



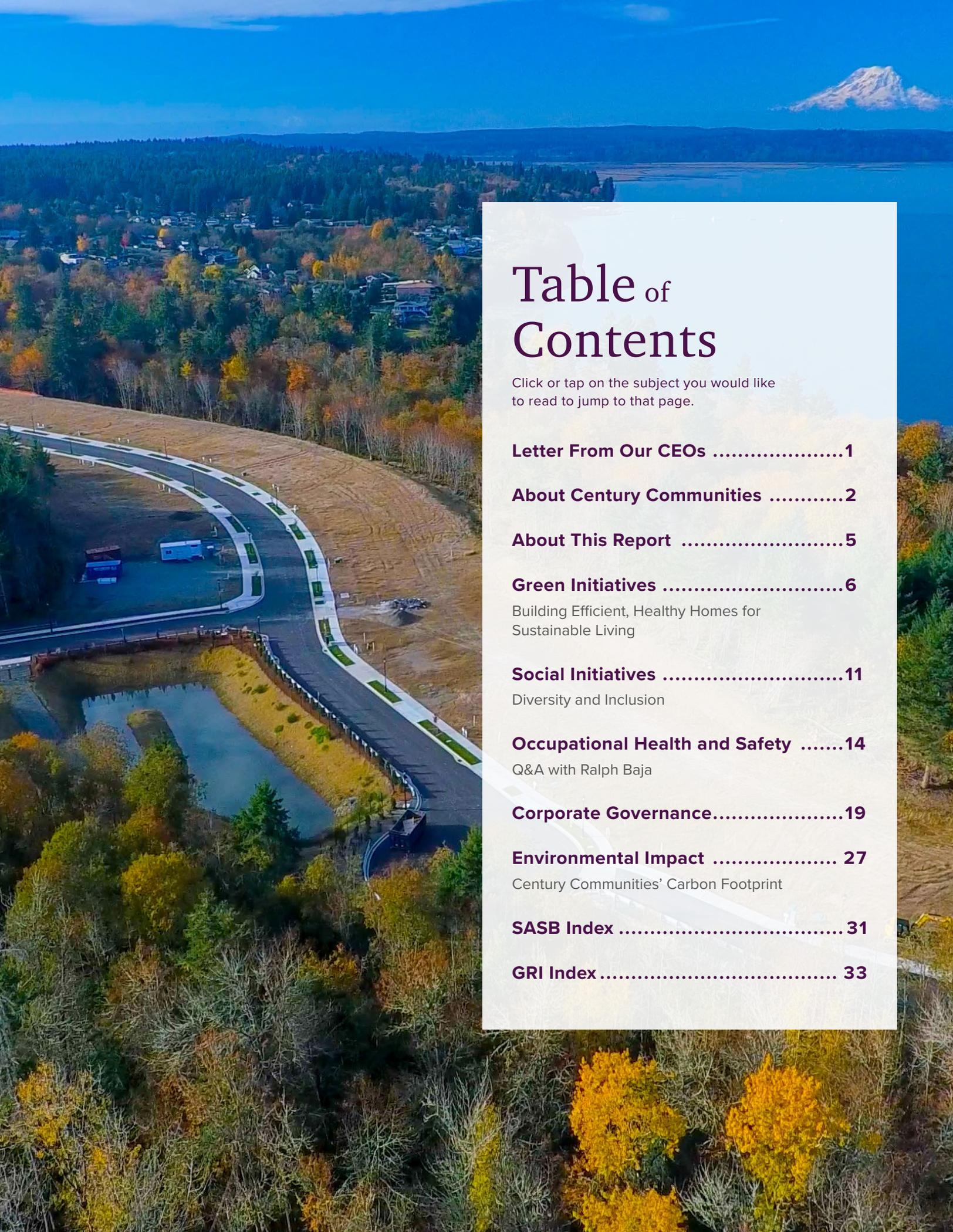
**CENTURY**  
COMMUNITIES



**ESG**  
**2021**



Environmental | Social | Governance  
**Sustainability Report**



# Table of Contents

Click or tap on the subject you would like to read to jump to that page.

**Letter From Our CEOs .....1**

**About Century Communities .....2**

**About This Report .....5**

**Green Initiatives .....6**

Building Efficient, Healthy Homes for Sustainable Living

**Social Initiatives .....11**

Diversity and Inclusion

**Occupational Health and Safety .....14**

Q&A with Ralph Baja

**Corporate Governance.....19**

**Environmental Impact ..... 27**

Century Communities' Carbon Footprint

**SASB Index ..... 31**

**GRI Index ..... 33**

# Letter From Our CEOs

A HOME FOR EVERY DREAM<sup>®</sup>

At Century, we believe everyone deserves a home of their own. And for many thousands of homeowners every year, we make this dream possible.

Since going public in 2014, we've successfully expanded and diversified our national footprint, primarily through acquisitions, while transforming our competitive positioning to become one of the largest homebuilders in the country. We've invested deeply into our platform to advance, synergize and better position Century to thrive, not only in the current environment but, in future housing cycles as well. 2020 proved to be a pivotal year in which we achieved record results, exceptional financial performance and our 18th consecutive year of profitability.

However, it was not a year without challenges, as COVID-19 had profound impacts on each of us. As we continue to navigate the pandemic, our number-one priority continues to be the safety and well-being of our employees, their families, our business partners and our customers. We are incredibly proud of our entire team, who have played a critical role in maintaining a safe environment as we continue to provide superior service to our homebuyers throughout the crisis.

We've learned much from the recent health crisis, including the true value of having a home to call one's own. We're proud of our mission, which is to deliver high-quality, beautiful homes to our customers at affordable prices, while driving long-term shareholder value creation. Our team is passionately dedicated to creating thriving, enduring neighborhoods by building new homes with lasting livability. Most importantly, we believe our commitment to pursuing Environmental, Social and Governance (ESG) initiatives can be achieved in parallel with fostering the long-term interests of our shareholders.

This year, we're excited to publish our inaugural ESG report, where we lay the groundwork for future and even more robust sustainability initiatives. The establishment of this report enables us to communicate directly with our investors and stakeholders on relevant sustainability issues, risks and opportunities that impact our business. The integration of these sustainable business practices will create lasting results that benefit all our stakeholders, including our customers, employees, shareholders and trade partners, along with the communities in which we live and operate.

Looking ahead, we plan to publish this report on a biennial basis, with the next publication date expected to be in early 2023. While we know we still have much work to do, we are excited to begin this new chapter and increased commitment to corporate social responsibility.

Sincerely,



**Dale Francescon**

Chairman  
and Co-Chief Executive Officer



**Robert J. Francescon**

Co-Chief Executive Officer  
and President



# About Century Communities

Century Communities, Inc. (NYSE: CCS), a Delaware corporation, is a top 10 national homebuilder. Offering new homes under the Century Communities and Century Complete brands, Century is engaged in all aspects of homebuilding—including the acquisition, entitlement and development of land, along with the construction, innovative marketing and sale of quality homes designed to appeal to a wide range of homebuyers. Located in Greenwood Village, Colorado, the company operates in 17 states across

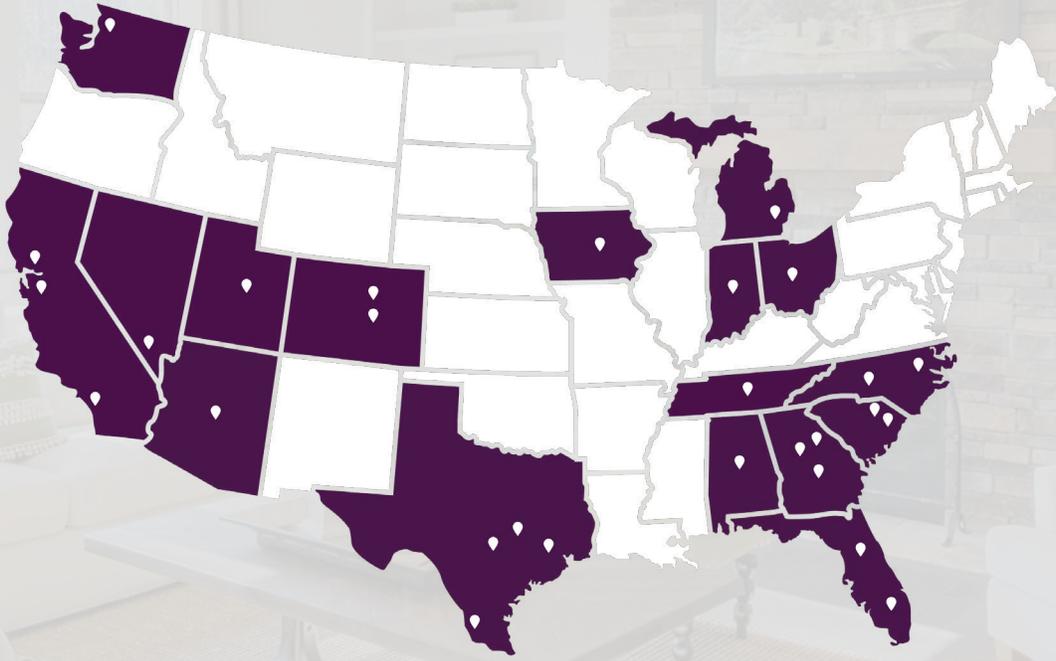
the U.S. Our financial services segment offers title, insurance and lending services in select markets through its Parkway Title, IHL Insurance Agency, and Inspire Home Loan subsidiaries. Our homebuilding operations are organized into the following five reportable segments: West, Mountain, Texas, Southeast, and Century Complete. This report aligns with the CCS entities included in our consolidated financials and includes all operating segments of CCS for the calendar year 2020.

**CCS**  
LISTED  
NYSE

**28**  
Markets

**17**  
States

**49,965**  
Lots



**\$3.2 billion in total revenues for 2020**

**9,452 new home deliveries for 2020**

**18 consecutive years of profitability**

**9th largest homebuilder in the U.S.**

**#1 fastest-growing public builder three years in a row (2017 – 2019)**

**We create thriving, enduring neighborhoods by building new homes with lasting livability and believe our commitment to pursuing Environmental, Social and Governance (ESG) initiatives can be achieved in parallel with building the long-term interests of our stockholders.**

Our Board and management are committed to integrating sustainable business practices to create lasting results that benefit all our stakeholders, including our customers, employees, shareholders and trade partners, along with the communities in which we live and operate. Our approach to corporate sustainability is based on the U.N. Sustainable Development Goals and our commitment to achieving a more sustainable future.

**ENVIRONMENTAL COMMITMENTS:** We are committed to operating in an environmentally responsible manner to reduce our impact on climate change, conserve natural resources and comply with environmental regulations.

**SOCIAL COMMITMENTS:** We are committed to being a socially responsible employer by fostering an environment of diversity and inclusion across our business, with a focus on empowering women and minorities, operating ethically and supporting our local communities.

**GOVERNANCE COMMITMENTS:** We are committed to building a culture dedicated to ethical business behavior and responsible corporate activity. We believe strong corporate governance is the foundation to delivering on our commitments.

**DEFINING REPORT CONTENT:** Century conducted a materiality assessment evaluation to identify and prioritize the issues that matter most to the Company and stakeholders. Defining material issues allows us to evaluate our main impacts—both positive and negative—on the environment, society, and economy. The results of these assessments are used to inform our ESG reporting and strategy, and also drive greater disclosure and transparency.

### **ESG issues included in the materiality assessment evaluation were based upon:**

- Industry trends, such as reporting best practices and material topics for the Home Builder and Real Estate industries from SASB and GRI.
- Topics of particular concern and interest to Century stakeholders, especially employees, identified in our Stakeholder and Stockholder Engagement Activities.

Topics raised included: Climate Change Impact, Community Impacts of New Developments, Land Use & Ecological Impacts, Workforce Health & Safety, Design for Resource Efficiency.

## Code of Business Conduct and Ethics

The Board has adopted a Code of Business Conduct and Ethics that applies to our officers, directors, and employees. Among other matters, our Code of Business Conduct and Ethics is designed to deter wrongdoing and to promote the following.

- Honest and ethical conduct, including the appropriate handling of actual or apparent conflicts of interest;
- Full, fair, accurate, timely, and understandable disclosure in our communications with and reports to our stockholders, including reports filed with the SEC, and other public communications;
- Compliance with applicable governmental laws, rules, and regulations;
- Prompt internal reporting of violations of the Code to appropriate persons identified in the Code; and
- Accountability for adherence to our Code of Business Conduct and Ethics.\*

*\*Any waiver of our Code of Business Conduct and Ethics may be made only by the Nominating and Corporate Governance Committee and will be promptly disclosed as required by law and NYSE rules. We intend to satisfy the disclosure requirements of Item 5.05 of Form 8-K and applicable NYSE rules regarding amendments to or waivers from any provision of our Code of Business Conduct and Ethics by posting such information in the "Investors—Corporate Governance—Governance Documents" section of our website located at [www.centurycommunities.com](http://www.centurycommunities.com).*

# About This Report

Century is committed to building environmental sustainability, social responsibility and effective corporate governance into all aspects of our business.

**This report covers calendar year 2020 and presents a deeper look at Century, the many ways that ESG affects our business and how we, as homebuilders, impact the world around us.**

Our ESG reporting is centered on the industry-specific reporting standards as advised by the Sustainability Accounting Standards Board (SASB). These standards were launched in November 2018 and were created based on material ESG factors SASB has deemed most relevant to investors. SASB reporting is also compliant with the Task Force on Climate-related Financial Disclosure (TCFD) recommendations. Century will also disclose the reporting framework outlined by the Global Reporting Initiative (GRI), Core Option. External assurance was not completed at the time of report publication.



We are committed to transparent, accountable reporting in our description of the many ways we consider the impact of our business on our environment and how we can make a positive impact through building and delivering sustainable homes. We do not explicitly refer to the precautionary approach or principle in our risk management framework. We seek to contribute to society by generating profits responsibly, which ties in with our corporate value of being ESG-driven.

This includes descriptions of how we develop and acquire land, including site preparation, lot construction, home sales and compliance with local and state environmental regulations. While Century is mostly focused on the development and sale of single-family homes, we also construct townhomes, condominiums and multi-family housing.

We're committed, whenever possible, to sourcing sustainable materials to build our homes and limiting waste. In addition, we are dedicated to designing homes with increased resource efficiency, such as energy-efficient appliances and eco-friendly products that drive cost savings and improve homeowner satisfaction. Across our entire organization, we aim to promote diversity and inclusion through strategic social initiatives. Additionally, we seek to protect the welfare of employees across our job sites through the implementation of robust health and safety programs. And lastly, we are committed to our shareholders through the creation of shareholder-friendly governance policies.

*There are no restatements or change in information as this is Century's first biennial ESG report.*



# Green Initiatives

Building Efficient, Healthy Homes  
for Sustainable Living

## AT CENTURY COMMUNITIES

**We're committed to building efficient, healthy homes that promote sustainable living for our customers and the communities in which we live and operate.**

We're dedicated to looking for ways to reduce the environmental impact of our entire organization. Additionally, by implementing sustainable practices, energy-efficient building technologies and eco-products, we can drive cost savings and improve homeowner satisfaction by addressing our most significant environmental impacts.

Many of our homes are certified to the following, third-party multi-attribute green building standards. In 2020, 4,107 homes obtained a HERS Rating Score and 84% of all home deliveries used WaterSense® Certified fixtures.





## Throughout the homebuying process,

we educate our customers on green building options and offer them a variety of sustainable solutions and energy-efficient products in many of our homes across our markets, including:

<b>Low-VOC paint and improved indoor air quality</b>	<b>WaterSense® Certified bathroom fixtures and low-flow toilets</b>
<b>Tankless water heaters, including electric tankless</b>	<b>ENERGY STAR® Certified smart thermostats</b>
<b>Energy-efficient HVAC units with whole-home air purification systems</b>	<b>Efficient LED lighting</b>
<b>ENERGY STAR® appliances</b>	<b>Solar power and electricity or pre-built renewable infrastructure</b>

# Vendors & Suppliers

At Century, we aim to conduct our business operations at the highest level of ethical standards. We expect our vendors—including business partners, suppliers and trade partners—to understand and act in accordance with all applicable laws, rules, and regulations, as well as to abide by our workplace policy standards. This includes our Code of Business Conduct and Ethics Policy Statement, our Environmental, Social and Governance (ESG) Policy Statement, our Human Rights Policy Statement, our Commitment to Workplace Health & Safety Statement and our Commitment to Diversity and Inclusion Policy Statement.

**We partner with vendors that conduct their businesses with a set of ethical standards comparable to our own and who share our same commitment to workplace health and safety, global human rights and the environment.**

We expect that all our vendors commit to providing a safe workplace and hold standards of employment that respect the rights of their employees under country and international labor laws. Additionally, we expect our business partners to hold their vendors, business partners, suppliers and trade partners responsible to the standards and practices covered by our **Vendor Code of Conduct**. This Code of Conduct is based on internationally accepted labor standards and guidance, including the International Labour Organization's (ILO) core conventions, the Universal Declaration of Human Rights, and the United Nations (U.N.) Guiding Principles on Business and Human Rights.

# Our Top Suppliers

ABC Supply Co., Inc.

Broan-NuTone LLC

Carrier Corporation

Dal-Tile Corporation

Eaton Corporation

Emser Tile LLC

Google LLC

Hearth & Home Technologies®

InSinkErator

Kohler Co.

L&W Supply

Honeywell Resideo Technologies, Inc.

James Hardie Building Products, Inc.

Moen Incorporated

Rinnai America Corporation

Rubbermaid®

Shaw Industries Group, Inc.

Sherwin-Williams

Simpson Strong-Tie Company, Inc.

Schlage

Quickflash Weatherproofing Products, Inc.

Uponor

Walter Kidde Portable Equipment, Inc.

Wayne Dalton®

Weyerhaeuser Company

Whirlpool Corporation

*Supplier list as of 12/31/2020*



# Social Initiatives

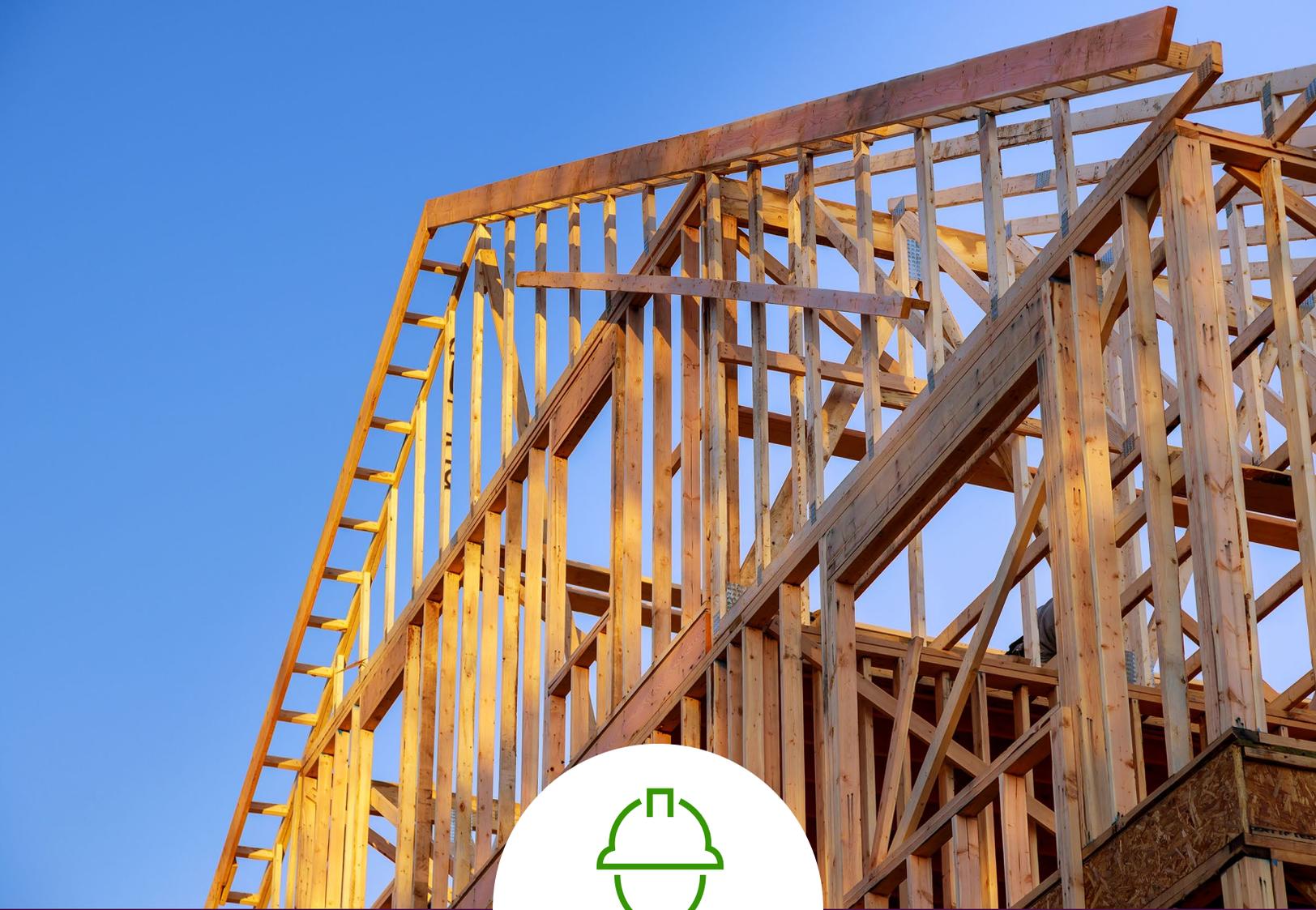
At Century, our goal is to create a culture where we foster an environment of acceptance so that each employee is comfortable bringing their true self to work.

---

We define diversity as the range of human differences, including but not limited to race, ethnicity, gender, gender identity, sexual orientation, age, social class, physical ability or attributes, religious or ethical values system, national origin, and political beliefs. We aim to create an inclusive organization where all employees are treated with dignity and respect and are empowered to reach their full potential.

Century has instituted the following strategies to support diversity and to create a safe, motivating and inclusive workplace for all our employees:

- ✓ All new employees are required to take one of two trainings to be completed within 30 days of hire (individual contributor or manager) related to anti-harassment and anti-discrimination.
- ✓ All employees are trained on anti-harassment and anti-discrimination every two years or more frequently if required by law.
- ✓ All employees are annually trained on the Century Business Code of Conduct, which includes the company's anti-corruption policies and procedures.
- ✓ We're committed to pay equity. Employees in equivalent roles delivering similar performance are paid equally. This is at the core of our pay-for-performance strategy.
- ✓ Our commitment to equal opportunity does not begin with employment; it begins at the time a position becomes open. As such, we're committed to the following recruiting guidelines and policies to promote diversity and inclusion across our hiring processes:
  - In order to attract the most diverse pool of candidates, it is the Company's policy to post the majority of open positions on its own career page along with third-party, industry-specific and function-specific websites.
  - Recruiters and hiring managers review qualified applicant data and interview multiple candidates prior to making an offer.
  - If the Company utilizes an agency for recruiting, the agency is required to agree (per our standard contract) to commit to equal-opportunity recruiting.
  - The Company has an internal referral program where employees can recommend and refer applicants for consideration to positions that are posted.
  - Internal candidates are also encouraged to apply for posted open positions for which they are qualified.



# Occupational Health & Safety

“No one gets hurt. Everyone goes home to build another day.”

This is the philosophy at Century that we continue to pursue each day. Safety is among our main core values. We are uncompromising in our commitment to the health and safety of our employees, our trade partners, the public, and our valued homeowners.

	Fiscal Year 2019	Fiscal Year 2020
<b>Recordable Injury Rate</b>		
Direct Employees	1.40%	1.35%
<b>Recordable Fatality Rate</b>		
Direct Employees	0	0
<b>Training, Certifications, Audits</b>		
Percentage of organization with verified Occupational Safety and Health Administration (OSHA) Certifications	100%	100%
Internal Safety Audit Compliance	100%	100%

# Q&A with Ralph Baja



## National VP of Customer Engagement & Safety

Ralph Baja is the National Vice President of Customer Engagement & Safety at Century Communities. With twenty years of homebuilding industry experience, Ralph has spent the past three years focused on customer engagement enhancement and expanding Century's occupational health and safety programs. Below, Ralph shares his perspectives on worker and jobsite safety and Century's commitment to effective health and safety policies and implementation.

---

### **Q. Ralph, can you please tell us a little bit about your background and what inspired you to join the team at Century Communities?**

**A.** *My father was a career Navy veteran, and we moved a lot during my childhood. I followed in his footsteps and served 7 years in the Navy, and after my service obligation, I jumped into the homebuilding industry. The transition from the military into homebuilding was a terrific experience,*

*as the disciplines I learned serving the country really translated into construction well. My career eventually took me to Century, which has empowered me and given me the latitude to make a positive difference in so many aspects of our organization, including safety.*

# Q&A with Ralph Baja

## National VP of Customer Engagement & Safety

### **Q. Homebuilding is considered a high-risk industry. How do you keep employees safe?**

**A.** *When it comes to safety, everyone acknowledges safety is a no-brainer. After all, who goes into work expecting to get hurt? No one. However, the reality is that peoples' focus and compliance can lapse. It is both Century's and our trade partners' jobs to inspire our teams wanting to be safe each and every day. That's why we authored the Century slogan ... "No one gets hurt. Everyone goes home to build another day." The requirement for safety has to be greater than just being compliant; it has to be personal.*

### **Q. What do workers most often overlook or need further training on when it comes to safety?**

**A.** *Our trade partners work very hard in performing their jobs, and in their desire to get work done on-schedule, the temptation exists to take shortcuts for the sake of efficiency. Simply put, bypassing required safety measures is just not acceptable. The notion that someone can be hurt or killed on our jobsites requires that everyone—regardless of position—be 100% committed to each other's safety. Therefore, it is critical that we have ongoing awareness training, and in instances when we fall short, we share those teachable moments throughout the organization.*

### **Q. What are the best practices for developing a safety training program?**

**A.** *First, the proper mindset for any organization truly committed to safety is to view OSHA as a partner. OSHA is on our side, and together with Century, we have the same goals. We are committed to work hand-in-hand with OSHA with the mutual aim of preventing injury and death. Second, we require all field employees to have an OSHA certification within 90 days of employment. Very proud that our team is 100% certified. And, lastly, is to make safety everyone's responsibility. Anyone—from sales, to someone from a divisional office, field construction personnel, and our warranty team—has the authority to identify and abate unsafe construction practices.*

### **Q. At any given time, Century has hundreds of construction sites operating across the country. How do you ensure communication is consistent and clear to all employees on site locations?**

**A.** *We intentionally flattened our safety organization to run as efficiently and nimbly as possible. Each of our 30+ divisions across our markets have a construction leader designated as the Divisional Safety Officer (DSO). Each month, our National Safety Compliance Director, Chelsey Fishman, facilitates regional webinars with DSOs along with our appointed third-party safety vendors. Together, we celebrate what's working well and develop action plans for areas of improvement, directing any necessary resources to help our divisions operate safely.*

# Q&A with Ralph Baja

## National VP of Customer Engagement & Safety

### **Q. How did the COVID-19 global pandemic impact your safety practices?**

*A. As an essential business, we took COVID-19 national and municipal requirements very seriously and authored a playbook that consolidated a wide array of guidance. But, that was only the beginning of compliance. Of greater importance was ensuring that we were actively practicing proper protocols daily. To that end, we had to get the message to the field, and hosted all-hands regional webinars to cover required practices and address questions/concerns. This was a complete team effort.*

### **Q. What are some of your proudest accomplishments as our National VP of Customer Engagement and Safety?**

*A. There are several that really stand out, but I'm most proud by how much our entire team embraces the responsibility to keep each other safe. Yes, our documentation is better than ever. Yes, our 100% OSHA certification is important. And, yes, safe sites are clean sites, and in the eyes of our customers, clean equates to quality. Yet, the reality is that homebuilding is inherently dangerous, and regardless of how good our administrative program is run, it's really everyone's commitment to make safety a personal value that is going to make all the difference in the world. We have an amazing team who is committed to "No one gets hurt. Everyone goes home to build another day."*





# Corporate Governance

Century's Board of Directors believes environmental stewardship and social responsibility are key tenets that are pivotal to driving long-term, organizational success.

---

The integration of sustainable business practices creates lasting results that benefit all our stakeholders, including our customers, employees, shareholders, investors, and the communities in which we live and operate. This includes everything from industry-leading business and operational goals, to risk management of environmental issues, as well as comprehensive reporting. Century's Board of Directors, Co-Chief Executive Officers and Chief Financial Officer oversee the Vice President of Investor Relations who is responsible for maintaining and communicating Century's ESG disclosures to the market.

# Sustainable Homebuilding

As a leading, top 10 national homebuilder, we believe we play an important role in building a sustainable future for our employees, our environment and the communities in which we live and operate.

**Specific to our industry, we are focused on the following opportunities related to climate change and sustainability:**



**Reducing the Company's carbon footprint** by tackling low-carbon opportunities such as reducing waste and embodied carbon in our construction processes, supply chain and throughout our organization



**Building sustainable homes** with energy-efficient designs to enable homeowners to reduce their carbon footprint by utilizing smart home technology to reduce energy consumption and conserve water



**Offering sustainable, affordably priced homes to homebuyers** with options like renewable energy add-ons and carbon-neutral builds



**Helping create happy, healthy communities** in part by educating homebuyers, employees, business partners and other stakeholders on environmentally sustainable practices



**Complying with all relevant and applicable local, state and federal environmental laws, policies and regulations**



**Bringing healthy and sustainable homes to our buyers** by partnering with our suppliers and green building certification bodies

# Sustainable Development

Across the majority of our markets, Century Communities utilizes a due diligence checklist to review and confirm key criteria prior to home site selection, development and construction.

**In regards to environmental considerations, there are six categories that are examined:**

1

## Soil Conditions

**Examples:** Is there a geotechnical report? Is the soil suitable for the proposed development? What foundation types is the soil suitable for?

2

## Noise and Nuisance

**Examples:** Is the property within 1,000 feet of highway, freeway, or heavily traveled road? Is the property within 3,000 feet of railroad? Are there any active oil and gas wells on or immediately adjacent to the property? Are there cellular towers on or immediately adjacent to the property?

3

## Flood Conditions

**Examples:** Is the property within a Special Flood Hazard Zone? Will the home require flood insurance?

4

## Overall Environmental Conditions

**Examples:** Has a Phase 1 Environmental Site Assessment been conducted? Have any Recognized Environmental Conditions (RECs) been identified? Does the site require an Asbestos Survey?

5

## Hazardous Material

**Examples:** Does the property have an unobstructed view or is it within 2,000 feet of any facility storing explosive or fire-prone materials? Is there any visual evidence of hazardous/toxic material on the property? Is the property within 3,000 feet of a dump or landfill site, or a site on the EPA Superfund National Priorities List (NPL) or equivalent?

6

## Biological Conditions

**Examples:** Does the property include designated wetlands? Does the property include streams, waterways or creeks? Are there any endangered species on the property?

# ESG Oversight

---

**Our Board is responsible for implementing sound corporate governance practices that ensure the company operates ethically and with integrity as well as reviewing and overseeing corporate responsibility policies and programs.**

Century's executive team, including the Co-Chief Executive Officers and Chief Financial Officer, oversees the implementation of these policies and coordinates our efforts to identify, address, train and report on our ESG risks and opportunities and foster a dialogue on these issues with ESG experts, employees, shareholders and other stakeholders. Additionally, the Board works with management to set the short-term and long-term strategic objectives of our company and to monitor progress on those objectives.

A woman with curly hair, wearing a white shirt and a tan blazer, is smiling and looking towards the camera. She is in a meeting setting, with a laptop and a pen visible on a table in front of her. The background is blurred, showing other people and office decor.

# Stakeholder Engagement

## Process for Communicating Critical ESG Concerns to the Board

***We are committed to promoting collaboration with our stakeholders in the creation and implementation of ESG strategies and programs.***

We regularly engage with investors, customers, employees, regulators, rating agencies and other stakeholders on business issues and the ESG topics of interest to them to set and implement numerous policies throughout our business to drive and support our ESG initiatives.

By engaging key internal and external stakeholders and understanding their expectations regarding sustainability issues, we better identify and prioritize the key issues most material to Century's business.

During 2020, our executives identified and held more than 200 meetings with stockholders, including 9 of our top 10 stockholders that are actively managed funds. We also relied on external stakeholders' input, including USGBC, SASB, GRI and many more.

# Stockholder Engagement

Stockholder feedback is thoughtfully considered and has led to modifications in our executive compensation program, governance practices and disclosures.

**Some of the actions we have taken in response to feedback over the last several years include:**



**Issuing a biennial ESG Report**



**Defining ESG Governance**



**Communicating ESG Performance on our investor relations website**



**Measuring corporate carbon emissions**



**Adding a female director to our Board**

For questions, comments or concerns regarding this report, Century's overall ESG program or to request a call with management, please write to [ESG@centurycommunities.com](mailto:ESG@centurycommunities.com).

# Board of Directors



**Dale Francescon**  
Chairman and  
Co-Chief Executive Officer



**Robert J. Francescon**  
Co-Chief Executive Officer  
and President



**Patricia Arvielo**  
Director



**John P. Box**  
Director



**Keith R. Guericke**  
Director



**James M. Lippman**  
Director

## COMMITTEE STRUCTURE

	Audit Committee	Compensation Committee	Nominating & Corporate Governance Committee
Patricia Arvielo			
John P. Box			
Keith R. Guericke			
James M. Lippman			

Committee Member    Committee Chair



# Environmental Impact

## Earlier this year, Century Communities, along with support from WAP Sustainability Consulting, evaluated the Company's first carbon footprint.

**The study took place during the first quarter of 2021 and took into account relevant activities that occurred during the period of January 1, 2020 through December 31, 2020.** This inventory used several GHG accounting standards and guidance documents. Primarily, the inventory followed requirements defined by the World Resource Institutes (WRI) Greenhouse Gas (GHG) Protocol.

Additionally, considered for this inventory was WRI's Corporate Value Chain Accounting and Reporting Standard. The Corporate Value Chain Accounting and Reporting Standard guides emission categories that are outside the control of an organization but are still influenced by that organization's business decisions and behavior. These emissions are referred to as "Scope 3" emissions and evaluating them shows

that a company is willing to look beyond their direct sphere of influence to improve their carbon footprint.

The calculation of GHG emissions used recognized emission factors from The Climate Registry, Intergovernmental Panel on Climate Change (IPCC), and the United States Environmental Protection Agency (EPA). Following standard GHG accounting procedures, calculated emissions were classified as Scope 1, Scope 2, or Scope 3. Scope 1 emissions are direct emissions within an organization's boundary. Scope 2 emissions are impacts related to the purchase of electricity. Scope 3 emissions are emissions that occur at other entities as a result of the decisions and actions that the reporting company takes.

# Major Findings of the Study

The table below represents the results of Century Communities' first corporate greenhouse gas (GHG) emissions inventory for 2020. The overwhelming majority of GHG emissions are in the scope 3 category of Purchased Goods. These emissions are directly related to the materials used in the construction of homes and are referred to as 'Embodied Carbon'. Embodied carbon is the term used to describe the climate impact of materials calculated from an evaluation of how the material is manufactured and sourced. It includes the environmental impact from raw material sourcing, shipping and manufacturing.

Century Communities' GHG Emissions 2c0 (Metric tons CO2e)			Percent of total emissions	Materiality Level
<b>Scope 1</b>	Fugitive Emissions	102.61	<1%	Immaterial
	Electricity (Location-Based)	4,651.67	<1%	Immaterial
<b>Scope 2</b>	*Electricity (Market-Based)	4,497.73	N/A	N/A
	Purchased Goods	1,150,782.01	93%	Highly Material
<b>Scope 3</b>	Business Travel	360.48	<1%	Immaterial
	Employee Commute	1,495.84	<1%	Immaterial
	Leased Assets	227.95	<1%	Immaterial
	Use of Sold Products	81,449.78	6%	Material
	Waste Generated	8.29	<1%	Immaterial
<b>Total Emissions</b>		<b>1,239,078.63</b>	<b>100%</b>	

\*Note: Market-based electricity emissions are not assigned a percentage in the table since it is considered an alternative calculation methodology to the location-based emissions values. Market-based emissions factors take into account the emissions intensity of local energy providers if known. The location-based emissions factors take into account regional emissions based on the EPA's eGrid system. Reporting based on both market-based emissions factors and location-based emissions factors is required, and one method is not preferable to the other.

# Market Context & Performance Metrics

**In addition to measuring and managing our total corporate greenhouse gas emissions, Century Communities is also tracking performance using key indicators designed to put our environmental footprint into a context that is related to business performance.** Key material indicators for us include Total Emissions per Home Sold and Embodied Carbon per Home Sold. Total Emissions per Home Sold is an indicator that includes all our business activities. Embodied Carbon per Home Sold is a key measure of the environmental impact of the materials that we purchase, which our inventory has shown us to be the most significant contributor to our environmental footprint.

Indicator	Level	Value	Unit
Emissions per Home Sold	Company level	131	MT CO2e/Home
Embodied Carbon per Home Sold	Product level	122	MT CO2e/Home

*\*Emissions per Home Sold includes all scope 1, scope 2 and Scope 3 emissions. Embodied Carbon per Home Sold includes only emission in the purchased goods category. Operational Carbon Intensity per Home Sold is the estimated operational carbon footprint of the annual occupancy of a home. This value is calculated from the Use of Sold Product emissions divided by total homes.*

## Next Steps

For Century Communities, there are several next steps we can take to demonstrate our commitment towards reducing our climate impact and risk. Our GHG inventory shows us that key to reducing our impact is reducing the embodied carbon of the homes that we build. Central to this will be evaluating and offsetting the materials that we use and providing mechanisms for improved evaluation and selection of products. A popular method, which has been adopted by the United States Green Building Council's (USGBC) LEED program, involves requiring material suppliers to provide Environmental Product Declarations ("EPD") prior to the purchase of materials.

Additionally, we intend to evaluate and adopt carbon reduction goals that are credible and aligned with the science-based community using industry-leading methods such as the Science Based Target Initiative (SBTi).



## SASB Sustainability Disclosure Topics & Accounting Metrics

SASB Code	Accounting Metric	Page Number
IF-HB-160a.2	Number of (1) lots delivered in regions with High or Extremely High Baseline Water Stress	The Company recently began tracking this data and expects to report on this metric in future ESG reports.
IF-HB-160a.2	(2) homes delivered in regions with High or Extremely High Baseline Water Stress	The Company recently began tracking this data and expects to report on this metric in future ESG reports.
IF-HB-160a.3	Total amount of monetary losses as a result of legal proceedings associated with environmental regulations	Less than \$100,000
IF-HB-160a.4	Discussion of process to integrate environmental considerations into site selection, site design, and site development and construction	Page 22
IF-HB-320a.1	(1) Total recordable incident rate (TRIR) and (2) fatality rate for (a) direct employees	Page 15
IF-HB-410a.1	(1) Number of homes that obtained a certified HERS® Index Score	Page 7
IF-HB-410a.1	(2) Average score	59
IF-HB-410a.2	Percentage of installed water fixtures certified to WaterSense® specifications	Page 7
IF-HB-410a.3	Number of homes delivered certified to a third-party multi-attribute green building standard	The Company recently began tracking this data and expects to report on this metric in future ESG reports.
IF-HB-410a.4	Description of risks and opportunities related to incorporating resource efficiency into home design, and how benefits are communicated to customers	Page 8
IF-HB-410b.1	Description of how proximity and access to infrastructure, services, and economic centers affect site selection and development decisions	The Company recently began tracking this data and expects to report on this metric in future ESG reports.
IF-HB-410b.2	Number of (1) lots delivered on infill sites	The Company recently began tracking this data and expects to report on this metric in future ESG reports.
IF-HB-410b.2	Number of (2) homes delivered on infill sites	The Company recently began tracking this data and expects to report on this metric in future ESG reports.
IF-HB-410b.3	(1) Number of homes delivered in compact developments	The Company recently began tracking this data and expects to report on this metric in future ESG reports.
IF-HB-410b.3	(2) Average density of homes delivered in compact developments	The Company recently began tracking this data and expects to report on this metric in future ESG reports.
IF-HB-420a.1	Number of lots located in 100-year flood zones	The Company recently began tracking this data and expects to report on this metric in future ESG reports.

## SASB INDEX

SASB Code	Accounting Metric	Page Number
<b>IF-HB-420a.2</b>	Description of climate change risk exposure analysis, degree of systematic portfolio exposure, and strategies for mitigating risks	In 2020, the Company conducted a GHG Inventory to evaluate its Scope 1, 2 and select Scope 3 carbon emissions. The details of this Inventory can be found on Page 29 of this report. The company will report on its Climate Risk Assessment beginning in 2023.
<b>IF-HB-000.A</b>	Number of controlled lots	Page 2
<b>IF-HB-000.B</b>	Number of homes delivered	Page 2
<b>IF-HB-000.C</b>	Number of active selling communities	198



# GRI Index

## Sustainability KPIs using GRI Standard Disclosures

Disclosure Number	Disclosure Title	Page Number
102-1	Name of the organization	Page 2
102-2	Activities, brands, products, and services	Page 2
102-3	Location of headquarters	Page 2
102-4	Location of operations	Page 2
102-5	Ownership and legal form	Page 2
102-6	Markets served	Page 2
102-7	Scale of the organization	Page 2
102-8	Information on employees and other workers	The total number of employees as of December 31, 2019 was 1,460
102-9	Supply Chain: Total number and Geography	Page 10 - Main Suppliers across 28 Unique Market in 17 states with over \$2b in Supply Chain Expenses with 80% being spent in local economies (within 100 miles of a CCS project).
102-10	Significant changes to the organization and its supply chain	No changes. This is our Inaugural Report.
102-11	Precautionary Principle or approach	Page 5
102-12	External initiatives	CCS is committed to supporting internationally recognized human rights activities and initiatives. For more information please review our Human Rights Policy.  <a href="#"><u>Human Rights Policy</u></a>
102-13	Membership of associations	CCS has affiliations with the National Association of Home Builders (NAHB), the Builders Safety Alliance, the Local Building Industry Association (BIA) and HomeAid America.
102-14	Statement from senior decision-maker	Page 1
102-16	Values, principles, standards, and norms of behavior	Page 4
102-17	Mechanisms for advice and concerns about ethics	Page 4
102-18	Governance structure	Page 26
102-20	Executive-level responsibility for economic, environmental, and social topics	Page 20
102-40	List of stakeholder groups	Page 24
102-41	Collective bargaining agreements	We do not have collective bargaining agreements relating to any of our employees. However, we subcontract many phases of our homebuilding operations and some of the subcontractors we use have employees who are represented by labor unions.
102-42	Identifying and selecting stakeholders	Page 24
102-43	Approach to stakeholder engagement	Page 24
102-44	Key topics and concerns raised	Page 25
102-45	Entities included in the consolidated financial statements	Page 2
102-46	Defining report content and topic Boundaries	Page 3
102-47	List of material topics	Page 3
102-48	Restatements of information	Page 5
102-49	Changes in reporting	No changes. This is our Inaugural Report.
102-50	Reporting period	Page 2
102-51	Date of most recent report	No changes. This is our Inaugural Report.
102-52	Reporting cycle	Page 1
102-53	Contact point for questions regarding the report	Page 25
102-54	Claims of reporting in accordance with the GRI Standards	Page 5
102-55	GRI content index	Page 30

## GRI INDEX

Disclosure Number	Disclosure Title	Page Number
102-56	External assurance	Page 5
103-1	Explanation of the material topic and its Boundary	Page 3, Page 13, Page 21, Page 25
103-2	The management approach and its components	Page 23
103-3	Evaluation of the management approach	Page 23
204-1	Proportion of spending on local suppliers	Page 10 - Main Suppliers across 28 Unique Market in 17 states with over \$2b in Supply Chain Expenses with 80% being spent in local economies (within 100 miles of a CCS project).
205-2	Communication and training about anti-corruption policies and procedures	Page 4, Page 9
302-2	Energy consumption outside of the organization	Page 7, Page 8
302-5	Reductions in energy requirements of products and services	Page 7, Page 8
305-1	Direct (Scope 1) GHG emissions	Page 29
305-2	Energy indirect (Scope 2) GHG emissions	Page 29
305-3	Other indirect (Scope 3) GHG emissions	Page 29
305-4	GHG emissions intensity	Page 30
307-1	Non-compliance with environmental laws and regulations	Less than \$100,000
403-1	Workers representation in formal joint management–worker health and safety committees	Page 9, Page 17
403-2	Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities	Page 15
405-1	Diversity of governance bodies and employees	Page 12, Page 13, Page 25, Page 26

For more information, please visit our  
Environmental, Social and Governance site at

<https://investors.centurycommunities.com/ESG>



**For questions related to Century's ESG initiatives, please contact:**

[ESG@centurycommunities.com](mailto:ESG@centurycommunities.com)



Century Communities, Inc.  
8390 E. Crescent Parkway, Suite 650  
Greenwood Village, CO 80111  
303.773.8300  
[CenturyCommunities.com](http://CenturyCommunities.com)