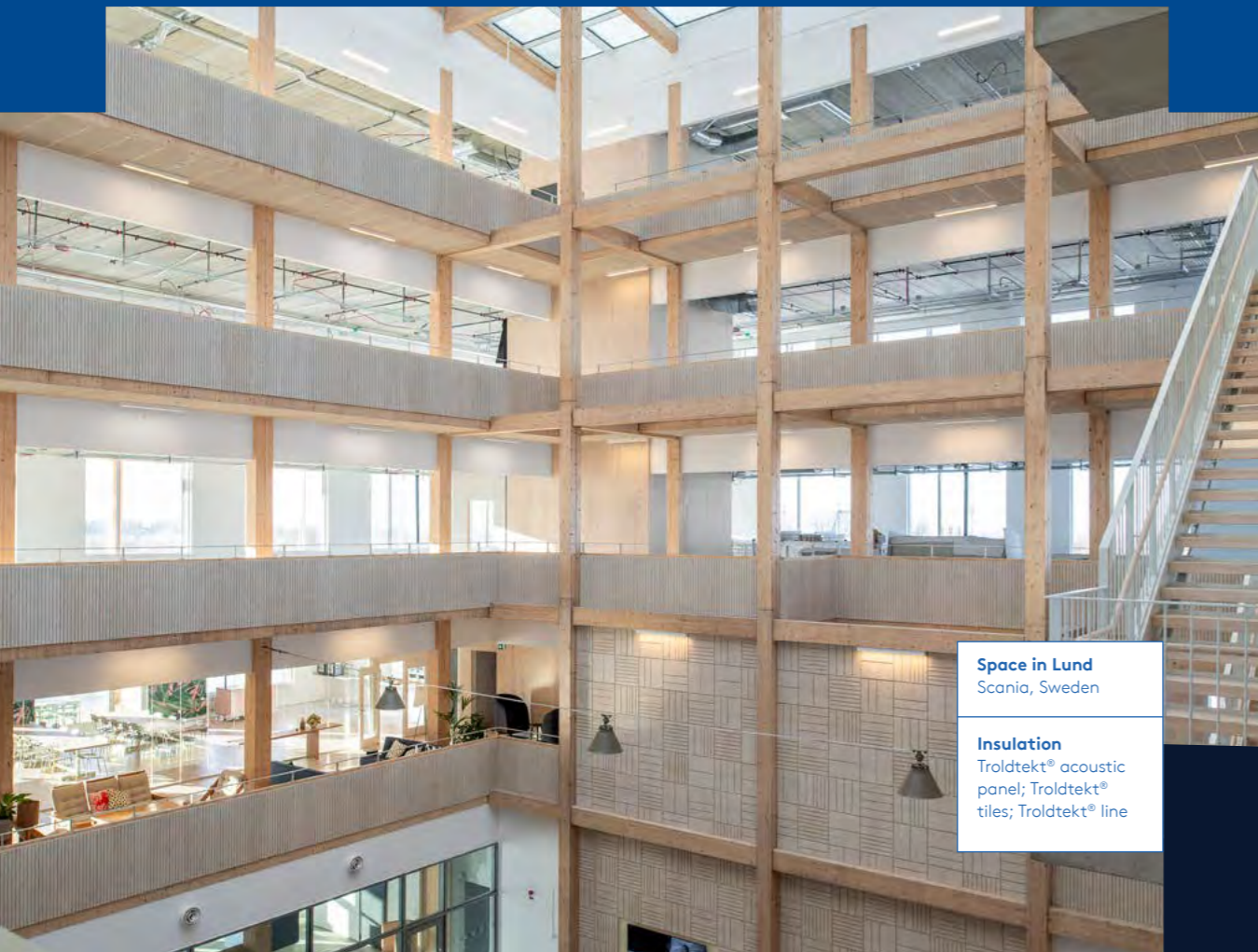


As chairman of the Audit & Compliance Committee, I am pleased to present the report of the committee for the year ended 31 December 2024 to stakeholders and wider society.

This report details how the committee has met its responsibilities under its Terms of Reference, the Irish Companies Act 2014 and under the UK Corporate Governance Code (July 2018) during the last twelve months.



Space in Lund
Scania, Sweden

Insulation
Troldekt® acoustic panel; Troldekt® tiles; Troldekt® line

The Audit & Compliance Committee focused particularly on the appropriateness of the Group's financial statements and product compliance processes. During the year, the committee's Terms of Reference were expanded to include compliance with the Corporate Sustainability Reporting Directive (CSRD) and alignment with European Sustainability Reporting Standards (ESRS).

The committee has satisfied itself, and has advised the Board accordingly, that the 2024 Annual Report and financial statements are fair, balanced and understandable, and provide the information necessary for shareholders to assess the Group's performance, business model and strategy. The significant issues that the committee considered in relation to the financial statements and how these issues were addressed are set out in this report.

The committee has also satisfied itself in relation to the effectiveness of the controls and processes regarding product compliance and monitoring the culture of compliance across the Group.

The committee acknowledges the requirements under section 225 of the Companies Act 2014 and has ensured that the directors are aware of their responsibilities and comply fully with this provision.

One of the committee's key responsibilities is to review the Group's risk management and internal controls systems, including internal financial controls. During the year, the committee carried out a robust assessment of the principal risks facing the Group and monitored the risk management and internal controls system on an ongoing basis. Further details regarding these matters are also set out later in this report.

The committee also reviewed the effectiveness of both the external audit process and the internal audit function as part of the continuous improvement of financial reporting and risk management across the Group. A comprehensive audit tender process was also undertaken during the year which is detailed within this report.

Senan Murphy
Chairman, Audit & Compliance Committee

Role and Responsibilities

The Board has established an Audit & Compliance Committee to monitor the integrity of the Group's financial statements and the effectiveness of the Group's internal financial and IT general controls. Additionally, the committee has responsibility for reviewing the effectiveness of the processes and controls associated with product certification and the marketing of the Group's products.

During the year, the committee's Terms of Reference were expanded to include oversight of the Group's compliance with CSRD and alignment with ESRS. The committee reviews sustainability disclosures, oversees the assurance process, monitors sustainability risk integration, and ensures the Group has the appropriate systems and expertise from a compliance perspective.

The committee's role and responsibilities are set out in the committee's Terms of Reference which are available from the Company and are displayed on the Group's website (www.kingspan.com).

The Terms of Reference are reviewed annually and amended where appropriate. During the year the committee worked with management, the external auditors and Group Internal Audit in fulfilling these responsibilities.

The Audit & Compliance Committee Report deals with the key areas in which the committee plays an active role and has responsibility. These areas are as follows:

1. Financial reporting and related primary areas of judgement;
2. CSRD reporting;
3. The external audit process;
4. The Group's internal audit function and risk management controls;
5. The Group's product compliance and certification function;
6. Compliance with the Group Marketing Integrity Manual; and
7. Governance.

Committee membership

Throughout the financial period, the committee comprised three independent non-executive directors, Senan Murphy (chairman), Anne Heraty and Éimear Moloney. The biographies of each can be found in the Directors' Report.

The Board considers that the committee has an appropriate and experienced blend of commercial, financial and industry expertise to enable it to

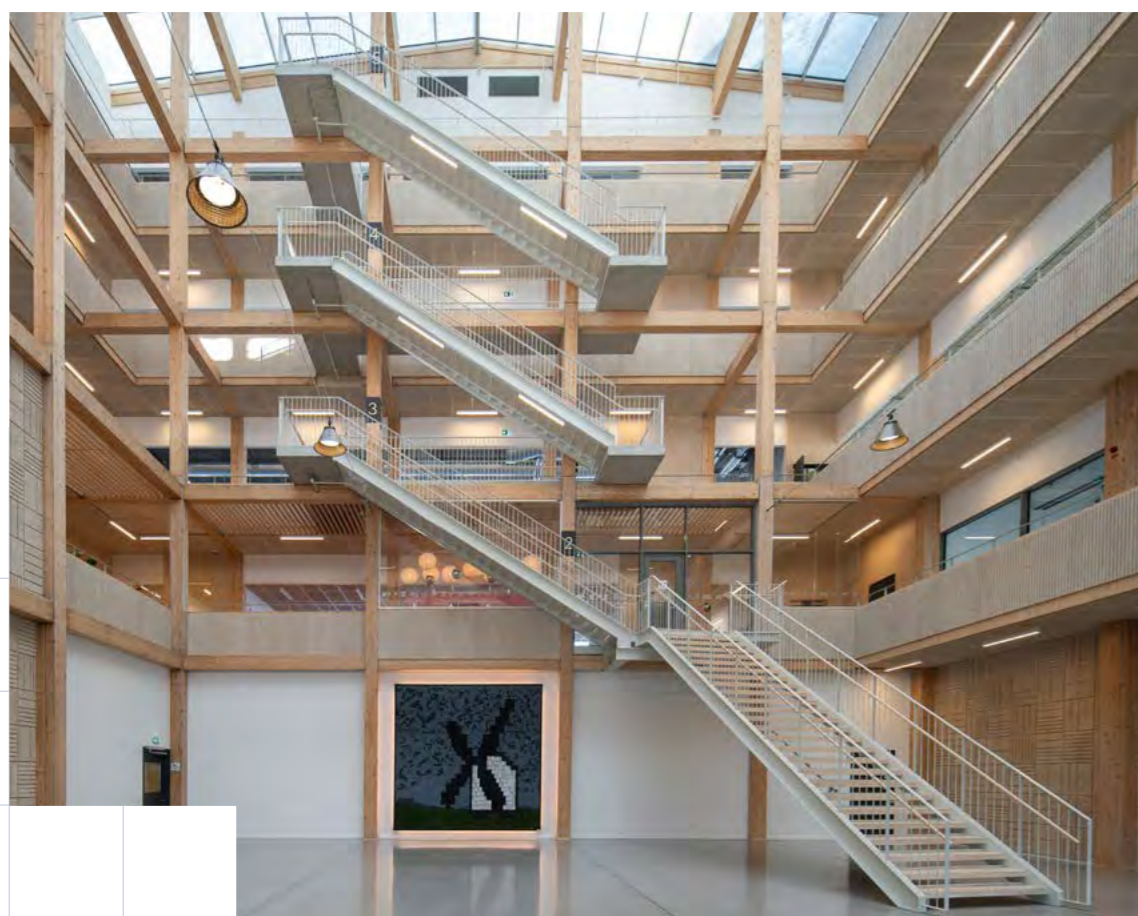
fulfil its duties, and that the committee chairman, Senan Murphy B.Comm., F.C.A., has appropriate, recent and relevant financial experience.

Meetings

The committee met four times during the year ended 31 December 2024. Attendance at the meetings and matters under review at each meeting are noted in the following tables.

Committee Member	Attended	Eligible	Appointment Date
Senan Murphy (chairman)	4	4	2022
Anne Heraty	4	4	2019
Éimear Moloney	4	4	2021

Audit & Compliance Committee activities	FEB	JUN	AUG	NOV
Financial Reporting				
Review and approve preliminary & half-year results	●		●	
Consider key audit and accounting issues and judgements	●	●	●	●
Review correspondence with Irish Auditing and Accounting Supervisory Authority (IAASA)		●	●	●
Approve going concern and viability statements	●		●	
Consider accounting policies and the impact of new accounting standards	●	●	●	●
Review management letter from auditors	●			
Review of any related party matters and intended disclosures	●		●	
Review Annual Report (including ESEF format) and confirm if fair, balanced and understandable	●			
CSRD				
Engagement with statutory auditor regarding limited assurance requirements for CSRD Sustainability Statement and associated planning	●	●	●	●
Update from management on CSRD readiness and establishment of reporting processes	●	●	●	●
External Auditor				
Oversight of statutory auditor tender process (including CSRD Sustainability Statement) and selection of audit firm following final presentations			●	●
Ongoing assessment of auditor performance – including feedback from management	●	●	●	●
Approval of external audit plan and ongoing review	●	●	●	●
Review reports and correspondence from the auditor to the Audit & Compliance Committee	●	●	●	●
Review of digital audit findings and insights	●			
Confirm auditor independence and consider non-audit services and materiality of related fees	●	●	●	●
Review and consideration of audit fees	●	●	●	●



Audit & Compliance Committee activities	FEB	JUN	AUG	NOV
Internal Audit and Risk Management Controls				
Ongoing performance assessment of internal audit team	●	●	●	●
Review of internal audit reports and monitor progress on open actions	●	●	●	●
Approve internal audit plan and resources, taking account of risk management	●	●	●	●
Review of financial and IT general controls	●	●	●	●
Review of internal audit reports for cybersecurity controls	●	●	●	●
Meeting with Group Head of IT for update on the Group's cyber risk management policy and procedures		●		
Review and approve the structure of the internal audit team	●	●	●	●
Review details of global fraud and cyber-attack attempts and managements' response	●	●	●	●
Monitor Group confidential independent hotline procedures and reports	●	●	●	●
Assessment of compliance with Group Global Sanctions policy	●	●	●	●
Review of Group liquidity position	●	●	●	●
Assessment of the principal risks and effectiveness of internal control systems				●
Product Compliance and Certification				
Review and approve internal audit plan for audit of product marketing compliance with Group Marketing Integrity Manual	●	●	●	●
Review of internal audit reports relating to product marketing compliance	●	●	●	●
Review and consider the structure and expertise of the product compliance and certification team	●	●	●	●
Meetings and updates from Group Head of Compliance & Certification and divisional compliance teams		●		●
Discussions with divisional management on product compliance and certification matters as well as site visit		●		
Governance				
Formal evaluation of external and internal audit functions		●		
Review and impact assessment of the 2024 UK Corporate Governance Code	●			
Review and consideration of the consultation on the launch of the Irish Corporate Governance Code		●		
Review and approve Directors' Compliance Statement	●			
Update on Group Treasury Strategy and approve Group Treasury Policy		●		
Update on the new Euronext Dublin Corporate Governance Code				●

Each committee meeting was attended by the Group Chief Financial Officer, the Group Head of Internal Audit & Compliance and the external audit lead partner. The Company Secretary is the secretary of the committee. Other directors and members of the senior management team may attend meetings as required.

The chairman of the committee also met with both the Head of Internal Audit & Compliance and the external audit lead partner outside of committee meetings as required throughout the year.

Committee evaluation

As outlined within the Report of the Nominations & Governance Committee, the performance of the Board also includes a review of the committees. Any recommendations raised in relation to the Audit & Compliance Committee are acted upon in a formal and structured manner. No issues were identified for the year ended 31 December 2024.

Financial reporting

The committee is responsible for monitoring the integrity of the Group's financial statements and reviewing the financial reporting judgements contained therein. The financial statements are prepared by a finance team with the appropriate qualifications, expertise, and experience.

The committee confirmed to the Board that the Annual Report, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Group's position and performance, business model and strategy.

In respect of the year to 31 December 2024, the committee reviewed:

- » the Group's Trading Updates issued in April and November 2024;
- » the Group's Interim Report for the six months to 30 June 2024; and
- » the Preliminary Announcement and Annual Report to 31 December 2024.

In carrying out these reviews, the committee:

- » reviewed the appropriateness of Group accounting policies and monitored changes to, and compliance with, accounting standards on an ongoing basis;

- » discussed with management and the external auditor the critical accounting policies and judgements that had been applied;
- » compared the results with management accounts and budgets and reviewed reconciliations between these and the final results;
- » discussed a report from the external auditor identifying the significant accounting and judgemental issues that arose in the course of the audit;
- » considered the management representation letter, requested by the external auditor for any non-standard issues and monitored action taken by management as a result of any recommendations;
- » discussed with management future accounting developments which are likely to affect the financial statements;
- » reviewed the budgets and strategic plans of the Group to ensure that all forward looking statements made within the Annual Report reflect the actual position of the Group; and
- » considered key areas in which estimates and judgement had been applied in the preparation of the financial statements including, but not limited to, a review of fair values on acquisition, the carrying amount of goodwill, intangible assets and property, plant and equipment, litigation and warranty provisions, recoverability of trade receivables, determination of lease terms, valuation of inventory, measurement of put option liabilities and tax matters.

The primary areas of judgement considered by the committee in relation to the Group's 2024 financial statements, and how they were addressed by the committee are set out overleaf.

In addition, the Group Internal Audit team reviews the businesses covered in its annual internal audit plan, as agreed by the committee, and reports its findings to the committee throughout the year. These internal audit reviews are focused on areas of judgement such as warranty provisions, trade receivables and inventory, and provide the committee with information on the adequacy and appropriateness of provisions in these areas.

Primary areas of judgement	Committee activity
Adequacy of warranty provision	The committee reviewed the judgements applied by management in assessing both specific and risk based warranty provisions at 31 December 2024. The committee reviewed and discussed with management the monthly reports presented to the Board which set out, for each of the Group's divisions, warranty provisions, warranty costs and an analysis of these costs as a percentage of divisional sales. Warranty provisions are reviewed on an ongoing basis throughout the year in conjunction with the internal audit process. The committee was satisfied that such judgements were appropriate, and the risk had been adequately addressed.
Recoverability of trade receivables and adequacy of provision	The committee reviewed the judgements applied by management in determining the provision for expected credit loss at 31 December 2024. The committee reviewed and discussed with management the monthly board report which sets out aged analysis of gross receivable balances and associated provisions for expected credit loss and reviewed security (including credit insurance) that is in place. Expected credit loss provisions are reviewed on an ongoing basis throughout the year in conjunction with the internal audit process. The committee was satisfied that such judgements were appropriate and the risk had been adequately addressed.
Accounting for acquisitions	Total acquisition consideration in 2024 amounted to €977.9m. The committee discussed with management and the external auditors the accounting treatment for newly acquired businesses, and the related judgements made by management, and were satisfied that the treatment in the Group's financial statements was appropriate.
Consideration of impairment of goodwill, intangible assets and property, plant and equipment	<p>The committee considered the annual impairment assessment of goodwill, intangible assets and property, plant and equipment prepared by management for each Cash Generating Unit (CGU) using a discounted cash flow analysis based on the strategic plans approved by the Board, including a sensitivity analysis on key assumptions. The primary judgement areas were the achievability of the long-term business plans and the key macroeconomic and business specific assumptions. In considering the matter, the committee discussed with management the judgements made and the sensitivities performed. Further detail of the methodology is set out in Note 9 to the financial statements.</p> <p>Kingspan completed 19 acquisitions during the financial year. The measurement of goodwill is not yet finalised however, and in accordance with IFRS, the methodology for all acquisitions and assessment of such items of goodwill was presented to the committee and the results were determined appropriate.</p>
Valuation of inventory and adequacy of inventory provision	The committee reviewed the valuation and provisioning for inventory at 31 December 2024. The main area of judgement was the level of provisioning required for slow moving and obsolete inventory. The committee reviewed and discussed with management the monthly board report which sets out, for each of the Group's divisions, gross inventory balances and associated obsolescence provision including an analysis by inventory, category and ageing. Inventory provisions are reviewed on an ongoing basis throughout the year in conjunction with the internal audit process. The committee was satisfied that such judgements were appropriate and the risk had been adequately addressed.
Taxation	Provisioning for potential current tax liabilities and the level of deferred tax asset recognition in relation to accumulated tax losses are underpinned by a range of judgements. The committee addresses these issues through a range of reporting streams from senior management and a process of challenging the appropriateness of management's views including the degree to which these are supported by professional advice from external legal and other advisory firms. This assessment was conducted in line with the provisions of IFRIC 23. The Group's Accounting Manual sets out detailed policies that prescribe the methodology to be used by management in calculating such provisions. Each division formally confirms compliance with these policies on an annual basis. The committee was satisfied that such judgements were appropriate, and the risk had been adequately addressed.

CSR

As part of the committee's ongoing responsibilities to oversee financial and non-financial reporting, the committee's Terms of Reference were expanded during the year to include compliance with CSRD. CSRD introduces a comprehensive framework for sustainability reporting, requiring companies to disclose detailed information about their environmental, social, and governance (ESG) performance in accordance with the ESRS standards and its alignment with the EU's sustainability objectives.

During the year, the committee, in collaboration with Group management, undertook significant work to prepare the Group for its first time CSRD reporting. The committee oversaw the development and implementation of processes to ensure ESRS compliance and enhance the quality of the Group's sustainability disclosures. Key activities during the year include:

- » Expanding the committee's Terms of Reference to include responsibility for overseeing CSRD reporting and compliance;
- » Appointment of EY as the approved Sustainability Assurance Service Provider (SASP) to provide limited assurance on the Group's CSRD reporting;

- » Regularly reviewing updates from management and EY on the Group's CSRD readiness;
- » Oversight of the Double Materiality Assessment (DMA) process to identify the key sustainability issues relevant to the Group and its stakeholders and ensuring alignment with ESRS requirements;
- » Monitoring the establishment of systems and controls for collating, validating, and reporting sustainability data;
- » Ensuring that sustainability reporting processes are integrated into the Group's existing governance and risk management frameworks;
- » Overseeing the assurance process, conducted by EY as SASP, for CSRD-related disclosures; and
- » Review and approve the Group's CSRD Sustainability Statement, ensuring compliance with CSRD and ESRS requirements.

The committee is satisfied that the Group has made significant progress in its CSRD readiness and will continue to oversee the integration of sustainability reporting into the Group's broader strategic and operational framework.



Kannerhaus
Beidweiler,
Luxembourg

**Roofing +
Waterproofing**
EVALASTIC®
waterproofing
membrane;
Aluminium profiles

External auditor

The committee has responsibility for overseeing the Group's relationship with the external auditor including reviewing the audit team, the quality and effectiveness of their performance, their external audit plan and process, their independence from the Group, their appointment and their audit fee proposals.

Performance and audit plan

Following the completion of the 2023 year end audit, the committee carried out a review of the effectiveness of the external auditor and the audit process. This review involved discussions with both Group management and internal audit, in addition to feedback provided by divisional management. The committee continues to monitor the performance, independence and objectivity of the external auditors and takes this into consideration when making its recommendations to the Board on the remuneration, the terms of engagement and the re-appointment, or otherwise, of the external auditors.

Prior to commencement of the 2024 year end audit, the committee approved the external auditor's work plan and resources and agreed with the auditor's key areas of focus, including accounting for acquisitions, warranty provisions and revenue recognition.

During the year, the committee met with the external auditor without management being present. This meeting provided the opportunity for direct dialogue and feedback between the committee and the auditor, where they discussed inter alia some of the key audit management letter points.

EU audit reform

The regulatory framework for the Group's statutory audit is governed by EU legislation under Directive 2014/56/EU and Regulation EU No. 537/2014. EU Audit reform legislation is applicable in the Member States of the European Union, including Ireland. Under this legislation, Kingspan Group plc is considered a Public Interest Entity (PIE). Key developments falling from the implementation of this legislation are:

- » a requirement that the PIE changes its statutory auditor every ten years (following rotation, the statutory audit firm cannot be reappointed for four years);
- » a requirement that certain procedures are followed for the selection of the new statutory auditor; and
- » restrictions on the entitlement of the statutory auditing firm to provide certain non-audit services.

During the year, the Committee conducted a comprehensive statutory audit tender process. This decision was influenced by the expanded reporting obligations under CSRD, for which the Group auditor also provides limited assurance. It also enabled the committee to evaluate the cost competitiveness of the incumbent auditor amid recent cost inflation in professional services markets globally.

All invited firms participated, and they were assessed on criteria including team capabilities, experience in auditing large multinational companies, industry expertise, onboarding acquisitions, transition strategy, and value for money. Following the evaluation, EY was deemed to offer the best audit proposition and will therefore continue as the Group's auditor. Under EU legislation, EY is permitted to continue as the Group's statutory auditor until the financial year ended 31 December 2029.

Independence and objectivity

The committee is responsible for ensuring that the external auditor is objective and independent. EY was appointed as the Group's auditor on 1 May 2020, following a formal tender process in which several leading global firms submitted written tenders and delivered in-person presentations.

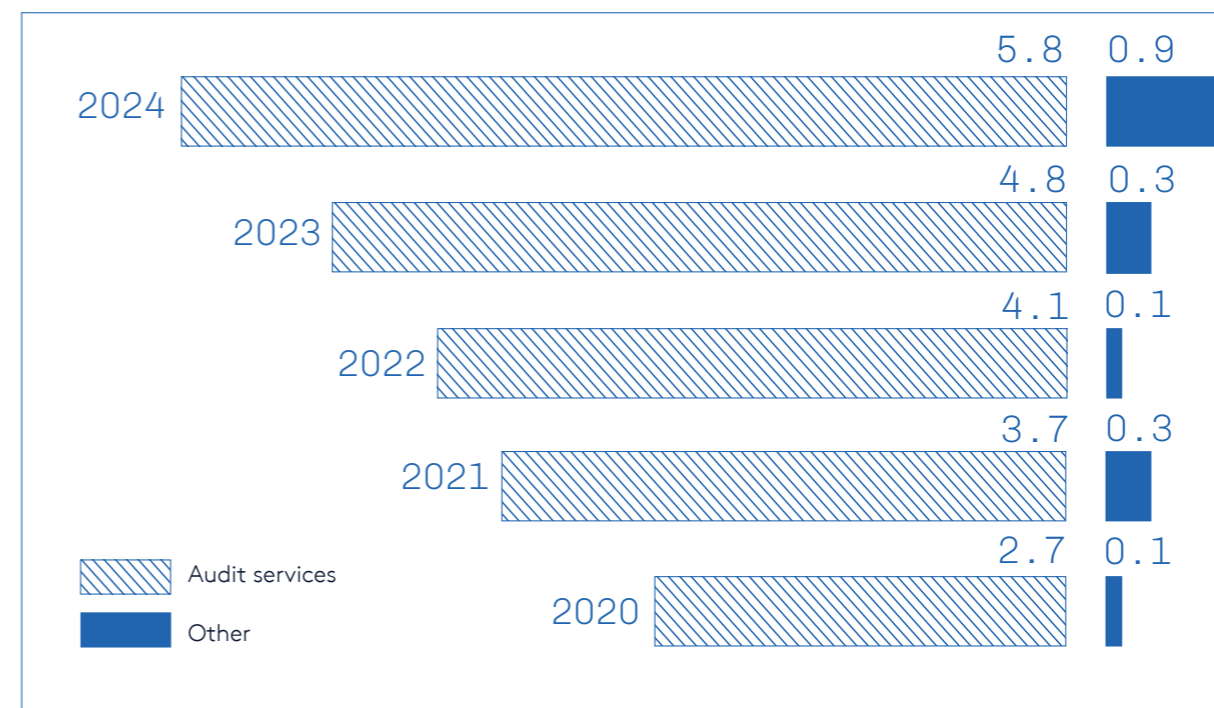
The committee received confirmation from the external auditor that they are independent of the Group under the requirements of the IAASA Ethical Standard for Auditors (Ireland) 2020. The external auditor also confirmed that they were not aware of any relationships between the Group and the firm or between the firm and any persons in financial reporting oversight roles in the Group that may affect its independence.

Non-audit services

To further ensure independence, the committee has a policy on the provision of non-audit services by the external auditor that seeks to ensure that the services provided by the external auditor are not, or are not perceived to be, in conflict with auditor independence. The committee ensured that the independence of the external audit was not compromised by obtaining an account of all relationships between the external auditor and the Group, by reviewing the economic importance of the Group to the external auditor and by monitoring the audit fees as a percentage of total income generated from the relationship with the Group. The committee's policy on the provision of non-audit services by the Group's external auditor is fully compliant with EU audit reform legislation.

An analysis of fees paid to the external auditor, including the non-audit fees, is set out in Note 5 and below:

AUDIT V OTHER ASSURANCE & NON-AUDIT SERVICES (€M)



Internal audit and compliance

The committee reviewed and agreed the annual internal audit plan. The internal audit plan is risk based, with all divisions audited every year, and all new businesses audited within 12 months of acquisition.

The committee reviewed reports from the Group Head of Internal Audit & Compliance at its quarterly meetings. These reports enable the committee to monitor the progress of the internal audit plan, to discuss key findings and the plan to address them, and to obtain status updates of previous key findings.

The committee is responsible for reviewing the effectiveness of the internal audit function and does so based upon discussion with Group management, the Group's external auditor and feedback provided by divisional management. The committee was satisfied that the internal audit function is working effectively, improves risk management throughout the Group and that the internal audit team is sufficiently resourced in addition to having the adequate level of experience and expertise.

The terms of reference of the committee include oversight of the processes around product certification and product marketing. During the year, the Group Head of Product Compliance and Certification retired, and his role was assumed by the Group Head of Internal Audit & Compliance.

Risk management and internal controls

The committee has been delegated, by the Board, the responsibility for monitoring the effectiveness of the Group's system of risk management and internal control. As part of both the year end audit and the half year review process, the committee monitors the Group's risk management and internal control processes through detailed discussions with management and executive directors, the review and approval of the internal and external audit reports, all of which highlight the greatest areas of risk and control weakness in the Group. All weaknesses identified by either internal or external audits are discussed by the committee with Group management and an implementation plan for the targeted improvements to these systems is put in place. The implementation plan is overseen by the Group Chief Financial Officer and the committee is satisfied that this plan is being properly executed.

As part of its standing schedule of business, the committee carried out an annual risk assessment of the business to formally identify the key risks facing the Group. Full details of this risk assessment and the key risks identified are set out in the Risks & Risk Management section of this Annual Report.

These processes, which are used by the committee to monitor the effectiveness of the Group's system of risk management and internal control, are in place throughout the accounting period and remain in place up to the date of approval of this Annual Report.

The main features of the Group's internal control and risk management systems that specifically relate to the Group's financial reporting and accounts consolidation process are set out in the Report of the Directors.

Product compliance framework

The committee has responsibility for reviewing the effectiveness of the processes and controls associated with product compliance and monitoring the culture of compliance across the Group.

The Group product compliance framework can be split into two categories:

1. Compliance of products with product specific laws and regulations, testing, certification and accreditation; and
2. The accuracy and consistency of product marketing materials.

The Group Product Compliance & Certification team, led by the Group Head of Internal Audit & Compliance, is independent of divisional management and performs the following functions:

- » Supports compliance governance across the Group in implementing policies, processes and procedures to ensure continued improvement in management systems. This includes ownership of the Group Product Compliance Policy;
- » Performs extensive audits of processes and controls associated with product compliance and the monitoring of compliance across the Group; and
- » Leads the design and roll-out of the Group Compliance Management System (CMS) which has achieved the international ISO 37301 standard.

The committee meet with the Group Head of Internal Audit & Compliance for updates on the Group's compliance and certification agenda. This includes updates on the product compliance audit schedule and the results of completed audits as well as reviewing the Group Compliance Auditing Guidelines. The Audit & Compliance Committee visit sites with the Group Product Compliance & Certification team to better understand the product compliance culture at an operational level.

The committee also meet regularly with the Group Head of Internal Audit & Compliance in relation to product marketing compliance matters. Following the adoption of the Group Marketing Integrity Manual in September 2021, the Group Internal Audit Plan includes specific audits, performed by appropriately trained internal auditors, of product marketing compliance with the Group Marketing Integrity Manual.

The committee noted the following product compliance highlights in 2024:

- » An additional 26 sites have been accredited with the leading international compliance standard, ISO 37301. This now brings the total number of sites with this accreditation to 85 with a plan to have 105 sites certified to this standard by the end of 2025.
- » Updated Group Compliance Auditing Guidelines issued.
- » 123 internal product compliance audits were conducted by the Group Product Compliance and Certification team.
- » 490 external product compliance audits were conducted by independent certification bodies.
- » 29 business unit marketing audits were performed by the Group Internal Audit & Compliance team.
- » ISO 37301 education and training systems delivered.
- » Incorporation of newly acquired businesses into the Compliance Management System (CMS).
- » Recruitment of additional compliance experts for Group Internal Audit & Compliance team.
- » Divisional Compliance Managers reporting to Group Compliance & Certification team monthly.
- » Product compliance registers maintained across all divisions.

Anonymous misconduct reporting procedures

The Group has a Code of Conduct, full details of which are available on the Group's website (www.kingspan.com).

Based on the standards set out in this Code of Conduct, the Group employs a comprehensive, confidential and independent phone service to allow all employees to raise their concerns about their working environment and business practices. This service then allows management and employees to work together to address any instances of fraud or other misconduct in the workplace.

Any instances of fraud or misconduct reported on the independent phone service are reported

to the Head of Internal Audit & Compliance and the Company Secretary who ensure each incident is appropriately investigated and details of the incident reported to the committee including: key control failures, any financial loss and actions for improvement. All reports through the independent reporting line and all fraud attempts are presented at each committee meeting.

During the year, the committee reviewed the Group's anonymous misconduct reporting process and were satisfied with the design and operating effectiveness of the process.



Linara GmbH
Kaufbeuren,
Germany

Insulated Panels
Karrier BK panel