SUSTAINABILITY & RESPONSIBILITY
REPORT 2009

KINGSPAN INSULATION
THE STORY SO FAR...
KEY IMPACTS, RISKS AND OPPORTUNITIES
REPORTING PRINCIPLES
ECONOMIC VIABILITY
PRODUCT DESIGN, PROCESSING & MANUFACTURE RESPONSIBLE BUSINESS
EMPLOYMENT AND SKILLS
HEALTH & WELLBEING
SOCIAL AND COMMUNITY INITIATIVES
STAKEHOLDER ENGAGEMENT
WATER MANAGEMENT
MATERIALS
WASTE MANAGEMENT
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Kingspan®

Low Energy -
Low Carbon Buildings

Foreword from the Managing Director

Welcome to the Kingspan Insulation Ltd. Sustainability and Responsibility Report 2009. The report covers the UK business of Kingspan Insulation Ltd., which includes headquarters at Pembridge, Herefordshire, and a manufacturing site at Selby, Yorkshire.

This report was published in October 2009 to present an holistic picture of Kingspan Insulation Ltd.'s long-term commitment to sustainability and responsibility in all of the company's guises: as a manufacturer of insulation products; as an employer; as a substantial landholder; and as a key member of its neighbouring communities.

Kingspan Insulation has reported annually on its sustainability performance since 2004, by means of an appraisal using the Sustainable Project Appraisal Routine (SPeAR®) developed by Ove Arup & Partners Ltd. (Arup). Using this tool and associated action planning, significant progress has been made to improve Kingspan Insulation's performance over the past four years. Our most recent published report was released in December 2006 to reflect on activities undertaken during that calendar year.

This year's report moves towards a more comprehensive approach to reporting. The annual SPeAR® appraisal continues to be undertaken, supplemented by use of the Global Reporting Initiative (GRI) G3 Sustainability Reporting Guidelines to ensure a robust reporting procedure. The G3 Guidelines provide a globally recognised framework for reporting on an organisation's economic, social and environmental performance. Kingspan Insulation Ltd. intends to adopt this approach for future annual sustainability and responsibility reporting. Further information on the reporting methodology can be found in Appendix C.

The data and commentary in this report summarise Kingspan Insulation's journey from 2004-2008, and highlights key achievements from the calendar year 2008. Where significant material events have occurred in the early part of 2009, these are also commented upon.

Two important issues affected the business during the reporting period:

- Kingspan Insulation Ltd. acquired a new manufacturing facility at Selby. For the first time, therefore, the SPeAR® appraisal reflects sustainability and responsibility performance both at Pembridge and at Selby. Historically, the Selby facility has not been subjected to sustainable management procedures, and its baseline performance is therefore significantly lower than that seen at Pembridge following four years' of progress;
- A global economic recession, continuing into 2009, resulted in a downturn in the market and a comprehensive review of business expenditure, impacting upon planned sustainability initiatives.

An awareness of these events should underpin the reading of the following report. Nevertheless, Kingspan Insulation maintains a strong commitment to sustainability and responsibility, and as such this report also sets out a plan of action for continued progress in the coming 12 months.

GRI Application Level

Contents

Kingspan Insulation

Kingspan Insulation Ltd. is a privately-held corporation whose liability is limited by shares. Kingspan Insulation is part of the Kingspan Group plc., one of Europe's fastest growing building product groups. The Kingspan Group was founded in the late 1960s and is a publicly quoted group of companies headquartered in Kingscourt, County Cavan, Ireland.

Product Range

Kingspan Insulation is a market-leading manufacturer of premium and high performance rigid insulation products and insulated systems for building fabric and building services applications.

Kingspan Insulation Ltd. has a vast product range. It is suitable for a variety of applications within both domestic and non-domestic buildings.

Products manufactured by Kingspan Insulation Ltd. include:

- Kooltherm®, premium performance rigid phenolic insulation;
- Therma™, high performance rigid polyisocyanurate insulation;
- Thermabate® and Kooltherm® Cavity Closers, insulated cavity closers for use around window and door openings; and
- Kingspan KoolDuct® System, pre-insulated ducting.

Products also available from Kingspan Insulation Ltd. include:

- Styrozone®, high performance rigid extruded polystyrene insulation for specialist applications; and
- Nilvent®, a breathable membrane for walls and roofs.

All Kingspan Insulation products are designed and manufactured to exceed the performance criteria required by the Building Regulations / Standards. They meet the exacting requirements of the construction industry and are produced to the highest standards under a quality control system certified to BS EN ISO 9001: 2000.

Each product has been designed to fulfil a specific need and has been manufactured to precise standards and tolerances. Many of the products hold BBA Agrément approval, further underlining Kingspan Insulation's commitment to quality.

Kingspan Insulation Ltd. operates from two manufacturing facilities located near Pembridge, Herefordshire, and at Sherburn-in-Elmet, near Selby, Yorkshire. Kingspan Insulation Ltd. operates out of the United Kingdom and supplies boards primarily to the UK market.

Kingspan Kooltherm K18 Insulated Plasterboard can be used to thermally upgrade solid walled properties. It is mechanically fixed onto a batten framework making it extremely versatile.

Kingspan Kooltherm K10 Soffit Board is lightweight and easy to install making it the product of choice for soffit applications.

Governance

The directors endorse and apply the principles of good corporate governance set out in the Combined Code on Corporate Governance. The Board provides the Company with entrepreneurial leadership and effective controls. It sets the Company's strategic aims and establishes the Company's values and standards.

The Board consists of seven directors, each of whom has a combination of general business skills and experience in the construction materials market. The directors believe that the Board includes an appropriate balance of skills and ability to provide effective leadership and control to the Company. The Board meets formally each month, as well as informally as and when required. The Board reserves a formal schedule of matters on which it takes the ultimate decision. These include adopting the Divisional rolling five-year strategic plan and the annual budget, approving all major capital expenditure and material contracts, acquisitions and disposals of businesses and other assets, appointment of senior executives and succession planning, reviewing management's corporate and financial performance, and overall review of the company's internal controls.

The Managing Director is responsible for the leadership and effective working of the Board. He ensures that all members of the Board have an opportunity to contribute effectively and that there is appropriate and timely communication with shareholders.

As Kingspan Insulation is a wholly-owned subsidiary of Kingspan Group, there is no requirement to appoint non-executive directors to the Board. This function is in effect carried out by Group board members who have experience within the industry and within other Group companies.

All directors are supplied with appropriate and timely information for Board and committee meetings and are given the opportunity to probe and question the executives and to seek such further information as they consider appropriate. The Group's professional advisors are available for consultation with the Board and attend Board meetings as required. All directors have access to the advice and services of the Company Secretary, who is responsible for ensuring that Board procedures are followed. Individual directors may seek independent professional advice at the expense of the Company in furtherance of their duties as a director. The Group has arranged appropriate insurance cover in respect of legal action against its directors.

The Company has procedures whereby directors receive formal induction and familiarisation with the Company's business operations and systems and continuing training relating to the discharge of their duties as directors. Directors are appointed to the board based upon their particular experience and qualifications, together with the company need for specific functional, managerial or technical experience for the control and management of business operations.

Code of Conduct

Kingspan Group plc. is committed to acting responsibly in its business, and maintaining high standards of ethics and integrity in all its dealings with its stakeholders, be they investors, customers, suppliers, its people or the community in which it operates. A Code of Conduct has been adopted, which sets out the fundamental principles that all directors, officers and employees must adhere to in order to meet those standards. The principles contained therein include:

- integrity and honesty;
- compliance with the law, including competition, corruption, fraud, inside information;
- avoiding conflicts of interest;
- people and environment, including health and safety, equal opportunities, environment, IT; and
- protection of Group assets, including internal controls, confidentiality.

The Code is intended to encourage and enable employees and others to raise serious concerns within the Group rather than seeking outside resolution. It is the responsibility of all directors, officers and employees to report any breaches of the policy, or any other malpractice or illegal acts. The Code of Conduct is upheld through a number of mechanisms:

- reporting violations;
- accounting and auditing;
- acting in good faith;
- confidentiality;
- no retaliation; and
- appropriate handling of reported violations.

Kingspan Kooltherm K8 Cavity Board is the thinnest commonly used cavity wall insulation material.

Mission Statement and Principles

Kingspan Insulation operates a mission statement, with the goal that:

> *Kingspan Insulation will be the premium quality producer and supplier of non-fibrous thermal insulation whilst keeping people, the environment and the future success of the company at the forefront of its activities.*

The Group-level principles are supplemented locally by the Kingspan Insulation Employee Handbook and relevant provisions of other policies, covering issues such as Human Rights; Local Supply; Environment; Ethical Purchasing; and Equal Opportunities.

Kingspan Insulation recognises the importance of conducting its business in a responsible manner. This is demonstrated in the way the company deals with its employees, customers and the wider community in which it operates. To this end, Kingspan Insulation has formalised and adopted the following sustainability and responsible sourcing policies.

Sustainability Policy

Striving for sustainability in all of Kingspan Insulation Ltd.'s products and operations is its responsibility.

Kingspan Insulation Ltd. aims to adopt and apply best practice sustainability principles by ensuring environmental, social and economic parameters are considered in an integrated way in product and service delivery.

To this end, Kingspan Insulation Ltd. will:

- incorporate the ethos of sustainability into the vision and values of the organisation;
- continue to invest in research and development in the area of maximising the insulation value of products;
- continually improve operational performance through the setting of long-term objectives and targets related to sustainability, and review progress regularly;
- comply with or exceed applicable legal and policy requirements related to the environmental and social aspects of the organisation;
- optimise energy and raw material usage and prevent or minimise pollution and environmental damage;
- continually monitor sustainability performance and actively communicate progress annually in the form of a published report, using the Global Reporting Initiative (GRI) guidelines;
- communicate and actively promote awareness and acceptance of this policy to everyone working for, or on behalf of, the organisation (including employees, shareholders, suppliers / sub-contractors and customers);
- ensure employees are given adequate training in sustainability issues and are fully involved in helping to deliver this policy; and
- implement a Code of Conduct and support sustainability guidelines for key suppliers, contractors and other interested parties to ensure that they comply with this policy.

Kingspan Insulation Ltd. is dedicated to adopting and implementing this policy.

The responsibility for implementing this policy lies with the Divisional Managing Director.

This policy forms a framework for Kingspan Insulation Ltd.'s activities, product design, services and decision-making, and promotes engagement of the entire organisation. The policy will be reviewed annually.

Responsible Sourcing Policy

Kingspan Insulation's products improve the quality and sustainability of the built environment. Kingspan Insulation's aim is to ensure that the constituent materials used within the delivery of these products are responsibly sourced in accordance with the guidelines set out under the BRE British Environmental and Sustainability Standard 6001: Framework Standard for the Responsible Sourcing of Construction Products.

In order to demonstrate this, Kingspan Insulation will maintain, implement and review:

- an Ethical Trading Policy, a Human Rights Policy and a Code of Conduct;
- procedures to ensure compliance with legislation;
- procedures to record and respond to all complaints and prosecutions;
- a Quality Management System certified to ISO 9001;
- a supply chain management system;
- an Environmental Management System certified to ISO 14001;
- a Health & Safety Management System certified to OHSAS 18001;
- stakeholder engagement and reporting; and
- policies, action plans and targets for:
  - reduction of greenhouse gas emissions;
  - reduction of resource use;
  - reduction of water extraction;
  - reduction of transport impacts;
  - reduction of waste;
  - life cycle assessment;
  - employment and skills; and
  - local community engagement.

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The Story so Far...

Timeline of Sustainability and Responsibility Management

2002
In 2002, Kingspan Insulation Ltd. obtained its first certified Life Cycle Assessment from the Building Research Establishment (BRE), awarded for the Therma™ product range, which has been certified continuously since then.

2004
Kingspan Insulation Ltd. first commissioned Arup to undertake a sustainability appraisal of its Pembridge facility, near Leominster, Herefordshire, in 2004. The appraisal, which utilised the Arup SPeAR® framework (see Appendix A), provided an indication of Kingspan Insulation Ltd.'s baseline sustainability performance at that point in time (see below left). By providing a series of recommendations, the SPeAR® appraisal enabled Kingspan Insulation Ltd. to produce an Action Plan for improvement during the year 2004-5.

2005
A second SPeAR® appraisal was conducted in 2005 to provide a re-evaluation of the Pembridge site, to document performance improvements, and to highlight further opportunities for progress based on ongoing weaknesses and evolving industry best practice (see below centre). Kingspan Insulation revised its Action Plan accordingly, building in newly arising recommendations to supplement those actions outstanding from 2004.

2006
During 2006, a mid-term review was conducted to assess Kingspan Insulation's progress with the Action Plan developed for Pembridge during the previous two years (see below right).

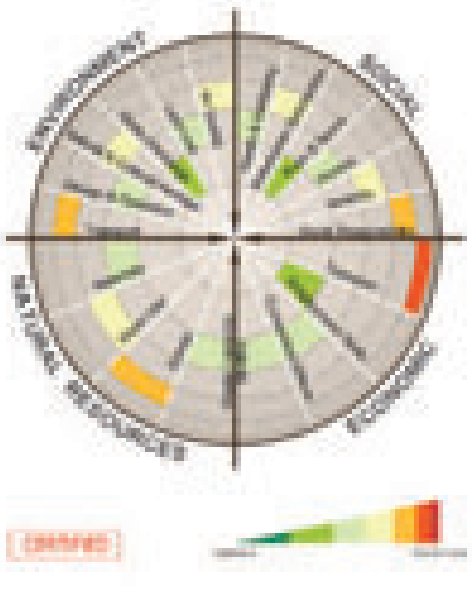
2007
2007 saw a full SPeAR® re-appraisal of Kingspan Insulation Ltd.'s performance, to assess further progress and provide renewed impetus to the ongoing Action Plan for improvement (see bottom of page 9). Rather than annual reviews undertaken in previous years, the 2007 review sought to cover total progress made by Kingspan Insulation Ltd. since 2004.

In 2007 Kingspan Insulation Ltd. also commenced data collection for the environmental, economic, labour, social, and product-related performance indicators of the GRI G3 Sustainability Reporting Guidelines (see Appendix C). Whilst this data was not externally reported in 2007, the database which was established enables the current report to build a comparative picture of progress across 2007-8.

During 2007, Kingspan Insulation Ltd. was the winner of the Hereford and Worcester Chamber of Commerce Business Commitment in the Community Award.

The figures below illustrate graphically the journey that Kingspan Insulation Ltd. has followed in advancing its sustainability and responsibility performance from 2004 to 2007.

2004 SPeAR® Appraisal



2005 SPeAR® Appraisal

2006 SPeAR® Appraisal

Sustainability Performance 2008

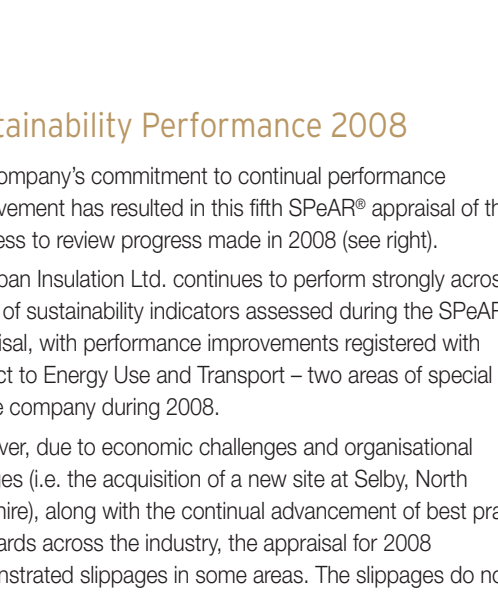
The company's commitment to continual performance improvement has resulted in this fifth SPeAR® appraisal of the business to review progress made in 2008 (see right).

Kingspan Insulation Ltd. continues to perform strongly across the range of sustainability indicators assessed during the SPeAR® appraisal, with performance improvements registered with respect to Energy Use and Transport – two areas of special focus for the company during 2008.

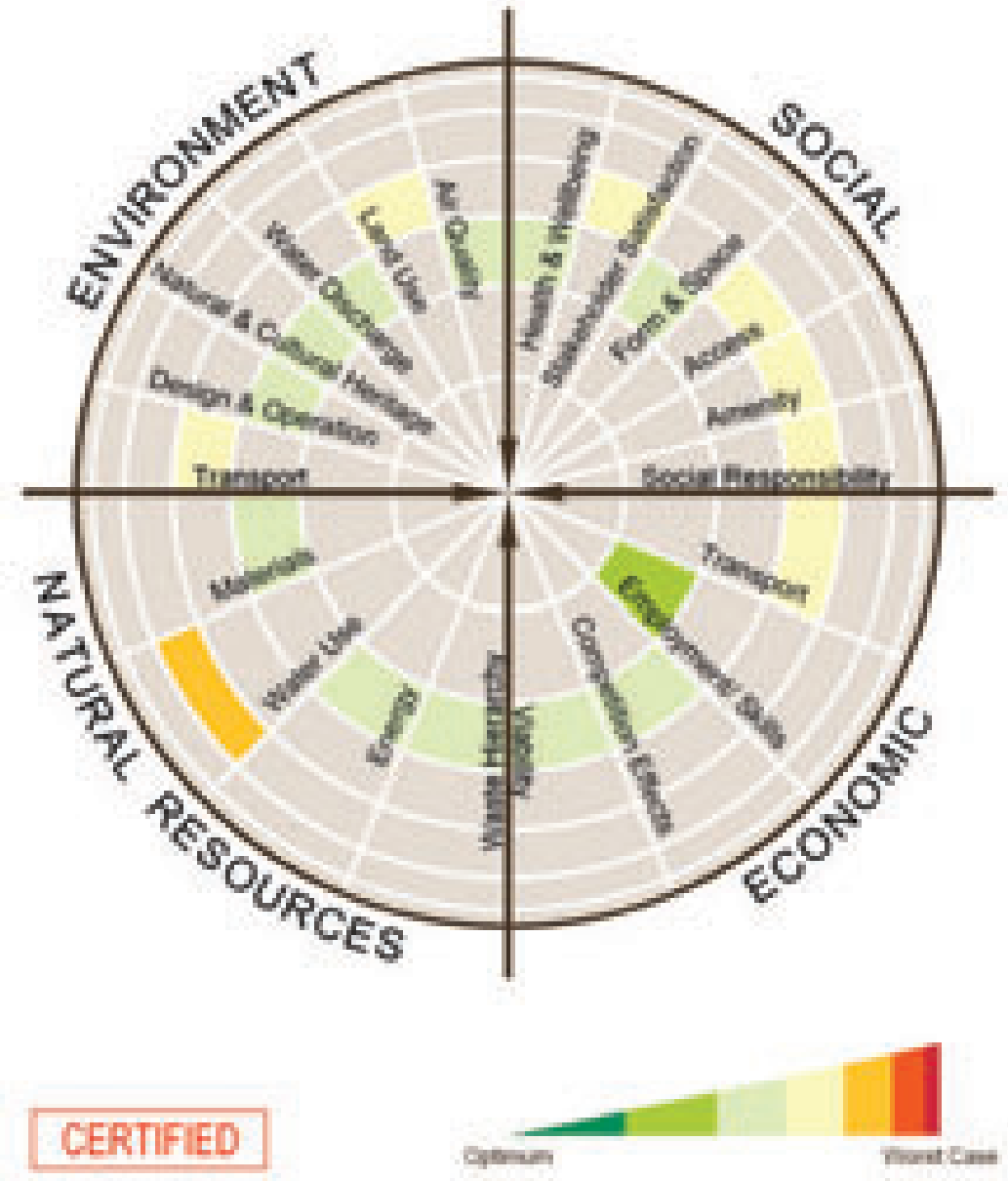
However, due to economic challenges and organisational changes (i.e. the acquisition of a new site at Selby, North Yorkshire), along with the continual advancement of best practice standards across the industry, the appraisal for 2008 demonstrated slippages in some areas. The slippages do not, however, suggest a slackening in the corporate commitment to sustainability. Kingspan Insulation Ltd. anticipates that ongoing improvements to the Selby site, combined with upturns in the economy, will help to recover performance to previous levels.

The opening of the Selby site has offered particular benefits in terms of transport management. This new manufacturing base in the north of England offers the opportunity to minimise delivery miles by routing deliveries to the northern economic zones from a much closer source than was previously possible, thereby minimising road miles travelled, fuel consumption and related transport emissions to air.

The sections that follow outline in greater detail progress to date across the core sustainability themes.



2007 SPeAR® Appraisal



2008 SPeAR® Appraisal

Key Impacts, Risks and Opportunities

Identification of Risks & Recognition of Opportunities

Use of the SPeAR® appraisal framework has enabled Kingspan Insulation to easily identify key risks, impacts and opportunities with respect to sustainability. The nature of the appraisal diagram is such that areas which present particular challenges are clearly highlighted in red / orange, whilst areas of stronger performance are illustrated in green. As demonstrated by the images on the previous two pages, some of the indicators which challenged the company during the baseline appraisal in 2004 have been substantially improved during successive years.

The following areas have been identified as particular business risks and opportunities through SPeAR® appraisals undertaken since 2004, and management procedures have been put in place accordingly.

Aerial photograph of the Pembridge site.

Biodiversity (Pages 40-41)

Kingspan Insulation has made significant investments to enhance the biodiversity and ecological value of the Pembridge site, recognising this as an area of particular opportunity given the site's rural location. Work is ongoing to develop the habitat value and diversity of the site.

Social Impacts (Pages 24-25)

Special attention has likewise been focused on social impacts, which were highlighted as a key challenge for the company in earlier appraisals. With the setting up of the Kingspan Insulation Community Trust and proactive engagement of local schools and community groups, performance in this area has improved in line with best practice.

Transport (Pages 42-43)

Kingspan Insulation recognises its dependency on road transport for freight and staff movements as an impact area which presents ongoing challenges. The company's manufacturing locations limit the options for alternative transportation methods. However, recognising this challenge, the strategy is to minimise the impact of road transport as far as possible.

Kingspan Insulation continues to work closely with its main hauliers to minimise the environmental and social impacts associated with road freight, through more efficient routing, higher capacity trailers and fuel-efficient vehicles, among other things. With the opening of the Selby facility, significant gains in transport efficiency have been achieved.

This will be an area for ongoing focus over the coming year.

Materials and Waste (Pages 30-33)

Kingspan Insulation's use of natural resources has been identified as an impact area requiring careful management. The chemical inputs to insulation products use significant volumes of natural resources during their processing, which consequently increase the resource consumption associated with the final product.

Since 2004, Kingspan Insulation has made large-scale improvements to waste management and material consumption practices by staying abreast of developments in the recycling and re-use markets, and through ongoing innovation to minimise the material inputs to products and maximise opportunities for recycling and downcycling of waste.

Energy (Pages 34-37)

During 2008, a gas-fired Combined Heat and Power (CHP) plant was introduced at the Pembridge site to provide heating to the factory and two production lines, as well as electricity across the site. The potential is being explored to use excess heat from the plant to provide cooling to the office blocks at Pembridge during the summer months. At Selby, the site is CHP-ready and it is hoped that a plant will also be installed there in the future.

Ongoing energy efficiency initiatives at both sites are improving daylighting to the factory floor, reducing heat loss through factory doors, and monitoring energy consumption more effectively through sub-metering.

At Pembridge, a collaborative initiative with a neighbouring landowner is exploring the opportunity to install a biogas plant to supply gas to the CHP system on the Kingspan Insulation Ltd. site.

Such initiatives have enabled improvements in energy performance during the past two years, and Kingspan Insulation Ltd. will continue to invest in this area to effect long-term resource and cost savings.

Water (Pages 28-29)

Dependency on mains water supplies is an ongoing challenge for Kingspan Insulation.

During 2007, the use of rainwater harvesting techniques was explored to supply water to a new warehouse building, the CHP plant and sprinkler systems at Pembridge. These plans were abandoned at that time due to the capital expenditure implications of the project. Kingspan Insulation Ltd. will review rainwater harvesting options in the future as part of the corporate Building Development Policy.

In the mean time, the focus is on water efficiency.
The manufacturing process requires relatively little water input, so impacts in this area are insubstantial. As a starting point, water-efficient fixtures and fittings are being installed across the Pembridge site and further initiatives will be undertaken in this vein.

Selby

Acquisition of the facility at Selby during 2008 provides the opportunity to consolidate Kingspan Insulation Ltd.'s strong corporate approach to sustainability through implementation of sustainability measures at a new site. Progress achieved at Pembridge since 2004 has not been replicated by previous tenants at Selby, and actions have been identified in this report to advance the performance of the Selby site in line with Kingspan Insulation Ltd.'s corporate aspirations.

The 2008 SPeAR® appraisal has highlighted slippages in some areas, partly on account of performance at the Selby site. Particular issues to explore at Selby will be social impacts and engagement with neighbours around the site; achievement of accredited Environmental and Health and Safety Management Systems; and on-site provision for biodiversity, in addition to the energy and water challenges discussed above.

The majority of business management functions are managed by the central teams based in Pembridge – including Finance, Research and Development, and Human Resources – providing a centralised mechanism for rollout of the company's best practice policies and procedures.

The Selby plant started operation during 2008.

Reporting Principles

Reporting Procedure

This 2008 review of Kingspan Insulation Ltd.'s sustainability and responsibility takes an alternative approach to previous years. The SPeAR® framework has once again been applied to profile the company's holistic sustainability performance during the year, however this report also incorporates data and disclosures covering the GRI G3 reporting requirements, to a level commensurate with GRI application level B (see Appendix C for further explanation). This requires reporting on a minimum of 20 performance indicators across the spectrum of environmental, economic, social and product-related categories. A full register of performance indicators reported is available in Appendix D.

GRI Application Level

The figures presented here have been drawn from Kingspan Insulation Ltd.'s comprehensive internal management systems, which cover Environmental; Quality; and Health and Safety management. Further data have been gathered from Kingspan Insulation Ltd.'s Financial Statements and through discussion with key staff members. Data have been normalised for comparability across a number of years, especially given variations in the size of the estate, volumes of production, and in staff numbers. Methods of normalisation are identifiable in the presentation of the data. In addition, where issues of confidentiality arise, data have been subject to controlled release (as noted throughout the report).

Report content has been defined based on a comprehensive coverage of key sustainability topics. The company's understanding of sustainability and key impact areas is shaped by experience of the SPeAR® framework, and the material issues for reporting have been selected based on the topics identified therein.

Kingspan Insulation Ltd. values the feedback of stakeholders. Care has been taken to report on issues arising through engagement and consultation with customers; communities; suppliers; and external bodies (trade associations and government), to ensure that this report covers all areas considered material to the business.

The report has not undergone a formal process of external assurance, however the data presented have been reviewed by external Sustainability Consultants – Arup – as part of the SPeAR® appraisal and GRI reporting process, and some have been reviewed by the Building Research Establishment (BRE) as part of the Environmental Profile Disclosure for Kooltherm® and Therma™ products.

Kingspan Insulation Ltd. actively encourages stakeholders to engage with this report, and looks forward to receiving comment and feedback to help strengthen the approach to reporting in future years. Any questions should be directed to the Marketing Department, contactable at info.uk@insulation.kingspan.com.

Electronic copies of this (and previous) sustainability reports can be downloaded at www.insulation.kingspan.co.uk/sustainability**and**responsibility.

Report Structure

The upcoming sections present Kingspan Insulation's Sustainability and Responsibility performance with respect to 14 key themes. These themes have been defined through the grouping of SPeAR® indicators and GRI performance indicators, as follows:

- economic viability;
- product design, processing & manufacture;
- responsible business;
- employment & skills (employees and local community);
- health & wellbeing (employees and local community);
- social and community initiatives;
- stakeholder engagement;
- water management;
- materials;
- waste management;
- energy & climate change;
- land use;
- biodiversity & natural heritage; and
- transport.

This structure is considered to deliver a comprehensive impression of Sustainability and Responsibility issues at Kingspan Insulation Ltd.

Each chapter is divided into six sub-sections:

- Context, defining the background to the theme and outlining the management approach adopted by Kingspan Insulation;
- Historical achievements and ongoing activities, summarising the key actions undertaken by the company to date in relation to the headline theme;
- 2008 performance highlights, summarising the progress made by Kingspan Insulation Ltd. during the 2008 reporting period;
- GRI performance data, displaying graphs and tables in relation to each of the reported GRI performance indicators. The indicators included in each chapter are outlined in a set of indicator boxes shown beside the text;
- SPeAR® indicators, demonstrating the company's performance against each of the SPeAR® indicators in 2007 and 2008; and
- Action plans, providing an updated schedule of work to be undertaken.

Performance improvement targets have also been defined for those areas which lend themselves to quantitative metrics.

The flat roof of the RSPB Environment and Education Centre at Rainham Marshes benefited from Kingspan Thermaroof TR27 LPC/FM and Thermataper TT47 LPC/FM.

Using a range of Kingspan Insulation products, Camden Borough Council has completely refurbished a dilapidated semi-detached property over four floors – the result is a “Victorian House of the Future” with predicted carbon dioxide emissions that would allow it to achieve a Level 4 rating for the Code for Sustainable Homes.

Kingspan Kooltherm K10 Soffit Board was the product of choice for the Beetham Tower, Manchester.

Premium performance products from the Kingspan Kooltherm K-range were used in the development of the Manor Park site at Surrey University.

Economic Viability

Context

Global pressures on energy consumption, due mainly to the increasing scarcity of natural resources and the climate change impacts of traditional fossil fuel-based energy generation, have elevated the objective of energy efficiency within the scientific and legislative agenda. In their report *Existing Homes and Climate Change* (April 2008), the Government's Communities and Local Government Committee (CLGC) point to the UK's building stock as being responsible for around a quarter of all carbon emissions in the UK. 75% of those emissions come from three sources: heating; hot water; and lighting.

Through its innovative insulation solutions, Kingspan Insulation makes vital contributions to improve the energy efficiency of buildings, by reducing heat loss from the building envelope and thereby reducing the energy required for heating. As momentum gathers for energy efficient building, Kingspan Insulation finds itself operating within an economically viable and desirable market.

Historical Achievements & Ongoing Activities

- Pro-active engagement with and response to progressively more stringent Government legislation around building energy performance.
- Constant processes of research and development have provided innovative and sustainable insulation solutions, which have contributed to the diversification of the market and helped to drive greater sustainability across the sector.
- Annual risk assessment covering all business areas and analysing risks related to a broad range of factors, including financial; legal and regulatory; operational; research and development and quality control; purchasing; sales; and reputation. Corruption and fraud are also covered as important risk factors. The assessment takes into account the probability that each identified risk will occur, in order to prioritise areas for management and control.
- Disaster recovery plans and fire emergency action plans are in place.
- Provision is made for warranties, bad debts, and for potential environmental liability.
- Kingspan Insulation Ltd. brings vitality to the local rural area and is a major employer for local people.
- The company provides a marginal benefit to the local rural economy and contributes to a small reduction in local monopoly power.
- All of the site's vehicles are leased, including forklifts, trucks and company cars. The Marketing department outsources its requirements for design, print and public relations. Photocopiers and coffee machines are also leased.
- A bespoke set of sustainability key performance indicators (KPIs) have been introduced to monitor sustainability performance throughout the year. The KPIs are included in Kingspan Insulation Ltd.'s performance management framework.
- Sustainability objectives and targets have been integrated into strategic & business planning.

Relevant GRI Indicators

EC1	**Direct economic value generated & distributed**
SO2	**Percentage & total number of business units analysed for risks related to corruption.**
EN28	**Monetary value of significant fines for non-compliance with environmental laws & regulations.**
SO7	**Total number of legal actions for anti-competitive behaviour, anti-trust, & monopoly practices & their outcomes.**
SO8	**Monetary value of significant fines for non-compliance with laws & regulations.**

NB See Appendix C for background to GRI.

2008 Performance Highlights

In spite of the challenges of a receding economy during the reporting year 2008, Kingspan Insulation Ltd. has maintained a healthy profit margin and turnover. The company has responded well to changes in the market by adopting suitable pricing structures, placing a stronger emphasis on customer service and identifying new market opportunities.

Kingspan Insulation Ltd.'s regulatory performance remains strong. As in the previous year, no fines or non-monetary sanctions were recorded during 2008 for failure to comply with laws and regulations, environmental or otherwise. No legal actions have been taken against Kingspan Insulation Ltd. for anti-competitive behaviour, anti-trust, or monopoly practices during the past two years.

During 2008, Kingspan Insulation Ltd. instituted a corporate governance structure conforming with recognised guidance (e.g. Organisation for Economic Co-operation and Development (OECD) principles of Corporate Governance).

The process to embed sustainability into business functions from the Board through to the shop floor has started with inclusion of sustainability issues in the monthly company newsletter, which is run by employees for employees.

Action Plan

Actions Outstanding from Previous Reviews

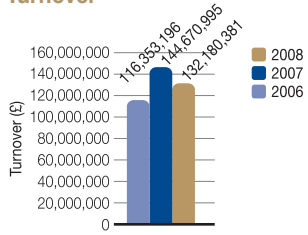
- Further develop the process to allow sustainability to become embedded into business functions (design, management, marketing, procurement and production) at all levels, i.e. from the Board through to the shop floor.

New Actions

- Introduce SAP across both sites to improve control of stock movements and increase the accuracy of deliveries.

Sustainability issues are being discussed in the employee newsletter.

Turnover



The reduction in turnover from 2007 to 2008 relates to the current recession in the construction industry.

The full Financial Statements of Kingspan Insulation Ltd. for the financial year 2008 are publicly available from Companies House.

Relevant SPeAR® Indicators

Economic			
Viability	**Key Issues**	**2007 Score**	**2008 Score**
Financial Viability & Risk	Financial viability under prevailing market conditions.	+3	+2
Risk Management	Provisions made for potential liability (environmental & other). Crisis management system established.	+1	+2
Corporate Governance	Transparent system of organisational governance, conforming with guidance.	+2	+2
Displacement	Minimising displacement effects of operations.	+2	+2
Service Contracts	Use of service contracts to maximise hiring / rental of equipment.	+1	+1
Competition Effects	**Key Issues**	**2007 Score**	**2008 Score**
Vitality & Regeneration	Degree to which development supports local vitality & regeneration.	0	+1
Pricing	Effect on pricing & local competition.	0	+1
Diversification & Choice	Provision of diversification & choice for employment types & products.	+1	+1

NB See Appendix A for background to SPeAR.

The latest contribution from the Kingspan Insulation Community Trust is helping to keep children using the play area at Shobdon by providing funding for the Trust to provide a self closing gate for the play area.

The play area at Shobdon is used by parents and toddlers as well as pupils from the nearby primary school and with its location on the main road the threat of cars is always on the minds of parents.

The entrance to the play area was so close to the main road that there wasn't space to manoeuvre prams into and out of the original gate without getting either parent or children perilously close to the traffic. A new layout for the entrance to the play area and a new safer gate was just the tonic that was required.

Pictured are Kingspan Insulation Trust Trustees Rob Widdicombe, Phil Sharp and Bill Wiggin M.P. together with children and one of the parents from Shobdon Primary School.

Product Design, Processing & Manufacture

Context

Kingspan Insulation Ltd. places a strong emphasis on ongoing product innovation through intensive research and development activity. The focus has been on responding to Government legislation (e.g. evolving Building Regulations), mitigating the environmental impacts of product groups through their whole life cycle, and achieving cost savings for the company. The Directors undertake constant horizon-scanning to identify new drivers for the market, especially by means of their membership and leadership of industry bodies. Over recent years these have included introduction of the Eco-label, changes to Approved Documents L to the Building Regulations, the European Energy Performance of Buildings Directive (EPBD), and initiatives on dangerous substances and indoor air quality, amongst other things.

The extent of environmental impacts mitigated through product innovation has not been quantified, but Kingspan Insulation is proud of the achievements made to date and remains committed to minimising negative impacts and optimising the lifetime performance of products and production processes.

Historical Achievements & Ongoing Activities

- Information about the impacts of manufacture and Control of Substances Hazardous to Health (COSHH) data sheets are available to customers on request.
- The product has a long life cycle.
- Kingspan Insulation Ltd. obtained a Building Research Establishment (BRE) certified Life Cycle Assessment for the Therma™ range in 2002. Annual assessments have been undertaken for Therma™ since 2002, with the range achieving an 'A' rating in the BRE Green Guide to Specification. A Certified Life Cycle Assessment is in preparation for the Kooltherm® range.
- Quality Management Systems are in place, certified to ISO 9001 for both sites.
- An Environmental Management System certified to ISO 14001 is in operation at the Pembridge site, controlled by the Operations Director.
- Factory hardware consists of best practice and most appropriate technology.
- Elements of the BRE Environmental Assessment Method (BREEAM) have been used in site development works, including re-use of demolition materials on-site as aggregate, and installation of an underground sump with infiltration drainage.
- Buildings have in-built flexibility to extend their life, especially the high-bay warehouse at Pembridge.
- Buildings are refurbished rather than replaced wherever possible: at Pembridge, office buildings have been refurbished and the old aircraft hangars re-clad for use as warehouses. Materials from the old runways located at Pembridge have been re-used for building foundations.
- A retrospective and indicative BREEAM assessment was conducted on the most recent warehouse at Pembridge, with a view to determining a policy for future building works on-site. BREEAM will help in the selection of lower impact options for building materials.
- There are no significant local air pollution sources.
- Monitoring of emissions to air is undertaken regularly, as required by legislation.
- All factory processes are now solvent-free and best practical environmental options are applied.

Relevant GRI Indicators

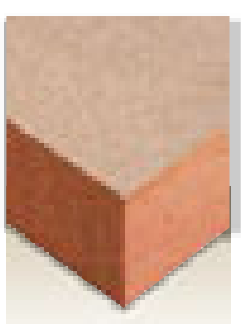
EN26 Initiatives to mitigate environmental impacts of products & services.

NB See Appendix C for background to GRI.

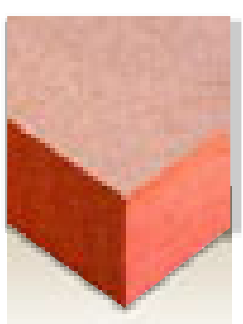
2008 Performance Highlights

During 2008, expenditure for research and development activity was approximately £600,000, with a projected increase in investment during 2009. A major focus for the year was to decrease the density of products to reduce material consumption, focusing particularly on the Kooltherm® range. Further efficiencies were achieved through the institution of lean manufacturing processes to reduce resource use and increase the efficiency of manufacturing.

A Building Development Policy was introduced, based on BREEAM and aspiring to achieve BREEAM 'Excellent' where feasible for buildings on the company estate.



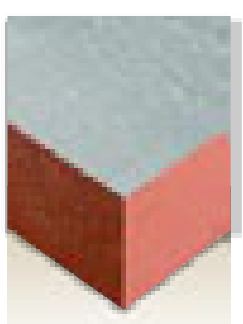
Kingspan **Kool**therm®
K3 Floorboard



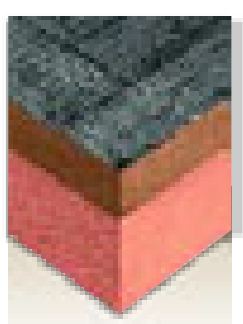
Kingspan **Kool**therm®
K5 External Wall Board

Kingspan **Kool**therm®
K7 Pitched Roof Board

Kingspan **Kool**therm®
K8 Cavity Board



Kingspan **Kool**therm®
K10 Soffit Board



Kingspan **Kool**therm®
K11 Roofboard

Kingspan **Kool**therm®
K12 Framing Board

Kingspan **Kool**therm®
K15 Rainscreen Board

Action Plan

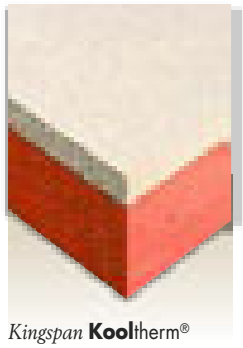
New Actions

- Gain ISO 14001-accredited Environmental Management System for Selby site.
- Complete BRE Environmental Profile for Kooltherm® and Therma™ according to the criteria of the new BRE Green Guide to Specification.
- Work with local specialist manufacturing advisory groups to improve resource management and demonstrate best practice to other businesses.
- Review accuracy & consistency of data collection systems at Selby and Pembridge sites, e.g. for monitoring resource consumption, health & safety incidents, employment figures, etc. Ensure that monitoring systems are robust.

Relevant SPeAR® Indicators

Environment			
Air Quality	**Key Issues**	**2007 Score**	**2008 Score**
Baseline Environment	Extent of existing local air pollution. Existence of management plan.	+3	+3
Regulated Processes	Best practical technique applied for regulated process.	0	0
Design & Operation	**Key Issues**	**2007 Score**	**2008 Score**
Assessment Methods	Use of assessment methods to inform design, construction and operation.	+1	+2
Appropriate Technology	Use of appropriate best practice technology.	+2	+2
Environmental Management System (EMS) with Certification to ISO 14001	Absence / presence of EMS certified to ISO 14001.	+3	+2
In-use Management	Level of operational drive for resource efficiency and environmental impact mitigation and management.	+2	+2
Flexibility	Buildings designed with in-built flexibility to extend life.	+1	+1
Refurbishment	Level of re-use / refurbishment in development	+1	+1
Life Cycle Environmental Impact	Use of life cycle principles to inform design, construction and operations.	0	0
Natural Resources			
Waste Hierachy	**Key Issues**	**2007 Score**	**2008 Score**
Refurbishment	Extent to which there is a focus on maximising refurbishment of building, rather than new build.	+2	+1
Economic			
Viability	**Key Issues**	**2007 Score**	**2008 Score**
Innovation	Degree of expenditure and approach to fostering innovation.	+1	+2
Products & Services	Sustainability principles of products.	0	+1
Operations Management Tools & Techniques	Focus on operational management tools and techniques.	0	+1

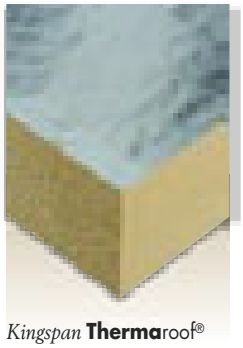
NB See Appendix A for background to SPeAR.



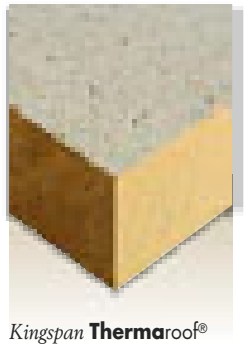
Kingspan **Kool**therm®
K17 Insulated Plasterboard

Kingspan **Kool**therm®
K18 Insulated Plasterboard

Kingspan **Therma**roof®
TR22

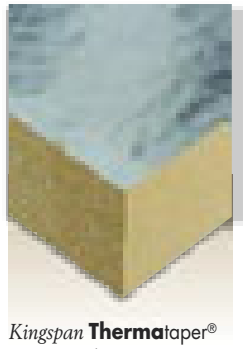


Kingspan **Therma**roof®
TR26 LPC/FM

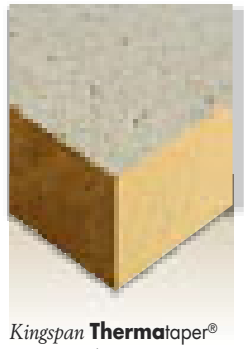


Kingspan **Therma**roof®
TR27 LPC/FM

Kingspan **Therma**roof®
TR31



Kingspan **Therma**taper®
TT46 LPC/FM



Kingspan **Therma**taper®
TT47 LPC/FM

Responsible Business

Context

Kingspan Insulation is committed to conduct its business in an ethical, transparent and responsible manner, both through internal operations and external relationships with the supply chain and other stakeholders. The company endeavours to use local suppliers, contractors and materials wherever possible, although this is limited by the specific raw materials required for products, especially for chemicals. When appropriate local suppliers, contractors or materials are unavailable, the company is committed to using fair trade or otherwise responsibly sourced goods and services wherever possible.

Historical Achievements & Ongoing Activities

- The Purchasing department maintains a list of approved suppliers, who are the first port of call for all goods and services. Criteria for supplier approval include certification to ISO 9001, evidence of robust Environmental Management and Health and Safety Management Systems, and strong corporate responsibility commitments.
- Kingspan has sought active engagement with a number of its key suppliers and has undertaken a series of supplier meetings and presentations with only limited success. The ability to influence Tier One suppliers has proven to be limited.
- Kingspan Insulation Ltd. engages local suppliers, notably for haulage, fork lift truck lease and maintenance, and procurement of pallets for packaging.
- Two food suppliers are engaged at the Pembridge site, which are located locally in Hereford and Ludlow.
- Small- and Medium-Sized Enterprises (SMEs) are included in the supplier list. Collaborative research is undertaken with innovative SMEs around the UK. Key services are also contracted to small suppliers in the local area, such as a Leominster-based composting company dealing with office waste.
- Historically, the company has sought to invest at least 10% of capital expenditure in improvements to its environmental and social performance.
- A detailed Ethical Purchasing Policy and Local Supply Policy have been created.
- Purchasing decisions are made on the basis of whole life costing.
- The company has switched to fair trade tea and coffee for staff kitchens and vending machines.
- Customer gifts, e.g. hampers, are locally sourced around Pembridge and, where possible, organic.
- Kingspan Insulation Ltd. operates a Payment Policy and has a good reputation for prompt payment.
- A “Whistleblower Policy” and a “Code of Conduct” have been implemented.

2008 Performance Highlights

In 2008, Kingspan Insulation Ltd. commenced work towards certification against the BRE Environmental and Sustainability Standard (BES) 6001: Framework Standard for Responsible Sourcing of Construction Products. The company began to engage with key first tier materials suppliers to raise awareness of sustainability issues down the supply chain and to encourage high standards of environmental, quality, and health and safety performance.

Expenditure on environmental and social performance declined during 2008 compared with previous years owing to challenges in the marketplace, however Kingspan Insulation Ltd. anticipates that earlier levels of investment will be recovered in future years.

In 2008, Kingspan Insulation Ltd. was the proud recipient of the Hereford and Worcester Chamber of Commerce Business of the Year Award.

Kingspan won the Business of the Year Award from Hereford & Worcester Chamber of Commerce

Chamber Awards 08 WINNER

Action Plan

New Actions

- Increase local sourcing of goods & services to Selby facility (e.g. fork lift trucks, hauliers, etc.).
- Increase use of locally sourced materials wherever possible (i.e. local to Selby and Pembridge respectively).
- Stipulate procurement of local produce (local to each of Pembridge and Selby) in food supply contracts as far as practical.
- Consider updating Ethical Procurement Policy to take into account whole life costs of goods & services purchased.
- In line with BES 6001 requirements, achieve 60% of raw materials (by mass or volume) sourced from suppliers with certified ISO 9001 Quality Management Systems and ISO 14001 Environmental Management Systems.
- Achieve certification to BRE BES 6001, for both sites and all product lines.

Relevant SPeAR® Indicators

Social			
Social Responsibility	**Key Issues**	**2007 Score**	**2008 Score**
Global Supply Chain	Use of ethical trading codes.	0	+1
Natural Resources			
Materials	**Key Issues**	**2007 Score**	**2008 Score**
Local Materials	Approach to and focus on use of local materials.	0	0
Materials Specification & Supply	Presence of material specification and purchasing policies focusing on sustainability.	+1	+2
Economic			
Viability	**Key Issues**	**2007 Score**	**2008 Score**
Expenditure on Improving Environmental & Social Performance	Degree of, and approach to, expenditure on improving environmental and social performance.	+1	0
Competition Effects	**Key Issues**	**2007 Score**	**2008 Score**
Ethical Competition	Approach to fair trading and ethical competition.	0	+1
Supply Chain	Focus on and use of local companies and Small, Medium & Micro Enterprises.	+1	+1

NB See Appendix A for background to SPeAR.

Pupils at Kingsland Primary School have been busy gardening this year thanks to funding from the Kingspan Insulation Community Trust which has enabled them to create their very own ‘Wild Wood’.

The Kingspan Insulation Community Trust supplied the School with funding of £5,000 to bring in local company Wiggly Wigglers to work with the children on the project. The materials, plants and other bits and pieces needed to enhance and develop the area were all locally sourced.

Meandering pathways around mature trees were introduced, bringing a sense of discovery throughout the area, and the crunching underfoot of the different materials such as bark and gravel together with the rustle of the canopy overhead will produce a truly imaginative place for the children to play whilst they observe and study the natural annual ecological cycle of shady woodland environments.

Pictured are pupils at Kingsland School celebrating the opening of their ‘Wild Wood’ along with (adults left to right) Angela Daniel, Headteacher, Bill Wiggin MP and Trustee of the Kingspan Insulation Community Trust, and Marion Webster, EcoSchools Co-ordinator.

Employment and Skills

Context

The company values its staff and strives to provide excellent working conditions and career development prospects for all. Annual investments are made in staff training and development to ensure individuals' continual learning and diversification of skills. Kingspan Insulation recognises its influence in local employment markets and seeks to bolster the economic welfare of surrounding communities through the recruitment of local people.

Historical Achievements & Ongoing Activities

- Kingspan Insulation Ltd. is a major employer in the area surrounding the Pembridge site.
- A range of employment types are offered at Pembridge, including office-based disciplines such as Finance, Marketing, and Customer Services, as well as maintenance, engineering and manufacturing roles.
- Kingspan Insulation Ltd. is a certified Investor in People (IiP).
- A comprehensive training programme is available to staff. Training programmes feature succession planning, time management, team-building (including bush craft skills), first aid, and report-writing amongst others.
- A formal one-day induction process is undertaken with shop floor staff, which includes environmental management training.
- Proactive training plans are in place for all shop floor staff.
- There is structured career path training for some departments, with a policy for promotion.
- Each year, Kingspan Insulation Ltd. recruits an apprentice to the Pembridge site from a local technical college.
- A Graduate Recruitment Programme has been in operation over recent years, with a supporting programme of graduate development activities.
- External courses are approved where deemed important to career success: members of the Accounts team attend Association of Accounting Technicians' (AAT) courses, whilst those in Marketing may follow the Chartered Institute of Marketing (CIM) programme of exams.
- As far as possible, Kingspan Insulation Ltd. recruits its staff from the local area through advertisements in local media and use of local job centres or Manpower offices.
- An Equal Opportunities Policy and Anti-Discrimination Policy are in place.
- Provision is in place for not excluding physically impaired employees.
- Part-time and flexible working opportunities are available.
- Compliance with the Disability Discrimination Act 1995 has been checked for Pembridge.
- The workforce represents the social demographics of the local areas.
- Hourly paid employees' wages are benchmarked against local area averages, to help ensure low employee turnover.
- Middle management includes female employees, although there are none at senior management (director) level.
- Kingspan Insulation Ltd.'s commitment to sustainability is promoted to job applicants.

Relevant GRI Indicators

LA1	**Total workforce by employment type, employment contract and region.**
LA2	**Total number & rate of employee turnover by age group, gender & region.**

NB See Appendix C for background to GRI.

2008 Performance Highlights

At the close of 2008, Kingspan Insulation Ltd. employed 402 staff across its two sites, with approximately 90% of these employed at the Pembridge facility.

The opening of the Selby facility in 2008 expanded the company's reach into the north of England, providing additional employment in the Yorkshire area. Since Selby is a much smaller facility than Pembridge, the range of roles is reduced with only a skeleton office staff and the majority of the 40 employees working on the production line.

Kingspan Insulation Ltd. employs a minimum of staff on part-time contracts, generally in response to lifestyle needs. At Selby, all staff are full-time. At the close of 2008 there were no temporary employees working at either site, aside from three self-employed staff working in IT at Pembridge on a contracted basis. All workers were recruited directly by Kingspan Insulation Ltd.

Employee turnover at Kingspan Insulation Ltd. increased in 2008 compared with 2007. This can be explained by the 57 redundancies made within the 2008 reporting period, due to economic circumstances and an identifiable need to rationalise the business. This total comprised 38 jobs lost in July and 19 in November. The redundancy process followed statutory guidelines and personal support was provided to all concerned, including their families.

The company's Investor in People (IiP) status was reviewed and reaffirmed in 2008, with particular commendation for a strong approach to internal communications, as well as staff training and skills. A new system of performance appraisal was introduced for office staff in 2008, based on the advice of the IiP review. Around 75% of staff received an annual appraisal during the reporting year.

Action Plan

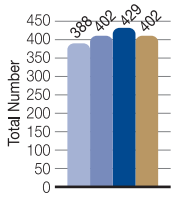
New Actions

- Improve disabled access at Selby site, at least in line with the Disability Discrimination Act 1995. Undertake assessment against requirements of the Act.
- Introduce environmental awareness training for all staff, especially on induction of new staff but also with regular refresher training.
- Invite specialists from external organisations to hold lunchtime talks / awareness events to engage staff in sustainability issues.
- Improve rate of annual staff appraisal. Aim for 100% of staff to receive at least one appraisal per year to facilitate staff development.
- Develop written performance management framework for staff to provide a more structured approach to training and personal development, and to ensure that all staff understand the opportunities available.
- Develop a formal and consistent approach to measure the value of training provided to staff, as also identified by Investors in People 2009 review.
- Ensure that Kingspan Insulation Ltd.'s sustainability credentials / commitments feature highly in a new corporate web page.

John Grogan, MP for Selby, (right) opened a new manufacturing site based on Sherburn Enterprise Park for market leader Kingspan Insulation on 4th July 2008.

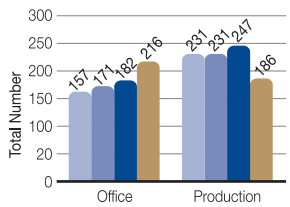
John Grogan (left) being shown around the new facility.

Total Number of Employees at End of Calendar Year

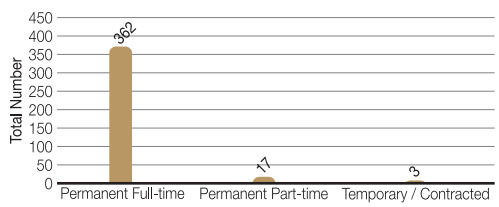


The reduction in employees from 2007 to 2008 relates to 57 redundancies due to the current recession in the construction industry, balanced by an increase in office personnel.

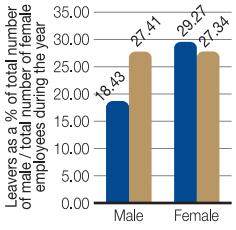
Total Number of Employees by Employment Type at End of Calendar Year



Total Number of Employees by Contract Type at End of Calendar Year

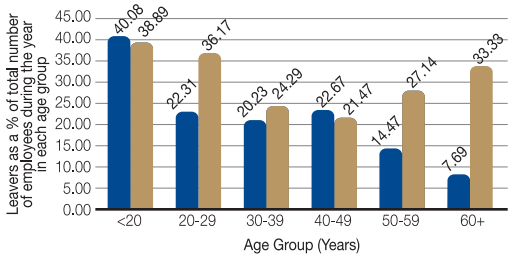


Employee Turnover by Gender

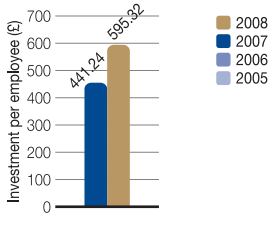


Male employee turnover increased because most of the above-mentioned redundancies were amongst manufacturing employees, the majority of which are male.

Employee Turnover by Age Group



Investment in Staff Training



Relevant SPeAR® Indicators

Social			
Access	**Key Issues**	**2007 Score**	**2008 Score**
Access for Physically Impaired People	Accessibility for physically impaired people.	0	-1
Training	Provision of training and development.	+3	+1
Education & Lifelong Learning	Provision of local education and access to opportunities for lifelong learning.	+2	+1
Health & Wellbeing	**Key Issues**	**2007 Score**	**2008 Score**
Conditions of Work	Social security provision, work life balance programmes.	+2	+2
Economic			
Employment & Skills	**Key Issues**	**2007 Score**	**2008 Score**
Job Numbers	Extent of job creation from operations.	+1	+1
Status of Employment	Degree to which company provides permanent employment opportunities and has policies for part-time working, flexible working and job sharing.	+2	+2
Investment in Skills	Degree of commitment to training programmes.	+3	+2
Equal Opportunities	Degree to which equal opportunities policies in place and operational.	+3	+2
Diversity	Range of employment opportunities created.	+2	+2
Training Programmes	Availability of training programmes for all staff.	+2	+1

NB See Appendix A for background to SPeAR.

Health & Wellbeing

Context

Kingspan Insulation Ltd. has a strong reputation for health and safety in the workplace and takes seriously its responsibility for staff welfare. IiP reviews have noted the company's approach to occupational health and wellbeing as a particular strength, and investments continue to be made to ensure these high standards are maintained. Provision of a high quality working environment is viewed as fundamental to maintaining healthy and motivated staff, and to retaining staff for the long-term.

Historical Achievements & Ongoing Activities

Health & Safety Management

- A Health and Safety Management System is in operation, which has been certified to OHSAS 18001 at the Pembridge site since 2005. Kingspan Insulation Ltd. is committed to retaining this certification.
- Accident reporting is in accordance with OHSAS 18001 guidance. All work-related injuries are recorded, however minor, via accident reporting forms available via the intranet. A detailed log of each event is maintained, and accidents are followed up by a full risk assessment and corrective action by the responsible manager. The welfare of affected staff is monitored to ensure their fitness for work.
- All injuries resulting in more than three calendar days of absence are reported to the Health and Safety Executive (HSE), as per the Reporting of Injuries, Diseases and Dangerous Occurrences Regulations 1995 (RIDDOR).
- "Near miss" events and safety concerns are reported to ensure that action is taken to avoid any potential for future injury. This proactive management of accidents is considered to substantially reduce the occurrence of actual injuries at the site (see figures presented below).
- No fatalities have been recorded in the company's history.
- The working environment of the shop floor has been substantially improved since 2004 and demonstrates exemplary practice in factory housekeeping.
- A Pedestrian Scale Policy is in place. Demarcated pedestrian pathways and crossings between locations have been completed at the Pembridge site, plus re-routing of lights and bridges.
- HSE alerts are used to benchmark the rate of injury and sickness with wider industry performance, in order to set targets for reducing the occurrence of accidents.

Staff Wellbeing

- Kingspan Insulation Ltd. operates a "Human Rights Policy", "Equal Opportunity Policy" and "Discrimination and Bullying Policy".
- A money purchase pension scheme is available to all staff, matched by the company at a rate of 5%, and a profit share is provided as a percentage of salary.
- Childcare vouchers are available via a salary sacrifice scheme.
- An Employee Assistance Programme is available to support the emotional wellbeing of employees and their families. A policy is also in operation for Handling Stress at Work.
- Annual health assessments are provided for all, plus a pre-employment check for new employees and six-monthly lung function tests for shop floor staff. Upper limb assessments have been introduced for office employees, with the opportunity to upgrade to a more extensive assessment at a subsidised cost.
- A company doctor and Occupational Health Practitioner are on hand to support the physical health of staff at the Pembridge site.
- Discounted membership of a local leisure centre has been arranged for Pembridge staff.
- A manned staff cafeteria and indoor / outdoor breakout spaces are available at the Pembridge site.
- The feasibility of providing a lunchtime "general store" or "local farmers' produce"' van on-site for employees was assessed, but found to be unviable.
- Showers, lockers and kitchen facilities are provided to shop floor staff.
- There is minimal green space on-site due to former industrial land uses, although the company has not reduced staff access to remaining green space.
- Dust monitoring shows very low levels. Indoor air quality and plant extraction are regularly monitored in accordance with IPPC (Part B) requirements.
- Sources of dust have dust extraction at source, with the exception of cork unpacking, for which extraction is not considered viable. De-dusted cork has been investigated but is not currently available.
- A weekly housekeeping and inspection regime is in place to reduce dust.
- Production areas are regularly wet and vacuumed to keep dust levels down.
- An air cooling system has been installed to improve comfort for employees on the shop floor.
- Most offices have opening external windows to allow circulation of fresh air for healthy working environments. Offices use a mixture of mechanical ventilation and air conditioning. Some office areas have a degree of user control.

Relevant GRI Indicators

LA7 **Rates of injury, occupational diseases, lost days, & absenteeism, & total number of work-related fatalities by region.**

NB See Appendix C for background to GRI.

2008 Performance Highlights

Increases in the reporting of safety concerns during 2008 have been accompanied by decreases in the overall average rate of injury and serious injury, demonstrating the benefits of proactive accident management.

The need to streamline the business during 2008 due to economic conditions, resulted in downscaling of the cafeteria facilities at the Pembridge site, although healthy breakfast and lunch options continue to be offered. Breakout spaces are available to staff at Selby, who also benefit from access to nearby shops and catering facilities.

Members of Old Luctonians RUFC Under 13, 14, 15 & 16 teams have received new strips thanks to a grant of £3,000 from the Kingspan Insulation Community Trust.

Action Plan

Actions Outstanding from Previous Reviews

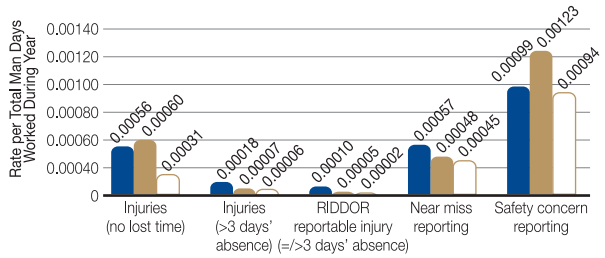
Promote the use of local footpaths to office and laboratory staff, for leisure / health and fitness:

- Provide information on local footpaths that could be used at lunchtimes or after work;
- Organise a lunchtime walk and continue this on a regular basis if successful.

New Actions

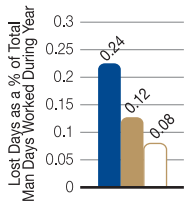
- Gain OHSAS 18001-accredited Health & Safety Management System at Selby site.
- Following identification in Pembridge Part B audit of dust accumulation around briquetting machines, consider implementing improved housekeeping / controls at Pembridge in line with Selby initiatives, e.g. introducing a plastic strip curtain, etc.
- Ensure that all visitors are informed of health & safety procedures as a matter of routine.
- In order to fulfil GRI reporting guidelines, report the occurrence of occupational disease within Health & Safety monitoring systems.
- Provide clear signage regarding pedestrian routes around exterior of Selby site.
- Roll out training on safe & efficient fork lift truck operation to Selby staff.
- Ensure that a range of healthy and fresh catering options are available to staff at both sites, and that the benefits of healthy eating are publicised.
- Explore & program initiatives to involve staff in on-site conservation / landscaping work, both to raise awareness of biodiversity objectives & as a health & wellbeing / staff engagement initiative.
- Ensure that health & wellbeing services available to Pembridge staff are rolled out and publicised at Selby.
- Re-initiate project to provide discounted leisure membership to Selby staff.

Rate of Injury and Accidents Avoided

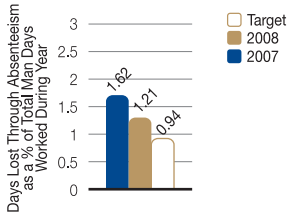


The increase in safety concern reporting has clearly paid dividends in terms of reduced total accidents.

Days Lost Due to Accidents



Absenteeism Rate



Decreases in the rate of injury at Kingspan Insulation Ltd. have been matched in 2008 by decreased rates of working days lost to injury, and reductions in the rate of staff absenteeism.

Relevant SPeAR® Indicators

Social			
Amenity	**Key Issues**	**2007 Score**	**2008 Score**
Leisure Facilities	Presence of leisure / recreational facilities	-1	-1
Access	**Key Issues**	**2007 Score**	**2008 Score**
Key Facilities	Access to key facilities	0	-1
Telecommunications	Provision of telecommunications and internet access	+1	+1
Form & Space	**Key Issues**	**2007 Score**	**2008 Score**
Scale	Focus on pedestrian scale	+2	-1
Communal / Circulation Areas	Provision of circulation areas, recreational facilities and catering facilities	+1	0
Stakeholder Satisfaction	**Key Issues**	**2007 Score**	**2008 Score**
User Controls	User control system and scope for user intervention	0	-1
Indoor Air Quality	Consideration of indoor air quality	0	+1
Health & Wellbeing	**Key Issues**	**2007 Score**	**2008 Score**
Health & Safety Management System	Health & Safety Management System	+2	+1
Occupational Safety	Occupational safety levels, incidents and physical protection.	+1	0
Provision of Support Facilities	Provision of support facilities for employees and family.	+2	+2
Deliver Key Health Targets	Health and fitness awareness raising and promotion.	+2	+2
Environment			
Air Quality	**Key Issues**	**2007 Score**	**2008 Score**
Dust & Particulate Matter	Management of dust and particulate matter.	0	0
Design & Operation	**Key Issues**	**2007 Score**	**2008 Score**
Microclimate	Optimisation of internal and site microclimate (light, temperature, wind etc.)	0	0

NB See Appendix A for background to SPeAR.

Social and Community Initiatives

Context

Kingspan Insulation resolves to be a considerate neighbour to local communities. It recognises the need to communicate directly with neighbours, to be transparent about activities which might affect the surrounding area, and to take a responsible attitude towards potential impacts. A proactive approach is taken to consult with neighbouring communities and ensure that they share in the benefits of the company's successes. Local groups are actively engaged in sustainability initiatives led by Kingspan Insulation.

Historical Achievements & Ongoing Activities

Charitable Initiatives

- The company aims to achieve a target of investing 0.5% of pre-tax profits into community and charitable initiatives.
- The Kingspan Insulation Community Trust was established in 2006 as a registered charity, through which the company donates to community initiatives in Shobdon, Pembridge and Kingsland, Herefordshire. Donations are made annually to applicants at the discretion of a Board of Trustees. In the first three rounds of Trust funding, almost £75,000 was awarded for projects supporting conservation and biodiversity, health and fitness of young people, or promotion of road safety.
- The Trust's money has supported Shobdon Village Trust and Shobdon Primary School in creating a 'Park and Stride' scheme. A new car park and pathway leading behind the village shop to the primary school ensures that children are kept off the busy main road and provides parents with a place to park safely.
- Under the guidance of a Local Agenda 21 officer, part of the Community Trust is allocated specifically for Parish Plan initiatives. Pembridge Parish Council was awarded a significant amount to redevelop the community land around the river and create a wildlife area, offering protection to otters.
- Donations have been made to support the achievement of specialist school status at Lady Hawkins School and Wigmore High School, located in proximity to the Pembridge facility.
- Kingspan Insulation Ltd. pledges to provide match funding of up to £100 per employee undertaking fundraising activities on behalf of registered charities.
- Old IT equipment is offered to local schools and charities free of charge.

Community Engagement

- Since 2006, the company has produced an annual publication entitled An Open Book on Kingspan Insulation Ltd., to inform stakeholders about business activities and projects in areas of environmental impact, social engagement, resource use and economic viability.
- Community-facing websites are maintained, detailing ongoing initiatives and the work of the Community Trust. For more information, visit: www.herefordshire.kingspan.com / www.KingspanInsulationCommunityTrust.org
- The company contributes articles to three local village newsletters.
- Community consultation at Pembridge identified zero impacts on community severance.

Mitigating Community Impacts

- Noise assessments have been undertaken around both sites, and noise levels found to be below statutory minimums.
- The locations and setting of both sites mean that there is minimal conflict with surrounding land uses.
- The impact of freight traffic on local roads is monitored and managed to manage noise impacts and road safety concerns.
- 24-hour manned security is in place, in addition to CCTV and perimeter protection to maintain both safety and security.
- Lighting at the Pembridge site has been re-angled to mitigate the impact of glare on surrounding residents. The level of lighting at the site has met with local council approval.

Relevant GRI Indicators

EC1	**Donations & other community investments.**
SO1	**Programs & practices to assess impacts of operations on communities.**

NB See Appendix C for background to GRI.

2008 Performance Highlights

In 2008, funding from Kingspan Insulation Ltd. supported the development of an "Ecoclassroom" at Lady Hawkins School; the design and delivery of a theatre production engaging 9-13 year old schoolchildren in sustainability themes; and sponsorship of three local parish magazines (Pembridge, Shobdon and Kingsland). An outreach program has also been set up with local schools.

Local community engagement initiatives were refined during 2008, following a community consultation exercise which showed that the Open Book was not considered an effective medium for communication with communities. The company therefore increased its input to local parish newsletters and re-directed the Open Book publication towards other interested parties.

A Communication, Consultation and Participation Strategy was prepared in 2008 to understand and respond to Kingspan Insulation Ltd.'s obligations to local communities. The Strategy establishes a target for biannual community consultations to gather the views of local residents, and targets zero formal complaints from the local community.

The award winning Ecoclassroom at Lady Hawkins School was built using the Kingspan TEK Building System and Kingspan Kooltherm K3 Floorboard.

Action Plan

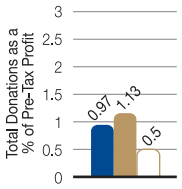
Actions Outstanding from Previous Reviews

- Repeat local community 'Sustainability' consultation in Q1 2010 & feed back results to identify expectations & important issues.
- Create Road Safety and Ecoclassroom pages on Kingspan Insulation Ltd. website and complete road safety initiatives with local schools.

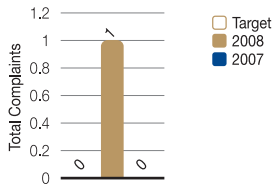
New Actions

- Extend all community liaison & support initiatives to communities surrounding Selby facility.
- Consider collaborating with other businesses on Selby industrial site to engage with local community.
- Extend accessibility to Kingspan Insulation Community Trust Fund to communities in the Selby area.
- Promote match-funding initiative to all staff in Selby.

Charitable Donations



Non-Product Related Formal Complaints from Local Communities



Relevant SPeAR® Indicators

Social			
Social Responsibility	**Key Issues**	**2007 Score**	**2008 Score**
Community & Citizenship	Community interaction. Promoting harmony between different community groups.	+1	+1
Donations to Voluntary & Community Organisations	Contributions to voluntary or community organisations.	0	0
Social Identity	Design proposals' interpretation of local identity, culture and social heritage.	-2	-1
Amenity	**Key Issues**	**2007 Score**	**2008 Score**
Noise & Vibration	Noise and vibration.	0	0
Amenity Conflict	Level of amenity conflict with surrounding area.	+3	+2
Form & Space	**Key Issues**	**2007 Score**	**2008 Score**
Internal & External Security	Internal and external security of sites.	+3	+2
Severance	Effect on community cohesion.	0	+1
Rights of Light(s)	Consideration given to rights of light.	+3	+2

NB See Appendix A for background to SPeAR.

Kingsland Youth Club has been up and running now for four years and in that time has grown rapidly to provide youngsters between the ages of 10-16 years with a place to go in the evenings and holidays.

The club is more than just keeping the children off the streets and providing a safe and secure place for them to go. It aims to enhance their personal development and social integration skills by offering workshops such as self defence classes, breakdancing, ceramic painting, cookery as well as sports and recreational activities.

Kingspan Insulation Community Trust has provided Kingsland Youth Club with a grant of just over £850 enabling them to purchase a variety of sports equipment such as: badminton posts, nets, racquets and shuttlecocks; footballs; and tennis balls.

Key stage one children and children from the local community playgroup will benefit from a brand new play area at Shobdon Primary School which was opened on 9th May 2008 by local celebrity John Challis, star of Only Fools and Horses (pictured with one of the school's pupils and its head Vicky Hancock).

The Kingspan Insulation Community Trust provided a grant of £8,025 for the purchase of outdoor equipment with road safety being the main theme: items such as a removable track, signs, dressing up clothes, traffic cones, and a set of working traffic lights all of which will help encourage road safety.

Stakeholder Engagement

Context

Kingspan Insulation Ltd. actively engages staff, customers and local communities in consultation in order to identify material issues for attention or management. These three groups are considered the most valuable stakeholders impacting on, and impacted by, the business, and their views are sought to reduce business risks and understand customer needs. Kingspan Insulation Ltd. also cultivates close working relationships with statutory authorities to achieve compliance with all regulatory and legal requirements. Through Government consultations with industry and participation in trade associations, Kingspan Insulation Ltd. plays an active role in the evolution of legislation and industry best practice.

Historical Achievements & Ongoing Activities

External Organisations

- Close relationships forged with national and international trade associations. The Technical Director is President of both PU Europe – the European Trade Association for Polyurethane (PUR) and Polyisocyanurate (PIR) – and the European Phenolic Foam Association, and Chair of the Technical Committee at the British Rigid Urethane Foam Manufacturers' Association (BRUFMA). The Marketing Director is Chair of the Construction Product Association's (CPA) Sustainable Construction Committee.
- Kingspan Insulation Ltd. takes an active role in Government consultations for the approval of amendments to Approved Documents L to the Building Regulations, plus other Regulations and legislation, e.g. the Carbon Reduction Commitment.
- Kingspan Insulation Ltd. reports regularly to all interested parties on sustainability performance and progress made over the past year.
- Annual Financial Statements are released and made publicly available via Companies House.
- Kingspan Insulation Ltd. contributes to the Kingspan Group annual report.

Employees

- Employee surveys have been undertaken, covering issues such as building comfort, training programmes and employee satisfaction.
- An Employee Suggestion Scheme was trialled to encourage ideas from the shop floor about product innovation and lean manufacturing techniques.
- A Works Committee is in operation, through which staff can raise issues to the Board.
- Staff are represented by a Trade Union, and a member of shop floor staff acts as a contact point for airing concerns.
- Health and safety, housekeeping and production statistics are communicated to shop floor staff via notice boards, in order to involve employees in improving team performance.
- A central point of contact has been put in place for employees within HR, along with a more robust complaints system, with a hierarchy through which to elevate complaints and a timescale for response.

Suppliers

- Supplier surveys and reviews are conducted with individual suppliers as issues arise. A Quality Assessment Questionnaire is sent to suppliers on a three-yearly basis.
- A Supplier 'Sustainability' consultation and feedback exercise has been undertaken to identify expectations and important issues completed.

Customers

- Customer satisfaction metrics are employed as Key Performance Indicators (KPIs) to drive business performance. The Customer Satisfaction team monitors and records Kingspan Insulation Ltd.'s On-Time / In-Full (OTIF) performance across all customers via a monthly survey. Results are reported to senior management.
- Frequent and proactive consultation is undertaken with customers, aiming to deal with issues as they arise rather than waiting for an annual customer survey.
- Regular telephone surveys focus on issues around packaging quality; logistics performance; technical services; and interest in additional customer support facilities.
- One-to-one service review meetings are undertaken with key customers on a monthly basis (fortnightly for new customers).
- All calls received from customers are monitored and logged within a complaints database, along with details of responses made to the customer. Feedback is provided to the complainant regarding corrective actions taken.
- Complaints are monitored by product type and problem type, to identify repeat trends and ensure that levels of complaint are actively decreased in line with key performance indicators.
- Detailed surveys are initiated where specific problems arise. For example, a comprehensive Packaging Survey was undertaken in 2007.
- In-depth surveys are undertaken intermittently, such as the 2006 End User survey, which targeted the end users of products rather than the intermediate customer.
- Significant improvements in customer service have been seen year-on-year from 2005 to 2008, with constant reductions in logged complaints.

Relevant GRI Indicators

PR5 Practices related to customer satisfaction.

NB See Appendix C for background to GRI.

2008 Performance Highlights

Among other industry initiatives, during 2008 Kingspan Insulation Ltd. was involved in the development of criteria for the new BES 6001: Framework Standard for the Responsible Sourcing of Construction Products, and active in the Industry Advisory Groups set up as part of the consultation for changes to Approved Documents L to the Building Regulations.

In 2008, the Employee Suggestion Scheme was terminated due to low rates of response. Methods have been sought to strengthen engagement with staff. Safety concern reporting has been established to bolster the efficiency of Health and Safety Management Systems.

Customer service has been enhanced through the introduction of a Customer Service Charter, which is provided to all customers as part of an Introduction to Kingspan Insulation Ltd. pack, which also includes information regarding the sustainability of products. Furthermore, service-level agreements have been instituted as a feature of all customer relationships to define the terms of contract and manage the expectations of both parties.

85 customer surveys were undertaken in 2008, resulting in an average score of 4.47 out of 5. Notable improvements were seen with respect to products, people and service reliability. Performance was rated either 'Excellent' or 'Good' compared with equivalent suppliers. Complaints as a proportion of deliveries averaged 4.75% in 2008, and 90.7% of deliveries were made on-time and in-full.

With this report, Kingspan Insulation Ltd. has publicly reported on its Sustainability and Responsibility performance for 2008. The report has been prepared using the feedback of employees, the local community, customers and suppliers to ensure the coverage of all material issues.

Action Plan

Actions Outstanding from Previous Reviews

- Undertake customer 'Sustainability' consultation and feedback exercise to identify expectations and important issues.
- Undertake staff 'Sustainability' consultation feedback exercise to identify expectations and important issues.
- Use occupant feedback to proactively inform the design of new buildings or refurbishment of existing buildings.
- Consider implementing a proactive system to measure supplier satisfaction as part of quality management.

New Actions

- Introduce a system to log community complaints more systematically (a BES 6001 requirement).
- Commence annual reporting of customer service performance.
- Improve systematisation of end user surveys to increase frequency & value to the business.
- Conduct follow-up Packaging Survey to assess customer responses to packaging improvements since 2007.
- Instigate a method by which to gauge value / custom gained through provision of technical & design advice to prospective customers.
- Involve employees based at Selby in preparation of the staff newsletter.
- Strengthen approach to GRI reporting by undertaking a more robust process of stakeholder engagement to identify material issues pertinent to Kingspan Insulation Ltd.
- Work towards expanding the range of GRI performance indicators reported, with the aim to achieve an A-rated report by 2012.
- Develop data collection, metrics and monitoring systems to support annual reporting of GRI indicators.
- Work towards embedding sustainability reporting within the Kingspan Group annual report.

Relevant SPeAR® Indicators

Social			
Social Responsibility	**Key Issues**	**2007 Score**	**2008 Score**
Stakeholder Relations	Approach to stakeholder relations	0	0
Internal & External Reporting	Presence of internal or external environmental, social or economic reporting.	0	+1
Stakeholder Satisfaction	**Key Issues**	**2007 Score**	**2008 Score**
Occupant Satisfaction	Consideration of occupant satisfaction.	+1	0
Employee Satisfaction	Levels of employee satisfaction as seen through retention, productivity, absenteeism and job satisfaction.	+2	+1
Customer Satisfaction	Consideration of customer satisfaction.	+1	+2
Supplier Satisfaction	Consideration of supplier satisfaction.	-2	-2
Other Stakeholders' Satisfaction	Measurement of additional stakeholders' satisfaction.	+1	0

NB See Appendix A for background to SPeAR.

One-to-one service review meetings are undertaken with key customers.

Water Management

Context

Kingspan Insulation Ltd. recognises the necessity to minimise consumption of water resources on-site, particularly from municipal supplies. The company aims to act responsibly and comply with all relevant legislation in conserving water, managing water supplies to site, and monitoring water that escapes from site in diffuse form and from point sources. Kingspan Insulation Ltd. aspires to best practice water management and aims for continual improvement in water use. The company has a strong history of compliance with regulatory water quality requirements, and seeks to develop policies and investigate technologies that will reduce the volume of water consumed.

Historical Achievements & Ongoing Activities

Water Use

- Operations across both sites are 100% dependent on municipal water supplies.
- The manufacturing process requires relatively little water. Testing and maintenance of the sprinkler system has been identified as the main user of water on both sites.
- Options to develop a rainwater harvesting system to collect water from the warehouse roof at Pembridge have been explored, but capital expenditure requirements proved prohibitive at the time.
- Objectives have been adopted to ensure maximum efficiency of water consumption.
- Water-efficient appliances have been installed where possible, although low water pressure in the main offices at Pembridge prohibited the use of push taps.
- Water monitoring is in place by means of metered appliances and equipment, with readings taken on a weekly basis.
- Water abstracted from a licensed borehole on-site is supplied to a local farmer.

Drainage & Water Quality

- Effective drainage systems are in place to remove excess surface water.
- Systems have been strengthened at Pembridge to provide additional soakaways, with excavation and extension of neighbouring culverts.
- One large warehouse at Pembridge has an underground sump with infiltration drainage. Rainwater is tested and treated before being pumped to the sump.
- The Pembridge site has no foul drainage. A septic tank, a biodigester and a reed bed are used to store and treat waste water. Water emitted from the reed bed is regularly tested for quality by the Environment Agency.
- Neither site is located in a Groundwater Source Protection Zone.
- Fuel interceptors are checked monthly for signs of contamination.

Relevant GRI Indicators

EN8 Total water withdrawal by source.

NB See Appendix C for background to GRI.

2008 Performance Highlights

The company has continued to focus on water efficiency as its key management approach for water consumption, and during 2008 water-efficient fixtures and fittings were installed at the new Selby plant. A policy, action plan and targets have been developed for ongoing improvements in water management.

The 2008 Building Development Policy incorporates a commitment to ensure that all future building works and water-consuming plant installations should consider rainwater and grey water harvesting, and ensure water-saving devices are incorporated into any future building works where practicable.

Prior to commissioning of the Selby facility, investigations were undertaken to confirm effective drainage systems for removal of water from hardstanding areas. Water is pumped to a pond on the premises before removal from the site.

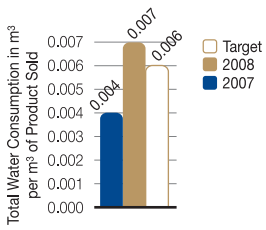
A new septic tank was installed at Pembridge in 2008 to strengthen facilities to separate rainwater and foul water, thereby improving the management of pollution risks.

Action Plan

New Actions

- Continue a maintenance programme to regularly monitor drainage infrastructure to prevent blockages and consequent flooding which can lead to diffuse pollution.
- As part of future site development / biodiversity management works, consider introduction of Sustainable Urban Drainage (SUDS) solutions for hard-standing areas, to more effectively manage water runoff. This could be done by incorporating more vegetation on the site and / or replacing asphalt with permeable and semi-permeable alternatives.
- Investigate installation of biodigester waste treatment plants and / or reed beds to purify waste water at Selby.
- Consider initiating an in-house programme to regularly monitor levels of pollution in all water courses local to the site.
- Pursue further rollout of spray taps / automatic taps and proximity detection shut-off for taps in staff toilets and kitchens across both sites.
- Consider installation of low flush volume toilets (4.5 litres or less, dual flush WCs) across the estate, especially during refurbishment projects.
- Where showers are provided, consider installation of low flow / aerated showerheads or time-controlled showers.
- Investigate the potential to map all water piping on the manufacturing sites and check for leaks.
- Explore opportunities within existing buildings for greywater harvesting.
- Explore the potential for recapturing water drained during testing and servicing of the sprinkler system for re-use.
- Increase staff awareness of imperatives for reducing water consumption.
- Install water sub-meters within the office block, factory and sprinkler installations across both sites to monitor water consumption more precisely and identify potential savings.

Total Water Consumption



The increase in consumption per m³ was caused by problems in the commissioning of a new sprinkler system for the Selby site.

Relevant SPeAR® Indicators

Environment			
Water Discharge	**Key Issues**	**2007 Score**	**2008 Score**
Drainage Systems	Extent to which drainage systems reinforce natural water cycles on the site.	+1	+1
Risk Management of Water Pollution	Existence of water quality targets.	+1	+1
Sewage Treatment	Approach to sewerage treatment.	+3	+2
Natural Resources			
Water Use	**Key Issues**	**2007 Score**	**2008 Score**
Water Efficiency	Focus on water efficiency in operations.	+1	0
Water Monitoring	Degree to which water use is monitored and targeted.	+1	+1
Process / Construction Water Source	Source for process water. Consideration of on-site renewable supply options.	-2	-2
Auxiliary Water Source	Opportunities for use of auxiliary water sources.	-1	-2

NB See Appendix A for background to SPeAR.

The reed bed at Pembridge continues to operate effectively.

Materials

Context

Kingspan Insulation Ltd. recognises the need to reduce consumption of virgin materials in light of increasing pressures on natural resources.

Products consist of two material components: chemicals used to form the insulating material, plus facings used to cover the surface of the material. Information concerning the precise nature and quantity of inputs is confidential, however the following table outlines the nature of materials used for the two categories of insulation board manufactured.

	Product type	
	Therma™	**Kooltherm®**
Chemical Inputs	Methylene diphenyl diisocyanate (MDI); Polyol; Catalyst; Surfactant; Blowing agent; Other proprietary ingredients	Phenolic resin; Blowing agent; Catalyst; Other proprietary ingredients
Facings	Various facing materials, incl. aluminium, paper, glass fibres, cork, fibreboard, etc.	

In recognition of the environmental impacts associated with the chemicals industry, the company's Environmental Purchasing Policy and Resource Use Policy state that every effort will be made to replace all or part of the base chemical inputs with materials derived from waste streams from other chemical or production processes, by utilising other recyclable waste, or from sources with an otherwise lower environmental impact. The company is continually looking for opportunities to utilise re-used or recycled materials in the production process, where they will not compromise product quality.

Historical Achievements & Ongoing Activities

- Use of solvent-based adhesives in manufacturing has been abolished, replaced by hot melt glue and moisture-cured urethane adhesives. Kingspan Insulation Ltd. products are CFC / HCFC free.
- Use of recycled aluminium facings for boards has been explored but proved unviable as the performance was of insufficient quality.
- One polyol used in manufacturing is derived from 50% industrial waste.
- Research has been conducted into creating polyols that use a plant-based feedstock. This was eventually deemed unviable due to flammability issues with the finished product.
- Material inputs are closely monitored. Exact amounts of constituent materials are known and measured against product output.
- Refinements to the manufacturing process have significantly reduced the density of Therma™ products without compromising performance. The density of Kooltherm® products has also been significantly reduced. Both actions have decreased the use of raw materials.
- The newer manufacturing line at Pembridge and the line installed at Selby have the facility to 'flush-back' left over chemical input still in the pipes prior to a new product run. This avoids wasting chemical input and production of potential scrap product.
- Packaging materials have been substantially reduced. To date, around 90 tonnes of timber have been eliminated by cutting quality-failed insulation boards to form skids, thereby removing the need for wooden pallets in storage and transit.
- The Environmental Purchasing Policy commits to purchasing FSC-approved timber products as far as possible. All timber and timber products procured are approved by the Forestry Stewardship Council (FSC) or Malaysian Certification Council (MTTC), aside from plywood, for which the supplier is applying for MTTC certification.
- All chipboard comprises 95% recycled material.
- Cork is sourced from 100% sustainably managed sources
- Only clear polythene is used for packaging, in order to reduce the use of inks and increase the recyclability of polythene after use.
- All office paper has been switched to 100% recycled paper, and marketing print uses paper that is FSC certified from mixed sources (sustainably managed forests and recycled paper).

Relevant GRI Indicators

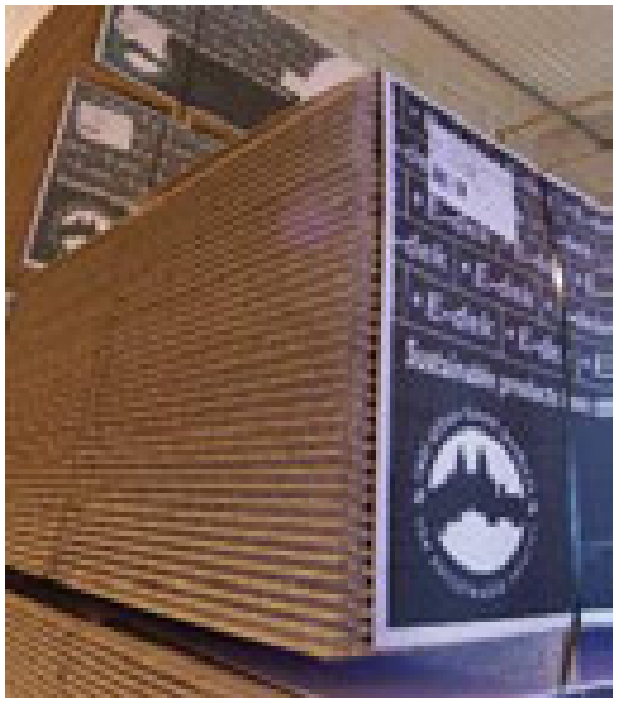
EN2 Materials used that are recycled input materials.

NB See Appendix C for background to GRI.

2008 Performance Highlights

In terms of packaging materials, research was undertaken in 2008 to identify the optimal use of plastics, during studies of tightwrap versus shrink wrap systems.

Around 90 tonnes of timber have been eliminated by cutting quality failed insulation boards to form skids, thereby removing the need for wooden pallets in storage and transit.



All timber and timber products procured are approved by the Forestry Stewardship Council (FSC) or Malaysian Certification Council (MTTC), aside from plywood, for which the supplier is applying for MTTC certification.

Action Plan

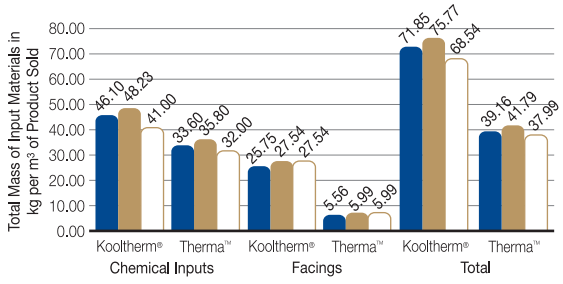
Actions Outstanding from Previous Reviews

- Continue a program of product innovation to examine a more 'sustainable' product, e.g. in terms of its source of raw materials, design for recycling / downcycling, etc. This could be through use of life cycle analysis.

New Actions

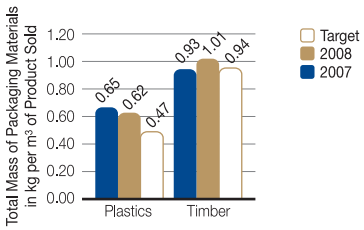
- Continue research & development activity to enhance resource efficiency & thermal performance of all products.
- Continue product research and development exercises to achieve decreases in total materials consumption and density, and increases in recycled, renewable or downcycled content.
- Continue to explore the potential for waste insertion technology to feed production waste back into the production cycle. Allocate investments to acquisition of necessary machinery.
- Adopt definite targets for the use of recycled and renewable content of all products. Use targets to drive improvements.
- Continue investigations into the shrink wrap plastic used in packaging, to potentially reduce the width of the packaging roll by 30% and thickness grade of the plastic itself by 40%. This would reduce the overall weight of plastic used.
- Continue to reduce the amount of wooden pallets used in product storage and transit, replacing them with 'dunnage'. Implement this process for the heavier products by using expanded polystyrene skids.

Total Material Inputs



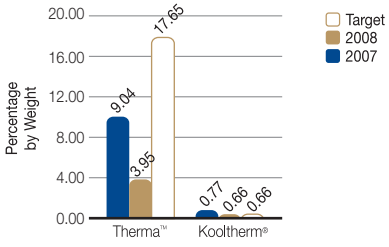
The increase in consumption per m³ reflects increased wastage rates during the production process in 2008 compared with 2007. This is a reflection of a reduction in sales due to the current recession, and the impact of this reduction on manufacturing efficiencies.

Total Packaging Materials



Timber is predominantly in the form of pallets. The increase in timber relates to a change in product mix sold, in favour of products that necessitate the use of pallets.

Percentage of Downcycled, Recycled or Renewable Input Materials (incl. Chemicals and Facings)



The decrease in percentage used in Therma™ relates predominantly to a change in supplier for one particular chemical. This change was made for other overriding reasons.

Relevant SPeAR® Indicators

Natural Resources			
Materials	**Key Issues**	**2007 Score**	**2008 Score**
Reduction of Materials Use	Approach to and focus on reducing material use.	+2	+1
Renewable Resources	Approach to and focus on use of renewable resources.	+2	+2
Materials Re-use	Approach to and focus on materials re-use.	+1	+1

NB See Appendix A for background to SPeAR.

Waste Management

Context

Kingspan Insulation Ltd. is committed to the principles of the waste hierarchy: avoid, reduce, re-use, recycle, and dispose responsibly. The Environmental Purchasing Policy ensures that the focus remains on waste elimination, but where the scope for improvement remains limited, waste will be disposed of by the most environmentally sustainable means. The company aims to ensure that the Best Practical Environmental Option (BPEO) is applied to all waste streams. The purchasing department will actively pursue the most appropriate materials and technologies which reduce overall waste and the company's environmental impact. Kingspan Insulation Ltd. is also committed to reducing the levels of waste generated by products when they reach construction sites, and ultimately to providing an end-of-life solution for the disposal of all non-reusable products.

Historical Achievements & Ongoing Activities

- All relevant departments are involved in the purchasing process and discuss their requirements with each other, which helps to reduce waste, rejects and the need for replacements, thereby reducing costs.
- A Waste Management Procedure has been established as part of Kingspan Insulation Ltd.'s Environmental Management System. The procedure covers correct definition and labelling of waste streams, waste management flows for all waste streams generated on-site, and processes for disposal of plant equipment and Waste Electrical and Electronic Equipment (WEEE). The procedure is audited by department heads.
- Waste management is sub-contracted, but the disposal route of each material is tracked and volumes reported. The sub-contracted waste company is routinely audited.
- A manned waste sorting and reclaim area is in operation within both factories, where metal, paper, cardboard, roll cores, polythene and wood wastes are separated. Plastics and cardboard are bailed and sold to external companies for recycling or downcycling. Volumes of primary waste materials are measured across both sites.
- Second quality products are trimmed and sold via a specialist second quality board distributor, leaving only 1.5% of total production volume as waste.
- Waste boards are cut to create skids for packaging.
- Waste concrete or hardstanding generated from on-site construction works is retained for future use as hardcore.
- Opportunities are being realised to utilise waste generated by the production process as a raw material for other industries. For example, Therma™ waste is exported for downcycling as an input to a building board.
- The logistics supplier recycles engine oil and engine filters, whilst the tyre servicing contractor recycles over 90% of waste tyre products.
- Waste that cannot be recycled or downcycled is disposed to landfill.
- Scrap material generated during production has been reduced through use of a shop floor data collection system, lean manufacturing techniques and upskilling of the workforce.
- Engineering technology has been developed that has reduced the volume of material that needs to be trimmed from the edges of boards as they are made. Consequently, production waste has been reduced at Pembridge from 8% to less than 2% since the year 2000. This technology has been installed at Selby.
- Special waste represents a small proportion of total manufacturing waste generated, comprising only special chemical waste. The volume of special waste removed from site has been reduced from five to two bins per week between 2004-7. Special waste is sorted, labelled and transferred to carefully selected brokers for treatment or incineration.
- Although the product tends to be landfilled at end-of-life, the company can advise the customer on alternative methods of disposal or on re-use.
- Virtually all incoming wood pallets have been eliminated.
- Packaging waste is segregated (polythene, cardboard, wood, etc.) and recycled from both sites.
- As far as possible, minimum packaging materials are used for product storage and delivery.
- Segregation facilities are provided within offices for paper, cardboard, printer cartridges and plastic cups, whilst used cooking oil is collected and recycled from the canteen.
- Confidential waste is shredded and transferred to a company in Leominster for composting using worm cultures.
- There is an item to formalise the existing policy of taking 'garden' waste for composting.
- Waste office electrical equipment is disposed of via three routes: sales to staff; donation to charities and schools; or, as a last resort, landfill.
- Over-production of promotional materials is avoided. The number of publications produced is determined against the anticipated number needed for distribution.
- Lifecycle environmental impacts of marketing materials are taken into account. Recipients of the company's marketing materials can return their old copies for recycling, and promotional banners are re-used.

Relevant GRI Indicators

EN22 Total weight of waste by type & disposal method.

NB See Appendix C for background to GRI.

2008 Performance Highlights

As part of its Environmental Management System, Kingspan Insulation Ltd. undertakes audits of its waste management contractor to verify appropriate management of waste streams.

The increase in mass of insulation waste disposed to landfill is a reflection of downturns in the markets for the products into which these materials are downcycled, which led to closure of some destinations for downcycling of waste insulation materials. During 2008, Kingspan Insulation Ltd. has sought to expand the range of disposal routes for recycling and downcycling. A number of opportunities are being realised to utilise waste generated by the production process as a raw material for other industries.

During the production process, approximately £14,000 of cost savings have been realised through reducing the length of boards from 4.84m to 4.83m, with associated savings in materials consumed. Reductions in quality control failures have also facilitated material savings.

The company has furthermore sought to reduce the volume of insulation waste generated on construction and demolition sites. A new 'compression fit' consumer-targeted insulation product has been launched in 2008, which reduces the amount of board cutting and consequent waste generation for DIY projects. Pre-mitred boards have been designed to reduce waste generated through cutting boards to fit flat roofs on construction sites, whilst avenues are being explored through which demolition waste can be collected and removed for recycling or downcycling into other useful products. A number of options have been identified for this purpose.

Action Plan

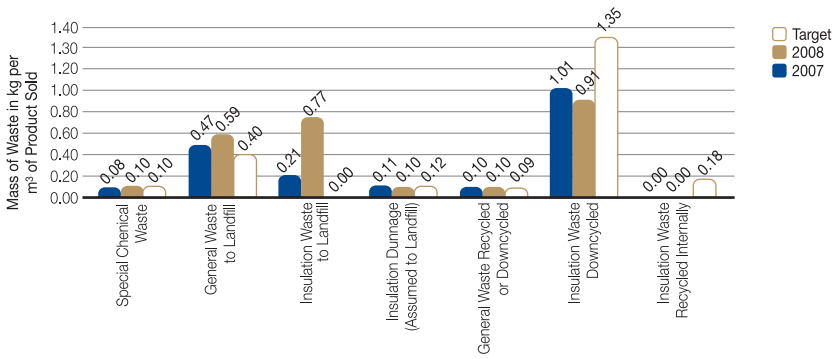
Actions Outstanding from Previous Reviews

- Continue research and development activity to identify suitable routes for recycling or downcycling construction waste.
- Provide information to users on recycling / downcycling options.
- Contribute to a solution for the safe disposal of older product containing CFCs and HCFCs (in blowing agent).

New Actions

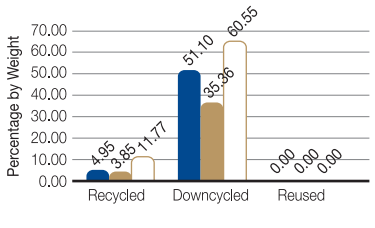
- Continue to identify alternative destinations for recycling or downcycling of production waste.
- Continue investigations into waste insertion technology to reduce waste to landfill by recycling back into the production process.
- Review initiatives for reducing waste from manufacturing process, to ensure that real reductions are secured for overall production waste volumes. Set targets for reduction to drive decreases in waste per m^3 product.
- Undertake a printing audit:
  - Consider reducing the number of personal printers provided to staff. This will reduce paper, ink and energy consumption and associated costs.
  - Monitor paper usage: a good practice office uses seven reams of paper per person per year.
- Implement double-sided printing as the default setting for all IT systems (users can change to single-sided printing manually if necessary). This will reduce paper consumption and associated costs.
- Ensure any new printing facilities have the option for double-sided printing.
- Install user controls to printers, so that documents will print only when user enables the printer to do so and not automatically. This will reduce unwanted printing left at printer points.
- Consider reducing the number of bins provided in offices. Envirowise recommend one bin per six people to reduce office waste.
- Introduce stationery ordering system to discourage excessive use of stationery. Monitor departments to identify areas for reduction.
- Hold a “stationery amnesty” to encourage staff to return consumables that can still be used but are no longer required.
- Donate unwanted consumables (e.g. paper, stationery) to local charities, schools or community groups.
- Implement Six Sigma processes to contribute to ongoing reductions in manufacturing waste.
- Fulfil target for 90% (pbw) of waste leaving the manufacturing sites to be destined for recycling or re-use.

Mass of Total Waste by Type and Disposal Method



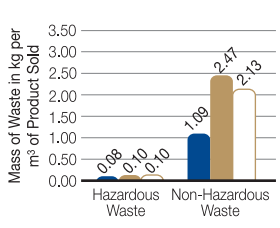
The decrease in mass of insulation waste downcycled and the increase in mass of insulation waste disposed to landfill are reflections of a downturn in the markets for the products into which these materials are downcycled.

Percentage of Waste Recycled, Downcycled or Reused



The decrease in % of waste downcycled is a reflection of a downturn in the market for the products into which insulation waste it is processed.

Mass of Hazardous / Non-Hazardous Waste Generated



The increase in mass of waste per m^3 of product sold is a reflection of a reduction in sales due to the current recession, and the impact of this reduction on manufacturing efficiencies.

Relevant SPeAR® Indicators

Natural Resources			
Water Use	**Key Issues**	**2007 Score**	**2008 Score**
Waste Avoidance	Focus on waste avoidance.	+1	+2
Waste Reduction	Focus on waste reduction.	+1	+1
Re-use	Use of existing materials and components in design and operation.	+2	+1
Recycling	Approach to waste management. Provision of waste storage, waste segregation and recycling facilities.	+2	+1
Best Practical Environmental Option (BPEO)	Where disposal is unavoidable, consideration of BPEO.	+1	+2
Landfill	Approach to landfilling as a waste disposal method. Extent to which materials are sent to landfill.	+1	+1
Hazardous / Special Waste Generation	Approach to generation of hazardous / special waste.	0	0
End-of-Life	Extent to which designs encourage re-use and recycling, to reduce end-of-life impacts.	0	+1

NB See Appendix A for background to SPeAR.

- Further reduce the volume and weight of packaging materials destined for disposal from construction sites.
- Organise a “waste free lunch” initiative to raise staff awareness of alternatives to over-packaged products.
- Arrange waste awareness / training initiatives to encourage more sustainable waste management behaviours in the workplace (e.g. reduce unnecessary printing, re-use of scrap paper etc.).
- Consider instituting staff Waste Champions to drive good waste practices.
- Introduce resource efficiency targets for staff teams and provide incentives for meeting targets.

Energy & Climate Change

Context

Kingspan Insulation Ltd. recognises that climate change represents one of the major challenges facing business and governments in the 21st century. As an insulation manufacturer, the company provides products to the construction industry that reduce energy consumption and consequently the emission of greenhouse gases. Kingspan Insulation Ltd. is committed to minimising its greenhouse gas emissions within the manufacturing process, and throughout the lifecycle of its products.

The company has already introduced measures to reduce the impact of current business activities, and continues to approach all new business ventures with climate change mitigation firmly at the forefront of decision-making. Kingspan Insulation seeks to continuously improve its performance in all areas of business and maintain its reputation within the construction industry as a company actively addressing climate change issues.

The company operates on a five-year business planning schedule, enabling emerging challenges to be managed on a relatively short timescale as required for business success. Owing to these short horizons, the impacts of climate change for the organisation have not yet factored into the business plan. A commitment has been made to appoint a specialist consultant to review site vulnerabilities and possible adaptation strategies. Likely changes in product demand are a topic for particular consideration.

Historical Achievements & Ongoing Activities

- Kingspan Insulation Ltd. is completely dependent upon grid electricity and gas supplies, supplemented by small volumes of kerosene and oil for heating.
- Energy consumption is regularly monitored by means of energy meters for gas and electricity, with increased sub-metering to monitor consumption in production areas.
- All buildings at Pembridge are insulated and energy-efficient.
- Within the production plants at Pembridge and Selby, skylights have been fitted wherever practical to increase daylighting and energy efficiency. Highly energy-efficient luminaires are being fitted at the Pembridge site where skylights are not possible.
- Improved controls have been implemented for the extraction system and compressed air unit, which constitute two of the largest energy loads at Pembridge.
- An energy survey of Pembridge by The Carbon Trust in 2005 revealed that the decision to design the plant with energy efficient variable speed motors was the best way to minimise energy consumption during production. The survey also suggested the use of soft starters and load demand sensing on all large motors, which has significantly reduced the power used during start-up at Pembridge and Selby.
- Energy-efficient compressors have been installed into the production process at both sites.
- Diesel powered fork lift trucks are being replaced with Liquid Petroleum Gas (LPG) powered fork lift trucks as they reach their end-of-lease, to reduce on-site transport emissions at Pembridge. Replacement is phased for completion by 2010. All fork lift trucks are LPG powered at the Selby site.
- Increased conversion efficiency of raw materials into finished product has resulted in significant reductions in energy consumption per unit of production.
- Trials have taken place into replacing shrink wrap product packaging with less energy-intensive tight wrapping. Whilst energy saving was possible, the consistency and reliability of packaging was compromised to an unacceptable level. As a result, tight wrapping has been abandoned.
- Investigations into installing a wind turbine at Pembridge revealed that the area does not have a “wind availability factor” to ensure a good rate of productivity to justify the capital investment.
- Timer light switches, energy saving bulbs and thermostats have been installed in office blocks.
- Heating, lighting and printer equipment are switched off when not in use.
- There is a general awareness of the need to reduce energy.
- The manufacturing site at Selby is ready for future implementation of Combined Heat and Power (CHP) systems.
- The Environmental Purchasing Policy states that all air-conditioning or refrigeration equipment will be CFC / HCFC-free.
- The use of hydrofluorocarbon (HFC) refrigerants is managed. Their acceptability is assessed on the basis of total equivalent warming impact (TEWI) and the lowest impact equipment will be purchased where viable.
- No products utilising a HCFC blowing agent are manufactured on site.

Relevant GRI Indicators

EC2	**Financial implications due to climate change.**
EN3	**Direct energy consumption by primary energy source.**
EN4	**Indirect energy consumption by primary energy source.**
EN16	**Total direct & indirect greenhouse gas emissions by weight.**
EN18	**Initiatives to reduce greenhouse gas emissions & reductions achieved.**

NB See Appendix C for background to GRI.

2008 Performance Highlights

Energy efficiency has been a particularly active area during 2008 and a range of energy efficiency measures have been implemented. These have included:

- Removal of unnecessary lighting in warehouses and factories, and replacement of halogen lighting systems with more energy-efficient holophane systems lighting;
- Introduction of a ‘Lights off’ policy, whereby security guards switch off all lights at night;
- Surveys of air flows around buildings, to identify where heating savings can be made due to natural transfer of heat from one area to another; and
- Rapid roll doors fitted to warehouses to reduce opening time and thereby space heating requirements.

A company policy has been introduced for Greenhouse Gas Emissions, containing objectives, actions and metrics for energy consumption and decarbonisation.

The most significant energy initiative delivered in 2008 was the commissioning of the CHP plant at Pembridge. This initiative aimed to reduce the emissions associated with energy supplies for the site. Heat derived from CHP is used to heat the warehouse and factory, and is also supplied to the Kooltherm® production line. It is expected that Pembridge’s CO_2 emissions will be reduced for every kWh electricity generated via the CHP instead of drawn from the national grid. Energy sub-metering has commenced on the CHP plant, with the aim to achieve exemption from Defra for the Climate Change Levy.

During 2008 Kingspan Insulation Ltd., via the Construction Products Association (CPA), engaged in Government consultations over the formulation of the legally-binding Carbon Reduction Commitment (CRC), to be introduced in 2010. In collaboration with other industry representatives, the incorporation of an Early Action Metric was achieved to recognise pre-emptive initiatives undertaken by manufacturers to control their climate change impacts.

Action Plan

Actions Outstanding from Previous Reviews

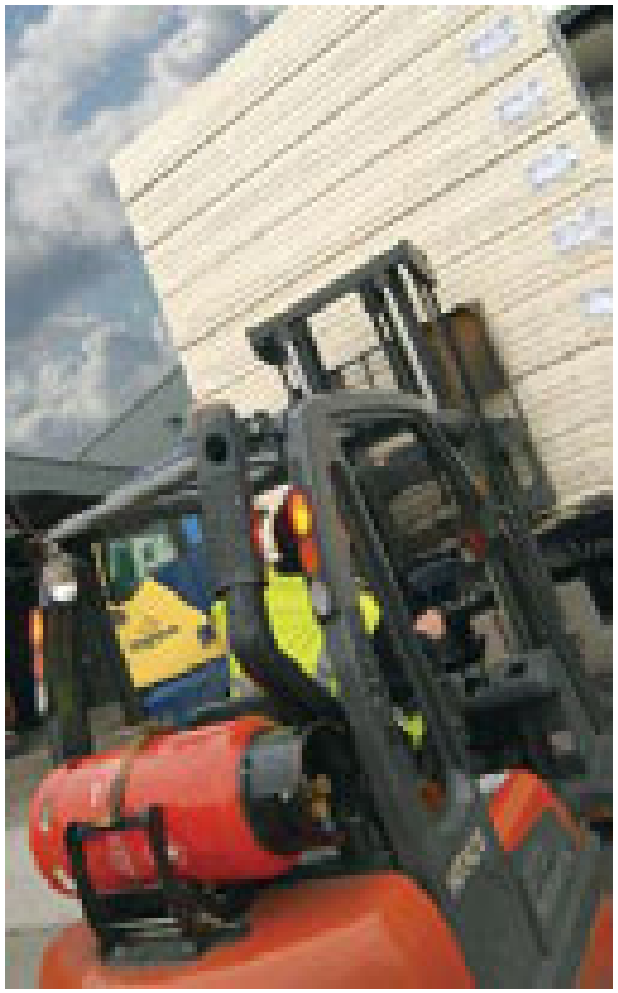
- Consider developing a Climate Change Strategy. Focus on developing a carbon reduction plan, incorporating emissions reduction objectives and targets. Consider climate change adaptation and mitigation in light of all business operations.
- As part of a Climate Change Strategy, undertake an assessment of future climate change risks for both facilities, e.g. managing weather extremes, flood risks, high temperatures, water resources, energy security.
- Install Liquid Petroleum Gas tankage for fork lift trucks at Pembridge when existing contracts expire.
- Continue to replace diesel-powered fork lift trucks at Pembridge with Liquid Petroleum Gas (LPG) powered models as they reach the end of their lease, to reduce on-site transport emissions.
- Complete upgrade of lighting to energy efficient Holophane varieties at end of life, both at Pembridge and Selby sites.
- Direct exhausted low grade heat from the new building or CHP to the conveyor room 'tunnel' once this is constructed (Pembridge).

New Actions

- Introduce centralised energy consumption monitoring on a 24 hour basis at both sites. This would be linked to sub-metering in all warehouse areas, individual production lines and ancillary machinery, to enable targeting of areas for energy savings.
- Utilise centralised energy consumption monitoring data to enable management to understand consumption demands, trends and opportunities for future energy savings.
- Install thermostatic controls to control temperature in discreet areas of all office buildings, to improve working environment & reduce loss of energy through unnecessary heating.
- Install opening windows to all office areas where practicable, allowing staff better control of local temperature and reducing need for air conditioning.
- Investigate the potential for biogas use in the Pembridge CHP plant, using gas sourced through local agricultural processes.
- Investigate options to use excess heat from CHP plant at Pembridge to drive cooling systems for office blocks during the summer months, thereby increasing the efficiency of the CHP system.
- Monitor CHP use at Pembridge to ensure that waste heat is used efficiently, i.e. warming the thermal oil used in the lines, low-grade heating etc. This process would also benefit from micro-metering.
- Install CHP plant at Selby as soon as production levels necessitate the heat demand to justify capital expenditure.
- Investigate renewable energy options for both Pembridge and Selby production plants, particularly geothermal energy and solar hot water.
- Install daylight detection sensors to factory lighting to ensure that electric lights are only used when daylight levels are below a practical minimum.
- Install proximity detection shut-off to lighting in offices, kitchens and staff toilets.
- Continue to explore more energy-efficient packaging systems.
- Fully refurbish Selby premises to improve energy performance.
- Promote increased use of tele- and video-conferencing facilities to reduce the need for staff travel. Set targets for reductions in staff travel, e.g. initiate a "Carbon Footprint Challenge" for management staff to reduce their carbon footprint.
- Initiate an education programme amongst all staff to increase energy efficiency and reduce consumption.
- Appoint energy control officers to ensure good practice is carried out (lights turned off, radiators / thermostats turned down, appropriate use of air conditioning, etc.).

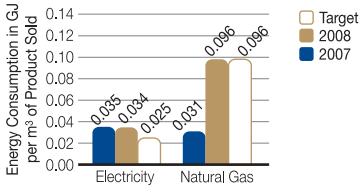
Energy & Climate Change (Cont.)

The new CHP plant started up in January 2008.



Diesel powered fork lift trucks at Pembridge are being replaced with LPG powered units as they reach their end-of-lease. All fork lift trucks are LPG powered at the Selby site.

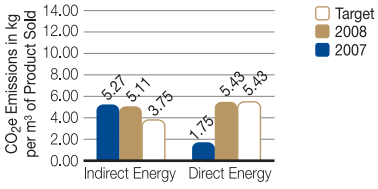
Direct and Indirect Energy Consumption



The increase in gas consumption in 2008 can largely be explained by the installation of a gas-fired Combined Heat and Power (CHP) plant at Pembridge. Difficulties experienced during the commissioning of the plant unfortunately resulted in excess gas consumption for a period of time. These difficulties have now been rectified and the efficiency of the plant is expected to increase during the coming year.

Comparative increases in energy consumption from 2007 to 2008 may also be accounted for somewhat by the opening of the Selby plant, alongside reductions in production volumes and operating hours during 2008 due to downturns in the market. These decreases meant that efficiencies of scale realised during peak production were lost, and resource consumption related to production volumes rose during the year.

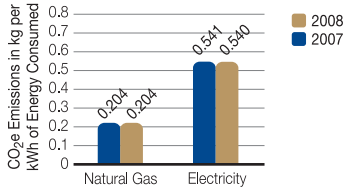
CO_2 Equivalent Emissions by Energy Source



Emissions from direct and indirect energy consumption were calculated using conversion factors obtained from the Department of Environment, Food and Rural Affairs (Defra), by way of the UK Greenhouse Gas Inventory for 2009. This proposed an emissions level of 0.20374kg CO_2 per kWh of natural gas consumed, and a conversion factor of 0.54055g CO_2 per kWh of grid electricity consumed (5-year rolling average).

NB The graph above does not incorporate electricity generated by means of CHP.

CO_2 Equivalent Emissions per Unit of Energy Consumed (i.e. incl. CHP Generation)



During 2007, the figures for CO_2 emissions per kWh energy consumed are representative of the conversion factor used to convert kWh energy consumed from mains supplies into equivalent CO_2 emissions. During 2008, the use of electricity generated through the Combined Heat and Power plant at Pembridge means that the emissions associated with total electricity consumption have decreased marginally. It is anticipated that year-on-year savings will be realised in emissions related to electricity consumption, as the efficiency of the CHP system is increased.

Kingspan Insulation's products all contribute towards reducing energy use in and carbon emissions from buildings.

Relevant SPeAR® Indicators

Environment			
Air Quality	**Key Issues**	**2007 Score**	**2008 Score**
Direct Emissions	Direct emissions to air, e.g. vents, stacks, process emissions, odour. Impact on normal background levels.	-1	+1
Associated or Indirect Emissions, e.g. traffic, energy generation	Associated or indirect emissions to air. Impact on normal background levels.	-1	0
Refrigeration / Ozone Depleters	Use of chemicals or equipment containing ozone depleting substances.	+2	+2
Natural Resources			
Energy	**Key Issues**	**2007 Score**	**2008 Score**
Energy Efficiency	Focus on energy efficiency in operations.	+1	+2
Energy Sources	Consideration and use of alternative energy sources.	-1	+1
Energy Monitoring	Degree to which energy use is monitored and targeted.	+1	+1
Daylighting	Use of daylight versus artificial light.	-1	0

NB See Appendix A for background to SPeAR.

Land Management

Context

Both Kingspan Insulation Ltd. facilities are located predominantly on land used as an airfield prior to their adoption for industrial use. Whilst the Pembridge facility is surrounded by agricultural land, the Selby site is situated on an industrial estate which houses other industrial users. The company operates pollution management practices in compliance with regulatory requirements and seeks a best practice approach to pollution control. Both sites are located on flood plains and have previously been subjected to flooding. The Kingspan Insulation Ltd. accommodation at Selby is currently under-utilised, providing capacity for future expansion.

Historical Achievements & Ongoing Activities

- The majority of the sites' area is either built on or covered in hard standing.
- At least 90 per cent of the total site consists of previously used land, which had industrial uses. The sites have development capacity.
- A best practice Landscaping Policy has been adopted. All boundaries and external views of the site are to be in keeping with the local area and wherever possible, where large buildings are situated close to the boundary, they will be screened effectively using native tree species.
- It is unlikely that much of the indigenous soil profile remains on the site, due to its history of industrial uses. Topsoil from the redevelopment of the site has been taken to a local quarry for use as topsoil fill.
- Site ground analysis tests have been completed to identify any ground contamination at Pembridge.
- Contamination is mitigated through provisions for effective management of chemical spills. Designated spill teams are always available on-site to deal with spills. Teams are trained and tested annually. Spill kits are distributed around the site.

Relevant GRI Indicators

EN23 Total number & volume of significant spills.

NB See Appendix C for background to GRI.

2008 Performance Highlights

No significant impacts of spills were recorded during 2008. There have been no spills during recent years which were substantial enough to be reported under regulatory requirements. No significant spills were recorded in Kingspan Insulation Ltd.'s financial statement during either 2007 or 2008.

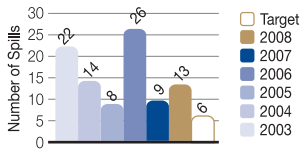
Kingspan has a best practice landscaping policy.

Action Plan

New Actions

- Record volume of any chemical spills within Health & Safety Management System, in response to GRI indicator requirements.
- Consider improvements to site defences against localised flooding, especially in light of climate change adaptation needs.

Total Number of Spills >10kg in Mass



Relevant SPeAR® Indicators

Environment			
Land Use	**Key Issues**	**2007 Score**	**2008 Score**
Site Location	Re-use of previously developed sites.	+3	+2
Planning Intent	Development's compliance with planning intent for site.	+2	+2
Context	Development / designs and context with surrounding area.	+1	+1
Diversity / Mixed Use	Level of diversity and mixed use within the development.	0	-1
Flood Plain	Relationship with floodplain.	+2	-1
Open Space	Level of accessible open space.	-1	-1
Contaminated Land	Approach to contaminated land.	-2	-1
Natural & Cultural Heritage	**Key Issues**	**2007 Score**	**2008 Score**
Soil	Approach to managing soil resources including indigenous soil profiles.	+1	+1

NB See Appendix A for background to SPeAR.

A school is being transformed into a haven for British bugs thanks to a grant from the Kingspan Insulation Community Trust.

The Wigmore High School Biodiversity Project, which is particularly interested in invertebrate life, is being funded through a £3,300 grant from the Trust and pupils and teachers have been giving up their free time to create a new woodland around the school, which they hope will become home to a huge range of creatures great and small.

To monitor the success of their efforts, the grant will also enable the children to keep a watchful eye on invertebrate populations using a range of specialist equipment and a weather station purchased from the grant money will record variations in rainfall and temperature.

Pictured is Amanda Townsend, Wigmore's Eco Schools Co-ordinator & science teacher, Phil Sharp, Trustee of the Kingspan Insulation Community Trust and some pupils from the school who gave up their free time to create a woodland area.

Biodiversity & Natural Heritage

Context

Given the rural location of its facilities, biodiversity is an area in which Kingspan Insulation Ltd. have felt able to make significant contributions to environmental sustainability. In light of previous land uses, biodiversity value was substantially degraded upon acquisition of the sites.

Neither site is located in proximity to areas designated for high biodiversity or conservation value, although ecological appraisals of the Pembridge site identified potential for ecological value due to agricultural usage of the surrounding area. Kingspan Insulation Ltd. have sought to build on this underlying potential through a robust management approach to biodiversity.

Historical Achievements & Ongoing Activities

- The sites have been assessed for archaeological remains and nothing of importance has been detected.
- In terms of cultural heritage, the re-clad aircraft hangars at Pembridge are the only notable feature.
- An ecological appraisal of Pembridge in 2006 identified on-site biodiversity value, due to the retention and creation of ecological features such as hedgerows, pollards and mature trees providing nesting sites for bat and birds.
- Action Plans were developed for Pembridge to maximise potential benefits for habitats and species designated important under national and international biodiversity targets, in addition to preserving and enhancing species of local biodiversity value.
- A company Landscaping Policy has been prepared to mitigate biodiversity risks by ensuring full consideration is given to biodiversity objectives during decisions about all site activities. The Policy stipulates that:
  - A sympathetic approach will be taken to protecting existing trees and shrubs wherever possible;
  - Wherever possible only native trees and shrubs of British Isles origin will be planted;
  - All areas which have been planted with trees, lawns, shrubs etc. will be maintained to high standards;
  - A drawing register will be kept to identify the location on site of different species of plants, shrubs and trees to help manage the biodiversity of the site; and
  - Any grounds maintenance work that is undertaken will not place at harm or risk protected fauna or flora, and will instead encourage the biodiversity of the site.
- Grounds maintenance staff are familiar with initiatives for the site and have been involved in habitat management work throughout.
- Regular grounds maintenance includes the use of bark chippings to reduce the need for conventional spraying techniques.
- There is an item on grounds housekeeping within the Environmental Purchasing Policy, which commits to the use of the most environmentally-friendly pesticides and weed treatment systems and defines which systems will comply.
- The Building Development Policy includes a clause to consider the viability of installing green roofs as part of every planned building development, as a means to enhance biodiversity on-site, reduce run-off, and enhance thermal performance of buildings.
- Areas of ecological value off-site have been enhanced through the Kingspan Insulation Community Trust. An ‘Ecological Trustee’ sits on the Trust’s Board to assist with the project management and development of appropriate biodiversity-related schemes.
- Funding has been allocated in the past to projects such as the development of a biodiversity garden at Kingsland Primary School, where native meadowland species have been planted; reclamation of a stream and planting of native species at Wigmore School.

Relevant GRI Indicators

EN11 **Location & size of land owned, leased, managed in or near to protected areas & areas of high biodiversity value.**

EN14 **Strategies, actions & plans for managing biodiversity impacts.**

NB See Appendix C for background to GRI.

2008 Performance Highlights

During 2008, the recommendations of the 2006 site appraisal were implemented at Pembridge via a community initiative bringing together university students with local school children. New habitats were created, including bee banks, a bug hotel, plus native tree planting. Honeysuckle acts as a strong climber that will provide a good habitat for nesting birds. Wildflower planting has taken place to encourage development of meadow-type habitats. Bat and bird boxes have also been installed.
A three-year biodiversity-sensitive Site Maintenance Plan was developed for the years 2009 through to 2011. Employee awareness of conservation work has been raised through staff information boards posted across the site, providing information about projects in progress.

Investigations were also undertaken during 2008 into the potential to install green roofs on-site, though current building structures are not considered suitable.

Action Plan

Actions Outstanding from Previous Reviews

- Following implementation of the Pembridge Biodiversity Action Plan, monitor biannually from 2010 to check whether increases in biodiversity can be identified.
- Implement biodiversity-sensitive maintenance plan across site to enhance biodiversity value. Create web page to inform about biodiversity work undertaken on-site.

New Actions

- Control accumulation of litter / debris in habitat / biodiversity areas of site.
- Program initiatives to involve staff in on-site or off-site conservation / landscaping work, both to raise awareness of biodiversity objectives & as a health & wellbeing / staff engagement initiative.
- Roll out Landscaping Policy to Selby site.
- Undertake ecological assessment of Selby site & seek the advice of a registered ecologist to improve ecological value of site.
- Implement an action plan for site improvement, as has taken place at Pembridge.

Relevant SPeAR® Indicators

Social			
Amenity	**Key Issues**	**2007 Score**	**2008 Score**
Landscape	Landscape designs contribute to the character of the area.	0	0
Green Space	Access to and protection of green space.	-1	-1
Environment			
Natural & Cultural Heritage	**Key Issues**	**2007 Score**	**2008 Score**
Habitat Conservation	Extent to which indigenous habitat is conserved and enhanced. Increase / decrease in habitat.	-1	+1
Uptake of Designated & Protected Areas	Approach to managing designated and protected areas.	0	+1
Biodiversity	Approach to managing biodiversity.	0	+1
Cultural Heritage Resources	Approach to managing cultural heritage resources.	0	0
Archaeological Resources	Approach to managing archaeological resources.	+2	+2
Design & Operation	**Key Issues**	**2007 Score**	**2008 Score**
Management Regime	Presence of low maintenance soft estate.	0	+1

NB See Appendix A for background to SPeAR.

During May and June 2008, children from Wigmore High School, Lady Hawkins' School and Shobdon & Kingsland Primary Schools were involved in creating bee and slow worm shelters and planting wildflowers, climbers and shrubs, providing the food and natural habitats that are an essential element of any ecological system.

The children also put up boxes to provide new homes for birds, bats and insects, learning, in the process, about the variety of creatures and plants that inhabit their natural environment.

The schools have been unanimously positive about this business-education link and the benefits that it brings in terms of the educational and social development of the children. The children had a ball as well!

Transport

Context

Kingspan Insulation Ltd.'s rural location has historically made transport a challenging area to manage, but one in which the company strives for best practice both for staff travel and haulage. A number of trials have been undertaken to reduce dependency on private cars for staff travel, with initiatives ongoing to identify an effective programme of options and incentives.

Due to the limitations of rail and water transport for accessing the sites, all freight transported to and from Kingspan Insulation Ltd. is delivered by road vehicle. The company recognises that transportation of constituent materials and products to and from its manufacturing sites presents significant impacts to the environment at large, and specifically to local communities. The company is committed to minimising these impacts. The main logistics supplier has an environmental policy and is working with Kingspan Insulation Ltd. to improve environmental performance. The company endeavours to rationalise and centralise product deliveries so that fewer trips are made, and to pursue continual performance improvements.

Historical Achievements & Ongoing Activities

Inbound Logistics

- The majority of constituent materials sourced from overseas are imported by ship.
- Policies are in place to rationalise material deliveries to essential and bulk orders wherever possible.
- The majority of materials are delivered in large articulated vehicles or tankers to reduce vehicle movements.
- Communications have been initiated between material delivery companies and Kingspan Insulation Ltd. to ensure inbound vehicles are travelling the most efficient routes and with minimum disruption to the local community.

Outbound Logistics

- Outbound logistics are managed by an external haulage contractor, in liaison with Kingspan Insulation Ltd.
- Overall fuel efficiency of the transport fleet has increased from 6.9mpg in 1993 to 9.5mpg in 2007.
- All drivers have received Safe and Fuel Efficient Driver (SAFED) training, which has assisted with increasing fuel efficiency.
- A Miles per Gallon (MPG) tracker has been introduced, and MPG targets set for all haulage vehicles. MPG has also been adopted as a KPI in order to maintain constant improvements.
- Bonuses are paid to haulage drivers by the haulage firm, based on fuel consumption.
- Aerodynamic styling has been introduced to freight vehicles to reduce MPG.
- Many vehicles have been upgraded from Euro III class engines to Euro IV. This process is ongoing.
- More efficient routing systems have been adopted to reduce mileage and maximise container and fleet utilisation through use of 'back haul' opportunities. A study has been undertaken to improve these elements of freight performance. Truck movements decreased between 2004 and 2007 by around 5%.
- The fleet of dedicated articulated heavy goods vehicles (HGVs) - owned by Kingspan Insulation Ltd.'s haulage contractor - with a capacity of 63 m^3 have been replaced by demountable vehicles with a potential capacity of 92 m^3. This will further reduce truck movements and decrease associated fuel consumption.
- A fuel champion was appointed by the haulage contractor in October 2006, with monthly reports provided to Kingspan Insulation Ltd.
- The logistics fleet quick response vehicle has been downsized from 7.5 tonnes to 3.5 tonnes to increase its fuel efficiency.
- Options to use alternative fuel types, such as biodiesel, have been investigated. A 12-week trial was conducted using 95% biodiesel content in two freight vehicles. It was concluded that the option to move to a biodiesel fleet is unfeasible at the current time due to both economic and sustainability concerns. Kingspan Insulation Ltd. haulage vehicles currently utilise a 5% biodiesel mix.
- Movement of goods by rail freight has been explored but was considered impractical from a financial and logistical perspective, as well as showing no guarantee of reduced transport emissions.
- A 'Geofence' system has been implemented in 12 villages local to the Pembridge site, to monitor vehicle speeds and driver practices.
- Regular consultations are held with local stakeholders to ensure that vehicle frequency and speeds are adhered to. This has led to initiatives such as increased night-time haulage and specific local routing to avoid disruption to local communities in the Pembridge area.

Staff Travel

- The rural location of the Pembridge site means that the site is dependent on road transport and there are few viable alternatives to the private car for employee travel. Few employees live within six miles of the site and there are no footways on any approaches to the site, which is two miles from the nearest village.
- Negotiations have been undertaken with local bus service providers with the aim to improve public transport links to the Pembridge site, although a financially agreeable solution for both parties could not be reached.
- A staff travel survey has been undertaken across both sites to understand patterns of transport use and reasons for poor uptake of more sustainable travel options. Feedback has been used to guide emerging Green Travel Plan initiatives.
- A small number of employees cycle to work and a significant proportion car share.

2008 Performance Highlights

Opening of the Selby plant during 2008 has facilitated substantial increases in transport efficiency, with approximate savings of £180,000 in transport costs to date due to deliveries to the northern economic zones now originating from Selby instead of Pembridge.

A Transportation Policy and Action Plan have been developed to establish a more systematic approach to greening freight transport. Improving the efficiency of Kingspan Insulation Ltd. logistics will be a key priority going forward.

A Green Travel Plan was agreed for staff travel at Pembridge during 2008, incorporating incentives for car sharing. The Selby site offers improved opportunities for staff travel, with local train stations located approximately three miles from the site at Milford and Church Fenton, serving Selby, Leeds and York. A bus service also runs close to the industrial estate. The plant at Selby lies in closer proximity to communities and is more easily accessed both by foot and by bicycle.

Kingspan is trying to encourage a larger number of employees to cycle to work or car share.

Action Plan

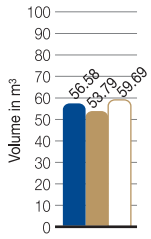
Actions Outstanding from Previous Reviews

- Identify a Champion to set up a Bicycle User Group (BUG) for both Pembridge and Selby to encourage cyclists and incentivise with:
  - Monthly “bicycle breakfasts” from March to October;
  - Provision of reflective & wet weather cycling attire;
  - Cycle-to-work scheme – tax free loans for cycle purchase.
- Provide showering and changing facilities and secure covered cycle storage outside of the main offices at Pembridge.
- Create dedicated car sharing page on the intranet & / or provide a link to www.2share.co.uk for both Pembridge and Selby.
- Implement a “Guaranteed Lift Home” scheme with local taxi firm for both Pembridge and Selby.
- Conduct comprehensive research on the feasibility of providing a minibus service for factory workers living in Leominster or other urban areas.
- Consider the merits of allowing company car users to select a car from one band higher than normal if it is LPG, dual fuel or hybrid, on the basis that lower fuel costs should compensate for higher lease charges.
- Detail the financial, environmental and health benefits of sustainable commuting methods on posters and in wage packets for both Pembridge and Selby.

New Actions

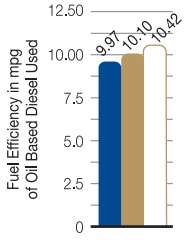
- Develop a Green Travel Plan for the Selby site.
- Provide secure, covered cycle storage facilities at Selby.
- Liaise with local highway authority at Selby to explore potential for cycle paths on local roads.
- Raise awareness of / offer incentives for use of public transport to access Selby site.
- Continue to work with hauliers to improve transport efficiency, in terms of fuel types, driving practices & distances travelled.
- Continue to roll out existing policy action plans in order to fully complete initiatives such as SAFED driver training, upgrading vehicle engines to EURO IV, reducing vehicle movements.
- Continue to explore the potential to use alternative fuels that can provide improved environmental performance to the fleet.
- Investigate use of local hauliers at Selby, to minimise distances travelled from Herefordshire.
- Fully realise the potential of the Selby manufacturing site to reduce vehicle movements from Pembridge to service the north of the UK. This process would entail increasing manufacturing capability at Selby and improving logistical communications between the sites.

Volume Delivered per Vehicle Dispatch

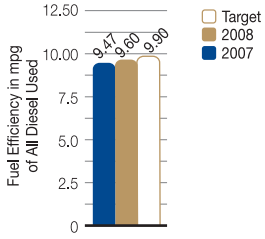


The decrease in volume per vehicle dispatch is due to inefficiencies caused by demand reduction during the current recession.

Fuel Efficiency



Fuel Efficiency



Fuel efficiency data are calculated from mileage figures recorded by tachographs and gallons of fuel consumed from fuel provider. Fuel is 95 per cent oil-based.

The increase in fuel efficiency is a reflection of the action plan being implemented by Kingspan Insulation Ltd.'s main haulier.

Relevant SPeAR® indicators

Social			
Access	**Key Issues**	**2007 Score**	**2008 Score**
Public Transport	Choice of transport for access to site.	-3	-1
Environment			
Transport	**Key Issues**	**2007 Score**	**2008 Score**
Public Transport Infrastructure	Degree to which the site’s location is optimised for access to public transport infrastructure.	-1	-1
Choice of Transport	Degree to which the development promotes more sustainable transport choices.	-2	-1
Pedestrian / Bicycle Facilities	Provision of facilities for pedestrian / cyclists.	-2	-1
Green Transportation	Presence of a Green Travel Plan.	0	0
Freight Traffic	Consideration of alternatives to road haulage for freight movement.	+1	+1
Internal Transport & Material Handling Equipment (MHE)	Consideration of alternative / sustainable methods / fuels for internal materials handling.	-2	0
Economic			
Transport	**Key Issues**	**2007 Score**	**2008 Score**
Dependency	Dependency of operations on travel and transport.	-3	-3
Public Transport	Degree to which there is a focus on facilitating a switch to public transport.	-2	-1
Freight Traffic	Degree to which operations reduce road haulage and maximise utilisation of vehicles	-1	+1
Vehicle Use	Focus on minimising vehicle mileage.	0	+1
Internal Materials Handling	Efficiency of internal materials handling.	0	0

NB See Appendix A for background to SPeAR.

In order to further reduce truck movements and decrease associated fuel consumption, HGVs with a capacity of 63 m³ have been replaced by demountable vehicles with a potential capacity of 92 m³.

Appendix A
Background to SPeAR®

SPeAR® has been developed by Arup as a framework that assists in the appraisal of sustainability issues relating to an organisation, project or product.

The framework has been developed by specialists within all fields of sustainability, with the aim of making sustainability meaningful to a wide range of stakeholders. The tool is founded on the UK Government's sustainability indicators (Defra, 2004, updated in 2007), combined with those of the Global Reporting Initiative (GRI) G3 guidelines and the United Nations Environment Programme (UNEP). The tool is periodically reviewed by Arup sustainability specialists to ensure it accurately reflects the latest sustainability concepts and priorities.

SPeAR® has its origin in the recognition of linkages between economic, social, natural resources and environmental systems, and allows sustainability performance to be measured and illustrated graphically. The information generated by the SPeAR® appraisal can inform decision-making, thereby enabling continual improvement in sustainability performance, and assisting in the delivery of sustainable objectives.

The key output of the appraisal is the diagram based on the template shown below (Fig. A1). The purpose of the diagram is to combine in a graphical format all of the diverse issues that sustainability encompasses, including the social, economic, natural resource and environmental issues. On completion of the assessment, the SPeAR® diagram will clearly highlight areas of strength as well as areas for improvement in terms of sustainability performance.

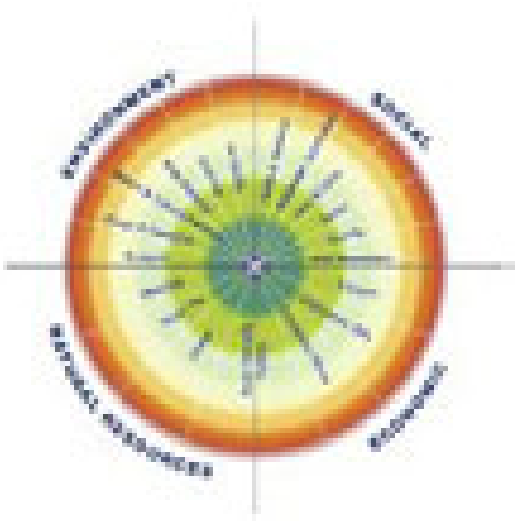


Fig. A1: SPeAR® diagram

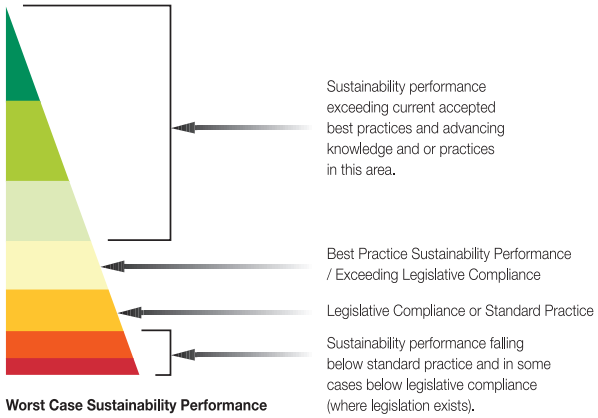


Fig. A2: SPeAR® indicator scoring

The diagram is generated following the appraisal of over 120 sub-indicators of social, economic, natural resource and environmental performance. Each indicator is scored, and the individual scores are aggregated to 20 headline indicators as shown on the diagram. The SPeAR® diagram is read like a dartboard. Scores can be interpreted as shown in Figure A2.

The appraisal involves the review of both qualitative and quantitative information, dependent on the nature of the indicator and the information available at the time of the appraisal. To ensure that the appraisal is robust, the scoring of all indicators is achieved through consensus within the consultant team. Information shown on the SPeAR® diagram is a direct reflection of the quality of information available at the time of data collection, which is used to score performance within each of the sub-indicators.

The four sectors of SPeAR® and their accompanying indicators are not weighted. This allows prioritisation of issues to be influenced by the project or organisational context and constraints.

Appendix B
2008 SPeAR® Scoring Summary

Social Sustainability

1	Social responsibility	Page reference	2008 Score
1	Community & Citizenship	25	+1
2	Stakeholder Relations	27	0
3	Donations to Voluntary & Community Organisations	25	0
4	Internal & External Reporting	27	+1
5	Social Identity	25	-1
6	Global Supply Chain	19	+1
Average score for Social Responsibility			**0**

2	Amenity		
1	Landscape	41	0
2	Leisure Facilities	23	-1
3	Green Space	41	-1
4	Noise & Vibration	25	0
5	Amenity Conflict	25	+2
Average score for Amenity			**0**

3	Access		
1	Public Transport	43	-1
2	Key Facilities	23	-1
3	Access for Physically Impaired People	21	-1
4	Training	21	+1
5	Education & Lifelong Learning	21	+1
6	Telecommunications	23	+1
Average score for Access			**0**

4	Form & Space	Page reference	2008 Score
1	Internal & External Security	25	+2
2	Scale	23	-1
3	Communal / Circulation Areas	23	0
4	Severance	25	+1
5	Rights of Light(s)	25	+2
Average score for Form & Space			**+1**

5	Stakeholder Satisfaction		
1	User Controls	23	-1
2	Indoor Air Quality	23	+1
3	Occupant Satisfaction	27	0
4	Employee Satisfaction	27	+1
5	Customer Satisfaction	27	+2
6	Supplier Satisfaction	27	-2
7	Other Stakeholders' Satisfaction	27	0
Average score for Stakeholder Satisfaction			**0**

6	Health & Wellbeing		
1	Health & Safety Management System	23	+1
2	Occupational Safety	23	0
3	Provision of Support Facilities	23	+2
4	Deliver Key Health Targets	23	+2
5	Conditions of Work	21	+2
Average score for Health & Wellbeing			**+1**

Environmental Sustainability

1	Air Quality	Page Reference	2008 Score
1	Direct Emissions	37	+1
2	Associated or Indirect Emissions e.g. traffic, energy generation	37	0
3	Baseline Environment	17	+3
4	Dust & Particulate Matter	23	0
5	Refrigeration / Ozone Depleters	37	+2
6	Regulated Processes	17	0
Average score for Air Quality			**+1**

2	Land Use		
1	Site Location	39	+2
2	Planning Intent	39	+2
3	Context	39	+1
4	Diversity / Mixed Use	39	-1
5	Flood Plain	39	-1
6	Open Space	39	-1
7	Contaminated Land	39	-1
Average score for Land Use			**0**

3	Water Discharge		
1	Drainage Systems	29	+1
2	Risk Management of Water Pollution	29	+1
3	Sewage Treatment	29	+2
Average score for Water Discharge			**+1**

4	Natural & Cultural Heritage		
1	Habitat Conservation	41	+1
2	Uptake of Designated & Protected Areas	41	+1
3	Biodiversity	41	+1
4	Cultural Heritage Resources	41	0
5	Archaeological Resources	41	+2
6	Soil	39	+1
Average score for Natural & Cultural Heritage			**+1**

5	Design & Operation	Page Reference	2008 Score
1	Assessment Methods	17	+2
2	Appropriate Technology	17	+2
3	Environmental Management System (EMS) with Certification to ISO 14001	17	+2
4	In-use Management	17	+2
5	Management Regime	41	+1
6	Microclimate	23	0
7	Flexibility	17	+1
8	Refurbishment	17	+1
9	Life Cycle Environmental Impact	17	0
Average score for Design & Operation			**+1**

6	Transport		
1	Public Transport Infrastructure	43	-1
2	Choice of Transport	43	-1
3	Pedestrian / Bicycle Facilities	43	-1
4	Green Transportation	43	0
5	Freight Traffic	43	+1
6	Internal Transport & Material Handling Equipment (MHE)	43	0
Average score for Transport			**0**

Natural Resource Sustainability

1	Materials	Page Reference	2008 Score
1	Reduction of Materials Use	31	+1
2	Renewable Resources	31	+2
3	Materials Re-use	31	+1
4	Local Materials	19	0
5	Material Specification & Supply	19	+2
Average score for Materials			**+1**
2	**Water Use**		
1	Water Efficiency	29	0
2	Water Monitoring	29	+1
3	Process / Construction Water Source	29	-2
4	Auxiliary Water Source	29	-2
Average score for Water Use			**-1**
3	**Energy**		
1	Energy Efficiency	37	+2
2	Energy Sources	37	+1
3	Energy Monitoring	37	+1
4	Daylighting	37	0
Average score for Energy			**+1**
4	**Waste Hierarchy**		
1	Waste Avoidance	33	+2
2	Waste Reduction	33	+1
3	Re-use	33	+1
4	Recycling	33	+1
5	Best Practical Environmental Option (BPEO)	33	+2
6	Landfill	33	+1
7	Hazardous / Special Waste Generation	33	0
8	End-of-Life	33	+1
9	Refurbishment	17	+1
Average score for Waste Hierarchy			**+1**

Economic Sustainability

1	Viability	Page Reference	2008 Score
1	Financial Viability & Risk	15	+2
2	Expenditure on Improving Environmental & Social Performance	19	0
3	Innovation	17	+2
4	Risk Management	15	+2
5	Corporate Governance	15	+2
6	Displacement	15	+2
7	Products & Services	17	+1
8	Service Contracts	15	+1
9	Operations Management Tools & Techniques	17	+1
Average score for Viability			**+1**
2	**Competition Effects**		
1	Ethical Competition	19	+1
2	Vitality & Regeneration	15	+1
3	Pricing	15	+1
4	Diversification & Choice	15	+1
5	Supply Chain	19	+1
Average score for Competition Effects			**+1**
3	**Employment / Skills**		
1	Job Numbers	21	+1
2	Status of Employment	21	+2
3	Investment in Skills	21	+2
4	Equal Opportunities	21	+2
5	Diversity	21	+2
6	Training Programmes	21	+1
Average score for Employment / Skills			**+2**
4	**Transport**		
1	Dependency	43	-3
2	Public Transport	43	-1
3	Freight Traffic	43	+1
4	Vehicle Use	43	+1
5	Internal Materials Handling	43	0
Average score for Transport			**0**

Appendix C
Background to GRI G3 Guidelines

The GRI (Global Reporting Initiative) Reporting Framework is intended to serve as a generally accepted framework for reporting on an organisation's economic, environmental, and social performance. It is designed for use by organisations of any size, sector, or location, and takes into account the practical considerations faced by a diverse range of organisations. The Framework contains general and sector-specific content that has been agreed by a wide range of stakeholders around the world to be generally applicable for reporting an organisation's sustainability performance.

The Sustainability Reporting Guidelines consist of Principles for defining report content and ensuring the quality of reported information. It also includes Standard Disclosures made up of Performance Indicators and other disclosure items, as well as guidance on specific technical topics in reporting.

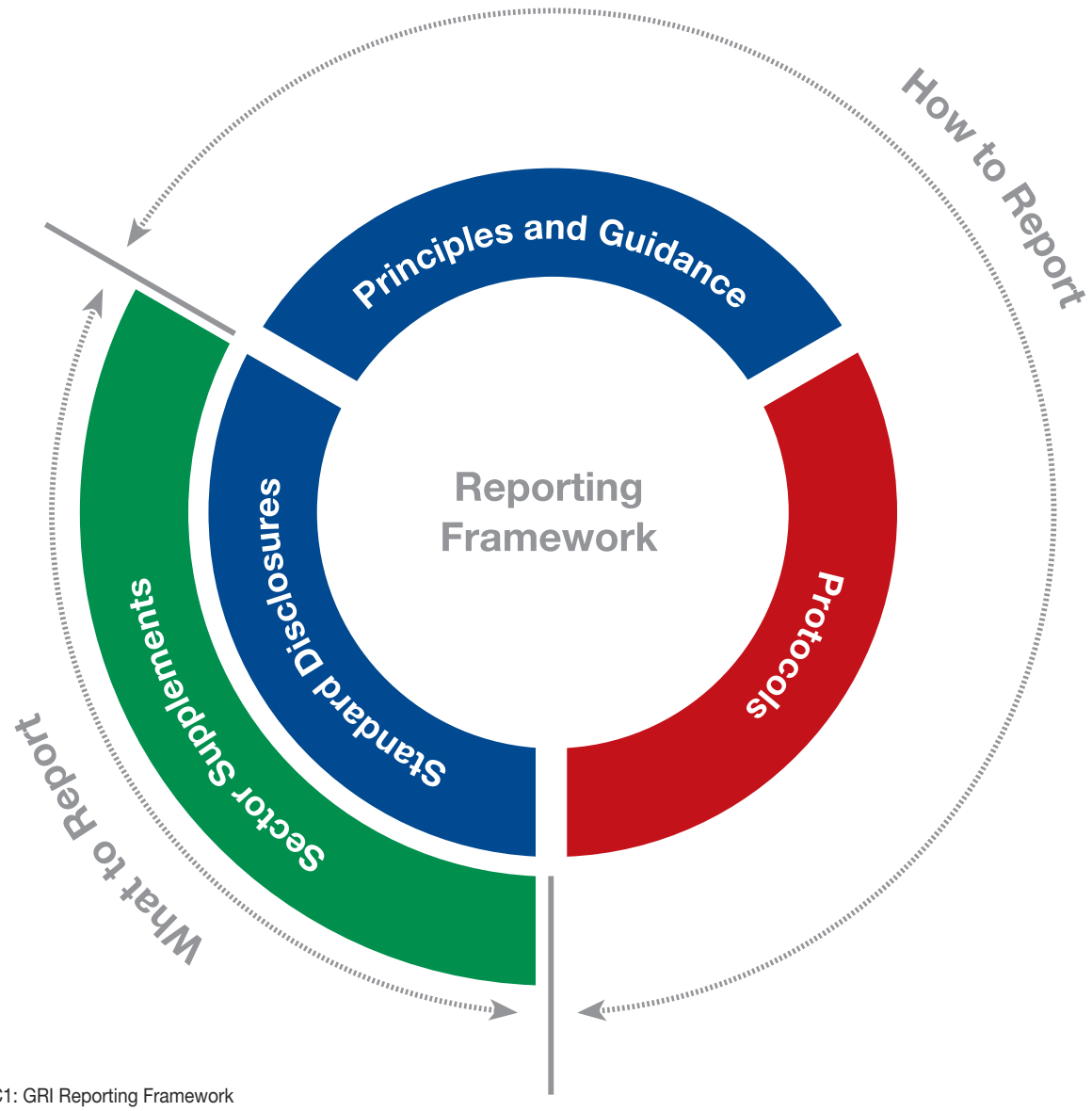


Fig. C1: GRI Reporting Framework

The Standard Disclosures to be included in sustainability reports comprise information that is relevant and material to most organisations and of interest to stakeholders. These include:

- strategy and Profile: disclosures that set the overall context for understanding organisational performance, e.g. its strategy, profile, and governance;
- management Approach: disclosures that cover how an organisation addresses a given set of topics, to provide context for understanding performance in a specific area; and
- performance Indicators: indicators that elicit comparable information on the economic, environmental, and social performance of the organisation.

An Application Level is declared for each report prepared under the GRI Reporting Guidelines. The Application Level communicates which elements of the Reporting Framework have been applied in the preparation of the report. There are three levels in the system, titled C, B and A. The reporting criteria found in each level reflect an increasing application or coverage of the GRI Reporting Framework.

An organisation self-declares a reporting level based on its own assessment of its report content against the criteria in the GRI Application Levels. In addition to the self declaration, reporting organisations can ask an external assurance provider to provide an assessment of the report content, following which process a "plus" can be declared at each level (i.e. C+, B+, A+). The GRI may also be approached to check the Application Level, thereby enabling a "GRI Checked" stamp to appear in the report.

The table in Figure C2 summarises the requirements of a report declared at each Application Level. This report for Kingspan Insulation Ltd. has been self-declared as an Application Level B report and covers all of the requirements associated with this Level (as outlined in the Report Content Index found in Appendix D).

Report Application Level	C	C+	B	B+	A	A+
Standard Dislosures — G3 Profile Disclosures OUTPUT	Report on: 1.1 2.1-2.10 3.1-3.8, 3.10-3.12 4.1-4.4, 4.14-4.15	Report Externally Assured	Report on all criteria listed for Level C plus: 1.2 9.9, 3.13 4.5-4.13, 4.16-4.17	Report Externally Assured	Same as requirement for Level B	Report Externally Assured
G3 Management Approach Disclosures OUTPUT	Not Required		Management Approach Disclosures for each Indicator Category		Management Approach Disclosures for each Indicator Category	
G3 Performance Indicators & Sector Supplement Performance Indicators OUTPUT	Report on a minimum of 10 Performance Indicators, including at least one from each of: Economic, Social and Environmental		Report on a minimum of 20 Performance Indicators, at least one from each of Economic, Environmental, Human rights, Labour, Society, Product Responsibility		Report on core G3 and Sector Supplement* Indicator with due regard to the Materiality Principle by either: a) reporting on the indicator or b) explaining the reason for its omission	

*Sector supplement in final version

	2002 In Accordance	C	C+	B	B+	A	A+
Mandatory — Self Declared			Report Externally Assured		Report Externally Assured		Report Externally Assured
Optional — Third Party Checked							
Optional — GRI Checked							

Fig. C2: Application Level Table

(source: GRI G3 Sustainability Reporting Guidelines, available at www.globalreporting.org)

Appendix D
GRI Content Index

Indicators	Description	Page Number
Strategy & Analysis Profile Disclosure Indicators		
1.1	Statement from most senior decision-maker of the organisation.	2
1.2	Description of key impacts, risks and opportunities.	10-11
Organisational Profile Disclosure Indicators		
2.1	Name of organisation.	2
2.2	Primary brands, products and services.	4
2.3	Operational structure	4
2.4	Location of headquarters	2
2.5	Number of countries of operation	4
2.6	Nature of ownership and legal form	4
2.7	Markets served	4
2.8	Scale of organisation	4
2.9	Significant changes during reporting period, e.g. size, structure.	2
2.10	Awards received in reporting period	18
Report Parameters		
3.1	Reporting period	2
3.2	Date of most recent previous report	2
3.3	Reporting cycle	2
3.4	Contact point for questions	12
3.5	Process for defining report content (materiality; prioritisation; stakeholder consultation)	12
3.6	Boundary of report	12
3.7	Limitations on scope of report	12
3.8	Basis for reporting on joint ventures, subsidiaries etc.	n/a
3.9	Data measurement techniques and bases of calculations.	12
3.10	Explanation of effect of any re-statements of information provided previously.	n/a
3.11	Significant changes in reporting from previously	2
3.12	Content table identifying location of Standard Disclosures in Report	15-51
3.13	Policy and practice with respect to external assurance	12

Indicators	Description	Page Number
Governance, Commitments and Engagement		
4.1	Governance structure of the organisation	5
4.2	Whether Chair of the highest governance body is also an Executive Officer	5
4.3	Number of members of highest governance body who are independent / non-executive members of the Board	5
4.4	Mechanisms for shareholder / employee consultation	26
4.5	Link between compensation for senior management and company performance	Confidential
4.6	Processes for avoiding conflict of interest	5
4.7	Process for determining expertise of senior management for guiding economic, environmental and social performance.	5
4.8	Statements of missions / values, codes of conduct, economic, environmental and social principles.	6-7
4.9	Procedures for overseeing management of economic, environmental and social performance, including risks.	6-7 & 14
4.10	Processes for evaluating Board's own performance	5
4.11	Use of precautionary approach	n/a
4.12	Subscription to external economic, environmental and social charters / initiatives.	14
4.13	Organisational memberships in associations.	26
4.14	List of stakeholder groups engaged by the organisation	26
4.15	Basis for selecting stakeholders	26
4.16	Approaches to stakeholder engagement	26
4.17	Topics raised through stakeholder engagement, and responses.	26
Management Approach Disclosures		
EC	Economic	14-15, 24-25 & 34-37
EN	Environmental	14-17 & 28-41
LA	Labour	20-23
PR	Product	26-27
SO	Society	14-15 & 24-25

Indicators		Page	Extent of reporting
Economic Performance Indicators			
EC1	Direct economic value generated and distributed, including revenues, operating costs, employee compensation, donations and other community investments, retained earnings, and payments to capital providers and governments.	14-15 & 24-25	Full
EC2	Financial implications and other risks and opportunities for the organisation's activities due to climate change.	34-37	Full
Environmental Performance Indicators			
EN2	Materials used that are recycled input materials.	30-31	Full
EN3	Direct energy consumption by primary energy source.	34-37	Full
EN4	Indirect energy consumption by primary source	34-37	Full
EN8	Total water withdrawal by source	28-29	Full
EN11	Location and size of land owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas.	40-41	Full
EN14	Strategies, current actions, and future plans for managing impacts on biodiversity.	40-41	Full
EN16	Total direct and indirect greenhouse gas emissions by weight.	34-37	Full
EN18	Initiatives to reduce greenhouse gas emissions and reductions achieved.	34-37	Full
EN22	Total weight of waste by type and disposal method.	32-33	Full
EN23	Total number and volume of significant spills.	38-39	Full
EN26	Initiatives to mitigate environmental impacts of products and services, and extent of impact mitigation.	16-17	Full
EN28	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations.	14-15	Full

Indicators		Page	Extent of reporting
Labour Performance Indicators			
LA1	Total workforce by employment type, employment contract, and region.	20-21	Full
LA2	Total number and rate of employee turnover by age group, gender and region.	20-21	Full
LA7	Rates of injury, occupational diseases, lost days, and absenteeism, and total number of work-related fatalities by region.	22-23	Partial
Product Performance Indicators			
PR5	Practices related to customer satisfaction, including results of surveys measuring customer satisfaction.	26-27	Full
Society Performance Indicators			
SO1	Nature, scope and effectiveness of any programs and practices that assess and manage the impacts of operations on communities, including entering, operating and exiting.	24-25	Full
SO2	Percentage and total number of business units analysed for risks related to corruption.	14-15	Full
SO7	Total number of legal actions for anti-competitive behaviour, anti-trust and monopoly practices and their outcomes.	14-15	Full
SO8	Monetary value of significant fines and total number of non-monetary sanctions for non-compliances with environmental laws and regulations.	14-15	Full

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