

Anti-Fraud, Bribery & Corruption Policy



BE THE DIFFERENCE
THAT MAKES A DIFFERENCE.

Foreword

"Kingspan's approach to fraud, bribery and corruption is very simple: Kingspan maintains a zero tolerance towards fraud, bribery and corruption and it is prohibited in any form.

It is essential that Kingspan conducts its business fairly, honestly and openly both on a domestic and international basis."



Gene M Murtagh
CEO Kingspan Group plc

Anti-Fraud, Bribery & Corruption Policy

Our Business Principles State

Fraud of any kind will not be tolerated. Nor will we seek, offer or accept gifts, hospitality, bribes or other inducements, which encourage or reward a decision. We will report and record any potential exceptions to this principle.

Objectives of this Policy

This policy seeks to minimise the financial and reputational damage that can be caused to Kingspan through fraud, bribery and corruption by ensuring compliance with anti-fraud, anti-bribery and anti-corruption laws in every jurisdiction in which we operate, as any violation could subject Kingspan, its directors and employees to severe penalties, including financial losses, fines and imprisonment, and could be very damaging to Kingspan’s business and its reputation.

Scope of this Policy

This Anti-Fraud, Bribery & Corruption Policy (the Policy) is applicable to Kingspan Group plc and all its subsidiaries and joint ventures (in which Kingspan has an interest of 50% or more), and their directors, officers and employees. This Policy applies to all our business, both international and domestic, wherever it is conducted.

This Policy refers to the provisions of the UK legislation known as The Bribery Act 2010. These provisions are the minimum standards to be adhered to. It is the responsibility of each business to ensure compliance with any stricter local laws, regulations or standards concerning anti-fraud, bribery and corruption.

This Policy also covers our agents and other persons acting on our behalf, in respect of whom we are under a duty to ensure that adequate procedures are in place to prevent bribery by such persons.

Examples of Fraud, Bribery and Corruption

Fraudulent financial reporting (including tax)	Theft or misappropriation of Kingspan assets or cash, by employees or third parties	Corruption or Bribery (received / given)
Examples include: <ul style="list-style-type: none"> ■ Deliberate under accruals ■ Delaying or avoiding expenses ■ False sales ■ Cash or inventory manipulation ■ Deliberate misreporting of capital or revenue items ■ Misuse of bad debt provisions or write offs ■ Misuse of intercompany or suspense accounts 	Examples include: <ul style="list-style-type: none"> ■ Theft ■ Fraudulent expense claims ■ Burglary and property damage ■ Identity fraud and theft of personal data ■ Use of stolen credit cards; cheques ■ Misuse of customer accounts or customer data ■ Non-inventory theft (e.g. vehicles, IT equipment) ■ Industrial espionage ■ Embezzlement 	Examples include: <ul style="list-style-type: none"> ■ Direct bribes ■ Inappropriate gifts, entertainment or business trips ■ Kickbacks or inappropriate commissions ■ Uncompetitive procurement ■ Unlawful political or charitable contributions

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What this policy means to you

Fraud

- All employees have a responsibility to be alert to the signs of fraud, to prevent fraud where possible, and to report suspected fraud.
 - Through their behaviour and leadership, executives and managers will promote a culture of openness, integrity, honesty and compliance with the law that we all hold ourselves accountable to.
- The leadership team for each business must communicate Kingspan’s position on fraud to employees. This communication must reinforce the principles set out in this Policy and should ensure that employees are aware of their responsibilities and the support available.
- Kingspan is committed to the prevention, detection and proper investigation of fraud, with an overriding aim to prevent the occurrence of fraud in the first instance. Kingspan will respond to all incidents, seeking to recover losses, taking action against those who perpetrate fraud and reporting incidents to the authorities, as appropriate.
 - The leadership team for each business must ensure that:
 - This Policy is communicated to all employees;
 - An appropriately experienced individual is given responsibility for coordinating and developing fraud risk management procedures;
 - An annual fraud risk assessment, involving discussion with a wide range of stakeholders, is undertaken in the third quarter of the financial year, (in time to be included in the annual Group Risk Assessment);
 - Fraud risk assessments are based on a wide-ranging and candid assessment of the major risks with a wide range of stakeholders;
 - Ownership of significant fraud risks should be clearly allocated.
 - Fraud risks should be mitigated in proportion to the risks faced. Where significant risks are identified as having inadequate levels of mitigation, measures must be taken to improve the situation, and progress monitored accordingly. Businesses are expected to adopt a range of prevention, detection and response measures, but with a focus on prevention and detection.
 - As a minimum the following mitigation measures must be adopted:
 - Communication of the Kingspan Code of Conduct, and the Confidential Reporting Lines must be communicated to all employees;
 - Investigation protocols followed (for further details, refer to Appendix 1);
 - All suspected or proven fraud, corruption or bribery, irrespective of value, must be reported immediately to the Group Head of Legal, copying the Head of Group Internal Audit & Compliance and the Group Chief Financial Officer;
 - A list of fraud red flags is included in Appendix 2.

PREVENTION	DETECTION	RESPONSE
Board / Audit & Compliance Committee oversight Executive and line management functions Internal Audit & Compliance, and monitoring functions		
Fraud and misconduct risk assessment Code of Conduct and related standards Employee and third-party due diligence Communication and training Process-specific fraud risk controls	Hotlines and whistleblowing mechanisms Auditing and monitoring Proactive forensic data analysis	Internal investigation protocols Enforcement and accountability Disclosure protocols Remedial action protocols Disciplinary sanctions

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Bribery and Corruption

The Bribery Act 2010 (the "Act") creates a 'strict liability' offence where Kingspan fails to prevent bribery by those acting on its behalf. Accordingly, this Policy covers our agents and other persons acting on our behalf within and outside the UK. To help ensure compliance with the Act, you must ensure that adequate procedures are in place to prevent bribery. This is particularly important in the context of our international businesses where we engage persons to act on our behalf or perform contracts in certain key risk countries.

The Act creates four offences:

- A general offence covering offering, promising or giving a bribe.
- A general offence covering requesting, agreeing to receive or accepting a bribe.
- A distinct offence of bribing a foreign public official to obtain or retain business.
- A strict liability offence for commercial organisation's where they fail to prevent bribery by those acting on their behalf.

To help ensure compliance with the Act, this Policy prohibits:

- offering, promising, or giving any Improper Payment (which includes any bribe, rebate, payoff, or gift of money or anything of value (including charitable or political contributions, promises of employment) that is prohibited under any anti-bribery or anti-corruption law);
- requesting, agreeing to receive, or accepting an Improper Payment.
 - whether in cash, or by way of other inducement.
 - to or from any person or company, wherever they are situated and whether they are a public official/public foreign official or body, or private person or company.
 - by any individual employee, agent or other person or body acting on Kingspan's behalf.
 - in order to gain any commercial, contractual or regulatory advantage for Kingspan in a way which is unethical or unlawful.
 - or in order to gain any personal advantage, pecuniary or otherwise, for the individual or anyone connected with the individual.
- As a guide a number of 'red flags' are set out in Appendix 3 - although this list is not exhaustive.

Failure to comply with this Policy may result in disciplinary action, up to and including dismissal, and/or prosecution.

Facilitation payments

This Policy prohibits 'facilitation' or 'grease' payments as these are Improper Payments, are illegal, and breach our business principles.

Facilitation payments are small payments made to secure or speed up routine actions, usually by public officials.

If you have doubts about a payment and suspect that it might be considered a facilitation payment, only make the payment (i) if the official or third party can provide a formal receipt or written confirmation of its legality and (ii) you have first obtained specific approval for the payment from your line manager or the Legal Team. If the demand is accompanied by an immediate threat of physical harm, then safety must come first, and you should make the payment and then report it immediately to your line manager or the Legal Team outlining the circumstances and amount of the payment.

Political contributions

This Policy prohibits the making of political contributions in any form. Our business principles state that, as a corporate entity, we will act with absolute political neutrality. We will abstain from any direct or indirect activities that could be interpreted as taking a position in favour of or against legitimate political parties. We will not make contributions or donations of any type, whether in cash or in kind, in support of political parties, organisations, factions, movements or public or private entities whose activities are clearly linked with political activity.

Charitable contributions

It is important to ensure that any contributions or sponsorships are not used as a pretence for bribery. A review of the charitable contribution and the end use of the funds must take place before making the payment.

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Hospitality, promotional and other business expenditure

Bona fide hospitality and promotional expenditure which seeks to improve the image of the business, better present products and services, or establish cordial relations, is recognised as an established and important part of doing business, and it is not the intention of this Policy to prohibit such behaviour. Hospitality and promotional or other similar business expenditure should be reasonable and proportionate. Any such expenditures that are reasonably expected to exceed €250 per person (or equivalent) must be formally approved in writing by a divisional director before the expenditure is incurred or the hospitality is received.

All such hospitality and related expenditures undertaken by members of the Group functions must be logged in the Group Register of Gifts and Hospitality by sending an email to giftsandhospitalityregister@kingspan.com containing the following information:

- Date and description of the hospitality provided / received;
- Name of the person / company who provided or received the hospitality;
- Reason for the provision / receipt of hospitality;
- Estimated value of the hospitality provided / received.

Special considerations when government officials are involved*

When considering providing hospitality or entertainment for Government Officials:

- Kingspan will only pay expenses necessary to accomplish the legitimate business purpose as efficiently as possible. Under no circumstances will sightseeing, side-trips, entertainment not otherwise compliant with this Policy, or "extra-days," be included;
- For those expenses that are necessary, they should be for modest travel and/or accommodations;
- Members of the government official's family (spouse, relatives, etc.) should not accompany the official and in no case can Kingspan pay any of those expenses;
- You should not provide cash, cash equivalents or per diems to the official. Also avoid giving gifts or souvenirs; however, if they are necessary, they should be of nominal value.

* The term "**government officials**" as used in this Policy includes:

- Any government officers or employees;
- Any persons acting in an official capacity for or on behalf of a government;
- Officials and employees of government-owned or government-controlled corporations;
- Any elected officials;
- Judges or any other persons performing judicial functions and/or assisting in the administration of justice;
- Political parties, political officials or candidates for political office;
- Any officers or employees of a public international organisation;
- Relatives or family members of any of the foregoing;
- Members of royal families; and
- Honorary government officials.

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Gifts

Kingspan make decisions based only upon legitimate business factors such as price, quality and service. Gifts given or received must never play a part in corporate decision making and should be given or accepted only after careful consideration.

No gift may ever be offered, promised, given or received for the purpose of improperly influencing decisions affecting the company's business or for the personal gain of an individual. All gifts given or received must be legal under all applicable laws, and no cash or cash equivalents may ever be given or received without the specific pre-approval of the Legal Team.

When gifts are appropriate, Kingspan strongly encourage the use of items with a nominal value. Nominal value means small enough that it could not reasonably be seen to have improperly influenced the decisions of the recipient.

Notwithstanding the value, Kingspan strongly discourages employees from receiving gifts if they are able to make or influence decisions that affect the gift giver. If any gift is received, it is company property and should be treated accordingly.

All gifts given or received by members of the Group functions must be logged in the Group's Register of Gifts and Hospitality by sending an email to giftsandhospitalityregister@kingspan.com containing the following information:

- Date and description of the gift provided / received;
- Name of the person / company who provided or received the gift;
- Reason for the provision / receipt of gift;
- Estimated value of the gift provided / received.

All records (including expense reports for gifts given) must be complete and accurate.

What if I am not sure?

If in doubt as to whether any potential actions or circumstances might violate this Policy or applicable law, you should immediately contact your line manager or the Legal Team before proceeding.

You should also refer any eventuality not covered by this Policy to your line manager or the Legal Team.

Employee responsibility

The prevention, detection and reporting of fraud, bribery and any Improper Payments is the responsibility of all employees throughout Kingspan. Any individual who is concerned about another individual's noncompliance with this Policy should raise the matter in the first instance with their line manager or by using the Confidential Reporting Lines (see details set out below).

Risk assessment, due diligence and review

Kingspan will conduct a periodic risk assessment to assure compliance with this Policy and applicable law. Key risk factors are:

- business conducted in countries with a high propensity for fraud and/or corruption;
- business conducted through sales agents, joint ventures or other third parties;
- business conducted with government customers;
- operations where business entertainment is a significant element of the sales process;
- previous incidents of fraud or bribery within the company or industries/countries in which the company operates.

Due diligence should be undertaken by employees and associated persons prior to entering into any contract, arrangement or relationship with a potential agent, intermediary or representative. The scope and extent of the due diligence will be informed by the results of the risk assessment, but may include some or all of the following:

- communicating this Policy to the third party and requiring the third party to certify (on an annual basis) (i) that it has read and agrees to comply with this Policy and applicable law, or (ii) if you have confirmed that such third party's compliance policies are acceptable, that it agrees to comply with its own anti-bribery policies and applicable law.
- requesting a copy of the third party's compliance policies, training materials, risk assessments and reports, and assessing same with input from the Legal Team.
- assessing the third party's reputation and seeking references and/or retaining third-party firms to conduct more detailed due diligence where appropriate; and
- incorporating appropriate anti-bribery terms and conditions in the commercial agreement with the agent/intermediary, including provisions providing for termination in the event that such agent/intermediary violates the Policy or applicable law.

Kingspan will conduct regular internal audits by the Internal Audit & Compliance Team to ensure compliance and the effectiveness of this Policy and its procedures.

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Training and awareness

We will ensure that our employees are trained to comply with this Policy in accordance with regulatory best practice and (in certain jurisdictions) statutory obligations to prevent bribery and corruption by, among other things, having an adequate training and compliance regime.

Those requiring specific and immediate guidance on this Policy should contact their line manager or a member of the Legal Team.

Reporting and investigation

To report potential breaches of this policy, individuals can use the Confidential Reporting Lines (see details set out below). Concerns can be reported anonymously without fear of intimidation, reprisal or retaliation.

Any report of actual or alleged violations of this Policy will be fully investigated by the Internal Audit & Compliance Team and reported to the Management Board.

Non-Retaliation

Kingspan will not tolerate any form of retaliation against anyone for making a good faith report of a potential violation of this Policy.

Criminal and disciplinary action

The potential consequences of being convicted of a bribery offence include criminal penalties for both the individual and the Company. Individuals can be imprisoned for up to ten years and/or receive an unlimited fine, and companies can receive unlimited fines.

Failure to comply with this Policy may result in disciplinary action, up to and including dismissal, and/or prosecution.

Reporting Any Concerns

Kingspan is committed to achieving an open working environment in which you feel able to report directly to your Manager. However, in rare circumstances when you're not comfortable with that or feel unable to do so you should report your concerns to the Legal Team or through EthicsPoint (Kingspan's anonymous and independently run whistleblower hotline) by following the guidance at www.kingspan.ethicspoint.com

EthicsPoint is a comprehensive, confidential and entirely anonymous reporting tool created by NAVEX Global to assist management and employees work together in addressing fraud, abuse, and other misconduct in the workplace - all while cultivating a positive work environment.

APPENDIX

APPENDIX 1 - Fraud investigation protocols

When information relating to actual or potential fraud is uncovered, each business should be prepared to conduct a comprehensive and objective internal investigation. This investigation aims to gather evidence in support of a credible assessment of the suspected violation, so management can decide on a sound course of action.

Management should in advance of any investigation:

- Conduct a preliminary assessment of the fraud elements in order to prove or disprove the initial allegation or suspicion of fraud;
- Determine which alleged fraud events require immediate notification to the Company Secretary in order to preserve Kingspan's attorney-client and work product privileges.

Once the decision is made to perform an investigation, management should:

- Set up a fraud investigation team (including a fraud investigation leader), which may include Finance, Internal Audit & Compliance, Legal, Human Resources, Information Technology and other specialists from inside or outside the organization.
- Require from the fraud investigation team to:
 - Gather evidence through surveillance, interviews, or written statements. The fraud investigation team may use computer forensic procedures or computer-assisted data analysis;
 - Document and preserve evidence, considering legal rules of evidence, and the business uses of the evidence. Some examples of evidence include: e-mails, letters, memos, other correspondence, computer files, General Ledger postings, financial records, IT or system access records, security and time keeping logs, customer or vendor information such as contracts, invoices and payment information;
 - Determine the extent of the fraud;
 - Determine the techniques used to perpetrate the fraud;
 - Evaluate the cause of the fraud;
 - Identify the perpetrators.

- Obtain from the fraud investigation team a report on the investigation's observations, conclusions, resolution and corrective action (recommendations) to improve control.
- Determine what actions are to be taken once a fraud scheme and perpetrator(s) have been fully investigated and evidence has been reviewed. This may include legal action (either criminal or civil) or disciplinary action. The fraud investigation team should not have any authority to initiate corrective actions.
- Consider the lessons learned from the investigation by asking:
 - How did the fraud occur?
 - What controls failed?
 - What controls were overridden?
 - Why wasn't the fraud detected earlier?
 - How can future frauds be prevented or more easily detected?
 - What controls need strengthening?
 - What additional training is needed?

APPENDIX

APPENDIX 2 - Fraud red flags - Spot the warning signs

On their own, these warning signs may not necessarily point to fraud, but taken together they may indicate an increased risk of fraud. Please remain vigilant!

Recent studies show that the most common behavioural red flags displayed by perpetrators of fraud are living beyond ones means and experiencing financial difficulties.

Other signs to be aware of include:

- High turnover of key accounting and finance personnel;
- Remuneration heavily based on financial performance;
- Low morale;
- Management dominated by one individual with no effective oversight;
- Lack of delegation of everyday tasks;
- Unprofessional or close relationship with suppliers;
- Lack of openness during tender processes;
- Complex transactions that are difficult to explain;
- Unusually high or unexpected sales, returns, credit notes, profits or losses compared to the average branch;
- Evidence of weak control environment in other areas (e.g. health & safety);
- Lack of response to queries from management; and
- Reconciliations not completed and heavy use of suspense accounts.

APPENDIX 3 – Bribery and Corruption red flags – Spot the warning signs

The following is a list of possible “Red Flags” that may arise which may raise concerns under various anti-bribery and anti-corruption laws. The list is not intended to be exhaustive and is for illustrative purposes only.

If you encounter any of these “Red Flags” you must report them promptly to your Manager or to the Compliance Manager, or to the confidential helpline.

- You become aware that a third party engages in, or has been accused of engaging in, improper business practices.
- You learn that a third party has a reputation for paying bribes, or requiring that bribes are paid to them, or has a reputation for having “a special relationship” with foreign government officials.
- A third party insists on receiving a commission or fee payment before committing to sign up to a contract with us, or carrying out a government function or process for us.
- A third party requests payment in cash and/or refuses to sign a formal commission or fee agreement, or to provide an invoice or receipt for a payment made.
- A third party requests that payment is made to a country or a geographical location different from where the third party resides or conducts business.
- A third party requests an unexpected additional fee or commission to “facilitate” a service.
- A third party demands lavish entertainment or gifts before commencing or continuing contractual negotiations or provision of services.
- A third party requests that a payment is made to “overlook” potential legal violations.
- You receive an invoice from a third party that appears to be non-standard or customized.
- A third party insists on the use of side letters or refuses to put agreed terms in writing.
- You notice we have been invoiced for a commission or fee payment that appears large given the services stated to have been provided.
- A third party requests or requires the use of an agent, intermediary, consultant, distributor or supplier that is not typically used or known to us.
- You are offered an unusually generous gift or offered lavish hospitality by a third party.

Contact Details

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