ESG Meeting Calendar

10 Sept. 2019  Environment: Climate change and energy efficiency
13 Dec. 2019  Environment: Circularity
19 Mar. 2020  Sustainability Report 2019 launch
29 May 2020   Social impact and governance
18 Sept. 2020  Task Force on Climate-related Financial Disclosures (TCFD)
14 Dec. 2020  Science-based targets
19 Mar. 2021  Sustainability Report 2020 launch
  
8 June 2021   Reserve the date
  
6 Sept. 2021   Reserve the date
  
16 Dec. 2021   Reserve the date
Agenda

• CEO message

• Highlights 2020

• Sustainability progress

• EU policy development

• Going forward – what can you expect

• Q&A
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
2020 Sustainability highlights

• ROCKWOOL is a net negative carbon company and in 2020, we went a step further and committed to Science Based Target initiative

• 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

• Considerable progress in strengthening our circular business model

• 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®; and,
  — ROCKWOOL Poland was recognised as a Trustworthy employer in the Safety category;
2020 Sustainability ratings and indexes

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.

<table>
<thead>
<tr>
<th>MSCI</th>
<th>Sustainalytics</th>
<th>ISS-Oekom</th>
<th>CDP</th>
</tr>
</thead>
<tbody>
<tr>
<td>A</td>
<td>Low risk</td>
<td>C+ Prime</td>
<td>B</td>
</tr>
</tbody>
</table>

Trucost ESG Analysis
S&P Global

100% of ROCKWOOL's products are classified as SDG positive by Trucost, part of S&P Global in 2020.
• We pursue a fact-based, auditable approach backed up by third-party references and methodologies.

• We follow externally developed methodologies to calculate our positive product impacts (Guidehouse, Copenhagen Economics, Wageningen University & Research, Rambøll Management Consulting A/S).

• In 2020, all six goals were externally assured covering data since 2015 with the aim to increase our non-financial data credibility and quality.

• Changes to the baseline were performed, including further enforcing ROCKWOOL’s data management process at business unit level.

• These changes have not had a material impact on our performance disclosure.
Sustainability goals

2020 progress

- **CO₂ emissions**
  - **Our goal**: Reduce CO₂ emission intensity (CO₂/t stone wool) from our stone wool production facilities by 20% by 2030 (10% by 2022)
  - 2015 baseline: 9%
  - 2020: 10%
  - 2022 goal: 10%

- **Energy efficiency**
  - **Our goal**: Reduce energy consumption (kWh/m²) within own (non-renovated) offices by 75% by 2030 (35% by 2022)
  - 2015 baseline: 5%
  - 2020: 35%
  - 2022 goal: 35%

- **Safety, health and wellbeing**
  - **Our goal**: Reduce LTI frequency rate by 10% and ensure zero fatalities annually
  - 2020: 10%
  - 2021: 10%
  - 2022 goal: 10%

- **Water consumption**
  - **Our goal**: Reduce water intensity (m³/t stone wool) from our stone wool production facilities by 20% by 2030 (10% by 2022)
  - 2015 baseline: 10%
  - 2020: 10%
  - 2022 goal: 10%

- **Reclaimed waste**
  - **Our goal**: Increase the number of countries where we offer recycling services for our products to 30 by 2030 (15 by 2022)
  - 2015 baseline: 15%
  - 2020: 15%
  - 2022 goal: 15%

- **Landfill waste**
  - **Our goal**: Reduce landfill waste (tonnes) from our stone wool production facilities by 85% by 2030 (40% by 2022)
  - 2015 baseline: 40%
  - 2020: 50%
  - 2022 goal: 50%

- **Absolute factory greenhouse gas emissions (CO₂e) science-based target**
  - **Our goal**: Reduce factory absolute greenhouse gas emissions (Scope 1 and 2) by 38 percent by 2034
  - 2019 baseline: 10%
  - 2020: 38%
  - 2034 goal: 38%

- **Absolute lifecycle greenhouse gas emissions (CO₂e) science-based target**
  - **Our goal**: Reduce non-factory, absolute lifecycle greenhouse gas emissions (Scope 3) by 20 percent by 2034
  - 2019 baseline: 11%
  - 2020: 20%
  - 2034 goal: 20%
Safety goal
2020 progress

- COVID-19 pandemic introduced new unprecedented health risks leading to many employees working from home during the year
- Zero fatalities
- Number of lost time incidents was lower than in 2019, but due to a lower demand for our products during the pandemic the Lost Time Incident rate increased from 2.7 to 3.0
CO₂ intensity & GHG (CO₂e) goals
2020 progress

• 9% improvement in CO₂ intensity (tCO₂/t stone wool) compared to baseline 2015
  • Improvement in 2020 mainly due to:
    ─ Improvements in energy efficiency;
    ─ Conversion of our two Danish factories to natural gas;
    ─ Purchase of Guarantees of Origin in Norway (el. melter) and Poland (sustainability certification).

• SBTs set with focus on lifecycle emissions (Scope 1, 2 & 3)

• 10% improvement in lifecycle GHG (CO₂e) emissions due to above measures and lower production volumes
- Achieved our 2022 interim goal for landfill waste increasing the number of factories that have fully closed loop stone wool systems
- ROCKWOOL is a pioneer of recycling programmes within the construction industry having offered recycling services for decades
- In 2020, we collected and recycled 163 000 tonnes of stone wool from customers representing an increase in waste volumes of 7%
EU policy development
manufacturing of insulation products still recognised in EU Taxonomy Regulation (2020/852) as “delivering substantial contribution to climate change mitigation by improving energy efficiency”.

All IPCC* low carbon scenarios include insulation products as a key mitigation solution.

**Our assessment:** 95% of our insulation business revenue is taxonomy-eligible.

**No change:** manufacturing of insulation products still recognised in EU Taxonomy Regulation (2020/852) as “delivering substantial contribution to climate change mitigation by improving energy efficiency”.

All IPCC* low carbon scenarios include insulation products as a key mitigation solution.

**Still outstanding:** New draft of EU Delegated Act for climate change mitigation and climate change adaptation planned ultimo April; to come into force from 1 January 2022.

*Intergovernmental Panel on Climate Change

Note: 

95% revenue from insulation business is taxonomy-eligible
‘Europe’s moment: repair and prepare for the next generation’

Estimated amount (EURbn) of recovery funds allocated to renovation

<table>
<thead>
<tr>
<th>Country</th>
<th>Estimated</th>
<th>Total grants allocation</th>
</tr>
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<tbody>
<tr>
<td>Italy</td>
<td>29</td>
<td>66</td>
</tr>
<tr>
<td>Spain</td>
<td>6</td>
<td>59</td>
</tr>
<tr>
<td>Poland</td>
<td>3.5</td>
<td>23</td>
</tr>
<tr>
<td>France</td>
<td>2.8</td>
<td>37</td>
</tr>
<tr>
<td>Germany</td>
<td>2.6</td>
<td>23</td>
</tr>
<tr>
<td>Romania*</td>
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<td>14</td>
</tr>
<tr>
<td>Belgium</td>
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<td>6</td>
</tr>
<tr>
<td>Croatia</td>
<td>0.7</td>
<td>6</td>
</tr>
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Allocating a fair share of the resilience and recovery fund of 672.5 EURbn to renovation

- Member states must submit their recovery plans to the Commission by April.
- There is more information on the likely commitments to renovation, though numbers could change.
- Our recommendation to allocate funds according to the building sector’s share of emissions looks like being met or exceeded.
- Commission has begun issuing bonds to raise recovery funds, but it is unclear when the bulk of the funding will be available.
- Clear need for capacity building and technical support to scale up renovation schemes and spend funds by the 2026 deadline.

Note: *4EURbn under discussion
The biggest job potential is in buildings

- **Total of 52.3 million jobs** are expected to be created under a standard green recovery scenario

- **38.8 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
Fire safe renovation

• Essential for fire safety that new construction and renovations, especially for high-rise and high-risk buildings such as schools, etc., use building materials such as insulation and cladding that are non-combustible

• As Europe seeks to double building renovation rates by the end of this decade, this becomes even more important

• Fire requirements for facades recently strengthened in UK, France, Belgium (still needs to be adopted) and in a number of Eastern European countries
Going forward – what can you expect
Driving positive sustainability performance in 2021

- Continued progress in driving increased product impact
- Further progress on all sustainability goals
- Decarbonisation: additional conversions in the pipeline
- Circularity: continued strengthening of circular business model including increased number of country specific reclaimed waste schemes
Q&A
Thank you