

# KB Home's Sustainability Initiatives

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VP, Innovation & Sustainability

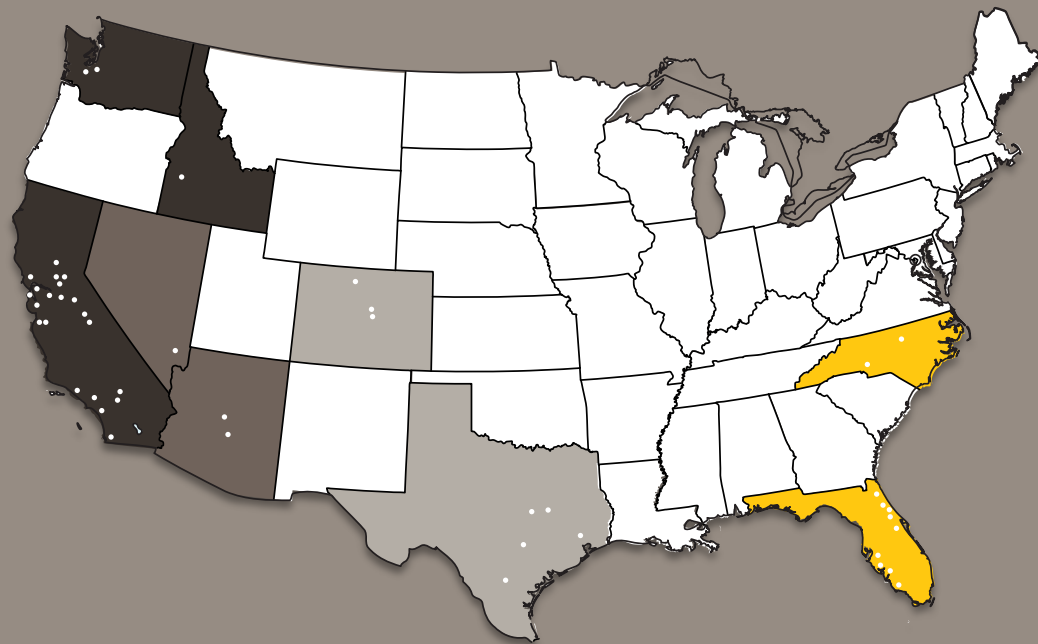
**kb**  
HOME



# A Differentiated Story

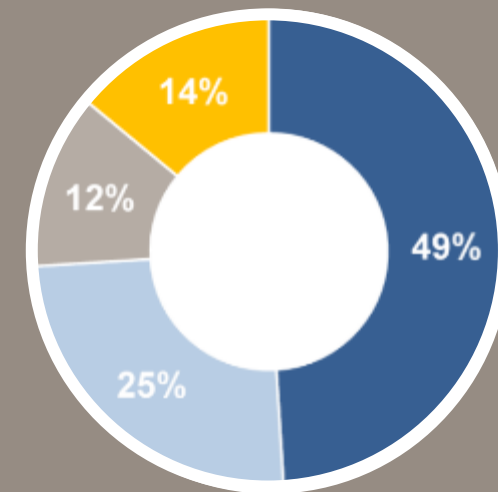
Well-positioned in the right markets with the right products and an operating model that appeals to customers.

## DIVERSIFIED – 47 Markets from Coast to Coast



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

## TARGETED – Focused on First-Time & First Move-Up Buyers



- 1st Time
- 2nd Move-Up
- 1st Move-Up
- Active Adult

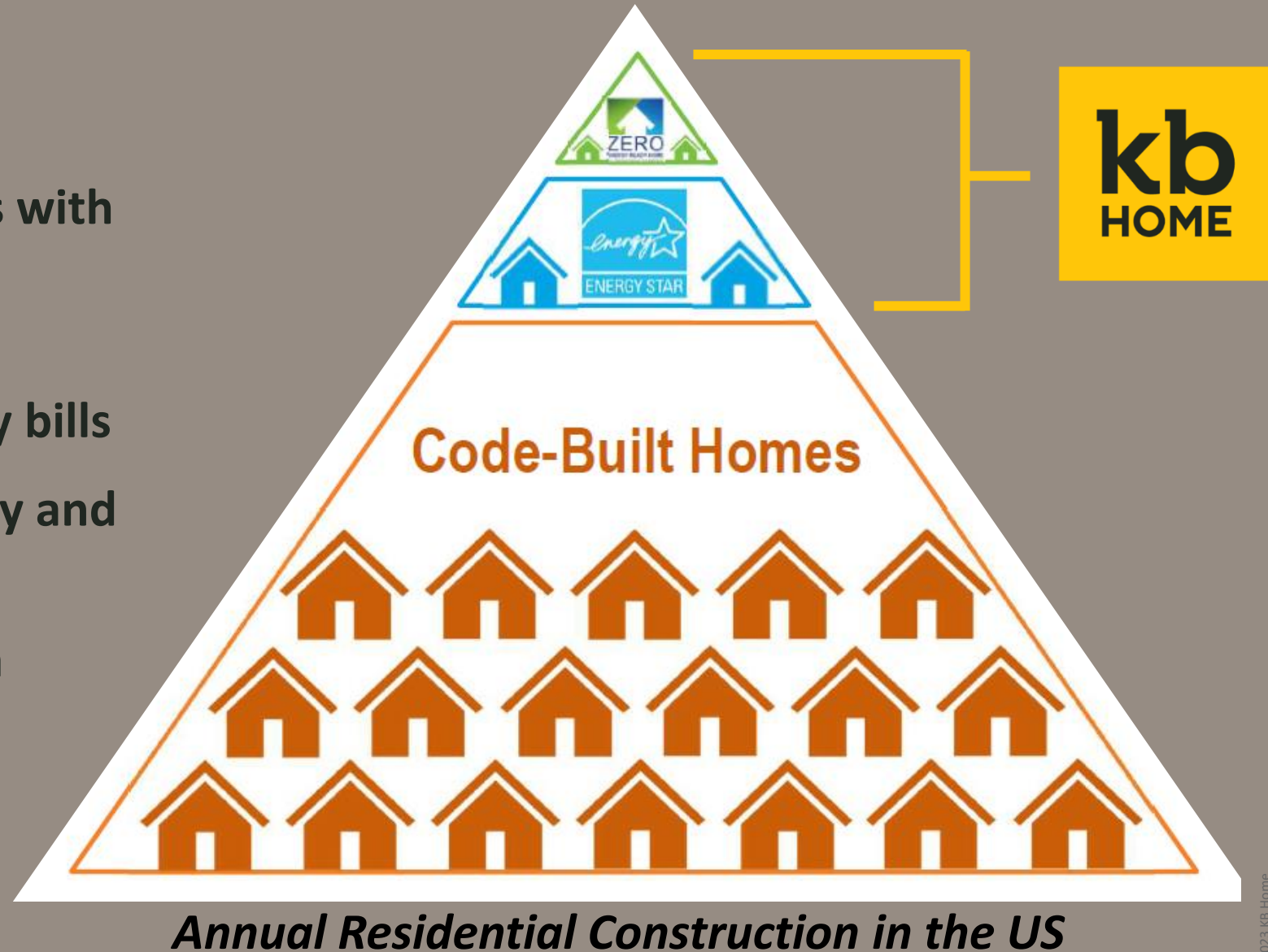
**Q3 2023 Buyer Profile**  
(Based on Homes Delivered)

# A KB Home Family



# Serving the American Dream of Homeownership

- Creating highly efficient homes with broad appeal and flexibility
- Making homeownership more attainable through lower utility bills
- Balancing between affordability and sustainability
- Continuing our quest to build a better home
- Striving for a better future (ESG)



# FSEC Helped KB Home Certify its 1<sup>st</sup> Net Zero Energy Home in 2010





# Industry Leadership



**48**

Our National Avg.  
Score in 2022



**61**

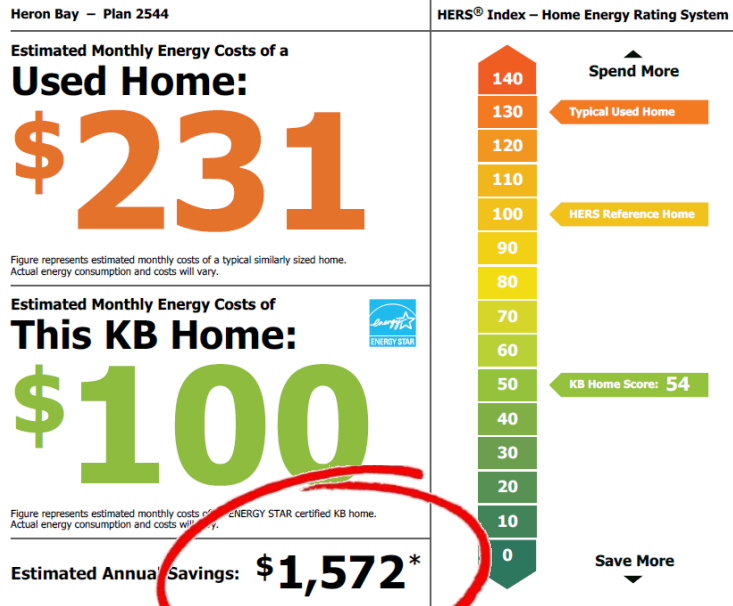
Our National Avg. Score  
In 2022

# Sustainable Homebuilding Leads to Lower Cost of Homeownership

## Energy Savings Comparison



At KB Home, every home we build is designed to be ENERGY STAR® certified thanks to the quality construction techniques and materials we use. Our ENERGY STAR certified homes offer fewer air leaks and drafts, reduced noise and energy-efficient appliances and lighting to ultimately deliver significant savings on utility bills compared to used homes.



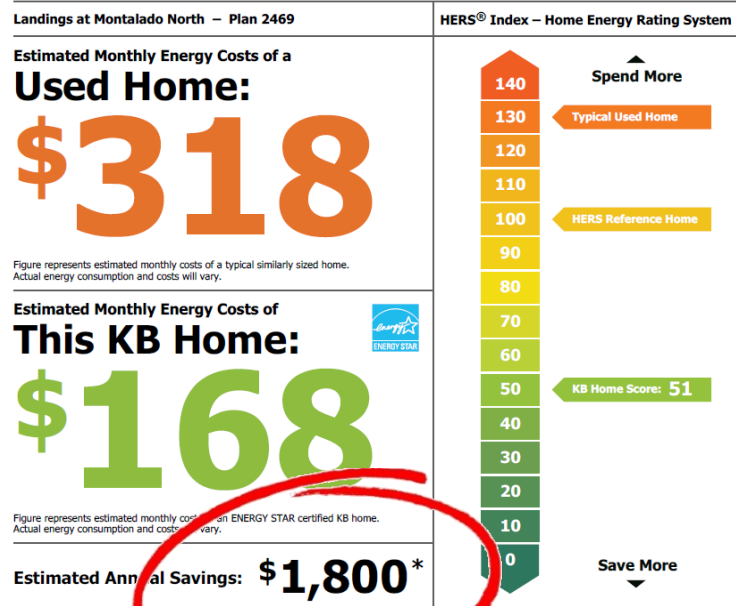
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\*Actual energy costs and savings (if any) for any built home will vary over time, and may vary substantially, based on a number of factors and variables. Important information about the HERS Index and the estimated energy costs and savings figures shown for this KB home plan is available online at <http://www.kbhome.com/energy-efficient-homes> and at KB Home community sales offices. (rev. 04/22) 0120020-230-2544

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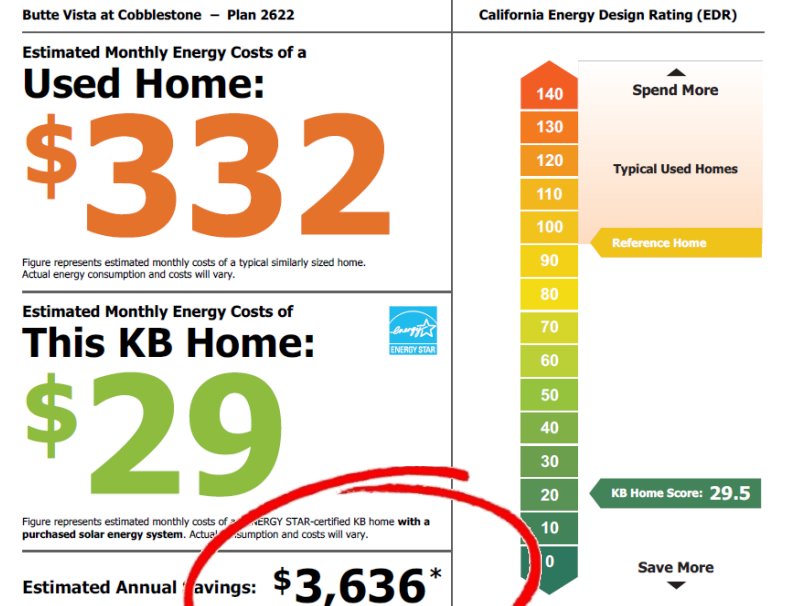
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©2023 KB Home. The energy efficiency level and associated energy cost and savings shown for this KB home plan are based on the California Energy Commission (CEC) Home Energy Rating System (Program) using CEC-certified computer software and CEC mandated inputs and certain assumed conditions for specific standard features of the home as designed. Each is based on the heating and cooling systems, appliances and lighting that are included as standard items with this KB home plan and the typical used home (as determined by the RESNET software), and average local energy utility rates available at the time of determination. Consistent with California energy regulations, new homes must be equipped with a solar energy system. The estimated energy cost shown for a typical used home is calculated based on the required size of the solar system depends on several factors, including the home's location, orientation, shading, and the solar energy system's performance. The estimated energy cost shown for this KB home are based on owning the solar energy system. If the solar energy system is leased, monthly costs will increase. For more information, see [kbhome.com/solar](http://kbhome.com/solar). The estimated energy cost shown for a typical used home is calculated based on corresponding features of a vintage home (built in 1984-1991) of similar overall square footage (without accounting for layout or household size), as published by the CEC, or, for appliances and lighting, assumed for that period and average local energy utility rates available at the time of determination. The estimated energy costs and savings shown do not include or take into account any applicable local, state or federal taxes and/or regulatory or energy utility provider-imposed fees, tariffs or charges. The Reference Home represents a home of similar overall square footage (without accounting for layout or household size), designed to the 2008 California Building Energy Efficiency Standards, for CA 2016 Title 24, using the % scale, or the 2006 International Energy Conservation Code (IECC) specifications, for CA 2019 Title 24, using the Energy Design Rating scale (Standards). The used home energy efficiency range is a comparison to the energy efficiency level of a home as built to the Standards. KB Home does not warrant or guarantee that the energy efficiency level for an as-built home will be equal to or lower than the home's as-designed level as shown for this KB home plan, or that any level of energy costs or savings (if any) will be achieved or maintained, even if a home is built as designed per this KB home plan. In addition, KB Home does not warrant or guarantee that any as-built home will achieve ENERGY STAR certification.

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2023 Estimates  
Savings are for new KB home vs. typical used home

# Sustained Commitment to Sustainability Leads to Significant Positive Impacts for the Benefit of Our Customers & the Environment

**180,000+**  
**ENERGY STAR**  
**Homes**  
and 100 Zero Energy Ready Homes

**\$1 Billion**  
**Utility Bill**  
**Savings**

**20,000+**  
**WaterSense &**  
**WaterSmart Homes**  
1 Million WaterSense Labeled Fixtures Installed

**1.7 Billion**  
**Gallons of Water**  
**Conserved Annually**

**20,000+**  
**Solar Powered**  
**Homes**

**7 Billion**  
**Pounds Less**  
**CO<sub>2</sub> Emissions**



2023 Estimates  
Savings are for new KB home vs. typical used home





# Saving Water Saves Energy



## Leading water-efficient homebuilding in the drought-impacted Southwest

In July 2022, we made the industry-first commitment to build all future communities in Arizona, California and Nevada to the EPA's highest water-efficiency standard, WaterSense.



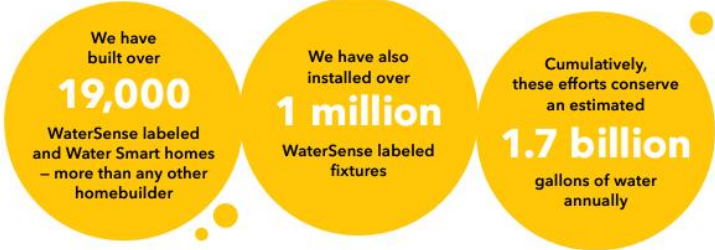
Sage at Valencia in Valencia, CA



### Saving water saves energy and reduces greenhouse gas (GHG) emissions

We estimate that for every 200 WaterSense labeled homes that we build in Arizona, California and Nevada, we eliminate the need to heat over one million gallons of water per year. When combined with the energy required to extract, treat and deliver water and wastewater, this equates to over 177 MWh per year.

This adds up to nearly 43 metric tons of CO<sub>2</sub> emissions prevented per year.





**Water, the  
“License to Operate”  
Imperative**

**Water Efficiency  
Could Yield the Most  
Residential GHG  
Reductions, Due to  
Water–Energy  
Nexus**



# First Residential Microgrid & Largest Net Zero SFD Project in California



# First Residential Microgrid & Largest Net Zero SFD Project in California

- R&D project with public–private investment
- All-electric homes – decarbonization
- Resiliency for the homes and the Grid
- Reduce homeowner utility costs
- Heat pump systems that receive D/R signals
- Smart load center, EMS and VPP
- EV bi-directional charging

# Energy-Smart Connected Community

WELCOME TO OUR

## Energy-Smart Connected Community

We're taking our commitment to energy efficiency to the next level.

This all-electric, solar-powered home is equipped with smart technologies and a backup battery, plus community microgrid connectivity designed to help maximize home energy efficiency and comfort.



**kb**  
HOME

Built on Relationships

See sales brochures for more important information about home-to-community energy systems.



**Our collective challenge:  
Find ways to do this at scale,  
without grant funding.**

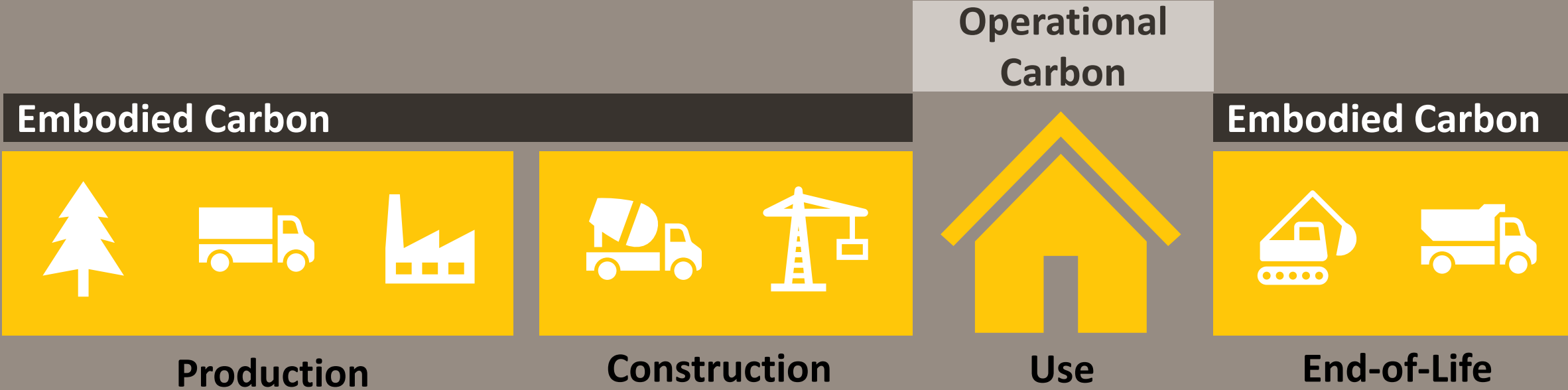


# The Broader Scope of Sustainability

- **Prioritizing jobsite safety**
- **Reducing waste at jobsites and promoting recycling**
- **Upholding responsible lumber practices and promoting biodiversity**
- **Putting ideals in action through KB Cares**
- **Maintaining strong governance and oversight**
- **Reporting on our journey**



# Broadening the Scope of Carbon Reporting





# HERS RATING CERTIFICATE

RESNET Registration No. #####

123 Any Place, Atlanta, GA 30318

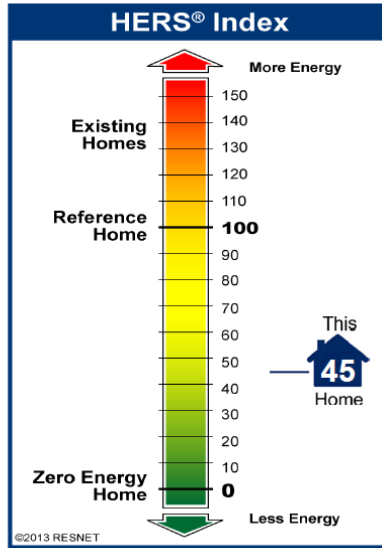
[HOME ENERGY RATING SYSTEM]

Nationally recognized system for inspecting and calculating a home's energy performance. The lower the score, the more efficient the home is.

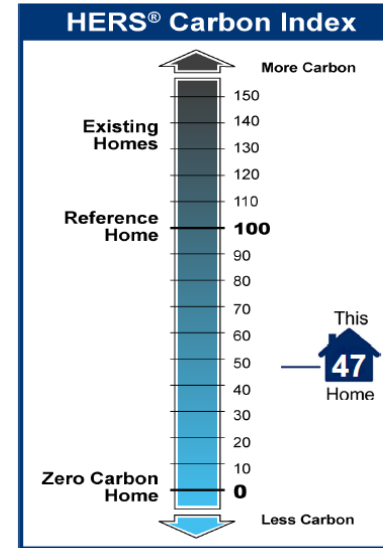
**HERS INDEX SCORE | 45**

**ANNUAL SAVINGS | \$1278**

**HERS CARBON INDEX SCORE | 47**



	This Home	Reference Home	Savings
<b>Annual Energy Cost</b>			
Electricity	\$1169	\$2447	\$1278
Natural Gas	\$0	\$0	\$0
LPG	\$0	\$0	\$0
Fuel Oil	\$0	\$0	\$0
On-Site Power	\$0	\$0	\$0
<b>Annual Energy Use</b>			
Electricity (kWh/y)	9822	20563	10741
Natural Gas therms/y	0	0	0
LPG (gal/y)	0	0	0
Fuel Oil (gal/y)	0	0	0
On-Site Power (kWh/y)	0	0	0
<b>Annual Emissions</b>			
CO2 (tons/y)	3.24	6.88	3.64
SO2 (lb/y)	7.43	15.55	8.12
NOx (lb/y)	6.14	12.85	6.71



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EnergyGauge is a Trademark of the Florida Solar Energy Center [www.fsec.ucf.edu](http://www.fsec.ucf.edu)

RC2021-elec\_2400sf-2sty\_Atlanta  
 TMY: GA\_ATLANTA\_HARTSFIELD\_INTL\_AP | Design City: GA, ATLANTA\_HARTSFIELD\_INTL\_AP

Philip Fairey	9999999		1/1/2016
_____ Certified Rater	_____ I.D. Number	_____ Signature	_____ Date

The Home Energy Rating Standard Disclosure for this home should be provided. If not or if there are other questions please contact the Quality Assurance Provider:  
 Florida Solar Energy Center | 1679 Clearlake Road, Cocoa, Florida 32922-5703 | Phone: (321)638-1492  
 e-mail: [engauge@fsec.ucf.edu](mailto:engauge@fsec.ucf.edu) | [www.energygauge.com/usares](http://www.energygauge.com/usares)



# 2022 Sustainability Report



## 2022 Sustainability Report



Built on  
Relationships<sup>®</sup>