Environmental Management System (EMS)



We have established an EMS within the U.S. EPA definition: "a set of processes and practices that enable an organization to reduce its environmental impact and increase its operating efficiency." The main focus of our EMS is reducing the GHG emissions associated with the use of the homes we build over their multi-decade life cycle. Our EMS provides a framework for planning, implementing, measuring, evaluating and refining these efforts over time. The flow chart below demonstrates this framework and the rigorous validation we bring to the process.

Commitment and Strategy

Board of Directors and Its Committees - oversight

National Advisory Board stakeholder engagement and materiality

Sustainability Leadership Team & ESG Steering Committee - risk and opportunities evaluation; links to business strategy

Annual Reporting

Measuring environmental impact is the final step.

We utilize the GRI and other sustainability disclosure frameworks to communicate with our stakeholders on our progress, including GHG reductions.



Process and Product Improvement

Our data-driven approach helps us identify and implement continual improvements for our processes and homes

Internal and external research and development also inform our plans.

Targets and Plans

Sustainability Leadership Team - set environmental goals; formalize process and controls.

- New-home energy efficiency targets (average HERS score of 45 by 2025)
- New-home green building certification (ENERGY STAR certified homes)
- Other areas of focus, including increasing water efficiency, adding renewable energy generation and reducing waste

Performance Review

Data collection systems track ratings and certifications as well as homeowners' satisfaction with energy efficiency performance.

Data is reviewed by:

- Operating divisions (weekly & monthly)
- Sustainability leadership team (monthly)
- Internal audit team (quarterly)
- NAB (semi-annually)

Implementation and Measurements

Home Design

- Internal teams and energy consultants collaborate in an iterative process for each home design.
- Implement a holistic approach to achieve high-performance homes, including thermal comfort and energy and water-efficiency.
- Each home plan receives a list of specifications and HERS target score.
- An ESC guide (like cars' MPG stickers) is published for each home.

Home Construction

- Project kickoff meetings include trade partners to establish a team approach for achieving set targets.
- Independent third-party inspectors and raters inspect and test every home.
- Each home's as-built HERS score must meet or exceed target set during design.
- Inspectors also document the ENERGY STAR certification.
- Select homes are also HERS H₂O rated and receive WaterSense label.