Greenhouse Gas Emissions

Striving to do good for the environment and our homebuyers.

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 2023. 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.

The results of our Scope 1 and Scope 2 GHG emissions calculation are presented in the chart below. 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 results also exclude the results 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.

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

	Emissions Source	2019	2020	2021	2022	2023
1	Stationary Fuel Combustion (natural gas, propane, diesel)	28,220	27,640	24,435	39,571	65,815
	Mobile Combustion (fleet)	666	666	743	1,061	1,170
	Fugitive Emissions (building HVAC)	4,013	3,903	3,200	3,853	13,851
	Total Scope 1	**32,899**	**32,209**	**28,378**	**44,485**	**80,836**
2	Location-Based Electricity	34,900	35,479	31,077	41,169	67,563
	Market-Based Electricity	37,708	38,944	34,007	44,876	72,412
	Total Scope 1 & 2 Emissions	**70,607**	**71,152**	**62,385**	**89,361**	**153,248**

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

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 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 five 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 activies. 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 some years, fugitive emissions from building HVAC exceeded 5% of the total, but never exceeded 10%. Emissions from other sources are considered to be immaterial and each comprised 5% or less of the total calculated emissions in all five periods reviewed.

Intensity Metrics

	2019	2020	2021	2022	2023
Homes and Units Closed by our Homebuilding, Single-Family and Multi-Family Rental Operations	57,791	65,928	83,181	84,293	91,204
$MTCO_2e$ per Home/Unit Closed	1.22	1.08	0.75	1.06	1.68
Consolidated Revenue (in Millions)	$17,592.9	$20,311.1	$27,774.2	$33,480.0	$35,460.4
$MTCO_2e$ per Million Revenue Dollars	4.01	3.50	2.25	2.67	4.32

Our total Scope 1 and Scope 2 GHG emissions increased from fiscal 2019 to fiscal 2023 primarily due to D.R. Horton's significant increase in size and scale over that time period. During this five year period, we increased our number of employees by over 4,500, or 51%, increased our annual homes closed by our homebuilding operations by almost 26,000 homes, or 46%, started our single-family rental business, continued to scale our multi-family rental business and more than doubled our consolidated revenues. 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. 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 an increase in both the number of completed homes in our inventory, which on average was up 269% year-over-year, coupled with an elongation in the average number of days from completion to close of the homes closed in fiscal 2023, which increased by 82% compared to the completion to close timeframe of homes closed in the prior year. 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 6% year-over-year increase in revenues. Despite these increases in emission intensity using reported metrics, the sample data collected for home energy consumption used to calculate our Scope 1 and 2 GHG emissions revealed that D.R. Horton homes are becoming more efficient in terms of energy intensity over time.

We plan to continue to evaluate our Scope 1 and Scope 2 GHG emissions in the coming years and assess our readiness to meet future potential requirements to estimate our Scope 3 emissions, including the climate-related disclosure legislation enacted in the State of California. We will also consider and evaluate potential future GHG reduction targets after we have more fully evaluated our company's impacts, potential strategies 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.