

ROCKWOOL Biodiversity Framework

Biodiversity and ecosystems¹ have become increasingly important topics for companies, policymakers and customers among other stakeholders. According to leading academics, the biodiversity crisis is even more important than the climate crisis as biodiversity loss cannot be restored. The built environment is among the top three most harmful sectors when it comes to biodiversity and is responsible for almost 30 percent of biodiversity loss globally².

ROCKWOOL's commitment to minimise negative impacts on biodiversity

ROCKWOOL is committed to minimising negative impacts from across operations and mitigating environmental and wider sustainability risk. Through our focused efforts to reduce energy use, transition to lower carbon fuel types and cutting waste and water use, we are actively reducing the sustainability footprint of our sites, which in turn helps mitigate the impact on the natural environments where we operate.

Interaction with biodiversity

Our guiding principle is to avoid causing significant harm to the environment. Due to the nature of our activities, we consume substantial amounts of energy, produce air emissions, and utilise groundwater, surface water, and rainwater in the manufacturing process. As a result, our activities could have an impact on the biodiversity and ecosystems in the vicinity of our factories. Stone wool production also requires stone such as basaltic rock that come from quarrying, which may have a negative impact on the environment (e.g. land use change, vibration, noise, air pollution and changes in ecosystems). The most significant ways we limit our impact on biodiversity is through our ongoing commitments on decarbonisation, water management and increasing the use of non-virgin materials³.

Our approach to biodiversity and the principles we use

Biodiversity is difficult to measure and compare on a global scale due to its inherent local nature. Despite biodiversity being "fundamental to human wellbeing, a healthy planet, and economic prosperity for all people"⁴, methodologies are still in their early phases, but we refer to leading, industry recognised guidance and best practices. We have structured this paper around 'the five drivers of biodiversity and ecosystem change' as defined by the Intergovernmental Science-Policy Platform on

³ Non-virgin materials are for example reclaimed stone wool from the market and by-products from other industries

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¹ We use the CSRD definition of biodiversity and eco-systems, which is: "The variability among living organisms from all sources including terrestrial, marine and other aquatic ecosystems and the ecological complexes of which they are a part. This includes variation in genetic, phenotypic, phylogenetic, and functional attributes, as well as changes in abundance and distribution over time and space within and among species, biological communities and ecosystems."

² WBCSD: Exploring nature positive buildings \rightarrow Understanding the role of buildings in the transition to a nature-positive future (WBCSD_Exploring_nature_positive_buildings.pdf)

⁴ Conference of the Parties to the Convention on Biological Diversity; 15/4. Kunming-Montreal Global Biodiversity Framework; page 4 **GROUP**

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Biodiversity and Ecosystem Services (IPBES)⁵. Additionally, we have covered both our footprint and handprint where applicable.

The five drivers of biodiversity and eco-system change

Land-use change

One of our largest categories of raw material by weight is the rock we use in our production. We use several types of rock (e.g., basalt, gabbro, anorthosite and dolomite), which is mined from quarries around the world. ROCKWOOL stone wool is made primarily from volcanic stone, one of the world's most abundant raw materials. Nevertheless, we conserve raw materials where possible, which is why we are working to increase our use of secondary materials.

We have a Supplier Code of Conduct, which sets sustainability standards for all our suppliers, including those for stone⁶. In 2025, we are also mapping one category of stone suppliers, which represents a significant proportion of quarries from which we source, to understand if and how they work with biodiversity.

By using stone, we do not rely on other raw materials that can significantly impact biodiversity. Additionally, by using more non-virgin materials in our production such as slags from the steel and metallurgic industries and reclaimed products from the market, we reduce the amount of material going to landfill, resulting in less land-use change.

<u>Handprint:</u> Via ROCKWOOL Grodan products, we contribute to significantly less land-use change, as horticulture grown in our stone wool substrates decreases land use by 75 percent compared to traditional soil-based growing. From 2020 to 2023, land use reduction by precision growing products sold was more than the equivalent of 180,000 football fields⁷.

Pollution

We monitor air emissions across all our stone wool factories. Since 2015, emissions of sulphur dioxide and carbon monoxide have declined due to our having implemented advanced emission treatment systems. We continuously invest in developing and deploying these state-of-the-art abatement technologies to reduce air emissions.

One example is to deploy after-burners to control various emissions by heating gasses to high temperatures to oxidise and essentially convert them to water and carbon dioxide. Another example is at our factory in West Virginia, USA, where we use wet electrostatic precipitation to control particulate

improvements, minimise operational footprint and to have a responsible approach to natural resources. For more information about the stone we use, please see our Position Paper on stone

⁵ https://www.ipbes.net/models-drivers-biodiversity-ecosystem-change

⁶ The Supplier Code of Conduct includes expectations towards suppliers to have an environmental policy, drive continuous

⁷ ROCKWOOL Sustainability Report 2023, page 24 and 51; calculation based on 129,000 ha saved during 2020-2023 and a football field being 0.714 hectares results in more than 180,000 football fields



matter emissions. It works by electrically charging the particulates in a wet environment to collect them before they would otherwise be emitted.

Plastic pollution has become one of the most pressing environmental issues – every day, the equivalent of 2,000 waste trucks full of plastic are discarded into the world's oceans, rivers, and lakes⁸. We use plastic (polyethylene foils) to compress and protect products during transport. We have a goal to decrease the packaging and ink we use and in some markets have already begun using a new foil, which increases recycling possibilities by 85 percent. Additionally, Grodan is developing a biodegradable foil solution to replace the standard plastic foil for some applications⁹.

<u>Handprint:</u> Rockflow[®] helps avoid flooding and water pollution. Systems made with Rockflow stone wool capture water from rainstorms and remove particles and pollutants from the runoff-water, actively supporting and improving the condition of our oceans, lakes and other water bodies. Studies have documented that it clears out an average of 80 percent of particles and 50 percent of chemicals.

Climate change

There is a clear link between climate change and biodiversity loss; these challenges need to be tackled in parallel. Because of human induced climate change, we are increasingly seeing heatwaves, flooding and other extreme weather events that drastically affect the natural environment already struggling from habitat loss and over-exploitation of natural resources.

Producing stone wool requires melting temperatures of around 1,500 degrees Celsius. This is why ROCKWOOL invests in decarbonising our production by electrifying our production process and switching to low-emission energy¹⁰.

In 2024 alone, ROCKWOOL invested 262 MEUR in electrification, factory upgrades (including digital investments) and abatement technologies to reduce GHG emissions as well as converting and optimising production lines and preparing new ones¹¹. We expect to continue investing significant resources in the years ahead. We have a goal to be net zero by 2050 and to reduce Scope 1 and 2 emissions by 38 percent by 2034 compared to baseline 2019. We are committed to achieve this through three main levers: energy efficiency of factories, technology innovation, and circularity.

<u>Handprint:</u> Over its lifetime ROCKWOOL building insulation sold in 2024 will save more than 100 times the energy consumed in its production¹².

Overexploitation

We do not use in our production any of the most over-exploited species (such as marine fish and trees) identified by the IPBES¹³.

⁸ UNEP (link)

⁹ ROCKWOOL Sustainability Report 2023, page 24

¹⁰ See decarbonization roadmap in Sustainability Report 2023 page 19

¹¹ ROCKWOOL Annual Report 2024, page 67

¹² ROCKWOOL webpage on Decarbonisation

¹³ Models of drivers of biodiversity and ecosystem change | IPBES secretariat



Invasive species

While we do not currently have a specific inventory assessment programme at our sites, our facility managers work closely with professional landscapers to ensure responsible land stewardship, with consideration of native vegetation.

ROCKWOOL biodiversity initiatives and programmes are the responsibility of the Senior Vice President for Marketing, Communication and Public Affairs, who is also a member of ROCKWOOL's Group Management. We can achieve best results by taking a coordinated, Group-wide approach, which is why we have: i) set up an internal knowledge sharing group involving many of our operating companies (OPCOs), and ii) ask that OPCOs consult with Group before initiating local biodiversity actions.