



# IBP Environmental, Social & Governance Report **2022**





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

# MESSAGE FROM OUR CEO

## DEAR IBP STAKEHOLDER,

The Board of Directors and management team at Installed Building Products, Inc. (“IBP”) recognize the importance of Environmental, Social and Governance (“ESG”) issues and their impact on our stockholders, customers, employees, and communities. IBP is committed to promoting a culture of doing what is right. By making buildings energy efficient, caring for the health, safety and welfare of our employees, promoting volunteerism and engaging in philanthropic pursuits, we strive to exhibit corporate responsibility with our actions every day.

## GOING BEYOND THE BUILDINGS

IBP plays a meaningful role in creating a sustainable future in our core business by installing products that promote energy efficiency. Insulation and air sealing play a critical role in reducing energy consumption and carbon emissions. According to the U.S. Energy Information Administration, residential and commercial buildings represent approximately 40% of all energy consumed in the United States. New residential and commercial construction are core end markets for us, representing over 90% of our revenue in 2021. Inadequate insulation and air leakage are the leading causes of energy waste in most homes with over half of the energy used in the average American home used for heating and cooling. The Alliance to Save Energy states that energy efficiency is the single most effective strategy for reducing carbon emissions. While our local expertise and installed solutions often result in cost savings for a residential home or commercial building owner, the impact goes far beyond the confines of those walls. Insulation installation improves our global environment through a reduction in both energy consumption and greenhouse gas emissions.

We continue to search for ways to reduce our own carbon footprint beyond the benefits of our core insulation installation business operations. We have transitioned a portion of our electricity needs to a carbon free source and entered into a national waste management program to increase recycling at our branches nationwide.

## COMMITTING TO OUR PEOPLE

We believe that our past and future success are directly attributable to the recruitment, development and retention of exceptional employees. In an industry known for transient labor, we believe genuine engagement and productivity incentives are critical to sustaining long-term, mutually-beneficial relationships with our employees. An emphasis on workforce safety, physical health, mental health, and financial wellness has been paramount in helping us reach our employee-related goals.

Our vision is to build an empathetic organization where employees are valued, heard and have the opportunity to thrive. Our Diversity, Equity and Inclusion (“DE&I”) initiatives include:

- Management training program to ensure opportunity for minority representation in management and sales positions and gender income equality;
- Assessment of suppliers in an effort to source products and services from minority and women owned businesses;
- Building a diverse hiring pipeline through enhanced relationships with Historically Black Colleges and Universities (HBCUs);
- Employee focus groups to understand diversity needs and perceptions throughout the Company;
- Broadcast of our Positive Production Program videos to educate and encourage inclusion; and
- Offering a language training program in select regions for field and corporate employees to remove communication hurdles, opening greater opportunity for upward mobility.

## ELEVATING OUR NEIGHBORHOODS

Through our Installed Building Products Foundation and corporate giving programs, we are committed to contribute 1% of EBITDA each year to support local communities throughout the country with initiatives primarily focused on education and housing-related needs.

As we continue along our journey, we are pleased to present our second annual ESG report. I believe we have made great strides in doing what we as a company believe are the right things as a responsible corporate citizen. There is still plenty of work to do, but we are committed to continue to push ourselves to be better.

Jeffrey W. Edwards

Chairman, President and CEO  
Installed Building Products

# ABOUT OUR BUSINESS

IBP is a hands-on business and manages all aspects of the installation process for its customers, from direct purchase and receipt of materials from national manufacturers to the timely install of materials at the job site.

THE COMPANY'S PORTFOLIO OF SERVICES ARE AS FAR REACHING AS OUR BRANCHES WITH OVER 210 LOCATIONS.



IBP is one of the largest new residential insulation installers in the United States, and a diversified installer of complementary building products from waterproofing to firestopping, garage doors to shower doors.



We believe we can make an impact in our employees' lives, in the homes we help build, and in the communities where we live and work by focusing on three areas of impact:

1

#### **GOING BEYOND THE BUILDINGS**

We recognize the importance of environmental preservation and the direct connection between our business and the health of our planet and communities. That's why we are committed to reduce our environmental footprint and protect biodiversity.

2

#### **COMMITTING TO OUR PEOPLE**

We strive to empower our employees and enrich their lives. We offer a robust health and safety program, financial and emotional wellbeing coaching programs, a financial assistance program, and a commitment to build an equitable and inclusive workplace with opportunity for growth and advancement. Our people are our best assets, and we invest in their personal and professional growth.

3

#### **ELEVATING OUR NEIGHBORHOODS**

We value our employees greatly and care deeply about the communities where they live and work. So, we are 100% committed to giving back to the people and communities that are the backbone of our company.



# GOING BEYOND THE BUILDINGS

Climate change is currently the most significant risk facing our world today. As we have committed to our customers' energy efficiency through our principal services, we are also committed to reducing our own greenhouse gas emissions.

Insulation is a critical component in the construction of homes and commercial structures, and represents a significant portion of our business. In 2021, insulation installation, distribution and manufacturing represented approximately 64% of our reported revenue. While we focus our efforts on providing energy solutions to our customers, it is just as important that we work to reduce our impact on the environment through our commitment to sustainability, protecting the environment, energy efficiency and reducing our carbon footprint.

Installed Building Products recognizes the importance of environmental preservation and the direct connection between our business and the health of our planet and communities. As a leading installer of insulation in residential and commercial construction, our business is focused on improving efficiency and conservation of energy in buildings by reducing the energy required for heating and cooling, reducing the greenhouse emissions.

Similarly, we recognize the need and importance of managing the impacts our business operations have on the environment.

[OUR ENVIRONMENTAL POLICY ►](#)



# COMMITMENT TO SUSTAINABILITY

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.

64%

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



### 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 an average of 50% recycled material, with some 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.



### MANAGEMENT OVERSIGHT

Our senior management members work closely with the Board to identify and address climate-related risks and opportunities. This year, we created a new position of Chief Administrative and Sustainability Officer, which is also a member of our ESG Team. The Chief Administrative and Sustainability Officer reports directly to our CEO and will work closely with the Nominating and Governance Committee and the full Board on climate and other ESG matters.



### BOARD OVERSIGHT

Our Board of Directors ("Board") plays an active role in overseeing the risks and opportunities presented to our company by climate change. At least twice per year, the Board hears a report from its Chief Administrative and Sustainability Officer on our progress in reaching its climate-related targets and goals. Because energy efficiency is central to our mission, climate-related issues have driven and continue to drive our business strategy.

The Nominating and Corporate Governance Committee ("Governance Committee") of the Board is responsible for the oversight of ESG matters, including climate matters.



## 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.

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

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, and governs areas such as insulation installed in a structure's walls, floors, and ceilings, as well as the lighting windows, doors, duct leakage and air leakage.





# 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 variables unchanged.

HERS Model Single Family Home		UNINSULATED <sup>1</sup>					INSULATED <sup>2</sup>					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  
<sup>1</sup>Modeled to local building code for each market and climate zone, without insulation  
<sup>2</sup>Modeled to local building code for each market and climate zone, with insulation installed to local market code



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.

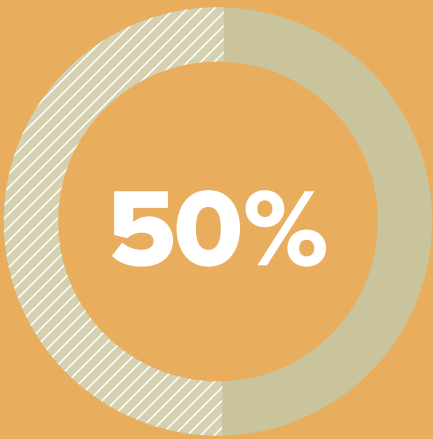
WHAT IS THE HERS INDEX ►

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.

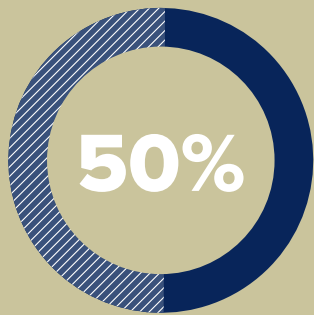
A study, referenced in our 2021 ESG report, of over 3,600 homes, showed that homes can perform 27% better than code and reduce CO2 emissions by 32%.

# IBP ENVIRONMENTAL TARGETS

REDUCE  
BY 50% OUR  
CARBON  
PRODUCING  
ELECTRICITY  
USAGE

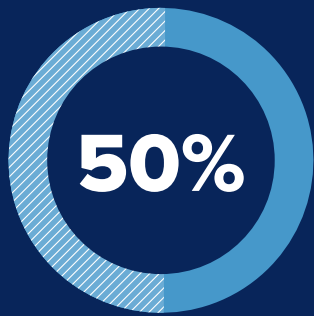


FROM 2020 BASELINE  
MEASURED AS KWH/AVERAGE  
SQUARE FOOT, BY 2030



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 – 2021

	Type	2020	2020 Adjusted <sup>1</sup>	2021
Scope 1	Fuel Combustion*	84,539	92,375	92,848
	Blowing Agents	19,669	21,498	17,347
	Refrigerants**	3,420	3,520	3,756
	Natural Gas	2,611	2,726	3,049
Scope 2	Electricity	9,359	9,593	7,761
Scope 1		110,239	120,119	117,000
Scope 2		9,359	9,593	7,761
Total		119,598	129,712	124,761

<sup>1</sup> Prior year data adjusted with consideration for GHG Protocols to reflect the impacts of completed acquisitions  
\* Does not include biogenic carbon  
\*\* Does not include non-Kyoto GHGs

## 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 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 hydrofuoro-olefin (HFO) blowing agent has significantly lower Global Warming Potential than HFCs.

**IBP IS COMMITTED TO REDUCING CO2 EMISSIONS PER \$1 MILLION OF SPRAY FOAM REVENUE**



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.

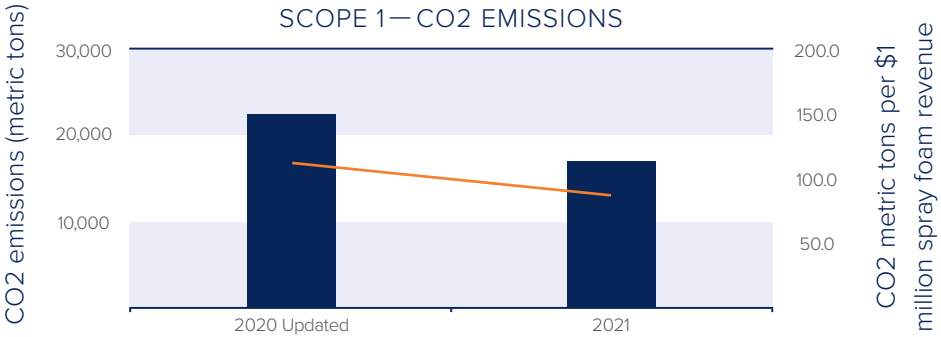
CURRENT HFO STATES

- Washington (state)
- California
- Colorado
- Delaware
- Maine
- Rhode Island
- Virginia
- New York
- New Jersey
- Maryland
- Massachusetts

HFO REGULATION UNDER DEVELOPMENT

- Oregon
- Hawaii
- Connecticut

SCOPE 1 SPRAY FOAM GHG EMISSIONS



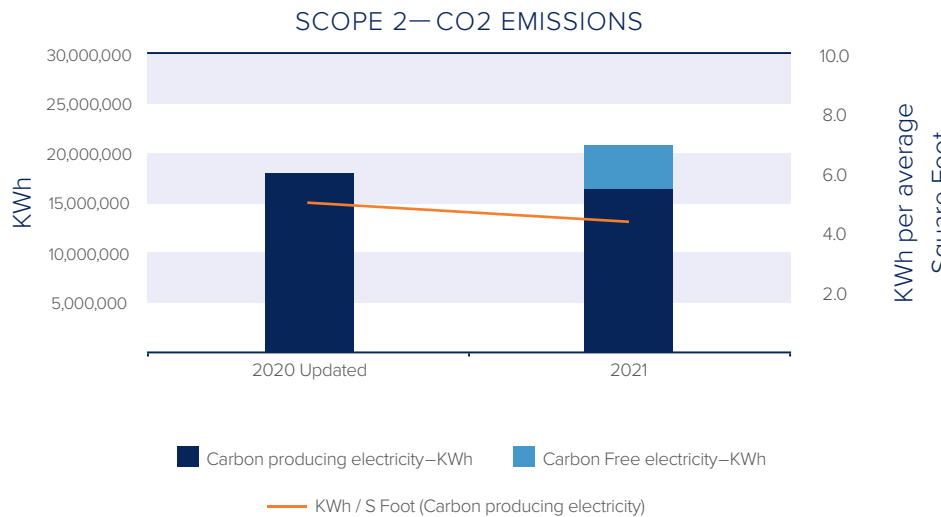
CO2 emissions from spray foam applications **decreased** from 2020 to 2021 by approximately 19%, while the quantity of spray foam material used in installation **increased** approximately 16%.

Scope 1 CO2e metric tons per \$1 million **declined** by 17.7% from the 2020 baseline.

SCOPE 2 ELECTRICITY GHG EMISSIONS

In 2021, we used 20.8 million KWh of electricity, including 4.1 million KWh of carbon free electricity supply. The 16.7 million KWh of carbon producing electricity used in 2021 represents a **decrease** of 6.5% compared to 2020. Carbon producing electricity KWh per the average square footage of our facilities **declined** to 4.6 in 2021, compared to 5.5 in 2020.

**We will look to additional electricity sourcing options and further our usage of energy efficient items in our locations 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.**



SUMMARY OF GREENHOUSE GAS (GHG) EMISSIONS

During 2021, we completed twelve acquisitions representing approximately \$211 million of annual revenues. In order to properly report and reflect our emissions performance, we have adjusted the baseline period with consideration for GHG Protocol accepted practices, which increased our 2020 baseline Greenhouse Gas (GHG) emissions by approximately 8%, from 119,598 metric CO2e to 129,712 metric CO2e.

In 2021, Scope 1 and Scope 2 Greenhouse Gas (GHG) emissions decreased a combined 3.8% compared to the acquisition updated 2020 baseline year. The reduction in GHG emissions compares to our same branch sales volume growth excluding our heavy commercial business, which increased 7.7% in 2021.

SCOPE 1 GHG EMISSIONS DECREASED 2.6% COMPARED TO THE ACQUISITION UPDATED 2020 BASELINE, OR 4,952 METRIC CO2e.

In 2021, we used approximately 10.8 million gallons of fuel, which was approximately 100 thousand gallons more than the acquisition adjusted prior year. Certain of our fleet vehicles use the renewable fuels E85 gasoline and propane, both of which have lower GHG emissions than gasoline and diesel. Renewable fuels represent approximately 221 thousand gallons, or 2% of our fleet fuel usage. While we are interested and support the transition to electric vehicles (EV), there currently aren't suitable EVs on the market to replace our fleet of box trucks, the most common of our fleet vehicles. Some types of our fleet vehicles are coming to market with an EV or conversion option, but these vehicles offer limited mileage range per charge which is impractical to support our operations where the average service area for our branches is approximately 50 miles. We continue active discussions with our vehicle manufacturers regarding the availability of suitable EV alternatives, and anticipate the alternative options to improve as the global supply of microchips used in vehicles improves.

The fugitive emissions from blowing agents used in our spray foam installations declined 4,152 metric CO2e compared to the adjusted 2020 baseline, a reduction of 19.3%. The amount of spray foam we installed, measured by material weight, increased approximately 16.0% compared to the prior year, but we utilized more HFO materials which have a lower GHG emission than HFC materials, contributing to the overall decline in GHG emissions per \$1 million of revenue installed.

SCOPE 2 GHG EMISSIONS DECREASED 19.1% COMPARED TO THE ACQUISITION UPDATED 2020 BASELINE, OR 1,832 METRIC CO2e.

Electricity usage of approximately 20.8 million kilowatt hours (kWh) increased 16.1% compared to the prior year. In May 2021, we transitioned the electricity supply for our cellulose manufacturing facility to a carbon-free source. The carbon-free supply represented approximately 4.1 million kWh of our electricity usage in 2021, avoiding 2,823 metric CO2e, and contributing significantly to the decline in kWh per average square foot.

LAND USE

Although site selection and development occurs before we are involved in a project, we understand that agreeing to perform any work on a particular project equates to our support for the project. As our world becomes more developed, we must be more cognizant than ever of the irreparable damage to vulnerable communities that can result from our projects if we do not exercise due care.



# COMMITTING TO OUR PEOPLE

We believe that every employee deserves to be valued, heard and provided opportunities to thrive. This means our responsibility as an employer goes well beyond just a paycheck. We foster a diverse and inclusive working environment where all voices are heard and encouraged. We provide employees with opportunities to find their purpose, to grow, and succeed in ways that matter to them and their families.

To do this, we offer a robust health and safety program, financial and emotional wellbeing coaching programs, a financial assistance program, and a commitment to build an equitable and inclusive workplace with opportunity for growth and advancement for everyone.



# HUMAN CAPITAL

We believe that our employees are our most valuable asset. Our aim is for our workplace culture to embody the ideals espoused by the United Nations Guiding Principles on Business and Human Rights and Universal Declaration on Human Rights. We have established strong internal policies and our Supplier Code of Conduct to ensure that all humans who contribute directly or indirectly to our mission are treated with dignity and respect.

We strive to show our employees the excellence they have shown us, which is why we are committed to paying all of our employees a living wage. Our team reviews employee salaries and wages at every level annually to ensure that after all they have contributed to our success, all of our employees are able to meet their needs with our pay.

Fortunately, we have never had to implement a mass layoff or any significant reduction in force. In the unlikely event that we need to in the future, we will ensure that employees receive adequate notice (including as required by the Worker Adjustment and Retraining Notification Act of 1988, if applicable) and will conduct an assessment to determine whether we can offer employees financial assistance at that time.

# HEALTH & SAFETY

As a national leader in residential new construction insulation installation, IBP prioritizes the health and safety of employees and partners alike. We know that the job requires employees to engage in physically strenuous, and at times, hazardous work. It is our duty to ensure that employees are working in a safe environment, are trained in how to perform their jobs as safely as possible, and know how to address any safety issues that may arise on the job site. With safety as a key component to our best-in-class installation service, we have created structured programming and established clear expectations of personal accountability that supports our exceptional standards.

Our Safety Wanted 365 program is a collaborative continuing education program, reinforcing our commitment to employee wellbeing. Created and implemented internally, our staff curates curriculum, manages employee workloads, and guides resource allocation to ensure employees can perform their jobs safely, regardless of the task.

Collaboration exists throughout all levels of the organization to ensure that participation and accountability occurs from the branches to the presidents. All employees (office, sales, field personnel and management) are an integral part of the safety team and are incentivized to perform their job safely. IBP’s growth and success is directly attributable to the recruitment, development and retention of exceptional employees. All installers are provided with a copy of our safety manual and managers are encouraged to discuss safety periodically with their teams.

Both IBP management and its Board of Directors are committed to providing the tools and resources needed for workforce health, safety and wellness. While physical wellness and safety are pivotal parts of the overall employee wellbeing equation, our goal is to exceed the industry standards of care in order to best support the wellbeing—be it physical, mental or financial—of our employees.

For more information, please review our company's Safety Policy.

OUR SAFETY POLICY ►

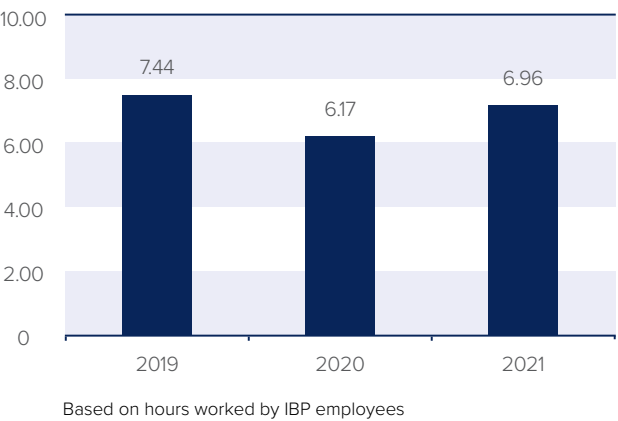
Each newly hired installer receives safety training consisting of the following topics:

- Respiratory Protection Program
  - Personal Protection Equipment
- Fall Protection
  - Blood Borne Pathogens
  - Drugs and Alcohol
  - Confined Space
- Hazardous Chemicals
  - Hand and Portable Power Tools
  - Ladder Safety
- Electrical Safety
  - Vehicle Safety
  - Drywall Storage and Safety

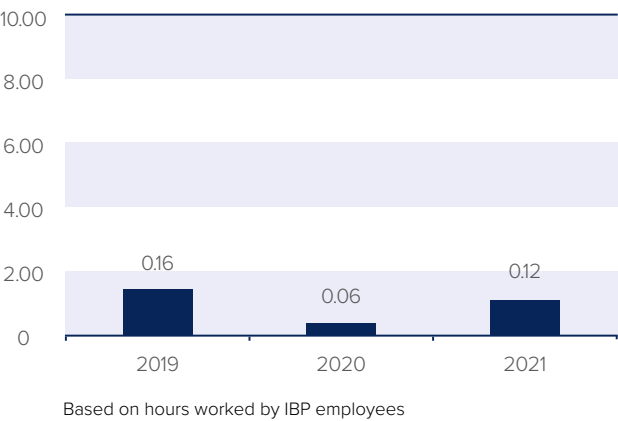
# JOB SITE SAFETY

Our primary job site safety focus is to minimize the number of severe incidents and fatalities, targeting zero occurrences each year. A key part of our protocol includes capturing and tracking all incidents—no matter how minor. This safety monitoring and data capture process helps us address and mitigate the potential of severe and fatal accidents and continue to refine our new hire and ongoing safety training programs.

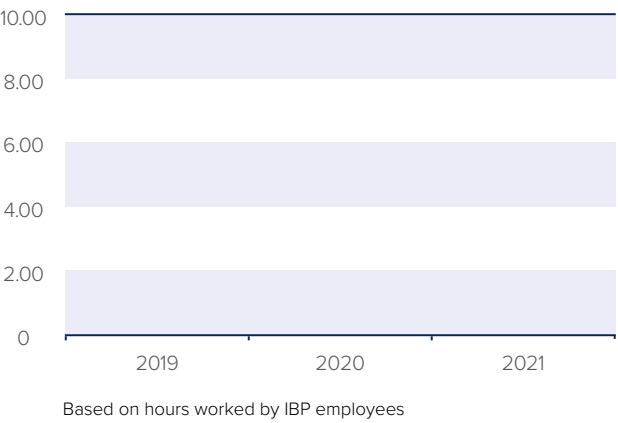
INCIDENT RATES PER 100 EMPLOYEES



SEVERE INCIDENT RATES PER 100 EMPLOYEES



FATALITY INCIDENT RATES PER 100 EMPLOYEES



# DIVERSITY, EQUITY, AND INCLUSION (DE&I)

Diversity is an essential element to thriving businesses, communities, and societies and we work to celebrate and promote diversity within Installed Building Products. It is also our responsibility to establish and sustain an environment where all employees, customers, suppliers, and shareholders honor this commitment to diversity.

IBP's drive toward an increasingly diverse workforce at all levels of our organization is key to our advancement and productivity. We stand against discrimination in any form and are invested in creating a space where all voices are encouraged, heard, and appreciated.

Supporting and understanding the value of DE&I is a valuable tool that all employees should have in their toolbox. Our Positive Production Program – which focuses on employee wellbeing – complements the DE&I effort throughout the organization. Employees across all our branches are invited to participate in Regional DE&I Committees, which collaborate with the national DE&I Working Group to determine the standards for how employees should interact with one another and the communities in which they represent.

IBP has prioritized DE&I initiatives with leadership and accountability throughout various levels of our organization. With oversight from the Compensation and Human Capital Committee of our Board of Directors, DE&I committees have been formed within each operating region as well as at the Corporate office to meet unique diversity needs. The DE&I committees develop strategic plans, facilitate initiatives, and drive education for the benefit of all employees.

## CURRENT DE&I INITIATIVES INCLUDE:

- Management training programs 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 diverse hiring pipeline through enhanced relationships with Historically Black Colleges and Universities (HBCUs)
- Employee focus groups to understand diversity needs and perceptions throughout the Company
- In conjunction with our Positive Production Program, branches provide education and encourage inclusion
- Offering a language training program in select regions for field and Corporate employees to remove communication hurdles, opening greater opportunity for upward mobility

Our full policy against discrimination can be found in our Human Rights Policy, which applies to all employees and our customers, suppliers, vendors and partners. Employees who witness or have been subject to discrimination or harassment in the workplace or in any work-related situation outside the workplace are strongly encouraged to report it immediately. Employees may report incidents internally or via our independent, third-party compliance hotline.

We take violations of our Human Rights Policy very seriously. If we determine that an employee has violated the policy, we will take appropriate disciplinary action against that employee, which may include termination of employment.

OUR HUMAN RIGHTS POLICY ►

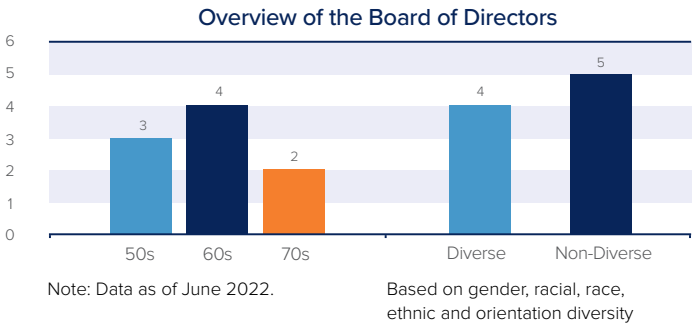
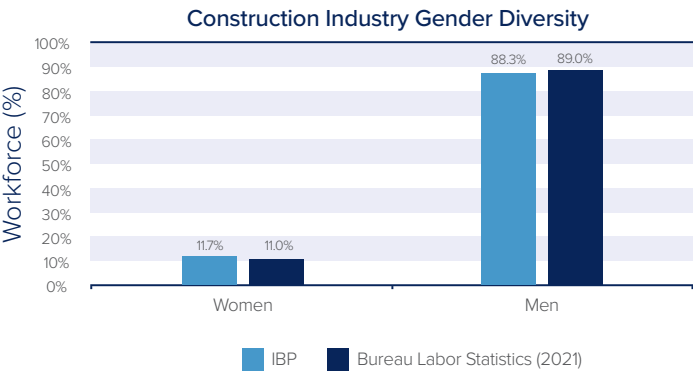
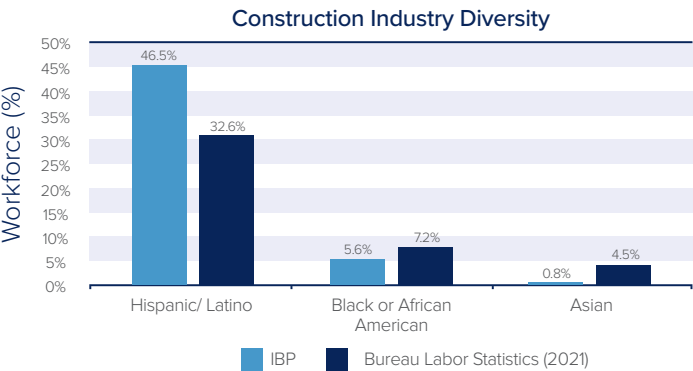
## NON-WHITE DIVERSITY METRICS



## FULL COMPANY DIVERSITY

Ethnicity	Workforce (%)	Age	Workforce (%)	Gender	Workforce (%)
Hispanic / Latino	46	16–20	4	Male	88
Caucasian	40	21–30	26	Female	12
African American	6	31–40	27		
Not Specified	6	41–50	24		
Asian	1	51–60	13		
Native Hawaiian Pacific Islander	*	60+	6		
Two or more	1				
American Indian / Alaskan Native	*				

\*Less than 1%



	Women (%)	Racial & Ethnic Minority (%)
Executive and Senior Management	4	5
Support Group	47	12
Professional	45	17
Field Management	13	23
Installer / Production	3	67
Total	12	57

Note: Data as of June 2022.

CEO ACTION PLEDGE ON DIVERSITY ►

# POSITIVE PRODUCTION PROGRAM

In 2017, we began programs focused on encouragement and positive mental attitudes, with the tenant that a positive attitude enables people to be more productive members of their families, their communities and in the workplace.

This is the epitome of our effort to invest in employees... first we listened to our employees - to what the environment was like - what was important to them - we surveyed and interviewed. Then we crafted a program designed to give employees tools and resources, provided to them and their families through online programming. We delivered live workshops and more passive programming in branches.

As the COVID-19 pandemic ramped up in 2020, so did our efforts to increase emotional wellbeing, introducing Built to Connect. Our weekly Built to Connect virtual program offers 10 and 30-minute sessions focused on breathing, writing, and learning topics such as gratitude, growth mindset, goals, optimism and much more. With approximately 3,000 logins occurring during the first two years, we are excited for the future of the program and the continued growth and success of IBP team members.

October 2021 saw the Company-wide launch of the Positive Production Program. This effort includes 43 in-house produced, bitesize videos focused on the Built to Connect topics. Videos such as growth mindset, emotional intelligence and gratitude are emailed and texted to all employees on a bi-weekly basis, as well as streamed on televisions located in every IBP location. With a tie-in to our Diversity, Equity and Inclusion programs, we are truly building an organization for the “whole self”.

# EMPLOYEE BENEFITS

We know our employees and their families are building for their futures and we believe that supporting these futures improves overall wellbeing.

This is the fifth year since we implemented the multifaceted financial wellness program. Through this program employees can create a personal emergency fund, a debt repayment plan, and prepare for their financial futures. Through our longevity stock program, employees are rewarded for their long-term contribution to IBP’s financial success.

**WE ALSO PROVIDE COMPETITIVE BENEFITS THAT CONTRIBUTE TO WELLBEING, INCLUDING:**

 <p>MEDICAL, DENTAL AND VISION INSURANCE</p>	 <p>PRESCRIPTION DRUG COVERAGE</p>	 <p>FLEXIBLE SPENDING ACCOUNT</p>
 <p>401K RETIREMENT PLAN WITH MATCHING CONTRIBUTION</p>	 <p>PAID VACATIONS AND HOLIDAYS</p>	 <p>SHORT-AND LONG- TERM DISABILITY INSURANCE, LIFE INSURANCE, AND GROUP ACCIDENT INSURANCE</p>

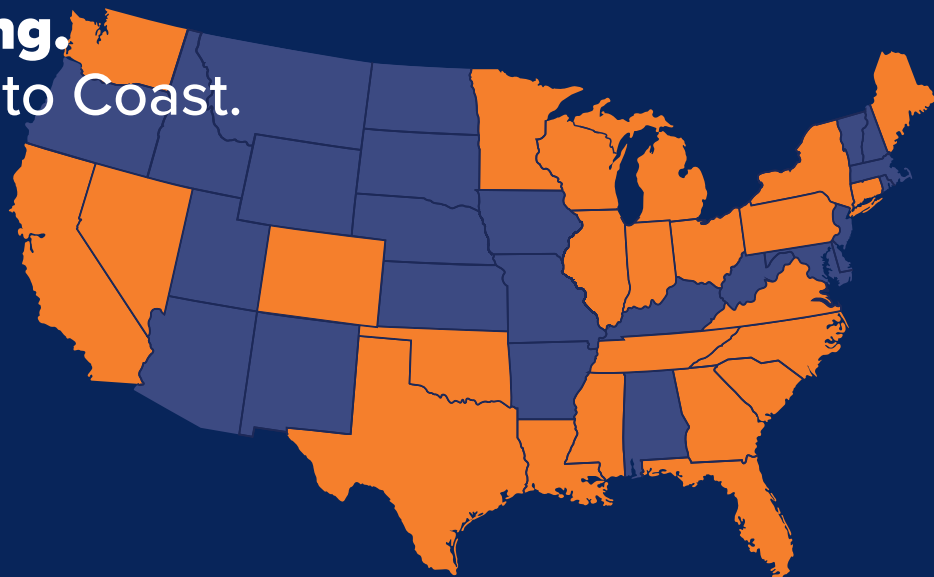


# FINANCIAL ASSISTANCE PROGRAM

## LIFE CAN BE UNPREDICTABLE.

In addition to our general financial wellness benefits, our Financial Assistance Program is designed to provide emergency financial assistance to our employees in times of crisis. Funded in-part by voluntary employee contributions, eligible employees can apply for up to \$2,000 in assistance each year.

**Helping.**  
Coast to Coast.



**“EVERYBODY EITHER HITS A ROUGH PATCH SOMETIME IN THEIR LIFE OR AT SOME TIME NEEDS A LEG UP. THIS PROGRAM IS MEANT TO HELP DURING THOSE TIMES.”**

JEFF EDWARDS,  
CEO OF INSTALLED BUILDING PRODUCTS

## HELPING HANDS AFTER A HURRICANE.

PROVIDING OUR EMPLOYEES WITH CRITICAL ASSISTANCE IN THE AFTERMATH OF HURRICANE IDA.

Hurricane Ida made landfall in Louisiana on August 29, 2021, as the second most damaging and intense hurricane to ever impact the state, eclipsed only by Katrina.

Among those affected were 59 IBP employees at two of our branches in the most heavily impacted area. Like most residents, our employees lost electrical power, water service, utilities, and all access to internet and cellular communications. This is the most extreme example of why our *Employee Financial Assistance Program* was established – a way for our employees to contribute a portion of their pay along with company funds to help our fellow workers when they need it. And in this case, they needed it desperately.

With no way to initiate the usual online application process or phone interviews, we immediately went to work to get funds into the hands of our impacted employees. The decision was made to provide every employee impacted by the storm with a grant to assist with immediate needs. A total of \$52,207 in grant checks made their way into the hands of our employees by the end of the week. Many of the checks were hand-delivered to employees’ homes. Luckily, none of our employees were injured. We are thankful for that. And we’re thankful for the generosity of our IBP family, always looking out for one another through initiatives like our *Employee Financial Assistance Program*.

**\$52K** IN FINANCIAL ASSISTANCE DELIVERED TO AFFECTED EMPLOYEES IN LOUISIANA



# ELEVATING OUR NEIGHBOR- HOODS

A critical component of corporate citizenship is ensuring that the communities where we live and work thrive. Education, housing and community strengthening are the three areas where we believe we can make the most impact. Access to education—from early childhood on—is key to building a bright future and we are proud to support educational initiatives and organizations in our communities. Having a safe place to sleep at night is a basic human right and we are proud to support organizations throughout the U.S. working on a variety of housing initiatives. And we know that nonprofit organizations and the volunteers that support them are crucial to a flourishing community. We encourage our employees to donate their time, talent or funds to nonprofit organizations they are passionate about through our matching gifts and volunteer programs.



We know that quality education builds a bright and more equitable future and we are committed to helping our neighbors access opportunities. Since 2019, we have committed \$2.9 million in support of education for our employees, their families and in our communities.



## EDUCATION

Our scholarship program provides our employees and their family members \$5,000 in renewable scholarships to support their pursuit of education after high school. Our scholarship award criteria includes financial need, aimed at ensuring more equitable access to learning opportunities for our employees and their families. Since the program's inception, we have awarded over \$2 million in scholarships to support associate's degrees, certificate and vocational programs, bachelor's degrees as well as master's and other postgrad programs.

In 2021, IBP signed on to support The Columbus Promise, a public-private partnership created to provide Columbus City Schools graduating seniors an opportunity to attend Columbus State Community College tuition free for up to six semesters. Aimed at eliminating the financial barriers that often exist, The Columbus Promise could be the catalyst needed for students to take their future into their own hands.

THE COLUMBUS PROMISE ►



# HOUSING

Building safe and comfortable homes is our passion because we know that accessible housing is the bedrock of a thriving community. Through corporate contributions and our Foundation’s nonprofit grant program, we have committed over \$3.8 million to support nonprofit organizations dedicated to building or renovating homes or providing shelter for those in need in communities throughout the U.S. Each organization that receives funding is contributing to housing initiatives in ways unique to their expertise and the needs of their community.

In 2021, we made a three-year commitment of \$500,000 to The Gary Sinise Foundation’s R.I.S.E (Restoring Independence Supporting Empowerment) program, which builds specially adapted smart homes for our nation’s most severely wounded heroes. To date, the organization has provided 79 homes to these heroes and their families.

GARY SINISE FOUNDATION R.I.S.E. ►



79 HOMES  
BUILT FOR  
WOUNDED  
HEROES





TEXAS RAMP PROJECT

The IBP Foundation was proud to provide a \$40,000 grant to the Texas Ramp Project—an organization that provides free wheelchair ramps to low-income older adults and those with disabilities who may not otherwise be able to afford them— to build over 35 accessibility ramps at homes throughout Texas.

One of the most important things about a safe home is the ability to leave it. The Texas Ramp Project knows this better than anyone through their work building wheelchair ramps for older adults and others with mobility issues. For people dependent on wheelchairs or walkers, too many stairs, uneven concrete or lack of railings can make movement in and out of the home dangerous. If homeowners can’t afford repairs, leaving home becomes almost impossible. That’s where Texas Ramp Project comes in, with their vision that “no one in Texas who needs a wheelchair ramp should go without one because they cannot afford it.”

Before help from the Texas Ramp Project, Ms. B, who uses a wheelchair and walker, felt unsafe leaving her home. The only possible exit was an uneven and dangerous ramp. Isolated and without a way to get to medical appointments, her health and wellbeing suffered. Ms. B’s life changed in just a single afternoon after a social worker referred her to the Texas Ramp Project and IBP volunteers built a brand new 22-foot ramp. Now, Ms. B has a newfound freedom in being able to safely come and go from her home.

TEXAS RAMP PROJECT ▶



+35

ACCESSIBILITY RAMPS  
BUILT WITH IBP’S  
\$40,000 GRANT TO  
TEXAS RAMP PROJECT





# STRENGTHENING COMMUNITIES

At Installed Building Products, we take great pride in the communities we call home. Our branches serve communities nationwide and it is imperative that we do our part to give back and make a lasting impact on those who need it most in a way that best helps our neighborhoods flourish.

IBP offers a donation match program that matches an employee's nonprofit donations up to \$500 on an annual basis. We also know that some people prefer to give back to their communities with their talent and their time. Through our Dollars for Doers program, employees can volunteer with their favorite nonprofit, earning a \$20 donation for every hour that they volunteer up to 25 hours.

To date, IBP has contributed \$575,000 through contributions to nonprofits working to strengthen our communities and through our employee match programs.







# 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 our Company, 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.

Employees may report any concerns internally or through our independent, third-party compliance hotline. The Company encourages open communication so that concerns may be raised without fear of retaliation in any manner.

We maintain various training programs throughout the organization, including ethics training. Field and office management employees complete ethics training on a 2 year program cycle in key topics such as, Insider Trading, Antitrust, and Anti-Corruption and Anti-Bribery training.

All of our completed and active projects have been in the United States, and we do not have any projects in countries with low rankings in Transparency International’s Corruption Perception Index. We have not incurred any monetary losses as a result of legal proceedings associated with charges of bribery, corruption or anti-competitive practices.

Our dedication to ethical business practices includes maintaining competition in our industry. We are proud to say that we have become as successful as we have through merit and not through unethical business practices. We do not share bid information or engage in anticompetitive bidding practices, including bid pooling and complementary bidding. A limited group of employees has access to customer lists, pricing and other business information, and those employees are expected to keep that information confidential.

Report Type	2019	2020	2021
Executive Related	-	-	-
Financial Disclosure	-	-	-
Branch Operations	4	7	10
Human Resources Related	31	29	26
Total Reports	35	36	36

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](http://www.lighthouse-services.com/installed) | Email: [lighthouse@installed.net](mailto:lighthouse@installed.net)

CODE OF ETHICS ►



# SUPPLIER CODE OF CONDUCT

We are committed to the highest standards of product quality and business integrity in our dealings with customers and suppliers. All suppliers, vendors and partners, and the IBP employees with whom they work are expected to conduct themselves with the highest standard of honesty, fairness, and personal integrity. Under our Supplier Code of Conduct, the following standards are expected to be maintained:

- |  |  |
|--|--|
| 1. An equal opportunity workplace free from discrimination and harassment  | 5. All forms of corruption, fraud, bribery and extortion are strictly prohibited   |
| 2. A place of employment free from industrial accidents, injuries and illness in compliance with safety and health laws and regulations                                    | 6. Supplier must maintain facilities, equipment and fleet to minimize atmospheric emissions  |
| 3. Strictly prohibit the use of all forms of forced and child labor  | 7. Work towards the reduction of greenhouse gas and other harmful emissions  |
| 4. Each supplier must abide by all anti-corruption laws in the U.S. Foreign Corrupt Practices Act, and similar laws in foreign jurisdictions where we may conduct business | 8. Comply with the Clean Water Act   |
|  | 9. Strictly prohibit the processing, manufacturing, and sale of products containing conflict minerals originating from the Democratic Republic of the Congo or adjoining country |

To ensure that our suppliers consistently comply with our Supplier Code of Conduct, we periodically submit information or audit requests to our suppliers. Each supplier agrees to the timely completion and return of any questionnaire or compliance request and agrees to work with us to resolve any issues timely. Our third-party ethics hotline is also available to suppliers who would like to anonymously report misconduct.

SUPPLIER CODE OF CONDUCT ►

# CONFLICT MINERALS POLICY

Conflict minerals are resources that are mined and used to influence and finance armed conflict, human rights abuses, and violence. These include: gold, tantalum, tin, and tungsten, as well as their derivatives, and any other mineral or its derivative determined by the U.S. State Department to be financing armed conflict, human rights abuses, and violence in the Democratic Republic of the Congo or an adjoining country.

IBP will not transact business with any supplier that engages in the processing, manufacturing, and sale of products containing conflict minerals originating from the Democratic Republic of the Congo or an adjoining country.



# DATA PRIVACY

The safety of our customers, suppliers and partners is one of our top priorities. Our information technology leader reports to the Audit Committee quarterly on our progress in our cybersecurity initiatives and keeps the Board apprised of any data breaches or other issues.

Our cybersecurity program is based on the National Institute of Standards and Technology (NIST) Framework. A third-party information technology consulting firm conducts periodic audits of our systems and recommends changes or upgrades. Employees use two-factor authentication to access our network and applications.



# 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 ►





# ESG TEAM



**BRITTANY BAINUM**

DIRECTOR OF SAFETY

- Health & Safety
- Positive Production Program
- DE&I initiatives



**DARREN HICKS**

MANAGING DIRECTOR OF INVESTOR RELATIONS

- Investor communications and outreach



**JASON LAWSON**

VICE PRESIDENT OF HUMAN RESOURCES

- Human Rights
- Code of Ethics
- DE&I initiatives



**CRAIG LONG**

MANAGER OF FINANCIAL REPORTING

- Greenhouse Gas Emissions
- SEC reporting and disclosure



**JASON NISWONGER**

CHIEF ADMINISTRATIVE AND SUSTAINABILITY OFFICER



**KELLY CLIFFORD RIEHL**

DIRECTOR COMMUNICATIONS AND COMMUNITY RELATIONS / PRESIDENT, INSTALLED BUILDING PRODUCTS FOUNDATION

- Corporate and Foundation Giving
- DE&I Initiatives



# 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 AND HUMAN CAPITAL COMMITTEE:

The Compensation and Human Capital 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 and Human Capital 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, our ESG-related performance, and ESG initiatives including our long term environmental targets 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.

In addition, historical, current, and forward-looking ESG and sustainability-related information may be based on standards for measuring progress that are still developing and internal controls and processes that continue to evolve. The standards and metrics included herein, unless otherwise specifically indicated, are non-audited estimates, were not prepared in accordance with U.S. generally accepted accounting principles (GAAP), and have not been externally assured.

# 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, our ESG-related performance and ESG initiatives including our long term environmental targets, and our financial and business model. Forward-looking statements may generally be identified by the use of words such as “anticipate,” “believe,” “expect,” “intends,” “plan,” “will,” and “target” 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; local, state and federal regulations; inflation and interest rates; the material price and supply environment; the timing of increases in our selling prices; 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, 2021, as the same may be updated from time to time in our subsequent filings with the Securities and Exchange Commission. 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.

