



Sustainability Report 2025

Executive Summary

SUSTAINING THE American Dream

In this Executive Summary of 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.

- 1 Executive Letter
- 2 2025 Key Results
- 3 Our Why
- 4 Business Benefits
- 5 High-Performance Homes
- 6 Energy Efficiency
- 7 Water Efficiency
- 8 Healthier Home
- 9 Power of Homeownership



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

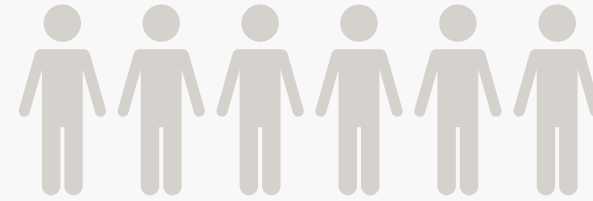
2025 KEY RESULTS

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

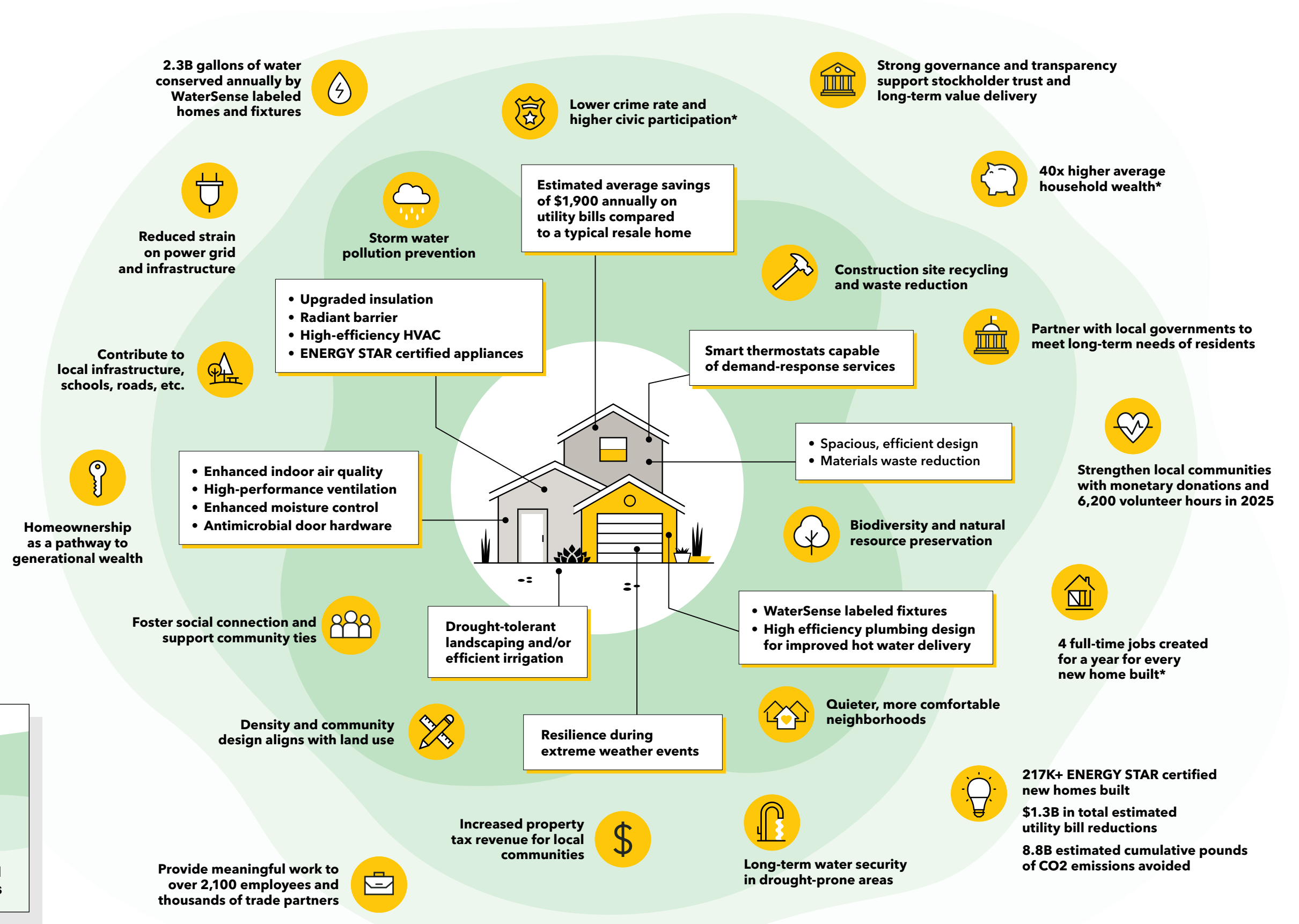
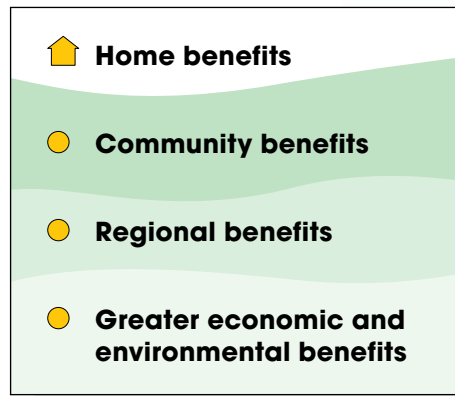
years of publicly reporting our sustainability results

OUR 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.

BUSINESS BENEFITS

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.

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 of our full 2025 Sustainability Report 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.

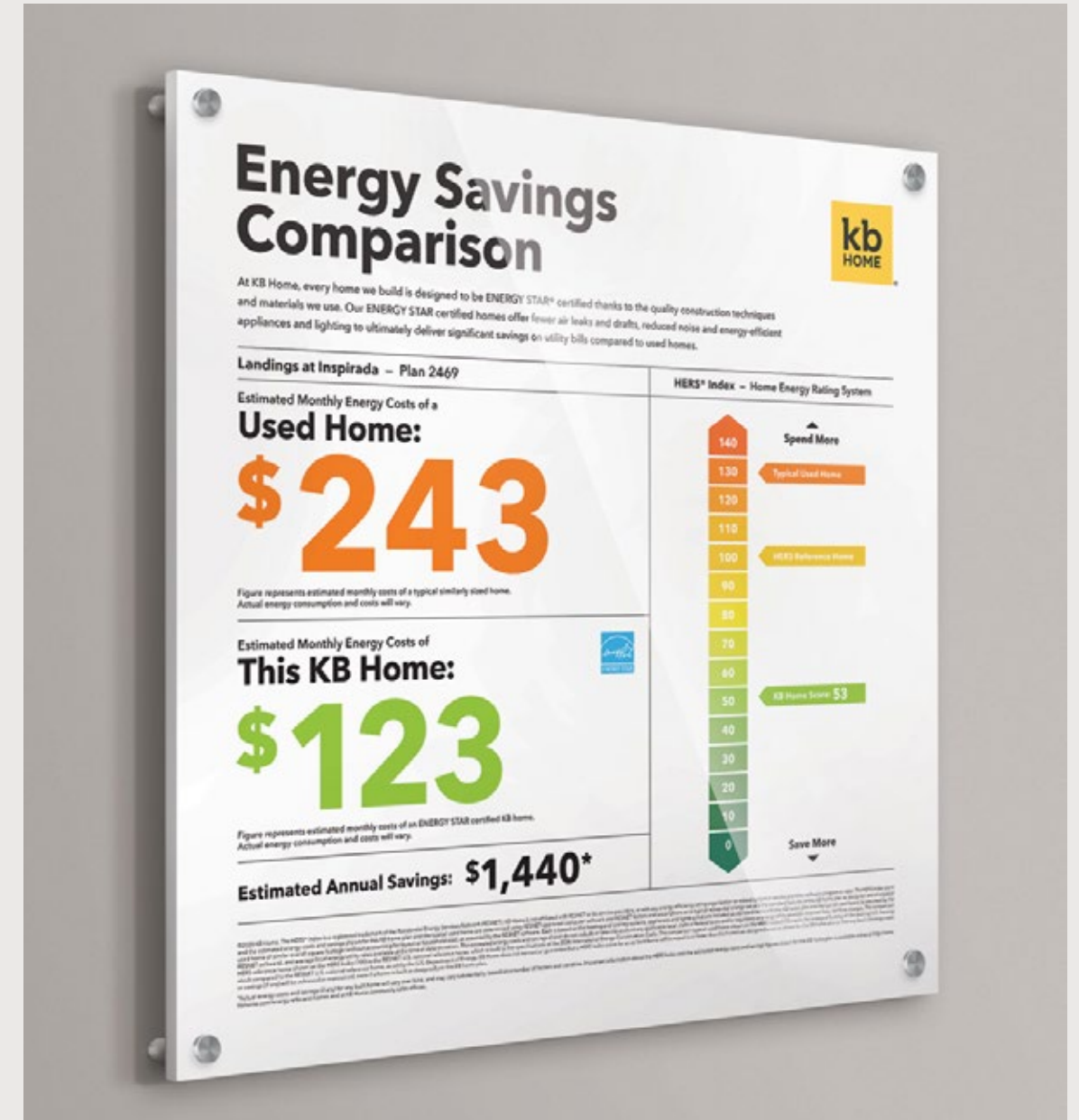
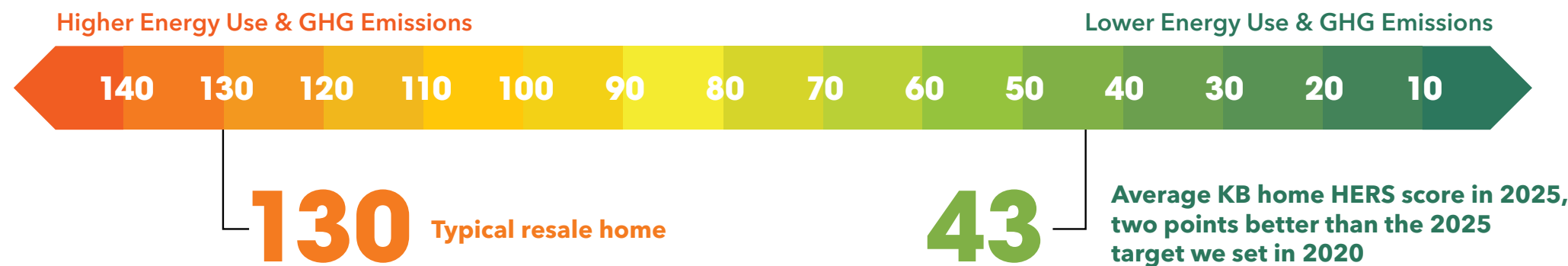
Our homes consistently outperform the national average for energy efficiency. With a 2025 average HERS Index score of 43, one of the lowest among national homebuilders, KB Home customers can have meaningfully lower energy bills from day one.



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

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!



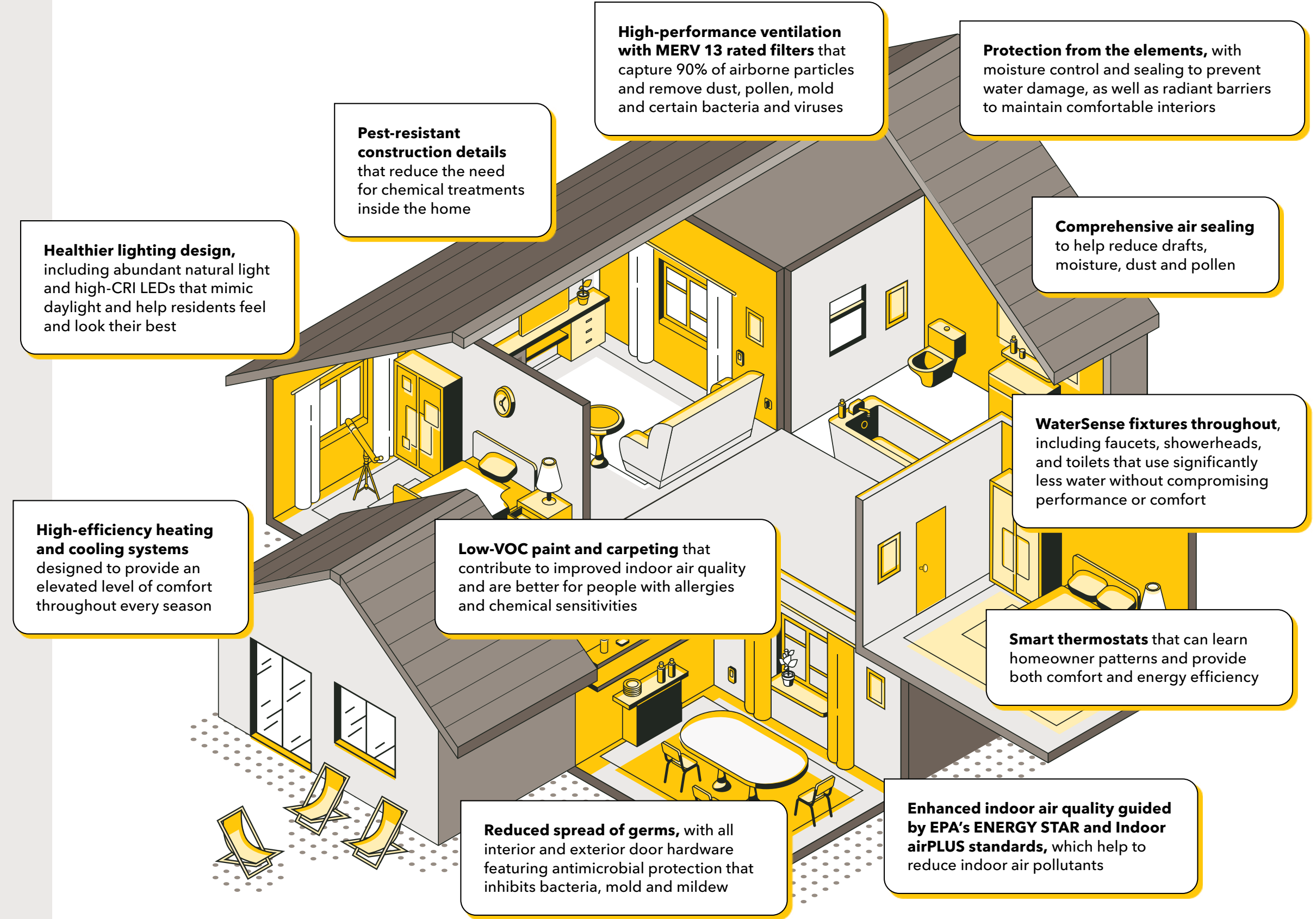
HEALTHIER HOME

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.

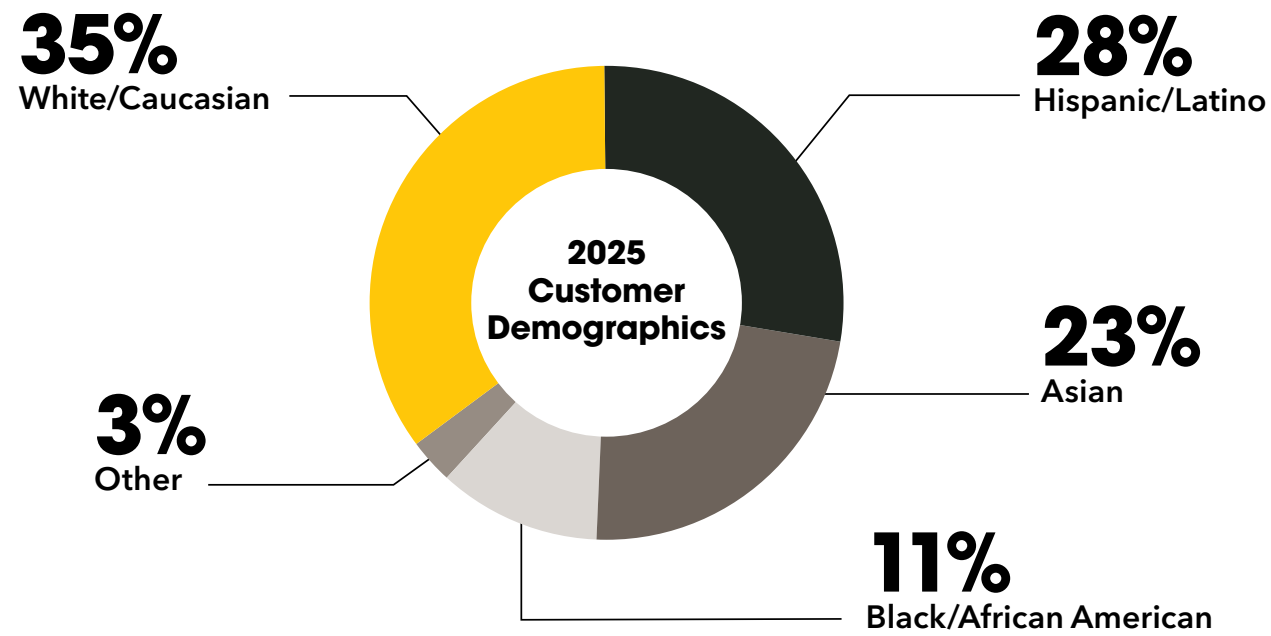
Our approach to indoor health is aligned with the EPA Indoor airPLUS framework and addresses air quality, moisture control, pest-resistant construction, and thermal comfort. The features shown here work together, so regardless of what is happening outdoors, the environment inside a KB home stays clean,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



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.

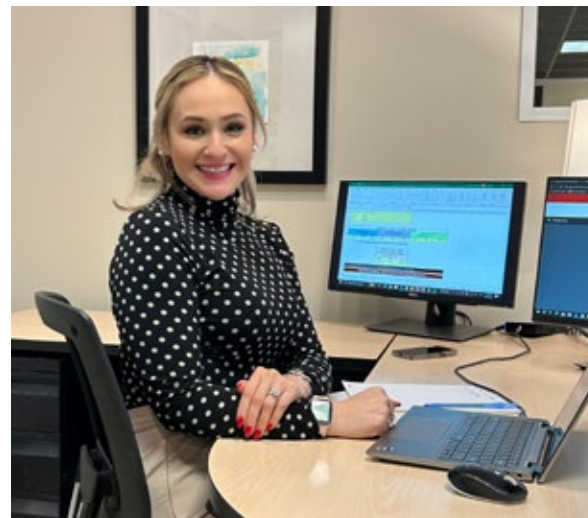
\$132,000

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.

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.

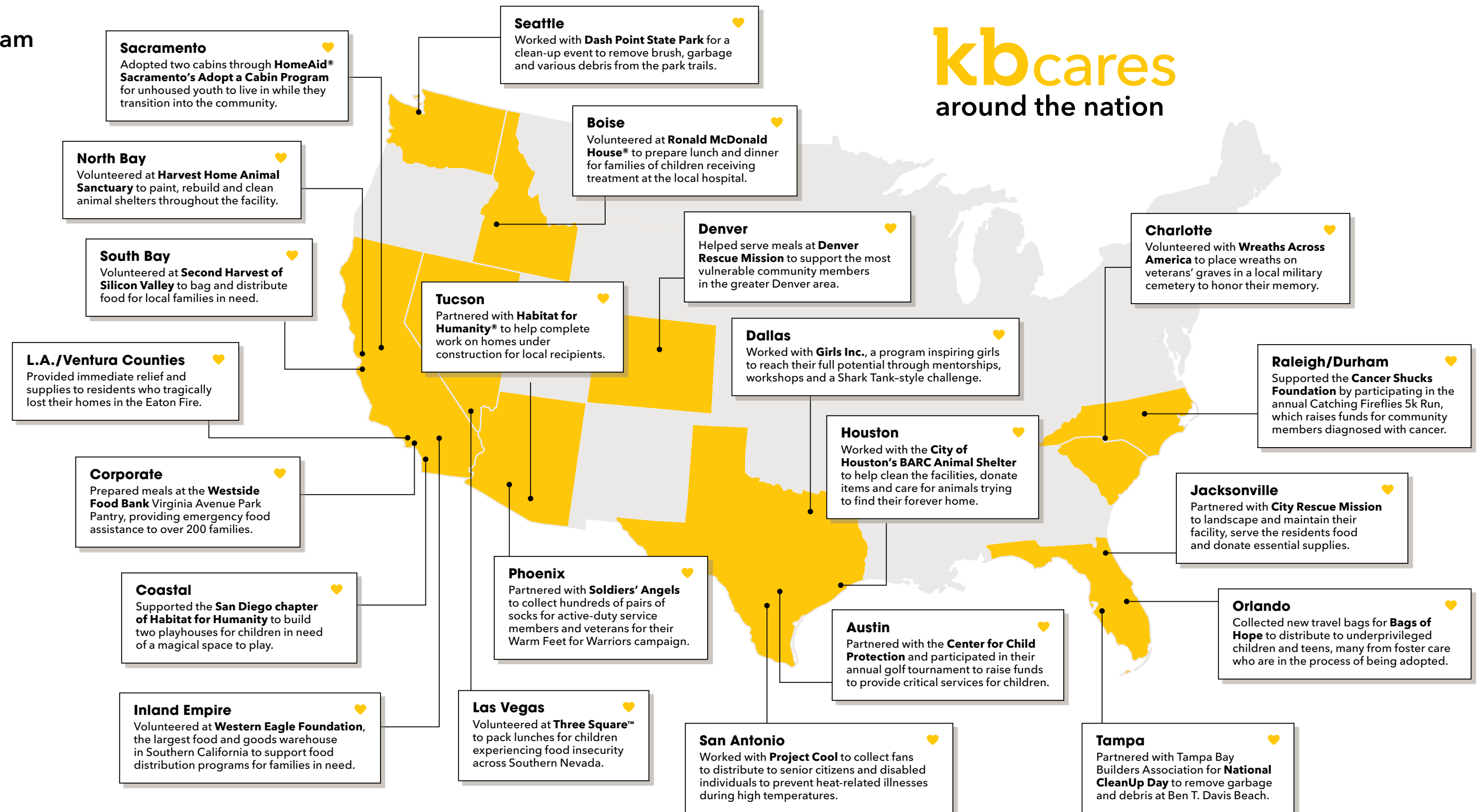
We are helping to strengthen communities across America

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

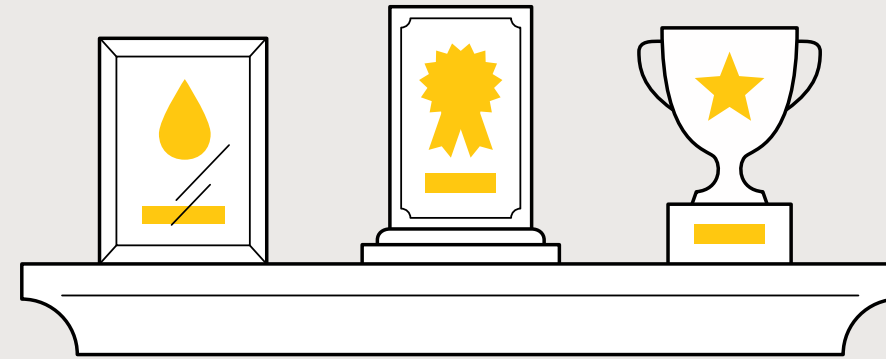
~150
KB Cares events in 2025

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



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



Built on
Relationships®

This Executive Summary is intended to present key highlights for our 2025 results. For additional information on the topics presented here, as well as additional sustainability and resiliency topics, full current and historical data tables, and measurement against key sustainability standards, see the full report at: [2025 Sustainability Report](#)

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

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

Report purpose and structure

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

Advisory Note

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