



Built on  
Relationships®

2024

# Sustainability Report

## Executive Summary





FROM OUR CEO

**Jeffrey  
Mezger**

KB Home Chairman and  
Chief Executive Officer

**For 18 years, KB Home has led the way with a unified strategy for affordability and sustainability that benefits homeowners, communities and the environment.**

I am honored to once again share my perspective on sustainability and homeownership as part of this, our 18th annual Sustainability Report. Each year, this is an opportunity for us to reflect on where we have been and where we are headed – and why sustainability continues to be a priority.

In our industry, *sustainability* and *affordability* are often talked about as two separate, even competing, values. For 18 years, KB Home has been demonstrating that – when done right – they can be part of an integrated strategy that puts the American Dream in reach for more people.

We began our sustainability focus in 2007 as a way to differentiate our homes and meet the emerging interest for highly efficient new homes, while also benefiting the environment. Frankly, at the time, very few in our industry thought it was a good idea. However, then, as now, we saw that high-performance homes could help reduce the total cost of homeownership and support the American Dream for future generations.

Nearly 20 years into our commitment to sustainability, the results are clear:

- National average Home Energy Rating System® (HERS) Index score of 45, among the lowest in the industry and achieved a year ahead of the goal we set in 2020
- 200,000+ high-performance ENERGY STAR® certified homes built, more than any other homebuilder
- 26,000+ WaterSense® labeled and Water Smart homes built
- 2.1 billion gallons of water conserved annually
- \$1.3 billion in cumulative utility savings for our customers

However, for us, sustainability goes beyond the environment. It is also about sustaining a strong social fabric and an economy that supports it, while balancing the needs of today with those of generations to come. *Home* is an essential desire that spans time, supports social connection and community-building, and serves as the foundation for household wealth-building and a healthier economy.

Our sustainability initiatives go beyond building more resilient homes and communities. We strive to be a good corporate citizen, with strong governance standards and infrastructure, a dedication to support the local communities in which we build, and a commitment to excellence that in 2024 drove the highest customer satisfaction score in our history.

This year, we are introducing an Executive Summary, which allows our audience to quickly get to the heart of our sustainability strategies and results. We continue to also publish our full Sustainability Report, the longest-running publication of its kind in the homebuilding industry, which delivers an unmatched breadth and depth of sustainability data.

We are proud that, for the last 18 years, we have led the industry in building high-performance homes that help to lower the total cost of homeownership and sustain the American Dream. This commitment to purpose and excellence has made a difference in our customers’ lives and those of their families, while also creating a strong and purposeful business that provides meaningful employment, long-term value to our stockholders and positive environmental impact on the planet. Because we know that building homes changes lives.

Thank you for once again being part of this journey.

# Sustaining the American Dream

In this Executive Summary of our 18th annual Sustainability Report, we share highlights of our sustainability results, why and how we achieve them and the difference they make in people's lives.

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Trenton Heights in Santa Clarita, CA

## 2024 KEY RESULTS

**For KB Home, 2024 was another year of industry-leading results**

Our focus on sustainability continued to help deliver the American Dream for homebuyers and achieved a new high mark for both KB Home and our industry as measured by cumulative high-performance homes built.

2024 RESULTS		CUMULATIVE RESULTS	
<p><b>14,169</b> new KB homeowners in 2024</p>	<p><b>50%</b> are first-time homebuyers</p>	<p><b>200,000+</b> ENERGY STAR certified homes built, a milestone achieved in 2024 and more than any other homebuilder</p>	
		<p><b>25,000+</b> solar-powered new homes built since 2010</p>	<p><b>250+</b> Zero Energy Ready Homes built and certified since 2010</p>
<p><b>45</b> national average Home Energy Rating System® (HERS) Index score, achieved a year ahead of the goal we set in 2020</p>	<p><b>55%</b> average increased energy efficiency of a 2024 KB home vs. a typical home built as recently as 2006</p>	<p><b>157M</b> estimated kilowatt hours of renewable solar energy produced annually</p>	<p><b>8.0B</b> estimated cumulative pounds of CO<sub>2</sub> emissions avoided due to improved energy efficiency</p>
<p><b>4,700+</b> WaterSense labeled homes built in 2024</p>	<p><b>~120K</b> WaterSense labeled fixtures installed in 2024</p>	<p><b>26,000+</b> total WaterSense labeled and Water Smart homes built since 2005</p>	<p><b>2.1B</b> estimated total gallons of water saved annually</p>
<p><b>3,940</b> solar-powered new homes built in 2024</p>		<p><b>\$1.3B</b> cumulative utility savings for our customers</p>	<p><b>18</b> years of publicly reporting our sustainability results</p>

OUR WHY IS SIMPLE:

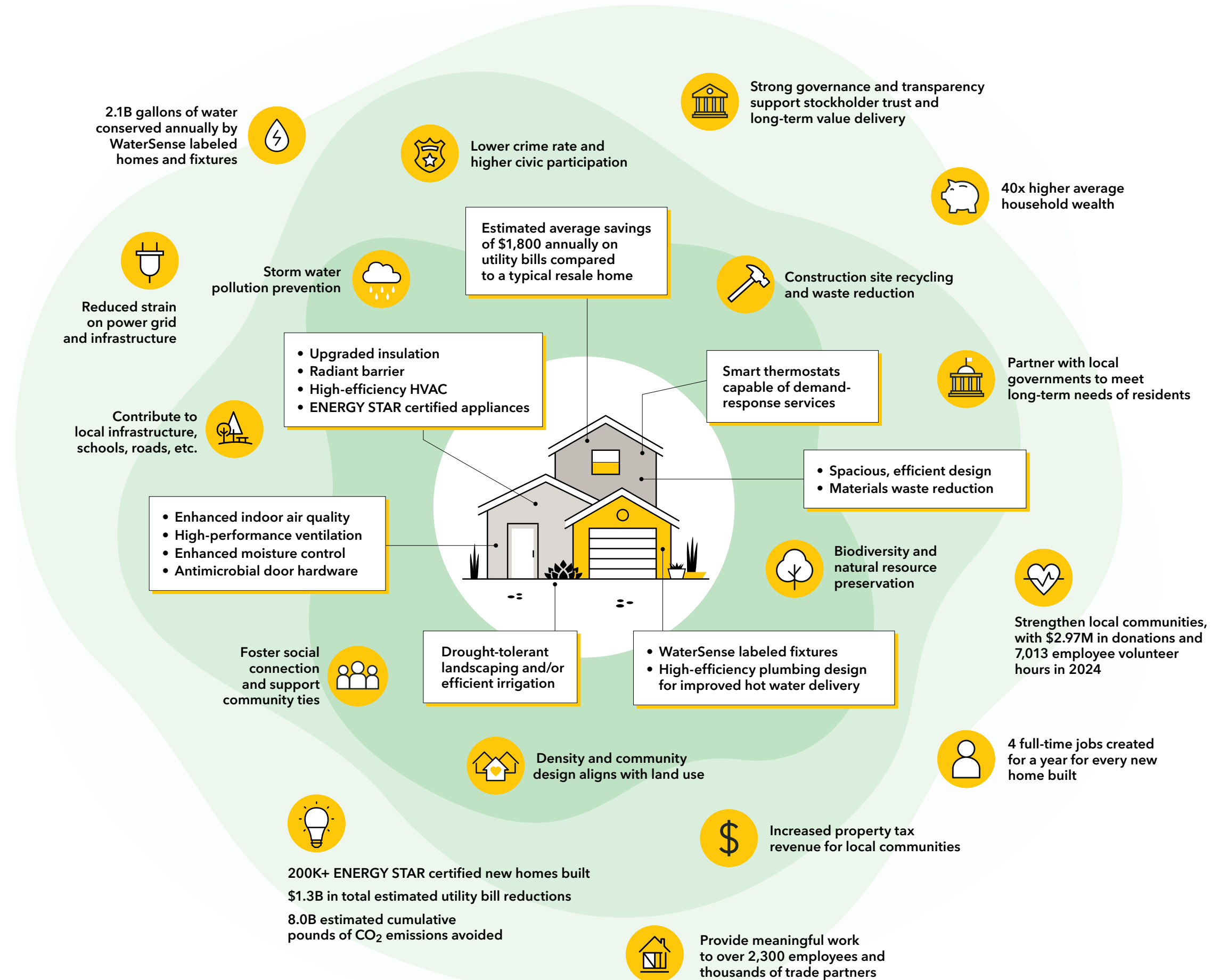
# Sustainability is a lever for affording the American Dream, not a barrier to it

Sustaining the dream of homeownership both today and into the future is what we do every day.

## The benefits begin at home but they don't stop there.

Sustainability begins with saving our homeowners on their utilities, driven by energy and water efficiency. However, the potential benefits aren't limited to home performance; they ripple out to the neighborhood, community, economy and environment.

-  Home benefits
-  Community benefits
-  Regional benefits
-  Greater economic and environmental benefits



## BUSINESS BENEFITS

# A better, more sustainable home delivers business benefits

Sustainability is not just the right thing to do for our customers – it’s also right for our business. Building more energy-, water- and resource-efficient homes offers advantages across our business.



### Increasing new-home affordability

We design and build homes that help address the significant need for housing that is affordable.



### Lowering the total cost of homeownership

Sustainability can be a compelling competitive advantage because energy- and water-efficient homes can offer a lower operating cost compared to typical new or resale homes.



### Elevating water conservation

The water-saving features in our homes reduce our customers’ water bills and help to mitigate strain on local communities.



### Containing the cost to build

Our scale and waste-reduction efforts allow us to build sustainable homes more economically.



### Designing homes to be healthier for residents

We design homes that can promote the health of their residents as well as the environment.



### Integrating sustainability technology for increased safety and comfort

Sustainability-related technologies can offer greater comfort and efficiency, with user-friendly smart home interfaces.



### Preserving the environment and natural resources for long-term value

More sustainable homebuilding that emits fewer greenhouse gases (GHGs) is part of a business strategy for long-term value creation for our stakeholders.



### Becoming the builder of choice for partners

We believe our industry leadership and commitment to excellence make us a partner of choice for municipalities, land sellers, developers and other partners.



### Improving strength of supply chain

We select our partners in part based on their sustainable business practices, innovative products and processes, and commitment to ethical conduct.



### Becoming an employer of choice

We strive to create a culture of excellence and provide a safe work environment that supports inclusion and meaningful work.

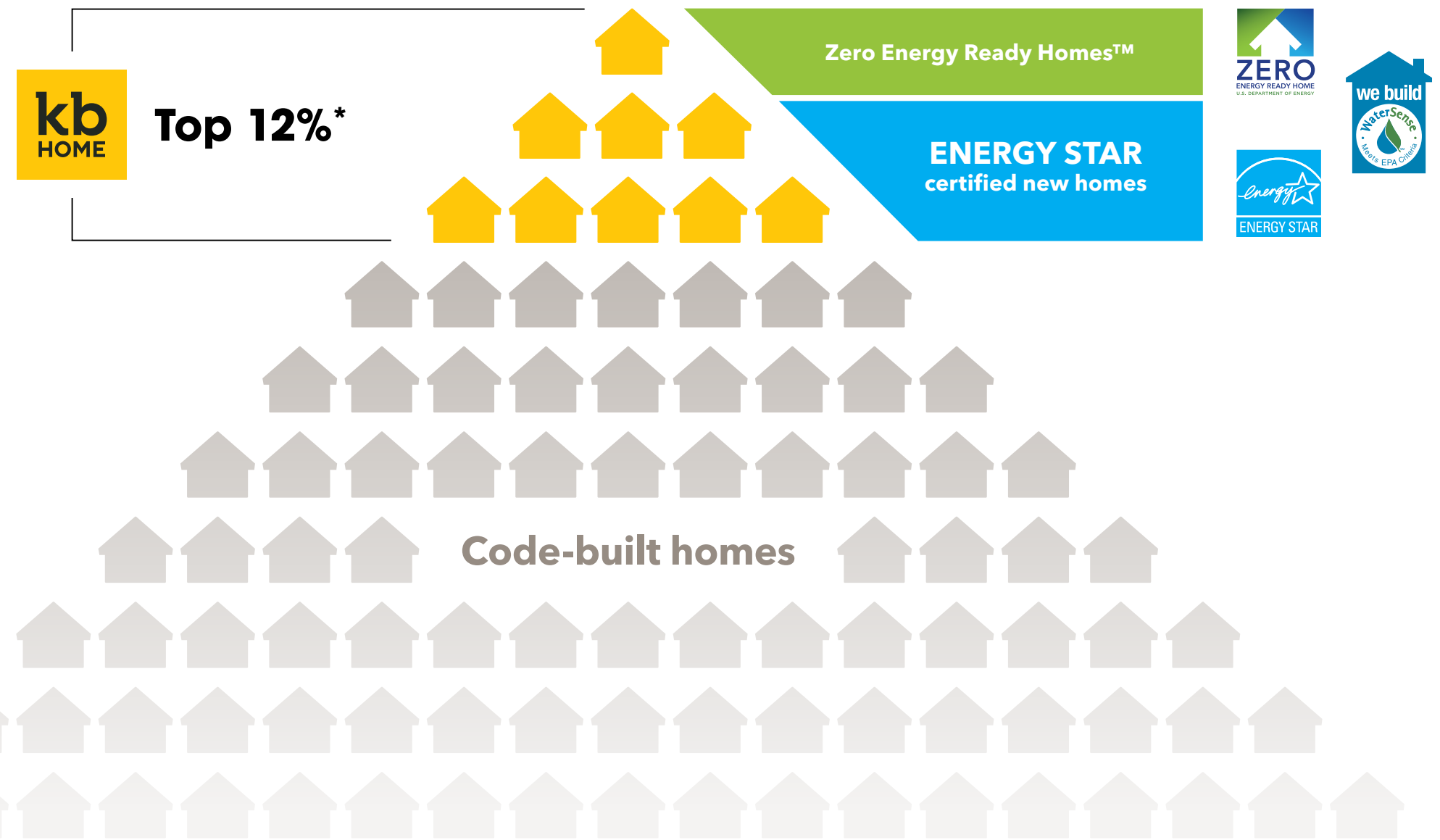
## HIGH-PERFORMANCE HOMES

# A high-performance KB home is in the top 12% of all U.S. new homes in energy and water efficiency

As a result of our consistent, long-term commitment to building high-performance new homes, we are honored to be recognized as the most energy- and water-efficient national homebuilder in the industry.

Modern homebuilding is about performance and design that live better. Beyond the materials that can be seen, it's what can't be seen that matters most and reflects our homeowners' deepest values.

A KB home is built from the ground up to deliver exceptional energy and water performance, conserving resources and saving money for years to come, all while living comfortably and contributing to greater personal well-being.



**Energy efficiency of U.S. residential construction\***

\*According to U.S. EPA data, as of the date of publication.

**Energy efficiency begins at home:**

About 22% of U.S. energy consumption comes from residential use, which makes increasing the availability of highly energy efficient, resilient homes the best way to reduce our environmental footprint, while also lowering the total cost of homeownership.<sup>1</sup>

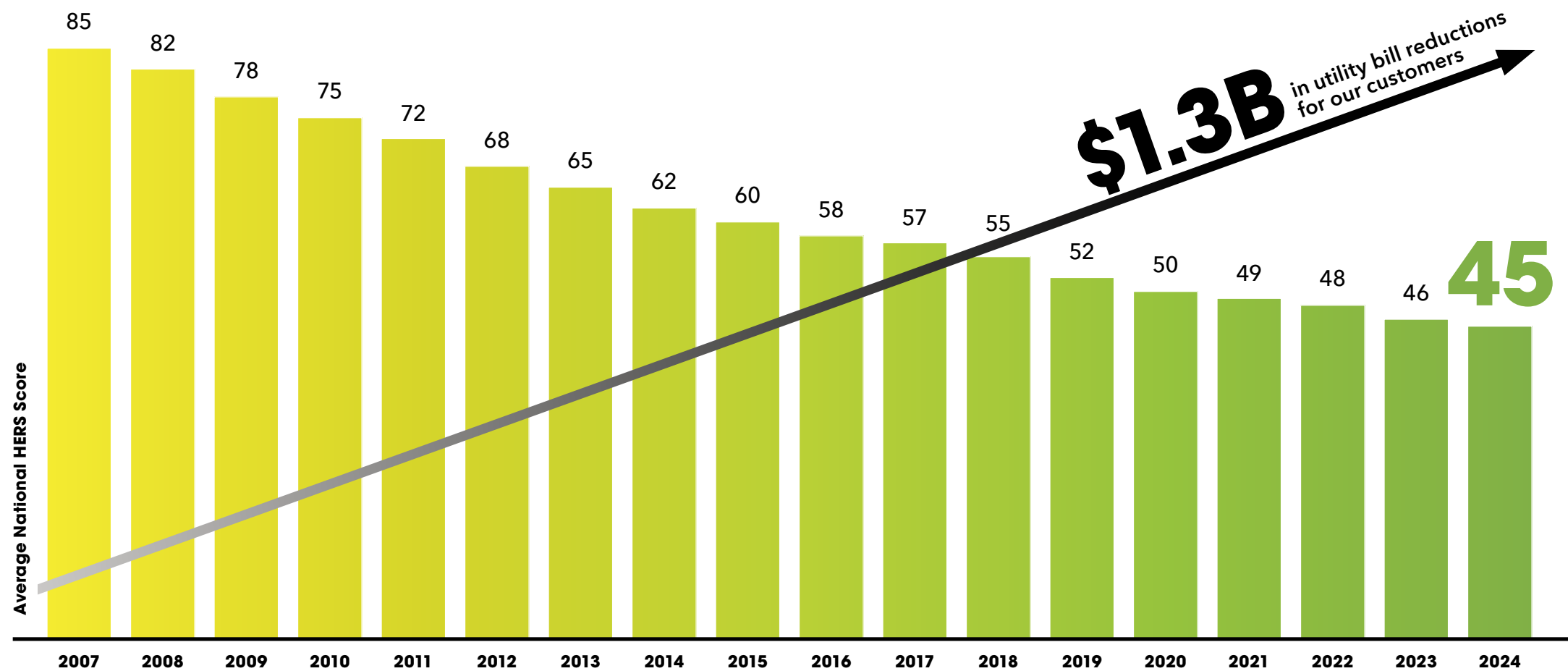
<sup>1</sup> <https://www.eia.gov/energyexplained/use-of-energy/>

# As our average HERS energy performance score decreases, our customers' savings increase

In 2024, we achieved our national average HERS score target of 45, a year ahead of our goal, which has helped our customers save an estimated \$1.3 billion on their utility bills since 2000.

There is a clear correlation between HERS score reduction and the increase in savings on utility bills for our customers.

A KB home built in 2024 can save its homeowners an estimated average of \$1,800 annually on utility bills compared to a typical resale home.



Our 2024 national average HERS score of 45 represents:

**55%**

greater efficiency than a typical home built as recently as 2006

**10%**

more efficient than the average score of 55 for all U.S. HERS-rated homes

To learn more about the Home Energy Rating System (HERS), see page 22 of our full 2024 Sustainability Report.



# WaterSense is the core of our water-efficiency focus

We built the nation’s first Environmental Protection Agency (EPA) WaterSense labeled home in 2010 and are the only national builder to have received the WaterSense Sustained Excellence Award for long-standing leadership.

Our early leadership in water efficiency includes building the nation’s first Water Smart home in 2005, adopting WaterSense labeled fixtures company-wide in 2009 and building the nation’s first WaterSense labeled home in 2010. We are honored to have been recognized by EPA’s WaterSense program for 14 consecutive years and earned an impressive 10 Sustained Excellence Awards for our long-standing leadership, the only national builder to have received this award.

**26,000+**

WaterSense labeled and Water Smart homes built – more than any other homebuilder

**1.2+ Million**

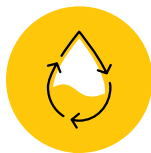
WaterSense labeled fixtures installed in all KB homes built since 2009

**4,700+**

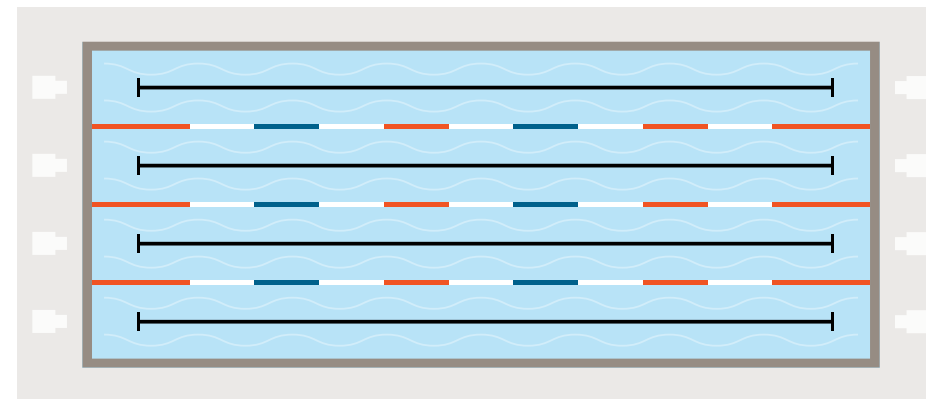
WaterSense labeled homes delivered in 2024

**2.1 Billion**

estimated gallons of water conserved annually by our WaterSense labeled homes and WaterSense labeled fixtures



**2.1 billion gallons of water is equal to 3,181 Olympic-sized swimming pools — that’s enough water to meet the needs of 70,000 people for an entire year.<sup>1</sup>**



<sup>1</sup>KB Home calculation using EPA WaterSense sources at <https://www.epa.gov/watersense/understanding-your-water-bill?hl=en-US>

## HERS H<sub>2</sub>O offers a new standard for measuring a home’s water performance.

Over the past 6 years, we have helped RESNET, the creators of the HERS energy rating system, develop, test and roll out HERS H<sub>2</sub>O, an important new standard for measuring a home’s water performance. With the introduction of the EPA WaterSense 2.0 standard in 2021, HERS H<sub>2</sub>O is now required to verify the performance of all WaterSense labeled new homes.

In 2022, we made an industry-first commitment to build all our future communities in our Arizona, California and Nevada to EPA’s highest water-efficiency standard, WaterSense, with clear and measurable benefits for both homeowners and local communities:

**60** average HERS H<sub>2</sub>O score in 2024 (Arizona, California and Nevada only)

**30%-40%** estimated water consumption reduction for these homes

**50,000** estimated gallons of water saved annually per household



## POWER OF HOMEOWNERSHIP

# Homeownership is a social and economic lever that can lift families and communities

Homeownership can be a source of personal well-being, social connection and financial strength.

Sustainability is most often thought of as environmental sustainability. But, we think social sustainability is equally important – and that the enduring American Dream can be the engine for the growth and maintenance of a healthy society and economy. An attainable, sustainable home is an essential component of strong communities.

Studies have shown that the homeownership has positive effects on not only homeowners but also their wider community and future generations, as well as being considered one of the most important paths for lifting long-term financial well-being.

Sources:

Paper in Journal of Economic Perspectives, supported by the Housing Finance Policy Center at the Urban Institute and the Paul Milstein Center for Real Estate at Columbia Business School, <https://pubs.aeaweb.org/doi/pdfplus/10.1257/jep.32.1.31>

Martino J, Pegg J, Frates EP. The Connection Prescription: Using the Power of Social Interactions and the Deep Desire for Connectedness to Empower Health and Wellness. Am J Lifestyle Med. 2015 Oct 7

National Association of Realtors, Research Division, "Social Benefits of Homeownership and Stable Housing," December 2016, page 15: [https://www.gmar.com/data/resources\\_files/Social%20Benefits%20of%20Homeownership%20%20Stable%20Housing.pdf](https://www.gmar.com/data/resources_files/Social%20Benefits%20of%20Homeownership%20%20Stable%20Housing.pdf)

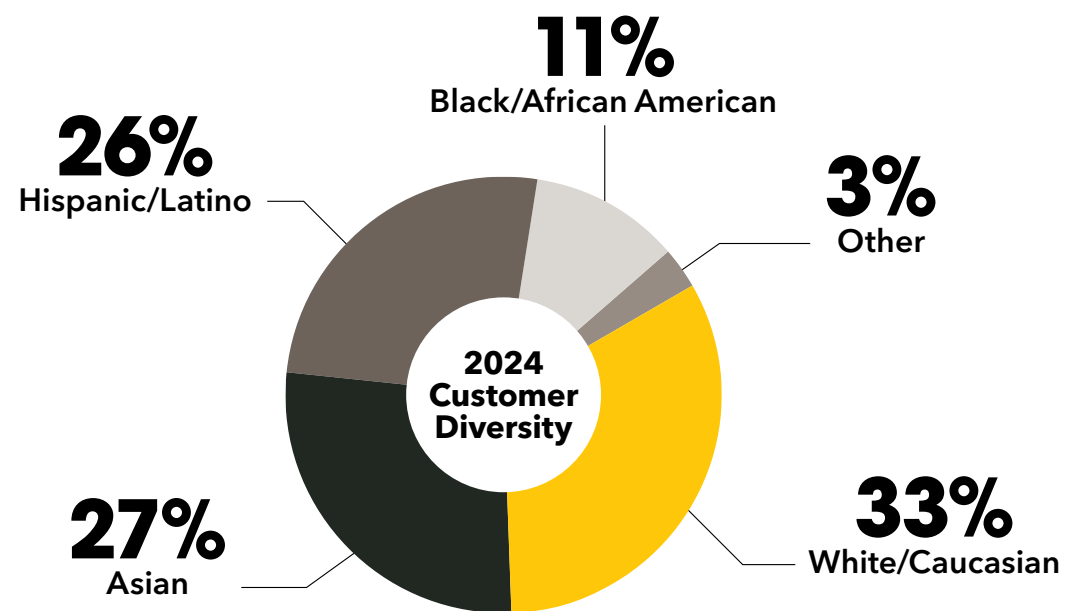




# KB homeowners reflect the face of America

We believe that the wide range of homebuyers who choose KB Home demonstrates the power of our strategy, measured in dreams delivered.

We are proud that in 2024 we continued to keep the dream of homeownership – and its potential to build family and household wealth – within reach of people from nearly every walk of life and background. We don't have special programs for specific homebuyers; we just build quality homes at more affordable prices, personalized to their dreams – and the results happen organically.



Sources: KB Home: FY 2024 buyer profile data based on gross sales; buyer experience data from KBIT buyer database and based on deliveries; US: 2020 Census



**7,000+**  
first-time homebuyers purchased a KB home in 2024.

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**4,100+**  
new KB homeowners in 2024 worked every day to serve and strengthen our local communities and our country, including military personnel, firefighters, nurses, teachers and police.

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**\$130,176**  
was the median household income of KB homebuyers in 2024.\*



\*For homebuyers who elected to finance the purchase of their home through KBHS Home Loans, LLC

# We strive to create a workplace where people can earn a living, grow a career and build a life

We believe that exceptional customer experiences begin with employees who love what they do and feel appreciated for all that they contribute.



**2,384**  
full-time employees as of November 30, 2024

**7 yrs.**  
average employee tenure company-wide

**11 yrs.**  
average tenure of managerial-level leaders

**168**  
of hires in the last five years, or 10%, have been rehires who have chosen to return to KB Home



Our employees are the heart and soul of KB Home. Our belief in the importance of relationships as the foundation for all we do drives our decisions about what kind of workplace we provide and employer we strive to be. Our belief in relationships defines how we behave toward each other, how we treat our customers during each step of the process, and how we work with our suppliers and trade and municipality partners.

People who love what they do are the best endorsement for a brand, and we think this comes from employees who feel that their perspective and experiences are valued and respected, and who extend that same courtesy to their colleagues. We also believe that having a workforce that reflects the diversity of our customers and our communities is a strength in better serving their needs.



For three of the past four years, we were named one of America's Best Midsize Employers by Forbes.

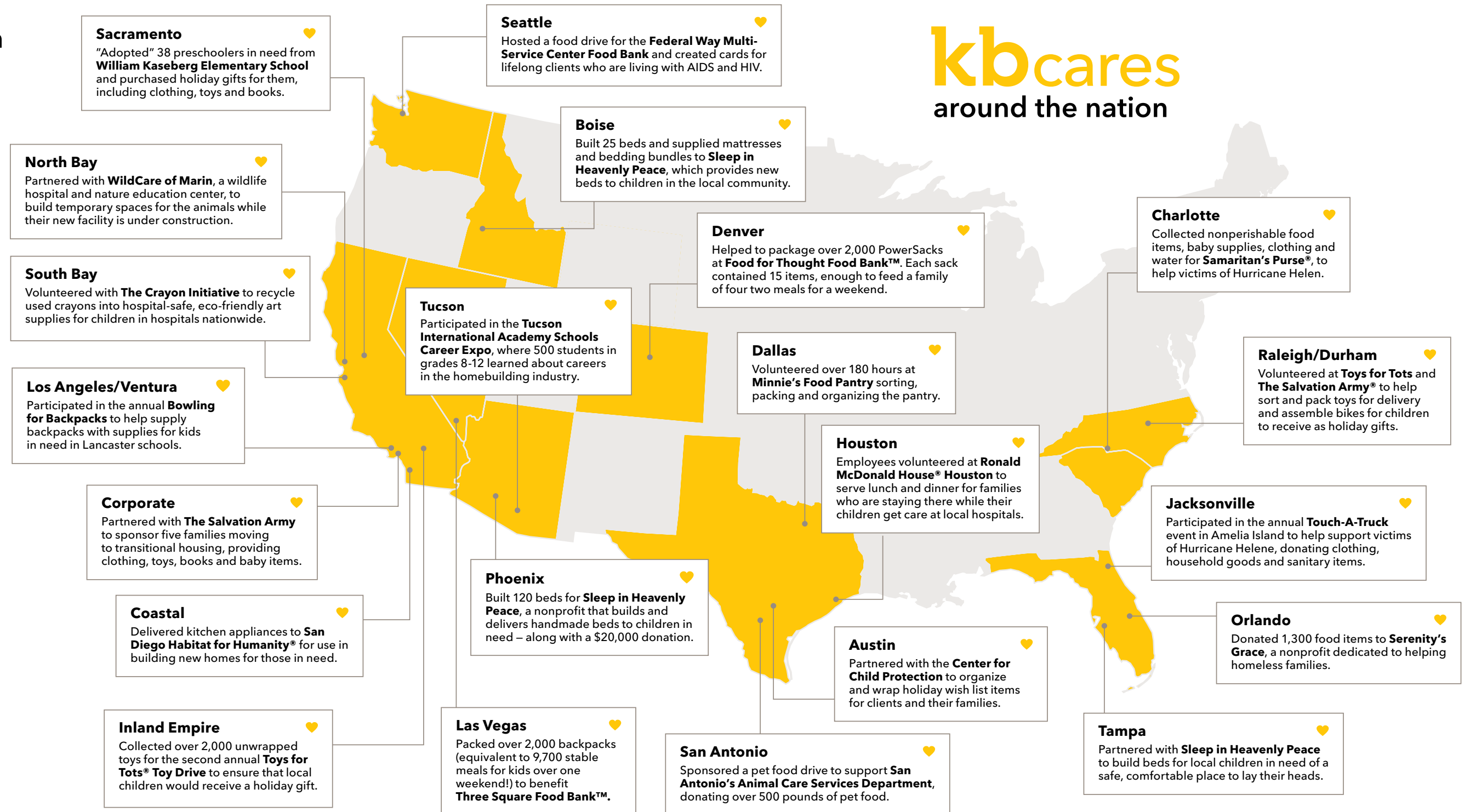
# We are helping to strengthen communities across America

Our KB Cares philanthropic program puts our ideals into action with financial donations and employee volunteer hours that help make a difference in the communities where we build, live and work.

**kbcares**  
around the nation

**\$2.97M**  
in combined donations in 2024 from both KB Home and our partners

**7,013**  
total KB Home employee volunteer hours in 2024



AWARDS AND RECOGNITION

# We are honored to be recognized for our consistent leadership and commitment

## 2024 AWARDS AND RECOGNITION



Also in 2021, 2022, 2023, 2024



Also in 2022, 2023



Also in 2023



Also in 2021, 2022



Also in 2014, 2015, 2016, 2017, 2022, 2023, 2024



Also in 2015, 2016, 2017, 2018, 2019, 2020, 2021, 2022, 2023



Also in 2011, 2012, 2013, 2014, 2015, 2016, 2017, 2018, 2019, 2020, 2021, 2022, 2023



30 total Market Leader awards in 2024  
Also recognized in 2008, 2009, 2010, 2011, 2012, 2013, 2014, 2015, 2016, 2017, 2018, 2019, 2020, 2021, 2022, 2023



Energy and Environmental Building Alliance (EEBA)  
2024 Excellence in Decarbonization  
2023 Excellence in Resiliency

## NOTABLE PAST AWARDS AND RECOGNITION



Also in 2013, 2014 and the Grand Award in 2015



2006, 2008, 2009, 2010, 2011, 2022



2015, 2019



EPA Indoor airPLUS Leader Award, 2015



2014, 2015, 2016



EPA ENERGY STAR Award for Excellence, 2009, 2010



2011, 2012, 2013, 2014



DOE Builders Challenge Award, 2011, 2012



USGBC LEED for Homes Award, 2011



# Engage with us

This Executive Summary is intended to present key highlights for our 2024 results. For additional information on the topics presented here, as well as additional sustainability and resiliency topics, full current and historical data tables, and measurement against key sustainability standards, please see our complete [2024 Sustainability Report](#).

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## Report purpose and structure

This is an Executive Summary of our 18th Annual Sustainability Report, which is published on our website and follows our most recent report published in April 2024. In the accompanying full Sustainability Report, we discuss our accomplishments in 2024 and our priorities moving forward. With this Executive Summary and the accompanying full Sustainability Report, we also seek to foster continued discussion and engagement with all of our stakeholders on the complex issues surrounding sustainability for long-term value creation. All information provided in this Executive Summary and the accompanying full Sustainability Report is for our fiscal year ended November 30, 2024, unless otherwise noted. Inquiries regarding our sustainability initiatives can be directed to [sustainability@kbhome.com](mailto:sustainability@kbhome.com).

## Reporting standards

We believe transparency and accountability are important elements of sustainability reporting. Our reporting in the accompanying full Sustainability Report and elsewhere is aligned with the Sustainability Accounting Standards Board (SASB), TCFD and Global Reporting Initiative (GRI) frameworks, providing data consistency and decision-useful information. Indices for both SASB and GRI can be found in the Data & Disclosures section of this report.

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For more information on our sustainability initiatives, visit: [www.kbhome.com/sustainability](http://www.kbhome.com/sustainability)

We welcome your feedback about this report and our sustainability initiatives at: [sustainability@kbhome.com](mailto:sustainability@kbhome.com)

### Advisory Note

Certain matters discussed in this Executive Summary, including any statements that are predictive in nature or concern future performance, or our future initiatives or actions and their expected results, are forward-looking statements and/or reflect aspirational goals. These statements are based on current expectations, hopes and projections about future events and are not guarantees of future performance. We do not have a specific policy or intent of updating or revising forward-looking statements. Actual events and results may differ materially from those expressed or forecasted in forward-looking or aspirational statements due to a number of factors, including, but not limited to: general economic and business conditions; government actions and regulations directed at or affecting the housing market, the homebuilding industry, the mortgage finance industry or construction activities; consumer interest in our new-home communities and products; our ability to execute on our sustainability and other business plans or initiatives within the timeframes and at the cost, revenues or margins that we expect; the pace, scale, trajectory and affordability of technologies that can generally address, or specifically enable us to address, climate change and any negative effects from it; and other events outside of our control. Please see our periodic reports and other filings with the U.S. Securities and Exchange Commission (SEC) for a further discussion of these and other risks and uncertainties applicable to our business and our sustainability initiatives. In addition, the inclusion of information, or the manner in which it is described herein, in this report should not be construed as a characterization regarding the materiality or financial impact of that information, nor considered incorporated into any of our SEC filings unless and as and to the extent expressly stated in any such filing.