President and CEO, are independent, we have an independent Presiding Director who presides at all Board meetings at which our Executive Chairman and CEO are not present, and our independent directors regularly meet in executive sessions. All the members of our Nominating and Governance, Audit and Compensation Committees are independent. Three of our independent directors are women, and one independent director is ethnically diverse.

78%

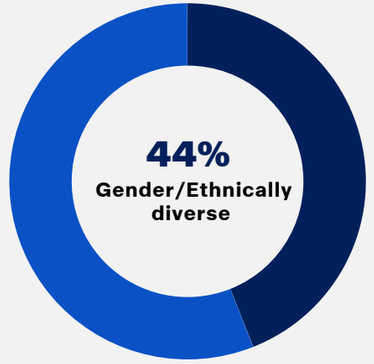
of our directors are independent as defined by the rules of the New York Stock Exchange.

8 years

The average tenure of our independent directors

We believe our Board's diversity of tenure strengthens its capabilities and is important for effective performance. The homebuilding industry is exposed to the ebbs and flows of economic cycles, and each cycle presents different risks to the Company. The most significant U.S. housing downturn began nearly 20 years ago in 2006. We believe our mix of directors who have first-hand industry experience and with D.R. Horton through long economic cycles, coupled with newer directors who bring fresh ideas and perspectives, strikes the right balance for the composition of our Board. As of September 30, 2024, the average tenure of our independent directors (excluding Ms. Allen) was 8 years.

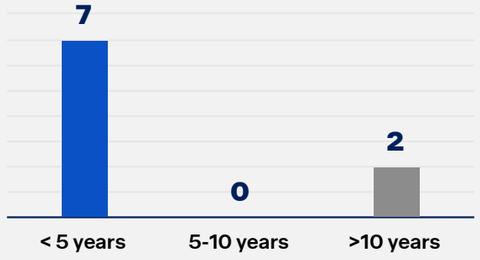
Board Diversity

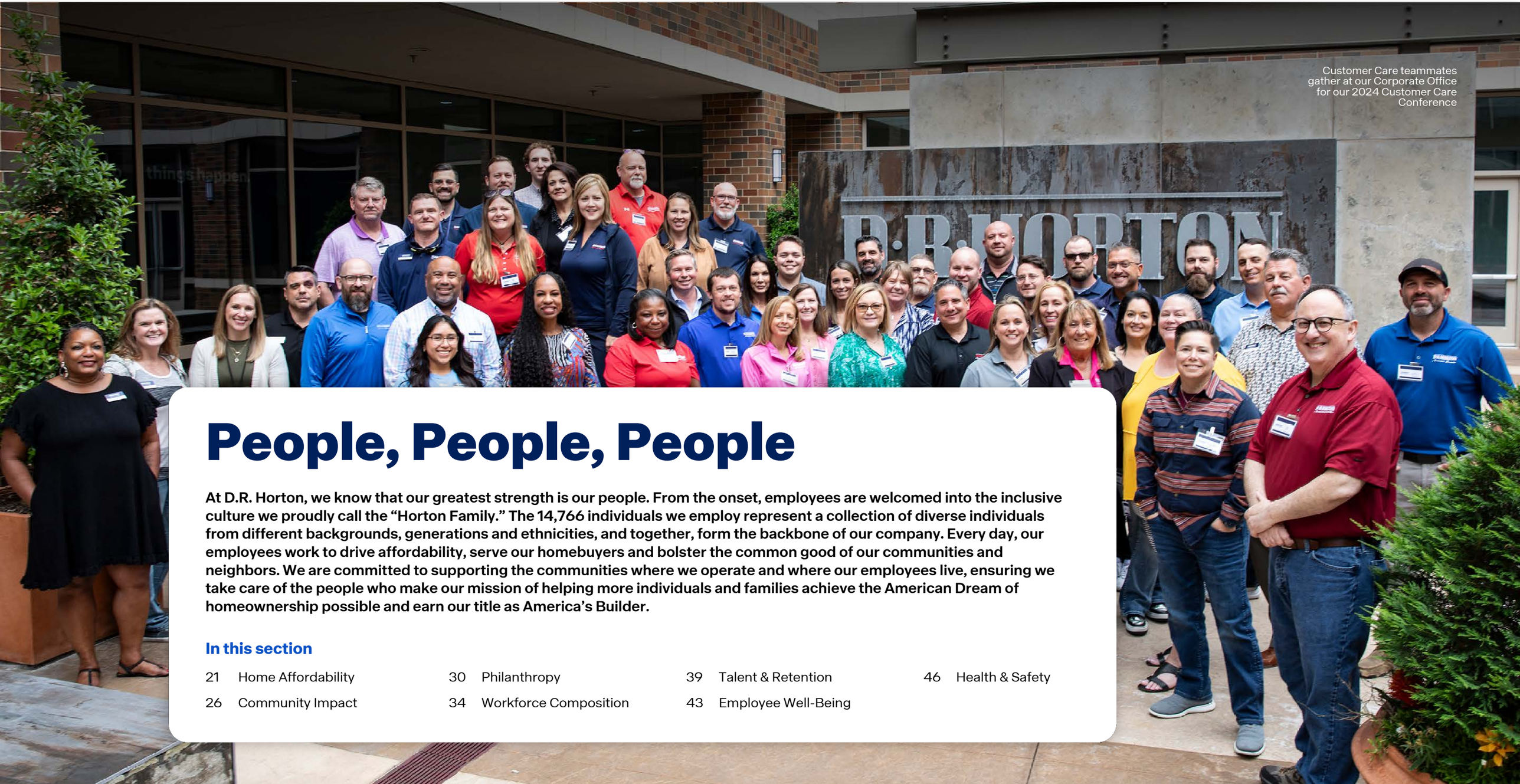


44% Gender/Ethnically diverse Board members

56% Not Gender/Ethnically diverse Board members

Board Tenure





Customer Care teammates gather at our Corporate Office for our 2024 Customer Care Conference

People, People, People

At D.R. Horton, we know that our greatest strength is our people. From the onset, employees are welcomed into the inclusive culture we proudly call the "Horton Family." The 14,766 individuals we employ represent a collection of diverse individuals from different backgrounds, generations and ethnicities, and together, form the backbone of our company. Every day, our employees work to drive affordability, serve our homebuyers and bolster the common good of our communities and neighbors. We are committed to supporting the communities where we operate and where our employees live, ensuring we take care of the people who make our mission of helping more individuals and families achieve the American Dream of homeownership possible and earn our title as America's Builder.

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43 Employee Well-Being
46 Health & Safety

Home Affordability

We believe the American Dream of homeownership should be attainable for everyone, regardless of age, gender, socioeconomic status, race, ethnicity or stage of life.

This philosophy has driven our focus on affordability since the construction of our very first home in 1978. Our product offerings include a broad range of homes designed for entry-level, move-up, active adult and luxury homebuyers. With floor plans generally ranging from 1,000 to more than 4,000 square feet and prices from $200,000 to more than $1,000,000, we are able to serve a broad customer base – from first-time homebuyers to retired empty nesters and everyone in between. Regardless of price point, we strive to provide quality homes at a compelling value and to make homeownership attainable for more American individuals and families. Affordability is at the forefront of what we do every day.



Price Points of Homes Closed in FY 2024



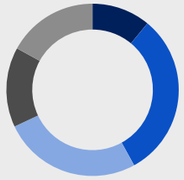
- **24%** Under $300,000
- **25%** $300,000 - $350,000
- **20%** $350,000 - $400,000
- **20%** $400,000 - $500,000
- **11%** Greater than $500,000

$378,000
Average Closing Price in Fiscal 2024

In recent years, market forces and cost inflation caused home prices across most of our markets to increase rapidly before stabilizing at higher levels compared to long-term averages. Additionally, mortgage interest rates increased sharply, climbing from 50-year lows of approximately 2.5% to 3.5% in 2020 and 2021 to approximately 6.5% to 7.5% in late 2022, where they have remained. These two factors have significantly impacted monthly payments for our homebuyers. We are utilizing targeted incentives and adjusting pricing to adapt to current market conditions to help address constrained affordability.

We believe we are well-positioned to meet the needs of today's market with our focus on affordable product offerings. During fiscal 2024, 69% of the homes closed by our homebuilding operations were priced under $400,000, with an overall average closing price of $378,000 - nearly $125,000 below the national average for new single-family homes. These price points create an opportunity for many individuals and families, including those with incomes lower than the U.S. median household income level, to purchase their first home from D.R. Horton.

DHIM Homebuyer Average Annual Income



- **11%** $60,000 & Below
- **31%** $60,000 to $90,000
- **26%** $90,000 to $120,000
- **15%** $120,000 to $150,000
- **17%** $150,000+

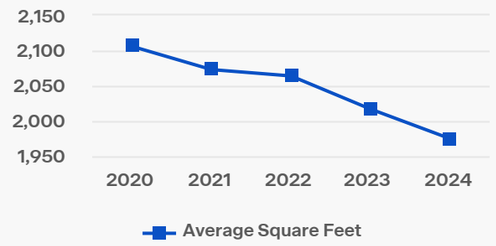
$98,600
DHIM Homebuyer Average Annual Income for Fiscal 2024

We are pleased that in fiscal 2024, 57% of the homebuyers who obtained financing through our mortgage company, DHI Mortgage (DHIM), were first-time homebuyers. That equates to over 40,000 people who "opened the door" to the opportunities and benefits that homeownership can provide. By placing affordability at the heart of our business, we have helped more Americans achieve the dream of homeownership than any other builder in the nation - over 1,100,000 individuals and families live in a D.R. Horton home today, and we are well on our way to 2,000,000.



When striving to achieve an affordable price point in a community, there are a number of planning and building practices we can utilize. This includes increasing the density of the community or a sub-section of the community by constructing more attached homes such as townhomes and duplexes; building smaller homes from our library of plans; and substituting certain fixtures and finishes with less expensive, yet still high-quality, alternatives. In fiscal 2024, approximately 14% of the homes closed by our homebuilding operations were attached homes, compared to an average of 10% over the past decade. This increase highlights how affordability constraints present in today's U.S. housing market are shaping homebuyer preferences. The average size of our homes closed in fiscal 2024 was 1,975 square feet, down 6% from 2020, as the mix of smaller floor plans we are offering to achieve an attainable price point increases. Read more about the success of the "cottage" product our Wilmington division introduced in the **A Cottage Called "Home"** spotlight.

Average Square Footage of Closed Homes



A Cottage Called "Home"

To help solve affordability challenges in the desirable markets that represent D.R. Horton's Coastal Carolina Region, the team created a product that could appeal to homebuyers young and old - a cottage - a small, simple house, that would help create more widespread opportunities for homeownership.

The Wilmington division has seen great success and generated inspiring stories with the cottage product. Nestled in the town of Bolivia, North Carolina, the Bella Point community features a mix of traditional single-family detached homes and cozy cottages with charm.

These cottages range from approximately 800 to 1,500 square feet with 2 to 4 bedrooms. The Bella Point cottages that closed during fiscal 2024 had an average sales price of less than $250,000 and were purchased by a wide array of homebuyers, including 52% first-time homebuyers and 46% age 55 or older.

Importantly, affordability did not come at the expense of energy efficiency. The entire community received certified HERS scores with an average of 62 for the cottage homes. Read more about the HERS index in the Energy Efficiency section beginning on page 50.

These homes feature high-efficiency air source heat pump HVAC systems, R-15 high density batt insulation and high performing windows, making them efficient in more ways than one.



23% or nearly 21,000

of the homes closed by D.R. Horton in 2024 were less than 1,600 square feet

The success of the cottage product has inspired other homebuilding divisions to go back to the drawing board and get creative to tackle the affordability challenges in their respective markets. In fact, nearly 21,000, or 23%, of the homes closed by D.R. Horton in 2024 were less than 1,600 square feet. By creating smaller, thoughtfully designed floor plans, we can help make homeownership attainable for more individuals and families across the country.



In the current higher mortgage interest rate environment, the most effective tool we have used to help address affordability for our homebuyers and reduce monthly payments is a mortgage rate buydown. Our affiliate, DHI Mortgage, works with a counterparty to secure pools of mortgages at below market interest rates for our homebuilding operations. This allows us to offer mortgage financing to D.R. Horton homebuyers at an interest rate that is generally at least one point below the prevailing market rate. The below market mortgage interest rate is typically available on homes that are expected to close within the next 30 to 90 days. In most cases, our rate buydowns are for the life of the loan, typically 30 years, and permanently reduce the interest rate on the mortgage, which has a direct and meaningful impact on the ability to qualify and monthly payments for our homebuyers. In fiscal 2024, over 80% of homes closed through DHI Mortgage included some form of interest rate buydown. Division leadership tailors the use of buydowns offered in their market and considers them in conjunction with other incentives to address affordability. Another type of incentive we may offer in our markets is focused on those who live, work and serve in our communities. Read the **Main Street Stars** spotlight to learn more.





Main Street Stars℠

Behind every strong community are the dedicated individuals who protect, heal, educate and inspire. From the front lines of service to the front rows of the classrooms, these everyday heroes make extraordinary contributions to our society. At D.R. Horton, we believe in recognizing and honoring their commitment. We are proud to offer the **Main Street Stars℠** program as a way of giving back to those who give so much. Across more than 50 of our divisions nationwide, the program offers special incentives to military personnel, law enforcement, firefighters, healthcare professionals and educators purchasing a new D.R. Horton home. Depending upon the location, these benefits can range from $1,000 to $2,000 toward closing costs, design center credits or option upgrades.

>50

Divisions participating in the Main Street Stars℠ program

Whether a teacher in Seattle, a firefighter in Fort Worth or a military member in Eastern Maryland, supporting Main Street Stars is one of the many ways we build not only homes, but stronger communities.





Inclusion of features that aid in the energy efficiency of our homes is another way we can help Americans reduce their total costs of homeownership over the long term. Newly built homes that incorporate some of the features described in the Energy Efficiency section of this report can reduce energy use over the life of the home, potentially saving homeowners thousands of dollars in utility costs over the time they own the home.

For interested homebuyers who need a little assistance in getting over the mortgage qualification hurdle, DHI Mortgage offers the Home Buyers Club, which works with credit challenged buyers to prepare them for successful homeownership. Read more about the Home Buyers Club and its successes in the **DHI Mortgage Home Buyers Club** and **Putting the "Club" in "Columbus"** spotlights.

DHI Mortgage Home Buyers Club®

Maintaining strong credit is a critical step in qualifying for a home loan, yet it remains one of the most significant barriers to homeownership for many individuals and families. A low credit score may seem like a roadblock, but with the right resources and guidance, prospective homebuyers can take meaningful steps to improve their financial standing. Formed in 2008, the DHI Mortgage Home Buyers Club® (HBC) assists credit-challenged buyers to prepare them for sustainable homeownership. Through the program, applicants who do not yet meet the credit qualifications to obtain mortgage financing are given the opportunity to work directly with a dedicated credit consultant. After submitting a mortgage loan application, participants are referred to HBC where their consultant conducts a detailed profile review and provides a personalized credit improvement strategy tailored to each homebuyer's financial goals. Each personal credit consultant provides access to credit education and practical tools for rebuilding positive credit. By offering one-on-one support and conducting thorough credit profile reviews, homebuyers can become eligible for more favorable loan programs, interest rates and financing opportunities, improving the overall attainability and affordability of owning a home.

Upon completing the program, the participants are referred back to their DHI Mortgage loan originator to reassess their eligibility for mortgage financing.

Approximately 4,700 individuals enrolled in the HBC program in fiscal 2024, and over that same timeframe, 2,620 people completed the credit improvement steps laid out by the HBC with an average credit score improvement of 60 points and were able to close on their new home.

4,700
individuals enrolled in the HBC program in fiscal 2024

60
points of average credit score improvement for HBC grads

Since formation, the HBC has helped thousands of homebuyers improve their credit rating and build a foundation for a more secure financial future, paving the way for greater access to homeownership and has assisted in closing over 32,300 homes.

As part of its outreach program, HBC also hosted or participated in over 300 events across the country in 2024, including both real estate agent and consumer credit events. To help ensure more efficient outreach for our Spanish-speaking homebuyers, 25% of the HBC team is Spanish language certified. HBC continues to focus on providing education to consumers, real estate agents, D.R. Horton sales agents and the broader community in an effort to reduce the barriers to homeownership.





Putting the “Club” in “Columbus”

Many of our divisions across the country have seen tremendous success with the Home Buyers Club (HBC), but the Columbus division has cracked the secret code to the club and opened up real opportunity for local homebuyers. The Columbus market joined the Horton Family in late 2018 as part of a regional homebuilder acquisition. Over the 6 short years since joining the Family, the team in Columbus has learned to leverage the tools D.R. Horton has to offer, and 97% of the homes closed by the division in fiscal 2024 were financed by DHI Mortgage. Leaning in further with DHI Mortgage, the division also discovered the power of homebuyer education and credit coaching with the HBC. In fiscal 2024, Columbus added 50 new homebuyers to the Horton Family by leveraging the power of the HBC; of these closings, 28 were tied to a single sales agent who has taken the credit courses herself and walks step-by-step through the program with each of her participating homebuyers. The team in Columbus has also brought real estate agents into the fold who share the success stories of the HBC with their clients and continue to enroll future homebuyers in the program. We are excited to watch the Columbus division continue to change lives with the HBC!





In conjunction with our company focus on affordability, D.R. Horton is a member of the Leading Builders of America (LBA) alongside many of the largest publicly traded and privately held builders in the United States. The LBA’s purpose and mission is to preserve home affordability for American families, which it carries out by carefully evaluating the public policy dialogue at the federal and state level and becoming actively engaged in issues that have the potential to impact home affordability. Through actions taken by the LBA, D.R. Horton may participate in lobbying or political activity, as well as philanthropic, recruiting, training or other initiatives related to homebuilding.

In addition to offering attractively-priced for-sale homes, we also provide rental housing opportunities for those who do not currently have the ability or desire to own a home. Our rental operations include both multi-family and single-family offerings.

Our multi-family rental operations develop, construct, lease and sell primarily garden style multi-family apartment rental communities, typically accommodating 200 to 400 dwelling units in high-growth suburban markets. Our single-family rental operations construct and lease single-family homes in an entirely purpose-built rental community or within a distinct pod or sub-section of a for-sale community. By offering quality, newly built homes for rent, we are able to offer the luxury and space of the single-family lifestyle to more families than ever before.

From apartments to rental homes, first-time homebuyers to empty nesters and everything in between - at D.R. Horton, we offer a Home for Every Stage in Life®.

Community Impact

> **"Homebuilding is a local business."**
> **–DR Horton**

Although D.R. Horton is a nationwide company, homebuilding is truly a local business powered by the hardworking individuals who comprise our trusted teams of local employees. Our local division offices employ individuals who live, work and play in each of the 125 markets we serve. Each local division is empowered to make the key decisions about the neighborhoods they build based on their expertise of the local markets in which they operate. Land sourcing and location of new communities, product offerings and features of the homes we construct, pricing and promotions or incentives are all locally determined to best meet the needs of homebuyers in each of our communities. Decisions around our philanthropic activities and which causes and organizations would benefit most from our donations of goods, time and money are also made on a local basis, which allow us to have the most impact within our local communities. You can read more about our philanthropic activity for 2024 in the Philanthropy section, and read about an impactful community initiative of our Pensacola division in the **Big Brothers Big Sisters and Even Bigger Hearts** spotlight.

Across all of the markets in which we build homes, no two markets are the same. We build in major metropolitan areas and in almost all of the top 50 housing markets in the United States, but we also build in smaller, less densely-populated markets. There is one commonality in all of our markets: the need for more affordably priced housing, which is a need we strive to meet every day.

In addition to the jobs created through our local D.R. Horton division offices, our network of local trades is a crucial part of what we do every day. These local experts, many of whom are small businesses, work hand-in-hand with our team of local employees to build our quality homes. The trade partners we work with to construct our homes have benefited from the growth D.R. Horton has experienced over the years and have seen growth in their own businesses, but they often struggle with finding enough skilled individuals to employ. The construction industry faces many challenges in trying to meet the housing needs of the United States. The construction workforce is aging; many people left the industry during the great recession and did not return; access to training and education to obtain the necessary skills is limited; there is a lack of awareness of the opportunities and benefits that a career in construction can provide; and there is a lack of diversity in the construction industry. All of these challenges compound to cause a shortage of labor to build homes, which restricts supply and increases cost, negatively impacting affordability.

The challenges that the construction industry faces in finding quality, skilled labor cannot be resolved overnight, but rather require a thoughtful, socially sustainable approach. One organization that is working to make progress on this front is the Building Talent Foundation (BTF). The mission of the Building Talent Foundation is to advance the education, training and career progression of young people and people from underrepresented groups as skilled technical workers and as business owners in residential construction. To read more about the BTF, how they are re-energizing the construction industry and D.R. Horton's relationship with them, check out the **Building Talent Foundation** spotlight.

Big Brothers Big Sisters and Even Bigger Hearts



Everyone could use an older sibling, not the kind who tease and annoy, but the kind who support and guide. That valuable guidance is the underlying principle of the Big Brothers Big Sisters organization founded more than a century ago to foster a sense of belonging and provide opportunity to the children of America. The D.R. Horton Pensacola division recognizes the power of mentoring and nurturing their local youth and has gone above and beyond to become a Platinum Sponsor of the Big Brothers Big Sisters of Northwest Florida (BBBSNWFL) and also is an annual sponsor of the BBBSNWFL premier annual fundraising event, The Big Gala. As a Platinum Sponsor and Annual Investment Partner of BBBSNWFL, the division has committed $25,000 in annual sponsorship to support the organization's mission to provide access to positive mentorship, create a community that fosters connection and empower young people to learn, lead and grow.

The division is also a Beyond School Walls partner of BBBSNWFL, which extends beyond financial support to the true mission of the organization - mentorship. For three consecutive years the division has worked with a new group of high school students paired at the start of each new school year. For 2024, D.R. Horton employees represented 13 Bigs who were matched with 13 high school students, or Littles. The pairs convened at the Pensacola division office each month for fun activities and life lessons. The Bigs in the Pensacola division enjoy engaging in hands-on activities that teach life skills, including resume building tips, financial literacy lessons, substance abuse awareness, changing a tire and even starting a business. During the year, the division also hosted the Escambia County Sheriff's Office SWAT team to discuss potential career opportunities. All 13 Littles graduated from high school in 2025 with big plans for their futures, and the Pensacola division office looks forward to meeting their next Littles in future years!

Building Talent Foundation

As a strong supporter and founding partner of the Building Talent Foundation (BTF), D.R. Horton is pleased to see the progress the organization has made since its inception. BTF is a non-profit organization that was established in 2019 by member companies of the Leading Builders of America in response to the persistent skilled labor shortages in the construction industry.

The vision of BTF is to build a sustainable workforce in residential construction through collaboration, communication and innovation. By working with key stakeholders including students, schools and colleges, trades, homebuilders, suppliers and builder and trade associations, BTF is working to build the talent pipeline, connections and engagement. Throughout the year, BTF hosts and participates in a variety of events including career, hiring and soft skills training events and collaborates with major homebuilders and various construction industry partners on special projects to further advance the sustainable workforce vision and promote careers in construction.



In 2021, BTF launched one of its most successful initiatives to date, an online career platform and job board called JobsToBuild. The platform is available at no cost to trade partners and is designed to connect qualified candidates with employers in the construction industry. During 2024, BTF amplified the scale of the platform and began to experience the expanded reach available through JobsToBuild. During the year, 14 training organizations joined, expanding the network of case managers and boosting the number of job referrals to more than 10,000. The site now links talent from public and private schools and colleges, military and government training programs, churches, social services and other community-based organizations with companies seeking skilled additions to their workforce like trade companies, trade associations, homebuilders and manufacturers.

The impact that BTF has made on the construction industry since it was established cannot be overstated. The organization has rapidly expanded into new markets, growing from 3 initial markets to 20 at the end of 2024, with the goal of reaching a total of 30 markets by the end of 2025. Over the last 5 years, BTF has helped connect 3,700 individuals with quality construction and skilled trade jobs, and in 2024 alone, BTF engaged 69,000 people in discussions about careers in construction through hundreds of participated and hosted events. The organization's focus on supporting diverse talent and advancing underrepresented groups in the construction industry is reflected within its 2024 placements as 1 in 10 placements during the year was a veteran, and placements of females and people of color continue to outpace industry averages. BTF has also seen great success in the retention rate of candidates the organization has placed, noting that 86% of candidates placed in 2023 have worked in the industry for at least six months.

In addition to our founding partnership of BTF, D.R. Horton has sponsored the launch of three of BTF's core markets: Knoxville, TN; Myrtle Beach, SC; and Charleston, SC. Beyond new market sponsorship, D.R. Horton has continued to support BTF by hosting or participating in local events that connect BTF to our trade partners and vendors or by sponsoring career and education-related events that support BTF's core mission of building the talent pipeline. In 2024, our Knoxville division sponsored the Builders Exchange of Tennessee (BXTN) High School Construction Trades Competition alongside BTF.

BXTN's annual event hones the skills and talents of high school students from across East Tennessee who work through real-world challenges and compete in carpentry, plumbing and electrical trades. Members of our Knoxville division were in attendance to support and encourage the students, answer questions about careers in construction and help judge the competition.

We are excited to be a part of the work that BTF is doing and look forward to continuing to participate in their future initiatives. Read more about BTF here: **https://www.buildingtf.org/**.



Infrastructure and Accessibility

The local nature of our business leads us to be a community-minded company. We understand that we are not just building individual homes, but a neighborhood of families who also desire parks and community centers for gathering, exercise, play and socialization. Each neighborhood is unique, but all are sensibly designed to balance affordability and attractive amenities that take into consideration the interests and needs of local residents.

The oldest adage in real estate highlights location with utmost importance. We strive to plan communities with convenient access to local shopping, attractions and amenities, local schools and municipal safety departments. In some cases, we construct homes in mixed-use developments or in blossoming new communities within larger metro areas.

We also frequently contribute to local impact fees to help financially support the construction and improvement or expansion of local necessities like schools, police and fire stations, roads and parks. In some cases, we donate parcels of land or construct the buildings for use by the community. One good example of this is the park and ride transit center that our Pacific Ridge division is constructing. Check out the **Convenience in Cathcart** spotlight to read more about this project.



Convenience in Cathcart



Nestled in the heart of Snohomish, Washington, a suburb of the greater Seattle area, lies Cathcart Crossing. This beautiful townhome community constructed by our Pacific Ridge division features three floor plans ranging from two to four bedrooms designed to cater to varied lifestyle needs. Once completed, the community is expected to comprise 286 homes punctuated by a one-acre park equipped with a large play structure, basketball and pickleball courts, a grass play area and trails, including a 10-foot wide multi-use trail that runs along both sides of the community. Additionally, the development includes a 96,000 square foot mini storage facility and a 33,000 square foot restaurant pad, which is anticipated to host a Starbucks Coffee.

The community's appeal is further enhanced by its strategic location, offering walkability and proximity to various amenities. Cathcart Crossing is conveniently situated adjacent to State Route 9, a major north-south state route facilitating easy commutes to eastside communities and major regional employers. A major bus line runs along the community's northern border, Cathcart Way, providing residents with accessible public transportation options.

Residents of Cathcart Crossing can enjoy the great outdoors with a plethora of parks near the community, such as Willis D. Tucker Community Park, Bob Heirman Wildlife Park, Brightwater Park and Lord Hill Park, all within a short distance from the community. The community's location also provides easy access to Downtown Snohomish and Mill Creek Town Center, both of which offer unique boutique shops and dining options approximately six miles from the community.

A distinctive feature of Cathcart Crossing is the division's construction of a park and ride transit center, enhancing the community's connectivity. The community is situated on land previously owned by Snohomish County, which was part of a larger tract utilized for municipal services and roadway expansion. A portion of this tract was sold to Pacific Ridge for the construction of Cathcart Crossing through a closed bid process conducted by Snohomish County Public Works. As part of the purchase agreement, the Pacific Ridge division opted to construct the park and ride facility to obtain a reduced purchase price on the land and augment the city's public transit.

The park and ride project is a collaborative effort between the division as the design build contractor, Snohomish County Public Works as the landowner and Community Transit as the end user and design and review contributor. The design of the park and ride facility is slated to include over 150 parking stalls, ADA accessible parking, a complete bus loop capable of accommodating four articulated buses simultaneously, a transit platform, a location for a driver comfort station, site lighting, electrical infrastructure for EV charging stations and bus charging, security cameras and comprehensive site landscaping. The park and ride is currently in the final stages of construction, marking a significant milestone in the development of Cathcart Crossing.

Between the easy commutes, local conveniences, outdoor spaces and public transit, Cathcart Crossing exemplifies thoughtful urban planning and community-focused development in action.

We and our third-party land developers from whom we purchase finished lots also assist in the construction or development of roadways and work with local municipalities and utility companies to ensure expansion of local water, sewer, electric and other utilities to our communities. Livability and resilient infrastructure are essential to the neighborhoods and communities we build, and we make significant investments in the development of our communities to ensure that clean water and sanitary sewer systems are provided to each of our homebuyers and that our homes are appropriately serviced by other key amenities.

While the majority of the communities we construct are located in suburban areas, which helps us achieve an affordable price point for our homebuyers, some of our communities are located in more urban locations. Often, when we build homes in urban locations, the home is located on an infill lot, which is a lot that is served by existing infrastructure, such as roads, sewer, water and power and is ready for home construction. These lots may be located in small clusters allowing us to construct a small new community or may be individual lots located within existing neighborhoods, which we refer to as “spot lots.” We most often purchase infill lots in locations where land is more scarce, including markets like the Bay Area of California, the Mid-Atlantic, Seattle and Chicago. We also utilize infill lots in some of our Florida markets. In fiscal 2024, we purchased 5,474 infill lots for home construction and closed homes on 1,055 of these lots in that same timeframe.

5,474
Infill lots purchased in fiscal 2024



Philanthropy

Local Business Supporting Local Communities

We recognize and value our community impact in the 125 local markets in which we do business, and we believe that to most positively affect our local communities, our local teams should drive our philanthropic efforts. Given their daily interactions with various members of their communities, and that they are members of these communities themselves, our teams know best where their time, energy and other resources are needed most. We encourage our employees to be active in their communities, and we offer opportunities for employees to help charitable programs that the Company supports.



7,700
Employee volunteer hours in fiscal 2024

20,000
Food items donated in fiscal 2024

7,200
Toys donated in fiscal 2024

We are committed to supporting local causes through a variety of means, including school supply or holiday toy drives, constructing ramps and playgrounds, donating food, diapers, clothing and other items to needs-based organizations, volunteering our time and making monetary contributions, among other year-round efforts. Over the last year, we have engaged with our local divisions to track data related to their community service efforts to better understand the positive ways in which our divisions are supporting their communities and aggregate the results of their efforts. Based on data collected from our divisions for fiscal 2024 , we estimate that our division and corporate offices contributed nearly 7,700 hours of volunteer time, over 20,000 food items and more than 7,200 toys, including over 5,000 toys from one event in Colorado! Read the **Not Toying Around** spotlight to learn more and read about some other great initiatives led by our teams across the country in the **Fundraising for the Fight**, **Ready for Class!** and **Hope Raised Together** spotlights.

Not Toying Around

The D.R. Horton Colorado division is not toying around when it comes to philanthropy. December 2023 (fiscal 2024) marked the third consecutive year the division participated in the Salvation Army's annual toy drive in partnership with local news stations and other local businesses.

For the first few weeks of December, toy collection bins were stationed in each D.R. Horton Colorado model home and sales office as well as at the division office to collect new, unwrapped toys for families in need ahead of the holidays. Model homes even had a toy drive sign placed in the yard to indicate the division's participation and drop off locations. Over those weeks, D.R. Horton employees, third-party brokers, vendors and the general public donated an estimated 5,200 toys to the drive - helping over 5,000 families in need! The toy count donated in 2023 was double that donated in 2022 and triple the donations in 2021 thanks to the division's continued participation and increased promotion of the drive, including a segment highlighting the toy drive on the local news.

The Colorado team's success in supporting the Salvation Army underscores the importance of teamwork and community engagement and highlights just one of the ways our teams are giving back during the holiday season.



Fundraising for the Fight

A family member. A friend. A coworker. With nearly one in every three men and women expected to be diagnosed during their lifetime, cancer touches nearly everyone, and for many of us at D.R. Horton, this fight is deeply personal. During 2024, our Maryland division came together to support one of the leading organizations focused on fighting cancer—the American Cancer Society.

Through a series of fundraising initiatives, the division raised over $40,000 to help advance the American Cancer Society's mission of ending cancer as we know it, for everyone.

These funds will go directly toward groundbreaking research, patient support services and educational outreach, providing tangible support where it is needed most.

This campaign was both a fundraising effort, and a reminder of the power of community, compassion and generosity. The Maryland division chose to contribute to this important cause, knowing that every dollar raised represents a step forward and a bit of hope shared in the fight against cancer.



Our offices also made financial contributions raised through a combination of fundraising initiatives and campaigns, employee donations and company gifts totaling more than $700,000, in addition to other in kind donations.

Below are just a few examples of the many different causes our teams supported during fiscal 2024:

- Habitat for Humanity
- Toys for Tots
- Salvation Army
- Boys and Girls Club
- The Special Olympics
- Local school districts, recreation teams, booster clubs, animal shelters, civic organization charities, veterans' groups, children's hospitals, food pantries and much more.

>$700,000
Monetary donations made by our offices in fiscal 2024







Ready for Class!

Nothing says “back to school” quite like a child wearing a smile and a new backpack loaded with fresh pens, pencils, markers and paper. Unfortunately, many families across the U.S. struggle to purchase much needed school supplies and require assistance to equip their child to return to school each fall. At the start of the 2024 school year, our corporate office in Arlington, Texas united with a goal of supporting 200 students in need by conducting a backpack and school supply drive. Not only did the donations from the corporate office employees exceed the number of backpacks collected during a similar drive the year before, but they almost tripled their goal and collected a whopping 571 backpacks! The impact didn’t stop at backpacks. Thanks to the generosity of these employees, the corporate office also collected over 2,000 back-to-school essentials such as notebooks and highlighters.

571
Backpacks collected at Corporate office drive

>2,000
Back-to-school essentials collected at Corporate office drive

All donations were made to Mission Arlington, a local faith-based organization committed to meeting the physical, emotional, intellectual and spiritual needs of people in the community. In 2024 alone, Mission Arlington supported over 9,000 students with school supplies, a number that continues to grow.

The corporate office is grateful for the opportunity to assist their surrounding community and contribute to a cause that makes a difference by getting over 500 children ready for class!







Hope Raised Together

Sometimes a little hope goes a long way. The Hope Well Foundation is a Knoxville-based nonprofit organization devoted to providing an array of recovery support services to those affected by mental illness, substance use, abuse, misuse and related disorders, including women facing addiction and housing insecurity. The D.R. Horton Knoxville division answered the call to support their local community and engaged many of their trusted vendors and third-party contractors to give back in they way they know best— by building. The division and their trade partners collectively contributed more than $300,000 in labor, materials and funding to construct a brand new, move-in ready home for the Hope Well Foundation. The team in Knoxville celebrated this amazing contribution with the founder and chairman of Hope Well alongside the local mayor in a ceremony dedicating the home. We congratulate the Knoxville division for leaving such an inspirational mark on their community.









Workforce Composition

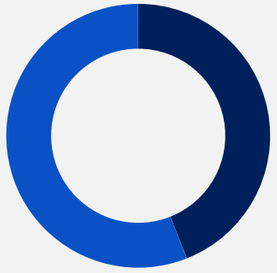
> "When you have good people, good things happen."
> -DR Horton

At D.R. Horton, our priority is always our people, which has been core to our organization since Don Horton started the company in 1978. We aim to create an atmosphere where everyone feels welcome, respected and valued, both within our company and in our interactions with homebuyers and other stakeholders.

We are committed to fostering a culture that promotes equal opportunities and empowerment for all individuals throughout our organization. We believe that when people feel included and have ample opportunities for professional growth, they bring forward a variety of perspectives and ideas that strengthen our company.

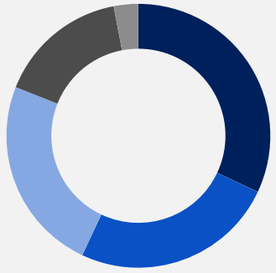
Our workforce has grown 66% over the last five years to 14,766 employees nationwide to support the rapid growth of our business and expansion into new markets. We recognize that a team with varied backgrounds and experiences is best equipped to understand and meet the needs of our wide array of homebuyers. Our workforce is multi-generational and multi-ethnic, which brings a multiplicity of ideas and perspectives to our offices and jobsites and creates well-rounded teams.

Employee Gender



- **44%** Female
- **56%** Male

Employee Age



- **32%** 34 and under
- **25%** 35-44
- **24%** 45-54
- **16%** 55-64
- **3%** 65 and over

Employee Race/Ethnicity

- **73.3%** White
- **14.5%** Hispanic/Latino
- **7.5%** Black/ African American
- **2.5%** Asian
- **1.4%** Two or More Races
- **0.4%** American Indian/ Alaska Native
- **0.4%** Native Hawaiian/ Other Pacific Islander





Women of D.R. Horton





Thank you to the women of D.R. Horton for paving the way for our industry and making us a better company each and every day!









Women In Leadership

As a company operating within a traditionally male-dominated industry, we are pleased with the representation of females within our organization. Today, female employees account for 44% of our workforce. As we've grown and expanded our market count, the number of opportunities for our experienced employees to also earn promotions to leadership roles has grown. Concurrently, female composition of our homebuilding division presidents, city managers and other market leadership positions has grown from only minimal several years ago to 20% of leaders overseeing our local homebuilding operations today. Female employees at DHI Financial Services (DHIFS) represent 70% of its workforce and 60% of its leadership is female.

In 2024, DHIFS hosted its sixth annual Women in Leadership conference, including mid-level to C-Suite financial services leadership. In 2024, the conference also expanded to include women in leadership roles within our homebuilding and rental operations and corporate office for the first time, which broadened the opportunities for networking and collaboration among some of the brightest minds in the homebuilding industry.

Some of the highlights from the 2024 conference included a compelling leadership discussion between two female leaders from D.R. Horton, a leadership panel, organizational updates, sessions on inclusive culture building, executive presence and branding. The event concluded with an impactful keynote on boundaries and safety. This dedicated conference is designed to complement existing professional development resources which are available to all employees, and we are excited for the fun to continue with planning for the next conference already underway. To read more about another leadership networking opportunity that benefits our people, check out the **Spread Your Wings and S.O.A.R.** spotlight.

Spread Your Wings and S.O.A.R.

When women support each other, amazing achievements can unfold. S.O.A.R., or Sustainable-Opportunity-Access-Results, is an internally developed initiative founded by several of our female leaders, including our very first female homebuilding division president. This program is designed to connect female leaders within our organization, allowing them to share industry experiences, learn from one another, coach and uplift each other. One of the co-chairs of S.O.A.R. highlighted that an initial goal of the group was to empower women to actively pursue leadership roles and initiate growth discussions with their managers. The S.O.A.R. co-chairs observed that women often wait to be approached for advancement, rather than expressing their interest proactively, so they aimed to create a supportive environment to foster those ideas and conversations.

What began as a gathering of only homebuilding and financial services division leadership, has expanded to be more inclusive of all division sales, marketing and operational leadership. S.O.A.R. generally meets quarterly, focusing on topics that are most relevant and most helpful to its participants, such as sales best practices, online sales and marketing platforms. Meetings also typically include updates from a senior representative of DHI Mortgage to highlight the latest with mortgage rates and ways to improve the partnership between homebuilding division leadership and financial services.



Most importantly, S.O.A.R. meetings consistently incorporate an operational component, whether that includes coaching on adopting a big-picture perspective, navigating financial challenges, managing inventory effectively or leading productive teams. These skills are crucial for helping these women grow as leaders. At the S.O.A.R. meeting held just after fiscal year end 2024, there was a celebratory atmosphere as leaders congratulated each other on recent promotions and new roles. The meeting also included a productive discussion around driving sales traffic, managing inventory, leveraging online sales counselors, effectively utilizing technologies for sales and a highlight from DHI Mortgage on the Home Buyers Club and mortgage rate buydown incentives.

As the S.O.A.R. initiative continues to evolve, so does the participation, with increasing involvement from regional leaders and male participants. Beyond the structured quarterly meetings, S.O.A.R. provides a platform for leaders to collaborate between meetings, engage in open dialogue, ask questions and share ideas. Sometimes an emerging leader simply needs reassurance from a seasoned leader to gain the confidence to continue their journey, and that is the true value of S.O.A.R.

Enhancing Our Workforce

We have an active recruiting team that partners with college campuses and external organizations to identify exemplary new hires and experienced professionals with strong backgrounds and fresh perspectives. We have a strong culture of developing future leaders within our existing workforce, and progress made in diversity among our young talent and new hires is an investment in future progress for our company as a whole.

For more information regarding the gender and race/ethnicity statistics within our workforce, please reference our EEO-1 Report on page 79.



DHI Financial Services

An important component of our business is DHI Financial Services (DHIFS), our subsidiary mortgage and title companies. DHIFS has a fantastic team that supports a positive and collaborative environment where creativity is welcome and productivity and professional development is enhanced. Members of the DHIFS team participate in a variety of industry initiatives, trade organizations and associations to help shape the future of homeownership. In 2024, some of those organizations recognized members of the DHIFS team in their annual lists and awards, including the National Association of Minority Mortgage Bankers of America (NAMMBA), Asian Real Estate Association of America (AREAA) and National Association of Hispanic Real Estate Professionals (NAHREP).

This team knows what it takes to serve our customer base and plays an integral part in helping deliver the dream of homeownership to as many individuals and families as possible. Of the D.R. Horton homebuyers who used our mortgage company to close on their home in fiscal 2024, approximately 55% were non-white, and 41% were age 34 and younger.

DHIFS Minority Homeownership Council

The DHIFS Minority Homeownership Council was formed to focus on internal strategies to improve homeownership rates among racially/ethnically diverse households. The primary objective of the council was to mitigate unintentional barriers to homeownership, combined with a focus on expanding education, credit access and market outreach.

In 2024, the council met on a quarterly basis and addressed the following initiatives:

- Rollout of a Financial Literacy resource/toolkit to all DHIFS employees
- Ongoing campaign to encourage DHIFS employees to participate in the Language Certification program described below
- Exploring opportunities with the Down Payment Resource organization
- Reviewing Special Purpose Credit Programs
- Participation in the HomeReady Program for lower-income borrowers

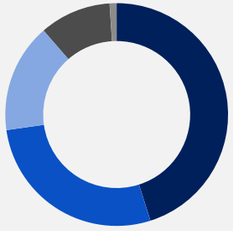
The council was composed of 18 members and was representative across gender, ethnicity and stages of the lending process to help ensure equitable feedback from all participants. At the conclusion of fiscal 2024, the Minority Homeownership Council disbanded, but the momentum and goals established by the council continue to be addressed by DHIFS via the Fair Lending Committee, Affordable Lending Committee, Home Buyers Club and participation in various trade organization and housing policy conferences. In 2024, we participated in the MBA National Annual conference, MBA Secondary Annual conference, CMBA, MBA Legal and Regulatory Conferences, National Advocacy Conference at both the state and national level, Texas MBA, AREAA, NAHREP, NAMMBA and the National Council of State Housing Agencies.

DHIFS Language Certification program

In 2018, DHIFS leadership launched a companywide campaign to encourage team members to become Language Certified to better serve a broad array of homebuyers. Currently, total participation in this program is approximately 300 employees, including 71 who were certified in 2024. During 2022, American Sign Language (ASL) also became an option for certification.

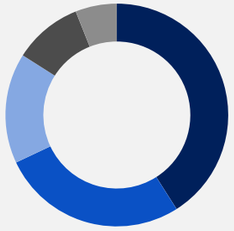


Homebuyer Race/Ethnicity



45%	White
28%	Hispanic/ Latino
16%	Black/African American
10%	Asian
1%	Other

Homebuyer Age



41%	34 and under
27%	32-44
16%	45-54
10%	55-64
6%	65 and over

Companies We Work With

Beyond the more than 14,000 individuals who are employed by D.R. Horton, the workforce composition and initiatives of the companies with whom we do business impact our business and the broader homebuilding industry as well.

Building a sustainable construction workforce that is diverse and representative of the broader local and national workforce is the vision of the Building Talent Foundation (BTF). As previously mentioned, D.R. Horton is a substantial supporter of BTF and the work the organization is doing to advance the education, training and career progression of young people and people from underrepresented groups as skilled technical workers and as business owners in residential construction. BTF's work in bringing awareness, building talent connections and engagement in the construction industry enhances the industry as a whole and strengthens our pool of future talent. Read more about their efforts in the **Building Talent Foundation** spotlight.

Many of our vendors and suppliers have created their own programs and initiatives to cultivate a strong culture and support their workforce. Additionally, D.R. Horton's Human Rights Policy states our commitment to developing and supporting an inclusive workplace and zero tolerance for racism or discrimination of any kind. This Policy applies to not only D.R. Horton employees, but also applies to vendors, suppliers and third-party contractors with whom the Company does business, to the extent reasonably possible.

We also work with companies in other aspects of our business that are supporting underrepresented populations in their own way. We work with a woman-owned business, etc group, for the majority of our company airfare needs. Our CFO and Investor Relations team participates in meetings hosted by Eden Rock Advisors, a corporate access firm that supports military veteran programs and donates a portion of its proceeds to veteran charities. Because we work with local businesses across our markets, there are also numerous examples of companies in our value chain that are minority owned.







Talent & Retention

> "It's a people business."
> -DR Horton

We believe the people who work for our company are our most important resources and are critical to our continued success.

As of September 30, 2024, we employed 14,766 people, of whom 10,071 work in our homebuilding operations, 3,149 in our financial services segment, 596 at our corporate office, 505 in our rental operations, 393 at Forestar, our majority-owned lot development company and 52 in our other businesses. Of our homebuilding employees, 3,897 are involved in construction, 2,779 are sales and marketing personnel, and 3,395 are office personnel.

We focus significant attention toward attracting and retaining talented and experienced individuals to manage and support our operations. As discussed in the Board Characteristics section of this report, the homebuilding industry endures the ebbs and flows of economic cycles, and each cycle is different. Having long-tenured leadership who have first-hand experience in the industry and with D.R. Horton guiding the direction and strategy of the organization and overseeing our local market operations is a key competitive advantage of D.R. Horton. As a result, our management team is deeply focused on developing our future leaders from within our existing workforce. We believe this builds long-term focus and continuity to our operations while also providing our employees with opportunities for growth and advancement. This commitment is reflected in the tenure of our leadership:

Average Tenure with D.R. Horton

27 years
Executive Team

20 years
Region Presidents & Vice Presidents

15 years
Division Presidents

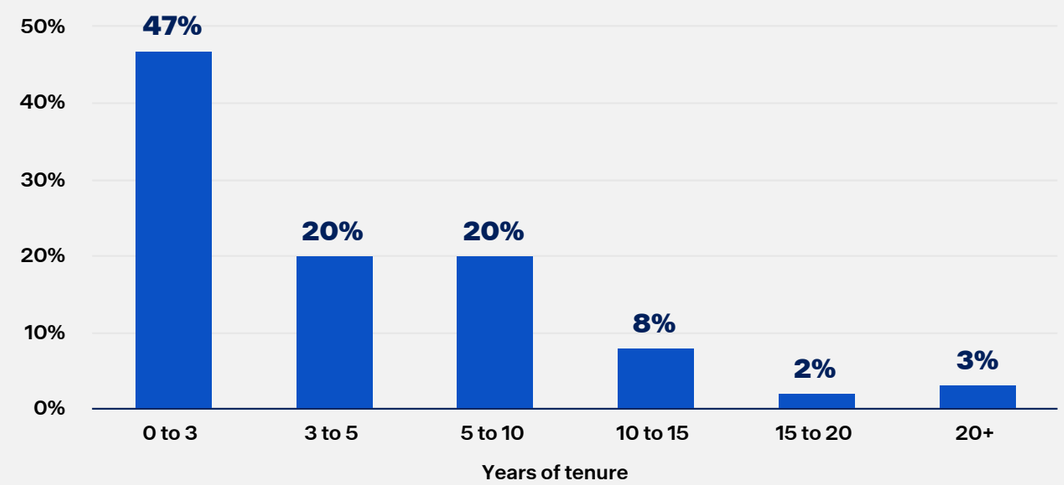
10 years
City Managers

The overall tenure at all levels within our organization is reflected in the chart to the right, which also reflects the significant growth in our business and workforce over the past five years.

What drives employees to stay with an organization? We believe a culture that develops people and provides collaboration, rewards employees for their hard work and encourages a little competitive spirit goes a long way. Taking care of our employees and providing ample opportunities for growth allows us to retain the best people in the homebuilding industry. This investment in our employees and focus on maintaining a strong corporate culture has led the Company to receive multiple accolades over the past year including recognition on Forbes' America's Best Large Employers, America's Best Employers for Diversity, America's Best Employers for Women and America's Best Employers for New Grads 2024 lists. Our efforts were also recognized through inclusion in the 2024 American Opportunity Index, which measures how well America's largest companies drive economic mobility and positive career outcomes for their employees.

Despite the measures we have in place to care for and retain our employees, attrition is a normal part of any workplace. In fiscal 2024, our voluntary employee turnover rate was 11% and total employee turnover, inclusive of voluntary turnover, was 14%. This compares to a voluntary turnover rate of 12% and a total turnover rate of 17% in fiscal 2023. With limited public disclosure available for comparison, we believe these turnover rates are in line with or better than homebuilding industry norms.

Employee Tenure



Training and Development

> **“We build people, too.”**
> **-DR Horton**

We are committed to hiring, developing and supporting an energetic workforce and maintaining a productive, positive and inclusive workplace. From those entering the workforce for the first time, to experienced professionals seeking career growth and everyone in between, we are committed to helping our employees build a strong career.

College students and recent graduates seeking experience, development and leadership opportunities at the earliest stages of their careers have the ability to participate in our paid internship program. The mission of the D.R. Horton Internship Program is to provide students with leadership and hands on experience in the residential construction industry in preparation for acquiring entry level positions following graduation. During the 12-week summer program, students have the opportunity to work alongside some of the most experienced professionals in the homebuilding industry and gain exposure to various disciplines of the residential homebuilding process. At the completion of their internship, we expect each student will understand the work ethic and expectations required to work within the homebuilding industry. At the conclusion of the internship, many candidates are extended an offer for full-time employment with D.R. Horton. In 2024, 127 interns from across the country embraced the challenges of our internship program to enhance their skill sets. Of our 2024 class of interns, 30% of those eligible to receive a full-time offer were extended offers of employment following their graduation, and 100% of those offers were accepted.

With a strong commitment to promoting from within, D.R. Horton offers numerous mentorship and advancement opportunities throughout our local division offices. During 2024, we held specialized trainings for employees within key business functions of our homebuilding operations, such as purchasing, construction and sales. Several departments of our corporate office also hosted training meetings and conferences for employees from our region and division offices, including Accounting and Finance, Customer Care, Marketing and Human Resources. In the field, our divisions leverage a variety of tools and each other to conduct specialized trainings and knowledge share resources and best practices. We have also invested in our library of virtual training modules on various topics and key job functions, which aids in the delivery of important content in between in-person training sessions and on-the-job training. Over the last year, we have also rolled out an AI virtual training platform as a company-approved application for construction personnel in the field. Read more about this awesome technology in the **Training on the Count of 3** spotlight.





Training on the Count of 3

In a world where most carry around a smart phone in their pocket, why not use that smart phone to get a little smarter? That's the premise of the On3 mobile learning platform. On3 is an innovative AI-powered mobile training app for frontline workers, like our field and construction teams. The app allows users to learn in real time on the jobsite by leveraging their smart phone camera to deliver AI-driven personalized learning. A user can point, shoot and immediately identify construction materials and receive suggested techniques for installation, among many other types of modules. The app also houses a learning library of videos and provides the ability to review comprehensive analytics and reporting for a clear view of each learner's progress.

On-the-job training is a critical component of any career, and On3 brings a simple and resourceful supplement to one-on-one time spent between an employee and a supervisor. Additional training not only benefits the individual's skill sets, but can also help drive quality and greater overall homeowner satisfaction.

D.R. Horton is an ongoing business partner with On3, and its mobile learning app is included in our library of technologies available to our employees.

Our Jacksonville division shared their experience with On3, noting the app was most beneficial for the division's customer care and purchasing teams as it helped them broaden their understanding of home construction to better serve our homeowners and work with our vendors. Superintendents and assistant superintendents also used On3 and thought it provided a great refresher on proper construction techniques and best practices in the field. The Jacksonville team noted the program is well put together and easy to use, benefitting all of the team members who used the program.

Investing in technology like the On3 platform, and thus investing in our employees by putting more tools in their figurative toolboxes, can drive their success and help us build the best possible homes across our markets.







In fiscal 2024, we also conducted our third annual Leadership Development Program (LDP), which provides internal training for up and coming leaders within our homebuilding, financial services and rental operations. This LDP class included 40 employees from across the country and various business functions. Their training began with a multi-day event that included presentations from our executive team, corporate department heads and a region president panel to help develop leadership skills and prepare these individuals for potential market leader roles within D.R. Horton. Their program continued throughout the year with visits to multiple divisions across the country for in-depth training on various disciplines such as land, construction and sales. During the year, 17 employees were placed into a new homebuilding market leadership position, and of those, 100% were promoted from within the organization.

In addition to core on-the-job training and the special programs described above, we also provide our employees with training on safety, business ethics, cybersecurity and other pertinent topics that empower our teams to reach their fullest potential. Incorporated into the trainings, employees are required to read and acknowledge our Corporate Code of Conduct and Human Rights Policy on an annual basis. Required trainings completed by employees during the year included an Ethics, Human Rights and Code of Conduct course; a Harassment Awareness course; and a Bullying Awareness course. Completion of these required courses totaled approximately 2.2 hours of formal training per employee on these topics for the year, which does not include additional hours dedicated to specialized trainings required of certain departments or job functions.



DHIFS Mortgage & Title Mastery Program

The purpose of the DHI Financial Services (DHIFS) Mortgage & Title Mastery leadership development program is to recruit, train and develop future leaders within DHIFS. Candidates are recruited from colleges and universities in targeted high-growth housing markets for a variety of positions throughout DHIFS. The program seeks to provide in-house training and mentorship to promote employee retention and success. Since its founding class in 2013, over 540 teammates have graduated from the Mortgage & Title Mastery program. In fiscal 2024, 43 new employees were recruited and joined the Company through the program. DHIFS takes pride in being a part of building the next generation of financial services professionals.

Compensation

We strive to pay our employees a fair living wage and we work to ensure full compliance with applicable wage, work hours, overtime and benefits laws across the markets and states in which we operate. As such, we offer our employees a comprehensive compensation and benefits package, which includes a broad range of benefits that are further described in the Employee Well-Being section. In addition to base pay, eligible employees may participate in the Company's 401(k) plan, employee stock purchase plan, short-term incentive bonus program and/or our stock compensation plans.

Elements of compensation that reach a broad portion of our organization include our 401(k) plan and Employee Stock Purchase Plan (ESPP). All employees who have been with the Company for a period of six months or more are eligible to participate in our 401(k) plan, and the Company matches portions of employees' voluntary contributions. Approximately 96% of eligible employees participated in our 401(k) plan in fiscal 2024. Our ESPP provides eligible employees the opportunity to purchase D.R. Horton common stock at a discounted price of 85% of the fair market value of the stock on the designated dates of purchase. Under the terms of the plan, the total fair market value of common stock that an eligible employee may purchase each year is limited to the lesser of 15% of the employee's annual compensation or $25,000. As of September 30, 2024, 34% of eligible employees participated in the D.R. Horton ESPP, and under the plan, employees purchased 137,347 shares for $15.3 million during the year.

Another element of our compensation plans that aligns employees with shareholder value is D.R. Horton's Stock Incentive Plan, which provides for the granting of equity awards, such as performance stock units (PSUs) and restricted stock units (RSUs) to executive officers, other key employees and non-management directors. PSUs are earned by achieving key Company performance goals and RSUs are earned through continued employment with the Company over a requisite time period. Each stock unit represents the contingent right to receive one share of the Company's common stock if the performance criteria and/or vesting conditions are satisfied. During fiscal 2024, RSUs were granted to 1,470 of the Company's key employees representing approximately 10% of the organization, up from 1,380 recipients, or 10%, of the organization in fiscal 2023. In fiscal 2022, RSUs were granted to 1,200 employees representing approximately 9% of the organization.

1,470

Employees received grants of RSUs in fiscal 2024

The compensation plans of our executive officers, region presidents and market leaders, such as division presidents and city managers, are designed to provide fair and competitive compensation that will attract, motivate and retain highly qualified and experienced executives, reward superior performance and provide incentives that are based on the performance of the Company, with an overall emphasis on maximizing long-term stockholder value. The individuals who oversee our regional and local market operations in region president, division president or city manager roles are primarily compensated on the returns and pre-tax profits they generate in their region or local market. The four specific metrics they are compensated on include return on inventory, pre-tax income, homes closed and cost control in the form of selling, general and administrative expenses as a percentage of revenues. We believe these factors properly incentivize our regional and local teams to sustain and maximize profits and returns, aligning the interests of our market leadership with the Company's stockholders.

Employee Well-Being

Our Founder and Chairman, Don Horton, always said, "Treat the customer like family." This philosophy applies to each of our hardworking employees, too.

When each new employee comes to work at D.R. Horton, they become a member of the Horton Family. We are committed to helping each hardworking employee in the Horton Family build a healthy, sustainable and meaningful life for themselves, their families and their communities. As part of this commitment, eligible D.R. Horton employees are offered a comprehensive and competitive benefits program including:

- Paid time off, including holidays, personal holidays, vacation days, sick time and other time off
- Medical, prescription, dental and vision healthcare insurance options
- Paid parental leave
- Basic term life insurance
- Long-term disability leave
- Access to an Employee Assistance Program, which provides counseling, consultation for legal and financial planning and referrals for pet services, among other benefits
- Caregiver support



Other health benefits offered to our employees at no charge include:

- Bring it Home wellness program, which allows employees to reduce their medical premiums by completing basic health requirements annually
- Access to expert second medical opinions via the Teladoc program
- Telemedicine services
- Wellness challenges related to physical activity, nutrition and stress management
- Omada digital lifestyle change programs for diabetes and hypertension
- Airrosti Remote Recovery for muscle and joint pain
- Healthy Pregnancies, Healthy Babies pregnancy health program
- Access to the Calm app for mental wellness

Additional voluntary benefits offered to our employees include:

- Accident insurance
- Critical illness insurance
- Hospital indemnity insurance
- Supplemental life insurance
- Identity theft insurance
- Legal protection plan
- Pet insurance

We take care of our employees so they can take care of their families and continue to do the important work of building the American Dream.



Other Benefits

In addition to the competitive compensation and benefits we offer our employees, we also take care of them in other ways. Our homebuilding and financial services teams nationwide are committed to fostering a vibrant and collaborative work environment. They regularly host events, meetings and celebrations that provide opportunities for team members to connect, unwind, and network with each other and with external members of the Horton Family, including real estate agents, local developers, contractors and suppliers. Our divisions and regions also periodically hold contests, such as sales competitions, offering various levels of prizes to spur a little friendly competition in the workplace. Over the past few years, the D.R. Horton corporate office in Arlington, Texas has joined in on some of the fun and hosted activities for our corporate employees. You can read more about one such event in the **Total Eclipse of the Car Park** spotlight.

Another opportunity for networking and enjoyment involves meetings and events at the company-owned ranch in West Texas. The Company has owned 90,000 acres of ranch land for more than 20 years and has held numerous company meetings and events there over the years. In 2024, several corporate office departments and groups from our offices around the country were able to enjoy retreats at the ranch. A fantastic use of the Company ranch is a summer camp held annually for the children and relatives of D.R. Horton employees. Refer to the **Summer Camp: Horton Style** spotlight to learn about the camp and its mission.

As the largest homebuilder in the United States, we are thrilled when the people who help put individuals and families into homes every day have the opportunity for homeownership themselves. To aid in our employees' journey to homeownership, we offer an employee home purchase program that allows our employees to purchase a D.R. Horton home at a discount. We are also pleased to offer our employees a variety of other discount programs on popular products and services as an extra benefit for their hard work.

Total Eclipse of the Car Park

It's not every day your corporate office is in the path of totality for a solar eclipse. In fact, according to NASA, the next total solar eclipse that will be visible in the contiguous United States is not for another 20 years. So when the April 2024 total eclipse passed over Arlington, Texas, it was a sight not to be missed. To celebrate the occasion, the corporate office "fun committee" planned an Eclipse Party for corporate office employees to view the historic event.

What better place to view an eclipse than on the roof? The teams from the corporate office gathered on the roof of the building's parking garage and viewed those four glorious minutes of totality through company-provided eclipse glasses. No party is complete without snacks, and in this instance, the fun continued with themed goodies, such as sun chips, moon pies and eclipse gum.

Many of our teams located in the path of totality across the country also enjoyed the eclipse from their respective locations. The eclipse party is just one example of the ways we are bringing a little more fun to the corporate office and our offices nationwide.







Summer Camp: Horton Style

Don "DR" Horton, our late founder, was deeply passionate about caring for the Horton Family and his love for children. These passions inspired him to establish a summer camp for kids at the company-owned West Texas ranches in 2001. Since its inception, Camp Horton has provided week-long summer programs for the children or relatives of D.R. Horton employees at no cost.





The mission of Camp Horton is to support our employees by offering a safe and welcoming environment where their children can grow, learn and be inspired. Set amidst thousands of acres, the rustic ranch setting allows campers aged 9 to 13 to disconnect from daily distractions, embark on new adventures, and forge lifelong friendships. Camp activities include ATV riding, horseback riding, swimming, fishing, arena games and a camper favorite, canoeing on the Pecos River.

After a few year hiatus due to the COVID-19 pandemic and subsequent staffing limitations, Camp Horton made a triumphant return in 2024, hosting 160 campers over six weeks for the first time since 2019. Camp Horton's impact is evident, as two of the 2024 camp counselors were former campers themselves, and a third was a returning counselor from 2019. Their personal connections to Camp fostered a unique bond with the campers.

The 2024 return of Camp Horton was bittersweet, marked by the absence of DR, who often spent weeks at the ranch during the summer months with the children; however, his spirit was felt throughout Camp, and his vision and love for the children and the ranches made it a little easier to carry on the legacy he created.

Disaster and Emergency Relief

When we say our employees are part of the Horton Family, we mean it. At times, our employees may experience personal hardships or endure natural disasters, such as hurricanes and floods, and need some extra financial support. The D.R. Horton, Inc. Foundation was created to assist in these times. The Foundation is a 501(c)(3) non-profit organization sponsored by the Company, which maintains a Disaster and Emergency Relief Program. Under the Program, the Foundation provides disaster relief assistance to past, present and future employees of D.R. Horton and their families who are victims of natural disasters. The Foundation is funded by contributions from the Company and voluntary contributions from employees. Those employees suffering from the effects of a natural disaster can apply online for assistance.

Since its creation, the Foundation has granted more than $689,000 to employees and their families for disaster relief efforts. In 2024, Hurricane Helene greatly impacted many of our markets, including Asheville, North Carolina, and the Foundation was able to assist some employees who suffered damage to their homes and loss of personal belongings as a result of the storm. Subsequent to fiscal year end 2024, the Foundation granted an additional $121,000 for Hurricane Milton relief, which impacted several markets in Southwest Florida. In the wake of hurricanes and other natural disasters, the Foundation has been instrumental in getting affected employees the necessary aid, supplies and repairs to get back on their feet. Additionally, apart from the Foundation, the Company has assisted many employees who were displaced from their homes due to severe weather events and disasters by allowing them to live in completed inventory homes temporarily until they are able to move back into their own homes.



Health & Safety

The health and safety of our workforce is our number one priority. Maintaining a safe work environment for every member of the Horton Family is critical to our success, and we are committed to providing safe and healthy working conditions for all D.R. Horton employees and subcontractors.



While we consider the health and safety of each of our team members to be everyone's responsibility, our companywide safety program is overseen by our Risk Management Department, and onsite safety measures within our communities are the direct responsibility of our construction superintendents. The Risk Management Department is chiefly responsible for ensuring our initiatives observe both state and federal Occupational Safety and Health Administration (OSHA) rules; that we strive to comply with all applicable health and safety laws, orders, citations, rules, regulations, standards and statutes in addition to OSHA rules; creating standards to minimize or eliminate exposure to hazardous substances; developing processes and procedures; and continually monitoring risk management performance. Additionally, our Risk Management Department is directly involved in our vendor and contractor selection process through the creation of and compliance with our national master independent contractor agreement. The agreement that each of our subcontractors signs before working with D.R. Horton includes a requirement for the contractor to maintain an ongoing safety program and conduct regular inspections of the jobsites at which they are working. Day-to-day safety measures and inspections at each of our communities are carried out by our construction superintendents, who are in the field at our jobsites and critical to the operations of our communities.

Policies, Procedures & Resources

To help ensure we are providing the safest workplace possible, employees have access to several different resources accessible through the Risk Management section of the Company's intranet site including:

- Monthly safety newsletters that discuss a wide variety of safety topics both on and off the jobsite, which are also emailed to all of our employees each month. These monthly safety newsletters are now incorporated into our internal training system, which allows the Risk Management Department to track construction employees' receipt and understanding of the content of the newsletters and follow up with supervisors whose employees are not actively participating.
- A robust safety program guide outlining D.R. Horton's key safety policies, procedures and requirements, including the policy outlining requirements for jobsite safety inspections, incident reporting, our vendor incident prevention program and others
- Various policies, procedures and protocols for specific types of incidents including blood born pathogens, mold prevention and protocol for remediating mold and disaster and hurricane preparation and action plans
- Safety checklists
- OSHA safety training and incident reporting links
- Emergency preparedness procedures
- Contact information for members of the Risk Management team

The Risk Management Department has a Corporate Safety Director who is responsible for overseeing the Company's comprehensive safety program.





To measure the effectiveness of and compliance with the D.R. Horton Safety Program, we have Quarterly Safety Update requirements. The Quarterly Safety Update provides consistent communication between our homebuilding divisions and our corporate Risk Management Department regarding safety updates and compliance on several key topics:

- Completion of safety orientation for all new hires
- Completion of the OSHA 10-Hour Construction Course for employees designated as required participants
- Log of participation and meeting topics for regular "Toolbox Talks" - informal onsite training meetings that are required for field employees
- Injuries and incidents required to be reported for workers compensation claims and OSHA recordkeeping
- Documentation on any OSHA citations received by the division
- Documentation of any recorded safety violations by our subcontractors
- Questions, comments or suggestions to share with the Risk Management Department

A designated employee in each division is required to complete the Quarterly Safety Update documenting compliance with the requirements of the safety program listed above and how these efforts have impacted the division's overall safety performance within 15 days of each quarter end.

Employee Training

As part of our overall safety program, we have a Safety Training and Education Policy. The policy pertains to D.R. Horton employees whose jobs require them to spend a significant amount of their work day on construction sites or whose job requires them to perform any form of construction-related activity, including project managers, superintendents, warranty technicians and others. Under this Policy, applicable employees must complete safety orientation during their first day in a field position and the OSHA 10-hour construction safety course within 90 days of starting their position. They also are required to participate in ongoing training in the form of monthly "Toolbox Talks." Employees subject to this Policy are required to refresh their 10-hour OSHA course every 4 years. Additionally, D.R. Horton offers a 30-hour OSHA construction safety course that provides more extensive training for employees such as superintendents and other types of management.

Jobsite Safety Inspection Policy

At the core of our health and safety program is our Jobsite Safety Inspection Policy, which outlines our requirement for random, periodic inspections of jobsites to be performed by our local construction superintendents/managers or area managers at least once a month, or more frequently if required by local regulations, in each community in addition to informal day-to-day inspections. To be eligible to conduct inspections, these employees must have completed all required trainings. The inspection policy is accompanied by a Jobsite Safety Checklist, which outlines 12 categories that must be inspected, covering areas such as site/trailer requirements, hazardous material handling/storage, excavation/trenching, fall protection and personal protective equipment, among others. These checklists are required to be maintained in a log identifying the communities covered and dates inspected and are required for audits and monitoring improvement. The Risk Management Department is working with our IT Department to develop a system for easier submission, tracking and review of these inspection reports, which should be rolled out in the near future.



Recordkeeping

Unfortunately, despite a robust safety program, accidents or incidents sometimes happen. When an incident does occur, employees must follow D.R. Horton's Incident Management Procedures, which address instructions for reporting and recording injuries to both D.R. Horton employees and our subcontractors, as well as incidents that involve property loss. We investigate each incident that occurs and also maintain thorough records of any incidents to ensure we are in compliance with OSHA's requirements for reporting and recording work-related injuries via forms 300 - Log of Work-Related Injuries and Illnesses and 300A - Summary of Work-Related Injuries and Illnesses.

In fiscal 2024, the total recordable incident rate (TRIR) for our employees was 1.29, compared to a rate of 1.06 in fiscal 2023. This rate is calculated for all work-related incidents that meet the OSHA definition of "recordable," irrespective of severity of the incident or injury. We have not had an employee fatality in recent years, thus resulting in an employee fatality rate of 0 in both fiscal 2024 and fiscal 2023.

A summary of our health and safety incident statistics is below.

	2024	2023	2022
Total Recordable Incident Rate (employees)	1.29	1.06	1.20
Number of Incidents	182	138	152
Fatality Rate (employees)	0	0	0



Subcontractors

As noted above, we require all subcontractors, trade partners and vendors to develop, implement and follow their own safety program, including conducting inspections to ensure that safe working conditions and equipment exist, safe practices are observed and providing the proper competent person on the jobsite at all times in charge of their company's safety program. We also require the subcontractors with whom we do business to fully comply with all laws, orders, citations, rules, regulations, standards and statutes concerning occupational health and safety, accident prevention, safety equipment and practices, including but not limited to federal and state OSHA regulations.

To monitor the performance and execution of the established safety programs of our subcontractors, we implemented a Vendor Incident Prevention Program. This program provides a system for reporting and responding to vendor safety violations recognized by qualified D.R. Horton employees, as well as providing incentives and support to vendors to encourage them to increase the safety awareness and knowledge of their employees. Consistent with our Jobsite Safety Inspection Policy, if a D.R. Horton employee notices a hazardous condition, they must report the violation via a formal reporting process and bring that condition or activity to the vendor's attention so it can be remediated. When a violation is committed by a vendor, a report is filed and reviewed by the requisite D.R. Horton manager. The manager will assess the situation and assign a violation level, ranging from a record only, to a fine, to termination of contract, based on the severity of the hazard. This hazard must be remediated and the vendor must fulfill the requirements of the action level before the vendor is reinstated and allowed to continue work. The program also incentivizes our vendors to promote safety awareness to their employees by awarding prizes, safety equipment and other incentives at each division's discretion.

Hazardous Materials

Occasionally, home construction requires our employees or subcontractors to come in contact with hazardous materials. Our safety program requires that every hazardous material entering a jobsite must have a label on its container identifying the substance along with appropriate hazard warnings. Additionally, our D.R. Horton Safety Checklist includes requirements to adhere to OSHA's Hazard Communication Standard (HAZCOM). In line with HAZCOM requirements, we obtain and maintain Safety Data Sheets (SDSs) for each hazardous material found on our jobsites. These SDSs summarize the chemical makeup of hazardous materials, procedures to follow in case of accidental exposure or ingestion, as well as other requirements such as labeling the hazardous material's container and identifying the substance.

We also require first aid supplies and an adequate supply of potable water for water, sanitation and hygiene (WASH) services be provided in a suitable location on all of our jobsites. A list of the minimum required supplies is included within our safety program documentation, and some divisions may provide additional supplies at their own discretion. Each first aid kit is also required to include the contact information of the person or service responsible for inspecting and restocking the supplies on an ongoing basis.

Safety is not just important for the health and well-being of our workforce, but also from a cost perspective. The losses caused by safety-related incidents are not limited to direct costs, but include indirect costs such as production downtime while responding to and investigating an incident, the cost to hire and train replacement workers and the costs to injured workers. Safety is everyone's responsibility. Through our robust safety program, we believe D.R. Horton employees are equipped with the appropriate resources to create a safe workplace and continually improve our overall safety program.



Environment

We are committed to being responsible stewards of the environment in all aspects of our business operations. From land acquisition and development to the construction and sale of homes, we strive to minimize our environmental impact while ensuring comfort, quality and affordability for our homebuyers. Our extensive geographic footprint covers a broad range of climates and habitats, each presenting unique characteristics and challenges. We adapt our construction techniques, building materials and environmental strategies to meet the specific needs and conditions of each location. Our goal is to create communities that promote a sustainable future for generations to come.

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D.R. Horton Minnesota division's Oak Creek community in Chaska, Minnesota

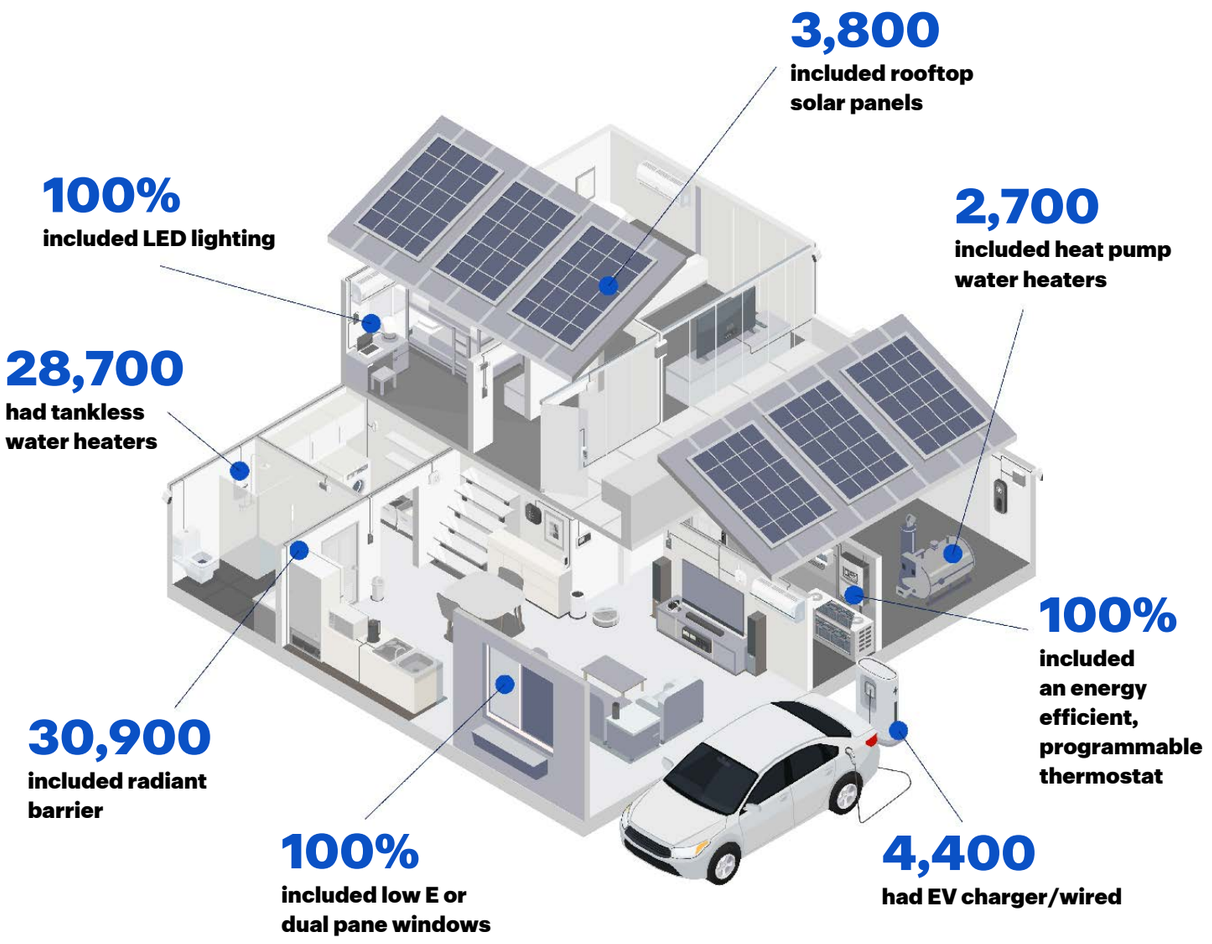
Energy Efficiency

Constructing homes that are both high quality and energy efficient serves our homebuyers well while also reducing our impact on the environment. Homes that require less energy to support the lifestyles of their occupants can reduce utility costs, which improves the overall cost of and expands the opportunity for homeownership.

D.R. Horton is committed to helping our homeowners save money on energy costs while reducing their carbon footprints, and the energy efficiency of our homes has improved significantly over the more than 46 years since we built our first home. Many fixtures, finishes and features included in new homes aid in energy efficiency, such as high efficiency HVAC systems and water heaters, tankless water heaters, low E or dual pane windows, LED lighting, solar, insulation and air sealing techniques. Many of these items are standard in the homes we build across the country or are offered as options or upgrades in certain communities or markets. To measure and improve the energy efficiency in our homes, many of our divisions participate in energy efficiency programs or rating systems, including the Home Energy Rating System (HERS), ENERGY STAR and other green building standards that vary based upon geography and market. We comply with local building and energy codes for each community that we develop, regardless of product type, price point or geography.

To be truly effective, energy efficient new homes must also be affordable for homebuyers. As availability and market demand increase for energy-saving and sustainable technologies and materials, we are able to deliver additional emission savings through efficient electric systems such as heat pumps, electric cooking, electric vehicle (EV) charging capabilities and solar power. Solar panels are required as a purchase or lease option on all of our homes in California and may appeal to homebuyers for both the reduction of environmental impact and the long-term value and resilience solar power can offer. In some markets across the country, we provide homeowners with EV charging capabilities through installation of appropriate infrastructure, such as increased electrical capacity and appropriate voltage, EV charging outlets and relocated electrical panels so the homeowner can easily add an EV charger of their choice.

Some of our energy efficiency highlights for homes closed in fiscal 2024 are reflected in the metrics with the image on the right:



Energy Efficiency Utility Programs

Constructing new homes that save energy and resources allows us to collaborate on utility-operated energy savings projects and participate in energy efficiency new construction programs aimed to reduce overall utility system loads and demand on local power grids. These projects and programs often include a monetary incentive which can help offset the cost of including certain features or equipment in a home or to construct homes that meet a certain energy standard or certification, such as obtaining an ENERGY STAR certification.

Although at first it may seem counterintuitive for utility companies to incentivize, or even encourage, their customers to adopt certain energy standards or install equipment like solar panels or EV charging, forward planning of anticipated electrical needs can allow for the strategic use of new technologies that can promote grid stability for years to come. When new construction homes incorporate infrastructure for the future installation of solar panels or EV charging capabilities into their plans, an entire community can benefit by minimizing stress on the grid during maximum usage periods. Utilities can also benefit even more if they can offer off-peak EV charging rate programs to encourage charging at optimal times.

The availability, scale and type of energy efficiency utility programs offered varies across our markets, but we continue to see an increase in participation in these types of programs among our homebuilding divisions across the country. One great example of a program in which we participate is discussed in the **Awarding Excellence: Coastal Bend High Performance Homes** spotlight.

Awarding Excellence: Coastal Bend High Performance Homes

Through its provision of electric services to over 5 million customers across 11 states, American Electric Power (AEP) knows a thing or two about energy efficiency. To help support reliability and reduce strain on the grid while meeting the energy needs of its customers, AEP has developed a variety of programs to incentivize both homebuilders and homeowners to be more energy efficient. One such program, the AEP Texas High Performance Homes (AEP TX HPH) Program, offers financial incentives to new homebuilders who exceed required kilowatt hour (kWh) savings by at least five percent and offers additional incentives for inclusion of certain efficient equipment in new homes.

The D.R. Horton Coastal Bend division is proud to be recognized as a top-performing homebuilder in the AEP TX HPH Program, earning accolades for cumulative energy savings every year from 2021 through 2024. The division's unwavering commitment to energy-efficient construction and high-performance building practices has delivered measurable results for our homeowners and the communities we serve.

AEP Texas recognized the division for constructing homes that save energy, enhance comfort and ensure durability. A licensed Home Energy Rater verified each home to confirm it met the program's strict energy efficiency standards.

From 2021 to 2024, D.R. Horton Coastal Bend submitted over 1,000 new homes to the AEP TX HPH program—each one built with precision, innovation and a focus on long-term efficiency. These homes have collectively achieved a remarkable 7,745,413 kWh in cumulative energy savings, which is the equivalent of powering more than 700 homes for an entire year.[1]

Not only is the Coastal Bend team's commitment to energy efficiency recognized at the electrical utility level, but the division was also able to showcase several homes in the 2024 Coastal Bend Parade of Homes, taking home the "Most Energy Efficient" award for two categories: Category 1 (under $350,000) and Category 2 ($350,001 to $500,000). This recognition is a testament to our team's dedication to quality, sustainability and affordability. We're not just building homes—we're building smarter futures.



1 Cumulative energy savings of 7,745,413 kWh is equivalent to the annual electricity use of approximately 717 average U.S. homes. Based on the U.S. Energy Information Administration's reported average annual residential electricity consumption of 10,791 kWh per household in 2022. Source: U.S. Energy Information Administration (EIA), How much electricity does an American home use? Retrieved from https://www.eia.gov/tools/faqs/faq.php?id=97&t=3)

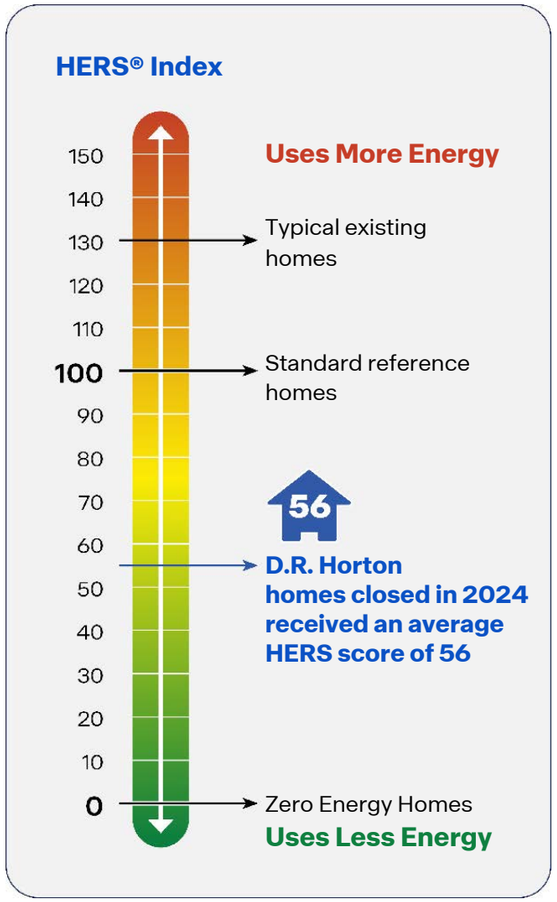
Home Energy Rating System

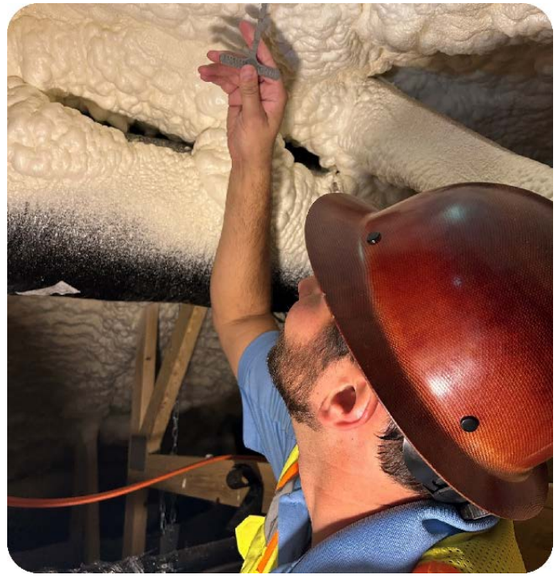
A Home Energy Rating System (HERS) Index Score is one way to measure a home's energy performance and is a nationally recognized benchmark that helps homebuyers and the public quickly assess the level of energy efficiency of a home. The HERS Index Score was developed by the Residential Energy Services Network (RESNET), a recognized national standards-setting body for building energy efficiency rating and certification systems in the United States. A HERS Index Score requires independent third-party verification and testing during construction and accounts for the energy used in a home including lighting, appliances, framing, insulation, air sealing, water heating and HVAC. A HERS Rater inspects the home at different stages of the construction process to verify critical details before they are "hidden" behind the walls.

The HERS Index Score rates homes on a 0 to 100 scale where 100 represents a home built to meet the 2006 International Energy Conservation Code (IECC), or standard new home, and a score of 0 represents a Net Zero Energy home. For D.R. Horton, 50,662 of the homes closed by our homebuilding operations in fiscal 2024, or approximately 56%, received a HERS Index Score, which is an increase from 30,642, or 37%, of homes closed in fiscal 2023 that received a score. Of the homes we closed in 2024 that received a HERS score, our average score was 56, which is an improvement from our average score of 60 in 2023. This means that, on average, our new homes that received a HERS score in 2024 are approximately 44% more energy efficient than the standard reference home and approximately 74% more energy efficient than typical existing homes. The improvement from 2023 to 2024 is largely attributable to our increased participation in above code programs like ENERGY STAR as further described in the sections that follow. The 2024 average score reflects a more representative sample of our homes closed than in past years.

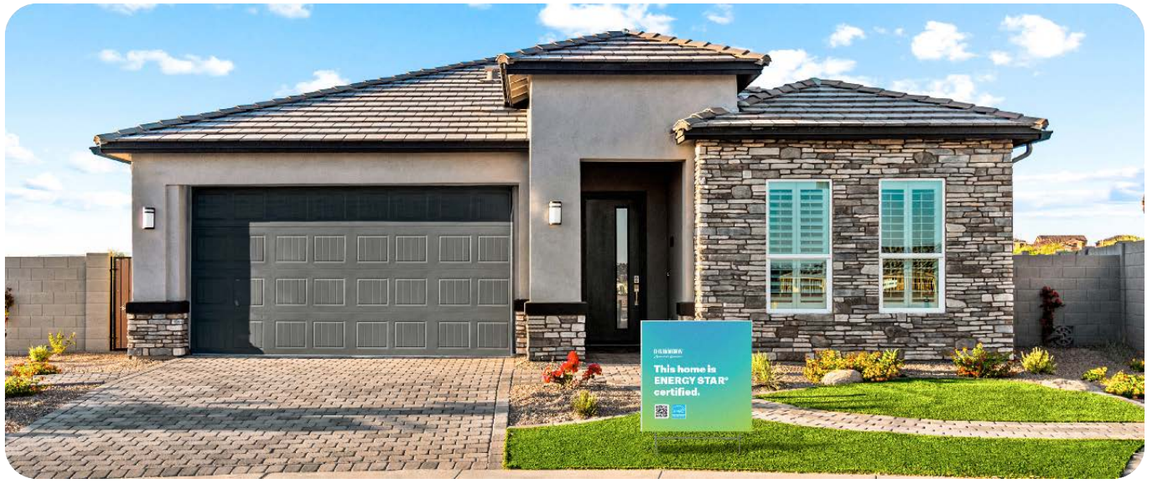
We continue to evaluate the incremental time and cost that would be required to obtain HERS ratings on more of our homes across the country. We are pleased with the increased participation in the program among our divisions over the last year, which resulted in a 65% increase in the number of homes that received a certified HERS index score in 2024 as compared to 2023. An average HERS score that is more representative of our diverse product offerings and broad geographic footprint would be helpful to inform future strategies for improvement. We plan to continue to evaluate establishing companywide energy rating policies to obtain a more representative baseline measurement of the energy efficiency of our homes.









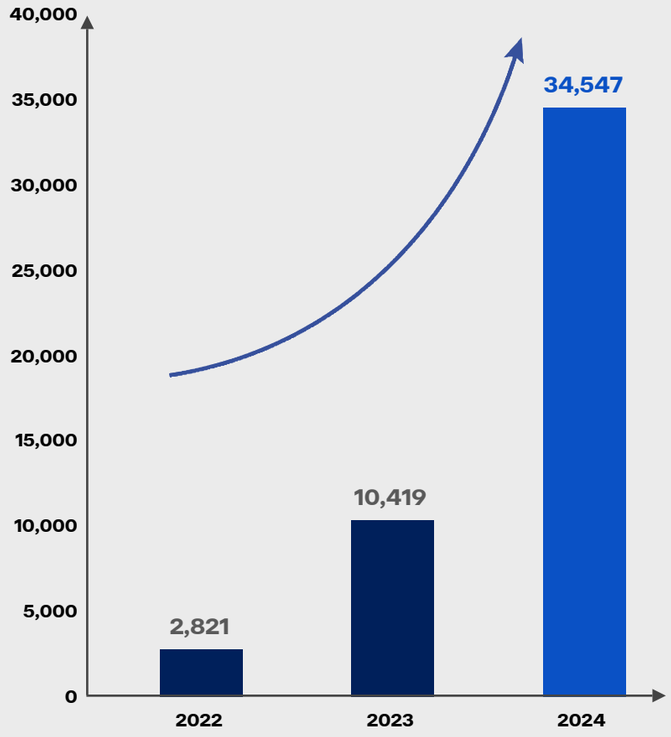


ENERGY STAR

ENERGY STAR certified homes are independently verified to meet strict guidelines for energy-efficient construction set by the U.S. Environmental Protection Agency (EPA). The ENERGY STAR Single-Family New Homes program is an above-code green building program that requires homes to be at least 10% more energy efficient than a new home built to current energy codes. The program is delivered through independent, third-party energy raters who are specially trained and qualified in energy efficient construction techniques that are unique to each climate. Energy raters conduct onsite inspections and testing on homes to verify they are built to meet the thermal enclosure, HVAC system and water management system program requirements. This inspection process follows a set of comprehensive ENERGY STAR checklists designed to deliver better efficiency, comfort, quality and durability. The EPA's ENERGY STAR certification is more rigorous and much more costly to obtain than a standard HERS rating, and the requirements have become more stringent over time as state energy codes evolve.

The ENERGY STAR program garners a lot of market and brand recognition among homebuyers, financial institutions, government agencies and others, and thus, is recognized as a compliance pathway for programs ranging from Fannie Mae's Single Family Green Bond to LEED (Leadership in Energy and Environmental Design) for Homes to utility energy efficiency programs and more. The blue ENERGY STAR label on a new home means it was designed and built to standards well above most other homes on the market. When ENERGY STAR's rigorous requirements are applied to new home construction, the result is considered to be a home built better from the ground up - delivering better durability, better comfort and reduced utility and maintenance costs. ENERGY STAR's appliance and equipment standard also provides opportunities to reduce the energy consumption of certain high use appliances, lowering the incremental environmental impact of operating a home. We include ENERGY STAR certified appliances in our markets to varying degrees.

ENERGY STAR Certified Homes Closed by D.R. Horton



40
Participating D.R. Horton divisions in fiscal 2024

+232%
Year-over-year increase between fiscal 2023 and fiscal 2024

46.7 million kWh
Annual energy savings

$12 million
Annual dollar savings on energy bills

34,547, or 39%, of our for-sale homes closed in fiscal 2024 were ENERGY STAR certified, which equates to an annual energy savings of over 46.7 million kWh when compared to the energy consumption of a new home built to code. Our homebuilding divisions' participation in the ENERGY STAR program has grown significantly over the past two years, including a 232% year-over-year increase in the number of D.R. Horton homes certified in fiscal 2024 compared to fiscal 2023. In fiscal 2022, we only had a few divisions participating in the ENERGY STAR program compared to 40 of our divisions participating in some capacity today. We are continuing to evaluate additional opportunities to obtain ENERGY STAR certifications, while also evaluating the cost of certification in terms of its impact on home affordability, which continues to be at the forefront of our consideration.

ENERGY STAR Awards

Shining STARs from the Inside Out

In 2024, D.R. Horton hosted our biennial National Trade Show, which was attended by over 1,000 employees and vendors from divisions and companies across the country. Attendees of the trade show began the week with a presentation showcasing the progress, impact and results of D.R. Horton's increased participation in the ENERGY STAR program. Additionally, a portion of the presentation highlighted 17 of our homebuilding divisions that achieved the ENERGY STAR Market Leader Award, which sparked interest and competition among our homebuilding divisions.

The event culminated in the presentation of the first ever D.R. Horton Sustainability Award, which was unveiled at the trade show's closing ceremony. Sustainability Award recipients were selected internally based on a number of criteria, including the exhibition of a collaborative spirit, willingness to knowledge share, unrelenting pursuit of the best pricing to achieve sustainability goals and a commitment to driving sustainability, education and innovation.

The D.R. Horton Phoenix East division claimed the 2024 Sustainability Award for outstanding division, and Boise Cascade took home the Award in the vendor category, which you can read more about in the **Innovation in Action** spotlight in the Vendors & Suppliers section.





Shining STARs from the Outside In

D.R. Horton was recognized by the EPA with numerous 2024 ENERGY STAR Market Leader Awards for its contribution to building energy-efficient new homes that earned ENERGY STAR certification.

For the first time in company history, 17 divisions achieved the ENERGY STAR Market Leader Award in 2024, which is awarded to divisions that have built or verified an outstanding number of ENERGY STAR certified homes during the prior year. As ENERGY STAR partners, the dedication of these divisions culminated in a combined 19,424 homes registered as ENERGY STAR certified in calendar 2023.

The combined impact of these 17 divisions reduces annual greenhouse gas emissions (carbon dioxide equivalents) by 26,990 metric tons and saves 26.3 million kWh of electricity annually. The divisions in the box to the right received the 2024 Market Leader Award for commitments and homes certified in 2023.

> **"We congratulate our Market Leader Award winners for their continued leadership in bringing energy efficiency to the forefront of the residential new construction sector. These partners have truly made a significant positive impact in energy-efficient construction and environmental protection over the past year."**
> **Jonathan Passe, EPA's ENERGY STAR Residential Branch manager**

ENERGY STAR MARKET LEADER AWARD 2024 CERTIFIED HOMES

17 Award-Winning D.R. Horton Divisions:

- Albuquerque
- Austin
- Corpus Christi
- DFW Central
- Dallas
- East Florida
- Fort Worth
- Houston North
- Houston South
- Louisiana East
- Nevada
- North Central Texas
- Phoenix East
- Phoenix West
- San Antonio
- San Marcos
- Tucson

19,424
ENERGY STAR homes certified by awarded divisions in calendar 2023

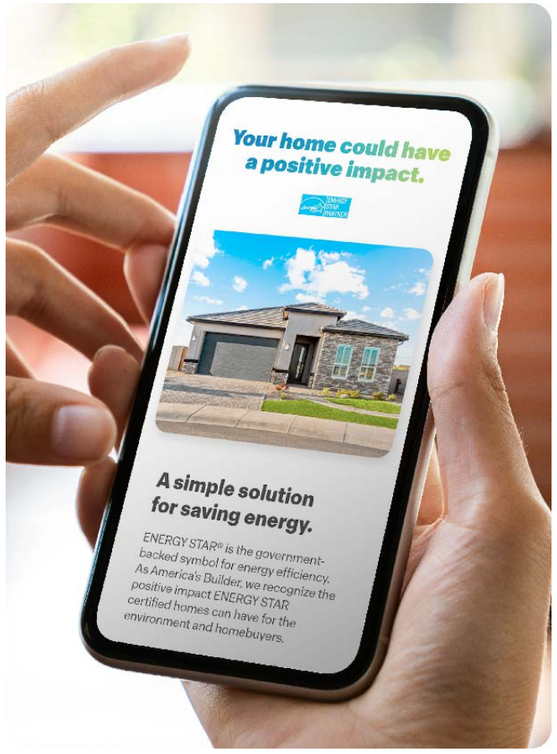
26.3 million
Annual electric savings (kWh)

26,990
Annual reduction of CO_2e (MT)

Marketing ENERGY STAR

During 2024, D.R. Horton also developed a suite of marketing assets and a sales campaign dedicated to educating both employees and homebuyers about the benefits of ENERGY STAR certification. Included in the point-of-sale marketing collateral is a printed flyer that can be displayed in our participating model homes and sales offices with a QR code leading to information on the ENERGY STAR program and outdoor signage to identify new homes that have earned ENERGY STAR certification. The yard signage allows potential homebuyers to easily spot ENERGY STAR certified homes and learn about their energy efficient features even without a sales agent by their side.







Evaluating ENERGY STAR

We are committed to improving the energy efficiency of our homes while remaining focused on maintaining affordability for our homebuyers. While we continue to consider expanding our participation in energy efficiency programs and increasing the number of homes that obtain certifications, like ENERGY STAR, there are additional costs associated with building to ENERGY STAR standards and obtaining an ENERGY STAR certification on a home. The incremental costs associated with building to ENERGY STAR standards vary greatly by market as they are based on numerous factors, including the local labor market, product availability, climate zone and locally adopted energy codes and building practices. With this in mind, we are carefully evaluating the cost-benefit trade-off of the ENERGY STAR program in each of our markets to determine our level of participation in the program while maintaining our focus on offering homes at affordable price points.

We continue to engage with our vendors, trade partners and energy raters to evaluate the cost of implementing any changes necessary to achieve ENERGY STAR certifications across our markets. While some states like California and Washington have adopted statewide energy codes and standards, the majority of the markets in which we build have their own unique version of energy code that is locally adopted, amended and enforced. The disparity in local energy codes requires each of our homebuilding operators to consider a different pathway and cost impact to achieve ENERGY STAR certification within their markets. To be properly evaluated, a wide range of strategies, building techniques and products must be considered. Ongoing communication with our trade partners to confirm that proposed changes will be properly implemented during construction with minimal impact on our ability to build and deliver quality homes efficiently and at affordable price points is imperative.

In 2024, we delivered over 34,500 ENERGY STAR certified homes, which is a new record, not only for D.R. Horton, but for the ENERGY STAR program. This achievement reflects our ongoing commitment to delivering cost-effective, energy-efficient homes that support long-term affordability for our homebuyers. This milestone was made possible not only by our operational scale and technical capabilities, but also by key business drivers such as the federal 45L New Energy Efficient Home Tax Credit, which provides a meaningful financial incentive for homebuilders delivering homes that meet the recognized efficiency benchmark of ENERGY STAR. This tax credit has helped offset some of the costs arising from making the appropriate construction technique changes and product swaps and from the incremental work performed by third-party energy raters to test and certify the homes, which helps us maintain affordability while participating in the program.

As energy codes change, new codes are adopted in our markets and as the costs associated with certain building products decrease over time, it may make sense to continue to increase our participation in the program. Conversely, increased stringency in the standards to obtain the 45L credit, and the subsequent elimination of the tax credit altogether as outlined in the One Big Beautiful Bill Act, could have the opposite impact and reduce our number of ENERGY STAR certified homes if participation becomes more costly and negatively impacts home affordability.

Regulatory Shifts

As noted above, the 45L tax credit has been a significant driver in the increase in D.R. Horton's number of ENERGY STAR certified homes in 2024. Although the 45L tax credit was established in 2006, it was typically extended on a year-by-year basis and applied retroactively. When the credit was extended and expanded for a ten year period as part of the Inflation Reduction Act (IRA) of 2022, the standard set to achieve the credit in 2023 and 2024 was an ENERGY STAR version 3.1 certification. The IRA also set forth a step up in standard required to achieve the tax credit in 2025 and beyond to ENERGY STAR version 3.2. This change imposes additional requirements, including significantly more stringent performance targets and installing building envelope materials that must meet 2021 IECC prescriptive insulation requirements. As a result, we anticipate fewer D.R. Horton homes will obtain an ENERGY STAR certification in 2025 than in 2024. Now that the One Big Beautiful Bill Act has been enacted, the 45L tax credit will sunset in June 2026. This will likely have an additional impact on the number of homes D.R. Horton certifies in future years.

Looking ahead, we anticipate new challenges as the regulatory environment continues to evolve. In particular, the U.S. Department of Housing and Urban Development's (HUD) recent determination requiring all new homes financed through FHA-insured mortgages to meet the 2021 IECC or equivalent is a notable inflection point. While aligned with national energy goals, this mandate imposes material cost burdens, especially in markets where local codes are less stringent, by increasing compliance costs without corresponding offsets or incentives. HUD has paused the implementation of these requirements pending a notice and comment period. Although D.R. Horton supports continued improvement in energy efficiency, we are actively participating in the comment period, both individually and in concert with the Leading Builders of America, to request HUD reevaluate this requirement because of its potential impact on the industry, home affordability and our homebuyers.

These evolving regulatory conditions, if not balanced with market-based support mechanisms like tax credits, incentive programs or program continuity for ENERGY STAR, could constrain our ability to certify homes at previous levels. As always, we remain focused on balancing efficiency with attainability, ensuring our homes meet the expectations of today's homebuyers, the needs of future homebuyers and the realities of the markets we serve.

Other Energy Programs

In addition to certified HERS scores and ENERGY STAR certifications, there are a variety of other programs our divisions may participate in that focus on energy efficiency. Some programs are market-specific, others are privately funded but are recognized nationally, like Earth Advantage. Although each program maintains unique standards for qualification, the common goal of each of these programs is to promote energy efficiency and sustainability. Our divisions' consideration of participating in such programs is often tied to available incentives, whether at the federal level like 45L, state level, municipality or through a local utility as outlined in the Energy Efficiency Utility Programs section.

The Zero Energy Ready Home Program established by the U.S. Department of Energy (DOE) is one of the most stringent and highest performance programs in the market today. Homes that meet this standard are so energy efficient that a renewable energy system could offset most or all of the home's annual energy usage. One of our divisions was up to the challenge of building to this standard in 2024, which you can read about in the **Net Zero Heroes** spotlight.



Net Zero Heroes

From zero to hero? In this case, net zero IS the hero! In 2024, our Tucson division embarked on a journey to become our first homebuilding division to participate in the U.S. Department of Energy (DOE) Zero Energy Ready Home (ZERH) Program. As the federal government's most rigorous new home certification program, the DOE ZERH program requires homes to earn certification under both the EPA's ENERGY STAR and Indoor airPLUS programs, as well as meet rigorous requirements on water heating efficiency to ensure outstanding levels of energy savings, comfort, health and durability. A qualifying home is so energy efficient that a renewable energy system could produce as much energy as the home consumes (net-zero energy). The Tucson division worked with their third-party energy raters to make the necessary adjustments to home construction to meet the stringent requirements of the program and in June 2024, started the first home intended to be ZERH in the Coronet at Gladden Farms community.

~8,200
Average annual kWh savings for D.R. Horton Tucson ZERH homes

Since then, Tucson has successfully certified 129 homes to the ZERH program. These homes have HERS scores of 37 on average, well below the companywide average HERS score of D.R. Horton homes. These highly efficient homes can lead to average annual savings of approximately 8,200 kilowatt hours (kWh) over the life of the home, leading the way in energy efficiency and performance. These heroes are saving their homeowners from high utility costs, one energy efficient home at a time.

Inside every ZERH are high-performance features that enhance efficiency including:

- Solar Ready
- EV Charging Ready
- ENERGY STAR windows & appliances
- ENERGY STAR v3.2 certified
- Indoor airPLUS certified
- Highly insulated building assemblies
- Fresh air ventilation
- High efficiency HVAC
- Efficient water heating
- Electric readiness
- Safe building materials







Resource Efficiency & Technology

Home Design Optimization & Minimizing Waste

During home design and construction, we actively seek methods to reduce the consumption of natural resources by optimizing material usage, identifying efficiencies and minimizing waste. This not only helps reduce costs for our homebuyers but also fosters innovation through collaboration with manufacturers, suppliers, vendors and consultants within the homebuilding industry. By working with trusted trade partners and national vendors who share similar sustainability commitments, we aim to build efficiently while reducing overall waste and emissions.

Recent technological advances in home construction have helped us to make strides in home design optimization and waste reduction. Our internal building practices, such as limiting the number of floor plans within a division and carefully managing local purchasing, enable us to more precisely estimate the amount of needed materials, such as lumber, and ensure resources are not over-ordered or wasted.

We also focus on minimizing waste in our offices. Our Corporate IT Department centrally manages the ordering, distribution, setup and eventual disposal of electronic assets, including computers, all of which are leased. Upon lease expiration, we return the assets to the lessor for refurbishment or responsible e-waste disposal. For other electronics, such as cell phones, televisions, monitors and desk phones, we work with recycling and refurbishment companies, and even recycle accessories like plastic phone cases and batteries to keep them out of landfills. We attempt to reuse packing and shipping materials where possible and leverage local recycling programs across our divisions.

Through our Amazon Business account, we are able to streamline the process of ordering office supplies and consolidate deliveries, which can reduce transportation and distribution-related greenhouse gas emissions. We can also easily identify products through Amazon Business search filters that have the Climate Pledge Friendly label, indicating they meet certain sustainability standards.

We continually look for ways to improve our processes to build high-quality homes that will meet the needs of today's homebuyers and future generations. We regularly assess new construction methods, products and innovations, but broad-based incorporation in our homes requires that these new solutions must be cost-effective, widely available and feasible to implement across the scale of our operations.

Panelized construction, panel systems for walls and roof framing trusses

We utilize offsite manufacturing of roof, wall and flooring systems to varying degrees. Panelization is the offsite manufacturing of structural framing that is shipped directly to the home site, either partially or fully assembled, and ready for install. This technique reduces the amount of waste produced compared to traditional, on-site stick framing while increasing speed and precision of construction. Advanced framing techniques, pre-fabricated components and pre-cut lumber packages further reduce the amount of wood required to build a home, while improving the installation of insulation on exterior walls and enhancing energy efficiency. Prefabricated roof trusses have some of the highest usage rates among our homebuilding divisions because they are relatively cost neutral compared to traditional stick framed roofs and are readily available in many markets. In fiscal 2024, we estimate that approximately 80% of the homes we closed utilized a prefabricated roof truss.

Bamboozled (In The Best Way)

BamCore, an innovative building products company, manufactures custom prefabricated wall panel systems made of fast-growing fibers - timber bamboo and eucalyptus. That's right, the plants best known for feeding giant pandas and koalas also make sustainable wall systems that deliver operational efficiencies and superior performance.

Homebuilders utilizing this product, the Prime Wall™, for framing provide a plan design to BamCore; custom panels are then prefabricated to the design specifications, complete with precut openings and markings to assist with mechanical, electrical and plumbing installation. The panels arrive on a pallet stacked in the order they will be used for quick assembly and can save multiple days in construction compared to traditional stick framing for walls. The precisely cut panels minimize waste and fit together seamlessly to deliver increased thermal performance and acoustic insulation, which translates directly to energy savings for homeowners.

The profile of the bamboo and eucalyptus also improves the embodied carbon of the product compared to traditional materials. A third-party study commissioned by BamCore found that the use of carbon-storing bio-based materials substantially reduces embodied carbon compared to products like concrete and steel. The study also found that regularly harvested timber bamboo turned into durable building products sequesters between 4.9 and 6 times more carbon than wood, and eucalyptus sequesters 2.7 to 4.6 times more carbon given the fast growth of the fibers compared to the slower growth of softwoods.

D.R. Horton is excited to support BamCore, and three of our homebuilding divisions piloted the Prime Wall™ in some of our homes. Salt Lake City was the first to participate and installed BamCore wall systems in 39 homes. West Central Florida and Southwest Florida followed, each constructing five homes with BamCore walls. Participating divisions reported cycle time reductions of a few hours to a few days during framing when compared to traditional stick framing.

The Southwest Florida division installed BamCore's framing systems as part of a collaboration with Builders FirstSource to showcase green construction technology in Babcock Ranch, one of the most innovative new home communities in the United States. Together they framed an entire 2,200 square foot home in 2 hours using BamCore's wall systems in Babcock Ranch's Palmetto Landing neighborhood.

Don't be bamboozled - there is nothing puzzling about this product. The benefits of BamCore are clear, and we are enthusiastic about the sustainability and efficiency potential their wall systems bring to the homebuilding industry.



Shouting TIMBER



One of the companies D.R. Horton has invested in, TimberHP, is redefining what sustainability looks like in home construction. Based in Maine, TimberHP manufactures wood fiber insulation products made from upcycled wood chips left over from lumber production and low-value woody debris from forestlands. These carbon-negative products offer an alternative to traditional foam, fiberglass and mineral wool insulation.

TimberHP's product line includes TimberBoard, a highly efficient continuous exterior insulation board; TimberBatt, a flexible, press-fit batt insulation for wood frame stud cavities; and TimberFill, a blown-in insulation for attics and wall, floor and roof cavities. Each product is engineered to be cost competitive with traditional insulation products, while delivering fire safety, moisture management and superior thermal envelope and acoustical properties, helping create safe, comfortable homes that are more energy efficient.

D.R. Horton's Delaware division installed TimberFill insulation at our West View community. TimberFill is composed of just two ingredients: residual conditioned softwood chips from lumber production mixed with a small amount of borate salt. The wood fibers manage humidity and guard against both hot and cold weather. The borate provides Class A fire resistance and prevents mold and mildew.

TimberHP products were also installed alongside BamCore wall systems in five homes in Southwest Florida as part of the showcase of green construction technologies in the innovative Babcock Ranch community as described in the **Bamboozled (In the Best Way)** spotlight.

To date, D.R. Horton divisions across the Mid-Atlantic region have utilized TimberHP's insulation products in construction because of the products' quality, cost effectiveness and the region's close proximity to TimberHP production facilities.

Incorporating TimberHP insulation is just one step D.R. Horton is taking to further the creation of resilient, safe and healthy habitats. Our teams are excited to expand our collaboration with TimberHP and are shouting the benefits of wood fiber insulation from the well-insulated rooftops.

Use of panelized wall and floor systems and other prefabricated components varies across our markets. In 2024, a few of our divisions participated in a pilot for an innovative and sustainable panelized wall system made by BamCore. Read more about this awesome product in the **Bamboozled (In the Best Way)** spotlight.

Despite the benefits described, many of these alternative building practices and products are more costly than traditional stick building and are not yet scalable or available across our entire footprint. Factors such as manufacturing capacity, shipping distances and affordability considerations play an important role in determining the feasibility for use of these components in our homes. As the nation's largest homebuilder by volume, widespread implementation would require significant investments in these technologies and the plants or companies that manufacture them. D.R. Horton is a cost conscious organization with a focus on providing homes at affordable price points, and thus, vertical integration or widespread adoption is not currently feasible. We will continue to monitor the costs and availability of these building practices and products and expect to increase our use as costs and availability improve over time.

Technology

Technology plays an increasingly important role in everything we do, including the construction processes, practices, products and materials we use to build homes. D.R. Horton's Business Development and Innovation team collaborates with our National Purchasing team to identify new technologies, opportunities and investments that can make building homes more efficient, cost effective, sustainable and affordable. We have made selective investments in companies that are exploring new ways to construct homes, such as 3D printing, offsite manufacturing and modular building and innovative building products including smart home technology and sustainably sourced and manufactured building products. These investments give us the opportunity to understand and explore the scalability, sustainability and affordability of emerging solutions, while also bringing the perspectives of the largest homebuilder in the United States to these companies as they refine their products. Through our investments or in partnership with these companies, organizations or local communities, we occasionally participate in pilot programs, technology and innovation demonstrations or build in innovative developments. One of our investments, TimberHP focuses on high-performance products that promote safe, healthy and efficient homes. Read more about their products and how D.R. Horton partners with them in the **Shouting TIMBER** spotlight.



As part of our technology and innovation efforts, we participate as a member and Alliance Partner in the Housing Innovation Alliance (the Alliance) whose mission is to prioritize opportunities for innovation and connect key players who will create a better housing industry. The Alliance includes builders, developers, product and material manufacturers, distributors, technology and service providers and thought leaders who help housing providers build better through provision of services or solutions. In addition to connecting key industry personnel, the Alliance participates in industry conferences like the International Builders' Show and also hosts numerous events, conferences and tours each year to demonstrate innovation in action, including an annual Housing Innovation Summit, which we attend. Most recently, the Alliance hosted a housing supply summit in Washington, D.C. to educate policymakers and promote innovation in housing.

Technology is not just important in **how** we build, but also in **what** we build. Our homebuyers desire the latest technology features so they can seamlessly integrate their lifestyle and their living space. To meet this need, we curated a suite of products for our Home is Connected® smart home package. Products that work together to aid in safety, security, energy and utility cost savings? Now that's smart. Take a look at our **Welcome to America's Smart Home** spotlight to read more.

While we and the homebuilding industry have made significant progress in energy and resource efficiency over the past several decades, we recognize that there is more to be done. We continue working to find new solutions to make our homes more energy efficient, while delivering on our commitment of creating value for our homebuyers. We are striving to deliver homes that are sufficiently equipped to sustain future generations.



Welcome to America's Smart Home®

Our homebuyers will never be too far from home with our Home is Connected® smart home package. Our industry-leading suite of smart home products, which comes standard in every D.R. Horton home, allows our homebuyers to stay connected to their homes from near or far at no extra cost. The package includes:



Qolsys IQ Panel:
Dubbed "The Heart of the Smart Home," the Qolsys IQ Panel is the central hub that communicates with all smart devices throughout the home via Bluetooth, Wi-Fi, Z-Wave access and cellular connectivity



Alarm.com Video Doorbell:
A smart video doorbell that helps our homebuyers feel safe and secure with the ability to see, hear and talk to whoever comes to their door



Alarm.com App:
The simple, one app solution provides 24/7 connection between all devices and can alert local police, fire and EMS during emergencies



Honeywell T6 Pro Z-Wave Thermostat:
A programmable thermostat that can heat or cool a home from a smartphone, Qolsys panel, by voice or the old fashioned way



Kwikset HomeConnect™ 620:
A front door lock that can be armed and disarmed remotely or entered via key code



Deako Smart Switch:
A light switch that can be controlled by voice or smartphone for homeowners on the go

Whether our homebuyers desire lower utility costs, the peace of mind which comes with a safer and more secure home or to just simply enjoy the conveniences of modern day life, our Home is Connected® package can help our homeowners spend less time worrying and more time connecting with the people and place they value most.

Home Quality & Safety

> **"We don't build homes for practice."**
> –DR Horton

The meaning of home extends beyond a place of shelter. A home is a safe haven where a homeowner should feel secure, comfortable and free to be themselves. Our goal is to meet these expectations by constructing high quality homes that will stand the test of time and provide the setting for a lifetime of memories for our homeowners.

During the construction process, our operators and construction subcontractors adhere to a broad range of building codes and requirements specific to the jurisdictions and states in which we operate across the country. We rely on our experienced, knowledgeable and committed field leadership teams to build homes that meet our quality standards. Our construction superintendents manage all functions of the construction jobsite while focusing on providing superior customer service. Our superintendents are responsible for maintaining a safe work site by implementing safety requirements, enforcing safe work habits, meeting regulations of the Occupational Health and Safety Administration (OSHA) and state-level requirements and maintaining compliance with all applicable building codes.

Our construction area managers oversee our superintendents and are charged with ensuring quality control across their communities, implementing pertinent Company policies and procedures throughout the construction process, ensuring that their subdivisions meet all state and OSHA regulations and verifying that all homes are constructed to contract specification.

Our division construction managers are responsible for construction field-related activities, including oversight of Area Managers, Project Managers, Superintendents and Assistant Superintendents. Our construction managers are required to oversee and ensure that the construction department meets safety standards in accordance with OSHA and state regulations and manage quality control to confirm homes are built to meet Company standards and are ready for homeowner orientations and occupancy.

In addition to the inspections and internal quality oversight processes executed by our field teams, we also obtain independent, third-party inspections at various points throughout home construction to ensure that our finished homes are of the highest quality and meet local building codes.

Resiliency

As a result of past severe storms, hurricanes and other extreme weather events, many weather-prone cities and states have adapted their building codes or adopted additional requirements to improve the resiliency of buildings in their markets. For example, major hurricanes in Houston, Louisiana and North Carolina evoked discussions and code updates focused on enhanced foundation and structural requirements for wind resistance, drainage, flood mitigation and floodplain management. Florida developed and continues to modify the Florida Building Code to promote more robust, weather-resistant construction by requiring the areas most prone to high velocity hurricanes to incorporate features into home construction such as hurricane shutters, impact-resistant windows, reinforced roofs and hurricane straps securing roofs to walls. Many of our markets in Florida, particularly in the southern part of the state, predominantly construct homes from concrete block to further improve the resilience and structural integrity of homes in an area that is frequented by hurricanes. Our building products partners are also making adjustments to their products to improve durability through severe weather events. Read the **Hardie® Siding for a Hardy Home** spotlight to learn more about one great example of a product designed for resilience. These adjustments to building codes and building products in recent years have resulted in more resilient homes that typically withstand weather events better than older, existing homes.

A program designed with resilience in mind is FORTIFIED, an above-code construction program created by the Insurance Institute for Business & Home Safety (IBHS) that originally focused on roofing enhancements. Through years of field research, IBHS designed this building standard to combat against potential damages from weather events.

There are three tiers of FORTIFIED designations, ranging from enhancements in roof construction to whole home improvements. A few of our divisions in Alabama incorporate the FORTIFIED standards into home construction, and for each of the last seven years, our Baldwin County division has been honored by IBHS with a FORTIFIED Volume Award for certifying a significant number of homes to the rigorous FORTIFIED standard. In 2024, the division earned the Crown Volume Award for certifying 1,000 to 2,499 homes to FORTIFIED designations during the year.



Hardie® Siding for a Hardy Home

A home's exterior is its first line of defense against extreme weather. D.R. Horton utilizes a variety of exterior finishes in our Florida homes, including stucco, stone and Hardie® fiber cement siding and trim, which is manufactured by our exclusive national supplier for hard siding, James Hardie.

James Hardie is the inventor of modern fiber cement, and their exterior siding products are trusted by homebuilders and homeowners on over 10 million homes from coast to coast[1]. Hardie® siding is Engineered for Climate®, meaning it is designed and built with specific climate conditions in mind to function effectively and sustainably within a given environment.

Hardie® fiber cement siding is specifically designed for climate resilience, an important feature for homes built in challenging environments like Florida. Its composition of Portland cement, silica sand, water and cellulose fibers creates a robust material that provides exceptional durability and protection against the elements. Not only are their products built to withstand extreme weather, but James Hardie also has a commitment to sustainable building through their Low Carbon Cement Technology Roadmap designed to reduce the carbon dioxide impact of cement in their products and ultimately support a reduction in embodied carbon across the lifecycle of building a home.

In many divisions across Florida, D.R. Horton features Hardie® siding as an exterior home finish, which helps protect homes from hot, humid conditions, blistering sun and more. Hardie® siding is engineered to meet stringent High Velocity Hurricane Zone[2] requirements and offer FEMA Class 5 flood damage resistance. These siding products are designed to withstand hurricane-force winds, intense heat, humidity and sheets of rain, enhancing the stability of homes in Florida and areas prone to tropical storms.

Homeowners desire both durability and lasting beauty when it comes to their homes. D.R. Horton's divisions in Panama City offer homebuyers the durability of Hardie® siding with ColorPlus® Technology finishes, which are resilient and long-lasting. To combat Florida's intense heat and sun, ColorPlus® Technology finishes are designed specifically for Hardie® fiber cement and engineered to better withstand UV rays, resist fading and protect against peeling, cracking and chipping on homes. The color is baked onto the product in a controlled environment, creating a vibrant, consistent finish. This translates to significantly less maintenance for homeowners as ColorPlus® Technology finishes are engineered to last longer than traditional paint applied on the jobsite.

We appreciate our relationship with James Hardie, which supports our construction of resilient homes for the future.



1 *Estimate based on James Hardie North America siding sales and average home size.*
2 *Applies to most James Hardie products. For full list go to: www.jameshardie.com/miami-dade-NOA.*





Warranty & Homeowner Feedback

"Treat the customer like family."
–DR Horton

Although we strive for quality in everything we do, we are subject to warranty and construction defect claims related to the homes we build in the ordinary course of business. We rely on subcontractors to perform the actual construction of our homes, and in many cases, to select and obtain construction materials. Despite our detailed specifications and monitoring of the construction process, we and our subcontractors occasionally fall short of our quality standards in the construction of our homes.

D.R. Horton is committed to helping our homebuyers protect their home by standing behind the quality of our homes and offering a robust new home warranty to our homebuyers. Our new home warranty includes a minimum one-year general builder warranty, a two-year warranty on mechanical components of the home such as heating, cooling and plumbing and a ten-year limited warranty covering major structural components. Our homeowners are able to easily submit a warranty request online at any time at drhorton.com/warranty. Additional warranty and maintenance documents based on the specific market and state where a home is located are also available to our homeowners at drhorton.com/documents-and-guides. We have both local and Corporate Customer Care teams dedicated to responding to the warranty needs and concerns of our homeowners and monitoring requests through our CRM and ticketing systems. When we find warranty issues, we repair them in accordance with our obligation, and we spend significant resources to repair items in homes we have sold to fulfill the warranties we have issued to our homebuyers.



In the event that one of the building products or components utilized in the construction of a D.R. Horton home is recalled for any reason, we help facilitate communication between our building products supplier and the affected homeowners by providing any necessary information to the supplier and assisting in the coordination with our homeowners to complete any necessary repairs or replacements.

To measure our performance and to ensure we always keep our homebuyers top of mind, we have also formally monitored homeowner satisfaction through customer surveys for almost two decades. Today's survey process includes both 30-day and 7-month post-closing customer surveys. The 30-day survey asks 7 questions focused on the customer's sales and construction experience, and the 7-month survey contains 6 questions focused on the post-closing customer service and warranty experience. Both surveys also provide the opportunity to leave free-form commentary if the homeowner so chooses, and all surveys and feedback are sent to our Corporate Customer Care team to ensure customer concerns are appropriately disseminated to our local divisions for their review and resolution. Over the last year, we have rolled out text message surveys to drive improved customer response rates. We have seen great success from this initiative with a more than 5% increase in companywide response rate year-over-year on the 30-day survey.

4.5 (out of 5)
Overall satisfaction score in fiscal 2024

We take homeowner feedback seriously, and we continually work to improve the satisfaction of our homeowners with their new home and D.R. Horton. Survey results are monitored and distributed monthly to foster continuous improvement and competition across our regions and divisions. Annual recognition is awarded to region and division leadership who have provided consistent excellence based on these surveys. Recognition thresholds are a combination of targeted survey scores and response rates designed to recognize strong scores and improvements year-over-year. For fiscal 2024, approximately 60% of our regions and nearly 40% of our divisions achieved our internal award criteria. Companywide scores for overall satisfaction on the 30-day survey improved from 4.2 in fiscal 2023 to 4.5 (out of 5) in fiscal 2024 , reflecting our continued focus on taking care of our customers. Homeowner satisfaction remains a major priority for us, and we are striving for continued improvement in scores in future years.



Indoor Environmental Quality & Safety

Studies by the U.S. Environmental Protection Agency (EPA) have found that air quality levels indoors can be significantly worse than outdoors. Utilizing research and certifications available on products used to build our homes, we are able to select products and incorporate materials that are manufactured and labeled by certification bodies like UL GREENGuard for their reduced impact on occupant health without adding significant costs for our homebuyers. Some examples of products we use in our homes that are known to help ensure better indoor air quality are described within this section.

By working with Sherwin Williams across all of our homebuilding divisions, the paint applied to interior walls and ceilings in all D.R. Horton homes is low-VOC (volatile organic compound) or zero-VOC, which produces less indoor airborne chemicals than standard interior paint, contributing to cleaner air inside the home. Low- and zero-VOC paint is categorized by producing less than 50 grams of VOCs per liter.

The majority of our homes use Mohawk carpet that has been tested to meet the Indoor Air Quality requirements to achieve certification under the Carpet and Rug Institute's GREEN LABEL Plus program for low chemical emissions. Mohawk's SmartStrand and EverStrand products are also OEKO-Tex Standard 100 certified and Declare Label Red List free, indicating the product has been tested for harmful substances and is harmless to human health. Other Mohawk products installed in our homes include wood, laminate and several domestically-produced luxury vinyl plank products that are FloorScore certified and Declare Red List free.

We also work with ClosetMaid to provide the closet shelving systems we install in some of our homes. Both their Shelf and Rod Wire Shelving and TotalSlide® shelving products meet all of the necessary qualifications and are certified to meet Indoor Advantage™ Gold Indoor Air Quality standards.

In addition to utilizing a wide range of low-emitting products in the construction of our homes, we also address indoor air quality through ventilation systems that reduce pollutants indoors throughout the life of the home. Mechanical ventilation is essential to maintaining good indoor air quality. Whole-house mechanical ventilation and spot ventilation in the kitchen and in each bathroom helps remove odors and potentially harmful fumes from inside the home and improves indoor air quality for our homeowners.

In 2024, D.R. Horton increased the number of homes delivered that installed whole-house mechanical ventilation systems. We use several different solutions to improve indoor air quality with proper ventilation in our homes, including supply ventilation, exhaust ventilation and balanced ventilation systems. One of the solutions we may employ is installation of an energy recovery ventilator (ERV) or heat recovery ventilator (HRV), which allows our homebuyers to control the amount of fresh air exchanged in the home.

One of the efficiency programs that has accelerated our adoption of ERV and HRV technology is the EPA's ENERGY STAR Single-Family New Construction program, which requires installation and performance testing of a mechanical ventilation system for certification. As a result, in fiscal 2024, D.R. Horton delivered at least 34,500 homes that incorporated a whole-house ventilation strategy.

Over the last year, we also increased our participation in the EPA's Indoor airPLUS (IAP) certification program, which builds upon the ENERGY STAR program with additional requirements that focus on healthier indoor environments. These requirements include moisture control systems to reduce the potential for mold growth, radon-resistant construction techniques, proper ventilation and air filtration, combustion safety measures to limit exposure to carbon monoxide and the use of low-emission building materials to minimize VOCs. By meeting these standards, Indoor airPLUS homes are designed to provide improved comfort, durability and protection against common indoor air quality concerns. In 2024, six of our homebuilding divisions certified homes in the IAP program.

Building homes with products that reduce baseline levels of indoor air pollutants and contaminants through low-VOC materials while providing continued dilution through ventilation systems helps our homeowners maintain healthy homes where they live, work and play.

Integrating technology and smart home devices in our homes as discussed in the **Welcome to America's Smart Home** spotlight allows for increased homeowner customization of their comfort and safety. In addition to the energy-saving features in the package, each home also includes a smart lock, video doorbell and smart light switch that can all be controlled and monitored remotely, adding to the security of the home and helping homeowners stay connected with their home while away.

Vendors & Suppliers

Sustainable Supply Chain

> **"Together, we are America's Builder."**
> –DR Horton

D.R. Horton would not be the nation's largest homebuilder without our trusted group of vendors and their hard work, commitment and dedication. Hundreds of components go into the construction of a home, and each is an important piece. With operations spanning 125 markets in 36 states, we work with a variety of trades and building product suppliers to obtain the quality materials we need to build our homes. The size, scale and geographic depth and breadth of these suppliers may vary, but when selecting each vendor, we consider quality, reliability and value as we strive to build a sustainable supply chain and high quality homes.

While certain products are specific to a local market or region, many of the components of our homes can be sourced nationally. When that is the case, we often choose to work with one to two building product companies to source a product category in an effort to take advantage of economies of scale, keep our costs down and maintain an affordable price point for our homebuyers. Today, we are nationally exclusive with approximately 20 different companies and purchase products from more than 100 other national, regional and local suppliers to complete the construction of our homes. These companies are an essential part of what we do, and we believe that our supplier relationships make us a better company.



With constantly evolving market conditions, developing a sustainable supply chain through these relationships and partnerships has never been more vital to our success than it is today. In the wake of the COVID-19 pandemic, the homebuilding industry faced unprecedented supply chain constraints, and homebuilders of all sizes, including D.R. Horton, experienced shortages of vital inputs and labor across numerous product categories that are essential for home construction. Because of the strength of our relationships with our building products partners and their help and collaboration, we were still able to build, sell and close an increased number of homes each year despite the challenging conditions, making homeownership a reality for thousands of individuals and families during a time when the importance and safety of home was magnified. Since that time, essentially all of those supply chain constraints have been resolved, and we have continued to expand and strengthen the breadth and depth of our relationships with our vendors and suppliers as a result of lessons learned throughout the last few years. D.R. Horton is focused on maintaining affordable product offerings and providing homeownership opportunities for thousands of individuals and families each year, and we rely on our vendors to help us achieve these goals.

Sherwin Williams · ClosetMaid · JamesHardie

MOEN · Mohawk · Oldcastle APG A CRH COMPANY

GERBER · LIXIL · FERGUSON

Boise Cascade ENGINEERED WOOD PRODUCTS · Weyerhaeuser · LP BUILDING SOLUTIONS

TIMBERHP · BAMCORE · ON3



We look for partners that are able to deliver reliable, quality products on time and on budget. We focus on resource efficiency, operational efficiency and sustainability throughout our supply chain, whether with manufacturers, suppliers, distributors or our local trade partners. Building more than one out of every seven new homes across the United States requires constant collaboration between our vendors and suppliers with our national, regional and local purchasing, construction and operations teams. Our decentralized operating structure provides our 88 homebuilding divisions with the flexibility and ability to source materials and create vendor relationships that meet the needs of their local market while empowering our team members to innovate.

Our vendor selection process is structured to be thorough and fair. We require multiple proposals when bidding out a new project and select vendors and suppliers that make the most logistical and economic sense for our business, while always considering product quality and the level of service offered. We often aim to purchase products in close proximity to our jobsites and communities to strategically reduce freight charges, which typically also reduces overall pricing of the product. When selecting new regional and national building products suppliers, we generally follow a similar process and obtain multiple proposals or bids for consideration. We make product and supplier selections based on cost, the ability to meet our volume requirements, financial strength of the company and most importantly, the quality and performance of the products. To become a large-scale supplier for D.R. Horton requires the ability to deliver the quality, cost, product performance and level of service and responsiveness that we expect consistently and at scale.

We look for ways to celebrate, reward and provide opportunity to our building products partners throughout the year. One of these events is our biennial D.R. Horton Trade Show hosted by our National Accounts team where our vendors have the opportunity to meet with each of our homebuilding divisions and learn more about D.R. Horton's goals, initiatives and future plans. Outstanding vendor partners representing a variety of categories are typically honored at the conclusion of the event. We hosted a very successful Trade Show, The Horton Games, in 2024 where several of our vendors were recognized for their work with us. One company was honored with our inaugural D.R. Horton Vendor Sustainability Award, which you can read more about in the **Innovation in Action** spotlight. We appreciate everything that our vendors and suppliers do for our business and our homeowners. Together, we are America's Builder.

Vendor & Supplier Engagement

We maintain ongoing communications with our vendors and suppliers throughout the year on a variety of topics. We hold our vendors and suppliers to a high standard and expect them to adhere to the human rights and environmental standards to which we hold ourselves. As a result, over the past few years, we have engaged and collaborated with our vendors and suppliers to find new ways to share information and enhance our sustainability disclosures and initiatives. Many of the companies with whom we do business have robust sustainability and stewardship programs and disclosures in place, and we have learned about some of the sustainable features of products we purchase and programs and initiatives in place at some of our key suppliers through this ongoing dialogue. In 2023, we took our engagement with our supply chain a step further, and we created and sent our first vendor ESG survey. Our National Purchasing Department sent the survey to 168 companies that we work with on a national basis, which included manufacturers, distributors and installers of varied size and scale.

The vendor survey was intended to enhance our understanding of the current and future plans, policies, processes and disclosures within the respective environmental and human capital journeys of our vendor partners, identify topics of interest to us and our homebuyers for further engagement, begin to prepare for potential future reporting requirements and open the dialogue on sustainability topics that impact the homebuilding industry as a whole. The topics in this survey included general company and product information, information about each company's process (particularly for manufacturers) and environmental information about the products D.R. Horton installs, as well as general corporate sustainability and human capital strategy questions. We asked our vendors to involve their respective experts when filling out the survey to allow us to gather the most accurate information possible and further engage with their teams moving forward. We achieved a nearly 50% response rate on the survey, and the feedback and insights garnered have created opportunities for additional dialogue and helped us begin preparations for evaluating the purchased goods and services category of our scope 3 greenhouse gas emissions.

We look forward to the continued open dialogue and collaborative spirit between our companies as we work to build better, more energy efficient homes; track, quantify and report on sustainability metrics; and work to collectively reduce our environmental impacts. We will consider utilizing supplemental engagement surveys in the future as we determine beneficial.

Below represents some insights gained from our 80 vendor survey respondents in 2023:

60%

of the companies indicated they utilize recycled materials within their products

Over 60%

are measuring their waste generated, water usage and energy usage

Approximately 50%

have quantified scope 1 and 2 greenhouse gas emissions

70%

manufacture, distribute or install products that they would consider energy efficient, low-carbon or low-emission products

Nearly 60%

indicated that they have published sustainability information publicly

Innovation in Action

In June 2024, D.R. Horton hosted our biennial National Trade Show, which was attended by over 1,000 employees and vendors from divisions and companies across the country. A major component of the Trade Show is the presentation of awards and accolades for vendors with whom we have an outstanding relationship and who have provided exceptional service over the prior two years. At the 2024 awards presentation, Boise Cascade, an engineered wood product (EWP) manufacturing and building materials distribution company, was honored as the inaugural recipient of the D.R. Horton Vendor Sustainability Award.





The partnership between D.R. Horton and Boise Cascade is deserving of accolades. What started as a national relationship in 2003, has expanded beyond just product supplier to a deeper understanding of the benefits and characteristics of Boise Cascade's products installed in our homes. D.R. Horton has been given an inside look at Boise Cascade's sustainability practices and the manufacturing process for engineered wood products from forest to finished product. Boise Cascade has continued to host their annual Industry Mill Trip for D.R. Horton employees at their Wood Products facilities, which highlights the manufacturing of their products from forestry management practices through the production processes for Veneer, Plywood PLV and EWP.

In 2024, Boise Cascade also hosted a Collaborative Innovation Summit with D.R. Horton at their facility in Alexandria, Louisiana, which is America's largest EWP mill. Not only was the event a reaffirmation of their commitment to mutual success, but it also aimed to enhance collaboration between Boise Cascade and D.R. Horton by focusing on innovation and advancement in technology, sustainability, resource efficiency and affordability.

Boise Cascade and D.R. Horton brought their expertise and resources to the table to establish a framework for ongoing partnership and regular touchpoints focused on innovation and sustainability.

Sustainable Building Supplies

To build better, more energy efficient homes and to help preserve the earth's resources, we consider sustainable building supplies in the construction of our homes. We work with numerous suppliers that utilize recycled materials in all or part of their products. We also work with building products partners that seek to manage the long-term risks of their supply chain by utilizing renewable resources or participating in certification programs that signify responsible sourcing.

Recycled Materials

Using products that contain recycled material helps reduce the overall environmental impact of our homebuilding operations. Much of the fiberglass insulation that is used to create the thermal envelope of our homes is made of recycled content. Refer to the **Insulation Station** spotlight to learn more about several types of insulation we use in our homes and the components that are made of recycled content.



Insulation Station

A key component of every home, and one that many Americans can quickly recognize, is the insulation in the walls that helps keep homes comfortable and the systems in them running efficiently. When installed in exterior walls, insulation can serve as an air and temperature barrier and help homeowners manage heat flow by keeping heat in when it is cold outside and keeping heat out when the air conditioner is working hard to keep it cold inside. There are numerous types of insulation that can be installed in a home. The types, amounts and applications depend on local climate and building practices, but all forms of insulation serve a purpose: to help our homeowners conserve energy and save money.

Some of the types of insulation we may use in our homes include:



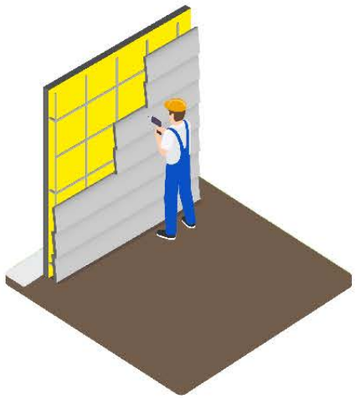
Batt Insulation

- One of the most recognizable forms of insulation in rolls or sheets that resemble blankets or batts
- Installed in the exterior wall cavities between framing studs or in the attic between the ceiling joists
- Typically made of fiberglass, which is non-combustible and made from recycled glass and mineral-based ingredients
- Used in the majority of D.R. Horton homes built today as fiberglass is a proven, cost effective and widely accepted insulation
- Innovative insulation products are also available, such as TimberHP's TimberBatt product composed of upcycled wood chips, which is highlighted in the **Shouting TIMBER** spotlight

Spray Foam Insulation

- Spray polyurethane foam (SPF) insulation is a liquid-to-expanding foam that is applied to wall cavities, roof decking and used to fill gaps, cracks and voids responsible for uncontrolled air leakage
- Two types of SPF are used in new construction: open cell foam and closed cell foam, which have slightly different properties and are typically selected based on the climate and needs of the local market
- Application of open cell SPF, sometimes called half-pound foam, creates insulation with a spongy texture and gaps filled with air, which is lighter and often more cost effective than closed cell spray foam
- Closed cell spray foam, sometimes called two-pound, has higher density cells that are sealed, has a higher R-value and in certain applications, may justify the increased cost





Rigid Foam Insulation

- Rigid foam insulation, often called foam board, has multiple applications throughout home construction
- One common application is the installation of rigid foam board on the exterior of a home in combination with or in place of plywood, OSB or other wall sheathing to help minimize heat transfer in conjunction with fiberglass batt insulation
- Foundations can also be insulated with rigid foam board in a variety of ways, depending on climate conditions and construction type
  - **Basement Insulation:** rigid foam board can be installed on the exterior side of basement walls to allow for a conditioned basement
  - **Slab Insulation:** there are many ways to configure a slab foundation, and the most common locations for slab insulation are at the perimeter of the slab (installed vertically) and under the slab (installed horizontally)

Another example of a supplier who is able to utilize recycled materials in their products is Mohawk through their EverStrand line of carpets. Mohawk's EverStrand carpet contains 79% recycled plastic bottles, which diverts these bottles from the landfill to the living room. Through our valued relationship with Mohawk, D.R. Horton is responsible for the diversion of over 308 million plastic water bottles from landfills to Mohawk EverStrand carpeting installed in our homes in fiscal 2024.

308 million

plastic water bottles diverted in 2024

Moen is tackling the ocean plastic crisis head-on. Moen Posi-Temp® Valves are manufactured with plaster grounds made from ocean-recycled plastic, helping reduce the scale of massive garbage patches in our oceans. Through the purchase and use of Moen Posi-Temp® Valves in our homes in fiscal 2024, D.R. Horton was responsible for recycling nearly 12,000 pounds of ocean-bound plastics, which is the equivalent of more than 581,000 plastic water bottles or 1,300,000 plastic straws.

12,000 pounds

of ocean-bound plastic diverted in 2024

Not only do we use products that contain recycled content, but many of our product manufacturers also incorporate sustainability into their production processes. According to D.R. Horton's 2023 vendor ESG survey, 64% of respondents reported having policies related to sustainable supply chain, sustainably-sourcing materials or policies governing their manufacturing processes that could mitigate impact to the environment. Many of the manufacturers we work with utilize recycled material in the production of products that D.R. Horton installs.



Oldcastle APG, who manufacturers pavers, retaining walls and some stucco, mortars and masonry products for a portion of our homes, incorporates pre-consumer regrind material like PVC products, off-spec block and pavers and cement dust back into their manufacturing processes. They also divert materials from landfills by utilizing slag and fly ash in the production of their blocks and pavers.

Sustainable Forestry

Lumber is one of the most heavily utilized materials in our homebuilding business. Lumber, lumber-related components and engineered wood products are sourced by our homebuilding divisions locally and regionally through multiple suppliers. Some of these suppliers, including Boise Cascade, Weyerhaeuser and LP among others, include sustainably harvested lumber in their product offerings and participate in sustainable forestry certifications or programs that support responsible forestry practices. Some of the programs and certifications our suppliers may participate in include the Sustainable Forestry Initiative (SFI), the Forest Stewardship Council (FSC) and the Programme for the Endorsement of Forest Certification (PEFC). While the standards and criteria to obtain these certifications vary, each program is focused on forest management, responsible sourcing, chain-of-custody and monitoring compliance to promote sustainable wood and fiber sourcing. Through our partnerships with vendors and suppliers who are certified or provide products certified by organizations like the FSC, SFI or PEFC, we are able to sustainably source some of our lumber to build homes for today with the confidence that forests are being sustained for future generations.

These are only a handful of examples of what our building products partners are incorporating into their manufacturing processes and products. As we strive to enhance our understanding of and work to quantify the full environmental impacts of our homes, we are relying more on our vendors and suppliers to share information about their impacts. One tool that enables the measurement and sharing of the composition and environmental impact of a product is an Environmental Product Declaration (EPD). EPDs signal a manufacturer's commitment to measuring and reducing the environmental impact of their products and services and transparently report these impacts. With an EPD, manufacturers report comparable, objective and third-party verified data that describes the environmental performance of their products and services. Some of our vendors already obtain EPDs on their products, and we look forward to further reviewing and understanding their impacts and how those translate into the impact of our homes.



Responsible Land Development

Environmental Reviews & Assessments

We recognize the importance of environmental stewardship and are committed to protecting the environment in the communities in which we construct and sell homes.

This commitment to environmental responsibility is a consideration in our site selection, site design, site development and home construction. Our expectation is that all D.R. Horton employees will adhere to a strong environmental ethic in evaluating and addressing the environmental concerns that may arise in connection with a particular community.

In our normal course of acquiring land, once a prospective site has been identified by a local division, the parcel is typically placed under contract while we complete our feasibility and due diligence processes, including an environmental review of the property. These environmental site assessments are coordinated and managed by our Corporate and Region Environmental Departments who engage experienced national and regional environmental consultants to conduct an initial "Phase I" environmental site assessment in accordance with the American Society for Testing and Materials industry standards.

While every site presents its own set of unique environmental conditions, we generally expect our environmental consultants to consider the prior and intended use of the site, the sensitivity of the site and surrounding habitats and to complete the following tasks during a Phase I review:

- Perform a physical inspection of the site and adjacent areas;
- Identify the presence, characteristics and site conditions associated with potential jurisdictional ecological features, such as wetlands and waterways, as well as potential jurisdictional flora and fauna species;
- Obtain and review public and private records associated with the prior uses of the property and surrounding areas, such as prior environmental studies and regulatory filings;
- Obtain information relating to past and current site use through personal interviews with, and obtaining completed questionnaires from, the current owner(s) of the property;
- Consider any potential chemical releases or other environmental conditions that may impact the site and may pose a risk to human health or the local environment; and
- Provide recommendations to preserve and protect site conditions, which may affect nearby protected species and habitats and assist in our efforts to mitigate developmental impacts to such species and habitats.

Should the Phase I environmental site assessment identify any potential environmental concerns, a "Phase II" environmental site assessment may be completed to allow our teams to more thoroughly evaluate the potential concern. The Phase II environmental site assessment may include soil and groundwater sampling and protected species and habitat assessments. Additionally, we may engage our consultants to perform wetlands investigations, stormwater assessments, geotechnical investigations, archaeological studies or other similar assessments.



Once the Phase I and Phase II (if necessary) environmental review(s) have been completed, we consider the findings and evaluate the feasibility of completing the land purchase. If minimal environmental concerns exist, we will often move forward with acquiring the property as long as it meets our other criteria for land purchases, including financial feasibility. If the environmental reviews identify conditions of concern, we will further evaluate the parcel and determine whether to undertake the appropriate remediation, mitigation or other necessary actions to address the environmental concern or whether to opt out of our purchase contract. For projects where we choose to perform the necessary remediation to move forward with the land purchase, we frequently prohibit the land purchase until the Corporate Environmental team can verify that the necessary remediation has been completed.

One condition we may encounter during our due diligence and environmental reviews is that portions of the property are located within a flood zone, as designated by the U.S. Federal Emergency Management Agency (FEMA). If we elect to purchase land within a flood zone, we typically perform remedial development work and once that work is completed, request a letter of map revision from FEMA. The process for letters of map revision can be lengthy, and in some cases, letters of map revision might not be finalized before we begin home construction. If not remediated, homes located within a FEMA flood zone are usually required to obtain flood insurance. Of the lots we purchased in fiscal 2024, 4,208 lots were located in a 100-year flood zone at the time of purchase. Of these, we expect no more than 310 lots will remain within the flood zone at the time of vertical construction. In cases where we are unable to remediate or we are awaiting final approvals of a letter of map revision, we may consider assisting our homebuyers with acquiring flood insurance. Alternatively, we may utilize that portion of the property as an open area or holding pond within a community.

While the majority of the communities we purchase are greenfield land parcels in suburban areas, from time to time, we also purchase projects for redevelopment enabling us to thoughtfully repurpose

A Peachy Redevelopment

A little creativity and innovative thinking can go a long way in planning a new home community. The D.R. Horton Atlanta Central division noticed a vacant office building in Peachtree Corners, Georgia and envisioned a new townhome community in its place. Peachtree Corners, a charming suburb of Atlanta, is home to a number of amenities and employers, and is most known for its focus on innovation and technology. Creating a walkable community with attainable housing near several local employers while also repurposing underutilized land appealed to the City, so the division designed a stylish, modern townhome plan to win the City's approval for the Overlook at Peachtree Corners community.

Once the plan was approved, the division worked the parcel through the rezoning process, which took about five months. A key element required by the County in the rezoning process was agreeing to develop and dedicate a portion of the land to the City for the Corners Connector Trail System, a pathway connecting the community to the 22-mile loop of trails comprising the Atlanta Beltline. After rezoning was completed, the process for obtaining a permit took another six to seven months.

As is common practice for D.R. Horton, the Atlanta Central team then assigned the land development for this project to our majority-owned subsidiary, Forestar Group Inc. (Forestar). Forestar is a residential lot development company that focuses on land acquisition and development to sell finished residential lots to homebuilders. In its role as the land developer for this community, Forestar was responsible for performing environmental due diligence, demolishing the office building and completing all of the land development work, including grading, installation of infrastructure, irrigation, utilities, roads and platting the community.

Some of the unique aspects of this project included additional environmental and safety considerations in demolishing the office building, such as, reviewing the building for the potential presence of asbestos, disconnecting existing utilities and ensuring contractor safety during the building demolition. The division and Forestar also had to obtain additional permits throughout the process, which proved to be one of the most difficult parts of the project. Forestar completed the work ahead of schedule, and the division is excited to start home construction in 2025.





underutilized land. From October 1, 2023 through September 30, 2024, we purchased 707 lots that were classified as redevelopment lots, which could include brownfield and greyfield sites. Of the 707 purchased redevelopment lots, we closed 68 homes on these lots over this same time frame. Depending on the prior use of the land, redevelopment lots may have additional environmental factors to consider during our environmental reviews. You can read more about one exciting redevelopment project in the **A Peachy Redevelopment** spotlight.

The development of environmentally friendly, sustainably built communities extends beyond the purchase of land. There are numerous federal and state laws, rules and regulations designed to protect the environment that we must comply with throughout the land development and home construction process. Each of our employees and contracted professionals who work in our developments are expected to comply with these federal and state laws, rules and regulations and with the Company's environmental policies. They are also expected to regularly monitor compliance with such laws and file all required inspection and other reports with the applicable government agencies.

Biodiversity & Other Considerations

As mentioned above, during our environmental site assessments, we attempt to minimize impacts to any local habitats, wetlands and protected or endangered species by considering recommendations relating to possible avenues to mitigate any development impacts to those conditions. If we encounter a protected or endangered species during our environmental site assessments, land development or home construction work, we typically work with qualified third-party consultants to perform additional, specialized assessments, and if necessary, develop a management plan to address the specific species or concern. These plans could include incorporating buffers, reserving preservation areas or safely relocating the species, among other options, depending on the situation. For species that are well-known in a certain area, our divisions and regions follow established plans and processes when assessing and developing land in these locations. For example, in Florida, divisions may encounter the protected Gopher Tortoise, which is identified and relocated before site work can continue. Another example, the Least Tern, a small, endangered shorebird that looks for sandy shores and other sandy dune areas to lay their eggs, are occasionally present in projects in Panama City. Our divisions in this market have an established plan in place to follow when a Least Tern is spotted onsite. The division will notify and collaborate with the Florida Wildlife Commission (FWC) to identify any additional Least Terns onsite and mark the nest areas with sign and rope to prevent disturbance. Construction is halted onsite until the birds have hatched and taken flight a few months later and the area is cleared by the FWC. In all markets where bald eagles may nest, we maintain bald eagle management plans, which include establishing buffers at a minimum. We do our best to preserve habitats and maintain biodiversity within our communities.

In some cases, we support local preserves or incorporate features within our communities that conserve and enrich the biodiversity in our neighborhoods and the surrounding areas.





Our Houston Northeast division is currently building homes in a nature-inspired master-planned community, The Canopies, which was developed by our majority-owned subsidiary, Forestar. In addition to walking paths and a local trail system that connects homes in the community with nature and recreation, one of the stand out features of this community is the butterfly garden. The butterfly garden in The Canopies is a beautiful, serene space designed to connect residents with nature. The garden is not just landscaping; it is an experience, ideal for morning walks, photography or quiet moments with family.

Our consideration of the environment extends beyond our environmental reviews into our community development and home construction. We make a concerted effort to incorporate meaningful outdoor spaces into our communities, which we believe supports both the health of the natural environment and the well-being of our homeowners. By integrating attractive communal parks, paving accessible walking trails and planting trees and other forms of vegetation, we strive to build thriving residential areas that provide a sense of community and encourage our homebuyers to spend time outdoors. Additionally, in many communities, our local teams incorporate native plants and vegetation in the landscaping of the community.

Stormwater Pollution Prevention

In all of our communities, we endeavor to comply with the requirements of the Clean Water Act and the National Pollutant Discharge Elimination System (NPDES), including the requirement that we develop site-specific Stormwater Pollution Prevention Plans (SWPPP). In our SWPPPs, we describe D.R. Horton's activities to prevent stormwater pollution, our Best Management Practices (BMPs) relating to erosion and sediment control and our procedures to comply with the requirements of the Clean Water Act throughout land development and home construction in our communities.

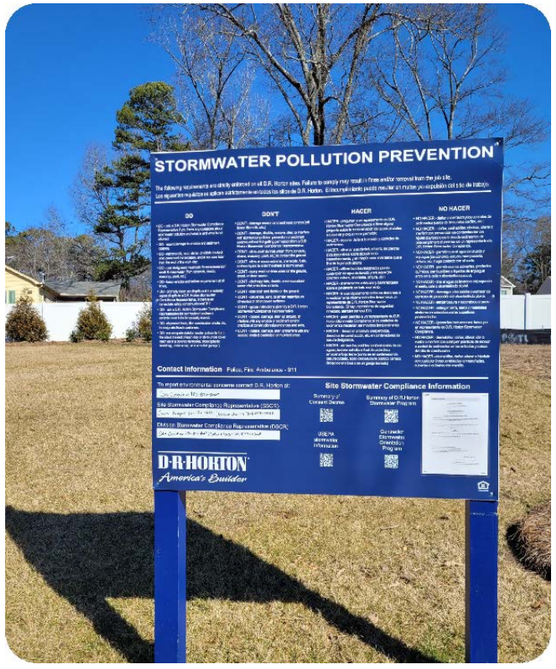
Some key components of our national stormwater compliance program include:

- Stormwater management professionals are employed by most of our local operating divisions to assist in the implementation of our stormwater compliance program, from initial site design to SWPPP preparation and implementation, permitting, inspections and site-level management of stormwater BMPs. Additionally, we employ stormwater management professionals in our regional and corporate operations. As of September 30, 2024, D.R. Horton employed more than 130 stormwater professionals across the country;
- Erosion and sediment control BMPs are implemented on our construction sites as necessary to comply with stormwater regulations;
- Erosion and sediment control measures are designed to meet site-specific conditions;
- Stormwater compliance information is posted in our communities;
- Stormwater management provisions requiring stormwater compliance are included in our independent contractor agreements; and
- A contractor orientation program covering stormwater compliance requirements is provided to our trade partners and vendors who work on or deliver materials to our work sites.

Some additional components of our recently enhanced stormwater compliance program include:

- Development of scopes of work for various contractors and consultants we may engage related to stormwater compliance;
- Enhanced inspection procedures for our work sites, including our land development and homebuilding operations; and
- Stormwater training requirements for D.R. Horton employees who are in land acquisition, site feasibility, project management and stormwater compliance roles. During fiscal 2024, approximately 2,400 of our employees participated in the D.R. Horton stormwater training program by completing online interactive training on stormwater compliance.

Part of serving our homeowners is taking care of the environment in which they live, work and play. Through the policies and procedures described above, D.R. Horton strives to protect the environment and comply with applicable federal, state and local laws and regulations during land development and home construction activities.



Water Management & Efficiency

In Our Communities

We understand that water is a limited natural resource, and we are committed to utilizing all natural resources in an efficient, non-wasteful manner during the construction of our communities. Throughout land development and community construction, we strictly comply with the Clean Water Act, which governs pollution control and water quality of waterways in the United States. As part of our compliance with the Clean Water Act, we have Stormwater Pollution Prevention Plans in place as further discussed within the Responsible Land Development section.

In addition to conservation and protection from pollution, D.R. Horton also assesses water risks and works to provide water security for the communities we build. Although water is more abundant in some of our markets, many areas experience water stress and have fewer accessible sources of water. Across our 125 markets, approximately 290,800 lots out of our total controlled land and lot position of 632,900 lots at September 30, 2024 were located in areas of high or extremely high baseline water stress. Baseline water stress measures the total annual water withdrawals (municipal, industrial and agricultural) in an area compared to the total annual available flow. When an area has high baseline water stress, there is a higher risk of shortages of clean, reliable water for our communities.

To help resolve the challenges of building homes in areas with higher baseline water stress, we are required to obtain water rights in markets where water is more scarce, such as in Arizona, Nevada and Colorado. A water right is the right to use a specified, sustainable volume of water per annum in perpetuity, which ensures our communities and homeowners will have access to water in the drier climates in which we build homes.

We own a company with significant expertise in managing water, Vidler Water Resources, Inc. (Vidler). Vidler's business is to provide sustainable, potable water resources to fast-growing communities throughout the Southwest United States that lack, or are running short of, available water resources. Vidler owns a portfolio of premium water rights and other water-related assets in markets that experience a lack of adequate water supply. Vidler's highly experienced management team conducts their business by working closely with many constituents in these communities, including regulators, water utilities, Native North American tribes, community leaders, residential and commercial developers and alternative energy companies to ensure the water resources they develop and sell are sustainable and benefit the citizens of the communities and regions they serve. The Vidler team has a proven track record of accessing, developing and realizing value for premium water assets while expertly navigating local regulations and working with governmental entities. To read more about one of Vidler's projects providing a flexible water supply, read the **A Basin for a Base Need** spotlight.

A Basin for a Base Need

Southern Arizona, often characterized as a desert, is also a highly desirable place to live; however, the rapid growth in this area presents challenges in ensuring a reliable water supply for local municipalities, businesses and new home communities. The primary source of water for Arizona and neighboring southwestern states like California and Nevada is the Colorado River. Recognizing the importance of water sustainability, Vidler Water Resources, a wholly owned subsidiary of D.R. Horton, took proactive measures to capture and store excess water from the Colorado River underground for future use, a process known as "recharging."

In 2005, Vidler invested approximately $10 million to construct a full-scale water recharge facility in the Harquahala Valley of Arizona. This facility, which is one of the first private sector water storage sites in the state, is strategically located adjacent to the Central Arizona Project (CAP) aqueduct and upstream from the major metropolitan areas of Phoenix and Tucson, ensuring easy access to the stored water when needed. The site features a CAP diversion and metering structures, infiltration ponds and conveyance structures.

Since this time, Vidler has operated the recharge facility by purchasing surplus flows of Colorado River water from the CAP aqueduct to recharge and store for future needs. Over the past decade, the Vidler Recharge Facility has successfully recharged over 250,000 acre-feet of water, which is equivalent to more than 81 billion gallons. In return for storing this water, Vidler received long-term storage credits (LTSCs) from the Arizona Department of Water Resources. Due to recent deficits in the Colorado River's water supply, the facility has shifted its focus from active recharge to storage and recovery.

As drought conditions persist and the region continues to grow, local municipalities and other governmental agencies, energy companies and large industrial users such as data centers approached Vidler in 2024 about "tapping in" to these underground water reserves and utilizing these LTSCs. Vidler is collaborating with both private and governmental entities to contract for the water, which will be recovered from the underground storage through groundwater wells. Recent quality tests of the water have yielded excellent results. Once recovered, this water is expected to support both private and public sectors, including new home communities, with a flexible and sustainable water supply. Vidler remains committed to serving not only our homebuilding divisions, but also all constituents of our local communities by providing sustainable, potable water resources.



In Our Homes

Water management and conservation doesn't stop at home construction. We want to equip our homeowners with the tools to conserve water throughout the life of their home. To deliver water conservation and efficiency for our homebuyers, we install WaterSense certified water fixtures in our homes, which reduce water use by at least 20% from federal standards. WaterSense is a program sponsored by the U.S. Environmental Protection Agency (EPA) that helps consumers identify water-efficient products, such as bathroom faucets, toilets, shower heads, irrigation controllers and spray sprinkler bodies.

Through our nationally exclusive partnership with Moen, 100% of the bathroom faucets and showerheads we installed in our homes in fiscal 2024 were certified to WaterSense criteria. Showerhead efficiency contributes not only to water conservation within our homes, but also energy efficiency, as showering requires energy to heat the water, so reducing water usage also reduces energy usage. The installation of WaterSense bathroom faucets and showerheads in fiscal 2024 is estimated to have saved more than 1.5 billion gallons of water - enough to fill almost 43 million bathtubs! In addition to bathroom faucets and showerheads, at least 73% of the toilets installed in our homes during fiscal 2024 were certified to WaterSense standards.

Several of our divisions install WaterSense irrigation systems, further reducing water consumption for our homebuyers. Through our partnership with Hunter International, we installed approximately 2,900 high efficiency WaterSense certified irrigation systems using the HydraWise system during fiscal 2024, which represents approximately 6% of our installed irrigation systems. The HydraWise system includes weather-based irrigation controllers that automatically adjust watering based on highly accurate, internet-sourced local weather data and plant type to conveniently create or modify irrigation schedules that help avoid unnecessary watering. The EPA estimates that a WaterSense labeled irrigation controller with an automatic landscape irrigation system can save an average home up to 15,000 gallons of water annually. Additionally, we are mindful of the landscape selections we make in our communities. Our local divisions work to ensure we select native, more drought-tolerant plants and often utilize xeriscaping, which requires little to no irrigation, in more arid climates.



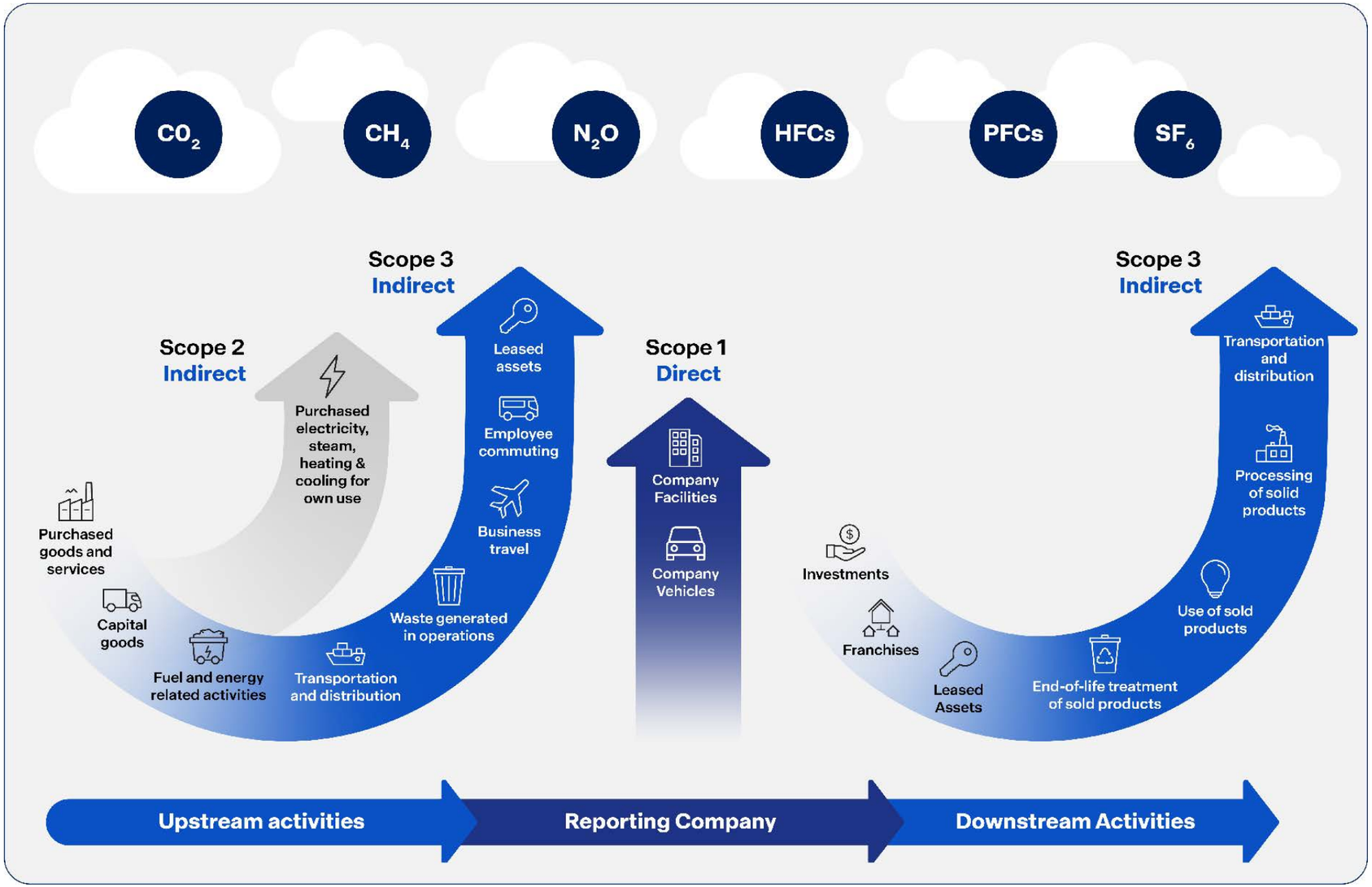




Greenhouse Gas Emissions

As part of our efforts to provide information regarding our companywide environmental impact and to improve our transparency and environmental disclosures, we engaged a third-party sustainability firm to assist us with the calculation of our Scope 1 and Scope 2 greenhouse gas (GHG) emissions for fiscal years 2019 through 2024. This project was completed in accordance with the requirements defined by the Greenhouse Gas (GHG) Protocol, a joint initiative of World Resources Institute (WRI) and the World Business Council for Sustainable Development (WBCSD). The calculation of these GHG emissions used recognized emission factors from The Climate Registry, Intergovernmental Panel on Climate Change (IPCC) and the United States Environmental Protection Agency (EPA). Our GHG emissions were classified into two categories, in accordance with the GHG protocol:

- **Scope 1 encompasses an organization's direct owned and controlled emissions.** For D.R. Horton's Scope 1 GHG calculation, this includes "things that fume," such as natural gas used in our owned and leased office space, natural gas used in our model homes and homes in inventory for the period of time they were under D.R. Horton's operational control (e.g., from completion of the home to closing of the home) and fuel used in company vehicles.
- **Scope 2 accounts for an organization's indirect emissions through the purchase of utilities.** For D.R. Horton's Scope 2 GHG calculation, this includes purchased electricity throughout our operations, including electricity used in our owned and leased office space, in our model homes and homes in inventory for the period of time they were under D.R. Horton's operational control (e.g., from completion of the home to closing of the home), electricity used in our multi-family rental units and single-family rental homes for the period of time they were under our operational control (e.g., from completion of the unit/home to the lease date when a tenant takes over) and electricity used in all other segments of our business.



Source: GHG Protocol

Scope 1 and 2 Greenhouse Gas Emissions ($MTCO_2e$)

	Greenhouse Gas Emissions	2019	2020	2021	2022	2023	2024
		$MTCO_2e$					
	Stationary Fuel Combustion (Natural Gas, Propane, Diesel)	28,220	27,640	24,435	39,571	65,815	43,113
1	Mobile Combustion (Fleet)	666	666	743	1,061	1,170	692
	Fugitive Emissions (Building HVAC)	4,013	3,903	3,200	3,853	13,851	11,495
	Total Scope 1 (Direct) GHG Emissions	32,899	32,209	28,378	44,485	80,836	55,300
2	Scope 2 (Indirect) GHG Emissions - Location-Based	34,900	35,479	31,077	39,542	67,563	55,707
	Scope 2 (Indirect) GHG Emissions - Market-Based	37,708	38,944	34,007	43,097	72,412	58,216
	Total Scope 1 & 2 GHG Emissions	**70,607**	**71,152**	**62,385**	**87,582**	**153,248**	**113,516**

$MTCO_2e$ = metric tons of carbon dioxide equivalent. Due to rounding, the sum of results presented may not equal the total shown.

The results of our Scope 1 and Scope 2 GHG emissions calculation are presented in the chart above. Please note the results for fiscal years 2019 through 2022 have been updated from the disclosures included in our 2023 ESG Report as the result of the sale of the company's oil and gas operations in August 2023. The full fiscal 2023 and fiscal 2024 results also exclude the impacts of these divested operations. The GHG Protocol recommends a restatement of base year and/or prior year emissions when a company undergoes a structural change, such as an acquisition or divestiture.

Market-based emissions factors consider the emissions intensity of local energy providers, if known. The location-based emissions factors consider regional emissions based on the EPA's eGRID system. Reporting based on both market-based emissions factors and location-based emissions factors is required under the GHG Protocol, and one method is not preferable to the other. Location-based electricity emissions are considered an alternative calculation methodology to the market-based emissions values, and thus, market-based emissions have been included in the total Scope 1 and 2 emissions presented.

In all six fiscal years reviewed, emissions from purchased electricity accounted for the majority of our calculated carbon footprint. These emissions include those associated with energy and electricity consumed at our office buildings, homes in inventory, model homes, rental homes and apartments and electricity consumed in all other business activities. For offices and homes, impacts are representative of the time period during which we had operational control. Our next largest emissions source was the combustion of natural gas, which is also primarily attributable to offices and homes. Regional uses of natural gas varied, and homes in the East and North regions of the United States utilized the most natural gas per square foot, primarily due to their cooler climates and need for additional heating. In most years, fugitive emissions from building HVAC were within a range of 5% to 10% of the total emissions. Emissions from other sources are considered to be immaterial and each comprised 5% or less of the total calculated emissions in all six periods reviewed.

Our total Scope 1 and Scope 2 GHG emissions increased from fiscal 2019 to fiscal 2024 primarily due to D.R. Horton's significant increase in size and scale over that time period. During this six year period, we increased our number of employees by over 5,800, or 66%, increased our annual homes closed by our homebuilding operations by almost 33,000 homes, or 57%, started our single-family rental business, continued to scale our multi-family rental business and grew our consolidated revenue by nearly $19 billion, or 109%. With this in mind, we also examined our GHG emissions using a per home/unit closed intensity metric, which remained relatively consistent over most of the examined period with a slight step up in fiscal 2023 compared to prior years before decreasing again in fiscal 2024.

Intensity Metrics

Total Scope 1 & 2 GHG Intensity	2019	2020	2021	2022	2023	2024
Homes and Units Closed by our Homebuilding, Single-Family and Multi-Family Rental Operations	57,791	65,928	83,181	84,293	91,204	95,862
MT CO_2e per Home/Unit Closed	1.22	1.08	0.75	1.04	1.68	1.18
Consolidated Revenue (In Millions)	$ 17,593	$ 20,311	$ 27,774	$ 33,480	$ 35,460	$ 36,801
MT CO_2e per Million Revenue Dollars	4.01	3.50	2.25	2.62	4.32	3.08

The primary driver of the increase in both absolute emissions and emissions on a per home/unit closed basis in fiscal 2023 compared to the prior year was a 136% increase in active square footage of homes in operational control, driven by a 59% year-over-year increase in the number of completed homes in our inventory, coupled with an elongation in the average number of days from completion to close. Active square footage of homes in operational control decreased 20% in fiscal 2024 compared to fiscal 2023, driving a decrease in emissions year-over-year, but both active square footage and emissions remained elevated compared to 2019 through 2022. In addition to improved operational efficiency from completed homes in 2024, the average electricity and natural gas consumption in homes reviewed improved year-over-year, partly due to increased participation in the ENERGY STAR program in 2024.

We also examined the results using a per revenue dollar earned intensity metric, which showed a similar step up in intensity in fiscal 2023, with the increase in completed homes in inventory and timeframe from completion to close outpacing our year-over-year increase in revenues before improving a bit in fiscal 2024 from the better operational efficiency described above.

We plan to continue to evaluate our Scope 1 and Scope 2 GHG emissions, and we are currently preparing to calculate our Scope 3 GHG emissions for the first time in preparation for compliance with the climate-related disclosure legislation enacted in the State of California. We will consider and evaluate potential future GHG reduction targets after we have more fully evaluated our company's impacts, potential strategies for reduction and the evolving landscape of regulatory requirements. We continue to strive to build more energy efficient homes and limit D.R. Horton's overall impact on the environment.



D.R. Horton Fort Worth North division's Eagle Creek community in Denton, Texas

Appendices

In this section

79 2024 Employer Information Report (EEO-1) - D.R. Horton, Inc.

80 Sustainability Accounting Standards Board (SASB Index)

83 Task Force on Climate-Related Financial Disclosures (TCFD)

87 UN Sustainable Development Goals

2024 Employer Information Report (EEO-1) - D.R. Horton, Inc.

In line with the reporting requirements of the U.S. Equal Employment Opportunity Commission (EEOC) for private sector employers with 100 or more employees, we annually submit our EEO-1 Component 1 report to the EEOC, which highlights our demographic workforce data for that period. To provide a transparent view of our workforce demographics, we publish this data annually. As a people-first company, we believe our individual differences are our collective strength, and we remain committed to enhancing our workforce and fostering inclusion throughout our organization.

			Non-Hispanic or Latino											
			Male						Female					
Job Categories	Hispanic or Latino		White	Black or African American	Native Hawaiian or Pacific Islander	Asian	American Indian or Alaska Native	Two or more races	White	Black or African American	Native Hawaiian or Pacific Islander	Asian	American Indian or Alaska Native	Two or more races	Overall Totals
	Male	Female													
Exec / Sr. Officials & Mgrs	7	1	219	1	3	—	—	1	65	2	2	—	1	1	303
First / Mid Officials & Mgrs	125	129	1,393	63	29	5	7	15	779	67	30	6	6	8	2,662
Professionals	345	102	2,463	80	55	8	15	42	500	70	18	2	3	12	3,715
Technicians	30	14	215	26	30	1	—	9	80	11	9	2	—	2	429
Sales Workers	201	219	914	133	27	8	4	21	1,096	233	46	5	5	26	2,938
Administrative Support	136	566	459	50	31	4	4	11	1,773	293	81	13	13	52	3,486
Craft Workers	217	45	739	62	9	10	2	11	132	13	2	3	—	3	1,248
Operatives	5	—	7	—	—	—	—	—	—	1	—	—	—	—	13
Laborers & Helpers	5	—	9	1	—	—	—	1	1	—	—	1	—	—	18
Service Workers	2	1	25	1	—	—	—	1	—	1	—	—	—	—	31
Total	1,073	1,077	6,443	417	184	36	32	112	4,426	691	188	32	28	104	14,843

Please refer to our Investor Relations website for our 2022 and 2023 EEO-1 disclosures.

Sustainability Accounting Standards Board (SASB) Index

All data presented below is as of or for the fiscal year ended September 30, 2024 and represents our homebuilding segment only, unless otherwise noted. As our sustainability reporting and internal data collection processes continue to mature, we plan to refine the presentation of information in our reporting to reflect the best available information.

SASB Code	SASB Metric	D.R. Horton Disclosure
Activity Metrics		
IF-HB-000.A	Number of controlled lots	Land/Lots Owned - 152,500 Lots Controlled Through Land and Lot Purchase Contracts - 480,400 Total Land/Lots Owned and Controlled - 632,900
IF-HB-000.B	Number of homes delivered	89,690
IF-HB-000.C	Number of active selling communities	D.R. Horton does not disclose active community count.
Land Use & Ecological Impacts		
IF-HB-160a.1	Number of (1) lots and (2) homes delivered on redevelopment sites	1) Number of owned lots purchased from 10/1/2023 to 9/30/2024 located on redevelopment sites - 707 2) Number of homes delivered on lots purchased from 10/1/2023 to 9/30/2024 located on redevelopment sites - 68
IF-HB-160a.2	Number of (1) lots and (2) homes delivered in regions with High or Extremely High Baseline Water Stress	1) Number of owned or controlled lots in regions with High or Extremely High Baseline Water Stress - 290,839 2) Number of homes delivered in fiscal 2024 in regions with High or Extremely High Baseline Water Stress - 42,940
IF-HB-160a.3	Total amount of monetary losses as a result of legal proceedings associated with environmental regulations	$500,901 $400,000 of the total amount of environmental fines and penalties paid in fiscal 2024 is attributable to a settlement reached with the EPA as part of a Consent Decree issued in 2024. The Consent Decree is related to notices of violation we received in 2014 for stormwater compliance at certain sites in the southeastern United States within EPA Region 4.
IF-HB-160a.4	Discussion of process to integrate environmental considerations into site selection, site design and site development and construction	Please refer to the Responsible Land Development section (pages 71-73) for more detailed information regarding D.R. Horton's process for integrating environmental considerations into site selection, design, development and construction.

SASB Code	SASB Metric	D.R. Horton Disclosure
Workforce Health & Safety		
IF-HB-320a.1	(1) Total recordable incident rate (TRIR) and (2) fatality rate for (a) direct employees and (b) contract employees	1a) TRIR for Direct Employees in fiscal 2024 - 1.3 2a) Fatality Rate for Direct Employees in fiscal 2024 - 0 We do not currently have complete and accurate information to report a TRIR or fatality rate for contract employees.
Design for Resource Efficiency		
IF-HB-410a.1	(1) Number of homes that obtained a certified residential energy efficiency rating and (2) average rating	The primary certified residential energy efficiency ratings utilized by D.R. Horton are certified HERS Index Scores. 1) Number of homes that obtained a certified HERS Index Score in fiscal 2024 - 50,662 2) Average HERS score for rated homes closed in fiscal 2024 - 56
IF-HB-410a.2	Percentage of installed water fixtures certified to a water efficiency standard	The primary water efficiency standard to which our building products are certified is WaterSense. Percentage of indoor water fixtures certified to WaterSense specifications - 87% Percentage of outdoor water fixtures certified to WaterSense specifications- 6%
IF-HB-410a.3	Number of homes delivered certified to a third-party multi-attribute green building standard	In fiscal 2024, 34,547 homes closed by our homebuilding operations were certified under the ENERGY STAR Single-Family New Homes program.
IF-HB-410a.4	Description of risks and opportunities related to incorporating resource efficiency into home design, and how benefits are communicated to customers	Please refer to the Energy Efficiency and Resource Efficiency & Technology sections (pages 50-60) for more information regarding risks and opportunities related to resource efficiency, as well as our communication of benefits to potential homebuyers.

SASB Code	SASB Metric	D.R. Horton Disclosure
Community Impacts of New Developments		
IF-HB-410b.1	Description of how proximity and access to infrastructure, services, and economic centres affect site selection and development decisions	Please refer to the Community Impact section (pages 26-29) for more information describing how proximity and access to infrastructure, services and economic centers affects our site selection and development decisions.
IF-HB-410b.2	Number of (1) lots and (2) homes delivered on infill sites	1) Number of owned lots purchased from 10/1/2023 to 9/30/2024 located on infill sites - 5,474 2) Number of homes delivered on lots purchased from 10/1/2023 to 9/30/2024 located on infill sites - 1,055
IF-HB-410b.3	(1) Number of homes delivered in compact developments and (2) average density	1) Number of homes delivered in compact developments* - 6,134 2) Average density of homes delivered in compact developments - 13.5 per acre
Climate Change Adaption		
IF-HB-420a.1	Number of lots located in 100-year flood zones	1) Number of lots located in 100-year flood zones at time of purchase that were purchased from 10/1/2023 - 9/30/2024 - 4,208 2) Number of lots expected to remain in 100-year flood zones at time of home construction of those purchased from 10/1/2023 - 9/30/2024 - 310 Standard practice in the vast majority of our communities located within a flood zone at the time of land purchase is to complete the necessary community design and development steps to obtain a LOMR from FEMA. Occasionally, at the time a home is closed, the LOMR may not yet be officially approved, resulting in a requirement for some homes to obtain flood hazard insurance until the LOMR is approved.
IF-HB-420a.2	Description of climate change risk exposure analysis, degree of systematic portfolio exposure, and strategies for mitigating risks	Please refer to the Risk Management and TCFD sections (pages 15-17 and 83-86) for more information describing our evaluation of our exposure to climate change risks, portfolio exposure and our strategies for mitigating these risks.

* As SASB allows homebuilders to leverage the definition of a compact development from general industry frameworks, we are reporting in line with the definition of the U.S. Green Building Council, which considers a community to be higher density if the community has more than seven homes per acre.

Task Force on Climate-Related Financial Disclosures (TCFD)

The risks of climate change, both physical and transition, could have an impact on our business. The following disclosures outline the potential impacts to our business from climate change, our governance over climate risks, strategies for mitigating them and metrics we monitor associated with climate risks to align with the majority of the disclosure recommendations outlined by the Task Force on Climate-Related Financial Disclosures (TCFD). As we continue to improve upon and refine our data collection processes and risk assessments, we will work to improve upon these disclosures in future reports. We are currently in the process of refreshing our climate risk assessment and anticipate publishing that information to our Investor Relations website by the end of 2025.

Governance

D.R. Horton's management of human capital, sustainability and climate risks is integrated into the day-to-day operations, processes and overall risk management systems of numerous departments and levels throughout the organization. The oversight of some of the key risk areas are incorporated into the roles and responsibilities of the following departments and individuals in our corporate office:

- Human Resources and Legal oversee the day-to-day management of employee risk;
- Corporate and Region Real Estate and Environmental Departments oversee the process for environmental site assessments for all potential land and lot purchases and consult with our divisions on conditions or issues as necessary;
- Purchasing manages relationships with national vendors and identifies solutions to help maintain a sustainable supply chain;
- Business Development and Innovation researches and manages investments in new, more efficient ways to build and more sustainable building products;
- Risk Management is responsible for preparing for and preventing property loss, helping establish emergency preparedness procedures and overseeing the operations of our captive insurance agency;
- Investor Relations has oversight of regulatory updates related to sustainability disclosures and data requirements, manages engagement with investors and other stakeholders, prepares and compiles sustainability reporting and disclosures and provides insights and updates to the executive team and Board of Directors;
- The National Sustainability Director participates in and engages with industry groups, governmental agencies, energy raters and related organizations; helps manage the ENERGY STAR program; and keeps divisions apprised of changes in regulations, etc.;
- DHI Mortgage monitors and implements any necessary actions in response to updated regulations for financing;
- Region Presidents, Division Presidents and City Managers, Region and Division Construction, Operations and Purchasing personnel are all responsible for building quality homes that adhere to local regulations and requirements for construction, energy codes, certificates of occupancy, etc.

The executive management team actively oversees each of the functions listed and stays apprised of the key elements of each risk area through their day-to-day oversight functions. The Nominating and Governance Committee of the Board is formally charged with oversight of sustainability-related risks, including climate risks, and they receive regular updates on these topics from both internal and external subject matter experts throughout the year.

Strategy

These are the time horizons that D.R. Horton references in all aspects of risk management and overall company strategy, including the consideration and management of climate-related risks and opportunities.

Time Horizons	Rationale
Short Term **1 - 3 Years**	Our internal budgeting, strategy review and capital allocation process occurs formally on an annual basis. During these meetings, land positions, community plans and shorter-term housing market dynamics are discussed for each market, and budgets are set on an annual basis for three years. Additionally, when considering acquisitions of both land and other companies, one of our key underwriting criteria is a two-year return of cash to best manage our investments over the short term.
Medium Term **3 - 8 Years**	We actively identify, contract for and purchase land and lots on essentially a daily basis; however, the timeframe from identification of a land parcel to finished lots ready for home construction can vary significantly by parcel and by market depending on the state of the land, entitlement requirements and development timelines, among other factors. Because of this, we are typically identifying land and lot positions for several years into the future to ensure an ample supply of lots over the medium term. The 632,900 lots we controlled at September 30, 2024 represent an approximately 7 year supply of lots based on our trailing twelve month homes closed.
Long Term **8+ Years**	Outside of ongoing land purchases and community planning that takes place over the short and medium term, larger, over-arching strategic business decisions, including new business lines, initiatives like our rental platform and changes in strategic focus, are reviewed over the longer term.

D.R. Horton has been the largest homebuilder by volume in the United States since 2002. Our business operations consist of homebuilding, single-family and multi-family rental, a majority-owned residential lot development company, financial services and other activities. Our homebuilding operations are our core business, and we focus on maintaining a broad product offering across geographies and strive to drive home affordability in each of our markets. We spend significant time and resources identifying, entitling and developing land parcels and building, selling and closing homes. Our geographic diversity and the risk management processes we have implemented help us manage and mitigate risks in our business, including climate-related risks. Our climate strategy includes careful consideration of risks and environmental conditions when sourcing land as described in the Responsible Land Development section; thoughtful continued improvement in the building quality and energy efficiency of our homes while maintaining affordability for our homebuyers as described in the Energy Efficiency section; exploration of and investments in new technologies and sustainable building products that may improve efficiencies and reduce environmental impacts of our homes as described in the Resource Efficiency and Technology section; ongoing engagement with our key stakeholders, especially our vendors and suppliers, as described in the Materiality Assessment and Vendors and Suppliers sections; and measurement and continued improvement in our data quality and disclosure of metrics like certified HERS Index Scores, ENERGY STAR certifications and greenhouse gas emissions.

We have not performed a detailed climate scenario analysis to date; however, our Board of Directors reviewed an enterprise-level ESG risk assessment in fiscal 2021 to identify and understand specific environmental, human capital and governance risks that could have a material impact on the Company, including those associated with climate change. Key risks discussed include those pertaining to environmental law, building codes, land identification and development activities, the impacts of increased frequency and severity of extreme weather events, risks of health and safety incidents, lack of diversity and economic risks that could arise.

Risk Management

Risk	Potential Impact	Opportunity	Mitigating Factors
Physical Risk - Acute			
Increased frequency and severity of extreme weather events	Potential impacts arising from acute physical climate risks include: • Increased legal, crisis response, insurance and repair costs due to damage from weather events to active construction sites • Delays in land development and home construction timelines due to severe weather events • Increase in cost and/or reduction in availability of property and casualty insurance for homebuyers • Increased direct costs due to unfavorable impacts on the availability or pricing of materials or labor as a result of severe weather events	Potential opportunities resulting from acute physical climate risks include: • Gains in market share due to the quality and reliability of D.R. Horton homes • Strengthened trade and vendor relationships by providing certainty to our partners in times of crisis • Opportunities to expand our geographic footprint as individuals move out of more climate change sensitive locations	Ways in which we are mitigating potential impacts resulting from acute physical climate risks include: • Our operating footprint is geographically diverse across 125 markets in 36 states, which provides heterogeneity in our exposure to climates, weather events, topography and other characteristics • We employ multiple strategies to mitigate the risks associated with our supply chain, including supplier diversification through the use of vendors and suppliers of varying sizes across multiple geographies and through continued investment in new and emerging technologies, including potential alternatives to traditional products • We focus on ongoing engagement with our vendors and suppliers on a variety of sourcing and sustainability topics • We adhere to applicable building and energy codes for home construction in all locations where we operate to ensure that our homebuyers are best prepared for severe weather events or natural disasters • We have an independent, captive insurance agency that assists our homebuyers with obtaining property insurance in all 36 states where D.R. Horton operates. The D.R. Horton Insurance Agency's capture rate increased from 55% of homes closed by our homebuilding operations in fiscal 2023 to 57% in fiscal 2024, with higher capture rates in coastal states like Florida and California.

Risk	Potential Impact	Opportunity	Mitigating Factors
Physical Risk - Chronic			
Shifts in climate patterns	Potential impacts arising from chronic physical climate risks include: • Decrease in homebuyer demand due to increased insurance costs for homebuyers and lower overall home affordability in more climate-sensitive areas • Increased construction costs due to construction delays or labor availability driven by abnormally high temperatures • Lack of product and materials availability driven by changing vendor supply chains • Shifts in our land and lot portfolio away from areas with rising sea levels, water scarcity or sustained higher temperatures to areas with potentially higher land costs	Potential opportunities resulting from chronic physical climate risks include: • Gains in market share due to our broad geographic footprint, shorter cycle time and affordably-priced offerings • Increases in revenues by implementing additional WaterSense certified and other water and resource-efficient products or potentially seeking whole-home water certifications in response to increased consumer demand	Ways in which we are mitigating potential impacts resulting from chronic physical climate risks include: • Our operating footprint is geographically diverse across 125 markets in 36 states, which provides heterogeneity in our exposure to climates, weather events, topography and other characteristics • We take steps in areas with higher risk for certain physical risks during land development, including obtaining water rights for sustainable water sources in locations subject to drought and remediating lots located within historical flood zones prior to vertical construction to help mitigate the future impacts on our homeowners • The majority (76%) of our land and lot portfolio is controlled via purchase contract, which allows us to renegotiate terms or walk away from land parcels altogether if they no longer meet our needs, fit our underwriting criteria or do not meet our environmental standards • We cater our building processes based upon the needs of each market, such as in many of our Florida markets where we utilize concrete block in the construction of our homes to prevent damage and withstand substantial winds that could be caused by hurricanes or other weather events • We have engaged external sustainability resources who have assisted us in conducting a materiality assessment, measuring our annual GHG inventory, preparing a climate risk assessment and helping us explore climate risk mitigation strategies
Transition Risk			
Changes in government restrictions, standards or regulations	Potential impacts arising from changes in government standards or regulations include: • Increases in operating and compliance costs • Increased technology requirements and additional capital investment • Elongated cycle times or delays to construction due to restrictions or additional requirements on land development and home construction in certain areas • Reduction in the availability of mortgage financing provided by government agencies • Reduction in the availability or magnitude of credits and incentives that drive participation in energy efficiency and certification programs, resulting in fewer homes certified	Potential opportunities resulting from changes in government standards or regulations include: • Increase in the availability or magnitude of credits and incentives to build more energy efficient homes • Increase in the availability or magnitude of credits and incentives to utilize less resource-intensive products and supplies in our homes • Increase in the availability or magnitude of credits and incentives to redevelop land/ utilize greyfield and brownfield sites	Ways in which we are mitigating potential impacts resulting from changes in government restrictions, standards or regulations include: • We maintain a robust due diligence process for evaluation of new land parcels and ensure compliance with relevant regulations and standards during land development and home construction • We leverage the expertise and knowledge of our locally based teams who maintain familiarity with current and upcoming regulations within their local markets to ensure we follow any and all relevant building and energy codes and specifications that govern those markets • Our National Purchasing and Resources team has a National Sustainability Director who provides additional resources and support to our divisions in developments in building energy codes, green building practices and exploring cost-benefit analyses of making proactive changes to our construction practices, among others • We have proactively measured our company's baseline greenhouse gas emissions and have taken steps to assess certain impacts of the homes we build on the environment to be well-positioned to navigate future regulatory changes • DHI Mortgage participates in industry groups to stay apprised of and provide input on potential changes in regulations and regularly adjusts their mortgage underwriting criteria to meet the standards accepted by government agencies

Risk	Potential Impact	Opportunity	Mitigating Factors
Transition Risk			
Shift in consumer preferences	Potential impacts arising from shifts in consumer preferences include: • Increases in direct construction costs due to adjustments to building techniques, fixtures or finishes in homes to meet increased consumer demand for more environmentally friendly homes • Increases in selling, general and administrative expenses to drive revenues • Decreases in market share and market growth due to lower demand	Potential opportunities resulting from shifts in consumer preferences include: • Increase in revenues driven by incorporation of more energy efficient features and more sustainable materials in line with consumer preferences • Improved overall costs of homeownership and ongoing operation for homebuyers that have purchased more energy efficient homes • Growth in markets and market share by providing high-quality, affordable and resilient homes for homebuyers	Ways in which we are mitigating potential impacts resulting from shifts in consumer preferences include: • We adjust our product offerings, sales pace, home prices and sales incentives as necessary in each of our markets to meet consumer demand and maintain affordability • We offer a diverse product portfolio that appeals to a broad range of homebuyers • We are proactively working to improve the energy efficiency and sustainability of our homes by increasing our participation in energy efficiency programs like HERS and ENERGY STAR in markets where the cost-benefit trade off is aligned with maintaining affordability • We are actively engaging with many of our key stakeholders, especially our vendors and suppliers, about the sustainability of their products and the benefits to our homebuyers • Our Business Development and Innovation team collaborates with our National Purchasing team to identify new technologies, opportunities and investments that can make building homes more efficient, cost effective, sustainable and affordable

Metrics and Targets

We are tracking and have reported on numerous metrics throughout this report, including those outlined in the SASB Index, that help us evaluate the climate risks and opportunities in our business. The three key metrics that help us measure our current impacts and inform our climate strategy are listed below. To date, we have not set any formal targets related to these metrics.

Metric	Section	Page
Certified HERS Index Scores	Energy Efficiency	50
ENERGY STAR Certifications	Energy Efficiency	50
Greenhouse Gas Emissions	Greenhouse Gas Emissions	76

UN Sustainable Development Goals

	Goal Name	Description	Report Section	Pages
	No Poverty	End poverty in all its forms everywhere	Home Affordability, Philanthropy	21, 30
	Zero Hunger	End hunger, achieve food security and improved nutrition and promote sustainable agriculture	Philanthropy	30
	Good Health and Well-Being	Ensure healthy lives and promote well-being for all at all ages	Community Impact, Philanthropy, Employee Well-Being, Health & Safety	26, 30, 43, 46
	Quality Education	Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all	Community Impact, Talent & Retention	26, 39
	Gender Equality	Achieve gender equality and empower all women and girls	Workforce Composition	34
	Clean Water and Sanitation	Ensure availability and sustainable management of water and sanitation for all	Community Impact, Home Quality & Safety, Water Management & Efficiency	26, 61, 74
	Affordable and Clean Energy	Ensure access to affordable, reliable, sustainable and modern energy for all	Energy Efficiency, Resource Efficiency & Technology	50, 58
	Decent Work and Economic Growth	Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all	Risk Management, Community Impact, Workforce Composition, Talent & Retention, Employee Well-Being, Health and Safety	15, 26, 34, 39, 43, 46
	Industry, Innovation and Infrastructure	Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation	Community Impact, Energy Efficiency, Resource Efficiency & Technology, Vendors & Suppliers	26, 50, 58, 65
	Reduced Inequalities	Reduce inequality within and among countries	Business Ethics, Home Affordability, Workforce Composition	13, 21, 34
	Sustainable Cities and Communities	Make cities and human settlements inclusive, safe, resilient and sustainable	Home Affordability, Community Impact, Health & Safety, Energy Efficiency, Home Quality & Safety	21, 26, 46, 50, 61
	Responsible Consumption and Production	Ensure sustainable consumption and production patterns	Energy Efficiency, Resource Efficiency & Technology, Home Quality & Safety, Vendors & Suppliers	50, 58, 61, 65
	Climate Action	Take urgent action to combat climate change and its impacts	Energy Efficiency, Greenhouse Gas Emissions	50, 76
	Life Below Water	Conserve and sustainably use the oceans, seas and marine resources for sustainable development	Responsible Land Development, Water Management & Efficiency	71, 74
	Life On Land	Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss	Vendors & Suppliers, Responsible Land Development	65, 71
	Peace, Justice and Strong Institutions	Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels	Business Ethics, Community Impact, Philanthropy	13, 26, 30