

IBP
INSTALLED BUILDING PRODUCTS



IBP Environmental, Social & Governance Report

2021



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MESSAGE FROM OUR CEO



Jeffrey W. Edwards
Chairman, President and CEO
Installed Building Products

DEAR IBP STAKEHOLDER,

Installed Building Products (“IBP”) is honored to expand its Environmental, Social and Governance (“ESG”) efforts and highlight our guiding principles in this inaugural ESG report.

Since starting our business with one branch in Columbus, Ohio in 1977, IBP’s culture has been built around our core business tenets to treat others as you would like to be treated. We believe showing compassion, respect, and support for our customers, employees, communities, vendors, shareholders, and all other stakeholders are important components of our past accomplishments and future success.

Today, IBP has grown to more than 190 locations throughout the U.S., with annual revenue in 2020 exceeding \$1.6 billion. The past 25 years have been a particularly strong period of growth and transformation. We have expanded our geographic footprint, increased the mix of building products we install and diversified our end market exposure primarily through our powerful acquisition strategy and the successful integration of more than 160 independent businesses.

The dedication and hard work of more than 9,000 team members nationwide is responsible for our success and supports our future accomplishments. Throughout our branches we are focused on developing, attracting, and retaining motivated associates that encompass our core business values. I am proud that our employee retention continues to exceed our industry’s average, which we believe is due to the multiple programs underway to support our employees including the Installed Building Products Foundation, our longevity-based stock grant for all employees, and our established financial wellness program.

Our commitment to quality and our dedication to providing our customers unparalleled service each and every day is shared by all IBP employees, from our branches across the country, to our regional offices and our corporate office in Columbus, Ohio. This has allowed us to develop lasting relationships with national, regional, and local builders.

As one of the nation’s largest insulation installers, IBP plays a crucial role in the residential and commercial building industries. Installing insulation also helps increase energy conservation because it is the best way to prevent energy waste in most homes and commercial structures. Beyond our service offerings, we also recognize that as a good corporate citizen, we have a responsibility to support our communities and be stewards of the environment. Recently, we have transitioned a large portion of our electricity supply to a carbon-free energy source and entered a national waste management program to increase recycling at our facilities, reducing landfill waste.

Our financial accomplishments are due to the value we provide our employees, customers, and communities. Since 2014, revenue has increased at a six-year CAGR of 21.3%, while earnings have increased at a 38.2% CAGR and EBITDA has grown at a 33.8% CAGR. In addition, \$100 invested at the time of our IPO is now worth \$1,118 at June 30, 2021. We are proud to create value for our shareholders, and in 2021 we initiated a regular quarterly dividend, announced a variable dividend program that will be considered beginning the first quarter of 2022, and have a long-standing share buyback program.

While I am proud of what we have accomplished through these recent initiatives, there is still much work to be done. Our Board of Directors recognizes the critical importance of sustainability and throughout our organization we are committed to serving all IBP stakeholders.

I am pleased to introduce IBP’s inaugural ESG report and highlight the actions we are pursuing to create a sustainable and valuable future for all our stakeholders.

Jeffrey W. Edwards

A handwritten signature in black ink that reads "Jeffrey W. Edwards". The signature is fluid and cursive, written over a white background.

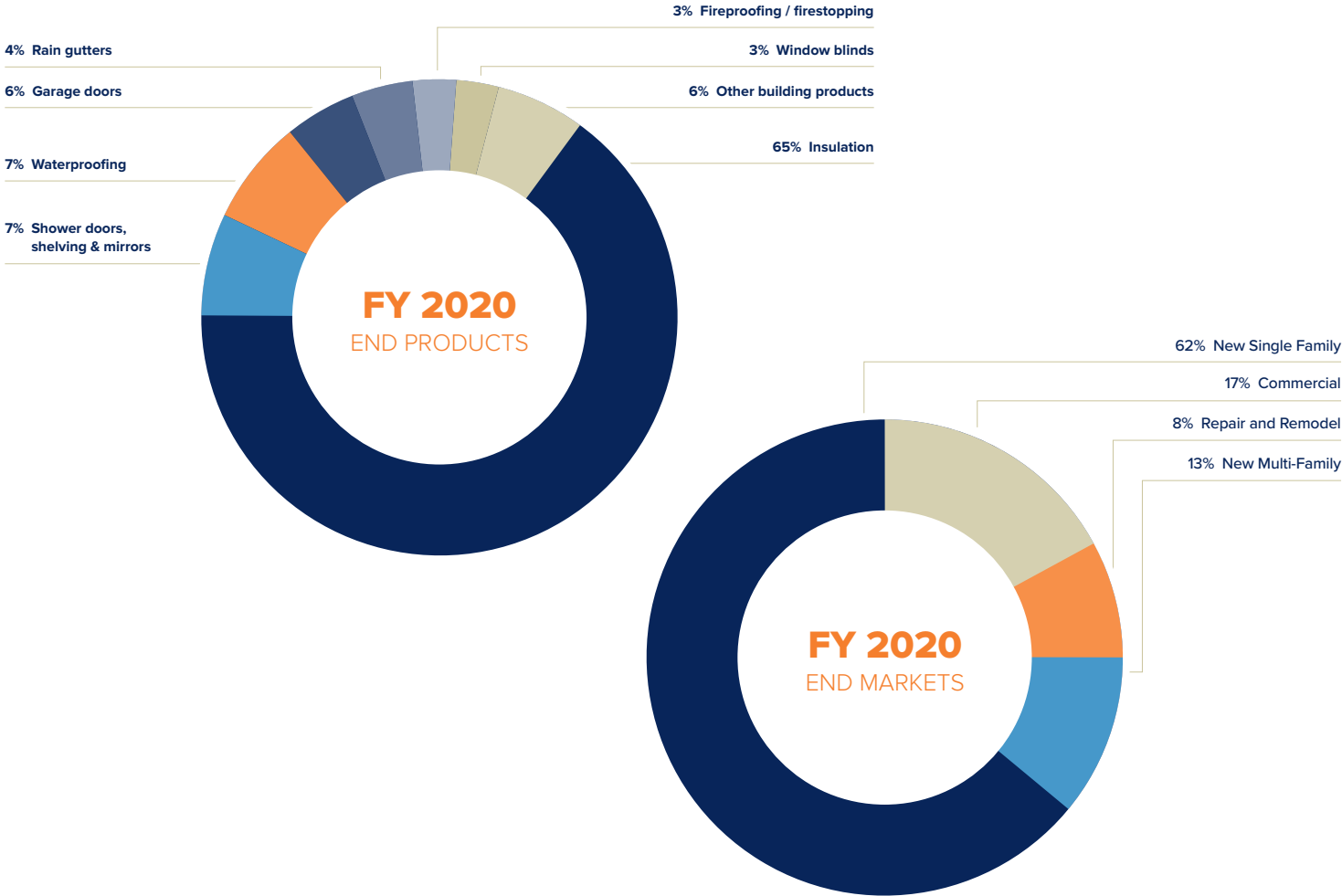
Chairman, President and CEO
Installed Building Products



ABOUT IBP

Installed Building Products, Inc. is one of the nation’s largest new residential insulation installers as well as a diversified installer of complementary building products, including waterproofing, fire-stopping, fireproofing, garage doors, rain gutters, window blinds, shower doors, closet shelving and mirrors and other products for residential and commercial builders located in the continental United States.

The Company manages all aspects of the installation process for its customers, from direct purchase and receipt of materials from national manufacturers to its timely supply of materials to job sites and quality installation. The Company offers its portfolio of services for new and existing single-family and multi-family residential and commercial building projects from its national network of over 190 branch locations.



NATIONAL SCALE

STRONG LOCAL PRESENCE

- One of the nation’s largest¹ new residential insulation installers
- Diversified installer of complementary building products, including waterproofing, fire-stopping, fireproofing, garage doors, rain gutters, window blinds, shower doors, closet shelving and mirrors and other products for residential and commercial builders
- National platform of over 190 locations serving all 48 continental states and the District of Columbia
- Each of our branches has the capacity to serve all of our end markets

¹Based on internal estimates.
Highlighted states are where we have a physical presence. Some dots represent multiple locations.

COMMITMENT TO SUSTAINABILITY

Creating spaces for people to thrive in is what drives us. From improving homes, to lifting up communities, to creating a rewarding workplace, we take immense pride in laying the groundwork for a brighter future.

Our dedication to responsible sustainability practices and being a good corporate citizen, neighbor, and employer is grounded in our unwavering commitment to doing the right thing every chance we can.

65%

of revenue is EU Taxonomy eligible

ENVIRONMENT

The installation of insulation materials is not only our primary line of business, but it is also the best way to prevent energy waste in most homes and commercial structures. Since over half the energy used in the average American home is for heating and cooling, and inadequate insulation and air leakage are the leading cause of energy waste in most homes*, we truly are in the business of energy efficiency solutions.

We have expanded the services that we can offer our customers over the years, but at our core, we are providing energy-saving solutions. We are continually looking at new ways to promote sustainability in the products and services we offer, and the way in which we conduct our business.

*Department of Energy

[OUR ENVIRONMENTAL POLICY ►](#)



ENERGY EFFICIENCY

Our customers are creating homes in the houses we build with them, and that includes keeping their families safe and warm while also saving energy. We provide reliable insulation that homeowners can be proud of.



RESPONSIBLE MATERIALS

Responsible material usage is something we consider in every insulation job. The most common type of insulation we install – **over 80% of our insulation sales – is fiberglass, which is comprised of up to 80% recycled material. We also install cellulose insulation, which is comprised of at least 75% recycled waste paper.**



REDUCING OUR CARBON FOOTPRINT

As a national corporation, there is always work to be done in reducing our carbon footprint. Our products directly reduce carbon emissions through energy efficiency. As we look to the future, we are committed to impactful environmental and sustainability initiatives, as discussed in more specific detail under **IBP ENVIRONMENTAL TARGETS** on the pages that follow.

BUILDING CODES

According to the *Office of Energy Efficiency & Renewable Energy*, over \$400 billion is spent each year to power homes and commercial structures that consume 75% of all electricity used in the United States and 40% of the nation's total energy. As a result, U.S. buildings account for 35% of the U.S. carbon dioxide emissions that drive the climate crisis.

Insulation is a critical component in the construction of homes and commercial structures. While it is a relatively small portion of the cost to construct a building, insulation is required and must pass inspection to ensure the installation meets local building code requirements. These energy codes represent the minimum efficiency standards for buildings to meet reduced energy usage and emissions over the building's life, including insulation installed in a structure's walls, floors, and ceilings, as well as the lighting windows, doors, duct leakage and air leakage.

The International Energy Conservation Code (IECC) is updated every three years and provides the basis for nearly every state's residential and commercial energy code.

Energy codes and standards set minimum efficiency requirements for new and renovated buildings, assuring reductions in energy use and emissions over the life of the building. Energy codes are a subset of building codes, which establish baseline requirements and govern building construction. Code buildings are more comfortable and cost-effective to operate, assuring energy, economic and environmental benefits. The reduction in energy expenditures also correlates to a mitigated dependency on foreign oil, impacting national security. In light of these fundamental environmental issues, economic challenges, and uncertain energy costs, building energy codes are a key component of sound public policy.

Department of Energy



ENERGY CONSERVATION AND GREENHOUSE GASES

In a home built to local market code, insulation can dramatically reduce energy usage and greenhouse gas emissions. The Home Energy Rating System (HERS) is the industry standard for measuring a home's energy efficiency. Based on the various climate zones throughout the U.S. and local market building codes, insulation's impact on energy conservation and reduction in greenhouse gas emissions will vary but can reduce energy costs and CO2 emissions by more than 40%.

In the table below, we have modeled a 2,497 square foot home across multiple climate zones in the U.S.. In order to isolate the efficiency benefits of insulation, we have adjusted the model to exclude insulation, while leaving all other variable unchanged.

HERS Model Single Family Home		UNINSULATED ¹					INSULATED ²					Percentage (%) reductions			
Market	Climate Zone	HERS Index	Annual energy cost	CO2 tons/year	SO2 lbs/year	NOx lbs/year	HERS Index	Annual energy cost	CO2 tons/year	SO2 lbs/year	NOx lbs/year	Annual energy cost	CO2 tons/year	SO2 lbs/year	NOx lbs/year
Houston, TX	2A	81	\$2,260.00	12.1	33.6	19.6	52	\$1,670.00	8.6	29.0	12.3	-26.1%	-28.9%	-13.7%	-37.2%
Dallas, TX	3A	83	\$2,696.00	14.8	35.4	25.6	49	\$1,826.00	9.6	30.0	14.4	-32.3%	-35.1%	-15.3%	-43.8%
Los Angeles, CA	3B	77	\$1,841.00	6.1	1.6	9.9	57	\$1,503.00	3.9	1.6	4.2	-18.4%	-36.0%	0.00%	-57.6%
Seattle, WA	4C	121	\$3,031.00	12.1	1.2	29.0	65	\$1,890.00	4.9	1.1	11.0	-37.6%	-59.5%	-8.3%	-62.1%
Columbus, OH	5A	116	\$3,456.00	23.6	112.9	49.7	61	\$2,078.00	14.7	109.6	27.9	-39.9%	-37.7%	-2.9%	-43.9%
Denver, CO	5B	121	\$3,972.00	24.3	25.3	65.4	62	\$2,223.00	14.7	23.6	41.2	-44.0%	-39.5%	-6.7%	-37.0%
Minneapolis, MN	6A	120	\$4,332.00	26.8	27.7	66.1	59	\$2,391.00	14.4	26.4	35.4	-44.8%	-46.3%	-4.7%	-46.4%

Subject model: single-family, 2,497 above grade square footage

HERS RATINGS

IBP offers HERS rating in various markets throughout the U.S. The HERS Index identifies the level of energy efficiency in a home. The U.S. Department of Energy has identified that a standard new home is awarded an index rating of 100. A home that receives a HERS Index rating of 70 is 30% more efficient than a standard home.

¹ Modeled to local building code for each market and climate zone, without insulation

² Modeled to local building code for each market and climate zone, with insulation installed to local market code

WHAT IS THE HERS INDEX ►

Energy codes and standards set minimum efficiency requirements for new and renovated buildings, assuring reductions in energy use and emissions over the life of the building. While building codes set the minimum efficiency standard, local market standards and builder specifications can further improve energy conservation and reduction in greenhouse gas emissions.

The increased insulation of exterior walls, attics and foundations, combined with more energy efficient HVAC systems, windows and doors can dramatically reduce energy usage beyond what is prescribed by the local market codes. The table below represents a sample of homes rated by IBP's HERS Rating service in Columbus Ohio. The 3,662 homes tested in climate zone 5A, on average, were 27% more energy efficient than code with a 32% reduction in CO2 emissions.

HERS Ratings		Reference Home - Built to Code (Average)				Home as Tested (Average)				Percentage (%) reductions			
	Climate Zone	Annual energy cost	CO2 tons/year	SO2 lbs/year	NOx lbs/year	Annual energy cost	CO2 tons/year	SO2 lbs/year	NOx lbs/year	Annual energy cost	CO2 tons/year	SO2 lbs/year	NOx lbs/year
Average of Homes Rated³	5A	\$2,187.12	16.0	104.1	32.1	\$1,590.54	10.8	71.7	21.6	-27.3%	-32.3%	-31.1%	-32.6%

ENERGY RATING VARIABLES⁴

- All exterior walls (both above and below grade)
- Floors over unconditioned spaces (like garages or cellars)
- Ceilings and roofs
- Attics, foundations and crawlspaces
- Windows and doors, vents and ductwork
- HVAC systems, water heating system, and your thermostat

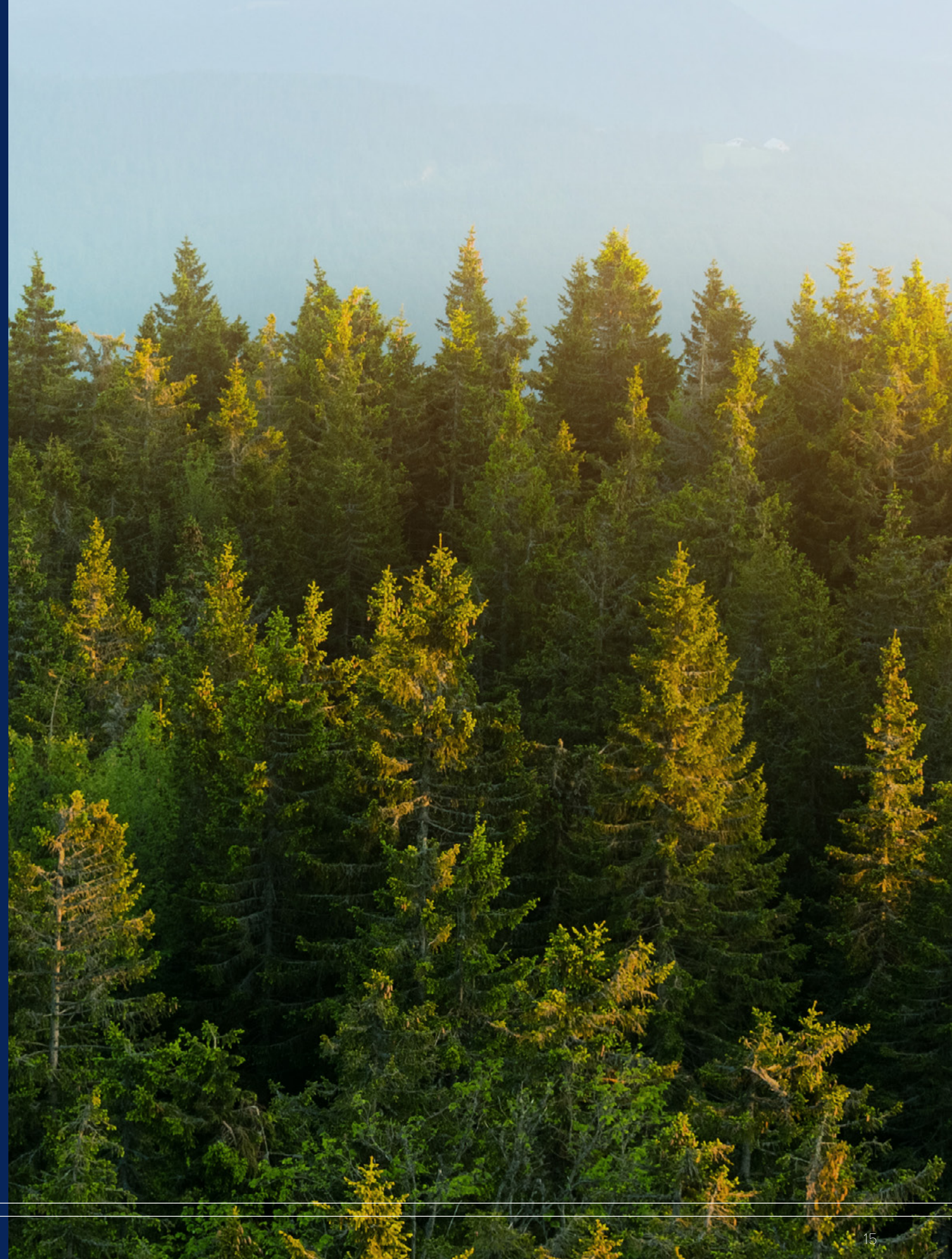
³ Sample population represents the average performance of 3,662 homes rated by IBP's HERS Rating service in the Columbus, Ohio market during 2020. The insulation installation may have been completed by IBP or a competitor.

⁴ Resnet HERS Index



IBP ENVIRONMENTAL TARGETS

- ✔ **REDUCE BY 50% OUR CARBON PRODUCING ELECTRICITY USAGE FROM 2020 BASELINE MEASURED AS KWH/AVERAGE SQUARE FOOT, BY 2030**
- ✔ **REDUCE BY 50% THE HFC BLOWING AGENT USED FROM 2020 BASELINE, MEASURED AS CO2E METRIC TONS PER \$1 MILLION OF REVENUE, AS STATES ADOPT HFO ALTERNATIVE, BY 2030**
- ✔ **REDUCE BY 50% MOBILE COMBUSTION EMISSIONS FROM 2020 BASELINE, MEASURED AS CO2E METRIC TON EMISSIONS PER AVERAGE VEHICLE, BY 2030**
- ✔ **IBP RECENTLY ENTERED A NATIONAL WASTE MANAGEMENT AND RECYCLING PROGRAM, TO MEASURE AND REDUCE THE AMOUNT OF LANDFILL WASTE THROUGH INCREASED RECYCLING PROGRAMS**



GREENHOUSE GAS (GHG) EMISSIONS - 2020

SCOPE 1 GHG EMISSIONS

Scope 1 Greenhouse Gas Emissions (GHG) are predominately related to fuel consumed by our fleet and blowing agents used in the installation process of spray foam, and to a lesser extent, the burning of natural gas and the use of refrigerants.

In many States in the U.S. and in Canada, regulations are beginning to phaseout and prohibit certain blowing agents, hydrofluorocarbons (HFC), widely used in closed-cell spray foam applications, due to the high Global Warming Potential of HFCs.

Spray foam using a hydrofluoro-olefin (HFO) blowing agent has significantly lower Global Warming Potential than HFCs.

IBP SUPPORTS THE INDUSTRY TRANSITION TO HFO SPRAY FOAM AND IS COMMITTED TO REDUCING CO2 EMISSIONS PER \$1 MILLION OF SPRAY FOAM REVENUE, WHILE THE HFC PRODUCT PHASES OUT

FUEL EMISSIONS

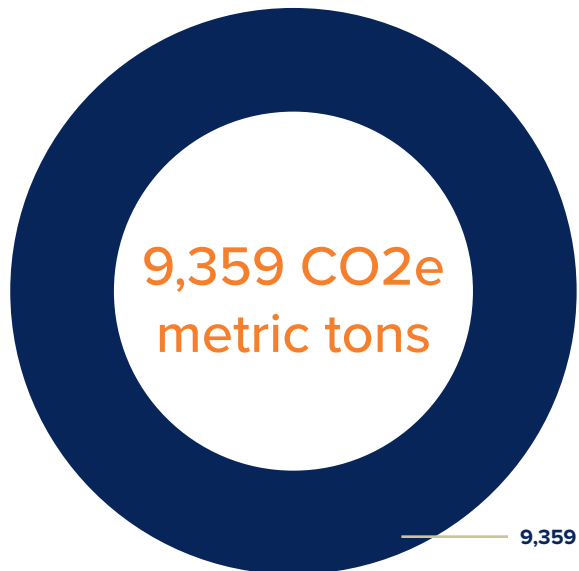
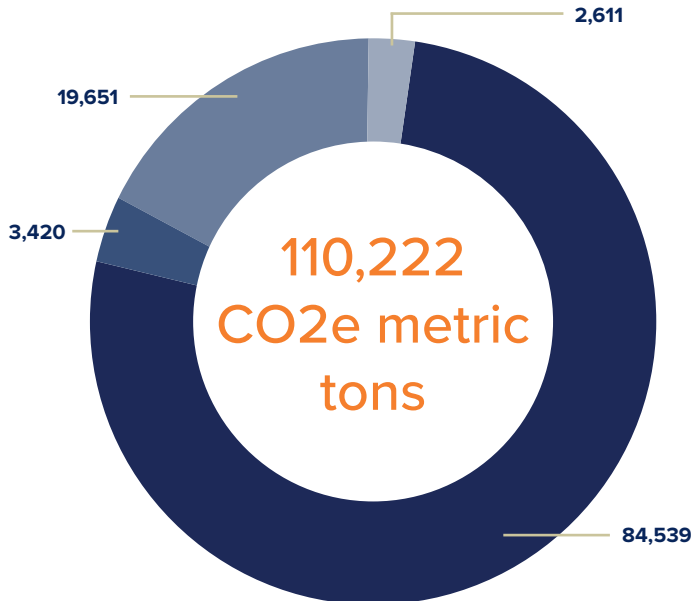
In 2020, the mobile combustion of fuel emitted 84,539 metric tons of CO2e, or an average of 18 metric tons per IBP vehicle.

The mobile combustion of fuel represents 70% of IBP's combined Scope 1 and Scope 2 greenhouse gas emissions.

Presently, an EV alternative is not available on the market. By 2030, IBP targets reducing mobile combustion emissions by 50%, measured as CO2e metric ton emissions per average vehicle

SCOPE 1 GHG EMISSIONS CO2e METRIC TONS

SCOPE 2 GHG EMISSIONS CO2e METRIC TONS



- Fuel Combustion*
- Refrigerants**
- Natural Gas
- Blowing Agents

- Electricity

Scope 1 Greenhouse Gas Emissions are predominately related to fuel consumed by our fleet and blowing agents used in the installation process of spray foam.

Scope 2 Greenhouse Gas Emissions are attributable to electricity used throughout IBP's facilities

* Not including 3936 metric tons CO2e b
 ** Not including 630 metric tons CO2e fr

HFO SPRAY FOAM

IBP supports the industry transition to HFO spray foam and is committed to **reducing CO2 emissions per \$1 million of revenue**, while the HFC product phases out.

CURRENT HFO STATES

- Washington (state)
- California
- Colorado
- Vermont
- New York
- New Jersey
- Maryland
- Massachusetts

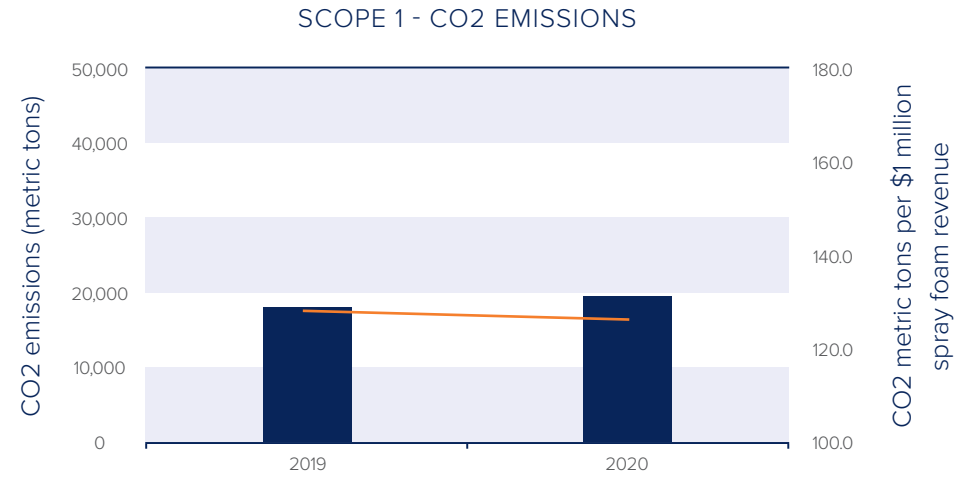
APPROVED HFO STATES BUT NOT YET ENFORCED

- Virginia
- Delaware
- Maine

HFO REGULATION UNDER DEVELOPMENT

- Oregon
- Nevada
- Texas
- Hawaii
- Connecticut
- Rhode Island

SCOPE 1 BLOWING AGENT GHG EMISSIONS



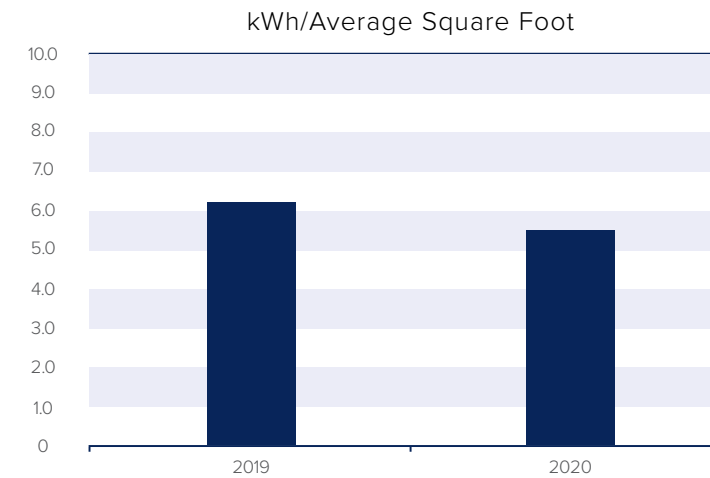
CO2 emissions from spray foam applications increased from 2019 to 2020, a function of growth in IBP's spray foam business.

- Gallons of spray foam used increased >25%
- CO2 emissions increase ~10%
- Use of HFO spray foam products used in 2020 nearly doubled from 2019
- CO2 emissions per \$1 million of spray foam revenue declined in 2020, while material used increased
- **HFO spray foam used in 2020 avoided an additional 7,200 metric tons of CO2 emissions**

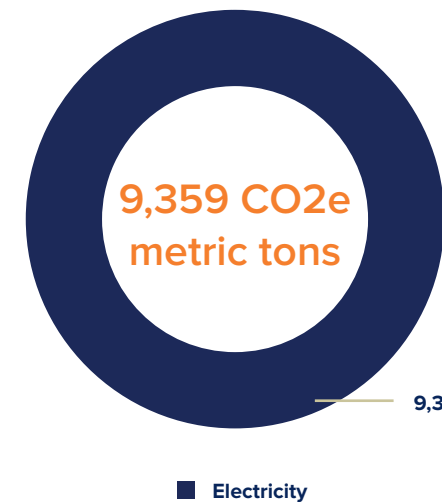
SCOPE 2 GHG EMISSIONS

In 2020, grid electricity usage was 17.9 million kWh, nearly all derived from carbon generating sources. In May 2021, IBP transitioned a portion of its electricity supply to a carbon-free source, representing approximately 30% of the Company's energy usage.

We will look to additional electricity sourcing options and further our usage of energy efficient items in our location to cut our carbon producing electricity usage in half by 2030 from the 2020 baseline of 5.5 kWh/average square foot of our locations.



SCOPE 2 GHG EMISSIONS CO2E METRIC TONS



Scope 2 Greenhouse Gas (GHG) Emissions are attributable to electricity used throughout IBP's facilities



CELLULOSE MANUFACTURING

Advanced Fiber Technology (“AFT”) is our cellulose insulation manufacturing facility located in Bucyrus, Ohio. In 2020, we processed approximately 35,836 tons of recycled wastepaper to make our finished product. The use of wastepaper in the manufacturing process reduces the greenhouse gas emissions associated with processing new paper and sequesters carbon by reducing wastepaper in landfills, which releases methane and carbon dioxide gases. The manufacturing process does not directly emit any atmospheric gases or use water.

Despite contributing less than 2% of IBP revenue in 2020, AFT is a significant user of electricity. AFT’s electrical usage represents approximately 32% of all electricity used by IBP in 2020. **Effective May 2021, AFT has transitioned its electricity supply to a carbon-free source, significantly reducing IBP’s environmental impact from electricity sources.**

- ✔ **IN 2020, AFT RECYCLED A TOTAL OF 35,836 TONS OF WASTEPAPER WHICH AVOIDED THE RELEASE OF 110,733 METRIC TONS CO2 EQUIVALENTS TO THE ATMOSPHERE.**
- ✔ **135,040 ACRES OF FOREST IS NEEDED TO SEQUESTER THE SAME AMOUNT OF CO2 ANNUALLY.**

AFT’s Products are tested regularly to confirm compliance with strict industry standards for product safety.

- ASTM Standard C739
- ASTM Standard E84
- Consumer Products Safety Commission Interim Safety Standard 16 CFR Part 1209
- Compliant with CDPH/EHLB/Standard Method Version 11,2010

[AFT CARBON SMART™ LOOSE-FILL CELLULOSE INSULATION ▶](#)

SOCIAL RESPONSIBILITY

IBP is committed to building a better tomorrow – today. Our employees and the communities in which they live and work are the heart and soul that fuel each branch to provide excellent service every day.

We are also committed to ensure that human dignity is respected and protected through the entire building process. This starts with empowering our employees through our Safety Wanted 365 health and safety training program, financial wellness education and community giving channels through our Foundation. As a result, employee turnover is down, morale and employee engagement is up and our dedicated employee base is focused on providing the best customer care in the industry.

Each newly hired installer receives safety training consisting of the following topics:

- Respiratory Protection Program
- Blood Borne Pathogens
- Personal Protection Equipment
- Fall Protection
- Weather safety
- Hand and portable power tools
- Ladder Safety
- Electrical Safety
- Vehicle Safety
- Drywall Storage and Safety

As a national leader in residential new construction insulation installation, IBP employees engage in physically strenuous and at times, hazardous work. By design, safety is a key component to IBP’s best-in-class installation service and its structured programs establish a clear expectation of personal accountability.

In 2016, the IBP Risk Department launched Safety Wanted 365 as a collaborative continuing education program, reinforcing our commitment to employee well-being. Senior Management determines the rules, staffing, and general resource allocation to ensure employees can perform their jobs safely. Regional Risk Managers work with Regional Presidents and local branches to track and measure safety performance. All employees (office, sales, field personnel, and management) are an integral part of the safety team and are incentivized to perform their job safely.

[OUR HUMAN RIGHTS POLICY ►](#)



Friendly competition: Quarterly Safety Excellence Awards allow winning branches to show their pride through awarded banners and hardhat decals.



More informally, the Risk Department sponsors periodic toolbox talks to reinforce safety messages.

Regional safety managers, who are OSHA 500 certified outreach trainers, conduct intensive courses on OSHA safety training.



HEALTH & SAFETY

IBP's growth and success is directly attributable to the recruitment, development and retention of exceptional employees. Both IBP management and its Board of Directors believe ensuring workforce health, safety and wellness is a basic precondition of a responsible employer. Yet, physical wellness and safety are only part of the equation. IBP aims to care for the full wellbeing of its employees with meeting the wellness needs, including the financial and the physical needs of its employees, being paramount to IBP's continued success.

SAFETY WANTED 365

Continuous training initiative that is focused on creating a safer work environment

- Maintain Zero Fatalities per year
- Continued success in reducing job site injuries annually, targeting Zero severe injuries annually

[OUR SAFETY POLICY ►](#)

JOB SITE SAFETY

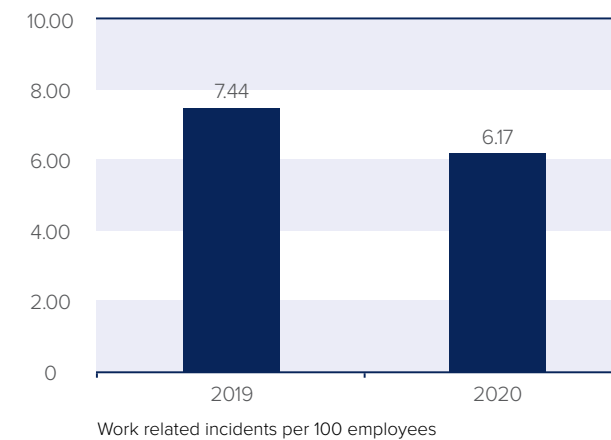
IBP's safety programs are having a clear benefit on the safety and physical wellbeing of our employees.

Although total hours worked increased 4% from 2019 to 2020, OSHA defined incidents declined by nearly 14% during the same period, resulting in a decline in incident rate per hours worked of 17%.

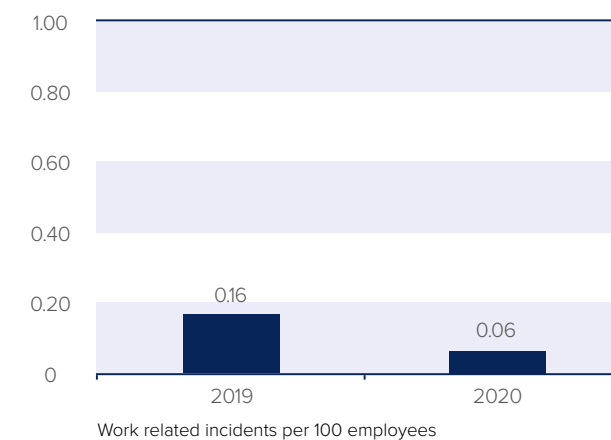
With respect to severe incidents or OSHA reportable incidents, IBP reported a 62% drop despite total hours worked rising 4% from 2019 to 2020. IBP had fewer than 10 severe incidents in 2020 and the incident per hour worked dropped 63%.

IBP had zero fatalities in 2019 and 2020 and is continually finding ways to continue to improve practices throughout the organization in order to improve the health and safety of its workforce.

INCIDENT RATES



SEVERE INCIDENT RATES



DIVERSITY, EQUITY, AND INCLUSION (DE&I)

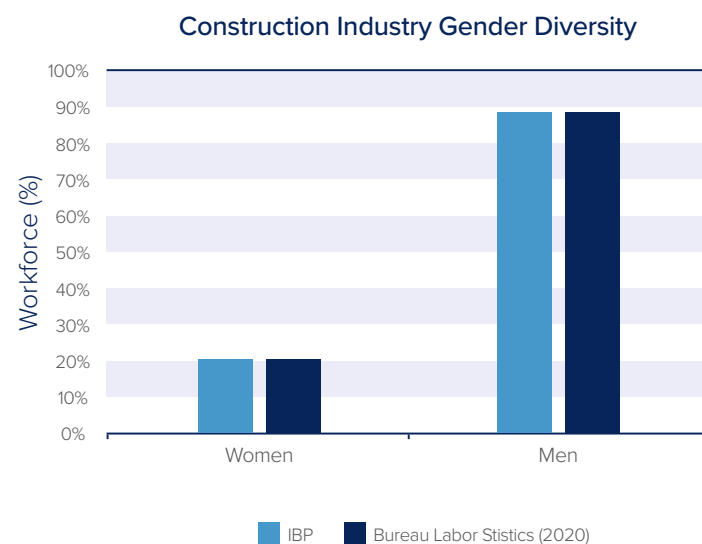
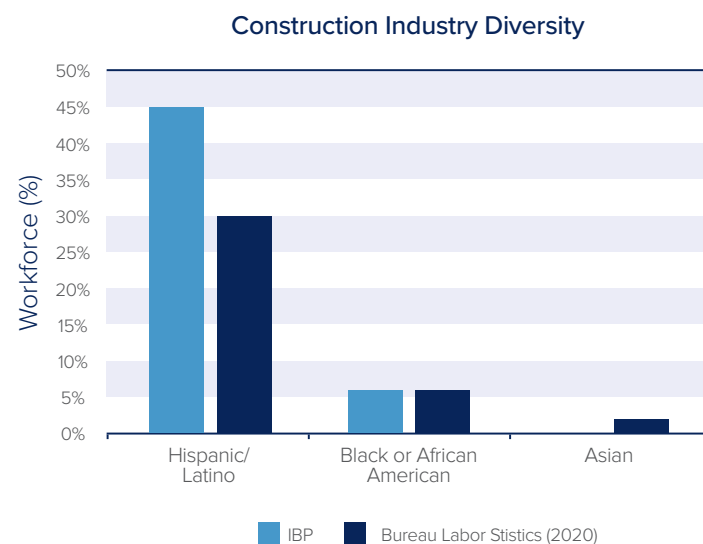
We believe that businesses, communities and societies thrive in an environment that protects and fosters the diversity of their people. We recognize that it is our responsibility to promote an environment and a culture where all employees, customers, suppliers, and shareholders honor this commitment to diversity.

IBP's strong and diverse workforce is what propels us forward and we take our commitment to diversity, equity, and inclusion seriously. We stand against discrimination in any form and are invested in creating environments where all voices are encouraged, heard, and appreciated.

We also believe that supporting DE&I is a core skill that all employees should have in their toolbox. Along with providing resources through our Positive Production Program – which focuses on employee wellbeing – employees across all our branches are invited to participate in our Regional DE&I Committees, which collaborate with our national DE&I Working Group to determine the standards for how employees should interact with one another and their communities.

Ethnicity	Workforce (%)	Age	Workforce (%)	Gender	Workforce (%)
Hispanic / Latino	45	16–20	4	Male	89
Caucasian	41	21–30	27	Female	11
African American	6	31–40	28		
Not Specified	6	41–50	23		
Asian	*	51–60	13		
Native Hawaiian Pacific Islander	*	60+	5		
Two or more	*				
American Indian / Alaskan Native	*				

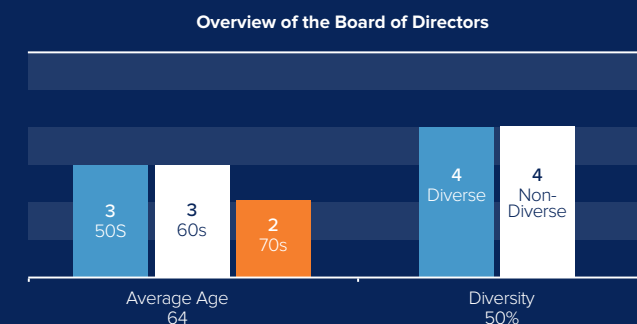
*Less than 1%



In 2020, IBP began a DE&I initiative, engaging a third-party consultant to assist in completing a baseline organizational assessment, providing the framework for addressing diversity within the Company. With oversight from the Compensation Committee of the Board of Directors, DE&I committees have been formed within each region of operation and at the Corporate offices to reflect the unique diversity needs at each level of the organization and develop strategic plans, facilitate initiatives and drive education throughout the Company.

CURRENT DE&I INITIATIVES INCLUDE:

- Management training programs will be adjusted to ensure opportunities are provided to employees consistent with the demographics to address minority representation in management and sales positions, as well as gender income equality
- Assessment of vendors and suppliers to source products and services from minority and women owned business, where possible
- Building a pipeline for diversity in applicant pools
- Employee focus groups to understand diversity needs and perceptions throughout the organization
- In conjunction with our Positive Production Program, videos will play daily on each branch television to provide education and encourage inclusion
- Offer English as a Second Language and Spanish as a Second Language classes to remove communication hurdles



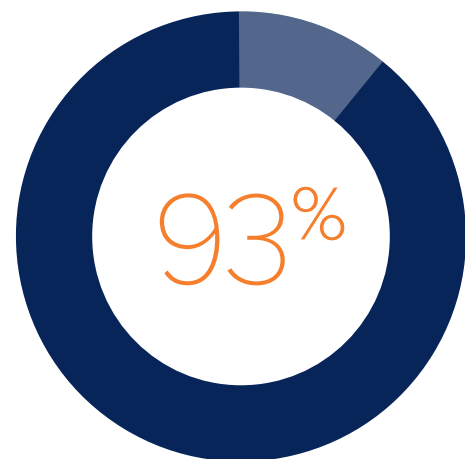
CEO ACTION PLEDGE ON DIVERSITY ▶



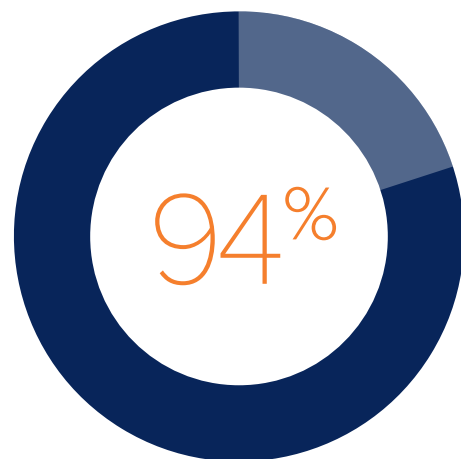
FINANCIAL WELLNESS PROGRAM

Our employees have families and dreams to support, so we created a financial wellness program to increase education and encourage responsible personal financial decision-making. As a result, 93% of participants now have an emergency fund, and 94% have a debt repayment plan (out of +6,000 participants).

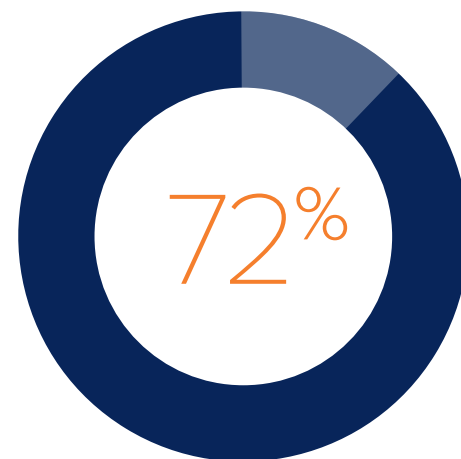
Through our longevity stock program, employees are rewarded for their contributions to IBP's financial success.



✔ **93% OF PARTICIPANTS NOW HAVE AN EMERGENCY FUND**



✔ **94% WITH DEBT NOW HAVE A PAYMENT PLAN**



✔ **72% ARE NOW SAVING FOR RETIREMENT**

(Based on completed surveys)

BENEFITS FOR QUALIFYING EMPLOYEES

- Medical, dental and vision insurance
- Prescription drug coverage
- Flexible spending accounts
- 401(k) retirement programs with matching contributions
- Paid vacations and holidays
- Short- and long-term disability insurance, life insurance and group accident and critical illness insurance

MOMENTUM ON UP

- Initiated in 2017
- Educates participants on key personal finance topics - Budgeting, credit scores, debt reduction, saving, and community service
- IBP matches dollar for dollar up to \$1,000 for personal savings

LONGEVITY AWARDS

- Initiated in 2017
- Restricted stock units (RSUs) granted for each 10 years of continuous service with IBP
- Provided revenue targets are met, RSUs convert to shares after one year
- Through 2020, IBP has awarded 115,000 RSUs to 1,100 employees

INSTALLED BUILDING PRODUCTS FOUNDATION

- Initiated in 2019 and partially funded by IBP executives
- Awards annual scholarships of up to \$2,500 to qualifying employees or their immediate family members
- \$250 to \$2,000 employee financial assistance grant in case of financial emergency or crisis





SOCIAL IMPACT

INSTALLED BUILDING PRODUCTS FOUNDATION

- ✔ \$1.0 MILLION IN SCHOLARSHIPS HAVE BEEN COMMITTED TO 150 EMPLOYEES AND FAMILY MEMBERS SINCE INCEPTION OF THE FOUNDATION
- ✔ \$95,000+ HAS BEEN GRANTED TO EMPLOYEES FACING FINANCIAL HARDSHIP DUE TO UNEXPECTED LIFE EVENTS
- ✔ \$1.6 MILLION IN GRANTS HAVE BEEN ANNOUNCED TO SUPPORT NONPROFITS IN OUR COMMUNITIES DEDICATED TO BUILDING AND RENOVATING HOMES OR PROVIDING SHELTER FOR THOSE IN NEED
- ✔ \$0.5 MILLION HAS BEEN COMMITTED AND/OR PAID THROUGH IBP'S CORPORATE NONPROFIT DONATIONS



While the wellbeing of our employees is a top priority, we deeply understand the value of supporting the communities our employees represent as well. The **Installed Building Products Foundation** was launched in March of 2019 with that specific intention. IBP has developed several initiatives to facilitate employee and family member educational pursuits, offset unexpected financial hardship, and advance the mission of numerous community nonprofits.

CODE OF ETHICS

Installed Building Products, Inc. is committed to maintaining high standards of ethical, moral and legal conduct in its business operations. All officers, directors and employees must comply with the laws and regulations to which we and they are subject, as well as our Code of Business Conduct and Ethics (our “Code”). Misconduct by anyone at or connected with the Company, at the very least, reflects poorly on our reputation, which we have all worked very hard to build over the years, and potentially exposes the Company to legal sanctions. We therefore strongly encourage reporting any misconduct that our employees become aware of in the course of their employment or otherwise.

The Company encourages open communication so that such concerns may be raised without fear of retaliation in any manner.

Report Type	2019	2020
Executive Related	-	-
Financial Disclosure	-	-
Branch Operations	4	7
Human Resources Related	31	29
Total Reports	35	36

All 2019 and 2020 cases have been investigated and closed

Employees may submit concerns confidentially and anonymously, if they wish, through Lighthouse, an independent, third-party, compliance hotline.

Telephone: 877-938-0006 | Web: www.lighthouse-services.com/installed | Email: lighthouse@installed.net

CODE OF ETHICS ▶

GOVERNANCE AND ESG OVERSIGHT

STRUCTURE AND RESPONSIBILITIES OF THE BOARD

Our business and affairs are managed under the direction of our Board of Directors. Although the Board does not have responsibility for the day-to-day management of the Company, our directors stay informed about the Company’s business through regular meetings and interactions with management. The Board’s responsibilities include oversight of:

- Company performance and business strategies
- Compliance with legal and regulatory requirements
- Integrity of the Company’s financial statements
- Practices for identifying, managing and mitigating key enterprise risks
- Management’s performance and succession planning
- Executive and director compensation
- Human capital management
- Corporate governance matters, including social responsibility

CORPORATE GOVERNANCE ▶



BOARD COMMITTEES

The Board has established three standing committees to assist it in the discharge of its duties:

AUDIT COMMITTEE:

The Audit Committee oversees our corporate accounting and financial reporting processes. Its responsibilities include:

- Selecting our independent registered public accounting firm and determining the scope of its engagement;
- Evaluating the firm's qualifications, independence and performance;
- Approving audit and related fees and audit and non-audit services;
- Reviewing the adequacy and effectiveness of our accounting and financial reporting processes, internal controls and financial statement audits;
- Reviewing major financial risk exposures and management actions to monitor and control such exposures;
- Overseeing complaints on accounting, internal accounting controls and auditing matters;
- Reviewing related-party transactions for potential conflicts;
- Reviewing cybersecurity and other information technology risks, controls and procedures; and
- Reviewing and discussing with management and our independent registered public accounting firm our financial statements and management's discussion and analysis of financial condition and results of operations.

COMPENSATION COMMITTEE:

The Compensation Committee oversees the compensation of our executive officers and other compensation programs. Its responsibilities include:

- Determining the compensation and benefits of our executive officers;
- Approving annual incentive metrics and compensation targets of our executive officers and evaluating whether the targets have been met;
- Administering our 2014 Omnibus Incentive Plan;
- Recommending non-employee director compensation;
- Overseeing human capital management, including demographics, diversity, inclusion and talent development initiatives, retention and compensation practices;
- Reviewing any risks arising from our compensation policies and practices; and
- Overseeing the appointment, work and compensation of compensation consultants, independent legal counsel and other advisers engaged by the Compensation Committee.

NOMINATING AND CORPORATE GOVERNANCE COMMITTEE:

The Nominating and Corporate Governance Committee's responsibilities include:

- Reviewing and establishing criteria for director candidates to ensure Board expertise and diversity;
- Recommending director nominees, considering experience, skills, industry knowledge, financial expertise, existing commitments, independence and the extent to which the candidate fills a present need on the Board;
- Recommending composition, size and leadership structure of the Board;
- Monitoring the structure and operation of Board committees and qualifications and criteria for membership;
- Reviewing our Certificate of Incorporation and Bylaws and recommending any necessary or desirable amendments;
- Assessing the adequacy of our Corporate Governance Guidelines and Code of Business Conduct and Ethics Policy and recommending any proposed changes;
- Overseeing corporate responsibility programs relating to environmental, social and governance matters not reserved to the Board or another committee; and
- Overseeing succession planning for senior executives.

IMPORTANT INFORMATION AND DISCLAIMERS

This report contains forward-looking statements relating to IBP's operations that are based on management's current expectations, beliefs, estimates, and projections. These statements are not guarantees and are subject to certain risks, uncertainties and other factors, many of which are beyond the company's control, including local, state, and federal regulations and economic conditions that may impact IBP's results or its operational or ESG-related performance. Our actual performance, including the development or implementation of any program, policy, or initiative discussed or forecasted in this report, may differ materially in the future. Many of the standards and metrics used in preparing this report are based on management assumptions believed to be reasonable at the time of preparation but may evolve over time and should not be considered guarantees.

FORWARD-LOOKING STATEMENTS

This report contains forward-looking statements within the meaning of the federal securities laws, including with respect to the housing market and the commercial market, industry conditions, our operations and ESG initiatives including our long term environmental targets, our financial and business model, payment of a quarterly cash dividend and the possibility of an annual variable dividend in 2022, the demand for our services and product offerings, expansion of our national footprint and end markets, diversification of our products, our ability to grow and strengthen our market position, our ability to pursue and integrate value-enhancing acquisitions, our ability to improve sales and profitability, and expectations for demand for our services and our earnings. Forward-looking statements may generally be identified by the use of words such as "anticipate," "believe," "expect," "intends," "plan," and "will" or, in each case, their negative, or other variations or comparable terminology. These forward-looking statements include all matters that are not historical facts. By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. Any forward-looking statements that we make herein and in any future reports and statements are not guarantees of future performance, and actual results may differ materially from those expressed in or suggested by such forward-looking statements as a result of various factors, including, without limitation, the duration, effect and severity of the COVID-19 crisis; any recurrence of COVID-19, including through any new variant strains of the virus, and the related surges in positive COVID-19 cases; the adverse impact of the COVID-19 crisis on our business and financial results, our supply chain, the economy and the markets we serve; general economic and industry conditions; the material price and supply environment; the timing of increases in our selling prices; the risk that the Company may reduce, suspend or eliminate dividend payments in the future; and the factors discussed in the "Risk Factors" section of the Company's Annual Report on Form 10-K for the year ended December 31, 2020, as the same may be updated from time to time in our subsequent filings with the Securities and Exchange Commission. In addition, any future declaration of dividends will be subject to the final determination of our Board of Directors. Any forward-looking statement made by the Company in this report speaks only as of the date hereof. New risks and uncertainties arise from time to time, and it is impossible for the Company to predict these events or how they may affect it. The Company has no obligation, and does not intend, to update any forward-looking statements after the date hereof, except as required by federal securities laws.

