

BUSINESS & STRATEGIC REPORT

In this, my first Chairman's Statement to you the Kingspan shareholders, I am pleased to report on an exceptional performance despite what transpired to be a very challenging year.

Chairman's Statement

Jost Massenberg

2021 performance

Total revenue of €6.5bn (2020: €4.6bn) delivered record trading profits of €755m (2020: €508m), an increase of 49% on prior year. This was achieved in a year when we experienced supply chain disruptions, unprecedented raw material inflation and of course the on-going global pandemic.

We also continued to deliver on our four strategic pillars: Innovation, Planet Passionate, Completing the Envelope, and Global. Kingspan differentiates itself from its peers by continuous innovation, particularly in new sustainable technologies such as our new energy saving solar PV PowerPanel™ due to be launched later this year, and the incorporation of upcycled and organic materials in our high-performance insulation. We have also continued to progress our global footprint through acquisitions in Europe including the Logstor Group in Denmark and TeraSteel in Romania, and in the Americas

including Bromyros in Uruguay and Diversifoam Products and Solatube International in the US. We are also delighted to be publishing shortly our second annual Planet Passionate Sustainability Report, which will detail all the progress made to date against our ambitious science-based targets to reduce our carbon and energy footprint, improve circularity and increase rainwater harvesting in our business.

Dividend

The Board is pleased to recommend a final dividend of 26.0 cent per share, which if approved at the Annual General Meeting, will give a total dividend for the year of 45.9 cent, compared to 20.6 cent in 2020. This is in line with the Company's previously announced shareholder returns policy. If approved, the final dividend will be paid (subject to Irish withholding tax rules) on 6 May 2022 to shareholders on the register at close of business on 25 March 2022.

Caledon
Industrial Park
Ontario, Canada
Insulated Panels
KS ShadowLine



Management and employees

This performance is thanks to the hard work and dedication of the Kingspan Team of over 19,000 employees globally. On behalf of the Board, I want to thank management and all the employees for their contribution to Kingspan's success in 2021. I hope to have the opportunity to meet with some of the local teams in person and hear their plans for the future, as the Board once again resumes visits to Kingspan sites later this year.

Board governance and focus

It is appropriate that in this, my first report as Chairman of Kingspan, I set out the Board's key areas of focus:

- The Board will continue to support management to develop and implement the Company's strategy and deliver long-term value to shareholders, in line with our mission to accelerate a net zero emissions future built environment with the wellbeing of people and planet at its heart.
- The Board is committed to high standards of corporate governance which reflects our core values of honesty, integrity and compliance in everything we do, and I was pleased to virtually meet with some of our top shareholders during the year to discuss Board governance matters with them. Full details of how we have aligned this commitment with the principles of the UK Corporate Governance Code are set out in the Directors' Report of this Annual Report.
- The Nominations & Governance Committee continues to ensure the effectiveness of the Board through an appropriate balance of skillsets and backgrounds to reflect Kingspan's global business and culture.
- The Report of the Remuneration Committee details how the Company's remuneration policy aligns pay for performance with the delivery of the Group strategy, and how the remuneration

policy has evolved in response to shareholder feedback and changes in scale of the business.

- The Board, through the Audit & Compliance Committee, carefully monitors and manages compliance and risk across our business. The expansion of the Audit & Compliance Committee's remit to include product certification and compliance was an important step introduced last year, and progress against this and how it was implemented is set out in that committee's report on pages 96 to 103 of this Annual Report.
- We are committed to fully implementing the recommendations of the Eversheds Sutherland's review. A summary of how these have been implemented to date is included in the Report of the Nominations & Governance Committee with further details on our website at inquiry.kingspan.com.

Board changes

At last year's Annual General Meeting, the Company's founder and my predecessor as Chairman, Eugene Murtagh, retired as a non-executive director after 55-years with Kingspan. During that time, Kingspan grew to become the global leader that it is today based on the entrepreneurial culture that he set from the top. He leaves a tremendous legacy and a Kingspan spirit that we are all proud to be a part of. On behalf of myself and the Board, I would like to pay thanks to Eugene and look forward to his staying in contact with the Company as President Emeritus. At the same time, Bruce McLennan also retired from the Board after six years and I would like to thank Bruce for his contribution to Kingspan during that period.

As part of the continuing process of refreshing the Board, we were pleased to announce the appointments of Éimear Maloney and Paul Murtagh as non-executive directors last April. Éimear has extensive knowledge and

experience of capital markets and manufacturing compliance, and Paul of US markets and entrepreneurial value creation. We were delighted to welcome them both to the Board.

Looking ahead

Whilst recognising that challenges remain in the near-term, I am excited about the opportunities that lie ahead, and I'm confident that management are focused on progressing Kingspan's proven strategy of Innovation, Planet Passionate, Completing the Envelope, and Global to deliver long-term sustainable success for the benefit of our stakeholders.

Jost Massenberg
Chairman

22 February 2022



Our Business Model and Strategy

Our mission is to accelerate a zero emissions future built environment with people and planet at its heart.

We believe buildings of the future should:

Conserve energy and reduce carbon emissions

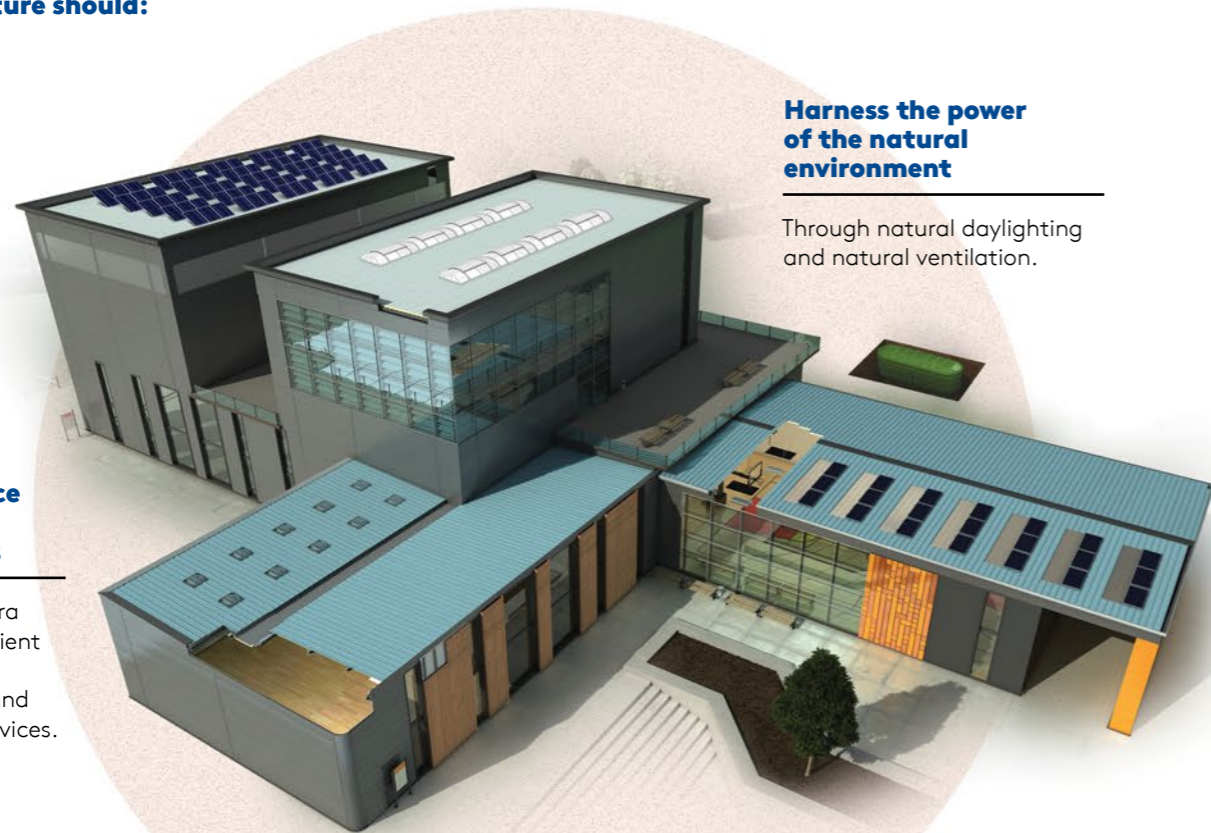
Through ultra energy efficient building envelopes and building services.

Harness the power of the natural environment

Through natural daylighting and natural ventilation.

Generate their own renewable resources

Through solar energy, rainwater harvesting and wastewater treatment.



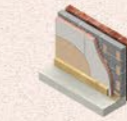
Our Solutions

Conserve energy and reduce carbon emissions



Insulated Panels

Kingspan Insulated Panels is the world's largest and leading manufacturer of high-performance insulated panel building envelopes. Powered by Kingspan's proprietary and differentiated insulation core technologies, a Kingspan panelised envelope provides building owners with consistently superior build quality and lifetime thermal performance compared with built-up constructions using traditional insulation.



Insulation Boards

Kingspan is a world leader in rigid insulation board. Our advanced insulation technologies deliver superior thermal performance and air-tightness when compared with traditional insulation, resulting in thinner solutions that offer multiple advantages including more internal floorspace and daylight.



Technical Insulation

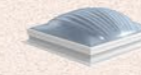
The operation of buildings accounts for 28% of carbon emissions globally. While space heating is the largest consumer of energy in buildings, heating water and space cooling are also key energy consumers. Cooling is the fastest growing use of energy in buildings. Kingspan has innovative, ultra-performance products in both piping insulation and ducting insulation. In 2021 we extended our exposure in industrial insulation to pre-insulated pipes which service the district heating segment. Industrial insulation is a segment which contains significant opportunity for Kingspan to expand in the future.



Data & Flooring

Kingspan is the world's largest supplier of raised access flooring and data centre airflow management systems. Raised access flooring is the most cost effective way of creating a flexible working environment by utilising the floor void to manage the distribution of M&E services and HVAC systems. Our systems have many benefits including optimising overall building height, achieving faster construction with greater design flexibility, enabling easier reconfiguration of a workspace, and improving indoor air quality.

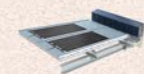
Harness the power of the natural environment



Light & Air

Kingspan Light & Air is established as a global leader providing a full suite of daylighting solutions, as well as natural ventilation and smoke management solutions, which complement our existing building envelope technologies. Thermal comfort, indoor air quality and natural daylighting are widely recognised as the most important factors affecting occupant wellbeing in buildings.

Generate their own renewable resources



PowerPanel™

PowerPanel™ is part of our Insulated Panels division. It is an engineering innovation from Kingspan which has integrated our QuadCore™ insulated panel with solar technology, enabling a single fix installation of high-performance insulated panel with solar power generation.



Water & Energy

Sustainable water management is rapidly becoming one of the greatest challenges of our time. We manufacture and support pioneering new technologies to preserve and protect water. Kingspan is also a market leading manufacturer of innovative energy management solutions.

Our Strategic Pillars

Our business model and our strategic pillars enable the ongoing conversion to ultra-performance building envelopes from outdated, inefficient, methods of construction.

Chefs Culinar
Wiskitki, Poland
Insulated Panels
Insulated Matrix System



INNOVATION

Kingspan's innovation agenda is driven across four key themes - performance, solutions, sustainability, and digitalisation.

We have a persistent focus on iterative performance improvements in our current portfolio including characteristics relating to thermal, structural, sustainability, fire and smoke. We innovate solutions to enable architects and building designers to create sustainable buildings, such as our integrated insulated panel with solar-PV, PowerPanel™. Digitalisation - by progressively surfacing our products digitally, we are making it easier to find them, specify them, buy them and track them.



PLANET PASSIONATE

Our Planet Passionate agenda is inextricably linked with innovation. Planet Passionate is Kingspan's 10-year sustainability programme which aims to impact three big global issues – climate change, circularity and protection of our natural world.

By setting ourselves challenging targets in the areas of carbon, energy, circularity and water, we aim to make significant advances in both our business operations and our products.



COMPLETING THE ENVELOPE

Our strategy of 'completing the envelope' aims to take our innovation and sustainability DNA and apply them to a wider portfolio of products which are complementary to our current offering.

Our solutions driven approach deepens our relationships with our customers and extends the opportunities to make buildings better for the future.



GLOBAL

Kingspan is a truly global business, operating in over 70 countries with 198 manufacturing sites across the globe.

We aim to continue expanding globally to bring ultra-performance building envelope solutions to markets which are at an earlier stage in their evolution to sustainable and efficient methods of construction.

STRATEGIC HIGHLIGHTS 2021

Innovation



PowerPanel™
PowerPanel™ is a fully integrated, factory manufactured, insulated panel with solar PV. In 2021 we installed PowerPanel™ on its first pilot project which will generate c.380 MWh of electricity annually.



Next Generation Performance



Next generations of key products continue to progress. QuadCore™ 2.0 is progressing and in a coldstore application the product reached a 120 minute fire rating, which can match or exceed synthetic mineral fibre performance.



Natural Materials



We continue to evolve the use of advanced materials and significant progress has been made on entering the 'natural' insulation market.

Planet Passionate



Planet Passionate Report
In April we published our inaugural Planet Passionate Sustainability Report, including detailed insights to our sustainability approach and the significant steps underway to help us achieve our goals.



Science Based Targets

In June, our Scope 1, 2 and 3 emissions reduction targets were approved by the Science Based Targets initiative as aligned with a 1.5°C pathway.



Low Carbon Panels



Working with our suppliers, the team at IKON has developed a low carbon panel. Initial tests show a carbon reduction of up to 25%. Initiatives like this and our founding investment in H2 Green Steel will continue to put us at the vanguard of high-performance, lower embodied carbon materials.

Expansion



Industrial Insulation
During 2021 we announced the acquisition of the Logstor Group, a leading global supplier of pre-insulated pipe systems, with a focus of improving energy efficiency, particularly to the district heating market.



Light & Air



2021 saw the opening of our centre of excellence for polycarbonate solutions in Kingscourt. The facility has the capacity to manufacture daylighting products which can create 9 billion lumens of natural light.



Global



Organically we commissioned 5 new facilities in 2021 and we significantly increased our planned new facilities. Inorganically we continued to expand our global reach such as our ongoing expansion in insulation board in North America which has a significant long-term conversion opportunity.

Our Strategic Goals

Our strategic goals are aligned with our mission to accelerate a zero emissions future built environment with people and planet at its heart.

To advance materials, building systems and digital technologies to address issues such as climate change, circularity and the protection of our natural world.





To be the world's leading provider of low energy, sustainably produced, building envelopes – Insulate and Generate.



To expand globally, bringing high-performance building envelope solutions to markets which are at an earlier stage in the evolution of sustainable and efficient building methods.



-  Innovation
-  Global
-  Planet Passionate
-  Completing the Envelope

Handball Alley
Croke Park
Dublin, Ireland
Insulated Panels
QuadCore™ Karrier
and Dri-Design

Read more about our strategic pillars on page 26

Our Values

Our values have always been the foundation of our strategy and are fundamental to how we do business and interact with each other.

OUR BELIEF

Historically, construction has taken from nature with little consideration given to the finite resources available. Buildings were constructed without contemplating how they might impact future generations. We believe the buildings of the future need to deliver more than ever before. They must combat climate change by maximising energy efficiency through superior thermal performance while incorporating products that are lower in embodied carbon across their entire lifecycle. Using less energy is not enough; buildings should generate their own energy too. Buildings should be healthy and inspirational, optimising the benefits of daylight and fresh, clean air. They should be designed, constructed and operated to protect natural resources and conserve water as much as possible. Above all they must be safe, protecting people and property from fire and other natural hazards.

OUR CULTURE AND VALUES

Kingspan has grown from a family business and many of the values associated with family businesses form the backbone of our culture today. The business has been built on trust in the integrity of our people and of our offering. We value this trust and recognise it as being fundamental to our ongoing success. We are entrepreneurial, collaborative, honest, and we stand behind a common cause – better buildings for a better world.

We are innovative. We are the market leader in the field of high-performance building envelope solutions, which ensure lifetime carbon and resource savings. We have gained this position through a creative and solutions driven mindset, which continues to inform our innovation agenda today.

We think long-term. The strategy of the business is driven by long-term ambitions and not by quarterly performance. The success of this strategy can be seen in our long-term growth. This ethos is apparent in our multi-year commitments such as our 10-year Planet Passionate programme which will drive real, positive, impact for the environment and forms a common goal across the business globally.

CODE OF CONDUCT

Kingspan expects the highest standards of integrity, honesty and compliance with the law from our employees, our directors and our partners globally. We actively encourage our employees to speak out if they experience instances that are not in keeping with the principles outlined in our Code of Conduct.

Through 2021 our employees, globally, underwent training on our updated Code of Conduct. Our business success is inextricably linked to our behaviours, and our aspiration is to maintain a culture where our everyday actions are built on five core principles:

- Clear, ethical and honest behaviours and communications;
- Compliance with the law;
- Respect for the safety and wellbeing of colleagues;
- Protection of our Group assets;
- Upholding our commitment to a more sustainable future.

Please see further detail at: <https://www.kingspan.com/group/commitments/people-and-community/our-code-of-conduct>

2021 in a Nutshell

REVENUE

€6.5bn +42%
2020: €4.6bn

HOW WE CREATE VALUE

- > Product innovation and differentiation
- > Excellent customer service
- > Energy efficient sustainable building envelope solutions
- > We operate our businesses to the highest standards
- > We acquire excellent businesses
- > We recycle capital to optimise returns
- > We maintain financial discipline
- > We balance our portfolio of businesses across product and geography
- > We drive sustainable practices in our operations through our Planet Passionate initiatives

DRV PNK Stadium
Fort Lauderdale, USA
Insulated Panels
Designwall 4000 with QuadCore™

TRADING PROFIT¹

€754.8m +49%
2020: €508.2m

HOW WE OPERATE

198
Global manufacturing facilities

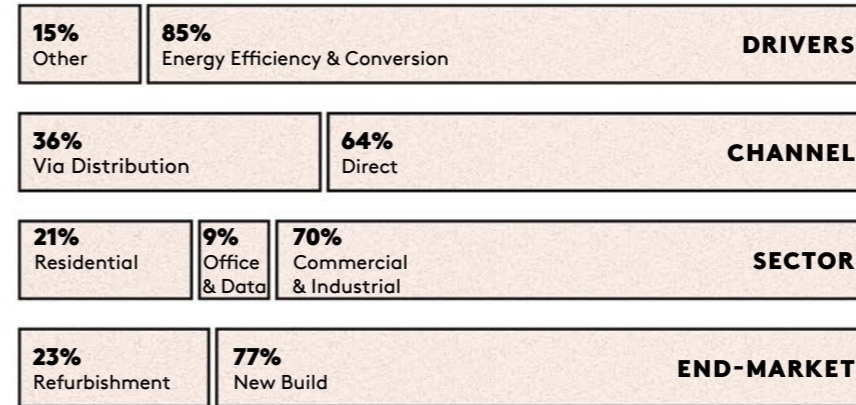
19,000+
Employees

- > Management controls
- > Quality systems
- > Responsible supply chain partnerships

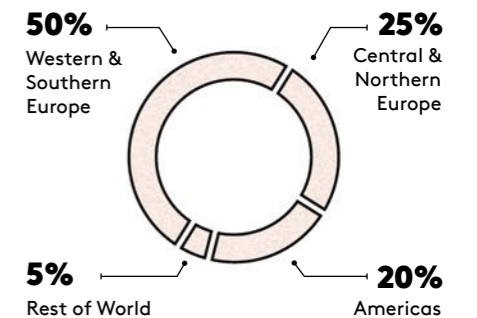
APPLICATIONS

- > Retail
- > Distribution
- > Leisure
- > Accommodation
- > Food
- > Manufacturing
- > Data Management
- > Infrastructure

1 Operating profit before amortisation of intangibles
2 Earnings before finance costs, income taxes, depreciation and amortisation. Prior period comparative has been re-presented to reflect this revised definition.



GEOGRAPHY



VALUE CREATED

EBITDA²
€893.2m +42%
2020: €630.2m

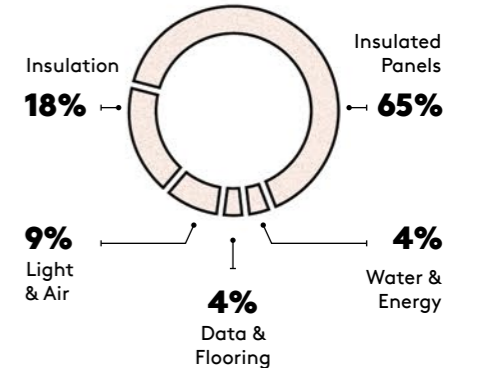
Total Shareholder Return
83.9%
2020: 5.4%

EPS
305.6c +48%
2020: 206.2c

ROCE
19.5%
2020: 18.4%

Dividend
45.9c +123%
2020: 20.6c

PRODUCTS



BUSINESS & STRATEGIC REPORT

Chief Executive's Review

Gene M. Murtagh

2021 was a year marked by extraordinary volatility in supply chains and wider society. Whilst this dynamic created significant challenges to our business, and indeed our industry, underlying demand remained strong through the year, albeit somewhat weaker in quarter four.

OPERATIONAL SUMMARY

- Unprecedented raw material inflation with strong price recovery effort.
- Strong underlying volume growth of 13% and 11% in Insulated Panels and Insulation respectively.
- Insulated Panels sales increase of 45% driven by strong momentum generally in construction activity, raw material led price growth further enhanced by strong demand in high growth sectors. Year end order backlog volume 28% ahead of the same point in 2020. 66% growth in sales value of QuadCore™.
- Insulation sales increase of 50% reflecting strong demand in key markets and inflation recovery on pricing. Strong development activity during the year including acquisition of Logstor, a leading global supplier of technical insulation solutions.
- Light & Air sales growth of 24% reflecting the acquisition of Colt Group in Q2 2020 and the acquisition of Skydôme in 2021. Strong backlog at year end.
- Water & Energy sales increase of 29% reflecting a strong performance across all key markets, with the exception of Australasia.
- Data & Flooring sales growth of 21% reflecting strong data centre activity and ongoing development of the European operations.
- Invested a total of €714m in acquisitions, capex and financial investments during the period.
- Since period end, approximately €800m committed on three transactions subject to customary approvals.

Business Review

2021 was a year marked by extraordinary volatility in supply chains and wider society. Whilst this dynamic created significant challenges to our business, and indeed our industry, underlying demand remained strong through the year, albeit somewhat weaker in quarter four. Our key raw materials also saw dramatic price inflation, and in all, in the region of €700m of cost increases were required to be passed through to market. The result of all of this was a record performance by the Group with revenue growing by 42% to €6.5bn, and trading profit growth of 49% to €755m. Basic EPS grew by 48%.

Activity was strong across most of our markets in both residential and industrial construction, newbuild and

RMI. Order intake trends displayed in the first half eased off over the course of the second half. That said, the Insulated Panels global order backlog finished the year ahead by 28% in volume. North and South America, France and Britain were particular stand-out positives. The Group's growing presence in the tech, online distribution and automotive segments was instrumental in delivering this performance.

The demand for significantly more efficient materials and methods of construction is clearly gaining much needed momentum and, with the prevailing energy cost and supply threats around the world, it is likely that the drive toward conservation will be accelerated.

FINANCIAL HIGHLIGHTS

42% ↑
 Revenue to €6.5bn (pre-currency, up 42%)

49% ↑
 Trading profit⁴ up 49% to €755m (pre-currency, up 49%)

50bps ↑
 Group trading margin³ of 11.6% (2020: 11.1%), an increase of 50bps





48% ↑
 Basic EPS up 48% to 305.6 cent (2020: 206.2 cent)

26.0c
 Final dividend per share of 26.0 cent (2020: 20.6 cent)

0.88x
 Year end net debt¹ of €756.1m (2020: €236.2m). Net debt to EBITDA² of 0.88x (2020: 0.40x)

19.5%
 ROCE of 19.5% (2020: 18.4%)

- 1 Net Debt pre-IFRS 16
- 2 Net debt to EBITDA is pre-IFRS 16 per banking covenants
- 3 Trading profit divided by total revenue
- 4 Operating profit before amortisation of intangibles

PLANET PASSIONATE TARGETS		Target Year	2020	2021**	Change	2022 (forecast)
 CARBON	- Net Zero Carbon Manufacturing - scope 1 & 2 ¹ GHG emissions (tCO ₂ e)	2030	312,640*	299,077	-4.3%	287,000
	- 50% reduction in product CO ₂ e intensity from primary supply chain partners (%)	2030	0	0	-	0
	- Zero emission company cars (annual replacement %)	2025	11	29	164%	30
 ENERGY	- 60% Direct renewable energy (%)	2030	19.5*	26.1	34%	28
	- 20% On-site renewable energy generation (%)	2030	4.9*	4.8	-2.0%	6
	- Solar PV systems on all wholly owned facilities (%)	2030	21.7*	28.4	31%	34
	- Net Zero Energy (%)	2020	100	100	-	100
 CIRCULARITY	- Zero Company waste to landfill (tonnes)	2030	18,642*	16,294	-13%	15,000
	- Recycle 1 billion PET bottles into our manufacturing processes (million bottles)	2025	573	843	47%	900
	- QuadCore™ products utilising recycled PET (% sites)	2025	5	5	-	15
 WATER	- Harvest 100 million litres of rainwater (million litres)	2030	20.1*	20.6	2.5%	35
	- Support 5 Ocean Clean-Up projects (No. of projects)	2025	1	2	100%	3

1: excluding biogenic emissions

*Restated figures due to improved data collection methodologies

**Scope and boundaries: Planet Passionate targets include manufacturing & assembly sites within the Kingspan Group in 2020 and organic growth.

Intensity Indicator	Change YoY
Carbon Intensity (tCO ₂ e/€m revenue)	29% reduction
Energy Intensity (MWh/€m revenue)	15% reduction
Landfill Waste Intensity (t/€m revenue)	35% reduction
Water Intensity (million lt/€m revenue)	14% reduction

Planet Passionate

2021 was the second year of our ambitious ten-year programme to further boost the environmental ethos of Kingspan. This builds upon the foundations laid over our previous ten-year Net Zero Energy programme that completed successfully in 2020. The current programme encompasses stretching goals across twelve target areas (see above).

We have recently announced revised 1.5°C aligned science-based targets bringing them in line with our Planet Passionate programme goals to reduce Scope 1, 2 and 3 greenhouse gas (GHG) emissions. The Group has now committed to reducing absolute Scope 1 and 2 GHG emissions by 90% by 2030 from a 2020 base year. It has also pledged to reduce absolute Scope 3 GHG emissions by 42% within

the same timeframe. We will also implement a €70 per tonne internal carbon charge from 2023 which will galvanise full alignment across the organisation.

Expansion

Over the course of the year we invested a total of €714m on acquisitions, capex and financial investments. The largest of these

was Logstor Group, a European based provider of highly insulated district heating infrastructure, acquired in June 2021 for €245m. The acquisition of Romania based TeraSteel also completed in the period. Additionally, we entered the Uruguay Insulated Panel market with the acquisition of 51% of Bromyros, and enhanced our insulation channel in Australia and New Zealand with the acquisition of Thermakraft. We also became a founding investor in the ground breaking H2 Green Steel in Sweden that aims to become the world's first zero carbon steel facility. In the second half of 2021 we acquired California based Solatube International, an exciting bolt-on to our North American Light & Air offering.

Organically, we commissioned 5 new manufacturing facilities or lines across the globe in 2021, enabling the ongoing conversion to high-performance materials.

We have plans for approximately 25 new manufacturing facilities or lines over the next four years to support the growth of our full spectrum of building envelope solutions.

Acquisitions After Year End

Following year end we have reached agreement to acquire Ondura Group ('Ondura') from Naxicap. Ondura, headquartered in France, is a leading global provider of roofing membranes and associated roofing solutions with 14 manufacturing sites and a distribution network in 100 countries worldwide. The business recorded sales in 2021 of €424m with EBITDA of €63m. The consideration is €550m payable in cash on completion and conditional on obtaining customary approvals. The acquisition of Ondura is fully aligned with Kingspan's long stated strategy to develop multiple technologies in roofing applications and will serve as our global platform for advancing these solutions.

We have also reached agreement, subject to customary approvals, to acquire Troldekt, a leading Danish headquartered manufacturer of natural low carbon acoustic insulation. In addition we have acquired THU

Perfil, an architectural and ceilings solutions business in Spain.

Innovation

PowerPanel™ (an engineered combination of QuadCore™ insulated panel and solar PV) development completed during the period and a large scale project on an in-house roof was completed in quarter three. This is now fully operational with real time energy monitoring underway. The approval process is nearing completion which should pave the way for a full scale market launch during quarter two, in Britain and Ireland initially. We are also fine-tuning our Rooftricity™ proposition, a funded solution whereby the customer outlay for a re-roof or newbuild incorporating PowerPanel™ will be minimal. Encouragingly, the soft launch project pipeline is ahead of our expectations.

QuadCore™ 2.0 is also progressing and in a coldstore application, the product reached a 120 minute fire rating, which is a dramatic leap forward and will in many cases match if not exceed the performance of synthetic mineral fibre cored products. QuadCore™ sales value grew by 66% globally in 2021.

The team at our IKON Global Innovation Centre has also developed a low carbon insulated panel in collaboration with our suppliers. This is a prime example of how our Planet Passionate agenda is translating into market leading, sustainable products. Initial testing suggests the development panel will have c.25% less embodied carbon and contain upwards of 45% recycled content.

In addition, projects are underway to achieve an 'A' classification for Optim-R®, AlphaCore®, and 'B' classification for key Kooltherm® applications. Significant progress is also being made on entering the 'natural' insulation category.

Product Integrity

The Group's product integrity audit and compliance programme is extensive. Over the course of the year, 576 third party external product

and system audits took place. A further 90 manufacturing sites were internally audited under the process overseen by the Audit & Compliance Committee of the Group's Board.

ISO 37301 is the leading global standard for establishing, developing and monitoring compliance systems. We have embarked on a programme of widespread adoption of this standard across the Group and during 2021, the standard's first year of implementation, 9 manufacturing facilities across Kingspan achieved it. During 2022, we anticipate adding another 25 locations, including the Kingscourt Insulated Panels facility which will be the first of its kind in Europe. Two of our US plants in Modesto and Deland were fully approved in 2021 making them joint first in the world.

Ahlseil
Mölndal, Sweden
Insulated Panels
Paroc DELIGN

Insulated Panels

Activity was particularly strong throughout the year in our largest segment. Sales volumes reached a record at almost 80 million m², order intake by volume was up by 20% and the volume backlog ended the year ahead by 28%. QuadCore™ comprised 16% of global insulated panels order intake value and we again expect that to increase in the year ahead.

Non-residential newbuild construction has been buoyant in many of our key markets, and coupled with our growing segmental exposure to high growth end-markets combined to deliver a record year. Raw material expectations were instrumental in

driving demand early in the year and as inflation topped out, so too did order intake leading to a reduction in backlog, albeit finishing the year comfortably ahead of prior year.

Raw material movements for 2022 are unclear and we will respond appropriately with pricing of our own products in the event of any significant movement.

The organic volume expansion we are experiencing necessitates a number of new greenfield facilities across the world. These expansion projects are, or will be shortly, underway in France, Romania, the US, Brazil, Vietnam and Australia.

Intermedi
Drongen, Belgium
Insulated Panels
Dri-Design Shadow
with QuadCore™



Photography: Bert Demasure

Insulation

Sales volumes in the first half of the year were particularly healthy, easing back somewhat in the latter half as the distribution network began to unwind high inventories accumulated during the period of rising prices earlier in the year. In total, volume for the year was ahead by 11% accounting to just over 70 million m² of deliveries globally. Kooltherm® volume was modestly ahead for the full year. Industrial insulation sales, including applications like pipe, ducting and district heating/cooling were in the region of €300m for the full year, including €150m from the acquisition of Logstor Group in the second half. We believe industrial applications are a real opportunity for significant growth potential over the longer term.

To support future organic growth we are either underway with, or planning, new facilities for Optim-R® in the US, PIR board in France, industrial pipe insulation in the Benelux, PIR board in Saudi Arabia and are carrying out a viability assessment for a district heating pipe insulation plant in either Britain or Ireland. Conversion of waste heat from manufacturing and data warehousing processes will increasingly be captured and re-distributed through such infrastructure.

We are relentless in our commitment to offer an unparalleled spectrum of insulation solutions. In addition to the technologies referred to in the innovation section, early feasibility work has begun on entering the production of stone wool to support our existing and future requirement of that material.

¹ Comprising underlying +26%, currency +1% and acquisitions +23%. Like-for-like volume +11%.



Light & Air



TURNOVER

€552.2m

+24%⁽¹⁾

2020: €445.5m



TRADING PROFIT

€36.0m

+15%

2020: €31.2m



TRADING MARGIN

6.5%

-50bps

2020: 7.0%

1 Comprising underlying +1% and acquisitions +23%



This relatively new segment for the Group has been evolving rapidly with global revenue for the year of €552.2m. Organic growth in 2021 amounted to a modest 1%, and the contribution of the Colt acquisition in 2020 delivered €178m revenue in 2021. The recovery of cost inflation has been slower than expected owing to the long contract lead time with customers. Recovery is now well underway and should deliver a positive margin evolution during 2022.

France and Germany were both strong performers whilst the US slipped back a little against very strong project comparatives in 2020.

In addition to bedding down the Colt acquisition, a number of bolt-ons were added during 2021 including Solatube International and Major

Industries in the US. The former creates a wider global opportunity for the transmission of natural light into buildings via tubular daylighting systems, whilst Major Industries adds to our existing range of architectural wall daylighting solutions.

AFAS
Leusden, The Netherlands
Light & Air
Glass roofs and facade
Insulation
Unidek Dijkotop

Water & Energy

This division delivered a good performance despite the headwinds presented by market constraints evident in Australia.

The focus of this business unit is water related storage, heating, treatment and harvesting solutions all of which present attractive opportunities across the world. The business has focused to date

on Europe and Australia and the Americas is a real development opportunity and will therefore become a region of growing focus.

Separately, a product development initiative on hydrogen storage for the transportation sector is underway and expected to be an interesting opportunity over the longer term.



Palmyra II
Kangaroo Valley, Australia
Water & Energy
Kingspan made to measure rainwater tanks



TURNOVER

€261.3m

+29%⁽¹⁾

2020: €202.7m



TRADING PROFIT

€20.0m

+23%

2020: €16.3m



TRADING MARGIN

7.6%

-40bps

2020: 8.0%

1 Comprising underlying +14%, currency +4% and acquisitions +11%

Data & Flooring



TURNOVER

€271.4m

+21%⁽¹⁾

2020: €223.4m

This business unit offers solutions to both office flooring and multiple data centre offerings, primarily designed to conserve the use of power in the storage and management of data. Whilst the office sector has been comparatively subdued, data applications are expanding apace worldwide. Our aim is to partner with the leading global providers in helping optimise energy consumption and related emissions.

1 Comprising underlying +21%



TRADING PROFIT

€32.3m

+10%

2020: €29.3m



TRADING MARGIN

11.9%

-120bps

2020: 13.1%



Looking Ahead

2022 has started well helped by the strong order backlog at the end of last year, although it is still early days. Raw material prices which saw steep increases through much of 2021 remain at elevated levels with no evidence yet of this situation changing significantly. Our trading outlook beyond the first quarter is less visible although the prevailing mood in our end-markets, for the most part, remains one of cautious optimism.

Our innovation pipeline is most encouraging and, in particular, this year should see the market launch of PowerPanel™ and Rooftricity™, our fully integrated insulated panel and solar propositions. Our Planet Passionate agenda continues to meet all our targeted commitments and is resonating strongly with our customers worldwide. The Group remains well capitalised with approximately €1.3 billion of cash and undrawn facilities on hand.

Worldwide, there is a growing momentum amongst policy makers, consumers and other stakeholders to design and occupy buildings which consume less energy and we are evidently well positioned to harness this over the long term.

Gene M. Murtagh

Chief Executive Officer
22 February 2022

Facebook EMEA HQ
Dublin, Ireland
Data & Flooring
RMG and FDEB
Floor Systems

Financial Review

Geoff Doherty

The Financial Review provides an overview of the Group's financial performance for the year ended 31 December 2021 and of the Group's financial position at that date.

Code Building
Virginia, USA
Insulated Panel
KS Karrier Panel
and MCM Facade



Overview of results

Group revenue increased by 42% to €6.5bn (2020: €4.6bn) and trading profit increased by 49% to €754.8m (2020: €508.2m) with an increase of 50 basis points in the Group's trading profit margin to 11.6% (2020: 11.1%). Basic EPS for the year was 305.6 cent (2020: 206.2 cent), representing an increase of 48%.

The Group's underlying sales and trading profit growth by division are set out below:

Sales	Underlying	Currency	Acquisition	Total
Insulated Panels	+38%	-1%	+8%	+45%
Insulation	+26%	+1%	+23%	+50%
Light & Air	+1%	-	+23%	+24%
Water & Energy	+14%	+4%	+11%	+29%
Data & Flooring	+21%	-	-	+21%
Group	+30%	-	+12%	+42%

The Group's trading profit measure is earnings before interest, tax and amortisation of intangibles:

Trading Profit	Underlying	Currency	Acquisition	Total
Insulated Panels	+52%	-	+10%	+62%
Insulation	+16%	+1%	+16%	+33%
Light & Air	+3%	-	+12%	+15%
Water & Energy	+4%	+3%	+16%	+23%
Data & Flooring	+11%	-1%	-	+10%
Group	+38%	-	+11%	+49%

The key drivers of sales and trading profit performance in each division are set out in the Business Review in the Report of the Directors.

Finance costs (net)

Finance costs for the year increased by €11.3m to €36.3m (2020: €25.0m). A net non-cash charge of €nil (2020: charge of €2.0m) was recorded in respect of swaps on USD private placement notes which were fully repaid during the year. The Group's net interest expense on borrowings (bank and loan notes net of interest receivable) was €32.2m (2020: €19.3m). This increase reflects higher average gross debt levels in 2021. In particular, this includes a full year interest expense for the Green Private Placement loan notes issued in December 2020, as well as a negative return on Euro denominated cash balances. Lease interest of €3.7m (2020: €3.6m) was recorded for the year. €0.2m (2020: €0.1m) was recorded in respect of a non-cash finance charge on the Group's defined benefit pension schemes.

Taxation

The tax charge for the year was €118.4m (2020: €74.9m) which represents an effective tax rate of 17.2% (2020: 16.3%). The increase in the effective rate reflects, primarily, the change in the geographical mix of earnings year on year.

Dividends and share buyback

The Board has proposed a final dividend of 26.0 cent (2020: 20.6 cent) per ordinary share payable on 6 May 2022 to shareholders registered on the record date of 25 March 2022. An interim dividend of 19.9 cent per ordinary share was declared during the year (2020: nil). In summary, therefore, the total dividend for 2021 is 45.9 cent compared to 20.6 cent for 2020. This is in line with the previously announced revised shareholder returns policy.

During the year, the Company issued 405,588 shares in satisfaction of obligations falling under share schemes which comprised newly issued shares of 189,444 and the reissuance of 216,144 treasury shares.

Separately, the Company repurchased 600,000 shares at a weighted average price of €78.16 during the year. This is consistent with an objective of maintaining a broadly constant issued share capital over time.

Retirement benefits

The primary method of pension provision for current employees is by way of defined contribution arrangements. The Group has three legacy defined benefit schemes in the UK which are closed to new members and to future accrual. In addition, the Group has a number of smaller defined benefit pension liabilities in Mainland Europe. The net pension liability in respect of all defined benefit schemes was €28.0m as at 31 December 2021 (2020: €45.9m) with the decrease reflecting, primarily, the impact of actuarial gains in the year.

Intangible assets and goodwill

Intangible assets and goodwill increased during the year by €440.3m to €2,001.8m (2020: €1,561.5m). Intangible assets and goodwill of €418.9m (2020: €57.3m) were recorded in the year relating to acquisitions completed by the Group. An increase of €50.9m (2020: decrease of €72.4m) arose due to year end exchange rates used to translate intangible assets and goodwill other than those denominated in euro. There was an annual amortisation charge of €29.5m (2020: €23.5m).

Financial key performance indicators

The Group has a set of financial key performance indicators (KPIs) which are presented in the table below. These KPIs are used to measure the financial and operational performance of the Group and to track ongoing progress and also in achieving medium and long term targets to maximise shareholder return.

Key Performance Indicators	2021	2020
Basic EPS growth	48%	1%
Sales performance	+42%	-2%
Trading margin	11.6%	11.1%
Free cashflow (€m)	127.1	479.7
Return on capital employed	19.5%	18.4%
Net debt/EBITDA	0.88x	0.40x

(a) **Basic EPS growth.** The growth in EPS is accounted for primarily by a 49% increase in trading profit partially offset by an increase in the Group's effective tax rate by 90 basis points to 17.2% and an increase in minority interest. The effective tax increased due to the geographical mix of earnings year on year. The minority interest amount increased year on year due to a strong performance at the Group's operations which have minority stakeholders.

(b) **Sales performance** of +42% (2020: -2%) was driven by a 30% increase in underlying sales and a 12% contribution from acquisitions. The increase in underlying sales reflected a combination of strong price growth due to raw material inflation, volume growth due to ongoing structural adoption and buoyant construction markets worldwide.

(c) **Trading margin** by division is set out below:

	2021	2020
Insulated Panels	12.3%	11.0%
Insulation	12.4%	14.0%
Light & Air	6.5%	7.0%
Water & Energy	7.6%	8.0%
Data & Flooring	11.9%	13.1%

The Insulated Panels division trading margin advanced year on year reflecting the market mix of sales as well as positive operating leverage driven by 13% volume growth in the year. The trading margin decrease in the Insulation division reflects, in the main, a strong margin performance in 2020 reflecting a positive lag effect on raw material prices in the early part of 2020 and short term overhead curtailment with both factors not applying in 2021. The reduced trading margin in Light & Air reflects a lag in inflation recovery and investment in specification

and other processes as the division continues to scale up. The Water & Energy trading margin decrease reflects the category and geography mix and overhead curtailment in the prior year. The decrease in trading margin in Data & Flooring reflects the geographic market and product mix of sales year on year and impact of increased raw material prices.

(d) **Free cashflow** is an important indicator and reflects the amount of internally generated capital available for re-investment in the business or for distribution to shareholders.

Free cashflow	2021	2020
	€m	€m
EBITDA*	893.2	630.2
Lease payments	(38.6)	(33.7)
Movement in working capital**	(429.3)	107.7
Movement in provisions	6.9	(2.1)
Net capital expenditure	(163.6)	(126.1)
Net interest paid	(34.5)	(21.6)
Income taxes paid	(126.8)	(89.7)
Other including non-cash items	19.8	15.0
Free cashflow	127.1	479.7

*Earnings before finance costs, income taxes, depreciation and amortisation. Prior period comparative has been re-presented to reflect this revised definition.

**Excludes working capital on acquisition but includes working capital movements since that point

Working capital at year end was €977.8m (2020: €450.8m) and represents 13.8% (2020: 8.8%) of annualised sales based on fourth quarter sales. This metric is closely managed and monitored throughout the year and is subject to a certain amount of seasonal

variability associated with trading patterns and the timing of significant purchases of steel and chemicals. Working capital levels in the business were unusually low at the end of 2020 reflecting constrained supply chains and restricted availability at that point. Furthermore, the 30% growth in underlying sales in 2021 required a consequential investment in working capital to support the sales growth. The December 2021 working capital position is untypically high reflecting higher than normal inventory levels. The business took the opportunity to build an element of buffer stocks as availability opened up in the second half of 2021. We expect working capital levels to normalise during 2022.

(e) **Return on capital employed**, calculated as operating profit divided by total equity plus net debt, was 19.5% in 2021 (2020: 18.4%). The creation of shareholder value through the delivery of long term returns well in excess of the Group's cost of capital is a core principle of Kingspan's financial strategy. The increase in profitability was the key driver of enhanced returns on capital during the year.

(f) **Net debt to EBITDA** measures the ratio of net debt to earnings and at 0.88x (2020: 0.40x) is comfortably less than the Group's banking covenant of 3.5x in both 2021 and 2020. The calculation is pre-IFRS 16 in accordance with the Group's banking covenants.

Acquisitions and capital expenditure

During the year the Group made a number of acquisitions for a total upfront consideration of €540.2m.

In February 2021, the Group acquired 100% of the share capital of TeraSteel a Romanian based manufacturer of insulated panels and ancillary products for a consideration of €81.6m.

In June 2021, the Group acquired 100% of the Logstor Group a leading global supplier of technical insulation

solutions. The total consideration, including debt acquired, amounted to €244.5m.

The Group also made a number of smaller acquisitions during the year for a combined cash consideration of €214.1m.

- The Insulated Panels division acquired 51% of Bromyros in Uruguay, the remaining 50% of Dome Solar in France, Solarsit in France and the assets of Krohn in Russia.
- The Insulation division acquired Thermakraft in Australasia, Hectar in the Netherlands and the assets of Dyplast Products, Diversifoam Products and Thermal Visions in North America.
- The Light & Air division acquired Skydôme in Western Europe and Major Industries and Solatube International in North America.
- The Water & Energy division acquired BAGA in Sweden, Heritage Tanks in Australia and the assets of Enviro Water Tanks in Australia.

The Group's organic capital expenditure during the year was €168.8m encompassing a number of strategic capacity enhancements and ongoing maintenance.

Since period end, we have committed approximately €800m on three transactions, subject to customary approvals.

EU Taxonomy

New disclosures are required in the current year under the EU Taxonomy Regulation (Sustainable finance taxonomy - Regulation (EU) 2020/852). The disclosures will be included in our Planet Passionate Sustainability Report that will be published at a later date, within the required timeframe.

COVID-19 Pandemic

The Group took a number of steps to protect its financial position at the outset of the global pandemic in the first quarter of 2020. Many construction markets were severely impacted at the early stage of the virus albeit most experienced some

element of recovery through 2020 and improving further in 2021. The key impact in 2021 was reduced availability of materials particularly in the first half of the year. The Group did not avail of Covid-19 related furlough and benefits in either 2020 or 2021 having repaid in full €17m in supports received in 2020.

Capital structure and Group financing

The Group funds itself through a combination of equity and debt. Debt is funded through a syndicated bank facility and private placement loan notes. The primary bank debt facility is a €700m Planet Passionate Revolving Credit Facility arranged in May 2021, maturing in May 2026, and which was undrawn at year end. This substantially replaced outgoing facilities of €751m.

The Group's core funding is provided by six private placement loan notes (2020: seven); one (2020: two) USD private placement totalling \$200m (2020: \$400m) maturing in December 2028, and five (2020: five) EUR private placements totalling €1.2bn (2020: €1.2bn) which will mature in tranches between November 2022 and December 2032. The weighted average term, as at 31 December 2021, of all drawn debt was 6.3 years (31 December 2020: 6.3 years).

The Group had significant committed undrawn facilities and cash balances which, in aggregate, were €1.3bn at 31 December 2021.

Key financial covenants

The majority of Group borrowings are subject to primary financial covenants calculated in accordance with lenders' facility agreements which exclude the impact of IFRS 16:

- A maximum net debt to EBITDA ratio of 3.5 times; and
- A minimum EBITDA to net interest coverage of 4 times.

The performance against these covenants in the current and comparative year is set out in the table adjacent.

Net debt

Net debt increased by €519.9m during 2021 to €756.1m (2020: €236.2m). This is analysed in the table below.

Movement in net debt	2021	2020
	€m	€m
Free cashflow	127.1	479.7
Acquisitions	(540.2)	(46.1)
Purchase of financial asset	(5.0)	-
Share issues	0.1	-
Repurchase of treasury shares	(46.9)	-
Dividends paid	(73.5)	-
Dividends paid to non-controlling interests	(3.2)	(1.2)
Cashflow movement	(541.6)	432.4
Exchange movements on translation	21.7	(35.4)
Movement in net debt	(519.9)	397.0
Net debt at start of year	(236.2)	(633.2)
Net debt at end of year	(756.1)	(236.2)

		2021	2020
	Covenant	Times	Times
Net debt/EBITDA	Maximum 3.5	0.88	0.40
EBITDA/Net interest	Minimum 4.0	26.2	27.9



CODE Building
Virginia USA
Insulated Panels
KS Karrier Panel
and MCM Facade

Financial risk management

The Group operates a centralised treasury function governed by a treasury policy approved by the Group Board. This policy primarily covers foreign exchange risk, credit risk, liquidity risk and interest rate risk. The principal objective of the policy is to minimise financial risk at reasonable cost. Adherence to the policy is monitored by the CFO and the Internal Audit function. The Group does not engage in speculative trading of derivatives or related financial instruments.

Investor relations

Kingspan is committed to interacting with the international financial community to ensure a full understanding of the Group's strategic plans and its performance against these plans. During the year, the executive management and investor team presented at eight capital market conferences and conducted 586 institutional one-on-one and group meetings.

Share price and market capitalisation

The Company's shares traded in the range of €52.75 to €105.50 during the year. The share price at 31 December 2021 was €105.00 (31 December 2020: €57.40) giving a market capitalisation at that date of €19.0bn (2020: €10.4bn). Total shareholder return for 2021 was 83.9% (2020:5.4%).

Geoff Doherty
Chief Financial Officer
22 February 2022



Risk & Risk Management

As a leading building supplies manufacturer in a highly competitive international environment, Kingspan is exposed to a variety of risks and uncertainties which are monitored and controlled by the Group's internal risk management framework.

Overall responsibility for risk management lies with the Board who ensures that risk awareness is set at an appropriate level. To ensure that risk awareness is set at an appropriate level, the Audit & Compliance Committee assists the Board by taking delegated responsibility for risk identification and assessment, in addition to reviewing the Group's risk management and internal control systems and making recommendations to the Board thereon.

The chairman of the Audit & Compliance Committee reports to the Board at each board meeting on its activities, both for audit matters and risk management. The activities of the Audit & Compliance Committee are set out in detail in the Report of the Audit & Compliance Committee on page 98.

The Board monitors the Group's risk management systems through this consultation with the Audit & Compliance Committee but also through the Group's divisional monthly management meetings,

where at least two executive directors are present. The risks and trends are the focus of each division's monthly management meeting, where their performance is also assessed against budget, forecast and prior year. Key performance indicators are also used to benchmark operational performance for all manufacturing sites.

In addition to this ongoing assessment of risk within the divisions, the Audit & Compliance Committee oversees an annual risk assessment for the Group whereby each divisional management team is formally asked to prepare a risk assessment for their business. This assessment involves evaluating group-wide risks, as put forward by the Board, and also presenting additional risks that are specific to their business.

While it is acknowledged that the Group faces a variety of risks, the Board, through the processes set out above, has identified the principal risks and uncertainties that could potentially impact upon the Group's short to medium term strategic goals and these are as follows:

Volatility in the macro environment



Risk and impact

Kingspan products are targeted at both the residential and non-residential (including retail, commercial, public sector and high rise offices) construction sectors. As a result, demand is dependent on activity levels which may vary by geographic market and is subject to the usual drivers of construction activity, (i.e. general economic conditions and volatility, Brexit, pandemics, political uncertainty in some regions, interest rates, business/consumer confidence levels, unemployment, and population growth).

While construction markets are inherently cyclical, changing building and environmental regulations continue to act as an underlying positive structural trend in demand for many of the Group's products.

Actions to mitigate

The exposure to the cyclical or downturn due to the impact of a pandemic of any one construction market is partially mitigated by the Group's diversification geographically, by end application and by product.

As set out in the Business Model & Strategy, the Group has mitigated this risk through diversification as follows:

- significant globalisation strategy with a presence in over 70 markets;
- launch of new innovative products and an approach of continual improvements to existing product lines; and
- acquisitions made during the year extend the geographic reach of the Group.

The full details of these diversifications are set out in the Business Model & Strategy report contained in this Annual Report.

Product failure



Risk and impact

A key risk to the Kingspan business is the potential for functional failure of our product which could lead to health, safety, and security issues for both our people and our customers.

The Kingspan brand is well established and is a key element of the Group's overall marketing and positioning strategy. In the event of a product failure, the Kingspan brand and/or reputation could be damaged and if so, this could lead to a loss of market share.

Actions to mitigate

Dedicated structures and processes are in place to manage and monitor product quality controls throughout the business:

- New products go through a certification process which is undertaken by a recognised and reputable authority before it is brought to market.
- The Group appointed a Head of Compliance & Certification reporting to the Group CEO to ensure a rigorous approach to certification, testing and product compliance across the Group and to ensure consistent and robust application of processes centred around our core commitment to product safety.
- The terms of reference for the Audit & Compliance Committee include oversight of the product compliance agenda.
- Our businesses employ quality control specialists and operate strict policies to ensure consistently high standards are maintained in addition to the sourcing and handling of raw materials.
- The construction of a dedicated Kingspan Fire Test centre using Kingspan products allows for more expedient and significant testing to take place.
- Quality audits are undertaken at our manufacturing sites. 88 of our facilities are ISO 9001 certified.
- Effective training is delivered to our staff.
- Proactively monitor the regulatory and legislative environment.



Read more about our global strategic pillars on page 26



Innovation



Global



Planet Passionate



Completing the Envelope

Failure to innovate



Risk and impact

Failing to successfully manage and compete with new product innovations, changing market trends and consumer tastes could have an adverse effect on Kingspan's market share, the future growth of the business and the margins achieved on the existing product line.

Actions to mitigate

- Innovation is one of Kingspan's four pillars to increasing shareholder value and therefore plays a key role within the Group.
- There is a continual review of each division's product portfolios at both the executive and local management level to ensure that they target current and future opportunities for profitable growth.
- This risk is further mitigated by continuing innovation and compelling marketing programmes. The launch of the IKON Global Innovation Centre in 2019 has served to enhance the capabilities of the Group to innovate. Kingspan also has a deep understanding of changing consumer and industry dynamics in its key markets and continues to refine its omnichannel customer centric approach, enabling management to respond appropriately to issues which may impact business performance.

Climate change



Risk and impact

Kingspan's products provide a solution to climate change, particularly with respect to reducing carbon emissions in the built environment. Climate change is therefore both an opportunity and a risk for Kingspan.

Climate risks within our business include regulatory changes, substitution risk should we fail to maintain our market leading offering, rising energy or carbon prices within our own operations or in our supply chain, and physical risk to our operations or those of our suppliers.

Actions to mitigate

Risks relating to climate change are managed through a multi-disciplinary, and company wide, risk management process. Examples of how climate change risks are mitigated include:

- **Planet Passionate** – following the successful completion of our Net Zero Energy programme (our programme designed to reduce energy consumption and generate on-site renewable energy), Kingspan launched the next stage of our sustainability journey in 2020, our 10-year Planet Passionate programme, which includes 12 ambitious targets in the areas of Carbon, Energy, Circularity and Water. This strategic agenda will enable significant advances in the sustainability of both our business operations and our products.
- **Innovation** – our innovation agenda is inextricably linked with our Planet Passionate programme, helping us to drive market leading products in the areas of carbon savings and sustainability. Innovation is supported through ongoing investments such as the opening of the IKON Global Innovation Centre in 2019.
- **Global Presence** – Kingspan operates out of 198 manufacturing sites across the globe, diversifying our physical risk from climate change. We have also built relationships with a wide range of global supply partners to limit the reliance on any one supplier or even a small number of suppliers.

Business interruption (including IT continuity)



Risk and impact

Kingspan's performance is dependent on the availability and quality of its physical infrastructure, its proprietary technology, its raw material supply chain and its information technology. The safe and continued operation of such systems and assets are threatened by natural and man-made perils and are affected by the level of investment available to improve them.

The building industry as a whole is going through some significant change with respect to building regulations and codes. The risks associated with misunderstanding some of the potential changes and the nature of our product set are more prevalent today.

Any significant or prolonged restriction to its physical infrastructure, the necessary raw materials or its IT systems and infrastructure could have an adverse effect on Kingspan's business performance.

Actions to mitigate

- Kingspan insists on industry leading operational processes and procedures to ensure effective management of each facility. The Group invests significantly in a rigorous programme of preventative maintenance on all key manufacturing lines to mitigate the risk of production line stoppages.
- The impact of production line stoppages is also mitigated by having business continuity plans in place to allow for the transfer of significant volume from any one of our 105 plants in the Insulated Panels division or 42 plants in the Insulation division to another in the event of a shutdown.
- In addition, and as part of our consequential loss insurance, Kingspan is subject to regular reviews of all manufacturing sites by external risk management experts, with these reviews being aimed at enhancing Kingspan's risk profile.
- Kingspan continues to focus on developing, enhancing, and protecting its IP portfolio. As a global leader in building envelope solutions, Kingspan considers its IP security to be paramount. In addition to trade secret policies and procedures, Kingspan has developed appropriate IP strategies to protect and defend against infringements.
- To reduce Kingspan's exposure to raw material supply chain issues, Kingspan retains strong relationships with a wide range of raw material suppliers to limit the reliance on any one supplier or even a small number of suppliers.
- Kingspan continues to inform all stakeholders of the characteristics of our product offerings, their appropriate application and benefits, to limit the risk of misunderstanding within the building industry.
- Kingspan's IT infrastructure is constantly reviewed and updated to meet the needs of the Group. Procedures have been established for the protection of this infrastructure and all other IT related assets. These include the development of IT specific business continuity plans, IT disaster recovery plans and back-up delivery systems, to reduce business disruption in the event of a major technology failure.

Credit risks and credit control



Risk and impact

As part of the overall service package, Kingspan provides credit to customers and as a result there is an associated risk that the customer may not be able to pay outstanding balances.

At the year end, the Group was carrying a receivables book of €1,022.9m (2020: €770.2m) expressed net of provision for default in payment. This represents a net risk of 16% (2020: 15%) of sales. Of these net receivables, approximately 61% (2020: 60%) were covered by credit insurance or other forms of collateral such as letter of credit and bank guarantees.

Actions to mitigate

- Each business unit has rigorous established procedures and credit control functions around managing its receivables and takes action when necessary.
- Trade receivables are primarily managed through strong credit control functions supplemented by credit insurance to the extent that it is available. All major outstanding and overdue balances together with significant potential exposures are reviewed regularly and concerns are discussed at monthly meetings at which the Group's executive directors are present.
- Control systems are in place to ensure that credit authorisation requests are supported with appropriate and sufficient documentation and are approved at appropriate levels in the organisation.

Employee development and retention



Risk and impact

The success of Kingspan is built upon effective management teams committed to achieving a superior performance in each division. Failure to attract, retain or develop these teams could have an impact on business performance.

Actions to mitigate

Kingspan is committed to ensuring that the necessary procedures are in place to attract, develop and retain the skill levels needed to achieve the Group's strategic goals. These procedures include strong recruitment processes, succession planning, remuneration reviews, including both long and short term incentive plans, and targeted career development programmes.

Fraud and cybercrime

Risk and impact

Kingspan is potentially exposed to fraudulent activity, with particular focus on the Group's online banking systems, online payment procedures and unauthorised access to internal systems.

Actions to mitigate

The security and processes around the Group's IT and banking systems are subject to review by divisional management and internal audit. These systems are continually reviewed with updates and improvements implemented as required. Robust IT and security policy documents and related alerts are circulated by Group management to all divisions to ensure a consistent and effective approach is taken across the Group.

Acquisition and integration of new businesses



Risk and impact

Acquisitive growth is an important element of Kingspan's development strategy. A failure to execute and properly integrate significant acquisitions and capitalise on the potential synergies they bring may adversely affect the Group.

Actions to mitigate

- All potential acquisitions are rigorously assessed and evaluated, both internally and by external advisors, to ensure any potential acquisition meets Kingspan's strategic and financial criteria.
- This process is underpinned by extensive integration procedures and the close monitoring of performance post acquisition by both divisional and Group management.
- Kingspan also has a strong track record of successfully integrating acquisitions and therefore management have extensive knowledge in this area which it utilises for each acquisition.

Health & Safety



Risk and impact

The nature of Kingspan's operations can expose its contractors, customers, suppliers and other individuals to potential health and safety risks.

Health and safety incidents can lead to loss of life or severe injuries.

Actions to mitigate

- A robust health and safety framework is in place throughout the Group's operations requiring all employees to complete formal health and safety training on a regular basis.
- The Group monitors the performance of its health and safety framework and takes immediate and decisive action where non-adherence is identified.
- The development of a strong safety culture is driven by management and employees at every level and is a core part of doing business with integrity.

Laws and regulations



Risk and impact

Kingspan is subject to a broad range of existing and evolving governance requirements, environmental, health and safety and other laws, regulations and standards which affect the way the Group operates. Non-compliance can lead to potential legal liabilities and curtail the development of the Group.

Actions to mitigate

- Kingspan's in-house legal team is responsible for monitoring changes to laws and regulations that affect the business and is supported by external advisors.
- A comprehensive framework of policies is in place that set out the ways employees and suppliers are expected to conduct themselves.
- The Group's Code of Conduct sets out the fundamental principles which it requires all its directors, officers, and employees to adhere to in order to meet those standards.
- Training is provided through a variety of mediums in key areas of legal and regulatory compliance, including a suite of mandatory training for those that join Kingspan.
- A robust whistleblowing process is in place that allows the anonymous reporting through an independent hotline of any suspected wrongdoing or unethical behaviour, including reporting instances of non-compliance with laws and regulations. All reported cases are investigated.

Sustainability Report

KINGSPAN'S MISSION

To accelerate a net zero emissions future built environment with the wellbeing of people and planet at its heart. We do this through enabling high-performance buildings that can save more energy, carbon and water.

We recognise the vital importance of achieving this while: enhancing the safety and wellbeing of people in buildings; enabling the circular economy; and always delivering more performance and value. We believe the answers lie in challenging building industry traditions with innovation in advanced materials and digital technologies. What defines us is our relentless pursuit for better building performance whilst being Planet Passionate in everything we do.

Our commitment to sustainability is instilled at every level of Kingspan and at every step in the manufacturing process. In developing our approach to sustainability we have built on materiality assessments conducted at a divisional level as well as incorporating guidelines from recognised associations such as the Sustainable Accounting Standards Board (SASB) and the Task Force on Climate-related Financial Disclosures (TCFD), of which Kingspan is a signatory. Kingspan recognises that it has a responsibility as a business leader to contribute towards the achievement of the United Nation's Sustainable Development Goals (SDGs). We will be publishing our second Kingspan Planet Passionate Sustainability Report in March 2022 with more detail on how we contribute to the SDGs.



On the left: Agricultural Building, TS Finsterwolde, The Netherlands, Insulated Panels, JI Wall products

Below: Mystery Bay House, New South Wales, Australia Water & Energy, Kingspan made to measure rainwater tanks



Kingspan's OneDek® flat roof insulated panel being installed in California

Product Passionate

Kingspan is driven by a belief that advanced materials and methods of construction hold the answer to some of the great challenges that our planet and society face.

From products that insulate better while creating more internal space, to those that harness more natural daylight, we are dedicated to extending the limits of ultra-performance envelope design with a core focus on energy efficiency.

We have innovated a portfolio of advanced products and solutions for architects and building owners which enable them to construct buildings that consume less resources, future proofing their investment, generating returns through enhanced internal space and operational performance, and facilitating efficient construction through thinner, lighter and safer to handle materials. Increasingly we are enhancing our service and solutions through digitalising our offer. By surfacing all of our products digitally, we're making it easier to find them, specify them, buy them, build with them and track them.

Kingspan's insulation systems, sold in 2021, will save an estimated 850 million MWh of energy or 193 million tonnes of CO2e over their lifetime.

Today, the construction and operation of buildings together account for 39% of energy related CO2e emissions. The energy efficiency of buildings is therefore fundamental in combating climate change. Our advanced building envelope solutions help building owners to reduce energy emissions. Our solutions also help to enhance occupant health and wellbeing through improved thermal comfort, natural daylighting, natural ventilation, and increased space.

ULTRA ENERGY-EFFICIENT

193m tonnes

193 million tonnes of CO2e will be saved over the life of our insulation systems sold in 2021



15 years

Enough to power a major airline for over 15 years¹



CONSERVED WATER

45bn litres

Over 45 billion litres of rainwater will be harvested by our tanks produced in 2021²



550m

Enough water to fill over 550 million baths

CIRCULAR MATERIALS

843m

In 2021 alone we upcycled 843 million waste plastic bottles



1,150

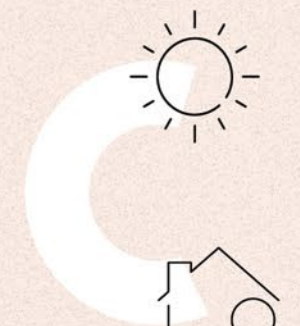
Enough recycled bottles to fill over 1,150 football pitches



NATURAL DAYLIGHT & VENTILATION

9bn lumens

The capacity to create 9 billion lumens of natural light annually through our daylighting systems



1m

Enough to light up 1 million homes³

¹ Assumes 60 year product life; based on an EU airline disclosure of over 12.5m tonnes of CO2 emissions for 12 months to March 2020

² Assumes a 20 year product life

³ Assumes 10 x 60W bulbs per home

Product Integrity

Ensuring the safe use of our products in buildings is central to our approach to product development, testing and support. This encompasses both the safety of those who are installing our products and crucially, those who live and use the buildings that contain our products.

Today, fire safety is often reduced to a simplistic “combustible” versus “non-combustible” definition, based on a small-scale test. Important factors such as building design, installation methodology and the interaction of the different materials in the actual system are not tested in small-scale materials classification testing. Hence, our approach to the safe use of our insulation products in buildings is founded on the principle that system testing is the best way to assess fire performance of any roof or cladding system, regardless of the insulation materials used.

As a manufacturer of products incorporating a very wide spectrum of insulation solutions, including both combustible and non-combustible insulation, we have extensive experience with system testing for fire performance across a range of insulation types and system build-ups. It is this knowledge that informs our belief that fire safety should be predicated on tested performance of the actual system, rather than a presumption that certain materials will be safe in any build-up.

It is also very important to understand that there is a wide spectrum of performance in combustible materials. Thermoset combustible materials (such as QuadCore™ and Kooltherm®) are designed to char when subjected to fire, the char forms a barrier which helps to limit heat from reaching the insulation beneath. This char will break down slowly and allow the flames to char another layer of insulation, but it takes a significant amount of time. In addition, when the flame is removed, Kingspan thermoset insulation self-extinguishes. These are important characteristics underpinning their ability to help systems pass the most rigorous large-scale system tests.

For example, a wide range of Kingspan insulated panels carry an FM (FM Global) or LPCB (Loss Prevention Certification Board) Approval, both of which are testing regimes developed by the insurance industry. These approvals provide objective third-party testing, which is underpinned by quarterly, bi-annual and annual factory surveillance audits (depending on the region) to verify compliance. Independent certification bodies take samples of insulated panels from our factories and send them to their own laboratories for fire testing to verify ongoing compliance. These independent audits also include assessments of change control, formulations, processing parameters, labelling and internal testing.

During 2021, over 570 of these external product audits were carried out across the Group.

The behaviour of the insulated panels in these tests has been consistent with a significant number of independently investigated real fire case studies, where Kingspan LPCB and FM approved panel systems have been exposed to real fires in a range of building types including school, hospital, retail, distribution, storage, food manufacture/processing, industrial and a car. Whilst all these case studies relate to insulated panels with a PIR core, large scale system tests embedded within LPCB and FM approvals indicate that QuadCore™ insulated panels will perform in a similar or better manner. Key findings from these real fire investigations include:

- No evidence to indicate that the PIR insulated panels increased the risk of fire spread;
- PIR cores within the insulated panels charred in the immediate vicinity of the fire;
- Fires were not propagated within the PIR core of the insulated panel;
- PIR insulated panels did not char significantly outside of the area of the main fire; and
- Building contents were the dominant influence on fire severity, and the fire severity was not significantly influenced by the PIR insulated panel.

The Kooltherm® range of insulation boards and KoolDuct® pre-insulated ductwork are manufactured with a phenolic insulation core, which has been proven to offer superior fire and smoke performance to other commonly used rigid thermoset insulants.

A comprehensive range of building facade systems incorporating our insulation board and insulated panels products have successfully passed Kingspan large-scale facade tests around the globe including, but not limited to, NFPA 285 (North America), LEPiR II (France), SP 105 (Nordics), AS 5113 (Australia), ISO 13785-2 (Czech Republic) and MSZ 14800-6 (Hungary). As it relates to large scale fire tests, there are a total of 14 systems incorporating Kooltherm® which have met the requirements of BR135 when tested to BS 8414 (UK) and there are 6 insulated panel based systems that have met the requirements of BR 135 when tested to BS 8414. We recognise that all testing, for fire and other aspects of performance, must be supported by a robust approach to ensuring that the integrity of this information can be assured and disseminated to enable a golden thread from testing through to the service life of our products on buildings and beyond. Furthermore, safe use of our products on buildings must be supported by accurate and truthful marketing together with competent technical and installation advice.

This approach underpins a programme of work that is underway across Kingspan, which is built upon four pillars:

1

CULTURE OF HONESTY, INTEGRITY AND COMPLIANCE

Our updated group-wide Code of Conduct has been rolled out across all businesses in Kingspan based on the three principles of honesty, integrity and compliance. This updated Code of Conduct sets out clear expectations for all employees with respect to clear, ethical and honest business communications, together with in compliance with the law. Over 90% of Kingspan’s employees have completed training on our updated Code of Conduct.

2

INTEGRITY OF PRODUCT COMPLIANCE

Led by our Group Head of Compliance & Certification, a new product compliance programme has been rolled out across the Group to the ISO 37301 Compliance Management standard, which will be audited by our Group Internal Audit function with reporting to the Board’s Audit & Compliance Committee. Accreditation for the ISO 37301 Compliance Management Systems has been achieved by the Product Compliance and Certification function and by nine manufacturing locations across four of the Group’s five divisions. An additional twenty five sites are expected to obtain ISO 37301 accreditation in 2022.

3

DIGITAL TRACEABILITY OF PRODUCT INFORMATION

Our group-wide Digital Transformation programme has a core focus on the implementation of a group-wide Product Information Management (PIM) system to ensure accuracy of all product information, including that which is related to testing and compliance. The PIM will provide accurate and up-to-date product information to a suite of customer tools, including Kingspan’s proprietary BIMDesigner platform which will support the golden thread of Kingspan product information through building models and into building passports. The Kingspan PIM project has been underway since 2019.

4

COMPETENCY IN TECHNICAL SUPPORT AND INSTALLATION

An extensive Marketing Integrity programme was launched in 2021, aligned with the incoming UK Code for Construction Product Information, to ensure accurate and truthful representation of product information in marketing materials. This is being supported by a training programme with a key focus on representation of testing and accreditations and using a Skills, Knowledge, Expertise and Behaviour (SKEB) approach to competency. Group Internal Audit will be auditing the use of the SKEB competency framework within the marketing function. This programme of work is being rolled out to all businesses, with the aim of assuring the highest standards of product safety and compliance. We are also piloting a Learning Management System to further advance skills within the business.

“Product integrity is a fundamental aspect of our overall value proposition to our customers, this programme will drive market-leading infrastructure, technology and knowledge to support this important agenda.”

Gene M. Murtagh

Planet Passionate

Increasingly our customers want solutions which not only enable them to preserve resources, but solutions which are also sourced and manufactured in an environmentally responsible way.

In December 2019 Kingspan launched the next phase of our sustainability journey, our Planet Passionate programme. Through this programme we are working with our suppliers and throughout our business to meet our ambitious goals in the areas of carbon, energy, circularity and water. In an effort to reduce a key source of carbon in construction, embodied carbon, we are targeting Net Zero Carbon Manufacturing by 2030 and a 50% reduction in carbon intensity from our primary suppliers by 2030. Our Head of Innovation works together with our Global Head of Sustainability, and our CEO, to ensure that product development is closely aligned with our Planet Passionate objectives.

In 2021, we chose to voluntarily update our existing science-based targets. These more ambitious targets were approved by the Science-Based Initiative in June and classified our ambition as aligned with a 1.5°C future.



The innovation and partner driven approach to achieving these goals will put us at the vanguard of high-performance and sustainable building envelope solutions.

Our Planet Passionate programme consists of 12 targets across 4 key areas:

Planet Passionate Targets	Target Year	2020 Underlying Business			2021 Business		
		2020	2021	Change	2020	2021	Change
CARBON							
- Net Zero Carbon Manufacturing - scope 1 & 2 ¹ GHG emissions (tCO ₂ e)	2030	312,640*	299,077	-4.3%	342,589 **	317,071	-7.4%
- 50% reduction in product CO ₂ e intensity from primary supply chain partners (%)	2030	0	0	-	0	0	-
- Zero emission company cars (annual replacement %)	2025	11	29	164%	11	28.5	159%
ENERGY							
- 60% Direct renewable energy (%)	2030	19.5*	26.1	34%	19.5*	24.8	27%
- 20% On-site renewable energy generation (%)	2030	4.9*	4.8	-2.0%	4.9*	4.6	-6.1%
- Solar PV systems on all wholly owned facilities (%)	2030	21.7	28.4	31%	21.7	29.2	35%
- Net Zero Energy (%)	2020	100	100	-	100	100	-
CIRCULARITY							
- Zero Company waste to landfill (tonnes)	2030	18,642*	16,294	-13%	18,642*	17,090	-8%
- Recycle 1 billion PET bottles into our manufacturing processes (million bottles)	2025	573	843	47%	573	843	47%
- QuadCore™ products utilising recycled PET (% sites)	2025	5	5	-	5	5	-
WATER							
- Harvest 100 million litres of rainwater (million litres)	2030	20.1*	20.6	2.5%	20.1*	20.6	2.5%
- Support 5 ocean clean-up projects (no. of projects)	2025	1	2	100%	1	2	100%

2020 Underlying Business includes manufacturing & assembly sites within the Kingspan Group in 2020 plus their organic growth.

2021 Business includes all manufacturing & assembly sites within the Kingspan Group, including additions since 2020.

1: excluding biogenic emissions.

* Restated figures due to improved data collection methodologies.

** 2020 GHG emissions were recalculated due to structural changes that occurred in 2021 and to improved data collection methodologies.



CARBON



Through our Planet Passionate programme we aim to enable low carbon buildings, not only in the operational phase but also in the upfront and construction phase. 2021 highlights include:

- The planned introduction of a €70/tonne internal carbon charge by 2023.
- Electrification and zero carbon manufacturing: At our new Jönköping site in Sweden, the fully electrified manufacturing process is powered by >95% renewable electricity. A rooftop solar PV system was installed comprising of 3,500 modules, the system will generate 1,100 MWh of renewable electricity per annum. This is a pivotal example of how to construct sustainable manufacturing facilities today and provides a blueprint for future Kingspan facilities.
- We installed an additional 33 new EV charging stations across our business, with a further 45 to be commissioned in early 2022. In addition, we converted 29% of our annual replacement cars to zero emissions cars.
- A key facet of our carbon ambition is to reduce our upstream carbon emissions, particularly as they relate to our purchased goods and services which, in 2021, accounted for over 79% of our total value chain emissions. We have had significant engagement with our key raw material suppliers and tracking of their decarbonisation plans, and we had over 50 meetings on supply chain engagement in 2021. One outcome of this is our investment in H2 Green Steel which aims to produce steel with over 90% less embodied carbon by 2024. This is a clear signal to the market about what we expect from our suppliers over the short to medium-term.

ENERGY




Through the second year of our programme, the focus was on designing and implementing measures and initiatives that will put us on a path to reach 60% direct use of renewable energy by 2030.

- The new renewable energy projects that came online in 2021 will produce more than 4.55 GWh of energy annually.
- We added 13 new rooftop solar-PV projects across our business.
- We also made significant progress with our energy suppliers, converting 36 electricity contracts to renewable electricity and a further 3 from LPG to bioLPG.

CIRCULARITY



Our vision is to deliver circular solutions to enable a circular transition for the construction sector.

- Kingspan Data & Flooring has been awarded the prestigious Cradle to Cradle certification at Bronze level, based on an impartial and independent evaluation of material health, material reutilisation, renewable energy, water stewardship and social fairness.

- We recycled 65% of our waste in 2021 and we continued our research into ways to minimise waste. Recycling trials are ongoing to investigate ways in which Kingspan factory waste could be reutilised to add value to other industries while helping us divert waste from landfill.
- QuadCore™ warranty: To reflect Kingspan commitment to hold responsibility for the end-of-life stage of its products, Kingspan Insulated Panels have upgraded the QuadCore™ warranty to incorporate premium lifetime service and maintenance support, including an end of life take back scheme, which will ensure that the materials recovered are reused or recycled.

WATER



As a manufacturer of solutions to harvest and recycle water, we recognise the need for future water security and the protection of our natural water systems.

- In 2021, we installed 7 rainwater harvesting systems across our business, adding 8.6 million litres to our capacity. In total, we harvested 20.6 million litres of rainwater during the year.
- We are delighted to announce our partnership with Seabin Project. Seabin Project is the second clean-up project we're supporting. The sponsorship will result in direct, measurable impact, with the Kingspan sponsored Seabin unit estimated to collect almost 1,300kg of marine debris annually.
- Kingspan continues to support the removal of plastic waste from the Mediterranean each year through the ECOALF Foundation's network of 2,600 fishermen in Spain. Our aim is to incorporate as much as feasible, of the ocean plastic recovered, into our manufacturing processes. In 2021, 190 tonnes of marine debris were collected by ECOALF Foundation's Upcycling the Ocean project in Spain.

In 2021 we further developed our detailed Planet Passionate roadmap including target specific strategies and timelines. Key initiatives include the announcement of the introduction of an internal carbon charge of €70/tonne across the business by 2023 and creating a blueprint for zero carbon manufacturing.

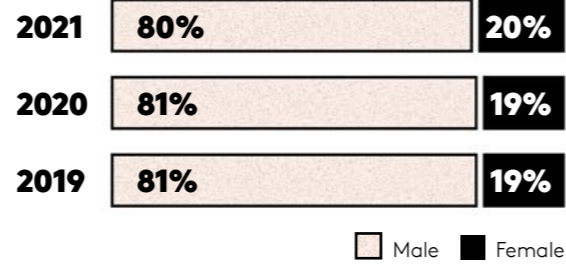
People Passionate

Attract, Retain and Develop

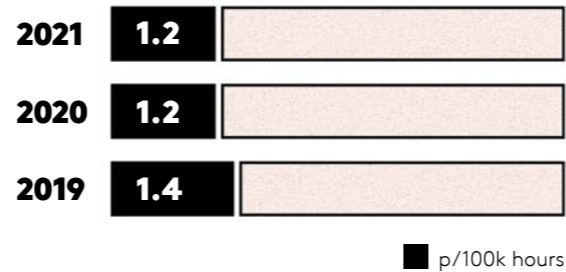
What has been achieved at Kingspan would not be possible without the people that work hard every day to drive the Group forward. A dynamic and motivated workforce is key to delivering towards the future growth strategy of the business. For this reason, talent is at the heart of future planning at Kingspan.

Kingspan's leadership team holds an annual Talent Forum in September to review succession plans, metrics on key positions hired throughout the year and to forecast future talent gaps as part of our human capital risk assessment.

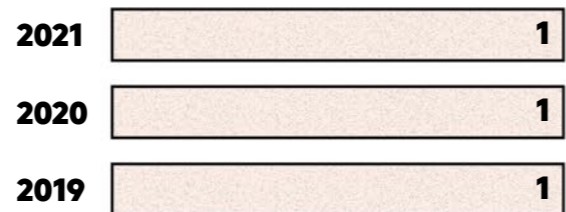
GENDER BALANCE



INJURY FREQUENCY RATE



FATALITIES



Engagement And Retention

At Kingspan we use multiple tools to drive talent retention. These include traditional motivational tools such as reviews and objective setting, but there is also the opportunity to join a network of people across the Company to drive real change through innovation and engagement with our Planet Passionate initiatives. We are building a network of Planet Passionate Champions to help scale local action at our sites across the globe. In 2021, our employees conducted over 20 Planet Passionate related project initiatives at our locations around the world including waste workshops, local clean-up projects, tree planting events, and deployment of beehive sanctuaries.

In 2021 we redesigned and relaunched Kingspan's Internal Career Portal which provides an open and transparent forum for Kingspan employees to learn about and apply for career opportunities across all our businesses worldwide. It has a wealth of information about the types of roles and skills that are in demand to deliver on our strategic objectives.

Next Generation of Leaders

Kingspan continues to be an attractive employer of choice for young, talented graduates with a 44% increase in applications to our global website in 2021 for graduate positions.

Graduates participated in our Yours to Shape development programme which was in its fifth consecutive year in 2021. The objective of the programme is to provide new graduates with a network to collaborate across the Group and develop the capabilities to drive their career in Kingspan. It spans 12-months of interactive workshops, peer coaching, masterclasses with senior executives and assignments on the Promote e-learning platform. This culminated in the annual Graduate Projects Showcase in September 2021 where the participants representing 13 different

countries presented five business improvement projects to a wide-ranging internal audience across Kingspan. The next cohort, which commenced with a launch in November 2021, is our largest group of international graduates to-date with 45 participants of which one third are female.

High Impact Leadership Development

PEAK (Programme for Executive Acceleration in Kingspan) was launched in 2018 and is targeted at middle to senior managers who are currently, or will soon commence, managing a team. It aims to increase leadership diversity by deepening and widening the pool of potential senior leaders to match the increasing scale and global nature of the business. Over 100 executives have participated in PEAK which has strengthened cross divisional relationships as well as led to further integration of executive talent from recent acquisitions.

Advanced Management Programme

An Advanced Management Programme was launched in May 2021 in partnership with INSEAD's executive business school in France. This new programme supports Kingspan's senior leaders to engage with the enterprise level goals in a more collaborative way while transforming their leadership capabilities to drive significant long-term growth. Thirty of our senior executives attended a week-long residential programme on INSEAD's campus in Fontainebleau in November 2021 as well as undertaking a 5-week online module on Innovation in the Age of Disruption.

We held our inaugural Developing Leaders as Coaches cross divisional programme in 2021. This has led to the development of a Kingspan Code of Coaching which clarifies the rules of engagement and aligns with the Company's core values and Code of Conduct. We will continue to roll out this programmes next year to ensure the on-going development of formal coaching skills and consistency of practice globally.

Protect

Kingspan takes the safety of our employees incredibly seriously. All accidents, as well as near misses, are recorded and reviewed. Health and Safety (H&S) is under ongoing review at a facility and divisional level and a Group H&S Committee sits at least annually. It is an opportunity for all divisions and geographies to share best practice and discuss operational experiences that will improve the welfare of all our employees. We are deeply saddened to report that during the year, a fatal road accident occurred while an employee was travelling between our facilities in Brazil. An investigation is underway to discover the circumstances leading up to the tragedy. Policies and training will be updated to reflect any learnings.

Hazard Identification Processes include (but are not limited to)

- All near misses are assessed and processes are updated.
- Employees are encouraged to make suggestions for process improvements.
- Safety walks by responsible persons.
- Periodic workplace inspections.
- Risk assessment on new machines at installation.

Initiatives implemented throughout 2021

- COVID-19 safety measures were an ongoing priority for 2021 and many safety initiatives to support the safe return to work were implemented across the Group.
- Replacement of smoke and heat management skylights by Colt Group at Insulated Panels sites in Northern and Eastern Europe.
- Upgrade of site yard and roadways in Insulated Panels Northern and Eastern Europe.
- Machinery guarding and interlock system upgrade in Data & Flooring.

Equal opportunities, employee rights and diversity

Kingspan is committed to providing equal opportunities from recruitment and appointment, training and development to appraisal and promotion opportunities for a wide range of people, free from discrimination or harassment and in which all decisions are based on work criteria and individual performance. We see diversity and inclusiveness as an essential part of our productivity, creativity and innovation. Diversity is widely promoted within Kingspan, over one third of our most recent graduate programme are female and 27% of our senior executive team, reporting to the CEO, are female.

Our Communities

Kingspan grew out of a family business and those family values continue to shape how we engage with our communities today. Decades on, Kingspan remains deeply rooted in the community of Kingscourt, Ireland, where the business was founded. Being engaged in our local communities is a core element of the culture of Kingspan.

Kingspan launched its new Kingspan Planet Passionate Communities initiative in November 2021. Through it we strive to support people and communities around the world while promoting sustainable practices using responsibly sourced solutions. By creating a local impact, we aspire to build a world that is powered by renewable energy, net-zero carbon, manages water sustainably, and protects the earth's valuable resources by reducing, reusing and recycling.

On a global level, we have joined forces with GOAL, the international humanitarian response agency, to develop critical infrastructure with sustainability at its core, in healthcare and education.

At the core of our Planet Passionate Communities initiative is the ambition to create a positive legacy and a better world. By forging a local legacy, here, at Kingspan, we are determined to use our expertise to create positive impacts for people and communities internationally, and to advance the sustainability agenda for all.

In the first year of our partnership with GOAL, Kingspan and GOAL will join forces to build a new wing at a key hospital in Puerto Cortes, Honduras.

The project will be implemented by GOAL's humanitarian support staff on the ground using Kingspan's sustainable products and systems to build a new 24-bed ward for general care in the hospital.



Our policies

Aims

- Comply with all local laws in the countries we operate in.
- Ensure supply chain accountability.

Modern slavery

Slavery and human trafficking are abhorrent crimes and we all have a responsibility to ensure that they do not continue. At Kingspan we pride ourselves on conducting our business ethically and responsibly. The Modern Slavery Act 2015 became UK legislation and required all large UK companies and businesses who supply goods or services in the UK to publish a slavery and human trafficking statement each financial year on their website. Kingspan is fully committed to ensuring that modern slavery is not taking place in our business or any of our supply chains. We adopted and published our policy statement at the end of 2016 and all our businesses are responsible for ensuring supplier compliance with the legislation.

Supply chain engagement

Kingspan has developed an ethical and environmental strategy for procuring materials and services. We seek to build and maintain long term relationships with key suppliers and contractors to ensure that they are aligned to the

same goals and standards as Kingspan, to address strategic global issues, emerging trends and ultimately our customer needs. This approach has divisional and regional variances based on the local requirements and materials, but is built on core social, ethical and environmental standards. In all cases we aim to foster an environment of collaboration.

Customer experience programme

Our Customer Experience programme is all about capturing what, how and why our customers experience the things they do.

During 2021 we received feedback from over 14,000 customers, from over 100 countries. As customer experience becomes more important in a digital world our feedback programme gives us a means to hear what our customers have to say about their experience with us, keeps our finger on the pulse and provides us with the insights to develop and drive new digital technologies to help make meaningful change happen.

Across Kingspan we carried out a number of environmental projects.

Top left: our colleagues in Australia cleaning up the water around Sydney Opera House.



Bottom: our colleagues in Canada on a waterside clean up.



Top right: our colleagues in Russia taking part in an ecological project in St. Petersburg, during which 100 trees were planted.

