

# CORPORATE SOCIAL RESPONSIBILITY

## Kingspan's vision

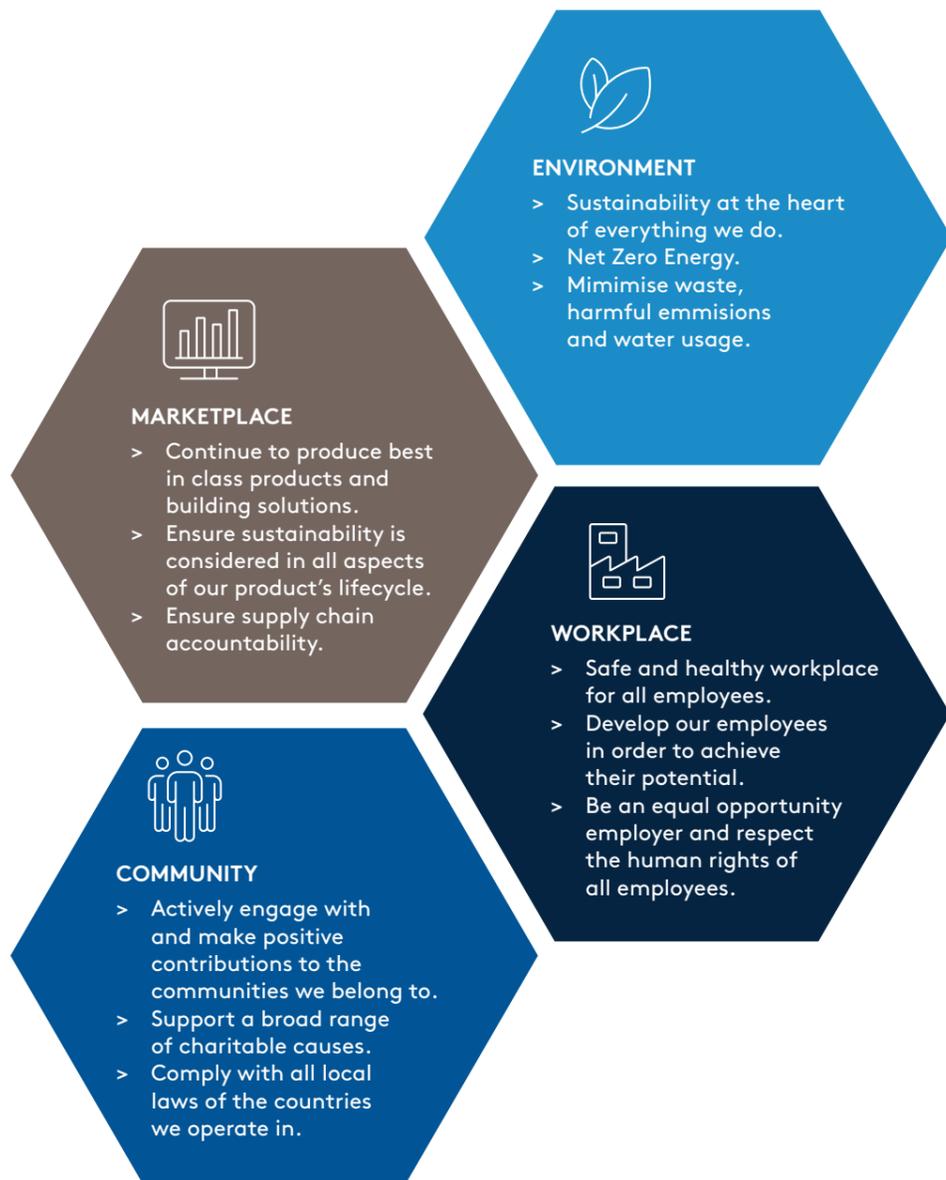
To be a global leader in sustainable business and establish a leading position in providing ethical, renewable and affordable best practice solutions for the construction sector.

## CORPORATE SOCIAL RESPONSIBILITY

# ENVIRONMENT



We help build a more sustainable future by delivering environmental, social and economic outcomes for our stakeholders, and by proactively leading the corporate response to climate change.



## NET ZERO ENERGY

In 2011, Kingspan Group embarked on its own initiative, committing to ensure that all of its facilities, worldwide are Net Zero Energy on an aggregate basis by the year 2020. We have already exceeded our interim 50% target for 2016 by 7%.



# NET ZERO ENERGY

← **57%**  
Interim Target of 50% exceeded on 12 October 2016

**2016 NET ZERO ENERGY HIGHLIGHTS TO ACHIEVE INTERIM TARGET**

**SAVE MORE**

We believe that it is crucial to minimise energy use as a first step in the process and have invested in energy efficiency projects on many sites. In our experience every site is different and needs to be targeted in a unique way. The optimum energy saving solution is often a combination of employee awareness, energy metering, building management systems, lighting upgrades with Kingspan Smart-Lite LED with digital addressable lighting interface (DALI) control systems, motor replacements, compressed air system upgrades, process heat control, fan optimisation measures and process heat recovery equipment.

2016 saw a full year impact of the Energy Performance Contracts (EPC) at Holywell, Sherburn and Kingscourt which realised circa 4.4 GWh energy savings that included electricity, gas, fuel oil and LPG. The EPCs have been highly successful in delivering the guaranteed energy savings and more importantly have helped to provide a platform and culture to achieve even bigger savings. ISO 50001 energy management systems have now been implemented across a number of Kingspan sites including Group head office at Kingscourt, and sites at Holywell, Hull, Pembridge and Selby. Investment in a heat recovery system was made at Castleblayney with annual energy savings anticipated to be in the region of 1.8 GWh. Also in 2016 Kingspan Smart-Lite LED lighting systems were installed at our UK and Australian sites in Sherburn, Melbourne and Sydney, which are estimated to save 1.3 GWh per annum of electricity.

**GENERATE MORE**

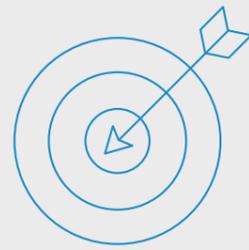
The use of renewable energy rose from 9% in 2012 to 57% in 2016, inclusive of 32.2 GWh which was generated on-site. Increasing deployment of on-site renewable energy generation capacity is a key priority.

Projects completed or underway include solar PV, solar thermal hot water, biomass and wind. During 2016, Kingspan Insulated Panels installed a 5 MW solar PV system at Sherburn. In 2016 Kingspan Insulation began installation of Solar PV systems at sites in the UK, the Netherlands and Australia which will generate 1.99 GWh of electricity annually. In addition a 1.65 MW biomass boiler was installed at Pembridge to provide renewable energy for our Kooltherm manufacturing operation. This is estimated to generate over 6GWh per annum of renewable energy.

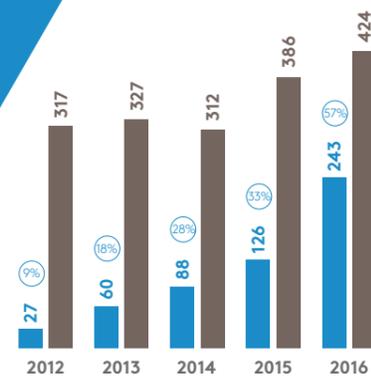
**BUY MORE**

The procurement of renewable energy is a key part of our strategy. We aim to procure fully certified renewable energy as far as possible. In Europe and North America the market for renewable electricity is well developed with the availability of Guarantees of Origin (GO's) and Renewable Energy Certificates (RECs) in the respective markets. In other countries we are looking at iRECs and other instruments to help render our electricity renewable. In 2016, all electricity used to manufacture insulated panels in North America and Europe was procured from certified renewable sources.

Probably the biggest challenge that we face is the procurement of renewable gas for process heat and space heating. However, the market for renewable gas is now developing in the UK and some areas of Europe and we have been successful in procuring renewable gas for some of our facilities in 2016. We are conscious that the renewable energy procurement landscape is changing and evolving rapidly and look forward to the development of innovative renewable procurement pathways in the future.



**2020**

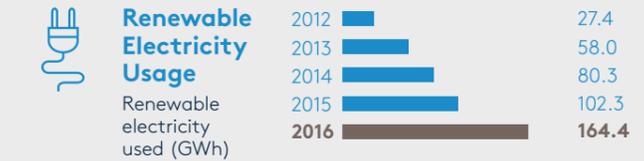
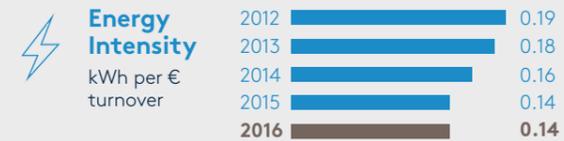
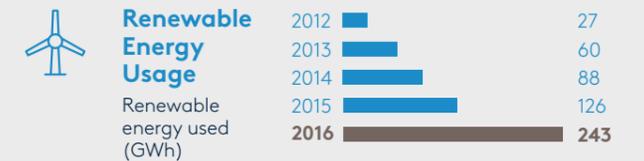
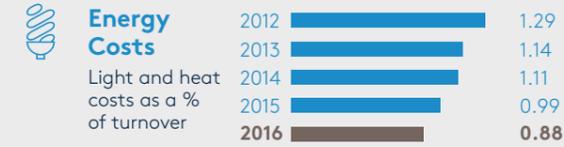


**Progress to Net Zero Energy**

■ Total Renewable Energy GWh  
■ Total Energy Use GWh  
○ NZE%

**THE JOURNEY TO NET ZERO ENERGY**

We are committed to reaching Net Zero Energy by 2020 - take a look at our progress to date.



**CDP**

For the fifth year running, Kingspan has participated in CDP, publicly disclosing the impact of our global manufacturing processes on the environment. CDP is the world's leading sustainability reporting platform and for the second year in a row Kingspan has been awarded a position on the 2016 Climate "A" List in recognition of our actions to reduce emissions and mitigate climate change in the past reporting year.



**WASTE**

Waste reduction is significantly beneficial as it reduces environmental impacts and cost implications. Kingspan is fully committed to reducing the amount of waste sent to landfill and is continuously looking at new and innovative ways to reduce the generation of waste and where it is generated to reuse and recycle wherever possible. All of our UK and Ireland Insulated Panels manufacturing sites are zero waste to landfill.

**WATER**

As a proportion of inputs into the manufacturing process, water is relatively small compared to other resources. However, it is a precious natural resource that we aspire to manage in a responsible manner. In general, water is mainly used for general catering and sanitation purposes and Kingspan continues to aim to maximise water conservation through the use of rainwater harvesting and other water saving technologies such as sensing systems and water flow regulators.

Our Access Floors manufacturing site in Red Lion US is one of the largest consumers of water in the Group and in 2016 the conservation of water amounted to 3 million gallons (which is 60% of total usage) through water recycling.

MARKETPLACE



Problem solving for a better world is at the heart of our manufacturing and design process, with our Global Innovation centre based in Kingscourt, supported by 13 regional R&D centres worldwide. Pushing performance is something we thrive on, as is evidenced by our latest innovations: Kooltherm 100 and QuadCore.

**KOOLTHERM 100**

When you have a formula that works, that is tried and tested, it can be difficult to take a leap to the next level. This is the challenge our innovation labs not only accepted, but surpassed, creating a new benchmark for rigid insulation.

A constant problem facing the construction industry today is how to achieve very high levels of fabric thermal performance, without also having to resort to very great thicknesses of insulation.

Our answer was the Kooltherm 100 range – ultra-low lambda products that support specifiers and contractors in making the most of the building space they have. Offering a thermal conductivity of just 0.018 W/mK, they provide a level of performance that is unrivalled in the world of rigid thermoset insulation materials.



**Innovating for a better world.**

Kingspan started over 50 years ago with a simple mission to always work to make building better.

**QUADCORE**

Launched across Kingspan's major markets, QuadCore technology is Kingspan's next generation hybrid insulation core.

Within the world of Insulated Panels, this innovation with its distinctive grey microcells powers the industry's highest combined performance:

Superior U-value performance with an unrivalled thermal conductivity of 0.018 W/mK. Better thermal efficiency in the building envelope reduces the load on heating and cooling, which unlocks significant additional energy savings.

Today's buildings must be safe, efficient, reliable, practical and sustainable. In fact, we guarantee that whatever direction the building takes, the thermal and structural performance will last.

The only closed cell insulated panel material tested and approved by third party industry experts to FM 4882 for smoke sensitivity.

Higher environmental credentials leading to important green ratings for your building. All of which means QuadCore technology can make a significant and lasting difference to your environmental performance figures while enhancing the sustainability of your building.

Winner of Best Technology 2015 and 2016 RIAI architects choice awards.

**CUSTOMER EXPERIENCE PROGRAMME**

Everything that our customers experience with Kingspan matters to us. Whether it's the performance of our product solutions, the responsiveness of our service teams

or the efficiency of our deliveries, we strive to provide a positive experience to all our customers.

To help us achieve our strategic goal we have introduced four key commitment areas into our businesses on which we are focusing as part of our customer excellence programme:

- › Deliver a memorable customer experience.
- › Develop the employee experience, so our teams never want to work for anyone else.
- › Measure what our customers and employees actually experience.
- › Continue to innovate.

**ENGAGING WITH SUPPLIERS**

**The environment**

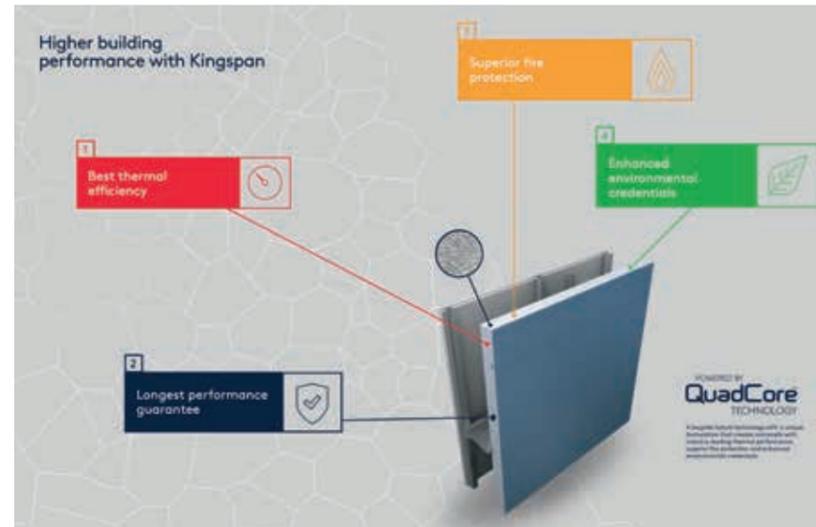
Kingspan engages with its supply chain to minimise the environmental impact of its raw materials, using its purchasing power to bring about lasting and positive change. Kingspan have developed an ethical procurement strategy for procuring materials and services in a sustainable way, and we seek to build and

maintain long term relationships with key suppliers and contractors to ensure that they are aligned to the same standards. Many of our suppliers are accredited to ISO 9001, ISO 14001 and OHSAS 18001, which cover quality, environmental and health and safety management systems.

**Modern Slavery**

Slavery and human trafficking are abhorrent crimes and we all have a responsibility to ensure that they do not continue. At Kingspan we pride ourselves on conducting our business ethically and responsibly. The Modern Slavery Act 2015 became UK legislation and required all large UK companies and businesses who supply goods or services in the UK to publish a slavery and human trafficking statement each financial year on their website.

Kingspan is fully committed to ensuring that modern slavery is not taking place in our business or any of our supply chains. We adopted and published our policy statement at the end of 2016 and in 2017 all our businesses will be contacting our suppliers to ensure compliance with the legislation.



WORKPLACE



With over 10,000 employees worldwide Kingspan is committed to providing a safe, enterprising and exciting workplace to all employees.



HEALTH AND SAFETY

Kingspan has a strong reputation for health & safety in the workplace and takes seriously its responsibility for staff welfare. Every facility within the Group adopts a suite of good health & safety management systems designed to protect employees and visitors to its sites from injury and ill-health.

Last year Kingspan achieved OHSAS 18001 accreditation for more sites than ever before, including the ROSPA Gold Medal Award for having achieved nine consecutive gold awards at its largest Insulated Panels manufacturing facility in Holywell, North Wales.

TRAINING AND DEVELOPMENT

Improving building performance, construction methods and ultimately people's lives - that's what drives our teams across the world. To achieve this Kingspan maintains the highest level of training and professional development. Each business unit takes responsibility for their own training and development programmes

based on individual and group needs. Kingspan provides opportunities to develop an international career by travelling and living abroad in its international business locations from graduates right through to senior management positions.

EQUAL OPPORTUNITIES, EMPLOYEE RIGHT AND DIVERSITY

Kingspan is committed to providing equal opportunities from recruitment and appointment, training and development to appraisal and promotion. Opportunities for a wide range of people free from discrimination or harassment, and in which all decisions will be based

on work criteria and individual performance. We see diversity and inclusiveness as an essential part of our productivity, creativity and innovation.

KINGSPAN LEARNING AND INNOVATION CENTRE-KLIC

In 2016 Kingspan Learning and Innovation Centre ("KLIC") was set up across the Insulated Panels division. Its purpose is to develop know-how that will result in improving functional performance, achieve excellence standards and therefore make it easier for our customers to do business with Kingspan. KLIC utilises all methods of modern communication like webinars and video.

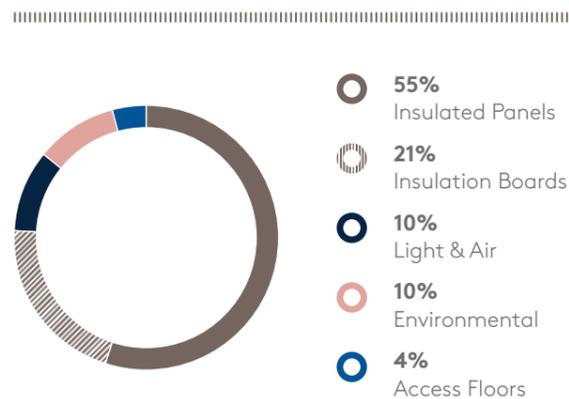
GRADUATE PROGRAMME

In 2016, Kingspan's established graduate recruitment and development programme expanded internationally. A unique 12 month international training programme was rolled out where participants from across the global business work together to enhance learning and development.

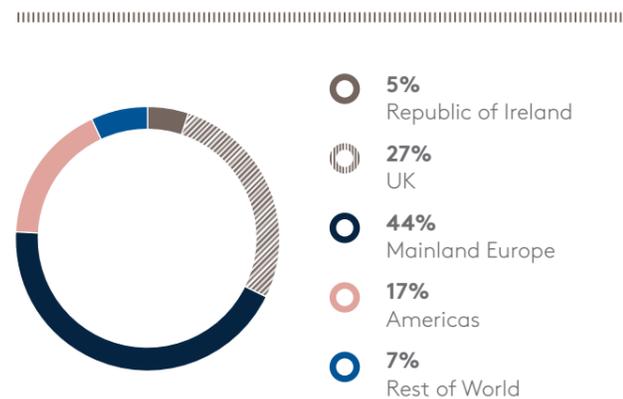
This training and development programme is designed to assist each of the graduates in building self-awareness and understanding, developing skills essential for career success acquiring an understanding of some of the key functional activities in the Group and laying the foundation for the initial stages of an effective professional and personal network within the organisation. View graduate success stories at [www.kingspan.com/graduates](http://www.kingspan.com/graduates).



Employee Numbers by Division



Employee Numbers by Geography



COMMUNITY



**HELPING EDUCATE IN CAMBODIA (1)**

"On behalf of the SALT School, RAW Impact would like to give a special thanks to Kingspan for your extremely generous donation of providing a high quality, insulated roof for the 200+ school kids on Gunty's Island. For the first time, children in this village will be able to learn in a closed classroom environment, free from the elements and with a roof that will provide heat protection on hot days and deaden the sound of heavy rain in the wet season.

**BUILDING ON HOPE FOR AT RISK YOUTH (2)**

"The Miracle on Beech Street," was the former St. Cecilia Hall - but is now home to the Officer Michael Briggs Community Center and the Manchester Police Athletic League that has served more than 8,000 at-risk youth through the years. Thanks to the generosity and dedication of one of Kingspan's employee's and with support from Morin, Building on Hope was able to transform this century-old structure.

**HOW TO MANAGE WASTE FACTORY VISIT AND EDUCATION DAY ON WASTE CONTAINERS IN POLAND (3)**

School kids from Przyszań Odkrywców enjoyed an educational day at Kingspan Environmental in Poland. During the visit children had the opportunity to see the manufacturing process and learn how the containers manufactured there contribute to the protection of the environment in everyday life.

**M-PESA PRIMARY SCHOOL IN NAIROBI, KENYA (4)**

Kingspan supported the building of the M-Pesa primary school in Nairobi where children are provided with food, drinks and education. On a recent visit in 2016, Kingspan staff got to meet the children and follow their learning and development.

**600K IN 5 DAYS CYCLE FOR IRISH HOSPICE FOUNDATION (5)**

Nine participants from Kingspan completed the 600km IHF Wild

Constructive, collaborative and caring. We recognise our role in ensuring our companies are rooted in the communities in which we operate. We do this in a number of ways - through community funding, through community volunteering and through partnerships with schools and colleges.



Mediterranean Way Cycle Challenge from Perpignan to Barcelona raising over €100,000 for the Irish Hospice Foundation. This money makes a significant impact for the nurses for nightcare programme providing over 400 nights of free nursing care to affected families. Kingspan are delighted to be associated with the amazing work of the Irish Hospice Foundation and have been proud sponsors of this event for the past seven years.

**GIVE & GAIN DAY (6)**

This annual nationwide event, organised through Business in the Community (BITC), sees a 40-strong Kingspan team joining forces with local primary schools to transform the spaces children play and learn in. In 2016 it was the turn of Cornist Park County Primary School in Flint. When the children returned after one weekend in June, they found a forest school, castle sandpit, bug hotel and outdoor classroom had been created just for them.

**ENGAGING PUPILS IN CONSTRUCTION AS A CAREER (7)**

In Talacre in North Wales, we supported several local schools in visiting DangerPoint - an award winning interactive visitor centre offering young children the opportunity to learn about safety. Sponsoring the 'building site scenario' at the centre meant that we could engage pupils in the idea of construction as a career, as well as teaching them how to be safe.

**KINGSPAN INSULATION COMMUNITY TRUST (8)**

In 2006, Kingspan Insulation set up a trust to fund local projects in the areas of biodiversity, ecology, road safety and healthy recreation for children. Over the years since the Trust was founded, we have been proud and delighted to support a huge range of local projects. From forest schools and wildlife ponds, to sports equipment and road safety gear. Even the creation of a village green conservation area.

**HOMEAID ATLANTA (9)**

Kingspan Insulation North America and the Professional Women

in Building Council joined up with HomeAid Atlanta to make improvements at Forsyth County Family Haven, Inc. Volunteers worked diligently to prep and paint a large apartment. The space is used as transitional housing for a family working to rebuild their lives after escaping a domestic violence situation. HomeAid Atlanta firmly believes that homeless serving facilities should be welcoming, dignified environments that provide respite to families that had suffered through terrible experiences.

**LAB IN A LORRY (10)**

Recently, Kingspan partnered up with the Institute of Physics to get a 'lab-in-a-lorry' to visit local secondary schools in Herefordshire. With three distinct lab areas in the lorry, groups of up to six young people at a time took part in experiments delivered by volunteers. There were no right or wrong answers, and the sessions were not simply about teaching physics. They were designed to connect the children with the subject, and to encourage their curiosity and questions.

