



Built on
Relationships®

2024

Sustainability Report



Sustaining the American Dream

In our 18th annual Sustainability Report, we share 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





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.

THE NUMBERS

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>14,169 new KB homeowners in 2024</p> | <p>50% are first-time homebuyers</p> | <p>200,000+ ENERGY STAR certified homes built, a milestone achieved in 2024 and more than any other homebuilder</p> | |
| | | <p>25,000+ solar-powered new homes built since 2010</p> | <p>250+ Zero Energy Ready Homes built and certified since 2010</p> |
| <p>45 national average Home Energy Rating System® (HERS) Index score, achieved a year ahead of the goal we set in 2020</p> | <p>55% average increased energy efficiency of a 2024 KB home vs. a typical home built as recently as 2006</p> | <p>157M estimated kilowatt hours of renewable solar energy produced annually</p> | <p>8.0B estimated cumulative pounds of CO₂ emissions avoided due to improved energy efficiency</p> |
| <p>4,700+ WaterSense labeled homes built in 2024</p> | <p>~120K WaterSense labeled fixtures installed in 2024</p> | <p>26,000+ total WaterSense labeled and Water Smart homes built since 2005</p> | <p>2.1B estimated total gallons of water saved annually</p> |
| <p>3,940 solar-powered new homes built in 2024</p> | | <p>\$1.3B cumulative utility savings for our customers</p> | <p>18 years of publicly reporting our sustainability results</p> |

Our Company

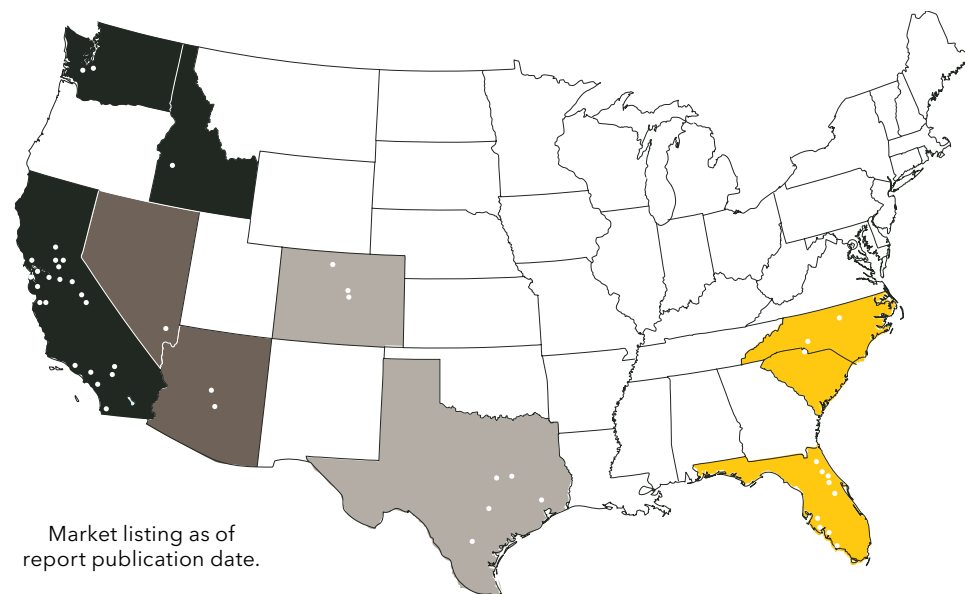
KB Home was founded with the goal of making first-time homeownership more affordable through innovative thinking. For the last 18 years, one of the primary ways we have done that is through our expanding dedication to sustainability as a means to build a better home that can be more affordable. We believe that we can balance the needs of homebuyers and the environment and better both without sacrificing either.

Sustaining the dream of homeownership both today and into the future is what we do every day. We believe that our long-standing sustainability focus supports a resilient business that builds attainable, sustainable homes, while also delivering long-term value for our customers, employees, partners and stockholders.

KB Home at a glance

KB Home is one of the largest and most trusted homebuilders in the United States, operating in over 49 markets from coast to coast and building nearly 700,000 quality homes in our more than 65-year history.

We are honored to be the #1 customer-ranked national homebuilder based on third-party buyer surveys. What sets KB Home apart is our focus on building strong, personal relationships with every customer and creating an exceptional experience that offers our homebuyers the ability to personalize their home based on what they value at a price they can afford.



- West Coast**
California
Idaho
Washington
- Southwest**
Arizona
Nevada
- Central**
Colorado
Texas
- Southeast**
Florida
North Carolina
South Carolina

- Founded:** 1957
- Chairman and CEO**
Jeffrey Mezger
- Principal Business**
Building personalized new homes with features and options selected by the homebuyer – whether first-time, move-up or active adult – based on what they value and can afford.
- 2024 Total Revenue**
\$6.93 billion
- Ticker Symbol:** KBH (NYSE)
First homebuilder listed on NYSE

65+
~700K
14,169
76,703
258

years of building new homes
total KB homes delivered since 1957
new KB homes delivered in 2024
total lots owned or under option or other similar contracts as of November 30, 2024
community count as of November 30, 2024

Our Vision

To be the most customer-obsessed homebuilder in the world.

Our Mission

Give our customers the ability to purchase a new home that reflects what they value and how they want to live, at a price they can afford.

Our Values

- We make relationships the foundation for all we do.
- We build homes that make lives better.
- We believe that everyone deserves a home that's as unique as they are.
- We deliver more for less.
- We strive for a better shared future.

OUR WHY IS SIMPLE:

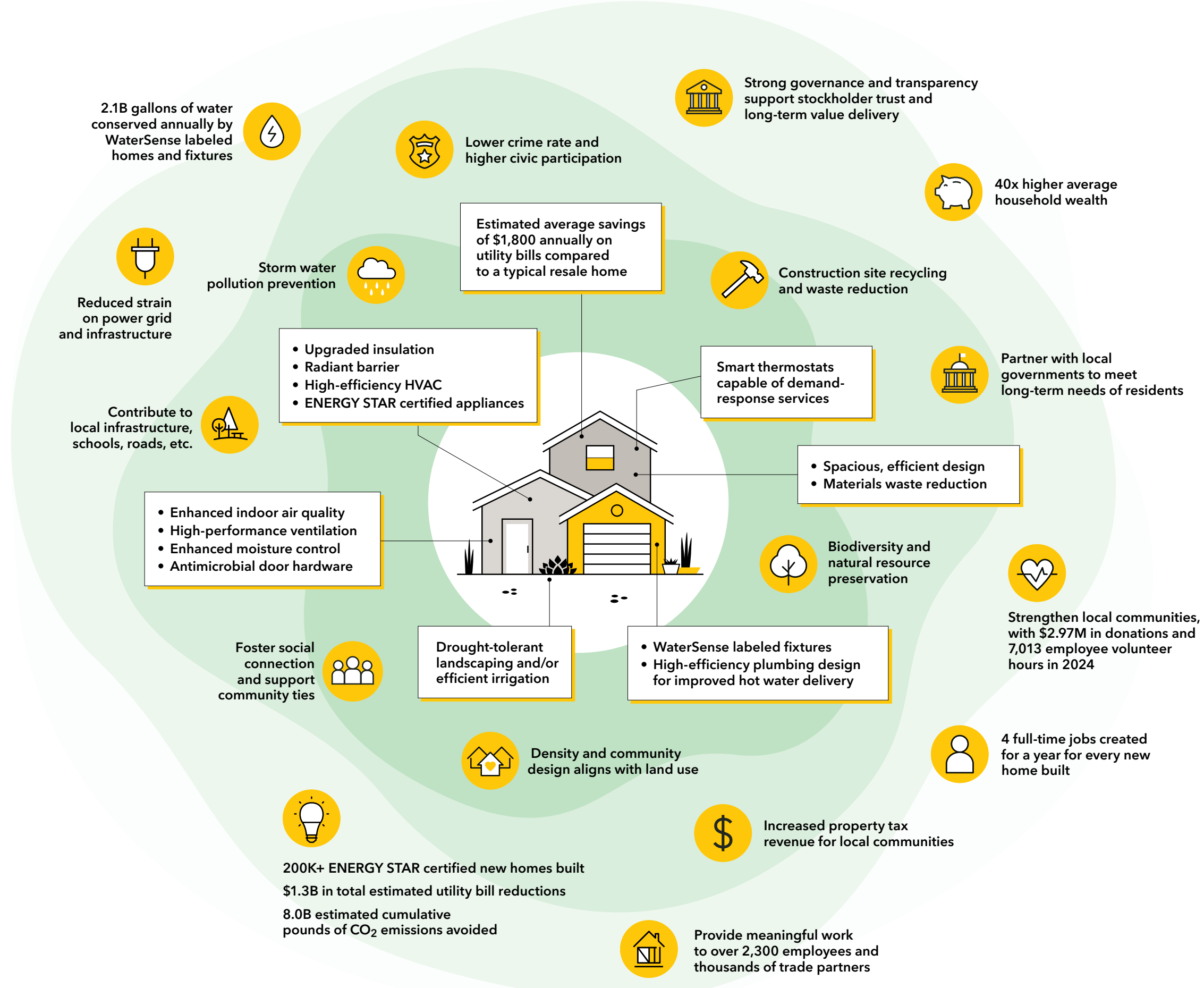
Sustainability is a lever for affording the American Dream, not a barrier to it

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



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.



Integrating sustainability technology for increased safety and comfort

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



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.



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.



Elevating water conservation

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



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.



Containing the cost to build

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



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.



Designing homes to be healthier for residents

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



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.

Our sustainability priorities and why they matter

Guided by both our stakeholders and the data, we have identified clear priorities that serve as our North Star in our journey to achieving these consumer and business benefits and make the greatest potential positive sustainability impact through our business operations and products.

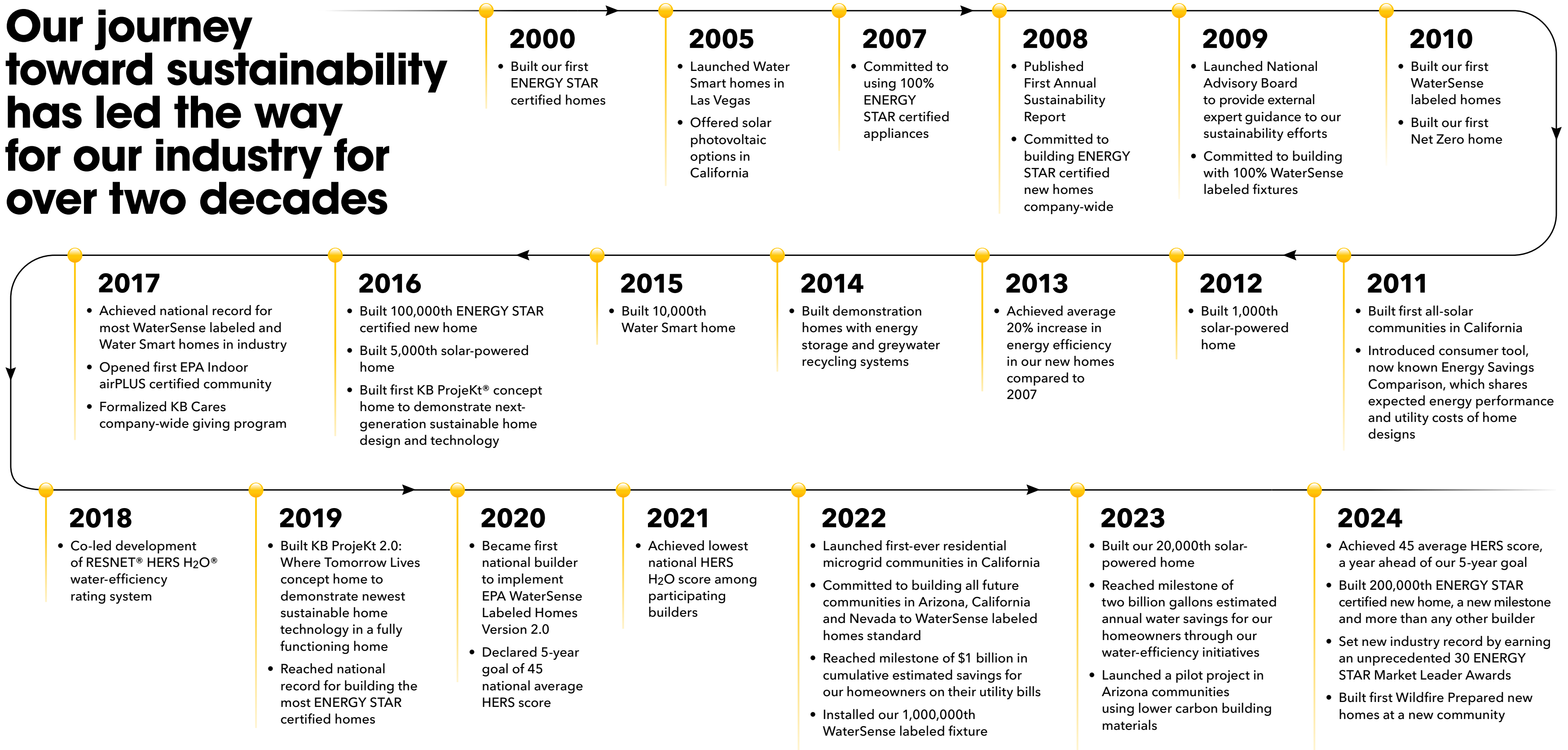
We have developed, implemented, refined and maintained initiatives, systems and practices intended to address the environmental impact of our homes over their multi-decade life cycle, as described in this and our past sustainability reports. We seek to make our products, including the home designs as well as design choices and options we offer to our customers, as well as our community development and home construction processes, as efficient and sustainable as possible while balancing that objective with our homebuyers' affordability priorities and our business performance and growth goals.

Our priorities that have guided us throughout our journey over the past 18 years:

| | |
|---|---|
| Affordable homeownership | We believe that putting affordable homeownership – the American Dream – in reach for more people creates a stronger society, greater economic stability and personal financial resilience. |
| Energy efficiency | Energy efficiency is where we began our sustainability focus, and it continues to be our core strategy to help lower the total cost of homeownership and reduce the GHG emissions associated with our products. |
| Water conservation | As a builder with a significant footprint across the Sun Belt, we have seen the region's water challenges and their impact on homeownership for many years. |
| Resiliency | Natural disasters have an impact on the American Dream. We have begun taking regionally appropriate, proactive measures to build homes that are more resilient against severe weather events, with features designed to maintain occupant safety, prevent property damage and minimize disruption to daily living. |
| Industry engagement | From the beginning of our sustainability journey, we have made significant efforts to promote the benefits of sustainability within our industry and beyond, and informed homebuyers about the importance of sustainability, particularly its impact on affordability. |
| Governance | We believe that governance is a vital part of turning sustainability from a program to a core business strategy. Toward that end, we have instituted Board of Directors and senior executive management oversight, processes and policies that integrate sustainability objectives and efforts into the execution of our business strategy and the long-term value we seek to deliver to our stockholders. |
| Data transparency and sustainability disclosures | From our first sustainability report forward, we have shared our results, whether we met our goals or not, as an essential part of being accountable to ourselves and all our stakeholders. Today, that includes 18 years of historical data, as well as reporting against key sustainability frameworks and disclosures such as Global Reporting Initiative (GRI), Sustainability Accounting Standards Board® (SASB), Task Force on Climate-Related Disclosures (TCFD) and Taskforce on Nature-related Financial Disclosures (TNFD). |

For more on our approach and risk factors related to climate, please reference the complete TCFD reporting in the Data & Disclosures chapter of this report, as well as our 2024 Annual Report on Form 10-K.

Our journey toward sustainability has led the way for our industry for over two decades



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

NOTABLE PAST AWARDS AND RECOGNITION



Also in 2013, 2014 and the Grand Award in 2015



2006, 2008, 2009, 2010, 2011, 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



EPA Indoor airPLUS Leader Award, 2015



2011, 2012, 2013, 2014



2015, 2019



2014, 2015, 2016



DOE Builders Challenge Award, 2011, 2012



EPA ENERGY STAR Award for Excellence, 2009, 2010

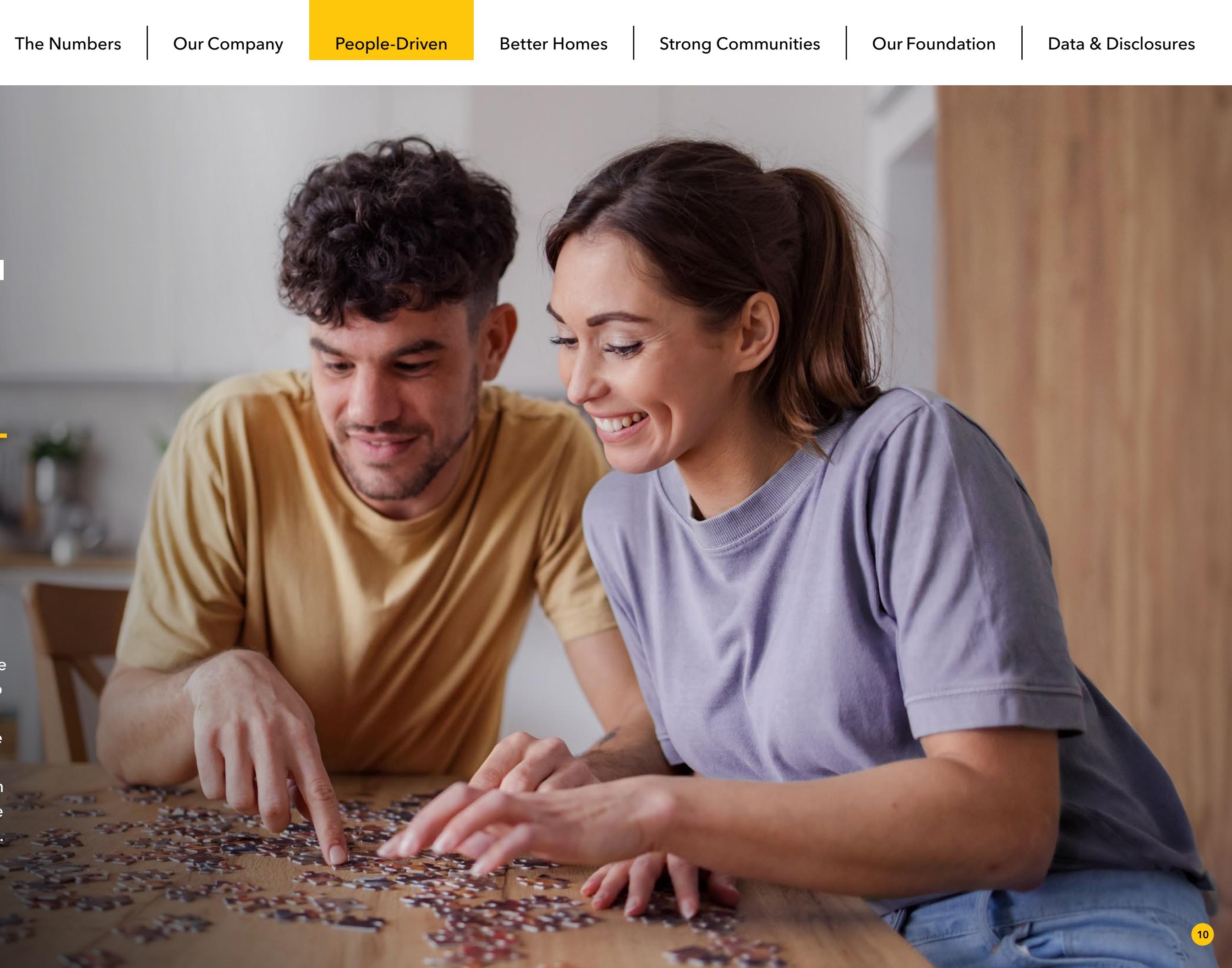


USGBC LEED for Homes Award, 2011

People-Driven

At KB Home, people are the foundation of what we do. Because, ultimately, homebuilding isn't about houses, it's about people. Home plays a vital role in all of our lives, and for many of our customers, is the embodiment of their hopes and dreams and the place where they can make memories and build lives. Fulfilling our customers' dreams is our purpose.

We also value the many people who make up our employee team and who make the achievement of homeownership possible for thousands of our customers each year. We strive to create a collaborative business environment where people are valued for their contributions and can find a workplace that they can call home. Putting people first is an important principle for how we do business today and – we believe – how we can leave a better future for our children.



People-focused approach to doing business



Our employees

We strive to create a culture of excellence, where our employees can develop and advance in their careers, and where our support of their growth, safety and wellness, and equal opportunity helps to make us an employer of choice. [Learn more.](#)

Our Board of Directors



We are proud of the diverse leadership and expertise of our Board of Directors, which provides independent oversight for our company and the interests of our stockholders. [Learn more.](#)



Our stockholders and potential investors

As a publicly held company, delivering long-term value to our stockholders is our top priority. We strive to honor the trust that has been placed in us through sound corporate governance. [Learn more.](#)

Our suppliers and trade partners



Collaboration with our trade partners is part of the engine that drives our progress. We cultivate long-term relationships that allow us to implement new solutions in our business. [Learn more.](#)



Local government and community organizations

We partner with local governments and community organizations to contribute to the long-term social fabric of the areas in which we build in ways that align with our business. [Learn more.](#)

Environmental and nongovernmental organizations



We partner with national and local organizations to learn from perspectives outside our industry as well as to join together on important advocacy and awareness initiatives. [Learn more.](#)



Independent guidance

Since 2009, our National Advisory Board (NAB), a panel of external advisors, has helped to shape our sustainability priorities and reporting and stakeholder engagement approach. [Learn more.](#)



Our customers

Our customers are our purpose. Our customer-centric approach to homebuilding and focus on first-time homebuyers have helped make KB Home the #1 customer-ranked national homebuilder in third-party buyer surveys. [Learn more.](#)

A business model purpose-built to prioritize customers

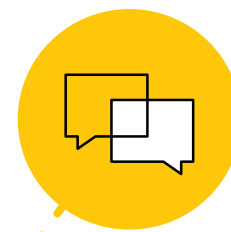
Our unique Built to Order® approach goes beyond personalizing homes; it begins and ends with the needs of homebuyers, while reducing risk for our business.

Our Built to Order approach begins from even before our architects design our homes and goes beyond buyers selecting colors and finishes at the Design Studio. In a business that is inherently local, we survey homebuyers in each of the markets we serve to find out their priorities and design our homes to meet those needs. Our floor plans are designed to be affordable for those with household incomes within a range of the local area’s median level, while also offering the flexibility to personalize to each buyer’s lifestyle and built from the ground up just for them.

We think our model of prioritizing choice for our customers and having fewer homes in inventory as compared to a speculative builder helps to make our business more resilient and better able to navigate market shifts over the long term.

Customer satisfaction

We follow up with every customer throughout the homebuying process and after home delivery to ensure that they are satisfied with their new home.



Survey

We conduct a proprietary survey of both new and resale homebuyers in the local area.



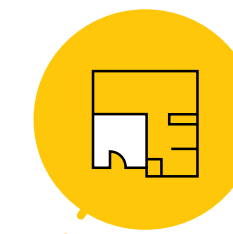
Data analysis

Analysis of key data determines most-wanted features by buyer type and submarket.



Base home designs

We design sustainable base floor plans that incorporate most wanted features, with flexibility to personalize.



Built to Order KB home



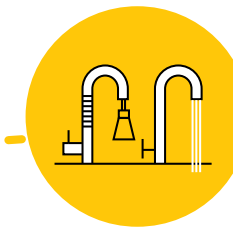
Home delivered

We deliver the keys to our newest KB homeowners for their unique personalized home.



Home construction

Key construction checkpoints allow the customer to review each step.



Personalize at the Design Studio

We partner with premier brands to offer exceptional personalized products at affordable prices. Each home is personalized for the way the homeowner lives, creating true personal value.

Since day one, our mission has been affordable homeownership

We design and build homes tailored to buyer needs within a range of the median income in each local market.

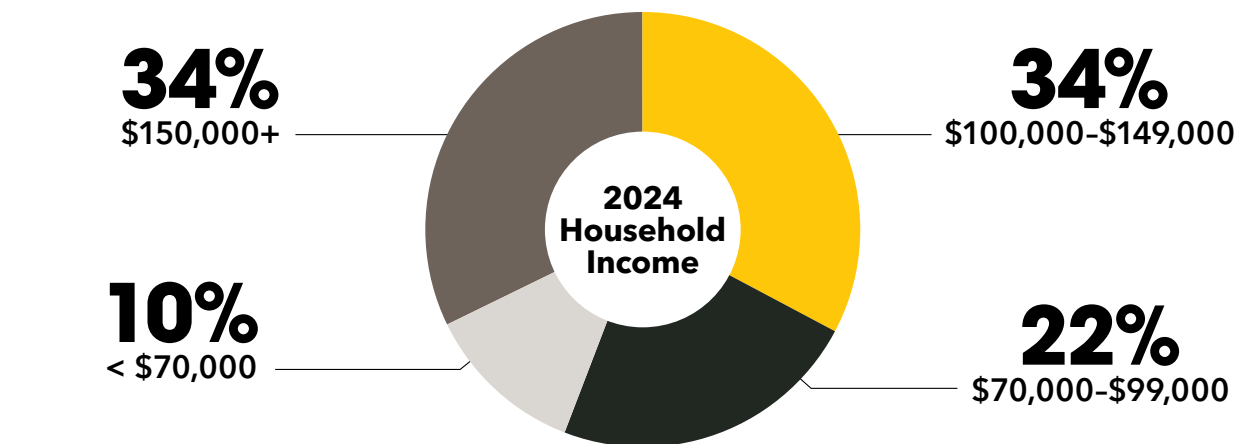
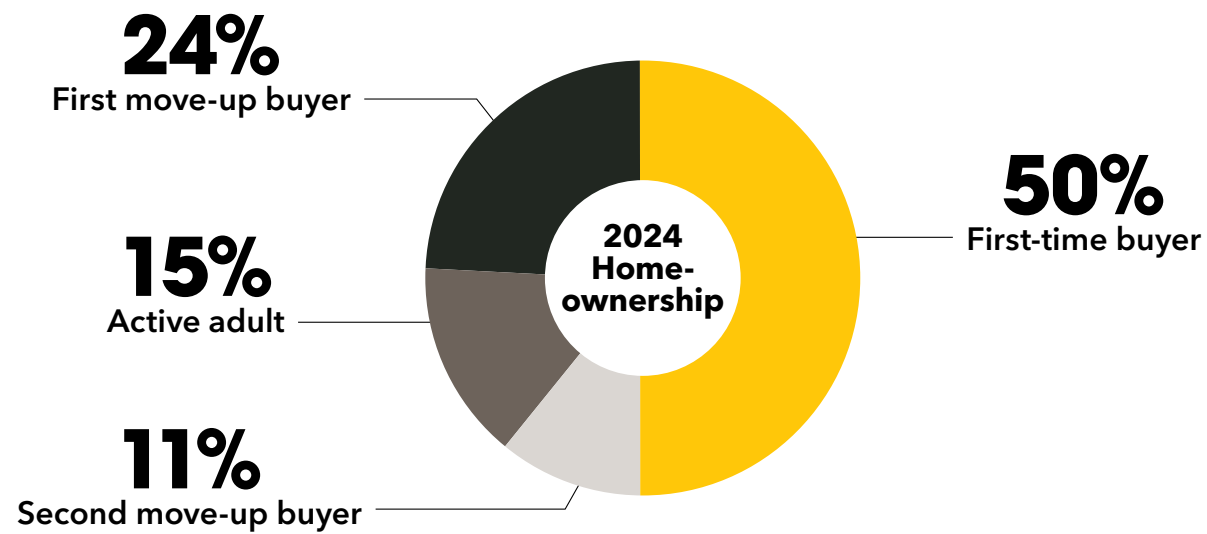
Helping our customers achieve their lifelong dream of buying a home – the largest purchase many people ever make – is a privilege that we take seriously.

We know that affordability means different things to different people in different parts of the country. That’s why we build homes in each of our markets that are designed to be attainable for the largest demand segment.

We also deliberately offer a broad product mix, including traditional smaller single-family new homes as well as townhomes, in order to expand affordability.

80%

of KB Home communities offered home designs of 1,750 sq. ft. or less in 2024, with 47% offering 1,500 sq. ft. or less, to better meet the need for entry-level, attainable housing



75%+

of our customers for more than a decade have been first-time or first move-up homebuyers

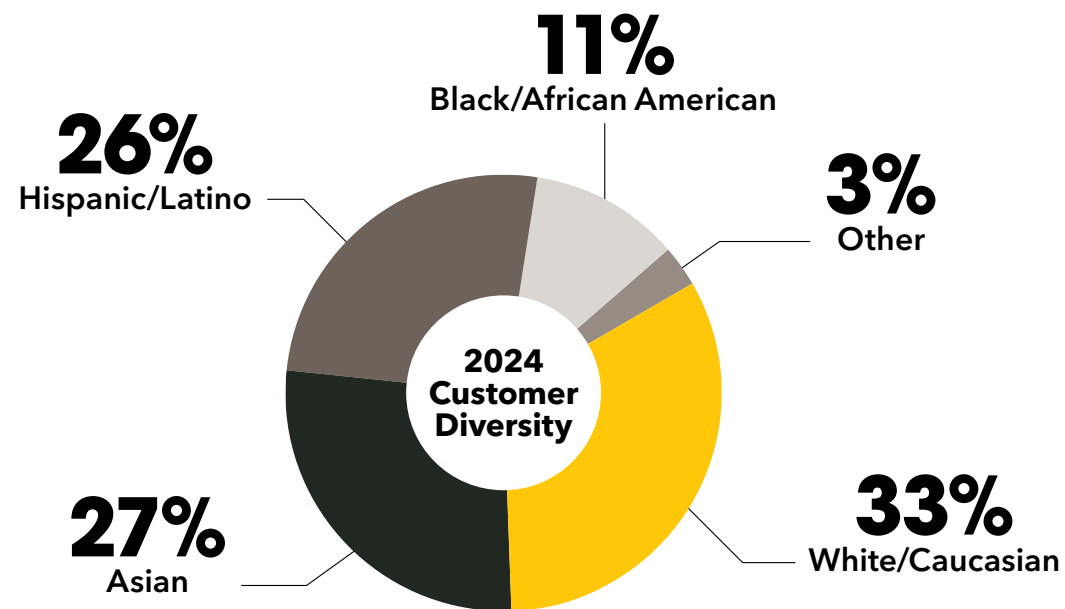


All statistics as of November 30, 2024

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.

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.

\$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

Ranked #1 by those who matter most — our customers

There is no recommendation more powerful than a satisfied customer. That's why we are 100% committed to their satisfaction and to creating an exceptional homebuying experience. We are proud to say that, in 2024, we achieved the highest customer satisfaction in our history, based on our systematic survey process.

Customer Satisfaction Index Surveys

We utilize a systematic internal survey process to ask every customer about their experience of buying a KB home at two key intervals: 30 days and 11 months.

96%

30-day satisfaction

95%

would recommend KB Home to a friend

80%

of customers responded to our 30-day survey

50% to our 11-month survey

10+

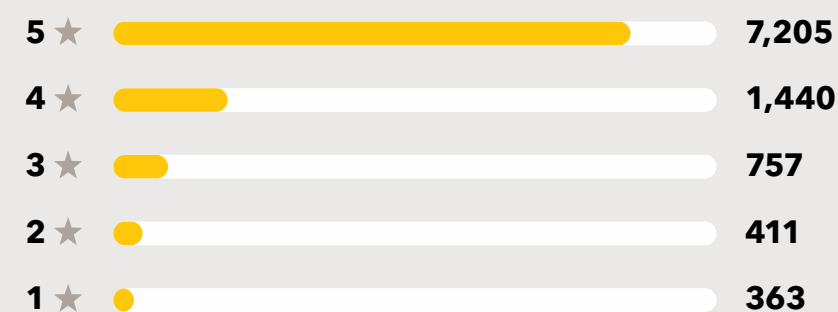
years using this process to measure customer satisfaction

KB Home has 4.5 out of 5 stars



Feedback from our customers is an essential part of our business, so we are particularly proud that in 2024, based on homeowners' ranking, we achieved or tied for #1 national homebuilders on TrustBuilder®, a leading third-party review site.*

Star Rating Breakdown



Ratings by Category

| | | |
|-----------------|-------|-----|
| Overall | ★★★★★ | 4.5 |
| Quality | ★★★★★ | 4.3 |
| Trustworthiness | ★★★★★ | 4.5 |
| Value | ★★★★★ | 4.5 |
| Responsiveness | ★★★★★ | 4.4 |

* Based on an internal compilation of the nationwide average of customers surveyed by TrustBuilder® through to 11/8/2024 who purchased a home from a top 50 homebuilder (based on number of home closings). The top 50 homebuilders are drawn from the most recent annual Builder Magazine Builder 100 list that Builder Magazine identifies as operating in at least two regions (excluding any company primarily operating a single-family rental, build-on-your-lot or a manufactured home business, or operating as a nonprofit organization). Please note that not all the top 50 homebuilders opt to have their customers participate in the TrustBuilder survey process. KBH is not involved in TrustBuilder's collection or reporting of reviews or ratings. While we strive to be the highest-rated homebuilder in customer satisfaction, ratings are subject to change, and we cannot guarantee that we will be #1 in any given survey or in any given market at any point in time or over any particular period, that we would be the highest-rated homebuilder on TrustBuilder if customers from all the top 50 homebuilders were included in the TrustBuilder survey process, or that any particular customer will be fully satisfied with their KB home. All trademarks are owned by the respective trademark owners.

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.

Attracting top talent and investing in their growth and development are investments in our success

Outreach is an essential part of attracting a new generation, who may not yet have considered the homebuilding business and the satisfaction of a career delivering our customers' dreams.

| | |
|---------------------------------------|---|
| New college internship program | In 2024, we introduced a new summer intern recruiting approach to develop a pipeline of talent for future needs. Thirty-one interns were hired. |
| College/university recruiting | We actively participated in campus career fairs and recruiting events for roles in construction, land, sales and marketing, and other departments. |
| Military veteran recruiting | We sought out discharged non-commissioned officers (NCOs) and other military veterans for roles in operations, land, purchasing and other functions. |
| Building Talent Foundation | We are a founding supporter of this organization, which was established by the Leading Builders of America to address the severe and persistent labor shortage across skilled trades by creating a sustainable workforce in residential construction. |



Our strong talent and career development programs drive a strong rate of internal promotions and make KB Home a place where many of our employees choose to spend their entire careers.

| | |
|----------------------------|---|
| FasTrac | KB Home employees in specific functions benefit from customized programs to ensure that they are continuously trained to be successful in their current roles as well as developed for future roles. FasTrac modules include Construction/Customer Service, Sales, Design Studio and Sustainability. |
| Managing Essentials | In 2024, we re-imagined our management training and introduced a full-day intensive training program for new and existing managers to ensure that they are prepared for the responsibilities and expectations of KB Home leaders. Course topics included leadership styles, navigating legal situations, tackling performance challenges and developing a team culture. To date, almost 500 employees have attended. |
| KB Elevate | We created a customized leadership development program to develop future executive leaders. The program provides a highly interactive deep dive into our business model, taught by internal experts. Participants gain senior leadership visibility and networking opportunities, individual leadership growth and development, and the opportunity to build lasting relationships with other future company leaders. |
| Talent management | In order to recognize and promote outstanding employees, we conduct a comprehensive talent and succession planning review process on an annual basis, that is overseen by the Management Development and Compensation Committee of our Board of Directors and is focused on identifying top-performing, high-potential and diverse team members for advancement to key field and corporate leadership roles. |

Supporting employee wellness and satisfaction supports a healthy business

Our employees are the heart of who we are, and we believe that when we take care of them, we are taking care of business.

Living Well: Built on Health is our wellness program designed to empower employees to create the blueprint for their best health. Through innovative programs, expanded team representation, accessible resources and enhanced communication strategies, we are committed to fostering a culture of wellness.



845,178

Fitness Challenge minutes of activity logged by participants

1,605

Living Well classes attended by employees

528

Fitness Challenge participants

225

Sugar Cleanse participants



Holistic health webinars

led by employee assistance program experts



Financial wellness initiatives

including education credits for on-site and online workshops, as well as on-site financial literacy and wellness workshops from third-party experts



Fitness and nutrition challenges

including an annual 6-week Fitness Challenge, spring and fall Sugar Cleanses (a tradition since 2021), increased focus on nutritious eating habits and weight management strategies



KB Cooks events

showcasing the culinary talents of KB chefs, in collaboration with HelloFresh®



Preventive health campaign

which encourages employees to complete an annual health exam, online health assessment and eye exams



Living Well newsletter

distributed monthly and highlighting strategies to optimize employee benefits

Better Homes

Our homes are among the most energy- and water-efficient homes in the nation. However, in our view, that alone does not make a better home. A better KB home is one that is personalized to each buyer's needs and dreams as well as their budget; one that is designed from the ground up to maximize performance, efficiency and comfort; one that reduces the cost to build by making the most of natural resources in its design and construction; and one that is designed for efficient, affordable operation for decades to come.

For us, a better home is a place where people can not only achieve their dream of homeownership, they can also build a life of purpose and satisfaction, for today and tomorrow.

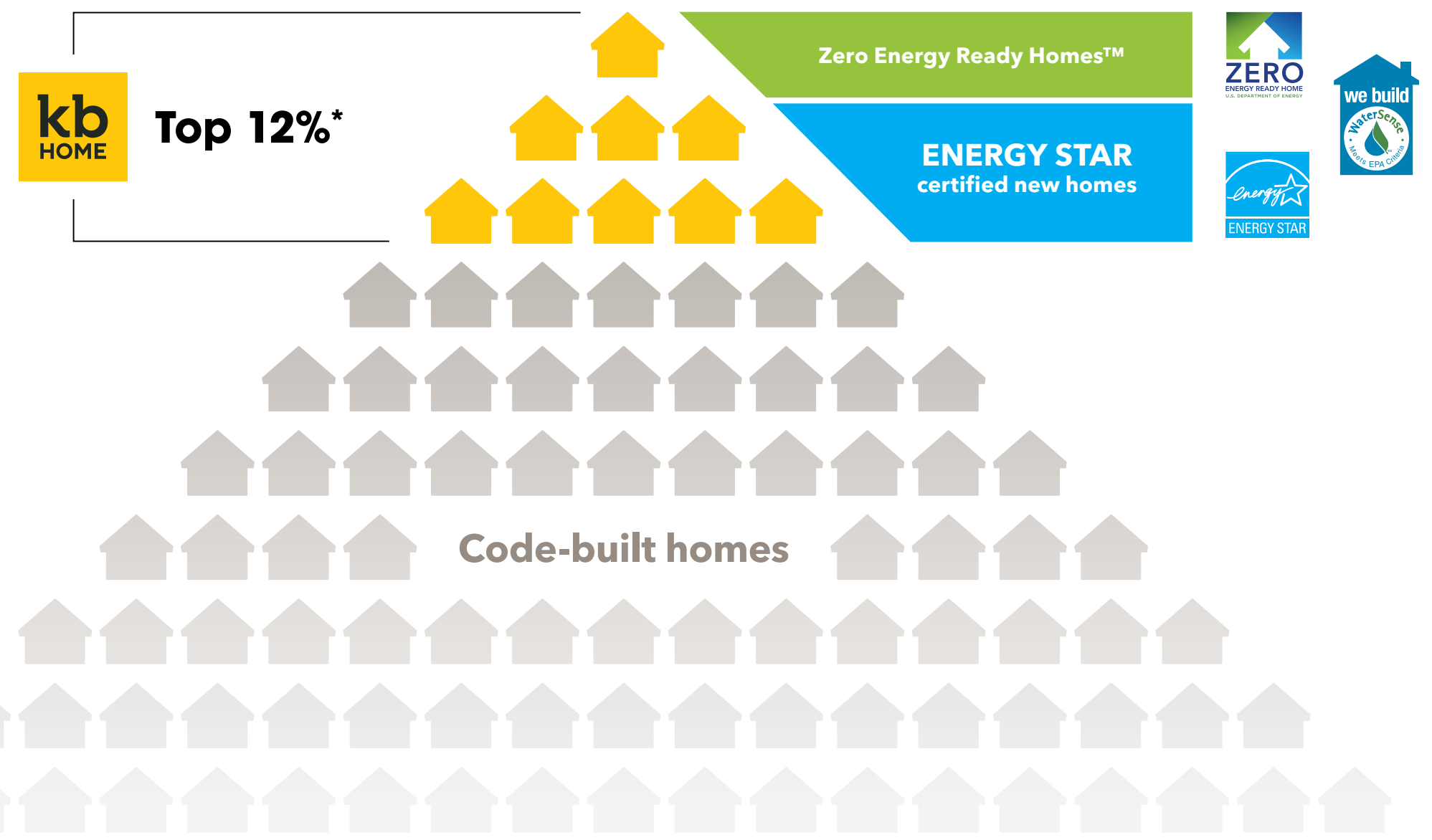


A high-performance KB home is in the top 12% of all U.S. new homes in energy and water efficiency

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 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.¹

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

Energy efficiency of U.S. residential construction*

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

2024 marked a significant milestone for us and our industry:

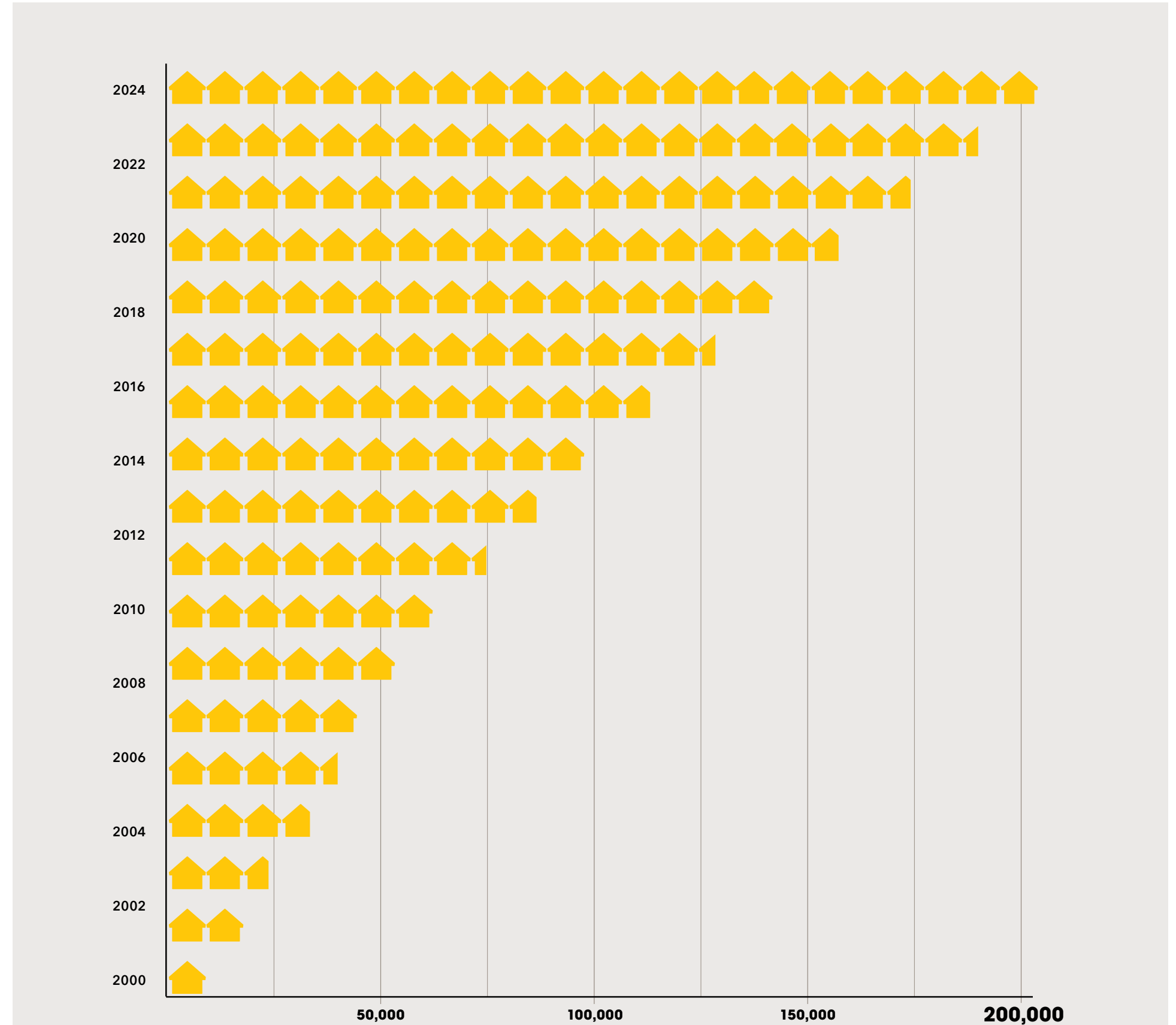
Built our 200,000th ENERGY STAR certified new home

We have built more ENERGY STAR certified homes than any other builder and are recognized as the most energy-efficient homebuilder in the industry.

This milestone highlights the company's long-standing commitment to building highly energy-efficient new homes and further demonstrates our position as the #1 energy-efficient national homebuilder. We have also achieved one of the lowest publicly reported national average HERS Index scores among large national production homebuilders.

We were the first national homebuilder to make a broad commitment to building ENERGY STAR certified homes as a bold first step in our commitment to delivering value and a lower total cost of ownership through energy and water savings.

While we are proud of all that we have accomplished, we are never done. We are constantly adapting our strategies and evaluating evolutions in the marketplace. We consistently explore new technologies and building methods that can improve our homes' quality and performance while reducing their environmental impact. And we build strong relationships with suppliers to work together toward creating more sustainable and attainable homes.



We use HERS scores to measure and share our progress in both energy efficiency and GHG emissions reduction

We publicly disclose our national average HERS Index score for our homes each year to share how we are measuring up to our goals and to encourage our colleagues across the industry to do the same.

Home Energy Rating System (HERS) Index

The lower the score, the better the energy performance and the fewer GHG emissions are generated from the operation of the home.



HERS provides a standardized measure of residential energy performance that applies across energy efficiency standards such as ENERGY STAR, making it easy to compare home options.

- Every point reduction on the HERS score is equivalent to 1% improvement in energy efficiency, potentially reducing associated GHG emissions by an average of 0.1 metric ton per home (based on the states in which we operate).
- The HERS Index also provides a clear comparison of the energy-efficiency benefits of a new KB home compared to both other new homes and resale homes, even those built as recently as 2006.

* Target was set in 2020 based on the ANSI/RESNET/ICC 301-2019 Standard. This standard provides a consistent, uniform methodology for evaluating the energy performance of homes.

Average HERS scores reflect the path toward GHG emissions reduction in KB homes since 2007.

The HERS Index is the industry standard by which a home's energy efficiency is measured. Created by Residential Energy Services Network® (RESNET), the HERS Index is the nationally recognized system for inspecting and calculating a home's energy performance. With one number, homeowners and buyers can tell how energy efficient a home is.

0.5 metric ton per year

estimated GHG emissions reduction from the use of KB home built in 2024 with a HERS score of 45 compared to one built in 2020 with a HERS score of 50

8.0B

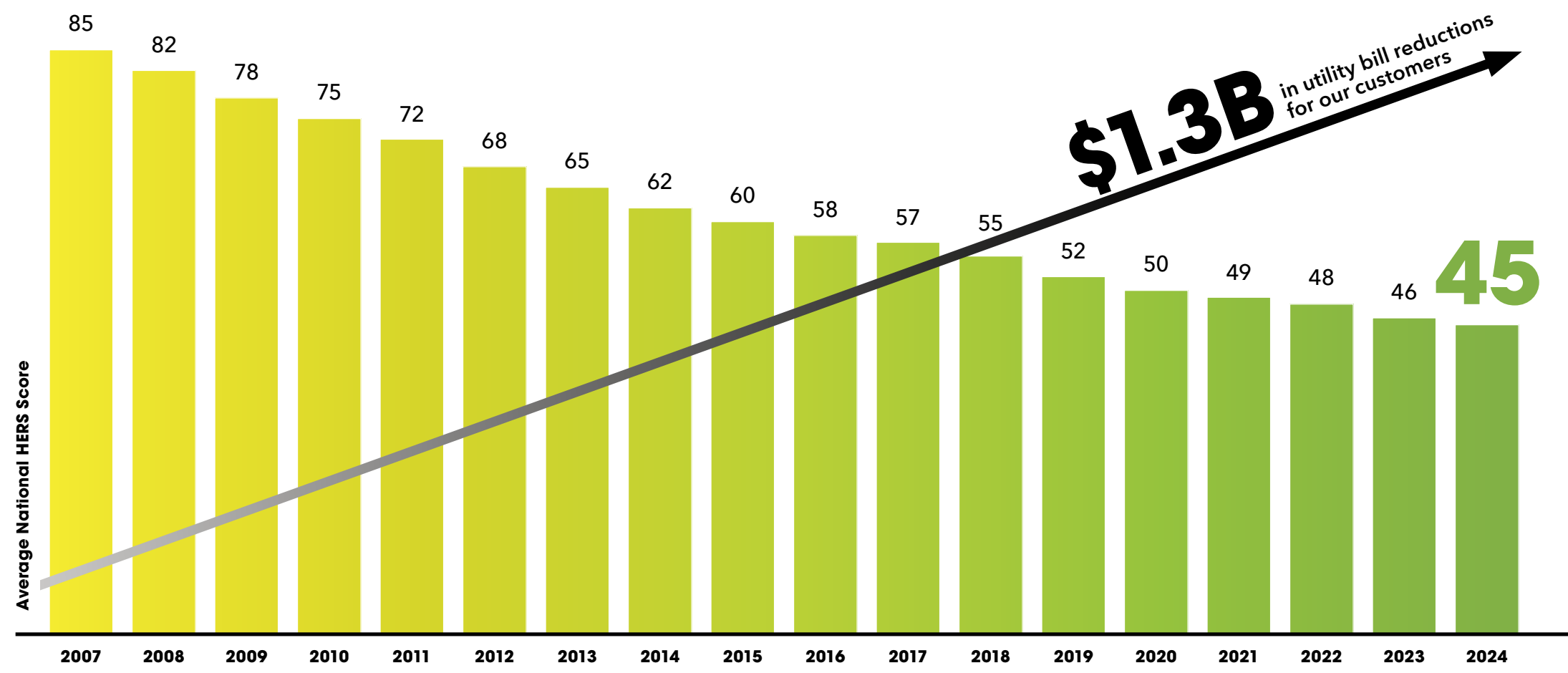
estimated pounds of CO₂ emissions avoided by building 200K+ ENERGY STAR certified new homes since 2000 and 250+ Zero Energy Ready Homes since 2010

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.



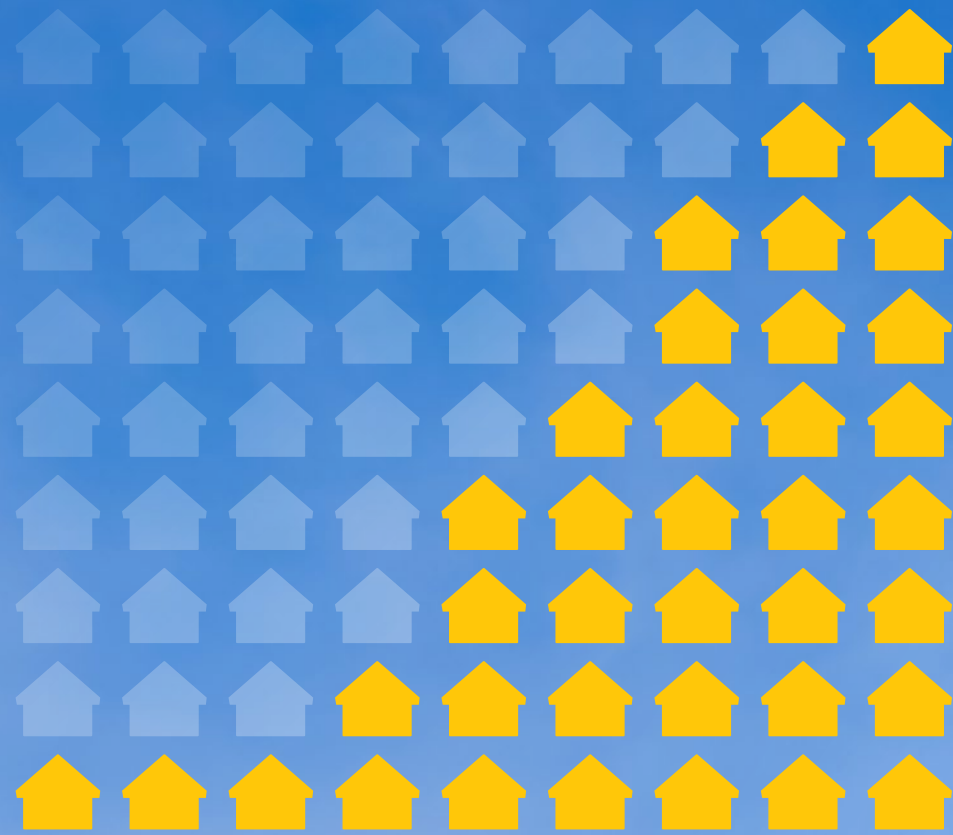
Our 2024 national average HERS score of 45 represents:

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

We continue to forge new paths toward solar energy

Solar-powered homes offer an important path toward decarbonization and minimize GHG emissions generated over the life cycle of our homes.



Rising number of solar-powered KB homes

3,940

in 2024

2005

2024

We offer energy-efficient homes across the country and are also proud to be an early leader in solar and other renewable and clean energy sources. We remain dedicated to increasing the supply of solar energy homes when possible while maintaining affordability. In addition, in 2024, 46% of our homes delivered were all-electric homes, which typically utilize cleaner energy sources.

Our early leadership in solar energy has added up to meaningful results:

25,000+

solar homes built since 2010

100

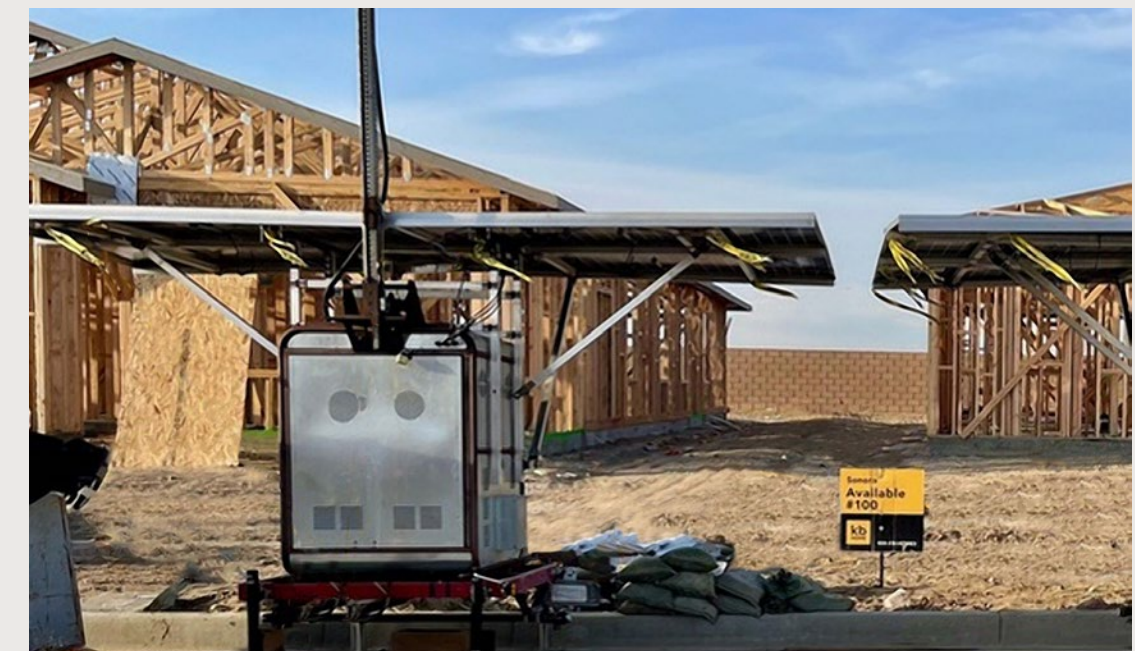
cumulative megawatts of solar power installed

1B

estimated cumulative kWh of electric power produced

157M

estimated kWh of renewable energy produced each year



Renewable solar energy is now powering some of our construction sites in Southern California using clean, quiet and sustainable energy.

We recognized water efficiency as an emerging homebuilding imperative and took an early lead

We consider water a fundamental human right and work to support the long-term needs of the communities in which we build.

For 18 years, we have recognized that water was the next frontier in sustainability and taken an integrated approach to preserving this vital natural resource for the communities in which we build while helping our homeowners to save on utility costs.

- As a builder with a significant footprint across the Sun Belt, we have long recognized water conservation as a critical issue for housing and a long-term business advantage.
- We were the first builder to adopt the Water Smart standard in Las Vegas, in partnership with the Southern Nevada Water Authority.
- We believe that our decades of experience building water-efficient new homes at an affordable price give us a potential advantage with local governments looking for experienced partners committed to doing the right thing for the communities that we share.
- When select local governments in Arizona made water efficiency mandatory to permit new residential communities, we were prepared and ready.

Water-related energy usage accounts for up to 19% of electricity and 30% of natural gas usage, making water conservation an important means to reduce utility bills and GHG emission generation



The price of water is rising significantly faster than the Consumer Price Index (CPI)

67% increase in total CPI from 2005-2025*

83% increase in national average water utility cost in that same time period*

*Based on KB Home analysis of CPI for all urban consumers from 2005 through January 2025, using data from the Bureau of Labor Statistics and other sources.

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

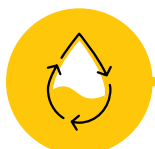
WaterSense labeled fixtures installed in all KB homes built since 2009

4,700+

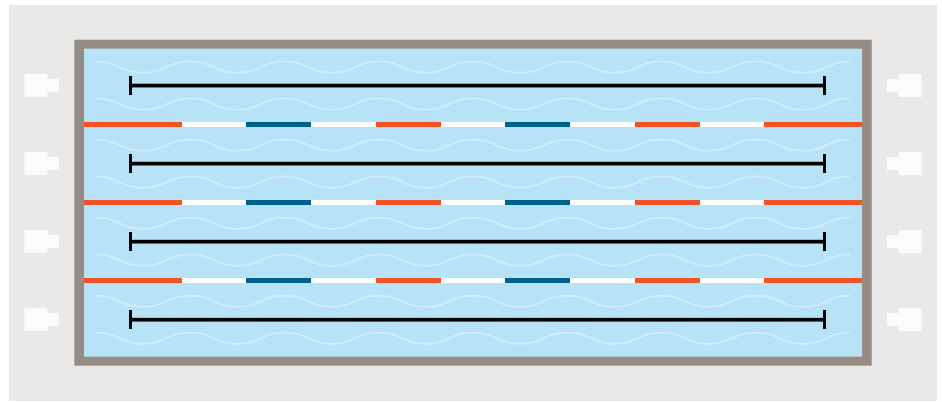
WaterSense labeled homes delivered in 2024

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.¹



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

HERS H2O 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 H2O, an important new standard for measuring a home’s water performance. With the introduction of the EPA WaterSense 2.0 standard in 2021, HERS H2O 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 H2O 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



Market adoption begins by educating consumers

That’s why consumer education has always been an important component of our sustainability efforts.

We want homebuyers to see in concrete, measurable terms that they don’t have to choose between their values and their dreams – and that sustainability may even help them to afford those dreams.

In 2011, we introduced a consumer education tool now known as the Energy Savings Comparison® (ESC). Inspired by the miles per gallon (MPG) stickers in the automobile industry, we wanted to inform home shoppers about what their new home might cost to operate and encourage them to ask other builders to do the same.

Today, an ESC is prominently displayed in all our model homes, and ESCs for every home design that we offer are also available on our website, so that consumers can see what a difference sustainability can make. This consumer education tool allows homebuyers to make comparisons with other builders who publicly disclose their HERS scores.

The ESC is one of many educational efforts that we use to increase consumer awareness of the importance and impact of sustainability in selecting a resource-efficient home.

The ESC allows prospective homebuyers to:

- Have clear, up-front and specific information about energy costs for the home that they are considering.
- Understand the total cost of ownership beyond the purchase price.
- Recognize the long-term value of energy-efficient homes.
- Compare the energy efficiency as well as projected costs to operate different homes, both new and resale.
- Make well-informed choices.

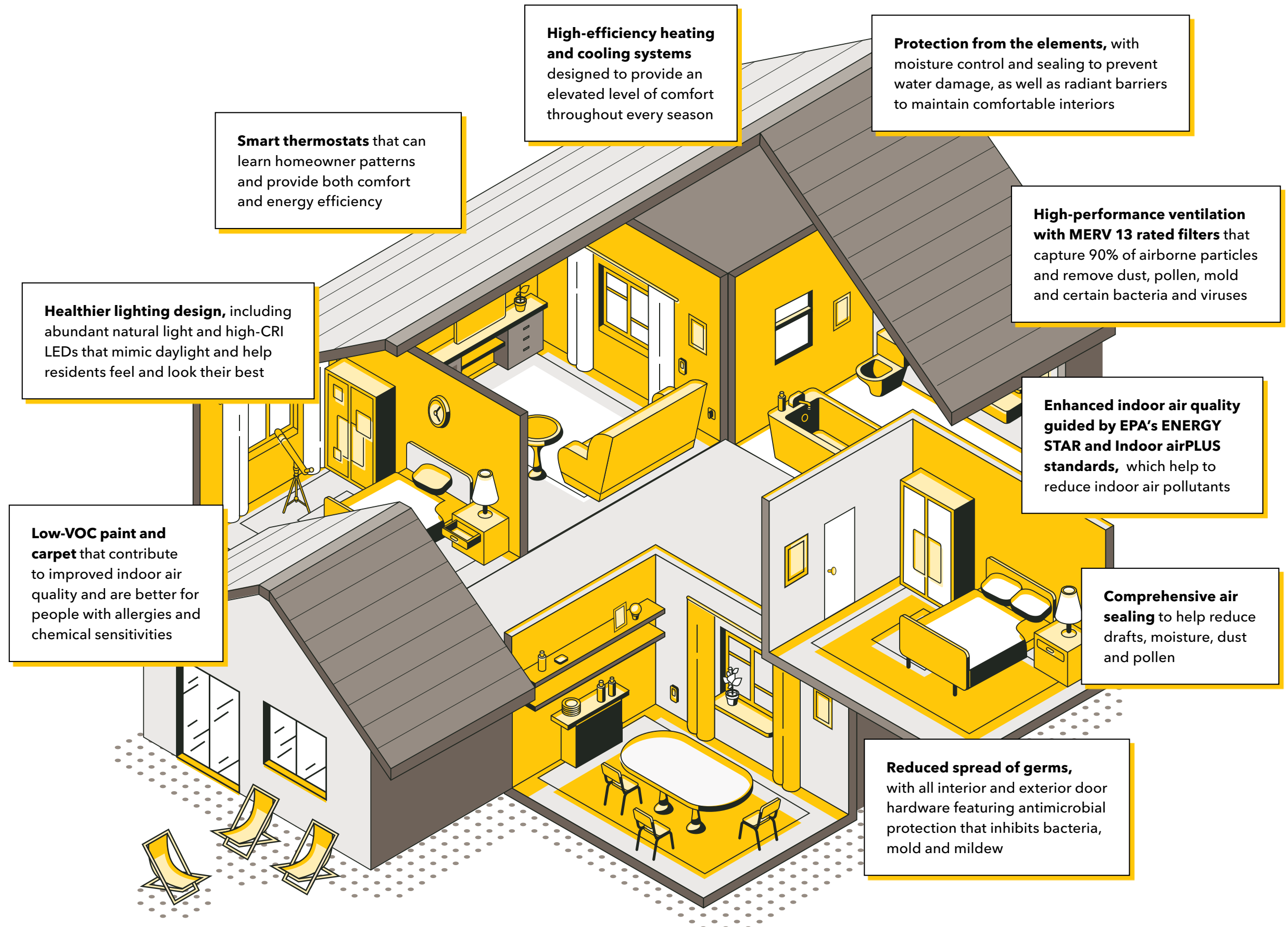


Wellness begins at home

As the place that many of us and our families spend most of our day, a healthier home can support improved overall well-being

We believe that building a healthier home is an important part of providing a sustainable, better home. We also recognize that a home is more than a physical structure; it is often the core of personal wellness and social connection, a place where we can rest and recharge.

To support the wellness of our homeowners, our homes are designed to offer a broad set of health-related benefits compared to other new or resale homes. These homes contribute to improved indoor air quality through the implementation of advanced ventilation systems that continuously introduce fresh, filtered air, the selection of building materials with minimal chemical emissions, and comprehensive strategies to control moisture and prevent mold growth. Ultimately, by prioritizing these aspects of construction, these homes are designed to support the overall well-being of their occupants, creating spaces that are not only comfortable but can also be conducive to good health.



Smart thermostats that can learn homeowner patterns and provide both comfort and energy efficiency

High-efficiency heating and cooling systems designed to provide an elevated level of comfort throughout every season

Protection from the elements, with moisture control and sealing to prevent water damage, as well as radiant barriers to maintain comfortable interiors

High-performance ventilation with MERV 13 rated filters that capture 90% of airborne particles and remove dust, pollen, mold and certain bacteria and viruses

Healthier lighting design, including abundant natural light and high-CRI LEDs that mimic daylight and help residents feel and look their best

Enhanced indoor air quality guided by EPA's ENERGY STAR and Indoor airPLUS standards, which help to reduce indoor air pollutants

Low-VOC paint and carpet that contribute to improved indoor air quality and are better for people with allergies and chemical sensitivities

Comprehensive air sealing to help reduce drafts, moisture, dust and pollen

Reduced spread of germs, with all interior and exterior door hardware featuring antimicrobial protection that inhibits bacteria, mold and mildew

Quality and safety are the foundation of a better home

We strive to create new homes that our customers are proud to own, and our employees are proud to stand behind.

Since 2014, our construction operations and home performance have undergone a rigorous annual evaluation by IBACOS®, a nationally recognized expert in home construction quality and performance, against their industry-recognized best-practice scorecard.

3.39

2024 overall quality score



IBACOS scale from 0 to 4

21.5%

improvement in our overall construction quality score since 2014

3.58

2024 overall safety score



IBACOS scale from 0 to 4

35.1%

improvement in our overall jobsite safety score since 2014

Quality construction practices

The construction quality assurance program that we use assesses over 600 checkpoints related to safety, occupant comfort, indoor air quality and building durability.

Workplace safety

We acknowledge that construction is a potentially dangerous job, which is why it's important to us that our homebuilding jobsites maintain extensive workplace safety standards. These safety standards apply to both our employees and independent construction service providers who work on our sites. We strive to lead our industry in safety practices. We track our independent contractors' compliance with their safety obligations at nearly 50 checkpoints across key aspects of jobsite safety, including safety documentation, personal protective equipment, scaffolding and ladders, fall protection, trenching and excavation, hazard assessment protocol, first aid and emergency plan, electrical safety and material safety.



Heat protection for workers is an important consideration, particularly across our Sun Belt footprint. We strive to exceed OSHA requirements by providing cooling stations as well as access to indoor air-conditioned construction offices as needed.

Our approach to safety includes:

Training

- One hundred percent (100%) of our field construction personnel are Occupational Safety and Health Administration (OSHA) trained. We require all construction personnel to be OSHA 10 certified and each division's safety representative must have OSHA 30 certification.
- Over 500 jobsite safety and compliance courses within our KBU internal training platform were completed by KB Home employees in 2024.

Performance

- Each site is inspected and documented on a regular basis to ensure that those working on site are performing as required.
- Annual third-party jobsite safety reviews are conducted by nationally recognized experts.

Oversight

- Comprehensive field safety manual establishes the applicable health and safety practices and policies for all employees and independent contractors. This document is reviewed and updated on a regular basis.
- Quarterly safety inspections are performed and verified by each local operating division's head of operations and a company-wide safety representative.
- KB Home safety program is overseen by our Legal and Internal Audit teams, who perform internal annual audits and risk assessments.
- Safety updates are regularly reported to the KB Board of Directors Audit and Compliance Committee.

We share the results of our third-party quality and safety inspections each year to highlight our commitment to transparency.

The road to a better home is a series of evolutions and revolutions

We are committed to investing in innovation that solves real-world problems and models the future of our industry. It is not just about adapting; it is about innovating our way to a sustainable future.

Four ways we advance innovation:

Collaborate on research & development (R&D) initiatives

We work with our supplier partners to develop and integrate cutting-edge products and apply their latest building science engineering in concept homes, pilots and limited implementations.

Public-private pilot programs

We seek out opportunities to participate in public-private collaborations intended to explore innovative sustainable technologies.

Consumer laboratories

Our Design Studios serve as important sites for consumer feedback, testing which products resonate most with homebuyers and validating market demand.

Making impact through scale

As one of the largest builders in the U.S., we are able to leverage economies of scale, where viable, to make advanced products available for our homebuyers and provide an important market for our suppliers.

KB Home unveils wildfire-resilient neighborhood

In March 2025, we unveiled the nation's first new-home community that meets the home- and neighborhood-level wildfire resilience standards established by the Insurance Institute for Business & Home Safety (IBHS), an independent nonprofit research organization dedicated to protecting homes and communities against natural disasters. The first two homes in the community were certified by IBHS in November 2024 and are being utilized as model homes.

Each one of the 64 new homes at our Dixon Trail community in Escondido, California will be built to the Wildfire Prepared Home™ Plus standard and receive a designation certifying that it has met IBHS's most stringent requirements for home-site level fire mitigation. Dixon Trail has already received a provisional neighborhood-level designation based on its design, confirming that the community has implemented preventative measures to reduce the likelihood of initial ignitions from an approaching wildfire, protect against embers that could spark spot fires, and slow fire spread if ignitions occur. Dixon Trail is the first applied use of the research-based, community-level mitigation strategies

of structure separation, fire pathway reduction and wildfire-resilient building materials under IBHS's new Wildfire Prepared Neighborhood standard. Once the neighborhood is completed and has passed an IBHS evaluation, a final Wildfire Prepared Neighborhood designation will be issued.

Research shows that both homesite- and neighborhood-level strategies are key in preventing wildfires from becoming catastrophic. As a model of wildfire resiliency, Dixon Trail has incorporated research-backed mitigation actions into the design of its homesites, including the installation of Class A fire-rated roofs, noncombustible gutters, upgraded windows and doors, and ember- and flame-resistant vents as well as the creation of a 5-foot noncombustible buffer around structures. At the neighborhood level, wildfire risk is reduced by separating almost all structures by more than 10 feet and decreasing potential fuels through the use of fire-resistant materials like all-metal fence systems.



Strong Communities

Affordable homeownership is a deep desire that spans socioeconomic status, political beliefs and cultural background. That's what makes it the enduring American Dream, one that most Americans can agree on. It is also the engine for the growth and maintenance of a healthy society and economy. We believe that being able to achieve the dream of an affordable, sustainable home is an essential component of strong communities.

Homes are more than physical spaces. They are the places where people come together to put down roots, grow families and careers, connect with others, and build for the next generation.

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.

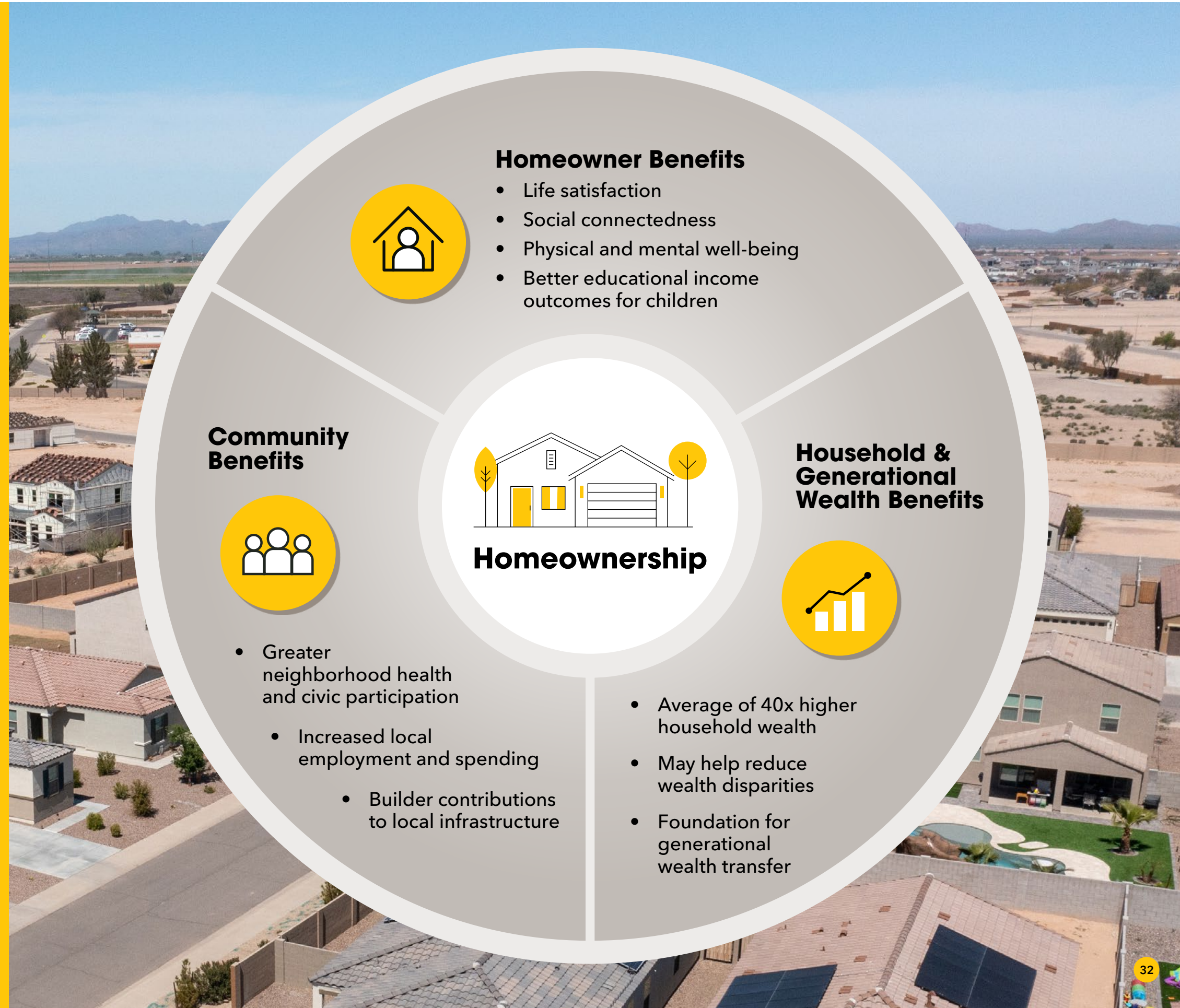
Studies have shown that the homeownership has positive effects on not only homeowners but also their wider community and future generations, as well as being considered one of the most important paths for lifting long-term financial well-being.

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%20Stable%20Housing.pdf



When communities are stronger, we're all stronger

Homeownership makes communities stronger – and more resilient communities create stronger residents.

Sustainability is about more than the environment, it is about creating sustainable communities where people can work, live and thrive. Homeownership is an important part of that, with studies demonstrating that communities with higher homeownership rates are healthier overall for everyone, as well as stronger economically. In addition, lack of affordable housing is the most commonly cited reason why people choose to relocate.¹

Community benefits

- Higher homeownership rates are associated with greater neighborhood health, residential stability and community resilience, and lower crime rates.²
- Homeownership promotes increased community and civic participation.³
- For every new home built, four new full-time jobs are created for a year.⁴
- New homeowners help to boost the economy, with an average first-year home-related spending of \$21,000.⁵
- American homeowners possessed \$32 trillion in home equity in 2023, which can form the foundation for generational wealth transfer.⁶

Our aim is to create community spaces that work with nature. We strive to be stewards of the land on which we build, and where possible and feasible, preserve and restore nature and natural habitats. In addition, we recognize the value of natural spaces for our homeowners and the crucial role they play in fostering a strong, interconnected and vibrant neighborhood fabric.

In 2024, projects that we worked on included the following:

98+

parks or play spaces, totaling over 205 acres

28+

miles of walking or bike trails

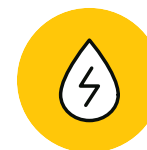
596

acres of habitat preservation or restoration efforts

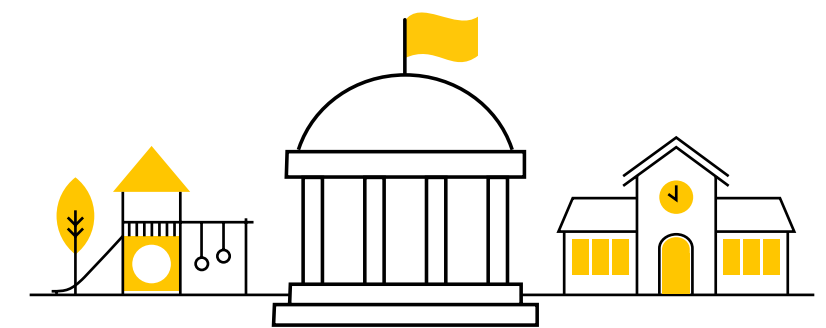
\$85.4 Million
to school fees



\$43.3 Million
to water, sewer and stormwater infrastructure



\$34.0 Million
to other community enhancement, such as parks



\$162.7 Million
in both voluntary and required fees paid to local governments to build schools, parks and more in 2024

¹ <https://www.rentcafe.com/blog/rental-market/market-snapshots/top-reasons-for-moving-us/>
^{2,3} 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
⁴ <https://www.nahb.org/-/media/NAHB/news-and-economics/docs/housing-economics/economic-impact/economic-impact-state-2015.pdf?rev=3f1729e33f804a14b7ba736fb52253a5&hash=E46BCF988F5EC26E3108E74422FDA05A>
⁵ <https://eyeonhousing.org/2022/06/what-do-home-buyers-buy-after-moving-3/>
⁶ <https://www.bankrate.com/home-equity/home-equity-and-building-generational-wealth/#:~:text=Housing%20is%20where%20America's%20wealth%20is%20stored:,in%20home%20equity%20as%20of%20Q4%202023.>

Breathing new life into older neighborhoods

Reimagining the potential of underutilized land and revitalizing neighborhoods can help bring in new energy and a fresh start.

The opportunity to revitalize neighborhoods and contribute new housing stock to existing desirable communities is among our considerations when evaluating potential land investments.

We also strive to be responsible stewards for land use and a lighter impact of new construction on communities, including where possible locating neighborhoods near existing infrastructure, transportation and services.

Land sellers and local governments that have worked with us know that we have the expertise to build new homes and new neighborhoods that can contribute to the overall well-being of the community.

We also strive to maximize limited land resources by designing high-density communities of greater than eight and up to 30 dwelling units per acre where permitted.

37+

high-density communities in 2024

11+

redevelopment communities in 2024

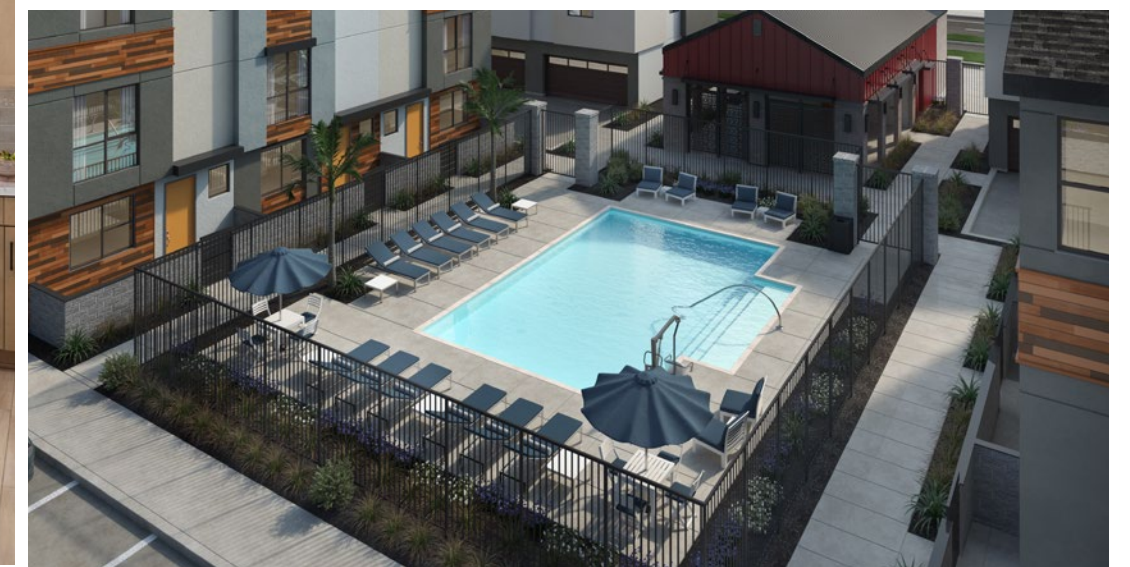
34+

infill communities in 2024

Note: Some communities fit multiple categories.

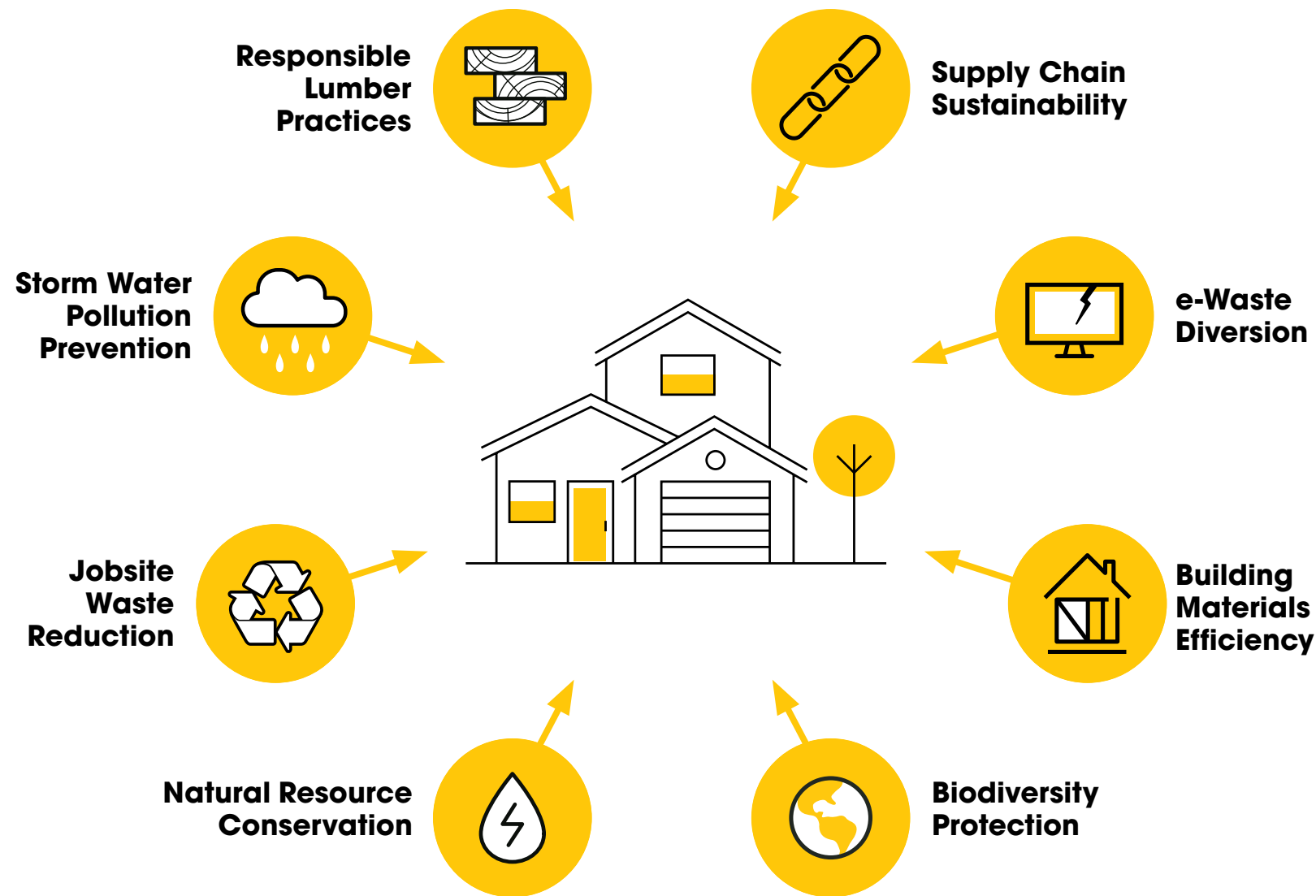


Rhythm in Long Beach, CA
Infill project featuring 84 total units with density of 28 dwelling units per acre. Includes 15 live/work units along Atlantic Ave.



We strive to prioritize biodiversity and resource conservation

Using natural resources and building materials in the most efficient manner possible not only conserves precious natural resources but also reduces costs for our business, helping to keep first-time homeownership attainable.



Our identified areas of nature-related risk and opportunities are:

Deforestation

KB Home has adopted responsible lumber standards that outline environmental standards for all wood products sourced, with a goal of reducing deforestation and the loss of biodiversity.

Water overuse

We see firsthand the growing concern around water availability in certain regions in which we build. KB Home was the first national homebuilder to join the EPA's WaterSense program in 2010 and now builds every home at our new communities in Arizona, California and Nevada to this standard.

Water pollution

Homebuilding operations have the potential to contribute to water pollution from jobsite runoffs to nearby waterways. Our jobsite management practices include Storm Water Pollution Prevention Plans (SWPPPs) at each community. These mitigation efforts include dedicated concrete washouts, rain washouts, silt fencing and inlet drain protection.

Other approaches that we take to minimize our environmental footprint include:

Biodiversity protections

Wherever required and possible, we create conservation spaces; modify or delay our activities to accommodate migratory cycles; and assist or make financial contributions to nearby dedicated nature conservancy zones or organizations.

Community revitalization

KB Home's portfolio includes a mix of brownfields, greyfields and infill communities built on previously developed lands and that are revitalizing older neighborhoods. With limited land resources available, we strive to maximize available housing stock by making efficient use of land.

Strategic partnership and innovations

We strive to cultivate technological innovations that reduce our impact on the environment and multiply our impact by selecting land developers and supplier partners who integrate sustainability into their own practices wherever possible.

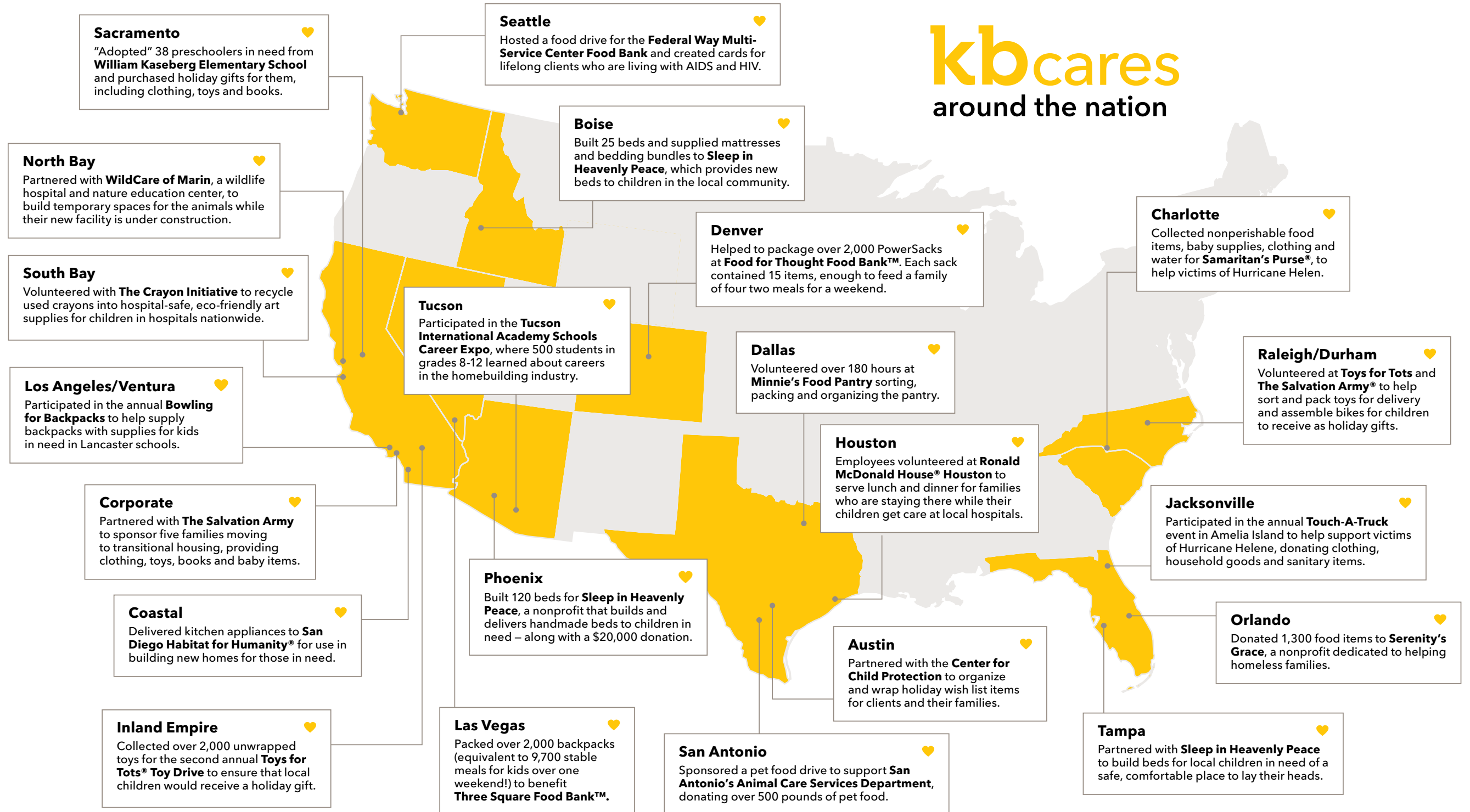
We are helping to strengthen communities across America

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



2024 National Volunteer Day

For our second annual National Volunteer Day, our teams across the country came together to help support the communities in which they live and work.

Our employees are proud to step up and give back to their communities. For this year's KB Cares National Volunteer Day, we hosted events across the country, including food bank service, toy drives, restoration projects and beautification activities.

20

local division offices participated

39

community giving and volunteer events

2,500+

KB Home employee hours donated for National Volunteer Day



We believe that cutting old-growth forests in order to provide the raw materials for our business is not necessary as there are plenty of managed forests that can supply wood for homebuilding.

We are proud that, beginning in 2023, we joined the National Forest Foundation (NFF) in a partnership to replenish and preserve national forests by replanting thousands of acres of habitat nationwide to protect the future of national forests.¹

100,000

trees planted in 2023 and 2024 in Boise National Forest and Shasta-Trinity National Forest in partnership with NFF

50,000

metric tons of CO_{2e} may be stored by these trees over their lifetime, helping to mitigate climate change²

¹ <https://www.nationalforests.org/assets/desktops/NFF-2024-Activities-Report.pdf>
² <https://www.nationalforests.org/tree-planting-programs/climate>

Supporting healing with a place to call home

We are honored to recognize Army Sergeant Dan Rose and his family for the sacrifice they made for our country.

Since 2019, we have partnered with Jared Allen’s Homes for Wounded Warriors (JAH4WW), a nonprofit organization created for the sole purpose of raising money to build or modify homes for America’s injured military veterans. We are honored to be able to give back to those who have given so much to strengthen the home that we share, the United States.

In 2024, we built a mortgage-free, accessible home for Army Sergeant Dan Rose, his wife and their young daughter at our Painted Prairie community in the Denver area. Sgt. Rose underwent extensive training to reclassify as a combat engineer so that he could deploy to Afghanistan, where he served for seven months. On April 27, 2011, while clearing a new route of IEDs, one detonated and sent his truck flying apart, leaving him

paralyzed from the chest down. With unwavering determination, he navigated a new journey, embraced change and worked to renew his independence.

Our KB Denver team spent time understanding every detail about what the Rose family wanted, what they absolutely needed and where they saw themselves in the future – and delivered a personalized new home to accommodate all their priorities for now and the years ahead. Their new home is wheelchair accessible and provides the necessary enhancements to make life at home more accommodating.



Our Foundation

We believe that a foundation of strong governance policies and practices has been critical to the success of our sustainability efforts over the last 18 years and remains so as we continue to build on our achievements.

In this chapter, we share detailed information about the organizational and governance standards that provide structure and accountability to our sustainability values and goals. We believe that these clear policies and oversight processes have helped to clarify our efforts into a fully integrated sustainability platform on which we have been able to build a purposeful, sustainable business that creates a meaningful product and a place for people to build satisfying careers, and that delivers long-term value to our stockholders.

Oversight and visibility are the backbone of sustainable businesses

We have established a number of governance structures that are specifically tasked with developing and driving our sustainability strategies and actions throughout our entire organization.

| | | | |
|---|---|---|--|
| <p>Board of Directors oversight</p> | <p>The Board of Directors oversees sustainability as part of our overall business strategy. In addition, the Board’s Audit and Compliance Committee has oversight responsibilities for environmental sustainability matters; its Management Development and Compensation Committee has oversight responsibilities for matters related to human capital management and employee health and safety; and its Nominating and Corporate Governance Committee has oversight responsibility for governance. Two directors also serve as the Board’s liaisons to management on sustainability-related matters: Arthur R. Collins, Founder and Chairman, theGROUP, and Dorene C. Dominguez, Chairwoman and Chief Executive Officer, Vanir Group of Companies, Inc.</p> | <p>Sustainability leadership team</p> | <p>A group of high-level executives, led by our President and Chief Operating Officer and including certain division presidents, convenes on a regular basis to discuss sustainability strategies, craft and refine company policies and initiatives, and create buy-in with leaders across all of our operating regions and major functional departments.</p> |
| <p>National Advisory Board (NAB)</p> | <p>Nationally recognized leaders meet twice yearly with us to discuss recommendations related to sustainability and other issues (see page 43).</p> | <p>Sustainability Steering Committee</p> | <p>A group of senior executives, led by our Senior Vice President of Investor Relations and Vice President of Sustainability, interacts with various disciplines within KB Home and directs engagement with external stakeholders, raising the profile of sustainability across and outside the company and evaluating our reporting around these initiatives.</p> |
| | | <p>Environmental Management System (EMS)</p> | <p>We have a process for decision-making and continuous improvement for all of our sustainability initiatives, including environmental, which involves all levels of the organization. In 2020, we formalized this into an EMS process, as outlined on page 44.</p> |



Belterra in Apex, NC

Our Board of Directors has implemented a robust corporate governance framework

Because strong corporate governance is a key factor in driving long-term stockholder value, our Board has adopted leading practices to oversee the management of our business.

- All directors, except for our Chairman and CEO, are independent.
- There is a robust Lead Independent Director position with significant responsibilities and authority.
- Only independent directors serve on Board committees.
- During 2024, there were no related party transactions involving outside directors.
- All directors are elected on an annual basis under a majority voting standard.
- We have one class of voting securities that allows each holder one vote for each share held and no supermajority voting requirements (except per Delaware law, our state of incorporation) and outlook.
- Directors and senior executives are subject to significant stock ownership requirements, and they and all employees may not pledge or hedge holdings of our securities.
- Executive officers are subject to an updated incentive-based compensation recovery (aka “clawback”) policy, adopted in 2023 per New York Stock Exchange rules, and all employee equity awards require double-trigger vesting in a change in control.
- No directors are over-boarded.

Comments or questions for the KB Home Board of Directors or any individual Board member can be directed in care of our Corporate Secretary at KB Home, 10990 Wilshire Blvd., 7th Fl., Los Angeles, CA 90024. Additional information about our corporate governance practices can be found in our 2024 Proxy Statement through our Investor Relations website, <https://investor.kbhome.com>.

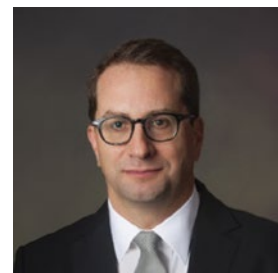
Our Board of Directors brings diverse leadership and expertise to their oversight of our business

Our Board of Directors is an exceptional group of professionals who represent a range of experience, background, ethnicity, race and gender that helps to bring depth and breadth to their perspectives. They are committed to delivering long-term value to our stockholders, employees, homeowners and all our stakeholders.



Jeffrey Mezger
Chairman and Chief Executive Officer, KB Home

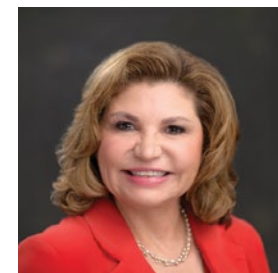
Director Service Since 2006
Chairman Service Since 2016



Jose M. Barra
Director Service Since 2023



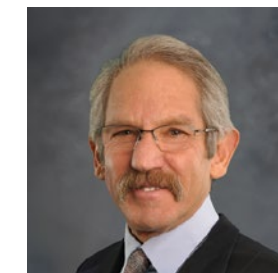
Arthur R. Collins
Founder and Chairman, theGROUP
Director Service Since 2020



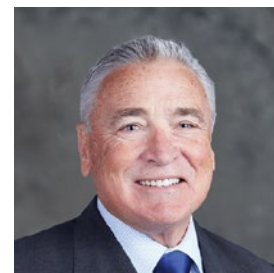
Dorene C. Dominguez
Chairwoman and Chief Executive Officer, Vanir Group of Companies, Inc.
Director Service Since 2017



Kevin P. Eltife
Founder and Owner, Eltife Properties, Ltd.
Director Service Since 2020



Dr. Stuart A. Gabriel
Director, Richard S. Ziman Center for Real Estate at UCLA
Distinguished Professor of Finance and Arden Realty Chair, UCLA Anderson School of Management
Director Service Since 2016



Dr. Thomas W. Gilligan
Emeritus Director and Senior Fellow at the Hoover Institution on War, Revolution, and Peace
Director Service Since 2012



Cheryl J. Henry
Former President, Chief Executive Officer and Chairwoman of Ruth's Hospitality Group, Inc.
Director Service Since 2024



Jodeen A. Kozlak
Founder and CEO, Kozlak Capital Partners, LLC
Director Service Since 2021
Lead Independent Director

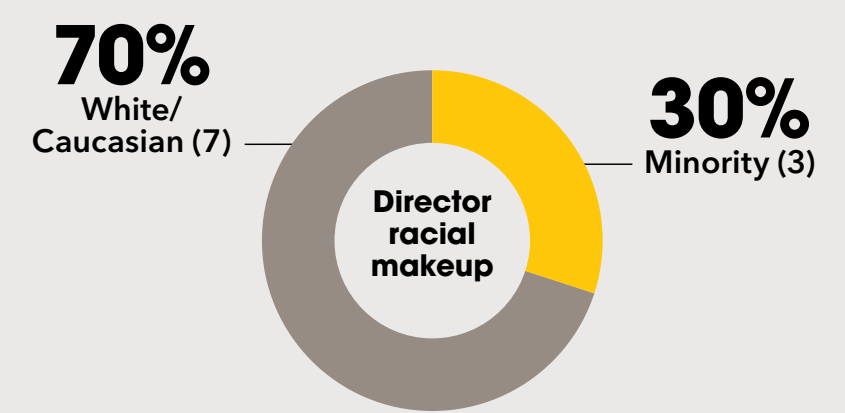
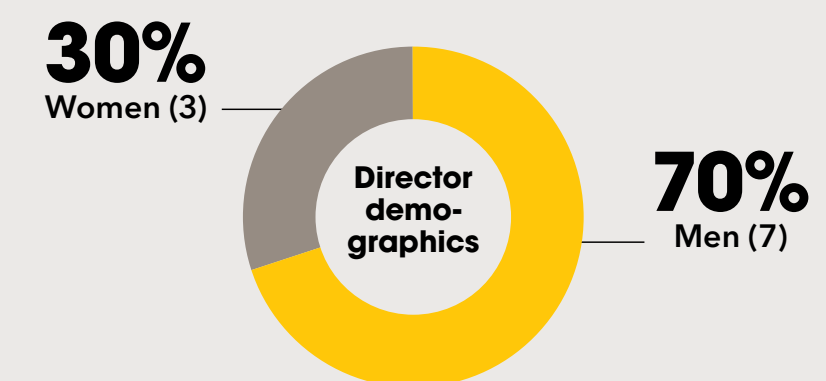
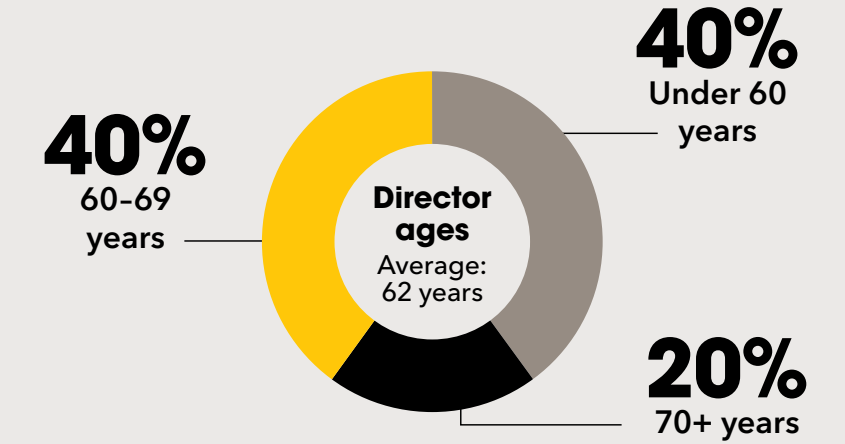
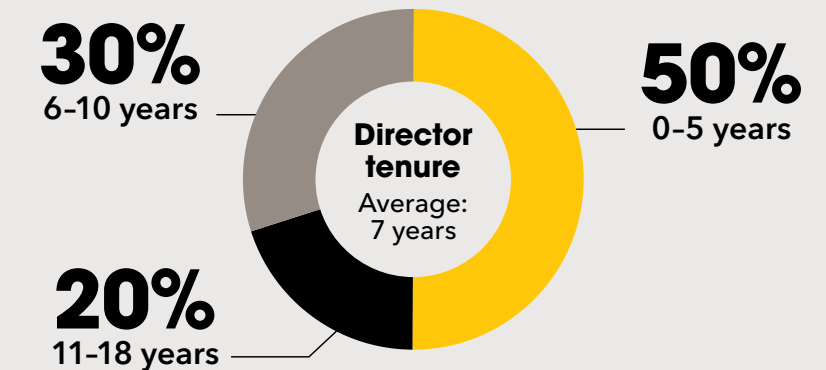


James C. Weaver
Chief Executive Office and Chairman, DW Interests, LLC
Director Service Since 2017

Board Diversity Considerations

The Board considers diversity for directors and director candidates as encompassing expertise or knowledge base, educational and career history, race, ethnicity, national origin, gender, geographic residency, community or public service and/or other tangible and intangible aspects of an individual. Beyond their distinct perspectives, skills and backgrounds, 50% of our directors are women or ethnic minorities. Our Board members are situated in regional locations generally in proportion to our business.

Board membership as of date of publication



All data is current as of March 7, 2025

In 2024, the NAB held two in-person meetings and engaged and communicated with us throughout the year to provide advice on stakeholder priorities and suggest actions that could improve our sustainability initiatives. The ongoing key themes for discussion are:

- Preserving the natural environment
- Conserving natural resources, especially water and energy
- Discussing infill and redevelopment communities
- Exploring livability at all life stages
- Advancing homeownership and meeting the sustainability priorities and interests of all of our market segments
- Maintaining the affordability of housing

Our National Advisory Board challenges us and brings diverse expertise to our stakeholder engagement



Members are leaders from diverse disciplines who bring an independent perspective on our sustainability initiatives and progress as well as stakeholder engagement.

2024 NAB Members

Dan Bridleman

Former Senior Vice President, Sustainability, Technology and Strategic Sourcing, KB Home, Retired in 2024

Professor Magali Delmas

Professor of Management, Institute of the Environment and Sustainability, UCLA Anderson School of Management

Dr. Jonathan Fink

Professor of Geology, Portland State University

Peter Harkness

Former Group Publisher, Governing, Senior Policy Advisor, Pew Center on the States

Sheila Hollis, Esq.

Partner, Duane Morris LLP

Nancy LeMond

Executive Vice President and Chief Advocacy and Engagement Officer, AARP®

Dr. Lou Moret

Former Board Member, CalPERS

Andre Pettigrew

Director, Office of Economic and Workforce Development, City of Durham

Sam Rashkin

Founder, Retooling the U.S. Housing Industry LLC

Former Chief Architect, Building Technologies Office, U.S. Department of Energy

Daniel Seligman

Director, Clean Energy Solutions, Ceres

Tim Smith, FAICP, RA

VP, InfraCenters, LLC

Principal Emeritus, SERA Architects, Inc.

KB Home Representatives

Jeffrey Mezger

Chairman and Chief Executive Officer, KB Home

Robert McGibney

President and Chief Operating Officer, KB Home

Sarah Paulson Sheehy

Vice President, Government Affairs, KB Home

Jacob Atalla

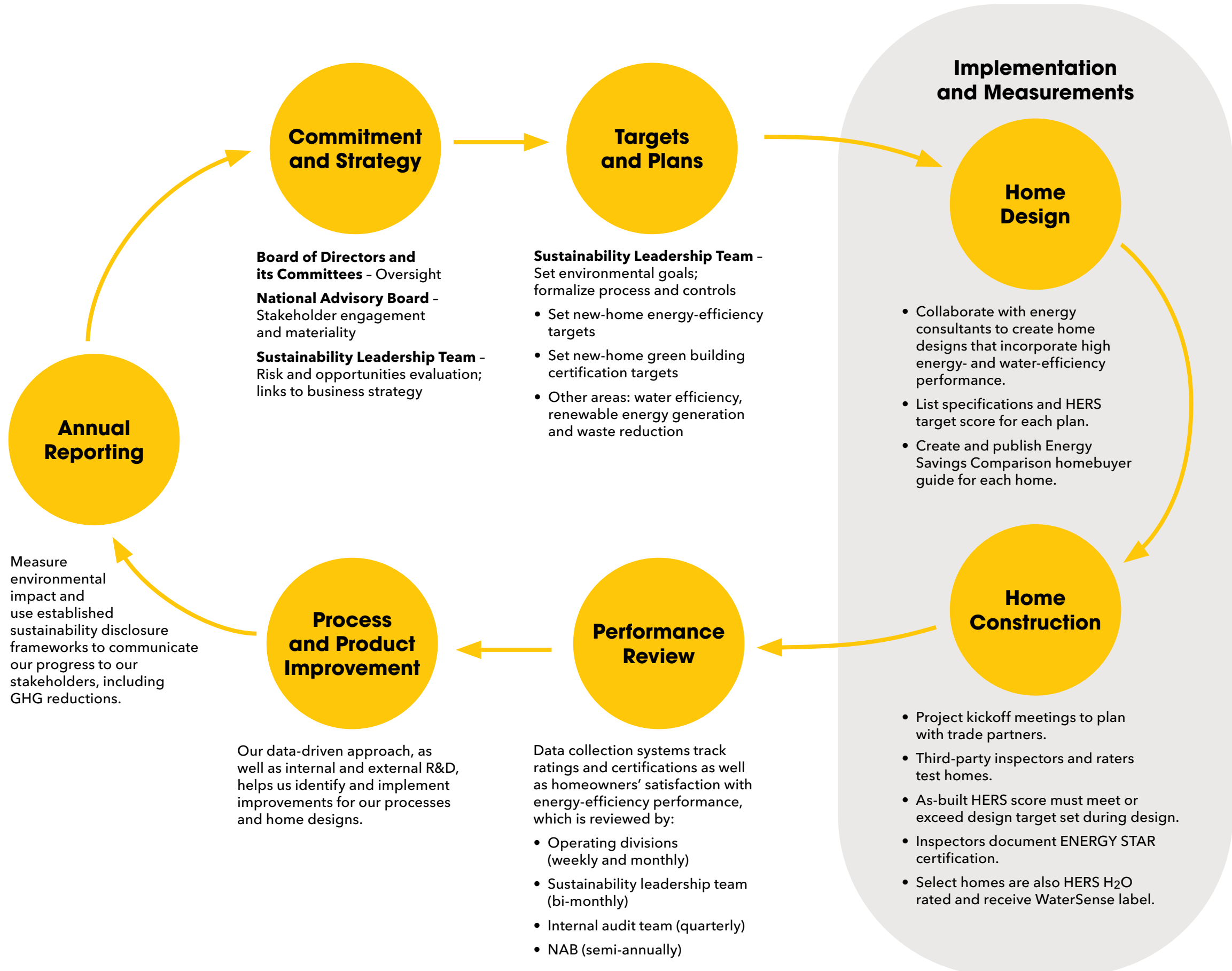
Vice President, Innovation and Sustainability, KB Home

Our Environmental Management System provides a framework and validation to our sustainability efforts

We have established an EMS aligned with the EPA definition: "a set of processes and practices that enable an organization to reduce its environmental impact and increase its operating efficiency."

The focus of our EMS is on implementing energy- and water-efficient features, including those that can reduce the emissions of GHGs associated with the use of our homes over their multidecade life cycle. We do this by designing operational controls that are in alignment with our organizational objectives and regulatory requirements.

Our EMS, which is documented in an EMS manual, provides a framework for planning, implementing, measuring, evaluating and refining these efforts over time. Additionally, we assess the effectiveness of our EMS annually to identify opportunities to implement efficiency enhancements. The flow chart here demonstrates this framework at a high level, including the validation activities that we include in the process.



Our commitment to sustainability reporting

Our sustainability materiality priorities

Over the course of our decades-long sustainability journey, we have progressively developed a deep and dynamic portfolio of programs and initiatives that we believe is unmatched in our industry in its breadth, strength, flexibility and growth potential. When we set out to formalize our sustainability commitment in our first comprehensive sustainability report, published in 2008, we evaluated the impact of our business operations and solicited input from select stakeholders to determine what mattered most to them among key issues.

These findings were used to determine the focus of our sustainability efforts and reporting, which centered around our collaborative evaluation with our stakeholders about how our business can make the most significant positive impact. Over the years, we have also tracked evolving expectations and gathered input and guidance through external advisors as part of our NAB meetings to adjust our priorities based on our stakeholders' areas of interest within sustainability.

Our reporting herein and elsewhere is aligned with the SASB, TCFD and GRI frameworks, and we provide information to help stakeholders track year-over-year performance.

We believe that the steady, organic expansion of our sustainability commitment has become fundamental to how we operate and a core element of the distinct value that we offer our customers, trade partners and other stakeholders.

We have two primary sustainability priorities that continue to evolve in service of our goals. In addition to these two priorities, we place high importance on workforce health and safety, product quality and environmental protections at new-home development sites, among other items incorporated into our overall sustainability program:

| | |
|---|---|
| <p>1. Energy efficiency and greenhouse gas reduction</p> | <p>The energy consumed during the multidecade life cycle of a home comes from the day-to-day living in it. That's why, as discussed on page 22, we are focused on building highly energy-efficient homes that are expected to generate fewer GHG emissions in connection with their daily operations for decades to come. In this way, we may refer to homes, and our approach to designing and building our homes, as reducing GHG emissions, although our homes do not in and of themselves reduce carbon or GHGs from the atmosphere, or lower or otherwise affect GHG emissions from our operations. This approach also has the benefit of integrating our product sustainability strategy with our customers' needs by lowering the total cost of homeownership through lower utility bills, while also contributing housing stock in the markets in which we build that can provide social and community benefits. Our highly energy-efficient ENERGY STAR certified homes utilize, on average, half of the energy of a home of the same size built just a decade ago, making a meaningful contribution to reducing the GHG emissions produced over the long term. We are also steadily increasing the number of homes that we build with renewable energy capability through solar photovoltaic power systems.</p> |
| <p>2. Water conservation</p> | <p>As a builder operating in some of the most water-challenged regions of the U.S., we prioritize water conservation. Water availability is an important consideration for local governments in approving new-home developments. We provide water-saving features in our homes that reduce our customers' water bills and may help to mitigate strain on local communities, including WaterSense labeled fixtures, and build WaterSense labeled homes in areas of high water stress. Prioritizing water conservation enables us to effectively address water-related concerns and help preserve this critical resource as well as reduce the energy it takes others to pump and treat water (reducing energy usage overall).</p> |

Housing is a public policy issue, and we believe it is important to participate in the conversation

We believe that actively participating in the public policymaking process is an important aspect of being a responsible member of the communities in which we build and necessary in the pursuit of our business goals.

Our public policy participation includes:

- Engaging with public officials and other policymakers at all levels of government in discussions about issues that affect homeownership
- Making contributions to candidates for public office, irrespective of political party affiliation, and to certain ballot initiatives
- Supporting candidates who understand the homebuilding process and champion the broadening of homeownership opportunities
- Supporting ballot initiatives that enhance community development and services, primarily bond measures for schools, parks, transportation, water and environmental protection
- Committing to compliance with all laws applicable to the making and public reporting of political campaign contributions (contributions to federal campaigns are made only by the KB Home American Dream Political Action Committee)
- Contributing to state and local campaigns as permitted by applicable law
- Putting in place an internal management approval process for political campaign contributions and a reporting process to our Board of Directors' Nominating and Corporate Governance Committee

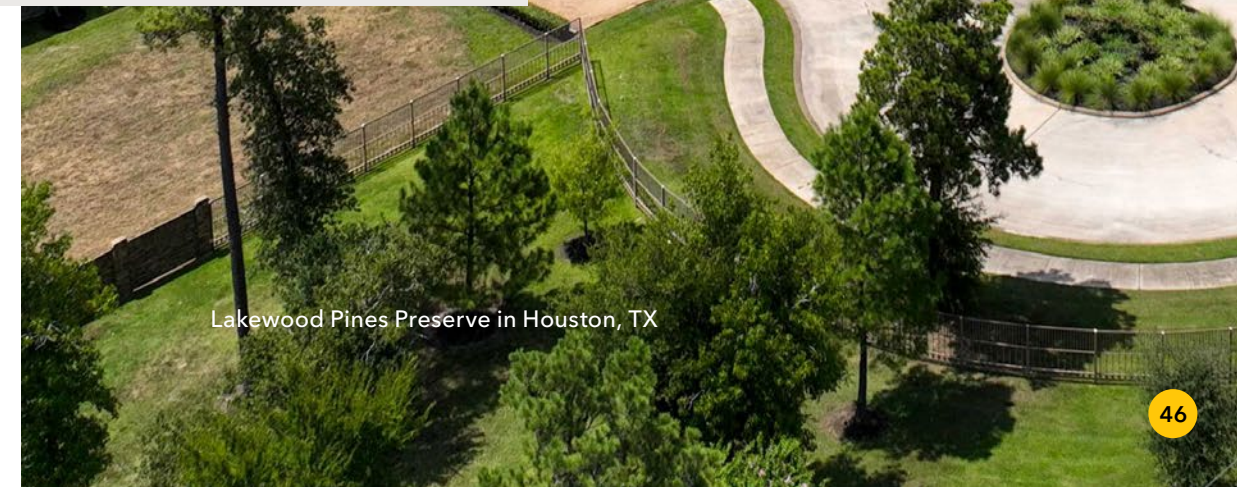
Our 2024 campaign contributions include:

In 2024, we contributed \$442,280 to campaigns for state and local offices in California and Nevada, and to California campaign committees. The California contributions can be found on the California Secretary of State's website at <https://www.sos.ca.gov/>. The Nevada contributions can be found on the Nevada Secretary of State's website at <https://www.nvsos.gov/sos>.



BICEP

We are a longtime member of the Ceres Business for Innovative Climate and Energy Policy (BICEP) Network, a group of leading consumer brands and Fortune 500 companies. Members support three principles: increased adoption of renewable energy and energy efficiency; increased investment in a clean energy economy; and increased support for climate change resilience.



Lakewood Pines Preserve in Houston, TX

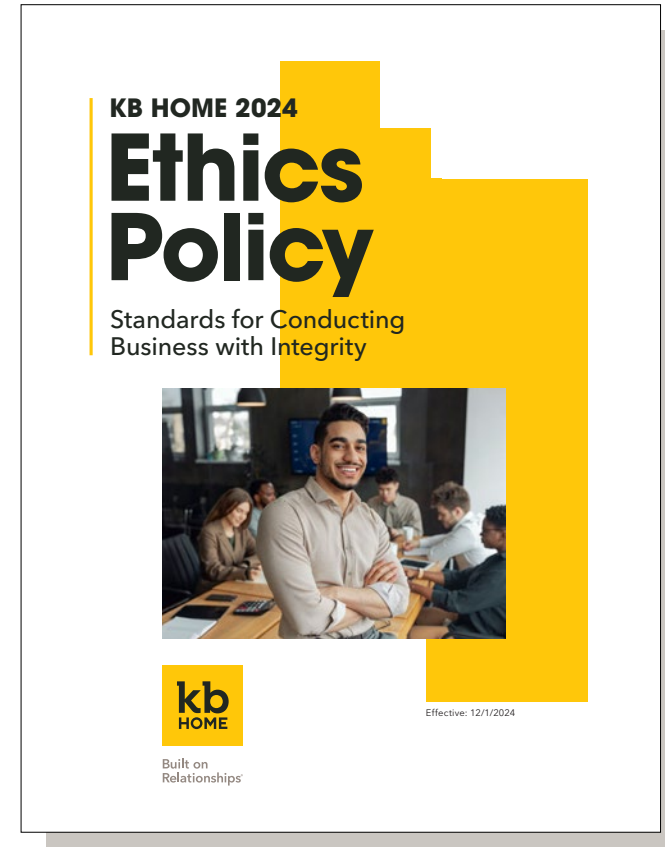
Clear standards and policies reinforce social, environmental and economic sustainability

We publish standards and policies across our business that guide our operations, leadership, employee conduct and supplier relationships, and continue to expand on them.

Ethical standards

KB Home is committed to achieving its business goals by acting with integrity, high ethical standards and in compliance with the law. This is essential to building lasting relationships with our customers, business partners and investors that are based on trust. Our KB Home Ethics Policy is a guide for all KB Home employees to follow when facing questions of business ethics. Every year, all KB Home employees must certify that they have read and understood the policy.

We have established an Ethics Reporting Process, which allows for reporting concerns either using an anonymous telephone hotline (800-304-0657) or an anonymous reporting website (kbhome.ethicspoint.com) administered by an independent third party to ensure maximum possible confidentiality and neutrality. Our Ethics Reporting Process is intended to be used as a communication channel for reporting compliance concerns, violations of policies and procedures as well as fraud, illegal or unethical conduct or suspected criminal activity, but is not intended for submitting general customer service issues.



Print copies of our Corporate Governance Principles and Ethics Policy are available free of charge by written request to our Corporate Secretary as well as on our website: kbhome.com/ethics.

Supplier code of conduct

We recognize that our procurement decisions can have important economic, environmental and social impact in the communities that we serve and beyond. We have developed a Supplier Code of Conduct (kbhome.com/supplierconduct) to establish principles, guidelines and standards with respect to the supply of the products and materials that we use in our business. One hundred percent (100%) of our new national supplier agreements entered into after April 2021 reference our Supplier Code of Conduct.

These principles, guidelines and standards build on those contained within our Ethics Policy and are standards for conducting business with integrity intended to help us address certain supply chain risks. We expect our covered suppliers and service providers to respect the principles, guidelines and standards in this code as well as in our Ethics Policy. One hundred percent (100%) of our national supplier agreements include an obligation to acknowledge our Ethics Policy. We also expect our covered suppliers and service providers to follow best industry practices.

Responsible marketing policy

As a company built on relationships, we are committed to using responsible sales and marketing practices (kbhome.com/marketingpolicy) to communicate the value of our products and services to consumers in accordance with applicable law. In conducting our sales and marketing activities, we strive to be clear, consistent, accurate, honest, customer driven, trustworthy, attentive and fair.

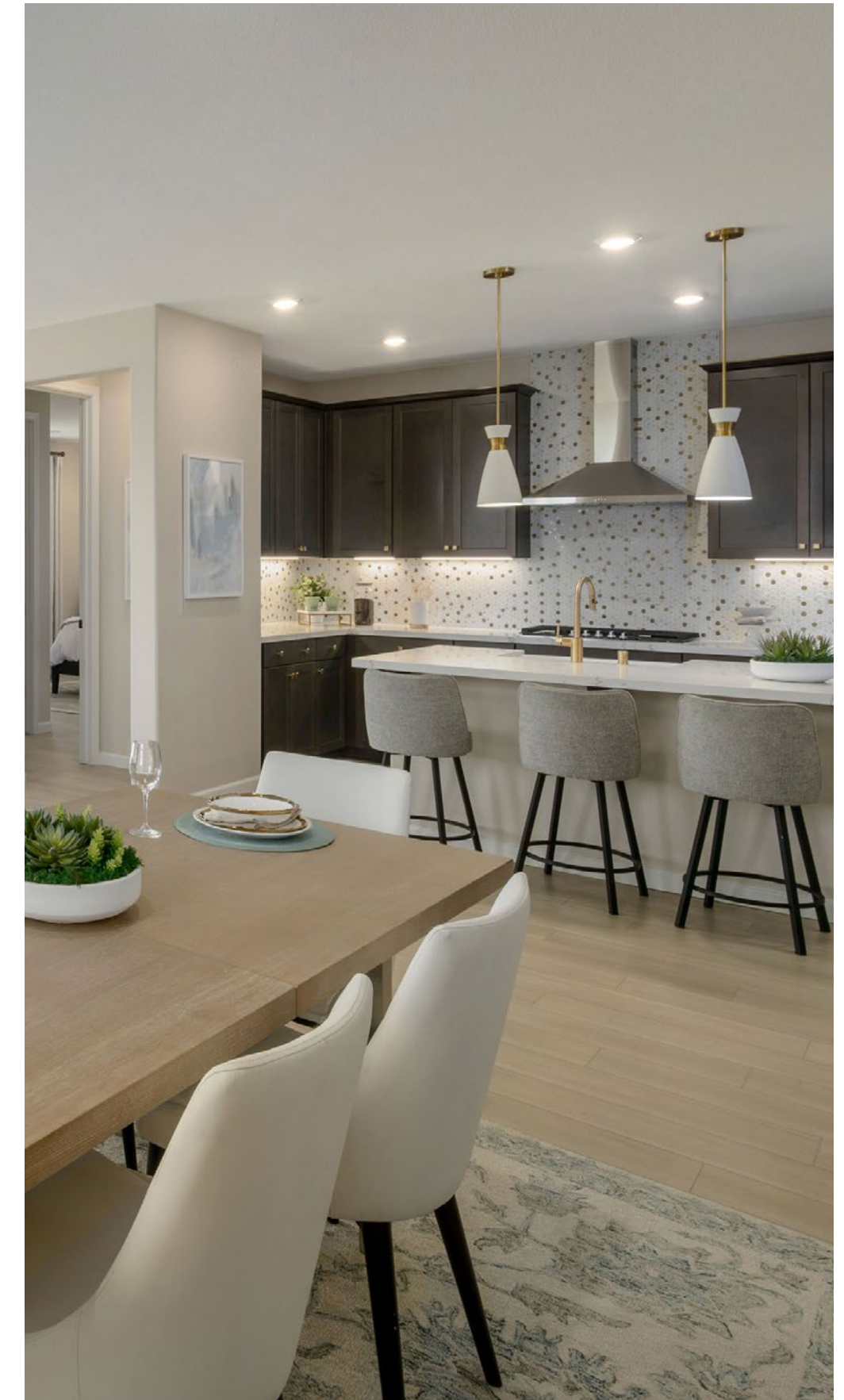
Human rights standards

We recognize the importance of respecting and promoting human rights, and have adopted principles, guidelines and standards within our Ethics Policy that operationalize them (kbhome.com/humanrights). These principles, guidelines and standards are grounded in fundamental human rights that have been advanced under international conventions, such as the United Nations' Universal Declaration of Human Rights, and apply to all of our employees, whether full- or part-time, and directors and to our relationships with our service providers, customers and business partners across our operational footprint within the U.S. All our employees are required to complete an annual training on our Ethics Policy, which incorporates human rights standards.

Cybersecurity and data privacy

We take data privacy and security seriously. We maintain policies and procedures designed to comply with applicable state and federal rules as well as employ the following measures:

| | |
|---|--|
| <p>Information security</p> | <p>We have policies and procedures for identifying, assessing and managing material risks associated with cybersecurity threats. To help protect our IT resources, we have instituted administrative, physical and technical controls and processes and commissioned third-party assessments. The technical defense measures we have implemented are designed to address vulnerabilities that may arise, including from a security control failure. These measures currently involve a combination of artificial intelligence; machine learning computer network monitoring; malware and antivirus resources; firewall systems; endpoint detection and response; cloud service defenses; Internet address and content filtering monitoring software intended to secure against known malicious websites and potential data exfiltration; and a variety of cyber intelligence and threat monitoring sources, which provide ongoing updates, all provided by third parties that we believe are capable of performing the service for which they have been engaged or governmental agencies. When engaging a third party for these types of services and resources, we typically conduct a security review involving, as relevant to the service or resource, discussions with the firm’s security personnel, evaluation of auditor reports, and other requested information and documentation.</p> |
| <p>Employee education and awareness activities</p> | <p>To support the ongoing identification and management of cybersecurity issues, all employees are required to complete cybersecurity awareness training, including social engineering, password best practices, data classification and phishing awareness, with additional training for handling of customer personal information. We also publish a monthly security awareness newsletter along with performing ongoing internal phishing assessments.</p> |
| <p>Customer privacy</p> | <p>We do not sell our mailing or contact lists to unaffiliated third parties. KB Home may share customer email addresses and contact information with our selected service providers for home-related offers and other information that we believe may be of interest to our customers; however, customers are able to indicate on the guest information, registration card or other materials that they do not wish to be contacted.</p> |
| <p>Leadership oversight</p> | <p>Our Board of Directors, through its Audit and Compliance Committee, monitors cybersecurity risks and our evolving physical, electronic and other protection strategies and initiatives. Our management executives periodically review our cybersecurity practices and risks with the committee, most recently in January 2025.</p> |





Pollution prevention practices and policies

Maximizing the efficient use of materials and reducing waste lessen our impact on the environment and our cost to build, which helps us keep homeownership more affordable.

Both in building our neighborhoods and operating our offices, we strive to implement practices that enhance our pollution prevention and waste reduction impact. We are committed to significantly reducing or eliminating our landfill waste over time.

> Jobsite waste reduction and recycling

For KB Home, implementing jobsite waste prevention practices is not only environmentally responsible but also economically advantageous. Beginning with the design of our homes, we carefully select measurements and materials to optimize use of resources, limit over-ordering and reduce construction waste. Additionally, recycling initiatives are a key part of our waste diversion strategy, with 69% of KB communities incorporating recycling into jobsite practices. By implementing these practices, KB Home can minimize our impact on the environment while also streamlining our operational and cost efficiency.

> Storm water pollution prevention practices

Each community site has a specific SWPPP. These mitigation efforts include dedicated concrete washouts, paint washouts, silt fencing and inlet drain protection to prevent runoff into nearby waterways, which also keep debris out of the streets and neighboring properties. SWPPPs include inspection protocols to help ensure that our controls are in place and working, and that we can proceed in a way that protects the communities' clean water and surrounding environment. In 2024, over 33,000 documented inspections were performed at KB sites nationwide.

> Diverting plastic waste from landfills and oceans

With only approximately 9% of the overall 35.7 million tons of U.S. plastic waste recycled in a year (based on EPA data for 2018), we have sought ways to incorporate building materials and products that contain recycled plastics diverted from landfills and oceans into our homes. KB homes built in 2024 continued to use Moen®'s mixing valves, which contain recycled ocean plastics. Moen estimates that we used approximately 2,349 pounds of recycled plastic in 2024.

> e-Waste diversion practices

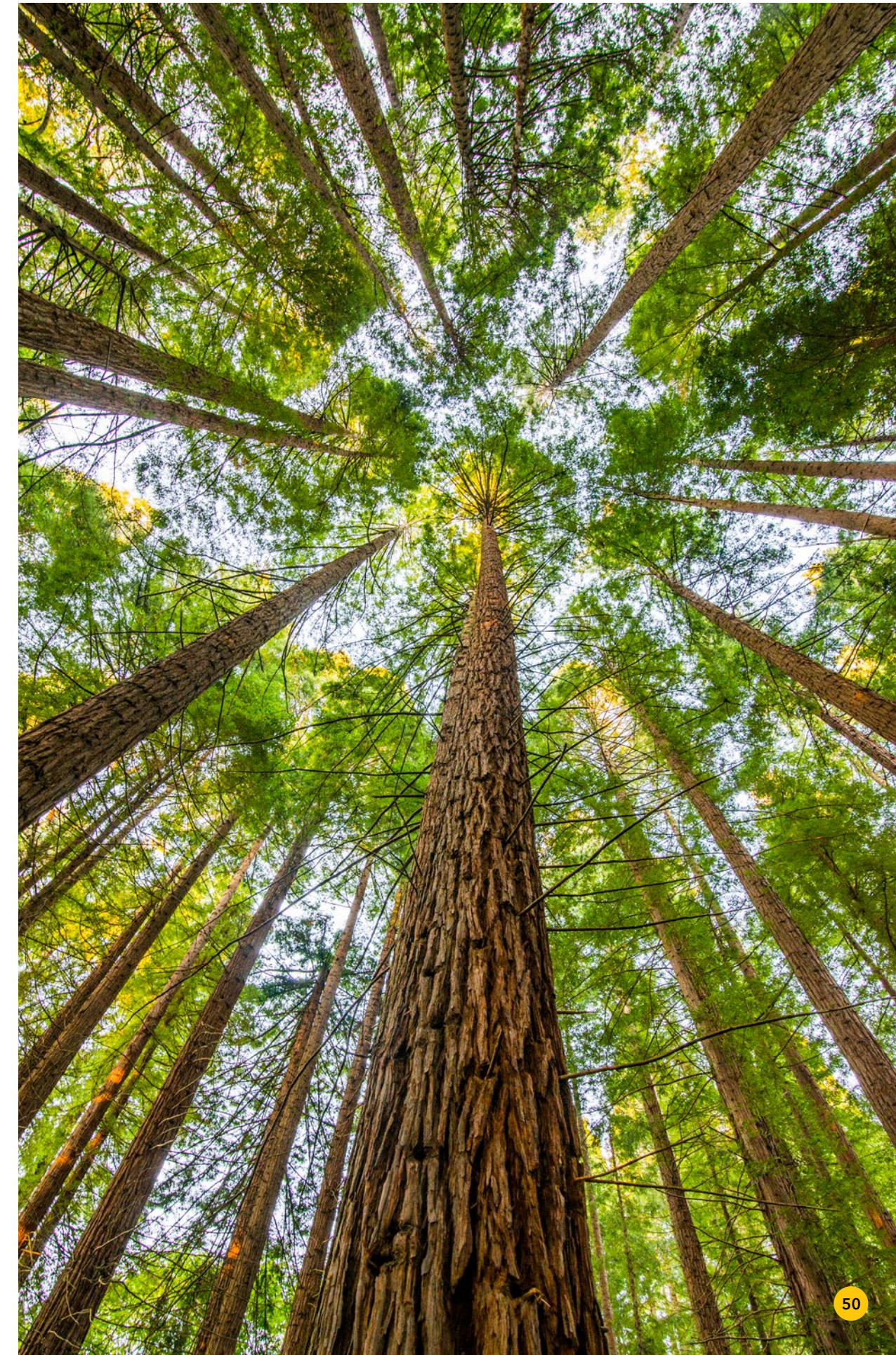
We also aim to responsibly divert our electronic waste from landfills. Our information technology team maintains a robust inventory of all electronics issued to employees to help track these items and ensure that they are timely retired. Under our policy, all KB Home electronics are retired through direct donation to nonprofit organizations, refurbishment through secondary sellers or recycling through certified e-waste centers. In 2024, KB Home donated 70 computers and recycled approximately 1,650 pounds of e-waste.

Responsible lumber practices

As wood products are a primary component in the homes that we build, we recognize the importance of sourcing lumber responsibly.

Highlights of our lumber sourcing standards include:

| | |
|--|--|
| <p>Protecting endangered forests</p> | <p>Our lumber suppliers are required to certify that wood will not be directly or indirectly sourced from endangered forests. This includes places such as tropical rainforests; habitats that contain rare or endangered species, trees or other plants; or sites that exhibit rare ecological or evolutionary phenomena.</p> |
| <p>Engineered wood products</p> | <p>We continue to explore the expansion of our use of engineered wood products and other sustainable alternatives while balancing the costs for our customers. For example, floor systems for two-story homes are primarily constructed of manufactured "I" joists rather than nominal lumber. In addition, most structural beams are either engineered products or laminated from smaller members. Engineered wood products are made from recycled lumber, and are often stronger than products made from virgin trees and minimize the cutting of new trees.</p> |
| <p>Value engineering and panelization</p> | <p>Many of our home designs are built around a central module engineered to provide construction efficiency so fewer raw materials are used. By optimizing our home design to use more manufactured framing components, we can reduce the amount of lumber used, thereby decreasing the number of trees needed to build a KB home. According to our supplier partner, our use of precut framing packages, prefabricated wall panels, and other manufactured components including floor and roof trusses has resulted in an estimated 39,673 trees saved in 2024 compared to traditional stick-framed homes. Additionally, this approach reduces waste compared to on-site construction, allows work to progress regardless of weather conditions and minimizes the transportation of materials to construction sites. It also helps us build more airtight homes, which contributes to better energy efficiency and lower utility bills.</p> |
| <p>Third-party certification</p> | <p>Our suppliers offer certified products through sustainable forestry management programs or organizations like the Sustainable Forestry Initiative® (SFI) or Forest Stewardship Council® (FSC).</p> |
| <p>Legal compliance</p> | <p>All KB Home wood suppliers commit to compliance with all local, national and international laws applicable to wood or wood merchandise.</p> |



Data & Disclosures

Data transparency has been a core element of our sustainability strategy since our first report in 2008. We believe that it is important to share where we are, not just where we plan to be, and to be clear when we have not yet lived up to our goals. We also provide nearly two decades of historical data in order to allow ourselves as well as our stakeholders to evaluate our progress.

Here, we share our GHG emissions and carbon footprint estimates, our TCFD and SASB disclosures and a GRI index of content. This approach demonstrates our belief that robust environmental, social and governance practices are essential for a business that does well by doing good.



Sustainability data sharing

Index of Sustainability Topics

To make it easier for our stakeholders to locate key sustainability topics and data in this report, we have created an index pointing to important topics for our business and our industry within this report. Additional sustainability information and data can be found on our sustainability reporting website (www.kbhome.com/sustainability_reporting).

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Since 2008, we have provided comprehensive data tables of our key sustainability metrics for both the most recent fiscal year and historical comparisons (subject to available data). We report such information in this chapter and provide relevant subsets in other reports and on our website in alignment with the SASB, TCFD and GRI frameworks. We intend to continue this reporting in the normal course of our business.

We also describe these topics in our periodic reports to the Securities and Exchange Commission (SEC), including in our 2024 Annual Report on Form 10-K.

GHG emissions and carbon reduction

This section contains information on the carbon footprint of our business, which encompasses Scope 1, 2 and 3 emissions. We use the data that we report year over year in assessing our organization’s carbon footprint, especially with respect to the homes that we build. Since a sizable portion of our carbon footprint comes from residents’ post-purchase day-to-day living in the homes we build, we have focused for the past 18 years on constructing highly energy-efficient homes that are designed to generate fewer GHG emissions in their daily operation over an expected multidecade lifecycle. Our energy-efficiency benchmark – the HERS Index – also serves as the basis for estimating our average home’s GHG emissions and setting related targets, as discussed on page 22. We have set three prior HERS Index national average score targets since 2014 and have met each past target. Our current target of 45 by 2025 was established in 2020, when our national average HERS Index score was 50. We achieved this target in 2024. To date, we believe our efforts to reduce the carbon footprint associated with KB homes has led to an estimated 8.0 billion pounds (3.6 million metric tons) of avoided GHG emissions. As described on page 22, we will sometimes refer in this report (and in other statements, releases or disclosures) to avoided GHG emissions, or that fewer GHGs are produced, with or from our homes’ daily use as reducing GHG emissions, although our homes do not in themselves reduce carbon or GHGs from the atmosphere, or lower or otherwise affect GHG emissions from our operations.

In our 2023 report, we indicated that we plan to pilot RESNET’s new HERS Carbon Index®, which produces a home-specific indexed score and operational GHG emission estimate. Results show that we may have been overestimating the operational GHG emission of our homes (Scope 3, Category 11 “Use of sold products”). We plan to continue incorporating new tools, like the Carbon Index, to better understand our carbon footprint. We are aware that it is not feasible for organizations to calculate Scope 3 emissions precisely or completely and are using what we consider to be the best estimation tools available to us. We expect over time to refine estimation techniques and intend to describe the evolution in our Scope 3 calculation methodology and present our GHG emissions-related data across all Scopes in our sustainability reports, including this one.

To improve our assessment of our embodied carbon footprint (Scope 3, Category 1 “Purchased goods and services”), we continue our work with our supplier partners and industry experts to study the embodied carbon emissions associated with the homes that we build in order to expand future Scope 3 reporting. For an example of avoided embodied carbon emissions that we have taken in partnership with our supplier, please see our 2023 Sustainability Report, page 57.

Energy consumption

As part of our ongoing efforts to enhance our reporting, and with energy efficiency being a cornerstone of our sustainability commitment, we have added energy consumption and intensity disclosures. Our estimated energy consumption is based on utility invoices for the fiscal year 2024. Estimated energy usage per production homes, model homes and offices are calculated by sampling 10-15 monthly invoices for each building type and fuel type to determine average consumption per dollar spent each month. Estimated energy consumption is then calculated using this average multiplied by the corresponding utility spend for that building type and fuel type. This calculation is done for each division to account for regional variations in energy consumption. Not currently reflected in these calculations is the solar energy used to power portions of our operations. Most of our model homes and sales offices in California were powered by solar energy which reduces the amount of electricity that we buy from local utility companies.

Greenhouse gas emissions summary

| GHG Metrics | Units | 2022 | 2023 | 2024 |
|--|--|-----------|-----------|-----------|
| Scope 1 emissions - Combustion of fuel | CO ₂ e in metric tons | 1,761 | 2,089 | 2,163 |
| Scope 2 emissions - Location based | CO ₂ e in metric tons | 9,221 | 12,088 | 10,295 |
| Total Scope 1 & 2 | CO ₂ e in metric tons | 10,982 | 14,177 | 12,458 |
| Estimated GHG emission financial intensity | CO ₂ e in metric tons/ \$ total revenue | 0.0000016 | 0.0000022 | 0.0000018 |
| Estimated GHG emission activity-related intensity | CO ₂ e in metric tons per delivered home | 0.80 | 1.1 | 0.9 |
| Scope 3 emissions - Category 11, Use of sold products* | CO ₂ e in metric tons | 3,984,020 | 3,706,080 | 2,198,900 |
| Estimated energy consumption within organization | | | | |
| Total natural gas consumption | Therm | 270,768 | 337,919 | 309,832 |
| Total electricity consumption | MWh | 26,203 | 34,012 | 30,740 |
| Total energy consumption within the organization | MMBtu | 116,504 | 149,486 | 135,872 |

*These calculations assume a 50-year building life, in alignment with homebuilding industry practice. This period is not indicative of any KB home’s actual useful life nor used for any other purpose in our business. These estimates assume that GHG emissions from electric utility energy sources will remain constant throughout the multidecade building life. However, if utilities shift to less polluting energy sources and reduce GHG emissions per kWh over time, our estimated Scope 3 carbon footprint could be lower. In addition, as calculation methodologies and assumptions potentially evolve, our future calculations of this metric may not be comparable to any prior period(s). For the 2024 estimate, we utilized operational emissions data from RENSET’s Carbon Index.

Task Force for Climate-Related Financial Disclosures (TCFD)

Governance

We have a number of governance structures with a certain degree of oversight of our climate strategies and actions. For more details regarding our corporate governance, please reference page 40 and our 2024 Annual Report on Form 10-K.

- Our Board of Directors oversees KB Home's sustainability efforts as part of our overall business strategy. In addition, its Audit and Compliance Committee has oversight responsibilities for environmental sustainability matters, and its Management Development and Compensation Committee has oversight responsibilities for matters related to human capital management and employee health and safety.
- Two directors, Arthur R. Collins and Dorene C. Dominguez, are the Board's liaisons to management on sustainability-related matters.
- For over a decade, our National Advisory Board, a panel of external advisors, has helped shape our sustainability priorities and reporting as well as our stakeholder engagement approach.
- Internally, our sustainability initiatives are directed primarily through our Sustainability Leadership Team, headed by our President and Chief Operating Officer, and our Sustainability Steering Committee, which also directs our external stakeholder interactions and is led by our Senior Vice President for Investor Relations and Vice President of Sustainability.
- We also have an EMS, as defined by the EPA, through which we focus on continually reducing the GHG associated with our homes' potential decades of use. This system, described on page 44, provides a framework for planning, implementing, measuring, evaluating and refining these efforts over time.

Strategy

In our business, we acquire land, develop communities on that land and sell homes in those communities. We contract with independent construction service providers to perform all land development and home construction work. As part of our project kickoff meetings, we coordinate with trade partners to establish a team approach for achieving environmental targets. We do not operate manufacturing facilities or a vehicle fleet, or package our products. Various local utilities and their particular power sources supply the energy used in community development. Once a community is sold out, significant development work ceases, and residents use their homes, which can remain occupied for decades. Our climate strategy as outlined here reflects our approach to mitigating impacts and leveraging opportunities.

> Home energy efficiency

As most of a home's energy consumption occurs after it is delivered to a customer, we have prioritized maximizing our homes' energy efficiency to the extent possible using advanced, cost-effective products and technology. We believe that this is the best way that we can help reduce the GHG emissions associated with our homes' daily use and minimize their climate impact. It also aligns with our core first-time homebuyers' long-term affordability needs through potentially lower utility bills.

> Water conservation

To advance this priority, as of July 2022, homes built in our new communities in Arizona, California and Nevada are RESNET HERS H₂O rated to ensure that they meet the EPA's WaterSense labeled home requirements and to help homeowners use less water and lower their utility bills in these drought-affected areas.

> Operational context

A discussion of how we integrate environmental considerations into our site selection, site design, and site development and construction processes can be found on page 60. Additionally, we have established an EMS focused on reducing the GHG emissions associated with the use of the homes that we build over their multidecade life cycle. This EMS is assessed annually to identify opportunities to implement efficiency enhancements. More details about our EMS can be found on page 44.

> Industry engagement

We believe that actively participating in the public policymaking process is an important aspect of being a responsible member of the communities in which we build and necessary to pursue our business goals. Our industry leadership in sustainable construction practices and building performance has allowed us to participate in national and regional building initiatives with both governmental and nongovernmental organizations.

TCFD: Risk Topics & Opportunities

To determine the focus of our climate-related risk areas and opportunities as described below, we assessed – to the extent feasible given practically available technology, information and internal resources – the potential impacts to our ability to conduct our business and solicited input from select stakeholders to determine what mattered most to them. We expect the risk areas, including their severity, scope and urgency, and opportunities will evolve over time as we are able to gather additional and higher quality data and further stakeholder interaction.

| Risk Topic | Impact | Opportunities | Our Approach |
|---|---|---|--|
| <p>Severe weather event or natural disaster</p> <ul style="list-style-type: none"> • Time range*: Medium - Long • Risk type: Acute & Chronic Physical • Opportunity type: Energy Source, Resilience | <p>Potential to disrupt our operations or those of our suppliers or independent contractors</p> <p>Potential to damage or destroy homes</p> | <p>Opportunity to introduce energy innovations and resiliency solutions for customers with the support of our trade partners</p> | <p>To address immediate operational impacts of this risk, KB works closely with trade partners to anticipate and prepare for weather events in order to limit disruptions, prevent potential damages and safely return to work. Following such weather events, we adjust construction activity accordingly and reallocate staff for public safety priorities as needed. Additionally, we have IT disaster recovery mitigation as well as customer service protocols in case either are impacted by significant weather events. See page 29 for more information on our occupational health and safety protocols.</p> <p>To address the impacts of our carbon footprint, our current and future decarbonization initiatives depend on available energy-efficiency technology at a cost-effective scale as well as renewable solar and energy storage systems and low-embodied carbon materials and products. We are incorporating more renewable and resilient building strategies in our homes and evaluate new innovations on an ongoing basis. See page 30 for more information.</p> |
| <p>Drought and water scarcity</p> <ul style="list-style-type: none"> • Time range: Short - Long • Risk type: Chronic Physical • Opportunity type: Resource Efficiency, Products & Services | <p>Potential to reduce water availability in communities and increase fire risk</p> <p>Potential for municipality actions to restrict or prevent new development to preserve an area’s water supplies</p> | <p>Opportunity to integrate water-saving features for customers and regulatory compliance</p> | <p>As part of our water conservation efforts, we have had a 100% WaterSense labeled fixture commitment since 2009. Additionally, every home built in our new communities in Arizona, California and Nevada since July 2022 has been WaterSense labeled, EPA’s highest standard for water efficiency and performance. See page 26 for more information.</p> |
| <p>Increased regulations and building codes</p> <ul style="list-style-type: none"> • Time range: Short - Long • Risk type: Policy & Legal Transition • Opportunity type: Products & Services, Markets | <p>Potential to increase our costs, or delay or complicate home construction</p> | <p>Opportunity to better/more quickly satisfy higher standards through the performance of a new ENERGY STAR home compared to a typical new home</p> | <p>We engage with public officials and other policymakers at all levels of government in discussions about issues that affect homeownership and support candidates who understand the homebuilding process and champion the broadening of homeownership opportunities. We also monitor legislative and regulatory proposals and rulemaking to anticipate and/or move as quickly as possible to comply with new requirements. See page 46 for more information.</p> |
| <p>Shifts in consumer preferences</p> <ul style="list-style-type: none"> • Time range: Short - Long • Risk type: Reputation Transition • Opportunity type: Products & Services, Markets | <p>Potential to negatively affect organizational reputation if customer expectations are not met</p> | <p>Opportunity to satisfy demand from increasingly environmentally conscious customers</p> | <p>We have a long history of meeting market demands and evolving our product to address customer expectations. We regularly conduct market research to evaluate consumer preferences in terms of locations and home features. In addition, our Built to Order process gives us the flexibility to offer robust, energy-efficient and environmentally friendly options to homebuyers. This, along with our long-standing commitment to ENERGY STAR certification, enables us to positively differentiate our homes and integrate sustainability into our marketing strategy. See pages 12-15 for more information.</p> |

*Time ranges are defined as follows: Short: 0-2 years; Medium: 3-10 years; Long: 10+ years

TCFD: Metrics & Targets

| Metrics | Our Progress | References |
|-----------------------------|--|-------------|
| ENERGY STAR certified homes | As of 2024, KB Home is proud to have built over 200,000 EPA ENERGY STAR certified homes since 2000, more than any other homebuilder. These homes result in approximately 8.0 billion cumulative pounds of avoided CO ₂ emissions according to the EPA. | Pages 20-21 |
| WaterSense labeled homes | We have also built more than 26,000 EPA WaterSense labeled and Water Smart homes since 2005, more than any other homebuilder. Additionally, we have achieved an estimated 2.1 billion gallons of water saved each year from our homes and fixtures compared to typical homes without these features. | Page 26 |

| Targets | Our Progress | References |
|---|--|------------|
| HERS of 45 by 2025 | In 2024, we reached an average HERS Index score of 45, among the lowest (and therefore most efficient) publicly reported scores among large production homebuilders (the average is 55 for all rated homes in 2024). With this, we have reached our 2025 goal, declared in 2020, a year ahead of schedule. | Page 22 |
| 8% reduction in associated annual GHG emissions from the use of our average 2025 KB home compared to a 2020 KB home | With our 2024 national average HERS Index score of 45, we have achieved an estimated 0.5 metric tons of reduction in associated GHG emissions from the use of the average KB home built in 2024 compared a 2020 average KB home that had an estimated 6.0 metric tons/year operational GHG emissions. This helped us reach our 2025 goal a year ahead of schedule. Our reported GHG Scope 1, 2 and 3 emissions details are listed on page 53. | Page 22 |

Climate change is an intrinsically complex global phenomenon with inherent residual risks across its physical, regulatory and adaptation/transition dimensions that cannot be mitigated given their wide-ranging, (sometimes unexpectedly) interdependent and largely unpredictable potential scope, nature, timing or duration. Therefore, though we believe that the initiatives we have undertaken, as described in this sustainability report or elsewhere, are appropriate, and those we may undertake in the future may be appropriate, to help us to mitigate climate change-related risks and take advantage of identified opportunities, we cannot provide any assurance that we have prepared or can successfully prepare for, or are or will be able to reduce or manage, any of those risks to the extent that they may arise. For instance, we may experience substantial negative impacts to our business if an unexpectedly severe weather event or natural disaster damages our operations or those of our suppliers or independent contractors in our primary markets, such as in California, Florida, Nevada and Texas, or from the unintended consequences of regulatory changes that directly or indirectly impose substantial restrictions on our activities or adaptation requirements.



Freeman Farms in Youngsville, NC

Nature-Related Impacts Disclosure

We recognize that our business and homes inherently use natural resources and impact the environment. KB Home builds across the country in geographically diverse areas, and we want to continue building in an environmentally sensitive manner wherever we build. As such, we take extensive measures as we recognize that we are not just building a home; we are building a community. With the recent release of the Taskforce on Nature-related Financial Disclosures (TNFD) in September 2023, we are evaluating KB Home’s opportunities for alignment within the TNFD Framework recommendations.

Governance

As discussed in the SASB table on page 60, as part of the decision-making process for approving a land purchase we review extensive information about a proposed project, including the presence of environmentally sensitive areas, areas that may be suitable for parks, trails and open space preservation areas, and any work needed to comply with storm water regulations. We also engage experts to conduct pre-acquisition site field studies to investigate potential environmental risks and integrate ecological considerations into our site design and development activities. For more information on how environmental considerations are integrated into our processes, please reference page 44.

Strategy & Risk Topics

Our nature-related efforts as outlined on page 35 are how we seek to mitigate nature-related impacts. These include deforestation, water overuse, water pollution and waste generation. We intend to continue studying our environmental footprint to gather more insight on associated areas of risk and impact.

Metrics & Targets

As we evaluate alignment with the TNFD framework, we are still in the development phase of data collection for some metrics related to our identified nature-related risks and impacts. While we continue to formalize our nature-related metrics and targets, we have organized the table below by topic areas related to how KB Home is managing these dependencies and referenced associated available metrics.

| Topics | Our Progress | References |
|--|---|------------------|
| Habitat preservation & restoration | <p>As part of our efforts to protect biodiversity in and around KB communities, we require environmental assessment for all KB developments. In 2024, KB Home began efforts that will result in over 596 acres of habitat preservation and restoration.</p> <p>In 2024, we continued our partnership established in 2023 with the National Forest Foundation (NFF) to replenish and preserve national forests by replanting thousands of acres of habitat nationwide and protect the future of national forests.</p> | Pages 33, 35, 37 |
| Water conservation & pollution prevention | <p>KB Home has had a commitment to 100% WaterSense labeled fixtures for over a decade as part of our water conservation efforts. In 2022, we expanded our water conservation efforts by announcing that every home built in new communities in Arizona, California and Nevada will be WaterSense labeled, EPA’s highest standards for water efficiency and performance.</p> <p>In 2024, we built 4,775 WaterSense labeled homes, helping to save at least 30% less water than a typical home.</p> <p>In order to protect our communities’ water and surrounding environment, each KB community site has a specific Storm Water Pollution Prevention Plan (SWPPP). In 2024, over 33,000 documented inspections were performed on KB Home sites nationwide.</p> | Pages 26, 49 |
| Jobsite recycling | <p>We recognize construction operations can generate significant waste that can accumulate in our landfills. In 2023, we launched an updated internal jobsite waste tracking site to gain better visibility into our waste data. With our new processes, we were able to better estimate the percentage of communities incorporating jobsite waste recycling at 69% for 2024.</p> | Page 49 |

Sustainability Accounting Standards Board (SASB) disclosure topics and accounting metrics

As the first U.S. high production homebuilder to provide an annual sustainability report beginning 18 years ago, we have embraced transparency as a core component of our sustainability efforts. For interested stakeholders, we are providing disclosures against activity metrics in line with the SASB Home Builders Industry Standard, Version 2023-06. All disclosures are for or as of the fiscal year ending November 30, 2024, unless otherwise noted.

| SASB Accounting Metrics | KB Home 2024 disclosure |
|--|--------------------------------|
| IF-HB-000.A Number of controlled lots | 76,703 |
| IF-HB-000.B Number of homes delivered | 14,169 |
| IF-HB-000.C Number of active selling communities | 258 as of November 30, 2024 |

| SASB Accounting Metrics | KB Home 2024 disclosure | | | | | | |
|--|---|----------------------------------|------------------------------------|----------------------------|---------------------------|----------------------------|-----------------------------|
| Land Use & Ecological Impacts | <p>IF-HB-160a.1 Number of (1) lots and (2) homes delivered on redevelopment sites</p> <p>Some of our communities are built on previously developed sites. This varies widely by market and reflects both availability and our focus on affordability for our core first-time and first move-up homebuyers. In 2024, we delivered 299 homes at redevelopment communities, which we define as sites that were previously developed, including the replacement, remodeling or reuse of existing structures to accommodate new development. For more information, please review page 34.</p> | | | | | | |
| | <p>IF-HB-160a.2 Number of (1) lots and (2) homes delivered in regions with High or Extremely High Baseline Water Stress</p> <p>8,668 homes delivered in regions with High or Extremely High Baseline Water Stress, as delineated by the World Resources Institute’s (WRI) Water Risk Atlas (Aqueduct) tool. As every KB home is built using WaterSense labeled products and landscaped according to water conservation principles, our homes delivered in water-stressed areas have less relative impact than homes delivered in those locations without similar water-efficient features. Further, as of July 2022, homes built in our new communities in Arizona, California and Nevada are designed to meet the EPA’s WaterSense labeled home requirements, helping homeowners use less water and lower their utility bills in these severely drought-affected areas. For more information, please review page 60.</p> | | | | | | |
| | <p>IF-HB-160a.3 Total amount of monetary losses as a result of legal proceedings associated with environmental regulations</p> <p>\$0 (zero)</p> | | | | | | |
| | <p>IF-HB-160a.4 Discussion of process to integrate environmental considerations into site selection, site design, and site development and construction</p> <p>Developable land for the production of our homes is a core resource for our business. We carefully seek out what we believe are the best places for our new-home communities based on a variety of factors. Several of our communities are transit friendly, offering certain environmental benefits and helping to foster social connections among residents. Our land acquisition, design and development processes incorporate environmental considerations relating to site selection, layout, amenities, conservation features and construction, among other elements. Please see Note 1 on page 60 for more details.</p> | | | | | | |
| Workforce Health & Safety | <p>IF-HB-320a.1 (1) Total recordable incident rate (TRIR) and (2) fatality rate for (a) direct employees and (b) contract employees</p> <table border="0"> <tr> <td>(1) TRIR for calendar year 2024:</td> <td>(2) Work-related injury fatalities</td> </tr> <tr> <td>(a) direct employees: 1.3*</td> <td>(a) direct employees: 0.0</td> </tr> <tr> <td>(b) contract employees : 0</td> <td>(b) contract employees: 0.0</td> </tr> </table> <p>*The hours worked, which is part of the SASB-defined TRIR calculation, are calculated using a combination of actual and averages.</p> | (1) TRIR for calendar year 2024: | (2) Work-related injury fatalities | (a) direct employees: 1.3* | (a) direct employees: 0.0 | (b) contract employees : 0 | (b) contract employees: 0.0 |
| (1) TRIR for calendar year 2024: | (2) Work-related injury fatalities | | | | | | |
| (a) direct employees: 1.3* | (a) direct employees: 0.0 | | | | | | |
| (b) contract employees : 0 | (b) contract employees: 0.0 | | | | | | |

Sustainability Accounting Standards Board disclosure topics and accounting metrics (continued)

| | SASB Accounting Metrics | KB Home 2024 disclosure |
|--|--|--|
| Design for Resource Efficiency | IF-HB-410a.1 (1) Number of homes that obtained a certified residential energy-efficiency rating and (2) average score | (1) 100% of homes (14,169 homes) were rated and obtained a RESNET HERS Index Score or equivalent. (The State of California uses a different but equivalent rating system called Energy Design Rating.) (2) National Average HERS Index Score was 45 by the end of 2024. For more information, please review page 22. |
| | IF-HB-410a.2 Percentage of installed water fixtures certified to a water-efficiency standard | One hundred percent (100%) of indoor water fixtures installed in 2024 are within eligible WaterSense labeled product categories. We installed over 1,200,000 such fixtures to date. Approximately 75% of irrigation controllers installed in 2024 are WaterSense labeled. For more information, please review page 26. |
| | IF-HB-410a.3 Number of homes delivered certified to a third-party multi-attribute green building standard | 14,160 homes achieved U.S. EPA ENERGY STAR certification and utilized WaterSense labeled fixtures. We also build a limited number of WaterSense labeled new homes and participate in EPA's Indoor airPLUS program, which we consider to be applicable third-party multi-attribute green building standards. For more information, please review page 20. |
| | IF-HB-410a.4 Description of risks and opportunities related to incorporating resource efficiency into home design, and how benefits are communicated to customers | See Note 2 on page 60. |
| Community Impacts of New Developments | IF-HB-410b.1 Description of how proximity and access to infrastructure, services and economic centers affect site selection and development decisions | Proximity and access to infrastructure, services and economic centers are among the considerations when we evaluate potential land purchases for new communities. For examples, please review page 34. |
| | IF-HB-410b.2 Number of (1) lots and (2) homes delivered on infill sites | In 2024, we delivered 1,010 homes at infill communities. |
| | IF-HB-410b.3 (1) Number of homes delivered in compact developments and (2) average density | We strive to make more efficient use of limited land resources by designing compact communities where zoning permits. Although we did not deliver any homes in compact developments as SASB defines that term, in 2024 we delivered over 1,281 homes in higher density communities. The relevant communities had densities of greater than 8 and up to 30 dwelling units per acre. For examples, please review page 34. |
| Climate Change Adaptation | IF-HB-420a.1 Number of lots located in 100-year flood zones | None of our buildable lots are in 100-year flood zones. From time to time, we purchase land that may include areas designated by the U.S. Federal Emergency Management Agency (FEMA) as special flood hazard areas (SFHA). Typically, we work with FEMA to prepare studies, grade the land and install necessary drainage facilities to obtain a letter of map revision (LOMR) and an update to the flood insurance rate map (FIRM) to remove the property from a flood plain before we move on to the next phase of community development. |
| | IF-HB-420a.2 Description of climate change risk exposure analysis, degree of systematic portfolio exposure and strategies for mitigating risks | In alignment with the Task Force for Climate-related Financial Disclosures (TCFD), we have dedicated a section of this report to discussing potential climate risk exposure, opportunities and mitigation strategies. Please review pages 54-56 for information. |

Sustainability Accounting Standards Board disclosure topics and accounting metrics (continued)

Note 1

We continuously evaluate land acquisition opportunities against our investment return standards, while balancing competing needs for financial strength, liquidity and land inventory for future growth. When we acquire land, we generally focus on parcels with lots that are entitled for residential construction and are either physically developed to start home construction (referred to as “finished lots”) or partially finished.

However, depending on market conditions and available opportunities, we may acquire undeveloped and/or unentitled land. We may also invest in land that requires us to repurpose and re-entitle the property for residential use, such as urban in-fill developments. We expect that the overall balance of undeveloped, unentitled, entitled, partially finished and finished lots in our inventory will vary over time, and in implementing our strategic growth initiatives, we may acquire a greater proportion of undeveloped or unentitled land in the future if and as the availability of reasonably priced land with finished or partially finished lots diminishes.

As part of the decision-making process for approving a land purchase, we review extensive information about a proposed project, including past use; assessment of environmentally sensitive areas and areas that may be suitable for parks, trails, and open space preservation; assessment of site development required, including any work needed to comply with storm water regulations; proximity to major employment and retail centers; and site design and product (home designs and specifications) plans that are, among other things, consistent with our focus on building highly energy- and water-efficient homes.

As part of our due diligence process for land acquisitions, we often use third-party environmental consultants to investigate potential environmental risks, and we require disclosures, representations and warranties from land sellers regarding environmental risks. We also take steps prior to our acquisition of the land to gain reasonable assurance as to the precise scope of any remediation work required and the costs associated with removal, site restoration and/or monitoring. To the extent contamination or other environmental issues have occurred in the past, we will attempt to recover restoration costs from third parties, such as the generators of hazardous waste, land sellers or others in the prior chain of title and/or their insurers.

However, despite these efforts, there can be no assurance that we will avoid material liabilities relating to the existence or removal of toxic wastes, site restoration, monitoring or other environmental matters affecting properties currently or previously owned or controlled by us, and no estimate of any potential liabilities can be made.

For more information, please review pages 34-35.

Note 2

The major risk with incorporating greater resource efficiency into our home designs, whether to comply with upgraded building codes or recommended practices given a region’s particular exposure to climate conditions, or undertaken to satisfy demand from increasingly environmentally conscious customers or to meet our own sustainability goals, often raises our costs to construct homes. In evaluating whether to implement voluntary improvements, we also consider that choosing not to enhance our homes’ resource efficiency can make them less attractive to municipalities, and increase the vulnerability of residents in our communities to rising energy and water expenses and use restrictions.

As one of the earliest adopters of sustainable homebuilding, we see opportunities related to resource efficiency as part of our business strategy for long-term value creation, as discussed in this Sustainability Report.

Our leadership in sustainability is a differentiator for KB Home in the homebuilding industry. Leveraging our experience and economies of scale, we have identified opportunities to streamline sustainable homebuilding to help make it attainable and developed a number of consumer materials to communicate the benefits of resource efficiency and other sustainable features we have incorporated into our homes to our prospective buyers, including online advertising, consumer website materials and email campaigns and social media. Most notably, our Energy Savings Comparison (ESC) estimates the specific energy performance and potential utility cost savings of every KB home design, and which is prominently displayed for use as a consumer education tool in every model home and as part of our home design selection process as well as on our consumer website. This allows prospective homebuyers to understand how choosing an energy-efficient new KB home can personally benefit them, with a current (2023-2024) estimated average annual savings of \$1,800 on energy utility bills. We also provide a personalized email to our new KB homeowners with the individual as-built HERS score for their unique home wherever the HERS system is used. We are currently working to identify a similar process for California, which does not currently use the HERS system.

We have also found our emphasis on both resource conservation and waste reduction to be important for local government planning boards and other local officials and can make the difference in receiving approval for a proposed new-home community.

We have long advocated for the protection of old-growth national forests and have been recognized for our efforts by the Natural Resources Defense Council (NRDC). In 2023, we also established a partnership with The National Forest Foundation to replenish and preserve national forests by replanting thousands of acres of habitat nationwide and protect the future of National Forests. As part of our Responsible Lumber Practices Policy, KB Home requires our lumber suppliers to provide us with wood that is not sourced from endangered forests or is certified by recognized sustainable forestry management programs like the Sustainable Forestry Initiative (SFI) program. Additionally, we continue to explore use of engineered wood products and panelization to reduce use of natural resources while still maintaining performance and quality.

For more information, please review pages 20-24, 37, 49.

Global Reporting Initiative Index of Indicators

From our inaugural 2007 Annual Sustainability Report, we have referenced certain Global Reporting Initiative (GRI) guidelines and standards and published an annual index of where information relevant to these GRI standards can be found within our report. We did not pursue external assurance for this report; however, the only restatements to information presented in this or previous reports are two corrections in this year’s report reflecting updates to previously misreported customer satisfaction statistics due to data entry error.

| GRI 2: General disclosures | | |
|----------------------------|---|--------------------|
| 2-1 | Organizational details | Pages 4, 10-K |
| 2-2 | Entities included in the organization's sustainability reporting | 10-K |
| 2-3 | Reporting period, frequency, and contact point | Back cover |
| 2-6 | Activities, value chain, and other business relationships | Pages 4, 10-K |
| 2-7 | Employees | Pages 16, 10-K |
| 2-9 | Governance structure and composition | Pages 40-42, Proxy |
| 2-10 | Nomination and selection of the highest governance body | Proxy |
| 2-11 | Chair of the highest governance body | Proxy |
| 2-12 | Role of the highest governance body in overseeing the management of impacts | Pages 40-41, Proxy |
| 2-13 | Delegation of the responsibility for managing impacts | Proxy |
| 2-14 | Role of the highest governance body in sustainability reporting | Pages 40-41, Proxy |
| 2-17 | Collective knowledge of the highest governance body | Proxy |
| 2-18 | Evaluation of the performance of the highest governance body | Proxy |
| 2-19 | Remuneration policies | Proxy |
| 2-20 | Process to determine remuneration | Proxy |
| 2-21 | Annual total compensation ratio | Proxy |
| 2-22 | Statement on sustainable development strategy | Page 1, Proxy |
| 2-23 | Policy commitments | Pages 45-47 |
| 2-26 | Mechanisms for seeking advice and raising concerns | Page 47 |
| 2-28 | Membership associations | Page 64 |
| 2-29 | Approach to stakeholder engagement | Page 11, Proxy |
| 2-30 | Collective bargaining agreements | Page 64 |
| GRI 3: Material topics | | |
| 3-1 | Process to determine material topics | Pages 40, 43, 45 |
| 3-2 | List of material topics | Pages 6, 45, 10-K |
| 3-3 | Management of material topics | Pages 54-56, 10-K |

| GRI 201: Economic performance | | |
|------------------------------------|--|---------------------|
| 201-1 | Direct economic value generated and distributed | Pages 4, 10-K |
| 201-2 | Financial implications and other risks and opportunities due to climate change | Pages 54-56, 10-K |
| GRI 203: Indirect economic impacts | | |
| 203-1 | Infrastructure investments and services supported | Pages 33-34 |
| 203-2 | Significant indirect economic impacts | Pages 17, 33-34, 36 |
| GRI 205: Anti-corruption | | |
| 205-2 | Communication and training about anti-corruption policies and procedures | Page 64 |
| GRI 301: Material | | |
| 301-2 | Recycled input materials used | Page 49 |
| GRI 302: Energy | | |
| 302-1 | Energy consumption within the organization | Page 53 |
| 302-3 | Energy intensity | Page 22 |
| GRI 303: Water and effluents | | |
| 303-1 | Interactions with water as a shared resource | Pages 25-26, 54-56 |
| 303-2 | Management of water discharge-related impacts | Page 49 |
| 303-5 | Water consumption | Page 63 |
| GRI 304: Biodiversity | | |
| 304-2 | Significant impacts of activities, products and services on biodiversity | Pages 35, 57 |
| 304-3 | Habitats protected or restored | Pages 33, 57 |
| GRI 305: Emissions | | |
| 305-1 | Direct (Scope 1) GHG emissions | Page 53 |
| 305-2 | Energy indirect (Scope 2) GHG emissions | Page 53 |
| 305-3 | Other indirect (Scope 3) GHG emissions | Page 53 |
| 305-4 | GHG emissions intensity | Page 53 |
| 305-5 | Reduction of GHG emissions | Page 22 |

| GRI 306: Waste | | |
|---|---|---------------|
| 306-2 | Management of significant waste-related impacts | Page 49 |
| 306-4 | Waste diverted from disposal | Pages 49, 63 |
| GRI 308: Supplier environmental assessments | | |
| 308-1 | New suppliers that were screened using environmental criteria | Page 47 |
| 308-2 | Negative environmental impacts in the supply chain and actions taken | Pages 35, 50 |
| GRI 401: Employment | | |
| 401-1 | New employees hires and employee turnover | 10-K |
| GRI 403: Occupational healthy & safety | | |
| 403-1 | Occupational health & safety management system | Page 29 |
| 403-3 | Occupational health services | Page 29 |
| 403-5 | Worker training on occupational health & safety | Pages 29, 64 |
| 403-6 | Promotion of worker health | 10-K |
| 403-7 | Prevention and mitigation of occupational health & safety impacts directly linked by business relationships | Page 29 |
| 403-8 | Workers covered by occupational health & safety management system | Page 29 |
| 403-9 | Work-related injuries | Page 58 |
| GRI 404: Training and education | | |
| 404-1 | Average hours of training per year per employee | Page 64 |
| 404-2 | Programs for upgrading employee skills and transition assistance programs | Page 17, 10-K |
| GRI 405: Diversity and equal opportunity | | |
| 405-1 | Diversity of governance bodies and employees | Pages 42, 64 |
| GRI 414: Supplier social assessment | | |
| 414-1 | New suppliers that were screened using social criteria | Page 47 |
| GRI 415: Public Policy | | |
| 415-1 | Political contributions | Page 46 |
| GRI 417: Marketing & labeling | | |
| 417-1 | Requirements for product and service information and labeling | Page 47 |

Environmental performance overview

| | Performance indicator | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | |
|----------------------------------|---|--------------|--------|--------|--------|--------|--------|--------|--------|------------|------------|------------|-------------|--------|
| | Total # of homes delivered | 7,145 | 7,215 | 8,196 | 9,829 | 10,909 | 11,317 | 11,871 | 10,672 | 13,472 | 13,738 | 13,236 | 14,169 | |
| Energy efficiency | Number of ENERGY STAR certified homes delivered ¹ | 7,078 | 7,168 | 8,099 | 9,768 | 10,736 | 11,176 | 11,797 | 10,668 | 13,404 | 13,549 | 13,161 | 14,160 | |
| | % of total homes delivered that were ENERGY STAR certified | 99% | 99% | 99% | 99% | 98% | 99% | 99% | 99% | 99% | 99% | 99% | 99% | |
| | % of KB Home divisions building at least some homes to ENERGY STAR specifications | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | |
| | Number of ENERGY STAR certified appliances installed ² | 9,695 | 9,789 | 11,181 | 13,261 | 15,276 | 15,960 | 17,083 | 13,507 | 15,315 | 18,297 | 17,352 | 17,756 | |
| | Homeowner satisfaction ratings on the energy efficiency of their KB home ³ | 92.80% | 91.50% | 91% | 91% | 89% | 91%* | 93% | 93% | 93% | 92% | 90% | 93% | |
| | | | | | | | | | | | | | | |
| Water conservation | Number of KB homes built to EPA's WaterSense labeled specifications ⁴ | 61 | 96 | 233 | 265 | 170 | 134 | 147 | 270 | 1,284 | 1,760 | 2,806 | 4,775 | |
| | Number of Water Smart homes built ⁵ | 503 | 400 | 589 | 807 | 854 | 1,132 | 950 | 449 | 0 | 0 | 0 | 0 | |
| | Estimated operational water consumption (in gallons) | | | | | | | | | 70,000,000 | 80,000,000 | 84,000,000 | 100,000,000 | |
| | Number of EPA WaterSense labeled fixtures installed in KB homes⁶ | | | | | | | | | | | | | |
| | | Bath faucets | 23,500 | 23,800 | 28,700 | 34,400 | 40,000 | 42,000 | 44,000 | 39,500 | 49,846 | 50,831 | 42,355 | 36,840 |
| | | Toilets | 20,000 | 20,200 | 23,000 | 27,600 | 33,800 | 35,000 | 36,800 | 33,100 | 40,416 | 42,588 | 35,737 | 42,507 |
| | | Shower heads | 15,000 | 15,150 | 16,400 | 19,700 | 23,400 | 24,300 | 25,600 | 22,950 | 28,965 | 32,971 | 27,796 | 29,755 |
| Sustainable products and options | Total number of sustainable products and options installed ⁷ | 33,582 | 35,373 | 46,717 | 52,094 | 59,454 | 61,585 | 64,697 | 64,032 | 72,449 | 78,307 | 56,915 | 58,093 | |

1 Project site conditions and development requirements as well as factors outside of our control can restrict our ability to build ENERGY STAR certified homes in certain communities.
 2 Began tracking in 2008.
 3 Began tracking in 2010, from a 12-month post-closing survey on a scale of 0-100% satisfaction.
 4 Construction commenced in late 2010.
 5 The Southern Nevada Water Authority sunsetted the Water Smart program in mid 2020. The EPA WaterSense program has replaced it.
 6 Figures are estimated based on average number of fixtures per home.
 7 Began tracking in 2009. Optional upgrades include appliances, HVAC equipment, WaterSense labeled fixtures, ENERGY STAR certified doors and low-E windows. Figures are estimated.

* Corrected from 89% incorrectly reported in our published 2018-2023 Sustainability Reports.

Environmental performance overview (continued)

| | Performance indicator | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 |
|---------------------------------------|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Office sustainability practice | % of office supplies purchased that are earth conscious | 15% | 20% | 19% | 22% | 22% | 26% | 33% | 33% | 24% | 22% | 20% | 21% |
| | Sheets of paper saved through process improvement and reduction of paper in homebuying process, estimated ¹ | | | | | | | | 55,000,000 | 13,300,000 | 29,225,364 | 29,897,871 | 31,256,918 |
| | Recycled paper (office grade) processed through our national service provider, which recycles the paper after shredding (lbs.) ² | 123,637 | 66,114 | 203,341 | 165,606 | 335,526 | 181,981 | 329,900 | 92,620 | 31,420 | 362,020 | 0 | 697,680 |
| | Trees saved | 1,051 | 555 | 1,706 | 1,389 | 2,815 | 1,527 | 2,768 | 6,715 | 1,778 | 6,448 | 2,431 | 10,954 |
| Our carbon footprint | Scope 1 estimated GHG emissions | | | | | | | | | 1,844 | 1,761 | 2,089 | 2,163 |
| | Scope 2 estimated GHG emissions | | | | | | | | 19,744 | 13,662 | 9,221 | 12,088 | 10,295 |
| | Scope 1 & 2 estimated GHG emissions for KB Home operations (CO ₂ e in metric tons) | 14,092 | 16,078 | 19,186 | 22,961 | 25,062 | 24,992 | 24,025 | 19,744 | 15,506 | 10,982 | 14,177 | 12,458 |
| | Estimated GHG emissions financial intensity ³ | 0.0000068 (14,092 metric tons/ US \$2,084,978,000 total revenue) | 0.0000067 (16,078 metric tons/ US \$2,400,949,000 total revenue) | 0.0000063 (19,186 metric tons/ US \$3,032,030,000 total revenue) | 0.0000064 (22,961 metric tons/ US \$3,582,900,000 total revenue) | 0.0000057 (25,062 metric tons/ US \$4,368,529,000 total revenue) | 0.0000055 (24,992 metric tons/ US \$4,547,002,000 total revenue) | 0.0000053 (24,025 metric tons/ US \$4,552,747,000 total revenue) | 0.0000047 (19,744 metric tons/ US \$4,182,174,000 total revenue) | 0.0000027 (15,506 metric tons/ US \$5,724,930,000 total revenue) | 0.0000016 (10,982 metric tons/ US \$6,903,776,000 total revenue) | 0.0000022 (14,177 metric tons/ US \$6,381,106,000 total revenue) | 0.0000018 (12,458 metric tons/ US \$6,930,086,000 total revenue) |
| | Estimated GHG emissions activity-related intensity (CO ₂ e in metric tons per delivered home) | 2.0 (16,078 metric tons/ 7,145 homes) | 2.2 (16,078 metric tons/ 7,215 homes) | 2.3 (19,186 metric tons/ 8,196 homes) | 2.3 (22,961 metric tons/ 9,829 homes) | 2.3 (25,062 metric tons/ 10,909 homes) | 2.2 (24,992 metric tons/ 11,317 homes) | 2.0 (24,025 metric tons/ 11,871 homes) | 1.8 (19,744 metric tons/ 10,672 homes) | 1.2 (15,506 metric tons/ 13,472 homes) | 0.8 (10,982 metric tons/ 13,738 homes) | 1.1 (14,177 metric tons/ 13,236 homes) | 0.9 (12,458 metric tons/ 14,169 homes) |
| | Scope 3 estimated GHG emissions for customer occupancy of KB homes (CO ₂ e in metric tons) ⁴ | | | | | | | | | 3,974,240 | 3,984,020 | 3,706,080 | 2,198,900 |
| Waste reduction and recycling | % of KB homes built with preconstructed panels ⁵ (est.) | 85% | 85% | 85% | 85% | 85% | 85% | 85% | 90% | 90% | 90% | 86% | 73% |
| | Trees saved from panelization and manufactured components ⁶ | | | | | | | | | | 22,000 | 14,596 | 39,673 |
| | % of KB Home communities incorporating recycling into their standard jobsite processes (est.) | 70% | 80% | 85% | 85% | 85% | 85% | 85% | 85% | 85% | 85% | 79% | 69% |

¹ We began our digital transformation and documents simplification process improvement in 2019. New metric introduced in 2020 to track going forward. The reductions in years following 2020 will show a smaller amount of savings, as we are only counting the impact of digital transformation without accounting for the impact of the initial document simplification.

² This figure does not include the recycling programs that we have established in the majority of our local offices. Note, contract for recycled paper processing was delayed in 2023 but re-established in 2024.

³ Based on the methodology identified by the Carbon Disclosure Project (CDP).

⁴ These calculations assume a 50-year building life, in alignment with the homebuilding industry practice. For the 2024 estimate, we utilized operational emissions data from RENSET's Carbon Index.

⁵ Preconstructed panels help to minimize waste and increase durability and are constructed off site for greater precision. Using these panels results in a more airtight, better insulated building envelope and helps to reduce energy bills.

⁶ According to estimates provided by our supplier partner, Builders FirstSource.

Social performance overview

| Performance indicator | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 |
|---|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Total # of homes delivered | 7,145 | 7,215 | 8,196 | 9,829 | 10,909 | 11,317 | 11,871 | 10,672 | 13,472 | 13,738 | 13,236 | 14,169 |
| Infrastructure development – approximate school-related fees paid | \$26 million | \$25 million | \$28 million | \$34 million | \$40 million | \$44 million | \$49 million | \$42 million | \$67 million | \$82 million | \$71 million | \$85 million |
| Infrastructure development – approximate other fees paid | | | | | | | | | | \$39 million | \$54 million | \$77 million |
| Employees, training and labor practices | | | | | | | | | | | | |
| Number of full-time employees | 1,422 | 1,605 | 1,710 | 1,797 | 1,936 | 2,025 | 2,157 | 1,752 | 2,244 | 2,366 | 2,205 | 2,384 |
| Number of collective bargaining agreements with employees | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Average online training certifications per employee | 17 | 13 | 14 | 10 | 7 | 8 | 13 | 10 | 12 | 14 | 13 | 11 |
| Average online training hours per employee | 13 | 10 | 11 | 8 | 5 | 6 | 11 | 8 | 10 | 12 | 10 | 9 |
| Employee injuries by region: | | | | | | | | | | | | |
| West | 8 | 6 | 7 | 14 | 12 | 17 | 10 | 12 | 19 | 10 | 11 | 14 |
| Southwest | 1 | 7 | 6 | 8 | 16 | 9 | 7 | 3 | 4 | 3 | 5 | 3 |
| Central | 5 | 5 | 10 | 11 | 6 | 6 | 7 | 6 | 6 | 15 | 8 | 10 |
| Southeast | 6 | 5 | 6 | 8 | 3 | 4 | 8 | 0 | 9 | 7 | 8 | 4 |
| Annual core training certification rate | | | | | | | | | | | | |
| KBEdge Business Module ¹ | 83% | 87% | 83% | 66% | 70% | 80% | 92% | 96% | 96% | 85% | 95% | 98% |
| Ethics Policy | 99% | 98% | 96% | 97% | 100% | 98% | 98% | 99% | 100% | 100% | 99% | 99% |
| 100% complete/100% satisfied | 100% | 90% | 85% | 75% | 77% | 83% | 94% | 95% | 97% | 96% | 95% | 98% |
| Sustainability certification | 85% | 85% | 81% | 64% | 70% | 77% | 93% | 96% | 95% | 95% | 94% | 98% |
| Number of safety certifications ² | 894 | 1,045 | 901 | 861 | 199 | 315 | 1,408 | 2,447 | 2,210 | 637 | 322 | 710 |

¹ Previously reported as KBEdge white papers

² Decline is due to decrease in pandemic-related safety certification required for employees in 2022

| Performance indicator | 2024 | |
|-----------------------------------|------------------|--|
| Diversity of our workforce | Employees | Management |
| | Gender | 58% Male; 42% Female |
| | Race/Ethnicity | 62% White/Caucasian; 38% Racially/Ethnically Diverse |

| Performance indicator | 2024 |
|--|-------------------------|
| Stakeholder and community involvement | Membership associations |
| | Certification programs |

Leading Builders of America; RESNET

EPA ENERGY STAR, WaterSense, and Indoor airPLUS; Department of Energy (DOE) Zero Energy Ready Homes; California Energy-Smart Homes Program; California Electric Homes Program; Build San Antonio Green

Economic performance overview

Below are key financial and overall customer satisfaction performance indicators. Additional operational results for fiscal year 2024 and prior years as well as additional information about our financial performance and business operations, including discussion of the material risk factors, are available in the periodic and other reports we file with the SEC, which can be found on our website at <https://investor.kbhome.com/home/> or www.sec.gov.

| | Performance indicator | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 |
|------------------------------|---|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| | Total # of homes delivered | 7,145 | 7,215 | 8,196 | 9,829 | 10,909 | 11,317 | 11,871 | 10,672 | 13,472 | 13,738 | 13,236 | 14,169 |
| Financial performance | Financial total revenue (in thousands) | \$2,084,978 | \$2,400,949 | \$3,032,030 | \$3,594,646 | \$4,368,529 | \$4,547,002 | \$4,552,747 | \$4,183,174 | \$5,724,930 | \$6,903,776 | \$6,410,629 | \$6,930,086 |
| | Net income/loss (in thousands) | \$39,963 | \$918,349 | \$84,643 | \$105,615 | \$180,595 | \$170,365 | \$268,775 | \$296,243 | \$564,746 | \$816,666 | \$590,177 | \$655,018 |
| | Net orders | 7,125 | 7,567 | 9,253 | 10,283 | 10,900 | 11,014 | 12,841 | 13,404 | 16,206 | 10,856 | 11,084 | 13,093 |
| | Backlog units | 2,577 | 2,909 | 3,966 | 4,420 | 4,411 | 4,108 | 5,078 | 7,810 | 10,544 | 7,662 | 5,510 | 4,434 |
| | Backlog value (in thousands) | \$682,489 | \$914,025 | \$1,281,478 | \$1,519,089 | \$1,660,131 | \$1,434,368 | \$1,813,707 | \$2,962,403 | \$4,951,725 | \$3,691,559 | \$2,667,679 | \$2,242,907 |
| | Average selling price | \$291,700 | \$328,400 | \$354,800 | \$363,800 | \$397,400 | \$399,200 | \$380,000 | \$388,900 | \$422,700 | \$500,800 | \$481,300 | \$486,900 |
| | Housing gross profit margin | 16.70% | 18.10% | 16.30% | 16.20% | 16.30% | 17.50% | 18.30% | 18.90% | 21.6% | 24.3% | 21.2% | 21.0% |
| Customer satisfaction | Customer satisfaction rating ¹ | 9.2 | 9.1 | 9.1 | 9.2 | 9.2 | 9.4 | 9.5 | 9.5 | 9.4 | 9.1 | 9.4 | 9.6 |
| | Customer recommendation rating ² | 9.1 | 9 | 8.9 | 8.9 | 9 | 9.2 | 9.4 | 9.4 | 9.2 | 8.9 | 9.2* | 9.5 |

¹ From a 30-day post-closing survey on a scale of 1-10.

² From a 30-day post-closing survey on a scale of 1-10.

* Corrected from 8.4 incorrectly reported in our published 2023 Sustainability Report.

Eighteen years of KB Home sustainability

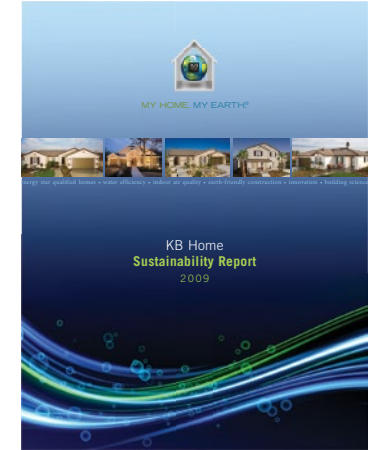
2007



2008



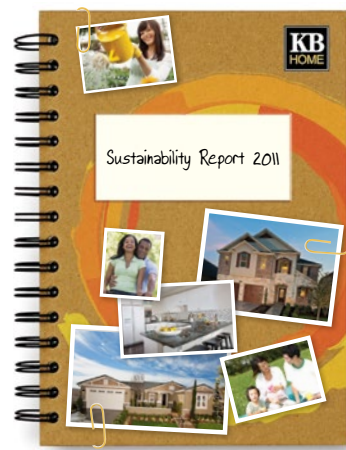
2009



2010



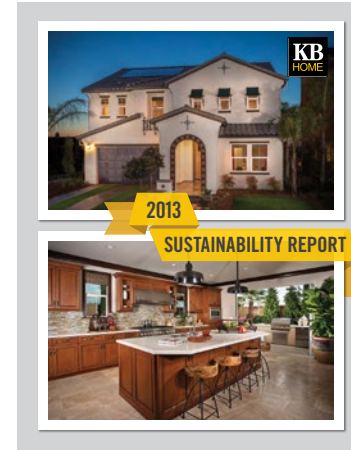
2011



2012



2013



2014



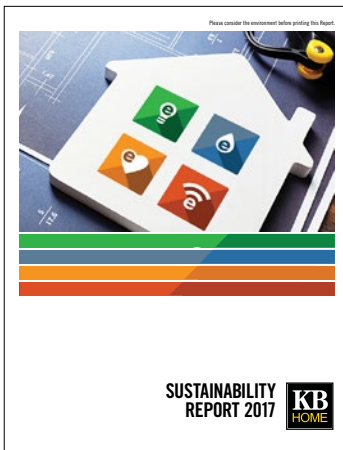
2015



2016



2017



2018



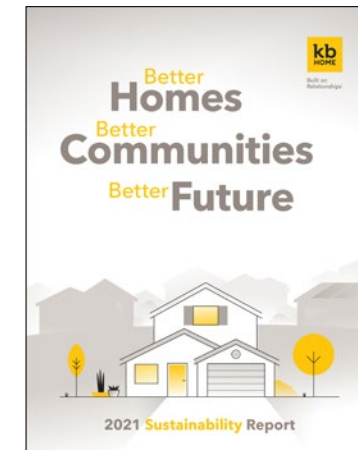
2019



2020



2021



2022



2023





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Report purpose and structure

This is our 18th Annual Sustainability Report, which follows our most recent report published in April 2024. In this report, we discuss our accomplishments in 2024 and our priorities moving forward. With this report and the accompanying Executive Summary, 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. The accompanying Executive Summary to this report is published on our website. All information provided in this report and the accompanying Executive Summary is for our fiscal year ended November 30, 2024, unless otherwise noted. Inquiries regarding our sustainability initiatives can be directed to sustainability@kbhome.com.

Reporting standards

We believe transparency and accountability are important elements of sustainability reporting. Our reporting herein, in the accompanying Executive Summary 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.

10990 Wilshire Blvd., 7th Fl.
Los Angeles, CA 90024
888-KB-HOMES | kbhome.com

For more information on our sustainability initiatives, visit: www.kbhome.com/sustainability

We welcome your feedback about this report and our sustainability initiatives at: sustainability@kbhome.com

Advisory Note

Certain matters discussed in this report, 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.