



BEAZER
HOMES

2021
ESG SUMMARY



About This Report

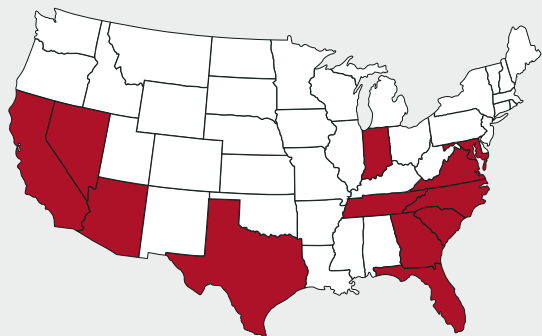
The following summary contains disclosure of environmental, social and governance (ESG) information relevant to our business, as well as metrics included in the Sustainability Accounting Standards Board (SASB) Home Builders Industry Classification. We also indicate where we believe our practices support efforts to meet the United Nations' Sustainable Development Goals. This summary covers disclosures for Beazer Homes USA, Inc. and its subsidiaries for our 2021 fiscal year, from October 1, 2020 through September 30, 2021, unless otherwise noted.



Table of Contents

About this Report	2
About Us	3
Environment.....	4
Environmental Policy	
Land Use and Ecological Impacts	
Climate Change Adaption	
Design for Resource Efficiency	
Energy Efficiency Commitment	
Employees.....	10
Employee Wellness, Health and Safety	
Engagement, Training and Development	
Inclusion and Diversity	
Customers and Communities	14
Community Impact of New Developments	
Product Quality	
Customer Satisfaction	
Community Engagement and Philanthropy	
Governance	18
ESG Oversight	
Business Ethics	
Data Security and Privacy	
Frameworks and Standards	19
Reconciliation and Disclaimer	21

Our purpose is to create durable and growing value for our customers, employees, partners and shareholders and strengthen the communities that we serve.



About Us

Beazer Homes (NYSE: BZH), headquartered in Atlanta, is one of the largest homebuilders in the United States. Our homes are designed to appeal to home buyers at different price points across various geographic markets, generally focusing on the entry-level, move-up or 55+ categories of home buyers. Our objective is to provide our customers with homes that incorporate extraordinary value and quality at affordable prices, while seeking to maximize our return on invested capital over the course of a housing cycle. We differentiate our company, brand and products based on choice and value.

We view our ESG program as a key focus of our strategic planning and risk oversight responsibilities and a process of continuous improvement. Accordingly, we continually look for ways to measure, monitor and reduce our carbon footprint and waste, equally and equitably employ and retain diverse talent across our organization, facilitate access to energy-efficient, lower cost of ownership homes, and contribute to the communities in which we live and operate, all while upholding our code of ethics and corporate governance principles.

METRIC	FY2021	FY2020	FY2019
Revenue (<i>billion</i>)	\$2.14	\$2.13	\$2.09
Net Income (<i>million</i>)	\$122.2	\$53.3	\$(79.4)
Adjusted EBITDA (<i>million</i>)	\$262.7	\$204.4	\$180.2
Employees	1,052	1,063	1,205
Number of controlled lots SASB: IF-HB-000.A	21,987	17,830	19,875
Number of homes delivered SASB: IF-HB-000.B	5,287	5,492	5,500
Average Selling Price (<i>thousand</i>)	\$402.4	\$385.5	\$377.7
Dollar Value of Backlog (<i>million</i>)	\$1,284.0	\$995.3	\$665.1

Environment

ENVIRONMENTAL POLICY

As a homebuilder, we recognize the critical role we play not only in creating durable and growing value for our customers, but also acting as a responsible steward in creating a sustainable future. We work with industry-leading partners who value innovation and quality and embrace environmentally friendly processes and objectives. We also use advanced construction practices and materials designed to provide our customers with lower carbon producing, energy-efficient homes that have demonstrated high-performance and lower costs of ownership.

Examples of our commitment to the environment include our approach to land acquisition, planning and development, our Net Zero Energy Ready commitment described below and our use of third-party programs such as ENERGY STAR® and Indoor airPLUS.

Moving forward, we are working to benchmark our existing data, develop more comprehensive methodologies and partner with independent third parties to better understand our opportunities to reduce our overall environmental impact and create greater efficiencies in the homes and communities we build.

Our environmental responsibility commitments include:














- 🌿 Protecting natural resources
- 🌿 Complying with all applicable environmental regulations
- 🌿 Monitoring our environmental compliance
- 🌿 Preventing pollution whenever possible
- 🌿 Training our employees on our environmental program and empowering them to contribute and participate positively
- 🌿 Working to better measure and monitor greenhouse gas emissions, energy use, water use, and waste, and set goals to reduce this impact
- 🌿 Communicating our environmental commitment and progress to our customers, our employees, our communities and other stakeholders

LAND USE AND ECOLOGICAL IMPACTS

Land use and ecological impacts are always integral to our decision-making process in community development. We ensure that the selection, design, development and construction of our communities is based on a thoughtful and collaborative effort across all disciplines at every level of our company. We focus on compliance with all applicable regulations, operating guidelines and development parameters set by local, state and federal agencies in connection with community development. As a result, we consider a comprehensive list of environmental factors that are key drivers to creating healthy and sustainable communities.

We view each of our new community developments as an opportunity to showcase Beazer as a leader with respect to environmental protection and innovation. We are continually striving to implement new environmental design and process initiatives into each of our community developments. For example, we developed our Storm Water Information Management (SWIM) program to allow us to design and build our communities to better manage stormwater runoff, help keep materials such as dirt, paint, concrete residue, oils or other waste from leaving our construction site and ensure we are complying with applicable regulations. More recently, we have worked to simplify our entire portfolio of product offerings by streamlining our plan and structural options and design selections in order to improve efficiency, reduce costs and minimize waste at construction sites.

Environmental factors we consider to create healthy and sustainable communities

SITE SELECTION	<ul style="list-style-type: none">  Proximity to waterways and sensitive ecosystems  Environmental site assessment results  Archaeological and cultural resource studies
SITE DESIGN	<ul style="list-style-type: none">  Traffic studies for volume, speed, flow and parking  Tree protection surveys  Topographical, geotechnical, hydrological and demolition analyses
SITE DEVELOPMENT	<ul style="list-style-type: none">  Earthwork strategies to minimize soil and slope disturbance, import/export and erosion  Dust control strategies to improve air quality  Application of stormwater management design standards
SITE CONSTRUCTION	<ul style="list-style-type: none">  Protection of waterways  Protection of endangered, vulnerable and/or threatened species  Application of waste management plans  Routine site inspections

CLIMATE CHANGE ADAPTATION

As a national homebuilder, we operate in diverse geographic areas exposed to various climate-related risks. We have developed tailored site selection criteria and conduct comprehensive risk assessments to ensure that our construction and development processes address these risks.

In selecting new development sites, our policy is to build homes on land parcels that are above the 500-year flood plain. To the extent that any acquired land parcels include areas with a more flood prone zone designation, we work to improve such areas in a durable way and request that the Federal Emergency Management Agency (FEMA) recognize the improvement by issuing a Letter of Map Revision. We continue to build homes with features and design methods intended to foster clean air, reduce energy usage, conserve water use and utilize materials derived from recycled and sustainable sources.





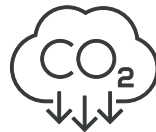
For more than a decade, we have been delivering 100% U.S. Environmental Protection Agency (EPA)-certified ENERGY STAR homes.

DESIGN FOR RESOURCE EFFICIENCY

We have a long history of emphasizing resource efficiency in our building design practices to reduce greenhouse gas (GHG) emissions and lower the overall cost of home ownership. Since 2011, our ENERGY STAR commitment has resulted in the estimated reduction of more than 392,700 metric tons of carbon dioxide (CO₂) equivalent emissions.

In 2021, we received the 2021 ENERGY STAR Partner of the Year—Sustained Excellence Award from the EPA for the sixth consecutive year. Beazer was one of only three publicly-traded homebuilders to receive this award in 2021 for all its markets.

In addition to our partnership with the EPA's ENERGY STAR program, we incorporate a variety of energy-efficient and high-quality products into our homes that also reduce waste output, including those relating to insulation, air and water sealing and related technologies. Since 2010, we have installed EPA-certified WaterSense fixtures in 100% of our homes to provide homeowners with increased water efficiency. More recently, we began building our homes in accordance with the EPA's Indoor airPLUS specifications, which provides our homeowners with better comfort, durability and indoor air quality.



392,700
METRIC TONS

Since 2011, estimated reduction of CO₂ equivalent emissions



100%

of our homes have WaterSense certified fixtures installed



100%

of our homes have ENERGY STAR appliances installed



46,680

Approximate WaterSense fixtures installed

ENERGY EFFICIENCY COMMITMENT

HERS ENERGY EFFICIENCY RATING

The Home Energy Rating System (HERS®) is an industry-leading home building scoring system developed by the Residential Energy Services Network (RESNET) for inspecting and calculating a home's energy performance after construction is complete. The HERS methodology measures the energy efficiency of a home on an easy-to-understand scale: the lower the HERS Index Score, the more energy efficient the home and the more it reduces GHG emissions over its lifetime.

We have a long track record of annually targeting a lower HERS Index Score for the homes we deliver, which leads to a reduction in GHG emissions over the prior year. We integrate HERS Index Scores into our incentive compensation programs for our teams, and every home we build is third-party rated and certified with a HERS Index Score. Unlike some public builders who only seek third-party ratings on a portion of their homes, we don't exclude any homes that are built to lesser energy-efficient standards, because we don't build them.

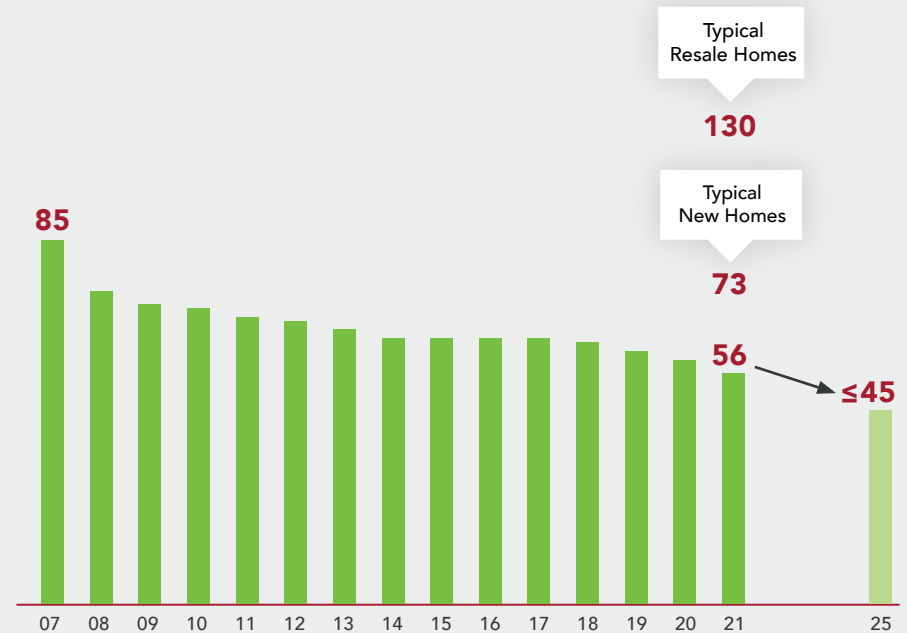
Overall, only a small portion of newly built homes in the U.S. are subjected to the HERS measurement. In 2021, the estimated average HERS Index Score among typical newly built homes was 73, while the average HERS Index Score for Beazer built homes in 2021 was 56. Beazer Homes always reports its average HERS Index Scores as "gross" scores. A gross HERS Index Score is a more rigorous standard because it excludes the benefit of renewable energy technologies. By the end of 2025, every new Beazer home will be independently verified as having a gross HERS Index Score of 45 or less.



Windrow at The Cove | Sacramento, CA

BEAZER HOMES AVERAGE HERS INDEX SCORES

Historical and Projected through 2025





*By the end of 2025,
every new Beazer home will
be Net Zero Energy Ready
and generate a HERS Index
Score of 45 or less.*

U.S. DEPARTMENT OF ENERGY'S ZERO ENERGY READY PROGRAM

In December 2020, we became the first U.S. national homebuilder to publicly commit to ensuring that by the end of 2025 every home we build will meet the requirements of the U.S. Department of Energy's (DOE) Zero Energy Ready Home program.

The DOE's Zero Energy Ready Home program builds upon current HERS standards and the comprehensive requirements of the EPA's ENERGY STAR program and incorporates other building science innovations and practices to achieve at least 40%-50% greater energy efficiency than a typical new home. DOE Zero Energy Ready homes are verified and certified by a qualified third-party inspector.

OUR NET ZERO ENERGY READY COMMITMENT

By the end of 2025, every home we build will be certified as meeting the requirements of both the EPA's ENERGY STAR program and the DOE's Zero Energy Ready Home program, and we intend to exceed current program requirements with respect to the HERS Index component.

Our "Net Zero Energy Ready" commitment means that every Beazer homeowner will be able to achieve "net zero energy" by attaching a properly sized renewable energy system, such as a solar photovoltaic system, that will generate as much energy as the home consumes.

Building 100% of our homes as Net Zero Energy Ready will significantly reduce the amount of GHG emissions produced over the lifespan of our homes. With our commitment to build only Net Zero Energy Ready homes by the end of 2025, the resulting combination of improved HERS Energy Efficiency Ratings and increased electrification (i.e., no fossil fuel burning appliances in the homes) will reduce CO2 equivalent emissions dramatically.

Once the target is achieved, our homes will reduce CO2 equivalent emissions by 11,952 tons annually going forward as compared to our homes built in 2020. We believe our Net Zero Energy Ready commitment will continue to keep the energy-efficiency of the homes we build well ahead of other new homes built to applicable housing codes. We also believe that our Net Zero Energy Ready commitment represents an entirely new level of quality, comfort and innovation for our customers, providing them with a high-performance home coupled with a dramatically reduced carbon footprint.

Employees

EMPLOYEE WELLNESS, HEALTH AND SAFETY

Our highest priority is the health, safety and well-being of our employees, which we believe is critical to our continued growth and success. We are guided by our four key principles that are non-negotiable: safety, integrity, respect and inclusion. We have increased our focus on wellness and expanded these programs to include webinars, online classes, virtual group support and other efforts in response to the new challenges and stressors resulting from the pandemic.



We utilize a Company-wide “Safety First” intranet site, which is designed to assist our employees in locating resources tailored for their specific employment responsibilities. We require extensive safety training pursuant to our safe practices manual and all new employees are required to complete our safety overview training course. All field employees and new home counselors are required to complete the certified Occupational Safety and Health Administration (OSHA) 10-hour construction training course. We also conduct daily visual inspections, weekly written site safety inspections and bi-weekly “toolbox” talks with our trade partners and suppliers.



We are committed to employee life-work balance, offering career and personal development opportunities, a flexible time-off program and industry-leading parental leave policies.

SAFETY DATA

0.47

Total recordable incident rate (TRIR) for direct employees

0

TRIR for contract employees

0

Total recordable fatality rate (TRFR) for direct employees

0

TRFR for contract employees

0

Total amount of monetary losses as a result of legal proceedings associated with environmental regulations

*External safety assessments are conducted by third-party safety consultants, who provide safety assessment audits at various construction sites in every division every month, as well as quarterly reviews of safety assessment metrics with division-level management team members.

OUR PURPOSE

To create durable and growing value for customers, employees, partners and shareholders

CREATING VALUE

FOR CUSTOMERS

By providing our three pillars – Mortgage Choice, Surprising Performance and Choice Plans™ – we will deliver extraordinary value at an affordable price compared to other new or used homes

FOR EMPLOYEES

By establishing work environments that are safe, engaging and diverse, we will offer opportunities for learning, life-work balance and community impact

FOR PARTNERS

By building our relationships on transparency, innovation and sustainability, we will achieve mutually beneficial operational and financial objectives

FOR SHAREHOLDERS

By balancing our growth and risk management efforts, we will generate economic returns above our cost of capital and improve our Environmental, Social and Governance contributions

Principles

SAFETY

We do not take or tolerate risks that endanger ourselves or others

RESPECT

We treat others with civility and humility

INTEGRITY

We insist on honest, ethical and legal behavior

INCLUS

We

Attitudes

FOCUS

Prioritizing activities aligned with our Purpose and Principles is empowering

GRIT

Applying effort multiplies talent into skill; additional effort leads to achievement

Beliefs

CHOICE

Strengthens employee and customer satisfaction

TEAMWORK

Produces extraordinary results

IMPROVEMENT

Sustains our value prop



ENGAGEMENT, TRAINING AND DEVELOPMENT

Competition for qualified personnel is intense across our footprint. We believe our competitive advantage lies in our unique culture and ability to attract and retain talented people who consistently exemplify integrity and respect - powerful attributes that enable us to focus on outcomes versus mere hours worked.

ENGAGEMENT

It is vital that our team members have the opportunity to provide meaningful feedback about their experience working at Beazer Homes. We conduct an annual engagement survey through a third-party to measure team member satisfaction and receive feedback. The survey is anonymous and has an average participation rate of 95%. In our most recent survey, our team members scored us positively on 94% of the items surveyed. Our CEO and leadership team review the survey results and develop action plans.

Our CEO also hosts regular townhall events to discuss our results, engagement plans and other company matters. During these meetings, our team members are encouraged to interact with questions, ideas or concerns before, during and after the event.

We value our team members' feedback and have made meaningful policy changes in recent years because of their input, including providing additional technology resources to our team members, and providing flexible time off and parental leave policies. Our commitment to actively engaging with our team members is a critical component of our culture.

2021 Employee Engagement Survey Results

95%

of employees participated

94%

of all employee engagement survey responses were positive

95%

of employees would recommend working at Beazer Homes

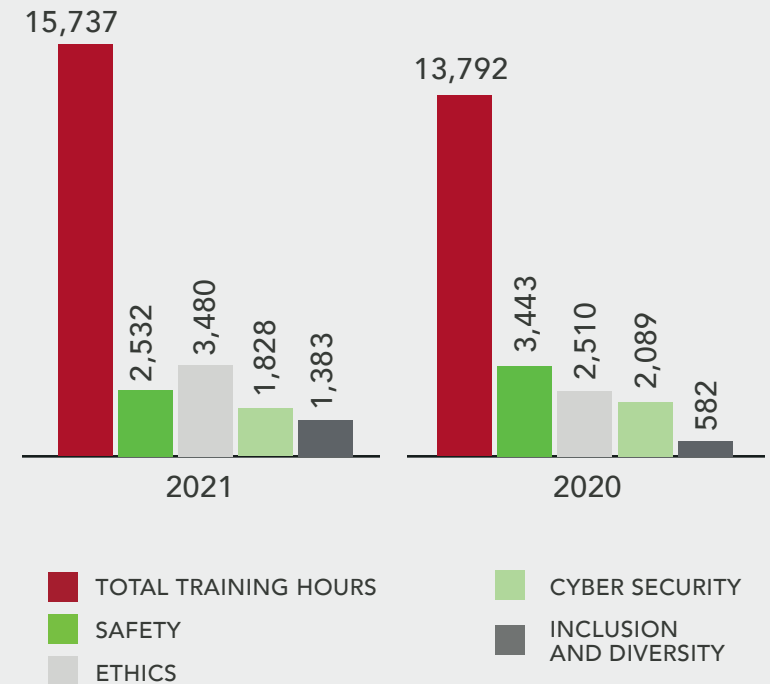


TRAINING AND DEVELOPMENT

We are dedicated to supporting our team members in their development professionally and personally. Beazer Homes takes a comprehensive approach to training programs, which include department specific on-boarding training programs, live training sessions with company leaders and Beazer University, where we offer various online courses covering a wide range of topics. Mandatory safety, ethics, operations and cyber security courses are completed by 100% of our team members. Additional training, focused on professional and personal development, is facilitated through the Beazer University platform as well.

Our focus on team member engagement, training and development has supported a 38% reduction in employee turnover since 2019 (23.3% in 2021 down from 37.3% in 2019). We believe our development programs have assisted us in encouraging internal transfers and promotions wherever possible, strengthening the talent of our team members and company and increasing overall retention.

TRAINING HOURS



AVERAGE HOURS OF TRAINING BY EMPLOYEE



INCLUSION AND DIVERSITY

We are committed to building an inclusive culture in which everyone feels welcome, respected, safe and valued. By embracing diversity in all its forms, we will better serve our employees, customers, partners and communities. Our Board of Directors and senior leaders oversee our efforts to prioritize and improve the diversity of our organization, including the recent promotion of one of our team to the new position of Enterprise Manager of Inclusion and Diversity.

As we continue to progress in this area, we are reaching across all facets of our functional and operational areas, including recruitment, employee engagement, retention, employee development and training and promotions. We work with a third-party to ensure our job listings are absent of unconscious bias in their language and requirements and are promoted on internal and external job boards that support inclusion and diversity. We train our leaders to understand unconscious bias during interviews and resume reviews. We focus on networking with local diversity groups in our metro areas to increase the diversity of our job candidates. In 2020, we implemented a continuing inclusion and diversity learning program that is completed quarterly by all employees. Among other topics, this training includes a focus on active listening, emotional intelligence and unconscious bias.

Beazer Homes is also committed to pay equity. We utilize a third-party to complete an annual pay parity audit to determine if there are pay disparities across gender or race. If audit results identify any outliers, we examine the circumstances and take corrective action as warranted.

While we are proud of the successes we have had, particularly in fostering gender diversity and pay equity within our organization, we continue to work to increase the diversity of our teams across all levels of our Company.

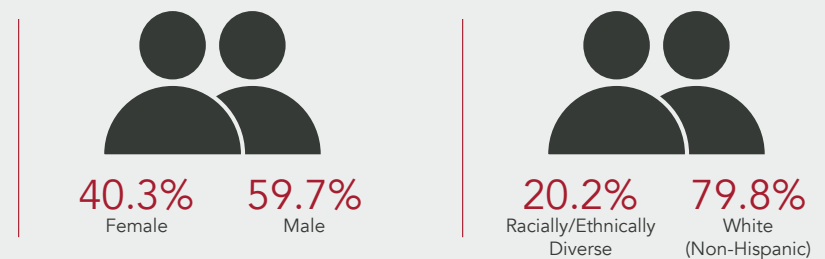
FEMALE TEAM MEMBERS

JOB CLASSIFICATION	9/30/2018	9/30/2021	PERCENT CHANGE
Total Company	39.3%	40.3%	3%
Managers	28.7%	31.7%	11%
Professionals	20.8%	26.1%	25%
Administrative Support Workers	88.5%	86.2%	(3)%
Sales Workers	54.3%	54.7%	1%

RACIALLY/ETHNICALLY DIVERSE TEAM MEMBERS

JOB CLASSIFICATION	9/30/2018	9/30/2021	PERCENT CHANGE
Total Company	18.1%	20.2%	11%
Managers	10.8%	12.0%	11%
Professionals	18.3%	24.7%	35%
Administrative Support Workers	27.0%	28.5%	6%
Sales Workers	23.0%	21.2%	(8)%

WORKFORCE DIVERSITY



Customers and Communities

COMMUNITY IMPACT OF NEW DEVELOPMENTS

Proximity and access to infrastructure, services and economic centers are fundamental to our site selection process. We strive to identify markets where we can create desirable communities for our customers that, among other attributes, offer proximity to employment centers, schools, hospitals, grocery stores, pharmacies, restaurants, retail centers and outdoor recreational spaces. We also conduct studies to better understand the accessibility of these community attributes in relation to walkability, available transit systems, traffic volume and flow, parking and safety. We believe that developing a holistic understanding of the attributes that contribute to the accessibility of a community enables us to produce a better quality of life for our customers and, in turn, have a more positive impact on the communities where we build.





QUALITYBUILT

Since 2013, we have partnered with Quality Built, the nationwide leader in third-party construction quality assurance. This partnership has helped facilitate our rigorous construction standards that provide our customers an efficient and high-performing new home.

PRODUCT QUALITY

Beazer's commitment to building a quality home starts well before our customers move into their new homes. From our purchasing team's focus on providing high-quality materials for our homes to our focus on hiring dedicated and talented people to build our homes, we are steadfast in our commitment to quality. Since 2013, we have instituted a rigorous construction quality audit program with Quality Built, the nationwide leader in third-party construction quality assurance. Quality Built performs multiple construction process and performance audits during the construction process for our homes. These comprehensive audits cover everything from structural items, like foundations and framing, to our fit and finish execution, including trim and paint.

In addition to these comprehensive quality assurance audits, we have implemented additional assessments focused on our homes' weatherization installation using Tyvek® home envelope products to create durable, energy-efficient enclosures. Also, as each home nears construction completion, our energy rating partners complete assessments of the building quality concerning the energy efficiency of every home we build.

While our partnership with these third-party construction experts supports our commitment to quality, our in-house construction leaders review and approve every home to verify that it is move-in ready. In a further commitment to our customers' experience, we give each of our customers multiple opportunities to review and inspect their homes throughout the building process.

We believe in quality construction to such a degree that we integrate quality scores into our incentive compensation programs for our teams using both the feedback of our construction experts and our customers. This commitment to quality helps us deliver a home that is superior in its performance and provides our customers extraordinary value.

CUSTOMER SATISFACTION

Our goal is to provide homes with extraordinary value at an affordable price to our customers. We focus on building efficient homes with quality, high-performing materials while making the construction and purchase process an enjoyable experience.

We are committed to our customers receiving consistent and clear communication throughout their purchase and build process, including what is happening next, why it is done that way and how that process helps to provide a quality-built home for them. We believe transparency is critical.

We gather feedback from our customers at several points along the customer journey to understand their experience and how we can make meaningful adjustments to improve that experience. We strongly believe that providing a differentiating experience for our customers demonstrates our commitment to quality, integrity and is a positive indicator of our long-term financial success and stability.



4.5 out of 5 stars in FY21

We are one of the top-rated national builders on TrustBuilder.

92% Customer Satisfaction

In 2021, we achieved an overall customer satisfaction rating of 92.1%.

91% Customer Recommendation Rating

In 2021, 91.3% of our customers would recommend us to a friend.



COMMUNITY ENGAGEMENT AND PHILANTHROPY

Across our Company, Beazer team members are committed to supporting causes that make a difference. From local service activities to Company-wide initiatives, giving back is a central element of our culture, championed by passionate employees and embraced by partners who share our commitment to have a positive impact on the communities we serve.

We have a long-standing relationship of support for the Fisher House Foundation, a not-for-profit organization that builds homes where military and veterans' families can stay free of charge while a loved one is in the hospital. Our annual employee-driven campaign for Fisher House has roughly doubled in size each year, raising over \$1,000,000 to date.

In 2020, we announced our newest commitment to our customers and communities, the development of a new, wholly-owned title insurance agency, Charity Title. Charity Title donates 100% of its profits to the Beazer Charity Foundation, our company's philanthropic arm, which provides donations to national and local nonprofits. Charity Title net profits were approximately \$900,000 in 2021. Going forward, with the full rollout of Charity Title operations across our footprint (which is scheduled to be completed in 2022), we expect charitable funding to well exceed \$1,000,000 annually.

While most large homebuilders offer title insurance through a captive agency, we believe we are the only homebuilder to commit all title insurance agency profits to charitable organizations. With these funds, we expect to continue to support the Fisher House Foundation and assist organizations that work to make home ownership more attainable or pursue socially responsible initiatives in the communities where our customers live and work.

In addition, through cash contributions, in-kind donations, and employee volunteer efforts, we have a long legacy of engaging with national and local nonprofits and community organizations on their broader missions, as well as specific causes and objectives. For example, our team has participated in the MS 150, a two-day bike ride to support the National Multiple Sclerosis Society, Operation FINALLY HOME, which provides mortgage-free homes to military families, and HomeAid, which supports people experiencing or at risk of homelessness. We have also worked with local food banks and nonprofits that support children.



**CHARITY
TITLE AGENCY**
100% OF PROFITS TO CHARITY



Governance

ESG OVERSIGHT

Our Board of Directors oversees all ESG matters and is committed to meaningful ESG accountability. At each meeting of the Board, senior leaders report on the status of Beazer's ESG-related strategic initiatives. These senior leaders and their respective teams meet frequently to discuss and progress toward each of our ESG-related objectives. For more information on our governance framework and practices, see our 2021 Proxy Statement.

BUSINESS ETHICS

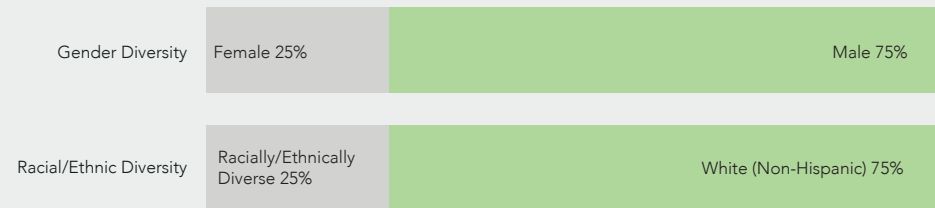
Our Directors and employees are subject to the Code of Business Conduct and Ethics. Annually, all employees are required to complete ethics training and certify that they have reviewed the Code and all relevant policies. Additionally, we maintain an Ethics Hotline for employees, customers and all members of the public. Any complaints raising ethical issues of concern are investigated, and our Compliance Officer reports all hotline activity to the Audit Committee on a quarterly basis. We support the principles outlined in the United Nations' Universal Declaration of Human Rights and Guiding Principles on Business and Human Rights.

DATA SECURITY AND PRIVACY

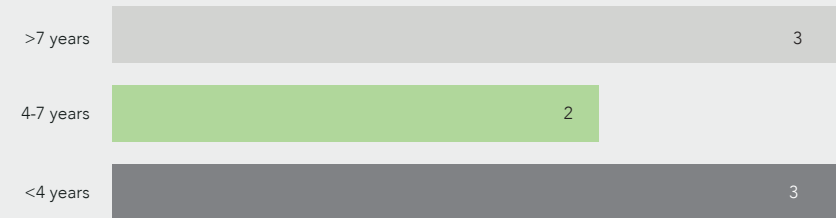
We endeavor to maintain a data security and privacy program that protects company, employee, partner, customer and consumer data. We follow the NIST framework and our Chief Information Officer reports to our Board on a regular basis on cybersecurity and privacy matters. Every employee participates in mandatory training on multiple policies related to data security and privacy, which includes a recurring cyber-phishing awareness campaign.



Board Composition



Board Tenure




Frameworks and Standards

SASB SUSTAINABILITY DISCLOSURE TOPICS AND ACCOUNTING METRICS

SASB TOPIC	SASB CODE	ACCOUNTING METRIC	2021	2020
Land Use & Ecological Impacts	IF-HB-160a.1	Number of lots located on redevelopment sites	859	883
	IF-HB-160a.1	Number of homes delivered on redevelopment sites	83	172
	IF-HB-160a.2	Number of controlled lots in regions with High or Extremely High Baseline Water Stress	The Company recently began tracking this data and expects to report on these metrics in future ESG reports.	
	IF-HB-160a.2	Number of homes delivered in regions with High or Extremely High Baseline Water Stress		
	IF-HB-160a.3	Total amount of monetary losses as a result of legal proceedings associated with environmental regulations	0	0
	IF-HB-160a.4	Discussion of process to integrate environmental considerations into site selection, site design, and site development construction	See "Ecological Impacts and Land Use"	
Workforce Health & Safety	IF-HB-320a.1	Total recordable incident rate (TRIR) for direct employees	0.47	0.52
	IF-HB-320a.1	Total recordable incident rate (TRIR) for contract employees	0	0
	IF-HB-320a.1	Total recordable fatality rate for direct employees	0	0
	IF-HB-320a.1	Total recordable fatality rate for contract employees	0	0
Design for Resource Efficiency	IF-HB-410a.1	Number of homes that obtained a certified HERS Index Score	5287	5391
	IF-HB-410a.1	Average HERS Index Score	56	57
	IF-HB-410a.2	Percentage of installed water fixtures certified to WaterSense specifications	100%	100%
	IF-HB-410a.3	Number of homes delivered certified to a third-party multi-attribute green building standard	5287	5396
	IF-HB-410a.4	Descriptions of risks and opportunities related to incorporating resource efficiency into home design, and how benefits are communicated to customers	See "Design for Resource Efficiency"	
Community Impacts of New Developments	IF-HB-410b.1	Description of how proximity and access to infrastructure, services, and economic centers affect site selection and development decisions	See "Ecological Impacts and Land Use"	
	IF-HB-410b.2	Number of homes delivered on infill sites	1,741	1,938
	IF-HB-410b.2	Number of lots located on infill sites	6,679	7,362
	IF-HB-410b.3	Number of homes delivered in compact developments	878	912
	IF-HB-410b.3	Average density of compact developments (dwelling units/acre)	n/a	n/a
Climate Change Adaptation	IF-HB-420a.1	Number of lots located in 100-year flood zones	0	0
	IF-HB-410a.2	Description of climate change risk exposure analysis, degree of systematic portfolio exposure, and strategies for mitigating risks	See "Climate Change Adaptation"	
Activity Metrics	IF-HB-000.A	Number of controlled lots	21,987	17,830
	IF-HB-000.B	Number of homes delivered	5,287	5,492
	IF-HB-000.C	Number of active selling communities	127	163

ALIGNMENT WITH UNITED NATIONS' SUSTAINABLE DEVELOPMENT GOALS

The Sustainable Development Goals (SDGs) are a set of goals, targets, and indicators developed by the United Nations to guide countries, communities, and organizations in their work to create a sustainable world by 2030. While we recognize that making progress on all SDGs is vital to creating a sustainable economy, in our most recent review we have identified the SDGs below as directly relevant to, and aligned with, our current activities and objectives.

GOAL NUMBER	GOAL NAME	GOAL DESCRIPTION	SUMMARY SECTION(S)
 3	Good Health and Well-Being	Ensure healthy lives and promote well-being for all at all ages	Employee Wellness, Health and Safety
 6	Clean Water and Sanitation	Ensure availability and sustainable management of water and sanitation for all	Land Use and Ecological Impacts
 7	Affordable and Clean Energy	Ensure access to affordable, reliable, sustainable and modern energy for all	Design for Resource Efficiency
 8	Decent Work and Economic Growth	Promote sustained inclusive and sustainable economic growth, full and productive employment and decent work for all	Inclusion and Diversity; Engagement, Training and Development
 9	Industry, Innovation and Infrastructure	Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation	Design for Resource Efficiency; Community Impact of New Developments
 11	Sustainable Cities and Communities	Make cities and human settlements inclusive, safe, resilient and sustainable	Environmental Policy; Community Impact of New Developments
 12	Responsible Consumption and Production	Ensure sustainable consumption production patterns	Design for Resource Efficiency
 13	Climate Action	Take urgent action to combat climate change and its impacts	Climate Change Adaptation

RECONCILIATION OF NET INCOME (LOSS) TO ADJUSTED EBITDA

Reconciliation of Adjusted EBITDA to total company net income (loss), the most directly comparable GAAP measure, is provided for each period discussed below. Management believes that Adjusted EBITDA assists investors in understanding and comparing the operating characteristics of homebuilding activities by eliminating many of the differences in companies' respective capitalization, tax position, and level of impairments. These EBITDA measures should not be considered alternatives to net income (loss) determined in accordance with GAAP as an indicator of operating performance. The following table reconciles our net income (loss) to Adjusted EBITDA for the periods presented:

Fiscal Year Ended September 30

IN THOUSANDS	2021	2020	2019
Net income (loss)	\$122,021	\$ 52,226	\$ (79,520)
Expense (benefit) from income taxes	21,501	17,664	(37,245)
Interest amortized to home construction and land sales expenses and capitalized interest impaired	87,290	95,662	108,941
Interest expense not qualified for capitalization	2,781	8,468	3,109
EBIT	233,593	174,020	(4,715)
Depreciation and amortization	13,976	15,640	14,759
EBITDA	247,569	189,660	10,044
Stock-based compensation expense	12,167	10,036	10,526
Loss on extinguishment of debt	2,025	—	24,920
Inventory impairments and abandonments (a)	853	2,111	134,711
Litigation settlement in discontinued operations	120	1,260	—
Restructuring and severance expenses	(10)	1,317	—
Adjusted EBITDA	262,724	\$ 204,384	\$ 180,201

(a) In periods during which we impaired certain of our inventory assets, capitalized interest that is impaired is included in the line above titled "Interest amortized to home construction and land sales expenses and capitalized interest impaired."

Net income (loss) numbers in this reconciliation include continuing and discontinued operations while those on page 3 represent continuing operations only.

DISCLAIMER AND FORWARD-LOOKING STATEMENTS

All estimates and claims related to energy savings or performance are derived from third-party suppliers, rating services, consultants and/or our own assumptions, based on the Environmental Protection Agency's methodology/information and average energy use and scores. The information covered by this Summary contains forward-looking statements within the meaning of the United States federal securities laws, including statements regarding our goals, aspirations, strategies or our future initiatives or actions and their expected results. These statements are based on current expectations, beliefs, intentions and projections about future events and are not guarantees of future performance. Actual events and results may differ materially from those expressed or forecasted in forward-looking or aspirational statements due to a number of factors which are identified in our Annual Report on Form 10-K, Quarterly Reports on Form 10-Q and Current Reports on Form 8-K filed with the Securities and Exchange Commission. Those reports are available on our website and on the Securities and Exchange Commission's website (www.sec.gov). Except as required by law, we assume no obligation to update any forward-looking statements or information, which speak as of their respective dates. ©2021 Beazer Homes USA, Inc. All rights reserved



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