



## Modern Slavery Statement for the Financial Year 2019

This statement is made pursuant to Section 54 of the Modern Slavery Act 2015 and constitutes ROCKWOOL Limited and the ROCKWOOL Group's statement for the financial year ending 31 December 2019. The statement describes the initiatives and considerations that ROCKWOOL Limited as part of the ROCKWOOL Group has taken to minimise the risk of slavery and human trafficking taking place in its supply chains or in the company.

### ROCKWOOL Group structure and supply chain

ROCKWOOL is a focused industrial company with leading positions in insulation, acoustic ceilings and horticultural growing media based on stone wool technology. Group companies operate under the trademarks ROCKWOOL, Grodan, Lapinus, Rockfon and Rockpanel. Group operations are focused on Europe, Russia, North America and Asia. The Group employs more than 11,700 employees. The Group operates out of 46 manufacturing facilities situated in 39 countries. More information is available on [www.rockwoolgroup.com](http://www.rockwoolgroup.com).

The Group has a continuous goal to assess the supplier base to keep the number of suppliers at the right level to support the business. We currently engage more than 10,000 suppliers worldwide covering a multitude of categories of goods and services. Suppliers vary from small local suppliers to large international suppliers supplying the Group on a worldwide basis. The ROCKWOOL Group total spend for 2019 is expected to be around 1,900 MEUR, increasing in 2020 as production capacity expands.

### Policies relating to slavery and human trafficking

The ROCKWOOL Group is committed to ensuring that there is no modern slavery or human trafficking in our supply chains or in any part of our business. The ROCKWOOL Group has been a UN Global Compact (UNGC) signatory since 2016, where ROCKWOOL [committed](#) to implementing the 10 principles including principle four on elimination of all forms of forced and compulsory labour. The ROCKWOOL Group's anti-slavery policy reflects our commitment to acting ethically and with integrity in all our business relationships and to implementing and enforcing effective systems and controls to ensure slavery and human trafficking is not taking place anywhere in our supply chains.

### The ROCKWOOL Group Code of Conduct and Whistle-blower Policy

The ROCKWOOL Group operates a [Code of Conduct](#) which explicitly states the Group's opposition to forced or compulsory labour and that the Group will not engage with business partners that use forced or compulsory labour. The Code of Conduct has been communicated internally and is publicly available on [rockwoolgroup.com](http://rockwoolgroup.com).

As a supplement to the Code of Conduct, the Group operates a [Whistle-blower Policy](#) which encourages employees and third parties to report violations of the Code of Conduct and sensitive concerns. The ROCKWOOL Group is in the process of updating its whistle-blower system to ensure compliance and facilitate reporting. In 2019 the ROCKWOOL Group did not receive any whistle-blower reports concerning the use of forced or compulsory labour in the supply chain.

### Supplier due diligence process

The ROCKWOOL Group acknowledges there is a risk connected with the categories and countries the Group is engaged with in terms of compliance with international, national and local laws and guidelines relating to employment, environmental and manufacturing practices as well as ethics and bribery, particularly in relation to sustainable sourcing.

The Group has a specific Code of Conduct for Suppliers which is in alignment with the overall Code of Conduct and reflects the Group's commitment in relation to the UNGC towards suppliers. The Code of Conduct is designed to mitigate risk by clearly stating the Group's expectations of its suppliers and the requirement for its suppliers to enforce the same guidelines within their supply chain.

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In 2019 the ROCKWOOL Group continued to scrutinise its internal processes with respect to the due diligence of human rights in its supply chain. During 2019, the ROCKWOOL Group evaluated the sustainability risk relating to three areas, one of them being human rights and labour rights across the countries in which the Group operates and the type of materials and services the Group procures. This resulted in a risk matrix that the ROCKWOOL Group will use to assess new suppliers as well as to reassess existing suppliers. The ROCKWOOL Group expects to implement the new risk matrix for existing suppliers identified as high risk in 2020.

Suppliers to the ROCKWOOL Group, managed by Group Sourcing & Procurement (GSP), must accept the Code of Conduct for Suppliers as part of the on-line supplier registration process. Acceptance of the Code of Conduct for Suppliers is a prerequisite to being approved as a supplier to the Group. We accept suppliers

operating on their own code of conduct on a level equal or higher compared to that of the ROCKWOOL Group. These are also captured during the registration and approval process.

GSP is required to conduct supplier evaluations of suppliers. During the supplier approval process, the supplier will be evaluated on various labour and human rights parameters and be segmented in accordance with criticality and risk profile. The risk profile will determine the evaluation process that will be applied to the individual supplier. This will enable GSP to work with each supplier based on its current situation rather than only based on a specific spend and a three year period.

GSP handles contracts with large and strategic suppliers. This includes regular visits to suppliers and visits of production facilities as well as third party audits as and when required. The close collaboration with new and existing suppliers is a part of our current assessment of compliance with the Code of Conduct for Suppliers. The ROCKWOOL Group has a KPI system which measures the suppliers acceptance of the supplier Code of Conduct.


Audits were undertaken in 2019 whereby suppliers were selected for third-party sustainability audits to help with the further calibration of the improved supplier due diligence. As a result of such audits no major findings were unveiled.

We can confirm that we did not identify any instances of slavery in our supply chains in 2019.

**Training and capacity building**

To ensure a high level of understanding of the risks of modern slavery and human trafficking in our supply chains and our business, we provide training to our staff. As part of the roll out of the new supplier evaluation process, employees in GSP dealing with suppliers will receive further training. Additionally, in 2019 an e-learning course in the Code of Conduct was concluded which targeted around 6,000 employees worldwide. This e-learning programme was well received by employees and will be repeated in 2020/21.

**Approved by the Board 20 March 2020**

**Signed:**  .....

**Title:** **Managing Director, ROCKWOOL Limited**