

Document: Our sustainability approach and principles
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ROCKWOOL's approach to sustainability

Sustainability is integral to our business strategy. We pursue a fact-based, auditable approach supported by third-party references and methodologies to document progress in maximising the positive impact of our products (handprint) while minimising the negative impact of our operations (footprint). We calculate our products' positive impact annually by following the most reputable third-party methodologies. In 2020, for the first time, and again in 2021, our sustainability goal performance was externally verified and assured, thus strengthening data quality and credibility.

In 2016, with an eye on minimising operational impacts, we set six sustainability goals that are aligned with the United Nations Sustainable Development Goals (SDGs). Our approach to sustainability is based on three principles covering both the handprint and footprint:

- **Using less energy and fewer resources.** Reducing energy and resource consumption will always be the first principle and preferred approach. We do this through the circularity of our products and the significant amounts of energy and other resources our products save in their lifetime. We also continually improve the energy efficiency of our own operations and products.
- **Using as much *green* energy as possible.** Using less energy overall (e.g., via greater energy efficiency) is a critical element in increasing the share of renewables in the energy mix and reaching carbon neutrality. By saving energy in the building, industry and marine sectors as well as in our own operations, we help reduce overall energy system capacity needs and thereby contribute to a faster and more cost-effective transition to renewable energy sources. Thus, while we will always focus first on "use less", we also need to "green the rest".

Saving energy, even when that energy is renewable, reduces overall energy system capacity needs, thereby making the transition to renewable energy even more affordable¹. For example, the consultancy Material Economics estimates that 22 EURbn can be saved by insulating Europe's buildings instead of expanding renewable energy capacity². Energy efficiency is also a catalyst for thermal renewable heating systems such as heat pumps as it reduces required upfront costs and makes them more efficient during operation and thus more cost-effective³.

- **Addressing climate hazards.** By thinking ahead and maximising the performance of existing products and innovating new ones, we are addressing many climate-related hazards, such as fires, flooding, asset risks, and fossil fuel dependency. Examples of this include our non-combustible, energy saving insulation products and solutions for climate adaptation. We are also reducing our own fossil fuel dependence with an ambitious decarbonisation strategy.
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