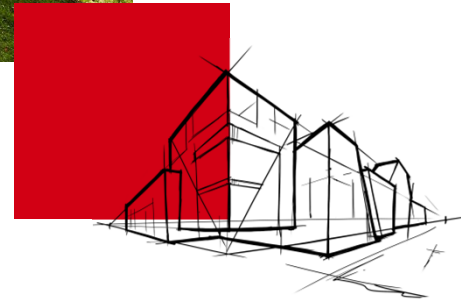




Regenerative by nature

ROCKWOOL 2020 Sustainability report



Despite the challenges we are optimistic about the future

Our overriding approach to sustainability is based on three strategic principles covering both positive impact from products (handprint) and operational footprint:

1. Using less energy and materials
2. Greening the rest
3. Addressing climate hazards

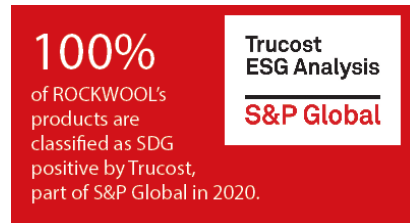


A handwritten signature in black ink, appearing to read 'J. Birgersson', positioned above the printed name.

Jens Birgersson, CEO



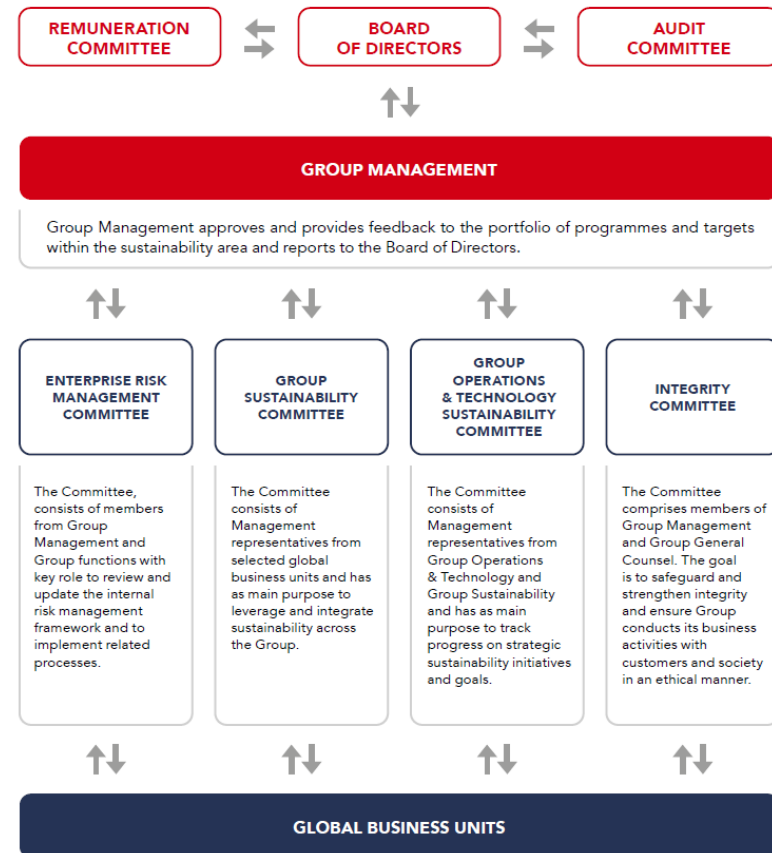
Progress and achievements 2020



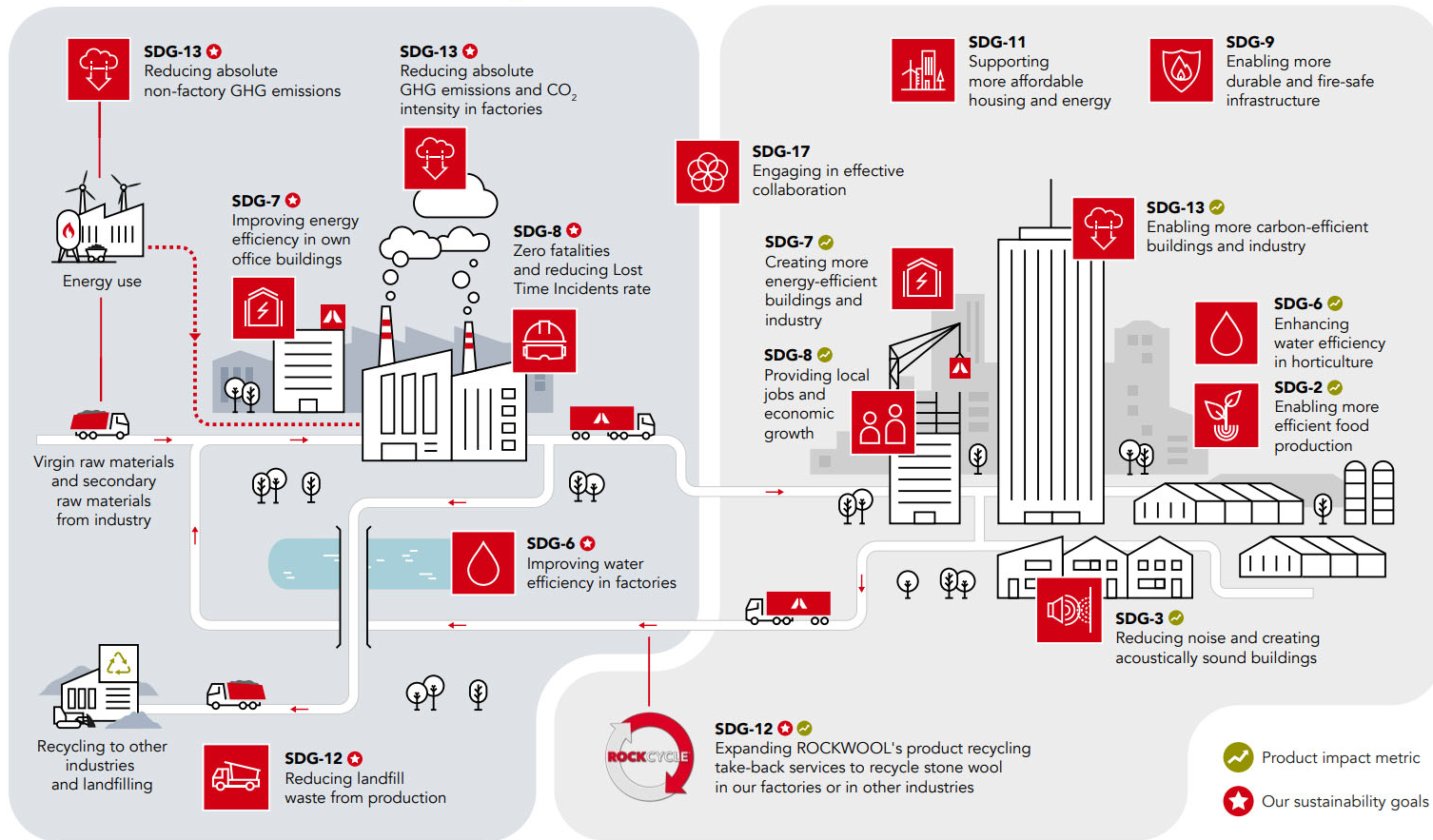
- We **committed to the Science Based Target initiative** and set ambitious targets to reduce absolute greenhouse gases across the lifecycle
- We received further recognition of **our positive SDG impact** through taxonomy eligibility and Standard & Poor's SDG assessment
- We completed **two of our six 2022 sustainability goals** and marked solid progress on several of the other goals
- We received a number of **prestigious** awards for our sustainability efforts:
 - ROCKWOOL Denmark received the **European Business Awards for Environment** for its sustainability processes;
 - ROCKWOOL France received the B2B Grand Prix Award for its **innovative waste reclamation service Rockcycle®**;
 - ROCKWOOL Poland was recognised as a **Trustworthy employer in the Safety category**; and,
 - ROCKWOOL Russia received the **HR Brand award for its efforts on sustainable development**, based on Group's #RockGlobalGoals campaign.

Sustainability focus areas, risks and governance

- Sustainability is **integral to our business strategy**
- We pursue **a fact-based, auditable approach** backed up by third-party references and methodologies
- We actively contribute to **10 Sustainable Development Goals (SDGs)** and **have set six sustainability goals and two science-based targets**, all of which are SDG aligned
- The performance measurement of our six sustainability goals **was verified and assured by an external partner for the first time**



Our value chain impact





Les Trèfles primary school in Anderlecht, Belgium

Group Sustainability | March 2021 | © ROCKWOOL International A/S

Creating impact

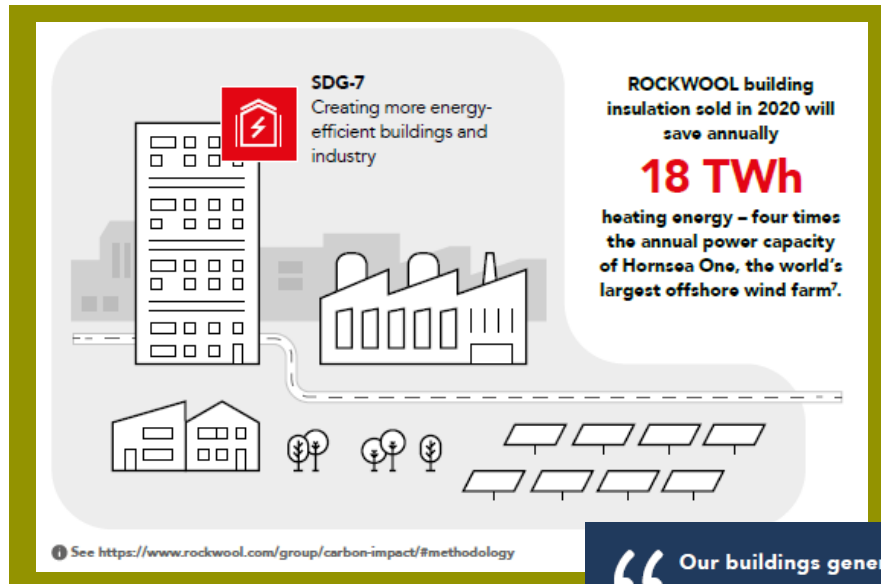
From taking action on climate change, to creating jobs, helping communities be safe and healthy, and ensuring a sustainable food chain, we are contributing to enabling a resilient and sustainable recovery.

Resilient and sustainable recovery

- COVID-19 pandemic shed a harsh light on the vulnerabilities in the global economic, social and environmental systems and the need to **reimagine urban living**
- ROCKWOOL can **play a powerful role in this process** by building on our three sustainability principles of **using less, greening the rest and addressing climate hazards**, we can:
 - Drive increased energy efficiency of the existing building stock
 - Deliver healthy living environments by using circular materials with natural fire and climate resilience, thermal comfort and high acoustic performance
 - Enable sustainable hydroponic horticulture in neighbourhoods



The role of energy renovation



- Energy renovation is **a major driver for achieving global climate targets** and future proofing tomorrow
- Renovating Europe's ageing building stock is central in the Commission's plans, in large part because buildings are the **EU's biggest carbon emitter**
- It is estimated that **per billion euro invested**, renovating the homes and buildings we occupy **can create 18 000 jobs**

“ **Our buildings generate 40% of our emissions.** They need to become less wasteful, less expensive and more sustainable. I want NextGenerationEU to kickstart a European renovation wave and make our Union a leader in the circular economy”.

Ursula von der Leyen, President of the European Commission⁶

Sources:

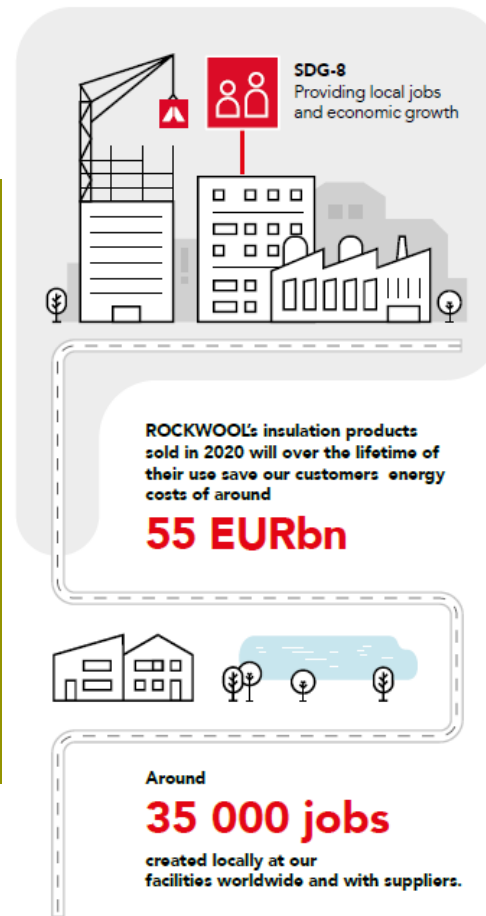
- European Commission, 2020, In focus: Energy efficiency in buildings
- Renovate Europe, 2020, Building Renovation: a kick-starter for the EU economy, <https://www.renovate-europe.eu/2020/06/10/building-renovation-a-kick-starter-for-the-eu-economy/>
- European Commission, 16 September, 2020, State of the Union Address by President von der Leyen at the European Parliament Plenary, https://ec.europa.eu/commission/presscorner/detail/en/SPEECH_20_1655
- Ørsted, 2020, Hornsea One Offshore Wind Farm, <https://hornseaprojects.co.uk/>

See <https://www.rockwool.com/group/carbon-impact/#methodology>

Making a real difference on climate change and jobs

- **Total of 52 million jobs** are expected to be created under a standard green recovery scenario
- **39 million of these (74%)** are jobs created in the buildings and energy sector
- **10-21 job years** created by **1 USDm** invested

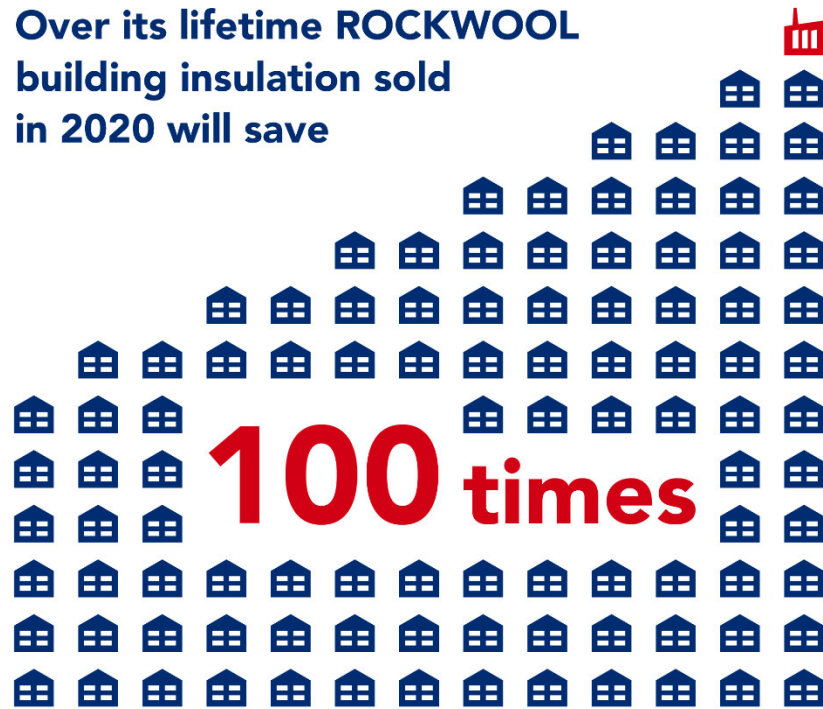
Source: IEA, Sustainable Recovery, World Energy Outlook Special Report, June 2020



Refurbishment of a multi-unit house in Milan, Italy.

See <https://www.rockwool.com/group/socioeconomic-impact/>

Over its lifetime ROCKWOOL
building insulation sold
in 2020 will save



the carbon emitted and energy
consumed in its production.

See <https://www.rockwool.com/group/carbon-impact/#methodology>



Decarbonising our business and value chain

- In December 2020, we set two science-based targets:
 - **Reducing factory absolute greenhouse gas emissions by 38% by 2034 (relative to baseline year 2019)**
 - **Reducing non-factory, absolute lifecycle greenhouse gas emissions by 20% by 2034 (relative to baseline year 2019)**
- These absolute emission reduction targets equate to an ambitious **one-third reduction** of ROCKWOOL's lifecycle greenhouse gas emissions **in 15 years**
- At the same time we will be ensuring continued reduction in the carbon intensity (carbon emitted per tonne produced) of our production

Source: Greenhouse Gas Protocol has developed standards and definitions to Scope 1, 2 and 3, which are applied in ROCKWOOL's sustainability report. For more information see <https://ghgprotocol.org/>

Decarbonising our business and value chain

- We converted two Danish factories to natural gas in 2020 and certified climate-neutral biogas in 2021
- We will also in 2021 convert one of our production lines in Poland to natural gas
- ROCKWOOL won the 2020 European environmental award for sustainable production processes
- In the coming years we will make further progress on decarbonisation within the lifecycle through energy efficiency, technology innovation and circularity



Circularity in built environments

- Circularity is **a key strategic priority** for ROCKWOOL
- In certain geographies and product lines, our stone wool products **can contain up to 75 percent recycled material**
- In 2020, we introduced new Rockcycle® schemes in Austria, Italy and the United Kingdom, **extending our offering from 11 to 14 countries**
- In 2020, we **increased waste volumes from the market by 7%**



SDG-12 Expanding product recycling take-back services





The circularity aspects of our products



The core circular economy principles in action

Designing out waste

- We are reducing waste across the construction and manufacturing sectors by reclaiming and recycling our products

Keeping products and materials in use

- Tests show that our insulation maintains its functionality and integrity more than 55 years, providing the same thermal quality as on the day it was produced

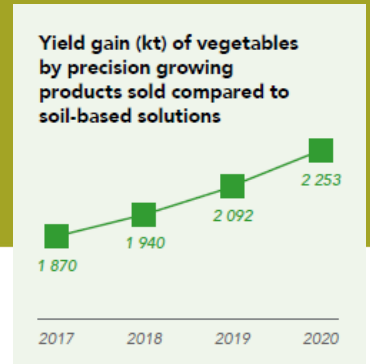
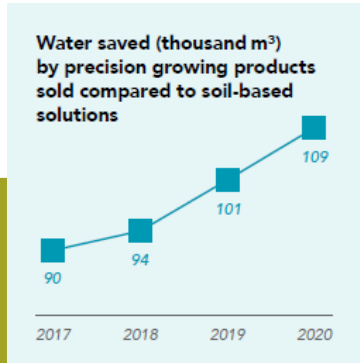
Regenerating natural systems

- By decarbonising our production and value chain, we are minimising the overall carbon footprint of the built environment and contributing to creating a healthier and more circular society



Sustainable food production

Grodan hydroponic solutions enable growers to use **53** percent less water to grow and with a **76** percent increased yield compared to soil-based solutions.



See <https://www.rockwool.com/group/sustainablegrowing/#methodology>

Healthy and fire safe neighbourhoods

- As Europe seeks to double building renovation rates by the end of this decade, **fire safety becomes even more important**
- Once a high level of energy efficiency is achieved, it can make sense to utilise suitable roof spaces for PV panels, although this is not without risk. **Fire accidents from PV panels** have increased in the last decade
- To ensure fire safety in new construction and renovations, **non-combustible building materials such as stone wool products are essential**

Source: SFPE [connectedcommunity.org](https://www.connectedcommunity.org), 2015, Fires in Photovoltaic Systems: Lessons Learned from Fire Investigations in Italy

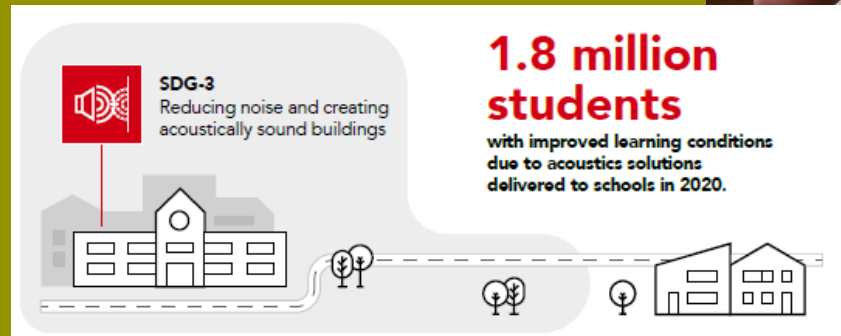


Bièvre towers,
France

Group Sustainability | March 2021 | © ROCKWOOL International A/S

Healthy and fire safe neighbourhoods

- Rockfon products play an **important role** in enabling students to clearly hear and understand their teachers and thus improving their learning conditions
- Rockfon and ROCKWOOL UK helped build temporary hospitals in UK during the first wave of COVID pandemic
- In 2020, Rockfon became a keystone member of the International Well Being Institute (IWBI)



See <https://www.rockwool.com/group/acoustic-impact/>



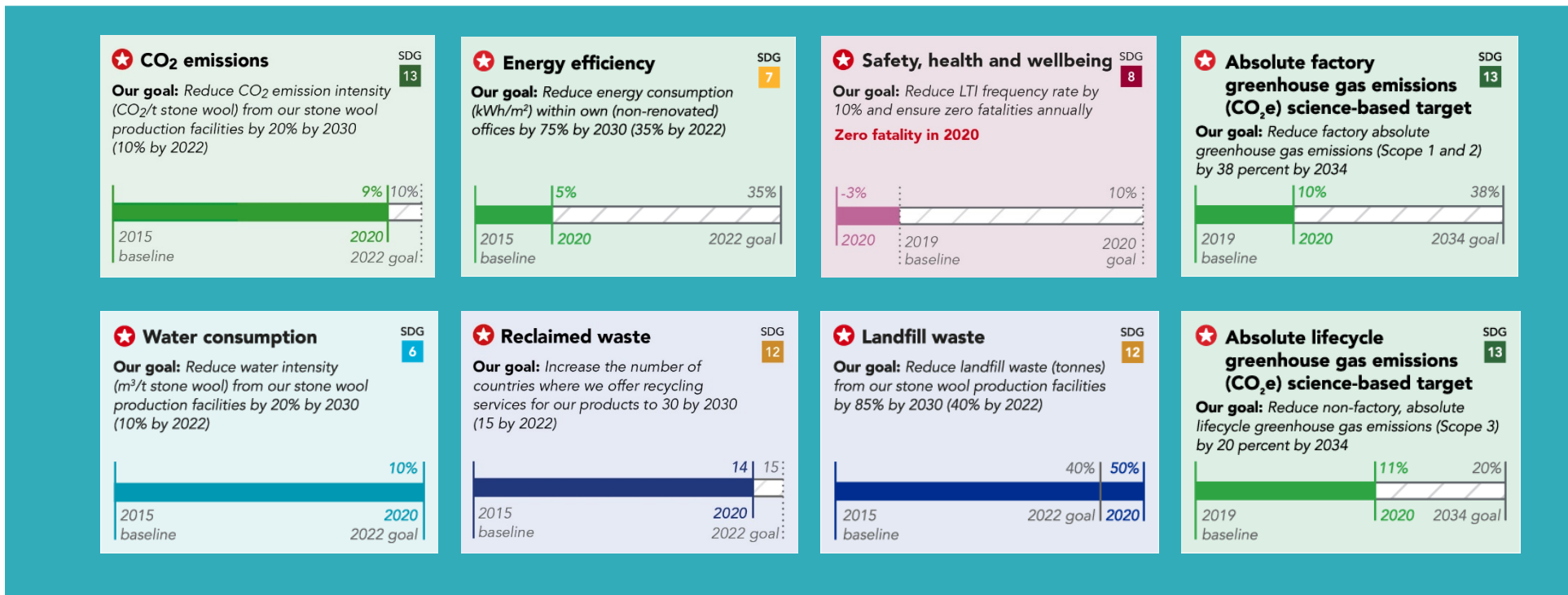
Factbook and data

During 2020, we met two of the six interim goals two years ahead of schedule – specifically, on reducing production waste going to landfill and improving the water efficiency in our factories.

We made good progress on meeting two of the other four goals. Although we had fewer lost time incidents in 2020 than in 2019, we did not meet our goal to reduce the Lost Time Incident rate.

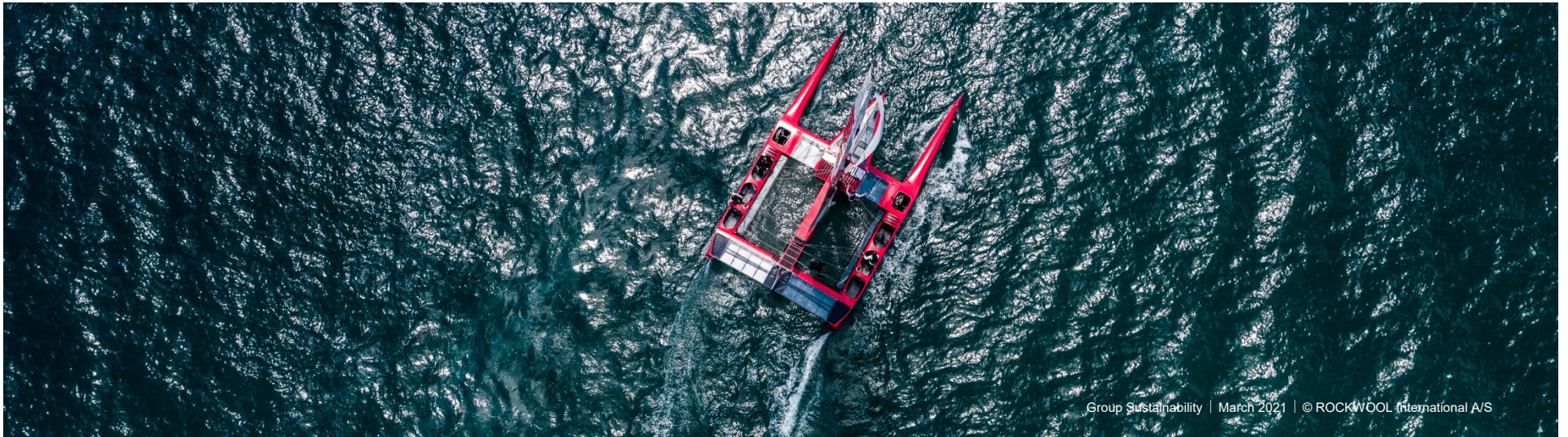
Sustainability goals: 2020 progress

Two new Group-wide goals



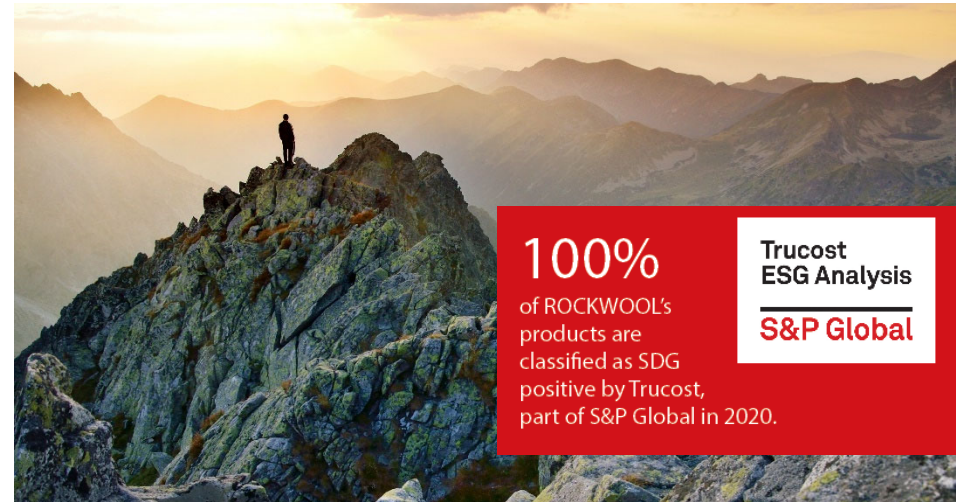
SailGP: #RacefortheFuture

- Through its Race for the Future initiative, SailGP will use its global reach to race for a better future and champion a world powered by nature to accelerate the transition to clean energy
- SailGP has set an ambitious target to reduce emissions by 55% by 2025
- SailGP Season 2 features eight Grand Prix events, including the ROCKWOOL Denmark Grand Prix in Aarhus, Denmark in August 2021



ESG performance

Trucost, part of Standard & Poor's Global, has assessed more than 15 000 companies globally and finds that ROCKWOOL is among **top 10 in terms of SDG positive impact**.



MSCI	Sustainalytics	ISS-Oekom	CDP
A	Low risk	C+ Prime	B

Thank you