Hovnanian Enterprises, Inc.

2025 SUSTAINABILITY REPORT

Tel: (732) 747-7800
90 Matawan Road, Fifth Floor, Matawan, N.J. 07747

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A LETTER TO ALL OF OUR STAKEHOLDERS

As we reflect on the past year, we remain committed to transparency and responsible business practices. The 2025 Sustainability Report provides a clear and comprehensive view of our efforts to operate responsibly while creating long-term value for our homebuyers, associates, and communities where we operate.

This year, we have continued to strengthen our disclosure practices. Our 2025 Sustainability Report provides limited assurance of our Scope 1 and Scope 2 greenhouse gas emissions calculations, as well as a comprehensive overview of our risk management department. These steps underscore our dedication to transparency and to meeting the expectations of our stakeholders and regulatory bodies.

While we remain focused on advancing sustainability, our approach is pragmatic and measured. We believe that integrating responsible practices into our operations complements our core business objectives and supports resilience in an evolving market. Our initiatives reflect this balance by prioritizing actions that deliver meaningful impact without compromising operational excellence.

We invite you to review the full report for detailed insights into our governance, environmental stewardship, and social responsibility programs. Thank you for your continued trust and support as we work together to build a stronger future.

Ara K. Hovnanian
Chairman of the Board and Chief Executive Officer

OUR VALUES

Hovnanian has a long history of corporate responsibility, which is deeply rooted in our heritage. We are a company that is built on dedication and purpose.

At our communities and offices, this means creating the best experience for our homebuyers and attracting the best talent. Throughout the 13 states where we operate, we strive to be good neighbors and are committed to practices that have a positive impact. We believe that value creation and a commitment to responsible business practices are complementary goals.

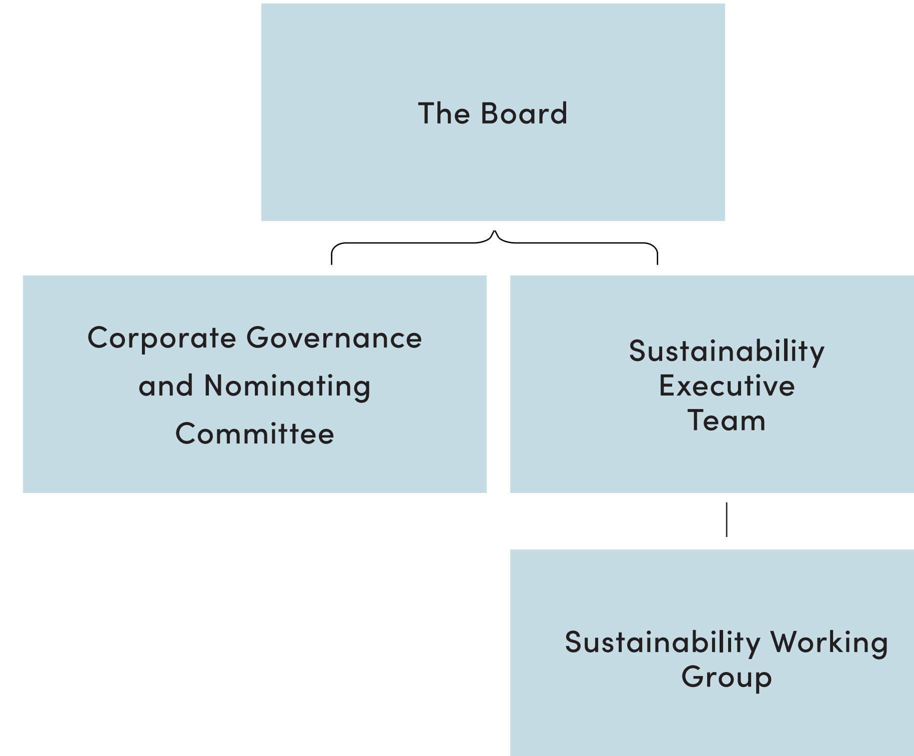
Having succeeded as a company for more than 65 years, we understand that a clear vision is essential to our continued success. In 1959, our founder, Kevork S. Hovnanian (Mr. Hovnanian) established our Company on a strong value system, long before the term "corporate responsibility" was part of the conversation within boardrooms.

OUR HISTORY

Prior to immigrating to the United States from Iraq with his family, including his son Ara, our current CEO, Mr. Hovnanian founded and ran a successful road construction company. Due to a bloody coup that overthrew the Iraqi monarchy, Mr. Hovnanian, along with his family, was forced to flee. Upon his arrival in the United States, Mr. Hovnanian, his wife and children initially lived with family. Given an opportunity to buy a parcel of land, he started the Company with one plot of land in Toms River, New Jersey and a small construction trailer using a loan and investments from family. Mr. Hovnanian could have chosen a catchy or simple Americanized name but intentionally used the family's Armenian name to demonstrate how proud he was of his heritage.

These principles established by Mr. Hovnanian continue to be reflected in our day-to-day operations, as well as our vision for the future of the Company.

Sustainability Oversight Structure



SUSTAINABILITY OVERSIGHT

Our commitment to sustainability and corporate responsibility is more broadly evidenced by our Board's oversight of sustainability matters. In particular, our Board has tasked our Corporate Governance and Nominating Committee (CGNC) with primary responsibility for our sustainability oversight. In this capacity, the CGNC reviews and considers the Company's policies and practices relating to environmental stewardship, corporate social responsibility, and all public policy issues significant to the Company at least two times annually.

The Sustainability Executive Team keeps the Corporate Governance and Nominating Committee (CGNC) informed about all sustainability matters. Before publishing, the CGNC also reviews the Company's Sustainability Report. Throughout the year, the Sustainability Executive Team and its Working Group stay in regular communication to promote sustainability awareness across the Company, improve transparency, and enhance disclosure around sustainability initiatives. The Sustainability Executive Team regularly reports to the CGNC and includes our Chief Financial Officer, General Counsel, and Vice President, Investor Relations. The Sustainability Working Group is made up of senior leaders from various departments, including accounting, building science and sustainability, corporate operations, division presidents, human resources, investor relations, IT, land acquisition, land development, legal, quality, risk management, and safety.

2025 HIGHLIGHTS

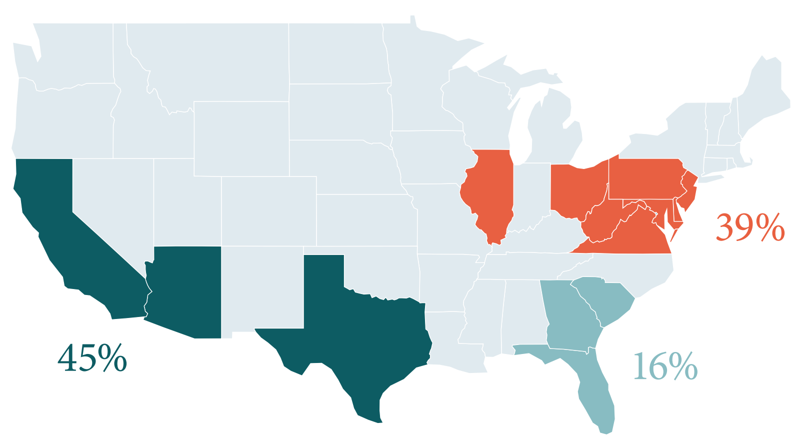
HOVNANIAN ENTERPRISES AT A GLANCE

Hovnanian designs, constructs, markets, and sells single-family detached homes, attached townhomes and condominiums, urban infill, and active lifestyle homes in planned residential developments and is one of the nation's largest builders of residential homes. Founded in 1959 by Kevork Hovnanian, the Company was incorporated in New Jersey in 1967 and reincorporated in Delaware in 1983. Since the incorporation of the predecessor company, the Company, combined with its unconsolidated joint ventures, has delivered in excess of 382,000 homes, including 6,430 homes in fiscal 2025. The Company has two distinct operations: homebuilding and financial services. Our homebuilding operations consist of three segments: Northeast, Southeast and West. Our financial services operations provide mortgage loans and title services to the customers of our homebuilding operations.

Including domestic unconsolidated joint ventures, we offer homes for sale in 156 communities across 27 markets in 13 states throughout the United States. We market and build homes for first-time buyers, first-time and second time move-up buyers, luxury buyers, active lifestyle buyers, and empty nesters. We offer a variety of home styles at base prices ranging from $182,000 to $1,191,000 with an average sales price, including options, of $519,000 nationwide in fiscal 2025.

DELIVERIES BY SEGMENT (1)

Year ended October 31, 2025



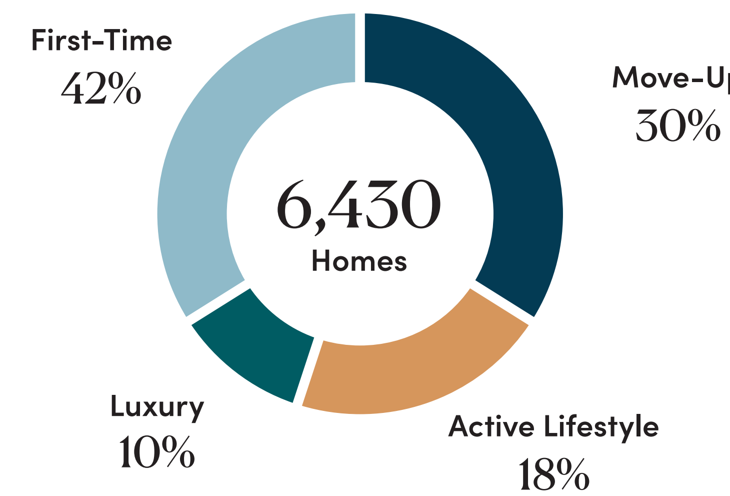
6,430

Fiscal 2025 Deliveries

(1) Includes domestic unconsolidated joint ventures.

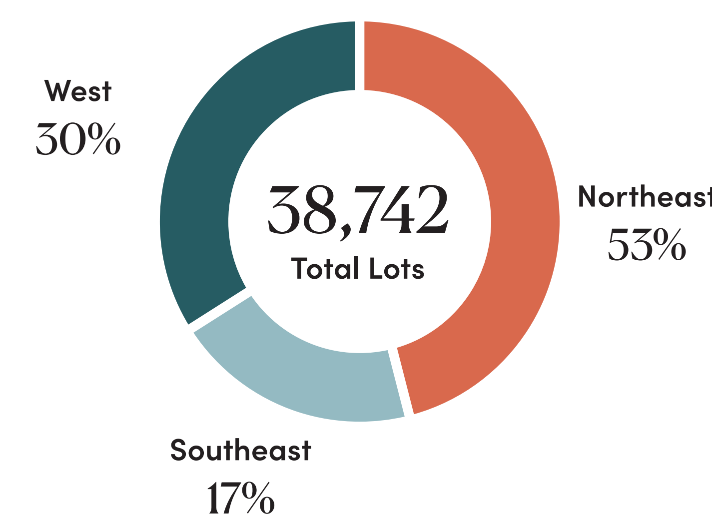
HOME DELIVERIES BY PRODUCT (1)

Year-ended October 31, 2025



LOTS CONTROLLED BY SEGMENT (1)

As of October 31, 2025



DEDICATION TO SUSTAINABILITY

"The Company is committed to conducting its operations in an environmentally sound and responsible manner, in recognition that the Company's activities have an impact on the environment."

Enterprise Environmental Policy

The Company is continually seeking to offer features that will enhance the energy efficiency of our homes.

SOLAR

In fiscal 2025, 13% of our home deliveries featured solar panels, which included all 836 homes delivered in California and some homes delivered in Phoenix. Our Phoenix division not only delivered nearly half their homes to be solar ready under the United States Department of Energy (DOE) Zero Energy Ready Homes (ZERH) program but took it a step further by making solar a standard inclusion in one community with the goal of delivering homes that were designed to be Net Zero.

ENHANCING BUILDING SUSTAINABILITY: RESULTS FROM THE BURIED DUCT FIELD STUDY

In 2025, a collaborative field validation project led by Home Innovation Research Labs, Hovnanian, and industry partners demonstrated that buried R-8 HVAC ducts installed in unvented attics with vapor diffusion ports in the roof provide a durable, energy-efficient, and cost-effective alternative approach to bringing ductwork inside conditioned space, compared to costly alternatives like spray foam insulation, particularly in hot-humid climates.

The buried duct field study was conducted on a small scale, focusing exclusively on ten homes within a single community in Florida. By significantly reducing energy consumption and operational costs, this approach directly supports climate mitigation and resource efficiency objectives. The project's emphasis on scalable, field-proven solutions enables broader adoption of sustainable building practices, while the use of advanced monitoring and real-world validation ensures robust performance and safety. Additionally, collaboration among builders, manufacturers, and research institutions fosters innovation and knowledge sharing, further advancing industry-wide progress toward lower carbon emissions and improved indoor environmental quality for all parties involved. These outcomes reinforce our commitment to minimizing environmental impact, enhancing resilience, and driving continuous improvement. The purpose of this research is to confirm that these methods can be used effectively as a viable strategy to meet future building codes. We are actively pursuing additional collaborations with Home Innovation Research Labs and other industry partners.

PARTNERSHIPS IN ENERGY EFFICIENCY

We are committed to building energy efficient homes nationally for our homebuyers.

We work with many partners who exemplify the values described in our Vendor Code of Conduct that was formalized and published on our website in February of 2024.

Below are examples of vendors who support our initiatives of building environmentally conscious, energy-efficient homes:

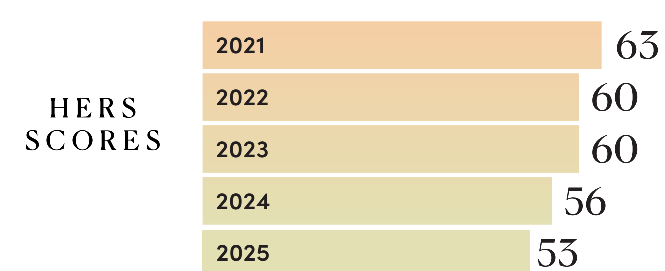
- General Electric ("GE"), a national leader in home appliances, has been a strong and consistent partner for us. GE develops ENERGY STAR appliances such as dishwashers and refrigerators that we install in our homes across the country. While we have historically installed ENERGY STAR rated appliances where possible – GE's modernized, refreshed product lineups are allowing us to expand our ENERGY STAR selections further than ever before.
- Base Power ("Base") is a retail energy provider that offers whole-home back-up batteries to their customers with the goal of providing affordable power and resiliency in areas throughout Texas that are subject to an unstable grid. Through our partnership with Base, we offer homebuyers added value protection from power outages and lower energy bills in select communities in Dallas Fort Worth and Houston. Base systems are larger than competing options, so they can power entire homes for longer periods during outages. Because Base owns the battery and uses it to support the energy grid, they can charge homeowners a lower utility rate than traditional utility providers in the open market, which passes additional energy savings to our customers.

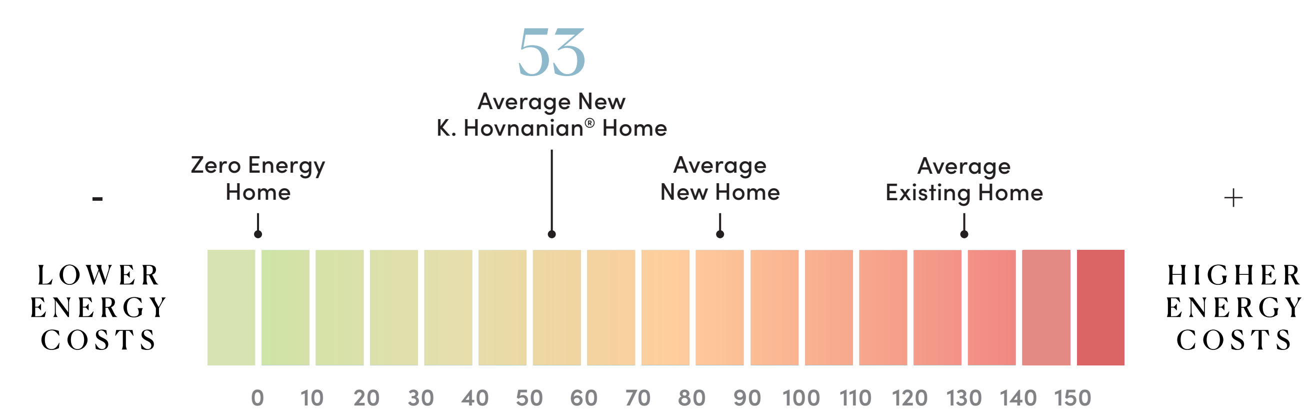
As we go about our business of designing and building new home communities, our focus is to design and construct our communities in a way that optimizes building materials and reduces construction waste. As part of these efforts, the Company partners with the DOE's Building Technologies Office, within the Office of Energy Efficiency and Renewable Energy, to research sustainable construction practices to improve the durability and energy efficiency of new homes. Additionally, we are working with the National Association of Homebuilders (NAHB) Construction Codes and Standards Committee and sit on several of their subcommittees to help inform construction technology research and code changes that will advance the residential building codes.

At the end of fiscal 2025, we had over 56 communities open for sale that are all-electric and are expecting to open additional all-electric communities in fiscal 2026.

We continue to identify opportunities to incorporate products and systems in our homes that contribute to energy efficiency, for example ENERGY STAR rated appliances, LED lighting, thermally efficient windows, heat-pump and tankless water heaters, and Energy Recovery Ventilators. We also strive to improve the indoor air quality, durability and resiliency of our homes using products and technologies like low-VOC materials and paints, multi-stage air sealing practices, electric vehicle charging infrastructure, and whole-house battery back-up systems.

We also track how our homes are scored from an energy efficiency standpoint. The Home Energy Rating System (HERS) Index is the industry standard for measuring a home's energy efficiency, with a lower score evidencing a more energy efficient home. As confirmation of our success in employing advanced building practices and materials, the Company's average HERS Index score for homes delivered outside of California was 53 in fiscal 2025, which was our lowest HERS score since we started reporting it in fiscal 2021.





GREENHOUSE GAS EMISSIONS

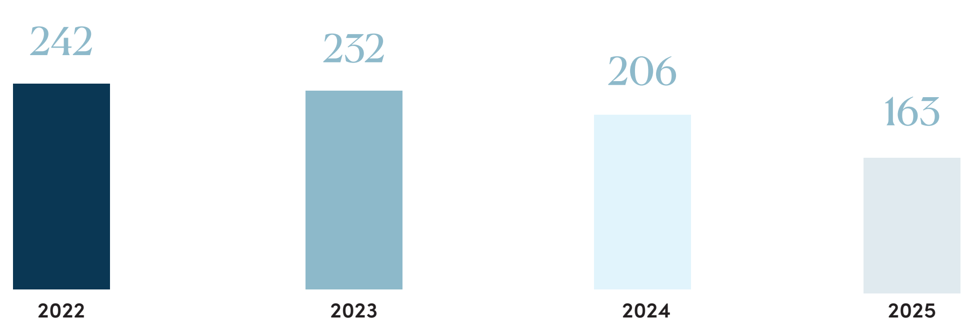
Since fiscal 2022, we have engaged a third-party consultant to assist us with calculating our baseline greenhouse gas emissions (GHG) inventories in accordance with the GHG Protocol Corporate Accounting and Reporting Standard. We continue to refine our data collection processes and expect to make even further improvements in the future.

The past three years have seen a marked reduction in our GHG intensity (Scope 1+2+3 MT CO2e/delivery), driven mainly by improvements in Scope 3 Category 11, the use of sold products, as evidenced by our enhanced HERS scores. This is a direct result of our commitment to building homes with more energy-efficient designs.

GHG EMISSIONS

(in metric tons CO2e)	2022[1]	2023[1]	2024[2]	2025[3]
Scope 1	1,019	1,171	5,618	5,610
Scope 2 (location-based)	8,494	8,041	10,060	22,630
Scope 3 (includes categories: 1, 2, 3, 4, 5, 6, 7, 11)	1,466,114	1,259,660	1,250,734	1,018,623
Total	1,475,627	1,268,872	1,266,412	1,046,863
GHG Intensity (Scope 1+2+3 MT CO2e/$millions in total revenues)	505	460	421	351
GHG Intensity (Scope 1+2+3 MT CO2e/deliveries)	242	232	206	163

GHG INTENSITY
(SCOPE 1+2+3 MT CO2E/DELIVERIES)



[1]For the fiscal years 2022 and 2023, Scope 1 and Scope 2 facility emissions were calculated based on estimates related to the square footage of our office space, model homes, and clubhouses.
[2]In fiscal year 2024, due to improved data gathering procedures, we began using actual utility bill data, which increased the accuracy of our emissions calculations. As a result, reported facility emissions increased by 57% in fiscal 2024, driven by this updated methodology using total utility expenditures.
[3]In fiscal year 2025, we have resumed applying a square footage-based estimation approach across our facilities. This approach is adjusted from fiscal year 2023 to include active construction sites. Our revised methodology provides a comprehensive and conservative estimate of Scope 1 and Scope 2 emissions as we continue to enhance our emissions estimation and reporting processes.

CLIMATE RISKS AND OPPORTUNITIES

The risks of climate change, both physical and transition, could impact our business. In 2024, we took another important step to increase our transparency by following the disclosure recommendations outlined by the Task Force on Climate-Related Financial Disclosures (TCFD). Please refer to our initial TCFD index table in the appendix of this report. By adopting TCFD reporting guidelines, we seek to build upon our existing efforts to reduce our environmental footprint and provide greater transparency.

CLIMATE CHANGE ADAPTATION

During the due diligence stages of the land acquisition process, we conduct risk assessments to ensure that we take into consideration issues that are closely associated with climate change risks, including but not limited to events such as floods, heat stress, wildfires, and hurricanes.

If we elect to proceed with the purchase of land within an area more likely to be affected by the immediate impacts of climate change, we take steps to ensure that our construction and development processes address these climate-related risks. Our land acquisition process includes an extensive "white book" with pertinent information on the proposed community, including environmental concerns. All land purchases are approved by our Corporate Land Committee, which is comprised of our chief executive officer (CEO), chief financial officer (CFO), and chief operating officer (COO). Prior to making its way to the Corporate Land Committee, the proposed community must first be approved by the respective members of the group land committee, which is comprised of the group president and vice presidents of finance, legal and land acquisition.

We aim to avoid purchasing land that may include areas with an initial designation of special flood hazard areas (SFHA) by the U.S. Federal Emergency Management Agency (FEMA). There are instances where we will purchase the lots and then work with FEMA to address flood risk, prepare appropriate drainage and grading studies, undertake improvements if necessary and obtain a letter of map revision (LOMR). In addition, once we determine the property is no longer in a flood plain, we take necessary actions to ensure an update to the flood insurance rate map (FIRM) before we move forward with construction.

At the end of fiscal 2025, 98.8% of our controlled lots were outside SFHA designation. At the end of fiscal 2025, we had 20,719 infill site lots, 53% of total lots. During fiscal 2025, we delivered 4,252 homes that were on infill sites, 66% of total deliveries and 1,213 homes that were in compact developments, 19% of total deliveries.

STORMWATER INFORMATION MANAGEMENT

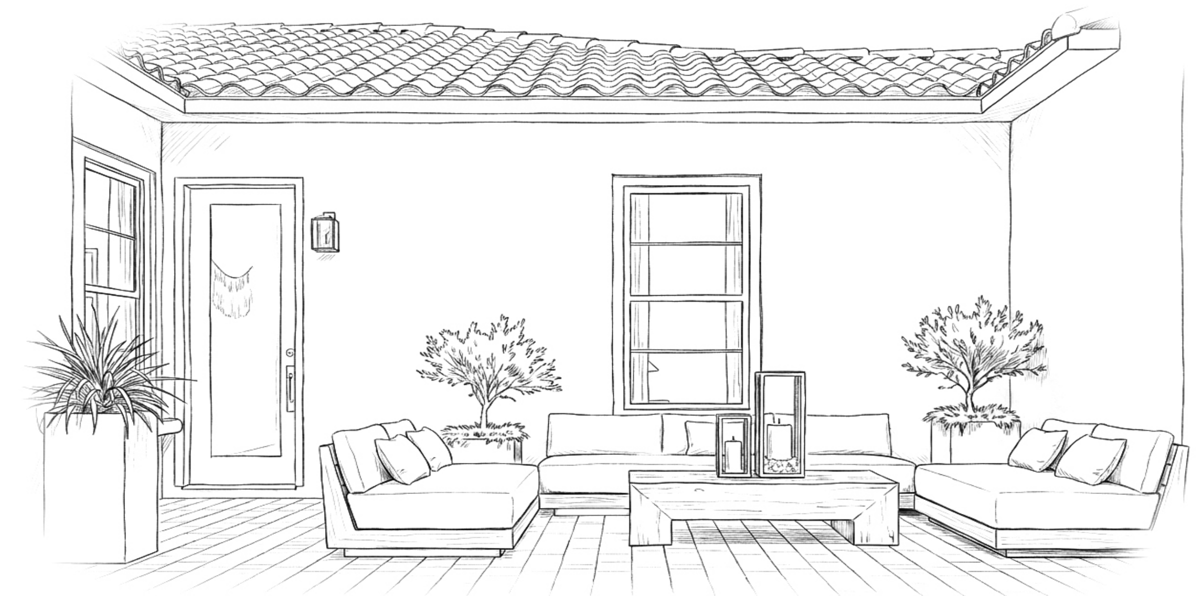
As part of our environmental commitment, we actively minimize stormwater runoff impacts during construction and in our community designs. Our Stormwater Management Program is governed by robust company policies and aligns with all regulatory requirements.

Sustainable Practices

- Annually, we dedicate hundreds of acres to ponds, constructed wetlands, open space, and riparian buffers, directly improving water quality in our communities.
- We implement Environmental Site Design (ESD), Low Impact Development (LID), forest preservation, vegetated buffers, bio-retention and filtration, rain gardens, and stormwater retention facilities across all new developments.

Compliance & Oversight

- Every construction site is overseen by a designated Site Stormwater Compliance Representative.
- Each project includes a site-specific Stormwater Pollution Prevention Plan (SWPPP) and Erosion and Sediment Control Plan (ESC), designed to meet National Pollutant Discharge Elimination System (NPDES) standards.
- Our compliance efforts minimize sediment and reduce risk of pollution from construction materials such as fuel, paint, concrete, and debris.



Training & Certification

- Third-party and associates maintain State Certification for stormwater inspections, with some requiring over 30 hours of additional instruction.
- All field associates complete stormwater management training upon hire; those conducting inspections receive advanced Certified Compliance Inspector of Stormwater (CCIS) training and annual refreshers.
- In select jurisdictions, we partner with third-party inspectors who must complete our internal training and hold required certifications.

Continuous Improvement

- Four corporate assessments per year are conducted at each construction site to evaluate stormwater management performance.
- Assessment results are reviewed at least twice annually by executive management to identify improvement opportunities.
- Site managers are evaluated on SWPPP performance, compliance, best management practice (BMP) effectiveness, and inspection thoroughness, with coaching provided for ongoing improvement.

LAND USE AND ECOLOGICAL IMPACTS

Our focus is to design and construct our communities in a way that connects people to nature.

The Company had no monetary losses in fiscal 2025 from legal proceedings associated with environmental regulations.

2025	
TREES PLANTED	More than 14,000
TREES PRESERVED	More than 15,000
DEDICATED OPEN SPACE	More than 700 Acres
WALKING & BIKING TRAILS	47 Miles
PARKS BUILT	81

REDUCING WASTE

We are committed to limiting waste. Over the past few years, we have made it a priority to simplify and reduce the number of floor plans that we offer to our customers. We refer to these new plans as our national portfolio. The primary benefits of our national portfolio plans are to create the best possible plan for our homebuyers while we reduce costs and minimize waste at our construction sites.

We engineer every home in our national portfolio to minimize the amount of labor, material and natural resources used in their construction. We often utilize roof trusses, floor trusses and wall panels which produce less waste than traditional on-site stick framing. Incorporating efficient and waste reduction practices into our home building operations results in reduced costs for our customers and long-term benefits to the environment.

Additionally, we minimize the environmental impact by ensuring that all surplus and obsolete electronic equipment is disposed of through responsible e-waste methods, including recycling, reassignment, and the safe removal of hazardous materials in accordance with legal and environmental standards. The company's asset disposal policy supports waste reduction by mandating thorough data sanitization, removal of identifying labels, and the use of approved recycling and decommissioning processes, reinforcing our commitment to environmental stewardship and sustainable resource management.

URBAN RENEWAL

Since the 1980s, we have established ourselves as a leader in urban renewal/redevelopment projects, starting with our Society Hill community in Newark, New Jersey, which had been the epicenter of the 1967 Newark riots. As the only respondent to the City of Newark's Request for Redevelopment Proposals, the Company built a new community of over one thousand homes, which involved extensive brownfield cleaning and certification which substantially increased opportunities for affordable homeownership across the community. Since we initially began our efforts to offer homes in redevelopment sites, we have delivered more than 10,100 homes through our urban renewal/redevelopment projects, including 1,687 homes in fiscal 2025, or 26% of 2025 deliveries.

OUR ASSOCIATES AND COMMUNITY

HUMAN CAPITAL

LEADERSHIP AND PEOPLE STRATEGY

In August of 2025, we welcomed Jenn Ricks as our new Chief People Officer, bringing nearly 30 years of human resources experience to our organization. This strategic addition to our senior leadership team underscores our commitment to fostering a strong, inclusive, and people-focused culture. Jenn's expertise will help advance initiatives that support associate engagement, talent development, and workplace well-being, key pillars of our priorities. Her leadership will play a vital role in shaping policies and programs that align with our values and drive growth.

We believe that diverse backgrounds, perspectives, and skills across all levels and divisions strengthen our organization and fuel our best ideas. Our culture values drive, commitment, and achievement.

Attracting, developing, and retaining talented associates and leaders is key to our strategic success, as their skills and experience directly benefit our operations. We regularly enhance our processes and technologies to boost engagement, productivity, and the essential skills our associates need to thrive.

Talented associates are our greatest asset and drive long-term value. As of October 31, 2025, 16% of our associates have been with us for over 15 years, with an average tenure of 7 years, well above the national average of 3.9 years, as per a biennial report from the Bureau of Labor Statistics. Our success depends on our ability to identify, hire, train, and retain top talent. We celebrate each associate's unique contributions and are dedicated to fostering growth within an inclusive and diverse workforce.

We support our associates and their communities through competitive benefits and educational programs. Our comprehensive benefits feature medical, dental, vision, mental health resources, infertility coverage, adoption/surrogacy assistance, paid parental leave, health savings accounts, and life and disability insurance along with a 401(k) plan with up to 6% company match. In 2025, Hovnanian enhanced its bereavement leave policy to provide time off for pregnancy loss and the loss of a pet, reflecting our commitment to supporting associates through life's challenges. We also introduced new associate and trade partner discounts on home purchases. Additional wellness and assistance offerings included discounted gym memberships and free online workouts. We routinely review these offerings to address the evolving needs of our diverse workforce.

Building Better Benefits

401k Plan with Company Match	Paid Wellness Day	Dependent Care Flexible Spending Account	College Savings Plan - 529	Critical Illness Coverage	Paid Parental Leave
Identity Theft Protection	Company Paid Sick Time	Employee Assistance Program	Accident Coverage	Profit Sharing Plan	Healthcare Flexible Spending Account
Dental Insurance	Hospital Indemnity Coverage	Vision Insurance	Holidays & Personal Days	Legal Plan	Smoking Cessation Program
Adoption/ Surrogacy Assistance & Reimbursement Program	Home Purchase Discount Programs	Paid Company Holidays	Dependent Life Insurance	Accidental Protection & Dismemberment Insurance	Basic Life Insurance
Health Reimbursement Plan with Company Funding	Short & Long Term Disability	HSA with Company Funding	Supplemental Life Insurance	Pet Insurance	Group Home & Auto Insurance

Supporting Associate Well-Being

As part of our commitment to social responsibility and fostering a healthy workplace, we provide comprehensive mental health resources to all associates and their families through an Employee Assistance Program (EAP). We provide confidential assistance through a third-party service to help associates address a variety of challenges, such as sleeplessness, stress, financial concerns, depression, anxiety, elder care responsibilities, family issues, and workplace matters. These resources reflect our dedication to promoting mental health, resilience, and overall well-being as integral components of our associates' success both at work and in their personal lives.

ASSOCIATE ENGAGEMENT

Our leadership team conducts Quarterly Town Halls to provide direct communication between associates and senior leadership. Throughout 2025, we continued to host regular "Lunch & Learns" and "Coffee Chats," which foster engagement and two-way dialogue.

- **Lunch & Learns** connect teams to share division progress and challenges, often held on-site to showcase our work. Associates have responded positively and requested more sessions. Feedback from these events helps us refine our strategy and create opportunities for improvement.
- **Coffee Chats** are informal, virtual sessions open to all associates to discuss frequently asked questions about company initiatives, encouraging cross-organization conversation and learning.

The Traction Team is a cross-functional group launched in 2022 that gives Hovnanian Associates a voice and helps leaders stay closely connected to the realities of day-to-day work. Their mission is to foster a people-centric culture by enabling open dialogue and supporting teams through change. The team is comprised of both divisional operations and corporate representatives, which improves company-wide collaboration and enables more effective resolution of emerging challenges. Throughout the year, the team keeps Associates informed about major initiatives by hosting Lunch & Learn sessions and creating materials to support the ongoing organizational transformations. These combined efforts bring greater trust, clarity, and resilience across the company, preparing our workforce to confidently meet future opportunities and challenges.

We maintain a hybrid work schedule, allowing most office associates to work from home two days a week and to spend up to eight additional weeks working remotely per year. This approach, which was adopted during the COVID-19 pandemic, supports work-life balance and flexibility and offers environmental benefits by reducing commutes.

DIVERSITY

> "The Company is fully committed to creating a work environment that is safe, fair, and where its directors, officers, managers, associates, customers, business partners, trade partners and investors are treated with dignity and respect."
>
> *Enterprise Labor Rights and Human Rights Policy*

Promoting a diverse and inclusive workplace is a core priority at Hovnanian.

KEY INITIATIVES (FISCAL 2025)

- **Diversity Made Simple:** Diversity training is required of all newly hired associates as part of the Company's onboarding process. In FY2025, 339 new hires and rehires completed the Diversity Made Simple training. Training on this topic is conducted annually, with the next mandatory session scheduled for Spring 2026
- **Unconscious Bias Training:** Required for all people managers and director-level roles, delivered quarterly by a diversity consultant. In FY2025, 93 newly promoted or hired managers completed the training. Leadership (23% of associates) must participate in this training as well as Diversity Made Simple.
- **Cultural Awareness:** The CEO regularly communicates the significance of cultural holidays and events, fostering education about diverse cultures and faiths (e.g., Black History Month, the Dragon Float Festival, Flag Day, Hispanic Heritage Month, Holi, and Vaisakhi).

PARTNERSHIPS AND RECRUITMENT

- **Building Talent Foundation (BTF):** Hovnanian is a founding member of BTF whose mission is to advance the education, training, and careers of people from underrepresented groups in the fields of skilled technical workers and as business owners in the residential construction industry. In FY2025, we continued our partnership and financial commitment with BTF to support the meaningful work that BTF is doing. In addition, we actively utilize BTF's residential construction careers platform JobsToBuild to find new talent. The purpose of this site is to connect job seekers and employers in the residential construction industry. In 2025, we hosted a JobsToBuild information session in Orlando during Careers in Construction month and spent time with the electrical and carpentry students.

Building Talent Foundation
Engage. Collaborate. Innovate.

- **HBCU Recruitment:** Ongoing efforts to attract diverse talent from Historically Black Colleges & Universities for roles in land development, management, sales, marketing, and IT.

Alabama A&M University	Morgan State University	Prairie View A&M University
Alcorn State University	Norfolk State University	Spelman College
Bowie State University	North Carolina A&T State University	Tuskegee University
Delaware State University	Florida A&M University	University of Maryland Eastern Shore
Howard University	North Carolina Central University	

We believe that our focus on diversity and inclusion across the organization positions the Company to deliver innovation and growth.

Our commitment to gender equality is demonstrated through the composition of our Financial Services Group. This group is comprised of K. Hovnanian American Mortgage (KHAM) and Eastern National Title Agency, Inc. (Eastern), both of which are led by women division presidents. Further, both divisions are primarily managed by women leadership.

- At KHAM, 60% of VP positions and higher are held by women.
- At Eastern, 80%, or 40 of the 50, total associates are women.
- Furthermore, women are also well represented in our corporate offices, there are 31 VPs, 20 men and 11 women.

EEO-1 2025 DATA

	Women Associates	Ethnically Diverse Associates
Total Company	44%	29%
Administrative Support Workers	84%	39%
Management	28%	20%
Professionals	35%	33%
Sales Workers	61%	34%
Service Workers	33%	67%
Technicians	29%	43%

Note: EEO-1 2025 Data includes full time, part time and temporary associates.

ALL ASSOCIATES

29% Ethnically diverse associates

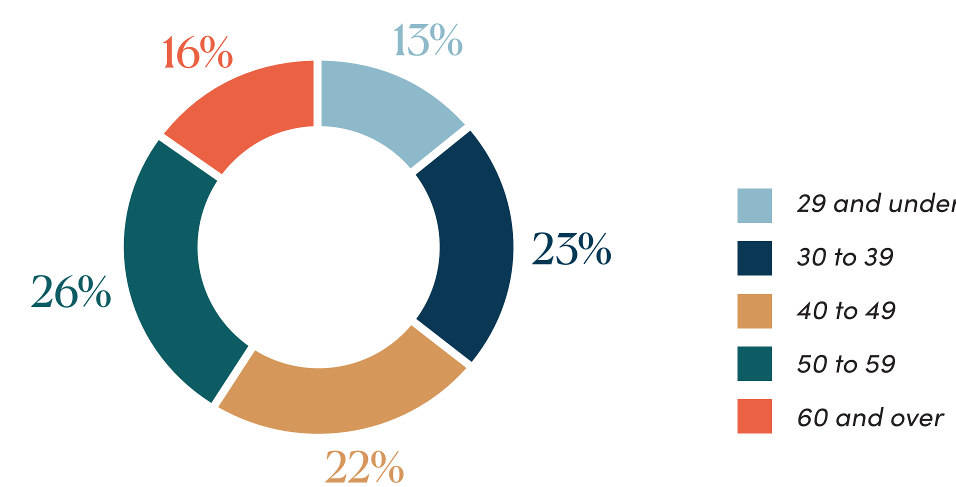
44% Female

56% Male

LEADERSHIP

38% Women holding positions of manager or above

AGE DATA



ASSOCIATE DEVELOPMENT

LEADERSHIP TRAINING

In 2024, we launched a six-month leadership and coaching program with tracks for new managers and experienced managers. The program includes live and virtual workshops, micro-learning, on-the-job activities, and reflection assignments, covering competencies such as self-awareness, delegation, effective feedback, strategic mindset, coaching, and accountability. Over 140 leaders participated in two cohorts in the first year and 122 associates participated in fiscal 2025, with plans for at least two cohorts again in fiscal 2026.

MICRO-LEARNING

A library of professional and leadership micro-learning courses was introduced companywide in 2024. Personal learning is promoted via the monthly "Evolve" newsletter. In 2025, we refined our micro-learning strategies to continue to deliver engaging, accessible training content for both our associates and vendor partners. This initiative supports continuous learning and skill development, helping teams stay current with manufacturers and industry best practices in installation and construction and is accessible in multiple languages. By expanding our approach, we are fostering a culture of knowledge sharing and operational excellence throughout our organization and supply chain. In 2025, Associates voluntarily completed over 737 professional development courses and 397 management/leadership courses, with popular topics including customer satisfaction and people management.

ACCELERATED LEADERSHIP DEVELOPMENT PROGRAM

The 15-month Accelerated Leadership Development Program (ALDP) trains future leaders in all aspects of homebuilding, including P&L, product design, and market analysis. Through this program, we identify and mentor internal leaders and recruit external talent, maintaining a strong pipeline for key positions across the organization. Since inception, twelve graduates have become area, division, or group presidents. The third class began in February 2025, with 60% women.

EXECUTIVE COACHING AND FEEDBACK

We continue to leverage executive & leadership coaching across the organization, with 42 senior leaders (director level and above) participating in FY2025, and a total of 49 coaches Company-wide. The 360° feedback process is used for senior leaders, ALDP participants, and high-potential candidates, supporting coaching, ongoing development, and succession planning. Additional Division Leadership training and workshops occur on an as-needed basis to support team building and strategic execution.

SALES TRAINING

The sales training program is designed to drive measurable behavioral change and ROI through leadership partnership, data-driven training design, and sustained reinforcement. Sales associates participate in a comprehensive four-day new hire training focused on the HOVStrong sales process, objection handling, and closing procedures, with ongoing monthly sessions and personalized coaching to reinforce skills. The program incorporates accountability systems, 90-day reinforcement plans, and weekly coaching, ensuring continuous improvement and adoption of effective sales techniques. Success is measured through technique adoption rates, conversion improvements, and training ROI, with monthly feedback loops for program optimization. This approach empowers associates to enhance performance, contribute to company growth, and support company-wide goals through targeted skill development and collaborative planning.

CONSTRUCTION TRAINING

New construction associates complete a standardized onboarding and “Strong Start” curriculum, followed by field integration and Homebuilding 101. In FY2025, 45 associates completed our flagship classroom training event: Construction Strong Start, and 136 field construction associates completed 1,152 construction training activities. Technical Bulletins and Hot Spot Training support ongoing education, with over 400 views. In FY2025 there were more than 500 views of construction training content by non-field construction associates. Over 500 training modules are available, including mandatory diversity, ethics, harassment prevention, cybersecurity, and safety courses.

Construction training in the classroom and in the field.

ADVANCED BUILDING PERFORMANCE TRAINING INITIATIVE

In 2025, over 40 associates from multiple divisions participated in the Advanced Building Performance Training designed to prepare teams for upcoming building code changes and to identify low-risk, cost-effective compliance strategies. The program began with four virtual sessions between June and August, featuring advanced building science principles and practices. It concluded with an in-person session in Denver, Colorado where participants gained hands-on experience with innovative building assemblies, industry recognized experts in building science and laboratory settings to meet stricter 2021 and 2024 energy codes. This initiative strengthens company-wide performance and enhances customer satisfaction, positioning the organization as a leader in building performance and sustainability. The collaborative effort reflects our commitment to continuous improvement and initiative-taking adaptation to evolving industry standards.

QUALITY COACHES

Four full-time quality coaches, each with 20+ years of experience, conduct regular safety, stormwater, and quality assessments. Findings are reviewed bi-annually with executive leadership and quarterly with divisions to drive continuous improvement and best practices. In addition to our internal assessments, we also conduct third party quality and safety audits across our communities to ensure our trade partners comply with quality, health, safety, and environmental standards.

SAFETY PROGRAM

THE STEVE BLAKE AWARD:

The Company has an annual safety award that is named in honor of a long-tenured and beloved associate who has since passed. Steve Blake was enthusiastic and worked tirelessly to maintain safe construction sites. This award recognizes associates throughout our communities who work as Steve did to create a safe and healthy work environment for all.

Home construction presents a demanding environment, and we strive to ensure that all of our associates and trade partners go home safely every single day.

We pride ourselves on providing a safe place to work. Safety must be considered in all aspects of our business. Work must be preplanned and performed with safety as equally important as cost, quality, and production. No single feature of our work is of greater importance than the prevention of injuries and illnesses. We strive to comply with all applicable health and safety regulations, including all applicable laws as well as internal policies related to our own quality construction standards, many of which exceed the applicable regulatory requirements.

Our Company's Safety Program embodies the prevention of accidental injury, occupational illness, and property damage. Company associates on our sites and in our offices are expected and required to conduct their work in a safe and responsible manner and to comply with the Company Safety Program. The active interest and cooperative efforts of all concerned will ensure the effectiveness of this Program. All subcontractors and each of their subcontractors and suppliers, regardless of tier, have an obligation to perform their scope of work using our safety policies and procedures. Therefore, all work by all parties shall be performed in a safe manner, thus preventing recognized hazards and eliminating potential violations of federal, state, and local safety and health codes, laws, regulations, and standards. All reported incidents are reviewed at the corporate level by our legal, quality and risk departments. These combined efforts help create a safe and healthy environment for everyone.

Hovnanian associates participating in OSHA National Stand Down to Prevent Falls in Construction.

We have a robust safety program that incorporates certain core elements into our field operations.

- **Management Leadership:** Safety is a key part of our Company's culture, and we want every associate to go home safely each day. Senior management sets clear safety expectations and defines roles in our written safety program. We have a National Safety Process Owner who oversees the safety program's success. The Company provides significant resources – time, people, and money – to support safety in all communities and at every level. Managers promote safety during jobsite visits, including wearing protective gear. Our Regulatory Process Leadership Committee, led by the National Safety Process Owner, brings together operational leaders from across the Company, with a major focus on our safety program.
- **Associate and Trade Partner Participation:** All employees and trade partners are encouraged to speak up about safety concerns. Safety committees in some divisions let associates share feedback and help make decisions about safety. Every jobsite takes part in the National Stand Down to Prevent Falls in Construction. Toolbox Talks and fall protection demonstrations help educate those exposed to fall hazards. Everyone on the jobsite has "Stop Work Authority," meaning they can pause work if they think something is unsafe.
- **Hazard Identification and Assessment:** Field teams do weekly safety checks to find and fix hazards. The Corporate Quality Team also reviews jobsites to check safety practices and spot risks. We use checklists to help identify hazards. If a safety incident happens, we investigate to find out why and learn how to prevent it from happening again. Local managers are quickly told about incidents to offer help and guidance immediately. The National Safety Process Owner is also informed, so important details can be shared across the Company. We share the lessons learned and this helps all our teams know what to watch out for and avoid similar incidents.
- **Hazard Prevention and Control:** A risk-based approach to hazard prevention and control is used to minimize the potential for injury to associates and trade partners. Those hazards with the highest risks for significant harm are carefully analyzed to determine the approaches most likely to keep our associates and trade partners safe. The Company's "Code of Safe Practices" provides detailed guidance to associates and trade partners in how best to prevent injury and illness.
- **Education and Training:** All field associates receive onboarding safety training prior to reporting to the jobsite, so they understand our Company policies and are prepared to enforce the Company safety program. Associates also receive regular safety training to reinforce company policies and OSHA standards. Many associates also receive OSHA 10- hour and 30-hour training classes. These courses provide a deeper focus on a variety of topics including fall protection, trenching and excavation, electrical and health hazards in construction.

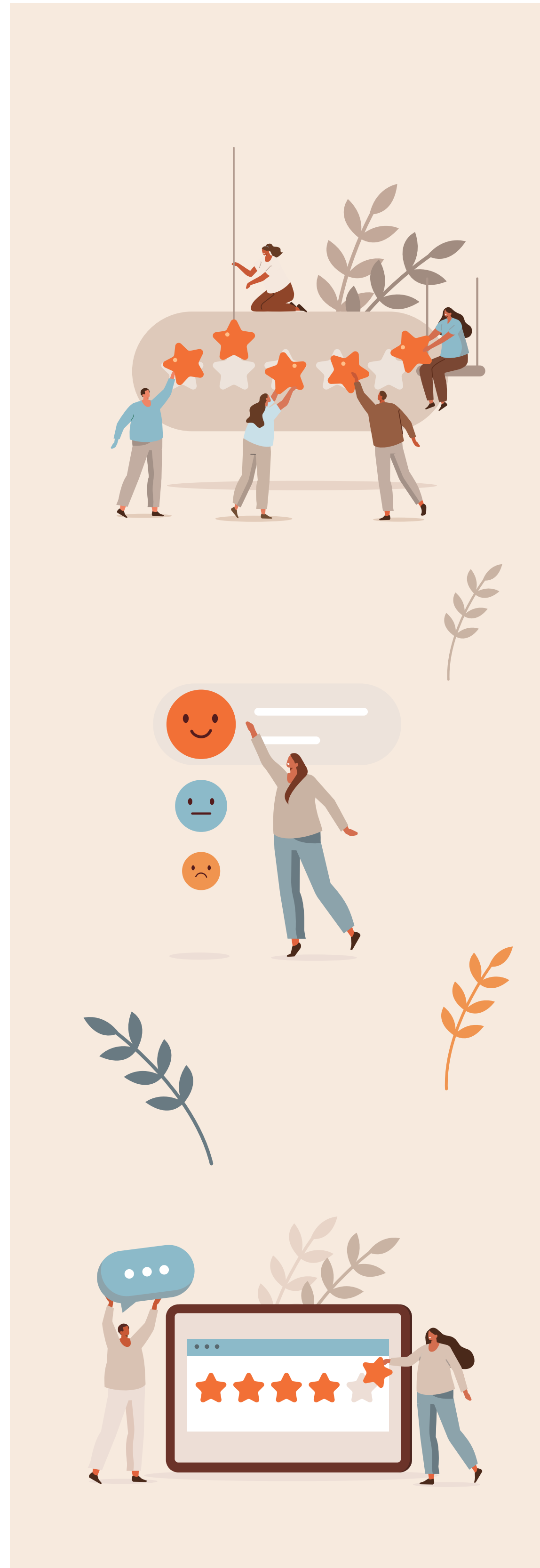
- **Program Evaluation and Improvement:** Division and Group Presidents regularly review the results of jobsite assessments to identify areas that might require additional attention and to identify safety trends across jobsites. Furthermore, our CEO, CFO and COO review Safety Assessment Results by division twice a year in conjunction with our biannual budget process. In addition, an annual safety audit is conducted to assess the effectiveness of the existing policies and procedures. Changes are made to the program based on the results of safety assessments, changes to OSHA standards and safety incidents that have occurred.
- **Coordination and Communication with Trade Partners:** Before starting construction in new communities, we meet with trade partners to set safety expectations and answer questions. On active jobsites, we hold Toolbox Talks every other week to go over recent safety issues or violations and to discuss safety topics related to the work happening. Field associates and trade partners are regularly reminded of their important role in spotting and reporting safety issues to our field teams. We also emphasize that everyone on the jobsite is important to safety, and we value their input.

In addition to our safety protocols and policies, the Company closely monitors all incidents that occur throughout our communities, consistent with its longstanding policies and procedures for the reporting of all jobsite incidents and claims to ensure corporate visibility and oversight.

In the 2025 calendar year, the Company's total recordable incident rate (TRIR)[1] was 0.83, which is much better than the homebuilding industry average of 2.5[1] and improved from 0.91 in calendar 2024. Between 2022 and 2025, there were no fatalities among our direct employees.

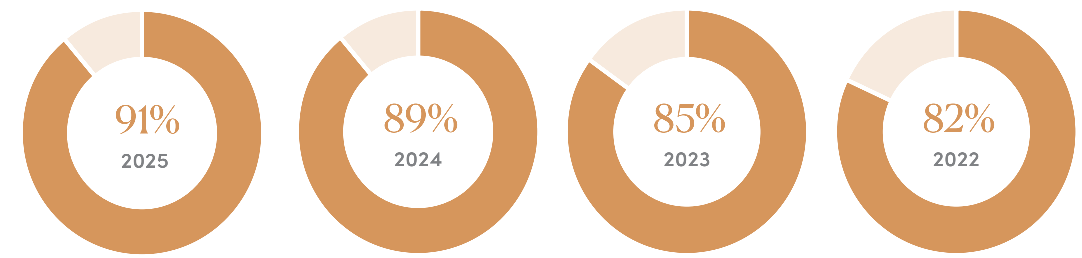
[1]TRIR is the number of OSHA recordable work-related injuries/illnesses of all our associates, compared to the number of total hours worked by all our associates. The industry average is based on the most recently published information from OSHA.

CUSTOMER SATISFACTION



The Company's goal is that every home will be delivered to our homebuyers 100% Complete, Clean and Customer Ready. These are the guiding principles that our construction associates apply day in and day out in an effort to delight and exceed our homebuyers' expectations. We strive to maximize each homebuyer's first impression of, and satisfaction with, the quality of the K. Hovnanian home they purchased. We currently utilize a minimum of four structured meetings, between our homebuyers and our associates, throughout the construction process to ensure that we achieve our goal. We obtain candid feedback from our customers regarding their homebuying experience through a third-party customer engagement expert, with 72% responding to our 30-day move-in survey and 40% to our 12-month survey. In fiscal 2025, 91% of these homebuyers would recommend us to a friend or family member.

CUSTOMER SATISFACTION

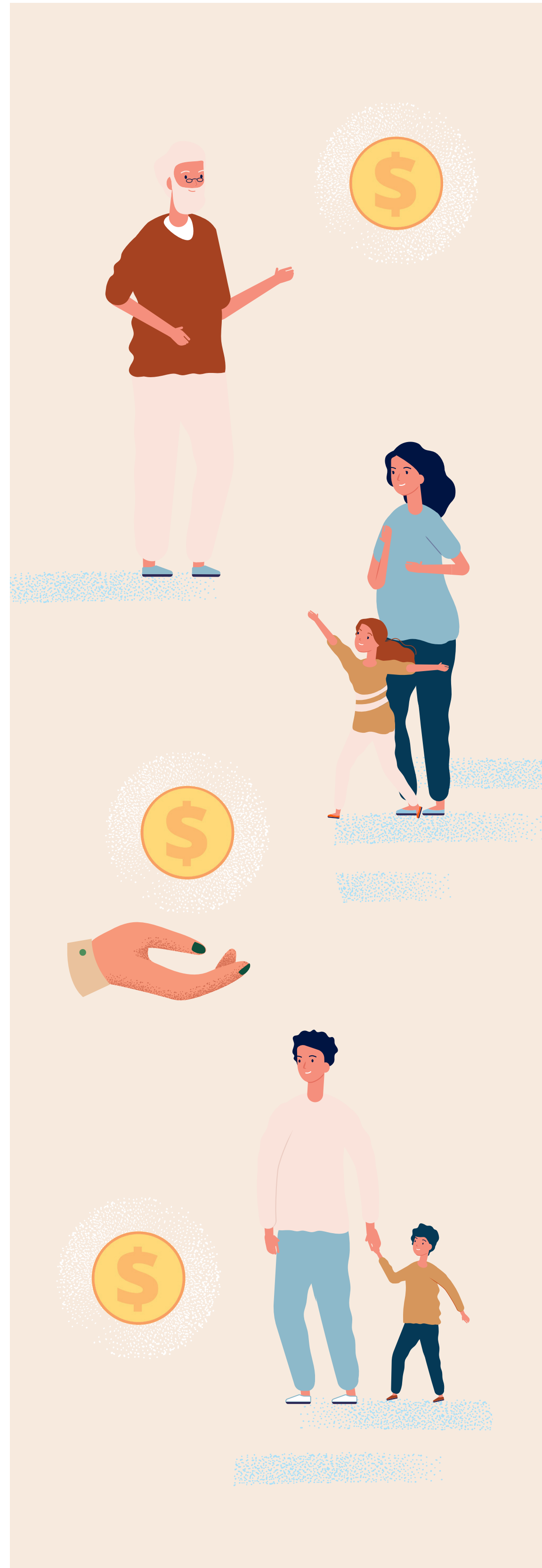


BEAUTIFUL SIMPLE HONEST

We believe that it is possible for everyone to live in a beautiful home without a complex process and expensive price tag. We have recently implemented two core strategic initiatives that will help us achieve this goal. First is a simplified national portfolio, which is our common set of floorplans, specifications, options, and SKUs. The second is "Looks" – our unique collection of interior designs curated for our homebuyers. Our objective is to simplify and de-stress the homebuying process to create an even more enjoyable homebuying experience and achieve improved customer satisfaction.

DIGITAL WARRANTY PORTAL

In 2025, we launched a digital Warranty Portal that simplifies how homeowners request service and support. This mobile-friendly platform allows users to submit warranty claims, track progress in real time, and access important home documents, replacing outdated legacy systems with a streamlined self-service experience. The portal also improves our internal operations by making service response faster and more efficient. It sets the foundation for future upgrades, such as AI-powered troubleshooting and proactive maintenance tips. This project reflects our commitment to digital-first customer service, led by our new Digital Products team. The team is focused on modernizing technology throughout the homebuyer journey, creating unified experiences, and building scalable solutions that support ongoing innovation in homebuilding.



ADDRESSING AFFORDABILITY

MAKING HOME OWNERSHIP AFFORDABLE

As an organization, we are also keenly focused on the development of affordable housing. Historically, the Company has built over 1,600 homes to date that are specifically restricted to households earning 50% and 80% of the area's median income and have deed restrictions to ensure affordability on resales for extended periods of time.

The increase in interest rates since 2023 has stressed affordability. We are doing our part by offering mortgage rate buydowns on select homes, which help lower monthly payments – making our homes more affordable. In fiscal 2025, 75% of our homebuyers that used a mortgage to purchase their home used some form of interest rate buydown incentive. These rate buydown incentives provide a competitive advantage for Hovnanian over existing homes and smaller homebuilders.

CONSUMER DATA PRIVACY AND CYBERSECURITY

Through our cybersecurity initiatives, we prioritize the privacy and integrity of our consumer, associate, and company data, as well as our vendors' information. Across our Company, we deploy multiple layers of cybersecurity defensive and detection technologies including encryption in transit and at rest to protect organizational assets and data. These comprehensive measures utilize best-in-class third-party tools and strategic partners to ensure a secure environment. Our policies and procedures are maintained to comply with applicable state and federal rules, and our internal and external cyber teams continue to monitor this constantly evolving area.

- **Cybersecurity Incident Response Plan:** In fiscal 2024, we developed a robust Cybersecurity Incident Response Plan (IRP) and made further improvements to the plan in fiscal 2025. The IRP provides a documented framework for assessing cyber threats, managing high-severity security incidents, and facilitating coordination across multiple platforms throughout the Company and with outside agencies including the Federal Bureau of Investigation. Our cybersecurity team uses advanced tools to constantly monitor emerging threats and respond to potential cybersecurity incidents. Additionally, we periodically perform simulations and drills, including tabletop exercises, aimed at evaluating the Company's cybersecurity preparedness.

- **Testing and Teaming:** We also perform annual penetration testing and internal red teaming exercises, which are thorough security assessments where a team simulates real-world cyberattacks to uncover weaknesses in our systems. These red team exercises help us identify and address vulnerabilities before hackers can exploit them, making our cybersecurity defenses stronger and more resilient.
- **Associate Training:** Our associates are required to complete an annual mandatory cybersecurity training, as well as periodic phishing awareness campaigns. These are designed to improve associates' awareness of their role in helping protect against cyber threats. Since fiscal 2023, when our mandatory cybersecurity training was implemented, the Company has also made it available for our associates to share with their families to help them gain knowledge, awareness, and assist in preventing them from becoming victims of cyberattacks. We also publish a quarterly cyber-awareness newsletter emailed to all associates; we encourage our associates to share this information with family members as well to increase overall awareness.
- **Cybersecurity Assessment:** We perform an annual cybersecurity assessment utilizing third-party firms and have implemented cybersecurity controls based on the National Institute of Standards and Technology (NIST) framework to provide guidance on risks and areas of focus.
- **Board Oversight:** Our Corporate Governance and Nominating Committee oversees our cybersecurity program and cyber-related risks through the Cybersecurity Subcommittee. Our Chief Information Officer updates the Cybersecurity Subcommittee, which includes three independent directors, a minimum of twice per year on all cybersecurity priority initiatives, practices, and risks. During fiscal year 2025, the Cybersecurity Subcommittee met on two occasions in addition to participating in the Company's annual tabletop exercise.

VENDOR CODE OF CONDUCT

We recognize that our procurement decisions can have important economic, environmental, and social impacts in the markets where we build homes and beyond. As such, we maintain a Vendor Code of Conduct to establish principles, guidelines and standards with respect to the supply of products and materials, as well as the labor required, to build our homes.

These principles, guidelines and standards are based on the same high bar all of our associates are held to in our Code of Ethics and are intended to assist us in addressing specific supply chain risks. Our agreements with our suppliers and trade partners expressly require compliance with our Vendor Code of Conduct, Code of Ethics as well as our Anti-Corruption and Anti-Bribery Policy and Labor Rights and Human Rights Policy.

Top Ten National Vendors in 2025:

84 Lumber	Interior Logic Group
ABC Supply	Masterbrand
Builders First Source	Metroplex Concrete
Delaware Concrete Foundation & Slab	RCP Construction
General Electric	Phillips Paving

GIVING BACK TO OUR COMMUNITIES & OUR ASSOCIATES

Fundamental to the Hovnanian culture is an emphasis on helping our communities.

As such, the Company facilitates the involvement of Hovnanian associates with a variety of charitable causes, community outreach programs, and other philanthropic activities in their local markets. As an organization, we take seriously our responsibility to strengthen the communities where we operate. Over the years, the Company and the Hovnanian family have donated millions of dollars to fund hospitals, scholarships, educational institutions, and victims of 9/11, as well as other disaster relief efforts. In the last three years, the Company has made charitable donations of $1.5 million dollars.

In 1998, the Company formed the Marie Fund as a source of assistance for associates who are experiencing a financial crisis which impacts their basic quality of life. The funds used to help associates are predominantly drawn from donations from their coworkers. Hovnanian then matches every associate contribution dollar for dollar, while other contributions come from vendors or fundraisers. All associate contributions are voluntary. Since the inception of the plan, the Marie Fund has distributed more than $2.9 million dollars to associates in need.

The Orlando Division spent the day volunteering at Second Harvest Food Bank of Central Florida. The nonprofit provides more than 300,000 meals daily to families, children, and seniors across seven Central Florida counties. Forty associates rolled up their sleeves to sort and organize thousands of donated goods, helping prepare them for distribution to those in need.

DFW division partnered with HomeAid North Texas for the annual Builders for Babies diaper drive. Through a division-wide effort, Hovnanian associates donated diapers and volunteered time to sort, pack, and prepare them for distribution to families in need.

GOVERNANCE

CORPORATE GOVERNANCE

We have an extensive history of strong corporate governance practices, which we believe have contributed to our long-term success.

Our Board of Directors and senior management have taken numerous steps to enhance our policies and procedures to comply with the corporate governance listing standards of the New York Stock Exchange (NYSE) and the rules and regulations of the Securities and Exchange Commission (SEC).

Our Board of Directors consists of eight members, six of whom are independent, two of whom are women (25%) including one woman of ethnic diversity.

Our Board of Directors has a lead independent director.

Directors are elected via majority voting.

All of our directors, along with our CEO, CFO and COO, are subject to stringent stock ownership guidelines.

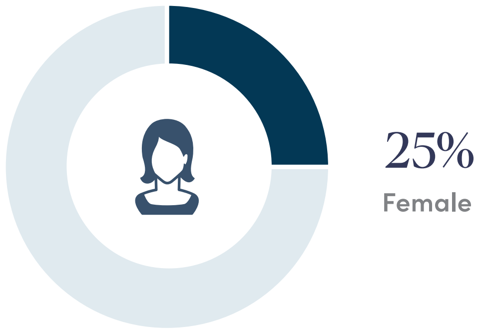
The Board of Directors reviewed and approved the following which are made public on our website : "Enterprise Anti-Corruption and Anti-Bribery Policy", "Enterprise Environmental Policy"; "Enterprise Labor Rights and Human Rights Policy" and "Vendor Code of Conduct".

Our Board of Directors engages in an annual self-assessment.

All members of our Audit, Compensation and Corporate Governance & Nominating Committees are independent.

All directors stand for election annually.

DIVERSITY OF THE BOARD:



CORPORATE RISK MANAGEMENT

The Corporate Risk Management department's primary role is to identify risks across the Company and develop and implement risk management solutions that protect our people, our customers, and our shareholders.

Risk Management works closely with senior leadership, our business units, and all departments throughout the Company to promote a culture of risk awareness that is embedded into the Company's decision making. We provide guidance on risk appetite, monitor emerging issues, and report on key exposures to executive leadership and the Board of Directors.

Corporate Risk Management plays a critical role in safeguarding our Company's resilience and long-term sustainability. Our primary responsibility is to identify, assess, and mitigate risks that could impact financial stability and/or operational performance. Our team proactively monitors emerging threats, to ensure that the Company remains well-positioned to navigate uncertainty and mitigate risk appropriately.

The Risk Management team's approach combines multiple risk mitigation strategies, including implementing preventative risk measures, placing risk transfer policies, and creating resilience planning. This includes centralized insurance programs, vendor insurance compliance, claims management, and cybersecurity oversight to protect against operational and third-party risks. We also support business continuity and crisis management planning, ensuring the Company can respond effectively to unexpected events while minimizing disruption. This includes evaluating climate-related risks, supply chain vulnerabilities, and evolving regulatory requirements.

Beyond risk mitigation, the department emphasizes resilience and adaptability. The Risk Management department develops frameworks that enable the organization to respond effectively to crises, while also identifying opportunities for innovation and improvement. By promoting continuous improvement and collaboration, the Risk Management department contributes to the Company's ability to deliver long-term value to our shareholders, associates, customers, and the communities we serve.

"Striving to Protect our Product, our People, and our Profitability."

Risk Management Team: Cami Astino, Director, Risk Management; Anny Hernandez, Risk Management Coordinator; Tina Desiderio, VP, Risk Management; Kerry Isacson, Insurance and Claims Manager.

AUDIT SERVICES

The Audit Services department is an independent and objective assurance function that operates as an integral part of our organization.

Our board-level Audit Committee oversees Audit Services, whose primary purpose is to examine and evaluate our Company's internal controls, policies, processes, and risk management procedures to ensure they are robust, effective, reduce risk to the Company and are compliant with relevant regulations and industry best practices. Audit Service further investigates all ethics complaints received by the Company.

Each year, our Audit Services team conducts a series of internal audits, evaluating areas including operational efficiencies, compliance, and financial reporting. All final reports are shared with our Audit Committee, independent registered public accounting firm, CEO, CFO and General Counsel.

The mission of the Audit Services department is to improve the operations of the Company by providing independent and objective reviews of controls and procedures. They perform various operational and compliance audits throughout the organization. In addition to routine and mandatory audits, the Annual Audit Plan encompasses methods of continuous monitoring, which allows auditors to proactively identify process weaknesses and provide recommendations for ongoing improvements.

The Audit Services department improves company operations by providing independent reviews of controls and procedures. They conduct operational and compliance audits, including ongoing monitoring to identify issues and recommend improvements.

ENTERPRISE RISK MANAGEMENT

Our Enterprise Risk Management (ERM) process is a structured, collaborative effort led by our ERM Committee, which includes senior-level subject-matter experts across all key business functions.

Audit Services facilitates ERM meetings alongside the CFO, executive team members, and other senior leaders to identify, assess, and prioritize potential risks. Through thorough discussions, we evaluate risks based on their likelihood and potential impact, then develop tailored mitigation strategies, controls, and solutions. From these efforts, a "Top Risks" list is generated, ensuring a focused approach to risk management. The Enterprise Risk assessment materials are then presented to the Audit Committee, providing them with an opportunity to review and provide feedback. This ERM process is an annual exercise which strengthens our ability to proactively manage risks and align our strategies with organizational priorities. Emerging risks are discussed with the Audit Committee on an ongoing basis.

BUSINESS ETHICS

> "The Code of Ethics is intended to remind Associates of core values of honest and ethical conduct which are the basis for our business practices and conduct, and to remind Associates of their responsibility to make decisions that foster a responsible and ethical working environment."

Code of Ethics

We are committed to integrity and accountability in all aspects of our business.

COMPLIANCE TRAINING

All Associates are required to complete an Annual Acknowledgement Summary – a compilation of guidelines and policies that govern broad principles of ethical conduct and integrity embraced by the Company. This includes the Company's Code of Ethics, Conflict of Interest and identifies any new policies adopted as well as all changes to existing policies over the past year.

ETHICS HOTLINE

We have an anonymous 24/7 ethics hotline monitored by an independent third-party company and remind all associates that have any questions or concerns about workplace safety or illegal acts or unethical conduct to freely come forward and report any such concerns without fear of retaliation. For more than 18 years, we have encouraged associates to utilize this hotline. The Hotline's telephone number 1 (855) 773-4657 and website are made available to Associates through various communication channels. Over the past five years, our ethics hotline has averaged six calls per year with only 1.4 of the calls per year being substantiated after our internal audit team investigated. All hotline calls are treated seriously and if substantiated, swift, and corrective actions are taken. Audit Services sends notifications of all calls to CEO, CFO, President and Chairman of the Audit Committee and final reports of the investigations are reviewed by the entire Audit Committee.

We are committed to upholding and continuing our good corporate governance practices with a focus on transparency and accountability in order to drive our long-term success and deliver value to all of our stakeholders.

ETHICS HOTLINE CALLS

6.0 Average calls per year

1.4 Substantiated calls per year

APPENDIX

SASB

	HOMEBUILDERS SUSTAINABILITY DISCLOSURE TOPICS & ACCOUNTING METRICS	2023	2024	2025
Land Use & Ecological Impacts	Number of (1) lots and (2) homes delivered on redevelopment sites	(1) 9,471 (2) 1,065	(1) 11,254 (2) 1,552	(1) 9,944 (2) 1,687
	Number of (1) lots and (2) homes delivered in regions with High or Extremely High Baseline Water Stress	(1) 11,405 (2) 2,104	(1) 15,542 (2) 2,360	(1) 13,389 (2) 2,498
	Total amount of monetary losses as a result of legal proceedings associated with environmental regulation ($ in millions)	$0.0	$0.0	$0.0
	Discussion of process to integrate environmental considerations into site selection, site design, and site development and construction	–	–	Pgs. 19–21
Workforce Health and Safety	(1) Total recordable incident rate (TRIR) and (2) fatality rate for (a) direct employees and (b) contract employees	(1) 1.34 (2) 0.00 –	(1) 0.91 (2) 0.00 –	(1) 0.83 (2) 0.00 –
Design for Resource Efficiency	(1) Number of homes that obtained a certified HERS Index Score and (2) average score	– (2) 60	– (2) 56	– (2) 53
	Percentage of installed water fixtures certified to WaterSense specifications	–	–	–
	Number of homes delivered certified to a third-party multi-attribute green building standard	–	–	–
	Description of risks and opportunities related to incorporating resource efficiency into home, design, and how benefits are communicated to customers	–	–	Pgs. 13–17
Community Impacts of New Developments	Description of how proximity and access to infrastructure, services, and economic centers affect site selection and development decisions	–	–	–
	Number of (1) lots and (2) homes delivered on infill sites	(1) 19,387 (2) 3,716	(1) 23,327 (2) 4,350	(1) 20,719 (2) 4,252
	(1) Number of homes delivered in compact developments and (2) average density	(1) 1,568 –	(1) 1,293 –	(1) 1,213 –
Climate Change Adaptation	Number of lots located in 100-year flood zones	1,071	2,023	447
	Description of climate change risk exposure analysis, degree of systematic portfolio exposure, and strategies for mitigating risks	–	–	Pg. 19 Pgs. 60–65
Activity Metrics	Number of controlled lots	34,510	44,720	38,742
	Number of homes delivered	5,473	6,151	6,430
	Number of active selling communities	129	147	156

Note: HERS Index score excludes California deliveries.

TASK FORCE FOR CLIMATE RELATED FINANCIAL DISCLOSURES

TOPIC	RESPONSE
Governance Disclose the organization's governance around climate-related risks and opportunities.	The Board has tasked our Corporate Governance and Nominating Committee (CGNC) with primary responsibility of our sustainability oversight, which includes assessing Climate Risk and Opportunities. In this capacity, the CGNC reviews and considers the Company's policies and practices relating to environmental stewardship and corporate social responsibility significant to the Company at least twice annually. The Sustainability Executive Team is comprised of our chief financial officer, general counsel, and vice president of investor relations. The CGNC and full Board are updated on all sustainability-related matters, at least twice a year. The Sustainability Executive Team also convenes the Company's cross-functional, senior-level Sustainability Working Group to discuss sustainability-related issues, including but not limited to, climate-related issues, energy-efficiency, land acquisition, and market dynamics.
Strategy Disclose the actual and potential impacts of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning where such information is material.	The Company's preliminary Climate-related Risk and Opportunity assessment to understand the relevant climate-related risks and opportunities over the short-, medium-, and long-term are summarized in the below table. To facilitate this assessment, Hovnanian engaged a third-party consultant to host Climate Risk and Opportunity Workshops and an Education Session for functional leaders at Hovnanian. We evaluated various scenarios involving both physical and transition risks and opportunities. The analysis included factors such as the prevalence of wildfires, heat stress, and increased hurricane intensity and frequency, among others. As it relates to business strategy and for climate-related planning, Hovnanian considers the following time horizons: • Short-term: 0-5 years • Medium-term: 5-10 years • Long-term: 10+ years Additionally, when assessing potential impact, the Company evaluates the following financial measures: + Potential financial benefit - Potential financial liability
Risk Management Disclose how the organization identifies, assesses, and manages climate-related risks.	Our climate-risk assessment helped us understand current and potential climate-related risks affecting the Company. This assessment will likely become a recurring assessment completed at least every two years. The risks identified in the assessment are measured by the potential impact of each risk and time horizon each risk will occur. In addition to building capacity to manage these identified risks, our third-party consultant will ensure that we are kept up to date on and compliant with any existing or emerging climate-related regulatory requirements. Risks and Opportunities will be communicated to the CGNC and full Board as part of this year's Sustainability Report review and will remain part of the reporting process going forward. Our division offices are the first line of defense as it relates to managing physical climate risk, where all potential future land acquisition sites undergo a robust due diligence analysis. We continually monitor climate-related legislation, ensuring our compliance in an ever-changing regulatory environment. This analysis will be updated as the regulatory and physical climate landscape evolves. In addressing transition risks, we continuously evaluate market conditions to align with buyer expectations. Additionally, we closely track the impact of our programs on our reputation and are developing a marketing strategy to highlight our energy-efficient features to both customers and investors.
Metrics and Targets Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material.	The following metrics are used by Hovnanian to assess climate-related risks and opportunities: **2024** 56 HERS Index score (excludes California deliveries) Delivered 478 Zero Energy Ready Homes More than 55 all-electric communities 34,683 WaterSense labeled fixtures For the past 3 years, Hovnanian has conducted Scope 1 and 2 GHG Inventories. In Fiscal 2023, the Company expanded the inventory to include Scope 3. Scope 1 Emissions: 5,618 Scope 2 Emissions: 10,060 Scope 3 Emissions: 1,250,734 **Total GHG Emissions: 1,266,412**

Climate-Related Risks, Opportunities, & Strategy Table

RISK	DESCRIPTION	STRATEGY	TIME HORIZON	POTENTIAL IMPACT
Policy & Legal Risk	Increased domestic regulatory environment, leading to more stringent building codes and energy efficiency requirements	We monitor and assess gaps in state and municipality regulations. Through industry association memberships, we engage with regulatory bodies and adapt home construction plans accordingly.	Short, Medium, Long	+ Potential lower operating expenses for homebuyers – Increased building and compliance costs
	Increased Sustainability & Climate-related reporting obligations	We continue to comply with greenhouse gas (GHG) measurement and climate risk reporting regulations while monitoring the regulatory landscape.	Short	– Potential increased reporting & compliance costs
Technology, Markets Risk	Increased complexity, product, and installation costs of new energy-efficient products may delay time to market	We pilot new technologies in select communities, hold training programs for associates and subcontractors on installation, and conduct feasibility analyses to expand new energy-efficient products to other areas. We negotiate with suppliers to buy in bulk, while we also monitor and engage with utilities for incentives and rebates. At the end of fiscal 2024, we had over 55 communities open for sale that are all-electric and we delivered 478 Zero Energy Ready Homes (ZERH).	Short, Medium, Long	– Potential increased project and installation costs of energy-efficiency features
Technology Risk	Utility delays and outages or rate fluctuations could have an adverse effect on operations	We are engaging with utilities and local/state governments to determine the reliability of power and exploring the feasibility of battery storage and onsite generation for resiliency.	Short	– Potential increased operating costs
Market Risk	Availability of buyer insurance in select markets	We collaborate with insurance brokers to ensure a variety of insurance products are available for our homebuyers. We do this in all of our markets, including those that are impacted by Acute & Physical Risks.	Short	– Lack of insurance or increased insurance costs can be a barrier to entry for homebuyers and thereby potentially reduce demand
	Availability of builder insurance in select markets	We consult with our insurance brokers and insurance carriers to remain educated on the state of the insurance market and the availability of insurance and reinsurance in markets affected by Acute & Physical Risk.	Medium	– Potential increased operating costs
Reputational Risk	Environmental/Climate Programs and Disclosures not being seen/received as sufficient by customers	We continue to educate homebuyers on the value proposition of our energy-efficient features.	Short, Medium, Long	– Potential changes to sales volume
Chronic & Acute Physical Risks	Increased Flood & Hurricane Risk	To mitigate flood and hurricane storm surge, we will continue to use FEMA flood maps in all building location decisions and where applicable with FEMA regulations. Additionally, we are piloting the relocation of mechanical systems above the first floor and unvented attics to help contain flooding in select communities.	Short, Medium, Long	– Potential operational disruption & project delays – Potential reduced customer demand in areas impacted
Chronic & Acute Physical Risk	Increased Heat Stress	To combat chronic heat stress, we are implementing Low Solar Heat Gain Windows, Xeriscape design principles, and the installation of Water-Sense Fixtures. We are piloting more advanced water and heat-efficient strategies including moving mechanicals to conditioned areas in select communities. To ensure the well-being of our team, in appropriate geographies, we are deploying personal protective equipment, and adjusting operations to avoid the hottest parts of the day.	Short, Medium, Long	– Potential operational disruption & project delays – Potential reduced customer demand in areas impacted
Acute Physical Risk	Increased Wildfire risk in dry and arid communities	We are enhancing fire safety by piloting fire-resistant siding, non-combustible building materials, moving vegetation away from homes, piloting unvented attics, and installing fire sprinklers. In California, we are collaborating with municipalities and utilities to implement underground transmission lines and creating fire breaks.	Short, Medium, Long	– Potential operational disruption & project delays – Potential reduced customer demand in areas impacted

OPPORTUNITY	DESCRIPTION	STRATEGY	TIME HORIZON	POTENTIAL IMPACT
Product/Service, Energy Sources, Resilience Opportunities	Expanding Renewables & Energy-Efficiency	We regularly integrate energy-efficient features such as HVAC systems, heat pumps, smart thermostats, and other ENERGY STAR appliances. Additionally, we are exploring solar power, battery storage, and electrification in select markets.	Short, Medium, Long	+ Potential lower operating expenses for homebuyer – Potential increased R&D/ Installation expense
Resource Efficiency & Product/Services	Water Efficiency	We are piloting water-efficient systems and products in select regions, including WaterSense, and Xeriscape initiatives. In FY24, we installed 34,683 of WaterSense-labeled fixtures.	Short, Medium, Long	+ Potential lower operating expenses for homebuyer – Potential increased R&D expense
Resource Efficiency Opportunity	Materials Efficiency	We continue to refine our systems to separate labor and material costs, ensuring precise inventory tracking with suppliers and improve cost estimates. Additionally, we have and will continue to utilize advanced framing techniques and expand the use of roof trusses to lower waste and create efficiencies in materials and labor resources.	Short, Medium, Long	+ Potential lower cost of goods sold

GHG calculation methodology

- The Company uses an operational control approach for calculating and reporting GHG emissions.
- Scope 1 and 2 emissions include Hovnanian facilities, model homes, clubhouses and active construction sites.
- Hovnanian's Scope 3 includes the following categories 1, 2, 3, 4, 5, 6, 7 and 11.
- Category 11, use of sold products. This category is calculated assuming the lifespan of homes and energy systems is 20 years. HERS CO2e ratings are used to calculate the energy usage of homes delivered.

All estimates and claims related to energy savings or performance are derived from third-party consultants, rating services and/or our own assumptions, based on the EPA's methodology and average energy use and scores. The actual energy savings and performance of any home or any of its features including the actual energy savings may vary greatly. The potential savings and performance will further depend on the personal energy consumption choices of the occupants and changes in energy-provider rates and programs, as well as other factors. The information covered by this Report contains forward looking statements within the meaning of the United States federal securities laws, including statements regarding our goals, aspirations, strategies or our future initiatives or actions and their expected results.
These statements are based on current expectations, beliefs, intentions and projections about future events and are not guarantees of future performance. Actual events and results may differ materially from those expressed or forecasted in forward- looking or aspirational statements due to a number of factors which are identified in our Annual Report on Form 10-K, Quarterly Reports on Form 10-Q and Current Reports on Form 8-K filed with the Securities and Exchange Commission. Those reports are available on our website and on the Securities and Exchange Commission's website *www.sec.gov*. Except as required by law, we assume no obligation to update any forward-looking statements or information.

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Verification Opinion
K. Hovnanian FY2025 GHG Inventory

Background

Cameron-Cole, LLC (Cameron-Cole) was retained by K. Hovnanian (K. Hovnanian) to perform an independent verification of its Greenhouse Gas (GHG) Emissions Inventory (GHG Statement) for Fiscal Year (FY) 2025 (November 1, 2024 - October 31, 2025). The Scope 1 and 2 GHG Inventory was developed according to the World Resources Institute (WRI)/World Business Council for Sustainable Development (WBCSD) Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (2004 revised edition) along with its associated amendments. Our opinion on the results of the inventory, with respect to the verification objectives and criteria, is provided in this statement.

Responsibility of K. Hovnanian & Independence of Verification Provider

K. Hovnanian has sole responsibility for the content of its GHG Statement. Cameron-Cole accepts no responsibility for any changes that may have occurred to the GHG emissions results since they were submitted to us for review. Based on internationally accepted norms for impartiality, we believe our review represents an independent assessment of K. Hovnanian's FY2025 GHG Emissions Inventory. Finally, the opinion expressed in this verification statement should not be relied upon as the basis for any financial or investment decisions.

Level of Assurance

The level of assurance is used to determine the depth of detail that a Verification Body designs into the Verification Plan to determine if there are material errors, omissions, or misstatements in a company's GHG assertions. Two levels of assurance are generally recognized—reasonable and limited. Reasonable Assurance generates the highest level of confidence that an emissions report is materially correct (with the exception of Absolute Assurance, which is generally impractical for companies to achieve). Limited Assurance provides less confidence and involves a less-detailed examination of GHG data and supporting documentation. Limited Assurance statements assert that there is no evidence that an emissions report is not materially correct. Cameron-Cole's verification of K. Hovnanian's GHG Emissions Inventory for FY2025 was constructed to provide a Limited Level of Assurance.

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Objectives

The primary objectives of this verification assignment were as follows:

- Verify whether K. Hovnanian's FY2025 GHG Emissions Inventory meets the generally accepted GHG emissions accounting principles of accuracy, completeness, transparency, relevance, and consistency;
- Determine if K. Hovnanian has reported all emissions in conformance with the WRI/WBCSD GHG Protocol; and
- Determine whether or not K. Hovnanian's FY2025 GHG Emissions Inventory meets/exceeds the 95 percent threshold for accuracy.

Verification Criteria

Cameron-Cole conducted verification activities in alignment with the principles of ISO-14064-3:2019(E) Specification with guidance for the verification and validation of greenhouse gas statements. K. Hovnanian's GHG statement was prepared to, and verified against, the WRI/WBCSD GHG Protocol.

Verification Scope & GHG Statement

The scope of the verification covers K. Hovnanian's FY2025 GHG Emissions Inventory with the following boundaries:

- Geographical: North America
- Chemical: carbon dioxide (CO_2), methane (CH_4), nitrous oxide (N_2O), hydrofluorocarbons (HFCs), perfluorocarbons (PFCs), sulfur hexafluoride (SF_6) and nitrogen trifluoride (NF_3)
- Organizational Boundary: 41 offices, 354 communities with model homes/clubhouses, and over 9,000 construction utilities.
- Reporting Period: November 1, 2024 - October 31, 2025
- Operational Boundary: The following sources/emissions were identified in K. Hovnanian's organizational boundary:
  - Scope 1
    - Direct emissions from stationary combustion sources
    - Direct emissions from mobile combustion sources: vehicle fleet
    - Direct fugitive emissions: refrigerant leakage
  - Scope 2

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- Indirect emissions from purchased electricity

For FY2025, K. Hovnanian reported the GHG emissions listed in Table below

GHG Emissions Category	MT CO2e
Total Scope 1 Emissions:	5,610
Total Location-Based Scope 2 Emissions:	22,630
Total Market-Based Scope 2 Emissions:	23,357

Verification Opinion

Based on the method employed and the results of our verification activities, Cameron-Cole has found no evidence of material errors, omissions, or misstatements in K. Hovnanian's FY2025 GHG Statement. Cameron-Cole also found that K. Hovnanian's GHG accounting and calculation methodologies, processes, and systems for this inventory conform to the WRI/WBCSD GHG Protocol.

Cameron-Cole, LLC

July 23, 2026

Minxing Si
Lead Verifier
Project Manager

Mallory Andrews
Independent Reviewer
Associate Director, Climate and Verification Services

Hovnanian Enterprises, Inc.