

Annual Review

2018

Clayton



## A message from Kevin Clayton

At Clayton, the core of our culture is built around our eight Guiding Principles. I'm excited to share our 2018 Annual Review and the stories of how we live by our Guiding Principles every day.

- We're passionate about being the best housing company.
- Our strength is our people...we attract those who make us better.
- We strive to be extraordinary at every customer touchpoint, creating raving fans.
- We're engaged team members who act as owners and take results personally.
- We encourage innovation...try a lot of stuff; keep what works.
- We manage cost to invest in profitable top-line growth.
- We uphold our integrity and reputation above all else.
- We will leave Clayton and the world better than we found them.

Our 17,000+ team members across the country dedicated their time and energy to these principles to help thousands of hard-working individuals across America achieve the American Dream - *homeownership*. In 2019, we're excited to share with even more people how they can achieve this dream in a new, stylish, affordable, Prefabulous® home they can call their own.

Kevin Clayton  
Chief Executive Officer



## Clayton Overview





## 2018 in Review

365 days. 8,760 hours. 525,600 minutes. No matter how you measure it, 2018 was a remarkable year filled with spectacular moments, tremendous successes and lots of learning. We hope you'll enjoy this collection of highlights of the Clayton story and share in our excitement of how 2018 was a year to remember.



## Overview



We're passionate about being the best housing company.

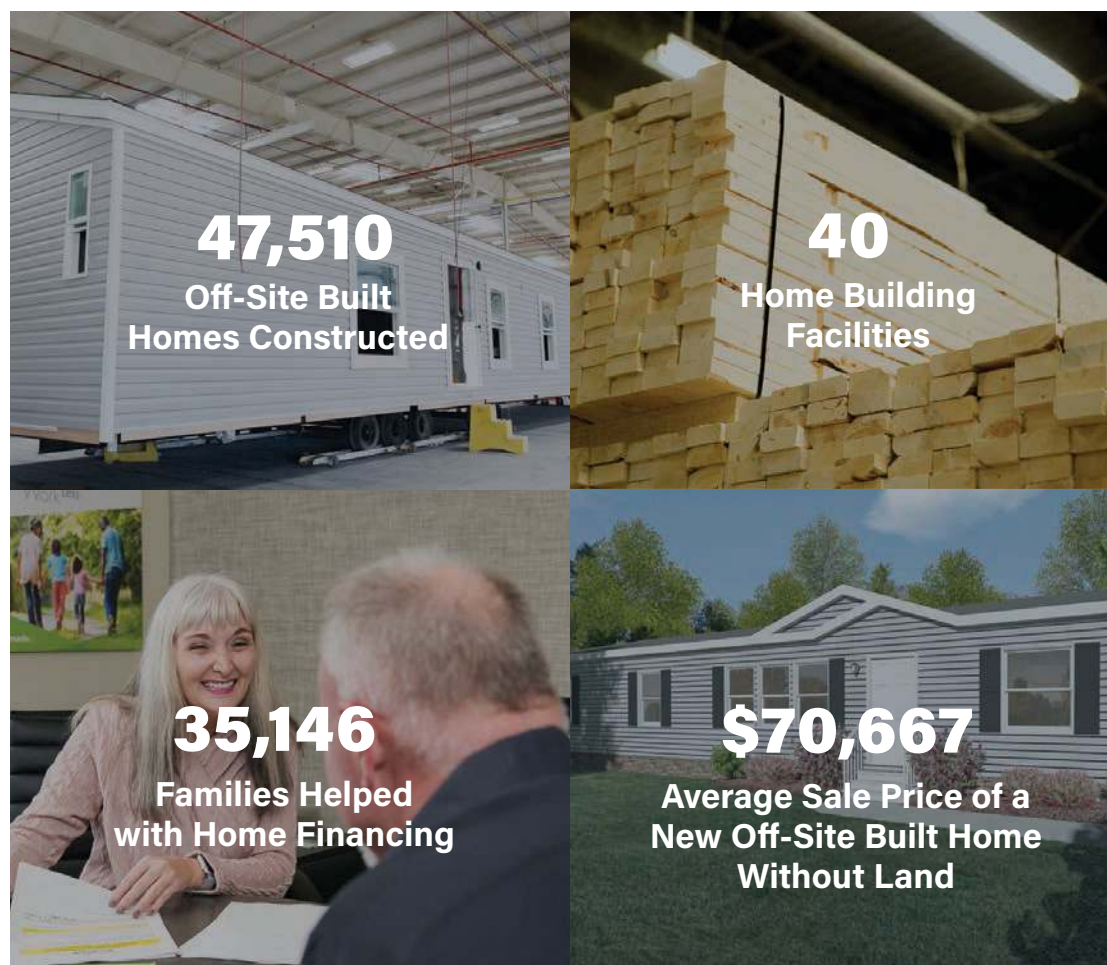




## Quality & Innovation

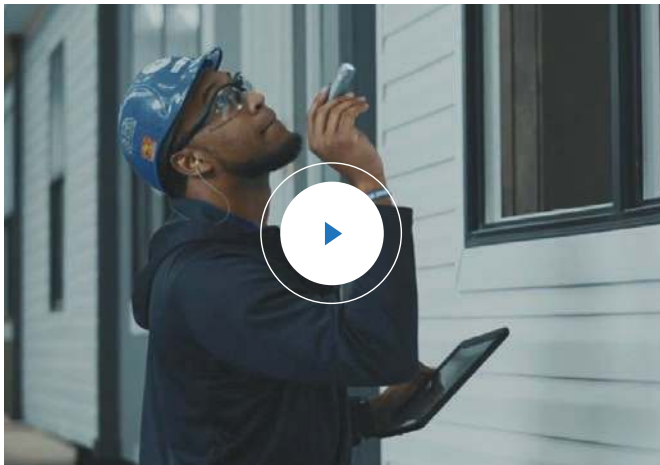
### Our Commitment to Affordable Housing in America

We believe there's more to a home than solid engineering and a modern design with all the bells and whistles. A home is a place to make memories that last a lifetime. Since opening our first retail home center in 1966, it has been our mission to provide quality built, affordable housing options to families across the nation and help them achieve the American Dream of homeownership. 2018 Clayton initiatives held true to supporting that mission – just take a look at the numbers.



## Clayton Built®: Durable & Efficient

When you choose Clayton Built®, you can be sure your home is built on a foundation of strength, integrity and accountability, because for us “good enough” just doesn’t cut it. Our builders believe in going above and beyond to construct affordable homes that are innovative, efficient, dependable and beautiful.



We’re committed to building homes you’ll love. That’s why we include materials and products in our homes from brands you know and trust.



## Our Brand Partners



\* Trademarks of companies other than Clayton are the property of those other companies. Material brands are subject to change and may not be available at each home building facility.

## Our Financing Companies

Through our financing companies, Vanderbilt Mortgage and Finance, Inc. and 21st Mortgage, Inc., we helped 35,146 families purchase a home in 2018. Vanderbilt Mortgage acquired Silverton Mortgage Specialists, Inc., which has now become part of Vanderbilt Mortgage. Silverton was founded in 1998 and grew from a one-person shop to a direct lender with branches in six states. Their collaborative culture and focus on customer satisfaction made them a great fit for the Vanderbilt Mortgage team.



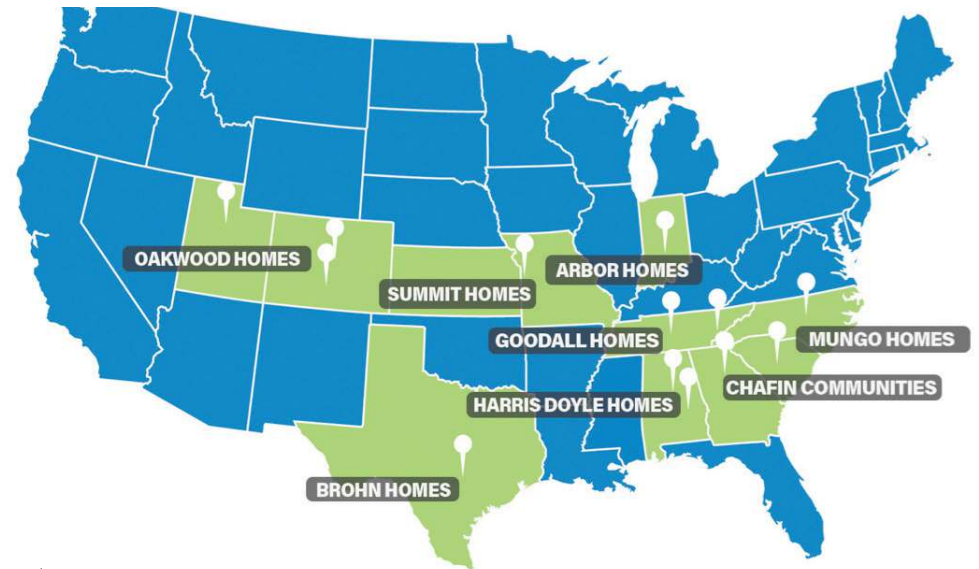




## Clayton Properties Group

*Not an advertisement. Homes shown may not be available at the price points discussed below.*

Clayton Properties Group® grew from five site-built builders to eight with the addition of Brohn Homes® in Austin, TX; Arbor Homes® in Indianapolis, IN; and Mungo Homes® in Columbia, SC. Clayton's site-built market footprint now includes Alabama, Colorado, Georgia, Indiana, Kansas, Missouri, Tennessee, Texas and Utah. With the addition of these three builders, Clayton Properties Group closed a total of 3,911 new homes.



### Bridging the Affordability Gap

In a time when the average price for a new home is not attainable for many families across America, Clayton Properties Group® has committed to building an affordable quality product that is also functional and beautiful at an economical price point to bridge the affordable housing gap that is affecting the nation.





Colorado based Oakwood Homes® designed a recent brand of homes to cater toward first responders, teachers and military personnel and offered a five percent discount for qualified buyers. American Dream by Oakwood Homes starts at \$220,000, a steep price difference compared to Denver's current average new home price of over \$500,000.



Waterloo Homes by Brohn Homes® offers some of the lowest prices in the Austin metropolitan area for new construction with homes starting in the \$190,000s. These homes have been a game-changer for Brohn, with roughly 60 percent of new land acquisitions purchased for Waterloo.



Arbor Homes® has set its focus on new home construction that is quality yet affordable with prices starting in the lower \$100,000s. Representatives from Clayton home building facilities have traveled to Indianapolis to learn about Arbor's building technique of capitalizing on lower build costs to produce a more affordable home.



## Our Team



Our strength is our people...we attract those who make us better.



We're engaged team members who act as owners and take results personally.



## Our Team

**17,000+**Team  
Members**40**Home Building  
Facilities**19**Supply  
Centers**8**

Site Builders

**366**Clayton Retail  
Locations**800+**Independent  
Retail Partners

Our strength as an organization is rooted in quality – the quality of our homes and the quality of our people. Cumulatively, we have over 16,000 talented team members working together to provide the best possible customer experience to home buyers across the nation.

At Clayton, our team members are more than just employees – we're family. Meet some of our team members to see why Clayton is much more than just a housing company.





## Clayton Wellness – Be More

We celebrate wellness in all aspects of life. From physical fitness to nutritional health to encouraging work-life balance, we're always working to find new ways to invest in our team members and create a dynamic and supportive work environment.



### Fitness Center

At our home office, we recently renovated our fitness center to include a new and improved gym, a barre studio and state of the art fitness equipment which is available at no cost to team members.



### Wellness Classes

Home office team members are encouraged to join classes facilitated by our wellness team covering topics like personal finance, instructional cooking, herb gardening and more.

**be more.**  
with clayton wellness



### New Break Room

In 2018, our TRU White Pine facility broke ground on a new break room for its team members and is scheduled for completion in 2019. In 2019, seven more facilities are scheduled to break ground for new break rooms and expansions, all scheduled for completion in 2020.



### Healthier Choices

Fresh fruit and veggies are available to team members at no cost at our home office and many of our building facilities.



## Leadership Training

It's important to us that our team members feel valued, respected and able to contribute to their fullest potential. To help our team members continue to grow, we offer a career development program, in-house training, tuition reimbursement and more. We offer everything you need to allow you to keep learning and moving forward.



Meet some of our team members to see why Clayton is much more than just a housing company.



### Charles Brumitte

Production Manager

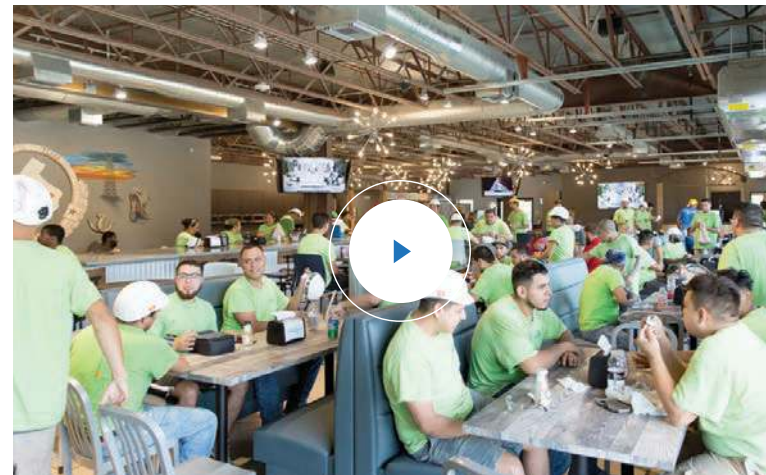
"The best part about working here: I like to care about some of these young kids that are trying to learn what life is all about."





## New Standards for Home Building Facilities

Clayton Home Building Group® is committed to improving the working environments of its team members across the country. Over the past five years, the Home Building Group has dedicated millions of dollars to upgrading facilities. Several home building facilities received new machinery, equipment and automation robotics to help create more efficiency and advance safe environments. Along with the advances in the production area, more facilities received an improved break area, including the Clayton Cavalier home building facility in Addison, Ala.



In 2017, the Home Building Group opened its flagship home building facility, Clayton Athens, in Athens, Tex. with innovations like touchscreen monitors and tablets throughout the facility to “Cool Zones”, or air-conditioned areas that provide a space for team members to cool off. Clayton Athens’ features will be replicated across the country.



# 1,500+

Homes built  
since 2017

# 70 Min.

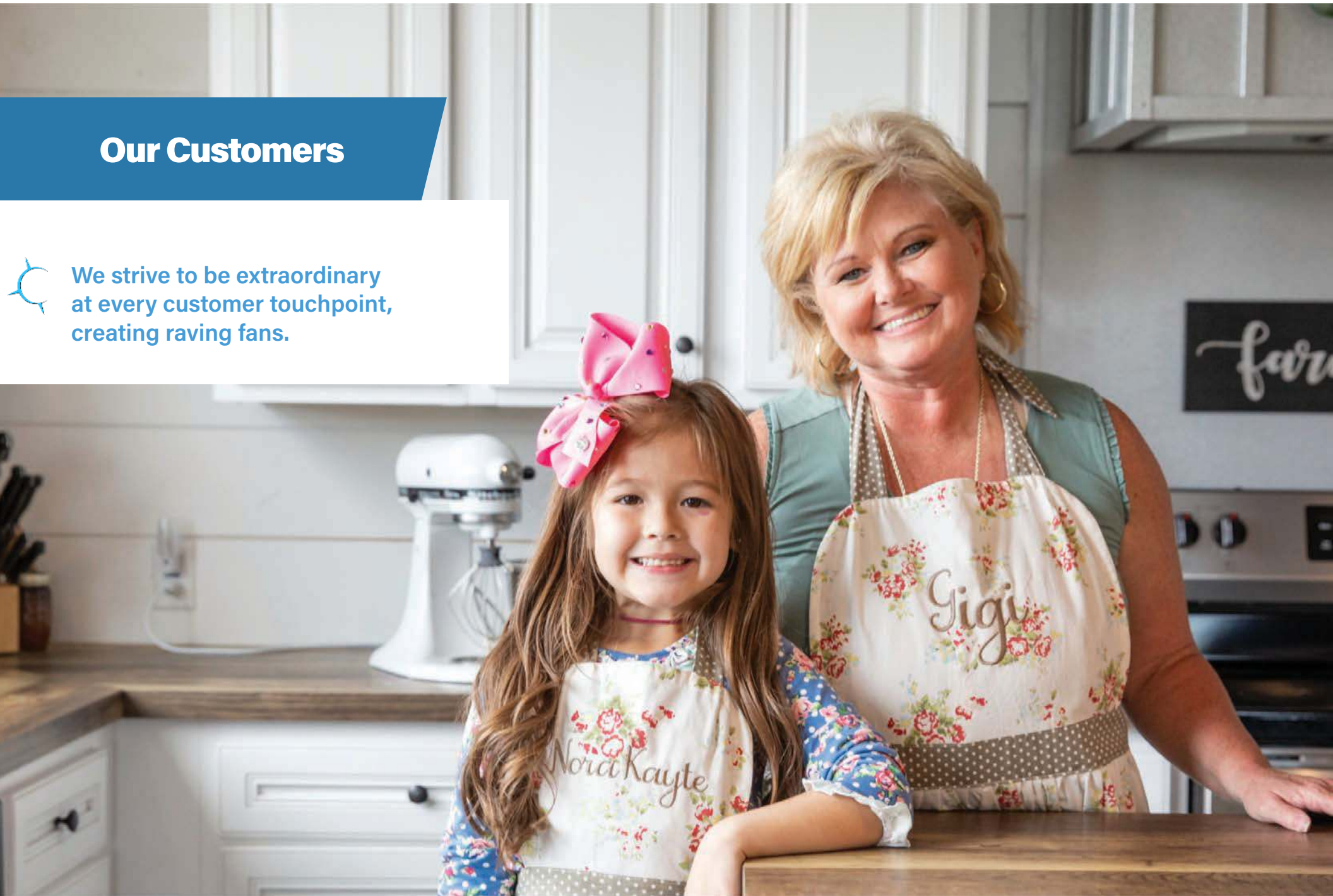
Time needed for a team of  
8 to assemble a roof



## Our Customers



We strive to be extraordinary  
at every customer touchpoint,  
creating raving fans.

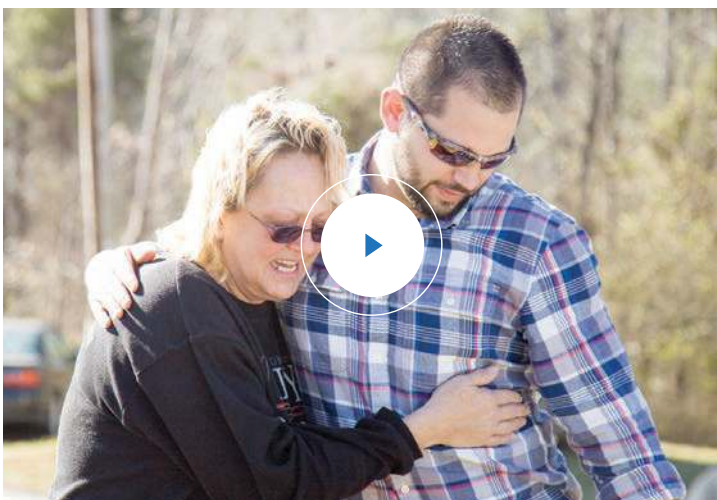


## Our Customers

Our customers are our biggest priority, and this year we launched our largest customer experience initiative:

**Building Happyness.** We believe that homeownership makes lives better, and through this initiative, we have committed ourselves to providing an exemplary home buying experience to every customer.

The **Building Happyness** mantra reminds Clayton team members that every interaction with a customer is an opportunity to make the home buying experience extraordinary.



### The Summers Family

Sandra wanted a home for her parents where they would know that they were safe and taken care of. She chose to work with Clayton and Vanderbilt Mortgage and Finance, Inc. to find the perfect home and the perfect home loan for her. Watch her touching testimonial to see just how we “went above and beyond” for her and her family.



# 50,000 Families

We welcomed more than 50,000 families across America to the Clayton family.



### The Phillips Family

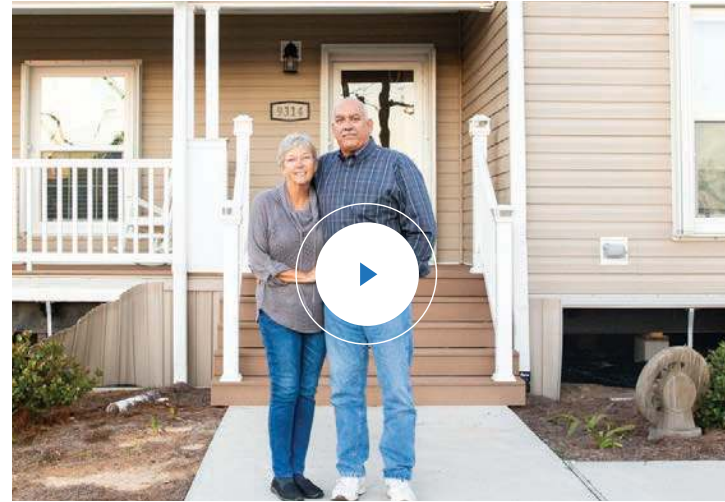
In the cozy town of Sealy, TX, Elizabeth and Dale Phillips spend their days entertaining neighbors, drinking coffee and working on different projects to make their Clayton Built® home their dream home. When you walk into the Phillips' place, you will be welcomed by the couple's warm personalities and a home that is just as welcoming as they are. However, this isn't their first rodeo.





## The Mayfield Family

A farmhouse. An airstrip. A wedding venue. And, a donkey named Jill. Welcome to Runway Events, or as the grandkids like to call it, Gigi's and Paw's farm. This is a place where dreams come true – but not just for bridal parties, it's the place where Mesha and Jerome Mayfield Have it made® as well. Both the Mayfields and this farmhouse have a unique story.



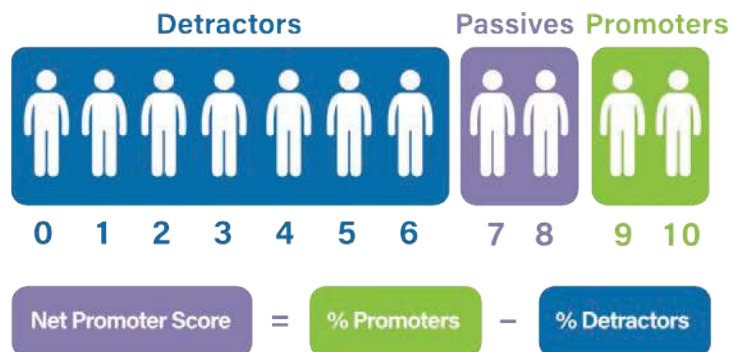
## The Wise Family

In October 2018, Hurricane Michael began moving toward the panhandle of Florida, and straight for Mexico Beach where Darla and Terry Wise live in their Clayton Built® home along with Darla's mother. With the hurricane making its way for land the family evacuated, leaving their home behind. Hurricane Michael devastated the Mexico Beach area, but the Wise home stood firm with little damage.





## Net Promoter Score®: Our Measurement of Success



At Clayton, we measure success by customer satisfaction. The Net Promoter Score®, or NPS, is one of the most telling measurement tools we use. This internationally recognized system boils customer satisfaction down to the single most important question:

*How likely would you be to recommend us to friends and family?*

We continuously listen to our customers, and the feedback we receive helps us build smarter homes.

# 59.66%

2018 Company NPS



*Net Promoter Score® and NPS® are registered trademarks of Bain & Company, Satmetrix Systems, Inc. and Fred Reichheld.*

## The Welcome Home Initiative

Move-in day is an exciting and emotional time for our home buyers. We started the Welcome Home initiative to ensure that every customer's first visit in their new home is a peak moment. From thorough inspections and professional cleaning to unique celebrations on social media, this initiative is meant to elevate the customer experience and show our new homeowners what it truly means to Have it made®.

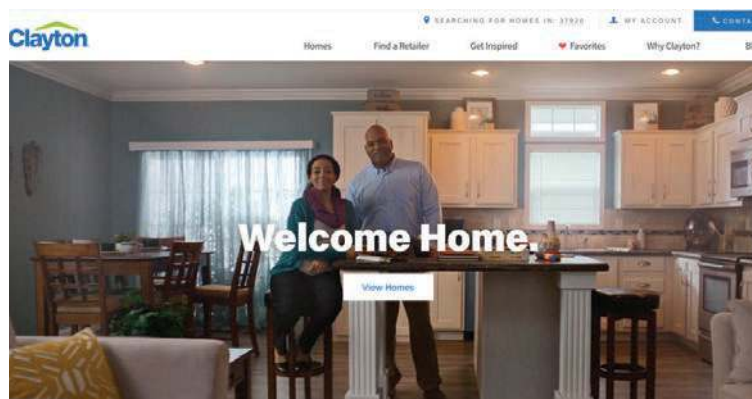




## Tech Innovations to Improve Customer Experience

We launched some pretty cool technology to enhance the home buying process and augment customer experience.





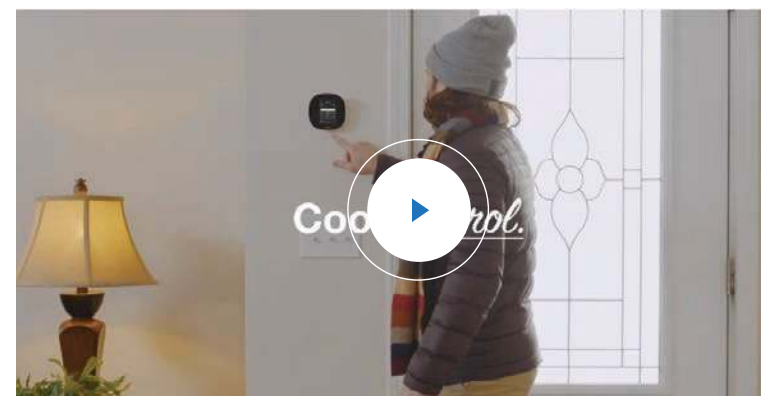
## New Year, New Website

Building positive customer experiences is one of our biggest priorities, so we focused on enhancing our website around key customer touch points, making it easier for users to find homes and save their favorites.



## Dream Home Designer

This digital home customizer tool allows users to select design elements of a future home using favorite décor colors and materials. This tool originally launched in 2017, but in 2018 we kicked it up a notch to improve functionality and make the tool more user friendly.



## ecobee Smart Thermostats®

Thanks to a partnership with the inventor of the wi-fi smart thermostat, ecobee, all Clayton Built® prefabricated homes ordered after October 1, 2018 will include an ecobee3 lite thermostat. This exclusive partnership between Clayton Home Building Group and ecobee supports our commitment to providing energy efficient and affordable homes by offering families a new way to help save more on their energy bills.

\* Trademarks of companies other than Clayton are the property of those other companies.



## Sales Center Technology

Oakwood Homes®, part of Clayton Properties Group®, launched *Oakwood Life*, an active adult lifestyle brand, in the SpringHouse Village community in Utah. Oakwood prototyped a new sales office concept, which is an actual home floor plan with all interior walls removed. This created a unique customer experience sales floor with over 13 digital screens, glass closing rooms, refreshment bar for guests and a separate sales area.

## Innovation



We encourage innovation...try  
a lot of stuff; keep what works.





# Home Building Innovations

## Robotics

Clayton Home Building Group® is focused on improving the team member experience and the quality of our homes through automation and robotics. Whether it's robotic arms lifting sheets of OSB to reduce the stress put on our team members, or saws that execute precision cuts to maintain quality, more of our home building facilities are implementing different robotics to elevate the home building industry.



## Panelization

Prefabricated home building processes are being recognized by site builders as a way to innovate, build more efficiently and add cost savings for both the builder and home buyer. The panelized home building system is one process being adopted by some site builders. In panelized home building, elements of a home are pre-built off-site then transported to the final home location. Oakwood Homes®, a member of the Clayton Properties Group®, is one such site builder utilizing prefab processes to build more efficiently.



## New Standards for Home Building Facilities

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In 2017, the Home Building Group opened its flagship home building facility, Clayton Athens, in Athens, Tex. with innovations like touchscreen monitors and tablets throughout the facility to “Cool Zones”, or air-conditioned areas that provide a space for team members to cool off. Clayton Athens’ features will be replicated across the country.



## DuraCraft®

DuraCraft® is a Clayton Built® cabinet and trim system developed by Clayton’s design and engineer teams in conjunction with a leading international manufacturer of high-quality plastic films and associated products. DuraCraft® is wrapped MDF cabinetry that is water-repellant and scratch-resistant to provide a higher quality cabinet option in addition to real wood cabinets. In 2018, more customers had access to DuraCraft® cabinetry than ever before with 32 home building facilities using DuraCraft® cabinets and trim.

In 2019, DuraCraft® will launch new features that will continue to provide customers with more cabinetry options in their Clayton Built® home.





## Clayton Connect

After launching in 2017, Clayton Home Building Group's® home transportation company, Clayton Connect®, expanded to Alabama in 2018. Connect now transports homes in Tennessee and Alabama, with planned service in North Carolina beginning in 2019 and Texas in 2020. Using Connect, Clayton Home Building Group® is able to more closely monitor the transportation of homes and make sure they arrive safely.



# 6,000

Miles covered per day



## Forward Thinking Home Designs



### Innovative Designs for the Times

Our home designers and architects are dedicated to staying at the forefront of design trends so we can offer our customers the innovative home design they expect at a price they can afford.



### Designer Cottages Sales Village and Experience Center

Designer Cottages®, a division of Clayton, became available at the first independently owned and operated sales village and experience center in Cashiers, NC where customers can experience the luxurious, nature inspired designs of the Low Country and the Saltbox in person.

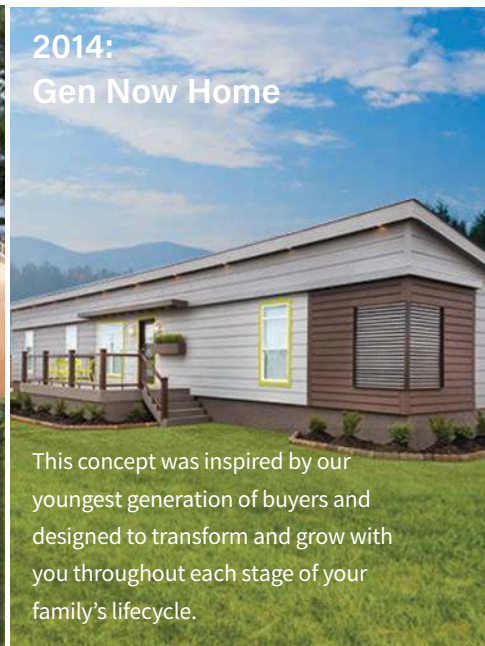
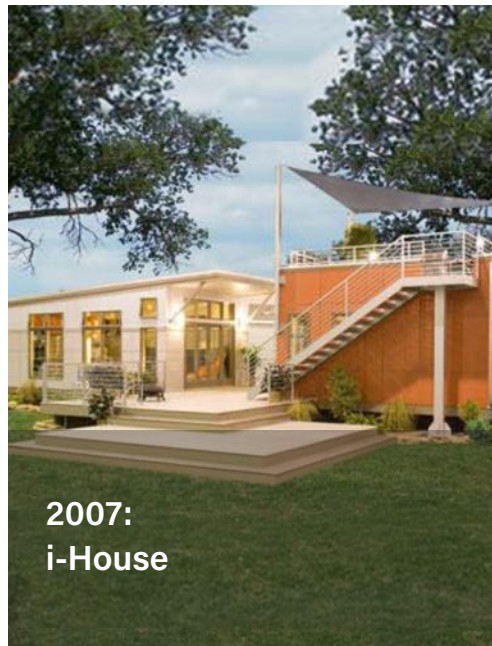




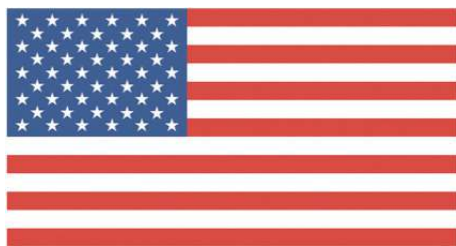


## The Future of Housing

As one of America's largest home builders, we're constantly testing, concepting and optimizing to meet the needs and wants of consumers. In the past, we've shared several concept homes that were projects that allowed us to explore trends and innovations in design to influence future designs and processes. Our learnings from these concept projects allowed us to implement design features and building techniques for future home builds to produce top caliber home designs that meet consumer demand for stylish and functional floor plans with enhanced energy efficiency features.







**Clayton Built®**

Designed, Constructed and Assembled in America



## Growth



We manage cost to invest  
in profitable top-line growth.





## A Smarter Way to Build

Off-site construction allows us to make the home building process more efficient with many benefits like:

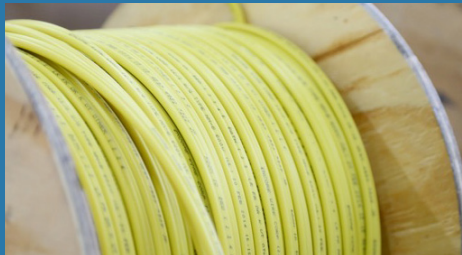
- Minimal weather delays
- Efficiently planned workspaces
- Less material waste
- A more secure build site
- Cost savings
- Consistent labor



## What does it take to build a home?

Because we currently build over 50,000 on-site and off-site built homes combined in a year, we're able to buy thousands of products at one time from suppliers which leads to greater cost savings that allow us to affordably price our homes. By purchasing many materials in bulk domestically we help lower the cost of our homes while also supporting the U.S. economy.

Take a look at some of the materials included in both our domestic and foreign sourced bulk purchases for 2018:



**20,778**  
Miles of Electrical Wire



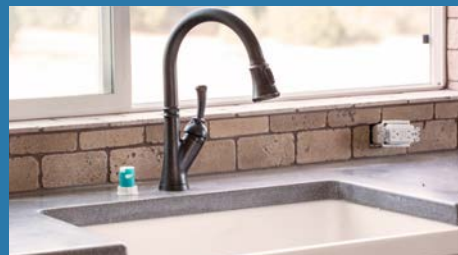
**231,920,302**  
Square feet of OSB



**296,000**  
Can lights



**46,810,792**  
Square feet of carpet



**161,911**  
Sinks



**96,725**  
Toilets



**55,384**  
Tons of steel



**256,398,191**  
Square feet of gypsum



**77,629,975**  
Square feet of shingles





Clayton Supply, our internal supply chain management system, builds many of the materials we use in our homes to ensure quality materials are being used to construct each home and leads to cost savings. 2018 was a record year for Clayton Supply's material production:

**438k**

Windows Built

**4.1M**Wall Board  
Panels Produced**28M**

Pieces of Lumber

**167k**

Appliances Purchased

Including refrigerators, ranges,  
dishwashers and microwaves



## Integrity



We uphold our integrity and reputation above all else.



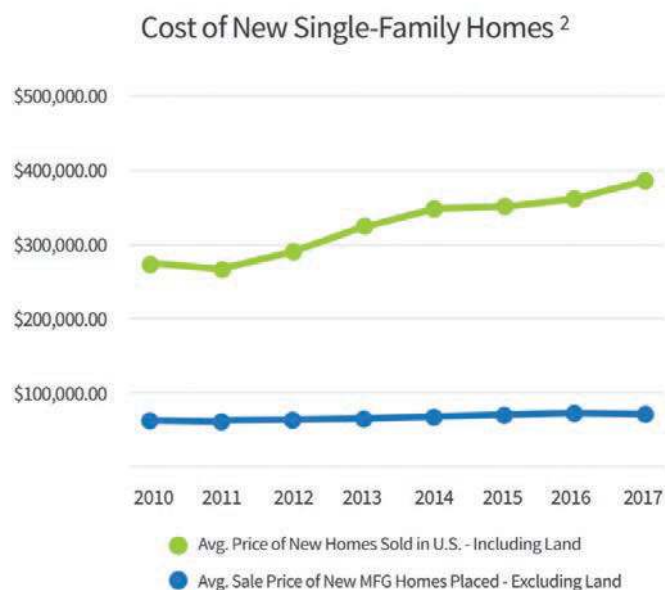
We will leave the company and the world better than we found them.





## Have it made®

Currently, there is an affordable housing crisis in America. Prefabricated housing is one solution to this issue. According to the Manufactured Housing Institute®, more than 22 million people nationwide are already taking advantage of this low cost housing option.<sup>1</sup>



The cost to buy a single-family home in America has steadily risen through the years; however, even when the cost of homeownership seems insurmountable, the cost of prefabricated housing has remained well within the range of possibility for most families in America.

Making affordable housing a readily available, tangible reality not only helps those dreaming of homeownership, it may also help to promote safer communities and social support for families. Health care, criminal justice and education systems are just some of the industries that may benefit from an increase in affordable housing across America. According to the Center for Housing Policy's *insights from Housing Policy Research* report, "...affordable housing influences the health of people of all ages... [and] providing affordable housing is a valuable strategy to support and improve well-being."<sup>3</sup>

With this in mind, in Fall 2018 we launched a continuation of our 2017 marketing campaign, Have it made®. This campaign encouraged prospective home buyers to consider Clayton Built® homes as smart, affordable housing options.

**“With the cost of homes skyrocketing, we want people to know that buying a beautiful new home at an affordable price is still an attainable dream for Americans.”**

Kevin Clayton

Contrary to popular belief, buying a home that was constructed off-site doesn't mean sacrificing quality or luxury. Clayton Built® homes today are stylish, modern and can include all the bells and whistles you want in addition to the safety and durability you deserve. The Have it made® movement challenges the outdated stigma associated with factory-built housing and brings to light that prefabricated homes of today are not anything like the trailer homes of 70 years ago.



This campaign had an extraordinary impact in communities across America and led to an increase in Clayton brand awareness and general awareness of the manufactured housing industry.

The proof is in the campaign stats:

**67,000**

TOTAL LEADS

**3 Million**

WEBSITE VISITORS

**28+ Million**

SOCIAL MEDIA REACH

A beautiful, affordable and well-built home isn't just a dream. Join the movement and Have it made® with Clayton.



## Have it made® in the News



### As seen on *Curbed*

“... one thing’s for sure: In a world where affordable housing stock is growing scarcer by the day, prefab homes, manufactured and modular alike, are gaining serious steam for the first time since Richard Nixon was elected president.”



### As seen on *Builder*

“Have It Made challenges the stigma associated with homes built in home building facilities and delivered in sections to their final locations.”



### As seen on *Markets Insider*

“We want to share our message about the importance of homeownership to families across the nation,” said Kevin Clayton, CEO of Clayton Homes.”

<sup>1</sup>“Affordable Housing.” MHI | Manufactured Housing Institute. Accessed June 06, 2018. <https://www.manufacturedhousing.org/affordablehousing/>.

<sup>2</sup> Cornish, Cheryl, Stephen Cooper, Salima Jenkins, and US Census Bureau. “New Residential Sales.” U.S. Trade with Haiti. August 23, 2011. Accessed June 06, 2018. [https://www.census.gov/construction/nrs/historical\\_data/index.html](https://www.census.gov/construction/nrs/historical_data/index.html).

<sup>3</sup> Maqbool, Nabihah, Janet Viveiros, and Mindy Ault. “The Impacts of Affordable Housing on Health: A Research Summary.” RUPCO. Accessed June 6, 2018. <https://www.rupco.org/wp-content/uploads/pdfs/The-Impacts-of-Affordable-Housing-on-Health-CenterforHousingPolicy-Maqbool.etal.pdf>.



## Clayton Cares

### Our Commitment to Our Communities

At Clayton, we care about the communities where we live and work and strive to leave the world a better place than we found it. We are proud to support a variety of national and local organizations throughout the country that support education, health and the arts.



## 2018 Charitable Contributions

# \$3.7+ Million

in monetary gifts



### Disaster Relief Efforts

When Hurricane Florence struck the East Coast in September 2018, Clayton team members banded together to help those in affected areas. With the help of Clayton leadership, team members from the company's 360 retail home centers, 40 home building facilities and Maryville headquarters coordinated to raise \$56,271.80 throughout the month of October. The funds were raised through individual contributions and events such as bake sales. Clayton matched the amount raised by team members and donated \$112,543.60 to the American Red Cross® East Tennessee Chapter.



### Family Promise

In 2018, we partnered with Family Promise®, a leading national nonprofit addressing the family homelessness crisis in America, to present a New Braunfels family with a brand new Clayton Built® home. The owners of a mobile roadside assistance company, Mona Lisa and Oscar De Paz of New Braunfels tried to live their dream of owning a business and providing for their family of five, but when receiving payments from clients proved to be a challenge, they suddenly found themselves without a place to live. With nowhere to turn, the family slept in their car or at a storage facility with their belongings. The storage facility manager suggested they contact Family Promise of Greater New Braunfels. Family Promise and Clayton then teamed up to bring the De Paz family a home for the holidays.

*"We are committed to contributing solutions to the affordable housing crisis in America. We hope our continued efforts with the Family Promise team will increase awareness and inform how others can donate or volunteer to positively impact the lives of families affected by homelessness."* – Kevin Clayton



## Next Step Network®

Clayton has a long-standing relationship with Next Step Network®, a non-profit housing intermediary which brings together mission-driven housing organizations and industry leaders in factory-built housing to promote the use of prefabricated homes as an affordable housing solution. In 2018, we donated \$300,000 to provide critical mission support for Next Step. Next Step will leverage these funds to support affordable housing development work by their network members and provide additional resources to help them deliver Next Step's Manufactured Housing Done Right® model.

*"With affordable housing options being less attainable every day, we feel it is essential to stand alongside dedicated organizations changing lives for the better through homeownership. Our donation will help families across America that deserve to own a beautiful new home of their own."* – Kevin Clayton



## Hope for the Warriors®

Since 2015 Clayton Home Building Group® has partnered with Hope for the Warriors®, a national non-profit group that provides a full cycle of care to restore self, family, and hope to post-9/11 service members, their families, and families of the fallen. In 2018, Clayton became the founding sponsor of Hope for the Warriors new transitional program, Warriors Compass. The home building group has committed \$100,000 for each of the next three years to help ensure veterans and their families have the support when transitioning from military to civilian life.

- 2018 total donation: \$100,000

- Total donation since 2015: **\$387,700**

# \$387,700

Total donations to date



## Clayton-Bradley Academy

In 2013, a group of educators and parents in the Maryville, TN area came together to brainstorm the idea of a new school for the area that would use a powerful and unique education model. Included in the group were Pat Bradley- the current Executive Director of Clayton-Bradley Academy, Linda Jordan - a leading expert in Highly Effective Teaching, and Kevin Clayton - CEO of Clayton. From this small gathering the Clayton-Bradley Academy was born with a mission to create a student-centered, positive and challenging environment where all students learn and master critical thinking, problem solving, collaboration and life-long guidelines and life-skills.

Clayton-Bradley Academy is situated on the Clayton campus, which provides ample opportunity for collaboration between the school and our home office. In 2018, our team members were invited to participate in several community building activities hosted by the school including a “Can-paign” to collect canned food for the community food pantry, a creek clean-up project and more. Students from the Clayton-Bradley preschool were invited to visit the home office to tour the on-site bistro kitchen and attend a cooking demonstration, high school students participated in on-site internships to further their education and the school also utilizes the Ignite Leadership Series provided by Clayton for student programming.







## Environmental Sustainability & Responsibility

### Reducing Our Carbon Footprint

One of our Guiding Principles states that we will leave Clayton and the world better than we found them. We are constantly testing and implementing new processes to make our products more energy efficient, work spaces safer and healthier for our team members and to reduce our carbon footprint in the communities where we work and live.



## More Efficient Homes

Clayton Retail launched an on-going energy efficiency initiative in 2015 in the form of the Energy Smart Home package. Available for consumers to purchase exclusively through Clayton Family of Brands retailers as part of a new home purchase, the Energy Smart Home package includes home upgrades that help consumers save more on their utility bills and reduce their carbon footprint by optimizing energy usage within the home.

Clayton Home Building Group® builds and sells ENERGY STAR® certified manufactured and modular homes to Clayton Retail's 360+ home centers and our network of over 800 independent retailers located nationwide. New ENERGY STAR certified homes are designed, produced and installed to meet ENERGY STAR requirements for energy efficiency making them more energy efficient than standard homes.

Clayton Home Building Group built **3,874** ENERGY STAR certified homes.

ENERGY STAR and the ENERGY STAR mark are registered trademarks owned by the U.S. Environmental Protection Agency.

# 10,141

Clayton Retail sold 10,141 homes with the Energy Smart Home package upgrade.

# ENERGY

SMART ⚡ HOME



## Cleaner, Safer Work Environments

In January 2015, we made a commitment for all home building facilities to become ISO 14001 registered. This initiative has helped us build more efficiently and put the well-being of our team members and communities first through simple changes like added recycling efforts, better dust control and more efficient waste water management. In 2018, all 40 home building facilities were ISO Registered.



At our home office, we have taken the proper steps to ensure that our building is LEED, Leadership in Energy and Environmental Design, certified to provide a healthy building environment for our team members. LEED certification provides independent, third-party verification that a building is achieving high performance in key areas of human and environmental health:

- Conserving energy & water
- Reducing waste sent to landfills
- Being healthier & safer for our team members
- Reducing harmful greenhouse gas emissions
- Lowering operating costs







## Green Building Practices

The Clayton Built® home construction process is designed to efficiently use materials to produce less waste. Many materials used during the construction process are pre-cut to specific measurements and purchased in bulk by our home building facilities. This method helps us to use materials more efficiently and reduce the amount of leftover, unusable materials that could wind up in landfills.

Many of our building facilities also recycle and refurbish leftover materials to reduce waste. Recycled or refurbished materials include, but are not limited to:

- Metals like copper wiring, steel and aluminum
- Cardboard and paper products
- Scrap wood
- Drywall
- Carpet padding and leftover carpet
- Plastics like vinyl siding, plastic strapping and packaging materials arrive in
- Axles used in transport
- Tires used in transport

In 2018, Clayton Home Building Group® diverted 21,168 tons of material from landfills..

  
**21k**  
**Tons of waste  
diverted from landfills**

**40**  
**Building facilities  
certified for ISO 14001**



## Conclusion

All in all, 2018 was an amazing year for the Clayton family. We held true to our Guiding Principles, saw many successes and helped families across America achieve their dreams of homeownership. We predict that 2019 will be even better – just wait and see!





Annual Review

2018

