

2023

Sustainability Report



Built on
Relationships®



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Letter from Jeffrey Mezger

KB Home Chairman and Chief Executive Officer

For 17 years, we have been honored to publish our annual sustainability report, sharing our progress in advancing our key initiatives. This was another landmark year for KB Home, distinguished by significant strides in sustainability that raise the standard for our industry. Highlights include:

- **Energy-Efficiency Leadership:** We have built over 190,000 ENERGY STAR® certified homes, more than any other homebuilder in the nation. Our 2023 national average Home Energy Rating System® (HERS) Index score of 46 underscores our longstanding commitment to helping our homebuyers lower their utility bills and preserve natural resources.
- **Promoting Water Resiliency:** We constructed a record-high number of WaterSense® labeled homes in all our new communities across the southwestern U.S. to support the region's long-term resilience. This initiative is not just about reducing utility costs; it's about safeguarding our future.
- **Customer Satisfaction Excellence:** Our customer-centric approach and dedication to being the most customer-obsessed homebuilder in the world helped us improve our satisfaction rates by three points in a single year to an impressive 94%.
- **Empowering Communities:** We donated \$1.93 million and dedicated over 5,300 volunteer hours through our KB Cares philanthropic program, investing in and strengthening the places where we live, work and build, and demonstrating our employees' desire to make a meaningful difference in the wider communities we call home.

- **Recognized With Preeminent Honors:** In recognition for these and other achievements, we earned some of the premier sustainability awards, a distinction we carry with pride and that confirms we are on the right path.

Our philosophy of doing well by doing good has made us a stronger, nimbler company, and driven innovation across our industry. We seek out opportunities to leverage our scale in order to propel tested and viable emerging sustainability technologies forward, aiming to reduce costs and facilitate widespread adoption.

While there are clear business benefits, our focus on sustainability has always been fundamentally about our customers. We have demonstrated that a sustainable home can significantly reduce the total cost of homeownership while exceeding our customers' dreams. We estimate our impact over the last nearly two decades in the billions – both utility dollars saved for our customers and pounds of carbon emissions avoided for our planet.

We believe that a KB home is a better home, one that is more efficient and affordable to operate, and delivers on the enduring promise of the American Dream. In this report, we share with you the positive strides we have made in 2023 in building better homes and creating a sustainable business that serves the needs of its customers, employees and its other stakeholders. We know that the journey is never over, and we invite you to join us as we continue to move forward with purpose on our path.



“We believe that a KB home is a better home, one that is more efficient and affordable to operate, and delivers on the enduring promise of the American Dream.”

Our Company

At KB Home, we believe that sustainability is built on one essential idea: balance. We strive to ensure that today's buyers can achieve the dream of homeownership while balancing that objective with mindfulness about the sustainability needs of future generations and our environment. Sustaining the dream of homeownership both today and into the future is what we do every day.

KB Home has a proud history of being a leader in sustainability. For over two decades, we have been building energy- and water-efficient homes and advancing innovation, while also making a positive social impact by supporting the attainability and expansion of the American Dream. Together, we believe our approach creates a resilient business built to deliver 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 47 markets from coast to coast and building over 680,000 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 ratings and reviews in 2023. 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.

As the industry leader in sustainability, KB Home has achieved one of the highest residential energy-efficiency ratings and delivered more ENERGY STAR® certified homes than any other builder, helping to lower the total cost of homeownership.



Founded: 1957



Chairman and CEO

Jeffrey T. 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.



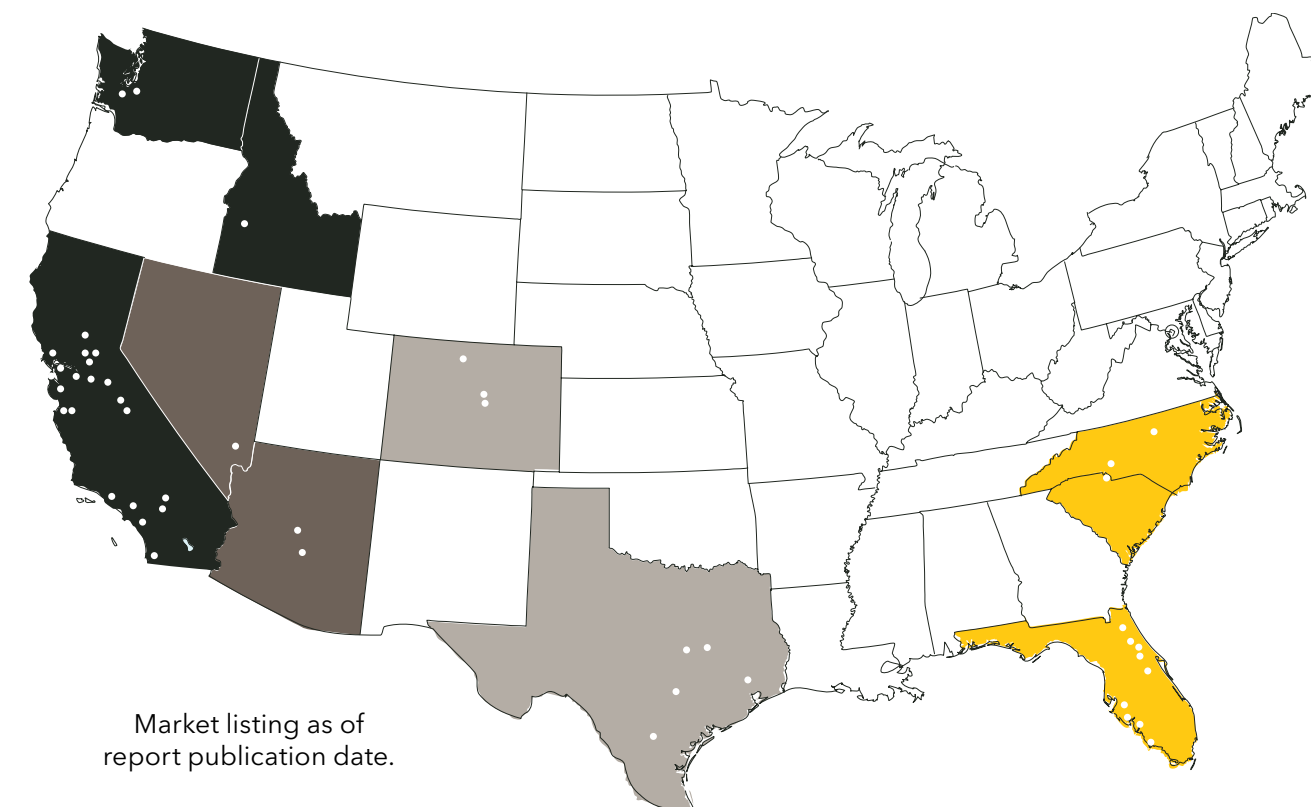
2023 Total Revenue

\$6.41 billion



Ticker Symbol: KBH (NYSE)

First homebuilder listed on NYSE



Market listing as of report publication date.

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

65+
680K+
13,236
55,976
242

years building new homes

total KB homes delivered since 1957

new KB homes delivered in 2023

total lots owned or under option or other similar contracts as of November 30, 2023

community count as of November 30, 2023

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.

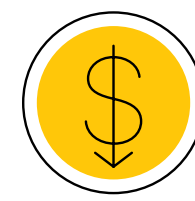
Sustainability is not just the right thing to do — it's also right for our business

We believe that prioritizing sustainability provides long-term benefits for our customers, our operations and the environment, while also providing us with a competitive advantage and making us a more resilient business.



Increasing new-home affordability

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



Lowering the total cost of homeownership

Energy- and water-efficient homes can be more affordable to operate than typical new or resale homes without the same features, making sustainability a compelling competitive advantage.



Elevating water conservation

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



Designing homes to be healthier for residents

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



Integrating sustainability technology for increased comfort

Many sustainability-related technologies that we use also offer greater comfort and personal efficiency, along with user-friendly smart home interfaces.



Preserving the environment and natural resources for long-term value

The positive environmental attributes of our homes support a business strategy for long-term value creation for our stakeholders as well as emit fewer greenhouse gases (GHGs).



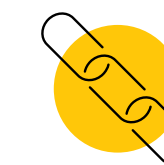
Containing the cost to build

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



Becoming the builder of choice for partners

We believe our legacy of vibrant, sustainable communities and industry leadership makes us a partner of choice for municipalities, land sellers, developers and other partners.



Improving strength of supply chain

We select our partners in part based on their sustainable business practices. We also require specific product-sourcing certifications in certain cases, waste-reduction practices as available and ethical conduct.

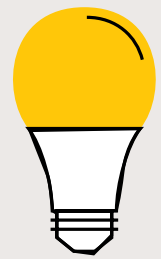


Becoming an employer of choice

We aim to attract top-tier talent by creating a culture of excellence and providing a safe work environment that supports inclusion, equity and meaningful work.

Sustainable action adds up

KB Home's nearly two decades of consistent commitment to sustainable homebuilding have created measurable results and a resilient business.



190,000+

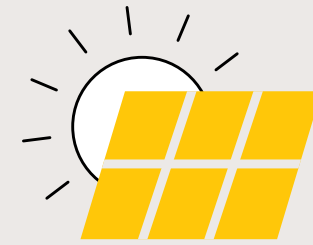
ENERGY STAR certified homes built since 2000

54%

Average increased energy efficiency of a 2023 KB home vs. a typical home built as recently as 2006

150+

Zero Energy Ready certified homes built since 2010



20,900+

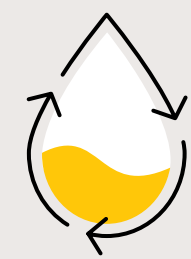
solar-powered new homes built since 2010

70

cumulative megawatts of solar power installed

131M

estimated kilowatt hours of renewable solar energy produced annually



21,800+

total WaterSense labeled and Water Smart homes built since 2005

30%-40%

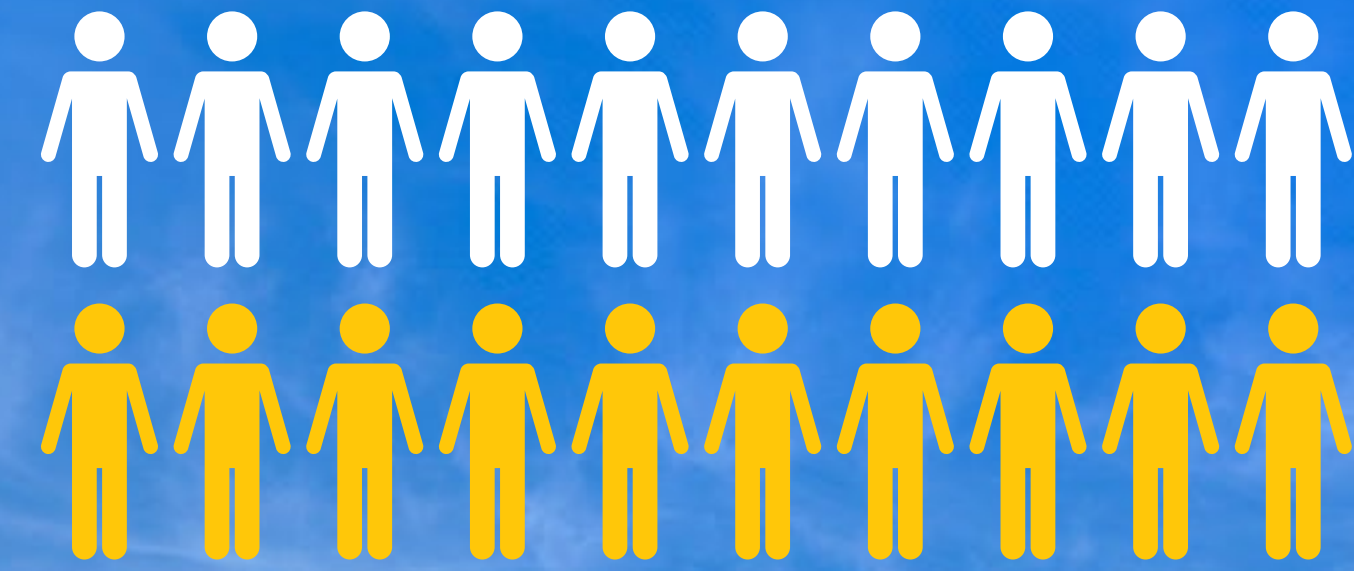
average water savings by these KB homes vs. a typical home

1.1M+

total WaterSense labeled fixtures installed

13,236

new KB homeowners in 2023



49%

are first-time homebuyers

7.4B

estimated cumulative avoided pounds of CO₂ emissions due to improved energy efficiency of KB homes

2.0B

estimated gallons of water saved annually due to improved water efficiency of KB homes

\$1.2B

estimated total utility bill reductions for our homeowners

17

years of publicly reporting our progress in annual sustainability reports

Sustainability now and for the future

Throughout KB Home's journey over the past two decades to become a recognized sustainability leader in the homebuilding industry, we have proactively focused on how the steps we take to effectively help lower our customers' long-term homeownership costs can also enable us to minimize our homes' environmental impact over the years to come.

We have developed, implemented and maintained initiatives, systems and practices that address our environmental impact, as described in this and our past sustainability reports, as well as our core environmental policy framework. We seek to make our products, including the home designs and options we offer our customers as well as our community development and house construction processes as efficient and sustainable as possible, while balancing that objective with our homebuyers' affordability priorities and our business performance and growth goals. For our complete Task Force on Climate-Related Financial Disclosures (TCFD) reporting, please see the Data & Disclosures chapter of this report.

Based on the above foundations, our climate-related priorities include the following:

Energy efficiency

We build to ENERGY STAR certified home standards to deliver on energy efficiency with each of our homes. We believe that this is the best way that we can help reduce the production of greenhouse gas emissions associated with their daily use and minimize their climate impact. [Learn more.](#)

Water conservation

We build to WaterSense labeled home standards in the most drought-impacted regions we serve and install WaterSense labeled fixtures in all our homes to help homeowners use less water and address growing concerns around water scarcity. [Learn more.](#)

Resiliency

Where regionally appropriate, we have begun taking proactive measures to build resource-efficient homes that are also climate resilient. Our approach to climate resiliency includes features designed to maintain occupant safety, prevent property damage and also minimize disruption to daily living from severe weather events. [Learn more.](#)

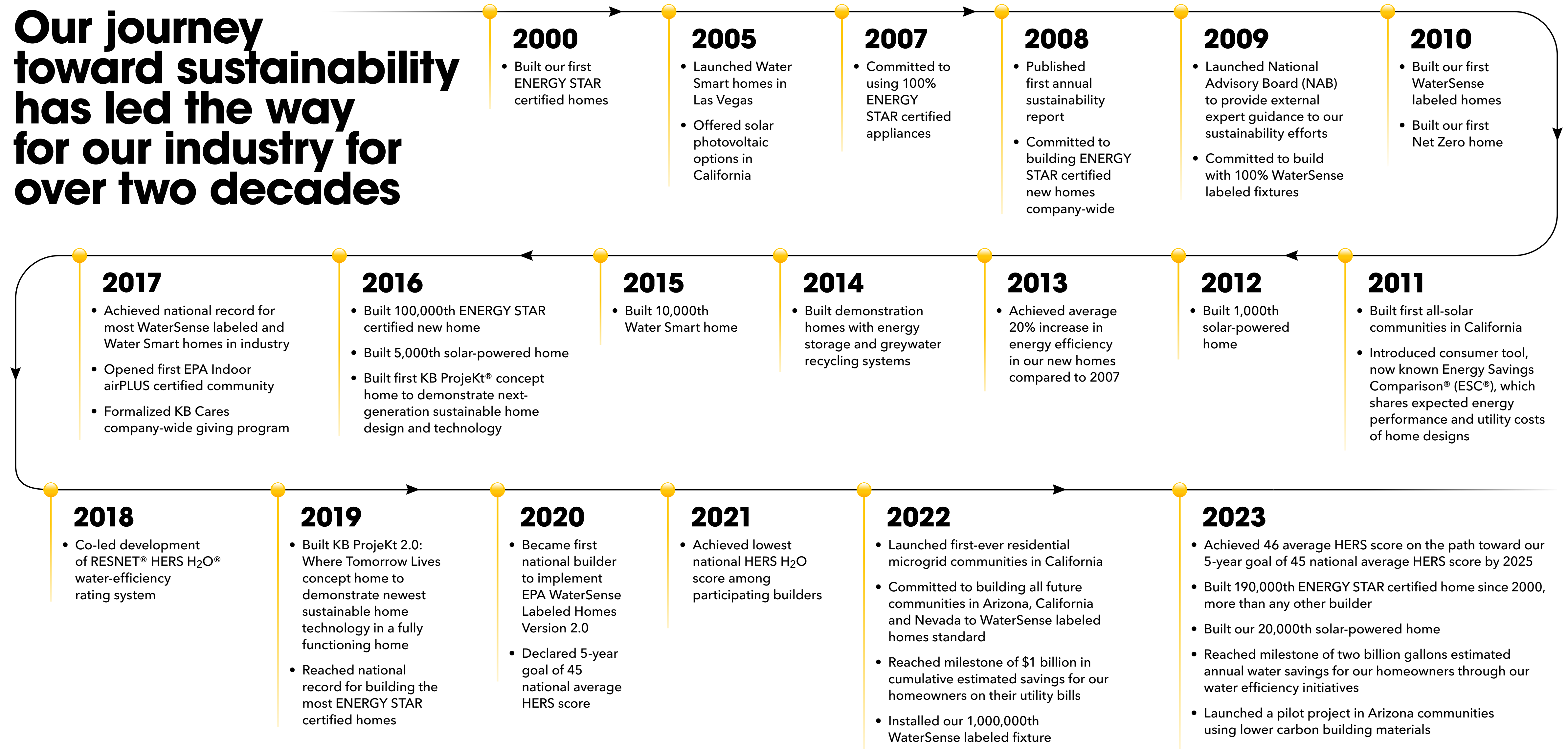
Industry engagement

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. Our industry leadership in sustainable construction practices and building performance has allowed us to participate in national and regional building initiatives of both governmental and nongovernmental organizations. [Learn more.](#)

For more on our approach and risk factors related to climate, please reference the complete TCFD reporting as well as our 2023 Annual Report on Form 10-K.



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



2000

- Built our first ENERGY STAR certified homes

2005

- Launched Water Smart homes in Las Vegas
- Offered solar photovoltaic options in California

2007

- Committed to using 100% ENERGY STAR certified appliances

2008

- Published first annual sustainability report
- Committed to building ENERGY STAR certified new homes company-wide

2009

- Launched National Advisory Board (NAB) to provide external expert guidance to our sustainability efforts
- Committed to build with 100% WaterSense labeled fixtures

2010

- Built our first WaterSense labeled homes
- Built our first Net Zero home

2017

- Achieved national record for most WaterSense labeled and Water Smart homes in industry
- Opened first EPA Indoor airPLUS certified community
- Formalized KB Cares company-wide giving program

2016

- Built 100,000th ENERGY STAR certified new home
- Built 5,000th solar-powered home
- Built first KB ProjeKt® concept home to demonstrate next-generation sustainable home design and technology

2015

- Built 10,000th Water Smart home

2014

- Built demonstration homes with energy storage and greywater recycling systems

2013

- Achieved average 20% increase in energy efficiency in our new homes compared to 2007

2012

- Built 1,000th solar-powered home

2011

- Built first all-solar communities in California
- Introduced consumer tool, now known Energy Savings Comparison® (ESC®), which shares expected energy performance and utility costs of home designs

2018

- Co-led development of RESNET® HERS H₂O® water-efficiency rating system

2019

- Built KB ProjeKt 2.0: Where Tomorrow Lives concept home to demonstrate newest sustainable home technology in a fully functioning home
- Reached national record for building the most ENERGY STAR certified homes

2020

- Became first national builder to implement EPA WaterSense Labeled Homes Version 2.0
- Declared 5-year goal of 45 national average HERS score

2021

- Achieved lowest national HERS H₂O score among participating builders

2022

- Launched first-ever residential microgrid communities in California
- Committed to building all future communities in Arizona, California and Nevada to WaterSense labeled homes standard
- Reached milestone of \$1 billion in cumulative estimated savings for our homeowners on their utility bills
- Installed our 1,000,000th WaterSense labeled fixture

2023

- Achieved 46 average HERS score on the path toward our 5-year goal of 45 national average HERS score by 2025
- Built 190,000th ENERGY STAR certified home since 2000, more than any other builder
- Built our 20,000th solar-powered home
- Reached milestone of two billion gallons estimated annual water savings for our homeowners through our water efficiency initiatives
- Launched a pilot project in Arizona communities using lower carbon building materials

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

2023 awards and recognition



Also in 2021, 2022



Also in 2022



Also in 2013, 2014 and the Grand Award in 2015



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



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

29 total Market Leader awards in 2023



Also in 2008, 2009, 2010, 2011, 2012, 2013, 2014, 2015, 2016, 2017, 2018, 2019, 2020, 2021, 2022



EEBA Excellence in Resiliency



Also in 2014, 2015, 2016, 2017, 2022

Notable past awards and recognition



2006, 2008, 2009, 2010, 2011, 2022



2021, 2022



DOE Builders Challenge Award, 2011, 2012



2015, 2019



2011, 2012, 2013, 2014



2014, 2015, 2016



EPA ENERGY STAR Award for Excellence, 2009, 2010



USGBC LEED for Homes Award, 2011



EPA Indoor airPLUS Leader Award, 2015

People-Driven

At KB Home, people are the foundation of what we do. We build homes that are designed for and by our customers to fit their lifestyle, at a price they can afford. We seek to create a collaborative business environment where people are valued for their contributions and can find a workplace they can call home. We have developed relationships with partners and suppliers who are as committed to exceeding customer expectations as we are. And we have created a sustainability process that is shaped by broad stakeholder input, from our National Advisory Board (NAB) to environmental and nongovernmental organizations to local governments and community organizations.

We believe that sustainability is ultimately about people, extending beyond offering products with a potentially lighter environmental footprint to encompass how we want to live today and what we want to leave for future generations.

People-focused approach to doing business

The people behind our homes and the business that builds them include:



Our employees

We strive to create a culture of excellence, where our employees can develop and advance in their careers, and where our respect for safety, inclusion, diversity and equal opportunity help make us an employer of choice. [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.](#)



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.](#)



Our Board of Directors

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

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

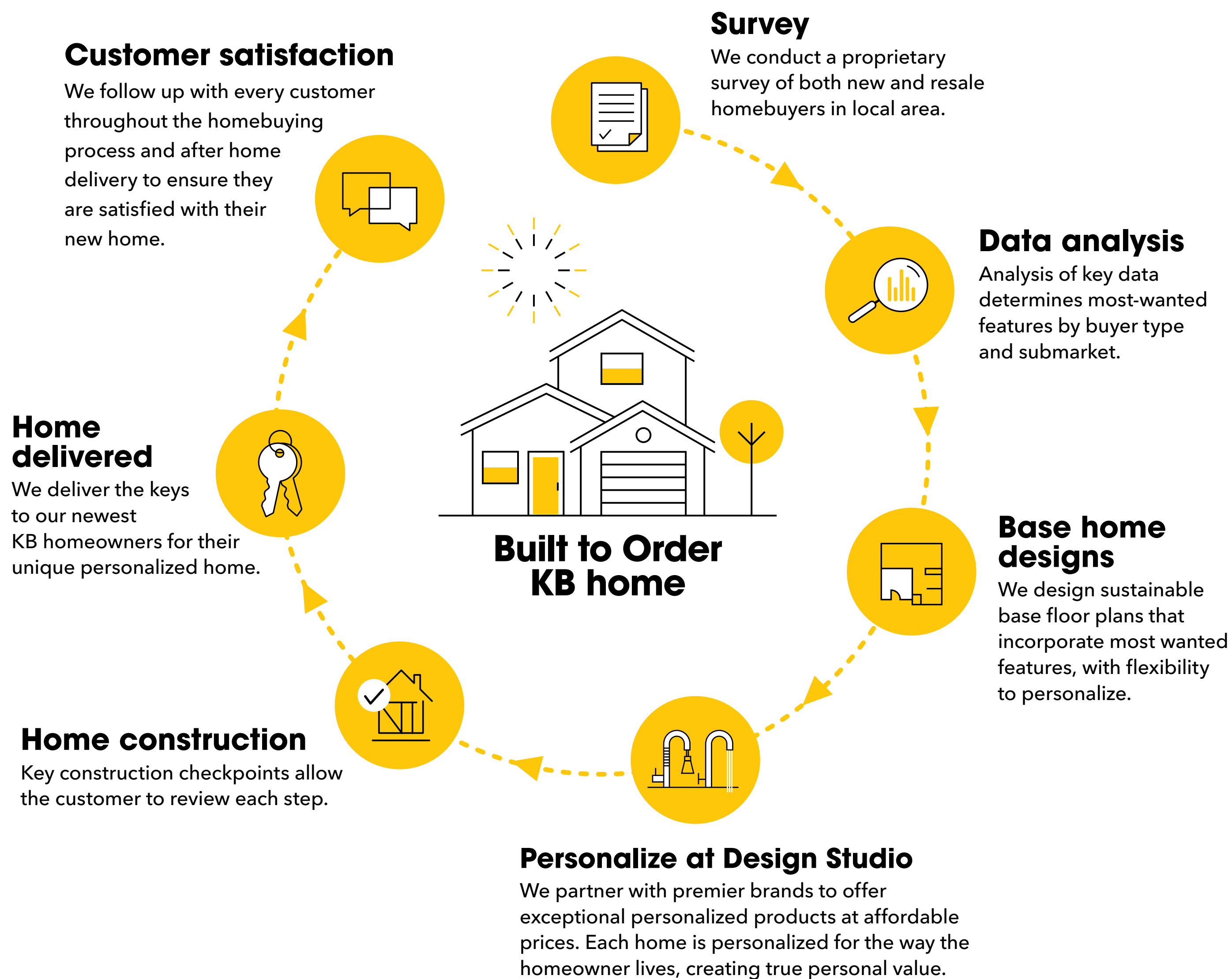
Since 2009, our National Advisory Board, a panel of external advisors, has helped to shape our sustainability priorities and reporting and stakeholder engagement approach. [Learn more.](#)

A business model purpose-built to prioritize customers

Our unique Built to Order® approach goes far beyond personalizing homes; it begins and ends with the needs of homebuyers, while also delivering, in our view, a competitive advantage and reduced risk for our business.

Instead of building what we think buyers want, we let them direct the process. Offering a variety of efficient home designs in a range of sizes and with the features buyers most value already included helps support affordability. Buyers can then add on additional sustainability and design features that fit their lifestyle and their budget.

Incorporating energy and water efficiency into a new KB home is more cost effective than retrofitting an existing home, offering a potential customer benefit. We think our model of prioritizing choice for our customers by having less pre-built inventory helps make for a more resilient business that can navigate market shifts over the long term.



Affordable homeownership has been our focus since 1957

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



KB Home townhouse community in the early 1960s

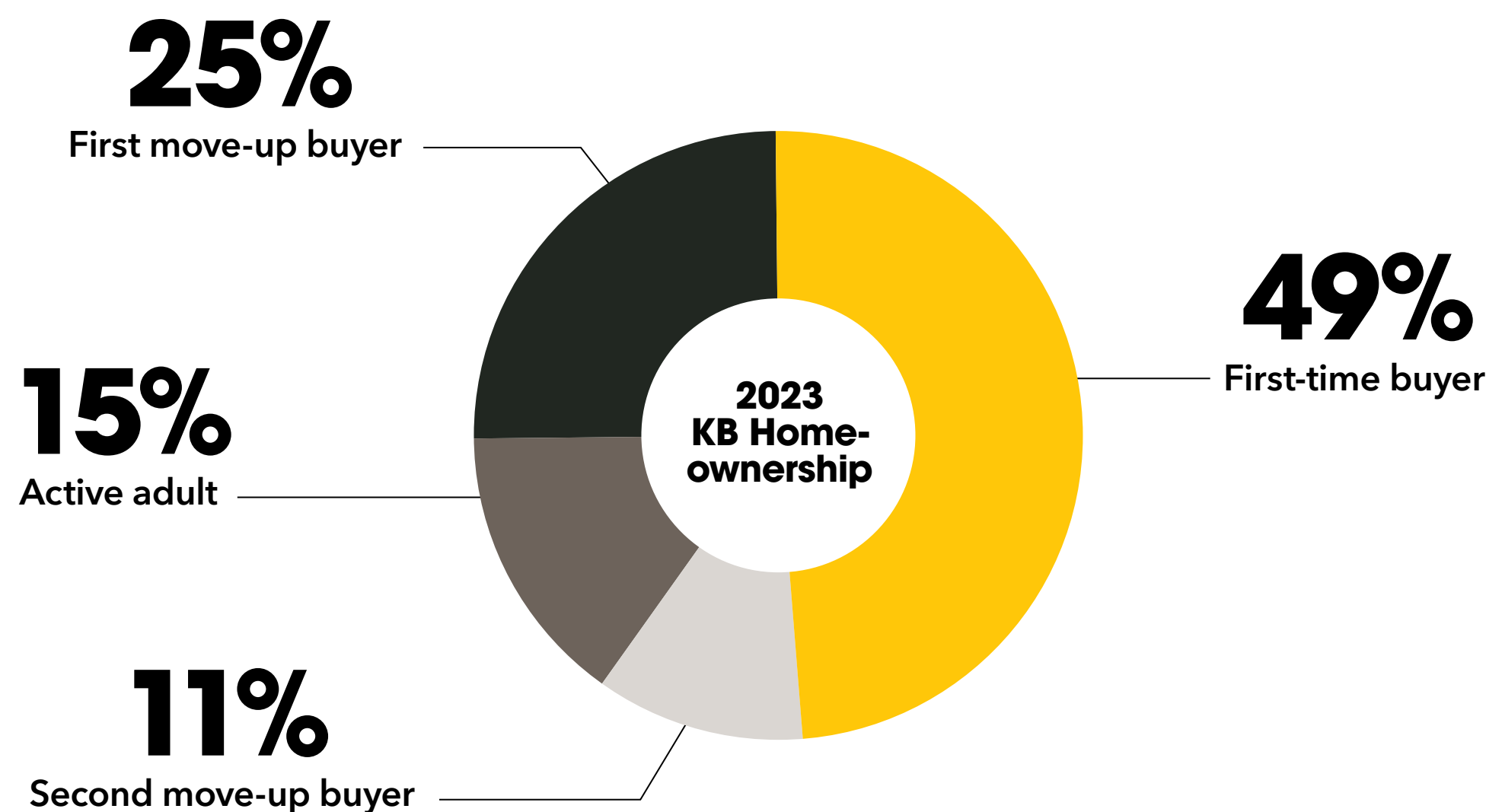
Homeownership is a significant personal and financial milestone in American life, which is why for nearly seven decades we have made it our goal to build beautiful homes affordably priced for first-time homebuyers, with first move-up buyers also making up a significant portion of our homeowners.

Building highly energy- and water-efficient new homes offers a significant advantage compared to homes without those features in terms of lowering the long-term cost of homeownership through reduced utility bills.

Today, millennials and Gen-Zers, the largest generational demographic cohorts, continue to demonstrate a strong desire for homeownership.

49%
of our 2023 KB homebuyers were purchasing a home for the first time

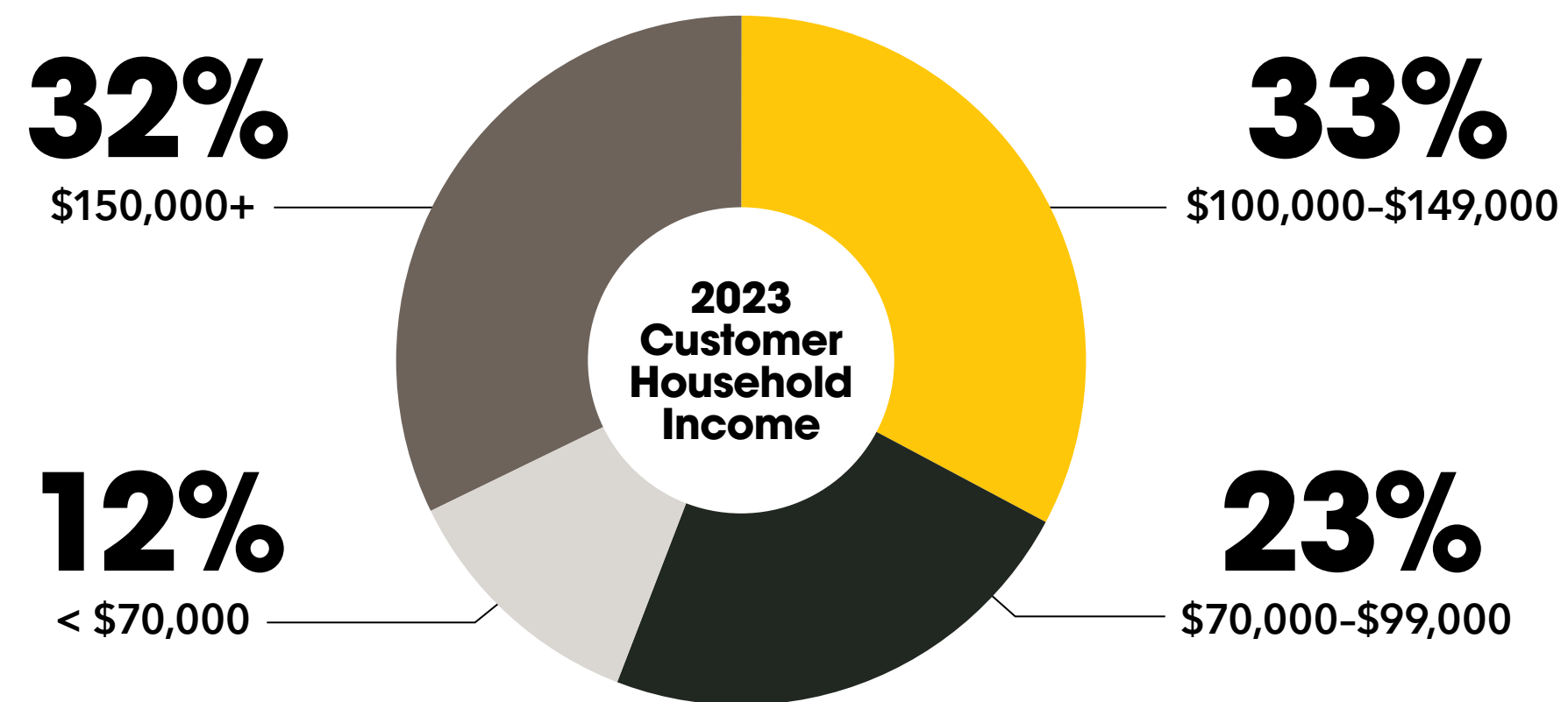
75%+
of our customers for more than a decade have been first-time or first move-up homebuyers



All statistics as of November 30, 2023

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

Affordability means different things to different people in different parts of the country.



All statistics as of November 30, 2023

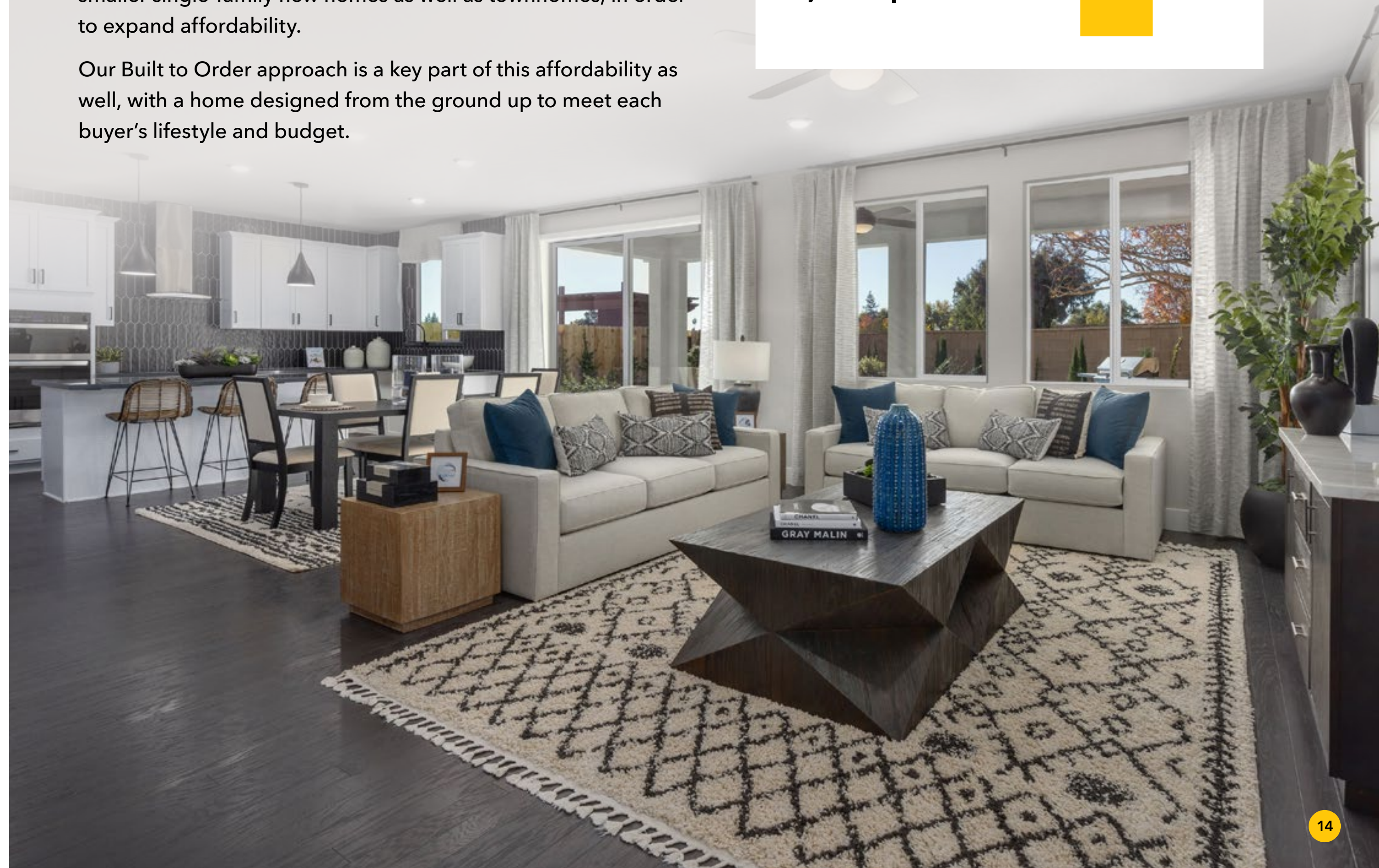
There is no one-size-fits-all price or home design.

We build homes in each of our markets that are designed to be priced affordably for people within a range of median household incomes in that local area and designed for the way that customers want to live. To meet that goal, we make every decision along the way with the median-income homebuyer in mind, from land purchases and product design decisions to sales prices. We deliberately offer a broad product mix, including traditional smaller single-family new homes as well as townhomes, in order to expand affordability.

Our Built to Order approach is a key part of this affordability as well, with a home designed from the ground up to meet each buyer's lifestyle and budget.

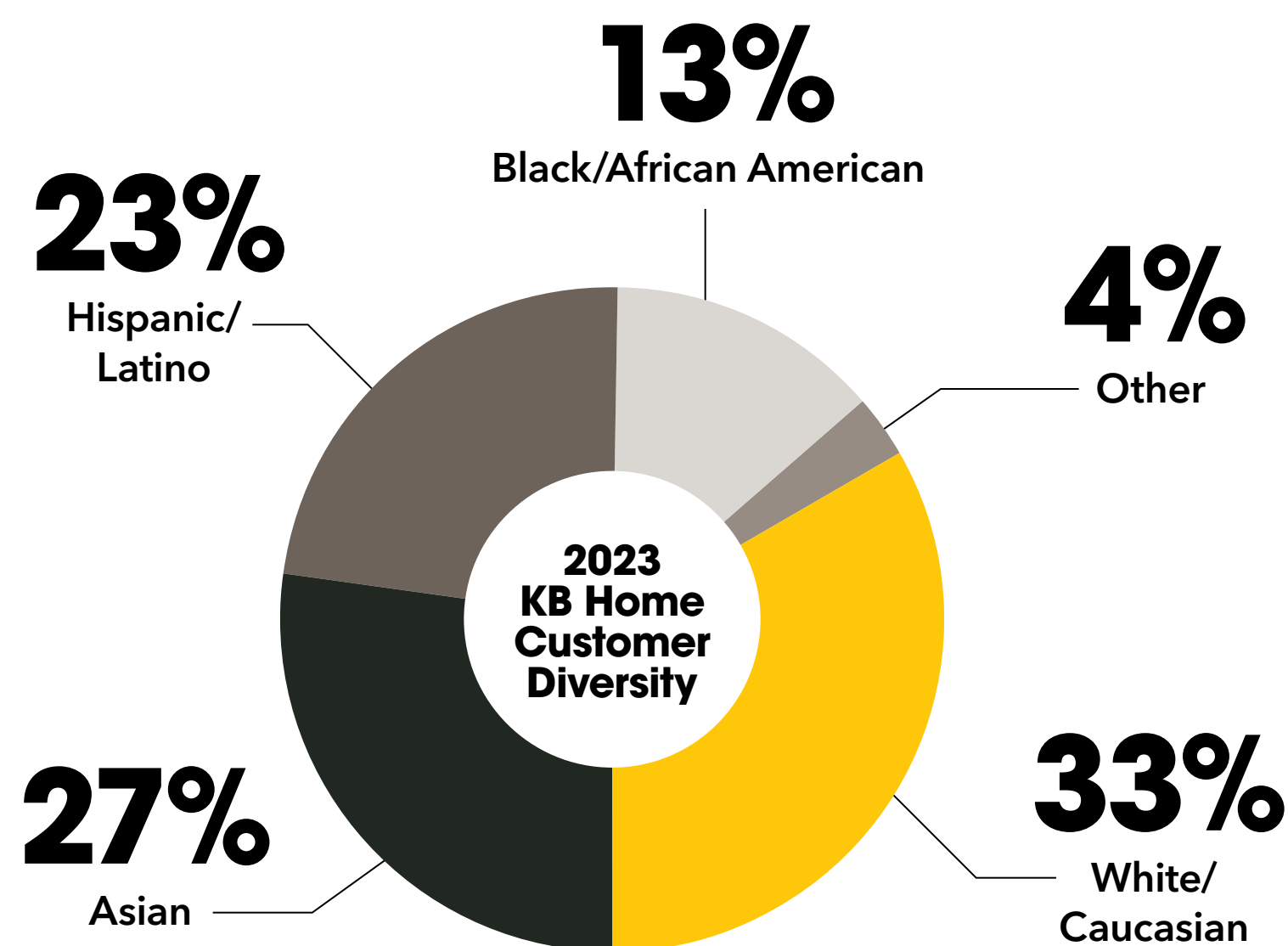
86%

of KB Home communities offered home designs of 1,800 sq. ft. or less in 2023, with 33% offering 1,400 sq. ft. or less



KB homeownership reflects the face of America

We are proud that in 2023 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 offer the homes people want to live in, personalized for their unique lifestyles at prices they can afford.

When we see that our customer demographics organically reflect the population of our country through offering affordably priced and personalized new homes, we are confident we are doing the right thing.

This is important not just because homeownership is the American Dream but also because it can be the foundation for household wealth for people from every background, race and walk of life and potentially help reduce wealth disparities.

Homeownership is the foundation for household wealth



According to several governmental and economic studies, homeownership offers lower- and middle-income Americans of every background an opportunity to lift their economic prospects over time, increasing household wealth by as much as 40 times compared to renting.¹

¹ Federal Reserve 2019 Survey of Consumer Finances
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

Sources: KB Home: FY 2023 buyer profile data based on gross sales; buyer experience data from KBIT buyer database and based on deliveries; US: 2020 Census

We are honored to be the #1 customer-ranked national homebuilder in 2023

We are pleased that so many KB homeowners share their experiences with us and with other potential homebuyers, because there's nothing more important to us than their opinions and no recommendation more powerful than a satisfied customer.



Feedback from our customers is an essential part of our business, so we are particularly proud that in 2023 our homeowners once again ranked us #1 among national homebuilders on TrustBuilder®, a leading third-party review site.*

In addition to these independent ratings, we utilize a systematic internal survey process to ask every customer to tell us about their experience buying a KB home at key intervals of 30 days and 11 months.



KB Home has 4.5 out of 5 stars in all areas

Star Rating Breakdown



Ratings by Category

Overall	★★★★★	4.5
Quality	★★★★★	4.4
Trustworthiness	★★★★★	4.5
Value	★★★★★	4.5
Responsiveness	★★★★★	4.5

94%
30-day satisfaction

92%
would recommend KB Home to a friend

72%
of customers responded to our 30-day survey
44% to our 11-month survey

10+
years using this process to measure customer satisfaction

*Based on an internal compilation of the nationwide average of large-production homebuilder customers surveyed by TrustBuilder® through to 11/30/23. These are the top 20 U.S. homebuilders ranked by number of closings on 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 KBH was until March 1, 2024 a part owner with other homebuilders of, and had a board seat at, Builder Homesite, Inc. (BHI). On March 1, 2024, BHI, including its subsidiary, Builders Digital Experience (BDX), which conducts the TrustBuilder survey through NewHomeSource™, was acquired by a private buyer. BHI had through March 1, 2024, and continues to have as of this Sustainability Report's publication date, an independent management team, and KBH was not prior to March 1, 2024, and 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, nor that any particular customer will be fully satisfied with their KB home. All trademarks are owned by the respective trademark owners. See sales counselor for details.

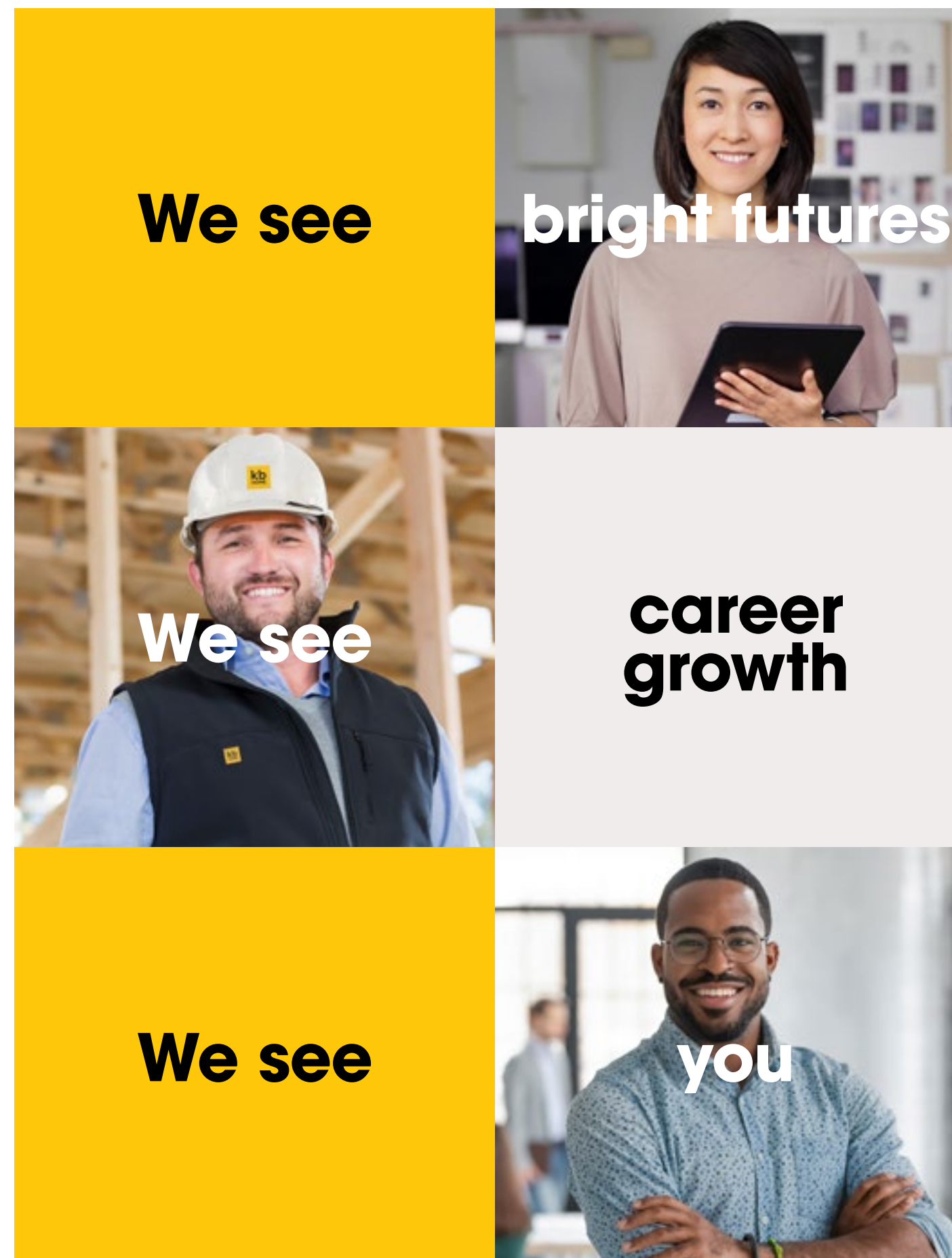
Customer satisfaction data going back to 2013 can be found at the end of this report.

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

We believe that innovative thinking and exceptional customer service are strengthened when our employees want to come to work every day because they are valued for who they are, what they contribute and the diverse perspectives they bring.

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 endeavor to create an engaging environment that offers our employees satisfying work, with meaningful opportunities for career growth and development. We are committed to supporting a work culture that treats all employees fairly and with respect, promotes inclusivity and provides equal opportunities for the professional growth of the diverse individuals who join us, with advancement based on merit.



We understand that in today's labor market our employees have other career opportunities. We believe our ability to attract and retain talent is a direct result of our culture.

7

average years of employee tenure company-wide

11

average years of tenure of managerial-level leaders

12

average years of tenure of top division and regional leaders

10

average years of tenure for racially or ethnically diverse leaders

13

average years of tenure for women in leadership roles

16%

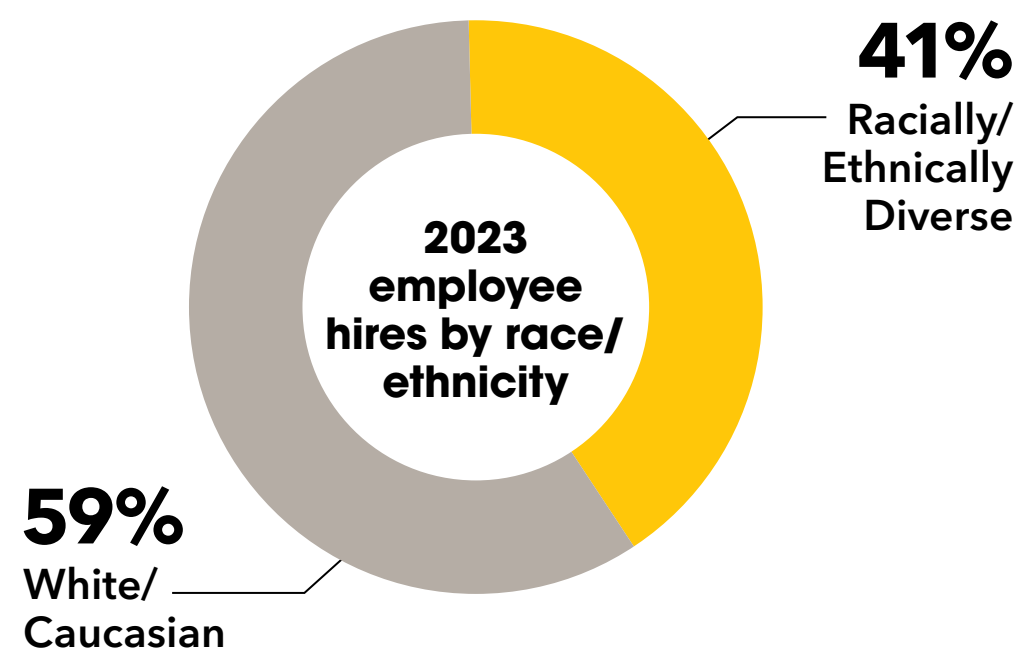
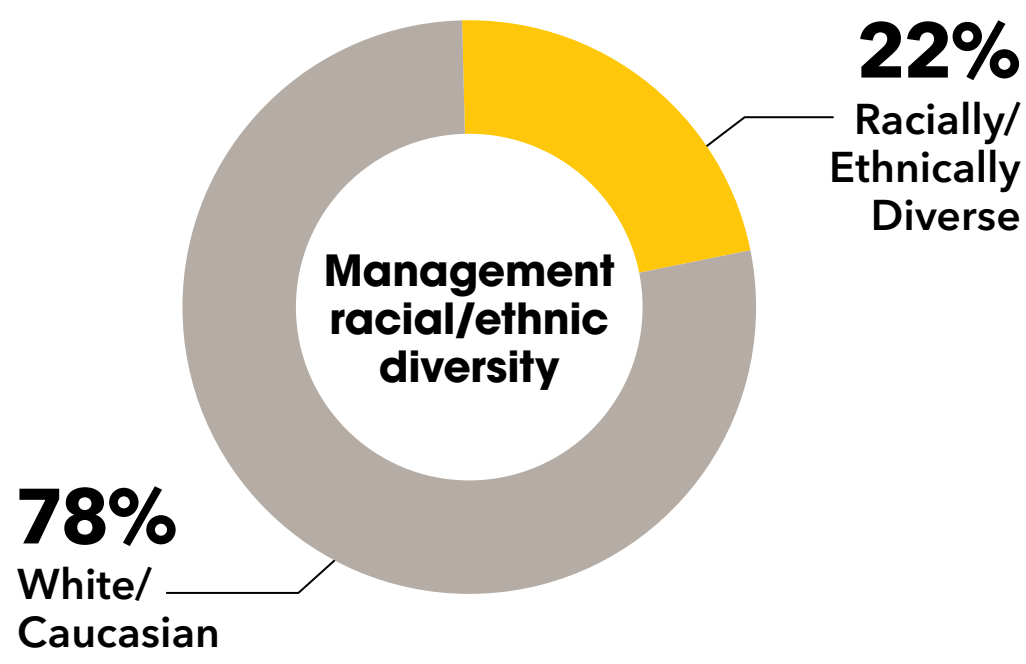
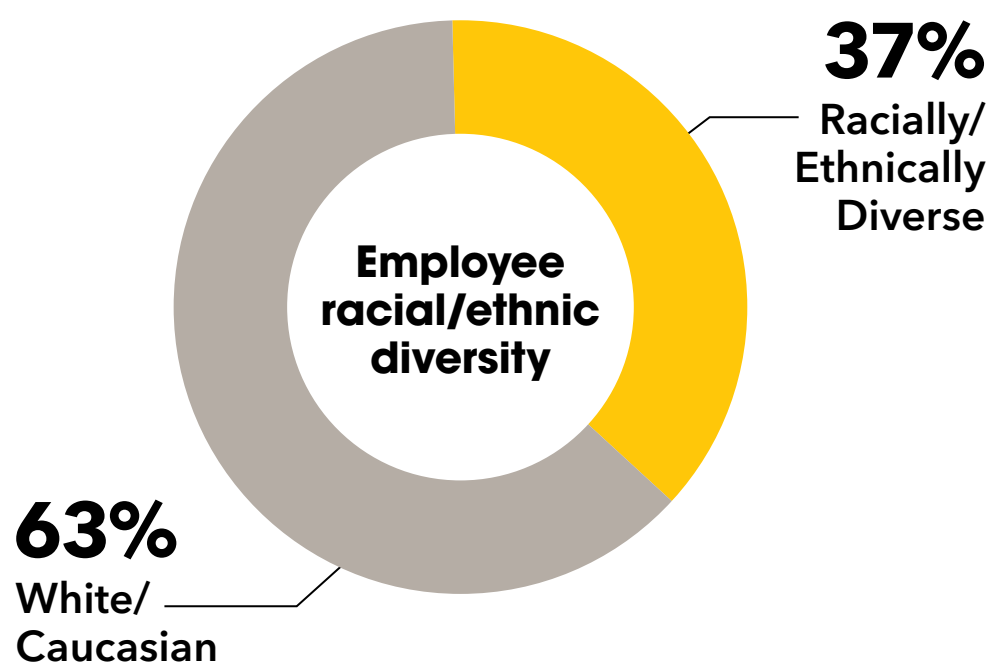
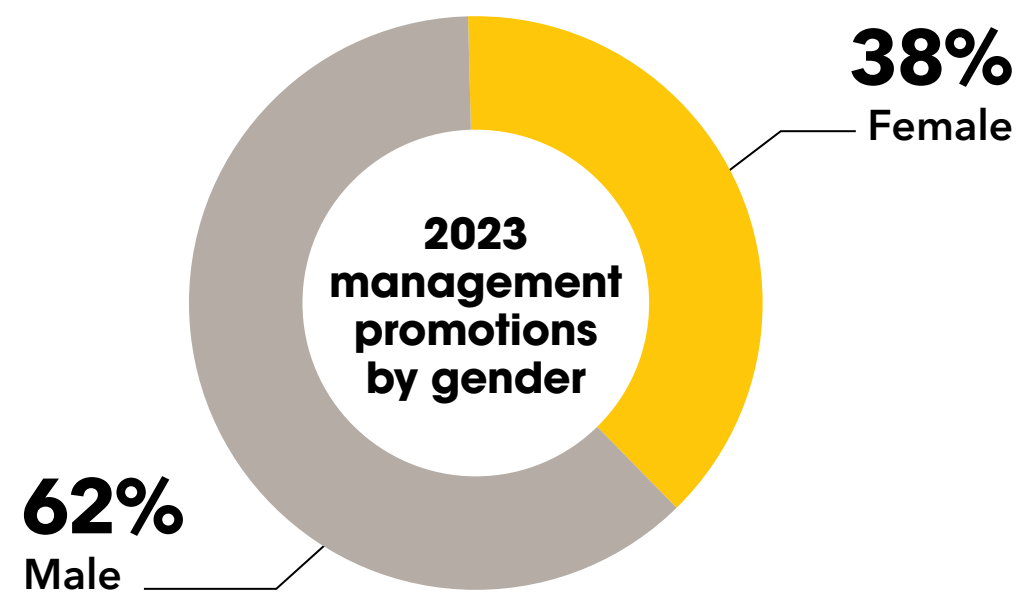
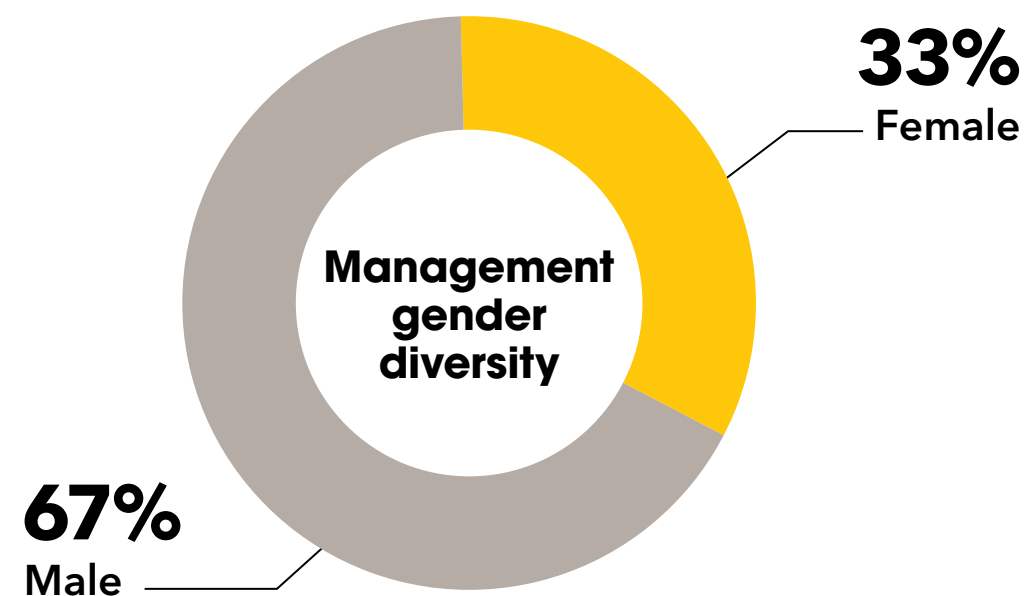
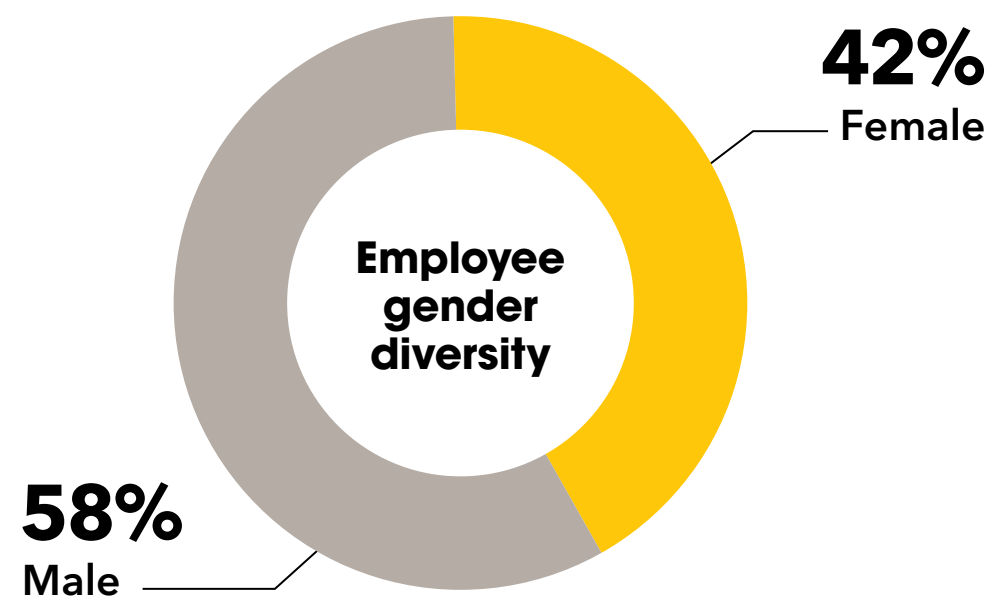
voluntary turnover rate in 2023

15%

of hires in the last five years have been rehires who have chosen to return to KB Home

We believe that the diversity of our workforce is a strength

Our workforce more closely reflects our diverse customer base, enabling us to better understand their needs.



2,205 full-time employees as of November 30, 2023

42% of employees are women

33% of management-level employees are women

37% of employees are ethnic or racial minorities

22% of management-level employees are ethnic or racial minorities

We are constantly working to attract the best possible candidates to add to our employee team

We have invested in several programs with the objective of deepening our bench of talent at the company with both experienced homebuilding industry candidates and those who bring diverse experiences and new ways of thinking into the mix.

Through our efforts to engage top talent, we have proactively increased the diversity of our workforce while adding specialized skills and experiences to our team.



College/University Recruiting

- Actively participate in career fairs and recruiting events on college and university campuses throughout our footprint.
- Foster partnerships with several universities in each of our markets.
- Recruit summer interns and full-time graduates for roles in construction, land, sales and marketing and others.



Military Veteran Recruiting

- Target discharging non-commissioned officers (NCOs) and other military veterans through specialized organizations and internal resources for roles in operations, land, purchasing and other functions.
- Recruit veterans from multiple branches, including Air Force, Army, Marine Corps and Navy.
- Have hired more than a dozen NCOs over the past two years.

Building Talent Foundation

We are a founding supporter of the Building Talent Foundation, 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.

- Engage young people in schools and communities to encourage them to explore careers in construction and enroll in construction training programs.
- Connect training graduates and other interested job seekers with employer partners – at no cost to employers or job candidates.

Our partners help us to elevate our focus on sustainability and realize our goals

We work with our industry partners and sustainability leaders on strategies to drive sustainability throughout the value chain, helping to reduce the associated carbon footprint and manage climate risk.

By purchasing products from partners known for responsible sourcing and manufacturing, we support lowering the embodied carbon of building products and promoting circular solutions.

100%

of our national supplier agreements include an obligation to acknowledge our Ethics Policy

100%

of our new national supplier agreements entered into after April 2021 reference our Supplier Code of Conduct*

*Supplier Code of Conduct can be found at <https://kbhome.com/supplierconduct>

We have worked with many of these brands — and their people — for a decade or more to deliver sustainable and innovative products for our homes at a price that’s affordable for our homebuyers.

Healthier Indoor Environments



Energy-Efficient Solutions



Water-Saving Solutions



Carbon Emissions Reductions



Recycling and Material Conservation



Responsible Sourcing and Manufacturing



Better Homes

Our business was founded in 1957 on the idea that we could challenge conventional assumptions about homebuilding in order to make homeownership more affordable for more people. Nearly seven decades later, that goal has remained consistent, even as it has continued to evolve with the needs and lifestyles of new generations of homebuyers.

We believe that a sustainably built KB home is a better home. Better for our homebuyers because it offers contemporary design, comfort and potentially lower utility bills and is uniquely personalized for them. Better for the environment because it uses the latest sustainable products, materials and techniques, is energy and water efficient, utilizes fewer resources in its construction and operation than conventional homes and prioritizes responsibly sourced materials. Better for our business because it offers a product designed for the future even as it meets the needs of today's homebuyers.



A KB home is among the top 10% most energy-efficient of all new homes built in the U.S.



Energy efficiency of U.S. residential construction

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

About 22% of total energy use in the U.S. is due to daily residential living, which we believe makes building highly energy-efficient new homes our most effective opportunity to positively impact the environment.²

Just 10% of new homes built in the U.S. in 2023 are ENERGY STAR certified – a standard which we broadly committed to meet beginning in 2008 and has added up to cumulative benefits for our homeowners and the environment.

190K+

ENERGY STAR certified new homes built since 2000

150+

Zero Energy Ready certified homes built since 2010

7.4B

estimated pounds of CO₂ emissions avoided

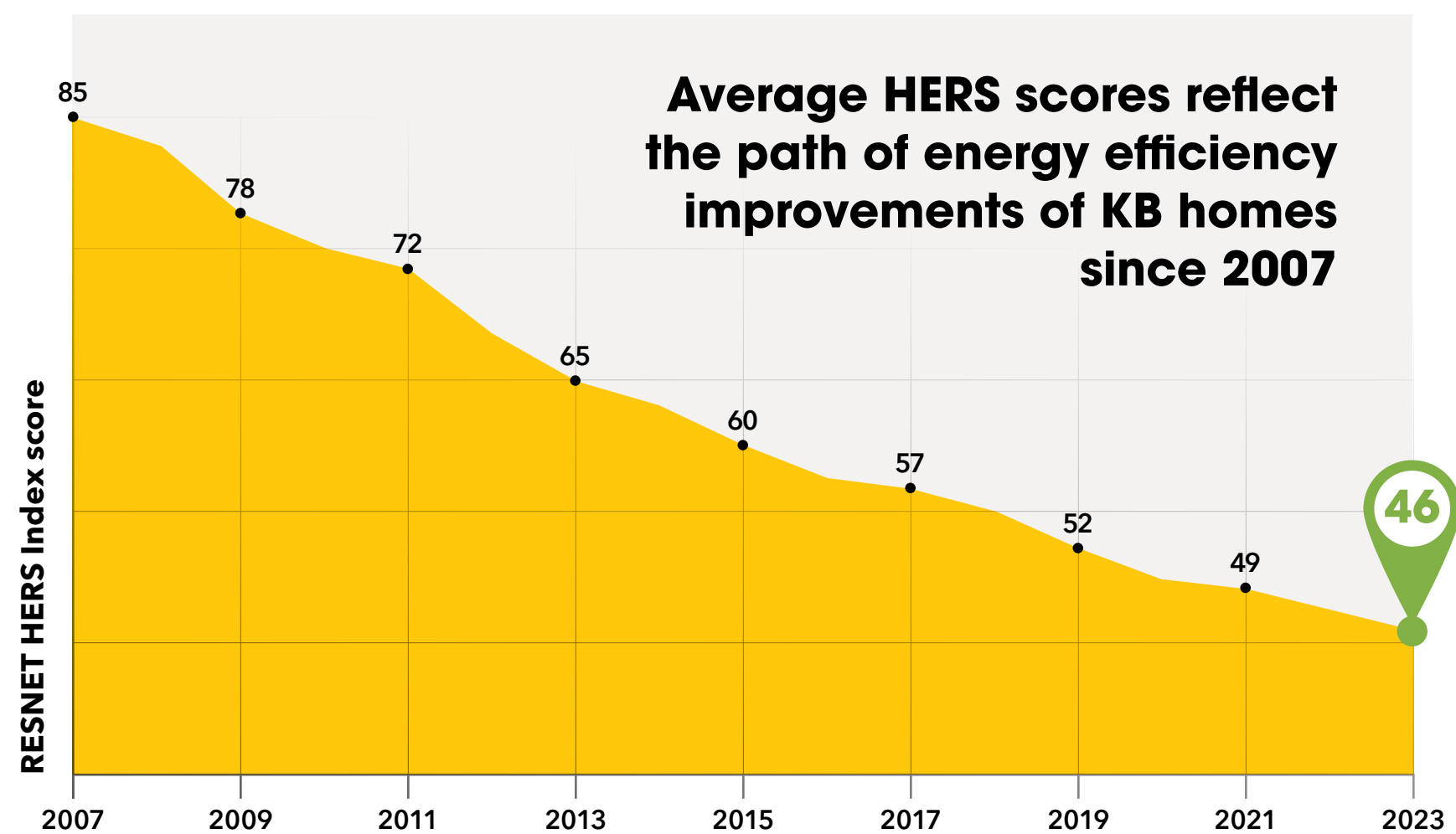
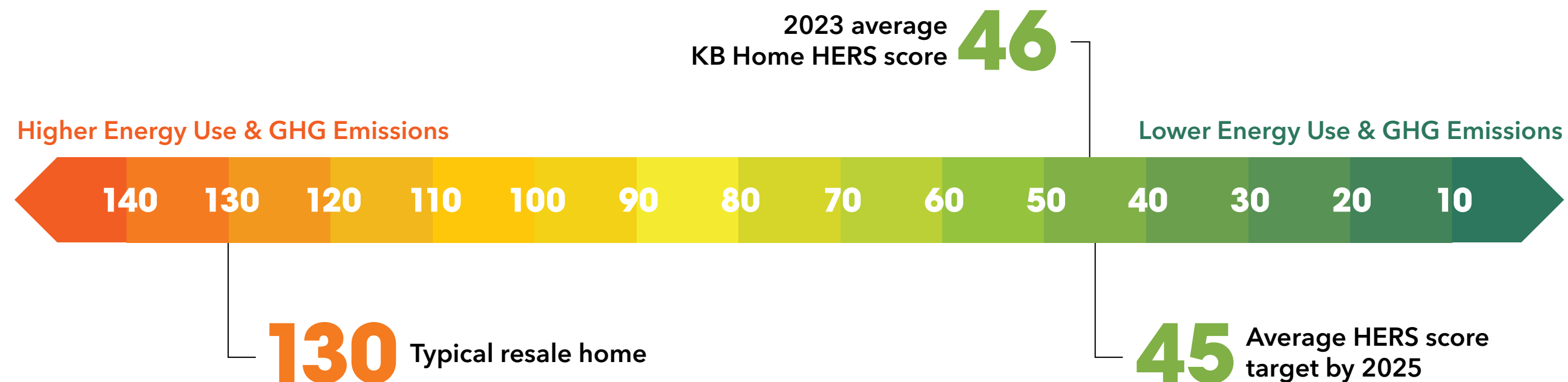
\$1.2B

in estimated reduced utility bills for our homeowners

* <https://www.energy.gov/eere/buildings/zero-energy-ready-home-program>
† <https://www.energystar.gov/newhomes>

² <https://www.eia.gov/energyexplained/use-of-energy/>

We use HERS scores to measure our progress in reducing GHG emissions from our homes' use



We publicly disclose our national average HERS Index score for our homes each year to share how we are measuring up to our goals. We post our ESC guide in every model home to share the home's HERS score and projected energy and utility bill savings with prospective homebuyers.

Every point reduction on the HERS score is equivalent to reducing associated GHG emissions by 0.1 metric tons per home, and we have used it as our primary measure of decarbonization. By lowering our average HERS score from 50 in 2020 to a target of 45 by 2025, we expect to reduce the estimated GHG emissions from the use of a KB home build in 2025 by 0.5 metric tons per year or by 8% compared to a KB home built in 2020.*

Our 2023 national average HERS score of 46 is:

- 54%** more efficient than a typical home built as recently as 2006
- 11** points below the 2023 average of 57 for all U.S. HERS-rated homes
- #1** lowest (most efficient) publicly reported national average HERS score among large national production homebuilders†

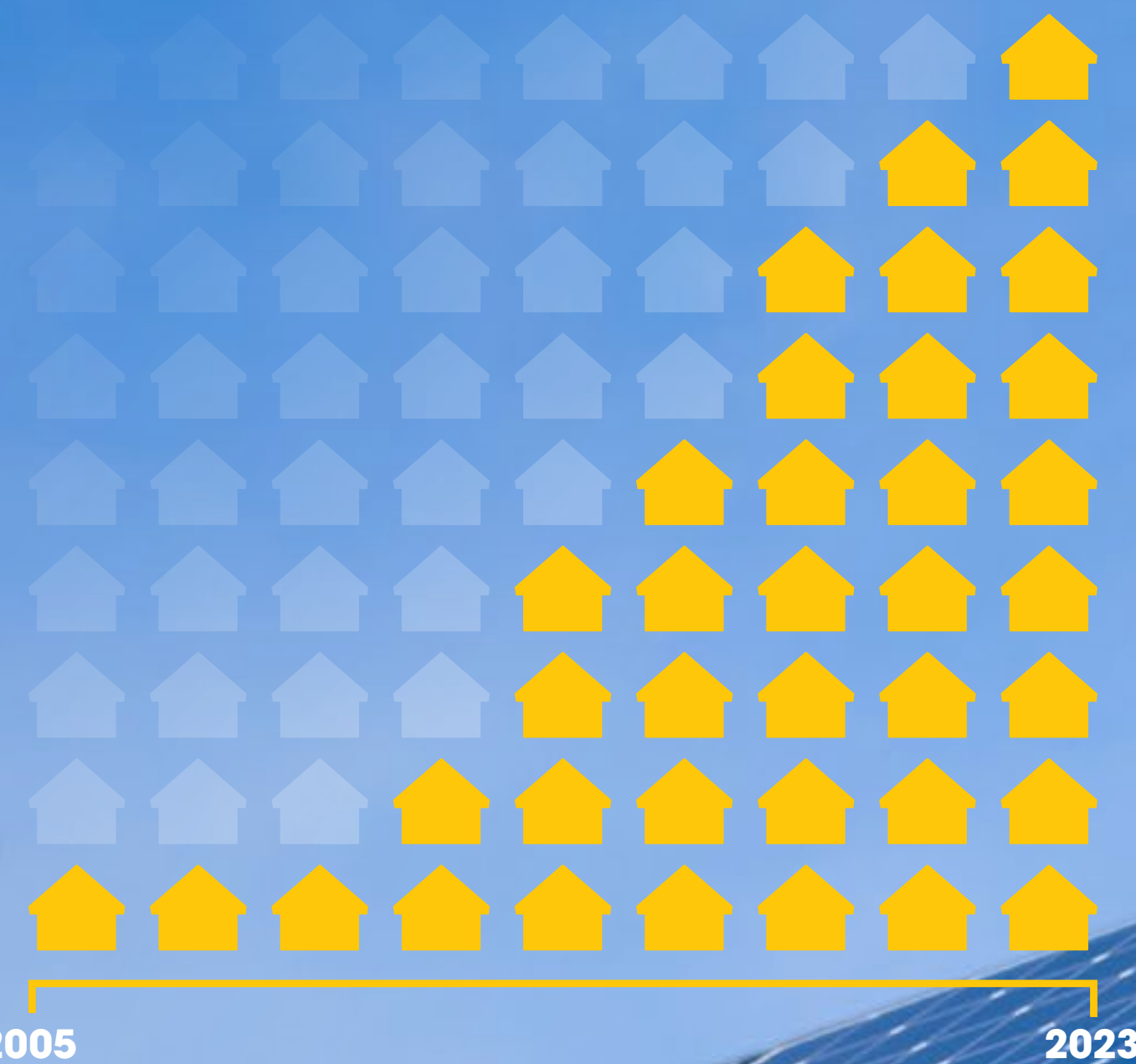
38% of all KB homes delivered in 2023 were all-electric homes, which generate an estimated **3,800 fewer pounds of CO₂ annually compared to dual-fuel homes**

* Targets were set based on the current ANSI/RESNET/ICC 301-2019 Standard. This standard provides a consistent, uniform methodology for evaluating the energy performance of homes. Revisions to this standard, or adoption of different standards, could impact our ability to achieve the planned targets, if at all.

† Based on an internal compilation of the nationwide average of publicly reported HERS Scores from 6/21/23 through 4/21/24 among large production homebuilders. These are the top 20 U.S. homebuilders ranked by number of closings on Builder Magazine's most recent annual 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).

Nearly 20 years after building our first solar home, we continue to forge new paths toward clean energy

Solar-powered homes offer an important path toward decarbonization and minimize the emission of greenhouse gases generated over the life cycle of our homes



Rising number of solar-powered KB homes

approximately **3,000** in 2023

20,900+

solar homes built since 2010

70

megawatts solar power installed

860M

estimated cumulative kilowatt hours (kWh) of electric power produced

131M

estimated kWh of renewable energy produced each year

We are investing in a future powered by decentralized grids



In 2023, we delivered 100 Zero Energy Ready certified homes at our residential microgrid communities – new energy-efficient neighborhoods independently powered through solar and storage.

We are continuing the development of the first residential microgrid communities in California as part of a historic public-private partnership, which will serve as a real-world laboratory to better understand consumer usage and support a more resilient and resourceful power grid. These homes have the capacity to “island” in case of emergency by using energy for a certain period of time from both in-home solar power systems with batteries and a community battery, and are a great example of how neighborhoods can increase their resilience while reducing their carbon footprint and lowering their utility costs.

When completed, the planned system will include distributed energy resources, load balancing and shifting and virtual power plant (VPP) as well as solutions that address issues including variable renewable energy integration and resilience with coordinated islanding. Energy-smart connected communities – along with the right technology, funding and committed partners – demonstrate the potential future of grid modernization and an affordable and resilient clean energy future.

\$6.5M

grant from the U.S. Department of Energy (DOE) to support this national demonstration project with multiple research and development goals

219

total all-electric, solar- and battery-powered new homes planned; 100 delivered in 2023

3-year

research effort with 6 public, private and academic partners to study real-world usage in an area with recent power-grid stability challenges

In the homes of tomorrow, your home won't just power your car, your car will power your home

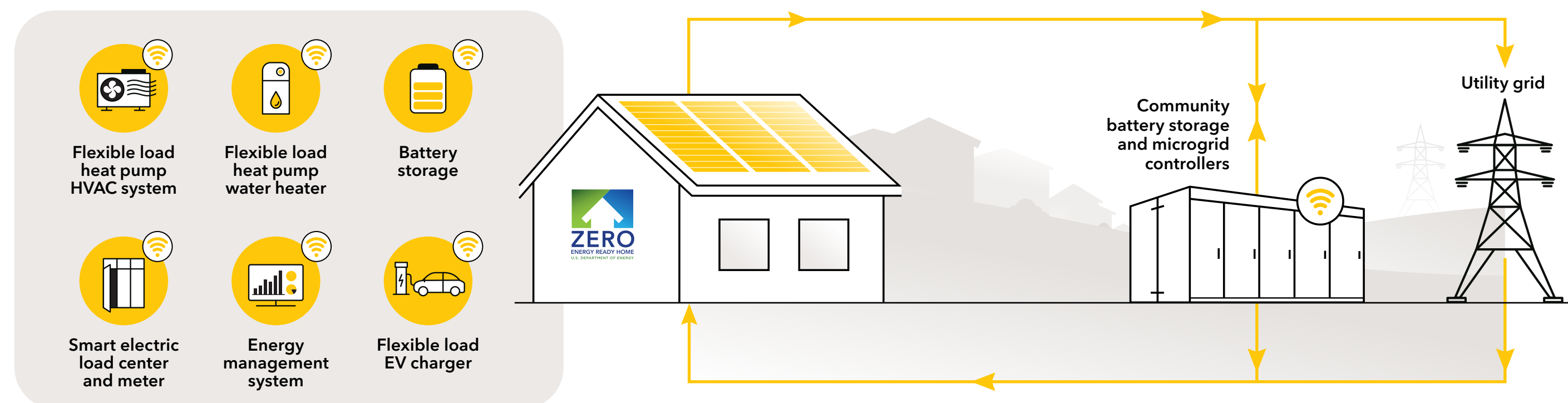
We are partnering with electric vehicle (EV) leaders to demonstrate and test first-of-its-kind, vehicle-to-home (V2H) bidirectional charging capability at our microgrid communities.

50kWh

of potential power provided by V2H at full charge

4x

the capacity of a current home stationary battery



We consider water conservation to be an important part of building new homes

Nearly 20 years ago, we took an early lead in elevating the conversation about water-efficient new homes in our industry.

Water is not something we can take for granted

Many areas of the U.S. are experiencing an increasing frequency, intensity and duration of drought events, particularly in the West Coast and Southwest regions, where a significant portion of our business is concentrated. Building water-efficient new homes can help preserve this vital natural resource while helping our homeowners to save on utility costs.

Water conservation as a business advantage

For years, we have recognized water conservation as a critical issue for housing. Today, we are seeing a number of communities in Arizona making water efficiency mandatory to permit new residential communities.

We built our first Water Smart home in 2005, adopted WaterSense labeled fixtures company-wide in 2009 and built the nation's first WaterSense labeled home in 2010. Having nearly two decades of experience building water-efficient new homes at an affordable price can give us a potential advantage with local governments looking for experienced partners committed to doing the right thing for the communities we share.

We are transforming what water conservation means, one highly water-efficient home at a time

We made an industry-first commitment in 2022 to build all our future communities in Arizona, California and Nevada to EPA's highest water-efficiency standard, WaterSense – and we delivered on our promise with 2,800+ new WaterSense labeled homes in 2023.

A WaterSense labeled new home is designed to reduce water consumption without impacting quality or comfort.

21,800+

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

1.1+ Million

WaterSense labeled fixtures installed in all KB homes built since 2009

2.0 Billion

estimated gallons of water conserved annually by our WaterSense labeled homes and the 1.1+ million WaterSense labeled fixtures

30%–40%

estimated water consumption reduction per Southwest region home

50,000

estimated gallons of water saved annually per household in these homes

61

average HERS H₂O score in 2023, an important new standard for measuring a home's water performance that we helped to develop (Arizona, California and Nevada only)

Water conservation leads to energy savings



It takes a substantial amount of energy to bring water to homes, particularly in water-scarce areas, making building WaterSense labeled homes good for water conservation and saving energy.

California Energy Commission research shows that water-related energy usage accounts for 19% of the state's electricity and 30% of natural gas usage.³

The U.S. EPA recently conducted its own case study to evaluate the impact that water savings will have on energy use and GHG emissions for two KB communities located in Riverside County, California.⁴ The EPA team compared the highly energy- and water-efficient new KB homes at these communities to a similar-sized community of typical new construction homes. This case study serves as a potential blueprint for future communities pursuing energy savings and highlights the impact that WaterSense labeled homes can have on reducing energy use and carbon emissions. Additionally, the impact may extend beyond these KB communities as energy use and carbon-related emissions are reduced not just at the homes, with reduced need for water heating, but also elsewhere due to the reduced need to extract, move, treat and deliver water and wastewater up to hundreds of miles.

Each WaterSense labeled home at these communities will save an estimated 60,000 gallons per year compared to typical new construction.

Each home will also reduce water-related energy use by more than 2,400 kWh/year and prevent the release of more than 1,500 lbs of carbon into the atmosphere each year.

The EPA estimates that when these two KB communities are fully built, the efficiency of their homes will add up to significant annual water, energy and carbon reductions compared to a community of typical new homes.

13.5M

gallons of water saved per year

530,000

kWh of water-related energy avoided per year

331,000

pounds of CO₂ emissions prevented per year

³ Source: [California's Water-Energy Relationship - Staff Final Report \(stanford.edu\)](#)

⁴ <https://www.epa.gov/system/files/documents/2024-03/ws-labeled-homes-menifee-communities-case-study.pdf>



We prioritize building homes that can be healthier for residents

We believe that wellness starts at home, and healthier indoor environments can support improved overall well-being for their residents.

Our homes are designed with quality construction techniques and features that are guided by the EPA's ENERGY STAR and Indoor airPLUS standards to offer a broad set of health-related benefits compared to other new or existing homes.

Enhanced indoor air quality

- Every KB home incorporates high-performance ventilation that regularly introduces fresh outdoor air and helps to reduce indoor air pollutants.
- MERV 13 rated filters capture 90% of airborne particles as small as 1.0 micron and are designed to remove dust, pollen, mold and certain bacteria and viruses for enhanced indoor air quality.

Elevated level of comfort

- All KB homes include a high-efficiency heating and cooling system designed to provide comfort through every season.
- We also feature smart thermostats, which can learn homeowner patterns, and as a result, help reduce electric bills each year without impacting comfort.

Enhanced pollutant and moisture control

- Every KB home is built with comprehensive air sealing to help reduce drafts, moisture, dust and pollen.

Reduced spread of germs

- In 2023, we expanded our use of door hardware with antimicrobial protection to now include all door hardware, not just interior doors, as standard. This hardware inhibits the growth of microbes, such as bacteria, mold and mildew, on product surfaces.
- Additional upgrades like touchless faucets, voice-activated light switches and smart appliances help to further reduce the spread of germs.

Our focus on quality and safety standards helps to create an exceptional 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.

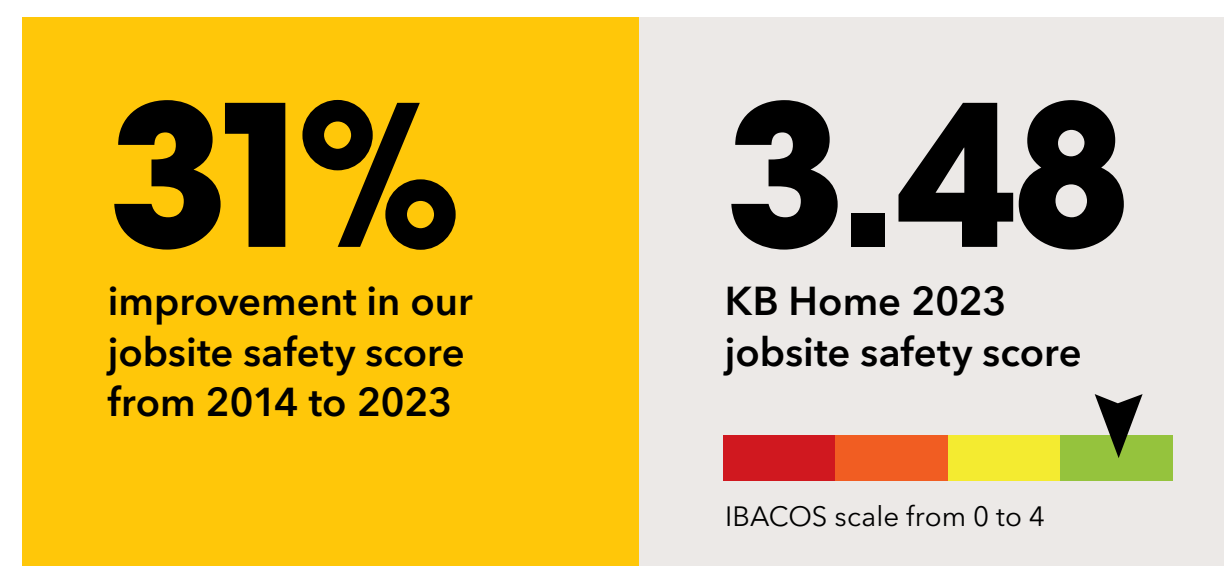
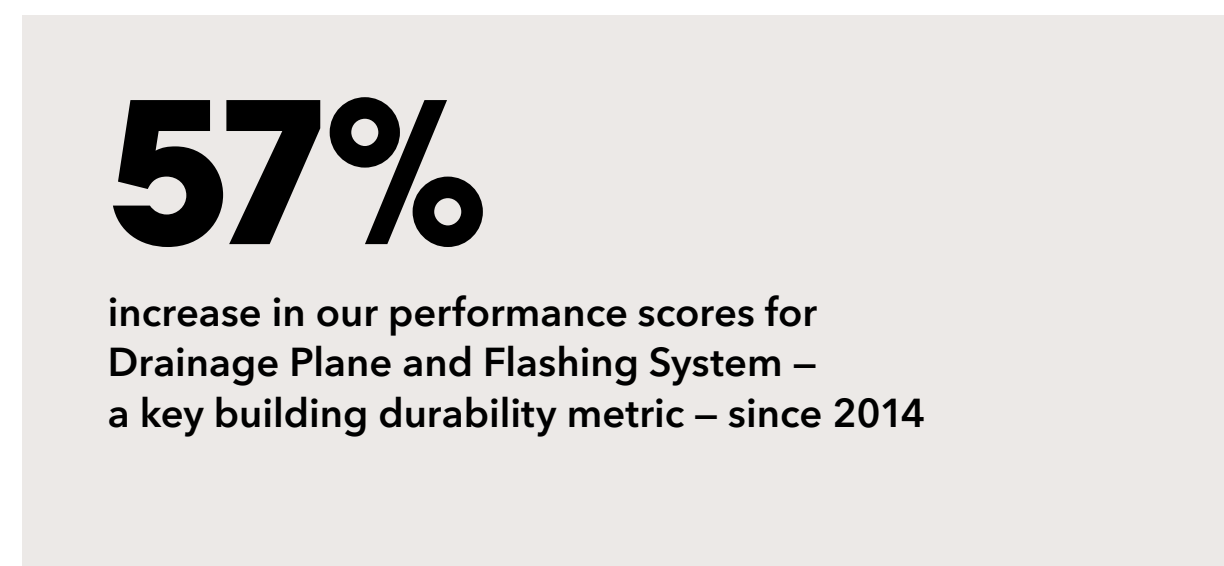
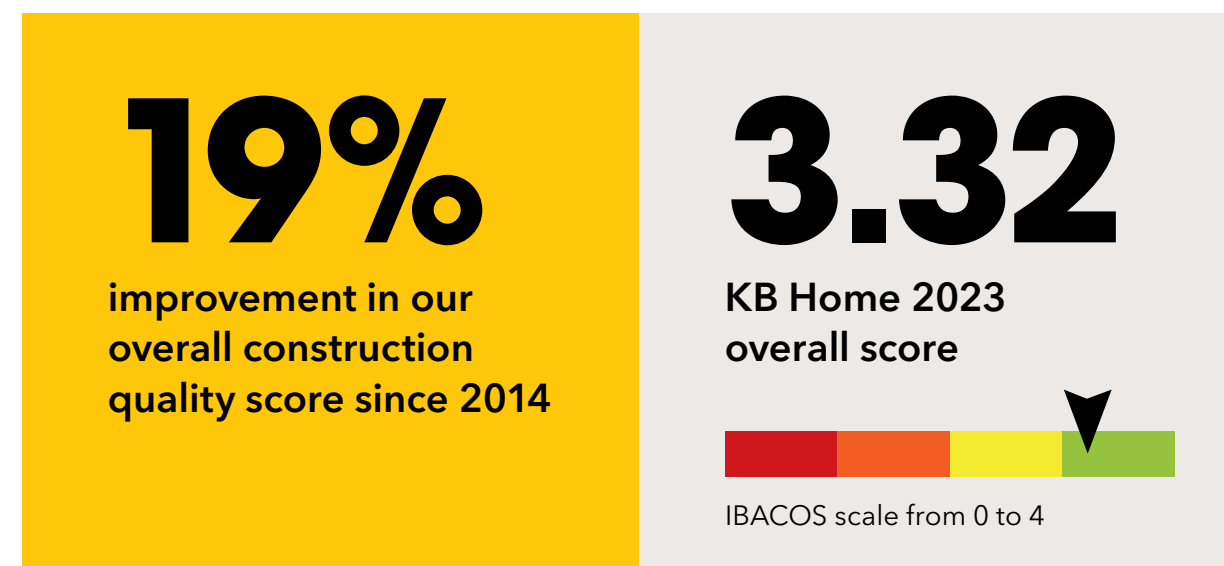
Quality construction practices

The construction quality assurance program that we use assesses over 600 checkpoints related to safety, occupant comfort, indoor air quality, and building durability. We share the results of this objective measure each year to highlight our commitment to the quality and durability of our homes.

Workplace safety

Safety is a priority for our employees, our homebuyers and our independent contractors. 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.



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 2023.

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 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's safety program is overseen by our Legal and Internal Audit teams, who perform internal annual audits and risk assessments.
- Safety updates are reported to KB Board of Directors Audit and Compliance Committee regularly.

A history of early innovations adds up to big results

We continuously pilot and refine new products, processes and technologies that have the potential to make a big impact, with the possibility for wider rollout.

Our early sustainability leadership positions have helped us gain experience, and we can leverage our scale to advance emerging technologies with a goal of lowering the cost of innovative features for wide-scale rollout.

Four ways we advance innovation:

Research & development (R&D) collaborative initiatives

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

Consumer laboratories

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

Public-private pilot programs

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

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.

For example, our microgrid communities are serving as a laboratory for us to learn the practical implementation that could make local resilience infrastructure more affordable in the future. This is the same framework we followed a decade ago with water conservation, when we made the decision to lead our industry in building water-efficient homes. From this experience, we positioned ourselves so that, by 2022, we could make WaterSense labeled homes standard practice across our Southwest communities.

While we understand that the path of innovation is often not a straight line and our microgrid neighborhoods may not prove to be the enduring model, we continue to explore and test emerging technologies and products in the belief that it makes us more prepared to build the homes of the future as cost-effectively as possible.



KB ProjeKt® was a concept home R&D lab built by KB Home in 2019 in Las Vegas to explore the future of sustainable homebuilding through innovative partnerships and cutting-edge technology.

Strong Communities

We don't just build homes, we build neighborhoods and communities – the physical places and social spaces where people can create the lives they've dreamed of and form lasting bonds.

When most of us think of home, we think of more than a physical structure. It's a feeling of community and belonging, which is as important as the house itself. At KB Home, we are acutely aware that we are building more than houses; we are building homes that form the basis for meaningful social communities. That's why we give as much thought to what goes into building strong communities as we do better homes. We want to build neighborhoods that will add to their surroundings and form the backdrop for generations of memories.

We also recognize that the health of communities and the well-being of their residents are closely linked, so we strive to create places where both we and our homeowners can contribute to and invest in – communities we can be proud to be part of and call home.



When communities are stronger, residents are stronger

Homeownership is linked with greater household wealth, increased health and improved educational outcomes for children.

Homeownership is the foundation for household wealth:



The Federal Reserve reports that homeowners have, on average, 40 times higher household wealth than those who rent.



Homeownership offers lower- and middle-income Americans of every background an opportunity to lift their economic prospects over time.⁵



Expanding affordable homeownership opportunities can potentially help reduce wealth disparities, according to several governmental and economic studies.

Studies of the impact of homeownership have found:



There is significant support for higher homeownership rates being “an important element in neighborhood health,” resulting in greater residential stability, higher community involvement and lower crime rates.⁶



Successful homeownership is associated with increased physical health and mental well-being and overall life satisfaction.⁷



A strong link exists between homeownership and better educational outcomes for the children of those families, including higher levels of education and subsequent earnings.⁸

⁵ 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>

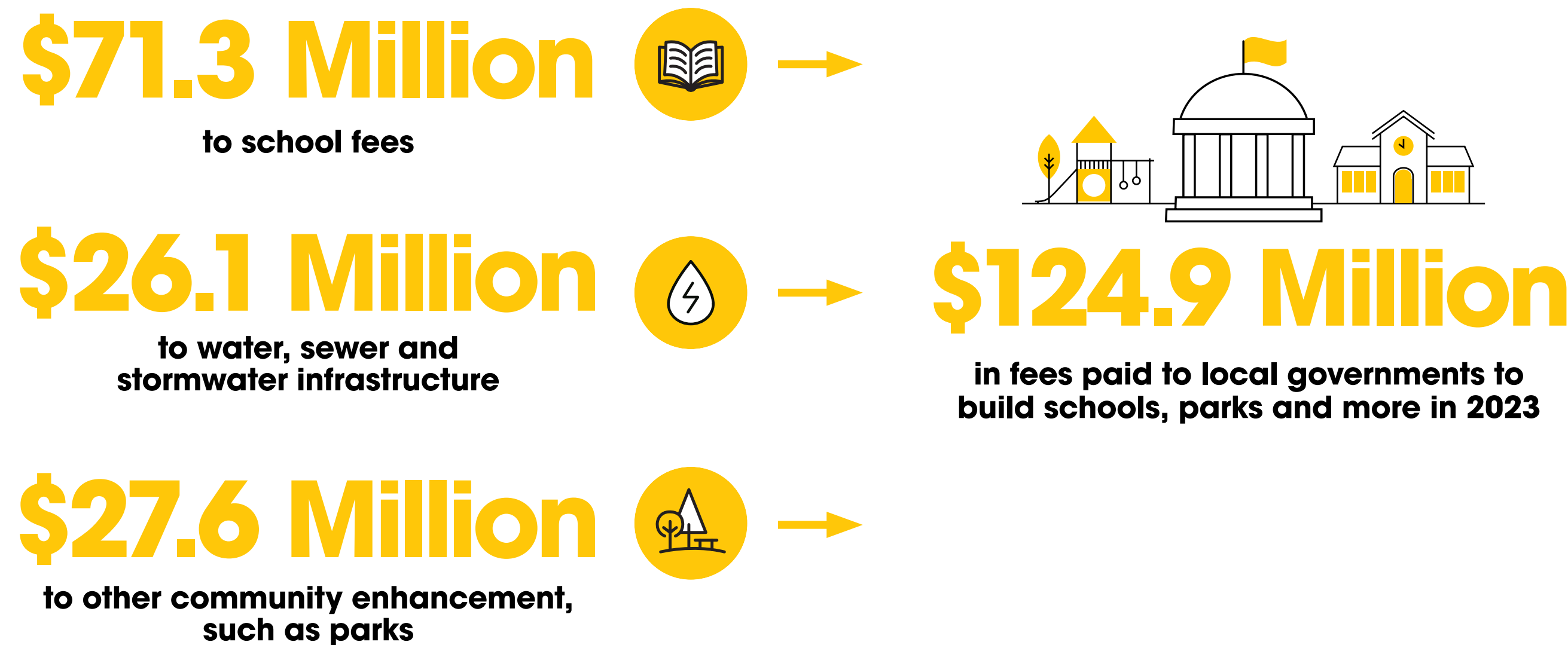
⁶ Martino J, Pegg J, Frates EP. The Connection Prescription: Using the Power of Social Interactions and the Deep Desire for Connectedness to Empower Health and Wellness. Am J Lifestyle Med. 2015 Oct 7

^{7, 8} National Association of Realtors, Research Division, “Social Benefits of Homeownership and Stable Housing,” December 2016, page 15: https://www.gmar.com/data/resources_files/Social%20Benefits%20of%20Homeownership%20%20Stable%20Housing.pdf

Community building requires investment

Strong communities need infrastructure to support both current and future residents.

We are proud to make enduring investments in the communities where we build. We work with local governments, school districts, utilities and community organizations to contribute toward building schools, roads and other key infrastructure, both voluntary and required.



In addition to the direct contributions we make to local communities, new homes and their homebuyers also contribute to local economic resiliency by creating jobs and new customers for local businesses:

4 estimated number of new full-time jobs created for a year for each new single-family home built⁹

\$21,000 average home-related purchases (such as furniture, appliances, alterations and household goods) made by new homeowners in the first year compared to non-moving homeowners¹⁰

4x average spending of new homebuyers on these items in the first year compared to non-moving owners; and 2x compared to buyers of resale homes

⁹ <https://www.nahb.org/-/media/NAHB/news-and-economics/docs/housing-economics/economic-impact/economic-impact-state-2015.pdf?rev=3f1729e33f804a14b7ba736fb52253a5&hash=E46BCF988F5EC26E3108E74422FDA05A>

¹⁰ <https://eyeonhousing.org/2022/06/what-do-home-buyers-buy-after-moving-3/>

Creating community spaces that work with nature



Confluence Park at Valencia in Valencia, CA

These spaces play a crucial role in fostering a strong, interconnected and vibrant neighborhood fabric.

Studies show that social connectedness isn't just "nice to have" – it's important for health and well-being.¹¹ Homeownership can promote a feeling of long-term personal investment in local community and is the foundation for lasting bonds with neighbors. Every year, we build hundreds of communities across the country, with thousands of new homeowners who have the opportunity to enjoy the benefits of the social connectedness of our neighborhoods.

Community amenities like parks, play spaces, and walking and bike trails provide residents with not only easy access to outdoor activities but also an opportunity for community bonding. These green spaces encourage communal gathering, social interaction and opportunities for neighbors to connect, which can be particularly attractive to first-time homeowners coming from apartments without easy access to the outdoors.

In 2023, we started development on the following features in or adjacent to KB communities:

- 100+** parks or play spaces totaling over 95 acres
- 16+** miles of walking or bike trails
- 650+** acres of habitat preservation or restoration efforts

11 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

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.

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.



Atlas at Mission Village in Hayward, CA

30+	high-density communities in 2023
10+	redevelopment communities in 2023
30+	infill communities in 2023

Note: some communities meet multiple categories

INFILL COMMUNITY SPOTLIGHT

Orchid Torrance California

This new community in a desirable area of Southern California offers sustainable living and a healthy lifestyle at an affordable price.

Orchid is a beautiful, sustainable, gated townhome community located in a transitional neighborhood on the site of a former auto repair shop and other buildings. When complete, the community will offer open landscaping that beautifies the neighborhood as well as a private basketball court, 38 bike storage racks and bike trails that connect to a regional bike path, which all promote a healthy lifestyle.



58

new 3-story townhomes, including five homes designated as affordable (below market rate) under a Los Angeles County homeownership program

18.5

dwelling units per acre

65%

of buyers to date are from immediate area and 100% are from Southern California

31%

of buyers to date are "hometown heroes" working in military, medical, education or government

58

Walkability score*

49

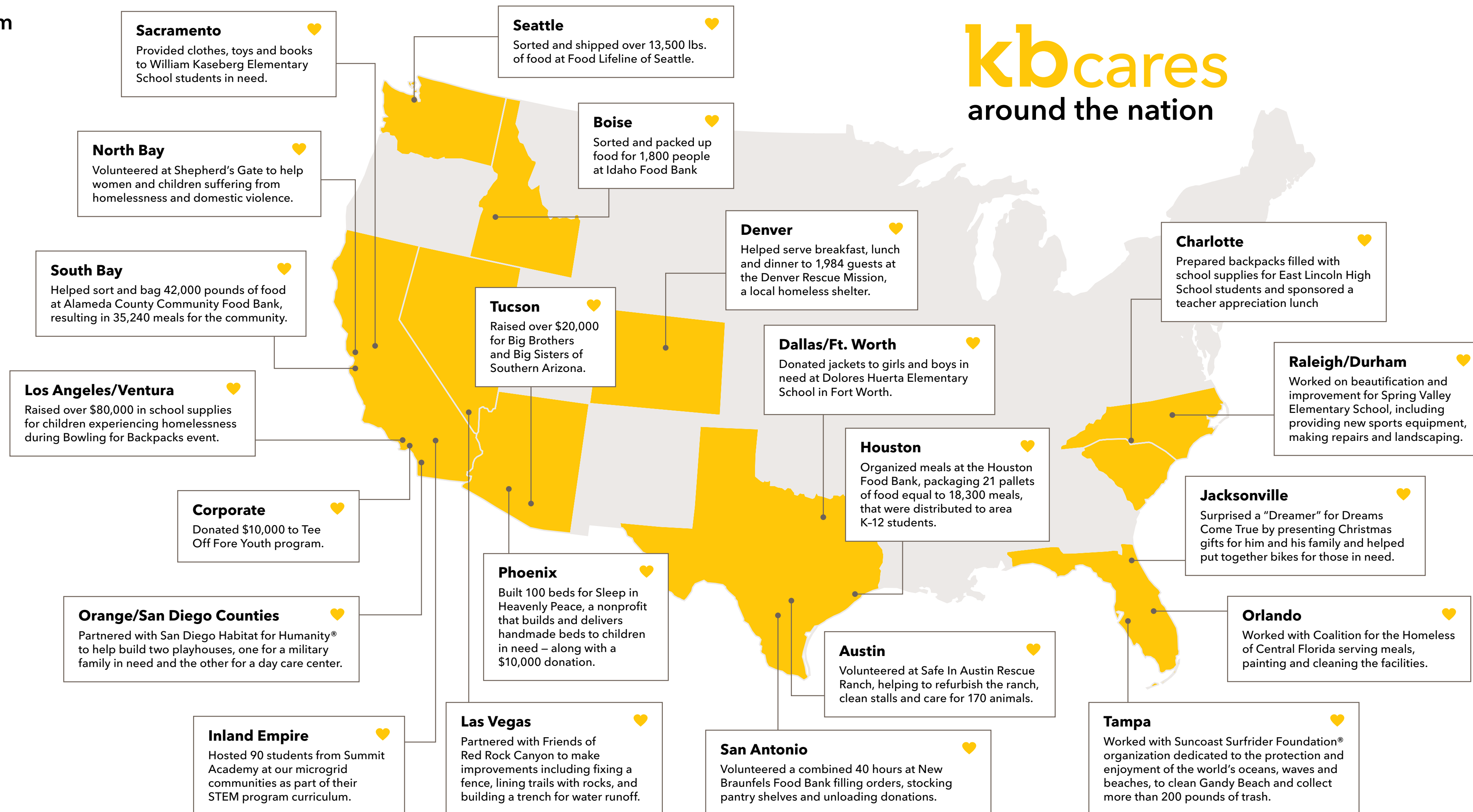
Bikeability score*

*Source: Redfin.com

Supporting the wider communities that we call home

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



\$1.93M

combined donations in 2023 from both KB Home and our partners

5,344

total KB Home employee volunteer hours in 2023

11,913

Sackcloth & Ashes blanket donations to homeless shelters in 2023

50,000

trees planted in National Forests in partnership with the National Forest Foundation (NFF) in 2023



KB CARES SPOTLIGHT 2023 National Volunteer Day

For our inaugural annual National Volunteer Day, our teams across the country came together in support of their communities.

Our employee teams are always 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.

21

local division offices participated

30

community giving and volunteer events

2,400+

KB Home employee hours donated for National Volunteer Day



Expanding on our longtime support for old-growth forests with the National Forest Foundation

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 took an early leadership position in our industry 16 years ago by becoming a public proponent for the preservation of old-growth national forests in partnership with the Natural Resources Defense Council (NRDC). All KB Home wood suppliers are required to commit to upholding our Responsible Lumber Practices Policy (see page 53).

We are proud to have expanded our efforts in 2023 by joining the 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.



50,000

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

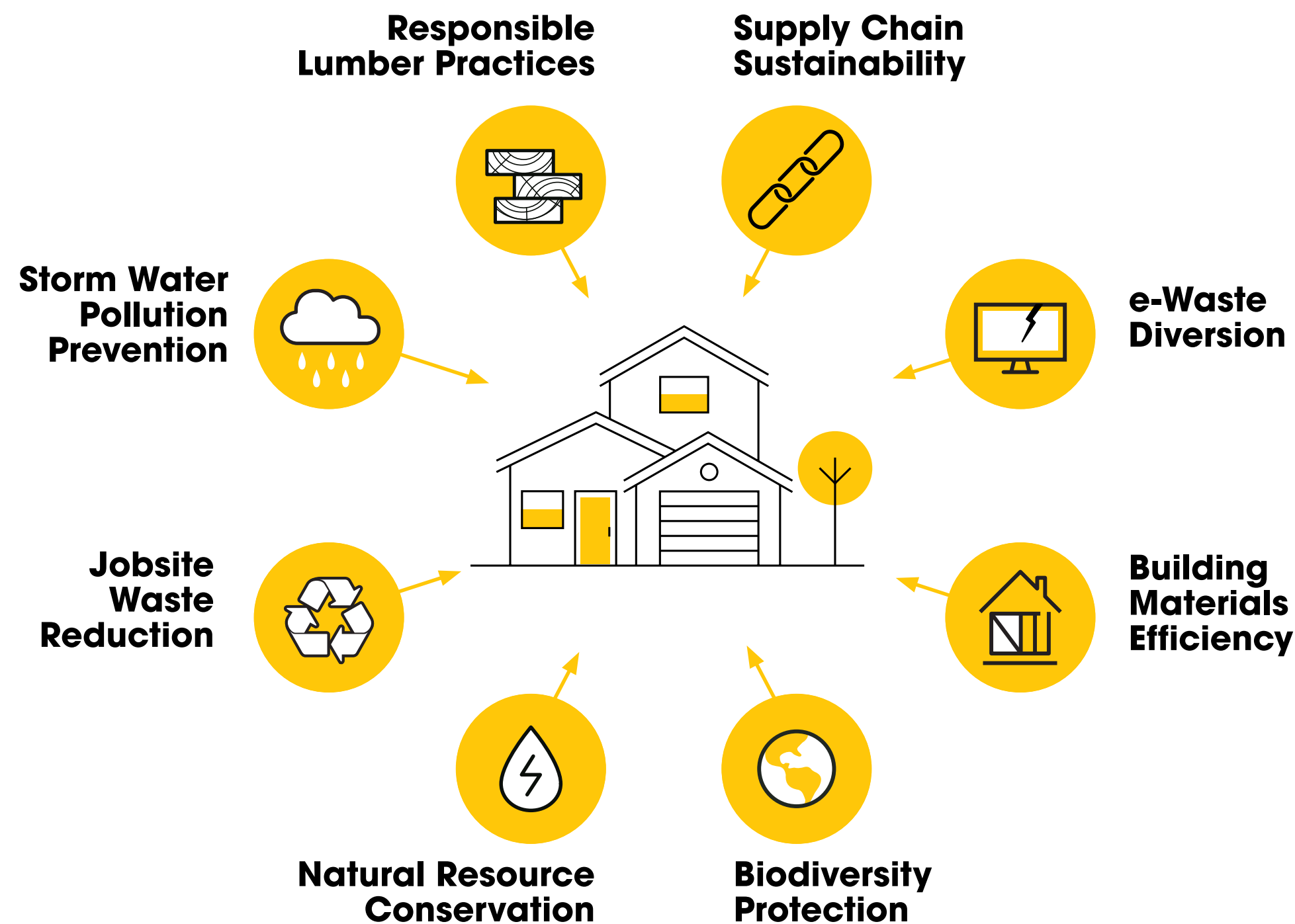
25,000

megatons of CO₂e may be stored by these trees over their lifetime, helping to mitigate climate change¹²

¹² <https://www.nationalforests.org/assets/pdfs/NFF-Tree-Planting-Impact-Report-2023.pdf>

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 some of the 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, paint washouts, silt fencing and inlet drain protection.
- **Waste generation** - Construction operations generate significant waste that can accumulate in our landfills. We constantly evaluate our product designs to assess new opportunities to use natural resources more efficiently. Our approach to waste reduction includes updates to our Get Rid of Waste (GROW) internal initiatives to address jobsite waste and our value engineering and panelization work.

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 revitalizing older neighborhoods. With limited land resources available, we strive to maximize available housing stock by making efficient use of land.
- **Strategic partnerships 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.

Publicly disclosing our policies and intentions is an important part of the process, and we invite you to read our policies in full in the Our Foundation section of this report.

BIODIVERSITY SPOTLIGHT

Sweetwater Vistas in Spring Valley

The new community restores native vegetation and builds affordably priced homes, with over half of the community site dedicated to creating an open space conservation area.

Habitat restoration and preservation are playing a pivotal role in ensuring the ecological integrity at our Sweetwater Vistas community in Spring Valley, California. We are proud of this unique opportunity to enhance the overall ecological resilience of the area, with over half of the 52.3-acre site dedicated to biological open space. The site contains two tributaries to Hansen’s Creek and an artificially created wetland. We will work to ensure no net-loss of wetland water functions and services as part of regulatory requirements. In addition, we also plan to enhance flood control, sediment transport, water filtration and wildlife habitat. We are also removing invasives and non-native plant species and revegetating native plants in and around the open space conservation easement area.

Through our comprehensive restoration initiatives, we aim to:

Enhance tributary banks

The two existing unnamed tributaries will be widened on both sides with gently sloping banks versus the current narrow drainage. The added width will allow pass-through water to stream, infiltrate and filter through vegetation before flowing into Hansen’s Creek.

Reintroduce native vegetation

Non-native dominated riparian habitat will be enhanced by removing invasive and non-native species to promote native species establishment. This maintenance will be managed over a five-year period following construction.

Encourage wildlife habitats

By restoring the riparian scrub habitats at this site, we can enhance the habitat of the migratory least Bell’s vireo and yellow warbler.



Bluffs at Sweetwater Vistas in Spring Valley, CA

52 acres

23 acres being developed for housing

29 acres being placed into biological open space

218 single-family attached homes planned

Our Foundation

Sustainability is an essential part of the platform on which we've grown our business for nearly two decades, and we believe that a foundation of strong governance policies and practices is critical to its success. Our organizational and governance standards provide structure and accountability to our sustainability values and goals.

In this chapter, we share detailed information about our diverse and exceptional Board of Directors, oversight practices, National Advisory Board role, environmental management system, our commitment to sustainability reporting, and key sustainability and social standards and policies.

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.

Board of Directors oversight

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 social 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.

National Advisory Board

Nationally recognized leaders meet twice yearly with us to discuss recommendations related to sustainability and other issues (see page 46).

Sustainability leadership team

A group of high-level executives, led by our President and Chief Operating Officer and including select 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.

ESG Steering Committee

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 with key external stakeholders, raising the profile of sustainability across the company and enhancing our transparency and disclosure around these initiatives.

Environmental Management System (EMS)

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 47.



The Foothills in San Marcos, CA

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 2023, there were no related party transactions.
- 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.

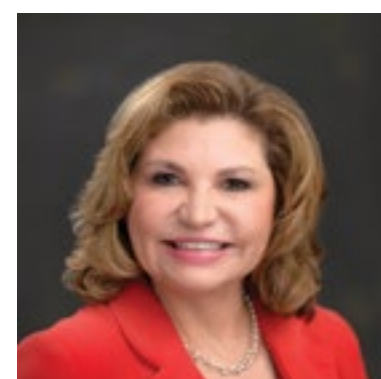
Comments or questions for the KB Home Board of Directors or any individual Board member can be directed in care of our Corporate Secretary at KB Home, 10990 Wilshire Blvd., 7th Fl., Los Angeles, CA 90024. Additional information about our corporate governance practices can be found in our 2023 Proxy Statement through our Investor Relations website, <https://investor.kbhome.com>.

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

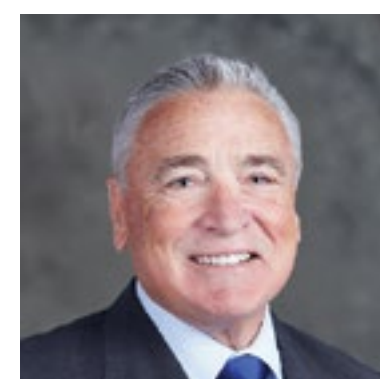
Our Board of Directors is an exceptional group of professionals who represent a range of experience, background, ethnicity, race and gender that helps to bring depth and breadth to their perspectives. They are committed to delivering long-term value to our stockholders, employees, homeowners and all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



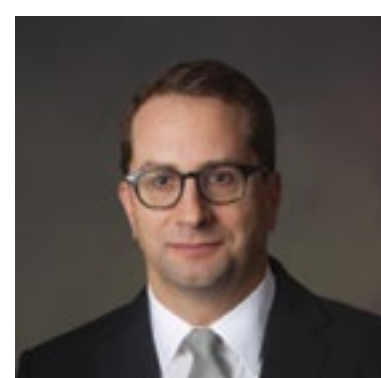
Jeffrey T. Mezger
Chairman and Chief Executive Officer, KB Home
*Director Service Since 2006
Chairman Service Since 2016*



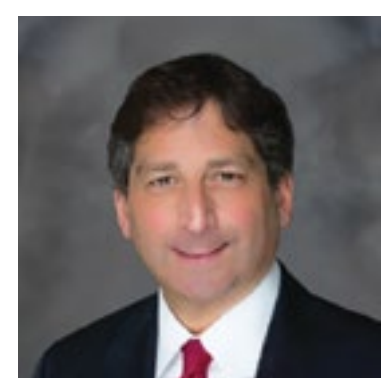
Dorene C. Dominguez
Chairwoman and Chief Executive Officer, Vanir Group of Companies, Inc.
Director Service Since 2017



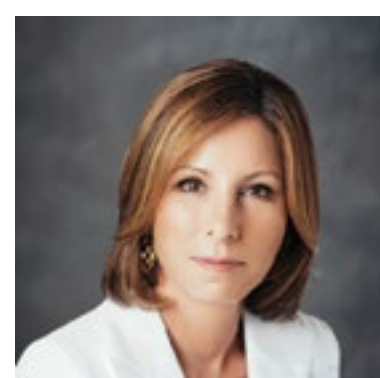
Dr. Thomas W. Gilligan
Emeritus Director and Senior Fellow, The Hoover Institution on War, Revolution and Peace
Director Service Since 2012



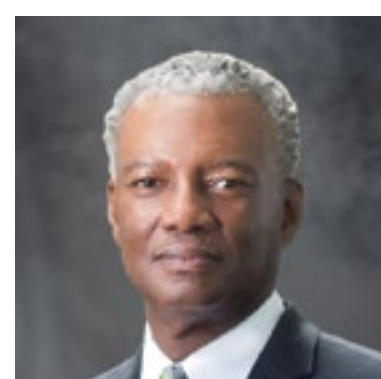
Jose M. Barra
Senior Vice President, Merchandising Décor, The Home Depot®, Inc.
Director Service Since 2023



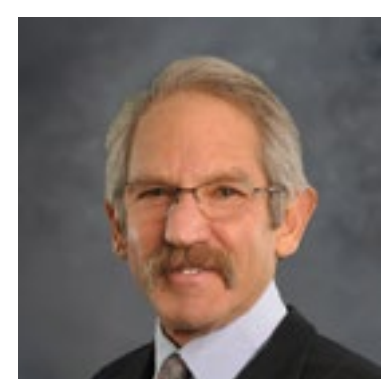
Kevin P. Eltife
Founder and Owner, Eltife Properties, Ltd.
Director Service Since 2020



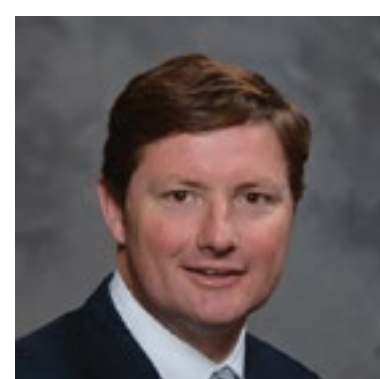
Jodeen A. Kozlak
Founder and Chief Executive Officer, Kozlak Capital Partners, LLC
Director Service Since 2021



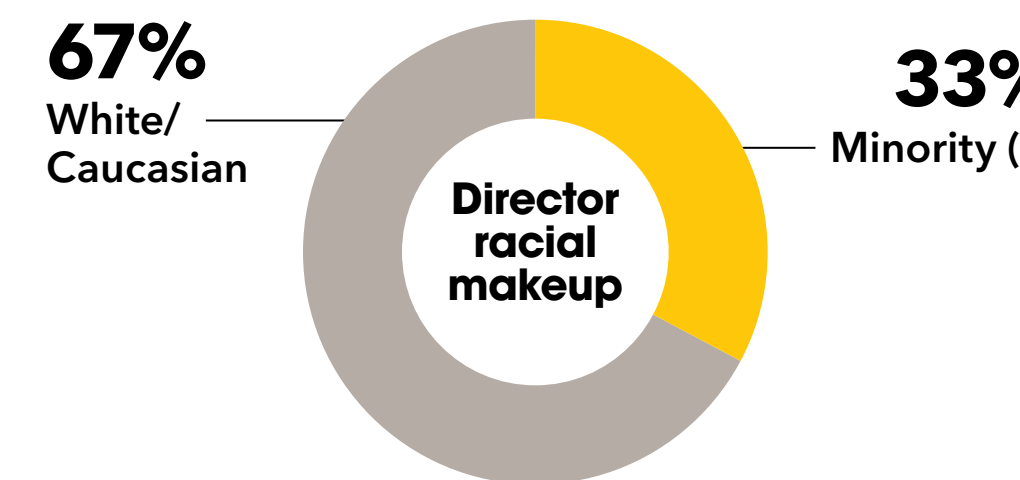
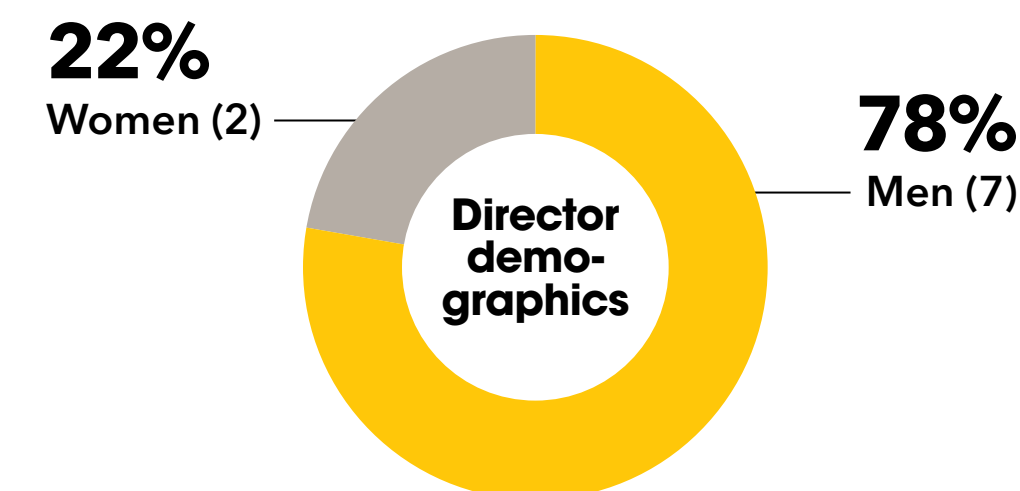
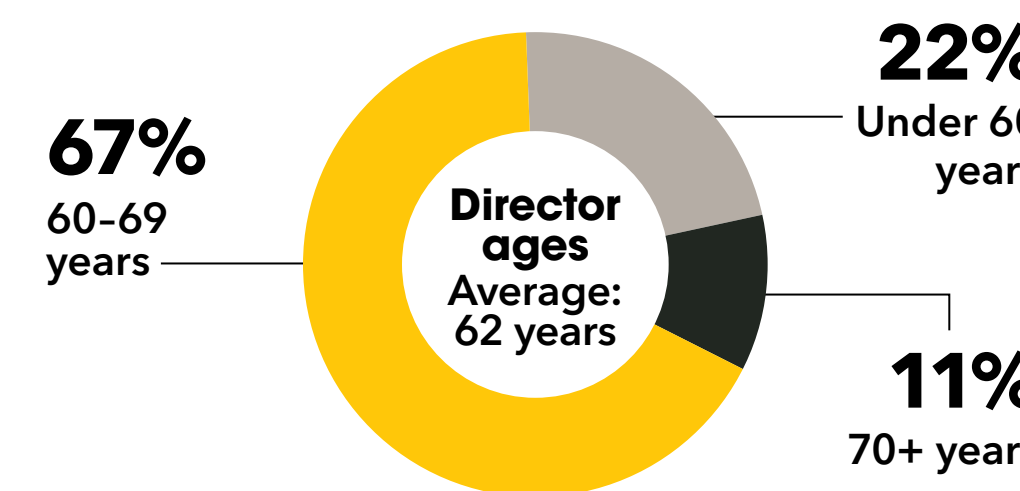
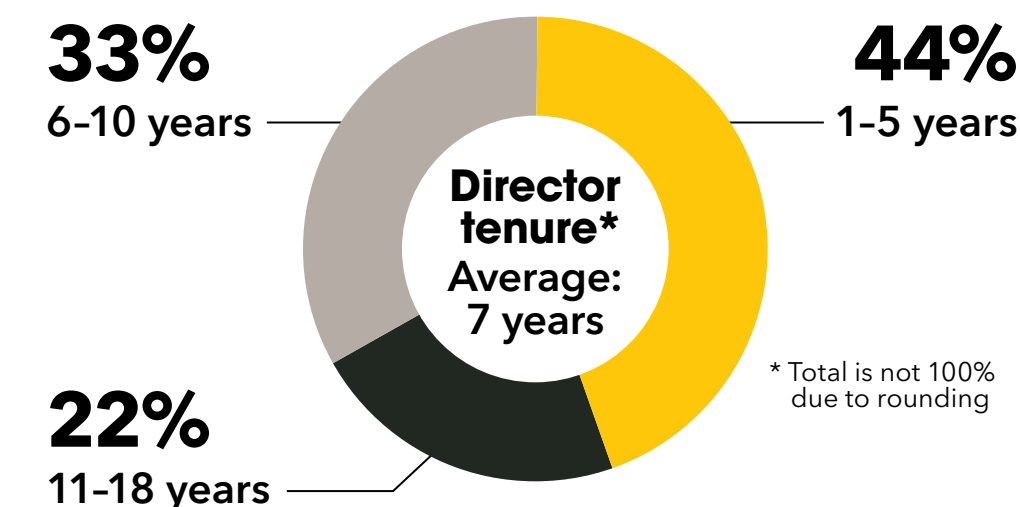
Arthur R. Collins
Founder and Chairman, theGROUP
Director Service Since 2020



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



James C. Weaver
Chief Executive Officer and Chairman, CW Interests, LLC
Director Service Since 2017



In 2023, 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
- Reporting and disclosure for ESG transparency

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.

2023 NAB members

Professor Magali Delmas

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

Dr. Jonathan Fink

Director, Digital City Testbed
Center, 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 LeaMond

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

Dr. Lou Moret

Former CalPERS Board Member

Andre Pettigrew

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

Sam Rashkin

Founder, Retooling the U.S.
Housing Industry

Former Chief Architect, U.S. DOE
Building Technologies Office

Daniel Seligman

Director, Clean Energy Solutions,
Ceres

Tim Smith

Principal - AIA, AICP
SERA Architects, Inc.

KB Home representatives

Jeffrey T. Mezger

Chairman and
Chief Executive Officer, KB Home

Robert McGibney

President and
Chief Operating Officer, KB Home

Dan Bridleman

Senior Vice President, Sustainability,
Technology & Strategic Sourcing,
KB Home, Retired in 2024,
Remaining on this Board

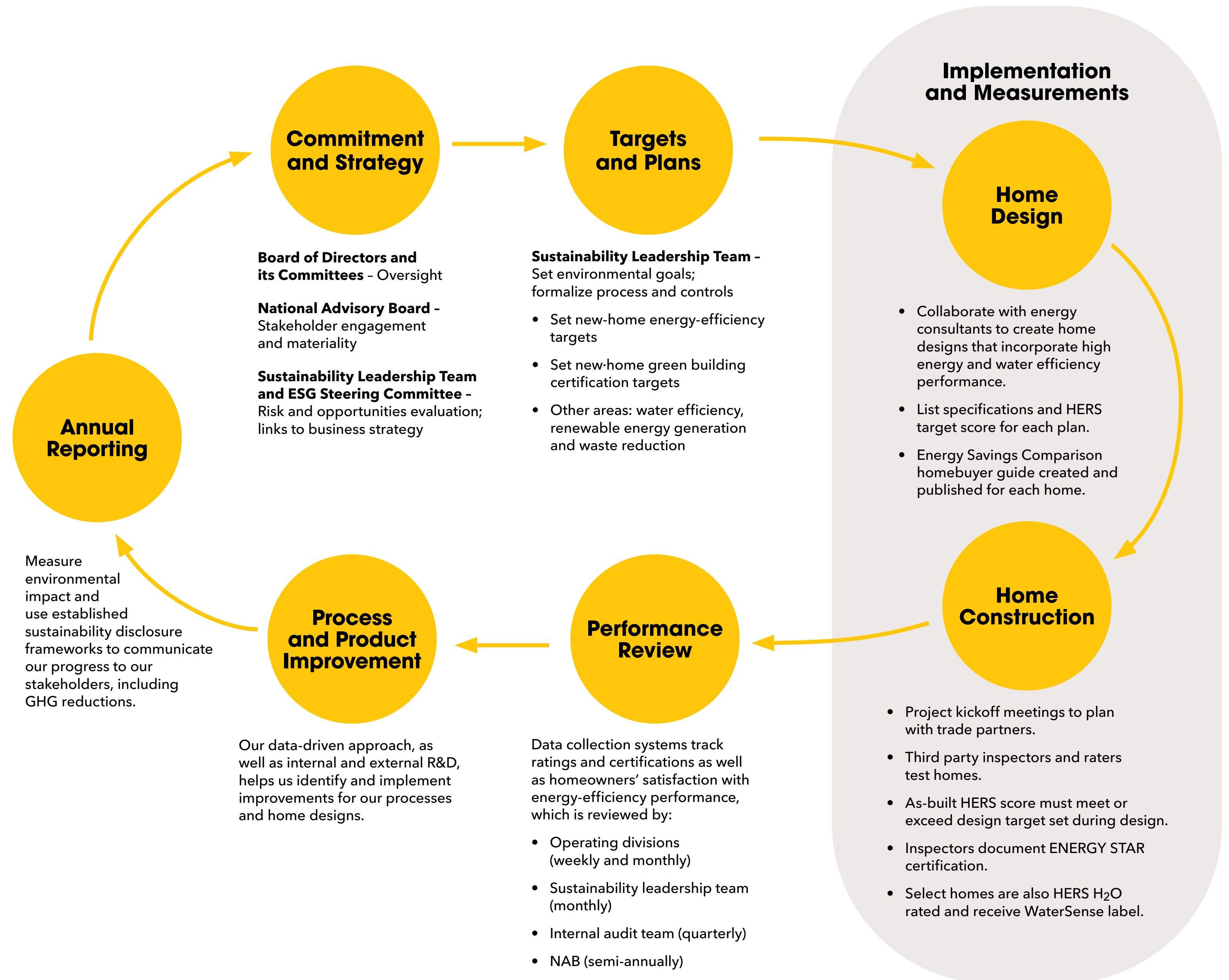
Jacob Atalla

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 that can reduce the emissions of GHGs generated from 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 to the right demonstrates this framework at a high level, including the validation activities that we include in the process.



Our commitment to sustainability reporting

We believe 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 to our customers, trade partners and other stakeholders.

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 of 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 Sustainability Accounting Standards Board® (SASB), TCFD, Global Reporting Initiative (GRI) and United Nations' Sustainable Development Goals (UN SDGs) frameworks, and we provide information to help stakeholders track year-over-year performance.

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:

1. Energy efficiency and greenhouse gas reduction

Approximately 85% of the energy consumed during the multidecade life cycle of a home – including the initial raw material extraction, manufacturing and construction – comes from the day-to-day living in it. That's why, as discussed on page 23, 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 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.

2. Water conservation

As discussed on page 26, 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).

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 2023 campaign contributions include:

In 2023, we contributed \$464,990 to campaigns for state and local offices in California and Nevada, and to California and Idaho 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>.

The Idaho campaign contributions can be found on the Idaho Secretary of State's website at <https://sos.idaho.gov/>.

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.



Skyview at Ponte Vista in San Pedro, CA

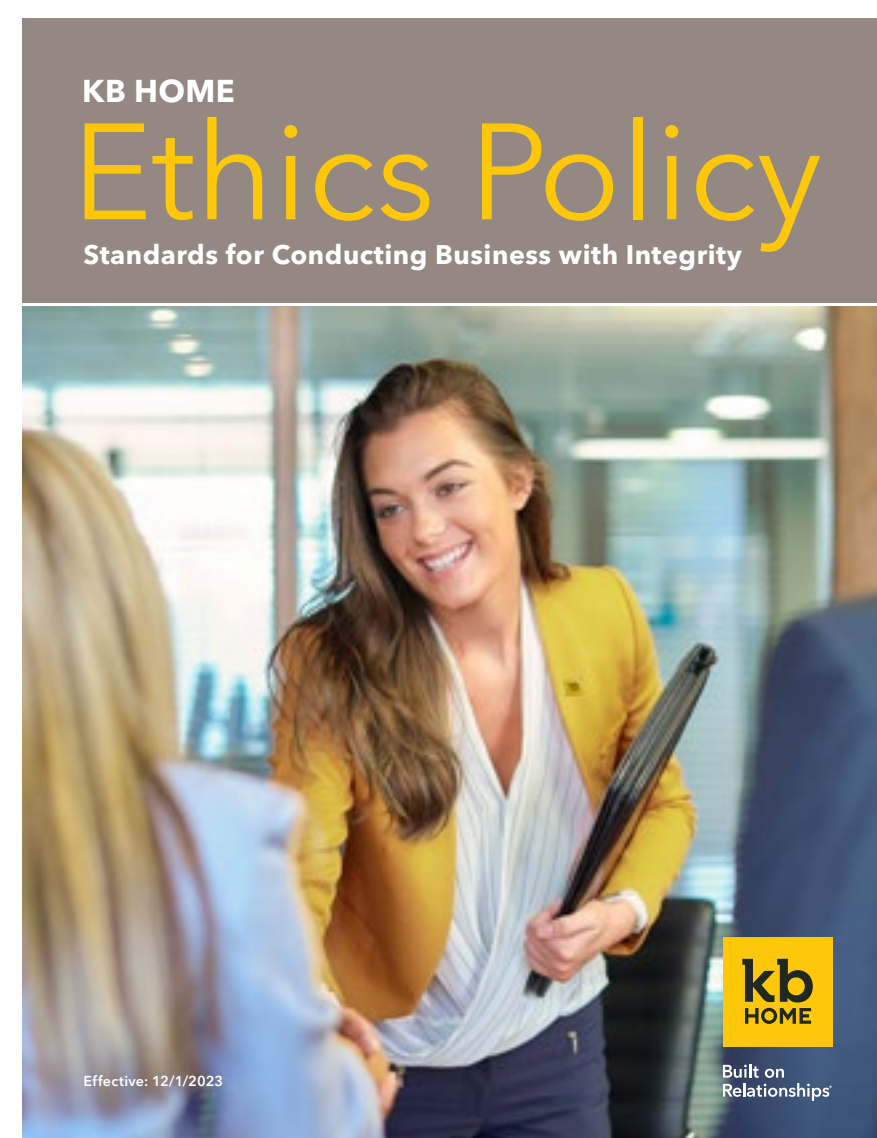
Clear standards and policies are a lever for social, environmental and economic sustainability

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.

These principles, guidelines and standards build on those contained within our Ethics Policy and are 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. 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:

Information security

Our cybersecurity defense provides multiple and redundant layers of protection against various attack vectors and vulnerabilities. We have deployed a broad range of cybersecurity systems and services that integrate, among other things, artificial intelligence, machine learning, network monitoring, firewall, endpoint detection and response, and cloud security services.

Customer privacy

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.

Email security

We retain a third-party provider for email security and protection services. Since email is a frequent entry point for cyber threats, we have implemented these additional security measures in an effort to provide greater threat protection.

Employee education and awareness activities

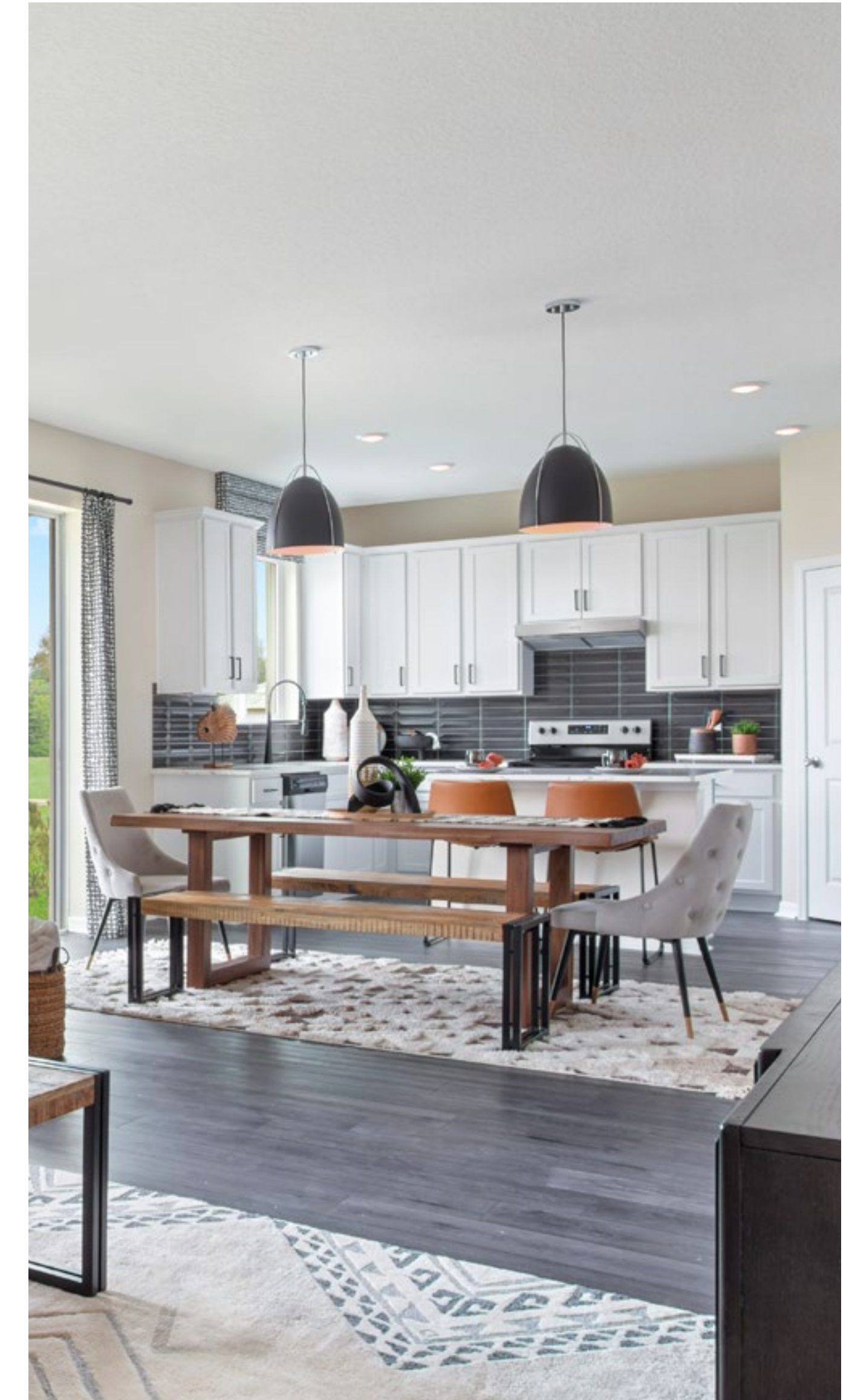
All employees are required to complete ongoing security awareness training, including social engineering, password best practices, data classification and phishing awareness, with additional training for employee handling of customer personal information. Additionally, the company publishes a monthly security awareness newsletter along with performing ongoing internal phishing assessments.

Leadership oversight

Our Board of Directors, largely through its Audit and Compliance Committee, oversees cybersecurity risks and our evolving physical, electronic and other protection strategies and initiatives. Our senior information technology executives periodically update the committee on our cybersecurity practices and risks, most recently in February 2024.

Annual risk assessment

We perform an annual cybersecurity assessment based on the National Institute of Standards and Technology framework to identify potential areas of focus.



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 to enhance our pollution prevention and waste reduction impact. We are committed to significantly reducing or eliminating our landfill waste over time.

> Jobsite waste tracking enhancements

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 79% of KB communities incorporating recycling into jobsite practices. By implementing these practices, KB Home can minimize our impact to 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 we can proceed in a way that protects the communities' clean water and surrounding environment. In 2023, over 34,000 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 2023 continued to use Moen®'s mixing valves, which contain recycled ocean plastics. With an average of 2.5 valves installed per home, Moen estimates that we used almost 2,200 pounds of recycled plastic in 2023.

> 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 and ensure that such items 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 2023, KB Home donated over 120 electronic devices, including laptops, desktops, televisions and more.

WASTE DIVERSION SPOTLIGHT Inland Empire division

In 2023, KB Home rolled out an updated internal jobsite waste tracker. As we continue to build reporting capacity across our divisions, we want to spotlight the jobsite waste diversion efforts of our Inland Empire team.

- All Inland Empire communities have incorporated jobsite recycling.
- Inland Empire communities had an 81% combined waste diversion rate for 2023.
- Over 15,000 tons of waste was diverted from landfills.
- Over 7,000 tons of concrete was diverted from landfills.

These impressive numbers are due to a comprehensive waste management program that our Inland Empire team has grown over the past 15 years. Each community has dedicated material bins, bilingual signage, paint washouts to limit waste contamination, and trash compaction to optimize bin usage. The success of this local program is built on the relationships that we have with our local waste haulers and trade partners. Division team members spend the time to understand our waste hauler policies to determine what materials can be recycled or commingled so that we can better align our diversion goals. Additionally, we communicate regularly with our jobsite trade partners on our waste diversion goals so we can collectively meet our targets.



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:

Protecting endangered forests

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.

Engineered wood products

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, which are often stronger than products made from virgin trees and minimize the cutting of new trees.

Value engineering and panelization

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, Builders FirstSource®, our use of their precut framing packages and trusses has resulted in an estimated 14,500 trees saved in 2023, 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.

Third-party certification

Our suppliers offer certified products through sustainable forestry management programs or organizations like the Sustainable Forestry Initiative® (SFI) or Forest Stewardship Council®.

Legal compliance

All KB Home wood suppliers commit to compliance with all local, national and international laws applicable to wood or wood merchandise.

Data & Disclosures

Beginning with our first sustainability report published in 2008, transparency has been a core part of our sustainability approach. We believe in providing data for both the most recent fiscal year and historical comparisons where available, even when it does not fully realize our goals.

In support of this objective, we dedicate a significant and consistently expanding portion of each of our sustainability reports to objective stakeholder transparency, as measured by data tables and progress against standard sustainability disclosures. We do this in order to allow our stakeholders to evaluate our progress.

Here, we share our GHG emissions and carbon footprint estimates, our TCFD and SASB disclosures, a GRI index of content, and a map of our efforts against the UN SDGs.

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

Since 2008, we have provided comprehensive data tables of our key ESG sustainability metrics for both the most recent fiscal year and historical comparisons (subject to available data). We report such information in this chapter and we provide relevant subsets in other reports and on our website in alignment with the SASB, TCFD, GRI and UN SDG 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 2023 Annual Report on Form 10-K.

Index of Sustainability Topics

To make it easier for our stakeholders to locate key ESG 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 ESG information and data can be found on our ESG website (www.kbhome.com/esg).

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GHG emissions and carbon footprint

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. As the largest 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 17 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 23. 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 are on our way to achieving this target and expect to set new targets in the future. To date, we believe our efforts to reduce the carbon footprint associated with KB homes has led to an estimated 7.4 billion pounds (3.3 million metric tons) of avoided GHG emissions. As described on page 23, 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.

We believe Scope 3 represents the largest segment of GHG emissions from our business operations and products. In our 2021 report, we reported our Scope 3, Category 11 emissions, “Use of sold products,” for the first time. Since we estimate that our most significant Scope 3 emissions come from the use and occupancy of our homes after they are sold to a customer (page 48), the initial focus of our Scope 3 calculations was to estimate this category of emissions. We utilize the U.S. EPA’s estimates for GHG emissions associated with day-to-day living in ENERGY STAR certified homes to provide reasonable estimates of these Scope 3 GHG emissions. Additionally, in 2024, we plan to pilot RESNET’s new Carbon Index, which produces a home-specific indexed score and GHG emission estimate. 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 conducted our first informal supplier sustainability survey in 2023. Suppliers were asked about their use of Environmental Product Declarations (EPDs), documentation of the environmental footprint associated with a product’s life cycle, and any product sustainability certifications. Our findings showed 62% of respondents had EPDs for the products we purchase from them, providing more insight into the carbon emissions associated with the extraction, processing and manufacturing of their products. We plan to 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 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 2023. 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. Approximately 90% 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
Scope 1 emissions - Combustion of fuel	CO ₂ e in metric tons	1,761	2,089
Scope 2 emissions - Location based	CO ₂ e in metric tons	9,221	12,088
Total Scope 1 & 2	CO ₂ e in metric tons	10,982	14,177
Estimated GHG emission financial intensity	CO ₂ e in metric tons/ \$ total revenue	0.0000016	0.0000022
Estimated GHG emission activity-related intensity	CO ₂ e in metric tons per delivered home	0.80	1.1
Scope 3 emissions - Category 11, Use of sold products*	CO ₂ e in metric tons	3,984,020	3,706,080
Estimated cumulative avoided emissions	CO ₂ e in metric tons	3,137,987	3,343,414
Estimated energy consumption within organization			
Total natural gas consumption	Therm	270,768	337,919
Total electricity consumption	MWh	26,203	34,012
Total energy consumption within the organization	MMBtu	116,504	149,846

*These calculations assume a 50-year building life, a change from the 100-year life we applied in 2021, the first year for which we estimated our Scope 3 carbon footprint, to bring us closer to present homebuilding industry practice. Neither period is 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).

BUILDING MATERIALS INNOVATION SPOTLIGHT

Lower embodied carbon

- 1: <https://rmi.org/insight/hidden-climate-impact-of-residential-construction/>
2: <https://www.buildersforclimateaction.org/report---nelson-benchmark-study8203.html>
3: https://www.greenfiber.com/uploads/documents/Impact-of-Cellulose-Insulation-on-the-Affects-of-Building-Assemblies_White-Paper.pdf

As we continue to work on driving further reductions in carbon associated with the day-to-day occupancy of KB homes, we are also evaluating opportunities to reduce the embodied carbon footprint of our homes. Recent studies estimate that a home's embodied carbon may potentially be reduced by up to 50% by switching to emerging products that contain or are produced with less carbon than their conventional counterparts.¹ We selectively evaluate these new, lower-carbon materials based on their performance, availability, feasibility and cost.

One such solution we integrated in 2023 at select Arizona pilot communities is a lower carbon alternative to traditional concrete, called Vertua[®] by Cemex[®]. This concrete has similar material strength compared to traditional

concrete used for foundations of homes, while reducing the amount of carbon emissions by over 30%. As concrete is estimated to be the material with the largest embodied carbon contributions in a home at 35.5%, our use of Vertua concrete at select communities has resulted in a meaningful reduction of these homes' embodied carbon.² According to Cemex, the estimated total CO₂e avoided from this pilot in 2023 is over 3,000 metric tons.

Another product innovation we installed in these homes beginning in late 2023 is Greenfiber[®]'s SANCTUARY[®] cellulose insulation. Insulation is second only to concrete as the largest source of embodied carbon contributions in a home. Since insulation requirements are expected to rise in order to meet increasingly higher energy efficiency

standards, the carbon impact of an insulation product could potentially become even more critical to a home's overall carbon footprint. Greenfiber's cellulose insulation has the lowest carbon footprint of commonly available insulation types. It also has an added carbon storage benefit because it is made from 85% recycled paper, which locks in carbon for the life of the home.³ By installing SANCTUARY as part of this pilot, we can expect to keep an additional estimated 250 metric tons of CO₂e from the atmosphere in 2024, according to Greenfiber.

As we continue to evaluate the embodied carbon footprint associated with the materials we use in our homes, we intend to balance pioneering products and technologies with delivering affordable homes to our customers.



Task Force for Climate-Related Financial Disclosures (TCFD)

As discussed in our 2023 Annual Report on Form 10-K, we identified as a strategic risk factor that GHG emissions are driving global climate change, a phenomenon expected to have various impacts on our operations, with the potential to significantly disrupt our business as well as negatively affect stakeholders, such as our suppliers, independent contractors and customers. A key, ongoing challenge is balancing the cost of our efforts to mitigate this risk, primarily by offering more resource-efficient products that generate fewer emissions in their use, against our priorities of generating higher returns and delivering homes that are affordable to our core first-time and first move-up customers. In accordance with TCFD recommendations, we present here a high-level assessment of our present climate risks and opportunities.

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 43 and our 2023 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 assesses environmental sustainability, and its Management Development and Compensation Committee evaluates workforce matters.
- 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 and external stakeholder interactions are directed primarily through our Sustainability Leadership Team, headed by our President and Chief Operating Officer, and our ESG Steering Committee, which is led by our Senior Vice President for Investor Relations.
- 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 47, 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 64. 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 47.

> 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.

Risks 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 25 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 49 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 12-16 for more information.</p>

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

Metrics & Targets

Metrics	Our Progress	References
ENERGY STAR certified homes	As of 2023, KB Home is proud to have built over 190,000 EPA ENERGY STAR certified homes, more than any other homebuilder since 2000. This is equivalent to approximately 7.4 billion pounds cumulative avoided CO ₂ emissions according to the EPA.	Page 22
WaterSense labeled homes	We have also built more than 21,800 EPA WaterSense labeled and Water Smart homes since 2005, more than any other homebuilder. Additionally, we have achieved an estimated 2.0 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 2023, we reached an average HERS Index score of 46, the lowest (and therefore the most efficient) publicly reported score among large production homebuilders (average is 57 for all rated homes in 2023).	Page 23
8% reduction in associated annual GHG emissions from the use of our average 2025 KB home compared to a 2020 KB home	With our 2023 national average HERS Index score of 46, we have achieved an estimated 0.2 metric tons of reduction in associated GHG emissions from the use of the average KB home built in 2023 compared to 2022, which is on track with our 2025 goal. Our reported GHG Scope 1, 2 and 3 emissions details are listed on page 56.	Page 23

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 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 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.



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 64, as part of the decision-making process for approving a land purchase we review extensive information about a proposed project, including of the presence of environmentally sensitive areas and 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 47.

Strategy & Risk Topics

Our nature-related efforts as outlined on page 40 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 2023, KB Home began efforts that will result in over 650 acres of habitat preservation and restoration.</p> <p>In 2023, we also established a partnership 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 34, 39-41
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. We built 2,806 WaterSense labeled homes, helping to save at least 30% less water than a typical home in 2023.</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 2023, over 34,000 documented inspections were performed on KB Home sites nationwide.</p>	Pages 26, 52
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 79% for 2023.</p>	Page 52

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 17 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, 2023, unless otherwise noted.

SASB Accounting Metrics	KB Home 2023 disclosure
IF-HB-000.A Number of controlled lots	55,976
IF-HB-000.B Number of homes delivered	13,236
IF-HB-000.C Number of active selling communities	242 as of November 30, 2023

	SASB Accounting Metrics	KB Home 2023 disclosure						
Land Use & Ecological Impacts	IF-HB-160a.1 Number of (1) lots and (2) homes delivered on redevelopment sites	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 2023, we delivered 346 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 35.						
	IF-HB-160a.2 Number of (1) lots and (2) homes delivered in regions with High or Extremely High Baseline Water Stress	7,360 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 64.						
	IF-HB-160a.3 Total amount of monetary losses as a result of legal proceedings associated with environmental regulations	\$0 (zero)						
	IF-HB-160a.4 Discussion of process to integrate environmental considerations into site selection, site design, and site development and construction	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 64 for more details.						
Workforce health & safety	IF-HB-320a.1 (1) Total recordable incident rate (TRIR) and (2) fatality rate for (a) direct employees and (b) contract employees	<table border="0"> <tr> <td>(1) TRIR for calendar year 2023:</td> <td>(2) Work-related injury fatalities</td> </tr> <tr> <td>(a) direct employees: 1.5*</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 2023:	(2) Work-related injury fatalities	(a) direct employees: 1.5*	(a) direct employees: 0.0	(b) contract employees : 0	(b) contract employees: 0.0
(1) TRIR for calendar year 2023:	(2) Work-related injury fatalities							
(a) direct employees: 1.5*	(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 2023 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 (13,236 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 46 by end of 2023, down from 85 when we began tracking this metric company-wide in 2007. For more information, please review page 23.
	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 2023 are within eligible WaterSense labeled product categories. We installed over 1,100,000+ such fixtures to date. Approximately 60% of irrigation controllers installed in 2023 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	13,161 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 22.
	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 64.
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 pages 35-36.
	IF-HB-410b.2 Number of (1) lots and (2) homes delivered on infill sites	In 2023, we delivered 855 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 2023 we delivered over 1,018 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 pages 35-36.
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 58-60 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 infill 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, our senior executive Land Committee reviews 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 areas; assessment of site development required, including any work needed to comply with storm water regulations; proximity to major employment and retail centers; and a detailed proposal for site design and product (home designs and specifications) plans that are, among other things, consistent with our longstanding commitment to building highly energy- and water-efficient homes.

Our strategies for mitigating risks include the use of third-party environmental consultants to investigate potential environmental risks in our due diligence process for land acquisitions. We also require disclosures, representations and warranties, and indemnities from land sellers regarding environmental risks. As we are subject to federal, state and local rules that can require us to undertake extensive measures to prevent or minimize discharges of stormwater and other materials from our communities and to protect wetlands and other designated areas. 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 35-36, 40-41.

Note 2

The major risk with incorporating resource efficiency into our home designs is the increased cost associated with doing so, which we weigh carefully as part of our focus on serving our core first-time and first move-up homebuyers. This is one reason that we have designed our homes to meet the standards of the ENERGY STAR certification program. ENERGY STAR certification is not a prescription with only one way to achieve it; it identifies performance targets and allows builders to determine the most cost-effective ways to achieve them.

In addition to the risks associated with incorporating resource efficiency into our homes, we feel there are risks with not doing so, including with respect to entitling new communities and offering homes for sale to a consumer base that is becoming increasingly conscious of its environmental impact. Also, not enhancing the resource efficiency of our homes to the extent feasible may make communities more vulnerable to rising energy and water costs and use restrictions.

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

Our leadership in sustainability is a key 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 (2022-2023) estimated average annual savings of \$1,400 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 22-23, 39, 52.

Alignment with United Nations' Sustainable Development Goals

The UN SDGs are a set of goals for all organizations and governments worldwide to aspire to in order to achieve a better and more sustainable future by 2030. Below, we have mapped our evaluation of our current efforts against the UN SDGs in order to demonstrate how they align with our business activities.

Goal	Description	Aligned Topics	Reference
	Ensure healthy lives and promote well-being for all at all ages	3.9 By 2030, substantially reduce the number of deaths and illnesses from hazardous chemicals and air, water and soil pollution and contamination	Pages 28, 52
	Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all	4.3 By 2030, ensure equal access for all women and men to affordable and quality technical, vocational and tertiary education, including university	Page 19
	Achieve gender equality and empower all women and girls	5.1 End all forms of discrimination against all women and girls everywhere 5.5 Ensure women's full and effective participation and equal opportunities for leadership at all levels of decision-making in political, economic and public life	Pages 17-18
	Ensure availability and sustainable management of water and sanitation for all	6.1 By 2030, achieve universal and equitable access to safe and affordable drinking water for all 6.4 By 2030, substantially increase water-use efficiency across all sectors and ensure sustainable withdrawals and supply of freshwater to address water scarcity and substantially reduce the number of people suffering from water scarcity	Page 26
	Ensure access to affordable, reliable, sustainable and modern energy for all	7.2 By 2030, increase substantially the share of renewable energy in the global energy mix	Pages 24-25
	Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all	8.5 By 2030, achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value 8.7 Take immediate and effective measures to eradicate forced labour, end modern slavery and human trafficking and secure the prohibition and elimination of the worst forms of child labour, including recruitment and use of child soldiers, and by 2025 end child labour in all its forms	Pages 17-18, 50
	Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation	9.1 Develop quality, reliable, sustainable and resilient infrastructure, including regional and transborder infrastructure, to support economic development and human well-being, with a focus on affordable and equitable access for all	Page 25

Goal	Description	Aligned Topics	Reference
	Reduce inequality within and among countries	10.3 Ensure equal opportunity and reduce inequalities of outcome, including by eliminating discriminatory laws, policies and practices and promoting appropriate legislation, policies and action in this regard	Pages 17-18
	Make cities and human settlements inclusive, safe, resilient and sustainable	11.1 By 2030, ensure access for all to adequate, safe and affordable housing and basic services and upgrade slums	Pages 32-38
	Ensure sustainable consumption and production patterns	12.2 By 2030, achieve the sustainable management and efficient use of natural resources 12.5 By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse	Pages 40, 52-53
	Take urgent action to combat climate change and its impacts	13.1 Strengthen resilience and adaptive capacity to climate-related hazards and natural disasters in all countries	Pages 7, 58-60
	Conserve and sustainably use the oceans, seas and marine resources for sustainable development	14.1 By 2025, prevent and significantly reduce marine pollution of all kinds, in particular from land-based activities, including marine debris and nutrient pollution	Page 52
	Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss	15.5 Take urgent and significant action to reduce the degradation of natural habitats, halt the loss of biodiversity and, by 2020, protect and prevent the extinction of threatened species 15.9 By 2020, integrate ecosystem and biodiversity values into national and local planning, development processes, poverty reduction strategies and accounts	Pages 40-41, 61, 64
	Strengthen the means of implementation and revitalize the Global Partnership for Sustainable Development	17.17 Encourage and promote effective public, public-private and civil society partnerships, building on the experience and resourcing strategies of partnerships	Page 25

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, there are no restatements in information presented in this or previous reports.

GRI 2: General disclosures		
2-1	Organizational details	Pages 4, 10-K
2-2	Entities included in the organization's sustainability reporting	Page 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 18, 10-K
2-9	Governance structure and composition	Pages 43-45, 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 43-44, Proxy
2-13	Delegation of the responsibility for managing impacts	Proxy
2-14	Role of the highest governance body in sustainability reporting	Pages 43-44, 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 2, Proxy
2-23	Policy commitments	Pages 48-50
2-24	Embedding policy commitments	Page 69
2-26	Mechanisms for seeking advice and raising concerns	Page 50
2-27	Compliance with laws and regulations	Page 62
2-28	Membership associations	Page 69
2-29	Approach to stakeholder engagement	Page 11, Proxy
2-30	Collective bargaining agreements	Page 69
GRI 3: Material Topics		
3-1	Process to determine material topics	Pages 43, 46, 48
3-2	List of material topics	Pages 5, 48, 10-K
3-3	Management of material topics	Pages 58-60, 10-K

GRI 201: Economic Performance		
201-1	Direct economic value generated and distributed	Page 4, 10-K
201-2	Financial implications and other risks and opportunities due to climate change	Pages 58-60, 10-K
GRI 203: Indirect Economic Impacts		
203-1	Infrastructure investments and services supported	Pages 33-35
203-2	Significant indirect economic impacts	Pages 19, 33-36, 37
GRI 205: Anti-Corruption		
205-2	Communication and training about anti-corruption policies and procedures	Page 69
GRI 301: Material		
301-2	Recycled input materials used	Page 52
GRI 302: Energy		
302-1	Energy consumption within the organization	Page 56
302-5	Reductions in energy requirements of products and services	Page 23
GRI 303: Water and Effluents		
303-1	Interactions with water as a shared resource	Pages 26-27, 58-60
303-2	Management of water discharge-related impacts	Page 52
303-5	Water consumption	Page 67
GRI 304: Biodiversity		
304-2	Significant impacts of activities, products and services on biodiversity	Pages 40, 61
304-3	Habitats protected or restored	Pages 34, 41, 61
GRI 305: Emissions		
305-1	Direct (Scope 1) GHG emissions	Page 56
305-2	Energy indirect (Scope 2) GHG emissions	Page 56
305-3	Other indirect (Scope 3) GHG emissions	Page 56
305-4	GHG emissions intensity	Page 56
305-5	Reduction of GHG emissions	Pages 23, 57

GRI 306: Waste		
306-2	Management of significant waste-related impacts	Page 52
306-4	Waste diverted from disposal	Pages 52, 68
GRI 308: Supplier Environmental Assessments		
308-1	New suppliers that were screened using environmental criteria	Page 20
308-2	Negative environmental impacts in the supply chain and actions taken	Pages 40, 53
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 and safety	Pages 29, 69
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 62
GRI 404: Training and Education		
404-1	Average hours of training per year per employee	Page 69
404-2	Programs for upgrading employee skills and transition assistance programs	Page 19, 10-K
GRI 405: Diversity and Equal Opportunity		
405-1	Diversity of governance bodies and employees	Pages 18, 45
GRI 414: Supplier Social Assessment		
414-1	New suppliers that were screened using social criteria	Page 20
GRI 415: Public Policy		
415-1	Political contributions	Page 49
GRI 417: Marketing & Labeling		
417-1	Requirements for product and service information and labeling	Page 50

Environmental performance overview

	Performance indicator	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	
	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	
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	
	% of total homes delivered that were ENERGY STAR certified	99%	99%	99%	99%	98%	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%	
	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	
	Homeowner satisfaction ratings on the energy efficiency of their KB home ³	93%	92%	91%	91%	89%	89%	93%	93%	93%	92%	90%	
Water conservation	Number of KB homes built to EPA's WaterSense specifications ⁴	61	96	233	265	170	134	147	270	1,284	1,760	2,806	
	Number of Water Smart homes built ⁵	503	400	589	807	854	1,132	950	449	0	0	0	
	Estimated operational water consumption (in gallons)									70,000,000	80,000,000	84,000,000	
	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	
	Toilets	20,000	20,200	23,000	27,600	33,800	35,000	36,800	33,100	40,416	42,588	35,737	
	Showerheads	15,000	15,150	16,400	19,700	23,400	24,300	25,600	22,950	28,965	32,971	27,796	
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	

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.

Environmental performance overview (continued)

	Performance indicator	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Office sustainability practice	% of office supplies purchased that are earth conscious	15%	20%	19%	22%	22%	26%	33%	33%	24%	22%	20%
	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
	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
	Trees saved	1,051	555	1,706	1,389	2,815	1,527	2,768	6,715	1,778	6,448	2,431
Our carbon footprint	Scope 1 estimated GHG emissions									1,844	1,761	2,089
	Scope 2 estimated GHG emissions								19,744	13,662	9,221	12,088
	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
	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)
	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)
	Scope 3 estimated GHG emissions for customer occupancy of KB homes (CO ₂ e in metric tons) ⁴										3,974,240	3,984,020
Waste reduction and recycling	% of KB homes built with preconstructed panels ⁵ (est.)	85%	85%	85%	85%	85%	85%	85%	90%	90%	90%	86%
	Trees saved from panelization and manufactured components ⁶										22,000	14,596
	% of KB Home communities incorporating recycling into their standard jobsite processes (est.)	70%	80%	85%	85%	85%	85%	85%	85%	85%	85%	79%

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 documents 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 expected to take place in 2024.

³ Based on the methodology identified by the Carbon Disclosure Project.

⁴ These calculations assume a 50-year building life, a change from the 100-year life we applied in 2021, the first year for which we estimated our Scope 3 carbon footprint, to bring us closer to present homebuilding industry practice.

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
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
NAB	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES
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
Infrastructure development - approximate other fees paid										\$39 million	\$54 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
Number of collective bargaining agreements with employees	0	0	0	0	0	0	0	0	0	0	0
Average online training certifications per employee ¹	17	13	14	10	7	8	13	10	12	14	13
Average online training hours per employee ²	13	10	11	8	5	6	11	8	10	12	10
Employee injuries by region:											
West	8	6	7	14	12	17	10	12	19	10	11
Southwest	1	7	6	8	16	9	7	3	4	3	5
Central	5	5	10	11	6	6	7	6	6	15	8
Southeast	6	5	6	8	3	4	8	0	9	7	8
Annual core training certification rate											
KBEdge white papers ³	83%	87%	83%	66%	70%	80%	92%	96%	96%	85%	95%
Ethics Policy	99%	98%	96%	97%	100%	98%	98%	99%	100%	100%	99%
100% complete/100% satisfied ³	100%	90%	85%	75%	77%	83%	94%	95%	97%	96%	95%
Sustainability certification ³	85%	85%	81%	64%	70%	77%	93%	96%	95%	95%	94%
Number of safety certifications ⁴	894	1,045	901	861	199	315	1,408	2,447	2,210	637	322

1 Decline is due in large part to our lower numbers of new employees, who are required to complete a large number of certifications as part of our new-hire orientation.

2 Decline is due in large part to lower numbers of new employees, who are required to complete more hours of training as part of our new-hire orientation. In addition to online training and certifications, we conduct on-site field training of employees that is not reflected in these numbers.

3 Decline in 2016 is due to transition to a new learning management system. These white pages were formerly known as KB2020.

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

Performance indicator	2023
Membership associations	Leading Builders of America, RESNET
Certification programs	EPA ENERGY STAR, WaterSense, and Indoor airPLUS; DOE Zero Energy Ready Homes; California Energy-Smart Homes Program; California Electric Homes Program; Build San Antonio Green

Stakeholder and community involvement

Economic performance overview

Below are key financial and overall customer satisfaction performance indicators. Additional operational results for fiscal year 2023 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
	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
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
	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
	Net orders	7,125	7,567	9,253	10,283	10,900	11,014	12,841	13,404	16,206	10,856	11,084
	Backlog units	2,577	2,909	3,966	4,420	4,411	4,108	5,078	7,810	10,544	7,662	5,510
	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
	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
	Housing gross margin	16.7%	18.1%	16.3%	16.2%	16.3%	17.5%	18.3%	18.9%	21.6%	24.3%	21%
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
	Customer recommendation rating ²	9.1	9	8.9	8.9	9	9.2	9.4	9.4	9.2	8.9	8.4

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.

Seventeen years of KB Home sustainability

2007



2008



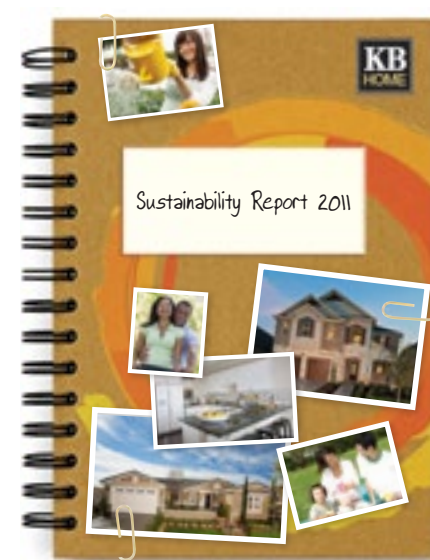
2009



2010



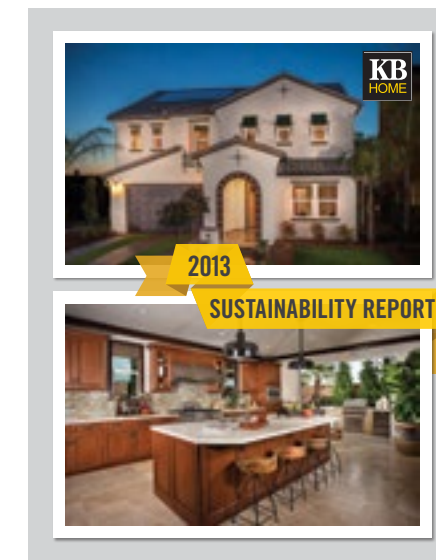
2011



2012



2013



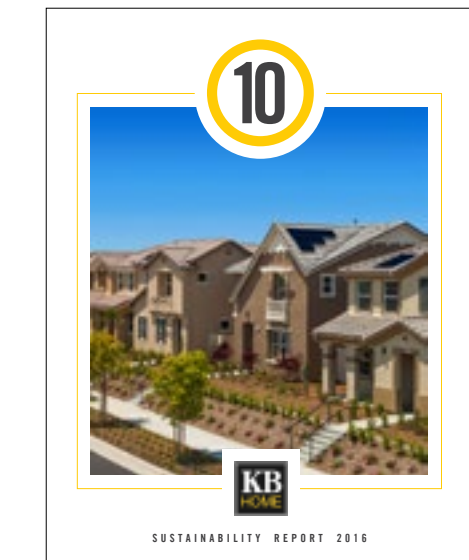
2014



2015



2016



2017



2018



2019



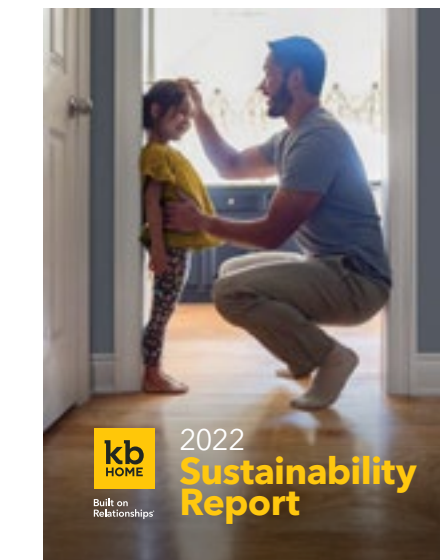
2020



2021




2022



2023





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Report purpose and structure

This is our 17th Annual Sustainability Report, which follows our most recent report published in May 2023. In this report, we discuss our accomplishments in 2023 and our priorities moving forward. In addition, with this report, we seek to foster continued discussion and engagement with all of our stakeholders on the complex issues surrounding sustainability for long-term value creation. All information provided in this report is for our fiscal year ended November 30, 2023, 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 and elsewhere is aligned with the Sustainability Accounting Standards Board (SASB), TCFD, Global Reporting Initiative (GRI) and United Nations' Sustainable Development Goals (UN SDGs) frameworks, providing data consistency and decision-useful information. Indices for both SASB and GRI, as well as a chart that demonstrates alignment between select UN SDGs and our policies and strategies, can be found in the Data & Disclosures section of this report.



Built on
Relationships®

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 or construction activities; costs and/or charges arising from regulatory compliance requirements or from legal, arbitral or regulatory proceedings, investigations, claims or settlements, including injunctions, consent decrees or other voluntary or involuntary restrictions or adjustments to our business operations; consumer interest in our new-home communities and products, particularly from first-time homebuyers and higher-income consumers; our ability to execute on our sustainability and other business plans or initiatives within the timeframes and at the cost, revenues or margins 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; an epidemic or pandemic (such as the outbreak and worldwide spread of COVID-19), and the measures that international, federal, state and local governments, agencies, law enforcement and/or health authorities implement to address it, which may (as with COVID-19) precipitate or exacerbate one or more of the above-mentioned and/or other risks; 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 [SC1] the extent expressly stated in any such filing.