

# Environmental Performance Overview

PERFORMANCE INDICATOR	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<b>TOTAL # OF HOMES DELIVERED</b>	23,743	12,438	8,488	7,346	5,812	6,282	7,145	7,215	8,196	9,829	10,909	11,317	11,871
<b>ENERGY EFFICIENCY</b>													
# of ENERGY STAR® certified homes delivered <sup>1</sup>	7,467	4,736	5,258	6,631	5,677	6,207	7,078	7,168	8,099	9,768	10,736	11,176	11,797
% of total homes delivered that were ENERGY STAR certified	31%	38%	62%	90%	98%	99%	99%	99%	99%	99%	98%	99%	99%
% of KB Home divisions building at least some homes to ENERGY STAR specifications	83%	91%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
# of ENERGY STAR certified appliances installed <sup>2</sup>	N/A	18,804	12,718	13,292	9,929	9,065	9,695	9,789	11,181	13,261	15,276	15,960	17,083
Homeowner satisfaction ratings on the energy efficiency of their KB home <sup>3</sup>	N/A	N/A	N/A	91.90%	92.50%	93.10%	92.80%	91.50%	91%	91%	89%	89%	93%
<b>WATER CONSERVATION</b>													
# of KB homes built to EPA's New WaterSense® specifications <sup>4</sup>	N/A	N/A	N/A	11	97	85	61	96	233	265	170	134	147
# of Water Smart homes built <sup>5</sup>	1,964	881	393	521	412	438	503	400	589	807	854	1,132	950
# of EPA WaterSense labeled fixtures installed in KB homes: <sup>6</sup>													
Bath faucets	N/A	154	15,189	19,096	18,240	22,500	23,500	23,800	28,700	34,400	40,000	42,000	44,000
Toilets	N/A	486	1,260	2,026	14,500	18,100	20,000	20,200	23,000	27,600	33,800	35,000	36,800
Showerheads	N/A	N/A	N/A	241	12,200	13,700	15,000	15,150	16,400	19,700	23,400	24,300	25,600
<b>SUSTAINABLE PRODUCTS AND OPTIONS</b>													
Total # of sustainable products and options installed <sup>7</sup>	N/A	N/A	21,010	23,155	18,412	20,039	33,582	35,373	46,717	52,094	59,454	61,585	64,697
<b>OTHER ENVIRONMENTAL DATA</b>													
# of homes delivered in regions with High or Extremely High Baseline Water Stress													6,098
Total amount of monetary losses as a result of legal proceedings associated with environmental regulations													\$0
Average density at compact developments													The range varies by market: 4 DU/A to 20 DU/A
# of lots located in a 100-year flood zone <sup>8</sup>													0 of our buildable lots are in 100-yr. flood zones

<sup>1</sup> 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.  
<sup>2</sup> Began tracking in 2008.  
<sup>3</sup> Began tracking in 2010, from a 12-month post-closing survey on a scale of 0-100% satisfaction.  
<sup>4</sup> Construction commenced in late 2010.  
<sup>5</sup> Las Vegas market only; in conjunction with the Southern Nevada Water Authority.  
<sup>6</sup> 2012-2018 figures are estimated.  
<sup>7</sup> Began tracking in 2009. Optional upgrades include appliances, HVAC equipment, WaterSense labeled fixtures, ENERGY STAR certified doors and low-E windows. Figures are estimated.  
<sup>8</sup> 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 LOMR (letter of map revision) and an update to the FIRM (flood insurance rate map) to remove the property from a flood plain before we move on to the next phase of community development.

# Environmental Performance Overview (Cont.)

PERFORMANCE INDICATOR	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<b>OFFICE SUSTAINABILITY PRACTICE</b>													
% of office supplies purchased that are earth conscious	23%	27%	26%	33%	29%	22%	15%	20%	19%	22%	22%	26%	33%
Number of meeting hours hosted on iLab <sup>1</sup>	N/A	1,934	1,978	1,665	1,708	1,533	1,988	2,048	1,939	1,978	N/A	N/A	N/A
Recycled paper (office grade) processed through our national service provider, which recycles the paper after shredding (lbs.) <sup>2</sup>	56,440	148,940	72,390	467,979	158,129	94,703	123,637	66,114	203,341	165,606	335,526	181,981	329,900
Trees saved	479	1,266	615	3,978	1,344	805	1,051	555	1,706	1,389	2,815	1,527	2,768
Water saved (gal.)	197,540	521,290	253,365	1,637,925	553,451	331,459	432,728	906,125	2,786,903	2,269,713	4,598,551	2,494,154	4,526,444
Air pollution avoided (lbs.)	16,932	44,682	21,717	14,039	4,743	2,841	3,709	47,867	147,219	119,899	242,920	131,755	238,848
Landfill reduction (cu. yds.)	84	223	109	702	237	142	185	165	508	414	838	455	825
Electricity saved (kWh)	115,702	305,327	148,400	959,356	324,164	191,140	253,455	74,709	229,776	187,134	379,144	205,640	372,787
Oil saved (gal.)	12,981	34,256	16,650	107,635	36,370	21,782	28,436	N/A	N/A	N/A	N/A	N/A	N/A
<b>OUR CARBON FOOTPRINT</b>													
Estimated Scope 2 (with Scope 1 = 0) greenhouse gas emission for KB Home operations (CO2e in metric tons)	N/A <sup>3</sup>	42,204	20,296	17,015	14,549	13,468	14,092	16,078	19,186	22,961	25,062	24,992	24,025
Estimated greenhouse gas emission financial intensity <sup>4</sup>	N/A <sup>5</sup>	0.000139 (42,204 metric tons/US \$3,033,936,000 total revenue)	0.000112 (20,296 metric tons/US \$1,824,850,000 total revenue)	0.000107 (17,015 metric tons/US \$1,589,996,000 total revenue)	0.000111 (14,549 metric tons/US \$1,315,866,000 total revenue)	0.000086 (13,468 metric tons/US \$1,560,115,000 total revenue)	0.000068 (14,092 metric tons/US \$2,084,978,000 total revenue)	0.000067 (16,078 metric tons/US \$2,400,949,000 total revenue)	0.000063 (19,186 metric tons/US \$3,032,030,000 total revenue)	0.000064 (22,961 metric tons/US \$3,582,900,000 total revenue)	0.000057 (25,062 metric tons/US \$4,368,529,000 total revenue)	0.000055 (24,992 metric tons/US \$4,547,002,000 total revenue)	0.000053 (24,025 metric tons/US \$4,552,747,000 total revenue)
Estimated greenhouse gas emission activity-related intensity (CO2e in metric tons per delivered home)	N/A <sup>6</sup>	3.4 (42,204 metric tons/12,438 homes)	2.4 (20,296 metric tons/8,488 homes)	2.3 (17,015 metric tons/7,346 homes)	2.5 (14,549 metric tons/5,812 homes)	2.1 (13,468 metric tons/6,282 homes)	2.0 (16,078 metric tons/7,145 homes)	2.2 (16,078 metric tons/7,215 homes)	2.3 (19,186 metric tons/8,196 homes)	2.3 (22,961 metric tons/9,829 homes)	2.3 (25,062 metric tons/10,909 homes)	2.2 (24,992 metric tons/11,317 homes)	2.0 (24,025 metric tons/11,871 homes)
<b>WASTE REDUCTION AND RECYCLING</b>													
% of KB homes built with preconstructed panels <sup>7</sup>	65%	90%	90%	100%	100%	98%	85% (est.)	85% (est.)	85% (est.)	85% (est.)	85% (est.)	85% (est.)	85% (est.)
% of KB Home communities incorporating recycling into their standard job site processes <sup>8</sup>	N/A	N/A	44%	71%	91%	64%	70% (est.)	80% (est.)	85% (est.)	85% (est.)	85% (est.)	85% (est.)	85% (est.)

<sup>1</sup> Began tracking in 2008. iLab was a virtual meeting system that minimizes air and car travel for training, meetings and events. It was discontinued in 2017, in favor of cloud-based services.  
<sup>2</sup> This service provider also calculated the environmental benefits in the related rows below. This figure does not include the recycling programs we have established in the majority of our local offices. Increase in 2010 was primarily due to our Northern California division recycling over 11,500 boxes of archived documents in 2010. Division reduced their document storage by 50% to cut costs and improve efficiency.  
<sup>3</sup> Data not available for comprehensive emissions estimate.  
<sup>4</sup> Based on the methodology identified by the Carbon Disclosure Project.  
<sup>5</sup> Data not available for comprehensive emissions estimate.  
<sup>6</sup> Data not available for comprehensive emissions estimate.  
<sup>7</sup> Preconstructed panels help to minimize waste and increase durability and are constructed off site for greater precision. Using these panels results in more airtight, better insulated and helps reduce energy bills.  
<sup>8</sup> Began tracking in 2009.

## Economic Performance Overview

Note: Below are key financial and overall customer satisfaction performance indicators. Additional operational results for fiscal 2019 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 U.S. Securities and Exchange Commission, which can be found on our website at [www.kbhome.com/investor](http://www.kbhome.com/investor) or at [www.sec.gov](http://www.sec.gov).

PERFORMANCE INDICATOR	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<b>TOTAL # OF HOMES DELIVERED</b>	23,743	12,438	8,488	7,346	5,812	6,282	7,145	7,215	8,196	9,829	10,909	11,317	11,871
<b>FINANCIAL TOTAL REVENUE</b> (in thousands)	\$6,416,526	\$3,033,936	\$1,824,850	\$1,589,996	\$1,315,866	\$1,560,115	\$2,084,978	\$2,400,949	\$3,032,030	\$3,594,646	\$4,368,529	\$4,547,002	\$4,552,747
Net income/loss (in thousands)	(\$929,414)	(\$976,131)	(\$101,784)	(\$69,368)	(\$178,768)	(\$58,953)	\$39,963	\$918,349	\$84,643	\$105,615	\$180,595	\$170,365	\$268,775
Net orders	19,490	8,274	8,341	6,556	6,632	6,703	7,125	7,567	9,253	10,283	10,900	11,014	12,841
Backlog units	6,322	2,269	2,126	1,336	2,156	2,577	2,577	2,909	3,966	4,420	4,411	4,108	5,078
Backlog value (in thousands)	\$1,498,835	\$521,386	\$422,496	\$263,794	\$458,950	\$618,626	\$682,489	\$914,025	\$1,281,478	\$1,519,089	\$1,660,131	\$1,434,368	\$1,813,707
Average selling price	\$261,600	\$236,400	\$207,100	\$214,500	\$224,600	\$246,500	\$291,700	\$328,400	\$354,800	\$363,800	\$397,400	\$399,200	\$380,000
Housing gross margin	-5.70%	-7.10%	6.50%	17.40%	13.40%	14.90%	16.70%	18.10%	16.30%	16.20%	16.30%	17.50%	18.30%
<b>CUSTOMER SATISFACTION</b>													
Customer satisfaction index <sup>1</sup>	8.9	9.3	9.5	9.5	9.5	9.4	9.2	9.1	9.1	9.2	9.2	9.4	9.5
Customer recommendation rating <sup>2</sup>	N/A	N/A	N/A	9.5	9.5	9.4	9.1	9	8.9	8.9	9	9.2	9.4

<sup>1</sup> From a 30-day post-closing survey on a scale of 1-10.

<sup>2</sup> From a 30-day post-closing survey on a scale of 1-10; began tracking in 2010.

## Social Performance Overview

PERFORMANCE INDICATOR	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<b>TOTAL # OF HOMES DELIVERED</b>	23,743	12,438	8,488	7,346	5,812	6,282	7,145	7,215	8,196	9,829	10,909	11,317	11,871
<b>STAKEHOLDER AND COMMUNITY INVOLVEMENT</b>													
National Advisory Board	NO	NO	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES
Infrastructure development - approx. school-related fees paid	N/A	\$35 million	\$25 million	\$21 million	\$20 million	\$22 million	\$26 million	\$25 million	\$28 million	\$34 million	\$40 million	\$44 million	\$49 million
<b>EMPLOYEES, TRAINING, AND LABOR PRACTICES</b>													
# of full-time employees	3,556	1,892	1,446	1,346	1,204	1,172	1,422	1,605	1,710	1,797	1,936	2,025	2,157
# of collective bargaining agreements with employees	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>EMPLOYEE INJURIES BY REGION:</b>													
West	6	13	13	6	7	4	8	6	7	14	12	17	10
Southwest	3	3	3	1	3	1	1	7	6	8	16	9	7
Central	5	16	3	5	2	14	5	5	10	11	6	6	7
Southeast	7	13	3	4	1	1	6	5	6	8	3	4	8
Average online training certifications per employee <sup>1</sup>	46	36	17	14	12	12	17	13	14	10	7	8	13
Average online training hours per employee <sup>2</sup>	35	27	13	11	10	12	13	10	11	8	5	6	11
<b>ANNUAL CORE TRAINING CERTIFICATION RATE:</b>													
KB2020 White Papers <sup>3</sup>	92%	98%	96%	97%	91%	90%	83%	87%	83%	66%	70%	80%	92%
Ethics Policy	100%	100%	100%	100%	100%	99%	99%	98%	96%	97%	100%	98%	98%
100% Complete/100% Satisfied <sup>4</sup>	94%	99%	98%	97%	92%	97%	100%	90%	85%	75%	77%	83%	94%
Sustainability Certification <sup>5</sup>	N/A	99%	99%	95%	93%	83%	85%	85%	81%	64%	70%	77%	93%
Number of safety certifications <sup>6</sup>	6,874	2,125	210	200	120	235	894	1,045	901	861	199	315	1,408

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

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

<sup>3</sup> As of 2010, required for new hires only. Decline in 2016 is due to transition to a new learning management system.

<sup>4</sup> As of 2010, required for new hires only. Decline in 2016 is due to transition to a new learning management system.

<sup>5</sup> As of 2010, required for new hires only. Decline in 2016 is due to transition to a new learning management system.

<sup>6</sup> Required for new hires only; significantly declined in 2011 due to lower numbers of new employees in relevant positions.

## Global Reporting Initiative Index of Indicators

DISCLOSURE NUMBER	DISCLOSURE TITLE	LOCATION
<b>GRI 102: GENERAL DISCLOSURES</b>		
<b>ORGANIZATIONAL PROFILE</b>		
102-1	Name of the organization	pages 1, 7, 46
102-2	Activities, brands, products, and services	page 46
102-3	Location of headquarters	page 58
102-4	Location of operations	page 46
102-5	Ownership and legal form	10-K
102-6	Markets served	page 46; 10-K
102-7	Scale of the organization	pages 46, 64-65; 10-K
102-8	Information on employees and other workers	pages, 15, 65
102-9	Supply chain	page 52
102-10	Significant changes to the organization and its supply chain	page 52; 10-K
102-11	Precautionary Principle or approach	10-K
102-12	External initiatives	none
102-13	Membership of associations	Leading Builders of America
<b>STRATEGY</b>		
102-14	Statement from senior decision-maker	page 3
<b>ETHICS AND INTEGRITY</b>		
102-16	Values, principles, standards, and norms of behavior	pages 8, 10-11, 54, 57-59
<b>GOVERNANCE</b>		
102-18	Governance structure	pages 16, 57-59; 10-K or proxy
<b>STAKEHOLDER ENGAGEMENT</b>		
102-40	List of stakeholder groups	page 16
102-41	Collective bargaining agreements	page 65
102-42	Identifying and selecting stakeholders	pages 56-58
102-43	Approach to stakeholder engagement	pages 56-58; 10-K or proxy
102-44	Key topics and concerns raised	pages 56-58
<b>REPORTING PRACTICE</b>		
102-45	Entities included in the consolidated financial statements	page 46, 10-K
102-46	Defining report content and topic boundaries	pages 4, 8
102-47	List of material topics	page 8
102-48	Restatements of information	N/A
102-49	Changes in reporting	10-K
102-50	Reporting period	page 4
102-51	Date of most recent report	page 4
102-52	Reporting cycle	page 4
102-53	Contact point for questions regarding the report	page 4
102-54	Claims of reporting in accordance with the GRI Standards	pages 4, 61
102-55	GRI content index	pages 66-67
102-56	External assurance	N/A

## Global Reporting Initiative Index of Indicators (Cont.)

DISCLOSURE NUMBER	DISCLOSURE TITLE	LOCATION
<b>GRI 103: MANAGEMENT APPROACH</b>		
103-1	Explanation of the material topic and its boundary	pages 8, 20, 26, 62-63
103-2	The management approach and its components	pages 10-11, 20-21, 24; 26
103-3	Evaluation of the management approach	pages 27, 63
<b>GRI 200: ECONOMIC</b>		
<b>GRI 201: ECONOMIC PERFORMANCE</b>		
201-1	Direct economic value generated and distributed	pages 46, 64; 10-K
201-2	Financial implications and other risks and opportunities for the organization's activities due to climate change	10-K
<b>GRI 203: INDIRECT ECONOMIC IMPACTS</b>		
203-1	Infrastructure investments and services supported	page 50
<b>GRI 205: ANTI-CORRUPTION</b>		
205-2	Communication and training about anti-corruption policies and procedures	pages 56, 65
<b>GRI 300: ENVIRONMENTAL</b>		
<b>GRI 302: ENERGY</b>		
302-5	Reductions in energy requirements of products and services	pages 8, 14, 20, 63
<b>GRI 305: EMISSIONS</b>		
305-2	Energy indirect (Scope 2) GHG emissions	pages 8, 14, 20, 63
<b>GRI 400: SOCIAL</b>		
<b>GRI 403: OCCUPATIONAL HEALTH AND SAFETY</b>		
403-2	Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities	page 65
<b>GRI 404: TRAINING AND EDUCATION</b>		
404-1	Average hours of training per year per employee	page 65
<b>GRI: 413: LOCAL COMMUNITIES</b>		
413-1	Operations with local community engagement, impact assessments, and development programs	pages 15, 40, 50, 59
<b>GRI 417: MARKETING AND LABELING</b>		
417-1	Requirements for product and service information and labeling	pages 19-33