



Sustainability Report 2025

SUSTAINING THE American Dream

In our 19th Annual Sustainability Report, we share our sustainability results, why they are important, how we achieve them, and the difference they make in people’s lives.

Reader Note:
This report contains statements and data that are or relate to forward-looking items, aspirational goals or contingent matters associated with our sustainability program and activities. Please see the expanded note later in this report for important limitations and context about such statements.

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Inspirada in Henderson, NV



Jeffrey Mezger

KB Home
Executive Chairman
of the Board

Sustaining the American Dream

For over two decades, KB Home has focused on delivering long-term value by building homes that are both attainable to purchase and less expensive to own. We believe that sustainability plays a critical role in this approach. Building sustainable homes and expanding access to homeownership are not competing priorities. They are one and the same.

Affordability remains one of the most pressing concerns for homebuyers. That is why KB Home has long focused on delivering homes within reach of households earning around the local area median income in the markets we serve. While rising costs have made that goal harder to achieve across all communities, it continues to guide our approach. We make disciplined decisions at every stage - land acquisition, community development, home construction and pricing - to deliver the best value for our buyers. Our distinctive Built to Order® model reinforces that mission: homes are designed to fit each buyer's lifestyle and budget, so customers pay only for the features they value. And because our high-performance homes reduce energy and water costs and lower maintenance over time compared to typical resale homes, they deliver a meaningfully lower total cost of ownership.

Our results reflect this commitment at scale:

- **Building High-Performance Homes:** We have delivered over 217,000 ENERGY STAR® certified homes and 31,000 WaterSense® labeled and Water Smart homes, more than any other homebuilder in the nation. In 2025, our national average Home Energy Rating System® (HERS) Index score was 43, one of the lowest among national homebuilders.
- **Making Lasting Positive Impact:** Cumulatively, our homes have helped homeowners save an estimated \$1.3 billion in utility bills since 2000. These homes also conserve approximately 2.3 billion gallons of water annually.
- **Earning Customer Trust:** In 2025, we continued to be one of the top customer-ranked national homebuilders based on a leading independent homebuilding review site. Our 96% satisfaction rate, the highest in our history, reflects our team's relentless focus on building homes of exceptional value and delivering a superior customer experience.

These results represent a durable path toward homeownership that might otherwise be unattainable, enabling families to proudly set down roots in a home tailored for them, keep more of their income and invest in strengthening the communities in which they live.

Yet even a home built for efficiency and affordability can be put out of reach by forces beyond the front door. Along with rising land and construction costs, wildfire risk—and the insurance premiums it drives—is eroding the very affordability we work so hard to deliver. That is why we are leading pilots of rigorous wildfire-resilient design standards in California, using fire-resistant materials and advanced construction practices to help protect homeowners, strengthen communities, and support potential insurance savings.

Since our founding in 1957, expanding access to the American Dream has been our purpose. Our approach is straightforward: take what works, build the case with local stakeholders, and scale it to where homeowners need it most. We continue to innovate, creating lasting value for the customers and communities we serve through attainable, sustainable, and resilient homes. That is the commitment we carry forward.



Robert McGibney

KB Home
President and
Chief Executive Officer

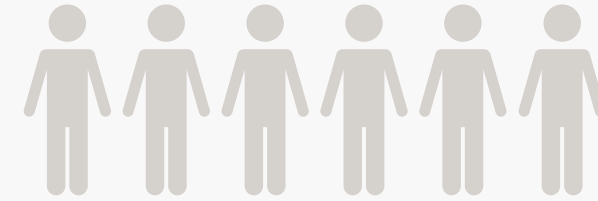
2025 KEY RESULTS

For KB Home, 2025 marked a successful year of delivering measurable value to homeowners

This year, we achieved new milestones in high-performance building, further strengthening our position as the industry's longtime leader in sustainability.

2025 RESULTS

12,902
new KB homeowners
in 2025



50%
are first-time homebuyers



43

national average Home Energy Rating System® (HERS) Index score, achieved a year ahead of the goal we set in 2020

57%

average increased energy efficiency of a 2025 KB home vs. a typical home built as recently as 2006

4,300+

WaterSense labeled homes built in 2025

~110K

WaterSense labeled fixtures installed in 2025

3,393

solar-powered new homes built in 2025

CUMULATIVE RESULTS

217,000+

total ENERGY STAR certified homes built since 2000, more than any other homebuilder

29,000+

solar-powered new homes built since 2010

114

estimated megawatts of solar power installed since 2010

178M

estimated kilowatt hours of renewable solar energy produced annually

8.8B

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

31,000+

total WaterSense labeled and Water Smart homes built since 2005

2.3B

estimated total gallons of water saved annually

\$1.3B

cumulative utility savings for our customers

19

years of publicly reporting our sustainability results

Our Company

Nearly 70 years ago, KB Home was founded with a simple goal: make first-time homeownership more affordable through innovative thinking.

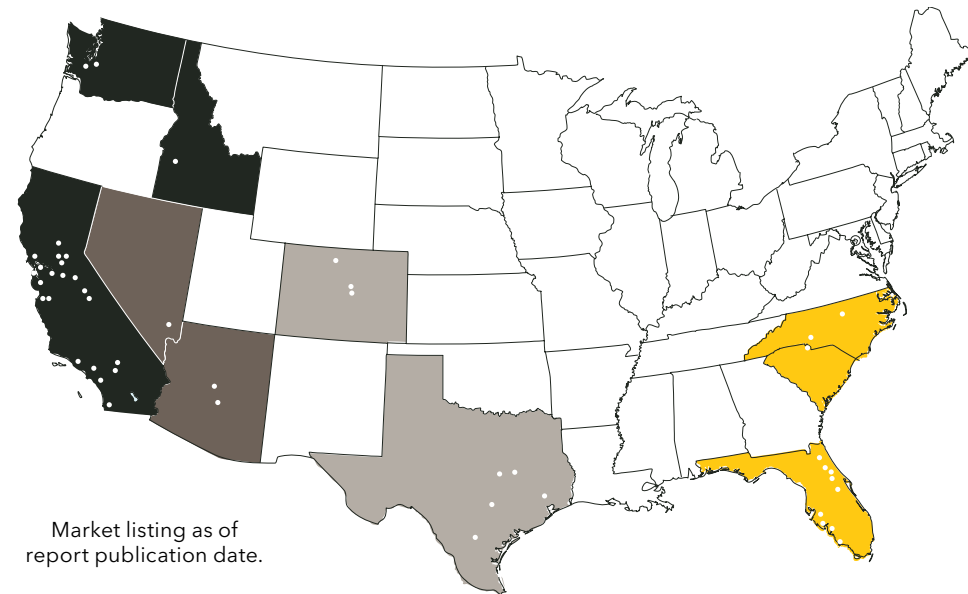
That commitment has also helped make KB Home a recognized leader in sustainable innovation, responsible business practices, and long-term value creation. It continues to shape the decisions we make and how we work to deliver lasting value for our customers, employees, partners, and stockholders alike.



KB Home at a glance

KB Home is one of the largest and most trusted homebuilders in the United States. We operate in 49 major markets from coast to coast and have built over 700,000 quality homes in our nearly 70-year history. Our homes include attached and detached single-family homes, townhomes, and condominiums designed for first-time, move-up, and active adult homebuyers. We build in suburban developments, urban infill locations, and mixed-use projects.

We are honored to be one of the top customer-ranked national homebuilders based on third-party buyer surveys. What sets KB Home apart is our focus on building strong, personal relationships with every customer. We create an exceptional experience that offers homebuyers the ability to personalize their homes based on what they value and can afford.



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

- Founded: 1957**
- Executive Chairman of the Board**
Jeffrey Mezger
- President and CEO**
Robert McGibney
- 2025 Total Revenue**
\$6.24 billion
- Ticker Symbol: KBH (NYSE)**
First homebuilder listed on NYSE

69
700K+
12,902
64,612
271

- years of building new homes
- total KB homes delivered since 1957
- new KB homes delivered in 2025
- total lots owned or under option or other similar contracts as of November 30, 2025
- community count as of November 30, 2025

Our Vision

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

Our Mission

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

Our Values

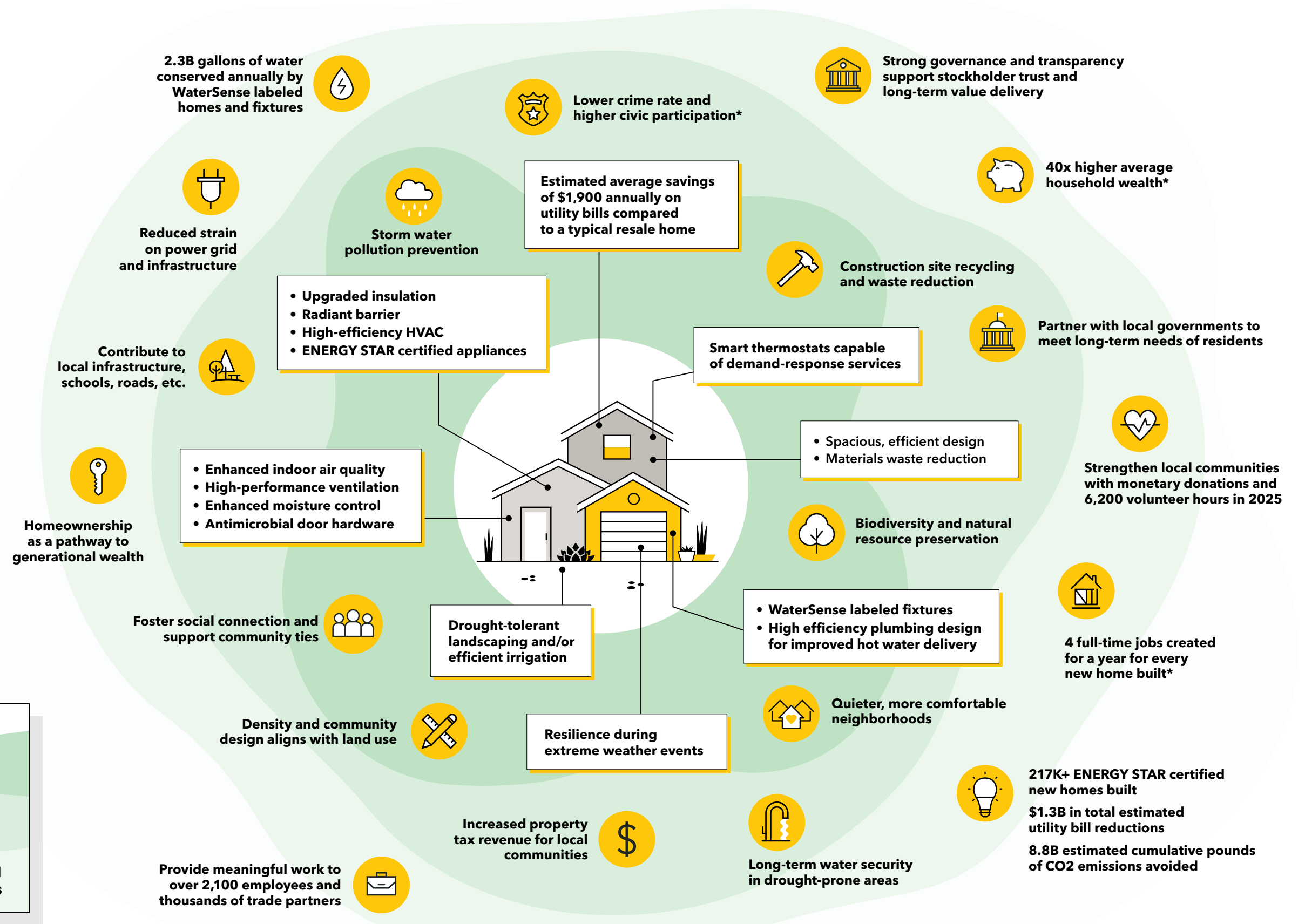
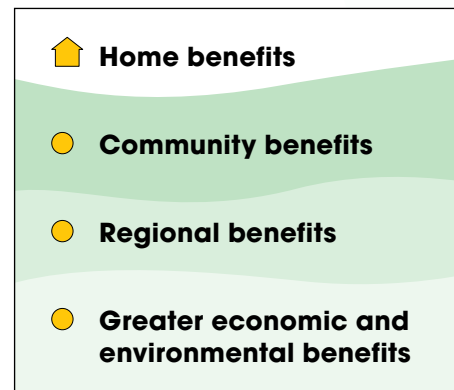
- We make relationships the foundation for all we do.
- We build homes that make lives better.
- We believe that everyone deserves a home that's as unique as they are.
- We deliver more for less.
- We strive for a better shared future.

OUR WHY IS SIMPLE

Lasting value at different scales

KB Home's sustainability strategy is not an isolated environmental initiative. We believe it positively contributes to the health of a broader ecosystem, as our highly efficient homes provide measurable financial benefits to their owners and support community resilience, regional resource conservation and wider economic strength.

When thousands of homes use less energy and water, the benefits compound: power grids face less strain, water resources stretch further, and communities become more robust. We believe that doing well by our customers and doing right by the environment are not separate goals. They are the same goal, measured at different scales.



*Data sources can be found on page 28 of our full 2025 Sustainability Report, in footnotes number 2, 6, and 9.

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

We believe sustainability is built on balance: helping today's homebuyers achieve the dream of homeownership while preserving that opportunity for future generations. This focus delivers long-term benefits for our customers, strengthens our operations, and makes us a more resilient business.



Expanding attainable homeownership

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



Lowering the total cost of homeownership

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



Elevating water conservation

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



Containing the cost to build

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



Designing homes to be healthier for residents

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



Integrating sustainability technology for increased safety and comfort

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



Preserving the environment and natural resources for long-term value

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



Becoming the builder of choice for partners

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



Improving strength of supply chain

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



Becoming an employer of choice

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

Our strategic priorities: focused on what matters most

Guided by data and stakeholder needs, we have identified clear priorities that serve as our sustainability North Star for achieving consumer and business benefits while maximizing positive impact through our operations and products.

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

Our priorities that have guided us throughout our journey over the past 19 years:

Attainable homeownership	We believe that putting affordable homeownership – the American Dream – within reach for more people creates a stronger society, greater economic stability and personal financial resilience.
Energy efficiency	Energy efficiency is where we began our sustainability focus, and it continues to be our core strategy to help lower the cost to own a home after purchase and reduce the GHG emissions associated with our products.
Water conservation	As a builder with a significant footprint across the Sun Belt, we have long recognized the region's water challenges and their impact on homeownership for many years. We build to WaterSense labeled home standards in the most drought-impacted regions we serve and install WaterSense labeled fixtures in all our homes.
Resiliency	Natural disasters have an impact on the American Dream. We have begun taking regionally appropriate, proactive measures to build homes that are more resilient against severe weather events, with features designed to maintain occupant safety, prevent property damage and minimize disruption to daily living.
Industry and consumer engagement	From the beginning of our sustainability journey, we have made significant efforts to promote the benefits of sustainability within our industry and beyond, and informed homebuyers about the importance of sustainability, particularly its impact on affordability.
Governance	We believe that governance is a vital part of turning sustainability from a program to a core business strategy. Toward that end, we have Board of Directors and senior executive management oversight, processes and policies in place that integrate sustainability objectives and efforts into the execution of our business strategy and the long-term value we seek to deliver to our stockholders.
Data transparency and sustainability disclosures	From our first sustainability report forward, we have shared our results, whether we met our goals or not, as an essential part of being accountable to ourselves and all our stakeholders. Today, that includes 19 years of historical data, as well as reporting against key sustainability frameworks and disclosures such as Global Reporting Initiative (GRI), Sustainability Accounting Standards Board® (SASB), Task Force on Climate-Related Disclosures (TCFD) and Taskforce on Nature-related Financial Disclosures (TNFD).

For more on our approach and risk factors related to climate, please reference the complete TCFD reporting in the Data & Disclosures chapter of this report, as well as our 2025 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 building with 100% WaterSense labeled fixtures

2010

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

2011

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

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

2018

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

2017

- Achieved national record for most WaterSense labeled and Water Smart homes in industry
- Opened first Environmental Protection Agency (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

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

- 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

2024

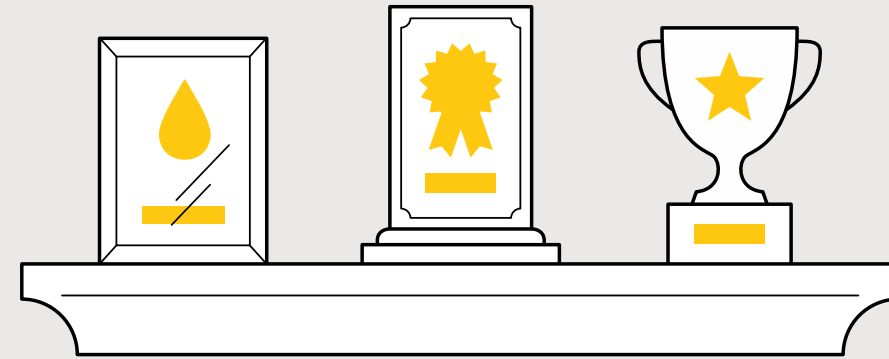
- Achieved 45 average HERS score, a year ahead of our 5-year goal
- Built first Wildfire Prepared new homes at a new community

2025

- Built our 217,000th ENERGY STAR certified new home, a new milestone and more than any other builder
- Built 31,000th WaterSense labeled and Water Smart homes, a new milestone and more than any other builder
- Built the second community of Wildfire Prepared new homes
- Operationalized RESNET's HERS Carbon Index® in our GHG emissions calculations

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

KB Home’s focus on leading management and employment practices has garnered national attention. Our commitment to energy-efficient and water-saving features, along with healthier indoor living spaces, has also earned the company widespread public recognition.



TOP AWARDS

- ★ **Newsweek®’s America’s Most Responsible Companies list - 2021, 2022, 2023, 2024, 2025**
Highest-ranked national homebuilder on the list and the only one to receive this distinction five years in a row.
- ★ **TIME and Statista’s America’s Best Midsize Companies list - 2024, 2025**
Only homebuilder to make the list every year since its inception.
- ★ **Newsweek’s America’s Greenest Companies list - 2025**
One of a select group of U.S. companies recognized for leading the way in environmental sustainability.
- ★ **USA TODAY’s America’s Climate Leaders list - 2023, 2024, 2025**
Awarded for three consecutive years.

Notable past awards and recognition

- Forbes’ America’s Best Midsize Employers list - 2024
- Fortune’s Top Companies for Engineering and Construction list - 2024
- Fortune’s Change the World list - 2023
- Energy & Environmental Building Alliance (EEBA) Excellence in Decarbonization - 2024
Excellence in Resiliency - 2023
- Fortune’s World’s Most Admired Companies list - 2006, 2008, 2009, 2010, 2011, 2022
- The Wall Street Journal’s Management Top 250 list - 2022
- U.S. Department of Energy (DOE) Zero Energy Ready Home winner - 2013, 2014, 2015, 2023
Builders Challenge Award - 2011, 2013
- U.S. Green Building Council (USGBC) LEED Homes Award - 2011



Trenton Heights in Santa Clarita, CA

People-Driven

At KB Home, people are at the center of everything we do – from the homebuyers we serve to the employees, trade partners, and community stakeholders who help bring each home to life. Our people-first approach shapes how we design and deliver attainable, personalized homes, build a strong and supportive workplace, and cultivate trusted relationships with stockholders, suppliers, local officials, and community organizations.

We believe that when we invest in people and strengthen these connections, we create better experiences, stronger performance, and lasting value.

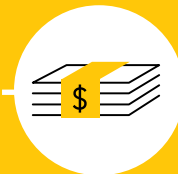


People-focused approach to doing business



Our employees

We strive to create a culture of excellence, a place where our employees can develop and advance in their careers – and where equal opportunity and our support of their growth, safety, and wellness 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](#)



Independent guidance

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



Our customers

Our customers are our purpose. Our customer-centric approach to homebuilding and focus on first-time homebuyers have helped make KB Home one of the top customer-ranked national homebuilders based on third-party buyer surveys. [LEARN MORE](#)

Our Board of Directors

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



Our 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](#)



A model built on customer value

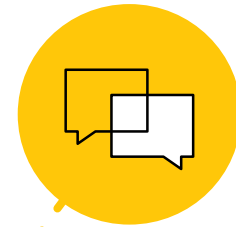
Our unique Built to Order approach starts and ends with the homebuyer, creating homes that are personalized and built to perform at a price they can afford.

Before a single floor plan is drawn, we survey homebuyers in every market where we build to understand what they truly want. Then we design homes that deliver those features at prices accessible to our core buyer demand segments. Our floor plans are priced to be attainable for these buyers while also offering the enhanced benefit of meaningful personalization from the ground up to fit their lifestyle, preferences, and budget.

That discipline creates authentic value on both sides. Our customers get a home built around their unique needs, not a builder’s assumptions. And because we carry fewer homes in inventory than a speculative builder, we take on less risk while remaining resilient through shifting market conditions. The result is a business model that keeps our attention where it belongs – on the customer. It is also why our measures of customer satisfaction have been rising, and now rank among the highest in our history.

Customer satisfaction

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



Survey

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



Data analysis

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



Home delivered

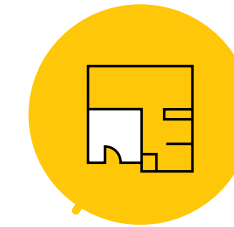
We deliver the keys to our newest KB homeowners for their unique personalized home.



Built to Order KB home

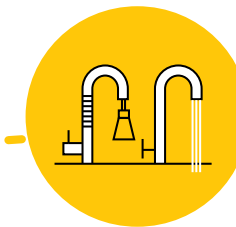
Base home designs

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



Home construction

Key construction checkpoints allow the customer to review each step.



Personalization at the Design Studio

We partner with premier brands to offer exceptional products at prices our buyers can afford. Each home can be designed to create true personal value.

Since day one, our mission has been affordable homeownership

We design and build homes tailored to our buyers' needs and budgets.

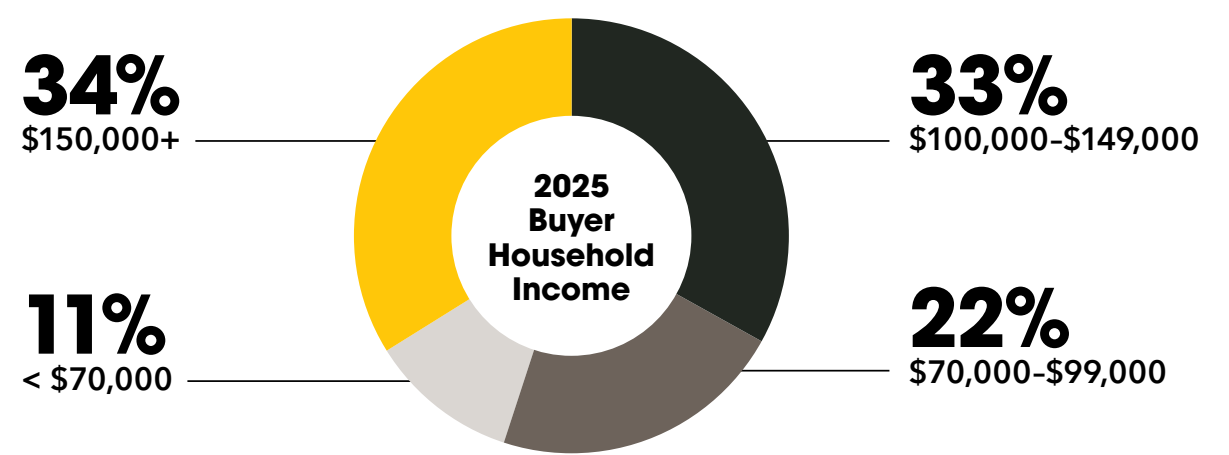
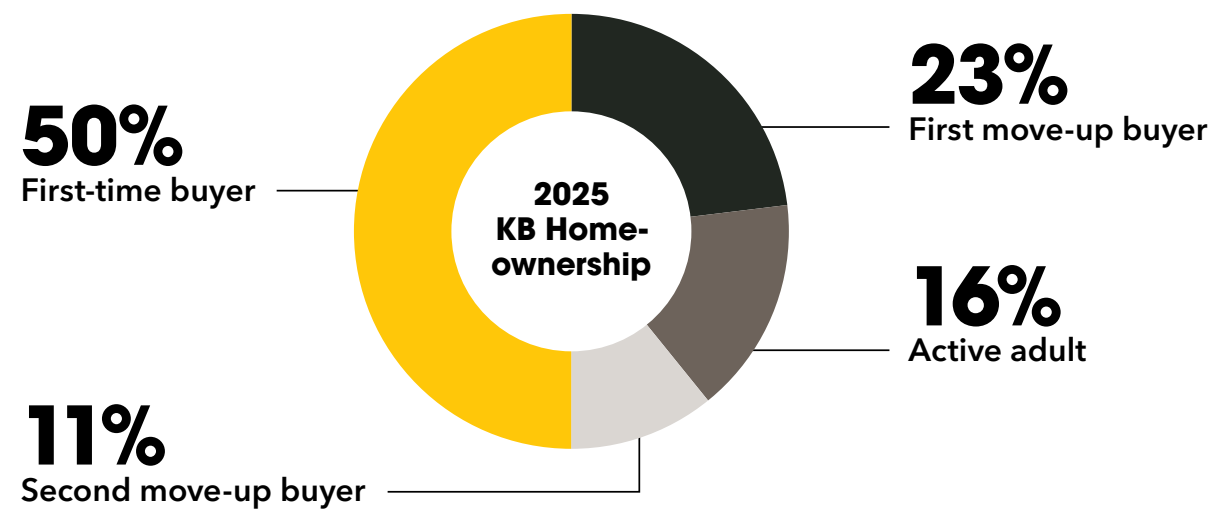
Helping our customers achieve their lifelong dream of buying a home – the largest purchase many people ever make – is a privilege that we take seriously.

We know that affordability means different things to different people across different parts of the country. That is why we build homes in each of our markets designed to be attainable for the largest demand segment – first-time and first move-up buyers.

We also deliberately offer a broad product mix, including traditional single-family homes and townhomes, to expand affordability further.

82%

of KB Home communities offered home designs of 1,750 sq. ft. or less in 2025, with 50% offering 1,500 sq. ft. or less, to better meet the need for first time buyers. Both metrics increased year over year, advancing our commitment to offer attainable homes.



All statistics as of November 30, 2025



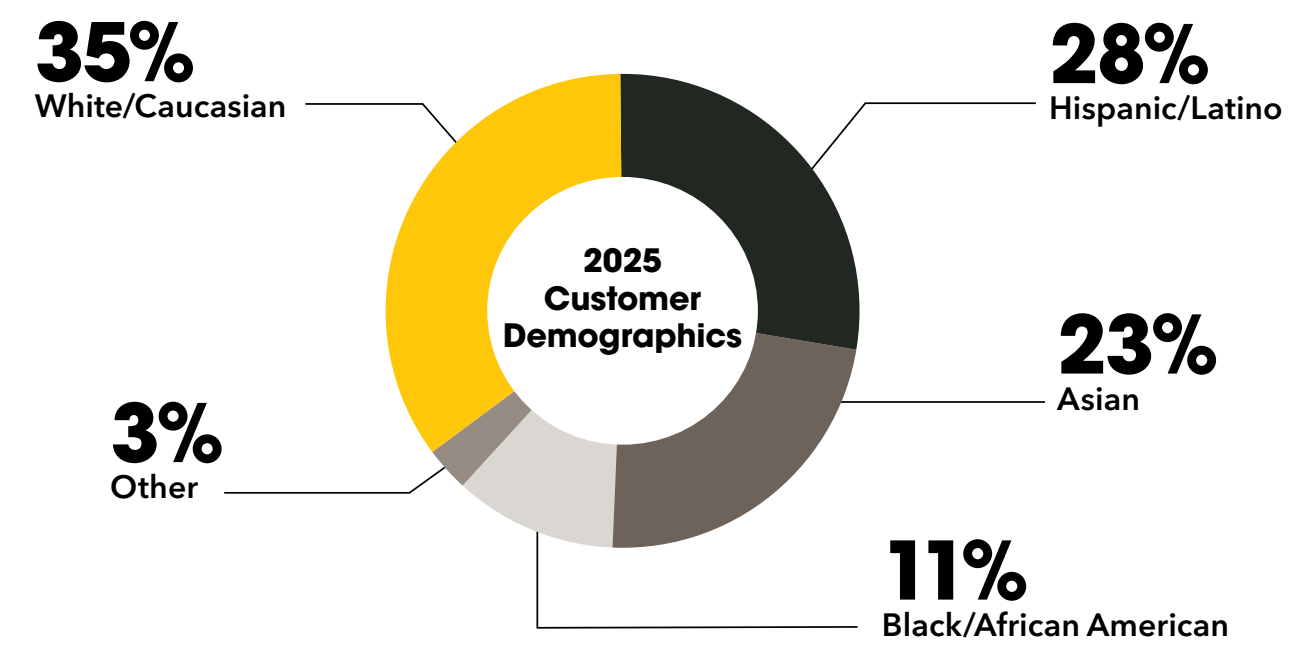
73%

of our customers in 2025 were first-time or first move-up homebuyers.

Our customers are as varied as the communities where we build

We believe that building quality homes at prices people can afford naturally draws buyers from every corner of American life.

We are proud that in 2025 we continued to keep homeownership, and its potential to build household wealth and financial stability within reach of people across a broad range of incomes, occupations, and communities nationwide. Our diverse customers share a common desire to own a personalized, high-performance home at a price that made sense for their household.



Source: KB Home: FY 2025 buyer profile data based on gross sales; buyer experience data from KBIT buyer database and based on deliveries



3,000+
of our deliveries in 2025 were to new homeowners that serve as firefighters, nurses, teachers, and police, working every day to strengthen our local communities and our country.

\$132,000
was the average household income of KB homebuyers in 2025.*

* For homebuyers who elected to finance the purchase of their home through KBHS Home Loans, LLC. In the 2024 Sustainability Report, the figure was incorrectly labeled as median income; it reflects average income.

Consistently ranked one of the best by those who matter most — our customers

There is no recommendation more powerful than a satisfied customer. That's why we are 100% committed to their satisfaction and to creating an exceptional homebuying experience. Additionally, 2025 marked our highest-ever full year overall customer satisfaction score to date – just over 96% – as measured through a comprehensive post move-in survey conducted via Avid Ratings, a trusted platform of homebuyer experience insights.

Customer Satisfaction Index Surveys

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

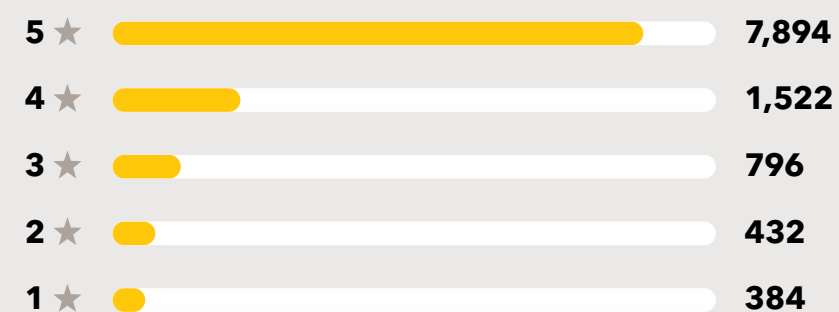


KB Home has 4.5 out of 5 stars

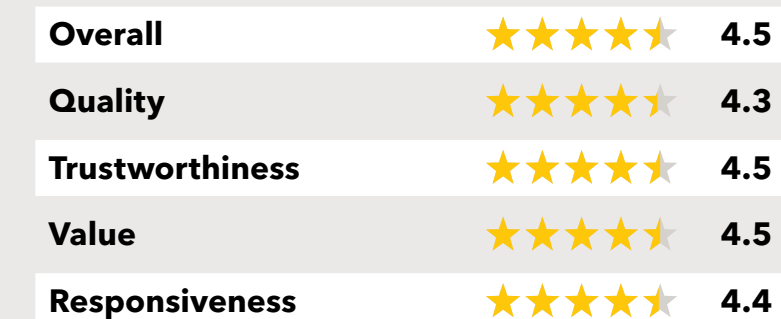


Feedback from our customers is an essential part of our business, so we are particularly proud that in 2025, based on homeowner input, we are one of the top customer-ranked national homebuilders on TrustBuilder®, a leading third-party review site.*

Star Rating Breakdown



Ratings by Category

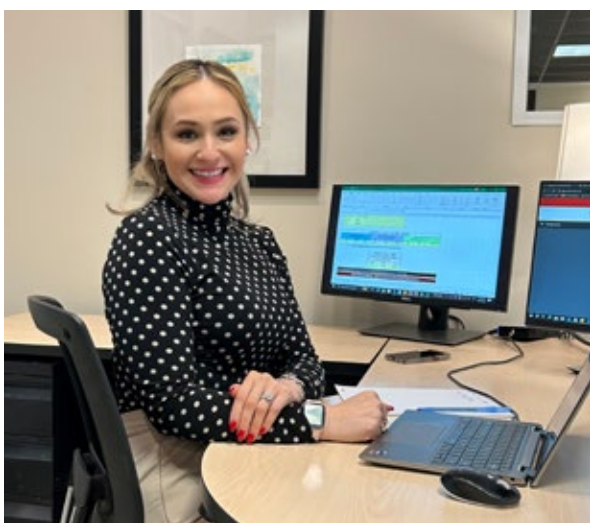


*Based on an internal compilation of the nationwide average of customers surveyed by TrustBuilder® through to 1/7/2026 who purchased a home from a top 50 homebuilder (based on number of home closings). The top 50 homebuilders are drawn from the most recent annual Builder Magazine Builder 100 list that Builder Magazine identifies as operating in at least two regions (excluding any company primarily operating a single-family rental, build-on-your-lot or a manufactured home business, or operating as a nonprofit organization). Please note that not all the top 50 homebuilders opt to have their customers participate in the TrustBuilder survey process. KBH is not involved in TrustBuilder's collection or reporting of reviews or ratings. While we strive to be the highest-rated homebuilder in customer satisfaction, ratings are subject to change, and we cannot guarantee that we will be #1 in any given survey or in any given market at any point in time or over any particular period, that we would be the highest-rated homebuilder on TrustBuilder if customers from all the top 50 homebuilders were included in the TrustBuilder survey process, or that any particular customer will be fully satisfied with their KB home. All trademarks are owned by the respective trademark owners.

Rating is a composite average score based on reviews collected between December 2018 and January 2026.

We build great homes because we invest in great people

Our employees are the foundation of every customer experience we deliver.



2,118 full-time employees as of November 30, 2025

7.65 years average employee tenure company-wide

12.4 years average tenure of managerial-level leaders

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



We strive to bring the same strong commitment to quality in our workplace as we do in our homes. Our employees plan, manage and execute every aspect of what we build, working alongside trade partners and suppliers to bring each home to life. We also believe that a workforce reflecting the diversity of our customers and communities makes us better at serving their needs, and we foster our culture with that in mind.

We have built the kind of company that attracts talented professionals and gives them every reason to stay and grow. We create clear paths for growth, supported by mentoring, structured performance reviews, and a culture where advancement is based on performance and results. Over the past two years, almost 70 employees have advanced into management-level positions and above. Our average managerial tenure reflects the stability that kind of investment produces.

The result is a workforce that is experienced, stable and deeply connected to our mission.

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

Outreach is an essential part of attracting a new generation that has not considered a career in the homebuilding industry or the satisfaction that comes from delivering a customer’s dreams.



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

New college internship program	In 2025, we continued the summer intern recruiting initiative we began in 2024 to develop a pipeline of talent.
College/university recruiting	We actively participate in campus career fairs and recruitment events for roles in construction, land, sales and marketing, and other departments.
Military veteran recruiting	We sought out former non-commissioned officers (NCOs) and other military veterans for roles in operations, land, purchasing and other functions.
Building Talent Foundation (BTF)	We are a founding supporter of BTF, 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.

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

Supporting employee wellness and satisfaction supports a healthy business

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

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



In 2025

1,217,946

Fitness Challenge activity minutes logged by participants

1,628

Living Well classes attended by employees

534

Fitness Challenge participants

152

Sugar Cleanse participants



Holistic health webinars

led by employee assistance program experts



Financial wellness initiatives

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



Fitness and nutrition challenges

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



KB Cooks events

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



Preventive health campaign

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



Living Well newsletter

distributed monthly and highlighting strategies to optimize employee benefits

Better Homes

KB homes are engineered to deliver lasting value through lower utility bills, reduced maintenance demands, healthier indoor environments, and the peace of mind that comes from new-construction quality, third-party certification, and a 10-year limited warranty.

This approach is rooted in proven building science, longstanding supplier partnerships, and continuous innovation in quality construction methods. It is strengthened by resilience: a home's ability to protect its occupants and its own value against rising energy costs, weather-related risks, and shifting insurance markets.

The result is a high-performing home built to deliver on move-in day and for the decades that follow.



HIGH-PERFORMANCE HOMES

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



Entrada Del Pueblo at Rancho Sahuarita in Sahuarita, AZ

Our homes are built from the ground up to deliver exceptional energy and water performance, conserving resources, saving money, and supporting comfortable, healthy living.

In practice, this means three core elements working together:

	What we do	Benefits
Energy efficiency 	We build homes that use significantly less energy than a typical new home, targeting low HERS scores through a tighter building envelope, high-performance windows, properly sized HVAC equipment, and efficient appliances. Every home is independently tested and verified.	Potentially lower monthly energy bills and real long-term savings, plus the everyday comfort of consistent temperatures year-round.
Water efficiency 	We design every home to use water wisely, inside and out. This includes WaterSense-labeled fixtures, efficient plumbing systems that deliver hot water faster with less waste, and water-smart landscaping as part of a whole-home water strategy.	Meaningful reductions in water use and utility costs, year after year, without compromising comfort or curb appeal.
Healthier indoor air 	We select low-VOC building products, apply effective air sealing, and use ventilation and air-conditioning systems designed to minimize pollutants, deliver fresh filtered air, and control moisture.	The peace of mind knowing that the air inside every KB home is cleaner and fresher than in most homes without such features, supporting the long-term health and well-being of the families who live there.

These three elements are the product of a whole-home approach to building, grounded in rigorous building science, quality construction, and third-party verification; where decisions about the envelope, mechanical systems, and materials reinforce one another. Together, they produce homes that cost less to operate, require less maintenance, and deliver a healthier, more comfortable environment than standard or older homes. Where appropriate, KB Home goes further, adding resilience and home-hardening measures to help preserve long-term value and protect occupants against climate-related risk. See page 25 for more details.

ENERGY EFFICIENCY

Built-in savings from day one

A home's energy performance shapes what a family pays every month for as long as they own it. At KB Home, we treat energy efficiency not as a compliance target but as a core design discipline, one that compounds the value for the families in our homes.

The HERS Index, developed by the Residential Energy Services Network (RESNET), is the nationally recognized standard for measuring a home's energy performance, where a lower score means a more efficient home. We use HERS scores to set targets, track progress, and give buyers a single credible number for easy comparison against any other home.

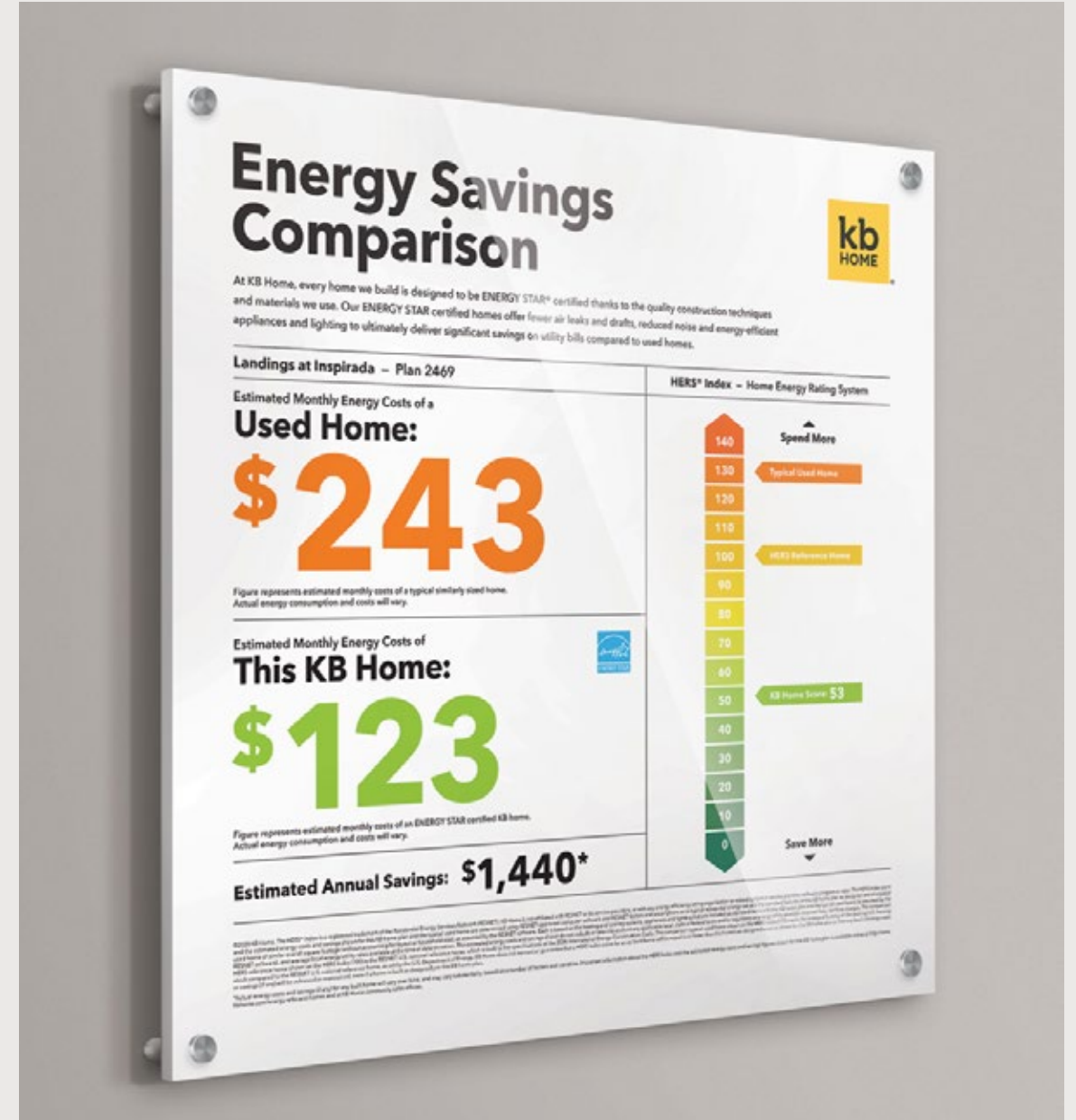
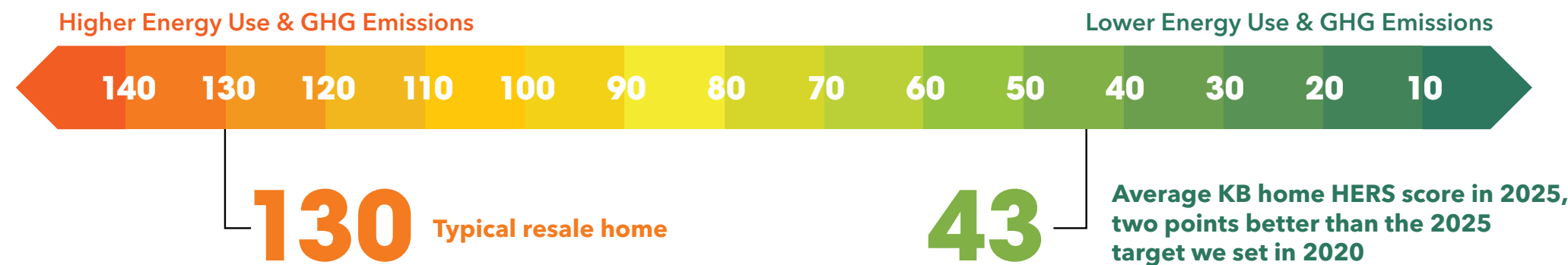
Our homes consistently outperform the national average for energy efficiency. With a 2025 average HERS Index score of 43, one of the lowest among national homebuilders, KB Home customers can have meaningfully lower energy bills from day one.



KB Home was the first national homebuilder to be designated a RESNET Energy Smart Builder.

Home Energy Rating System (HERS) Index

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



Introduced in 2011 and inspired by the miles per gallon (MPG) sticker in the auto industry, our Energy Savings Comparison® (ESC®) displays each home's HERS score alongside projected energy utility bill savings. Available in every model home and on our website, it gives buyers the information they need to compare new and resale homes, understand the true cost of ownership, and recognize the long-term potential value of an energy-efficient home.

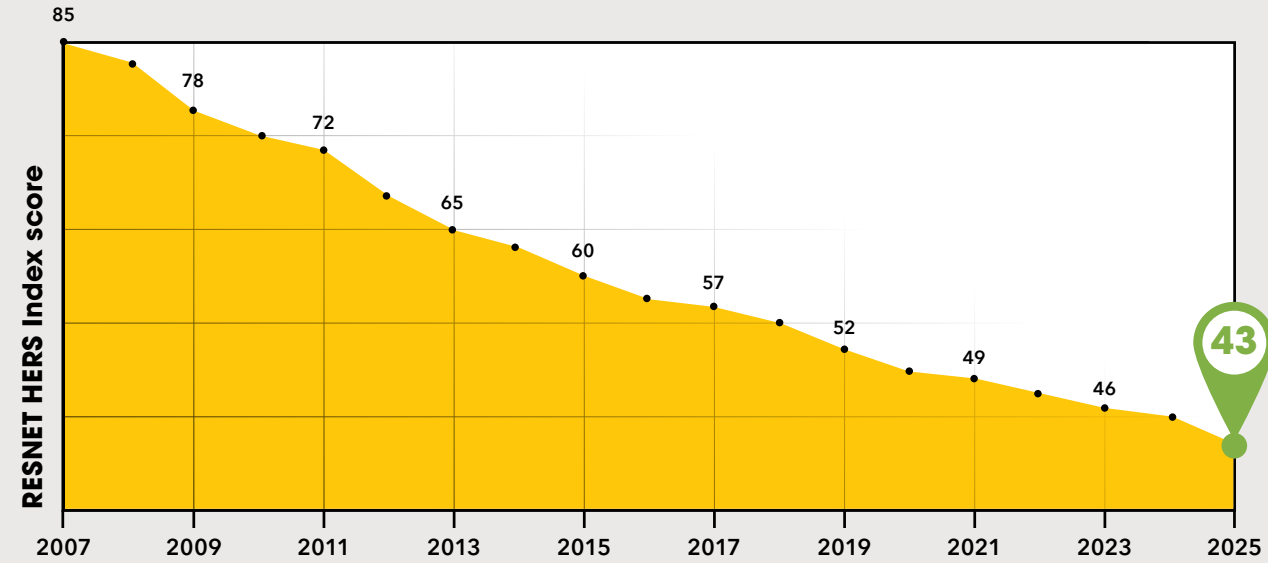
Our 2025 national average HERS score of 43 represents:

57% greater efficiency than a typical home built as recently as 2006

10% more efficient than the average score of 53 for all U.S. HERS-rated homes built in 2025

ENERGY EFFICIENCY

KB Home's national average HERS scores over the years correspond to a steady reduction in the GHG emissions associated with the use of our homes. Cumulatively, this adds up to approximately 8.8 billion pounds of GHG emissions reduced.



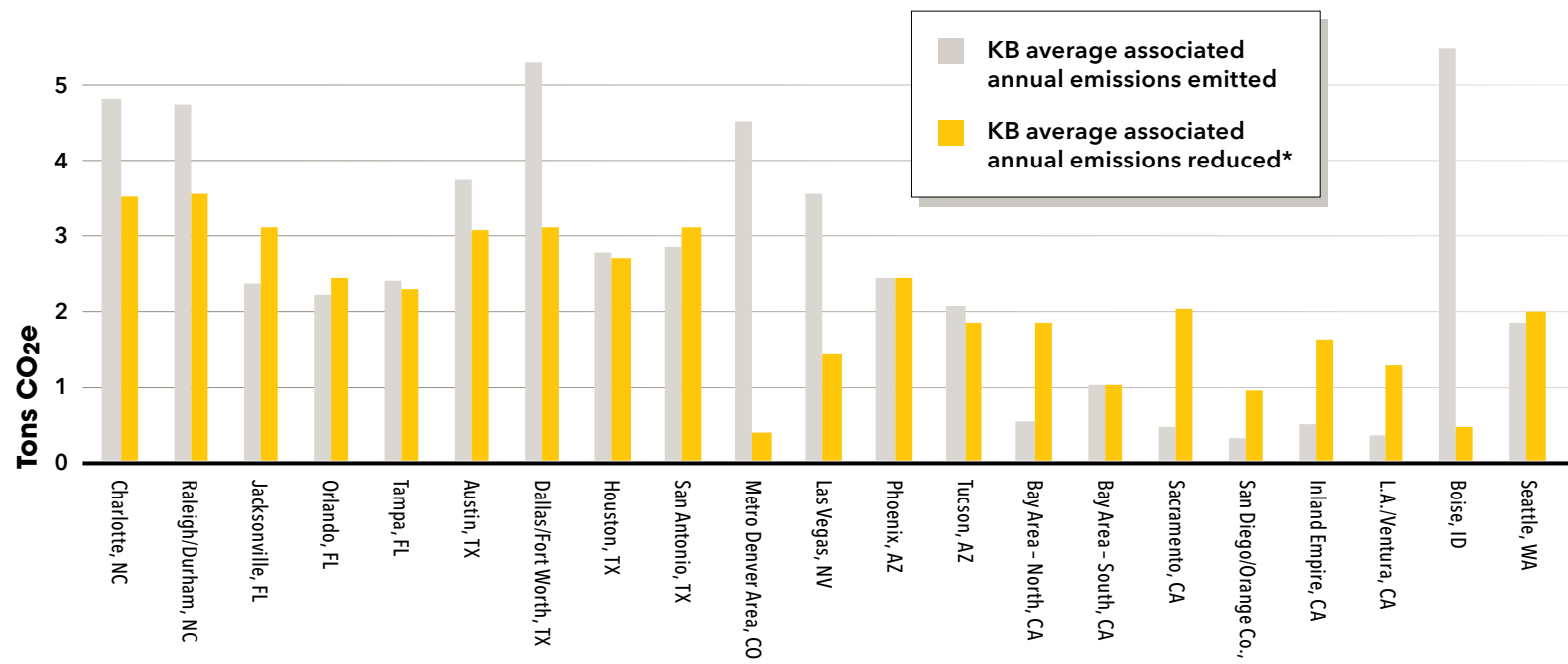
Estimating homes' operational carbon more accurately

With RESNET's Carbon Index, we now estimate a home's carbon emissions hour by hour to calculate an annual total. This is more accurate than the previous HERS Index approach, which relied on yearly averages and did not account for how emissions change throughout the day.

We assembled a complete set of emissions data for the homes delivered in 2025. The accompanying graph shows the estimated average annual GHG emissions per home across each division, as well as the estimated average annual reduced GHG emissions per home.*

Differences between divisions primarily reflect state-specific factors. State energy codes establish baseline efficiency requirements, while regional electricity grids vary widely in carbon intensity, leading to meaningful differences across states, climate zones, and grid regions.

In addition, all-electric homes have lower emissions than mixed-fuel homes. In 2025, 49% of KB homes delivered were all-electric, further reducing the overall GHG emissions associated with the use of our homes.



KB Home National Average (2025 Homes)

2.5
tons CO₂e

estimated national average associated annual emissions per KB home built in 2025

2.2
tons CO₂e

estimated national average associated annual emissions reduced per home*

47%

estimated reduction in associated GHG emissions*

*Compared to an electric home built in 2006.

Powering efficient living with solar

Adding solar to an energy efficient home transforms it from one that uses less energy into one that can also generate its own. In line with our high-performance approach, the goal remains the same: reduce household energy costs while elevating performance.

KB Home built its first solar home in 2005 and introduced its first all-solar communities in 2011, taking an early leadership position in our industry on the importance of renewable energy. We have since expanded into solar-plus-storage at select locations, adding resilience and more value for homeowners.

That commitment has translated into results that speak for themselves:

29,000+

solar homes built since 2010

114

cumulative megawatts of solar power installed

1.2B

estimated cumulative kWh of electric power produced

178M

estimated kWh of renewable energy produced each year

WATER EFFICIENCY

Conserving a valued resource

Many regions of the United States, particularly the West Coast and Southwest, where much of our work is concentrated, are experiencing more frequent and severe drought. Building highly water-efficient homes helps preserve this vital resource while lowering utility costs for our homeowners.

Water conservation as a business advantage:

We consider access to water a fundamental human right. We took an early lead in water-efficient homebuilding and have sustained that leadership for two decades. We built our first Water Smart home in 2005, adopted WaterSense labeled fixtures company wide in 2009, and delivered the nation's first WaterSense labeled home in 2010. In 2022, we made an industry-first commitment to build all future communities in Arizona, California, and Nevada to the EPA's highest water-efficiency standard, WaterSense labeled homes. This experience enables KB Home to support local governments and stakeholders who are working to advance sustainable growth in water-stressed regions.

Impact for homeowners and communities:

Compared to a typical home, our water-efficient homes use 20% to 30% less water, while our WaterSense labeled homes achieve even greater savings of 30% to 40%, depending on the region. This results in lower utility bills and helps homeowners reduce the impact of water rate increases that are outpacing the Consumer Price Index (CPI). Water smart landscaping enhances neighborhood curb appeal and strengthens resilience against drought. It also helps conserve shared water resources and supports long-term community sustainability.

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

31,000+

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

1.3M+

WaterSense labeled fixtures installed in all KB homes built since 2009

2.3B

estimated gallons of water conserved annually by our WaterSense labeled homes and the 1.3+ million WaterSense labeled fixtures

61

average HERS H₂O score in 2025 (Arizona, California and Nevada only)



Imagine setting 2.3 billion 1-gallon water jugs side-by-side on the ground. That massive line would wrap all the way around the Earth's equator almost 9 times. To put that in perspective, that same amount of water is enough to supply a city of 76,000 people for an entire year!



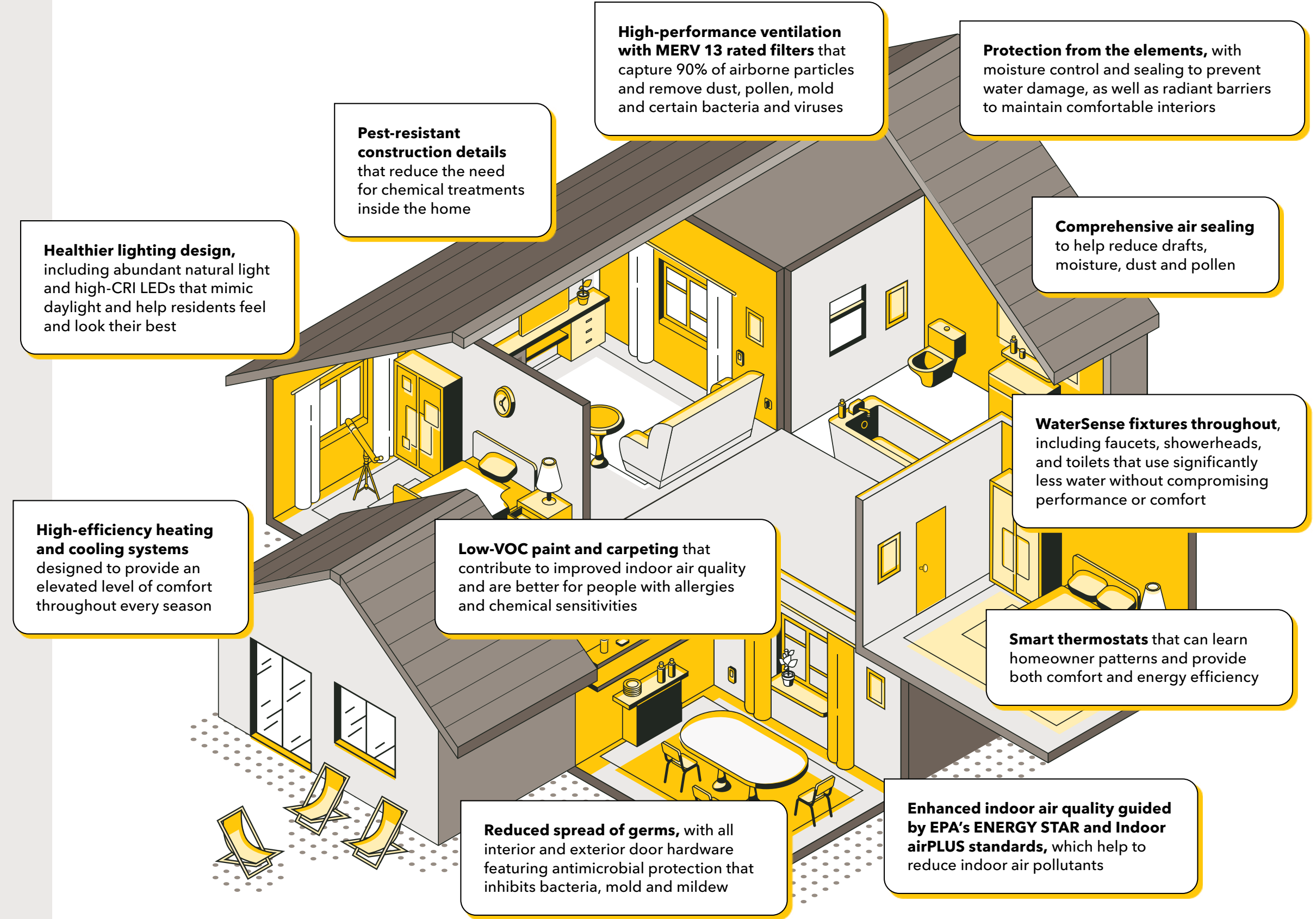
HEALTHIER HOME

Wellness begins at home

A home is more than a structure; it is often the core of personal wellness and social connection, a place where we can rest and recharge.

A high-performance home is not just efficient – it is healthy. KB Home designs every home to support a superior indoor environment: one that is properly ventilated, designed to reduce exposure to common indoor pollutants, thermally consistent, and comfortable year-round. These are not just background features; they meaningfully affect the daily lives and well-being of the families who live there.

Our approach to indoor health is aligned with the EPA Indoor airPLUS framework and addresses air quality, moisture control, pest-resistant construction, and thermal comfort. The features shown here work together, so regardless of what is happening outdoors, the environment inside a KB home stays clean, comfortable, and consistent.



SPOTLIGHT

Integrating resilience into high-performance homes

Building quality homes that can last for decades has always been a focus for KB Home. We build our homes to meet, and in many cases, exceed, modern codes addressing extreme weather and the forces of nature, including high winds, hurricanes, severe storms, and earthquakes.

In 2025, we strengthened our commitment to wildfire resilience. As the Wildland-Urban Interface (WUI) expands and state fire hazard maps are updated, nearly 4 million Californians now live in high-risk fire zones. Wildfire risk is a challenge individual homeowners cannot easily solve on their own. Even a well-constructed and maintained property is vulnerable when surrounding homes are not built to the same standard. That is why KB Home is tackling the problem where possible at the neighborhood scale.

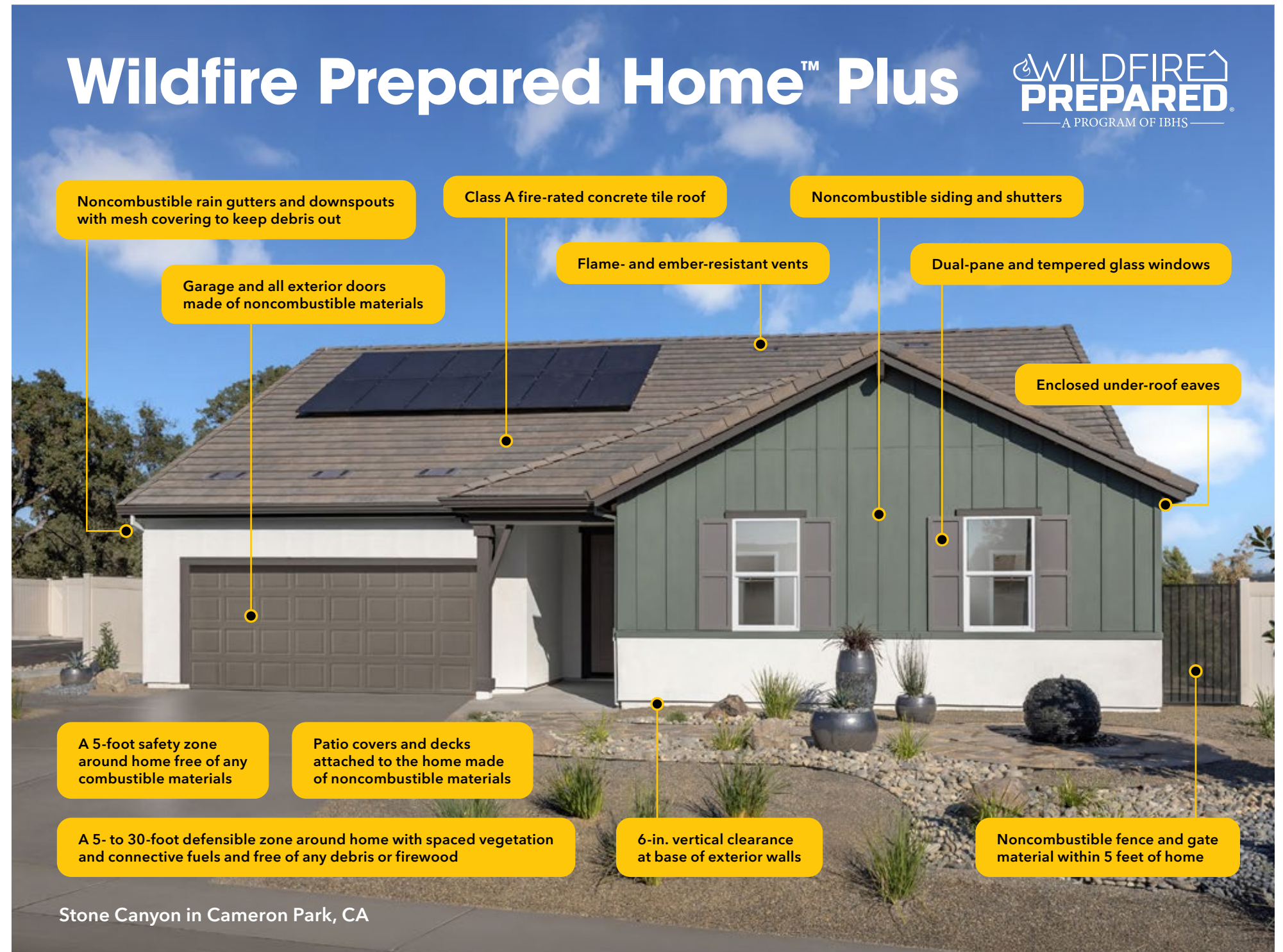
In partnership with the Insurance Institute for Business & Home Safety® (IBHS), we pioneered the nation's first IBHS Wildfire Prepared Neighborhoods at Dixon Trail in Escondido and Stone Canyon in Cameron Park, California. These communities meet the IBHS Wildfire Prepared Home Plus standard, addressing both individual structures and the conditions that determine whether fire spreads from house to house. The goal is not immunity from wildfire, but giving homes a better chance to survive.

This leadership has opened doors beyond the two communities. Our experience has given us a voice in building code development discussions and facilitated direct conversations with insurance providers addressing coverage challenges in high-risk markets.

The benefits for homeowners are tangible:

- Greater confidence that their home is built to protect what matters most
- Potential insurance premium savings in a market where premiums have surged
- Stronger long-term value in markets where resilience increasingly drives buyer demand

KB Home's launch of IBHS Wildfire Prepared Neighborhoods underscores our dedication to broadening what resilient homeownership can look like, community by community. It is a commitment that matters most in the regions where natural disasters put homes, families, and the investment of a lifetime at risk.



Quality and safety are the foundation of a better home

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

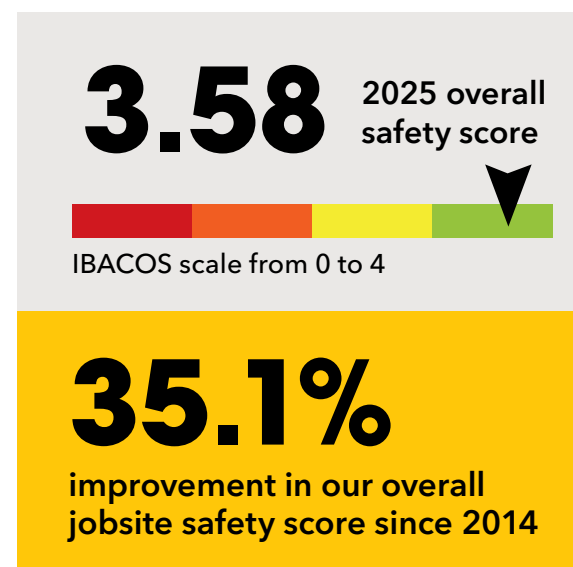
Since 2014, our construction operations and home performance have undergone rigorous annual evaluations by IBACOS®, a nationally respected expert in home construction quality and performance, against their industry-recognized best-practice scorecard.

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.

Workplace safety

We acknowledge that construction is a potentially dangerous job, which is why it's important to us that our homebuilding jobsites maintain extensive workplace safety standards. These safety standards apply to both our employees and independent construction service providers who work on our sites. We strive to lead our industry in safety practices. We track our independent contractors' compliance with their safety obligations during these annual compliance evaluations at nearly 50 checkpoints across key aspects of jobsite safety. This includes 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 600 jobsite safety and compliance courses within our KBU internal training platform were completed by KB Home employees in 2025.

Performance

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

Oversight

- Our 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 periodically reported to the KB Board of Directors Audit and Compliance Committee.

Strong Communities

Homeownership spans income levels, backgrounds and generations. When it becomes attainable, neighborhoods and local economies grow stronger, families have the opportunity to build their future, and communities achieve a stability that can endure for decades to come.

Every community we develop is designed to support the lives of our homeowners, not just shelter them. That is why we think carefully about where we build, how those places will evolve, and how a neighborhood should truly feel to those living there.

We build in these communities, and we live and work in them too. That shapes how we think about what it means to be a good neighbor.

A home builds more than equity

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

Sustainability is most often discussed in environmental terms. But social sustainability matters just as much, and attainable housing is one of its essential conditions. Renting and owning both serve real needs. For those ready and able to buy, homeownership offers something more: equity that builds automatically with each payment, a form of forced savings that compounds over decades, and for many retirees, becomes their most significant financial asset.¹ That personal stake in a place tends to reshape how people

engage with it. Research consistently links higher homeownership rates with stronger neighborhood networks, greater participation in local organizations, and higher voter turnout in local elections.^{2,3} Children in owned homes tend to perform better academically, achieving up to 9% higher math scores and 7% higher reading scores.⁴ All of it starts with an attainable home. When more people can own, families gain stability, neighborhoods grow stronger, and the benefits compound for everyone.

1 National Institute on Retirement Security, "Retirement in America: An Analysis of Retirement Preparedness Among Working-Age Americans," February 2026. Home equity represents approximately one-third of financial assets for the typical working adult. <https://www.nirsonline.org/articles/retirementinamerica2026/>

2 National Association of Realtors, Research Division, "Social Benefits of Homeownership and Stable Housing," December 2016. <https://www.nar.realtor/sites/default/files/documents/Homeownership-Stable-Housing2016.pdf>

3 HOPE Policy Institute, "Homeownership Promotes Civic Engagement." <https://hopepolicy.org/blog/homeownership-promotes-civic-engagement/>

4 Harvard Joint Center for Housing Studies, "The Impact of Homeownership on Child Outcomes." <https://www.jchs.harvard.edu/research-areas/working-papers/impact-homeownership-child-outcomes>

5 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. October 2015. <https://pmc.ncbi.nlm.nih.gov/articles/PMC6125010/>

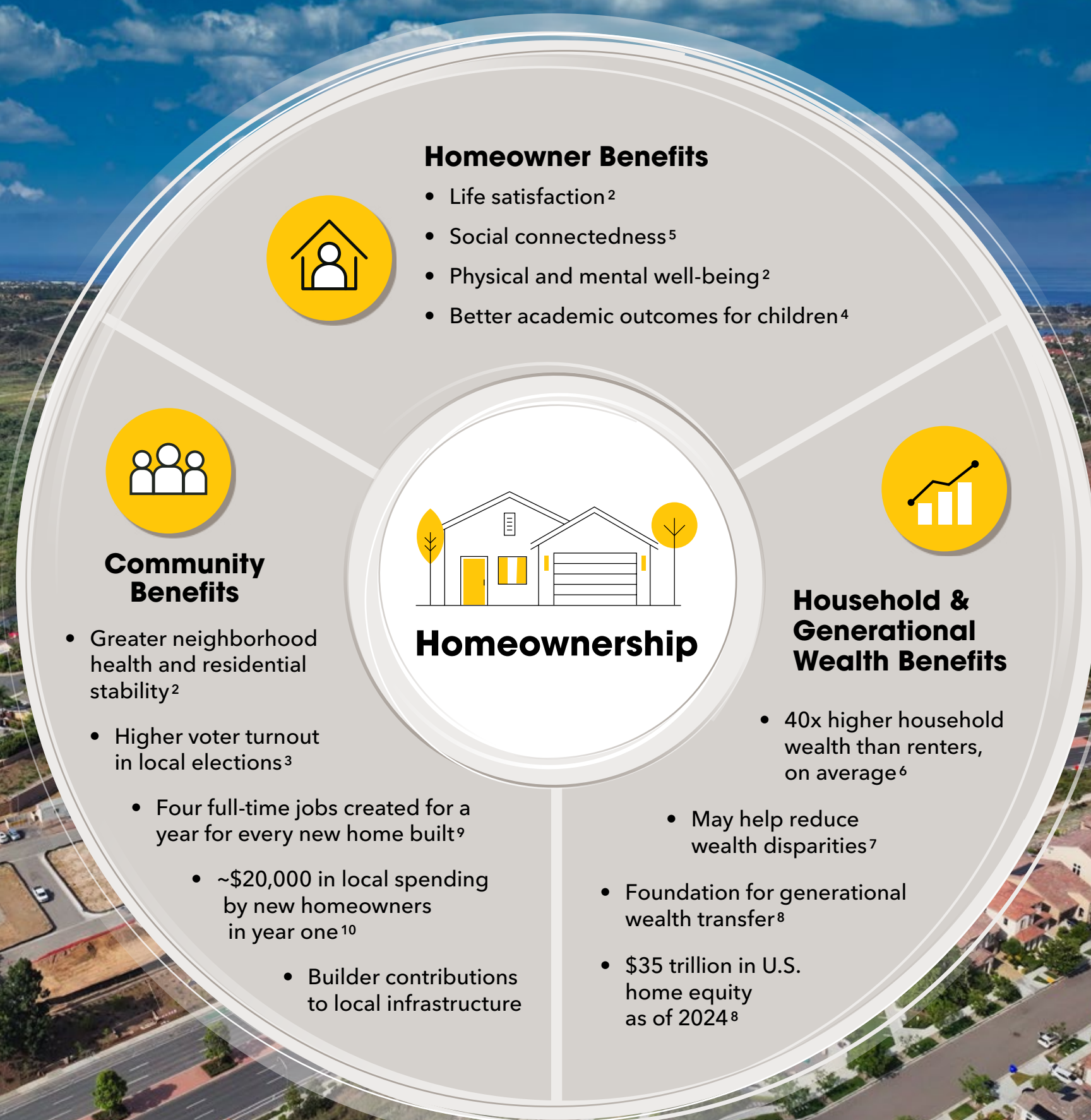
6 Federal Reserve Survey of Consumer Finances. <https://www.federalreserve.gov/publications/files/scf23.pdf>

7 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>

8 Federal Reserve, Financial Accounts of the United States (Z.1). <https://fred.stlouisfed.org/series/OEHRENWBSHNO>

9 NAHB, "The Local Economic Impact of Home Building." <https://www.nahb.org/-/media/NAHB/news-and-economics/docs/housing-economics/economic-impact/economic-impact-local-area-2015.pdf>

10 NAHB / Eye on Housing, "What Do Home Buyers Buy after Moving," June 2022. <https://eyeonhousing.org/2022/06/what-do-home-buyers-buy-after-moving-3>



Building community requires investment

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

Schools need funding. Water systems need capacity. Parks need land. When we develop a new community, we work with local governments, school districts, utilities, and community organizations to help meet those needs, through both required fees and voluntary contributions. We view both as meaningful ways to participate as a long-term stakeholder in the places where our homeowners will live and work.

We also recognize a harder truth. In many markets, government-imposed fees have grown significantly and now contribute to making new homes less affordable for first-time buyers. We continue to advocate for a more balanced approach, one that funds essential community infrastructure without pricing out first-time buyers and working families.

Our commitment extends to the land itself. Where possible, we preserve natural habitats, restore native landscapes, and create parks, trails, and open spaces that give residents room to connect with nature and with each other.



Hillside Elementary School at Bristol at Tesoro Viejo in Madera, CA

Our aim is to create community spaces that work with nature.

In 2025, projects that we worked on included the following:

89+

parks or play spaces, totaling over 106 acres

43+

miles of walking or bike trails

501

acres of habitat preservation or restoration efforts

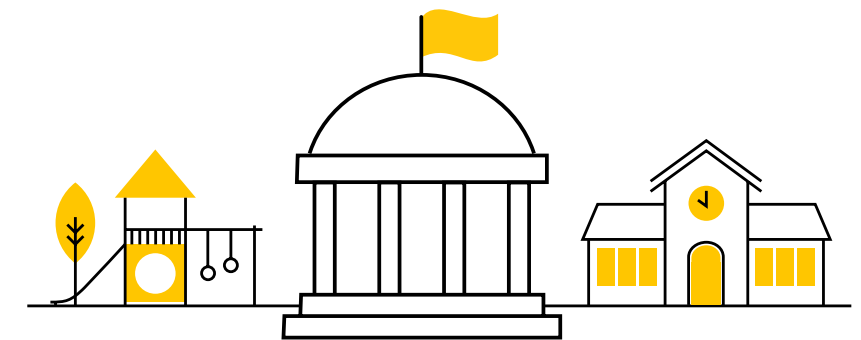
\$82.5 Million
to school fees



\$23.2 Million
to water, sewer and stormwater infrastructure



\$19.4 Million
to other community enhancements, such as parks



\$125.1 Million

in both voluntary and required fees paid to local governments to build schools, parks and more in 2025

We strive to be responsible stewards of the land

How we use land reflects how we think about community. Every site we choose carries a responsibility to the place, and to the people who will live there.

Where we build matters as much as how we build. We look for sites with access to existing transportation, services, and infrastructure, so new residents are connected to what they need.

Where zoning allows, we design higher-density communities ranging from eight to 30 dwelling units per acre. That makes more productive use of limited land, and helps keep homeownership within reach.

Infill and redevelopment are a consistent part of our portfolio. Building on previously developed land brings underused sites back to residential use without extending into undeveloped areas.

Land sellers and local governments choose to work with us because they know the outcome: new homes that strengthen the long-term health of the surrounding community.

34+
high-density communities in 2025

5+
redevelopment communities in 2025

36+
infill communities in 2025

Note: Some communities fit multiple categories.

SPOTLIGHT Starlite redevelopment

The Starlite Drive-In opened in South El Monte, California in 1950. Its Art Moderne marquee became a landmark of postwar roadside California. Eventually the screen went dark, the lot became a swap meet, and the site sat idle for years.

KB Home recognized the opportunity to add thoughtfully designed, higher-density housing in an established

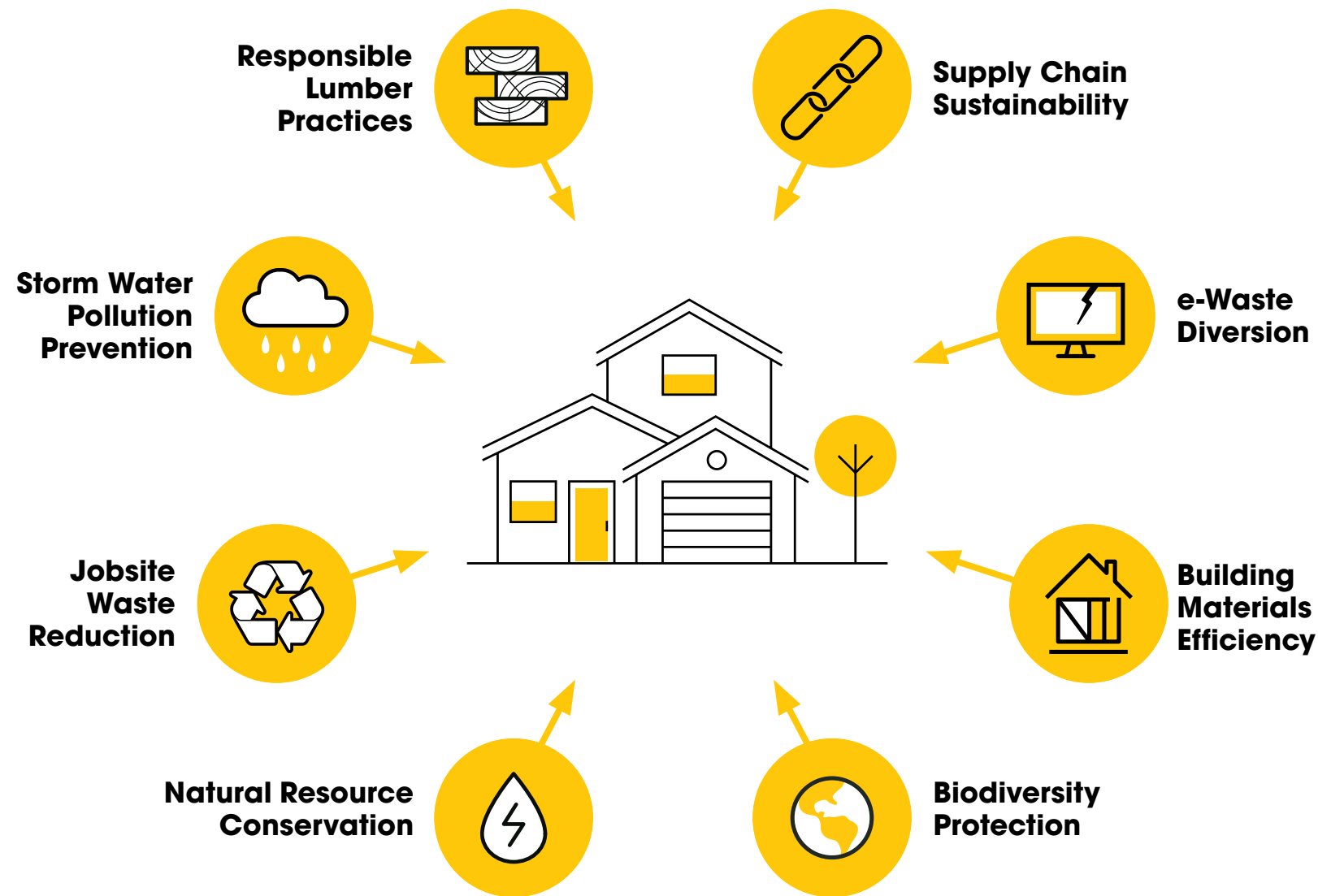
neighborhood with schools, transit, and daily conveniences already in place. Astaire and Harlow at Starlite deliver 207 three-story single-family homes and townhomes, including 21 affordable for-sale homes. Amenities include a pool, spa, and recreation center. Freeways are close, and a Metrolink® station is seven minutes away, putting downtown Los Angeles and major job centers within reach.

Right: The Starlite marquee has been restored and stands at the entrance, a visual connection to the area's history. Bottom: Street view shows Astaire (detached homes on the left) and Harlow (townhomes on the right) with a blended density of 17 dwelling units per acre. Both offer four bedrooms and three-and-a-half baths.



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 risks and opportunities are:

Deforestation

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

Water overuse

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

Water pollution

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

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

Biodiversity protections

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

Community revitalization

KB Home’s portfolio includes a mix of brownfields, greyfields and infill communities built on previously developed lands that are 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 the positive outcomes by selecting land developers and supplier partners that integrate sustainability into their own practices wherever possible.

We invite you to read our policies in full in the Our Foundation section of this report.

SPOTLIGHT

Restoring Horsethief Creek At Monteverdi in Temescal Valley, CA

When KB Home’s environmental review for the Monteverdi community in Riverside County’s Horsethief Canyon identified an adjacent riparian corridor in need of restoration, we treated that finding as a call to act, not just a box to check.

Permitting conditions under the California Environmental Quality Act required removal of an old roadway crossing, the widening of Horsethief Canyon Creek to approximately 300 feet, and the revegetation of the resulting floodplain with native Riversidean alluvial fan sage scrub and riparian species. The work also supports wildlife movement through the corridor, a function the site had lost.

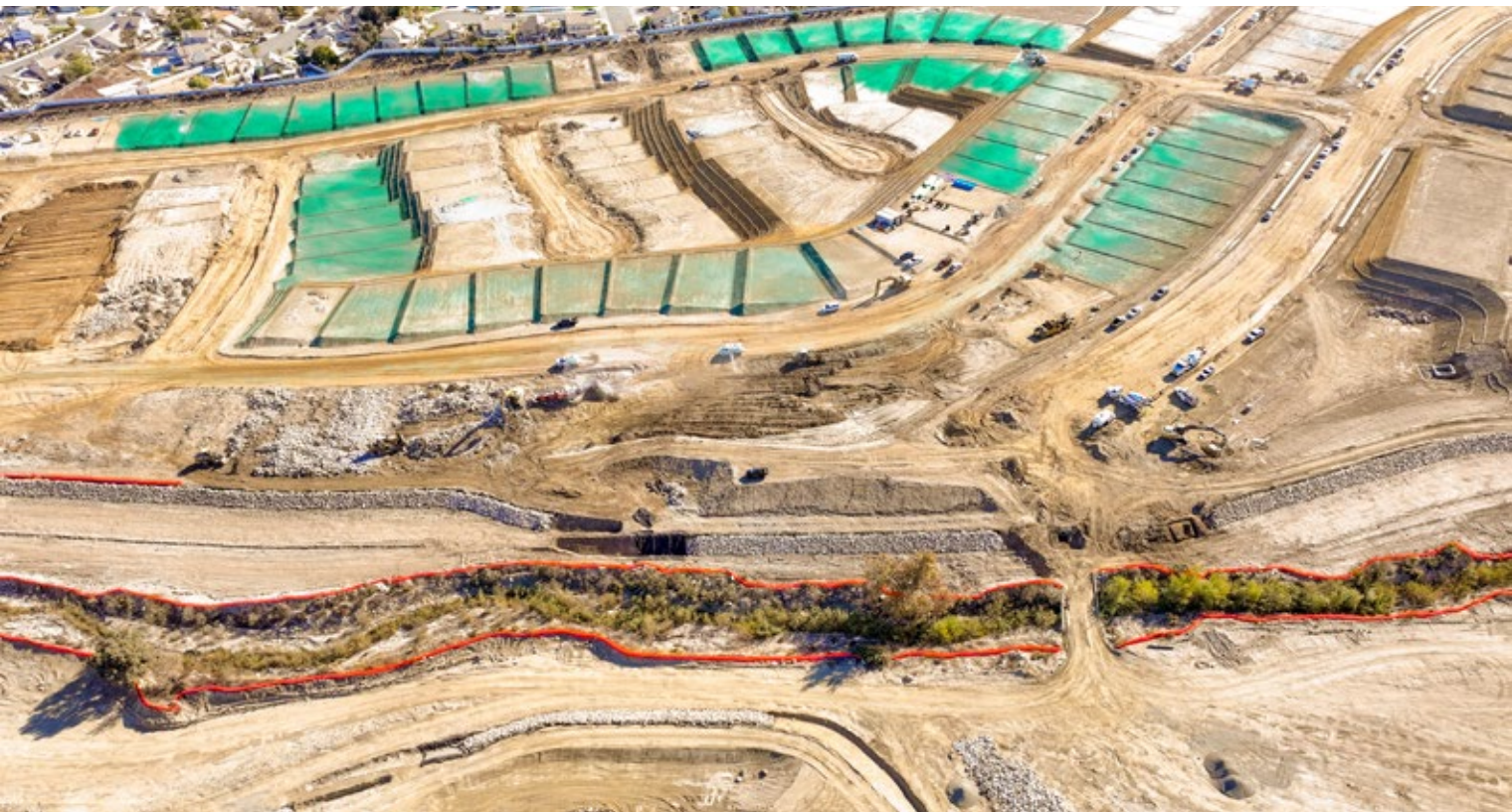
We installed more than 13,000 native plants, established 3,160 naturally recruited specimens, and hydroseeded nearly 1,200 pounds of native seed across 12.6 acres. Three rare plant species, including *Eriodictyon sessilifolium* and *Styrax redivivus*, are being established in coordination with the U.S. Fish and Wildlife Service. The restored habitat is monitored under a multiyear Habitat Mitigation and Monitoring Plan and is designed to sustain itself without irrigation once the young plants are established.

For us, building strong communities means leaving the land around them better than we found it.



Native plants installed within the flood control plain alongside irrigation on the west side of the site looking south.

Photo courtesy of HELIX Environmental Planning, Inc.



Monteverdi in Temescal Valley, CA

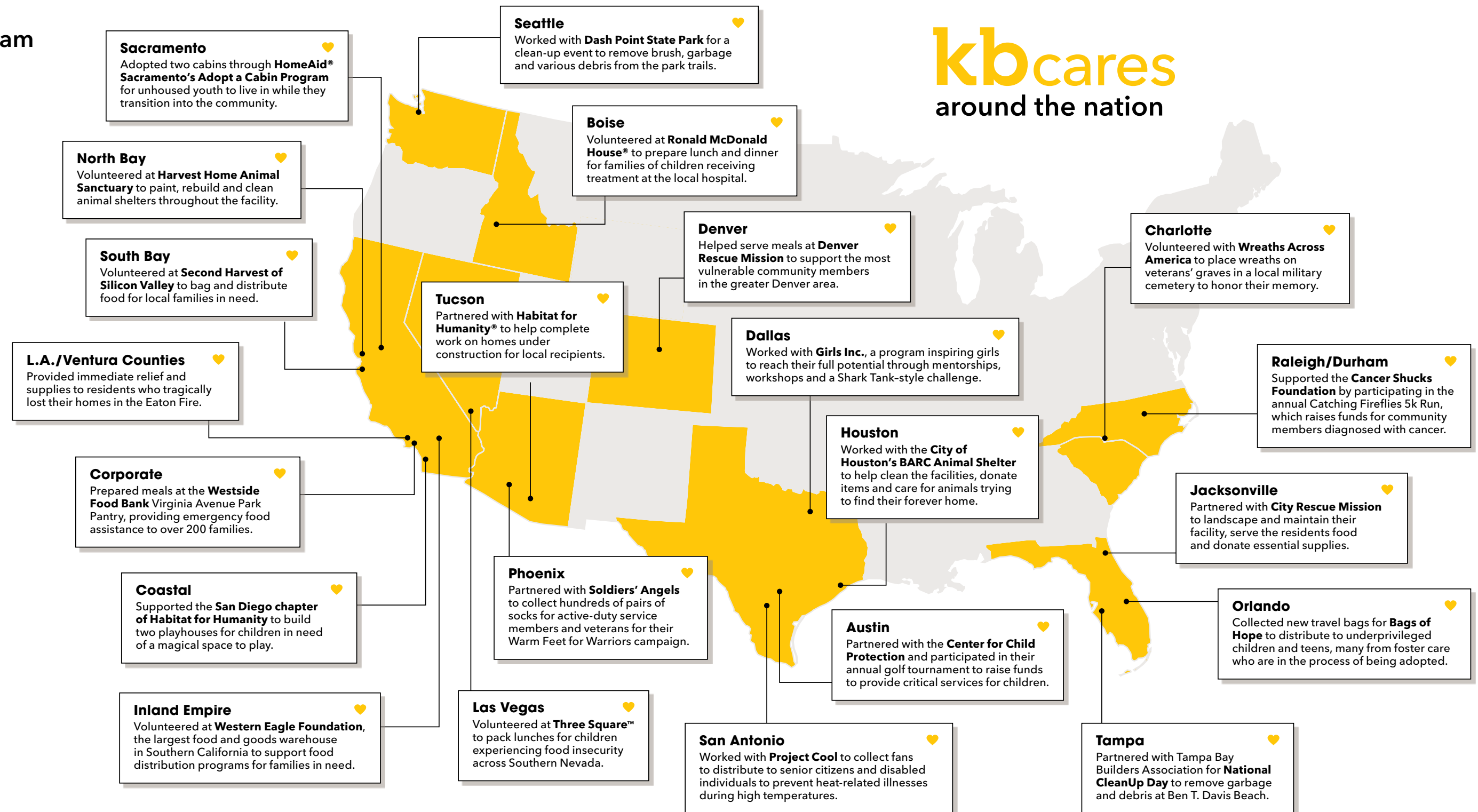
We are helping to strengthen communities across America

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

kbcares
around the nation

~150
KB Cares events in 2025

6,200+
total hours volunteered by KB Home employees in 2025, in collaboration with trade partners.



2025 National Volunteer Day

For our third annual event, employees across the country came together to help make a difference in their local communities.

Thousands of enthusiastic KB Home employees contributed their time and energy volunteering and hosting many different events, including food banks, toy drives, and beautification activities.

21

local division offices participated

35

community giving and volunteer events

2,200+

KB Home employee hours donated for National Volunteer Day



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

We are proud to partner with the National Forest Foundation (NFF), a collaboration that began in 2023, to replenish and preserve national forests by replanting thousands of acres of habitat nationwide, protecting the future of national forests.¹

150,000

trees planted since 2023 in Boise National Forest, Shasta-Trinity National Forest and Sierra National Forest in partnership with NFF.

200+

acres of national forest land reforested in 2025 with White fir, Jeffrey Pine, Sugar Pine, Ponderosa Pine and Douglas fir to restore critical habitat and forest health.

¹ <https://www.nationalforests.org/wp-content/uploads/2026/03/NFF-2025-Activities-Report.pdf>

Working together to give children a bed all their own

Sleep in Heavenly Peace® (SHP) builds and delivers handmade, fully furnished beds to children in need.

At KB Home, everything we do is focused on building relationships, including contributing to the neighborhoods where we build. We believe in giving our employees the means to make a positive impact, from how we care for our neighbors to how we help build strong communities. KB Cares is our opportunity to make a difference.

Since 2023, KB Home has been proudly partnering with SHP, a volunteer-driven, nonprofit organization focused on the belief that a bed is a basic necessity to support a child's physical, emotional and mental needs. The group works to build, assemble and deliver top-notch bunk beds to children and families, with KB Home teams contributing more than 500 beds in support of this mission.

KB Home has volunteered with different SHP chapters to support their goal that no child sleeps on the floor. The organization's commitment to tackling childhood bedlessness, which affects nearly 3% of the population, gives us the opportunity to focus on a core pillar of KB Cares – providing shelter for those in the most challenging circumstances.

We believe that no matter where someone is in life, whether it's putting down roots or in transition, a comfortable bed represents so much more than warmth. It offers security, shelter, comfort and hope. KB Home is grateful to be involved in such an important and worthy mission.



Our Foundation

Effective governance transforms sustainability ambitions into measurable progress and tangible results. The policies, oversight mechanisms, and organizational standards outlined in this chapter are not simply add-ons to our sustainability platform – they are its foundation.

The following pages describe how our Board of Directors, National Advisory Board, Sustainability Leadership Team, and Environmental Management System work together to ground our objectives and promote transparency in our performance. These structures shape our strategies, connect our sustainability goals to daily decisions across the organization, and help us create lasting value for our homebuyers, employees, and stockholders alike.



Oversight and visibility are the backbone of sustainable businesses

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

<p>Board of Directors oversight</p>	<p>The Board of Directors oversees our sustainability program as part of our overall business strategy. In addition, the Board’s Audit and Compliance Committee has oversight responsibilities for environmental sustainability matters; its Management Development and Compensation Committee has oversight responsibilities for matters related to our workforce; and its Nominating and Corporate Governance Committee has oversight responsibility for governance. Two directors serve as the Board’s liaisons to management on sustainability-related matters: Arthur R. Collins, Founder and Chairman, theGROUP, and Dorene C. Dominguez, Chairwoman and Chief Executive Officer, Vanir Group of Companies, Inc.</p>	<p>Sustainability Leadership Team</p>	<p>A group of high-level executives, led by our President and Chief Executive Officer and including certain division presidents, convenes on a regular basis to discuss sustainability strategies, craft and refine company policies and initiatives, and create buy-in with leaders across all of our operating regions and major functional departments.</p>
<p>National Advisory Board (NAB)</p>	<p>Nationally recognized leaders meet twice yearly with us to discuss recommendations related to sustainability and other issues (see page 40).</p>	<p>Sustainability Steering Committee</p>	<p>A group of senior executives, led by our Senior Vice President of Investor Relations and Vice President of Innovation and Sustainability, interacts with various disciplines within KB Home and directs engagement with external stakeholders, raising the profile of sustainability across and outside the company and evaluating our reporting around these initiatives.</p>
		<p>Environmental Management System (EMS)</p>	<p>We have a process for decision-making and continuous improvement for all 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 41.</p>



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 Executive Chairman of the Board and our President and Chief Executive Officer, are independent.
- There is a robust Lead Independent Director position with significant responsibilities and authority.
- Only independent directors serve on Board committees.
- During 2025, there were no reportable related party transactions.
- All directors are elected on an annual basis under a majority voting standard.
- We have one class of voting securities, allowing each holder one vote for each share held, and no supermajority voting requirements (except per Delaware law, our state of incorporation).
- 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 incentive-based compensation recovery policy, and employee equity-based awards are subject to 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 2026 Proxy Statement through our Investor Relations website, <https://investor.kbhome.com>.

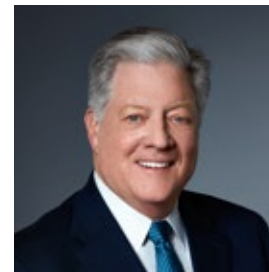
Our Board of Directors

brings diverse leadership and expertise to their oversight of our business

Our Board 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.

Board Diversity Considerations

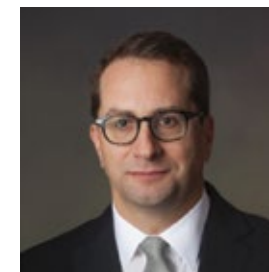
The Board considers diversity for directors and director candidates as encompassing expertise or knowledge base, educational and career history, race, ethnicity, national origin, gender, geographic residency, community or public service and/ or other tangible and intangible aspects of an individual. Beyond their distinct perspectives, skills and backgrounds, 45% of our directors are women or ethnic minorities. If all director nominees are elected, as of the election of directors at the 2026 Annual Stockholders Meeting, 50% of our directors will be women or ethnic minorities, 30% will be women and 30% will be ethnic minorities. Our Board members are situated in regional locations generally in proportion to our business.



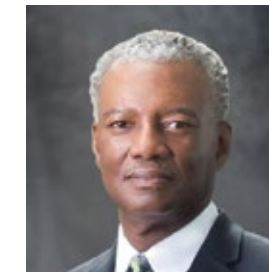
Jeffrey T. Mezger
Executive Chairman of the Board, KB Home
Director Service Since 2006
Chairman Service Since 2016



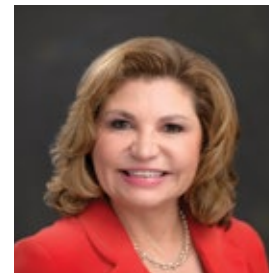
Jodeen A. Kozlak
Founder and Chief Executive Officer, Kozlak Capital Partners, LLC
Director Service Since 2021
Lead Independent Director



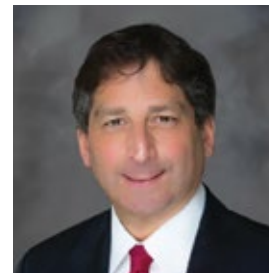
Jose M. Barra
Principal, Proinco Strategic Advisors, LLC
Director Service Since 2023



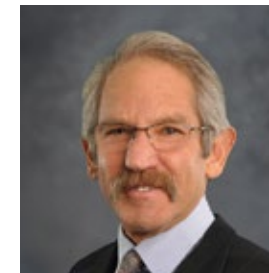
Arthur R. Collins
Founder and Chairman, theGROUP
Director Service Since 2020



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



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



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



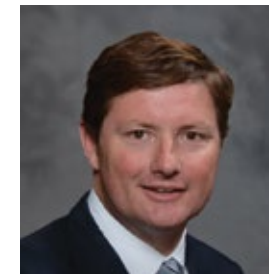
Dr. Thomas W. Gilligan
Emeritus Director and Senior Fellow at the Hoover Institution on War, Revolution, and Peace
Director Service Since 2012



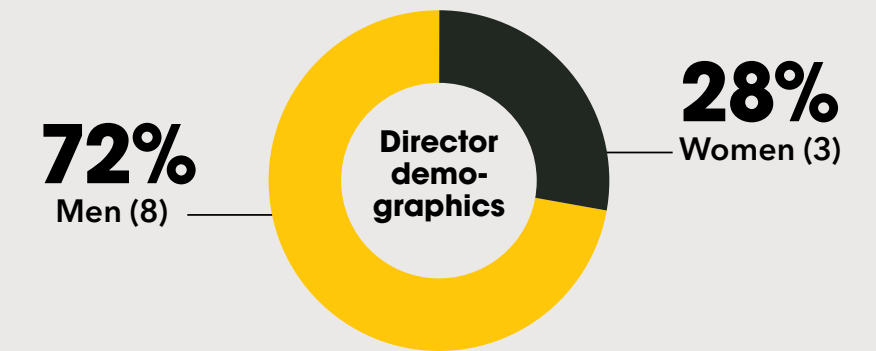
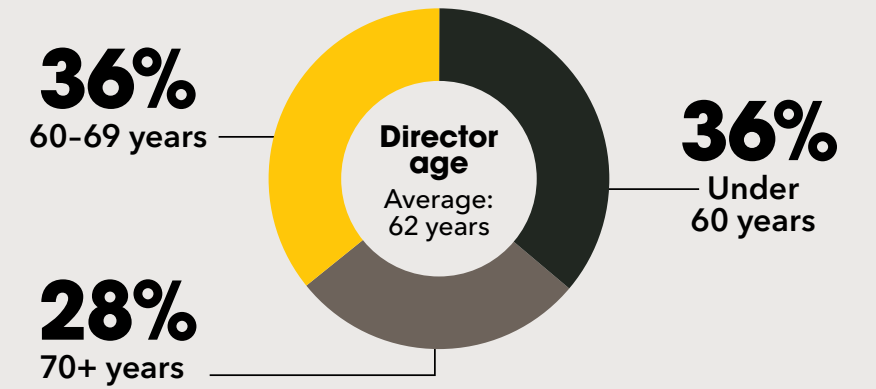
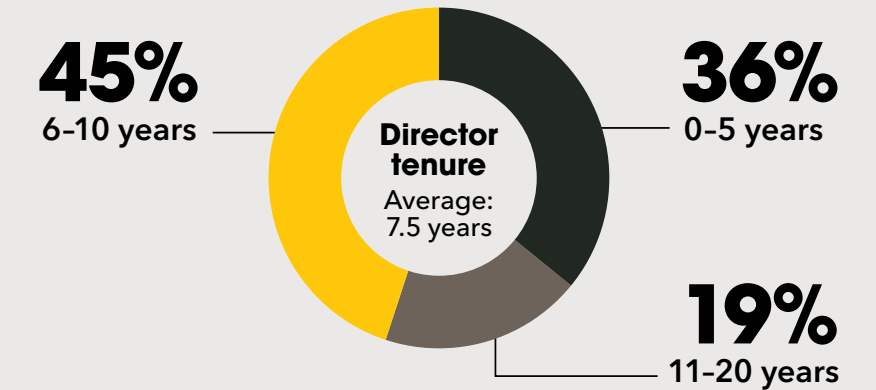
Cheryl J. Henry
Former President, Chief Executive Officer and Chairwoman, Ruth's Hospitality Group, Inc.
Director Service Since 2024



Robert V. McGibney
President and Chief Executive Officer, KB Home
Director Service Since 2026



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



Board information current as date of publication. Mr. Weaver will step down from the Board on April 23, 2026, the date of KB Home's 2026 Annual Meeting of Stockholders.

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.

In 2025, the KB Home 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. Key focus areas included:

- Environmental stewardship, with an emphasis on water and energy resource conservation
- Infill development and redevelopment of existing communities
- Livability and human-centered design across all life stages
- Housing affordability and long-term economic accessibility
- Advancing sustainable homeownership across diverse market segments
- Addressing the impacts of regional data centers' growth on energy, water, and labor resources while promoting high-performance homes to manage owners' costs and support long-term value

2025 NAB Members

Dan Bridleman

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

Professor Magali Delmas

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

Dr. Jonathan Fink

Professor of Geology, Portland State University

Laura Kohler

Chief Sustainable Living Officer, KOHLER® Co.

Nancy LeaMond

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

Andre Pettigrew*

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

Sam Rashkin

Founder, Retooling the U.S. Housing Industry LLC
Former Chief Architect, Building Technologies Office, U.S. Department of Energy

Tim Smith, FAICP, RA

Vice President, InfraCenters, LLC
Principal Emeritus, SERA Architects, Inc.

Raagan Wilhelm

Senior Manager, Energy Optimization, Ceres

KB Home Representatives

Jeffrey Mezger

Executive Chairman of the Board, KB Home

Robert McGibney

President and Chief Executive Officer, KB Home

Sarah Paulson Sheehy

Vice President, Government Affairs, KB Home

Jacob Atalla

Vice President, Innovation and Sustainability, KB Home

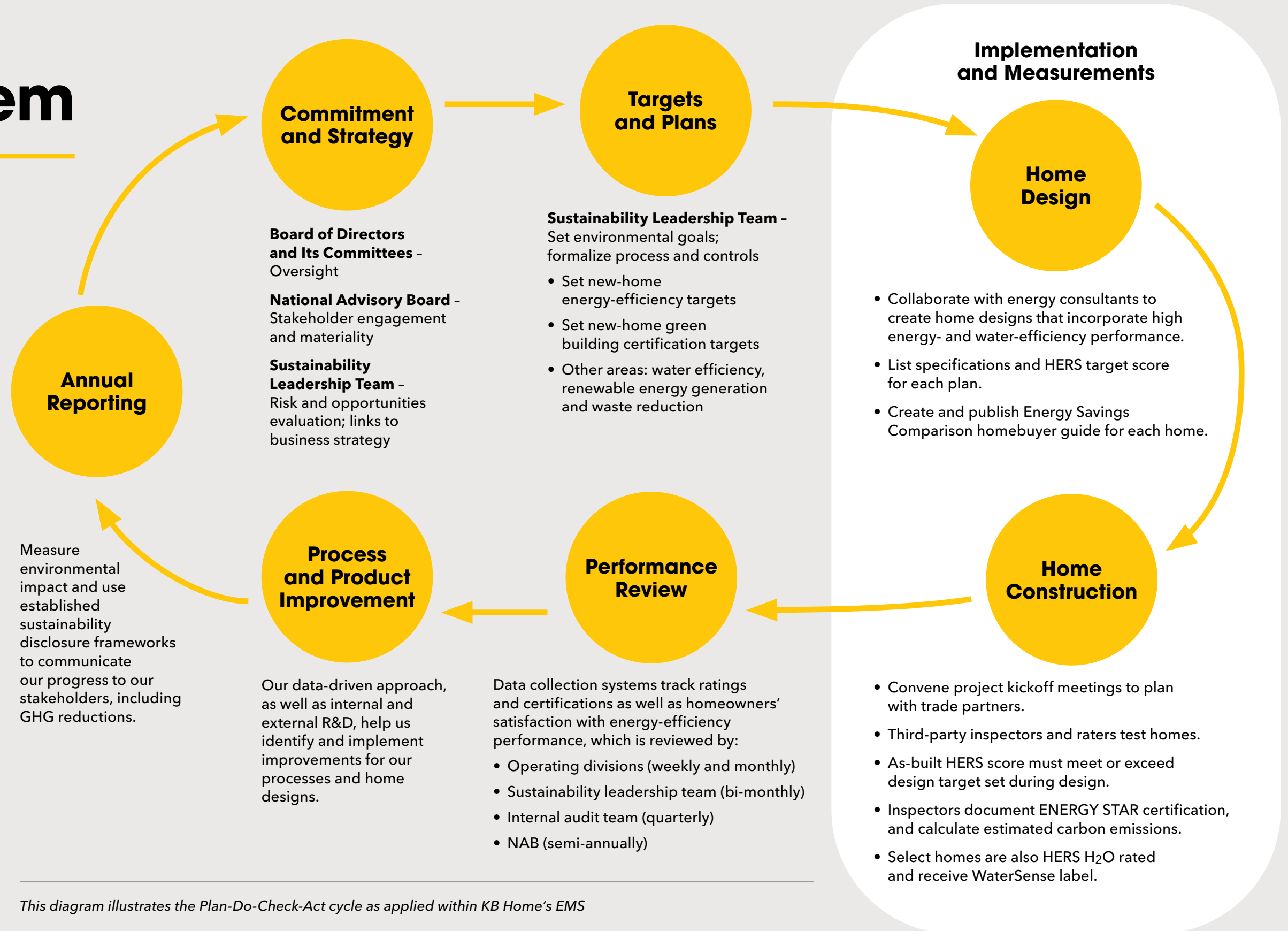
*It is with sadness that we note the passing of Andre Pettigrew, a valued member of the KB Home NAB (July 2025).

Our Environmental Management System

We maintain an Environmental Management System (EMS), documented in a formal manual, that aligns with the EPA’s definition of EMS as a set of processes and practices that enable an organization to reduce its environmental impact and increase its operating efficiency. Using the Plan-Do-Check-Act cycle, this framework establishes the consistent processes we use to plan, implement, evaluate, and enhance our environmental initiatives.

At the corporate level, the EMS targets company-wide outcomes, specifically home energy and water efficiency and GHG emissions over a home’s life cycle. Local regulatory compliance is managed by our divisions as an integral part of project operations. While supply-chain sustainability and waste reduction are currently in pilot phases, we intend to integrate them into the EMS as they scale.

Our Sustainability Leadership Team, led by the President and Chief Executive Officer, conducts annual assessments to ensure that our goals and results align. Over the last two years, we expanded the system to track estimated carbon emissions based on RESNET’s Carbon Index, strengthening our ability to measure and report our environmental impact.



This diagram illustrates the Plan-Do-Check-Act cycle as applied within KB Home’s EMS

Our commitment to sustainability reporting

Our sustainability materiality priorities

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

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

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

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

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

<p>1. Energy efficiency and greenhouse gas reduction</p>	<p>The energy consumed during the multi-decade life cycle of a home comes from the day-to-day living in it. That's why, as discussed on pages 21-22, we are focused on building highly energy-efficient homes that are expected to generate fewer GHG emissions in connection with their daily operations for decades to come. In this way, we may refer to homes, and our approach to designing and building our homes, as reducing GHG emissions, although our homes do not in and of themselves reduce carbon or GHGs from the atmosphere, or lower or otherwise affect GHG emissions from our operations. This approach also has the benefit of integrating our product sustainability strategy with our customers' needs by lowering the total cost of homeownership through lower utility bills, while also contributing housing stock in the markets in which we build that can provide social and community benefits. Our highly energy-efficient ENERGY STAR certified homes utilize, on average, half of the energy of a home of the same size built just a decade ago, making a meaningful contribution to reducing the GHG emissions produced over the long-term. We are also steadily increasing the number of homes that we build with renewable energy capability through solar photovoltaic power systems.</p>
<p>2. Water conservation</p>	<p>As a builder operating in some of the most water-challenged regions of the U.S., we prioritize water conservation. Water availability is an important consideration for local governments in approving new-home developments.</p> <p>We provide water-saving features in our homes, including WaterSense labeled features, that reduce our customers' water bills and may help to mitigate strain on local communities, and build WaterSense labeled homes in areas of high water stress. Prioritizing water conservation enables us to effectively address water-related concerns and help preserve this critical resource as well as reduce the energy it takes others to pump and treat water (reducing energy usage overall).</p>

Housing is a public policy issue

and we believe it is important to participate in the conversation

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

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.

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 2025 campaign contributions include:

In 2025, we contributed \$352,910 to campaigns for state and local offices in California, Nevada, and Washington State 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 Washington contributions can be found on the Washington Secretary of State's website at: <https://www.sos.wa.gov/>.



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

Clear standards and policies reinforce social, environmental and economic sustainability

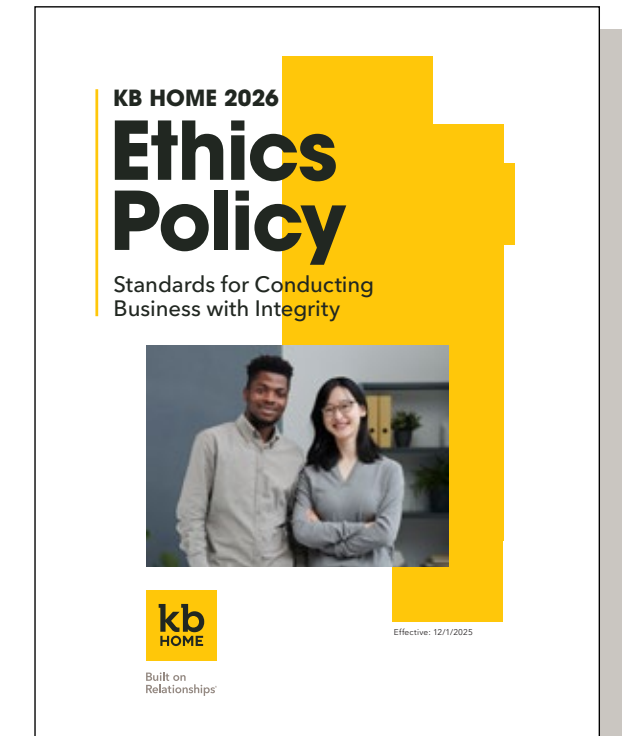
We publish standards and policies across our business that guide our operations, leadership, employee conduct and supplier relationships, and continue to expand on them.

Ethical standards

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

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

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



Supplier code of conduct

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

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

Responsible marketing policy

As a company built on relationships, we are committed to using responsible sales and marketing practices 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. These principles, guidelines and standards are grounded in fundamental human rights that have been advanced under international conventions, such as the United Nations' Universal Declaration of Human Rights, and apply to all of our employees, whether full- or part-time, and directors, and to our relationships with our service providers, customers and business partners across our operational footprint within the U.S. All our employees are required to complete an annual training on our Ethics Policy, which incorporates human rights standards.

Cybersecurity and data privacy

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

<p>Information security</p>	<p>We have policies and procedures for identifying, assessing and managing material risks associated with cybersecurity threats. To help protect our information technology (IT) resources, we have instituted administrative, physical and technical controls and processes and commissioned third-party assessments. The technical defense measures we have implemented are designed to address vulnerabilities that may arise, including from a security control failure. These measures currently involve a combination of artificial intelligence (AI); machine learning computer network monitoring; malware and antivirus resources; firewall systems; and endpoint detection and response. We also utilize cloud service defenses; Internet address and content filtering monitoring software intended to secure against known malicious websites and potential data exfiltration; and enterprise gateway security for workforce mobile devices and applications. Additionally, a variety of cyber intelligence and threat monitoring sources provide us with ongoing updates on potential or emerging risks. For all these measures, we rely on third-party providers that we believe are capable of performing the service for which they have been engaged or on certain governmental agencies. Before we engage a third-party provider for these types of services and resources, we typically conduct a security review involving, as relevant to the service or resource, discussions with the provider’s security personnel, evaluation of auditor reports, and other requested information and documentation.</p>
<p>Employee education and awareness activities</p>	<p>To support the ongoing identification and management of cybersecurity issues, all employees are required to complete cybersecurity awareness training, including social engineering and phishing, Internet security, physical security and insider threats, and additional AI-enabled cyber threats and deepfakes, with additional training for handling of customer personal information. We also publish a monthly security awareness newsletter along with performing ongoing internal phishing assessments.</p>
<p>Customer privacy</p>	<p>We do not sell our mailing or contact lists to unaffiliated third parties. KB Home may share customer email addresses and contact information with our selected service providers for home-related offers and other information that we believe may be of interest to our customers; however, customers are able to indicate on the guest information, registration card or other materials that they do not wish to be contacted.</p>
<p>Leadership oversight</p>	<p>Our Board of Directors, through its Audit and Compliance Committee, monitors cybersecurity risks and our evolving physical, electronic and other protection strategies and initiatives. Our management executives periodically review our cybersecurity practices and risks with the committee, most recently in January 2026.</p>





Quail Cove at Summerlin in Las Vegas, NV



Pollution prevention practices and policies

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

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

➤ Jobsite waste reduction and recycling

For KB Home, implementing jobsite waste prevention practices is not only environmentally responsible but also economically advantageous. Beginning with the design of our homes, we carefully select measurements and materials to optimize use of resources, limit over-ordering and reduce construction waste. Additionally, recycling initiatives are a key part of our waste diversion strategy, with 72% of KB communities incorporating recycling into jobsite practices. By implementing these practices, KB Home can minimize our impact on the environment while also streamlining our operational and cost efficiency.

➤ Storm water pollution prevention practices

Each community site has a specific SWPPP. These mitigation efforts include dedicated concrete washouts, paint washouts, silt fencing and inlet drain protection to prevent runoff into nearby waterways, which also keep debris out of the streets and neighboring properties. SWPPPs include inspection protocols to help ensure that our controls are in place and working, and that we can proceed in a way that protects the communities' clean water and surrounding environment. In 2025, over 32,768 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 2025 continued to use Moen®'s mixing valves, which contain recycled ocean plastics. Moen estimates that we used approximately 1,705 pounds of recycled plastic in 2025.

➤ e-Waste diversion practices

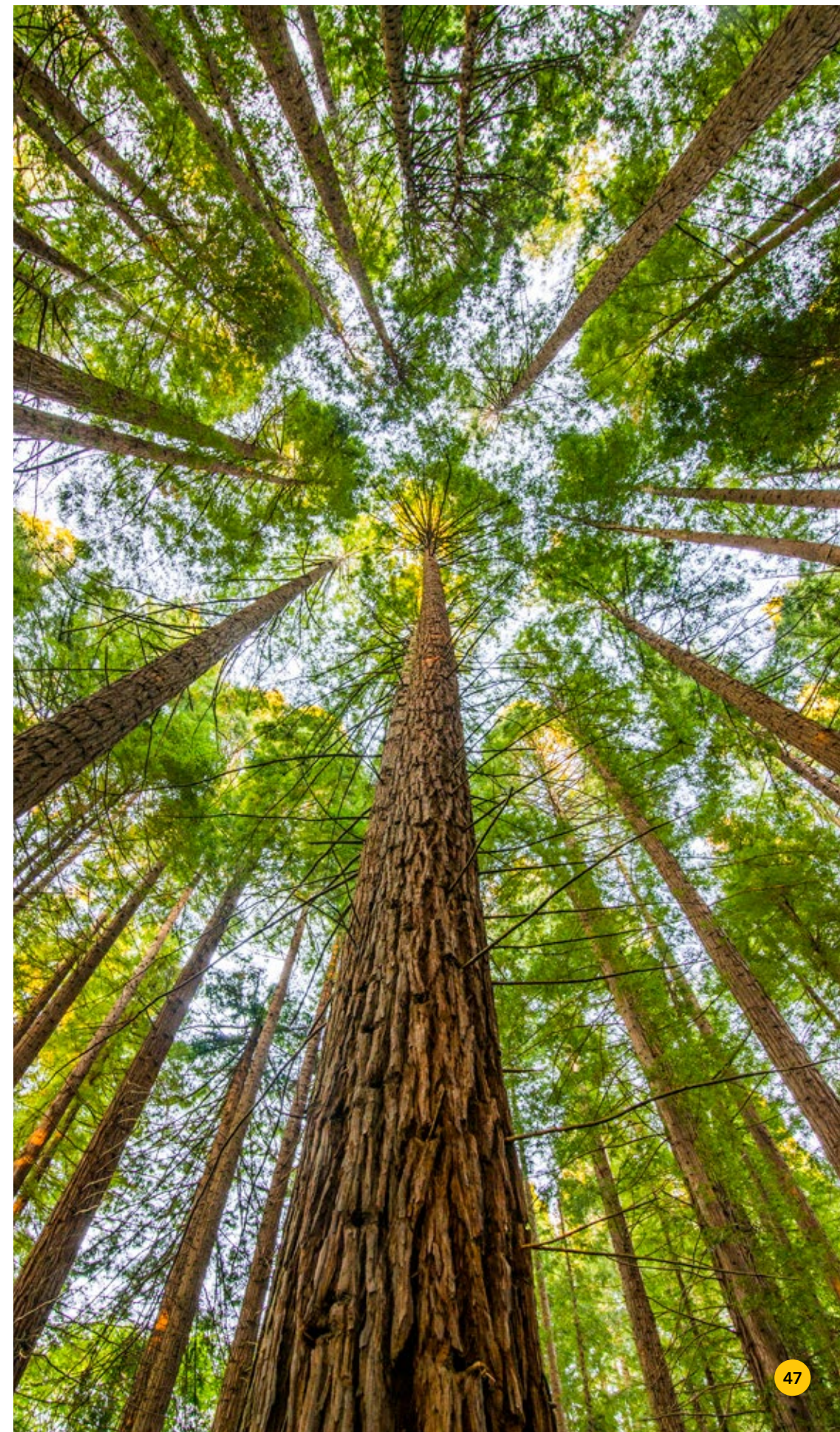
We also aim to responsibly divert our electronic waste from landfills. Our information technology team maintains a robust inventory of all electronics issued to employees to help track these items and ensure that they are timely retired. Under our policy, all KB Home electronics are retired through direct donation to nonprofit organizations, refurbishment through secondary sellers or recycling through certified e-waste centers. Many of our vendors align with ISO and SERI-R2 programs, ensuring adherence to rigorous environmental and data security standards. In 2025, KB Home donated 289 computers and recycled approximately 5,888 pounds of e-waste.

Responsible lumber practices

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

Highlights of our lumber sourcing standards include:

Protecting endangered forests	<p>Our lumber suppliers are required to certify that wood will not be directly or indirectly sourced from endangered forests. This includes places such as tropical rainforests; habitats that contain rare or endangered species, trees or other plants; or sites that exhibit rare ecological or evolutionary phenomena.</p>
Engineered wood products	<p>We continue to expand our use of engineered wood products and other sustainable material alternatives, balancing responsible resource consumption with potential additional costs for our customers. Examples where the value proposition is compelling include flooring systems in two- and three-story homes, which are primarily constructed using manufactured wood I-joists rather than traditional dimension lumber; and using laminated veneer lumber made from smaller-diameter trees commonly sourced through forest-thinning operations in managed forests. Thinning plays an important role in supporting overall forest health. These beams deliver enhanced structural performance while maximizing raw material efficiency by utilizing nearly 100% of each log.</p>
Value engineering and panelization	<p>Many of our home designs are built around a central module engineered to provide construction efficiency so fewer raw materials are used. By optimizing our home design to use more manufactured framing components, we can reduce the amount of lumber used, thereby decreasing the number of trees needed to build a KB home. In 2025, approximately 83% of our communities utilized prefabricated wall panels, further improving construction efficiency and material optimization. According to our supplier partner, our use of precut framing packages, prefabricated wall panels, and other manufactured components, including floor and roof trusses, has resulted in an estimated 38,700 trees saved in 2025 compared to traditional stick-framed homes. Additionally, this approach reduces waste compared to on-site construction, allows work to progress regardless of weather conditions and minimizes the transportation of materials to construction sites. It also helps us build more airtight homes, which contributes to better energy efficiency and lower utility bills.</p>
Third-party certification	<p>Our suppliers offer certified products through sustainable forestry management programs or organizations like the Sustainable Forestry Initiative® (SFI) or Forest Stewardship Council® (FSC).</p>
Compliance	<p>All KB Home wood suppliers commit to compliance with all local, national and international laws applicable to wood or wood merchandise.</p>



Data & Disclosures

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

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



Sustainability data sharing

Index of Sustainability Topics

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

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

We also describe these topics in our periodic reports to the Securities and Exchange Commission (SEC), including in our 2025 Annual Report on Form 10-K.

GHG emissions and carbon reduction

This section presents information on the carbon footprint of our business, including Scope 1, 2 and 3 GHG emissions. Since a sizable portion of our carbon footprint comes from residents’ post-purchase day-to-day living in the homes we build, we have focused for more than two decades on constructing highly energy-efficient homes that are designed to generate fewer GHG emissions over their expected multi-decade life cycle.

Organizational boundary:

In alignment with the GHG Protocol Corporate Accounting and Reporting Standard (GHG Protocol), KB Home applies the financial control approach to define its organizational boundary for GHG reporting. Under this approach, and consistent with U.S. Generally Accepted Accounting Principles, KB Home consolidates all subsidiaries and joint ventures where it has a controlling financial interest. Entities that do not meet this financial control criterion are excluded from GHG reporting. This approach has been applied consistently across all reporting periods.

Activity data:

In 2025, we enhanced the quality of our emissions data by transitioning from a predominantly spend based estimation approach to primarily using unit-based metering data, such as kilowatt-hours (kWh) and therms, where available. For leased facilities without meter access, we continue to use a spend based estimation approach.

Inventory tools, factors, and alignment:

KB Home calculates and reports GHG emissions in alignment with the GHG Protocol and quantifies its Scope 1 and Scope 2 inventories using U.S. EPA’s Simplified GHG Emissions Calculator, developed by the Center for Corporate Climate Leadership.

For our Scope 1 emissions, we report the use of natural gas primarily for space heating. We do not report fugitive refrigerant emissions within our GHG inventory. Most air conditioning systems installed in KB homes have received third party verification confirming that no refrigerant loss is anticipated under normal installation conditions. As fugitive refrigerant emissions are therefore not expected, they are excluded from the inventory.

For our Scope 2 emissions, we apply location based kWh emission factors sourced directly from U.S. EPA’s Emissions & Generation Resource Integrated Database (eGRID) corresponding to the specific subregions within our organizational boundary for our leased offices and KB Home Studios, model homes and production homes prior to transferring title to an end customer. (Note: Most of our model homes and sales offices in California are powered by solar energy, which reduces the amount electricity purchased from local utility companies.) We do not hold contractual instruments, nor do we have reasonable access to market type energy sources that would change calculated results. Accordingly, market based Scope 2 emissions are equivalent to location based values.

As to our Scope 3 emissions, we currently report such emissions for Category 11 (Use of Sold Products), as it represents the most significant source of our Scope 3 emissions. Historically, we estimated these emissions using

HERS based annual average outputs. Beginning in 2025, we adopted a recently released methodology for estimating the operational carbon emissions of our homes: the RESNET Carbon Index, which provides more time sensitive estimates that better reflect regional electricity grids and hourly emissions profiles.

We intend to expand our Scope 3 calculations over time to include all categories relevant to our business. As part of this ongoing effort, we continue to work with supplier partners and industry experts to evaluate the embodied carbon emissions associated with the homes we build, which fall under Scope 3, Category 1 (Purchased Goods and Services). For an example of avoided embodied carbon emissions achieved through supplier partnerships, please see our 2023 Sustainability Report, page 57.

Consistent with this approach to Scope 3 emissions, we recognize that it is not feasible for organizations to calculate Scope 3 emissions with complete precision or full coverage. Accordingly, we use what we consider to be the most appropriate and credible estimation methodologies currently available to us. Over time, we expect to further refine our Scope 3 estimation techniques and to describe the evolution of our methodologies. We intend to continue presenting GHG emission-related data across all scopes in its sustainability reports, including this one, as our calculations and disclosures mature.

Greenhouse gas emissions summary

GHG Metrics	Units	2023	2024	2025
Scope 1 emissions - Combustion of fuel	CO ₂ e in metric tons	2,089	2,163	2,199
Scope 2 emissions - Location based	CO ₂ e in metric tons	12,088	10,295	10,271
Total Scope 1 & 2	CO ₂ e in metric tons	14,177	12,458	12,470
Estimated GHG emission financial intensity	CO ₂ e in metric tons/ \$ total revenue	0.0000022	0.0000018	0.0000020
Estimated GHG emission activity-related intensity	CO ₂ e in metric tons per delivered home	1.1	0.9	1.0
Scope 3 emissions - Category 11, Use of sold products*	CO ₂ e in metric tons	3,706,080	2,198,900	1,513,787
Estimated energy consumption within organization				
Total natural gas consumption	Therm	337,919	309,832	317,433
Total electricity consumption	MWh	34,012	30,740	32,100
Total energy consumption within the organization	MMBtu	149,486	135,872	141,273

*These calculations assume a 50-year building life, in alignment with homebuilding industry practice. This period is not indicative of any KB home’s actual useful life nor is it used for any other purpose in our business. These estimates assume that GHG emissions from electric utility energy sources will remain constant throughout the multi-decade building life. However, if utilities shift to less polluting energy sources and reduce GHG emissions per kWh over time, our estimated Scope 3 carbon footprint could be lower. In addition, as calculation methodologies and assumptions potentially evolve, our future calculations of this metric may not be comparable to any prior period(s). For the 2025 estimate, we utilized operational emissions data from RESNET’s Carbon Index, which is discussed on page 22.

Task Force for Climate-Related Financial Disclosures (TCFD)

Governance

Our governance structures provide oversight of KB Home’s climate strategies and sustainability initiatives, ensuring these efforts are integrated with our overall business strategy. Key components include our Board of Directors, National Advisory Board, Sustainability Leadership Team, Sustainability Steering Committee, and Environmental Management System.

The roles and responsibilities of these bodies – including Board oversight, committee-level oversight of environmental and human capital matters, advisory input from the NAB, and the planning and implementation, and continuous improvement process of the EMS – are described in detail on pages 37, 40-41.

For additional information regarding our corporate governance practices, please also reference our 2025 Annual Report on Form 10-K and our 2026 Proxy Statement.

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, design, and development and construction processes can be found on page 57. Additionally, we have established an EMS focused on reducing the GHG emissions associated with the use of the homes that we build over their multi-decade life cycle. This EMS is assessed annually to identify opportunities to implement efficiency enhancements. More details about our EMS can be found on page 41.

➤ 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.



87th Townhomes in Marysville, WA



TCFD: Risk Topics & Opportunities

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

Risk Topic	Severe weather event or natural disaster <ul style="list-style-type: none"> • Time range*: Medium - Long • Risk Type: Acute & Chronic Physical • Opportunity type: Energy Source, Resilience 	Drought and water scarcity <ul style="list-style-type: none"> • Time range: Short - Long • Risk type: Chronic Physical • Opportunity type: Resource Efficiency, Products & Services 	Increased and changing regulations and building codes <ul style="list-style-type: none"> • Time range: Short - Long • Risk type: Policy & Legal Transition • Opportunity type: Products & Services, Markets 	Shifts in consumer preferences <ul style="list-style-type: none"> • Time range: Short - Long • Risk type: Reputation Transition • Opportunity type: Products & Services, Markets
Impact	<p>Potential to disrupt our operations or those of our suppliers or independent contractors</p> <p>Potential to damage or destroy homes</p> <p>Potential to disrupt homeowners' ability to obtain affordable home insurance</p>	<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>Potential to increase our costs, or delay or complicate home construction</p> <p>Potential for market, product and service disruptions that impact our building programs, or increase the costs for the company and/or our customers</p>	<p>Potential to negatively affect organizational reputation if customer expectations are not met</p>
Opportunities	<p>Opportunity to introduce energy innovations and resiliency solutions for customers with the support of our trade partners</p>	<p>Opportunity to integrate water-saving features for customers and regulatory compliance</p>	<p>Opportunity to better/more quickly satisfy higher standards through a new high-performance home compared to a typical new home</p>	<p>Opportunity to satisfy demand from increasingly environmentally conscious customers</p>
Our Approach	<p>To address immediate operational impacts of this risk, KB Home 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 26 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.</p> <p>The increasing frequency and severity of weather events and natural disasters have led to a significant rise in home insurance premiums, and in some cases, reduced availability of coverage in high-risk regions. This trend poses a financial risk to both homeowners and us, as it may impact affordability and demand for new homes. To mitigate these risks, we are incorporating resilient design and construction measures, such as fire-resistant materials, elevated foundations, and enhanced water management systems, to harden homes against natural disasters and reduce potential losses. In 2025, we unveiled the nation's first new-home community that meets the home- and neighborhood-level wildfire resilience standards established by IBHS, an independent nonprofit research organization dedicated to protecting homes and communities against natural disasters. In early 2026, we opened a second such community in North California. See page 25 for more information.</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 23 for more information.</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 43 for more information.</p> <p>In California, we have and will continue to incur higher construction costs because of a state law requirement that effectively requires that all newly built homes have solar power systems, and we may be unable to offset (through customer leases) or cover such costs through selling price increases due to competition and consumer affordability concerns. We also faced an uncertain solar power system provider environment in 2024 and 2025, largely due to the federal government's repealing and/or accelerating the expiration of related tax credits, as described below, and changes in California net metering regulations that created significant instability in the solar power industry, with several providers going out of business or entering bankruptcy. This has disrupted the supply and installation of solar power systems, causing delays in system completions and permissions to operate and, in turn, home deliveries. The federal government's repeal and/or accelerated expiration of tax credits for solar power systems has also caused lease financing providers to exit the market, pressuring the availability of leases for customers in California.</p>	<p>We have a long history of meeting market demands and evolving our product to address customer expectations. We regularly conduct market research to evaluate consumer preferences in terms of locations and home features. In addition, our Built to Order process gives us the flexibility to offer robust, energy-efficient and environmentally friendly options to homebuyers. This, along with our long-standing commitment to ENERGY STAR certification, enables us to positively differentiate our homes and integrate sustainability into our marketing strategy. See pages 12-15 for more information.</p>

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

TCFD: Metrics & Targets

Metrics	Our Progress	References
ENERGY STAR certified homes	As of 2025, KB Home is proud to have built over 217,000 EPA ENERGY STAR certified homes since 2000, more than any other homebuilder. These homes result in approximately 8.8 billion cumulative pounds of avoided CO ₂ emissions according to the EPA.	Pages 20-22
WaterSense labeled homes	We have also built more 31,000 EPA WaterSense labeled and Water Smart homes since 2005, more than any other homebuilder. Additionally, we have achieved an estimated 2.3 billion gallons of water saved each year from our homes and fixtures compared to typical homes without these features.	Page 23

Targets	Our Progress	References
HERS of 45 by 2025	In 2025, we reached an average HERS Index score of 43, one of the lowest (and therefore most efficient) publicly reported scores among large production homebuilders (the average is 53 for all rated homes in 2025). With this, we exceeded our 2025 target, declared in 2020, by two HERS points (target was 45, we achieved 43).	Page 21
8% reduction in associated annual GHG emissions from the use of our average 2025 KB home compared to a 2020 KB home	<p>With a 2025 national average HERS Index score of 43, we surpassed our 2020 goal of reducing annual GHG emissions by 8% for the average KB home built in 2025 compared to one built in 2020.</p> <p>In 2025, we also adopted the RESNET Carbon Index for estimating operational carbon emissions, offering more time-sensitive, regionally reflective estimates based on the electricity grid conditions. This methodology will be used for all future measurements and goals.</p> <p>Our reported GHG Scope 1, 2 and 3 emissions details are listed on page 50.</p>	Page 22

Climate change is an intrinsically complex global phenomenon with inherent residual risks across its physical, regulatory and adaptation/transition dimensions that cannot be mitigated given their wide-ranging, (sometimes unexpectedly) interdependent and largely unpredictable potential scope, nature, timing and duration. Therefore, though we have not, as of the date of this sustainability report, identified or experienced any particular material impact, whether singular or in combination, to our consolidated financial statements from climate change or the associated regulatory, physical, transition and other risks, we cannot provide any assurance that we have or can successfully prepare for, or are or will be able to, reduce or manage any of them 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 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.



Iris at Valencia in Valencia, CA

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 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 57, as part of the decision-making process for approving a land purchase, we review extensive information about a proposed project, including the presence of environmentally sensitive areas; areas that may be suitable for parks, trails and open space preservation areas; and any work needed to comply with storm water regulations. We also engage experts to conduct pre-acquisition site field studies to investigate potential environmental risks and integrate ecological considerations into our site design and development activities. For more information on how environmental considerations are integrated into our processes, please reference page 41.

Strategy & Risk Topics

Our nature-related efforts as outlined on page 31 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

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 2025, KB Home began efforts that resulted in over 501 acres of habitat preservation or restoration.</p> <p>In 2025, we continued our partnership established in 2023 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.</p>	Pages 29, 31, 34
Water conservation & pollution prevention	<p>KB Home has committed 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 standard for water efficiency and performance.</p> <p>In 2025, we built 4,368 WaterSense labeled homes, helping to save at least 30% more water than a typical home.</p> <p>In order to protect our communities’ water and surrounding environment, each KB community site has a specific Storm Water Pollution Prevention Plan. In 2025, 32,768 documented inspections were performed on KB Home sites nationwide.</p>	Pages 23, 46
Jobsite recycling	<p>We recognize that construction activities can generate significant waste, much of which ends up in landfills. To better understand and manage this impact, we launched an updated internal jobsite waste tracking system in 2023, improving visibility into our waste data. With these enhanced processes, we are now better able to estimate that 72% of our communities incorporated jobsite waste recycling in 2025.</p>	Page 46

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 19 years ago, we have embraced transparency as a core component of our sustainability efforts. For interested stakeholders, we provide 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, 2025, unless otherwise noted.

SASB Accounting Metrics	KB Home 2025 Disclosure
IF-HB-000.A Number of controlled lots	64,612
IF-HB-000.B Number of homes delivered	12,902
IF-HB-000.C Number of active selling communities	271 as of November 30, 2025

	SASB Accounting Metrics	KB Home 2025 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 2025, we delivered 228 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 30.
	IF-HB-160a.2 Number of (1) lots and (2) homes delivered in regions with High or Extremely High Baseline Water Stress	We delivered 7,950 homes 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 57.
	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 57 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	(1) TRIR for calendar year 2025: (a) direct employees: 1.0* (b) contract employees : 0
		(2) Work-related injury fatalities (a) direct employees: 0.0 (b) contract employees: 0.0
*The hours worked, which is part of the SASB-defined TRIR calculation, are calculated using a combination of actual figures and averages.		

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

	SASB Accounting Metrics	KB Home 2025 Disclosure	References
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) One hundred percent (100%) of homes (12,902 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 43 by the end of 2025.	Page 22
	IF-HB-410a.2 Percentage of installed water fixtures certified to a water-efficiency standard	One hundred percent (100%) of indoor water fixtures installed in 2025 were within eligible WaterSense labeled product categories. We installed over 1,300,000 such fixtures to date. Approximately 75% of irrigation controllers installed in 2025 were WaterSense labeled.	Page 23
	IF-HB-410a.3 Number of homes delivered certified to a third-party multi-attribute green building standard	In 2025, 12,894 homes achieved U.S. EPA ENERGY STAR certification and utilized WaterSense labeled fixtures. We also built a limited number of WaterSense labeled new homes and participated in EPA's Indoor airPLUS program, which we consider to be applicable third-party multi-attribute green building standards.	Page 23
	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 57.	
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.	Page 30
	IF-HB-410b.2 Number of (1) lots and (2) homes delivered on infill sites	In 2025, we delivered 956 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 2025, we delivered over 1,355 homes in higher density communities. The relevant communities had densities greater than 8 and up to 30 dwelling units per acre.	Page 30
Climate Change Adaptation	IF-HB-420a.1 Number of lots located in 100-year flood zones	None of our buildable lots were 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 TCFD, we have dedicated a section of this report to discussing potential climate risk exposure, opportunities and mitigation strategies.	Pages 51-53

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. For example, in 2025, after opportunistically purchasing two sizable land parcels in the first quarter, we scaled back our investments over the balance of the year in alignment with our growth projections amid softer market conditions. 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, we review extensive information about a proposed project, including past use; assessment of environmentally sensitive areas and areas that may be suitable for parks, trails, and open space preservation; assessment of site development required, including any work needed to comply with storm water regulations; proximity to major

employment and retail centers; and site design and product (home designs and specifications) plans that are, among other things, consistent with our focus on building highly energy- and water-efficient homes.

As part of our due diligence process for land acquisitions, we often use third-party environmental consultants to investigate potential environmental risks, and we require disclosures, representations and warranties from land sellers regarding environmental risks.

We also take steps prior to our acquisition of the land to gain reasonable assurance as to the precise scope of any remediation work required and the costs associated with removal, site restoration and/or monitoring. To the extent contamination or other environmental issues have occurred in the past, we will attempt to recover restoration costs from third parties, such as the generators of hazardous waste, land sellers or others in the prior chain of title and/or their insurers.

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

For more information, please review pages 30-31.

Note 2

The major risk with incorporating greater resource efficiency into our home designs to comply with upgraded building codes often raises our costs to construct homes. In evaluating whether to implement voluntary improvements, we consider that choosing not to enhance our homes’ resource efficiency can make them less attractive to municipalities, and increase the vulnerability of residents in our communities to rising energy and water expenses and use restrictions. We balance these costs against our goals of profitability and affordability for first-time and first move-up buyers, while considering potential homeowner insurance challenges in certain areas due to local environmental conditions, historical events and/or the regulatory environment for insurance providers.

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

Our leadership in sustainability is a differentiator for KB Home in the homebuilding industry. Leveraging our experience and economies of scale, we have identified opportunities to streamline sustainable homebuilding to help make it attainable and developed a number of consumer materials to communicate the benefits of resource efficiency and other sustainable features we have incorporated into our homes to our prospective buyers, including online advertising, consumer website materials and email campaigns and social media. Most notably, our Energy Savings Comparison estimates the specific energy performance and potential utility cost savings of every KB home design, and 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 (2024-2025) estimated average annual savings of \$1,900 on utility bills. We also provide a personalized email to our new KB homeowners with the individual as-built HERS Index score for their unique home wherever the HERS system is used. We are currently working to identify a similar process for California, which does not currently use the HERS system.

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

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

For more information, please review pages 20-22, 34, 46.

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. No restatements of previously reported information were made during this reporting period.

GRI 2: General disclosures		
2-1	Organizational details	Pages 4, 10-K
2-2	Entities included in the organization's sustainability reporting	10-K
2-3	Reporting period, frequency, and contact point	Back cover
2-6	Activities, value chain, and other business relationships	Page 4, 10-K
2-7	Employees	Page 16, 10-K
2-9	Governance structure and composition	Pages 37-39, 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 37-38,, Proxy
2-13	Delegation of the responsibility for managing impacts	Proxy
2-14	Role of the highest governance body in sustainability reporting	Pages 37-38,, Proxy
2-17	Collective knowledge of the highest governance body	Proxy
2-18	Evaluation of the performance of the highest governance body	Proxy
2-19	Remuneration policies	Proxy
2-20	Process to determine remuneration	Proxy
2-21	Annual total compensation ratio	Proxy
2-22	Statement on sustainable development strategy	Page 1, Proxy
2-23	Policy commitments	Pages 42-44
2-26	Mechanisms for seeking advice and raising concerns	Page 44
2-28	Membership associations	Page 61
2-29	Approach to stakeholder engagement	Page 11, Proxy
2-30	Collective bargaining agreements	Page 61
GRI 3: Material topics		
3-1	Process to determine material topics	Pages 37, 40, 42
3-2	List of material topics	Pages 6, 42, 10-K
3-3	Management of material topics	Pages 51-53, 10-K

GRI 201: Economic performance		
201-1	Direct economic value generated and distributed	Pages 4, 10-K
201-2	Financial implications and other risks and opportunities due to climate change	Pages 51-53, 10-K
GRI 203: Indirect economic impacts		
203-1	Infrastructure investments and services supported	Pages 29-30
203-2	Significant indirect economic impacts	Pages 17, 29-30, 33
GRI 205: Anti-corruption		
205-2	Communication and training about anti-corruption policies and procedures	Page 61
GRI 301: Material		
301-2	Recycled input materials used	Page 46
GRI 302: Energy		
302-1	Energy consumption within the organization	Page 50
302-3	Energy intensity	Page 22
GRI 303: Water and effluents		
303-1	Interactions with water as a shared resource	Pages 23, 51-53
303-2	Management of water discharge-related impacts	Page 46
303-5	Water consumption	Page 59
GRI 304: Biodiversity		
304-2	Significant impacts of activities, products and services on biodiversity	Pages 31, 54
304-3	Habitats protected or restored	Pages 29, 54
GRI 305: Emissions		
305-1	Direct (Scope 1) GHG emissions	Page 50
305-2	Energy indirect (Scope 2) GHG emissions	Page 50
305-3	Other indirect (Scope 3) GHG emissions	Page 50
305-4	GHG emissions intensity	Page 50
305-5	Reduction of GHG emissions	Page 22

GRI 306: Waste		
306-2	Management of significant waste-related impacts	Page 46
306-4	Waste diverted from disposal	Pages 46, 60
GRI 308: Supplier environmental assessments		
308-1	New suppliers that were screened using environmental criteria	Page 44
308-2	Negative environmental impacts in the supply chain and actions taken	Pages 31, 47
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 26
403-3	Occupational health services	Page 26
403-5	Worker training on occupational health & safety	Pages 26, 61
403-6	Promotion of worker health	10-K
403-7	Prevention and mitigation of occupational health & safety impacts directly linked by business relationships	Page 26
403-8	Workers covered by occupational health & safety management system	Page 26
403-9	Work-related injuries	Page 55
GRI 404: Training and education		
404-1	Average hours of training per year per employee	Page 61
404-2	Programs for upgrading employee skills and transition assistance programs	Page 17, 10-K
GRI 405: Diversity and equal opportunity		
405-1	Diversity of governance bodies and employees	Pages 39, 61
GRI 414: Supplier social assessment		
414-1	New suppliers that were screened using social criteria	Page 44
GRI 415: Public Policy		
415-1	Political contributions	Page 43
GRI 417: Marketing & labeling		
417-1	Requirements for product and service information and labeling	Page 44

Environmental performance overview

	Performance indicator	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	
	Total # of homes delivered	7,215	8,196	9,829	10,909	11,317	11,871	10,672	13,472	13,738	13,236	14,169	12,902	
Energy efficiency	Number of ENERGY STAR certified homes delivered ¹	7,168	8,099	9,768	10,736	11,176	11,797	10,668	13,404	13,549	13,161	14,160	12,894	
	% of total homes delivered that were ENERGY STAR certified	99%	99%	99%	98%	99%	99%	99%	99%	99%	99%	99%	99%	
	% of KB Home divisions building at least some homes to ENERGY STAR specifications	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	
	Number of ENERGY STAR certified appliances installed	9,789	11,181	13,261	15,276	15,960	17,083	13,507	15,315	18,297	17,352	17,756	14,683	
	Homeowner satisfaction ratings on the energy efficiency of their KB home	91.50%	91%	91%	89%	91%	93%	93%	93%	92%	90%	93%	93%	
Water conservation	Number of KB homes built to EPA's WaterSense labeled specifications	96	233	265	170	134	147	270	1,284	1,760	2,806	4,775	4,368	
	Number of Water Smart homes built ²	400	589	807	854	1,132	950	449	0	0	0	0	0	
	Estimated operational water consumption (in gallons)								70,000,000	80,000,000	84,000,000	100,000,000	100,000,000	
	Number of EPA WaterSense labeled fixtures installed in KB homes³													
	Bath faucets	23,800	28,700	34,400	40,000	42,000	44,000	39,500	49,846	50,831	42,355	42,507	38,700	
	Toilets	20,200	23,000	27,600	33,800	35,000	36,800	33,100	40,416	42,588	35,737	36,840	30,960	
	Showerheads	15,150	16,400	19,700	23,400	24,300	25,600	22,950	28,965	32,971	27,796	29,755	27,100	
Sustainable products and options	Total number of sustainable products and options installed ⁴	35,373	46,717	52,094	59,454	61,585	64,697	64,032	72,449	78,307	56,915	58,093	51,600	

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 The Southern Nevada Water Authority sunsetted the Water Smart program in mid 2020. The EPA WaterSense program has replaced it.

³ Figures are estimated based on average number of fixtures per home.

⁴ 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	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Office sustainability practice	% of office supplies purchased that are earth conscious	20%	19%	22%	22%	26%	33%	33%	24%	22%	20%	21%	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	31,256,918	27,517,152
	Recycled paper (office grade) processed through our national service provider, which recycles the paper after shredding (lbs.) ²	66,114	203,341	165,606	335,526	181,981	329,900	92,620	31,420	362,020	0	697,680	661,660
	Trees saved	555	1,706	1,389	2,815	1,527	2,768	6,715	1,778	6,448	2,431	10,954	10,262
Our carbon footprint	Scope 1 estimated GHG emissions								1,844	1,761	2,089	2,163	2,199
	Scope 2 estimated GHG emissions							19,744	13,662	9,221	12,088	10,295	10,271
	Scope 1 & 2 estimated GHG emissions for KB Home operations (CO ₂ e in metric tons)	16,078	19,186	22,961	25,062	24,992	24,025	19,744	15,506	10,982	14,177	12,458	12,470
	Estimated GHG emissions financial intensity ³	0.0000067 (16,078 metric tons/ US \$2,400,949,000 total revenue)	0.0000063 (19,186 metric tons/ US \$3,032,030,000 total revenue)	0.0000064 (22,961 metric tons/ US \$3,582,900,000 total revenue)	0.0000057 (25,062 metric tons/ US \$4,368,529,000 total revenue)	0.0000055 (24,992 metric tons/ US \$4,547,002,000 total revenue)	0.0000053 (24,025 metric tons/ US \$4,552,747,000 total revenue)	0.0000047 (19,744 metric tons/ US \$4,182,174,000 total revenue)	0.0000027 (15,506 metric tons/ US \$5,724,930,000 total revenue)	0.0000016 (10,982 metric tons/ US \$6,903,776,000 total revenue)	0.0000022 (14,177 metric tons/ US \$6,381,106,000 total revenue)	0.0000018 (12,458 metric tons/ US \$6,930,086,000 total revenue)	0.0000020 (12,470 metric tons/ US \$6,236,214,000 total revenue)
	Estimated GHG emissions activity-related intensity (CO ₂ e in metric tons per delivered home)	2.2 (16,078 metric tons/ 7,215 homes)	2.3 (19,186 metric tons/ 8,196 homes)	2.3 (22,961 metric tons/ 9,829 homes)	2.3 (25,062 metric tons/ 10,909 homes)	2.2 (24,992 metric tons/ 11,317 homes)	2.0 (24,025 metric tons/ 11,871 homes)	1.8 (19,744 metric tons/ 10,672 homes)	1.2 (15,506 metric tons/ 13,472 homes)	0.8 (10,982 metric tons/ 13,738 homes)	1.1 (14,177 metric tons/ 13,236 homes)	0.9 (12,458 metric tons/ 14,169 homes)	1.0 (12,470 metric tons/ 12,902 homes)
	Scope 3 estimated GHG emissions for customer occupancy of KB homes (CO ₂ e in metric tons) ⁴								3,974,240	3,984,020	3,706,080	2,198,900	1,513,787

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

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

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

⁴ These calculations assume a 50-year building life, in alignment with the homebuilding industry practice. For the 2025 estimate, we utilized operational emissions data from RESNET's Carbon Index, which is discussed on page 22.

Social performance overview

Performance indicator	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Total # of homes delivered	7,215	8,196	9,829	10,909	11,317	11,871	10,672	13,472	13,738	13,236	14,169	12,902
Infrastructure development – approximate school-related fees paid	\$25 million	\$28 million	\$34 million	\$40 million	\$44 million	\$49 million	\$42 million	\$67 million	\$82 million	\$71 million	\$85 million	\$83 million
Infrastructure development – approximate other fees paid									\$39 million	\$54 million	\$77 million	\$43 million
Employees, training and labor practices												
Number of full-time employees	1,605	1,710	1,797	1,936	2,025	2,157	1,752	2,244	2,366	2,205	2,384	2,118
Number of collective bargaining agreements with employees	0	0	0	0	0	0	0	0	0	0	0	0
Average online training certifications per employee	13	14	10	7	8	13	10	12	14	13	11	12
Average online training hours per employee	10	11	8	5	6	11	8	10	12	10	9	6
Employee injuries by region:												
West	6	7	14	12	17	10	12	19	10	11	14	10
Southwest	7	6	8	16	9	7	3	4	3	5	3	1
Central	5	10	11	6	6	7	6	6	15	8	10	6
Southeast	5	6	8	3	4	8	0	9	7	8	4	4
Annual core training certification rate												
KBEdge Business Module ¹	87%	83%	66%	70%	80%	92%	96%	96%	85%	95%	98%	98%
Ethics Policy	98%	96%	97%	100%	98%	98%	99%	100%	100%	99%	99%	100%
100% complete/100% satisfied	90%	85%	75%	77%	83%	94%	95%	97%	96%	95%	98%	98%
Sustainability certification	85%	81%	64%	70%	77%	93%	96%	95%	95%	94%	98%	97%
Number of safety certifications ²	1,045	901	861	199	315	1,408	2,447	2,210	637	322	710	639

¹ Previously reported as KBEdge white papers.

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

2025 Performance indicator	Gender	Race/Ethnicity
Diversity of our workforce	Employees	56% Male; 44% Female 65% White/Caucasian; 35% Racially/Ethnically Diverse
	Management	64% Male; 36% Female 78% White/Caucasian; 22% Racially/Ethnically Diverse

2025 Performance indicator		
Stakeholder and community involvement	Membership associations	Leading Builders of America; RESNET
	Certification programs	U.S. EPA ENERGY STAR, WaterSense, and Indoor airPLUS; U.S. Department of Energy Efficient New Homes; California Energy-Smart Homes Program; California Electric Homes Program; Build San Antonio Green

Economic performance overview

Below are key financial and overall customer satisfaction performance indicators. Additional operational results for fiscal year 2025 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/> or www.sec.gov.

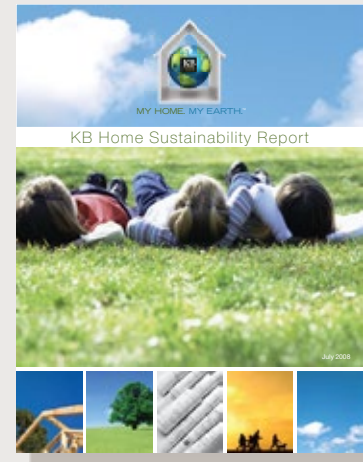
	Performance indicator	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
	Total # of homes delivered	7,215	8,196	9,829	10,909	11,317	11,871	10,672	13,472	13,738	13,236	14,169	12,902
Financial performance	Total revenue (in thousands)	\$2,400,949	\$3,032,030	\$3,594,646	\$4,368,529	\$4,547,002	\$4,552,747	\$4,183,174	\$5,724,930	\$6,903,776	\$6,410,629	\$6,930,086	\$6,236,214
	Net income/loss (in thousands)	\$918,349	\$84,643	\$105,615	\$180,595	\$170,365	\$268,775	\$296,243	\$564,746	\$816,666	\$590,177	\$655,018	\$428,789
	Net orders	7,567	9,253	10,283	10,900	11,014	12,841	13,404	16,206	10,856	11,084	13,093	11,596
	Backlog units	2,909	3,966	4,420	4,411	4,108	5,078	7,810	10,544	7,662	5,510	4,434	3,128
	Backlog value (in thousands)	\$914,025	\$1,281,478	\$1,519,089	\$1,660,131	\$1,434,368	\$1,813,707	\$2,962,403	\$4,951,725	\$3,691,559	\$2,667,679	\$2,242,907	\$1,403,352
	Average selling price	\$328,400	\$354,800	\$363,800	\$397,400	\$399,200	\$380,000	\$388,900	\$422,700	\$500,800	\$481,300	\$486,900	\$481,400
	Housing gross profit margin	18.10%	16.30%	16.20%	16.30%	17.50%	18.30%	18.90%	21.6%	24.3%	21.2%	21.0%	18.6%
Customer satisfaction	Customer satisfaction rating ¹	9.1	9.1	9.2	9.2	9.4	9.5	9.5	9.4	9.1	9.4	9.6	9.6
	Customer recommendation rating ²	9	8.9	8.9	9	9.2	9.4	9.4	9.2	8.9	9.2	9.5	9.6

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.

19 years of KB Home sustainability

2007



2008



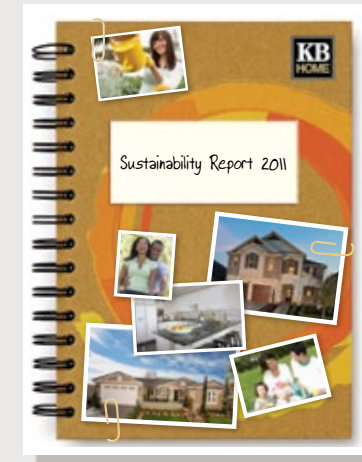
2009



2010



2011



2012



2013



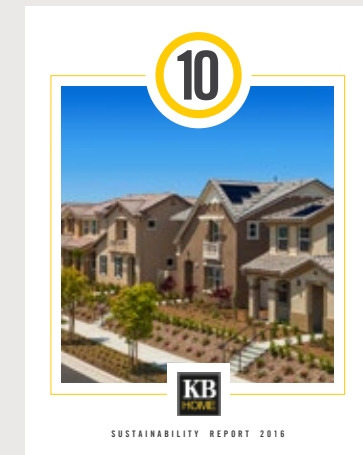
2014



2015



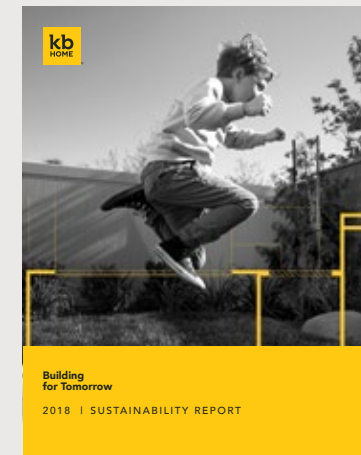
2016



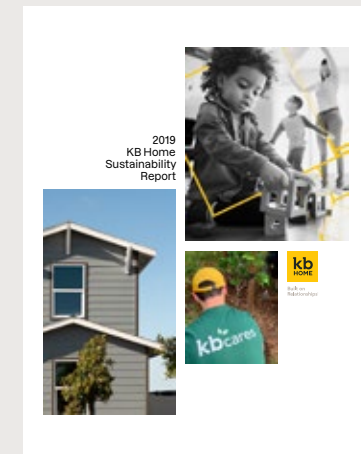
2017



2018



2019



2020



2021



2022



2023



2024





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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

Report purpose and structure

This is our 19th Annual Sustainability Report, which follows our most recent report published in April 2025. In this report, we discuss our accomplishments in 2025 and our priorities moving forward. With this report and the accompanying Executive Summary, we also seek to foster continued discussion and engagement with all of our stakeholders on the complex issues surrounding sustainability for long-term value creation. The accompanying Executive Summary to this report is published on our website. All information provided in this report and the accompanying Executive Summary is for our fiscal year ended November 30, 2025, unless otherwise noted. Inquiries regarding our sustainability initiatives can be directed to sustainability@kbhome.com.

Reporting standards

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

Advisory Note

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