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Subject: KB Home Sustainability at Canyon Creek & Lafferty

To: Richard Dean <rdean@stratuscompanies.com>, Roger Hollard <rghollard@gmail.com>

Cc: Shelton, Douglas <DShelton@kbhome.com>

Hi Richard and Roger,

I wanted to provide you with some information on KB Home's Environmental, Social, and Sustainability programs, strategies, and goals.

KB Home is committed to conducting our business in ways that respect the environment and natural resources. Everyone at KB, from our employees all the way up to our board members, must comply with the policies and procedures we develop in this regard. These policies are further described in our Sustainability Reports (found here), which also describe our energy and water conservation achievements that have been recognized by the U.S. Environmental Protection Agency.

In the Canyon Creek and Lafferty communities all the homes KB will build will be highly energy-efficient ENERGY STAR® certified homes that utilize, on average, half the energy of a similar-sized home built just a decade ago, which can meaningfully reduce GHG emissions over the long term.

As a builder operating in one of the most water-challenged regions of the U.S., we prioritize water conservation. Water availability is an important consideration for local Colorado governments in approving new-home developments. We provide water-saving features in our homes that reduce our customers' water bills and may help to mitigate strain on local communities. Our proactive leadership in this area enables us to effectively address water-related concerns and help preserve this critical resource.

In addition to our standard sustainability policies, at the Canyon Creek and Lafferty communities we will be offering our homebuyers two additional options at their election: pre-wiring the garages for electric car charging stations as well as solar roof panels.

Energy- and water-efficient homes are more affordable to operate than typical new or resale homes, making sustainability a compelling competitive advantage. Our largest customer segment is first-time homebuyers. The homes we build address the significant need in many of our markets to create additional housing affordable at median-income levels. At Canyon Creek we will offer our Classic Series, a 35' single family product, as well as our Villa Series, an alley-loaded paired product. Both products are among our most affordable with the Villa Series being our most affordable product.

As an organization built on relationships with our colleagues and service providers, we are committed to maintaining a work culture that treats all employees fairly and with respect and provides equal opportunities based on merit. To promote an inclusive workforce and the professional growth of the diverse individuals of all viewpoints and backgrounds who join us, our employment policies prohibit discrimination based on race, color, religion, national origin, ancestry, familial status, age, veteran status, physical disability, mental disability, medical condition, gender, gender identity, sexual orientation, marital status, or any other legally protected status.

We also strive to create community partnerships through our KB Cares program, engaging with local nonprofits and community organizations on specific causes, helping to build strong social ties and caring for people in need.

Our commitment to sustainability is an investment in the future, balancing affordability for today's homebuyers with being mindful of the needs of the next generation and the environment. We are pleased to have been recognized for our sustainability leadership by being the only homebuilder named to Newsweek®'s 2021 list of America's Most Responsible Companies as well as Forbes' 2021 list of America's Best Midsize Employers. We believe that sustainability is built on one essential idea: balance. We strive to ensure that today's homebuyers are able to achieve the dream of homeownership while balancing that objective with mindfulness about the sustainability needs of future generations and our environment. Sustaining the dream of homeownership both today and into the future is what we do every day.

Thanks,

Parker DeIPonte

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