



# IBP Environmental, Social & Governance Report

**2023**



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# MESSAGE FROM OUR CEO

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



## DEAR IBP STAKEHOLDER,

Our company is built on the idea of “doing the right thing.” We have the great privilege of doing business with builders, homeowners, and businesses to help them improve the energy efficiency of their homes and businesses in communities across the country. With that privilege comes great responsibility to our employees, our customers, neighbors, and our planet.

Throughout this year’s ESG report we share updates on the progress we are making towards achieving our environmental, health and safety, and philanthropy goals. We know that none of these goals exist in a silo. Everything we do is reflected in our effort to be a conscientious corporate citizen, and it is connected to and reflected in our company culture. In the insulation business, working to improve the energy efficiency of homes and businesses is what we do. Doing the right thing means understanding that the way we treat our employees, customers, and our environment are inextricably linked, and every goal we set is meant to have far-reaching impact.

In 2022, we continued our focus on climate change, reducing our carbon footprint, and taking care of our employees and our communities.

## LIMITING THE RISK CAUSED BY CLIMATE CHANGE

This year, we are continuing our proactive approach to understanding and addressing the risks climate change has on our business. Our leadership team and Board have built a climate strategy and meet quarterly to review our ESG efforts and the impact climate related risks may have on our business. As part of our climate and enterprise risk management strategies, we are developing a matrix that provides both quantitative analysis and qualitative information about risk categories, warning periods, mitigation strategies, and effectiveness.

## REDUCING CARBON EMISSIONS

With the bulk of our business coming from insulation installation, improving energy efficiency is a natural benefit of much of what we do. We realize that on a large scale, there is much that can be done to reduce our corporate carbon footprint, and we continue to pursue strategies that will create a more sustainable future. Highlights of efforts to reduce our carbon footprint in 2022 include:

- We continued to make progress toward our target of achieving a 50% reduction in emissions by 2030
- We reduced Greenhouse Gas Emissions from our installation of spray foam by more than 30% compared to the prior year
- We diverted 2.8 million pounds of scrap fiberglass insulation and 49,500 tons of waste paper and cardboard from landfills
- We continued our efforts to transition our electricity needs to carbon-free sources

## SUPPORTING OUR EMPLOYEES

Our commitment to doing the right thing includes protecting our planet for future generations and it extends to taking care of our IBP family. We are committed to providing our employees with a safe, rewarding, and respectful workplace where everyone feels that they belong. This commitment starts with our laser focus on safety through our Lead With Safety program, which has contributed to a safer work environment for our team members. This is illustrated by the incident rate of severe injuries improving approximately 27% from 2021, to less than 0.1 per 100 full time employees.

The safety of our employees is our top priority, but our commitment to our employees goes beyond that. In the past several years we have:

- Committed \$2.4 million in scholarships to support 230 IBP employees and family members in their educational endeavors
- Provided over \$280,000 in grants to help our employees overcome difficult financial situations
- Sponsored a financial wellness program to help employees independently reach their financial goals
- Focused on the wellbeing and mental health of our employees through our Positive Production video series covering topics such as emotional intelligence and optimism

## GIVING BACK TO OUR COMMUNITIES

Since we were founded, we have never lost sight of what it means to do the right thing, and how meaningful it is to work and engage in our communities. We have committed to give back approximately 1% of our annual EBITDA each year to support local communities by partnering with and supporting nonprofit organizations and initiatives focusing on education, housing, and strengthening our communities. In 2022, we provided over \$3 million to nonprofit organizations across the country, bringing out total philanthropic impact from 2019 through 2022 to \$7.8 million.

As we continue our ESG journey, I believe we are making real progress in our efforts to become a leading corporate citizen. Our work is just beginning, and we remain steadfast in our goals to expand our social responsibility practices so that we can be a force for positive change.

To Doing the Right Thing,

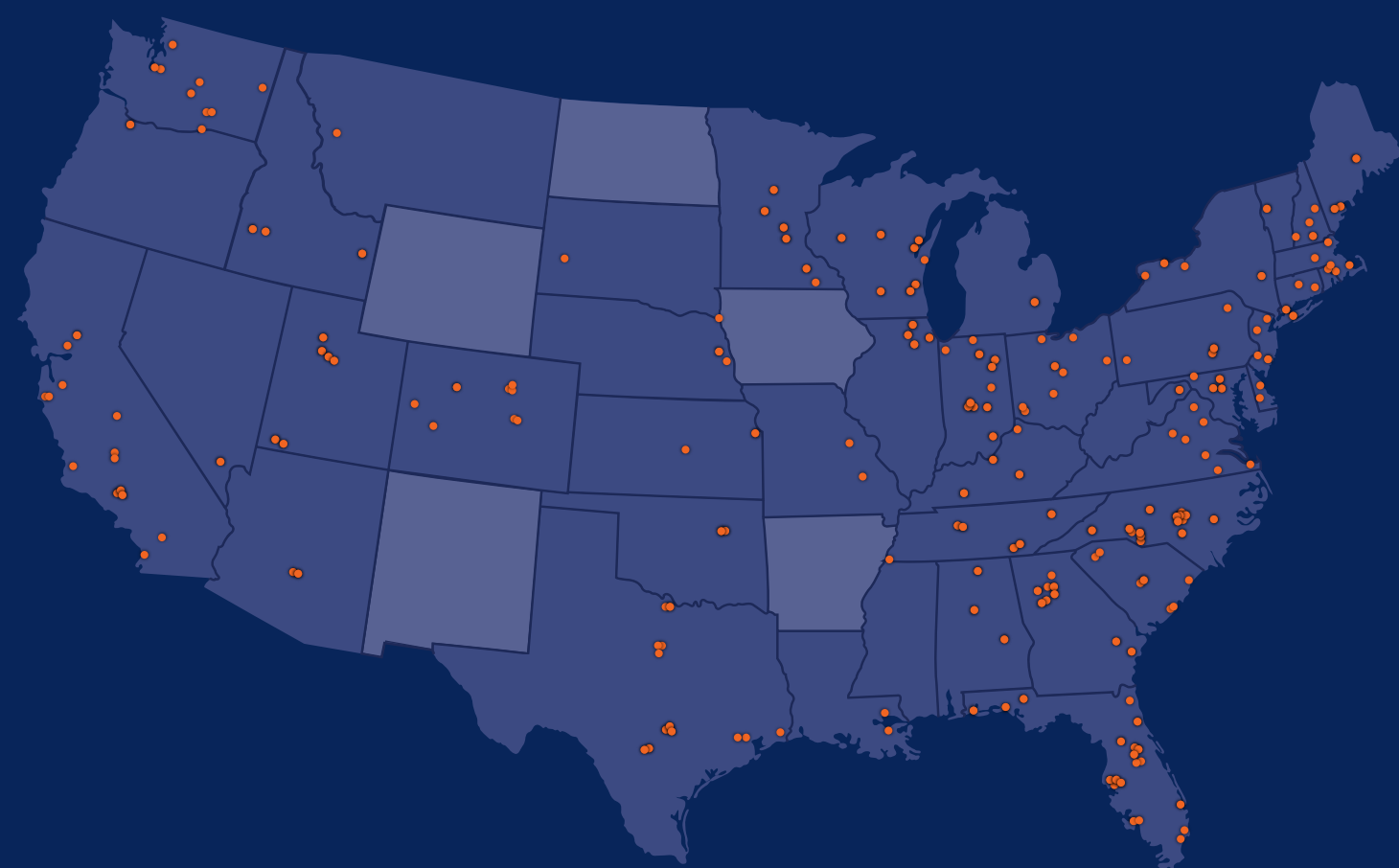
A handwritten signature in black ink that reads "Jeffrey W. Edwards". The signature is fluid and cursive, written in a professional style.

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 240 LOCATIONS.



# IBP is one of the nation's largest new residential insulation installers and is a diversified installer of complementary building products.

Our portfolio includes 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 services for new and existing single-family and multi-family residential and commercial building projects in all 48 continental states and the District of Columbia from its national network of over 240 branch locations.

We know that we can positively impact our world, our employees' lives, and the communities where we live and work. We do this 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 2022, insulation installation, distribution and manufacturing represented approximately 65% 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.

# 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 an energy solution that can help reduce a home's emissions, save money, and provide a comfortable home to the homeowners.



## RESPONSIBLE MATERIALS

The most common type of insulation we install – **over 80% of our insulation sales** – is fiberglass, which is comprised of an average of 50-80% recycled material. We also install cellulose insulation, which is comprised of at least 75% recycled waste paper and cardboard.



## REDUCING OUR CARBON FOOTPRINT

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



## 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.



## MANAGEMENT OVERSIGHT

Our senior management members work closely with the Board to identify and address climate-related risks and opportunities. 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.

# INSULATION AND ENERGY EFFICIENCY

At IBP, we view ourselves as providing energy solutions to homebuilders, commercial construction contractors, and homeowners. The insulation products we sell must be installed properly by our employees to meet local market expectations to achieve the desired energy conservation and energy efficiency.

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, and can perform more than 25% better than installing to code and reduce CO2 emissions more than 30%\*.

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 one of the nation's leading installers of insulation, we must be knowledgeable of all local codes and complete the installation of materials to meet our customer's expectations and local code requirements.

For more information on the benefits and performance of insulation, please see Appendix

\*See page 13 of 2021 IBP Environmental, Social and Governance Report

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.

## INFLATION REDUCTION ACT OF 2022

In addition to inflation fighting and deficit reduction, the Inflation Reduction Act of 2022 provided financial resources to reduce carbon emissions by roughly 40 percent by 2040. Portions of the legislation is of significant benefit to taxpayers, the insulation industry and IBP:

- Builder New Home Tax Credit (45L)
- Energy Efficient Home Improvement Tax Credit (25C)

The Inflation Reduction Act of 2022 extended and expanded the Internal Revenue Code Section 45L, which provides single family and multi-family homebuilders with tax credits for meeting energy efficiency standards.

- Builder tax credit of \$2,500 for single family homes that meet ENERGY STAR Version 3.2 and meet 2021 International Energy Conservation Code (IECC) for envelope standards
- Builder tax credit of \$5,000 for single family homes that meet the Department of Energy (DOE) Zero Energy Ready Home standard
- Builder tax credit of \$500 for multi-family units that meet ENERGY STAR Version 3.2 and meet 2021 International Energy Conservation Code (IECC) for envelope standards
- Builder tax credit of \$1,000 for multi-family units that meet the Department of Energy (DOE) Zero Energy Ready Home standard

The Energy Efficient Home Improvement Tax Credit (25C) allows individual taxpayers to take an annual tax credit for up to 30% of the qualified insulation and air sealing materials, up to \$1,200. The legislation also expands coverage to \$150 for the completion of a home energy audit.

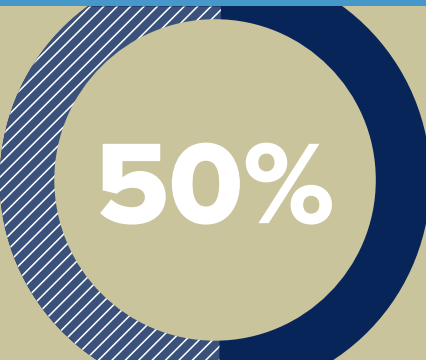


# IBP ENVIRONMENTAL TARGETS

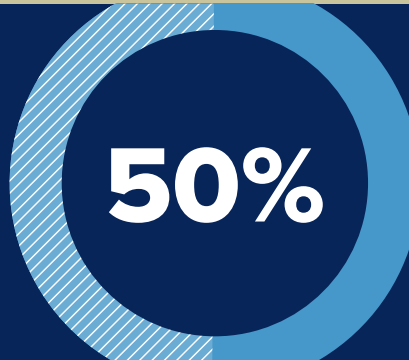
## REDUCE SCOPE 1 GHG EMISSIONS 50%

**REDUCE BY 50% MOBILE COMBUSTION EMISSIONS**

FROM 2020 BASELINE, MEASURED AS CO2E METRIC TON EMISSIONS PER AVERAGE VEHICLE, BY 2030



**50%**



**50%**

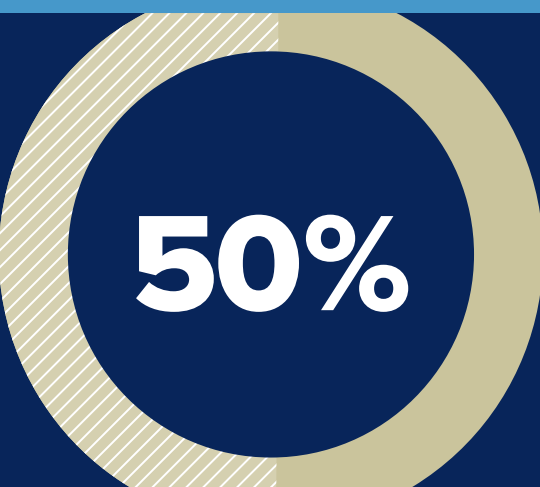
**REDUCE BY 50% THE HFC BLOWING AGENT USED**

FROM 2020 BASELINE, MEASURED AS CO2E METRIC TONS PER \$1 MILLION OF REVENUE, AS STATES ADOPT HFO ALTERNATIVE, BY 2030

## REDUCE MARKET BASED SCOPE 2 GHG EMISSIONS 50%

**REDUCE BY 50% OUR CARBON PRODUCING ELECTRICITY USAGE**

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



**50%**

# GREENHOUSE GAS (GHG) EMISSIONS – 2022

## GHG EMISSIONS (METRIC TONS CO2e) - LOCATION BASED

	Type	2020 Adjusted <sup>1</sup>	2021 Adjusted <sup>1</sup>	2022
Scope 1	Fuel Combustion*	98,733	101,384	101,267
	Blowing Agents	25,329	21,771	14,655
	Refrigerants**	4,155	4,159	4,073
	Natural Gas	2,908	3,230	3,680
Scope 2	Electricity	8,188	8,564	9,434
<b>Scope 1</b>		131,125	130,544	123,675
<b>Scope 2</b>		8,188	8,564	9,434
<b>Total</b>		139,313	139,108	133,109

## GHG EMISSIONS (METRIC TONS CO2e) - MARKET BASED

	Type	2020 Adjusted <sup>1</sup>	2021 Adjusted <sup>1</sup>	2022
Scope 1	Fuel Combustion*	98,733	101,384	101,267
	Blowing Agents	25,329	21,771	14,655
	Refrigerants**	4,155	4,159	4,073
	Natural Gas	2,908	3,230	3,680
Scope 2	Electricity	9,910	8,078	5,945
<b>Scope 1</b>		131,125	130,544	123,675
<b>Scope 2</b>		9,910	8,078	5,945
<b>Total</b>		141,035	138,622	129,620

<sup>1</sup> Prior periods adjusted for acquisitions, consistent with GHG Protocol guidance

\* 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 exist 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 BY 50% PER \$1 MILLION OF SPRAY FOAM REVENUE**

# SUMMARY OF GREENHOUSE GAS (GHG) EMISSIONS

During 2022, we completed eight acquisitions representing approximately \$109 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, for all acquisitions completed since the baseline year, which increased our 2020 baseline Greenhouse Gas (GHG) emissions by approximately 18%, from 119,598 metric CO<sub>2</sub>e to 141,035 metric CO<sub>2</sub>e.

In 2022, Scope 1 and Scope 2 Greenhouse Gas (GHG) emissions decreased a combined 8.1% compared to the acquisition updated 2020 baseline year.

## SCOPE 1 GHG EMISSIONS DECREASED 5.7% COMPARED TO THE ACQUISITION UPDATED 2020 BASELINE, OR 7,450 METRIC CO<sub>2</sub>e.

In 2022, we used approximately 11.8 million gallons of fuel, which was approximately 340 thousand gallons more than the acquisition adjusted 2020 baseline. 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 276 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 10,674 metric CO<sub>2</sub>e compared to the adjusted 2020 baseline, a reduction of 42%. The amount of spray foam we installed, measured by material weight, increased approximately 17% compared to the baseline year, but we utilized more HFO materials which have a lower GHG emission than HFC materials, contributing to the approximate decline of 65% in GHG emissions per \$1 million of revenue installed.

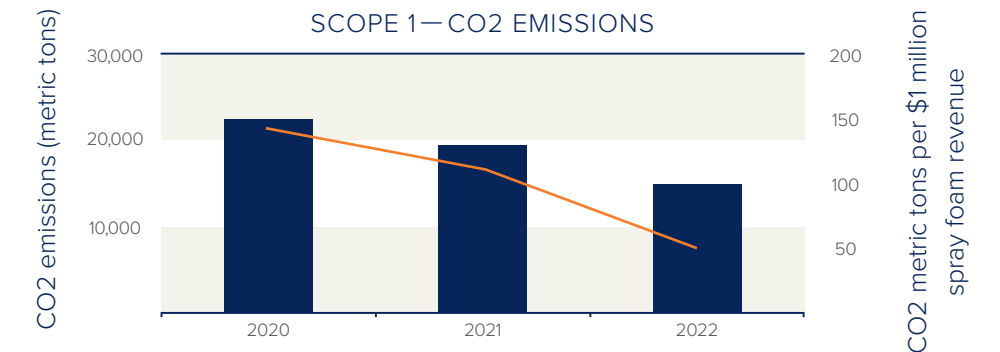
## SCOPE 2 GHG EMISSIONS DECREASED 40% COMPARED TO THE ACQUISITION UPDATED 2020 BASELINE, OR 3,965 METRIC CO<sub>2</sub>e.

Electricity usage of approximately 22.7 million kilowatt hours (kWh) increased 26.7% compared to the adjusted 2020 baseline. In May 2021, we transitioned the electricity supply for our cellulose manufacturing facility to a carbon-free source. The carbon-free supply represented approximately 7.6 million kWh of our electricity usage in 2022, avoiding greenhouse gas emissions, and contributing significantly to the decline in kWh per average square foot.

## HFO SPRAY FOAM

IBP supports the industry transition to HFO spray foam and is committed to **reducing CO<sub>2</sub> emissions per \$1 million of revenue**, while the HFC product phases out.

## SCOPE 1 BLOWING AGENT GHG EMISSIONS



In 2022, CO<sub>2</sub> emissions from spray foam applications **decreased** from the unadjusted 2020 baseline by approximately 34%, while the quantity of spray foam material used in installation **increased** approximately 17%.

Scope 1 CO<sub>2</sub>e metric tons per \$1 million has **declined** by approximately 65% from the 2020 baseline.

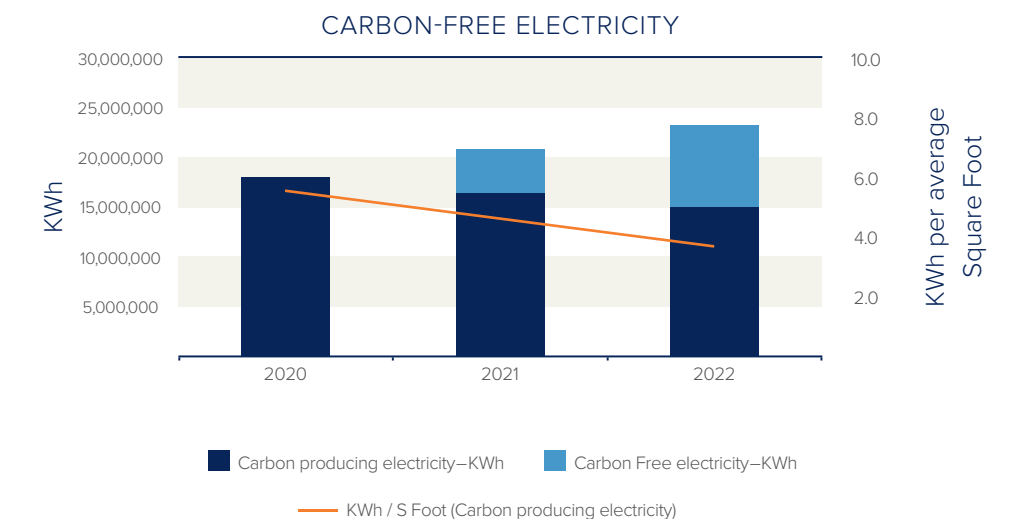
## ELECTRICITY

IBP is actively transitioning electricity supply for facilities to a green, carbon-free source.

## SCOPE 2 ELECTRICITY GHG EMISSIONS

In 2022, we used 22.7 million kWh of electricity, including 7.6 million kWh of carbon free electricity supply. The 15.1 million kWh of carbon producing electricity used in 2022 represents a **decrease** of 15.7% compared to the unadjusted 2020 baseline. Carbon producing electricity kWh per the average square footage of our facilities **declined** to 3.7 in 2022, compared to 5.5 in the 2020 baseline.

**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.**





# LAND & WATER

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.

## BASELINE WATER STRESS ANALYSIS

Water usage is minimal in our production activities, often times limited to typical water usage in offices spaces in our branches, regional and corporate offices. Several of our facilities are located in areas identified as Extremely High or High Baseline Water Stress (BLWS), based on data from *World Resources Institute Water Risk Atlas* as of March 2023.

Baseline Water Stress measures the ratio of total water withdrawals in an area relative to the annual available renewable surface water supplies.

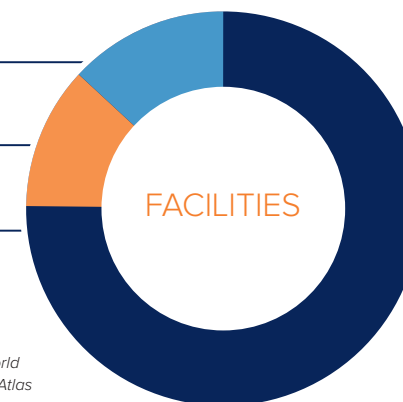
While we are not a water intensive business, IBP recognizes the need to identify risks to our operations in these areas and focus on conservation and responsible usage throughout all of our facilities.

### IBP FACILITIES WITH BASELINE WATER STRESS RISK

12% Facilities in Areas With Extremely High\* BLWS

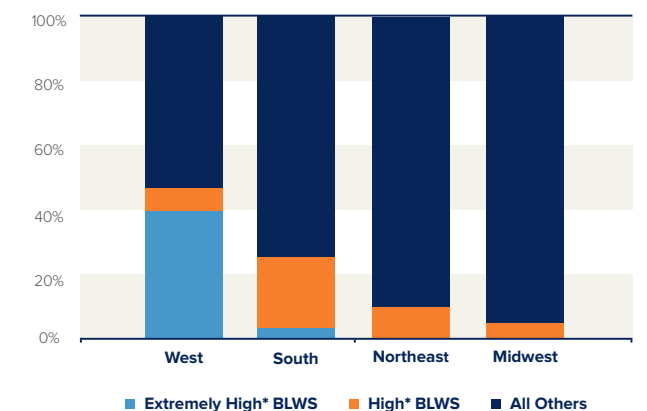
14% Facilities in Areas With High\*\* BLWS

74% All Other Facilities



\*Based on data obtained from *World Resources Institute's Water Risk Atlas* as of March 2023.

### SQUARE FOOTAGE POTENTIAL EXPOSURE BY REGION



**WE MAINTAIN A NATIONAL WASTE MANAGEMENT AND RECYCLING PROGRAM TO MEASURE AND REDUCE THE AMOUNT OF LANDFILL WASTE THROUGH INCREASED RECYCLING PROGRAMS**



# COMMITTING TO OUR PEOPLE

Our employees make up our company's backbone, faces, and spirit. Without them, none of what we do is possible.

At Installed Building Products, we take great care to ensure that every employee feels valued, heard, and has the opportunity to thrive. To that end, our commitment to them goes far beyond a paycheck.

What does this look like? Our most tangible employee care programs include a robust health and safety program, financial and emotional well-being coaching, and financial assistance programs.

We also provide employees opportunities to find their purpose, grow, and succeed in ways that matter to them and their families. And when someone works for IBP, they can expect a respectful, diverse, and inclusive environment where all voices are embraced and everyone has the opportunity for growth.

# 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.

Our management team supports the development of our existing workforce by establishing a culture of employee engagement, employee appreciation and the opportunity for promotion from within for many leadership positions. We believe this provides increased retention and promotes a long-term focus to our operations.

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.

Additionally, approximately 4% of our employees are covered under collective bargaining agreements. We have never experienced a work stoppage or strike, and we believe we have a good relationship with our employees. We are committed to respecting their freedom of association and their right to collective bargaining.

~4%

OF OUR EMPLOYEES  
ARE COVERED  
UNDER COLLECTIVE  
BARGAINING  
AGREEMENTS.

# 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.

Employee safety is a core business objective. Our installers engage in physically strenuous, and at times, hazardous work. We have detailed safety policies and each year significant staffing, funding and resources are allocated to safety and risk management. We have strong workplace safety measures that we call Lead with Safety, a continuing education program focused on creating a safer working environment for our employees and other jobsite personnel through year-round education and training. We have regional safety managers who are OSHA 500 certified outreach trainers who conduct intensive courses on OSHA safety training. We track all incidents that occur on our job sites that could result in injury, including minor incidents that may not require first aid or medical treatment. Our safety managers engage field production staff and production and branch management to incorporate that feedback and job site experience into the design and development of safety measures, materials and training programs. We believe our safety programs are having a positive impact.

Our safety programs include drugs and alcohol, confined space, fall protection, hazardous chemicals communication, respiratory protection, hand and portable power tools, personal protection, carbon monoxide, weather safety, cell phone usage, drywall storage safety, driver safety and fleet safety. Each installer receives initial safety training upon hire and may receive specialty training depending upon duties. Safety training continues with weekly Toolbox Talks, quarterly safety initiatives, annual refresher training and safety excellence awards. Our safety program employs more than 35 training videos, including ladder and scaffold safety, electrical safety and forklift safety. Our spray polyurethane foam protocol includes trucks and equipment, storage and disposal, sales and installer training, preventative maintenance and technical support and quality control.

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.

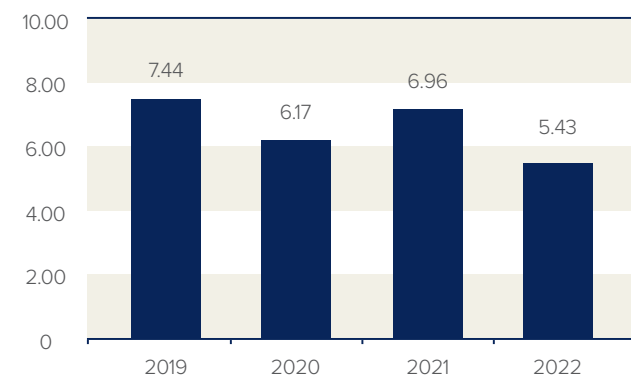
[OUR SAFETY POLICY ►](#)



# JOB SITE SAFETY

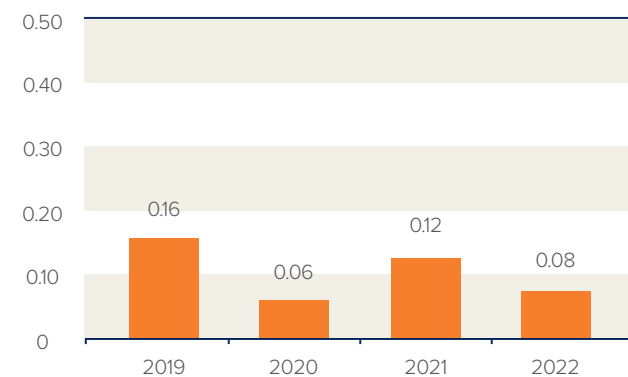
Our primary job site safety focus is to minimize the number of severe incidents and fatalities, **targeting a reduction in incidents per 100 employee hours and maintaining zero fatalities**. A key part of our protocol includes capturing and tracking all incidents—no matter how minor. This safety monitoring 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

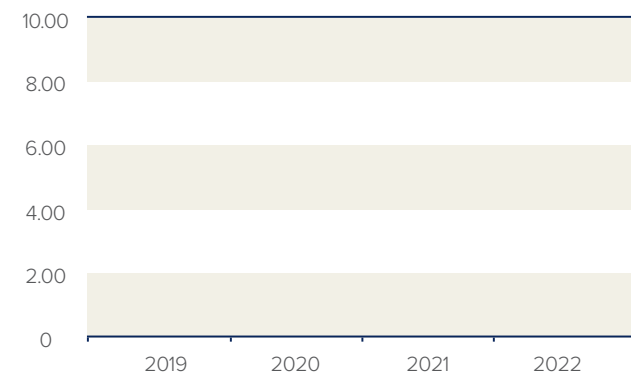


Based on hours worked by IBP employees

SEVERE INCIDENT RATES PER 100 EMPLOYEES



FATALITY INCIDENT RATES PER 100 EMPLOYEES



Based on hours worked by IBP employees

Total hours worked increased 10% from 2021 to 2022, while OSHA-defined incidents declined by 15% during the same period, resulting in a decline in incident rate per 100 hours worked of 22%.

We also reported a 27% decrease in severe incidents from 2021 to 2022 with eight severe incidents in 2022, representing a 34% decline in the severe incident rate per 100 hours worked compared to 2021.

**We had zero employee and contractor fatalities in 2020, 2021 and 2022.**



# 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.

We are committed in policy and practice to providing equal employment opportunities for all applicants and employees based upon their training, experience, and overall qualifications. Employees across all our branches are invited to participate in our regional and national DE&I committees to determine the standards for how employees should interact with one another and their communities. We do not tolerate inappropriate behavior or harassment.

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.

## CURRENT DE&I INITIATIVES INCLUDE:

- 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

It is also our responsibility to establish and sustain an environment where all employees, customers, suppliers, and shareholders honor this commitment to diversity.

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 ▶](#)

## FULL COMPANY DIVERSITY\*

Ethnicity	Executive & Senior Management (%)	Professional (%)	Field Management (%)	Installer / Production (%)
American Indian / Alaskan Native	N/A	†	†	†
Asian	9	1	1	1
Black or African American	4	3	3	7
White	87	72	71	29
Hispanic / Latino	N/A	13	17	58
Native Hawaiian Pacific Islander	N/A	†	†	1
Other / Not Specified	N/A	10	8	5

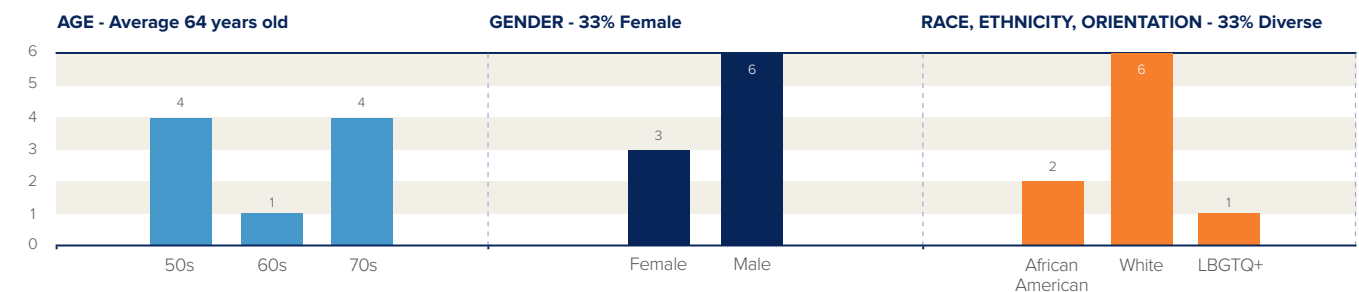
Ethnicity	Workforce (%)	Age	Workforce (%)	Gender	Workforce (%)
Hispanic / Latino	47	16–20	3	Male	89
White	40	21–30	26	Female	11
African American	6	31–40	28		
Not Specified	5	41–50	23		
Asian	1	51–60	14		
Native Hawaiian Pacific Islander	1	60+	6		
Two or more	†				
American Indian / Alaskan Native	†				

	Women (%)	Racial & Ethnic Minority (%)
Executive and Senior Management	5	13
Professional	46	28
Field Management	16	29
Installer / Production	3	71

\*As of 2023 Proxy Statement

†Less than 1%

## OVERVIEW OF THE BOARD OF DIRECTORS\*



\*Data as of June 2023

[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.

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.”

# 43

VIDEOS WERE CREATED TO ENCOURAGE AND HELP EMPLOYEES BE THE POSITIVE CHANGE IN THEIR COMMUNITIES

# EMPLOYEE BENEFITS

The construction industry workforce is typically comprised of contracted labor. Within the insulation industry, the workers are generally employees of the company. IBP is no exception, where nearly all of our workers are employees of the Company. As such, 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 sixth 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:

MEDICAL,  
DENTAL AND VISION  
INSURANCE

PRESCRIPTION  
DRUG COVERAGE

FLEXIBLE  
SPENDING  
ACCOUNT

401K  
RETIREMENT PLAN  
WITH MATCHING  
CONTRIBUTION

PAID VACATIONS  
AND HOLIDAYS

SHORT-AND LONG-  
TERM DISABILITY  
INSURANCE, LIFE  
INSURANCE, AND  
GROUP ACCIDENT  
INSURANCE

# 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 HANDS AFTER A HURRICANE

Since its inception in 2019, IBP's Employee Financial Assistance Program (EFAP) has been in place to help our employees when faced with an unexpected financial hardship.

With the exception of financial assistance grants made for hardships related to the COVID-19 pandemic, natural disasters are the leading reason our employees receive financial assistance grants from this program. When Hurricane Ian hit Southwest Florida in the Fall of 2022, nearly every one of our employees in the area was impacted. As a result, nearly \$40,000 in EFAP funds were granted, with most funds arriving within days of the storm. We were also able to stage relief supplies including generators, clean water, and food just outside of the impacted area, again providing quick assistance to our employees when they needed it most.

While the EFAP is designed to help people get back on their feet, it's just the tip of the iceberg when it comes to how IBP and our employees respond to a disaster. Thanks to the outpouring of financial assistance and relief supplies, employees at IBP Ft. Myers were able to pay it forwards sharing what they could and helping others recover.

**“THE ASSISTANCE DIDN'T JUST HELP IBP EMPLOYEES, IT REALLY HELPED OUR COMMUNITY BECAUSE A LOT OF MY PEOPLE TOOK THOSE FUNDS AND WERE PUTTING CLOTHES ON OTHER PEOPLE'S BACKS. THEY WERE BUYING CASES OF WATER AND FOOD FOR OTHERS THEY KNEW NEEDED IT.”**

- MICHAEL MOMPER, IBP FT. MYERS BRANCH MANAGER

Nowhere was dedication to pay it forward felt more than the helping hand provided to one of our own, an insulation installer at IBP Ft. Myers named Harry.

During the storm, Harry's home began to flood. With water levels rising by the hour, Harry was forced to climb out the window and wade to safety. When he returned to his home, the flood damage was so significant it required the interior of the home be stripped and rebuilt.

Within days, IBP and Harry's fellow employees leapt into action, volunteering supplies and their time to rebuild Harry's home. IBP teammates opened their homes to Harry, giving him a place to stay while the repairs were being made. Thanks to his IBP family, Harry returned to his renovated home within a month and according to him, the repairs made it better than new.

**“It felt amazing. Just knowing that great people still exist and great companies that care about their employees. I'm so grateful to IBP and lucky to be part of this great team.”**

- HARRY, IBP FT. MYERS EMPLOYEE



HARRY & HIS FAMILY

Our commitment to supporting our employees takes many forms, and in the face of increasing national disasters caused by climate change, our approach depends on flexibility and a culture of caring that begins in our corporate office and ends with individual employees.



# ELEVATING OUR NEIGHBOR- HOODS



A great point of pride at Installed Building Products is the sheer number of communities that we can serve through our more than 240 locations across the U.S. And to us, that means that a critical component of our corporate citizenship approach is supporting education, housing, and community-strengthening causes in those communities.

These three areas are where we have found we can have the most meaningful impact. Access to education—from early childhood on—is key to building a bright future. Having a safe place to sleep at night is a basic human right. And we know that nonprofit organizations and the volunteers that support them are crucial to a flourishing community.

We are proud to have built strong partnerships with individuals and organizations who are doing great work in these areas. And for employees who want to donate their time, talent, or funds to nonprofit organizations they are passionate about, we offer matching gifts and volunteer programs.

We know that quality and equitable educational opportunities are the foundation for a bright future. And by focusing on our employees, their families, and community organizations innovating in the world of equitable education, we hope to do our part in building that future.

# 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, whether that be a four-year university, a trade program, or anything in between. To ensure our grants are distributed equitably, our scholarship award criteria include financial need.

Since the program's inception, in 2019 through the end of 2022, we have awarded over **\$2.4 million in scholarships** to support associate's degrees, certificate and vocational programs, bachelor's degrees, master's, and other postgrad programs.

"Going to college never really seems like a possibility as a minority and as a first-generation student, with hardly any help to guide you every step of the way. Even with family support, you are still left to figure it out as you go since no one has ever gone through the journey before... The scholarship has allowed me to focus on my studies without worrying about my financial responsibilities at school.

With this stress off my shoulders, I was able to make the most out of my college experience by dedicating more time to what meant most to me. I am happy to say that I graduated from San Francisco State University with a Bachelor of the Arts in Child and Adolescent Development with a 3.7 GPA ranking and magna cum laude honors."

- BIANCA, SCHOLARSHIP RECIPIENT



## THE COLUMBUS PROMISE

In 2021, IBP signed on to support The Columbus Promise, a public-private partnership created to provide Columbus City Schools (CCS) graduating seniors with the opportunity to attend Columbus State Community College (CSCC) tuition-free for up to six semesters.

In its first year, nearly 1,000 CCS students completed the application, and 700 of those students went on to enroll at CSCC. For context, less than 350 CCS students enrolled at CSCC in 2020 before The Columbus Promise program took effect.

In 2022, both the application and enrollment for 2023 classes exceeded 1,000. Furthermore, Columbus Promise Scholars boasted a 76% retention rate from Fall 2022 to Spring 2023, a more than 10% increase over the 2021-2022 school year.

The Columbus Promise is proving to be a much-needed empowerment opportunity for students to take their future into their own hands.

THE COLUMBUS PROMISE ▶



# HOUSING

From where we stand, safe, accessible, and affordable housing is the foundation for a thriving community.

Through corporate contributions and our Foundation's nonprofit grant program, we have committed **over \$4 million** between 2019 and 2022 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.

"Because of the compassion and care given to me by Reach St Pete, I have the strength, determination, and confidence to keep going forward. Today I received an interview offer for what seems to be a great new position! With a roof over me and a bed to sleep on, I can show up well-rested and ready for what the day brings. I thank you!"

- REACH ST. PETE AID RECIPIENT



## REACH ST. PETE

In 2020, IBP formed a partnership with Reach St. Pete, a nonprofit in St. Petersburg, Florida, that provides free resources for those experiencing homelessness, low-income, and at-risk situations.

Now in 2023, as some in their community face low pay and increasing inflation, St. Petersburg is seeing a surge of one-time assistance applications. Of the top 20 occupations in Florida, 70% pay less than \$20/hour, and the average rent in Pinellas County for a two-bedroom apartment is \$1,683. For many people, half of their income goes to rent, leaving them living paycheck to paycheck and more vulnerable to becoming homeless.

Our partnership has allowed Reach St. Pete to prevent homelessness for 55 individuals and 45 families, impacting a total of 162 people in the Tampa Bay area. Services provided ranged from one-time rental assistance, security deposits, utilities, moving services, and wrap-around services such as food, clothing, and housewares.

REACH ST. PETE ►

*Reach*  
ST. PETE

# 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.

Our people aren't just the driving force behind our business. They're the heartbeat of their communities. Across our branches nationwide, you'll find IBP employees who take great pride in the places they call home, and they are passionate about giving back to the causes that matter to them.

"My parents always taught me to be there for people, and that's something I've always kept in mind. You can do one small thing, and it can change someone's day or the way they see life. I appreciate that IBP is a philanthropic company that prioritizes community involvement. IBP allows us to participate in so many wonderful activities that help numerous causes and charities.

I am passionate about helping families and children in need, especially foster children. I always want to go out of my way to bring joy to children who might not have family there for them. Whether it be building playhouses, helping with schoolwork, or teaching them how to tie their shoes.

Knowing that I'm helping someone who might be going through a difficult time is what motivates me."

- DULCE, IBP EMPLOYEE IN COLUMBUS, OHIO

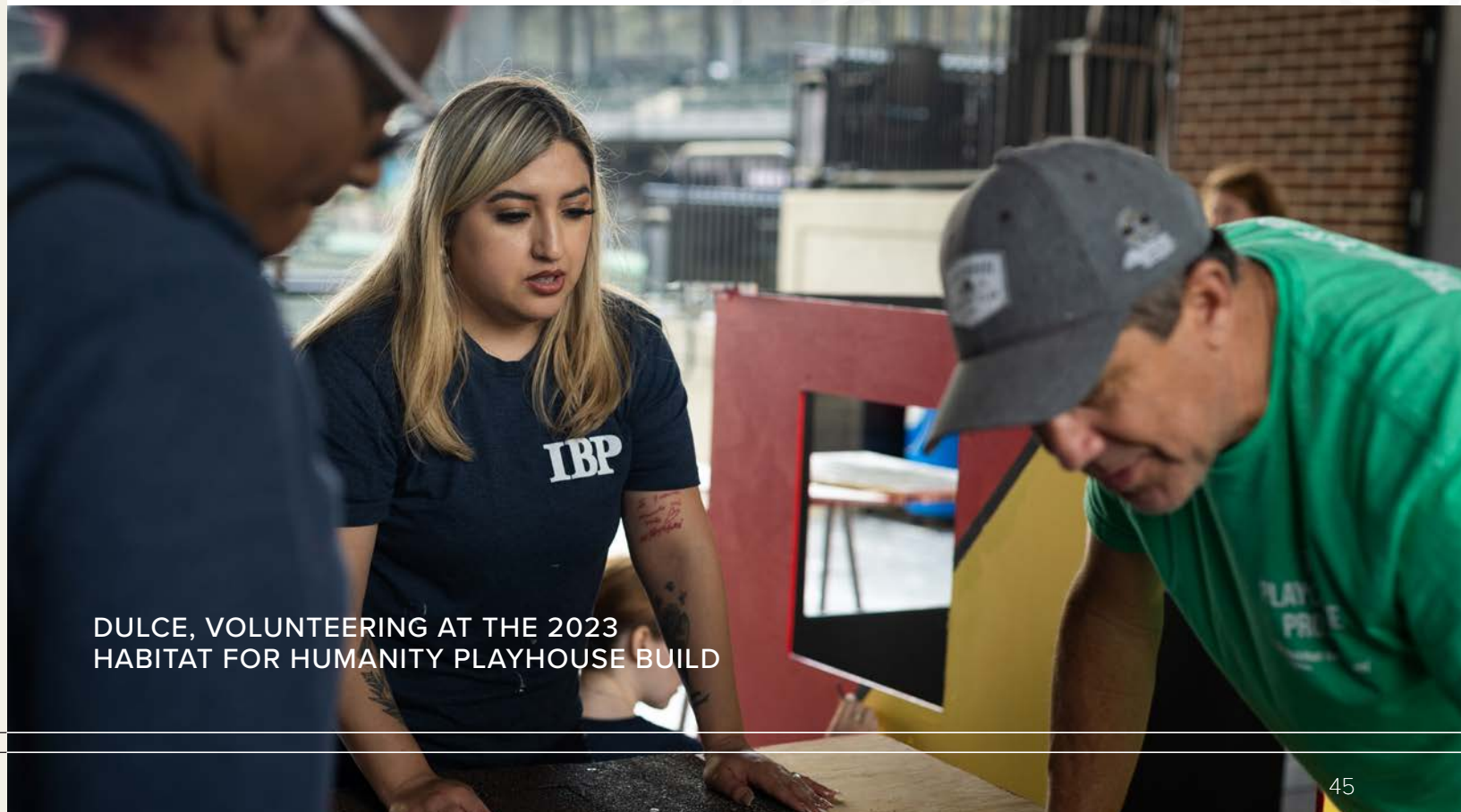
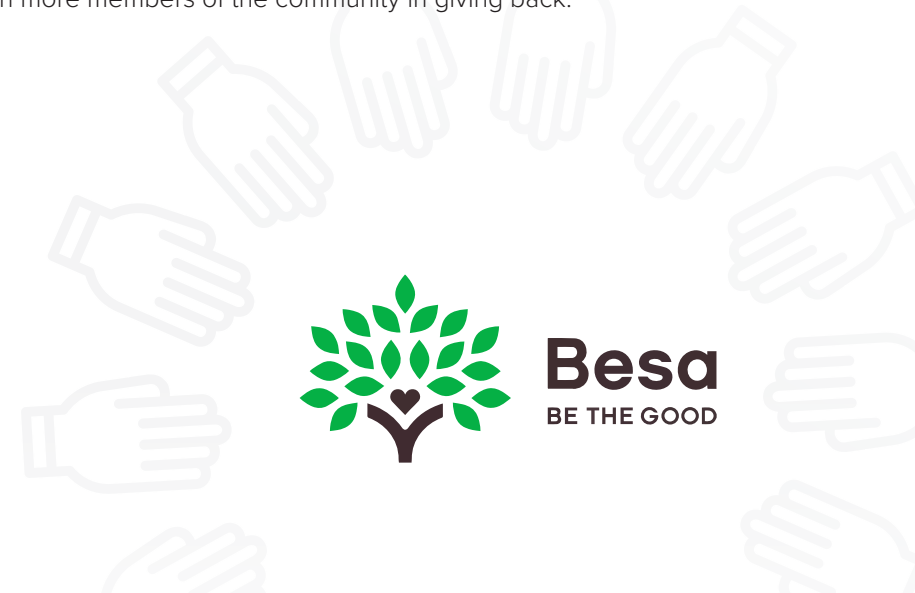


## BESA'S COMMUNITY-TRANSFORMING WORK

In August of 2023, IBP committed a \$100,000 multi-year grant to Besa, a Columbus-based nonprofit that makes giving back easy by curating more than 70 volunteer experiences every month that Columbus residents can easily find and register for.

Since launching in 2012, Besa has rallied 70,000 corporate and individual volunteers to give 165,000 hours on 11,300 service projects and has facilitated \$80M in community impact.

This grant is meant to propel civic engagement and generate community impact across Central Ohio by allowing Besa to add more monthly volunteer events to engage even more members of the community in giving back.



DULCE, VOLUNTEERING AT THE 2023 HABITAT FOR HUMANITY PLAYHOUSE BUILD

# 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	2022
<b>Executive Related</b>	-	-	-	-
<b>Financial Disclosure</b>	-	-	-	-
<b>Branch Operations</b>	4	7	10	8
<b>Human Resources Related</b>	31	29	26	25
<b>Total Reports</b>	35	36	36	33

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)

[OUR CODE OF ETHICS ►](#)

# PRODUCT QUALITY & SAFETY

The majority of the products we install and distribute are manufactured by the leading manufacturers within each respective product category. These manufacturers warrant to the end user the performance and quality of their products. IBP provides standard assurance-type warranties over the installation services we provide, with our branches typically providing a one-year warranty on craftsmanship. As a majority of our installation work must pass local market inspection before we receive payment for our services, warranty calls on craftsmanship are extremely rare.

We expect the manufacturers of the products we install to meet the highest level of ethical standards regarding the quality of the products we purchase, including adherence to industry standards and requirements for quality, safety and performance. We believe the risk of large-scale product recalls would be minimal, as those costs would most likely be attributable to our suppliers. More information can be found in our Supplier Code of Conduct information on page 48.

For information regarding our safety culture, please see the Health & Safety information on page 27.

Product manufacturing represents less than 2% of our annual revenue, derived from the manufacture of cellulose insulation and other paper fiber based products. We acquired this manufacturing facility in 2018. Product recalls for this business have been extremely rare. The facility has not had a product recall as part of IBP.





# 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
2. A place of employment free from industrial accidents, injuries and illness in compliance with safety and health laws and regulations
3. Strictly prohibit the use of all forms of forced and child labor
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
5. All forms of corruption, fraud, bribery and extortion are strictly prohibited
6. Supplier must maintain facilities, equipment and fleet to minimize atmospheric emissions
7. Work towards the reduction of greenhouse gas and other harmful emissions
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.

[OUR 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.

[OUR CONFLICT MINERALS POLICY ►](#)

# LOBBYING

IBP is a member of several industry related trade associations, representing product manufacturers and installers. These associates support various initiatives and engage in lobbying efforts on behalf of all of their members. Some of the efforts include:

- Working with worldwide manufacturers other associated organizations to improve upon and advance sustainable development through energy efficiency, resource preservation, and GHG emissions reduction through building efficiency
- Educating that more stringent building codes and regulations around new home and building energy efficiency will have a direct impact on the amount of energy required to heat and cool structures, and therefore will have a direct impact on the greenhouse gas emissions
- Championed the 2022 US Inflation Reduction Act, which is focused to increase stringency of efficiency standards of commercial and residential structures

# CLIMATE CHANGE RISK ASSESSMENT

IBP began conceptualizing and planning for climate-related issues during our 2022 fiscal period, at which point many of our processes around climate-related risk assessment were nascent and informal but incorporated at the high level within our broader Enterprise Risk Management (ERM) processes. Our precursory assessment of climate-related risk was incorporated into our 10-K.

Starting at the end of 2022 and continuing into 2023, IBP has begun to formalize a climate risk management framework to assist with the identification and management of climate-related risks. While the climate risk assessment process is being conducted separately, the results and risks will be ultimately integrated into the company's broader ERM process. This integration helps us ensure that climate-related risks and opportunities are reported and considered in the same way as other enterprise risks.

The climate risk assessment process will be designed to be circular, therefore allowing us to continuously move along the risk management cycle to update our understanding of relevant risks as deemed necessary, either due to significant passage of time or significant triggering events that occur in our business or economic environment.



# DATA PRIVACY AND CYBERSECURITY RISK MANAGEMENT

We recognize the importance of robust data privacy and cybersecurity practices in today's digital landscape. We are committed to ensuring the protection of sensitive information and maintaining the highest standards of cybersecurity.

We uphold these key pillars in our company's governance approach to data privacy and cybersecurity:

- **Transparency and Accountability:** We are dedicated to fostering a culture of transparency and accountability regarding data privacy and cybersecurity matters. We actively communicate our policies, practices, and any potential risks to stakeholders, ensuring clear understanding and alignment.
- **Data Protection:** Safeguarding the personal and confidential data of our customers, employees, partners, and all stakeholders is of paramount importance. We implement robust data protection measures, including encryption, access controls, and regular audits, to ensure data integrity and prevent unauthorized access.
- **Risk Management:** Our comprehensive risk management framework identifies, assesses, and mitigates potential cybersecurity risks. This proactive approach helps us stay ahead of emerging threats and vulnerabilities, ensuring the resilience of our digital infrastructure.
- **Employee Education:** We understand that our employees are vital to maintaining a secure environment. Through our CyberSmart training and awareness program, we empower our workforce to recognize and respond effectively to potential cyber threats, promoting a collective effort toward data protection.
- **Regulatory Compliance:** We adhere to all relevant data protection and cybersecurity regulations. Our compliance efforts ensure that we consistently meet legal requirements and industry standards, demonstrating our commitment to responsible data governance.
- **Continuous Improvement:** We are dedicated to the continuous enhancement of our data privacy and cybersecurity practices. Regular evaluations, performance metrics, and technology advancements drive our efforts to evolve and adapt in an ever-changing digital landscape.
- **Collaboration and Partnerships:** We actively engage with industry peers, experts, and authorities to exchange insights, best practices, and expertise in the field of data privacy and cybersecurity. These collaborations contribute to collective knowledge and industry-wide improvements.

By prioritizing data privacy and cybersecurity in our governance framework, we not only protect the interests of our stakeholders but also contribute to the sustainable and responsible growth of our business in an increasingly interconnected world.

# 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
- Climate change risk and opportunities
- Management's performance and succession planning
- Executive and director compensation
- Human capital management
- Corporate governance matters, including social responsibility

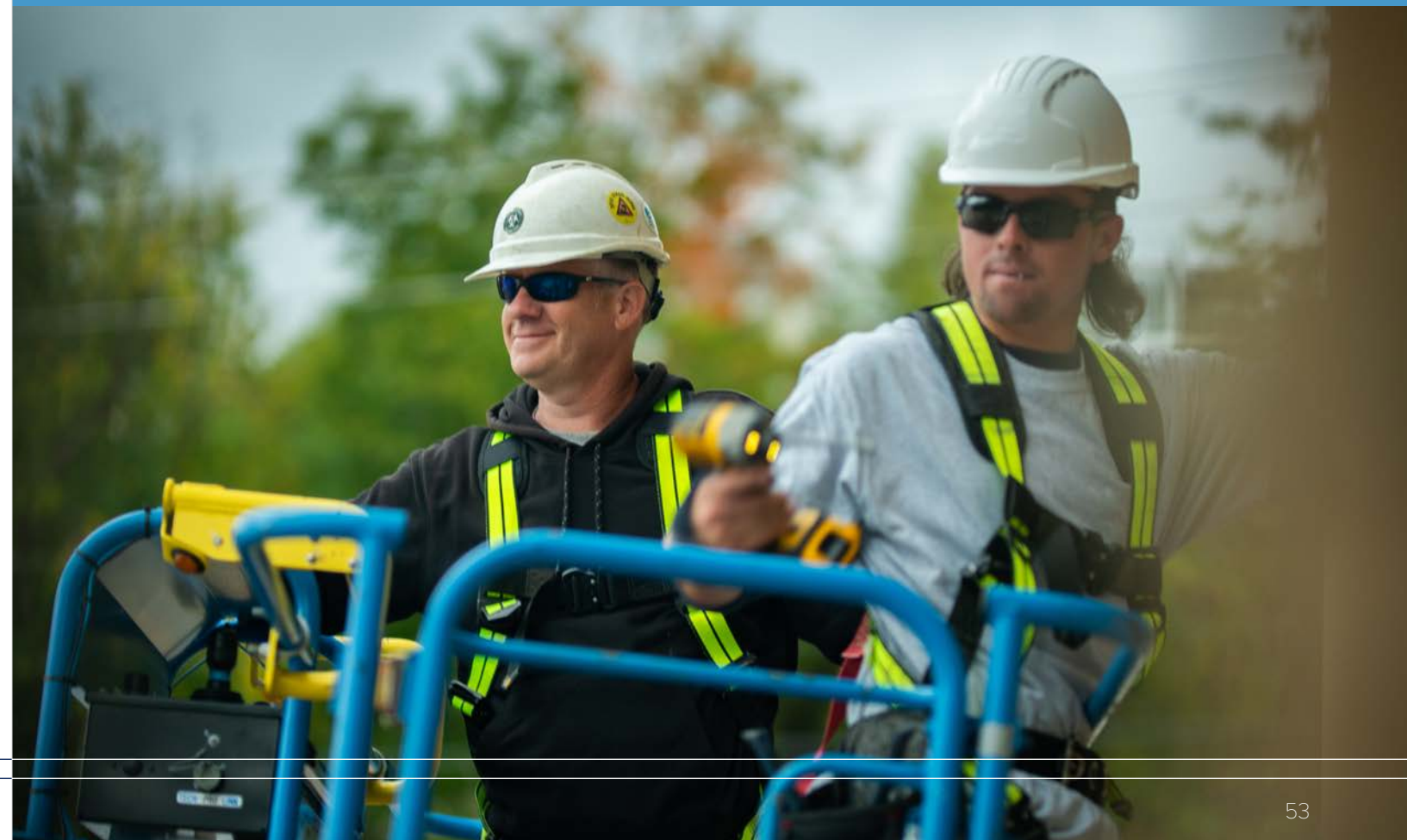
CORPORATE GOVERNANCE ►

# ESG OVERSIGHT

Oversight of Company ESG programs and initiatives is performed both broadly by the Board and on a more granular level by the Board committees. Pursuant to its charter, the Nominating and Corporate Governance Committee is responsible for the oversight of our ESG programs, except to the extent reserved to the full Board or another Board committee. The Nominating and Corporate Governance Committee, chaired by our Lead Independent Director, directly oversees the Company's corporate governance, environmental and sustainability practices. The Compensation and Human Capital Committee oversees our Foundation activities and human capital practices, including DE&I, our Human Rights and Conflict Minerals Policies, talent development initiatives, employee retention and employee compensation practices.

As described in more detail in the "Board Committee" section, each Committee receives quarterly reports on the areas within its oversight function and reports on each of these areas to the Board at each quarterly Board meeting. The Board also directly receives periodic sustainability, cybersecurity, DE&I and Foundation reports from Company team leaders at its regular meetings.

IBP maintains a "Board Skills Matrix" which includes considerations regarding general ESG skillsets. IBP is in the process of formalizing certain aspects of climate-related governance, including incorporating periodic climate risk-specific trainings for members of the Board and executives who are involved in the overall governance process. With the implementation of targeted, periodic training, we intend to ensure that most Board members who have a responsibility for overseeing climate-related issues have the right levels of competence.



# ESG TEAM



## **DARREN HICKS**

MANAGING DIRECTOR OF INVESTOR RELATIONS

- Investor communications and outreach



## **CRAIG LONG**

DIRECTOR OF FINANCIAL REPORTING

- Greenhouse Gas Emissions
- SEC reporting and disclosure



## **AARON LORENTZ**

VP, RISK AND SAFETY

- Health & Safety
- Product Quality & Safety



## **JASON NISWONGER**

CHIEF ADMINISTRATIVE AND SUSTAINABILITY OFFICER



## **LESLEY OTERO**

DIRECTOR, HUMAN RESOURCES

- Human Capital
- Code of Ethics
- Positive Production Program



## **KELLY CLIFFORD RIEHL**

VP, 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 2023 Omnibus Incentive Plan;
- Recommending non-employee director compensation;
- Overseeing human capital management, including demographics, diversity, Human Rights Policy, 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.
- Overseeing the activities of the Company's Foundation

## 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 adverse impact of the ongoing COVID-19 pandemic; general economic and industry conditions; local, state and federal regulations; rising home prices; 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, 2022, 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.



# APPENDIX

# 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 ►

