

Environmental Policy



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Environmental Policy

Introduction

Kingspan Group plc ("Kingspan") is committed to conducting its business activities in a responsible manner, with due regard to environmental impacts. Understanding and managing our material environmental impacts, risks and opportunities as we grow our business is an important part of our business strategy. It will enable us to improve the environmental performance of our products and create long term value for our stakeholders.

Scope and Objective

This Environmental Policy (the "Policy") and its appendices apply to Kingspan Group plc, its subsidiaries and joint ventures and their directors, officers and employees. This Policy applies to all of our businesses, both international and domestic, wherever it is conducted, including key aspects of our value chain, where applicable. The Policy also covers persons acting on our behalf in respect of whom we endeavour to ensure that adequate procedures are in place to uphold and promote the protection of the environment.

This Policy supports Kingspan's fundamental values. The key objective of the Policy is to outline Kingspan's environmental position, priorities, commitments and areas of focus including but not limited to our objective to:

- Manage, mitigate or minimise our material negative impacts on the environment.
- Reduce our environmental-related risks and capitalise on our environmental-related opportunities.
- Raise awareness with our employees across the business on the value of environmental stewardship.
- Maintain open communication with our key stakeholders on environmental issues.
- Comply with applicable environmental laws and regulations and internal policies and procedures.

Our Approach

Kingspan maintains and is continuing to develop policies which refer to our environmental impacts, risks and opportunities. We have developed additional environmental objectives for each of our material environmental topics. These objectives are presented in following appendices which attach to this Policy.

- Appendix 1: Climate change
- Appendix 2: Pollution
- Appendix 3: Water
- Appendix 4: Biodiversity
- Appendix 5: Resource use & circular economy

Implementation

To ensure the effective implementation of this Policy, Kingspan will:

- Communicate the Policy across the organization including, but not limited to, employees and appropriate stakeholders;
- Provide training and develop awareness programmes to appropriate employees;
- Align our practices with evolving environmental standards and best practices, where applicable.

Responsibility

The Divisional Managing Director (MD) take ultimate responsibility for the implementation of the Environmental Policy and its appendices and the MD may allocate responsibilities accordingly within their division.

Conclusion

Kingspan has a commitment to conducting its business activities in a responsible manner, with due regard to environmental impacts at its core. We continuously seek to improve the environmental performance of our products and create long term value for our stakeholders.

Appendix 1: Climate change

1. Introduction

The Climate Change Appendix is issued under the Environmental Policy. We recognise the role we must play to help accelerate a net-zero emissions future built environment. Kingspan's climate strategy is focused on reducing its direct and indirect Greenhouse Gas (GHG) emissions and providing of a wide range of high-performance and energy-efficient systems and solutions for the global construction sector.

2. Commitment

Our commitment is aligned with the principles and values outlined in the various standards including The Paris Agreement with its goal of limiting global temperature increase at 1.5°C above pre-industrial levels.

3. Objectives

Kingspan seeks to continuously improve its performance in all areas of business and maintain its reputation within the construction industry as an organization actively addressing the challenges raised by climate change. This Appendix aims to outline Kingspan's commitments, approach and expectations pertaining to climate change mitigation, adaptation and energy-related matters related to climate change. The below principles and objectives are the pillars on which our ambition, position and decarbonisation strategy stand. To manage its material climate-related Impacts, Risks and Opportunities (IROs) Kingspan:

- Commits to align its climate action objectives and ambitions with 1.5°C compatible emission reduction pathways;
- Commits to assess, analyse and integrate climate-related risks and opportunities in its strategy, business model and decision making;
- Aims to analyse, understand and manage its physical climate risks related to climate change adaptation;
- Aims to organise and promote ambitious decarbonisation efforts spearheaded by a climate transition plan that includes mitigation efforts and projects across our value chain (i.e. scope 1, 2 and 3 GHG emissions);
- Will strive to achieve GHG emission reductions, without the use of carbon credits in line with our Planet Passionate initiatives. For residual emissions that are difficult to abate and as a final step of our decarbonisation strategy, we will source only credible, high quality carbon credits with a high degree of permanence;
- Aims to work with its key suppliers to reduce the embodied carbon of their products to reduce Kingspan's GHG emissions footprint;
- Commits to invest in Research and Development (R&D) to develop lower-embodied carbon products;
- Prioritises and promotes energy efficiency projects as a first step in mitigating its impacts and invest in its own generation of renewable energy, thus reducing both its scope 2 emissions and its reliance on the local energy grids;
- Aims to participate and/or support relevant industry associations and initiatives that advocate for climate action, energy efficiency and relevant climate-related issues; and
- Aims to communicate its efforts, best practice and challenges, including via the use of leading frameworks and guidelines.

Appendix 2: Pollution

1. Introduction

The Pollution Appendix is issued under the Environmental Policy. Pollution is a global issue that manifests in various forms. Pollutants released to air, water or soil are responsible for a plethora of adverse effects on both human health and the state of biodiversity.

As a global manufacturer of high-performance insulation and building envelope solutions, we recognise that we emit pollutants through our manufacturing processes and on-site fuel combustion. As such, we are assessing our potential and actual material negative impacts and we are taking steps to mitigate them in line with thresholds and requirements set out by applicable local, national, regional laws and regulations.

2. Objectives

This appendix aims to outline Kingspan's commitments, approach and outcomes related to pollution management.

In order to manage negative material impacts, Kingspan aims to:

- Ensure that pollution management is in line with all relevant laws and regulations of the countries we operate in and to plan for future legislative changes;
- Identify and assess pollution IROs, liaising with third party consultants, where suitable;
- Develop and manage processes and procedures to quantify all relevant pollution-related Key Performance Indicators (KPIs) and identify priority action areas;
- Implement, where material, technological and/or process improvements to actively manage pollution-related impacts; and
- Report in a clear and transparent manner, using widely recognised standards and frameworks when possible.

Appendix 3: Water

1. Introduction

The Water Appendix is issued under the Environmental Policy. Kingspan acknowledge the importance of water as a global manufacturer with diverse operations. We also acknowledge the importance of water across our value chain. Hence, we believe it is our responsibility to understand and reduce our actual and potential material negative impacts on water and mitigate our water related risks.

2. Objectives

This appendix aims to outline Kingspan's commitments, approach and expectations pertaining to the sustainable management of water and water-related resources.

In an effort to manage its water-related IROs, Kingspan aims to:

- Ensure that water management, including the management of water discharges, is performed in accordance with all pertinent laws and regulations of the countries we operate in and to plan for future legislative changes;
- Identify and assess water-related Impacts, Risks and Opportunities (IROs) via risk and impact assessment procedures;
- Develop and manage processes and procedures to measure, analyse and understand all relevant water-related KPIs;
- Identify key Kingspan sites, by using relevant criteria such as exposure to water stress and dependency on water, and develop an action plan for said sites that focuses on local circumstances; and
- Report in a clear and transparent manner, using widely recognised standards and frameworks.

Appendix 4: Biodiversity

1. Introduction

The Biodiversity Appendix is issued under the Environmental Policy. Nature is in a state of crisis. Current production and consumption patterns, urbanization, and governance models underpin this extensive biodiversity loss, calling for a radical reset of humanity's relationship with nature.

Businesses depend on natural capital assets and ecosystem services, either directly or through their supply chains. As a global manufacturer of systems and solutions for the construction sector, we acknowledge that we have a role to play in the mitigation of our nature-related impacts and support the reduction of biodiversity loss.

2. Objectives

This appendix aims to outline Kingspan's commitments, approach and expectations pertaining to biodiversity and ecosystems. To manage its material biodiversity-related IROs Kingspan aims to:

- Assess and analyse ongoing basis biodiversity-related IROs across its value chain and integrate biodiversity considerations in the Group's decision-making process;
- Manage and mitigate its material direct impact drivers on biodiversity loss (e.g. climate change, pollution);
- Implement biodiversity mitigation measures for sites located near biodiversity-sensitive areas if the sites negatively impact these areas in a material way;
- Obtain relevant certification for material timber quantities procured to support and promote responsible forestry and the traceability of raw materials with actual or potential impacts on biodiversity and ecosystems along our value chain; and
- Communicate its efforts with transparency and integrity, including via the use of leading frameworks and guidelines.

Appendix 5: Resource Use & Circular Economy

1. Introduction

The Resource Use and Circular Economy appendix is issued under the Environmental Policy. The construction industry is a large consumer of materials, accounting for between 40% and 50% of global material use annually¹. At Kingspan, we recognise the importance of the efficient use of natural resources and the significance of optimising raw material usage and preventing or minimizing the negative impacts on the environment.

2. Objectives

This Appendix provides an outline of Kingspan's commitments, approach and expectations pertaining to the support of the acceleration of the circular economy and sustainable management of resource use.

To manage IROs related to resource use and circular economy, we aim to:

- Embed circularity principles throughout its operations and the development of its products;
- Increase the use of responsibly sourced, renewable² raw materials for products;
- Increase the use of non-virgin raw materials for products;
- Minimise the impacts of waste generated within our manufacturing processes through efficiency of material use and application of the waste hierarchy;
- Contribute to the development of solutions to help keep materials and/or products circulating within the economy;
- Report in a clear and transparent manner, using widely recognised standards and frameworks.

¹ World Green Building Council Strategy 2020-22

² Materials that are derived from resources that are quickly replenished by ecological cycles or agricultural processes, so that the services provided by these and other linked resources are not endangered and remain available for the next generation.

Document Control

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