

# A Culture of Sustainability & Excellence

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We build consumer inspired homes  
and communities to make lives better.



2018 Responsible  
Strategy Report



# Letter from Our President & CEO

We build consumer inspired homes and communities to make lives better. We work diligently to deliver against the entirety of this simple but heartfelt declaration, but I have always believed the power of PulteGroup's vision statement resides in the final four words...to make lives better.

Within our operations, these words carry clear expectations concerning the construction quality and overall buying experience we seek to deliver to every customer. Applied more broadly, these words also reflect our approach to operating our business in today's more transparent and interconnected world.

When you consider our employees, the people who build our homes, the customers who buy them, the shareholders who own the business and the environment that surrounds us, there are literally thousands of points where our business intersects with these vested parties. How we choose to manage these intersections essentially comprise PulteGroup's environmental, social and governance (ESG) practices.

As outlined in the following pages, I am pleased to say that we are managing them more effectively and, in the process, building a sustainable business that is working to make lives better for:

**OUR EMPLOYEES**, who quickly rallied to support their Texas and Florida teammates whose lives were devastated by Hurricanes Harvey and Irma. While that specific crisis would pass, the Company saw the bigger need and established an emergency assistance program that could provide financial support to employees facing smaller scale, but no less threatening issues. This fund will stand ready to help our employees when the need arises for years to come.

**OUR CONSUMERS**, whose homes benefit from PulteGroup's unmatched Pulte Construction Standards, but who now have the opportunity to make their homes more energy efficient and smarter. PulteGroup's new Smart Home offering allows homeowners the chance to manage heating, cooling, lighting and even security with a tap of their phones.

**THE ENVIRONMENT**, which will continue to gain from our actions to reduce the eco-footprint of our homes and communities. Continuing to build our knowledge base through the development of innovative projects, we are partnering with Georgia Power to build a state-of-the-art, high-tech and eco-friendly community that can become a guide for future neighborhoods.

**THE OTHER STAKEHOLDERS** we engage with to help support our vision, including:

✓ Our trade partners and vendors who supply the materials and labor we need to deliver state-of-the-art homes to our consumers;

✓ Our shareholders, who want a Board and leadership team that help ensure that the Company has strong community and stakeholder engagement, establishes sound governance guidelines and principles, and reflects and represents the diversified population of people we serve; and

✓ Our communities in which we do business and where we strive to leave a legacy of good corporate citizenship along with the neighborhoods we build.

I am encouraged by the progress Pulte Group has made since issuing its first Responsible Strategy report in 2015, but I

know there remains a long journey ahead for us. As I consider the operating and competitive landscape, I believe that the pace of change is likely to accelerate. Employees, customers and shareholders are doing more to hold companies accountable for the business practices they implement. Even without such external pressures, I believe a company's sustainable business practices are no longer just about choice, but more about competitive advantage and long-term survival.

As I wrote in the Company's 2017 annual report, "PulteGroup's 2017 financial results show significant, double-digit percentage gains on both the top and bottom lines." These results continue a multi-year trend that has seen significant gains in our operating and financial performance. These gains could only be achieved by building homes consumers want to buy, by having employees who are passionately committed, and with the ongoing support of our investors.

The sustained commitment from each of these groups will be directly influenced by the business practices that we demonstrate, including those articulated in this report.

Sincerely,

Ryan Marshall  
President & CEO

# *Pulte Passion* from Day **1**

Bill Pulte's dream was to build homes. So after graduating high school in 1950, he purchased a floor plan from a local newspaper and began building his first home on a plot of land donated by his aunt. He knew he must be doing something special when the home sold for \$10,000 before it was even finished.

Since that first house Bill built by hand, the company he founded has delivered over 700,000 homes and has touched the lives of individuals and families throughout the country. With an unmatched portfolio of homebuilding brands including Centex, Pulte Homes, Del Webb, DiVosta, and John Wieland Homes & Neighborhoods, PulteGroup prides itself on providing innovative and superior quality homes for every type of buyer.

Bill Pulte passed away in 2018, but the commitment to quality, craftsmanship and innovation that Bill had when he laid the first foundation almost 70 years ago, infuses our culture today. Our employees proudly carry Bill's legacy and his passion for homebuilding into the future.

At PulteGroup, our bottom line is just one way we measure success. We believe in treating people well, doing business with integrity and excellence, and practicing good stewardship of the environment. We're committed to innovating sustainable practices, providing superior construction, building a diverse, respectful team and raising the bar on the overall home buying experience. We're passionate about building houses that exceed our customer's expectations — places they're excited to call 'home.'

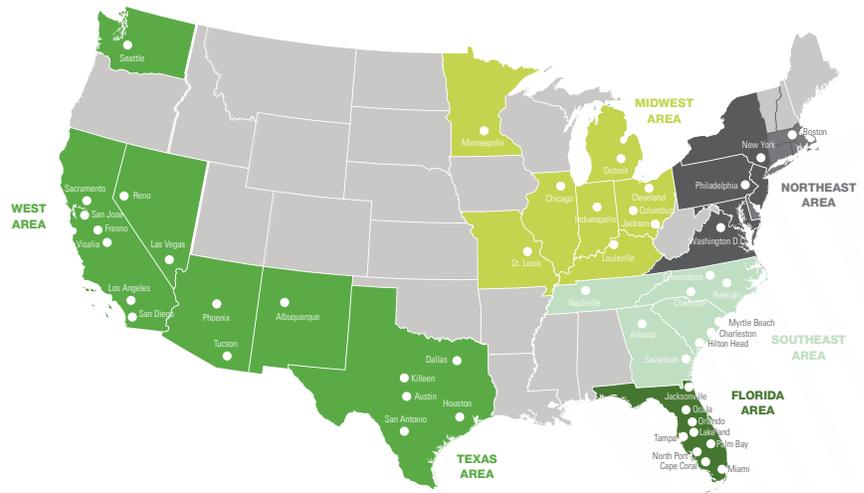
For over 68 years, PulteGroup has delivered more than 700,000 homes throughout the country.



**PulteGroup maintains one of the largest and most diversified business platforms in the industry. The Company operates across 47 markets and serves the major buyer groups including entry level, first time, move up, luxury and active adult. Our diversification provides greater growth opportunities while helping to mitigate certain market-specific risks.**

Within our operating divisions, we maintain the critical functions needed for success in homebuilding including land acquisition and entitlement, land development, sales and marketing, home construction and customer service. By having these skills resident in our local operations, we can more effectively adjust to local market dynamics and municipal building codes which can vary greatly from city to city.

PulteGroup has grown to become one of the largest homebuilders in the entire country, but our primary focus is on being among the largest builders within each market that we serve. We believe scale advantages are much more relevant at the market level where size can translate into competitive advantage with land sellers and local building trades.



## ABOUT THIS REPORT

Over the past few years, PulteGroup’s continued focus on our environmental, social and governance practices have evolved from distinct initiatives to become part of the foundation of how we want to run our business. We’re proud to have integrated these significant pillars of corporate sustainability into our operating practices.

PulteGroup operates in 47 markets across the country – each with its own set of construction and environmental challenges. Because of our commitment

to being a positive presence within our communities, we are intentional about the way we work – from the ground up. Through our commitment to “make lives better,” we are finding innovative ways to employ green, efficient, cost-competitive solutions wherever possible.

PulteGroup’s 2018 Corporate Social Responsibility Report is designed to serve as a ruler to measure our ongoing changes and will highlight key strides we’ve made since our last report in 2016.

Our hope is that this report inspires ongoing discussions with our key stakeholders on the opportunities and challenges surrounding ESG in the homebuilding industry – and provides a window into the ways we are demonstrating our commitment in communities across the United States.





# Our People

From our focus on health and safety on and off the construction site, to supporting a diverse culture where we treat each other fairly and act with honesty, integrity and respect --- our employees are our most precious resource.

## MAKING SIGNIFICANT STRIDES

We employ a three-pronged approach to creating spaces where our employees feel valued, respected and fully engaged. These approaches include:

### Creating the Right Environment

Ensuring we have the right policies, visibility and awareness for our changing workforce.

### Developing Our People

Providing our employees with the education and training needed to succeed in their roles and achieve their full potential.

### Recruiting the Best Talent

Attracting talent that reflects the diversity of the communities in which we build.

# Creating a Culture of **Support**

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Caring for our most precious  
resource — our people



Our greatest source of pride at PulteGroup, is the resilience, strength and kindness of our people and the strong culture it helps to produce. The strength of our culture can be seen in the sustained gains of our annual Gallup engagement survey where our scores are knocking on the door of world class.

We strive to demonstrate an organizational culture that values serving side by side, celebrating victories, and banding together when trouble strikes. And in August 2017, significant trouble struck our Houston Division.

According to reports, Hurricane Harvey inflicted \$125 billion in damage, tying with Hurricane Katrina as the most expensive tropical cyclone on record. More devastating than the financial toll was the people impact, as lives and homes were destroyed by the “biblical” rains which triggered widespread flooding in the Houston metropolitan area.

When PulteGroup employees began to hear stories of teammates directly affected by the storm — many who lost homes, cars and possessions — they took action. In less than 48 hours, the company raised \$250,000 from corporate and employee donations to help teammates in immediate need of food, clothing and shelter. We were extremely fortunate that all of our employees were safe, but it was impossible to forget the images and stories of struggle.

While the urgency of Harvey eventually passed, the impact made a lasting impression on the company’s senior leadership team. The decision was made to establish a more permanent and consistent support structure to aid employees in need. Launched in April of 2018, the program now provides financial assistance up to \$3,500 for individuals facing hardships caused by natural disasters, health or medical issues.

**We are grateful for employees who lead by lifting one another.**

### **Greater Diversity & Inclusion**

Over the past few years, our organization has taken great effort to celebrate diversity and cultivate a culture of inclusion. Beyond just being the right thing to do, we view such an approach as a business imperative given today’s fierce competition for talent. We continue to focus on leadership development and retention to bolster our talent pipeline and have expanded our diversity and inclusion training portfolio to grow a more engaged and inclusive culture. Intentional changes have been made from the top down, working their way through every level of the organization. Revisions have been made to our Board of Directors charter to ensure an explicit and intentional focus on building a more diverse board. The formal language includes:

1. Establishing criteria for the selection of new board members, including the desired qualifications, expertise and characteristics of board members with the goal of developing an even more diverse, experienced and highly qualified board.
2. Filling vacancies or considering recommendations based on what will satisfy a greater inclusion of diverse groups (including diversity of age, gender, race, ethnicity and professional experience), knowledge and viewpoints.

PulteGroup also provides employees with unique and interactive learning videos called “Inclusion Insights.” Each Insight video provides employees the opportunity to examine the way they think about diversity and inclusion. Through facilitated discussions, employees are challenged to become more open-minded, intentional about their treatment of others, and how to find value in the unique experiences of each employee.

### **Offering improved employee wellness and opportunities for great social impact:**

#### **Work-Life Balance Efforts**

We offer enhanced paid and unpaid leave of absence programs, including expanded parental leave benefits. Employees enjoy a variety of flexible work arrangement options such as part-time, compressed work week, job sharing and flextime in order to support work/life flexibility and create a competitive advantage.

#### **Life-Event Assistance**

The new PulteGroup “Making Lives Better” Employee Assistance program provides financial assistance to employees and their families in the time of need.

#### **Collegiate Recruiting**

We are also actively working to recruit college/graduate students with on-campus visits, increasing our ability to meet with diverse candidates who may be considering the real estate industry.

#### **Tuition Reimbursement**

The PulteGroup/National Housing Endowment’s Build Your Future Scholarship was established in 1999. These scholarships provide tuition assistance to undergraduate students pursuing a career in the building industry. The vision and mission of this program is to establish a permanent source of scholarship funding to help students nationwide achieve their career goals.

#### **Wellness Initiatives & Benefits**

Reflective of the adage that an ounce of prevention is worth a pound of cure, PulteGroup continues to demonstrate its commitment to employee health by providing a \$250 incentive for eligible employees and their spouses for obtaining their annual wellness exam. Benefit enhancements also include coverage for 3D mammograms for women, along with greater maternity benefits and coverage for autism.

**When Bill Pulte founded the company, he talked about “delighting” the customer because a delighted customer would recommend the Company to their family and friends. This focus on the customer continues today as we work to deliver a superior quality home and home buying experience to every customer we serve.**

### **Higher Quality Homes by Design**

Just as a good house starts with a strong foundation, our work to deliver a quality home starts with our Pulte Construction Standards (PCS). First developed in 2006, PCS comprises unique construction details, specifications and methodologies, which meet or exceed building code that have been developed or adopted by PulteGroup. These standards have been proven to be the optimal means to construct a given component or assembly to help ensure high performance throughout the coming years. Given differences in building codes and practices that can exist between markets, our PCS standards are adjusted, as needed, to meet market-specific requirements.



Creation of a new Pulte Construction Standard is a collaborative effort involving internal teams of experts, third-party consultants, suppliers, manufacturers and our trade partners. PulteGroup collects and analyzes data on critical aspects of its business including construction activities, warranty spends, customer satisfaction and loss history. With proper analysis, this data can help to highlight where we have opportunities to improve how we build our homes. Once a specific opportunity for improvement has been identified, a cross-functional team of experts are charged with developing an appropriate solution to prevent future recurrence of the issue.

To ensure consistent adherence to the Company's construction standards, we routinely conduct audits of our field practices. These audits can be conducted by an outside third party and/or through surprise inspections conducted by an internal audit team. Every division is subject to an annual unannounced audit conducted by our outside expert, which is scored and reported to senior management. These audits typically last between two and four days depending on the size of the division and the geographic spread of the communities. PCS is assessed on a pass/fail system with a very high bar of zero tolerance for non-compliance.

### Not Just Better, but Smarter

Enviably design, quality construction, desirable locations and ample choices are why homeowners for decades have chosen to build their dream home with PulteGroup. Now add "connected" to the list. Beginning in April 2018, we made it easier for every Pulte, Centex, Del Webb, DiVosta and John Wieland homeowner to add new smart technologies without the cost, disruption or hassle that comes with trying to retrofit the home after it's built.

From the ground up, all new PulteGroup homes are now ready to connect with seamless WiFi reliability and increased bandwidth, thanks to built-in access points and direct wiring throughout the home. Built-in wiring and assured WiFi connectivity from anywhere in the home allows access

to a full array of customizable products and features designed to run a smarter home.

In addition to making life easier for PulteGroup homebuyers, studies have shown that smart home technology can reduce costs and enhance overall energy efficiency. Properly equipped, homeowners have the ability to control heating, air conditioning and lighting remotely, allowing residents to dynamically adjust key mechanical systems. No need to have heating or cooling systems running all day even if no one is home. Now, PulteGroup homebuyers can turn off these systems when they leave and start them up on their drive home, saving money and energy use.

**PULTE SMART HOME**  
Life Tested, Now Connected

*Free of dead spots and full of opportunity, every new Pulte home is ready to connect to your life how, when and where you want it. All newly-built PulteGroup homes will be professionally pre-wired to accommodate a full suite of smart home automation technologies.*

- WIRING ENCLOSURE
- WIRELESS ACCESS POINTS
- HARDWIRED ROOM
- PREMIUM CAT5 WIRING

**THE HOME OF THE FUTURE IS HERE**

- VOICE CONTROL**  
Adjust connected features by just speaking.
- CLIMATE CONTROL**  
Never too cold. Never too hot.
- WIRELESS ACCESS POINTS**  
Minimizes gaps in WiFi coverage.
- WHITE-GLOVE SERVICE**  
Technology will be professionally installed and ready to use.

**GARAGE DOOR OPENER**  
Flexibility to open/close your garage door even when you're not home.

**ENTRY LIGHTING**  
Simply adjust all your lighting preferences through your smartphone.

**FRONT DOOR LOCKS**  
Know your front door is secure at all times.

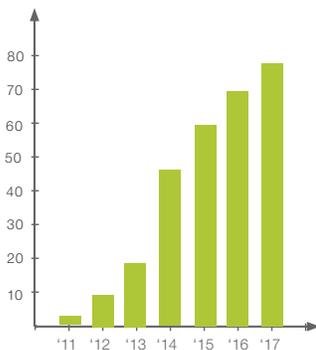
**TRUSTED BRAND PARTNERS**

- Whirlpool**  
The latest advancements in application- and voice-enabled appliances from Whirlpool.
- amazon SONOS**  
Smart speakers, like Amazon Echo and Sonos, with voice, sound and music control.
- SCHLAGE**  
Remote door locks from Schlage, that lock or unlock doors remotely through a smartphone app.
- ring**  
Doorbell audio cameras from Ring Wire Elite, built into the doorbell so homeowners can see who is at the door before opening.

# Our Environment

**PulteGroup remains committed to reducing its carbon footprint and mitigating waste in the construction process. Our Code of Ethical Business Conduct is consistent with our commitment to protecting the environment:**

**PERCENTAGE OF ANNUAL DELIVERIES FROM COMMONLY MANAGED PLANS**



The Company is subject to numerous environmental requirements. These statutes and regulations govern air emissions, discharges of water to surface and groundwater, handling and disposal of waste, including hazardous substances, and workplace practices. They also focus on the release of pollutants to the air or water, or onto or under the ground. Such a release, even if accidental, must often be reported to the government. We are committed to complying with all applicable environmental laws and regulations. Each employee must be sensitive to regulatory requirements and must exercise good judgment regarding the environmental effect of the Company's operations. Employees shall also identify ways to improve our environmental performance, including conservation and recycling. If you suspect or become aware of any environmental law violation or any action that may appear to conceal such a violation, you must immediately report the matter to your manager or to the Law Department.





Our actions with regard to land and water management directly align with the terms outlined in our Code of Ethical Business Conduct. The development of land for new home construction will impact underlying and other groundcover which can impact the flow of storm water over the land. To ensure we are protecting the environment and complying with applicable federal, state and local regulations, PulteGroup has developed an industry-leading National Storm Water Quality Program (“NSQP”). Our NSQP helps us design and build our neighborhoods to better manage the flow of rain water through the community (sometimes more efficiently than before) while helping to keep materials such as dirt, paint, concrete residue, oils or other waste from leaving our construction sites. Our program also includes extensive record-keeping systems and third-party audits to aid in compliance. Adherence to our NSQP allows us to make sustainable

contributions to the communities in which we do business and helps to reduce the risk of flooding.

#### **Common Plans Delivering Uncommon Outcomes**

As part of an overarching strategy to drive greater construction efficiency, in 2011 the Company launched its Commonly Managed Plans initiative. The idea was to develop a library of floor plans that were designed with extensive customer input and then optimized for material content and ease of constructability. These floorplans would then be used across multiple markets supporting our efforts to become more efficient and more profitable.

Over the subsequent years, we slashed the number of floor plans we offer by more than 60% to less than 1,500 in 2017. Over this same period, we

watched as the number of homes delivered from these commonly managed plans grew from zero in 2010 to 77% of deliveries in 2017.

#### **Common plans have certainly benefitted PulteGroup’s financial results, but they can also help in terms of environmental outcomes:**

- More efficient use of wood & other building materials
- Minimizing waste at the job site
- Consistency of production allows trades to be more effective, reducing errors and rework and the need for repeated trips to the job site
- Floor plan designs that provide more useable space within a smaller footprint creating the potential for communities to have more open space

# Building a “Smarter” Atlanta

At PulteGroup, we’re always working to integrate new technologies that can deliver greater energy efficiency, leverage green products and employ sustainable practices. We’re focused on turning the environmental challenges of homebuilding into opportunities to drive operating and financial success. This approach extends through every aspect of our business, including company operations, building practices and our home designs.

## Georgia Power Partners with PulteGroup to Develop Smart Neighborhood™ in Atlanta [www.pulte.com/SmartHomeCommunity](http://www.pulte.com/SmartHomeCommunity)

### Smart Home Tech:

- Voice-Activated Security
- Smart Locks
- Lighting
- Cameras
- Garage Door Controls

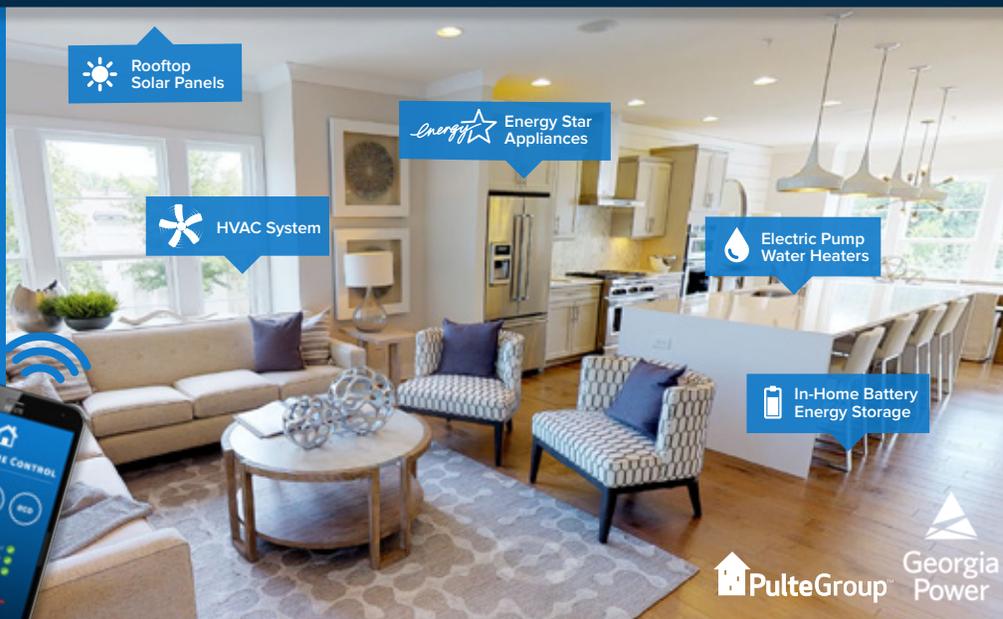
Rooftop Solar Panels

Energy Star Appliances

HVAC System

Electric Pump Water Heaters

In-Home Battery Energy Storage



Continuing our education process, we have taken another step forward by partnering on the development of Atlanta's first Smart Neighborhood™ at Pulte's "Altus at the Quarter" development.



*Altus at the Quarter Rendering*

Pulte homes are up to 30 percent more energy efficient than the average resale home.

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The first phase of this project, which is in partnership with Georgia Power, brings 46 technologically advanced townhomes to Atlanta's Upper West Side – one of the city's most vibrant and popular areas. The 2,349+ square-foot townhomes feature 3 to 4 bedrooms and 2-car garages.

**The Smart Home tech includes:**

- Rooftop solar panels
- In-home battery energy storage
- Enhanced energy-efficient building features throughout including improved insulation, advanced heating & cooling systems and LED lighting
- Tech-connected, smart home automation systems including voice-activated security, smart locks, lights, thermostats, cameras and garage door controls
- A higher efficiency electric heat pump water heater

In addition to the superior efficiency of each unit, the solar panels and battery storage effectively allow this community to be its own micro-energy grid that can operate independently of the public utility. Through this project and our work with Georgia Power, we continue to learn about building energy-efficient homes more cost-effectively, while shrinking the homes' carbon footprint and making them less expensive to own. All of which translates into lasting benefits for our homeowners and the environment.

This Smart Neighborhood will serve as a real-world study where performance data and energy usage will be analyzed to help assess the effectiveness of emerging energy technologies and materials. This project will also help us to determine which programs and services can provide new, creative energy solutions for Georgia Power customers.

Georgia Power is the largest electric subsidiary of Southern Company, which emphasizes the importance of robust research and development (R&D) to better serve customers. The Smart Neighborhood initiative, including separate projects with Georgia Power and its sister operating company Alabama Power, reinforces Southern Company's commitment to R&D to benefit 9 million customers in the United States.



# Initiatives & Impacts

NOTABLE ACHIEVEMENTS AND CHANGES BY REGION

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One of the benefits of an organization as large as PulteGroup is the sheer amount of ingenuity, ideas and best practices our people bring to the industry. One of our challenges is making sure these best practices are purposefully shared throughout our organization. Highlighted on the following pages are some of the environmental initiatives our teams are leveraging to make significant impact in their local communities and the broader environment.

In addition to designing all homes to comply with new energy codes, many of our Divisions offer upgrades such as LED lighting and tankless water heaters.

Recognizing the increased use of electric vehicles, we are offering an electric car charging station in each garage in select communities. As electric vehicles gain market share, the opportunity exists to expand this program across more communities and markets.

PulteGroup introduced photovoltaic solar panels from Tesla Energy to a number of townhome projects in 2017. In one division, the panels were applied to 36 percent of the year's closings – equal to 1 Megawatt of solar electric capacity. The Division projects this number to grow to 50 percent of closings in 2018.

In Northern California, we launched four new communities boasting 100 percent electric power, zero gas, and hybrid electric heat pump water heaters to utilize electricity produced by the rooftop solar panels. Northern California also opened their first LEED Silver community, a 24-townhome unit called Marquis in Menlo Park.

The revolutionary Zero Net Energy home built in Brentwood, CA in 2016 has continued to provide PG&E and Davis Energy Group with data monitoring and key performance information in California's quest for ZNE compliance.

Many of our new homes offer upgrades such as:



SMART HOME TECHNOLOGY



SOLAR POWER



LED LIGHTING



TANKLESS WATER HEATERS



## Our Business Partners

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PulteGroup has been a company branded by core values for more than 60 years. Bill Pulte built this company on a foundation of ethics, quality and integrity. As our company continues to grow, one thing that will never change is our absolute commitment to conducting business according to the highest ethical standards, including engaging with vendors, suppliers and trade contractors that are committed to the same ethical standards.

We are working to establish a **Vendor Code of Ethical Business Conduct** to ensure these ethical standards are cascaded throughout the homebuilding process. PulteGroup also expects its trade partners to hold their vendors, suppliers and trade contractors to the standards and practices covered by our Vendor Code.

Our homes and communities must be built in a manner that meet or exceed the expectations of PulteGroup and our customers. Vendors must act with integrity and are expected to demonstrate a commitment to legal, ethical, safe, fair and environmentally responsible business practices.

## Safer Worksites Are No Surprise

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Heavy equipment. Powerful tools. Hard materials. Lots of activity. By their very nature, construction sites can present a dangerous and physically demanding operating environment. Between our employees, subcontractors and trade partners, thousands of people operate in this environment every day which is why worker safety and regulatory compliance is always at the top of our to-do list.

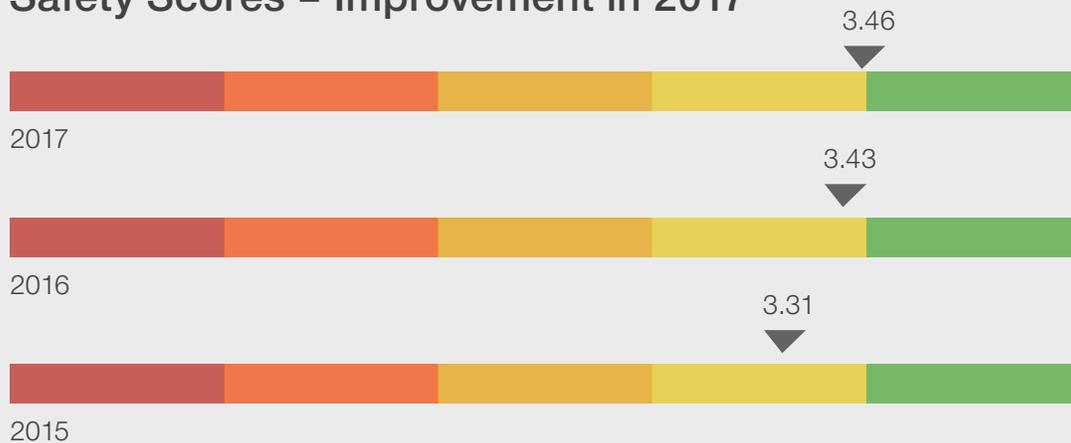


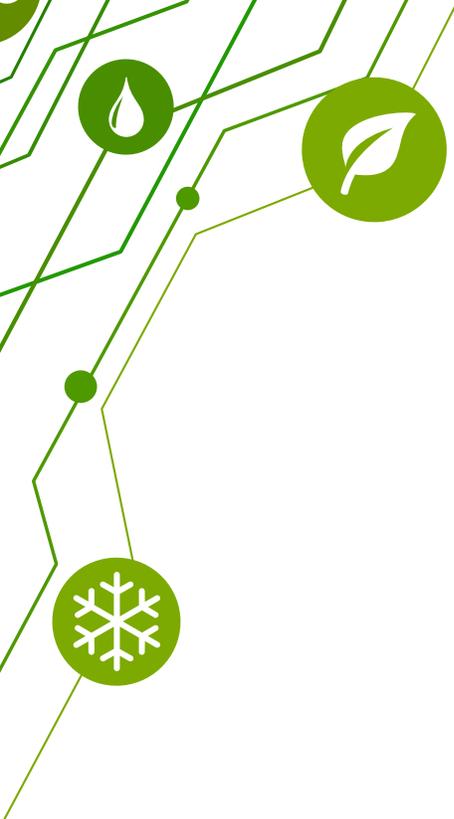
### We pay particular attention to:

- Fall protection. Roof and scaffolding, temporary safety rails.
- Ladder safety. Intentionally using the correct type for the job and securing properly.
- Jobsite hazard signage. Appropriate signage indicating hazards, and safety awareness and reminders.
- Housekeeping and cleanliness. Keeping streets clean and safe for community residents.

Many years ago, we implemented onsite inspections to ensure appropriate safety processes and procedures were being maintained on our job sites. Beginning in 2015, we made this practice a lot tougher by conducting surprise safety audits at our divisions. This meant that proper safety practices had to be implemented by our subcontractors every day, not just when an inspection was scheduled. What can be measured can be managed, and we are managing this process successfully. As noted in the accompanying graph, from a relatively high level we have still realized a 5% improvement in our safety metrics over the past two years. These scores, which are reviewed with the company's Board of Directors, mean that more and more people get to go home unharmed each day.

### Safety Scores – Improvement in 2017





## Our Shareholders

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The Board of Directors and senior leaders of PulteGroup are committed to good corporate governance. Over time, effective and transparent governance practices can help create shareholder value and better ensure Board and management accountability, while helping to build greater public trust in the Company.

**Members of PulteGroup's Board are elected annually by our shareholders to represent and oversee their interest in maintaining the long-term health and the ultimate success of the business.**

In this capacity, the Company's Board of Directors has established a series of Corporate Governance Guidelines that offer a structure for effective governance of the organization. These guidelines reflect the Board's commitment to monitor the effectiveness of policy and decision-making at the Board and management levels, with the objective of enhancing shareholder value over the long term. The Board intends that these guidelines serve as a flexible framework, not as a set of binding legal obligations, and should be interpreted in the context of all applicable laws and regulations, along with the Company's other governing documents.

**The Company's guidelines address a variety of subjects from Director responsibilities and qualification requirements to committee structures and diversification objectives. PulteGroup's corporate governance materials, which can be found in the Investor Relations section of the Company's corporate website, include:**

- Code of Ethical Business Conduct and our Code of Ethics
- Corporate Governance Guidelines and Company By-Laws
- Clawback and Insider Trading Policies
- Employee Complaint Procedures
- Board of Directors Committee Charters



# Our Communities

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Among the many impacts of social media is that a company's brand is no longer just about the product or service provided, but how the company operates locally, nationally, globally. This is just one of the reasons why PulteGroup views being a good corporate citizen a strategic imperative critical to sustaining business success.

For a company that builds neighborhoods for a living, we understand the value of being a good neighbor. Whether they are donating time, talent or financial support, our local teams are invested in making their communities better. PulteGroup employees get two paid days off annually to volunteer and have used this time to rebuild homes, schools and shelters or provide other needed support in their towns.

## **Beyond our volunteer days, some of the specific actions taken by our operations include:**

Over \$500,000 donated in 2017 to worthwhile organizations across the country through the Company's Matching Gifts Program which was designed to encourage and support the generosity and community involvement of our employees. PulteGroup's Matching Gifts Program provides matching funds to the charitable organizations employees personally support, dollar for dollar, to maximize the impact of employee charitable giving. The Matching Gifts Program will match up to \$5,000 per year per eligible employee to qualifying nonprofit organizations.

We have experienced a large increase in our Bay Area in-fill "smart growth" development — moving away from greenfield development toward more intuitive, convenient and responsible options for homeowners. 75 percent of the Division's projects in this area now put people in closer proximity of employment and entertainment, promote the use of public transit and allow for stronger, neighborhood-friendly communities. This not only improves the quality of life for our Pulte homeowners, it is revitalizing many urban areas, removing old eyesores, remediating contaminated sites, and creating new green community spaces.

Driven by a passion to support local non-profits, our Michigan Division gave over \$21,000 in donations and local event sponsorships in 2017.

In April of 2017, over 40 division employees volunteered with Habitat for Humanity. Their Land team also donated food and time over the holidays at a local food bank, and one of their purchasing managers led a clothing drive for an inner-city school district. Division volunteers also contributed services and financial assistance for such organizations as Rebuilding Together Oakland (RTO) or Homeaid, with projects such as building transitional housing for battered women, remodeling teen addiction rehabilitation centers and improving senior housing.



Driven by a passion to support local non-profits, our Michigan Division gave over \$21,000 in donations & local event sponsorships in 2017.

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PROVIDING HOMES, HOPE AND A FRESH START TO AMERICA'S WOUNDED HEROES.

There are some who say the word hero is overused these days, but it would be hard to argue that the men and women who volunteer to defend our freedom are just that...heroes. PulteGroup's Built to Honor™ program was launched to recognize and thank our country's servicemen and women injured during their term of service.

Thanks to our employees, in partnership with our generous trade partners, suppliers and donors, PulteGroup's Built to Honor program has awarded an estimated \$17 million in mortgage-free homes to deserving veterans and their families. These homes have provided a sense of personal and financial security upon which the recipients could build the next phase of their lives. Some returned to school and earned their college degree, some have participated and won medals in competitive sporting events, and one has even written a book, but all have demonstrated a courage that should be acknowledged and applauded.

In 2018, we reached a significant milestone — delivering our 50th Built to Honor home — to Staff Sergeant Clark “Jey” Johnson and his family in Bluffton, South Carolina.

Staff Sergeant Johnson completed deployment tours in Bosnia, Kuwait, and Iraq. During his last deployment to Iraq in 2006, his tanker convoy struck an explosive device, leaving him with serious head and neck injuries. A month later, the unit struck another explosive, and Johnson was medically evacuated to the U.S. to undergo several surgeries to salvage his right hand. In 2012, he medically retired from the Army. Johnson is a 16-year Army veteran, husband to Shana, father of four children and grandfather to three. The Johnsons moved from Colorado Springs into their new home at the Centex Seagrass Station community in November 2017.

The Johnson's home was the fifth one dedicated in South Carolina through the Built to Honor program, and was the result of hard work and the help of our business

suppliers and trade partners, as well as our veteran agency partners: Operation Finally Home, Operation Homefront and Military Warriors Support Foundation.

**You can find more information on Built to Honor and the veterans we have served at our corporate website: [www.pultegroup.com](http://www.pultegroup.com), as well as on Facebook and Twitter.**



# PulteGroup Receives Honors

For the second consecutive year, PulteGroup was selected as a component of the 2017 Dow Jones Sustainability Index – a global benchmark for corporate responsibility and sustainable business practices. For two years running, we've been the only U.S. based homebuilder recognized within the Consumer Durables category. The DJSI tracks the performance of industry leaders that represent the top 20 percent of the 600 largest United States and Canadian companies in the S&P Global Broad Market Index.

In October, Pulte Mortgage was one of five companies recognized by the Mortgage Bankers Association for their efforts in promoting diversity and inclusion in the workplace. Pulte Mortgage received the MBA's Organizational Diversity and Inclusion Award which recognizes companies for their leadership in those two key virtues.

In November, PulteGroup was awarded bronze in the 2017 Brandon Hall Group Excellence Awards for "Best Use of Blended Learning Program." The Awards recognize excellence in learning and development, talent management and acquisition, leadership development, workforce management and HR and sales performance. According to Rachel Cooke, COO of Brandon Hall Group, "Excellence Award winners symbolize the power and impact

that Human Capital Management practices can have on a business or on any organization. Many organizations can have great HCM initiatives, but the standard of excellence only applies to organizations whose practices truly benefit the business."

To recognize PulteGroup's commitment to public service through the Built to Honor™ program, Pulte was chosen to receive a \$20,000 grant from national asset advisory firm, Hearthstone. In a statement, Hearthstone CEO Mark Porath said, "Hearthstone is proud to recognize PulteGroup for its leadership and commitment in their support of our veterans and their families as they rebuild their lives here at home. The Hearthstone Team is honored to do our small part to support Pulte's great work on behalf of Built to Honor."





“ Excellence Award winners symbolize the power & impact that Human Capital Management practices can have on a business or on any organization....”

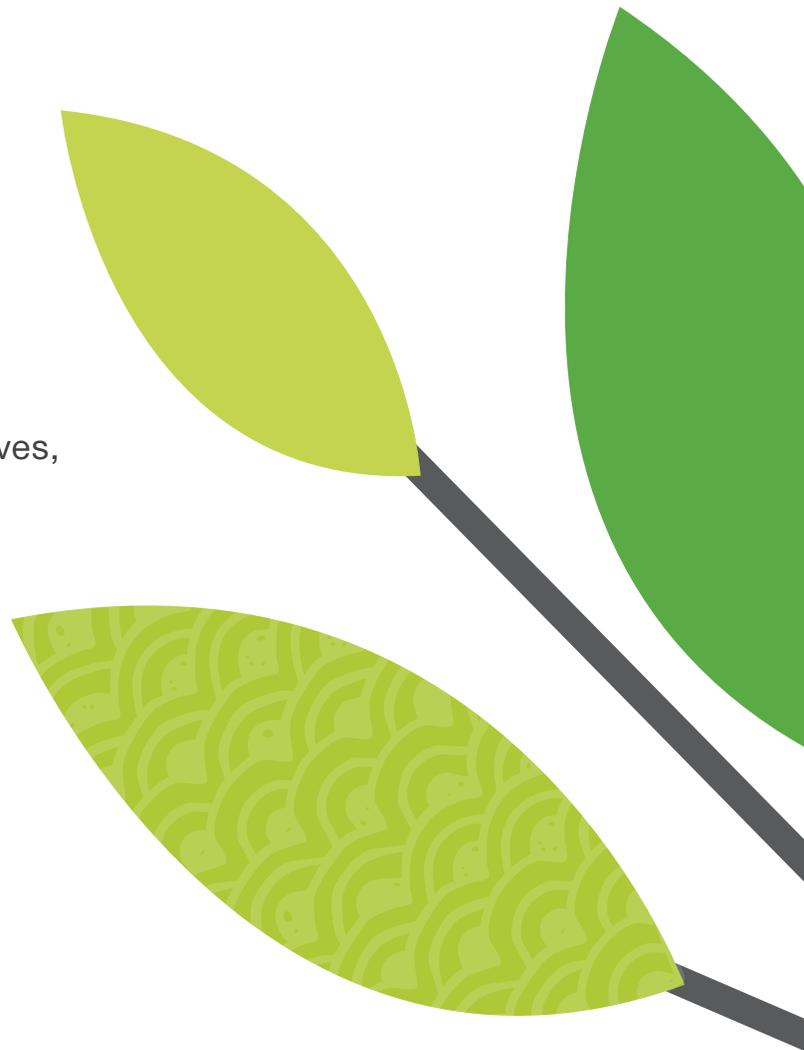
For more information on PulteGroup's responsible strategies and related initiatives, please contact:

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