

KINGSPAN REDUCES ABSOLUTE SCOPE 1 & 2 GHG EMISSIONS AND ACHIEVES A 29 PER CENT REDUCTION IN CARBON INTENSITY

- 2021 Planet Passionate report published today
- Scope 1 and 2 GHG emissions reduced 4.3%¹ versus 2020
- 29% reduction in carbon intensity achieved
- Insulation systems sold in 2021 will save an estimated 193 million tonnes of carbon in their lifetime

14 March 2022: Kingspan Group, the global leader in advanced insulation and building solutions, has released its second annual report for its 10-year sustainability programme, Planet Passionate.

Highlights include a 4.3% reduction¹ in scope 1 and 2 GHG emissions and a 29% reduction in carbon intensity² year-on-year, against a background of 42% total revenue growth for the period.

For the second year running, the Group has made absolute reductions towards its 2030 net zero carbon manufacturing goal. This is underpinned by a verified SBTi³ target to reduce absolute Scope 1 and 2 GHG emissions by 90% by 2030, from a 2020 base year.

Achieving this will require the decarbonisation of Kingspan's energy sources and processes across its existing 198 manufacturing sites (up from 166 in 2020), while supporting newly acquired businesses to decarbonise as quickly as possible.

To accelerate the Group's decarbonisation strategy, the report has announced the introduction of an internal carbon charge of €70 per tonne of CO₂e, which will be implemented throughout the business in 2023.

The 2021 Planet Passionate report illustrates the positive progress made to date against the majority of the programme's 12 measurable targets in carbon, energy, water and circularity. Notable achievements include:

Energy: An increase in the direct use of renewable energy from 19.5% to 26.1%, and an increase in the percentage of wholly-owned facilities with solar PV from 21.7% to 28.4%. The Group also achieved a 15% reduction in energy intensity⁴ year-on-year.

Carbon: An increase in the percentage of zero emissions company funded cars from 11% to 29%.

Circularity: A reduction in company waste to landfill of 13%, as well as 843 million PET bottles recycled into our processes.

Water: The Group announced its second ocean cleanup project: a partnership with cleantech startup SeabinTM, to deploy their unique technology first in Sydney Harbour followed by LA later in 2022. This follows a three-year partnership with the ECOALF Foundation which works with a network of 2,000 artisan fishermen to remove around 150 tonnes of marine debris each year from the Mediterranean.

¹ Compared to the 2020 underlying business (manufacturing and assembly sites that were under our control in 2020 plus organic growth)

² GHG emissions per €m of revenue

³ Science-Based Targets Initiative

⁴ Energy use per €m of revenue

In addition, Kingspan's science-based targets were updated in 2021 and are now in line with a 1.5°C future. Limiting global temperature rise to 1.5°C means that the world must achieve a 45% reduction in global CO₂ emissions versus 2010 levels by 2030.⁵

While Kingspan did not make progress in 2021 against its target to halve the product CO₂e intensity from its primary supply partners by 2030, the report highlights ongoing collaboration with suppliers to this end.

Moreover, during the year Kingspan invested in H2 Green Steel, a company pioneering new production methods for lower-impact steel manufacturing using green hydrogen. Use of lower-emissions steel could help Kingspan reduce the embodied carbon of its insulated panel products by up to 45%.

The report also presents the impact of Kingspan products sold during 2021. The built environment is responsible for roughly 39% of global carbon emissions⁶, and high-performance insulation is one of the most important ways to increase energy-efficiency in buildings. The insulation systems Kingspan sold during 2021 are projected to save 193 million tCO₂e⁷ during their lifetime. That's equivalent to the emissions from 42 million passenger vehicles in a year⁸.

In addition, Kingspan announced a new initiative called Planet Passionate Communities, a programme that will support people and communities around the world. The report unveils the programme's flagship project: a five-year partnership with GOAL, the international humanitarian response agency, to support them in their transformative work in areas of most need.

Gene Murtagh, CEO of Kingspan Group, said: "The climate crisis, the pandemic, and now recent global events all serve to concentrate the mind on the need to build a more resilient and equitable world while ensuring energy security. Planet Passionate is our contribution to a future that uses resources efficiently, protects the natural world and delivers high-performance, energy-efficient products and solutions to our customers and global communities."

Bianca Wong, Head of Sustainability of Kingspan Group, said: "Delivering a programme of this scale against a background of rapid business growth takes huge effort and determination and I would like to thank and commend the incredible efforts of our people across the world to achieve positive progress against the majority of our targets for the second year in a row."

Ends

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⁵ New Climate Institute – Corporate Climate Responsibility Monitor 2022

⁶ UN Environment and the International Energy Agency

⁷ Tonnes of carbon dioxide equivalent

⁸ EPA estimates that a typical passenger vehicle emits about 4.6 metric tons of carbon dioxide per year

ADDITIONAL INFORMATION ON CARBON, ENERGY, WATER AND CIRCULARITY

Carbon

In addition to reducing carbon emissions in its own operations, Kingspan is targeting a 50% reduction in product CO₂e intensity from its primary supply partners by 2030.

The Group's early-stage investment in H2 Green Steel (H2GS), completed in 2021, is one example of its commitment to finding lower carbon alternatives for its raw materials.

H2GS aims to be producing steel in 2024 with 95% less carbon than comparable steel today. Use of lower emissions steel could help reduce the embodied carbon of Kingspan's insulated panel products by up to 25%.

From January 2023, Kingspan will implement an internal carbon charge, starting at 70€/tCO₂e, to be adjusted as required to meet its targets.

Energy

Kingspan's use of direct renewables increased from 19.5% in 2020 to 26.1% in 2021. This represents over a third of the Group's 2030 target. 28.4% of its wholly-owned facilities are now equipped with a rooftop solar photovoltaic system, rising from 22% in 2020.

The Group is targeting 20% on-site renewable energy generation by 2030 and has commissioned a study into options for renewable heat.

It is also putting its knowledge and expertise to use through the creation of innovative, energy-saving products. A good example is the PowerPanel, which launches in 2022, combining insulation and solar power generation into one product.

Water

Kingspan is conscious of the importance of conserving the world's water resources and has achieved a 14% reduction in water intensity year on year. It also harvested 20.6 million litres of rainwater during the year.

Circularity

Kingspan is committed to finding alternative solutions to the current take-make-waste approach. A third of the world's landfill waste comes from the construction industry.⁹ The company achieved a 35% reduction in landfill waste intensity year-on-year. It also increased the number of PET bottles it recycles into its processes by 47%, with the total standing at 843 million bottles in 2021.

Kingspan is exploring solutions to embed circularity through its business and to work with industry to help address the systemic barriers to transitioning to a circular built environment. The Group's global innovation centre, IKON, is dedicated to finding solutions that make better use of resources while delivering superior thermal performance.

SNAPSHOTS OF ENERGY & RESOURCE EFFICIENCY INITIATIVES FROM AROUND THE GROUP

Kingspan's new Kooltherm insulation manufacturing site at **Jönköping**, Sweden, opened in July 2021. This site was constructed in line with the Planet Passionate ethos, with a fully

⁹ World Green Building Council, Annual Report 2020

electrified manufacturing process, renewable electric power and heating, and a rooftop solar power system generating approximately 1.1 GWh of renewable electricity per annum for the facility. Together with its electric forklift trucks and heat system which recovers excess heat from manufacturing, these initiatives provide a blueprint for future Kingspan facilities.

In **Hull, UK**, the Data & Flooring manufacturing site is powered by 81% renewable energy, including an on-site biomass and rooftop solar systems. The solar system produces approximately 215,800 kWh of renewable electricity per annum. 2021 saw an electric crane replacing diesel forklifts, and four charging stations installed in preparation for converting company cars to zero emissions. These measures have optimized operational costs at the site, as well as reducing its carbon footprint.

The insulated panel manufacturing site at **Parainen, Finland** underwent a major transformation in order to become more Planet Passionate. The oil boiler heating system was replaced with an industrial heat pump system which utilises the waste heat stores it in the ground wells to use as needed. A rooftop solar system will generate 0.5 GWh of renewable electricity/yr, with estimated carbon savings of 87,200 kg per annum. Together, the systems will provide 33% of the site's total energy demand.

In 2021, the Water & Energy site at **Glenamaddy, Ireland** became one of the first manufacturing sites across the Group to power its manufacturing process with 100% renewable energy. In California, Kingspan's **Modesto** plant is using upcycled PET plastic water bottles as a key raw material input for manufacturing Kingspan's QuadCore® insulation. According to the United Nations, the world produces 300 million tons of plastic waste each year, which is equivalent to the weight of the entire human population. The site is also installing a PV solar panel roof to generate roughly 1.4 MW of on-site electricity.

Kingspan's **Monterrey** plant in Mexico added rainwater harvesting points which collect and store rainwater before it is dispersed as surface run-off.