

An aerial photograph of a volcanic landscape. The foreground and middle ground are dominated by dark, jagged volcanic rock formations. A dirt road curves through the scene, with a small white car visible on it. Patches of green and brown vegetation are scattered across the rocky terrain. At the top of the image, the ocean is visible with white-capped waves crashing against the shore. A solid blue rectangular graphic element is positioned in the lower right area of the image.

ESG Investor Call

March 08, 2024



Agenda: ESG investor call

- 1. Sustainability progress**
- 2. Decarbonisation**
- 3. Ratings and reporting**
- 4. Sustainable business drivers**

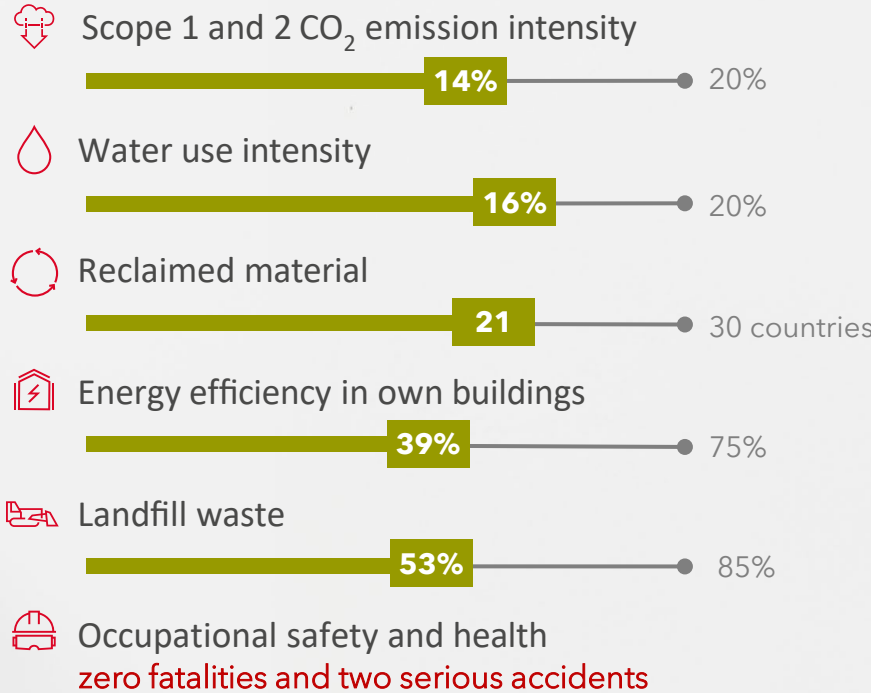


Good progress on sustainability goals

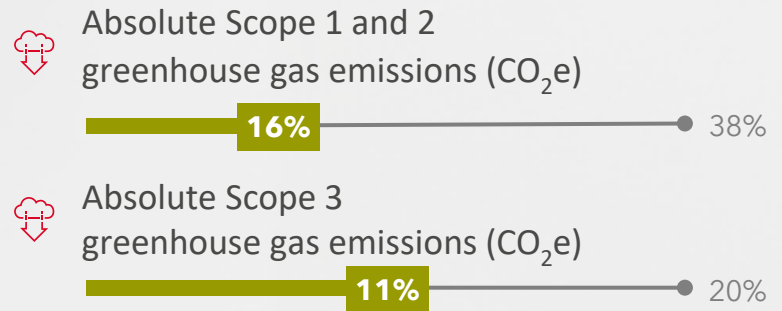


*ROCKWOOL exceeded all 2022 intermediate goals

Baseline year 2015 (goal 2030)*



Baseline year 2019 (goal 2034)



Good progress on sustainability goals

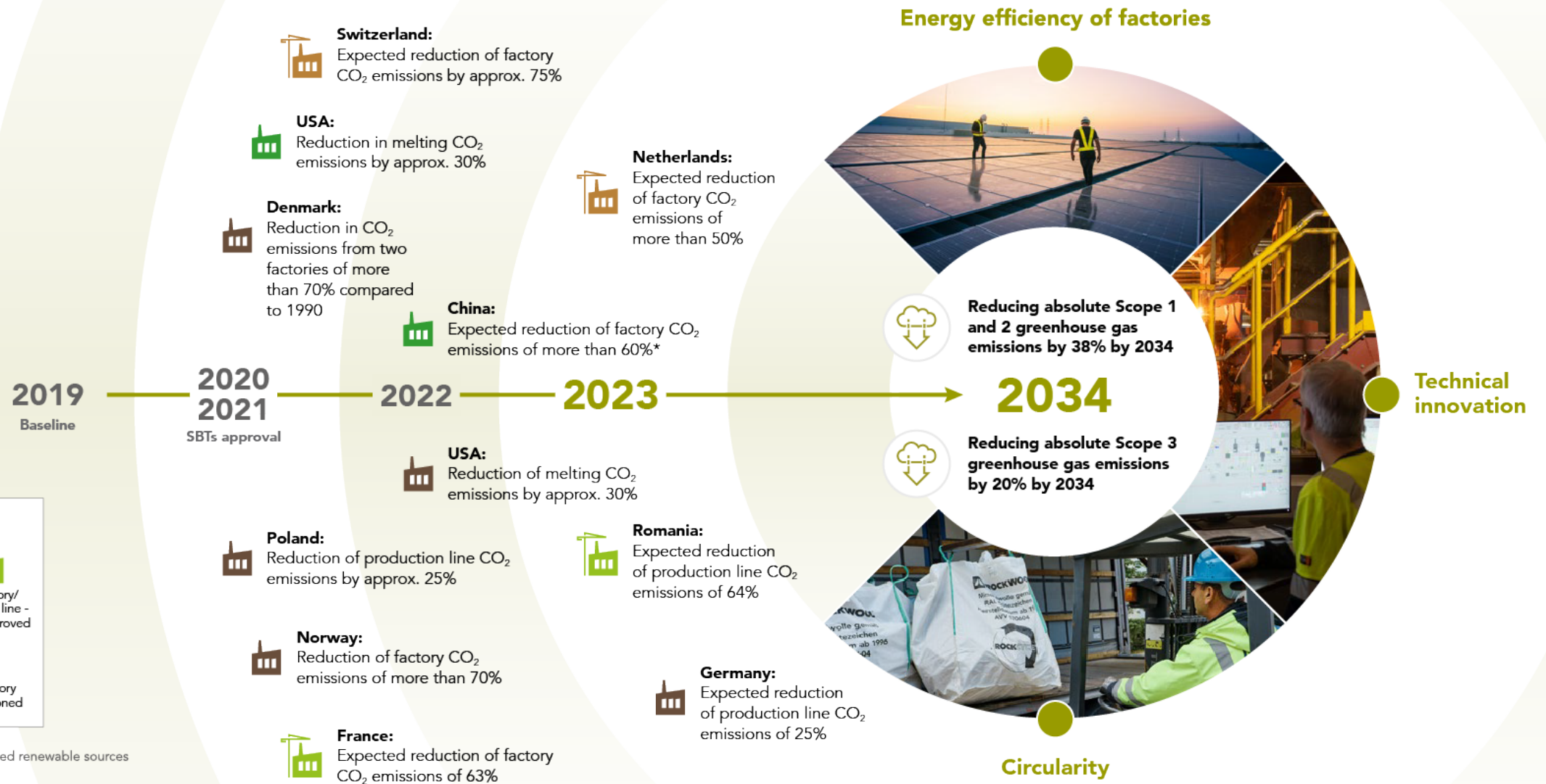


ROCKWOOL
commits
to achieve
net zero
greenhouse gas
(GHG) emissions
by 2050

*ROCKWOOL exceeded all 2022 intermediate goals

02 - Decarbonisation: Our **goals, actions** and contextual **constraints**

Advancing our decarbonisation commitment



Icon explainer

- Conversion plan announced
- New factory/production line - project approved
- Conversion commissioned
- New factory commissioned

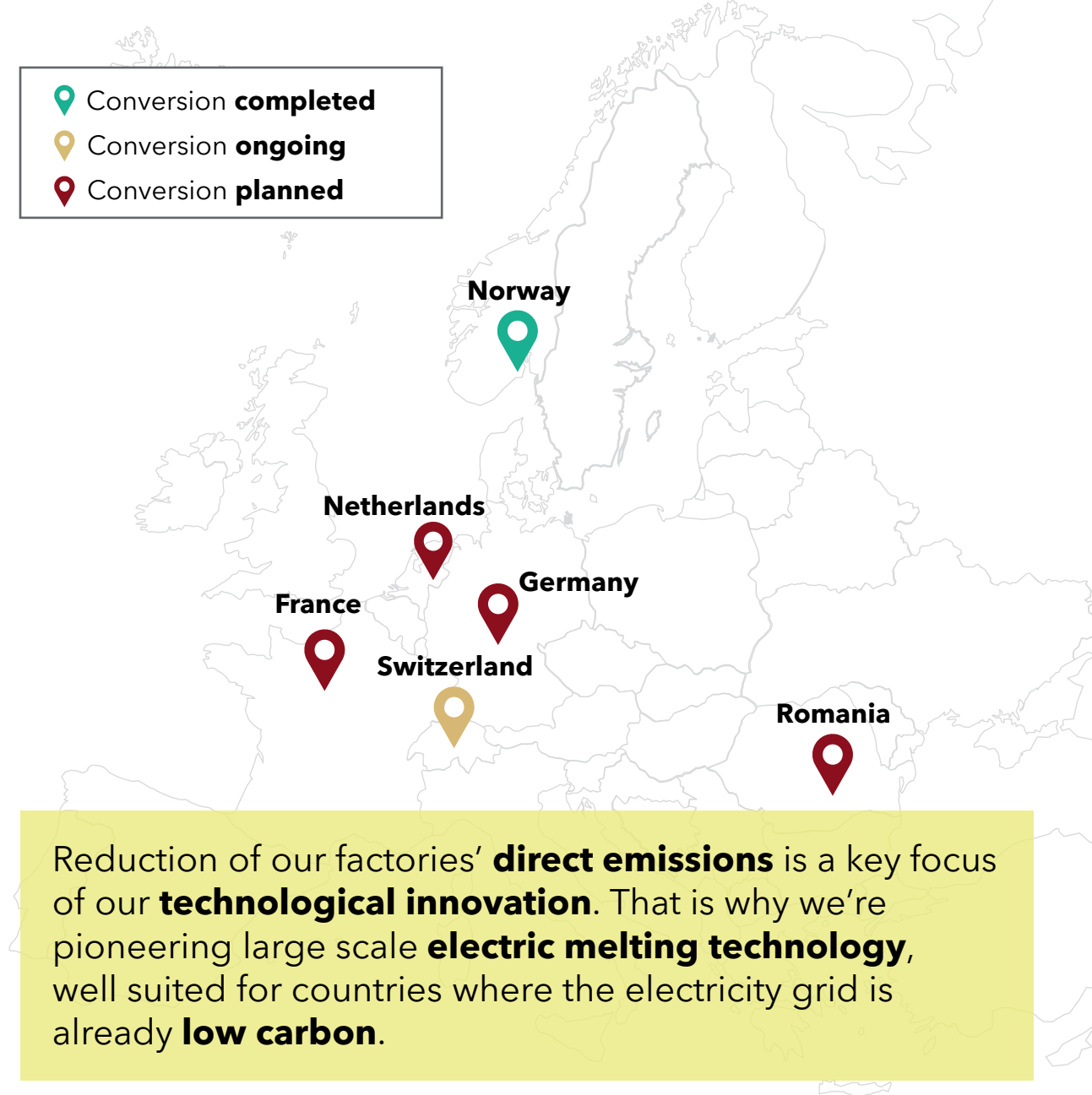
* When factory will be on certified renewable sources

Electrification of our factories past, present, and future

- **Decarbonisation** – electrifying our melting process, is the main lever to achieve our targets.
- **Key to success** – deploying innovative technologies in both existing and future factories

We have, are or soon will be electrifying melting processes in:

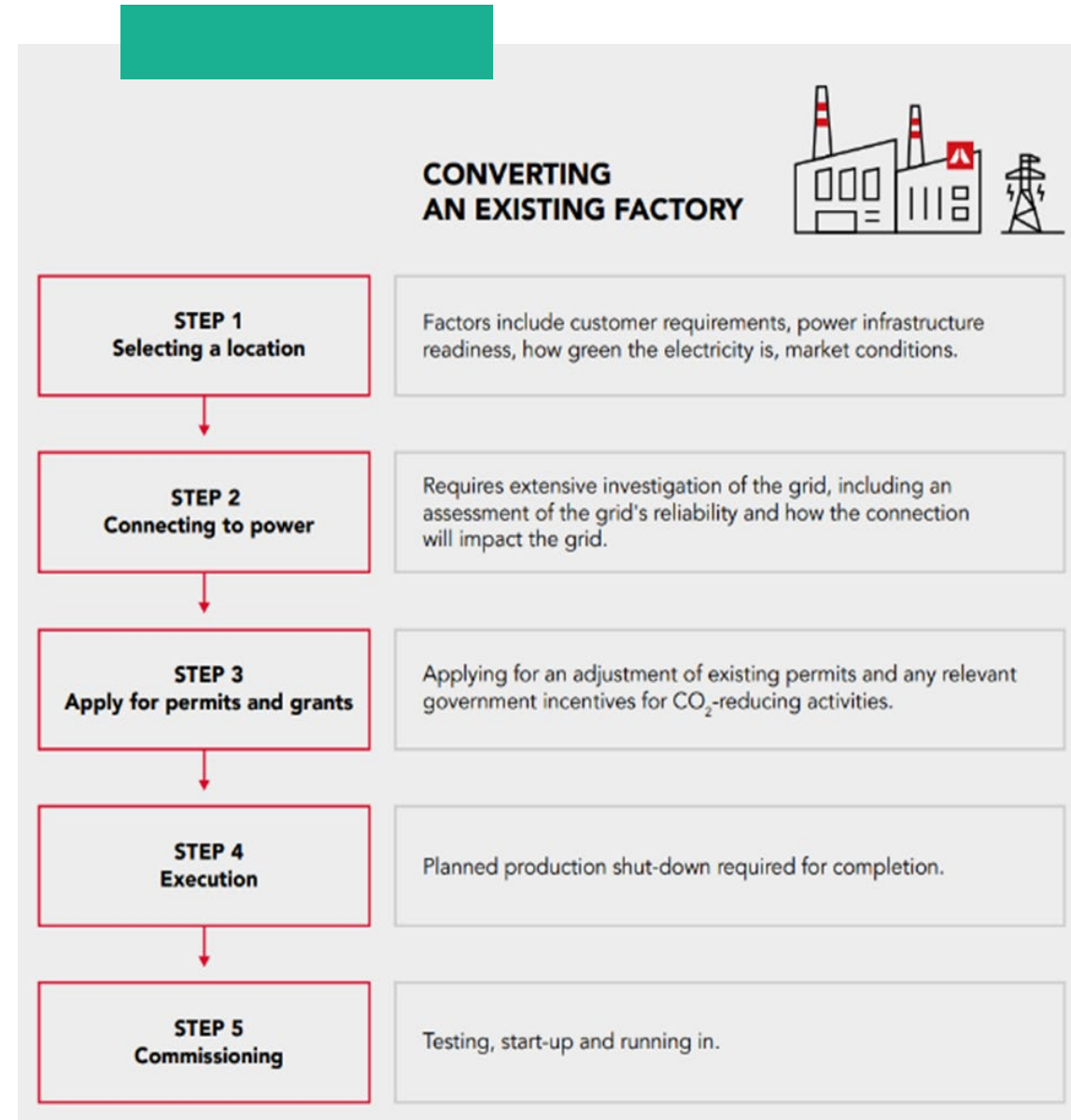
- Norway (completed, Moss)
- China (completed, Qingyuan)
- Switzerland (ongoing, Flums)
- Netherlands (announced, Roermond)
- France (announced, Soissons)
- Germany (ongoing, Flechtingen)
- Romania (announced, Ploiești)



Electrification of our factories

We can do it, but it's not as straightforward as one might think

- ROCKWOOL has **production facilities in 23 countries** (globally).
- Each facility has different political environments, economic and business conditions, degrees of infrastructure readiness, supply chain constraints and customer preferences.
- Many factors influence decisions on **when and where to convert or build**. Such as:
 - availability of low-carbon electricity
 - grid connections
- **Off-the-shelf**, large-scale electric melting technology doesn't exist.
- The scale of electrification that we are pursuing has **never been done before** in our industry; it's a major, and long-term task.



ROCKWOOL purchases 100 hectares in Washington state, USA

ROCKWOOL North America yesterday announced a land purchase with intention to build a state-of-the-art manufacturing facility featuring proprietary **electric melting technology**.

- **No construction timeline** has been set for the new facility, which would be ROCKWOOL's fifth in North America.
- This is a first step toward growing our stone wool production capacity in this region to better serve customers in the **western United States**.



ROCKWOOL is North America's largest stone wool manufacturer, with four manufacturing facilities throughout the United States and Canada and nearly 1,100 employees

ROCKWOOL's science-based decarbonisation targets

Scope 1 and 2

-38%

Factory emissions
(compared to 2019)

Scope 3

-20%

Non-factory lifecycle emissions
(compared to 2019)

Resulting in a one million tonne annual absolute emission reduction** by 2034, equal to a one-third reduction compared to 2019.



-1 000 000 tonnes

Science Based Targets initiative (SBTi) is a non-profit organisation, supporting companies to set climate-related targets, aligned with the latest climate science to meet Paris Agreement commitments. Read more about SBTi at www.sciencebasedtargets.org

**According to World Resources Institute, absolute emissions targets specify reductions measured in metric tonnes, relative to a historical baseline. By contrast, greenhouse gas intensity targets specify emissions reductions relative to productivity or economic output, for instance, tonnes CO₂ per produced unit or per unit of revenue generated. www.wri.org/publication/target-intensity

ROCKWOOL's decarbonisation targets were approved by the Science Based Targets initiative (SBTi) in 2020

03 - Ratings & Reporting:

Reporting requirements and ratings -
what does it mean for ROCKWOOL?

ESG - Emerging regulation (governance) and ESG ratings

- Substantial new reporting requirements falling into place for EU-based companies
- The CSRD is one very important example of emerging governance relating to disclosure of ESG-related data
- While the CSRD will require a lot in terms of reporting and data collection, it will also help to create a more level playing field when it comes to ESG-ratings

E

Environmental

S

Social


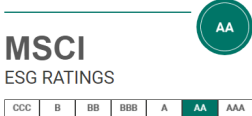


G

Governance

Environmental

Towards a more level playing field
within sustainability ratings

Positive 2023 sustainability ratings

ESG ranking	Elaboration & benchmark	Score
	ROCKWOOL with highest - leadership level in Climate Change disclosure for 3rd consecutive year	A- Leadership level
	LEADER status: ROCKWOOL is a leader among 110 companies in the building products industry	LEADER with AA
	ROCKWOOL ranked 36, out of 151 building products companies (1 st = lowest ESG risk)	Medium ESG Risks
	ROCKWOOL has B Prime status for 2 nd consecutive year in ISS ESG Rating	B Prime

as of Feb. 7th, 2024

ESG ratings and rankings

Important, but not perfect...

- There is a multiplicity of rating systems, with limited methodology harmonisation:
 - Data collection requirements **vary**
 - **Flexibility** in definitions and data requirements makes for “subjective judgement calls” in company ESG data-disclosure
 - Methodologies continue **evolving**
 - More **harmonisation** and rigidity needed
- Developments:
 - **Provisional agreement** between the European Parliament and of the Council on the “*transparency and integrity of Environmental, Social and Governance (ESG) rating activities*”
 - To be seen: will the **Corporate Sustainability Reporting Directive** (CSRD) create a more level playing field...?
 - Reporting scope 1, 2 **and** 3 emissions is mandatory in the European Sustainability Reporting Standards (ESRS)



Governance

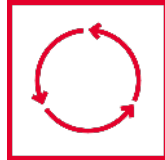
Preparation for the CSRD

EU CSRD (Corporate Sustainability Reporting Directive)



What are the goals of CSRD?

- **Standardisation:** same role as IFRS for financial statements
- **Comparability:** unified definitions and calculation methodologies
- **Interoperability** with other global reporting frameworks (GRI Standards)



What will CSRD cover?

- Same scope of reporting as **financial statements** (all ROCKWOOL businesses and all geographies)
- **New sustainability topics** (e.g. biodiversity, human rights) and **additional indicators** (moving from 25 to 85 indicators)
- Third party **assurance**



Important deadlines

- Applies for **2024 data** reported in 2025 and onwards
- **Value chain** data incl. supply chain, to be phased in over 3 years (2024, 2025, 2026)



More coming-up

- Currently, CSRD imposes general sustainability reporting standards (**industry-agnostic**)
- Later, EU will implement **sector-specific standards**

15 Material Sustainability Topics

Double Materiality Assessment (DMA)

Environment

- **Climate** change
- **Energy** mix
- **Pollution to air**
- **Substances of concern** (chemicals)
- **Resource use**
- **Resource outflows**, incl. waste, packaging and **circular** principles
- Direct impact drivers of **biodiversity**
- **Water** consumption

Social

- Own workforce **health & safety**
- Own workforce gender equity and **gender pay gap**
- Workers in value chain: **workers in supply chain** (working conditions, health & safety, counter acting forced & child labour)
- Affected communities (local communities)
- **Consumers and end users' health & safety**

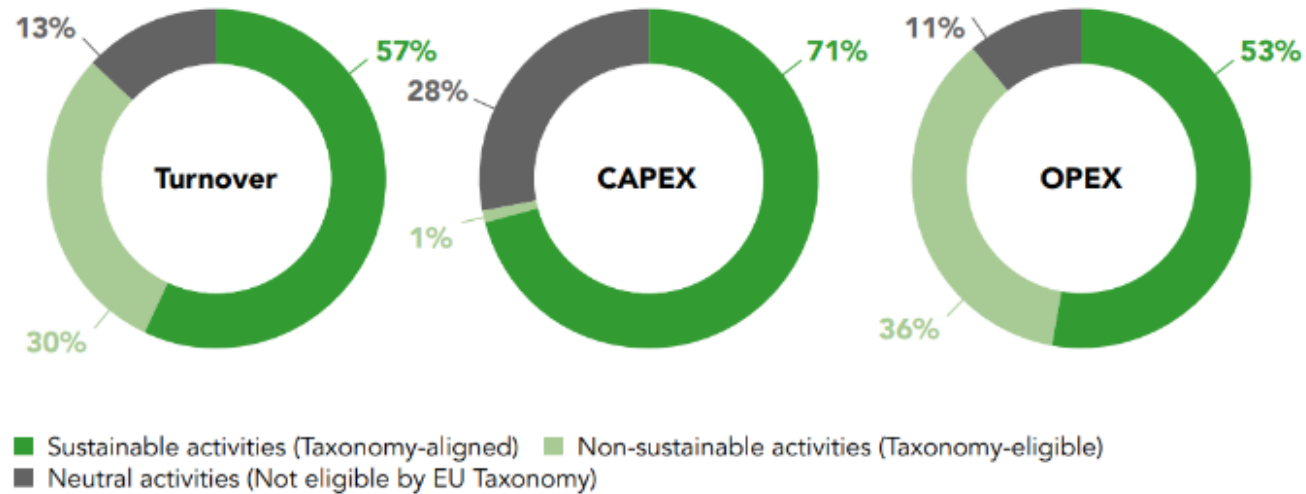
Governance

- Prevention of **corruption and bribery**
- Protection of **whistleblowers**

The double materiality assessment process was structured around the following 5 stages:

1. Mapping of topics
2. Assessing and scoring of topics through workshops, surveys and interviews with internal and external stakeholders
3. Consolidation and prioritisation of topics
4. Validation by Group Management
5. High level overview by external auditor (PwC)

Taxonomy alignment



ROCKWOOL has carried out the “Do No Significant Harm” (DNSH) assessment to determine alignment with the taxonomy.

1. Climate change adaptation
2. Sustainable use and protection of water and marine resources
3. Transition to a circular economy
4. Pollution prevention and control
5. Protection and restoration of biodiversity and ecosystems
6. Minimum safeguards



Social Human Rights

Human Rights

ROCKWOOL takes action

- ROCKWOOL Group reaffirms its commitment to uphold the principles outlined in international human rights standards, including the **Universal Declaration of Human Rights**, the International **Labour Organization (ILO)** conventions, and the **United Nations Guiding Principles on Business and Human Rights**.
- There are several directives, regulations, and treaties within the EU framework that address different aspects of human rights.
- **Some of the key documents and principles include:**
 - European Convention on Human Rights (ECHR)
 - Charter of Fundamental Rights of the European Union
 - General Data Protection Regulation (GDPR)
 - Employment and Anti-Discrimination Directives
 - Corporate Social Responsibility Directive (CSRD)



04 - Sustainable business: Regulatory drivers and commercial pull

How is the policy and regulatory framework shaping our sustainability strategy and impact?

1

EU climate and energy policy broadly supports our decarbonization strategy

2

Buildings and energy efficiency continue to be a major policy focus

3

Sustainable product policies are promising - but more needs to be done to support circularity

Policy & Regulation

Legislation which has the potential to drive the market forward

01

EU climate and energy policy

02

2040 EU climate target plan

03

Building Reno. & Energy efficiency

04

Fire safety policy
(national)

05

Circular Economy Action

06

EU rules on green claims

07

Corporate Sustainability Reporting Directive

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Corporate Sustainability Reporting Directive

Building renovation

- Building renovation is a major focus of EU and national policy
- EPBD implementation will drive up renovation rates – to be covered by ROCKWOOL
- PV Panels – EU Solar Strategy





Energy efficiency

- High-level political support for energy efficiency
- COP28 Global Pledge on Renewables and Energy Efficiency
- Energy Efficiency Directive
- Industrial Emissions Directive

Fire safety policy (national)

- Fire safety policy creates additional demand for non-combustible insulation





Circular Economy Action

- Progress on circular economy and waste policy has been insufficient to drive circularity across our value chain
- We need a higher level of ambition and the right incentives

EU rules on green claims

- EU has a major focus on developing sustainable product policy
- New EU rules on green claims and empowering consumers
- At EU level there is also a lot of attention on chemicals policy



Questions?

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Thank you!

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