

## Sustainability as a Business Strategy

Sustainability is not just the right thing to do—it's also right for our business. Sustainability provides compelling benefits for our customers, our operations, the environment and the people and partners behind KB Home.



### Lowering Cost of Homeownership

Energy- and water-efficient homes are more affordable to operate than typical new or resale homes, making sustainability a compelling competitive advantage.



### Reducing Cost to Build

Our operational discipline, scale and waste reduction efforts allow us to build sustainable homes at a lower cost and with less environmental impacts than most builders, while also reaching a wider market.



### Increasing Affordable Housing

Our largest customer segment is first-time homebuyers, so the homes we build address the significant social and economic need in many of our markets to create additional housing affordable at median-income levels.



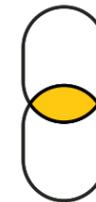
### Preserving the Environment and Natural Resources for Long-Term Value

Our scale, leadership and technical expertise create positive environmental attributes in all of our homes. We prioritize greenhouse gas reduction through energy efficiency and water conservation as key elements of our business strategy for long-term value creation.



### Elevating Water Conservation

We actively address this growing imperative for homebuyers, local communities, and local governments. We provide water-saving features in our homes that reduce our customers' water bills and may help to mitigate strain on local communities.



### Improving Strength of Supply Chain

Our partners' sustainability practices add depth to our initiatives. We require product-sourcing certifications, waste-reduction practices, and acknowledgment of our Ethics Policy and sustainability strategy. We strive to ensure that our suppliers join us in continuous improvement in sustainability practices.



### Designing Homes That Are Healthier for Residents

We have identified designing healthier homes as a key element of our sustainability platform, addressing the growing number of homebuyers who prioritize homes that can promote the health of their residents as well as the environment.



### Becoming the Builder of Choice for Partners

We believe our legacy of vibrant, sustainable communities and industry leadership makes us a partner of choice for municipalities, land sellers, developers and other partners.



### Integrating Sustainability Technology for Increased Comfort

Many of the sustainability technologies and efficiencies we build into our homes have the added benefit of offering our homeowners more comfort and personal efficiency, along with cutting-edge and user-friendly smart home interfaces.



### Becoming the Employer of Choice

Our goal is to become an employer of choice for top-tier talent in the homebuilding industry and beyond through our focus on sustainability and creating a culture of excellence.