

KB Home's Sustainability Initiatives

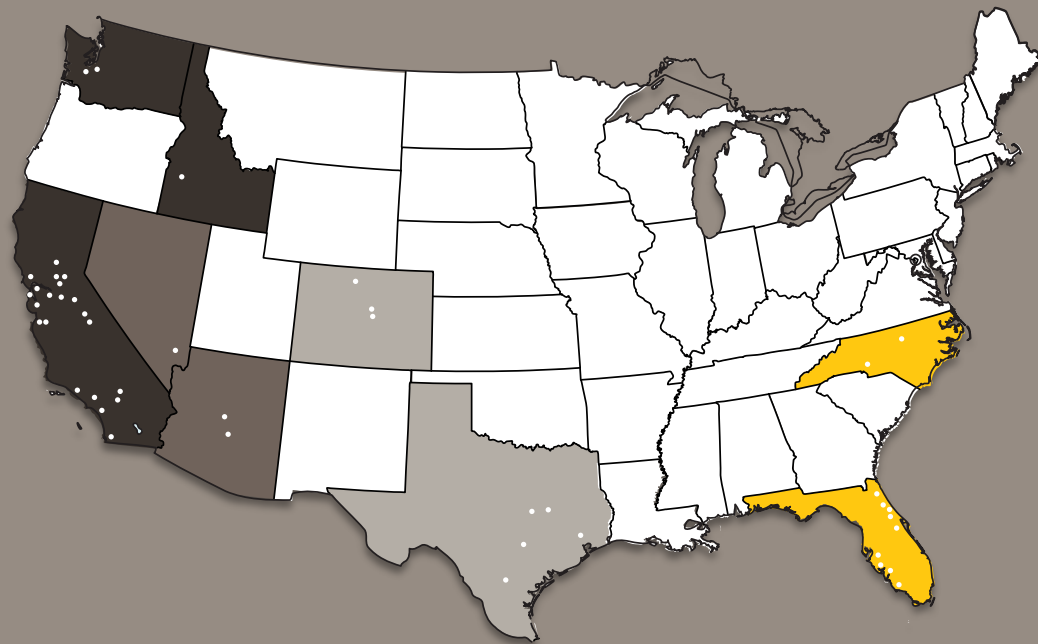
Jacob Atalla
VP, Innovation & Sustainability



A Differentiated Story

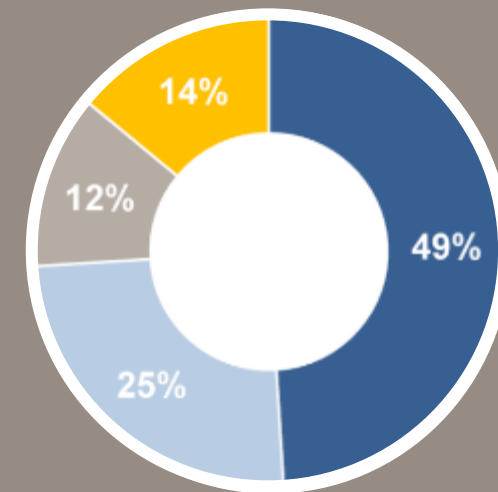
Well-positioned in the right markets with the right products and an operating model that appeals to customers.

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



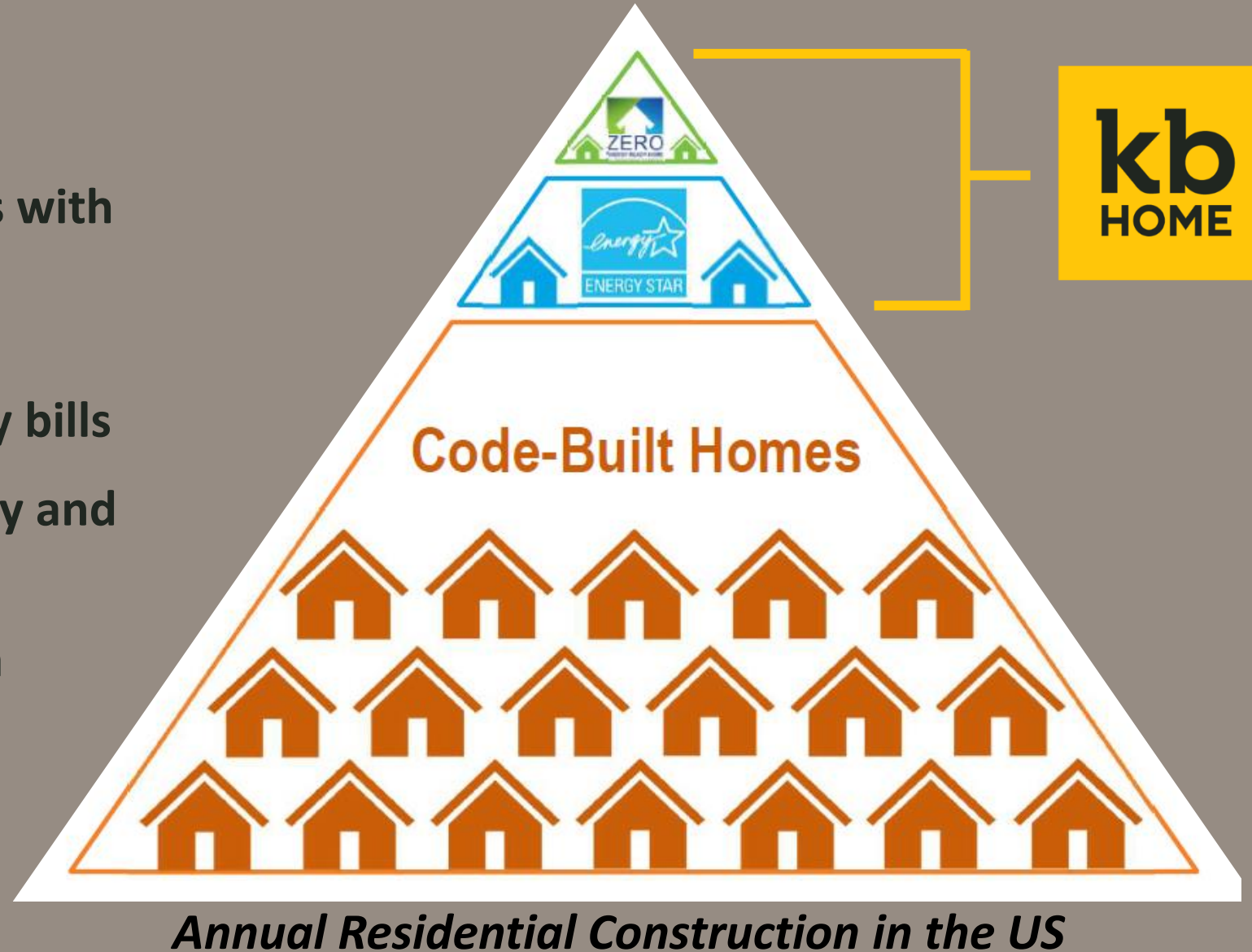
- 1st Time** (dark blue)
- 1st Move-Up** (light blue)
- 2nd Move-Up** (grey)
- Active Adult** (yellow)

Q3 2023 Buyer Profile
(Based on Homes Delivered)



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 1st 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.

Heron Bay – Plan 2544 HERS® Index – Home Energy Rating System

Estimated Monthly Energy Costs of a Used Home:

\$231

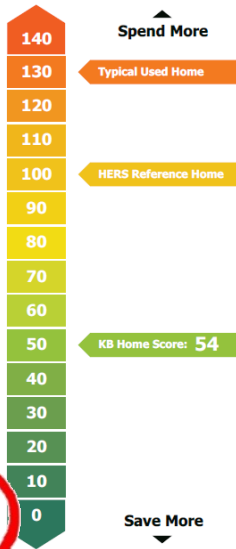
Figure represents estimated monthly costs of a typical similarly sized home. Actual energy consumption and costs will vary.

Estimated Monthly Energy Costs of This KB Home:

\$100

Figure represents estimated monthly costs of an ENERGY STAR certified KB home. Actual energy consumption and costs will vary.

Estimated Annual Savings: **\$1,572***



©2023 KB Home. The HERS Index is a registered trademark of the Residential Energy Services Network (RESNET). KB Home is not affiliated with RESNET or its service providers, or with any energy efficiency rating organization or related system or service. The HERS Index score and associated energy costs and savings shown for this KB home plan and the typical used home are determined using RESNET-approved computer software and assumptions as to typical energy use and the standard features of this KB home plan as designed and of a typical used home of similar overall square footage (without accounting for layout or household size), as determined by the RESNET software. 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. 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 comparison HERS reference home shown on the HERS Index (100) is the RESNET U.S. national reference home, which is built to the specifications of the 2006 International Energy Conservation Code. The comparison typical used home shown on the HERS Index (130) marks the energy efficiency of the existing U.S. housing stock compared to the RESNET U.S. national reference home, as set by the U.S. Department of Energy. KB Home does not warrant or guarantee that a HERS Index score for an as-built home will be equal to or lower than the home's as-designed score 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.

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.

Landings at Montalado North – Plan 2469 HERS® Index – Home Energy Rating System

Estimated Monthly Energy Costs of a Used Home:

\$318

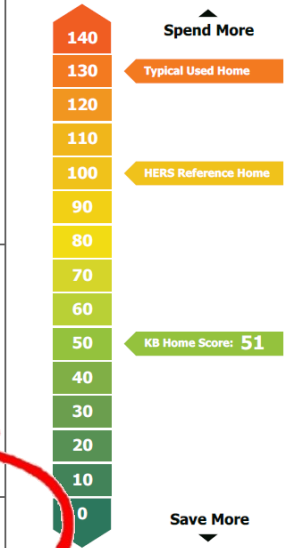
Figure represents estimated monthly costs of a typical similarly sized home. Actual energy consumption and costs will vary.

Estimated Monthly Energy Costs of This KB Home:

\$168

Figure represents estimated monthly costs of an ENERGY STAR certified KB home. Actual energy consumption and costs will vary.

Estimated Annual Savings: **\$1,800***



©2023 KB Home. The HERS Index is a registered trademark of the Residential Energy Services Network (RESNET). KB Home is not affiliated with RESNET or its service providers, or with any energy efficiency rating organization or related system or service. The HERS Index score and associated energy costs and savings shown for this KB home plan and the typical used home are determined using RESNET-approved computer software and RESNET factors and assumptions as to typical energy use and the standard features of this KB home plan as designed and of a typical used home of similar overall square footage (without accounting for layout or household size), as determined by the RESNET software. 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. 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 comparison HERS reference home shown on the HERS Index (100) is the RESNET U.S. national reference home, which is built to the specifications of the 2006 International Energy Conservation Code. The comparison typical used home shown on the HERS Index (130) marks the energy efficiency of the existing U.S. housing stock compared to the RESNET U.S. national reference home, as set by the U.S. Department of Energy. KB Home does not warrant or guarantee that a HERS Index score for an as-built home will be equal to or lower than the home's as-designed score 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.

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.

Butte Vista at Cobblestone – Plan 2622 California Energy Design Rating (EDR)

Estimated Monthly Energy Costs of a Used Home:

\$332

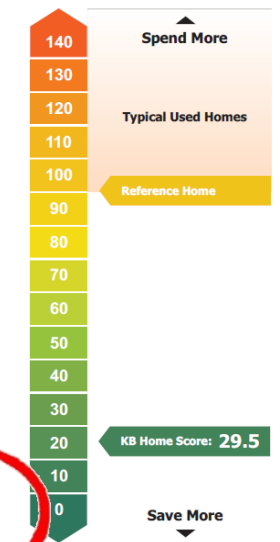
Figure represents estimated monthly costs of a typical similarly sized home. Actual energy consumption and costs will vary.

Estimated Monthly Energy Costs of This KB Home:

\$29

Figure represents estimated monthly costs of an ENERGY STAR-certified KB home with a purchased solar energy system. Actual energy consumption and costs will vary.

Estimated Annual Savings: **\$3,636***



©2023 KB Home. The energy efficiency level and estimated 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 this KB home is 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. 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.

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
CO₂ 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.



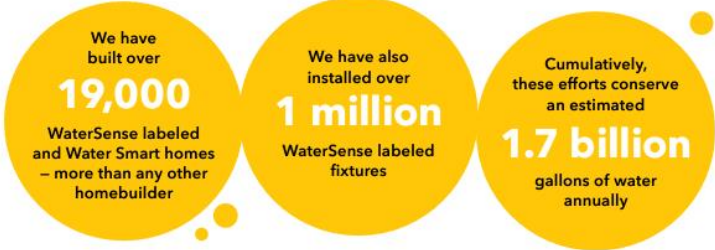
Sage at Valencia in Valencia, CA



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 CO₂ 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

28261

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.



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.**

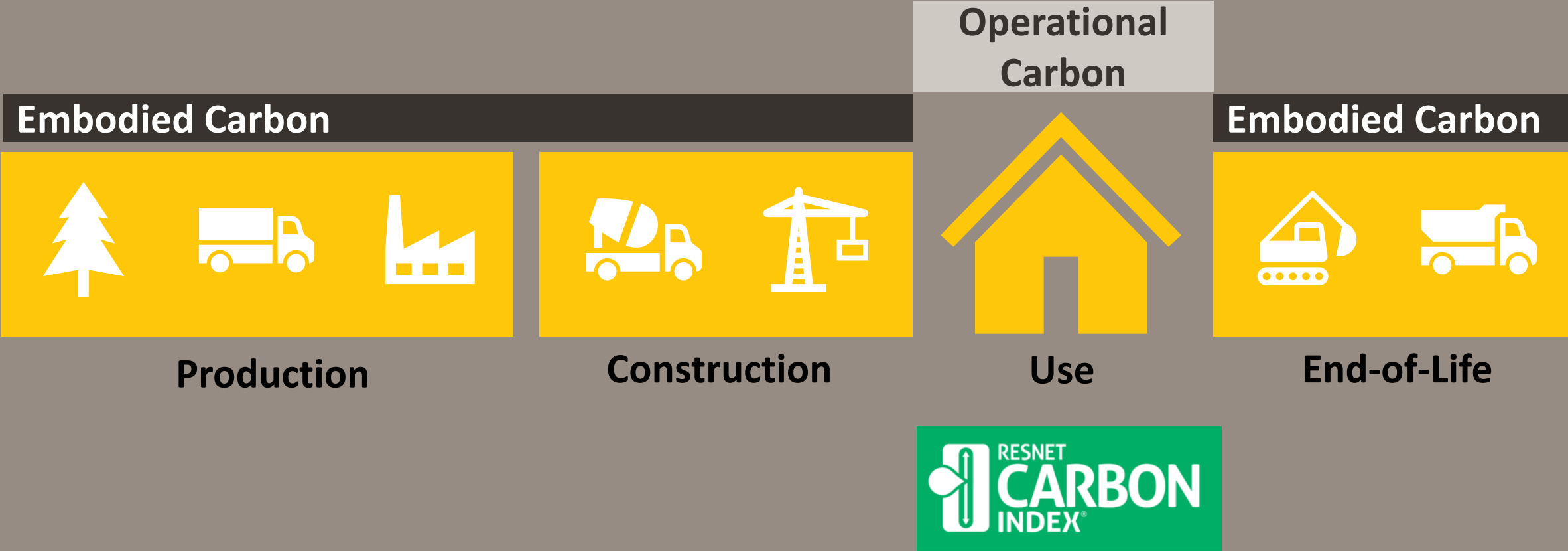


The Broader Scope of Sustainability

- **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

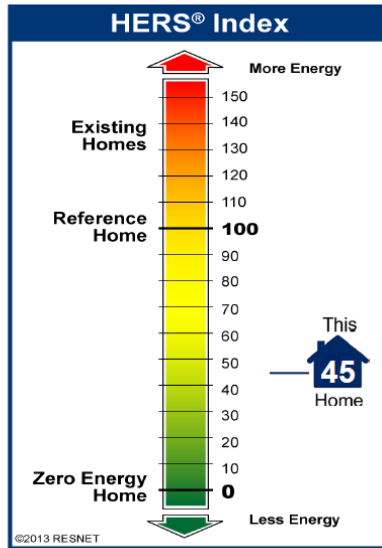
[HOME ENERGY RATING SYSTEM]

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

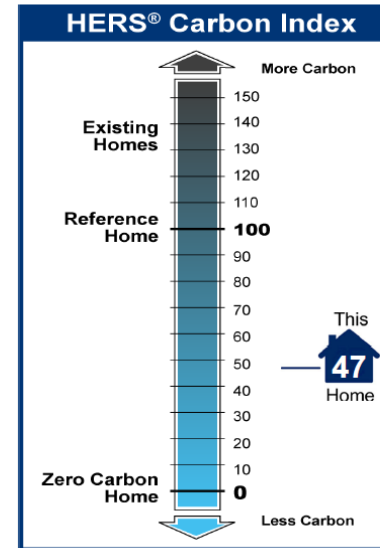
HERS INDEX SCORE | 45

ANNUAL SAVINGS | \$1278

HERS CARBON INDEX SCORE | 47



	This Home	Reference Home	Savings
Annual Energy Cost			
Electricity	\$1169	\$2447	\$1278
Natural Gas	\$0	\$0	\$0
LPG	\$0	\$0	\$0
Fuel Oil	\$0	\$0	\$0
On-Site Power	\$0	\$0	\$0
Annual Energy Use			
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
Annual Emissions			
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



HERS and RESNET are Trademarks of Residential Energy Services Network, Inc. www.resnet.us

EnergyGauge is a Trademark of the Florida Solar Energy Center 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
<i>Certified Rater</i>	<i>I.D. Number</i>	<i>Signature</i>	<i>Date</i>

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 | www.energygauge.com/usares





2022
**Sustainability
Report**



Built on
Relationships[®]