ROCKWOOL Group

Annual Report 2024

ROCKWOOL®

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Semi-finished products in Melaka, Malaysia

Message from Chairman and CEO

CEO Jes Munk Hansen and Chairman Thomas Kähler

Dear stakeholders,

As we reflect on the achievements and challenges of 2024, the year stands as a significant milestone for ROCKWOOL Group. In addition to making strong progress in advancing our strategic agenda, we also welcomed new leadership to guide us on this journey forward. **Jes Munk Hansen** joined us as Chief Executive Officer in September 2024, bringing a wealth of experience in building materials, and a shared passion for ROCKWOOL's mission to improve the lives of people and the planet through innovative, sustainable solutions for the built environment.

Looking back at 2024

ROCKWOOL's good performance in both revenue and earnings reflects the Group's ability to adapt to different economic environments, manage costs and price, and adjust our operational business to the conditions at hand.

Revenue for 2024 was 3,855 MEUR, up six percent in local currencies compared to 2023, excluding a minor impact from the two acquisitions made during fourth quarter 2024. Broadly, key markets in Europe and North America delivered good volume growth, which contributed to driving the revenue results.

Western European residential new build construction activity remained subdued while the renovation market proved more resilient. Revenue in Eastern Europe was strong, with several markets, including Romania and Russia reporting double-digit growth. Main markets in South and East Asia also delivered double-digit revenue growth.

We are pleased with the Group's overall profitability, with the EBIT margin ending at 17.5 percent, up 3.2 percentage points compared to 2023. This result is driven in part by the high productivity and efficiency of our operations, the organisation's ability to adapt to evolving market conditions, and overall lower than expected energy costs for a good part of the year. We are especially pleased with the progress for our North America business, which contributed significantly to the results.

Our company is financially strong, with no net debt and a solid cash flow, which is important as we continue to invest for future growth.

Safety is always first

We're a manufacturing business and safety must always be our top priority. If it's not safe, it's not worth doing is how we expect all our employees and partners to think and behave. For our employees and those working with us, our goal every year is the same: zero fatalities, zero serious accidents, and a steady reduction in the lost time incident (LTI) rate.

Sadly, an external contractor died while working for us in our factory in Rayong, Thailand. We conducted a root cause analysis followed by a review of the incident with the CEO and Board of Directors. Necessary preventive actions were then shared with all factories to avoid a similar incident from occurring again.

The coming wave of building renovations

The EU Energy Performance of Buildings Directive (EPBD) is a cornerstone policy in Europe's pursuit of a more sustainable, energy efficient built environment. For ROCKWOOL, whose purpose is founded on offering safe, circular and high-performing insulation solutions, this directive holds profound significance.

The directive underlines the critical role of renovation in achieving climate neutrality by 2050. With nearly 75 percent of Europe's buildings deemed energy inefficient, the EPBD emphasises upgrading insulation as a cost-effective, impactful solution. Moreover, the EPBD's emphasis on life-cycle sustainability resonates with our commitment to circularity.

Constructing new and renovating existing buildings with energy efficiency foremost in mind is gaining traction outside Europe as well. There is now an opportunity to help create a new generation of energy efficient, fire safe, and circular buildings. ROCKWOOL is committed to working with policymakers and other stakeholders globally to help realise this ambition.

Investing in growth and decarbonisation

We are optimistic about the future and continue investing in building new capacity and improving existing technologies as well as in decarbonising our operations. In terms of adding capacity, we committed in 2024 to building new factories in the United States, Sweden and India and additional production lines in Romania and the U.S.; bought land for a future factory in the United Kingdom; acquired Vietnam's largest stone wool manufacturer; and also acquired a leading UK supplier of external thermal insulation composite façade systems.

These investments will help us meet the growing demand to insulate a new generation of energy efficient, thermally comfortable, fire-safe buildings. We remain fully committed to building the previously announced factory in France, while at the same time acknowledging that the project has been delayed for longer than expected. As a result, we are reallocating near-term investments to other capacity and conversion initiatives as we continue working to advance the project in France.

We made good progress last year on decarbonisation, including Board approval for electrification of three existing production lines in the Netherlands and France, and for building new electric-melting production lines in Romania, the United States and Sweden. Further, Group Management approved investment into the conversion of a line in Germany from coal to natural gas. Finally, we purchased green electricity, or EACs (Energy Attribute Certificates), covering all electricity used by our European factories in 2024.

The most important achievement was electrifying the melting process at our factory in Flums, Switzerland. With the new electric furnace, powered entirely by certified, renewable electricity from Swiss hydropower, factory CO_2 emissions are down 75 percent, which is equivalent to 25,000 tonnes of CO_2 per year.

Electrification and access to cost competitive renewable electricity are key elements in ROCKWOOL's green transition. All too often, however, connecting to the grid in order to secure a supply of low-emission, high-voltage electricity, can take years. In our view, governments in Europe and North America can help by ensuring sufficient funding for the construction of green energy infrastructure and minimising the overall energy demand as much as possible by accelerating energy efficiency initiatives in areas like buildings.

Outlook

Political uncertainty is likely to continue in some of our main markets. However, we expect a continuation of the market dynamics we saw in 2024 characterised by generally slow growth in the European construction sector, modest growth in North America, and pockets of isolated growth in Asia.

After a long period of relatively stable sales prices in aggregate, we have initiated modest price increases for the coming season. This is necessary to offset a predicted higher cost on materials and energy and to continue the investments in capacity, sustainability and market coverage.

Despite political, market, and economic uncertainties the outlook for 2025 revenue is a low single-digit percent growth (in local currencies) with an EBIT margin around 16 percent for 2025. As we continue to invest in building new capacity and improving existing technologies as well as in decarbonising our operations, we expect investments of around 450 MEUR for 2025, excluding acquisitions.

The Board has initiated another share buy-back programme on 7 February 2025 running up to 12 months and totalling up to 150 MEUR. The Board will at the Annual General Meeting in 2026 propose that the shares purchased under this programme are cancelled.

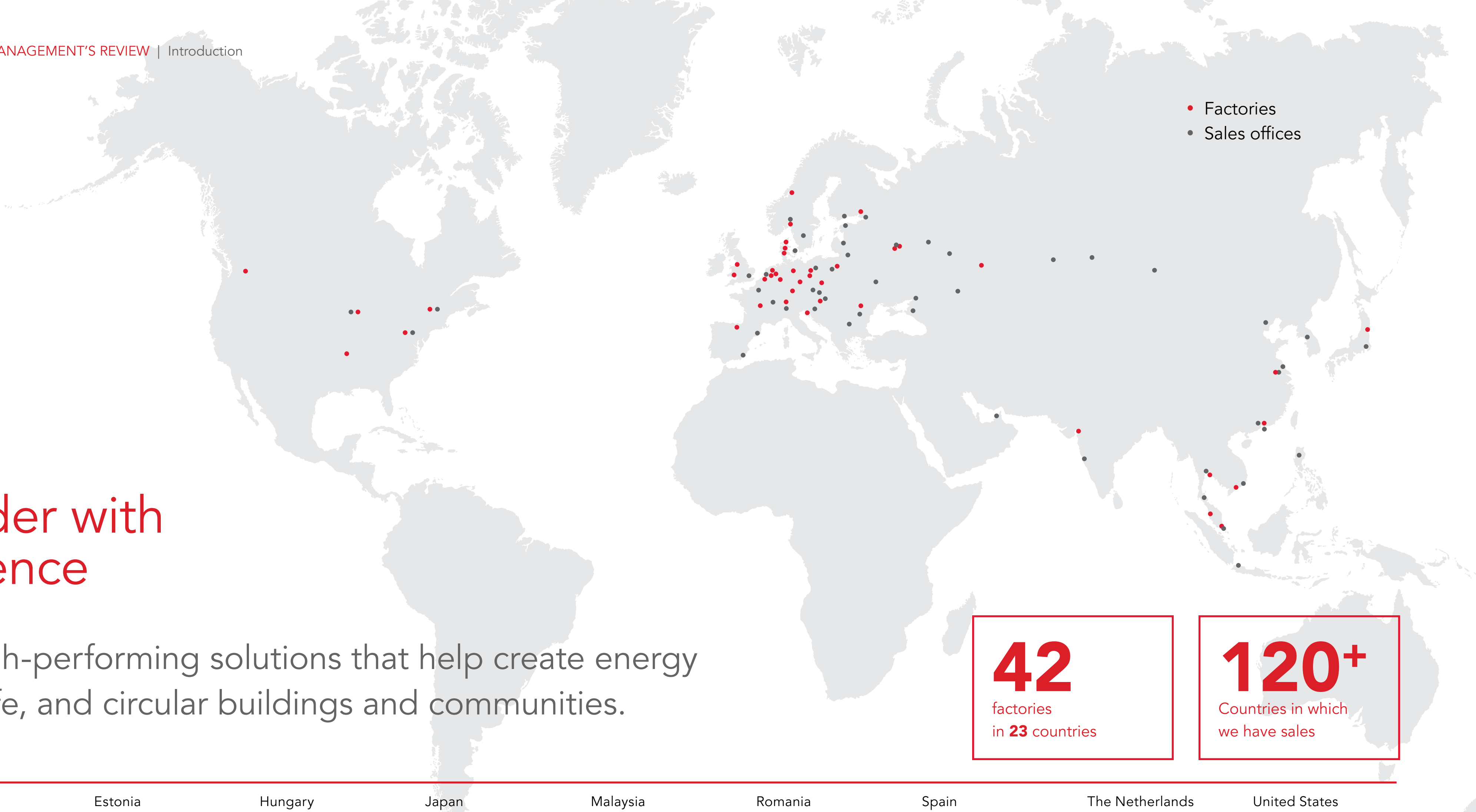
In closing, we would like to extend our gratitude and appreciation to our colleagues for their continued commitment and hard work this past year. And to our customers and suppliers, thank you for your support and trust.

Thomas Kähler
Chairman

Jes Munk Hansen
CEO

our purpose

To release the natural power of stone to enrich modern living



World leader with local presence

We produce high-performing solutions that help create energy efficient, fire-safe, and circular buildings and communities.

42
factories
in **23** countries

120+
Countries in which
we have sales

Office and factory locations

Austria
Belgium
Bulgaria
Canada
China
Croatia
Czechia
Denmark
Estonia
Finland
France
Germany
Hungary
India
Indonesia
Italy
Japan
Korea
Latvia
Lithuania
Malaysia
Norway
Philippines
Poland
Romania
Russia
Singapore
Slovakia
Spain
Sweden
Switzerland
Thailand
The Netherlands
Ukraine
United Arab Emirates
United Kingdom
United States
Vietnam

*ROCKWOOL previously counted 'manufacturing facilities' based on the number of brands producing at a given location. For simplicity, we now count 'factory locations' regardless of which brands produce there. The number of physical locations has not changed.

Five-year overview

	2024 (MDKK)	2024 MEUR	2023 MEUR	2022 MEUR	2021 MEUR	2020 MEUR
Statement of profit and loss						
Revenue	28,757	3,855	3,620	3,907	3,088	2,602
EBITDA	7,010	940	779	638	602	522
Amortisation, depreciation and impairment	1,964	263	261	236	201	184
EBIT	5,046	677	518	402	401	338
Financial items	150	19	4	-44	-8	-13
Profit before tax	5,196	696	522	358	393	325
Profit for the year	4,105	550	389	273	303	251
Statement of financial position						
Non-current assets	19,742	2,647	2,361	2,301	2,129	1,927
Current assets	9,256	1,241	1,193	1,127	951	817
Total assets	28,999	3,888	3,554	3,428	3,080	2,744
Total Equity	23,015	3,086	2,804	2,580	2,394	2,092
Non-current liabilities	1,525	205	199	206	163	158
Current liabilities	4,456	597	551	642	523	494
Net interest-bearing cash / (debt)	2,087	281	239	-23	76	95
Net working capital	2,715	364	358	441	306	213
Invested capital	21,087	2,827	2,562	2,596	2,294	1,961
Gross investment in property, plant and equipment	2,804	376	321	328	301	335
Statement of cash flows						
Cash flow from operating activities	6,093	817	707	394	426	438
Cash flow from investing activities	3,376	453	312	334	310	362
Free cash flow	2,717	364	395	60	116	76

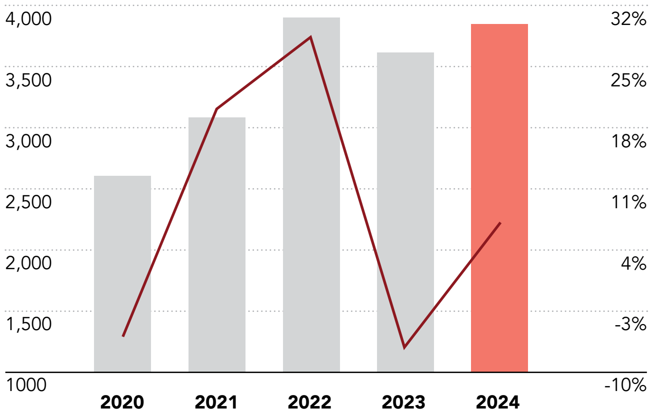
For definitions of key figures and ratios see p. 166.

	2024 (MDKK)	2024 MEUR	2023 MEUR	2022 MEUR	2021 MEUR	2020 MEUR
Others						
R&D costs	500	67	64	55	45	41
Number of patents granted	224	224	244	179	253	148
Number of full-time employees (year-end)	12,493	12,493	11,993	12,197	11,968	11,448
Ratios						
EBITDA margin	24.4%	24.4%	21.5%	16.3%	19.5%	20.1%
EBIT margin	17.5%	17.5%	14.3%	10.3%	13.0%	13.0%
Dividend payout ratio	33.2%	33.2%	32.1%	37.3%	33.5%	37.7%
ROIC	25.1%	25.1%	20.1%	16.4%	18.8%	17.6%
Return on equity	18.7%	18.7%	14.4%	11.0%	13.5%	11.9%
Equity ratio	79.3%	79.3%	78.9%	75.3%	77.7%	76.1%
Leverage ratio	-0.30	-0.30	-0.31	0.04	-0.13	-0.18
Financial gearing	-0.09	-0.09	-0.09	0.01	-0.03	-0.05
Sustainability key figures						
CO_2 intensity (Scope 1+2) per tonne stone wool (index*)		77	86	83	85	91
Energy efficiency in own buildings (index*)		61	61	61	81	95
Water use intensity from stone wool production (index*)		83	84	86	85	90
Number of countries where we offer recycling service		24	21	19	17	14
Landfill waste from our stone wool production (index*)		60	47	49	49	50
Lost time incident frequency rate		2.7	2.4	2.7	3.6	3.0
Absolute GHG emissions (Scope 1+2) (index**)		82	84	97	100	90

* Index=100 in 2015 (baseline). ** Index=100 in 2019 (baseline).

Financial highlights

Revenue & revenue growth
(MEUR)



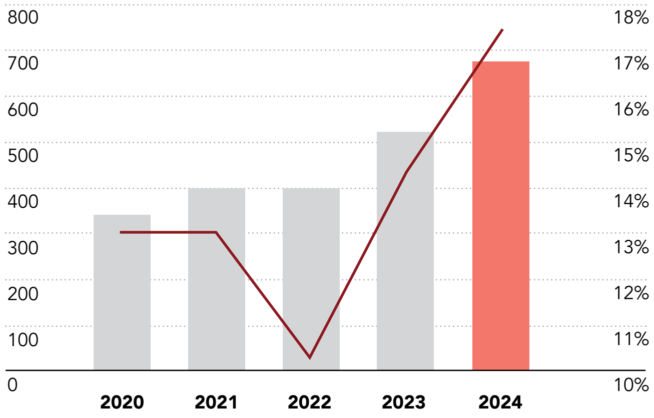
Revenue increased

6%

in local currencies

Revenue
Growth (reported)

EBIT & EBIT margin
(MEUR)



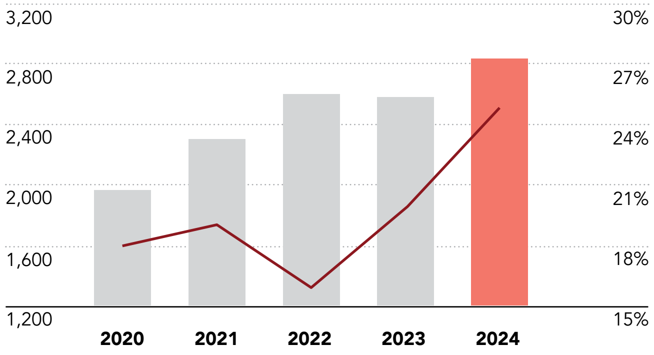
EBIT

677 MEUR

Up 31% compared to 2023

EBIT
EBIT margin

ROIC & Invested capital
(MEUR)



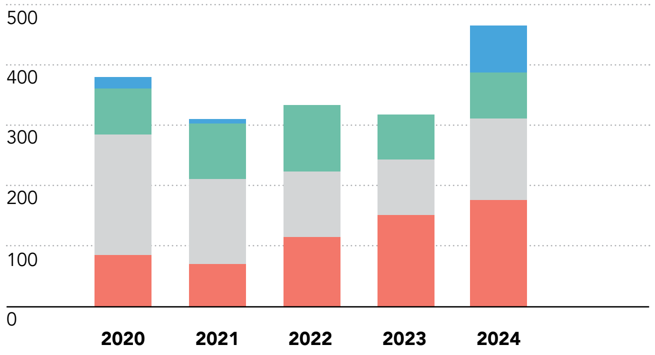
ROIC

25.1%

Up from 20.1% in 2023

Invested capital
ROIC

Investments
(MEUR)



CAPEX excl. acquisitions

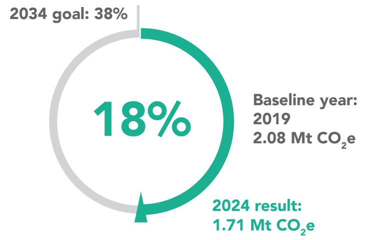
387 MEUR

of which 68% is taxonomy-aligned

Maintenance
Capacity
Sustainability
Acquisitions

Sustainability highlights

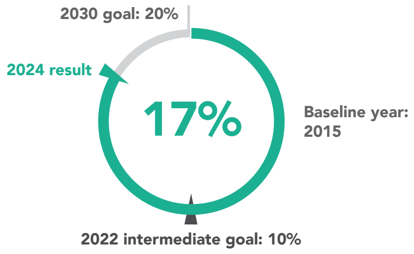
Absolute Scope 1 and 2 greenhouse gas emissions (CO_2e)



Reduce absolute Scope 1 and 2 GHG emissions by 38% by 2034

Trend: progress due to decarbonisation efforts

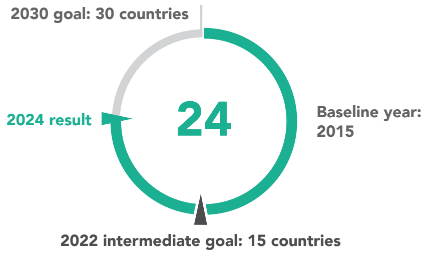
Water use intensity



Reduce water use intensity (m³/t stone wool) from our stone wool production by 20%

Trend: stable due to increase in production

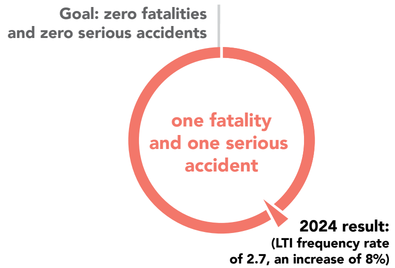
Reclaimed material



Increase the number of countries where we offer recycling services for our products to 30 countries

Trend: progress

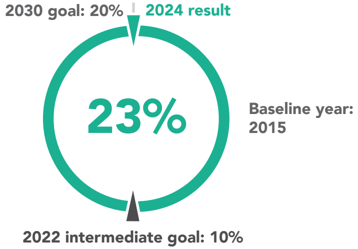
Occupational safety and health



One fatality and one serious accident

Trend: increase led by few factories

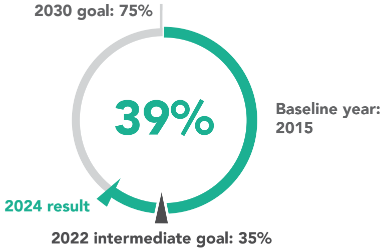
Scope 1 and 2 CO_2 emission intensity



Reduce CO_2/t stone wool from our stone wool facilities by 20%

Trend: progress; goal achieved

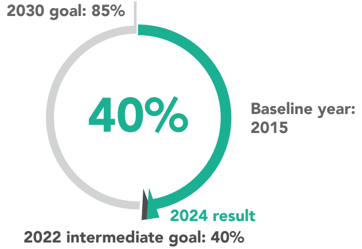
Energy efficiency in own offices



kWh/m² reduction within owned (non-renovated) offices by 75%

Trend: stable

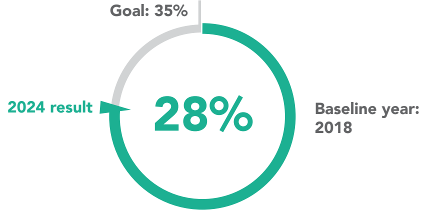
Landfill waste



Reduce landfill waste (tonnes) from stone wool production by 85%

Trend: increase due to higher production among other factors

Diversity and inclusion



28% of female leaders in executive and middle management positions

Trend: stable

ROCKWOOL office in Barcelona, Spain

Outlook 2025

Market review

Economic growth is projected to remain stable in 2025 albeit at a low level in Europe and only modestly higher in the United States. Lower inflation and ongoing monetary easing in many economies could provide a moderate boost to global economic activity. However, uncertainty prevails, with risks stemming from geopolitical conflicts, rising trade tensions and elevated borrowing costs in many parts of the world.

While leading international organisations including the IMF and OECD predict that general economic conditions in Europe will improve in 2025, current conditions remain sluggish, with Germany and the war in Ukraine continuing to weigh on the region.

Construction market implications

For the European construction sector, interest rates and inflation will play a big role in that growth. Continuing declines in European interest rates and inflation would make investments in new construction and building renovation as well as home mortgages more attractive. On the flip side, persistent inflation – hovering above the two percent target preferred by central banks – might mean the impact of those rate cuts could take longer to have an impact on the construction sector.

After declining 1.5 percent in 2024, a forecasted increase in building permits in Europe indicates a potential rebound in construction activity. The pace of any recovery may vary across Europe, influenced by local economic policies and market conditions and outcome of national elections in for instance Germany will have an impact on the recovery.

The outlook for residential building permits in North America in 2025 is also cautiously optimistic. A 5.2 percent increase in building permits in November 2024, the sharpest increase since February 2023[1], suggests a continued recovery in the housing market, driven by factors such as stabilising material costs and improving economic conditions. Overall, the market is expected to gradually improve, reflecting a more stable and balanced housing sector.

Construction output in the Asia-Pacific region continues to gain momentum. In India, construction industry growth is driven by robust investments in manufacturing, data centres, semiconductors, energy, and transportation infrastructure. China will focus more on stabilising the real estate market in 2025.

Outlook 2025

Political uncertainty is likely to continue in some of our main markets. However, we expect a continuation of the market dynamics we saw during 2024 characterised by generally slow growth in the European construction sector, modest growth in North America, and pockets of isolated growth in Asia.

In Europe, we will intensify our work at the EU member state level to help ensure effective transposition of the EU Energy Performance of Buildings Directive into national legislation. This is important given the opportunities the Directive creates to promote our non-combustible insulation as an optimal way to achieve energy efficiency and improved fire safety in buildings. However, we have not included any significant uptake in energy efficiency-driven renovations in the outlook. We will continue to prepare for this potential by investing in insulation capacity in Europe.

The change in administration in the United States is not expected to have any significant impact on the underlying demand for our non-combustible insulation products. Stone wool market share in the United States is still relatively small. Demand is largely driven locally through greater awareness and knowledge of our products, sales channel expansion and broader product availability.

For the Insulation segment in Europe, we assume the low level of construction activities will continue in all markets. In the important German market, we expect to maintain the market share regained in 2024 and forecast low single-digit growth, in line with the underlying market growth. Similarly, we expect a stable to low single-digit growth for the insulation business in France.

In Eastern Europe, the construction markets are expected to be under pressure. With the excess capacity there, we anticipate a single-digit revenue decline for this region. Management in Russia informs, that the outlook for 2025 is more subdued compared to the unexpected growth we observed in 2024. Therefore, declining volume for the business in Russia is expected.

In North America, after a year of significant growth, driven by manufacturing and commercial building construction, we forecast a more modest market development for 2025. We expect good growth for our North America insulation business, though at a slower pace than in 2024, but still higher than in Europe. Until the new capacity that we have already initiated in the United States comes online, we predict that demand in the next few years will exceed local capacity, even if we are still able to optimise the current output from the existing factories. Until the new capacity is available, we plan to meet part of the demand

1 https://tradingeconomics.com/united-states/building-permits

by importing from our European factories, even if this supply is more costly. Our businesses in North America have over many years been intertwined across borders, and a trade conflict would have an impact. We will monitor developments closely and as always navigate through uncertainties to continue servicing our customers while at the same time being prepared to reduce any financial impact for the Group. With our current understanding of the evolving tariff situation, we expect to manage these uncertainties with minimum impact on the overall Group results.

Included in the Insulation segment outlook for 2025 is the full-year impact from the two acquisitions made in 2024, Wetherby Building Systems Ltd. in England and Khai Hoan Insulation in Vietnam. Combined, it is expected that they will contribute around one percent of growth for the Group in 2025.

The four businesses under Systems segment are expected to deliver positive growth for 2025. Rockfon is benefitting from a growing presence in the design segment with a portfolio of acoustic solutions for ceilings and walls in Europe. Combined with a small but growing presence in North America, we expect Rockfon to deliver low to mid-single-digit growth for 2025. The Grodan business in Europe and North America is expected to remain stable in 2025. Increased competition from other growing media products and continued market uncertainty among producers of medicinal cannabis is expected to offset the business' growth from expansion into new markets and supplying producers of other vegetable types.

After a long period of relatively stable sales prices in aggregate, we have initiated modest price increases for the coming season. This is necessary to offset a predicted higher cost on materials and energy and to continue the investments in capacity, sustainability and market coverage. Despite political, market and economic uncertainties, and that it is still early in the construction season, the outlook for 2025 revenue is a low single-digit percent growth (in local currencies), including the positive impact from the two aforementioned acquisitions made in 2024. Given the unusual seasonal development during 2024, we predict that the business during 2025 will have a more traditional seasonal performance. Hence growth in the first half will be more subdued and increasing in the second half of the year.

Two notable developments had a significant impact on our 2024 business performance. First, for the second year in a row, revenue in the United States exceeded 10 percent of Group revenue. More importantly, however, ROCKWOOL profitability in the U.S. market exceeded the Group average for the first time. We achieved this milestone through a combination of strong demand for our non-combustible insulation products as well as high factory productivity. We believe this is a sustainable development for 2025 as well.

The second notable development in 2024 was the unexpected higher profitability from the business we hold in passive ownership in Russia. In addition, the exchange rate of the Russian Rouble remained stable, which allowed for currency conversion into Euros based on the inflation-affected local performance. For 2025, we have not assumed a similar situation. Consequently, we forecast Group profitability to be negatively impacted by around one percentage point.

Further, we have assumed a higher level of operating expenses during 2025. This is driven by a decision to increase resource allocations in several areas, primarily for the planned investments in capacity and sustainability-related projects as well as a higher number of digital initiatives benefitting both the factories and our customers.

Based on the above assumptions, we forecast an EBIT margin around 16 percent for 2025. This includes an expected donation of 100 MDKK to the Foundation for Ukrainian Reconstruction. The donation is pending approval at the Annual General Meeting in April 2025.

We will in 2025 continue investing in building new capacity and improving existing technologies as well as in decarbonising our operations. In 2024, we committed to building new factories in the United States, Sweden and India and additional production lines in Romania and the United States; bought land for a future factory in the United Kingdom; and acquired Vietnam's largest stone wool manufacturer and a leading UK supplier of external thermal insulation composite façade systems. We remain fully committed to building the previously announced factory in France, while at the same time acknowledging that the project has been delayed for longer than expected. As a result, we are reallocating near-term investments to other capacity and conversion initiatives as we continue working to advance the project in France. Several large projects to convert existing factories to use electric melting technologies are included in the 2025 investment plans.

Overall, we expect capital expenditures of around 450 MEUR for 2025, excluding acquisitions.

Outlook 2025

Revenue growth of **low single-digit percent** in local currencies

EBIT margin around
16%

Investments around
450 MEUR
excl. acquisitions

The ROCKWOOL purpose and strategy

At the pinnacle of ROCKWOOL's strategy is our corporate purpose: to release the natural power of stone to enrich modern living. This reflects our purpose's unifying nature, conveying that stone is our core raw material and the bedrock on which our business is based.

And while the stone we use may be millions of years old, what we do with it is cutting-edge. Every day, ROCKWOOL's creative and entrepreneurial employees are developing and applying new technologies and innovations to release the potential of stone to enrich modern living.

As we look to the future, stone wool and the products we make with it have an important role in helping to provide adequate housing for all people and in addressing some of society's biggest challenges, including urbanisation, climate change, and energy independence.

The combination of more people living in more densely populated areas, the worsening consequences of climate change, and the need to reduce dependence on imported energy increases the global priority for energy efficient buildings. Why? Because while our existing buildings provide vital infrastructure, they are also currently responsible for nearly one-third of global final energy consumption and energy-related CO_2 emissions.

Proper insulation alone can reduce a building's heating needs by up to 70 percent. When combined with other technologies like heat pumps and renewable energy sources – for example, in deep renovation projects – the savings are even greater.

For Europe and many other parts of the world, reducing the energy consumed by buildings is a critical step towards reducing dependence on imported fuels and thereby achieving greater energy independence and security. At the same time, the world needs to feed a growing population using fewer resources, while also managing the effects of more frequent extreme weather events, particularly in urban environments. In both cases, specially engineered stone wool products are providing solutions.

The ROCKWOOL business strategy is driven by our people and our commitment to creating solutions that connect global trends with profitable business opportunities. We do this by producing high-performing products and services that help create energy efficient, fire-safe, and circular buildings and communities and promote comfortable, healthy, and attractive spaces. In other words, by enriching modern living.

Our aspiration is to grow faster than the construction market overall by offering top-quality products and services, strengthening our brand, building long-term customer relations, and driving an operationally effective business across all segments and geographies where we are active.

As our business is inherently capital intensive, we focus on leveraging our natural strengths to balance risks, which includes a differentiated approach across selected geographies.

In North America, for example, we are expanding our market coverage to capture significant growth opportunities within all major business areas.

In Europe, we will grow faster than the market by launching new products and services, while improving our customer-facing activities and the productivity of our production platform. We will expand capacity where needed to meet steadily growing demand and enhance our geographic coverage and customer service level.

In Asia, we will expand and grow our business in selected attractive markets where there is a clear demand for our premium quality offerings.

Continuing to recruit, develop, and retain highly skilled, highly motivated colleagues is essential to achieving our growth ambitions and fulfilling our purpose. Doing so will remain a high priority for ROCKWOOL across all our business areas and operations.

At ROCKWOOL, everything we do is based on releasing the natural power of stone to enrich modern living. Profitably offering solutions to address the challenges created by enduring global trends will help ensure our successful future growth.

Our business model

[SBM-1]

What does ROCKWOOL Group do?

We transform volcanic rock into stone wool, a versatile material with many inherent strengths that make it ideal for use in a range of applications in buildings, industry, transportation, horticulture and water management.

Volcanic rock is mixed with lime stone before being heated to more than **1,500°C.**

The molten rock is spun into wool. A binder and either a special oil or wetting agent are added depending on the end product application.

A final heat treatment cures the binder, giving the stone wool **dimensional stability**, before final processing into a **wide range of products.**

Manufacturing capital
- 42 factories*
- Board approval for four additional factories (France, India, Sweden, United States)

Human and intellectual capital
- Approx. 12,000 employees of which 47% in Western Europe, 32% in Eastern Europe and Russia, 12% in North America and 9% in Asia and others
- R&D based on inhouse experts and engineers

Financial capital
- Healthy financial standing generating solid profitability and being net debt free
- 387 MEUR of CAPEX of which 68 percent is EU Taxonomy-aligned

Social and relationship capital
- We work with approx. **11,000 suppliers**
- **85%** of sales do not cross customs borders
- **400 km** is the average transport distance for insulation in Europe

Energy and natural capital
- 2,097 kt of **stone, sand and cement** consumed in 2024
- 5,085 GWh of **energy** consumed in 2024

Our business is defined by:
- Our purpose
- Low-risk transactional sales
- Local business
- Capital intensive production

Systems segment generates **21%** of our revenue

Insulation segment generates **79%** of our revenue

Our impact on society

We see enormous opportunity to leverage the natural power of stone to create products that accelerate progress towards a **safer, healthier, low-carbon future.**

Stone wool is fire safe, durable and recyclable

Rockfon
In schools with no sound absorption, children cannot hear up to **70%** of consonants their teachers speak.

ROCKWOOL
Fire safe insulation that can reduce heating needs up to **70%**.

Rockpanel
All Rockpanel boards are **durable,** easy to cut, and resistant to the effects of moisture, temperature, fire and weather.

ROCKWOOL Prefab Building Systems meets the demand for energy-efficient, high-quality prefab homes with circular, reusable components.

ROCKWOOL Rainwater Systems can absorb up to **95%** of its volume in water.

Lapinus
Providing high-performance and precision-engineered stone wool solutions for urban acoustics, friction, gaskets and sealings for industries and cities.

Grodan
Controlled environment horticulture can reduce water use for vegetable growing by up to **50%**.

ROCKWOOL product recycling services to recycle stone wool in our factories.

Our products are sold in more than **120 countries** primarily via B2B channels including installers and distributors. Revenue generated in the geographical segments:
- 56% in Western Europe
- 20% in Eastern Europe and Russia
- 19% North America
- 5% Asia and others

* ROCKWOOL previously counted 'manufacturing facilities' based on the number of brands producing at a given location. For simplicity, we now count 'factory locations' regardless of which brands produce there. The number of physical locations has not changed.

Insulation segment

Financial results

Insulation segment revenue for 2024 reached 3,032 MEUR, an increase of eight percent compared to 2023 in local currencies and nine percent in reported figures. The growth was primarily volume driven and made possible by our focus on customer service and overall stable prices. The two acquisitions in Q4 2024 accounted for 0.5 percent of the growth.

Based on our commitment to support reconstruction activities in Ukraine, a donation of 13 MEUR to the Foundation for Ukrainian Reconstruction was recognised in the Insulation segment in 2024, 6 MEUR in Q1 2024 and 7 MEUR in Q2 2024. For 2023, a donation of 27 MEUR to the Foundation for Ukrainian Reconstruction was recognised in the Insulation segment.

Insulation segment EBIT reached 565 MEUR in 2024 with an EBIT margin of 16.6 percent, an increase of three percentage points compared to 2023. Volume growth as well as stable sales prices, lower energy prices and focus on productivity improved profitability.

Key figures Insulation segment

MEUR	Q4 2024	Q4 2023	2024	2023
External revenue	736	694	3,032	2,792
EBIT	128	124	565	431
EBIT margin	15.0%	15.2%	16.6%	13.6%

Stone wool production line in Fogang, China

Insulation segment – Business update

Revenue growth and solid profitability driven by strong performance in North America, market share recovery within the non-residential segment in key European markets, and unexpected growth in Russia. Residential construction slowed across Europe, dampening sales performance.

Revenue in the Insulation segment increased across all geographies, driven in part by volume growth throughout 2024. The volume growth and country mix, combined with overall stable prices from market-specific pricing strategies, lower energy costs, productivity improvements and agile capacity management, resulted in satisfying profitability for the Group.

The European construction market was subdued, especially in the residential new build sector. Even so, revenue in Europe increased slightly due mainly to increased demand for non-combustible insulation products, especially related to photovoltaic (solar) installations on flat roofs. In Russia, unexpected high growth was reported for the first three quarters of 2024.

Revenue in North America increased significantly, driven by high demand across all categories, as customers looked to satisfy pent-up demand and improve product availability.

Growth in Asia was mainly driven by South East Asia and India benefitting from good market conditions and high domestic demand for stone wool in the non-residential sectors. Revenue decreased in China because of soft market conditions and competition from a growing number of stone wool producers.

The technical and industrial insulation business performed well during 2024, with significant revenue growth. The marine segment in Europe outperformed the market, partly due to the exit of one of the main competitors. In the United States, the Board of Directors approved a new production line for the Mississippi factory to produce technical insulation products to help meet the growing demand in the Gulf of Mexico region.

In 2024, the sandwich panel and OEM business continued good revenue growth reflecting adaptability and broad market reach. The partnership-based approach, customised solutions, and a comprehensive support network have strengthened our market position.

Overall, the Insulation segment performed well, achieving solid profitability despite the slow-down in the European construction market. Decreasing interest rates and legislative drive to improve the energy efficiency of existing buildings are expected to increase the demand for building construction activity in the short- and medium-term.

Insulation solutions
ROCKWOOL offers fire-safe, thermally-efficient, highly durable, and recyclable stone wool insulation.

Systems segment

Financial results

Systems segment revenue for 2024 amounted to 823 MEUR, which is a decrease of one percent measured in both local currencies and reported figures. Adjusting for the divestment of the distribution business Charles Wille in September 2023, organic growth was one percent. Revenue grew in Rockpanel and Lapinus while revenue in Rockfon and Grodan were slightly lower than 2023.

Systems segment generated an EBIT of 112 MEUR in 2024 with an EBIT margin of 13.6 percent. In 2024, EBIT was positively impacted by 8 MEUR gain from sale of a warehouse while EBIT in 2023 was negatively impacted by restructuring costs of 16 MEUR related to operational restructuring in Rockfon. Adjusted for these one-off items, EBIT and EBIT margin in Systems segment was stable compared to 2023.

Key figures

MEUR	Q4 2024	Q4 2023	2024	2023
External revenue	234	240	823	828
EBIT	35	11	112	87
EBIT margin	14.7%	4.7%	13.6%	10.5%

Rockfon production line in Marshall, United States

Systems Segment - Business Update

The four business units make a range of stone wool-based products, including acoustic ceilings and walls, growing media solutions, cladding boards, engineered fibres as well as noise and vibration control, rainwater management, and prefab building systems.

Grodan® Lapinus® Rockfon® Rockpanel®

Rockfon makes acoustic systems for ceilings and walls and is the largest of the four business units. The indoor acoustic systems combine stone wool acoustic tiles with suspension and speciality ceiling and wall systems that create beautiful, comfortable spaces. In 2024, Rockfon revenue decreased slightly compared to 2023. In Europe, weak economic conditions and high interest rates contributed to slowing construction and renovation activity. In the United States, high interest rates and low office occupancy levels were also factors impacting renovation decisions.

Grodan is the second largest unit in the Systems segment. Grodan makes soilless growing media solutions (stone wool substrates, sensors, software and services) designed for growing food produce and medicinal cannabis more efficiently in controlled environments. In 2024, the business faced challenges, including high interest rates and broader economic uncertainty as well as delayed expansions in both Europe and North America among produce and medicinal cannabis customers.

Rockpanel makes boards for façade cladding and roof detailing primarily in ventilated façade constructions. The cladding and other boards are robust, flexible and visually appealing, and fit perfectly with modern architectural trends, while also providing cost efficiency and ease of installation. In 2024, Rockpanel achieved good growth in its core markets as well as others where it has a small but growing presence. A new production line was opened in the Netherlands to add capacity and enable the business to continue developing new products for customers.

Lapinus, the smallest unit in the segment, manufactures a range of products that help reduce car brake emissions, minimise railway vibration, enable energy-efficient prefab construction and rainwater management for urban communities. In 2024, Lapinus performed satisfactorily overall. Stone wool fibres for automotive brake pad manufacturers, grew slightly, while the industrial OEM business grew more substantially. The residential prefab building business was challenged by the slowdown in residential construction. The rainwater management business grew significantly compared to 2023, although from a small base.

Systems segment
Systems segment comprises the four business units Rockfon, Grodan, Rockpanel and Lapinus.

Financial performance

In a complex macro-economic environment, ROCKWOOL continued its strong performance with a revenue increase of six percent in local currencies in 2024. Stable sales prices combined with productivity improvements and reduced energy costs resulted in solid Group profitability, with an EBIT margin at 17.5 percent. The good performance reflects the Group's resilience and ability to adapt to the market conditions at hand.

Global revenue development

Despite positive signs of recovery, the macro-economic environment remained complex in 2024, impacted by persistent consumer price inflation, geopolitical tensions, and continued labour shortages. In this overall challenging environment, ROCKWOOL continued its strong performance, showing higher margins, resilience, and the ability to adapt to changing market conditions.

The European construction markets were subdued, especially in the residential new build sector, which negatively impacted some of our key markets. Even so, revenue in Europe increased slightly mainly due to increased demand for non-combustible insulation products, especially in connection with photovoltaic (solar) installations on flat roofs. North America continued the strong performance with significant revenue increase driven by high demand in all categories. East and South Asia benefitted from good market conditions and growing demand for stone wool in the non-residential sectors.

Revenue for 2024 reached 3,855 MEUR, an increase of six percent in local currencies and seven percent in reported figures, which is at level with the latest announced expectation. Compared to the outlook announced in the 2023 Annual Report, markets in North America, Russia and the United Kingdom as well as our business for technical insulation performed better. Sales prices remained relatively stable, resulting in higher revenue than initially expected. The two acquisitions made in Q4 2024 did not have a significant impact on the revenue growth (0.4 percent for the full year).

Regional revenue development

Revenue in Western Europe reached 2,170 MEUR, an increase of two percent in both local currencies and reported figures. Germany, the United Kingdom, Spain and Sweden performed well, while revenue in other markets like France, the Netherlands, and Denmark declined.

Revenue in Eastern Europe reached 753 MEUR, up 11 percent in both local currencies and reported figures. Romania showed double-digit growth, while Poland and Hungary decreased in the second half of the year. For 2024, the business in Russia showed unexpected double-digit revenue growth, although reported a decline in the last quarter.

Revenue in North America reached 737 MEUR, an increase of 18 percent in local currencies and 17 percent in reported figures. Revenue in both the United States and Canada showed double-digit growth and especially the building insulation business and the technical insulation business in the United States showed strong growth.

In the rest of the world, revenue reached 195 MEUR, an increase of seven percent in local currencies and five percent in reported figures. Revenue in India, Malaysia, and Japan showed double-digit growth, while revenue in most other markets decreased. Market conditions in China were still tough. Revenue there decreased in the first three quarters but with some improvement in Q4.

Group profitability

Stable sales prices from market-specific pricing strategies combined with lower energy costs, productivity improvements and agile capacity management resulted in solid Group profitability.

Most of our businesses showed strong performance in 2024 despite challenging conditions. Especially the building insulation and technical insulation business in North America performed well. Short-term, we do not expect that the growing recognition and market acceptance of our non-combustible insulation will be affected by the change in administration in the United States.

Our four passively owned factories in Russia reported solid results with signs of slowdown in the last quarter. This is partly a consequence of high local inflation coupled with the unusually stable rouble/euro exchange rate. The unexpected higher earnings from the business in Russia increased the EBITDA margin for the Group by one percentage point compared to 2023.

In fourth quarter, we realised a gain from the sale of an unused Rockfon warehouse in Baltimore, the United States, of 8 MEUR.

EBITDA increased 21 percent to 940 MEUR with an EBITDA margin of 24.4 percent, up 2.9 percentage points compared to 2023.

In 2024, depreciation amounted to 263 MEUR, an increase of 2 MEUR compared to 2023. Adjusted for impairment of tangible assets mainly in the Insulation segment in 2024 and intangible and tangible assets in 2023, the increase was 8 MEUR. The increased depreciation was mainly related to investments in new capacity and digitalisation.

EBIT for the year amounted to 677 MEUR, an increase of 31 percent, with an EBIT margin of 17.5 percent. The two acquisitions completed in Q4 2024 did not have a significant impact on the result. The initial outlook announced in February 2024 on EBIT margin included assumptions regarding increased input prices whereas actual input prices decreased during 2024.

The full-year EBIT margin ended at level with the outlook announced later in 2024.

Net financial income amounted to 18 MEUR, compared to a net financial income of 2 MEUR in 2023. The development is driven by lower foreign exchange losses.

Tax on profit for the year amounted to 146 MEUR compared to 133 MEUR in 2023. The effective tax rate ended at 21 percent, down 4.5 percentage points. The decrease in effective tax rate mainly relates to increased recognition of tax assets and decreased payment of withholding taxes.

Group profit after tax totalled 550 MEUR, up 161 MEUR, which we consider a satisfactory result.

Statement of financial position and equity

Net working capital ended at 364 MEUR, an increase of 6 MEUR compared to 2023. The increase mainly relates to higher inventories from acquisitions partly offset by higher trade payables. Net working capital as a percentage of revenue ended at 9.4 percent compared to 9.9 percent in 2023.

Total assets at the end of 2024 amounted to 3,888 MEUR, an increase of 334 MEUR compared to 2023 mainly from increased intangible assets, tangible assets and cash.

Equity of the Group totalled 3,086 MEUR as of 31 December 2024 compared to 2,804 MEUR in 2023, corresponding to an equity ratio of 79 percent. Equity was mainly affected by the profit for the year and the share buy-back programme.

Revenue development

	Growth	MEUR
Revenue 2023		3,620
Organic development	6.3%	227
Acquisitions, Insulation Segment	0.4%	15
Divestment, Systems Segment	-0.3%	-12
Currency translation adjustment	0.1%	5
Revenue 2024	**6.5%**	**3,855**

EBIT development

	Development	MEUR	EBIT Margin
EBIT 2023		518	14.3%
Earnings from operation	29.6%	153	3.0pp
Acquisitions/divestment	0.5%	3	0.1pp
Currency translation adjustment	0.5%	3	0.1pp
EBIT 2024	**30.6%**	**677**	**17.5%**

The proposed dividend for 2024 is 63 DKK per share, an increase of 20 DKK per share from 43 DKK for 2023.

Invested capital

Return on invested capital increased in 2024, reaching 25 percent compared to 20 percent in 2023. The increase was due to increased earnings. Invested capital amounted to 2,827 MEUR, up 265 MEUR compared to 2023. The increase mainly came from higher tangible assets, as we continue to invest in future growth, and acquisitions.

Financial performance

(continued)

Cash flow and investments

The Group's financial situation strengthened during the year with a net interest-bearing positive cash position of 281 MEUR and unused credit facilities of 600 MEUR at the end of 2024. At the time of reporting, we have not obtained final approval for the next payments of dividend in 2025 for the business in Russia. Consequently, we have classified the entire cash holding in Russia accumulated over the past many years of 166 MEUR as restricted.

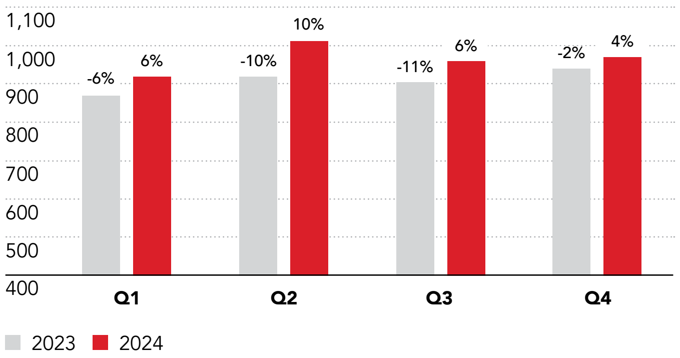
Cash flow from operating activities ended at 817 MEUR, an increase of 110 MEUR compared to 2023. The positive impact was mainly derived from increased cash earnings.

Capital expenditure reached 387 MEUR, an increase of 61 MEUR compared to 2023, slightly higher than our latest expectation due to timing of some larger investments. The largest individual investments in 2024 relate to purchase of new land in Birmingham, England, conversion to an electric melter in Switzerland, additional production capacity in the Netherlands as well as factory-related digital investments.

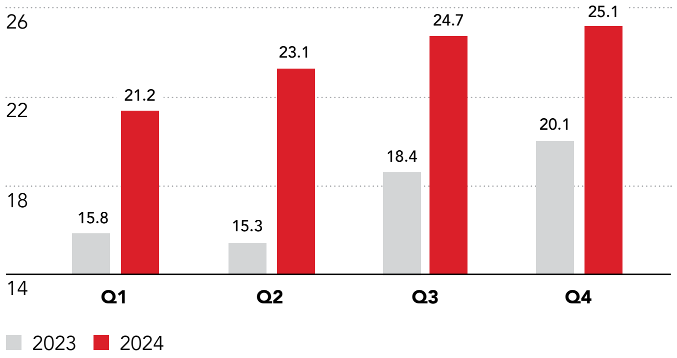
Free cash flow amounted to 364 MEUR, a decrease of 31 MEUR compared to 2023, primarily due to higher capital expenditure and acquisitions.

Cash flow from financing activities ended at negative 309 MEUR, mainly from share buy-back payments of 149 MEUR out of the 160 MEUR in the scheme, and dividend payments of 125 MEUR.

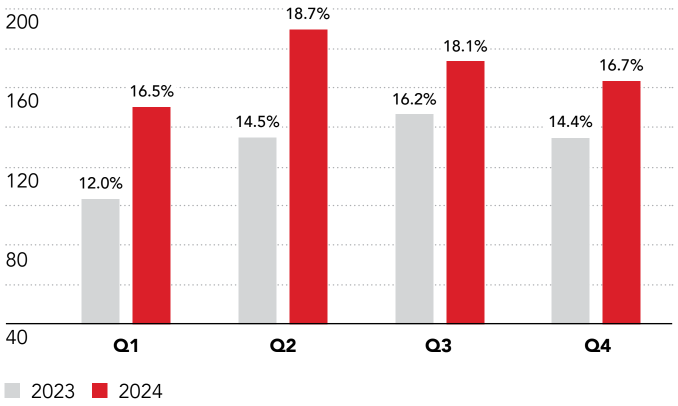
Quarterly revenue & revenue growth (reported)
(MEUR)



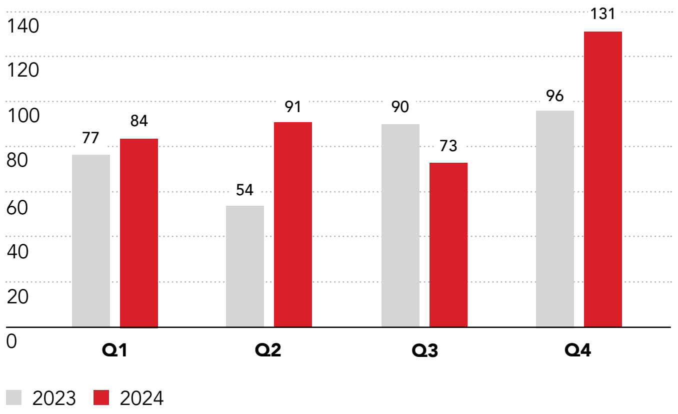
Return on invested capital (ROIC)
(%)



EBIT & EBIT margin
(MEUR)



Cash flow from investments excl. acquisitions
(MEUR)



The good performance in revenue and earnings reflects the ability to adapt to different economic environments.

Quarterly financial figures

Global revenue development

Revenue in Q4 2024 reached 970 MEUR, an increase of four percent in both local currencies and reported figures compared to Q4 2023.

Revenue growth was primarily driven by North America and the United Kingdom as well as the acquisitions, partly offset by decline in Eastern Europe. Acquisitions accounted for two percent of the growth in Q4 2024.

Regional revenue development

Revenue in Western Europe ended at 554 MEUR in Q4 2024, an increase of two percent in local currencies and three percent in reported currencies compared to Q4 2023. The result was partly driven by the acquisition of Wetherby Building Systems Ltd. in the United Kingdom. Especially the United Kingdom and Spain performed well, while Denmark and Italy showed lower revenue compared to Q4 2023.

Quarterly revenue in Eastern Europe amounted to 181 MEUR, a decrease of three percent in local currencies and five percent in reported figures compared to Q4 2023. Revenue decreased in most main markets and especially in Poland, Hungary and Russia. Romania showed good revenue growth.

Revenue in North America ended at 182 MEUR in Q4 2024, an increase of 15 percent in both local currencies and reported figures compared to Q4 2023. Both main markets continued the strong performance.

Quarterly revenue in the rest of the world reached 53 MEUR, an increase of 12 percent in both local currencies and reported figures compared to Q4 2023. The acquisition in Vietnam accounted for four percent of the growth. China, Thailand and Japan showed double-digit growth.

Group profitability

In Q4 2024, continued lower input costs combined with stable sales prices and improved operational productivity, kept profitability at a good level.

EBITDA in Q4 2024 reached 230 MEUR, an increase of 28 MEUR or 14 percent compared to Q4 2023. The EBITDA margin was 23.7 percent compared to 21.7 percent in Q4 2023. EBITDA was positively impacted by the 8 MEUR gain from the sale of an unused warehouse in Baltimore, the United States.

Depreciation in Q4 2024 amounted to 67 MEUR, at level with Q4 2023.

Quarterly EBIT was 163 MEUR, compared to 135 MEUR in Q4 2023. EBIT margin ended at 16.7 percent, up 2.3 percentage points from Q4 2023. The acquisitions in the United Kingdom and Vietnam had limited impact on the EBIT margin.

Business segments

Revenue in Q4 2024 in the Insulation segment amounted to 736 MEUR, an increase of six percent in both local currencies and reported figures compared to Q4 2023. The acquisitions accounted for two percent of the growth. The insulation business in North America continued the solid performance.

EBIT in the Insulation segment reached 128 MEUR resulting in an EBIT margin of 15.0 percent stable compared to Q4 2023.

In Systems segment, quarterly revenue reached 234 MEUR, a decrease of three percent in local currencies. Measured in reported figures, revenue decreased two percent. Rockfon North America and Rockpanel showed growth, while revenue in Grodan and Rockfon Europe-Asia declined compared to Q4 2023.

EBIT in Systems segment reached 35 MEUR in Q4 2024, an increase of 24 MEUR compared to Q4 2023. The 8 MEUR gain from the sale of a warehouse in Baltimore, the United States, impacted EBIT in the Systems segment in Q4 2024, while EBIT in Q4 2023 was negatively impacted by restructuring costs of 16 MEUR related to operational restructuring in Rockfon. Adjusted for these one-off items, EBIT and EBIT margin in the Systems segment was stable compared to Q4 2023.

Quarterly financial figures

(continued)

	2024				2023			
MEUR	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Statement of profit and loss								
Revenue	918	1,010	957	970	866	917	903	934
Operating income	920	1,012	958	981	872	924	904	935
Raw material costs and production material costs	312	334	313	323	326	327	316	333
Delivery costs and indirect costs	108	121	123	123	106	114	102	115
Other expenses	75	85	66	77	77	85	67	71
Employee benefits expenses	209	219	215	228	199	204	200	214
Operating costs	704	759	717	751	708	730	685	733
EBITDA	216	253	241	230	164	194	219	202
Amortisation, depreciation and impairment	64	64	68	67	60	61	73	67
EBIT	152	189	173	163	104	133	146	135
Share of net profit of associates	-	-	-	1	-	-	-	2
Financial items	3	-5	10	10	2	4	2	-6
Profit before tax	155	184	183	174	106	137	148	131
Tax expense	39	42	28	37	28	35	39	31
Profit for the period	**116**	**142**	**155**	**137**	**78**	**102**	**109**	**100**
EBITDA margin	23.5%	25.1%	25.2%	23.7%	18.9%	21.2%	24.3%	21.7%
EBIT margin	16.5%	18.7%	18.1%	16.7%	12.0%	14.5%	16.2%	14.4%
Statement of comprehensive income								
Profit for the period	116	142	155	137	78	102	109	100
Exchange differences on translation of foreign entities	-8	34	-50	33	-43	-8	-21	18
Change in pension obligations	1	1	-1	-8	-	-	-	-10
Hedging instruments, value adjustments	2	-	-	-1	4	-1	-	-6
Tax on other comprehensive income	-	-	-	2	-	-	-	4
Total comprehensive income	**111**	**177**	**104**	**163**	**39**	**93**	**88**	**106**

	2024				2023			
MEUR	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Statement of cash flows								
EBIT	152	189	173	163	104	133	146	135
Adjustments for amortisation, depreciation and impairment	64	64	68	67	60	61	73	67
Adjustments of non-cash operating items	-2	6	-1	-18	-5	1	-5	7
Changes in net working capital	-79	-	50	22	-72	8	77	58
Cash flow from operations before financial items and tax	135	259	290	234	87	203	291	267
Cash flow from operating activities	99	237	270	211	65	173	263	206
Cash flow from investing activities	-84	-91	-73	-205	-77	-54	-85	-96
Free cash flow	15	146	197	6	-12	119	178	110
Cash flow from financing activities	-47	-167	-46	-49	139	-234	-133	-10
Net change in cash and cash equivalents	-32	-21	151	-43	127	-115	45	100
Business segments								
Insulation segment:								
External revenue	724	809	763	736	664	723	711	694
Internal revenue	82	86	87	114	95	87	87	120
EBIT	124	159	154	128	79	110	118	124
EBIT margin	15.4%	17.8%	18.1%	15.0%	10.4%	13.7%	14.9%	15.2%
Systems segment:								
External revenue	194	201	194	234	202	194	192	240
EBIT	28	30	19	35	25	23	28	11
EBIT margin	14.2%	14.9%	10.1%	14.7%	12.4%	11.6%	14.6%	4.7%
Geographical segments								
Western Europe	525	555	536	554	528	541	519	537
Eastern Europe and Russia	176	198	198	181	138	161	189	191
North America	171	209	175	182	159	167	146	158
Asia and others	46	48	48	53	41	48	49	48
Total revenue	**918**	**1,010**	**957**	**970**	**866**	**917**	**903**	**934**

Financial risk management

Managing risk is a natural part of doing business in the Group.

Systems and processes

The Board of Directors is responsible for ensuring that the Group's risk exposure, including sustainability-related risks, is consistent with its targeted risk profile.

The Board of Directors also evaluates that appropriate awareness and management processes are in place. Managing the risk process is part of the CFO's area of responsibility and includes providing regular updates to the Audit Committee and Board of Directors.

All Group functional heads and Managing Directors of our subsidiaries must ensure that a risk review within their areas of responsibility is conducted at least once a year; and that those risks are discussed, described, scored for severity and likelihood, and quantified in terms such as predicted financial impact.

The Group function or subsidiary proposes appropriate mitigating actions for identified risks, which are studiously evaluated to ensure effective risk management at Group level. The Group's Enterprise Risk Management Committee consists of members from the Group functions. The Committee is responsible for reviewing and updating the internal risk management framework and for implementing related processes. The Committee meets quarterly to decide on the top risks to be included in the quarterly updates to the Board of Directors.

The Audit Committee selects deep dives into the Group's top risks, which the "risk owner" presents for the Risk Committee, Group Management and finally to the Audit Committee and Board of Directors. With these systems and processes, the Group identifies and mitigates the risk. The objective is to ensure that any residual risks are at an acceptable level.

Key risks

Climate risks including energy supply, ownership of a business in Russia, and cyber threats are currently the risks that would have the highest potential to impact ROCKWOOL Group if the risks were to materialise.

Climate risks and energy supply

Description
As part of an energy-intensive industry, ROCKWOOL faces specific climate-related risks on both the regulatory and technological fronts. Key innovations in our melting and product technology and multiple other energy-saving initiatives will contribute to achieving the decarbonisation goals that are reflected in our sustainability double materiality assessment and in the science-based targets we announced in 2020. These targets are verified and approved by the Science Based Targets initiative (SBTi).

Climate-related regulations can represent both an opportunity and risk: an opportunity to positively influence the demand for carbon emission abating solutions such as insulation; and a risk, as regulation can increase industry's financial burden relating to carbon emissions. See more in the sustainability statement on p. 63.

ROCKWOOL is taking steps to decarbonise our production process by introducing key innovations in our melting technology. This involves switching from coke to gas in some factories, from coke or gas to electricity in other factories, and primarily building new factories based on electricity. Such innovation can have an impact on the expected lifetime of existing assets. While the supply of coke is almost abundant, there is a risk that the usage of coke as a primary energy source at our factories, could be limited mainly due to EU regulation, national restrictions or taxes on CO_2 emissions.

Looking ahead, limitation on grid connections, availability and the cost of reliable supply of green electricity in certain areas in Europe could become constraints or a delaying factor in achieving the plans for conversion primarily from coke to electricity.

Risk trend - stable

Mitigation
We closely monitor regulatory framework developments to identify both risks and opportunities early in the process.

At regular intervals we assess the EU ETS and similar schemes' financial impact on our business. For the period 2020-2030, the mineral wool sector has been granted EU carbon leakage, which significantly increases the number of free allowances allocated to each factory.

In addition, our ambitious decarbonisation strategy will reduce our absolute CO_2 emissions significantly, as we are increasingly using low or lower carbon-intensive energy sources. The plan for converting existing assets into electric melting technologies also considers the impact on the expected lifetime for the relevant assets. In the period

Financial risk management

(continued)

2025-2030, the financial impact of the risk at Group level is assessed to be between 0-100 MEUR.

ROCKWOOL's energy strategy has been reviewed and includes the use of power purchase agreements to ensure stable supply and to reduce future fluctuations in energy prices. In 2024, a power purchase agreement for part of our business in the Netherlands was finalised.

Ownership of a business in Russia

Description
ROCKWOOL's passive ownership of four Russian factories and the consequences of Russia's war against Ukraine increase certain risks for ROCKWOOL. The main risk factors are loss of brand value, breach of applicable sanctions, and loss of assets.

ROCKWOOL has experienced media and public criticism primarily in Denmark and Ukraine due to the ownership of a business in Russia. Worsening of the war, breach of sanctions or actions by the Russian authorities could lead to a decrease in brand value and reputation.

The significant EU, U.S., and UK economic sanctions have increased the complexity of maintaining ownership of the business in Russia, as have Russian government sanctions. Sanctions compliance remains a fundamental priority for ROCKWOOL.

Additionally, there remains a risk that the Russian government will nationalise western companies or otherwise transfer ownership to Russian actors.

Risk trend - stable

Mitigation
Policies, procedures and internal controls have been established to secure compliance with all sanctions. The Russian business operates on a stand-alone basis with no operational or management involvement from ROCKWOOL Group. All investments and cross-border sales into Russia have been stopped, including licensing of intellectual property.

ROCKWOOL seeks to mitigate the risk of a decrease in brand value and reputation by engaging openly and extensively in the Danish public debate, primarily via the media, to explain the reasoning behind our decisions and to provide timely responses as questions arise.

A continued cash flow in the form of dividend from the Russian business is to the extent possible secured in close cooperation with existing financial institutions.

Cyber threats

Description
Major companies including ROCKWOOL have seen an increase in the frequency and severity of cyberattack attempts to business operations. As ROCKWOOL depends on IT systems, networks and related processes to run day-to-day business, the Group is vulnerable to system outages.

With the digitalisation of business processes, a cyberattack or non-availability of IT systems increases the potential financial and reputational consequences for our business and the ROCKWOOL brand. Preserving business continuity and safeguarding sensitive business data and critical assets against the global cyber threat is extremely important to ROCKWOOL, and therefore a top priority for operational excellence and further digital investments.

Risk trend - stable

Mitigation
Key IT objectives include preventing digital theft of intellectual property; limiting and quickly rectifying operational disruptions; and protecting the rights of external and internal data subjects.

The Group's IT strategy therefore comprises a continued effort to strengthen the protection against cyber threats. It involves investments in cyber protection practices and tools regarding core IT infrastructure, factory IT and operations technology, and user devices that access ROCKWOOL's systems.

Furthermore, the IT strategy focuses on reducing the human element of this IT risk by continually improving the Group's authentication practices and usage of credentials, and continuous education of users.

The Group's IT department systematically mitigates risks based on internal assessments as well as the findings of external IT auditors and the evaluations of external experts. The activities carried out by the Group and its partners are expected to keep the risk of losing the operational stability and integrity of all digital services rendered for internal or external use at an acceptable level.

Responsible tax

ROCKWOOL maintains its Group Tax Policy, which is available at our web-site under Business Ethics. The Group Tax Policy is an integrated guide in our daily operation and discussions with our operating business.

We acknowledge that tax practice is an important part of society and equally an important part of responsible corporate citizenship. The Group Tax Policy is the foundation for our tax governance and controls.

The aim of our tax policy is to reflect and support our business by ensuring a sustainable tax rate, mitigating tax risks and complying with rules and regulations in the jurisdictions in which we operate.

ROCKWOOL is committed to paying the right amount of tax, at the right time, in the right place in accordance with the tax laws of the countries where we operate.

We commit to a constructive dialog with authorities in the countries we operate in when approached.

Our legal structure supports the requirements for running our business. We do not engage in harmful or artificial tax structures. During the year we have had operations in one jurisdiction on the EU list of uncooperative tax jurisdictions; Russia.

While conducting and building our business we do engage in obtaining incentives. Incentives may come in the form of direct refund of invested capital, reduction in taxes or duties payable as well as direct reduction in payable corporate income tax.

Caparroso, Spain

Corporate governance

[GOV -1] The role of the administrative, management and supervisory bodies

We act with integrity and in accordance with our values, rules and regulations.

ROCKWOOL's governance principles and structure are designed to ensure alignment with long-term shareholder interests and to enable prudent management of the Group in accordance with relevant national and international regulations as well as applicable corporate governance recommendations.

The Board of Directors appoints the Registered Directors, consisting of the CEO and CFO, who undertake the day-to-day management of ROCKWOOL.

Shareholders and general meeting

The Annual General Meeting (AGM) is the supreme body of the corporate governance structure and elects the Board of Directors as well as independent auditors. The AGM approves any changes to the articles of association and to the capital structure, including any issuance of new shares.

The shareholders have the ultimate authority over the company and can exercise their rights by passing resolutions at general meetings. Resolutions are adopted by simple majority of votes, unless otherwise provided by legislation or by the articles of association.

ROCKWOOL is not aware of shareholder agreements containing pre-emption rights or restrictions on voting rights. There is an agreement among members of the founding Kähler family to meet regularly to discuss their interests in the company, including items at the AGM, but there is no requirement for them to vote jointly.

Board of Directors

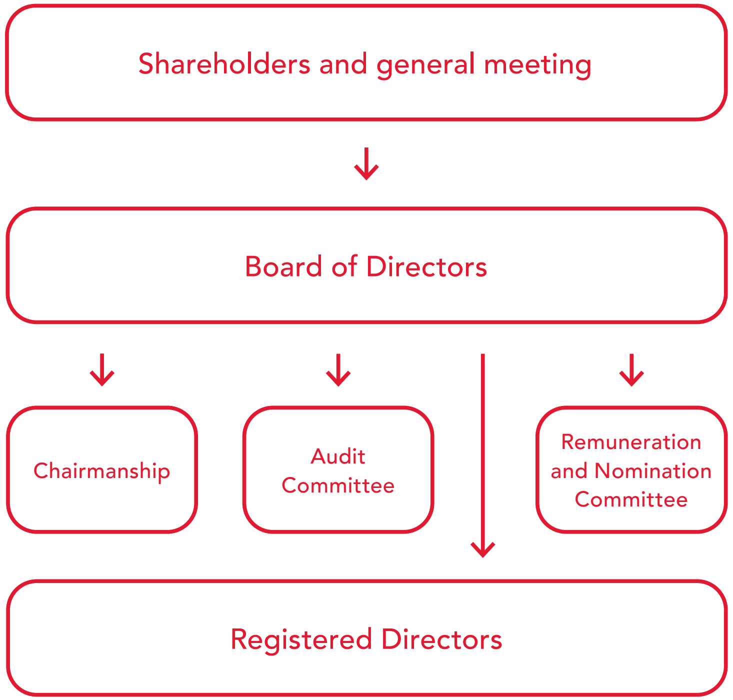
The Board of Directors currently consists of eight non-executive members, five of whom are elected by the shareholders at general meetings. Of these, three members are deemed independent according to the Danish Recommendations on Corporate Governance. Three members are elected by the employees for a period of four years, pursuant to the Danish Companies Act. The next ordinary employee election takes place in 2026.

On 1 September 2024, Jes Munk Hansen stepped out of the Board of Directors and became the CEO of ROCKWOOL Group. The Board of Directors will consist of nine members following the AGM in 2025.

The roles and responsibilities of the Board of Directors are defined in the Business Procedure for the Board of Directors. The members of the Board of Directors are elected by the general meeting for a period of one year and may be re-elected. The members of the Board of Directors are non-executive members in accordance with the Danish Companies Act.

The Board of Directors is responsible for the overall purpose and strategy and shall ensure proper organisation of ROCKWOOL as well as monitors and oversees progress related to sustainability strategy. The Board of Directors also ensures that the company is developing on track toward agreed short- and long-term business and sustainability goals. The Board of Directors formally approves the Code of Conduct, and the Audit Committee ensures compliance hereof in the Group. The Board of Directors has also approved the double materiality

Our governance model



assessment with respect to the Corporate Sustainability Reporting Directive (CSRD) reporting.

Once a year, the Board of Directors performs an overall self-evaluation focusing on the composition and competencies of the Board and the results achieved. The evaluation also considers relevant sustainability competencies. The Board of Directors has decided that an external consultancy shall facilitate an in-depth self-evaluation every third year, most recently in 2024.

In 2024, the Board of Directors conducted the annual evaluation based on external facilitation. Based on this evaluation, the Board concluded that its present composition is appropriate and sufficient for it to perform its tasks and support long-term value creation for the shareholders.

The Board of Directors held seven board meetings and a strategy session in 2024. The meeting agenda is set according to the annual cycle of the Board, thus ensuring that the strategic and operational policy framework of the Group is reviewed and up to date. Information about Board member meeting attendance can be found on pp. 35-36.

The Board of Directors has established a Chairmanship, an Audit Committee, and a Remuneration and Nomination Committee. The Committees report to the Board of Directors.

Diversity of Board of Directors

The Board of Directors has diverse professional experience and competencies and consists of three nationalities. As of December 31, 2024, three (38 percent) out of all eight members of Board of Directors, are independent, three are employee-elected members (38 percent), and four members (50 percent) are female. Out of the shareholder-elected members, 60 percent are independent board members and 40 percent are female.

Registered Directors

The Registered Directors are the CEO and CFO, who are registered as directors with the Danish Business Authority. The Registered Directors are responsible for the day-to-day management of the company and compliance with the guidelines and recommendations set forth by the Board of Directors. The Registered Directors' responsibility covers organisation of the company as well as allocation of resources, producing and implementing strategies and policies, including those referring to material sustainability topics, and ensuring timely reporting to the Board of Directors.

Group Management

Group Management is formed by the Registered Directors together with six senior vice presidents responsible for division management and Group functions.

Diversity of Group Management

Group Management has diverse professional experience and competencies and consists of four different nationalities. Thirteen percent of the members are female.

Remuneration of the Board of Directors and Registered Directors

Remuneration of the Board of Directors and Registered Directors is carried out in accordance with the Remuneration Policy as adopted by the Annual General Meeting. The remuneration policy is available at www.rockwool.com/group/about-us/corporate-governance/remuneration/. The remuneration of the Board of Directors amounts to 1 MEUR. The specific Board remuneration and the remuneration components granted to each Registered Director can be found in the 2024 ROCKWOOL Remuneration Report at www.rockwool.com/group/about-us/investors/.

Board Chairmanship and Committees

The Board of Directors has established three substructures.

The Chairmanship

The Board of Directors has established a Chairmanship consisting of the Chairman (who is considered not to be independent) and the Deputy Chairman (who is considered independent). They prepare the Board meetings.

Corporate governance

(continued)

Audit Committee
The Board of Directors has appointed an Audit Committee consisting of three members. The majority of its members are independent.

The Audit Committee monitors and reports on the statutory audit, accounting and audit policies and the financial and sustainability reporting processes including auditor independence. The Committee also decides which policies or processes, as determined by the Board of Directors or the Audit Committee, should be subject to thorough evaluation.

The Audit Committee monitors compliance with applicable legislation, standards and regulations as well as the internal controls and risk management systems. Through quarterly updates, the Audit Committee monitors the compliance with the CSRD regulation including approval of the double materiality assessment and the disclosures in the sustainability statement.

The Audit Committee also monitors cases from the whistleblower system.

Remuneration and Nomination Committee
The Board of Directors has appointed a Remuneration and Nomination Committee consisting of two members of the Board of Directors: the Chairman and the Deputy Chairman.

The Committee ensures that the company maintains a remuneration policy for the members of the Board of Directors, the Registered Directors and senior executives, including compliance hereof.

The Committee makes proposals for the remuneration of the Board of Directors and Registered Directors and reviews and approves remuneration for other members of Group Management.

The Committee also ensures the preparation of the annual Remuneration Report. The Remuneration Report is subject to a non-binding advisory vote from the shareholders. The Remuneration Report can be found on the Group website.

The Committee identifies and recommends to the Board of Directors persons who are qualified to become members of the Board of Directors and Registered Directors. The Committee further recommends removal of such persons, if relevant. The Committee reviews and suggests changes to relevant corporate policies, including corporate governance.

Recommendations on Corporate Governance

The Board of Directors has discussed and reviewed the recommendations for Danish listed companies as provided by the Danish Committee on Corporate Governance. ROCKWOOL complies with all but two of the recommendations.

With respect to recommendation 3.3.2, to publish information about the number of shares, options, warrants or similar in the company, and other Group companies, owned by each member of the Board of Directors, the company considers this to be a private matter. It is ROCKWOOL's judgement that disclosure of such information will not add additional value for shareholders and other stakeholders. Board member remuneration does not include share-based elements.

The recommendation 3.4.2, that a majority of the members of board Committees should be independent, is not applied in the Remuneration and Nomination Committee. The Board of Directors finds that the Committees can perform their functions in a prudent manner even if the majority of the members are not independent.

A detailed review of ROCKWOOL's position on each of the recommendations and a description of the internal control and risk management system relating to financial reporting can be found in the statutory report on corporate governance prepared pursuant to section 107b of the Danish Financial Statements Act at www.rockwool.com/group/about-us/corporate-governance/.

Data ethics

In 2021, guidelines on data ethics were implemented in accordance with the Danish Financial Statements Act section 99d.

The guidelines describe how data ethics are considered and included in the use of data as well as the design and implementation of technologies used for processing of data within ROCKWOOL. The Group's Integrity Committee reviews and assesses the adequacy hereof on an annual basis. The guidelines are published and are available for all employees on the Group Intranet.

ROCKWOOL office in Klang, Malaysia

Board of Directors

From left: Rebekka Glasser Herlofsen, Thomas Kähler, Jørgen Tang-Jensen, Connie Enghus Theisen, Janni Munkholm Nielsen, Carsten Kähler, Christian Westerberg, Ilse Irene Henne

Thomas Kähler
Chairman
Member of the Board since: 2008
Nationality: Danish

Other positions related to the company: Member of the Chairmanship, Member of the Audit Committee, Chairman of the Remuneration and Nomination Committee, Member of the Kähler Family Meeting.

Positions in other Danish companies: Chairman of the Board of Metier Westergaard A/S; Director and member of the Board of DURAPOR A/S; Member of the Board of Metier Westergaard Event A/S.

Other positions: Chairman of the Board of the Foundation for Ukrainian Reconstruction.

Competencies: Thomas Kähler has experience in management, marketing, sales and business development from international business and close relationships with major shareholders. In addition, he has a degree in electrical and mechanical engineering from the Technical University of Denmark (DIA) as well as an MBA from Copenhagen Business School. He brings expertise to energy efficiency and environmental topics, and has during 2024 completed a series of PwC ESG e-learning modules to further strengthen his knowledge base within ROCKWOOL's material sustainability topics.

Thomas Kähler participated in all Board and Audit, Remuneration and Nomination Committee meetings during 2024.

Jørgen Tang-Jensen
Deputy Chairman
Member of the Board since: 2017
Nationality: Danish

Other positions related to the company: Member of the Chairmanship, Member of the Audit Committee, Member of the Remuneration and Nomination Committee.

Positions in other Danish companies: Member of the Boards of VKR Holding A/S, VILLUM FONDEN, and Maj Invest Holding A/S (and two fully-owned subsidiaries).

Other positions: Chairman of the Board of Tænketanken Europa (Think Tank Europe).

Competencies: Jørgen Tang-Jensen has experience in the building materials industry as well as expertise in manufacturing of energy efficiency equipment for buildings, which is one of ROCKWOOL's material sustainability topics. He has a deep understanding of corporate governance due to his active role in several organisations.

Jørgen Tang-Jensen participated in all Board and Remuneration and Nomination Committee meetings during 2024 as well as all Audit Committee meetings following his election.

Independent Member of the Board.

Rebekka Glasser Herlofsen

Member of the Board since: 2020
Nationality: Norwegian

Other positions related to the company: Chairperson of the Audit Committee.

Positions in other Danish companies: Member of the Boards and Chairperson of the Audit Committees of Egmont Fonden and Egmont International Holding A/S.

Other positions: Chairperson of the Boards of Norwegian Hull Club and Handelsbanken Norge, Norway; Chairperson of the Council, DNV, Norway; Member of the Board of Aibel AS and Torvald Klaveness Group, Norway; Member of the Board and Chairperson of Audit Committees of BW Offshore ASA* and Wilh. Wilhelmsen Holding ASA*, Norway; Member of the Nomination Committee of Orkla ASA*, Norway.

Competencies: Rebekka Glasser Herlofsen has international experience from executive and board positions in several large companies. Over many years, she has developed financial competencies necessary in both general Board work as well as in the Audit Committee (financial expertise). In addition, she has a Master's degree in economics from the Norwegian School of Economics and Business Administration and is a Chartered Financial Analyst. She has during 2024 completed a series of PwC ESG e-learning modules, which contribute to her expertise in ethics and compliance – two matters assessed as ROCKWOOL material sustainability topics.

Rebekka Glasser Herlofsen participated in all Board and Audit Committee meetings during 2024.

Independent Member of the Board.

Carsten Kähler

Member of the Board since: 2021
Nationality: Danish

Other positions related to the company: Member of the Kähler Family Meeting.

Other positions: Member of the Board of the Fahu Foundation.

Competencies: Carsten Kähler is an attorney (Advokat) licensed by the Danish Bar and Law Society (currently the license is deposited with the Danish Ministry of Justice). He has extensive knowledge in tax and brings his expertise to corporate governance topics. He has competencies and experience within global and Danish legal and accounting companies. He also has a close relationship with major shareholders.

Carsten Kähler participated in all Board meetings during 2024.

Ilse Irene Henne

Member of the Board since: 2022
Nationality: Belgian
Member of the Executive Board of thyssenkrupp AG and Chief Executive Officer (CEO) of thyssenkrupp Materials Services.

Other positions: Member of the Baden-Badener Unternehmer Gesprache e.V., Klasse 135, Germany; Member of the Board and member of the Audit Committee of Arkema S.A., France; Vice President of the Board of BVL (Bundesvereinigung Logistik); Chairperson of the Supervisory Board of thyssenkrupp Steel Europe AG; Member of the Supervisory Board of thyssenkrupp Decarbon Technologies GmbH; Chairperson of Board of Directors of thyssenkrupp North America, LLC (USA); Chairperson of Board of Directors of thyssenkrupp NA Holding Corp. (USA).

Competencies: Ilse Irene Henne has managerial experience within the global building materials industry, particularly in the areas of strategical renewal, performance improvement, supply chain and sales excellence. She has completed the programme "Driving Sustainability from the Boardroom" at the International Institute for Management Development (IMD) in Switzerland.

Ilse Irene Henne participated in all Board meetings during 2024 except one meeting.

Independent Member of the Board.

Connie Enghus Theisen

Member of the Board since: 2006
Nationality: Danish
Employee representative, Senior Group Advisor, ROCKWOOL A/S.

Competencies: Connie Enghus Theisen has extensive and long-term understanding of the company and of its relationships with external stakeholders.

Connie Enghus participated in all Board meetings during 2024.

Christian Westerberg

Member of the Board since: 2018
Nationality: Danish
Employee representative, Senior Project Manager, ROCKWOOL A/S.

Other positions related to the company: Member of the Board of the ROCKWOOL Foundation.

Competencies: Christian Westerberg has a BSc. degree in machine engineering, and brings expertise as project manager.

Christian Westerberg participated in all Board meetings during 2024.

Janni Munkholm Nielsen

Member of the Board since: 2024
Nationality: Danish
Employee representative, Project assistant, ROCKWOOL Danmark A/S.

Competencies: As part of the ROCKWOOL project management team, Janni Munkholm Nielsen has an understanding of the company's business processes and challenges.

Following her election, Janni Munkholm Nielsen participated in all Board meetings during 2024.

Group Management

From left: Bjørn Rici Andersen, Mirella Vitale, Rafael Rodriguez, Henrik Frank Nielsen, Kim Junge Andersen, Jes Munk Hansen, Volker Christmann, Anders Espe Kristensen

Jes Munk Hansen
President and Chief Executive Officer (CEO) starting 1 September 2024
Member of the Registered Directors
(in Danish: Direktionen)

Member of Group Management since: 2024
Nationality: Danish and U.S citizen

Responsibility: Responsible for the strategic direction and leadership of the company. Has oversight on performance, innovation and operations, resources, organisational culture, and represents the company towards stakeholders, including shareholders, investors, employees, and the public. Oversight of impact, risk and opportunities related to own workforce.

Competencies: Jes Munk Hansen has several decades of experience in corporate strategy, global business and sales development as well as international acquisitions from global technology companies and within the built environment. Before taking over this role, he was CEO of Denmark's largest player in defense and aerospace.

Jes Munk Hansen has held multiple international leadership positions during his career, several of which focused on the U.S. market where he lived for 15 years. He has held senior leadership roles within energy efficiency, building materials and lighting and brings competences to management of ROCKWOOL's material sustainability topics.

Jes Munk Hansen holds a M.Sc. degree in Forestry from Copenhagen University and an MBA from London Business School.

Positions in other Danish companies:
Member of the Board of WS Audiology A/S.

Other positions: Member of the Board (Vice Chairman 2022-2024), The Confederation of Danish Industry (DI).

Kim Junge Andersen
Senior Vice President, Chief Financial Officer (CFO)
Member of the Registered Directors
(in Danish: Direktionen)

Member of Group Management since: 2016
Nationality: Danish

Responsibility: Responsible for planning and managing the Group's financial strategy and actions as well as capital structure and risk management. Oversees Group Functions within Finance, Legal and IT including sustainability compliance. Oversight of impact, risk and opportunities related to business conduct.

Competencies: Kim Junge Andersen is highly experienced within financial and business strategy, performance and operation as well as capital markets, investments and risk management from leading international finance positions. His academic background and international experience coupled with his expertise as CFO, are necessary competencies in financial and sustainability reporting and disclosures.

Kim Junge Andersen holds a degree from Copenhagen Business School with a major in Corporate Accounting and Strategic Development and has during 2024 completed a series of PwC ESG e-learning modules to further strengthen his knowledge base within this important field.

Other positions: Member of the Board of FORCE Technology, Denmark.

Bjørn Rici Andersen
Senior Vice President, Group Operations & Technology

Member of Group Management since: 2018
Nationality: Danish

Responsibility: Responsible for strategic, technological and sustainability investments and operations, sourcing and supply chain as well as the Group' s health and safety and R&D process and actions. Oversees Group Functions within R&D, Technology, Sourcing and Procurement, Operational Excellence, Supply Chain and Safety, Health and Environment. Oversight of impact, risk and opportunities related to climate change, pollution, water & marine resources and consumers & end users.

Competencies: Bjørn Rici Andersen has extensive professional and international experience from a range of leadership positions in production, operations, and technology, both with ROCKWOOL and elsewhere. Prior to taking on HQ roles with a global focus, his international experience also included positions with ROCKWOOL in Malaysia and the United Kingdom as well as other regionally focused responsibilities.

Bjørn Rici Andersen holds a BSc. degree in mechanical engineering, an MBA from Henley Business School, and completed the Advanced Management Program at Harvard Business School.

Other positions related to the company: Member of the Board of ScanArc Plasma Technologies AB, Sweden.

Volker Christmann
Senior Vice President, Head of Insulation Central Europe

Member of Group Management since: 2015
Nationality: German

Responsibility: Oversees business and sustainability performance and strategy implementation as well as compliance at regional level.

Competencies: Volker Christmann has broad professional experience in management, technical functions, logistics and industrial controlling.

Volker Christmann is a certified economist of business sciences and has completed management courses from IMD in Switzerland.

Other positions related to the company: Member of the Board of the ROCKWOOL Foundation.

Positions in other Danish companies: Member of the Board of H+H International A/S, Denmark.

Other positions: President of BuVEG Bundesverband energieeffiziente Gebäude-hülle e.V., Germany (federal association of energy efficient building envelope).

Anders Espe Kristensen
Senior Vice President, Systems Division

Member of Group Management since: 2021
Nationality: Danish

Responsibility: Oversees business, sustainability performance and strategy implementation as well as compliance at regional level.

Competencies: Anders Espe Kristensen has international professional experience in business development, sales and marketing from leading positions in China and across Europe.

Anders Espe Kristensen holds a M.Sc. degree in Industrial Engineering from Aalborg University, Denmark, and a diploma in international trade and marketing from Copenhagen Business School, Denmark.

Other positions related to the company: Member of the Board of Akuart A/S.

Henrik Frank Nielsen
Senior Vice President, Head of Insulation North East Europe & Russia

Member of Group Management since: 2007
Nationality: Danish

Responsibility: Oversees business, sustainability performance and strategy implementation as well as compliance at regional level.

Competencies: Henrik Frank Nielsen has broad experience from many leading positions within the Group and from working in Asia and within the oil and gas sector.

Henrik Frank Nielsen holds a M.Sc. degree in Economics and Business Administration from Aarhus Business School in Denmark and completed several marketing and strategic planning programmes.

Rafael Rodriguez
Senior Vice President, Head of Insulation South West Europe

Member of Group Management since: 2022
Nationality: Spanish

Responsibility: Oversees business, sustainability performance and strategy implementation as well as compliance at regional level.

Competencies: Rafael Rodriguez has broad professional experience from several leading positions within the Group and from working in the European manufacturing sector.

Rafael Rodriguez holds a degree in Law from University of Navarre in Spain and a Master in Business Administration (MBA) from Instituto de Empresa Business School, Madrid, Spain.

Mirella Vitale
Senior Vice President, Group Marketing, Communications & Public Affairs

Member of Group Management since: 2016
Nationality: Italian

Responsibility: Oversees the Group Functions within marketing, communication, public and regulatory affairs as well as sustainability and the customer experience. Oversight of impact, risk and opportunities related to resource use & circular economy and affected communities.

Competencies: Mirella Vitale has a broad professional and international experience in global B2B marketing, strategy, communication and public affairs. She spent 15 years in the wind industry in various leadership positions in Italy, Spain and Denmark, with a particular focus on developing emerging markets through collaborative partnerships.

Mirella Vitale studied Foreign Languages and Literature at the University in Bari, Italy, completed a High Performance Leadership Program at IMD, Lausanne, Switzerland and collaborate in the SDA Bocconi MBA programme.

Shareholder information

ROCKWOOL shares

ROCKWOOL A/S is listed on Nasdaq Copenhagen in two share classes: ROCKWOOL A and ROCKWOOL B. The class B share is included in multiple indices including the leading Danish stock index Nasdaq OMX C25, MSCI Global Standard, and STOXX® Europe 600 Construction & Materials.

In 2024, both the class A share price and the class B share price increased by 29 percent. That compares with a six percent increase in the benchmark index STOXX® Europe 600 Construction & Materials and a two percent decrease in the Nasdaq OMX C25 index during 2024.

The official share price on 31 December 2024 was 2,556 DKK (B share) and 2,538 DKK (A share). The combined market capitalisation at the end of the year was 53,856 MDKK.

Each class A share of a nominal value of 10 DKK entitles the holder to 10 voting rights and each class B share of a nominal value of 10 DKK entitles the holder to one voting right.

Share capital amounts to a nominal value of 216,207,090 DKK, of which nominally 98,666,030 DKK (2023: 107,761,590 DKK) is class A share capital, and nominally 117,541,060 DKK (2023: 108,445,500 DKK) is class B share capital.

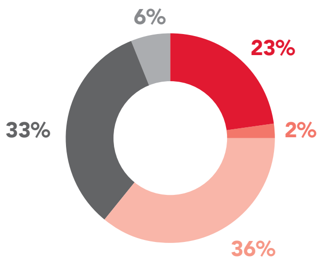
The changes in nominal value between class A and class B shares arise from the conversion scheme which gives shareholders a voluntary right to convert class A shares to class B shares, under certain terms and conditions, four times a year.

Further details are available at www.rockwool.com/group/about-us/investors/conversion-shares/.

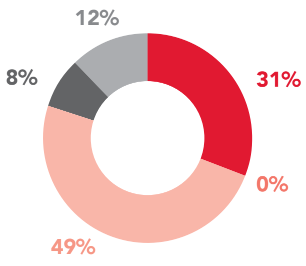
The company had 35,615 (2023: 36,212) registered shareholders on 31 December 2024. By the end of 2024, 31 percent (2023: 27 percent) of the shares were owned by registered shareholders located outside Denmark; In terms of voting capital, 13 percent (2023: eight percent) were located outside Denmark.

For a list of shareholders holding more than five percent of the share capital or the votes, please refer to p. 186.

Ownership
per shareholder category

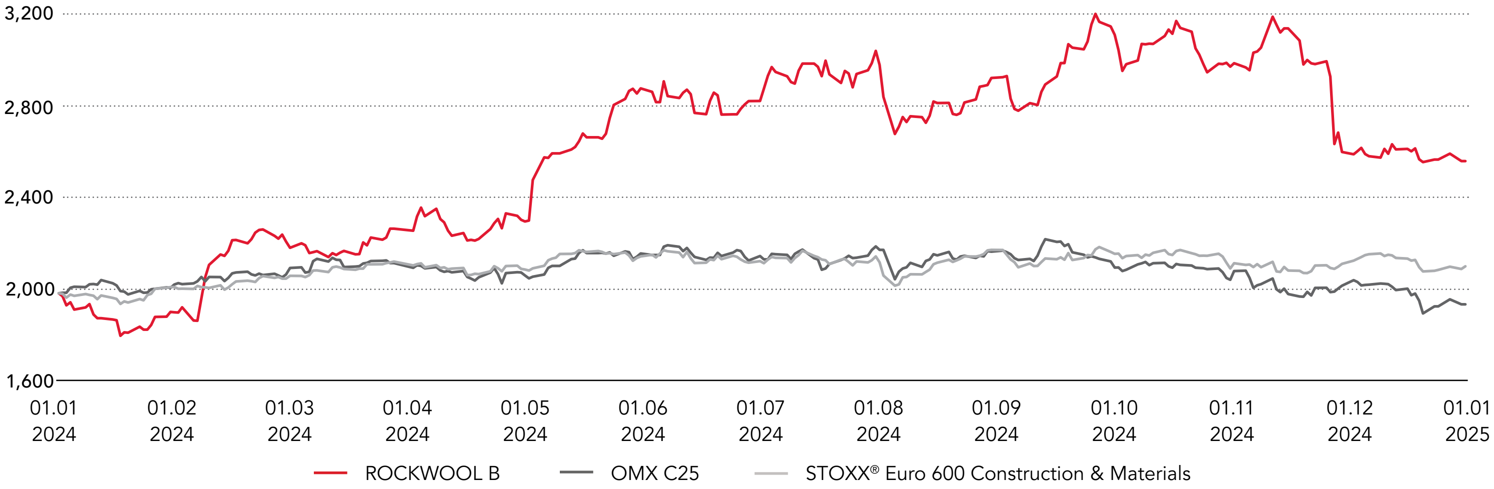


Votes
per shareholder category



The ROCKWOOL Foundation | Own shares | Private investors with less than 5% | Institutional investors with less than 5% | Other shareholders with more than 5%

Share price development 2024
(DKK)



Capital structure and dividend

Management regularly assesses whether the ROCKWOOL capital structure is in the interests of the Group and its stakeholders. The overall objective is to ensure continued development and strengthening of the Group's capital structure that supports long-term profitable growth.

It is the intention of ROCKWOOL that the net debt should be maximum one time the EBITDA, with due regard to the Group's long-term financing requirements.

The dividend policy is to pay out a stable dividend that is at least one-third of net profit after tax.

After assessing the outlook for the economic cycle, investment plans and structural business opportunities, and considering the dividend policy, the company can further decide to initiate share buy-backs to adjust the capital structure.

At the Annual General Meeting on 2 April 2025, the Board of Directors will propose a dividend of 63 DKK per share for the financial year 2024 (2023: 43 DKK). The dividend payment occurs three banking days after the Annual General Meeting.

On 8 February 2024, the company initiated a share buy-back programme up to an amount of 160 MEUR, to be completed within the following 12 months. The shares are being purchased in accordance with the Safe Harbour Regulation and cover only B shares. In 2024, a total of 426,900 shares have been bought back, corresponding to a transaction value of around 149 MEUR. At the Annual General Meeting in 2025, the Board of Directors will propose that the shares purchased under this programme be cancelled.

On 7 February 2025, the company will initiate a share buy-back programme up to an amount of 150 MEUR, to be completed within the following 12 months, within the authority granted by the Annual General Meeting to purchase up to 10 percent of the shares and assuming that this mandate will be extended at the Annual General Meeting on 2 April 2025. The shares will be purchased in accordance with the Safe Harbour Regulation and will cover only B shares. At the Annual General Meeting in 2026, the Board of Directors will propose that the shares purchased under this programme be cancelled.

Investor relations

As a listed company, ROCKWOOL A/S has defined a policy for its activities relating to ROCKWOOL A/S' shares ("the Shares"). The aim of this policy is to:

- Ensure that the capital market has an accurate picture of the earnings potential of the Shares by communicating relevant, correct, balanced, and timely information to market participants.
- Ensure that ROCKWOOL A/S complies with all relevant rules and regulations as laid out in the Nasdaq Copenhagen Rules for issuers of shares as well as applicable Danish and EU legislation for publicly listed companies.
- Ensure fair and transparent rules for the trading of the Shares by ROCKWOOL A/S itself and by persons considered insiders.
- Strive to ensure that ROCKWOOL A/S is seen as an honest, accessible, reliable, and responsible company by the capital markets.
- Maintain broad coverage by both domestic and foreign equity analysts.
- Be knowledgeable, responsive and proactive in our investor communication maintaining a fair balance between expectations and performance.

ROCKWOOL A/S' shares are generally categorised within Construction and Materials and are currently covered by 21 equity analysts, 14 of which are based outside Denmark. For further details regarding analyst coverage including recommendations and consensus, please see www.rockwool.com/group/about-us/investors/consensus-and-analysts/.

All investor relations materials and contact information are available to investors at www.rockwool.com/group/about-us/investors/.

Stock market information

	2024 (EUR)	2024 DKK	2023 DKK	2022 DKK	2021 DKK	2020 DKK
Earnings per share	26	192	134	93	104	86
Dividend per share	8.4	63.0	43.0	35.0	35.0	32.0
Cash flow per share	38	285	244	136	147	150
Book value per share	143	1,064	967	887	823	707
Share capital (million)	29	216	216	216	216	220
Price per A share	340	2,538	1,965	1,636	2,379	2,075
Price per B share	343	2,556	1,977	1,637	2,859	2,296
Market cap (million)	7,221	53,856	42,519	35,311	56,295	47,062
Number of own shares	480,783	480,783	50,288	47,857	56,228	403,912
Number of A shares of 10 DKK (10 votes)	9,866,603	9,866,603	10,776,159	10,906,522	11,155,558	11,231,627
Number of B shares of 10 DKK (1 vote)	11,754,106	11,754,106	10,844,550	10,714,187	10,465,151	10,743,296

Financial calendar 2025

6 February
Annual Report for 2024

19 May
Report on the first quarter of 2025

26 November
Report on the first nine months of 2025

2 April
Annual General Meeting

20 August
Report on the first half-year of 2025

Fogang, China

Sustainability statement

Basis for preparation

[BP-1] General basis for preparation of the sustainability statement

Frameworks and data selection

The Annual Report complies with sections 99d and 107d of the Danish Financial Statements Act and fulfils the requirements to report on the management of risks related to the environment, climate, human rights, labour and social conditions, anti-corruption, gender distribution and data ethics. These requirements are addressed in Management's review.

The Annual Report also complies with the EU Taxonomy Commission Regulation (EU) 2021/2139.

The sustainability statement is prepared in accordance with EU's Corporate Sustainability Reporting Directive (CSRD) and the associated European Sustainability Reporting Standards (ESRS), as outlined in ANNEX I to Commission Delegated Regulation (EU) 2023/2772.

Our contribution to the UN Sustainable Development Goals (SDGs) is described in the strategic priority section of the sustainability statement (pp. 51-53). For information aligned with Taskforce on Climate-related Financial Disclosures (TCFD) recommendations, see p. 122.

All greenhouse gas (GHG) emissions data points (GHG Scopes 1-3) are reported based on the Greenhouse Gas Protocol.

Measurement basis

Accounting policies have been applied consistently in the sustainability statement for all the years presented, unless stated otherwise.

Key figures and ratios are defined on pp. 166-167.

All environment-related sustainability goals have 2015 as baseline year, except for the absolute GHG emissions target in Scope 1, 2 and Scope 3, with 2034 as target year, and 2019 as baseline year. As ROCKWOOL's decarbonisation targets in Scope 1, 2 and Scope 3 were set before the adoption of the CSRD legislation, there are no GHG emissions targets for 2030. This will be refined in the next reporting cycle. For the health and safety target, there is no baseline year. Description of baseline values and base years will be included in relevant sections with defined targets.

Scope of reporting

The ESG data are consolidated according to the same principles applied in the consolidated financial statements. Thus, consolidated quantitative ESG data cover the parent company ROCKWOOL A/S and subsidiaries controlled by ROCKWOOL A/S and refer to own operations. Associated companies are not included in the consolidated ESG data points. Consolidation of ESG data follows these principles, unless otherwise specified in the accounting policies.

Only limited historical numbers have been disclosed as the scope for many data points, mainly environmental, has changed. In previous years, reporting focused on the impact from stone wool factories. With the new CSRD legislation, full Group scope has been reported with limited impact.

[BP-2] Disclosures in relation to specific circumstances

Time horizons and value chain estimates

The short-term time horizon for data in the sustainability statement follows the financial statement (current year). Mid-term (between one and five years) and long-term (more than five years) horizons are aligned with the definitions under the double materiality assessment and reflects ROCKWOOL's decision and planning horizons.

Information on value chain estimates and sources of uncertainty are disclosed in the methodology section, as it relates to specific material sustainability topics and/or indicators (see pp. 57-58).

Key accounting estimates and judgements

ROCKWOOL uses estimates for the reporting of selected data points due to the fast closing process, if data is not readily available or as part of the methodology of calculating the required data points. The estimates and judgements are reviewed on an ongoing basis based on experience, the development of ESRS, and a number of other factors. Changes in estimates are recognised in the period in which the estimate in question is revised.

In addition, ROCKWOOL makes judgements when applying the accounting policies. Below are the estimates and judgements which Management considers significant to the preparation of the sustainability statement:

- GHG emissions Scope 2 and Scope 3 (E1)
- EU Taxonomy (E1)
- Substances of concern (E2)
- Gender pay gap and remuneration ratio (S1)

The accounting policies are described in each of the specific sections of the sustainability statement, which also include additional descriptions of the most significant estimates and judgements.

Incorporation by reference

Parts of the strategy and governance sections have been incorporated by reference. Please refer to the list of ESRS disclosure requirements and data points on pp. 59-61.

Omissions and phase-in provisions

ROCKWOOL has used the option to omit information on intellectual property, know-how, effects of research and development and on results of innovation in this sustainability statement. If specific data have been omitted due to intellectual property, know-how or as the results of innovation, this will be disclosed in the relevant section.

ROCKWOOL uses the phase-in provisions for the following indicators that refer to 2024 material sustainability topics: E1-9, E2-6, E3-5, E5-6 and S1-7.

Ranson, United States

Sustainability governance

[GOV-2] Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies

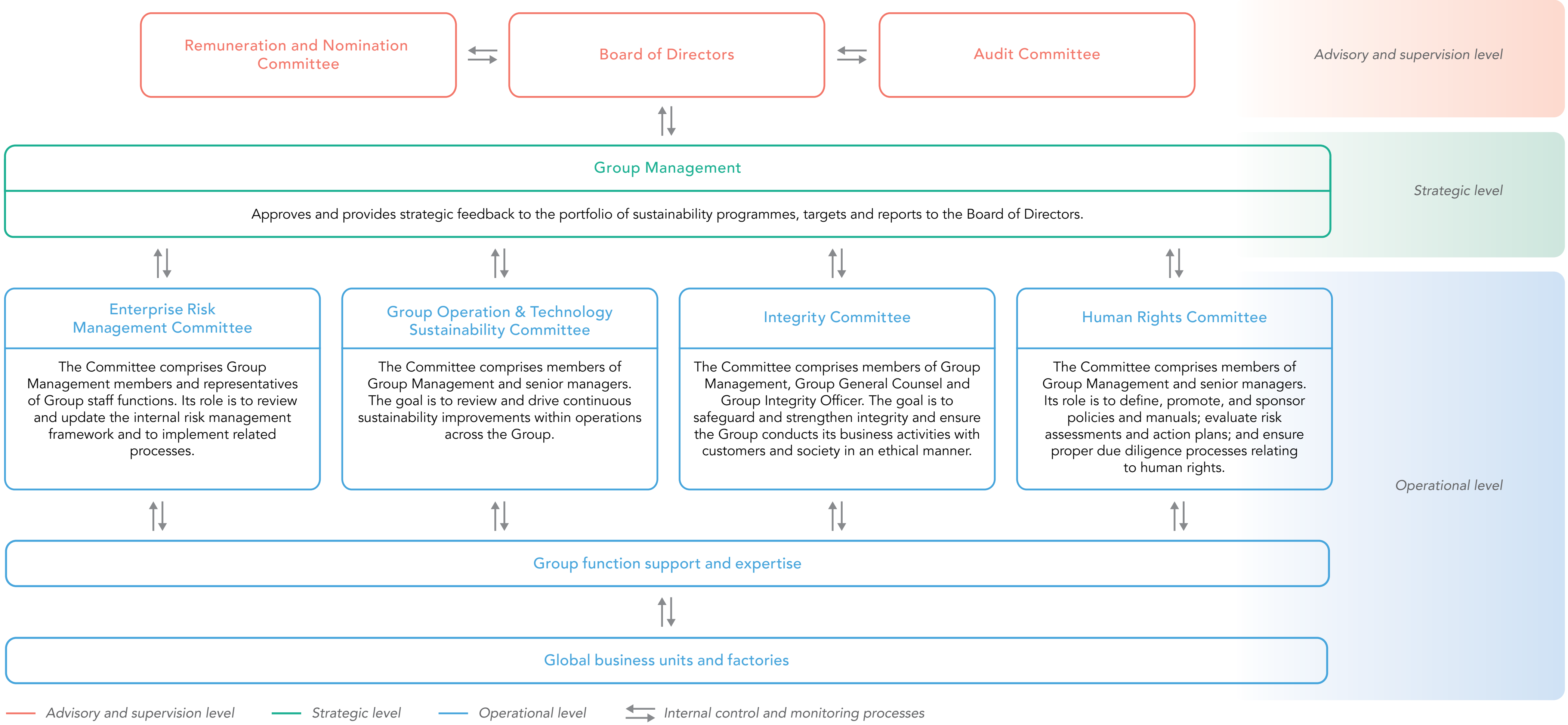
Sustainability governance

Sustainability is firmly anchored at the Board of Directors, Group Management and operational levels, thus ensuring the resources, knowledge and high-level input needed to engage with external and internal stakeholders and continuously improve performance. Governance and strategic sustainability initiatives, including evaluation of the impacts, risks and opportunities related to the sustainability strategy and major transactions, are consistently topics of Board and Group Management meetings.

Group Management and the Board of Directors are regularly updated on sustainability-related regulatory changes, trends and market requirements, and are offered training in sustainability-related regulations. For further information on GOV-1, please refer to Corporate governance pp. 30-32.

CEO Jes Munk Hansen in ROCKWOOL acoustic lab
Hedehusene, Denmark

Sustainability firmly anchored at all levels



Sustainability governance

(continued)

Information related to sustainability matters is provided to the Audit Committee and Group Management on a quarterly basis. Material sustainability topics (as listed in the double materiality assessment on pp. 55-56) are addressed.

To support the implementation of the Corporate Sustainability Reporting Directive (CSRD), a steering committee was established consisting of members of Group Management and senior managers. The steering committee held monthly meetings during 2024 to guide strategic business decisions related to the CSRD implementation.

[GOV-3] Integration of sustainability-related performance in incentive schemes

The incentive schemes to Registered Directors and Group Management do not include metrics directly related to sustainability-related performance. The long-term commitment to drive our sustainability agenda is supported by the externally communicated goals under UN SDG and SBTi. Management has assessed that no further incentive is currently needed to drive ROCKWOOL's sustainability agenda.

	Board of Directors	Group Management	Senior and middle management (administrative management)
Engagement	On quarterly basis: ▪ Consulting role in reference to material sustainability topics, resources, actions, policies, targets and progress towards targets ▪ The Audit Committee monitors CSRD-compliant reporting and receives information on sustainability reporting ▪ The Audit Committee receives quarterly updates on the internal controls and reporting procedures ▪ The Audit Committee reviews and approves the double materiality assessment and the annual sustainability reporting risks assessment ▪ The Audit Committee oversees the result of the limited assurance process of the sustainability reporting, including observations and conclusions	On daily, monthly and annual basis: ▪ Leadership in anchoring strategic directions and scope of activities ▪ Regular meetings with relevant committees and senior managers responsible for material sustainability topics ▪ Quarterly monitoring of progress related to strategic sustainability targets ▪ Review of the annual sustainability reporting and disclosures	On daily basis: ▪ Preparation of information materials on Group sustainability reporting to Group Management and Audit Committee ▪ Supervision, alignment and progress reporting of Group sustainability internal reporting standards, policies and definitions ▪ Qualitative and quantitative data compliance with EU sustainability standards and frameworks ▪ Strategic management of health and safety of own workforce ▪ Quarterly and annual internal and external reporting on safety, health and environment performance, including data collection and external assurance ▪ Management of human rights issues such as diversity, equality and inclusion (DEI) ▪ Oversees reporting and management of activities and risks relating to affected communities ▪ Preparation of materials and documentation for Group Management review ▪ Management and coordination of sustainability external reporting and disclosures, including ESG ratings ▪ Preparation of materials and documentation needed in the external assurance process

[GOV-4] Statement on due diligence

ROCKWOOL's management approach to material sustainability topics, including due diligence, are based on the following international principles and guidelines: UN Guiding Principles on Business and Human Rights, OECD Guidelines for Multinational Enterprises, and ILO conventions on occupational health & safety. More information about ROCKWOOL's due diligence mechanisms are disclosed on p. 50 and in the EU Taxonomy ('Minimum Safeguards') on pp. 95-96.

Core elements of due diligence	Section and page
a. Embedding due diligence in governance, strategy and business model	▪ Governance, pp. 46-50 ▪ Strategy, pp. 51-53 ▪ Impact, risk and opportunity management, pp. 55-56
b. Engaging with affected stakeholders in all key steps of the due diligence	▪ Interests and views of stakeholders, p. 54 ▪ Engaging with own workers and workers' representatives, p. 100 ▪ Processes to remediate negative impacts and channels for own workers to raise concerns, p. 100 ▪ Engaging with affected communities, p. 110 ▪ Remediate negative impacts and channels for affected communities, p. 111 ▪ Engaging with customers, consumers and end-users, p. 114 ▪ Remediate negative impacts and channels for consumers and end-users, pp. 114-115 ▪ Whistleblower platform and protection of whistleblowers, pp. 119-120
c. Identifying and assessing adverse impacts	▪ Double materiality assessment, pp. 55-56 ▪ Internal human rights risk assessments and internal audits, p. 103
d. Tracking actions to address those adverse impacts	▪ Climate change, p. 71 ▪ Pollution, p. 78 ▪ Water and marine resources, p. 82 ▪ Resource use and circular economy, p. 86 ▪ Own workforce, p. 105 ▪ Affected communities, p. 111 ▪ Consumers and end-users, p. 115 ▪ Business Conduct, p. 120
e. Tracking the effectiveness of these efforts and communicating about them	▪ Climate change, p. 71 ▪ Pollution, p. 78 ▪ Water and marine resources, p. 82 ▪ Resource use and circular economy, pp. 86-87, 89 ▪ Own workforce, pp. 101, 103, 105 ▪ Affected communities, p. 111 ▪ Consumers and end-users, p. 115 ▪ Business Conduct, p. 120

[GOV-5] Risk management and internal controls over sustainability reporting

The Board of Directors supervises and oversees sustainability reporting. The CFO's area of responsibility includes managing the risk and control framework associated with sustainability reporting. It also includes providing regular updates to the Audit Committee and Board of Directors.

The risk and control framework relating to the sustainability statement is structured around detailed data points and their underlying processes. Definitions and calculation methodologies are aligned with ESRS, and a "comply or explain" approach has been applied to each data point.

Once a year, a detailed sustainability reporting risk assessment is conducted. As part of this assessment, sustainability reporting risks are categorised and prioritised by assessing the risk of the individual data points using six different risk factors. The risk factors used are the relative importance of the data, the volume of the source data, the complexity of the source data, the risk of unreliable recording of the source data, the risk of manipulation of the reported data and the complexity of the calculation or consolidation of reported data. The identified risks are the following: energy consumption and emissions related to combustion sources.

The identified sustainability reporting risks, the related mitigating controls and assessed residual risks, are documented and evaluated on an annual basis. Key findings and improvement plans are reported to the Audit Committee. It is also secured that mitigating controls are reflected in relevant processes and systems.

ROCKWOOL due diligence mechanisms cover actual and potential negative impacts on environment, people and business conduct topics

1

Prevention
Fundamentals of Due Diligence: Values & Standards

ROCKWOOL corporate documents
(Code of Conduct; Suppliers' Code of Conduct; Sustainable Sourcing Manual; Transition plan for climate mitigation; Human Rights Policy with internal Manuals; Safety, Health & Environment Policy along with internal Manuals; and Mandatory Minimum Requirements (MMR), Tax Strategy).

Awareness & training

(Onboarding, e-learning, training and awareness sessions on e.g. human rights risks and due diligence mechanisms for managers and HR teams).

2

Identification & assessment of ROCKWOOL negative impact.

Conduct thorough double materiality assessment, continuous supply chain cloud-based sustainability risk management tool, human rights risks assessments and environmental assessments.

3

Elimination & mitigation of negative impacts.

Application of ROCKWOOL policies, procedures, e.g. in Human Rights Manual we are committing to establish a corrective action plan in cases where human rights violations are identified, categorisation and criteria for high-risk suppliers, contractors, subcontractors and adaptation plans developed with business partners.

4

Accountability: Monitoring of the effectiveness of ROCKWOOL actions.

We analyse cases reported through the whistleblowing mechanism and assume accountability for negative impacts and involve affected stakeholders in the evaluation of the effectiveness of actions taken to prevent these negative impacts.

5

Communication about how ROCKWOOL manages its impact on human rights, environment and business conduct topics

Annual sustainability statement, stakeholder engagement and dialogue with local communities.

6

Remediation: Repair damage or cooperation in repairing procedures.

Procedures to be followed in the event of a negative impact e.g. a meaningful dialogue with potentially affected groups and other relevant stakeholders to provide remedy for any direct impacts we cause or contribute to.

Sustainability is central to our business strategy

[SBM-1] Strategy, business model and value

ROCKWOOL delivers products that help customers and communities tackle sustainability challenges, from energy consumption, decarbonisation and fire resilience to noise pollution, water scarcity and flooding.

At ROCKWOOL our aim is to turn sustainable development challenges into business opportunities by developing innovative, safe products that address some of the most significant societal challenges of our time. As a durable, recyclable, non-combustible, and versatile material, stone wool forms the basis of our business[1]. Sustainability is the foundation that underpins the ROCKWOOL business model and value chain.

Since 2016, ROCKWOOL has been aligned with the United Nations Sustainable Development Goals (UN SDGs) framework. Drawing on extensive consultation with both internal and external stakeholders, we have prioritised 10 of the 17 SDGs. This was confirmed by the double materiality assessment. Gender equality (SDG 5) and Peace, justice and strong institutions (SDG 16) were added in 2024. We have targets related to gender equity and a target for the ratio of active employees in at-risk functions who received Code of Conduct training.

Most of ROCKWOOL's goals are set prior to implementing the CSRD regulation. The goals are aligned with the 10 SDGs that we have identified as most applicable, and these serve as the guiding framework. Two of the sustainability goals are validated by the Science Based Targets initiative (SBTi).

1 Total revenue is generated by activities linked to NACE 23.99 "Manufacture of non-metallic products" (SBM-1 40 b and c).

Product showroom in Caparroso, Spain

Sustainability strategy

Our purpose: **Releasing the natural power of the stone to enrich modern living**

Our sustainability goals

Reducing our environmental footprint (E)

E1 CLIMATE CHANGE

- By 2030, reduce emissions of CO_2 per tonne of stone wool produced by 20 percent (2015 as baseline)
- By 2030, reduce energy consumption (kWh/m²) in own office buildings by 75 percent (2015 as baseline)
- By 2034, reduce absolute GHG emissions (CO_2e) in Scope 1 and 2 by 38 percent (2019 as baseline)

E3 WATER AND MARINE RESOURCES

- By 2030, reduce water use per tonne of stone wool produced by 20 percent (2015 as baseline)

E5 RESOURCE USE AND CIRCULAR ECONOMY

- By 2030, reach 30 countries with recycling services for our products
- By 2030, reduce landfill waste (tonnes) from our stone wool production by 85 percent (2015 as baseline)

Empowering people & society (S)

S1 OWN WORKFORCE: HEALTH & SAFETY

- Zero fatalities and serious incidents

S1 OWN WORKFORCE: HUMAN RIGHTS

- By September 2025, 100 percent of stone wool factory managers, technical directors, occupational health & safety managers and local human resources teams complete the training on human rights risks and due diligence mechanisms
- By March 2025, 100 percent of human resources community complete the training covering manuals on counteracting forced and/or child labour

S1 OWN WORKFORCE: GENDER EQUITY

- 33 percent women shareholder-elected Board Members
- 35 percent women in middle and executive management

S3 LOCAL COMMUNITIES

- By end of 2025, 100 percent of stone wool factory managers, technical directors, safety and environmental managers and local HR teams complete training on the Community Engagement Manual

Integrity through responsible business conduct (G)

G1 BUSINESS CONDUCT: INTEGRITY

90 percent of active employees trained in Code of Conduct, incl. prevention of corruption and bribery and whistleblower mechanism

G1 BUSINESS CONDUCT: SUSTAINABLE SOURCING

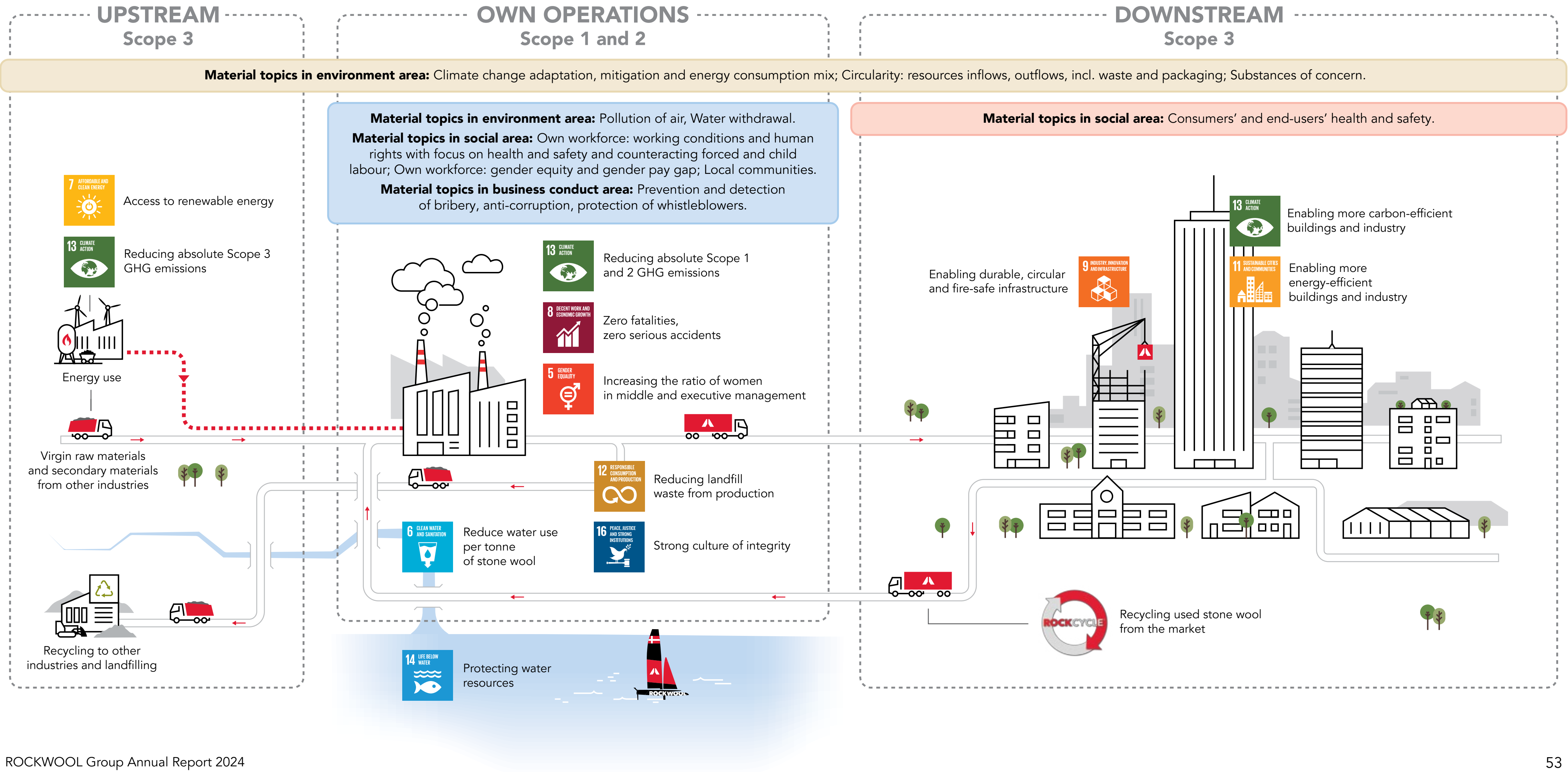
Onboarding strategic business partners and strengthening human rights and environmental criteria in our supply chain

Innovation and automation through R&D and digital initiatives

Our contribution to UN SDGs

- (E): 6 Clean water and sanitation; 7 Affordable and clean energy; 9 Industry, innovation and infrastructure; 12 Responsible consumption and production; 13 Climate action; 14 Life below water
- (S): 5 Gender equality; 8 Decent work and economic growth; 11 Sustainable cities and communities
- (G): 12 Responsible consumption and production; 16 Peace, justice and strong institutions

Our value chain



[SBM-2] Interests and views of stakeholders

Material stakeholders and their relation with strategy and/or business model	Topics addressed	Engagement method	Purpose and outcome of the stakeholder engagement
EMPLOYEES One of ROCKWOOL key assets (Human and intellectual capital)	▪ ROCKWOOL's strategy, performance and outlook, incl. wage level ▪ Working conditions, including employee health and safety ▪ Product sustainability, incl. carbon footprint ▪ Innovation and automation in factories ▪ Training and skills development ▪ Corporate culture ▪ Organisational, operational and administrative topics	▪ ROCKWOOL's intranet ▪ Day-to-day meetings with managers, incl. regular communication related to prevention of accidents ▪ Internal town hall presentations ▪ Annual RockPulse employee satisfaction survey ▪ Annual meetings with employees' representatives through ROCKWOOL European Forum, local work councils, or local employee representatives ▪ Whistleblower platform ▪ Internal surveys and structured interviews during double materiality assessment	▪ Improvement of bottom-up and top-down internal communication with employees ▪ Automation of monotonous jobs in factories and operations ▪ Higher levels of employee satisfaction
CUSTOMERS Construction sector, incl. real estate investors, architects and distributors drive our demand	▪ Commercial terms ▪ Technical performance of ROCKWOOL products ▪ Product sustainability, incl. carbon footprint ▪ Product compliance with taxonomy-alignment and other relevant criteria	▪ Regular surveys: tracking response rates and comments (e.g., Net Promoter Score tool) ▪ Seminars: face-to-face and online with customers ▪ Education and trainings in reference to our products in cooperation with installers, construction companies, students and universities ▪ Daily contact with customers ▪ Surveys and structured interviews during double materiality assessment ▪ Whistleblower platform	▪ Improved technical and sustainability performance of ROCKWOOL products, meeting customer expectations, and positive reputation ▪ Product improvement through R&D and innovation
END-USERS Businesses purchasing our products as well as people living, working, learning, and recovering in buildings where our products are used	▪ Technical, sustainability, and other relevant performance factors for ROCKWOOL products, incl. fire safety and other health performance aspects	▪ Technical performance information, incl. health and safety aspects extensively communicated via corporate webpages and product documentation ▪ Whistleblower platform	▪ Improved technical, health and safety performance of ROCKWOOL products ▪ Improved understanding of product performance aspects among end-users
REGULATORS Danish financial supervision commission, representatives of EU, national and local administrations that influence, define or enforce regulations	▪ Financial and operational performance including annual reports, regulatory issues ▪ General compliance incl. environmental compliance and permits of factories	▪ Regular contact and correspondence with headquarters in Denmark as well as with regional offices and factories ▪ Engagement via industry associations, such as Confederation of Danish Industries in Denmark	▪ Full regulatory compliance ▪ Long-term relations with relevant regulatory authorities
FINANCIAL INSTITUTIONS ESG ratings entities, insurance companies, investors and banking sector that influence access to financial capital	▪ Financial and operational performance ▪ Strategy and outlooks ▪ Material sustainability topics ▪ Governance and compliance	▪ Quarterly financial results and annual reports ▪ Investor relations meetings and presentations ▪ Regular contact with Group investor relations function ▪ Surveys and structured interviews during double materiality assessment	▪ Confidence in accuracy and credibility of disclosed information ▪ ESG ratings ▪ Identification of material sustainability topics
SUPPLIERS Big, medium and small-local business activities	▪ Commercial, quantity, technical and sustainability terms ▪ Performance reviews	▪ Internal audits and risk assessments, incl. environmental, social and governance topics ▪ Whistleblower platform ▪ Surveys and structured interviews during double materiality assessment	▪ Long-term relations with suppliers ▪ Robust sustainability performance among suppliers
LOCAL COMMUNITIES Community members, groups, and organisations, including current and prospective business partners and educational institutions	▪ Cooperation with local suppliers ▪ Support for local events, causes, and organisations ▪ Engagement with local communities	▪ Corporate website and social media ▪ Contact with ROCKWOOL local offices and factory representatives ▪ Sponsorships, open house and other events, and cooperation with educational entities ▪ Whistleblower platform	▪ Positive ROCKWOOL impact on local job creation and economic activity ▪ Positive, active ROCKWOOL role in local communities

Impact, risk and opportunity management

[IRO-1] Description of the process to identify and assess material impacts, risks and opportunities

The double materiality assessment (DMA) was carried out in the second half of 2023 and updated in 2024. The DMA will be reviewed and updated annually. Moreover, we will revisit the assessment if any significant internal or external changes occur, such as significant strategy reviews, regulatory developments, or evolving stakeholder expectations.

Through the DMA, material sustainability impacts, risks and opportunities were identified. More than 50 sustainability topics were assessed using the methodology described below.

Scope

The DMA covered the entire ROCKWOOL Group, the whole value chain and all geographies. In the upstream value chain assessment, we focused mostly on Tier 1 - direct suppliers and business partners, but also considered Tier 2 and cradle-to-Tier 3 whenever material (e.g. raw materials extraction, specific geographies with assessed high human rights risks and/or with high environmental risks). In the downstream value chain assessment, Tier 1 (corporate customers), Tier 2 (end-users of our products) and Tier 3 (e.g. owner of buildings) were considered. For relevant topics that could give rise to heightened risk, potential negative impacts were discussed with the different stakeholders.

Materiality was assessed from both an impact and financial perspective:

- From an impact materiality perspective, actual and/or potential negative impacts over short-, medium- or long-term time horizons and based on scale, scope, and irremediable character of the impact, were assessed. Actual and/or potential positive impacts were assessed based on scale, scope and in case of potential positive impact, on likelihood;
- From a financial materiality perspective, ROCKWOOL assessed over short-, medium- or long-term time horizons, actual and/or potential risks and opportunities using the two parameters: likelihood of occurrence and the potential magnitude of financial effects.

Stakeholder engagement

Interests and views of internal and external stakeholders were considered through analysis of environmental and human rights risk assessments, past events, and internal and external surveys carried out within the past two years. ROCKWOOL conducted additional comprehensive surveys and structured one-to-one interviews among representatives of selected internal and external stakeholders. This included human resources, business entities and finance as well as financial institutions, customers and business partners so that different concerns and perspectives were taken into account. Additionally, we engaged internal subject matter experts by carrying out two workshops dedicated to environmental and social topics. There has been no direct consultation with affected stakeholders.

Scoring

Evaluation of impact materiality (green) was a result of four parameters, all of which were scored on a scale of one to five.

The financial materiality score (orange) was a quotient resulting from the size of the potential financial effect (risk and/or opportunity) added with its likelihood, each scored on a scale of one to five, and then divided by two.

Criterion	Description	Score of one	Score of five
Scale	The scale of ROCKWOOL's impact on sustainability topics	Minimum impact on people, environment, economy	Large scale impact with high damage including complete destruction or fatality
Scope	The scope of ROCKWOOL's impact on sustainability topics	Immediate surroundings (e.g., ROCKWOOL factory and/or less than 10 affected stakeholders)	Country and/or global reach
Irremediability	Irremediable character of ROCKWOOL's impact on sustainability topics	Very easy to remedy with very low to low effort	Non-remediable
Likelihood	Likelihood of ROCKWOOL's impact on sustainability topics	Rare, remote likelihood that the event will occur (i.e., less than once every 10 years)	Almost certain, event may/is expected to occur. If the impact has occurred, scored as five
Potential financial effect	The probability (likelihood) of the potential financial effect	Probability that the event will occur is < five percent; remote likelihood that event will occur (less than once every 10 years)	Probability that the event will occur is > 95 percent; event may occur within one year

Impact, risk and opportunity management

(continued)

For likelihood, whenever an impact has occurred, even if the event took place in a single geographical area or in a particular business entity, the likelihood was scored as five.

The size of the potential financial effect (risk and/or opportunity) was aligned with Group financial materiality, referring to revenue, EBIT or assets.

While scoring risks, both gross risk and mitigating actions were assessed. Any risk was first assessed as a gross risk (hazard, exposure, vulnerability), and then reassessed with mitigation measures in order to determine the potential impact on ROCKWOOL's assets and supply chain. Additionally, whenever a potential negative human rights impact was identified, the severity of the impact took precedence over its likelihood.

Throughout the DMA analysis and impact prioritisation, risks and opportunities, global trends, and market-specific regulatory requirements were considered. This included factors that could affect relationships with customers, distributors, or local markets. From an input parameters perspective, the following sources covering all ROCKWOOL global activities and geographies, were used: international customers’ expectations with focus on customers from the most regulated market; local environmental authority requirements; past events with local communities; internal employee satisfaction surveys; financial institutions ratings; and recommendations. For further description of the managerial risk evaluation process, please refer to Sustainability governance on pp. 46-49.

Materiality threshold

- For impact materiality, the threshold was set at above two (informative), which means that topics with impact materiality lower than or equal to two have minimal informative value.
- The financial materiality threshold was set at equal to and above three (significant) and is aligned with financial materiality at Group level.

Process steps

After assessment of the topics based on the described process, the consolidated results were reviewed and validated by Group Management and the Board of Directors.

The sustainability topics identified as material are not new to ROCKWOOL and most of them have been part of the Enterprise Risk Management process for a numbers of years.

List of 13 material sustainability topics

Environment	1. Climate change adaptation and mitigation 2. Energy 3. Pollution of air 4. Substances of concern 5. Resources use 6. Resources outflows, incl. waste, packaging, and circularity principles 7. Water withdrawal
Social	8. Own workforce health and safety, human rights 9. Own workforce gender equity and gender pay gap 10. Affected communities: communities’ economic and social rights 11. Consumers and end-users' health and safety
Governance	12. Prevention of corruption and bribery 13. Protection of whistleblowers

Material impacts, risks, and opportunities and their interaction with strategy and business model

[SBM-3]

The impacts, risks and opportunities are categorised in own operations (OO), upstream (U), downstream (D), or within our value chain (VC). It is also indicated whether the impacts are positive or negative.

ESRS standard	Material impacts, risks and/or opportunities	Classification	Time horizon	Location in value chain	Description and interaction with business model and /or strategy
E1 Climate change	Transitional risks due to increasing carbon costs and embodied carbon level	Negative impact and risks	Medium-term	VC	Classified as a "high climate impact sector," most stone wool factories use fossil fuels, impacting climate change and exposing ROCKWOOL to rising carbon costs. These risks are presented in more detail in the scenario analysis on pp. 64-66 Mitigation: Transition plan for climate change mitigation
	Physical risks due to acute climate changes	Risks	Medium-term	VC	ROCKWOOL's factories, key assets with capital-intensive technologies, could be harmed by acute climate changes. These physical risks are presented in more detail in the scenario analysis on pp. 64-66 Mitigation: Regular monitoring, evaluation and mitigation in cooperation with insurers and experts
	Non-combustible energy saving products contribute to green transition	Opportunity	Medium-term	VC	Increased demand for insulation products is an opportunity presented in more detail on pp. 64-66
E2 Pollution	Air emissions other than GHG	Negative impact and risks	Short-term	OO	The production process entails melting raw materials at temperatures about 1,500°C and curing wool fibres at around 450°C. This process generates pollution of air other than GHG emissions, such as NO_x, SO_2, CO, PM_{10}, and other substances. With increasingly demanding EU and international regulations and local community awareness, the risks linked to air emissions are significant Mitigation: Abatement installations and R&D focused on new binder technologies
	Use of chemicals in binders	Negative impact and risks	Medium-term	OO	ROCKWOOL's stone wool production technology uses substances of concern as binder ingredients. These chemicals could expose ROCKWOOL to risks linked with increasingly demanding environmental standards Mitigation: R&D focused on moving towards new binders
E3 Water and marine resources	Water use	Negative impact and risks	Medium-term	OO	Water is used for stone wool production, mainly to cool the melting furnace. Access to water in water stressed areas could lead to an operational risk by limiting production capacity and negatively impact the environment. This is relevant for the seven factories located in water stressed areas Mitigation: Group target to reduce water use per tonne of stone wool produced
E5 Resources use and circular economy	Stone extraction	Negative impact	Medium- and long-term	U and OO	Stone wool production uses stone, an abundant raw material, the use of which entails quarrying that can impact the environment Mitigation: application of circularity principles (recyclability and durability) and tracking effectiveness through a circularity dashboard
	Waste and plastics in packaging	Negative impact and risks	Short- and medium-term	D	Stone wool factories generate waste and use plastic in packaging. Risks are linked with increasingly demanding market standards Mitigation: Tracking effectiveness of circularity principle through a dashboard that includes a target of reducing waste to landfill from stone wool production

Material impacts, risks, and opportunities and their interaction with strategy and business model (continued)

ESRS standard	Material impacts, risks and/or opportunities	Classification	Time horizon	Location in value chain	Description and interaction with business model and /or strategy
S1 Own workforce	Working conditions in production	Negative impact and risks	Short-term	OO	ROCKWOOL's production technology involves working with chemicals, heavy equipment and at high temperatures, which may lead to negative impacts on health and safety of own workforce, including potential fatalities Mitigation: Continued reinforcement of the health and safety management system
	Exposure to four salient human rights risks, especially in high-risk countries	Negative impact and risks	Short- and medium-term	OO	Factories use contract workers to meet short-term production needs. Some are employed by local agencies, and we have assessed their exposure to four human rights risks: working conditions, health and safety, and child and/or forced labour Mitigation: Continued reinforcement of the human rights due diligence mechanism
	Gender bias in manufacturing	Negative impact and risks	Short- and medium-term	OO	Balancing gender representation in manufacturing is challenging due to working conditions, which may limit diversity. Increased regulatory requirements and investment strategies by financial institutions pose a risk to gender diversity Mitigation: Implementation of actions supporting the increase of female leadership in senior and middle management positions
S3 Affected communities	Business opportunities for local small and medium enterprises	Positive impacts and opportunities	Short- and medium-term	OO	ROCKWOOL generates employment, investment, tax revenues, and business opportunities for suppliers of goods and services within communities where we are located
	Local communities' concern about air emissions and the use of chemicals	Negative impacts and risks	Short- and medium-term	OO	ROCKWOOL's production process generates air emissions and requires the use of chemicals. Some of these emissions and chemicals can, in high concentrations, have health impacts Mitigation: All factories operate within regulations set by the country in which they are located as well as comply with ROCKWOOL's Mandatory Minimum Requirements to safeguard employees, contractors, local populations and the environment
S4 Consumers and end-users	Increased safety, health and wellbeing of end-users	Positive impacts and opportunities	Short- and medium-term	D	ROCKWOOL products, including insulation, acoustic ceilings, cladding systems, horticultural solutions, and engineered fibres help address major sustainability challenges like energy consumption, fire resilience, noise pollution, water scarcity, and flooding
G1 Business conduct	Anti-corruption and protection of whistle blowers	Risks	Short- and medium-term	OO	Non-compliance in anti-corruption, bribery and protection of whistleblowers could exclude ROCKWOOL from tenders and/or commercial partnerships Mitigation: Prevention through awareness-raising and training as well as continued reinforcement of these mechanisms

D: Downstream
OO: Own operations
U: Upstream
VC: Throughout the whole value chain

[IRO-2] Disclosure requirements in ESRS covered by the undertaking's sustainability report

General information

Standard	ESRS Indicator	Page
General disclosures	BP-1 General basis for preparation of sustainability statement	44
	BP-2 Disclosures in relation to specific circumstances	44-45
Governance	GOV-1 The role of the administrative, management and supervisory bodies	30-32
	GOV-2 Information provided to, and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies	46-48
	GOV-3 Integration of sustainability-related performance in incentive schemes	48
	GOV-4 Statement on due diligence	48-49
	GOV-5 Risk management and internal controls over sustainability reporting	49-50
Strategy	SBM-1 Strategy, business model and value chain	51-53
	SBM-2 Interests and views of stakeholders	54
	SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model	57-58
Impact, risk and opportunity management	IRO-1 Description of the processes to identify and assess material impacts, risks and opportunities	55-56
	IRO-2 Disclosure requirements in ESRS covered by the undertaking's sustainability statement	59-61

Environmental information

Standard	Material topic (IROs)	ESRS Indicator	Page
E1 Climate change	Climate change adaptation, mitigation and energy	E1-1 Transition plan for climate change mitigation	67-68
		E1-2 Policies related to climate change mitigation and adaptation	69
		E1-3 Actions and resources in relation to climate change policies	70
		E1-4 Targets related to climate change mitigation and adaptation	71
		E1-5 Energy consumption and mix	71-72
		E1-6 Gross Scopes 1, 2, 3 and Total GHG emissions	73
		E1-7 Removal GHG through carbon credits	ROCKWOOL does not remove GHG emissions through carbon credits
		E1-8 Internal carbon pricing	73-74
		E1-9 Anticipated financial effects from material physical and transition risks and potential climate-related opportunities	Not reported for 2024 due to use of phase-in provision

[IRO-2] Disclosure requirements in ESRS covered by the undertaking's sustainability report (continued)

Standard	Material topic (IROs)	ESRS Indicator	Page
E2 Pollution	Pollution to air and substances of concern	E2-1 Policies related to pollution	76, 77
		E2-2 Actions and resources related to pollution	77
		E2-3 Targets related to pollution to air and to substances of concern	78
		E2-4 Pollution of air	78
		E2-5 Substances of concern	76, 78
		E2-6 Anticipated financial effects from pollution-related impacts, risks and opportunities	Not reported for 2024 due to use of phase-in provision
E3 Water and marine resources	Water withdrawal	E3-1 Policies related to water and marine resources	80
		E3-2 Actions and resources related to water and marine resources	81
		E3-3 Targets related to water and marine resources	82
		E3-4 Water consumption	82
		E3-5 Anticipated financial effects from water and marine resources-related impacts, risks and opportunities	Not reported for 2024 due to use of phase-in provision
E5 Resource use and circular economy	Circularity – resources inflows and outflows, incl. waste and packaging	E5-1 Policies related to resource use and circular economy	84
		E5-2 Actions and resources related to resource use and circular economy	84-85
		E5-3 Targets related to resource use and circular economy	86
		E5-4 Resource inflows	87-88
		E5-5 Resource outflows	88-89
		E5-6 Anticipated financial effects from resource use and circular economy-related impacts, risks and opportunities	Not reported for 2024 due to use of phase-in provision

Social information

Standard	Material topic (IROs)	ESRS Indicator	Page
S1 Own workforce	Health and safety, human rights and gender equity	S1-1 Policies related to own workforce	99, 101-102, 104
		S1-2 Processes for engaging with own workers and workers' representatives about impacts	100
		S1-3 Processes to remediate negative impacts and channels for own workers to raise concerns	100
		S1-4 Taking action on material impacts on own workforce, and approaches to mitigating material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions	101, 102, 103, 104
		S1-5 Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	105
		S1-6 Characteristics of the undertaking's employees	106

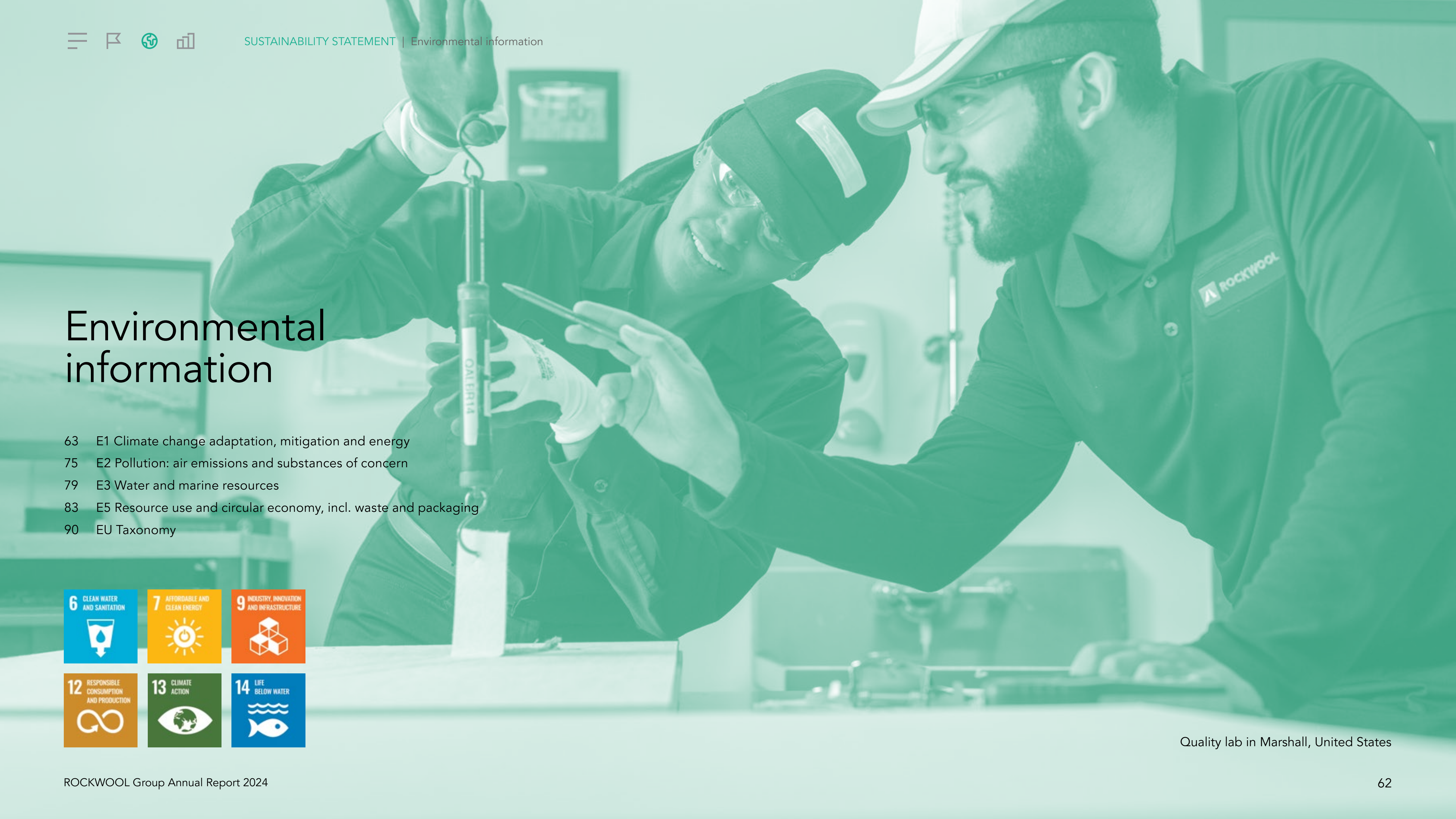
Standard	Material topic (IROs)	ESRS Indicator	Page
S1 Own workforce	Health and safety, human rights and gender equity	S1-7 Characteristics of non-employee worker	Not reported for 2024 due to use of phase-in provision
		S1-14 Health and safety metrics	107
		S1-16 Compensation metrics (pay gap and total compensation)	108
S3 Affected communities	Local communities	S3-1 Policies related to affected communities	110
		S3-2 Processes for engaging with affected communities about impacts	110
		S3-3 Processes to remediate negative impacts and channels for affected communities to raise concerns	111
		S3-4 Taking action on material impacts on affected communities, and approaches to managing material risks and pursuing material opportunities related to affected communities, and effectiveness of those actions	111
		S3-5 Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	111
S4 Consumers and end-users	Consumer and end-users health and safety	S4-1 Policies related to consumers and end-users	114
		S4-2 Processes for engaging with consumers and end-users about impacts	114
		S4-3 Processes to remediate negative impacts and channels for consumers and end-users to raise concerns	114-115
		S4-4 Taking action on material impacts on consumers and end-users, and approaches to managing material risks and pursuing material opportunities related to consumers and end-users, and effectiveness of those actions	115
		S4-5 Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	115

Governance information

Standard	Material topic (IROs)	ESRS Indicator	Page
G1 Business conduct	Protection of whistleblowers	G1-1 Business conduct and corporate culture in terms of protection of whistleblowers	117-119
	Counteracting corruption and bribery	G1-3 Prevention and detection of corruption and bribery	119-120
		G1-4 Confirmed incidents of corruption or bribery	120

ROCKWOOL specific KPI

Standard	ROCKWOOL indicator	Page
E1 Climate change	Scope 1 and 2 CO_2 emission intensity	71
	Energy efficiency in own buildings	71
E3 Water and marine resources	Water use intensity	82
E5 Resource use and circular economy	Number of countries with comprehensive reclaimed material schemes	86
	Landfill waste from our stone wool production facilities	86
S1 Own workforce	Percentage of female leaders in executive and middle management positions	105, 108
	Zero fatalities and zero serious accidents	107



Environmental information

Quality lab in Marshall, United States

E1 Climate change

Stone wool, the foundation of all ROCKWOOL businesses, is a recyclable, non-combustible, durable, and versatile material that plays a crucial role in addressing today's climate challenges, while the production process is energy-intensive, contributing to GHG emissions.

[SBM-3]

ROCKWOOL innovates, produces and delivers materials and products that provide solutions for climate-related challenges such as energy efficiency, fire resilience, and water management. While the production process is capital- and energy-intensive, which contributes to greenhouse gas (GHG) emissions, ROCKWOOL's most advanced production technologies are designed to run on energy from low-carbon and renewable sources, which limit negative impacts on climate change and transitional risks.

Material impacts, risks and/or opportunities	Classification	Time horizon	Location in value chain	Description and interaction with business model and/or strategy
Transitional risks due to increasing carbon costs and embodied carbon level	Negative impacts and risks	Medium-term	VC	Classified as a "high climate impact sector," most stone wool factories use fossil fuels, impacting climate change and exposing ROCKWOOL to rising carbon costs. These risks are presented in more detail in the scenario analysis on pp. 64-66 Mitigation: Transition plan for climate change mitigation
Physical risks due to acute climate changes	Risks	Medium-term	VC	ROCKWOOL's factories, key assets with capital-intensive technologies, could be harmed by acute climate changes. These physical risks are presented in more detail in the scenario analysis on pp. 64-66 Mitigation: Regular monitoring, evaluation and mitigation in cooperation with insurers and experts
Non-combustible energy saving products contribute to green transition	Opportunity	Medium-term	VC	Increased demand for insulation products is an opportunity presented in more detail on pp. 64-66

[IRO-1] ROCKWOOL climate scenario analysis

With a large number of factories and production processes that are both capital- and energy-intensive, ROCKWOOL is subject to climate-related transitional and physical risks.

Transitional risks

In terms of transitional risks, regulations can represent both a major risk and opportunity for ROCKWOOL – an opportunity from rising demand for energy saving solutions for buildings and technical installations – and a risk as regulations like Emission Trading Schemes (ETS) can increase the financial burden.

The decarbonisation strategy will reduce the GHG emissions intensity, as we are increasingly using low-carbon and renewable energy sources.

Governance over climate-related risks and opportunities:

Board of Director’s oversight of climate-related risks and opportunities

- The Board of Directors is responsible for ensuring that the Group’s risk exposure, including climate-related topics, is consistent with the targeted risk profile and evaluates that appropriate awareness and management processes are in place;
- In 2020, the Board of Directors approved the SBTis goals; monitor progress toward achieving these;
- In 2022, the results from the climate-scenario analysis on physical and transitional climate risk were presented to and discussed with the Board of Directors;
- The Board of Directors reviews and guides annual budgets, including decarbonisation and transition plans, oversees major capital expenditures, acquisitions, mergers and divestitures, and reviews innovation and R&D priorities linked to climate-related risks and opportunities.

Group Management’s role in assessing and managing climate-related risks and opportunities

- Risk management is part of the CFO's area of responsibility and includes providing regular updates to the Audit Committee and Board of Directors;
- The Enterprise Risk Management Committee is responsible for reviewing and updating the internal risk management framework and implementing related processes. Climate-related risks and opportunities are closely linked to the Group’s financial and commercial strategy relating to the sale of carbon emission-abating products. As such, these risks and opportunities are integrated into the different business unit strategies, which are updated annually.
- Additionally, the CEO is responsible for climate-related issues, incl. annual budgets for climate mitigation and adaptation activities.

Physical risks

In 2022, a climate scenario analysis was conducted to evaluate physical climate-related risks across ROCKWOOL's global manufacturing footprint. Two alternative climate change scenarios were analysed – a ‘high physical impact’ 4°C warming scenario and a ‘rapid transition’ scenario, where warming is limited to 1.5-2.0°C. In each scenario case, the time horizons 2030 and 2050 were used.

In addition, to the climate scenario analysis, a separate water scarcity assessment was carried out. As a result of this assessment, we identified one additional factory in a water stressed area. In total, seven stone wool factories are located in water stressed areas.

The above mentioned analysis and assessments are carried out every three to five years and form the basis for implementing and refining the resilience strategy. The ROCKWOOL resilience strategy consists of a transition plan (see pp. 67-68) and environmental targets (see p. 71) with the purpose to reduce GHG emissions and limit the environmental footprint.

Identified climate change physical risks and opportunities:

Time horizon	Business as usual (High physical impact with ~4°C warming)	Rapid-transition (Relatively safe physical impact with ~1.5°C warming)
	This scenario is a merger of RCP 8.5 - SSP 5-8.5 and assumes no mitigation actions on GHG emissions and predicts that the rate of emission reductions will be incompatible with current declarations of UN Member States.	This scenario is a merger of RCP 4.5 - SSP 2-4.5, assumes high mitigation actions on GHG emissions and implementation of the Paris Agreement, which means that climate change would be halted at relatively safe level.
Actual and short-term *risks and their impacts on ROCKWOOL own operations and upstream value chain*	▪ **Heavy precipitation and flash flooding:** damage to assets and/or products, and supply chain disruption due to heavy precipitation. ▪ **Heat stress:** impact on ROCKWOOL's employees due to sustained higher temperatures and/or heat waves may reduce productivity and can lead to adverse health effects. ▪ **Water stress:** production and supply chain disruptions due to limited availability of water. ▪ **Drought:** water is an essential element in the mining process. Therefore, droughts can cause disruptions in the supply chain. ▪ **Riverine flooding:** damage to assets and production disruptions due to riverine flooding at/near production sites and supply chain disruptions. ▪ **Windstorms:** damage to assets, products and/or infrastructure (e.g. power grid) due to high wind speed from windstorms.	
Mid-term *(2030)*	▪ Heavy precipitation and flash flooding (3 factories) ▪ Heat stress (3 factories) ▪ Water stress (1 factory) ▪ Riverine flooding (1 factory)	▪ Heavy precipitation and flash flooding (3 factories) ▪ Heat stress (3 factories) ▪ Water stress (1 factory) ▪ Riverine flooding (1 factory)
Long-term *(2050)*	▪ Heavy precipitation and flash flooding (17 factories) ▪ Heat stress (10 factories) ▪ Water stress (3 factories) ▪ Chronic drought (3 factories) ▪ Riverine flooding (1 factory)	▪ Heavy precipitation and flash flooding (9 factories) ▪ Heat stress (7 factories) ▪ Water stress (4 factories) ▪ Chronic drought (2 factories) ▪ Riverine flooding (1 factory)

Climate-related physical and transitional risks and opportunities

Climate-related risks and opportunities	Risk / Opportunity	Time horizon	Management method
Physical acute and chronic risks			
Increased variability of precipitation and weather patterns	**Risk:** With 42 factories and capital-intensive production, some ROCKWOOL factories face increased severity and frequency of extreme weather events like flash floods and riverine flooding.	Medium- to long-term	The risk is managed by business units, and is subject to regular monitoring, evaluation and mitigation in cooperation with insurers and experts.
	Opportunity: ROCKWOOL Rainwater Systems buffer rainfall from extreme events for infiltration into the soil or discharge to the sewer. These stone wool elements, absorbing 95 percent of their volume in water, are used under roads, streets, squares, car parks, industrial estates, and water retention areas to mitigate water nuisance, helping build climate-resilient cities.	Short- to long-term	Active response to growing market demand.
Drought, including water scarcity	**Risk:** This risk was identified at seven factories. See section E3 Water and marine resources for more details.	Medium- to long-term	The risk is managed by business units, and is subject to regular monitoring, evaluation and mitigation in cooperation with insurers and experts.
	Opportunity: Drought and water scarcity present an opportunity for Grodan, which produces stone wool substrates for horticulture that use less water, land, and fertilizer than traditional soil.	Medium- to long-term	Active response to growing market demand.
Transitional risks			
Policy and regulatory risks			
Regulation presents both a risk and opportunity for ROCKWOOL: an opportunity to boost demand for energy-saving solutions, and a risk due to potential financial burdens from carbon emissions. ROCKWOOL's factories, included in the EU ETS or similar schemes, are at risk of increasing carbon costs.	**Risk:** In 2024, 15 factories were included in the EU ETS Phase IV (2020-2030), two factories were in emission trading systems connected or similar to the EU ETS (Switzerland and UK) and one was part of a local ETS (Canada). **Opportunity:** Increased demand for energy saving solutions such as insulation.	Short- to medium-term	For the period 2020-2030, the mineral wool sector has been granted EU carbon leakage, which significantly increases the number of free allowances allocated to each factory. The decarbonisation strategy reduces GHG emissions by using more low-carbon and renewable energy sources, mitigating future financial risks for the Group.
Energy supply			
The risk of energy shortage in the grid, including natural gas shortage in European grid.	**Risk:** ROCKWOOL's production is energy intensive. ROCKWOOL's future gas dependence will remain fairly stable while electricity dependence will increase.	Short- to medium-term	Alternative energy processes and sources have been identified for key European factories. Furthermore, the energy strategy has been reviewed and includes the use of power purchase agreements to ensure stable supply and to prevent material fluctuations in energy prices.

[E1-1] Transition plan for climate change mitigation

The transition plan and targets related to climate change mitigation refer to stone wool factories and are approved by the Board of Directors, strategically managed by Group Management and executed operationally by Group Operations and Technology.

Aligned with the Paris Agreement and compatible with limiting global warming to the well-below 2°C pathway

The Group's mitigation efforts are aligned with the Paris Agreement, compatible with limiting global warming to the well-below 2°C pathway, approved by SBTi in 2020, and the objective of achieving Net-Zero by 2050 with residual GHG emissions. In 2019, when setting these targets, ROCKWOOL assumed a steady company growth coupled with a decarbonisation focus on Europe and North America. In these two regions, we observed customers' rising focus on the environmental footprint of our products as well as no new regulatory elements that could disturb the market. The transition plan is not aligned with the 1.5°C trajectory. Together with other companies in the non-metallic mineral manufacturing sector, ROCKWOOL is discussing a sectoral pathway approach with SBTi. We continue to evaluate and model potential scenarios in order to align with the 1.5°C pathway.

ROCKWOOL transition plan for climate change mitigation

ROCKWOOL's production processes are energy intensive, and ROCKWOOL is classified as part of the high climate impact sector. Approximately 70 percent of the GHG emissions are generated in Scope 1 and 2. As we are striving to meet own and global climate goals, ROCKWOOL is required to decarbonise operations to the greatest extent possible.

Electrifying the melting processes, which is embedded in the investment strategy and financial planning, has the greatest impact on reducing GHG emissions in Scope 1 and 2 as well as in category 3 in Scope 3, which covers fuel- and energy-related GHG emissions not included in Scope 1 or 2.

In 2024, ROCKWOOL invested 262 MEUR in electrification, upgrading of factories (including digital investments), abatement technologies to reduce GHG emissions, conversions and optimisation of production lines and preparing new ones. Additionally, 67 MEUR research and development costs were expensed. Both amounts are part of taxonomy-aligned disclosures in reference to CAPEX and OPEX. On top of that, we had a necessary 8 MEUR investment in third-party assets related to electricity grids. Altogether, 337 MEUR were allocated for the transition plan for climate change mitigation.

Different geographies, different infrastructure

ROCKWOOL has factories in 23 countries, each with different political, economic and business conditions, maturity of renewable energy infrastructure, supply chain constraints and customer preferences. Among the most salient factors influencing electrification plans and priorities are the readiness of a region's electricity grid to handle large-scale factories as well as availability and access to sufficient quantities of low-carbon electricity. Even in countries with clear electrification strategies, there can be considerable delays before infrastructure catches up. In some instances, it can take up to 10 years to connect to the electricity grid.

ROCKWOOL transition plan for climate change mitigation

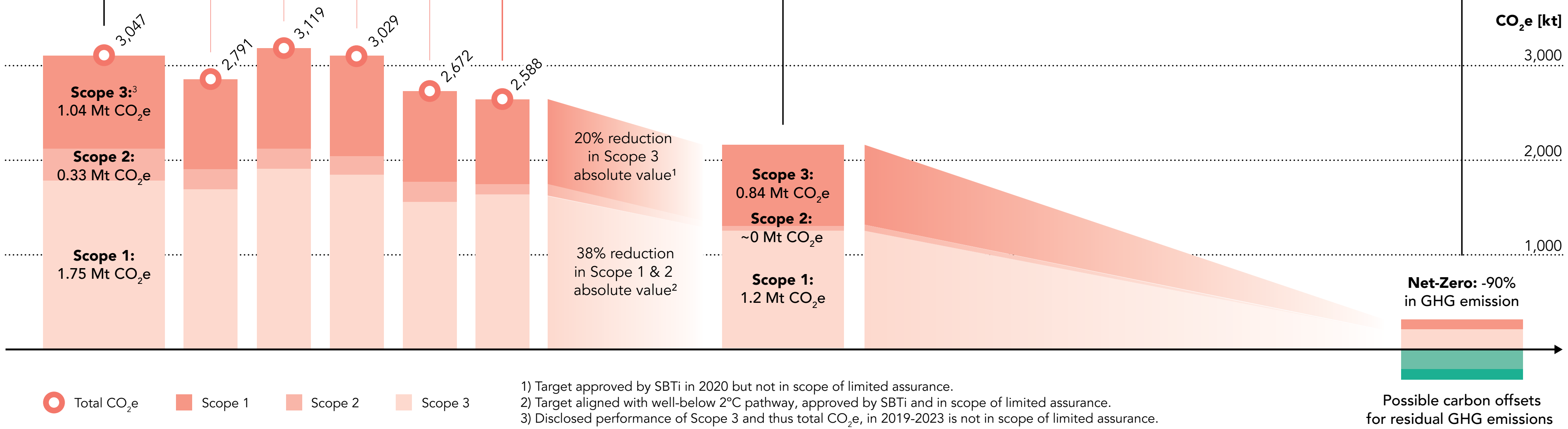
2019 2020 2021 2022 2023 2024 2034 2050

Our transition plan is structured around three main levers:

(1) Energy efficiency, improvement of stone wool factories and administrative buildings, leading to reduction of energy consumption and reducing Scope 1 and 2 GHG emissions: optimising production processes (heat recovery), upgrading equipment (solar panels, insulation, electric forklifts, and more energy efficient machinery) and improving facility management;

(2) Technology innovation, leading to reduction of GHG emissions in Scopes 1, 2 and 3: electrification of production lines, along with securing renewable energy supply, new capacity with electric melting technology, conversions from coal to natural gas or biogas, R&D focused on binders, infrastructure linked to new binders;

(3) Circularity, leading to reduction of GHG emissions in Scope 3: focus areas include durability, programmes and infrastructure for taking waste back from the market (incl. Rockcycle and briquetting plants), designing out waste and pollution, keeping materials at their highest value, and aiming to reduce the amount of virgin materials used.



Possible carbon offsets for residual GHG emissions

1) Target approved by SBTi in 2020 but not in scope of limited assurance.
2) Target aligned with well-below 2°C pathway, approved by SBTi and in scope of limited assurance.
3) Disclosed performance of Scope 3 and thus total CO$_2$e, in 2019-2023 is not in scope of limited assurance.

Climate change mitigation, adaptation and energy

[E1-2] Policies related to climate change mitigation and adaptation

Group policy	Description	Scope	Accountability
Certification of factories with ISO 14001 and ISO 9001	Stone wool factories comply with the following ISO standards to accurately monitor performance and progress towards climate goals: ▪ ISO 14001:2015: Environmental management systems to reduce the environmental footprint; ▪ ISO 9001: Quality management standard focusing on continual improvement, including energy efficiency and process optimisation. The share of ISO-certified factories is disclosed in the E1-3 indicator on p. 70.	All ROCKWOOL stone wool factories are covered by this management approach.	Group Management is promoting the approach towards ISO certification of the policy for Safety, Health and Environment (SHE). Managing Directors are responsible for implementing this policy.
Research and Development (R&D) policy	The purpose of our R&D policy is to ensure that technological competitiveness is combined with reaching sustainability targets, especially those related to decarbonisation (e.g. proprietary electric melting technology, new binder technologies).	All R&D activities performed in ROCKWOOL Group as well as local R&D activities (which must be reported to the Group).	Group Management is promoting the R&D policy.
Controllers manual	The investment governance manual classifies investments into five categories: growth, efficiency, safety and health, administration and IT, and environmental, which includes reducing environmental footprints (e.g. GHG emissions reduction and improving product chemical composition). Business units must indicate the impact a given investment has on Group sustainability goals and specify which goal it addresses. The manual aims to structure, track, and monitor investments, including climate change mitigation and adaptation at Group level. Depending on the investment amount, proposals are approved by Group Management or the Board of Directors.	The manual covers investments above 5,000 EUR recognised as property, plant and equipment.	Group Management, with oversight by the CFO, holds accountability Controllers manual.
New build, rental and renovation of ROCKWOOL offices policy	We have set a target to reduce energy consumption in own office buildings to showcase opportunities linked to energy savings solutions. Measures taken can for example include renewable energy generation from solar panels and wind, on or adjacent to ROCKWOOL's properties. All new builds and major renovations must comply with the most relevant sustainable building rating scheme in the country, aiming for the highest rating.	For construction of new office buildings and new rentals, passive measures must be used to achieve the highest possible level of energy performance (nearly zero energy buildings).	Group Management promotes the policy. Managing Directors and/or persons responsible for new build, rental or renovation of offices are responsible for implementing the policy.

In line with the Danish Committee on Corporate Governance, ROCKWOOL's Code of Conduct addresses sustainability, including climate change. For details, see section G1 on business conduct. Our Policy for Safety, Health and Environment (SHE), in section S1, also covers environmental aspects like air emissions.

[E1-3] Actions and resources in relation to climate change policies

In 2024, ROCKWOOL's actions related to climate change mitigation and adaptation were focused around the following four themes:

1. Compliance with ISO 9001 and ISO 14001 standards

In addition to internal audits, an external annual verification process is carried out in factories that are certified against the ISO standards; this is in addition to Group Mandatory Minimum Requirements, which set additional standards for environmental and health and safety performance.

In 2024, 76 percent of all factories operated in compliance with externally verified ISO 9001 Quality Management and 74 percent in compliance with ISO 14001 Environmental Management Systems (EMS).

2. Energy Attribute Certificates (EACs)

ROCKWOOL has purchased Energy Attribute Certificates for the electricity consumption for all factories in Europe for 2024.

ROCKWOOL has purchased Energy Attribute Certificates for one of the factories in China for 2023 and 2024. As a result, 2023 renewable energy, GHG emissions and CO_2 Scope 2 numbers have been revised accordingly.

3. Electrification

In 2024, we have successfully converted to electric melting technology in the factory in Switzerland, fuelled by green energy.

Moreover, ROCKWOOL has continued efforts to electrify production lines in Romania, the Netherlands, and France. In Romania, we are adding a new electric production line. It is expected that CO_2 emissions intensity of this factory will be reduced by 40-50 percent in comparison to actual intensity levels, and that effects will be visible in 2029. In the Netherlands and France, it is expected that CO_2 emissions (in absolute value) from the electrification of existing production lines in the two stone wool factories will be reduced by more than 50 percent in comparison to actual emissions, and effects will be visible starting 2027.

4. Research and development

Installation and start-up of a proprietary stone wool electric melter was completed at ROCKWOOL's factory in Switzerland, powered by Swiss hydro power. In addition, we tested innovations to implement new binders with lower emissions.

In 2024, we spent 67 MEUR on research and development and secured 224 patents.

Metrics and accounting policies

[E1-4] Targets related to climate change mitigation and adaptation

Targets related to climate change mitigation:

- By 2030, reduce by 20 percent CO_2 emissions in Scope 1 and 2 per tonne of stone wool produced (2015 as baseline);
- By 2034, reduce by 38 percent absolute GHG emissions (CO_2e) in Scope 1 and 2 (2019 as baseline);
- By 2030, reduce energy consumption (kWh/m²) in own office buildings by 75 percent (2015 as baseline).

Carbon dioxide (CO_2), a greenhouse gas, accounts for more than 80 percent of total GHG emissions. ROCKWOOL's first decarbonisation goal was set in 2016, focusing on reducing CO_2 emissions per tonne of stone wool produced. As of end 2024, we have achieved a 23 percent reduction compared to the baseline. Due to ROCKWOOL's decarbonisation efforts, we have therefore achieved the 2030 goal already in 2024.

In 2020, ROCKWOOL joined the Science Based Targets initiative (SBTi) and committed to a verified and approved plan aligned with keeping global warming well below 2°C. This plan aims to reduce total GHG emissions in Scope 1 and 2 from stone wool factories by 38 percent by 2034, using 2019 as the baseline. In 2024, absolute Scope 1 and 2 emissions amounted to 1,711 kt CO_2e, equivalent to an 18 percent reduction compared to the 2019 baseline (2,082 kt). This is mainly due to continued decarbonisation efforts in 2024.

Additionally, we have set a target to reduce energy consumption in own office buildings to showcase opportunities linked to energy savings solutions. At the end of 2024, the progress towards the 2030 goal was stable at 39 percent. Effects of ongoing renovations should be visible in 2025.

[E1-5] Energy consumption and mix

		2024
1	Fuel consumption from coal and coal products (MWh)	1,875,274
2	Fuel consumption from crude oil and petroleum products (MWh)	5,107
3	Fuel consumption from natural gas (MWh)	1,404,618
4	Fuel consumption from other fossil sources (MWh)	412,287
5	Consumption of purchased or acquired electricity, heat, steam, and cooling from fossil sources (MWh)	375,877
6	**Total fossil energy consumption (MWh) (the sum of line 1-5)**	**4,073,163**
	Share of fossil sources in total energy consumption (%)	**80**
7	**Consumption from nuclear sources (MWh)**	**42,940**
	Share of consumption from nuclear sources in total energy consumption (%)	**1**
8	Fuel consumption from renewable sources, including biomass (also comprising industrial and municipal waste of biologic origin, biogas, renewable hydrogen) (MWh)	171,814
9	Consumption of purchased or acquired electricity, heat, steam and cooling from renewable sources (MWh)	794,124
10	Consumption of self-generated non-fuel renewable energy (MWh)	2,945
11	**Total renewable energy consumption (MWh) (the sum of line 8-10)**	**968,883**
	Share of renewable sources in total energy consumption (%)	**19**
	Total energy consumption (MWh) (the sum of lines 6, 7 and 11)	**5,084,986**

ROCKWOOL operates in high climate impact sector and thus disclose energy intensity per net revenue:

	2024
Energy intensity per net revenue Total energy consumption from activities in high climate impact sectors per net revenue from activities in high climate impact sectors (MWh/1 MEUR)	1,319

ROCKWOOL operates in high climate impact sector and thus disclose GHG intensity per net revenue:

GHG intensity per net revenue	2024
Total GHG emissions (location-based) per net revenue (tCO_2e/1 MEUR)	726
Total GHG emissions (market-based) per net revenue (tCO_2e/1 MEUR)	671

Accounting policies

Energy consumption is calculated as total energy consumed. Reported energy consumptions per source are based on measured weight or volumes, or by invoices. When net calorific values conversions are needed, the source depends on country-specific regulatory requirements and can be based on laboratory analysis, information from the suppliers, or national databases. If these are not available, a Group average is used.

Data for December is estimated based on the actual values from previous 12 months. Energy consumption from fossil fuels is calculated as the total energy consumed from coal and coal products, secondary combustion materials, natural gas, propane, LNG and oils. Consumption of nuclear energy comes from the electricity grid. We are not able to specify the share of nuclear energy per location for all factories. ROCKWOOL therefore applies the assumption that 10 percent of the electricity purchase by factories not purchasing Energy Attribute Certificates, is generated by nuclear energy. This is the approximate share of electricity produced by nuclear energy published in the International Energy Agency report 'Nuclear Power and Secure Energy Transitions', revised version from 2022. Total energy consumption from renewable fuels covers consumption of biogas, certified by Energy Attribute Certificates. ROCKWOOL does not consume other non-electricity renewable fuels.

Renewable energy consumption from electricity is the total consumption of electricity that is certified by purchasing of Energy Attribute Certificates plus self-generated electricity from solar panels. Non-renewable energy is energy that cannot be identified as being derived from renewable sources.

ROCKWOOL has solar panels installed in a small number of factories. These solar panels constitute the full contribution from self-generated energy to our total energy consumption and is therefore minor.

Energy consumption from coal covers coal and coal products (including coke). Energy consumption from oil and petroleum products covers from diesel and oil. ROCKWOOL does not consume crude oils. Energy consumption from natural gas covers natural gas not certified by Energy Attribute Certificates. Energy consumption from other fossil fuel sources covers secondary combustion materials, LNG, propane, and other minor sources. Energy consumption of purchased or acquired electricity, heat, steam, or cooling from fossil sources is assumed to be electricity purchased that is not covered by Energy Attribute Certificates minus the estimated energy coming from nuclear sources.

ROCKWOOL does not produce energy from non-renewable sources.

High climate impact sectors are sectors with significant contributions to GHG emissions and environmental impact and that play a key role in the transition to a low-carbon economy. ROCKWOOL is classified in EU NACE classification of economic activities as C 23.99 “Manufacture of non-metallic mineral products” and thus is labelled as high climate impact sector according to Delegated Regulation (EU) 2022/1288, also known as supplemental regulation of the EU Low Carbon Benchmarks Regulation (EU BMR). ROCKWOOL's whole scope falls under the high impact sector.

Energy intensity per net revenue was calculated by dividing total energy consumption per net revenue. This quotient was multiplied by 1,000,000 to reflect energy consumption per 1 MEUR revenue. Revenue is the total revenue as stated in the Consolidated financial statements.

GHG intensity (location-based) per net revenue was calculated by dividing total GHG emissions (location-based) per net revenue. This quotient was multiplied by 1,000,000 to reflect GHG emissions (location-based) per 1 MEUR revenue.

GHG intensity (market-based) per net revenue was calculated by dividing total GHG emissions (market-based) per net revenue. This quotient was multiplied by 1,000,000 to reflect GHG emissions (market-based) per 1 MEUR revenue.

[E1-6] Gross Scope 1, 2, 3 and total GHG emissions

	Retrospective		Milestones and target years		
	2019 Base year	2024	2034	2050	Annual % target / Base year
Scope 1 GHG emissions					
Gross Scope 1 GHG emissions (t CO_2e)	1,752,062	1,601,801	1,086,278	175,206	46%
Percentage of Scope 1 from regulated emission trading schemes (%)		60			
Scope 2 GHG emissions					
Gross location-based Scope 2 GHG emissions (t CO_2e)		321,955			
Gross market-based Scope 2 GHG emissions (t CO_2e)	330,031	109,209	204,619	33,003	46%
Significant Scope 3 GHG emissions					
Gross Scope 3 (t CO_2e)		875,648			
Cat. 1 Purchased goods and services (t CO_2e)		449,537			
Cat. 2 Capital goods (t CO_2e)		74,478			
Cat. 3 Fuel and energy related activities that are not incl. in Scope 1 and 2 (t CO_2e)		240,072			
Cat. 4 Upstream transportation and distribution (tCO_2e)		79,924			
Other (tCO_2e)		31,636			
Total GHG emissions					
Total GHG emissions location-based (t CO_2e)		2,799,404			
Total GHG emissions market-based (t CO_2e)		2,586,658			

ROCKWOOL set its decarbonisation targets for GHG emissions in Scope 1 and 2 before the EU CSRD, thus we disclose progress towards 2034 targets. 2024 Scope 3 was verified by external assurance for the first time. A refined decarbonisation plan will be provided in next reporting cycle. Due to acquiring EACs across Europe and for the factory in China, GHG emission in Scope 2 have been reduced by 41 percent in comparison to 2023. In market-based approach, in five years, we have realised 46 percent of the 38 percent reduction target set for 2034.

[E1-8] Internal carbon pricing

Types of internal carbon prices	*Internal carbon price*
Prices applied (EUR/t CO_2e)	125 EUR/t CO_2e
Application description	To promote decarbonisation, an internal carbon price (ICP) of 125 EUR/t CO_2e is applied to the assumptions and economic impacts for all investments above 1 MEUR. The application of ICP for investments below 1 MEUR is optional. The ICP is reviewed every year at the same time as the transitional risk linked with EU ETS, UK, Swiss and Canadian systems is reassessed. The forecast used in this reassessment is based on the 10-year strategy scenario and is presented to the Board of Directors. In 2024, 54 percent of our GHG emissions in Scope 1 and 2 were covered by ETS. GHG emissions in Scope 3 are not covered by ETS. In 2024, Category 4 in Scope 3 accounted for 3 percent of market-based GHG emissions, ROCKWOOL did not prioritise to ETS2. In 2024, we started an initiative with business partners from the logistics sector to assess the impact of ETS2.

Accounting policies

Definition of gross GHG emission Scopes 1, 2 and 3:

GHG emissions in **Scope 1** are direct GHG emissions from sources owned or controlled by ROCKWOOL. Scope 1 includes all direct emissions from fuels as well as emissions from raw materials. GHG emissions in Scope 1 are calculated based on consumption, net calorific values, carbon content or emission factors determined by meter readings, invoices, laboratory analysis results or national databases depending on country-specific regulatory requirements.

Scope 1 GHG emissions include calculated CO_2 and N_2O emissions and estimated emissions for the remaining four GHGs which contribute approx. 1.5 percent of total calculated Scope 1 and 2. CO_2 emissions are calculated by applying CO_2 emission factors to each Scope 1 energy source. N_2O emissions are derived from an internally developed model based on N_2O measurements under varying operating conditions. The global warming potential used (GWP) are from the IPPC 6th Assessment Report.

ROCKWOOL does not produce biogenic emissions.

GHG emissions in **Scope 2** are emissions from sources owned or controlled by another company. GHG emissions in Scope 2 are indirect emissions from generation of purchased or acquired electricity, steam, heat, or cooling consumed by ROCKWOOL (downstream).

Scope 2 emissions are calculated as the sum of electricity consumption (kWh) times the electricity emission factor (kg/kWh) for each facility. The emission factors can be location- or market-based. Location-based emissions are published by the IEA (International Energy Agency) for all factories. Market-based emission factors can be supplier specific (provided by the supplier or from purchase of EAC). If we do not have supplier specific information, residual mix is used. If none of the above is available, location-based emission factors are used.

GHG emissions in **Scope 3** are calculated by applying both spend based and average data methodology. Due to feasibility, the spend based methodology is mainly applied.

The spend based approach is using internal financial data that can be reconciled to the consolidated financial statements. Non-applicable accounts (e.g. revenue and technical accounts) are excluded from the Scope 3 inventory. Each applicable account is allocated to a Scope 3 category and assigned an emission factor, sourced from the EXIOBASE database. Emissions factors from EXIOBASE are adjusted for inflation.

A five percent threshold of total Scope 3 GHG emissions is applied to determine whether a Scope 3 category is material. As a result, categories 5, 6, 7, 8 and 9 are not material. Categories 10, 11, 13, 14 and 15 were excluded as non-applicable. ROCKWOOL products are not further processed and do not use energy in its operating phase. ROCKWOOL does not have any downstream leased assets, franchises nor provide financial services to external partners.

No emissions are calculated using primary data obtained from suppliers or other value chain partners. Activity based calculations were used only for categories 7 and 9. Scope 3 was first externally verified in 2024.

Scope 1, 2, and 3 GHG emissions are disclosed in a **consolidated Group** format, not distinguishing emissions from stone wool factories from those of non-stone wool entities. Baseline metric was calculated using same principles.

GHG intensity is calculated by dividing Scope 1, Scope 2, and Scope 3 GHG emissions (measured in metric tonnes of CO_2e) by net revenue per million EUR. Emissions data is consolidated across all applicable operations in accordance with GHG Protocol standards. Net revenue is derived from the Group's consolidated financial statements.

For assessing transitional risk linked to increasing carbon costs in 2024 ROCKWOOL applied a shadow carbon price of 90 EUR/t CO_2, rising to 150 EUR/t CO_2 by 2030. This shadow carbon price is different from the ICP applied for investments above 1 MEUR. Our estimates are based on the following sources: Bloomberg NEF's analysis from October 2023, Enerdata's analysis report of the ETS market from November 2023, Vertis Environmental Finance report on ETS performance from July 2023 and EURACTIV publication stating that analysis estimated that carbon prices could rise "above 400 EUR by 2040" if the 90 percent GHG emissions target is implemented.

Critical estimates and judgements

Due to time constraints, energy consumption used in Scope 2 was estimated for December.

The spend-based approach for Scope 3 is chosen to ensure compliance with GHG Protocol accounting and reporting principles. However, the spend-based emission factors from EXIOBASE are non-supplier-specific, meaning that they are estimates on value chain activities. Furthermore, EXIOBASE emission factors can cover a broader range of activities than ROCKWOOL's accounts. The EXIOBASE emission factors are from 2020 and have been corrected for inflation using 2021-2023 data, as 2024 inflation data was not available at the time of calculation.

E2 Pollution

ROCKWOOL's production process requires the use of chemicals, which generates air emissions other than GHG. All factories operate within regulations set by the country in which they are located to safeguard own workforce, local communities and the environment. With increasingly demanding European and international criteria on air emissions and substances of concern, risks linked to pollution-related topics were assessed material.

Pollution of air

Besides carbon dioxide (CO_2) and Nitrous Oxide (N_2O) treated in section E1 on climate change, air emissions from stone wool production sites are mainly sulphur dioxide (SO_X), nitrogen oxides (NO_X), ammonia (NH_3), carbon monoxide (CO), particulate matter (PM_{10}), phenol and formaldehyde.

All factories have permits to operate issued by the relevant local, regional or national authorities, which include air emissions measurements and levels on emissions allowed.

Material impacts, risks and/or opportunities	Classification	Time horizon	Location in value chain	Description and interaction with business model and /or strategy
Air emissions other than GHG	Negative impact and risks	Short-term	OO	The production process entails melting raw materials at temperatures about 1,500°C and curing wool fibres at around 450°C. This process generates pollution of air other than GHG emissions, such as NO_x, SO_2, CO, PM_{10}, and other substances. With increasingly demanding EU and international regulations and local community awareness, the risks linked to air emissions are significant Mitigation: Abatement installations and R&D on new binder technologies
Use of chemicals in binders	Negative impact and risks	Medium-term	OO	ROCKWOOL's stone wool production technology uses substances of concern as binder ingredients. These chemicals could expose ROCKWOOL to risks linked with increasingly demanding environmental standards Mitigation: R&D focused on moving towards new binders

[E2-1] Policies related to pollution of air

ROCKWOOL policy for Safety, Health and Environment (SHE), described in section S1 own workforce, covers our general approach to such topics as air emissions.

[E2-2] Actions and resources related to pollution of air

Managing Directors with operational responsibility for stone wool factories are also responsible for topics related to air emissions, including monitoring, performance reviews, and maintaining and investing in abatement equipment. Managing Directors responsible for different geographical area cooperate with the member of Group Management responsible for Group Operations and Technology. The latter is supported by Group Safety, Health and Environment (Group SHE), and they work closely with factory managers, Technical Directors, and/or environmental managers.

In 2024, ROCKWOOL's action relating to pollution of air focused on investments with the objective to reduce and/or avoid air emissions.

ROCKWOOL's stone wool factories are incentivised to propose investments for equipment that controls and abates air emissions. In 2024, taxonomy-aligned CAPEX amounted to 262 MEUR, which also supports the transition plan.

Group policy	Description	Scope	Accountability
Group SHE Mandatory Minimum Requirement (MMR) for Environmental Abatement Equipment	The MMR describes what kind of abatement equipment is considered minimum requirement for all ROCKWOOL factories, which is to be installed irrespective of national legislative requirements. Additionally, this MMR mandates stone wool factories to upgrade all existing production lines with above mentioned abatement equipment at the same standard as new lines.	Applies to all stone wool factories.	The Group function, Group SHE, is responsible for promoting and updating the MMR. Regional Managing Directors and Technical Directors are responsible for implementing of this MMR.
Group SHE Mandatory Minimum Requirement (MMR) for Periodic air emission monitoring	The MMR is aligned with principles of the JRC Reference Report on Monitoring if Emissions to Air and Water from IED Installations (EUR 29261 EN, 2018) with the objective to standardise monitoring of air emissions from all stone wool factories. When requirements of the MMR are stricter than the permit conditions, the MMR requirements prevail.	Applies to all stone wool factories.	The Group function, Group SHE, is responsible for promoting and updating the MMR. Regional Managing Directors and Technical Directors are responsible for implementing of this MMR.

[E2-5] Substances of concern

During the production of stone wool, a chemical or bio-based binder along with either a hydrophobic oil or a wetting agent are added depending on the application of the final product. It is assessed that approx. 60 percent of the binder consists of substances of concern. A final heat treatment cures the binder, giving the stone wool dimensional stability. Due to this heat treatment, part of the binder, and thereby part of the procured substances of concern turn into air emissions.

The final insulation product consists, on average, of at least 95 percent insulation fibres and the remaining maximum five percent is binder and oil. The insulation fibres are inorganic whereas the binder and oil can be either organic or inorganic chemicals. Insulation fibres thus constitute the main part of the product that is put on the market.

Stone wool is one of the most tested and studied building materials in the world, and ROCKWOOL's insulation fibres are registered under the EU's framework for chemicals, REACH. Our stone wool insulation does not have any classifications for adverse impacts on human health or the environment cf. Substance Information - ECHA[1].

The final products that are put on the market have, as described, undergone a high-temperature treatment. After this transformation process, substances of concern in the final products have changed, resulting in low levels in free form in the final product.

Substances of very high concern were assessed as non-material in the double materiality assessment. Compliance with the Do No Significant Harm technical criteria in the EU Taxonomy, activity 3.5. Manufacturing energy efficiency equipment for buildings (Climate change mitigation), is disclosed in section EU Taxonomy in this report on p. 95.

1 https://echa.europa.eu/substance-information/-/substanceinfo/100.117.636

[E2-2] Actions and resources related to pollution – substances of concern

Group Management is responsible for topics related to substances of concern. In these matters, Group Management is supported by the following Group functions: Group SHE; Sourcing and Procurement; Research and Development; Marketing, Communications, and Public Affairs, which includes Regulatory Affairs.

In 2024, 20 percent of R&D costs were allocated for research and development on new binder technologies or on factory emission reduction initiatives. Developing a new binder is key to limiting the amount of substances of concern in the products. It is an initiative that extends beyond a single year.

[E2-1] Policies related to substances of concern

Group policy	Description	Scope	Accountability
REACH policy	This policy ensure compliance with the European REACH regulation to improve the protection of human health and the environment from the risks that can be posed especially by Substances of Very High Concern (SVHC). We require suppliers delivering to European ROCKWOOL entities to declare any SVHC in the products and chemicals supplied. Roles and responsibilities for ROCKWOOL entities regarding processes, communication and documentation as well as REACH compliance are outlined in the REACH Compliance Manual for Process and Activities that supports this policy.	The REACH policy covers operations in Europe. ROCKWOOL operations outside Europe are compliant with local, country-level requirements and restrictions.	Group Management is promoting Group REACH Policy. Group Sourcing and Procurement as well as regional Managing Directors are responsible for implementation of this policy.
Group SHE Mandatory Minimum Requirement (MMR) for Chemical Risk Management	This MMR is aligned with the UN Agreement concerning the International Carriage of Dangerous Goods by Road, UN Globally Harmonized System (GHS) and with EU REACH, in order to: ▪ Set principles for the selection and risk assessment of chemicals already in-use and new chemicals with minimum negative impact on health, environment and fire hazard; ▪ Ensure chemicals are continuously assessed for substitution with lower risks and/or alternatives; ▪ Ensure that all chemicals are handled, stored and disposed of safely.	Applies to all ROCKWOOL Group functions, all entities and to all chemicals, including chemical elements and mixtures of compounds, whether it is used for production, maintenance, cleaning or in laboratories.	The Group function, Group Safety, Health and Environment, is responsible for promoting and updating the MMR. Regional Managing Directors and Technical Directors are responsible for implementing of this MMR.

Metrics and accounting policies

[E2-3] Targets related to pollution

Air emissions:

Currently, we do not have specific targets. In connection with our ambition to reduce the intensity of air emissions, we track and monitor the effectiveness of actions, including internal reporting twice yearly at Group level and disclosing annual results via the Annual Report.

Substances of concern:

Currently, we do not have specific targets for substances of concern. Wherever possible and without lowering our products' technical performance, our ambition is to:

1. Maintain and/or expand the level of insulation products that meet the EU Taxonomy pollution-related Do-No-Significant-Harm criteria.

2. Develop bio-based binders and expand demanding third party certification such as Cradle-to-Cradle, especially for indoor products (see section S4 Consumers and end-users, ESRS indicator S4-4 to read about our products that are Cradle-to-Cradle certified).

We are tracking the effectiveness of actions related to chemicals by monitoring and disclosing, on annual basis, mass units of procured substances of concern.

[E2-4] Pollution of air

Emitted pollutants* (in tonnes)	**2024**
Nitrogen oxides (NOx)	713
Sulphur dioxide (SO_2)	4,129
Carbon monoxide (CO)	-
Ammonia (NH_3)	2,239
Particulate matter (PM_{10})	719

Accounting policies

All non-GHG air emissions are calculated as total emissions in tonnes per component. Reported emissions comply with the EU Industrial Emissions Directive (IED), the EU BREF for glass wool (covering mineral wool production facilities), and PRTR Directive requirements. Emissions data are derived from analytical measurements aligned with permit requirements and operational conditions at each factory.

Emission data carry inherent uncertainties due to reliance on nationally prescribed methods and variability in sample representativeness, flow measurements, and analytical methods.

We measure 95 percent of data, with the remaining five percent being based on estimates. Of the 95 percent measured data, 20 percent is based on quantification of emissions data, which is conducted by independent certified laboratories, and deemed representative for the year per permit conditions. The remaining 80 percent of measurements are not further validated by external parties.

ROCKWOOL has not disclosed the changes in air emissions over time, as the methodology was adjusted to align with CSRD requirements.

[E2-5] Substances of concern

To manufacture non-combustible fire-safe insulation and reduce energy demand in both buildings and industry, we procured 127,668 tonnes of chemicals classified as substances of concern in 2024. We estimate that we put 53,722 tonnes of substances of concern on the market.

Accounting policies

According to the double materiality assessment, the material topic assessed in scope of substances of concern was the use of chemicals for the binder. Plastic (e.g. PE foils use for packaging) and waste are not reported as substances of concern and are disclosed in section E5 Resource use and circular economy. The only substances of concern that ROCKWOOL put on the market are part of our binders which combine and hold the product together. Binders contain a number of different substances, some of them are categorised as substances of concern. The amount of substances of concern put on market is assessed based on actual production volume of line wool production and is an estimate of two to six percent of cured binder, that remains in the final products.

Critical estimates and judgements

The amount of substances of concern procured and put on market is based on Management's estimate and assessment of internal experts. The estimations are subject to high estimation uncertainty. For purchase and put on market binder, we have estimated that substances of concern account for around 60 percent. This level is assumed to be representative for the concentration of substances of concern for all binder purchases and takes inspiration from the ECHA (European chemicals agency). Based on information from limited sampling for our products as well as internal experts, it is assessed that on average two to six percent binder is left in the stone wool products after the production process, depending on the type of product. Heavy density products include more binder than lighter products.

* Emitted pollutants per factory above thresholds set by the European Pollutant Release and Transfer Register "E-PRTR Regulation"

E3 Water and marine resources

Stone wool production requires water, mainly for cooling the melting furnaces. To mitigate the risk of limited access to water, we have set a Group target for all stone wool factories to reduce the water use per tonne of stone wool produced.

Impact, risk and opportunities

Seven of ROCKWOOL's stone wool factories are located in water stressed areas. As continuous access to water is important for the production processes, we pursue initiatives at to improve water efficiency, including monitoring and managing water use. This is important as water use directly impacts our products' water footprint, which is among multiple factors customers take into account.

Water withdrawal

Water is used in stone wool production to cool down the melting furnace. Limited access to this natural resource, especially in water stressed areas, could lead to operational risks by restricting production capacity. This topic is relevant for seven of ROCKWOOL's stone wool factories.

Based on earlier assessments, pollution to water was assessed as not material for ROCKWOOL.

Material impacts, risks and/or opportunities	Classification	Time horizon	Location in value chain	Description and interaction with business model and /or strategy
Water use	Negative impact and risks	Medium-term	OO	Water is used for stone wool production, mainly to cool the melting furnace. Access to water in water stressed areas could lead to an operational risk by limiting production capacity and negatively impact the environment. This is relevant for the seven factories located in water stressed areas Mitigation: Group target to reduce water use per tonne of stone wool produced

[E3-1] Policies related to water and marine resources

Group policy	Description	Scope	Accountability
Safety, Health and Environment policy and manual (SHE)	The SHE policy and manual set out responsibility, provides definitions and standards and guides all entities on how to manage and mitigate environmental impacts, including those related to water withdrawal. The SHE policy and the internal manual are aligned with the ISO 14001:2015 standards. They set principles for the Environmental Management System, covering water-related topics and are supported by Group SHE Mandatory Minimum Requirements "Soil, Surface Water and Groundwater Protection" and by Group SHE manual for environmental reporting.	All stone wool factories, including those located in water stressed areas.	Group Management promotes the policy for SHE.
Group SHE Mandatory Minimum Requirements (MMR) for Soil, Surface Water and Groundwater Protection	The purpose of this MMR is to prevent pollution of water by: ▪ Avoiding the risk of contamination of soil, surface water and groundwater in connection with operations related to raw materials, binder, oil and other substances; ▪ Ensuring that protection of soil, surface water and groundwater is taken into account in design, installation and civil works, so that the risk of contamination is eliminated or reduced.	All entities, including stone wool factories and those located in water stressed areas as well as civil works and contractors.	The Group function, Group SHE, is responsible for promoting and updating the MMR. Regional Managing Directors and Technical Directors are responsible for implementing this MMR.
Group SHE Manual for environmental reporting	The purpose of this manual is to ensure that environmental data, including water withdrawal, is reported in a consistent, transparent and timely manner across the Group. All factories report the water withdrawal per source, including: ▪ groundwater (water beneath the soil, including pumped from onsite well); ▪ surface water (water withdrawn from the surface of Earth e.g. river, lake, wetland); ▪ public supply (water from municipal or private water supply); ▪ external source (wastewater from another organisation); ▪ and rainwater (precipitation collected directly and stored by the factory). Starting 2024, factories also report water recycled, water reused, and water stored.	All ROCKWOOL stone wool factories, including those located in water stressed areas.	The Group function, Group SHE, is responsible for promoting and updating the manual. Regional Managing Directors and Technical Directors are responsible for implementing this manual.

[E3-2] Actions and resources related to water and marine resources

In 2024, actions were focused around two initiatives leading to increased water efficiency:

1. Installation of water reduction technology in factories

The installed solution reduces water consumption in the melting process by using an organic liquid to generate electricity. In addition, the technology returns cooled water to the cooling process, reducing raw water demand by up to 80 percent. After a successful pilot project in Spain, the technology has been installed in ROCKWOOL factories in the UK and in Germany. The full impact of the new technology is expected in 2025.

2. Closed cooling system

We installed a closed cooling system in the new electrical melter in the stone wool factory in Switzerland. Results are expected in 2025.

In 2024, investments related to water use reduction was 3 MEUR.

Ranson, United States

Metrics and accounting policies

[E3-3] Targets related to water and marine resources

We have set a voluntary target to reduce water use per tonne of stone wool produced by 20 percent from 2015 to 2030. To advance this target, each stone wool factory, including those located in water stress areas, has an annual target on water withdrawal (excluding rainwater) per tonne of stone wool produced. Performance towards the targets is tracked and analysed on a quarterly basis. As of 2024, we achieved a 17 percent reduction in water use per tonne of stone wool produced compared to the 2015 baseline. The performance has been stable.

Stone wool factories in water stressed areas

ROCKWOOL does not have specific water use targets for stone wool factories located in water stressed areas. Nevertheless, every five years we reassess which sites are located in areas associated with water risk. Seven factories are determined to be located in areas of high or extreme high water stress. These are: Caparroso (Spain), Dahej (India), Flechtingen (Germany), Ploieşti (Romania), Roermond (the Netherlands), Troitsk (Russia) and Zheleznodorozny (Russia). However, in all cases, the factories' water usage is estimated to be immaterial, using less than one per mille of available water of the regional fresh water basin resources in m^3. We continue to prioritise implementing water efficiency improvements at these factories.

[E3-4] Water consumption

		2024
1	Total water consumption in m^3 in areas at water risk, including areas of high-water stress	661,908
2	Total water recycled and reused in m^3	630,450
3	Total water stored and changes in storage in m^3	17,225
4	**Water intensity** (Total water consumption in m^3/MEUR revenue)	**722**
	Total water consumption in m^3	**2,783,259**

Accounting policies

Water consumption is calculated as the total water withdrawn from sources such as groundwater, surface water, public supply, or other external sources, minus the water discharged and minus the water stored. Withdrawals are primarily measured or based on invoices, while rainwater is mostly estimated using rainfall data, collection area, or flow measurements. Approx. 50 percent of discharged water is metered, with the remainder estimated based on best available methods. For smaller offices, water consumption is estimated based on working hours; these account for less than one percent of the water consumption.

Water scarcity assessments conducted in 2017 (all stone wool factories) and 2022 (all stone wool factories excluding Russia) identified a total of seven factories in areas of high or extremely high water stress. Both assessments were based on the World Resources Institute Aqueduct (WRI) tool. Water consumption in water stressed areas is calculated as the sum of the total water consumption of mineral wool factories located in these areas.

ROCKWOOL reuses and recycles water in the stone wool factories. Water recycling is primarily relevant in binder dilution. Water recycled and reused is calculated based on binder dilution rates and operation time of the melters or based on actual measurements. It is assumed there is no water recycling in offices and other production facilities.

Water stored is calculated as the sum of the full capacity of the water storage tanks at stone wool factories. As part of the normal operations, the tanks are kept full with no changes to storage. Offices and other production facilities do not have water storage, other than fire water tanks.

E5 Resource use and circular economy

ROCKWOOL supports circularity in the construction sector by among other ways offering durable products made of recyclable stone wool.

[SMB-3] Material impacts, risks and opportunities

We use stone to make products, primarily volcanic varieties including basalt and gabbro. Additionally, ROCKWOOL's technology allows for the recycling of reclaimed material from the market and secondary materials from other industries. This provides a sustainable alternative to these materials being potentially landfilled.

Most ROCKWOOL products are durable and designed for disassembly, allowing them to be returned to the factories for recycling. ROCKWOOL's products' circular characteristics, our capacity to take back used stone wool from the market, and our aim to reduce the use of virgin materials, including in packaging, are all important elements of ROCKWOOL's business model and key considerations in meeting customer expectations.

Material impacts, risks and/or opportunities	Classification	Time horizon	Location in value chain	Description and interaction with business model and /or strategy
Stone extraction	Negative impact	Medium- and long-term	U and OO	Stone wool production uses stone, an abundant raw material, the use of which entails quarrying that can impact the environment Mitigation: application of circularity principles (recyclability and durability) and tracking effectiveness through a circularity dashboard
Waste and plastics in packaging	Negative impact and risks	Short- and medium-term	D	Stone wool factories generate waste and use plastic in packaging. Risks linked with increasingly demanding market standards Mitigation: Tracking effectiveness of circularity principle through a dashboard that includes a target of reducing waste to landfill from stone wool production

[E5-1] Policies related to resources use and circular economy

ROCKWOOL is building up capacities in sustainable sourcing by documenting existing checks and processes.

Group policy	Description	Scope	Accountability
ROCKWOOL Circularity Position Paper	ROCKWOOL's Position Paper on circularity sets out our approach to circularity and aligns it with the three principles from the Ellen McArthur Foundation: 1. Designing out waste and pollution We do this by designing out construction and demolition waste, designing for disassembly, recycling material from other industries, eliminating stone wool waste at factories going to landfill, and ensuring material health. 2. Keeping materials at their highest value We do this by open- and closed-loop recycling, using endlessly recyclable and durable materials, supporting product life-extensions, and by enabling reuse and repurposing. 3. Restoring natural systems We do this by using an abundant and natural material, supporting food production of the future with Grodan, aiming at minimising the use of virgin materials, and optimising water use.	ROCKWOOL Circularity Position Paper[1] covers all stone wool factories and refers to upstream, own operations and downstream part of our value chain.	Group Management promotes ROCKWOOL Circularity Position Paper. Regional Managing Directors and Group Operations and Technology, including Group Sourcing and Procurement are responsible for implementing circularity principles.
Rockcycle®	Rockcycle® is ROCKWOOL's global take-back scheme currently rolled out to 24 countries. ROCKWOOL reclaims stone wool from the market for recycling. Rockcycle facilitates closed-loop recycling, meaning that the waste will become new stone wool products again. By having a circular end-of-life option in place, we exploit stone wool's recyclability and ensure an alternative to landfilling.	Rockcycle is currently implemented in 24 countries.	Group Management is responsible for promoting and developing the Rockcycle programme. Regional Managing Directors and Group Operations and Technology are responsible for implementing the programme.

1 https://p-cdn.rockwool.com/syssiteassets/rw-group/media/corporate-governance/2023-12-11-rockwool-on-circularity.pdf?f=20231220125008

[E5-2] Actions and resources related to resource use and circular economy

Group Management is responsible for advocating, driving and promoting circularity, including development of the Rockcycle service, application of circularity principles in product design and minimisation of virgin material use. Regional Managing Directors are responsible for waste management supported by Group Safety, Health and Environment.

In 2024, actions in relation to circular economy were focused around the following five different themes on circularity:

1. In 2024, we rolled out Rockcycle to Poland, Malaysia and Singapore and expanded the Rockcycle programme to 24 countries.

2. Internal capacity building
We created and launched internal circularity training available for all employees and implemented a Rockcycle Resource Hub as a database for Rockcycle materials across functions and geographies.

3. Started to change the plastic foil, which increases recycling potentials by 85 percent. To reduce the climate footprint, we are changing plastic foil in the Nordics which also increases the recycling potential significantly. The initiative will be rolled out to other regions in the coming years. In future, our plastic foil will be transparent with only 10 percent ink.

4. Introduced new innovative equipment in one of the Danish factories, which increased the recycled material (internal and external material) more than 50 percent. This innovation helps reduce the reliance on virgin resources.

5. Advocating for more proactive policies on circularity

We continuously advocate for more proactive policies to increase recycling and the recyclability of products and materials, especially towards EU and EU Member States, with efforts including:

- Promoting deconstruction practices (over demolition) and the sorting of different waste streams;
- Progressively introducing landfilling bans for recyclable materials as well as requirements to increase the use of recycled materials;
- Integrating durability and recyclability as fundamental characteristics of construction products;
- Greater definition of used stone wool as a resource (and not a waste stream);
- Regulating transport of stone wool waste in the same way as other valuable resources, which in turn will ease the permitting requirements to manage and recycle the materials at our factories;
- Through our membership in the European insulation Manufacturers Association, ROCKWOOL together with other mineral wool producers aligns and brings a shared position towards policy makers. In 2024, two of the main topics were i) pushing for end-of-waste criteria with the European Commission, and ii) advocating for more granular waste codes, which as a minimum focus on recyclable and non-recyclable waste;

In 2024, through our membership to Corporate Leaders Group Europe, we committed to the ‘Taskforce for climate neutral and circular materials and products’, where we advocate for more proactive policies to increase recycling and the recyclability of products and materials used in the built sector;

In 2024, we joined World Business Council for Sustainable Development where we share our expertise and best practices in reference to defining new standards and new frameworks.

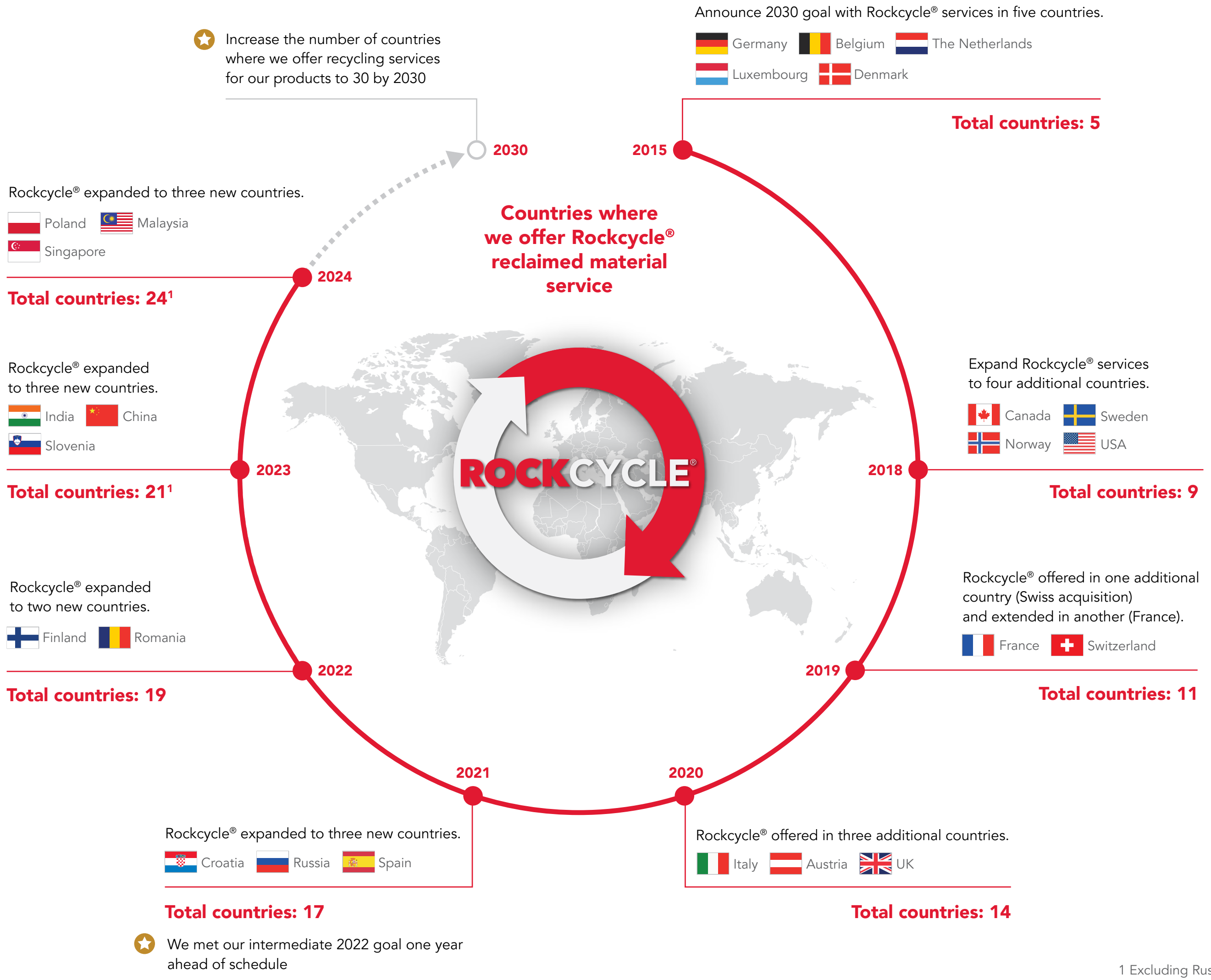
Fogang, China

Metrics and accounting policies

[E5-3] Targets related to resource use and circular economy

- Reduce the amount of virgin materials used.
- By 2030, offer the take-back scheme Rockcycle in minimum 30 countries. This will reduce the amount of virgin materials used. This is a voluntary improvement target to promote circularity.
- By 2030, reduce landfill waste from stone wool production by 85 percent. Landfill waste amounted to 54 kt in 2024. When comparing to the baseline of 91 kt set in 2015, a decrease of 40 percent.

  Compared to 2023, there was a net increase in waste to landfill from stone wool production due to higher production volumes among other factors. The target covers the most significant waste streams: stone wool waste generated in the production process (e.g. cuts offs, rejected material), De-SOx waste generated by treatment plants that reduces air emissions, tap iron and other metals as waste from the melting process.



1 Excluding Russia

[E5-4] Resources inflows

The Circularity Dashboard supports the overarching target to reduce the use of virgin materials and helps us track effectiveness of our policies dedicated to circularity.

Material inflows in 2024 by weight in stone wool production:

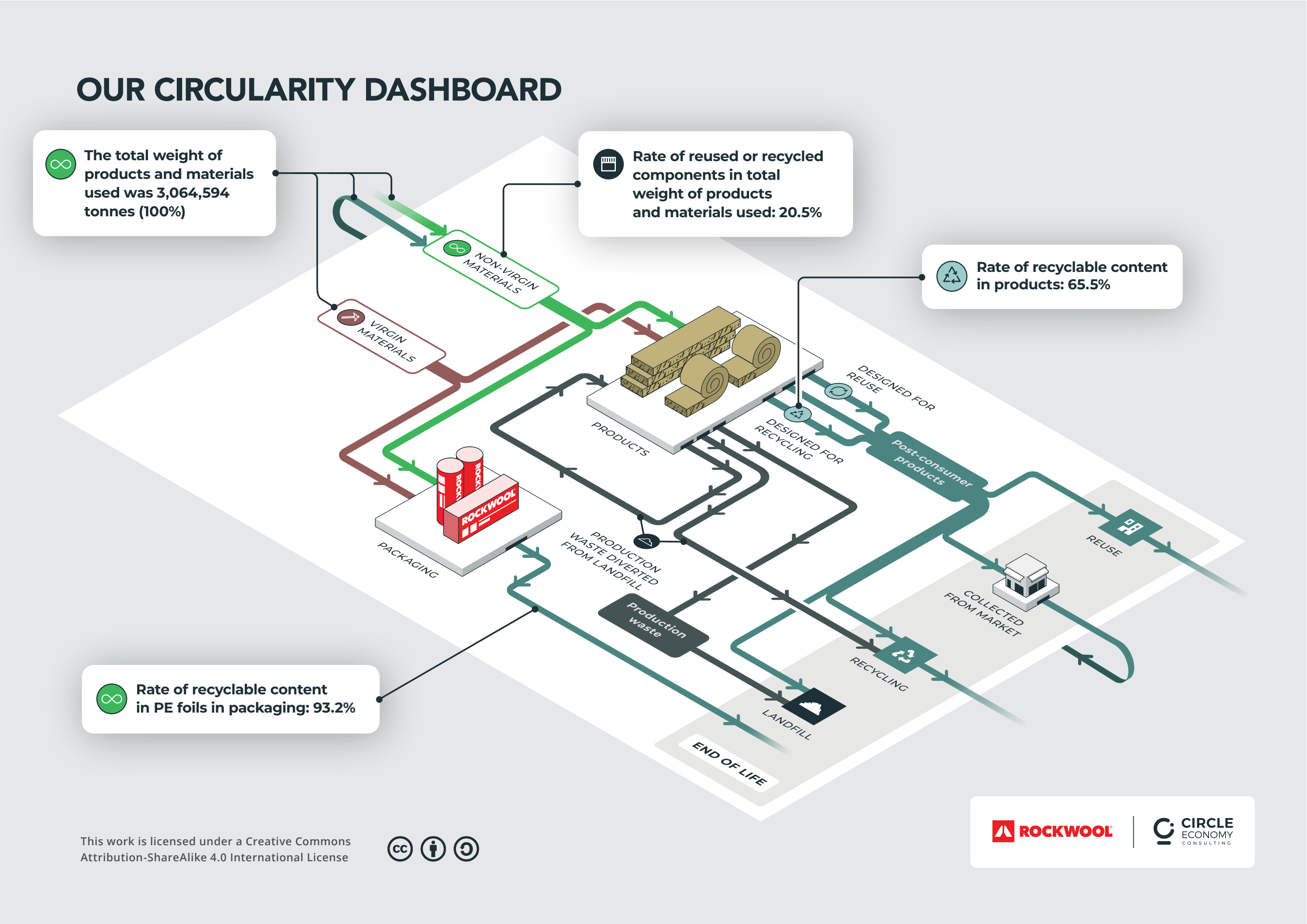
	Tonnes	% of the total material use
Total weight of products and materials used	3,064,594	100%
The weight of reused or recycled components	627,336	21%

Rates of recyclable content in products

- The rate of recyclable content in ROCKWOOL products is 66 percent.

Rates of recyclable and recycled content in PE foils in packaging

- The rate of recyclable content in PE foils in packaging is 93 percent.
- The rate of recycled content in PE foils used in packaging is three percent.



Accounting policies

The weight of **virgin materials** and **non-virgin resources** (materials, water and energy), excl. associated process materials, used are based on global production data. We capture all inflows using actual volumes combined with estimates where needed. We identified most categories with their weights and grouped the rest into an "other" category. For unweighted items, we used a conversion from cost data to estimate their weight, ensuring all items are included.

Packaging: In 2024, we only include Polyethylene (PE) foils. Recycled content documentation is based on our strategic suppliers, which are the largest suppliers representing 94 percent of the annual spend for Polyethylene (PE) foils. Recycled content in packaging covers both post-consumer and post-industrial materials reported as a single value. An internal report provides PE foil data recalculated in accordance with the weight. This metric accounts for PE foils sold in local markets, aligning with the methodology for Extended Producer Responsibility (EPR) schemes.

A reusable product is defined as any product that can be reused again for the same overall purpose. To estimate reuse potential, we rely on assumptions developed through a structured internal stakeholder engagement process. Currently, the data encompasses the majority of ROCKWOOL's product portfolio (91 percent) with ongoing efforts to expand coverage to 100 percent in the coming years.

To guide the assumptions, we considered the following questions: Can the product be reused for the same "overall purpose"? Mounting method: is the product mechanically fixed (incl. perforated holes) or glued and does this hinder reuse? Is the product exposed to wind/weather in a way that it is not feasible to consider reuse? Is the product exposed to a mechanical load that hinders reuse? Is there an application loss, e.g. a part that needs to be cut off? For reuse to be possible, we assume the products are installed and used in the recommended way.

[E5-5] Resources outflows

The design, manufacturing process and technical features of our products are aligned with circular economy principles, such as:

- 'Designing for disassembly' as this is a prerequisite for ensuring materials will be circulated such as for recycling or reuse. Most ROCKWOOL products are well-aligned with this principle. Insulation, cladding, and acoustic tiles, for example, are easily separated from other materials during a building's renovation or demolition in that they are typically fitted without the use of glue or other means that hinder easy separation
- 'Closed-loop recycling' when we take-back material from the market via the Rockcycle programme. We typically recycle stone wool insulation material in a closed-loop, which means that we recycle the material back to its former, pre-recycled purpose. This is made possible by ROCKWOOL's proprietary technology.
- 'Material health' as ROCKWOOL stone wool contains no flame retardants and is one of the most tested and studied building materials in the world. ROCKWOOL stone wool is registered under the EU's stringent legislative framework for chemicals, REACH. It does not have any classifications for adverse impacts on human health or the environment.
- 'Reuse' as ROCKWOOL fully supports reusing stone wool products when it is possible and feasible. By doing so, the product is kept in circulation and thus more fully capitalises on its long lifetime potential. In the ROCKWOOL production cycle, most of by-products and production waste can be reused as input material.

Expected durability of our products

ROCKWOOL products have no aging effect and deliver a constant performance without suffering degradation. Thus stone wool is highly durable and long-lasting. Depending on the purpose and other materials added to it, the durability can be lower.

Furthermore, for some ROCKWOOL products, durability is not a relevant factor. For example, the horticultural substrates that Grodan sells are only used for a single growing season because the biological materials such as root systems integrate with the product. Thus, even though the stone wool material is durable, that characteristic is not relevant in this application. Another example is the engineered mineral fibres from Lapinus. These fibres are used globally in car brake pads owing to their ability to withstand the high heat and high friction forces generated during braking. As brake pads typically require changing within five years of use, durability in the sense of long-life is not a key reason for using fibres in this application.

ROCKWOOL product category*	ROCKWOOL product durability in years	Mineral wool insulation durability in years (industry average)	Sources for industry average
General Building Insulation	50 years	50 years	As per LCA standard methodology for construction materials
Flat Roof Insulation			
External Thermal Insulation Composite System			
Sandwich Wall Panel			
Technical Insulation	10-25 years	10-25 years	Guidehouse report "Quantifying the climate and energy benefits of ROCKWOOL products for technical insulation"

*The listed product categories represents more than 88 percent of 2024 revenue generated by stone wool products.

[E5-5] Amount of waste

Waste (in tonnes)

Waste generated in 2024	2024
A. Waste for recovery	
A.1. Hazardous waste	4,997*
A.1.1. Preparation for reuse	20
A.1.2. Recycling	4,717
A.1.3. Other recovery operations	260
A.2. Non-hazardous waste	93,418
A.2.1 Preparation for reuse	5,202
A.2.2. Recycling	86,400
A.2.3. Other recovery operations	1,816
Total waste for recovery (A.1. + A.2.)	**98,415**
B. Waste for disposal	
B.1. Hazardous waste	12,893
B.1.1. Incineration	29
B.1.2. Waste to landfill	3,769
B.1.3. Other disposal operations*	9,095
B.2. Non-hazardous waste	78,972
B.2.1. Incineration	387
B.2.2. Waste to landfill	69,759
B.2.3. Other disposal operations	8,826
Total waste for disposal (B.1. + B.2.)	**91,865**
The total amount and percentage of non-recycled waste	**48%**
Total amount of waste generated (A.1. + A.2. + B.1. + B.2)	190,280

*In 2024, we had 150 kg of radioactive waste from disposal of quality measuring equipment.

Accounting policies

Total amount of waste generated represents the sum of all substances and objects discarded, excluding internally recycled materials and those classified as by-products.

Waste data is primarily based on gate weightings and invoices. Where this is unavailable, estimates are based on volume and best available knowledge.

Reused waste is the waste sent for reuse, referring to materials used for their original purpose.

Recycled waste is the waste sent for recycling, referring to reprocessing into new, useful materials. It includes waste used to replace other materials that would otherwise have been used to fulfil a particular function.

Recovered waste is the sum of waste sent to other recovery operations that are neither reuse or recycling, in alignment with the EU Waste Framework Directive.

Incinerated waste is the amount of waste sent to incineration referring to the combustion/burning of waste (mass burn).

Landfilled waste is the waste sent to landfill.

Disposed waste is the sum of waste sent to other disposal operations including composting (the biological decomposition of organic waste) and deep well injection.

Non-recycled waste is the sum of total amount of waste minus the reused waste and the recycled waste. The percentage of non-recycled waste is calculated as the amount of non-recycled waste divided by total waste.

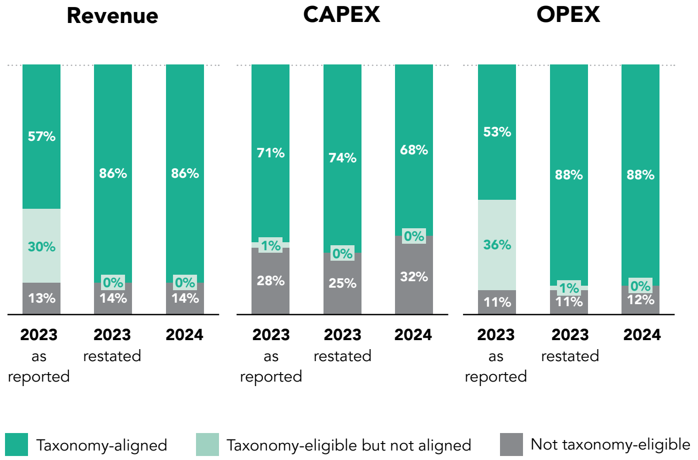
Hazardous waste is the sum of waste classified as hazardous. Waste classification as hazardous or non-hazardous adheres to national definitions. Radioactive waste is reported separately. The classification as radioactive adheres to Article 3(7) of Council Directive 2011/70/Euratom. The amounts of radioactive waste disposed is the estimated weight of the equipment containing the radioactive material and not the radioactive material itself.

EU Taxonomy

Performance in 2024

Revenue
Taxonomy-aligned revenue amounted to 3,323 MEUR. Compared to the restated 2023 number, which was 3,115 MEUR, the taxonomy-aligned revenue for 2024 was stable.

CAPEX
Taxonomy-aligned CAPEX amounted to 262 MEUR. Compared to restated 2023 numbers, which was 236 MEUR, the taxonomy-aligned CAPEX increased 26 MEUR. In 2024, 68 percent of CAPEX was taxonomy-aligned, which is a decrease of six percentage points driven by non-eligible purchase of land.



OPEX
Taxonomy-aligned OPEX amounted to 384 MEUR (88 percent). Compared to restated 2023 figures, 2024 taxonomy-aligned OPEX was on par.

Accounting policies

Restatement
The 2023 numbers have been restated due to alignment and clarifications of the CCM DNSH Pollution subparagraph (f) in Appendix C of the Commission Delegated Regulation (EU) 2021/2139. As finished insulation products contain less than 0.1 percent of formaldehyde (in free form), and thereby meet the Appendix C criteria, it can be reported as taxonomy-aligned.

Revenue - eligible and aligned
The dominant eligible activity is production and sales of insulation products. Systems segment turnover was reported as eligible where the products contribute as a key component in an external wall or roofing system. The denominator is the 2024 consolidated revenue as stated in the financial statements. The numerator is derived from products and services associated with eligible and aligned activities.

CAPEX - eligible and aligned
CAPEX consists of additions of tangible and intangible assets including right-of-use assets. CAPEX in the denominator can be reconciled to the additions in notes 3.1 to 3.3 in the financial statements. The CAPEX numerator includes the part of capital expenditures that relates to construction of insulation factories and equipment, maintenance investments, capacity expansions related to taxonomy-eligible and/or aligned activities as well as safety and sustainability investments including energy renovations of own buildings. No CAPEX plans have been included.

OPEX - eligible and aligned
OPEX, as the denominator, is defined as day-to-day directly incurred costs related to research and development, building renovations, repair and maintenance of property, plant and equipment and any other direct expenditures linked with day-to-day servicing of ROCKWOOL assets. These assets are factories, equipment and machinery necessary to ensure the continued and effective functioning of assets. The OPEX numerator is based on taxonomy-aligned revenue as allocation key.

Critical estimates and judgements

Eligibility is assessed based on an analysis of product categories and their usage to see if they fit with the activities defined as eligible in the EU Taxonomy. Alignment is assessed based on the technical screening criteria for products and what fulfils the criteria have been mapped as aligned. CAPEX estimates are calculated based on screening of sustainable investments that fulfil the criteria. Screening of OPEX is carried out by assessing the OPEX costs accounts; and those with direct cost in production of eligible products (including R&D cost) is added to calculation of the estimate.

Turnover

Financial year 2024	2024			Substantial contribution criteria						DNSH criteria ('Do No Significant Harm')									
Economic activities (1)	Code (s) (2)	Turnover (3)	Proportion of Turnover year H1 2024 (4)	Climate change mitigations (5)	Climate change adaptations (6)	Water (7)	Pollution (8)	Circular economy (9)	Biodiversity (10)	Climate change mitigations (11)	Climate change adaptations (12)	Water (13)	Pollution (14)	Circular economy (15)	Biodiversity (16)	Minimum safeguards (17)	Proportion of Taxonomy-aligned or -eligible turnover, year 2023 restated (18)	Category enabling activity (19)	Category transitional activity (20)
		MEUR	%	Y;N; N/EL; (b) (c)	Y;N; N/EL; (b) (c)	Y;N; N/EL; (b) (c)	Y;N; N/EL; (b) (c)	Y;N; N/EL; (b) (c)	Y;N; N/EL; (b) (c)	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1 Environmentally sustainable activities (taxonomy-aligned)																			
Manufacture of energy efficiency equipment for buildings	CCM 3.5	3,323	86%	Y	N	N	N	N	N	Y	Y	Y	Y	Y	Y	Y	86%	E	-
Turnover of environmentally sustainable activities (taxonomy-aligned) (A.1)		3,323	86%	100%	0%	0%	0%	0%	0%	Y	Y	Y	Y	Y	Y	Y	86%		
Of which enabling		3,323	86%	100%	0%	0%	0%	0%	0%	Y	Y	Y	Y	Y	Y	Y	86%	E	
Of which transitional		0	0%							-	-	-	-	-	-	-	-		-
A.2 Taxonomy-eligible but not environmentally sustainable activities (not taxonomy-aligned activities)																			
				EL;N/EL (f)	EL;N/EL (f)	EL;N/EL (f)	EL;N/EL (f)	EL;N/EL (f)	EL;N/EL (f)								%		
Manufacture of energy efficiency equipment for buildings	CCM 3.5	0	0%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0%		
Turnover of taxonomy-eligible but not environmentally sustainable activities (not taxonomy-aligned) (A.2)		0	0%	100%	0%	0%	0%	0%	0%								0%		
Turnover of taxonomy-eligible activities (A1 + A.2)		3,323	86%	100%	0%	0%	0%	0%	0%								86%		

B. TAXONOMY-NON-ELIGIBLE ACTIVITIES			
Turnover of taxonomy-non-eligible activities (B)		532	14%
Total		3,855	100%

CAPEX

Financial year 2024	2024			Substantial contribution criteria						DNSH criteria ('Do No Significant Harm')									
Economic activities (1)	Code (s) (2)	Absolute CAPEX (3)	Proportion of CAPEX (4)	Climate change mitigations (5)	Climate change adaptations (6)	Water (7)	Pollution (8)	Circular economy (9)	Biodiversity (10)	Climate change mitigations (11)	Climate change adaptations (12)	Water (13)	Pollution (14)	Circular economy (15)	Biodiversity (16)	Minimum safeguards (17)	Proportion of Taxonomy-aligned or -eligible CAPEX, year 2023 restated (18)	Category enabling activity (19)	Category transitional activity (20)
		MEUR	%	Y;N; N/EL; (b) (c)	Y;N; N/EL; (b) (c)	Y;N; N/EL; (b) (c)	Y;N; N/EL; (b) (c)	Y;N; N/EL; (b) (c)	Y;N; N/EL; (b) (c)	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1. Environmentally sustainable activities (taxonomy-aligned)																			
Manufacture of energy efficiency equipment for buildings	CCM 3.5	247	64%	Y	N	N	N	N	N	Y	Y	Y	Y	Y	Y	Y	73%	E	-
Renovation of existing buildings	CCM 7.2	2	1%	Y	N	N	N	N	N	Y	Y	Y	Y	Y	Y	Y	1%	E	-
Installation, maintenance and repair of renewable energy technologies	CCM 7.6	1	0%														0%		
Computer programming, consultancy and related activities	CCA 8.2	11	3%														0%		
CAPEX of environmentally sustainable activities (taxonomy-aligned) (A.1)		262	68%	100%	0%	0%	0%	0%	0%	Y	Y	Y	Y	Y	Y	Y	74%		
Of which enabling		262	68%	100%	0%	0%	0%	0%	0%	Y	Y	Y	Y	Y	Y	Y	74%	E	
Of which transitional		0	0%							-	-	-	-	-	-	-	0%		-
A.2 Taxonomy-eligible but not environmentally sustainable activities (not taxonomy-aligned activities)																			
				EL;N/EL (f)	EL;N/EL (f)	EL;N/EL (f)	EL;N/EL (f)	EL;N/EL (f)	EL;N/EL (f)								%		
Transport by motorbikes, passenger cars and light commercial vehicles	CCM 6.5	1	0%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0%		
CAPEX of taxonomy-eligible but not environmentally sustainable activities (not taxonomy-aligned) (A.2)		1	1%	100%	0%	0%	0%	0%	0%								0%		
CAPEX of taxonomy-eligible activities (A1 + A.2)		263	68%	100%	0%	0%	0%	0%	0%								75%		

B. TAXONOMY-NON-ELIGIBLE ACTIVITIES			
CAPEX of taxonomy-non-eligible activities (B)		124	32%
Total (A+B)		387	100%

OPEX

Financial year 2024	2024			Substantial contribution criteria						DNSH criteria ('Do No Significant Harm')									
Economic activities (1)	Code (s) (2)	Absolute OPEX (3)	Proportion of OPEX (4)	Climate change mitigations (5)	Climate change adaptations (6)	Water (7)	Pollution (8)	Circular economy (9)	Biodiversity (10)	Climate change mitigations (11)	Climate change adaptations (12)	Water (13)	Pollution (14)	Circular economy (15)	Biodiversity (16)	Minimum safeguards (17)	Proportion of Taxonomy-aligned or -eligible OPEX, year 2023 restated (18)	Category enabling activity (19)	Category transitional activity (20)
		MEUR	%	Y;N; N/EL; (b) (c)	Y;N; N/EL; (b) (c)	Y;N; N/EL; (b) (c)	Y;N; N/EL; (b) (c)	Y;N; N/EL; (b) (c)	Y;N; N/EL; (b) (c)	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1. Environmentally sustainable activities (taxonomy-aligned)																			
Manufacture of energy efficiency equipment for buildings	CCM 3.5	384	88%	Y	N	N	N	N	N	Y	Y	Y	Y	Y	Y	Y	88%	E	-
OPEX of environmentally sustainable activities (taxonomy-aligned) (A.1)		384	88%	100%	0%	0%	0%	0%	0%	Y	Y	Y	Y	Y	Y	Y	88%		
Of which enabling		384	88%	100%	0%	0%	0%	0%	0%	Y	Y	Y	Y	Y	Y	Y	88%	E	
Of which transitional		0	0%							-	-	-	-	-	-	-	-		-
A.2 Taxonomy-eligible but not environmentally sustainable activities (not taxonomy-aligned activities)																			
				EL;N/EL (c)	EL;N/EL (c)	EL;N/EL (c)	EL;N/EL (c)	EL;N/EL (c)	EL;N/EL (c)								%		
Manufacture of energy efficiency equipment for buildings	CCM 3.5	2	0%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0%		
OPEX of taxonomy-eligible but not environmentally sustainable activities (not taxonomy-aligned) (A.2)		2	0%	100%	0%	0%	0%	0%	0%								0%		
Total (A1 + A.2)		386	88%	100%	0%	0%	0%	0%	0%								88%		

B. TAXONOMY-NON-ELIGIBLE ACTIVITIES			
OPEX of taxonomy-non-eligible activities (B)		50	12%
Total (A+B)		436	100%

Nuclear and fossil gas related activities

Nuclear energy related activities	Applicable to ROCKWOOL
1. The undertaking carries out, funds or has exposure to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle	NO
2. The undertaking carries out, funds or has exposure to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purpose of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies.	NO
3. The undertaking carries out, funds or has exposure to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.	NO
Fossil gas related activities	
4. The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	NO
5. The undertaking carries out, funds or has exposures to construction or refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.	NO
6. The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels.	NO

Screening methodology

Based on the annexes to Commission Delegated Regulation (EU) 2021/2139, ROCKWOOL conducted a review of its activities for all six environmental objectives. The activities that are identified as contributing to the EU Taxonomy were mapped and assessed for compliance with the screening criteria.

Substantial contribution

Revenue

The assessment of taxonomy-eligible revenue was based on the total Group revenue split by product application group including information on thermal conductivity and/or thickness in each product category. Each product group was screened for eligibility.

Revenue related to trading goods, Grodan, ROCKWOOL Rainwater Management System and sales to the off-shore industry was excluded. The latter was excluded as the revenue resulting from these activities primarily relates to the oil and gas industry and therefore not taxonomy-eligible. In addition, revenue from Core Solutions products with lambda value higher than 0.06 W/mK were excluded.

After this elimination process, the remaining turnover was allocated as eligible and fulfilling the substantial contribution criteria set out in **Annex I: Climate change mitigation** to Commission Delegated Regulation (EU) 2021/2139:

CCM 3.5 *Manufacture of energy efficiency equipment for buildings*: ROCKWOOL products comply with the following three TSC: (c) external wall systems with U-value lower or equal to 0.5 W/m^{2}K; (d) roofing systems with U-value lower or equal to 0.3 W/m^{2}K; (e) insulating products with a lambda value lower or equal to 0.06 W/mK and compliant with the criteria requiring the final products to contain less than 0.1 percent w/w of formaldehyde in free form.

CAPEX

The verification and calculation of taxonomy-eligible CAPEX is based on quarterly CAPEX reporting. The report specifies CAPEX projects into CAP (capacity), MAI (maintenance), SUS (sustainability). Guided by the description of activities in the Annexes to Commission Delegated Regulation (EU) 2021/2139, a review of the CAPEX projects against EU Taxonomy activities was conducted and verified with high level CAPEX documentation. No financial materiality was applied. The CAPEX report discloses all CAPEX for the year and can be reconciled to additions of tangible and intangible assets in the consolidated financial statements.

The following CAPEX were verified as eligible and fulfilling the substantial contribution criteria set out in Annex I: Climate change mitigation to Commission Delegated Regulation (EU) 2021/2139:

- Investments in ROCKWOOL Insulation and Systems segment production lines are identified as CCM 3.5 *Manufacture of energy efficiency equipment for buildings*: ROCKWOOL products comply with the following three TSC: (c) external wall systems with U-value lower or equal to 0.5 W/m^{2}K; (d) roofing systems with U-value lower or equal to 0.3 W/m^{2}K; (e) insulating products with a lambda value lower or equal to 0.06 W/mK;
- Investments in renovation of own buildings is identified as CCM 7.2 Renovation of existing buildings: ROCKWOOL own buildings renovation standards comply with the following TSC: *building renovation leads to a reduction of primary energy demand (PED) of at least 30 percent*;
- ROCKWOOL entities started to invest in solar panels and heat exchange for own use. These new investments were identified as activity CCM 7.6. *Installation, maintenance and repair of renewable energy technologies:* ROCKWOOL onsite solar panel installations comply with (a) *installation, maintenance and repair of solar photovoltaic systems and the ancillary technical equipment;*

Investments in digital software solutions and infrastructure are identified as activity CCA 8.2. *Computer programming, consultancy and related activities* and fulfil substantial contribution criteria set out in **Annex II: Climate change adaptation** to Commission Delegated Regulation (EU) 2021/2139.

OPEX

Appropriate operating expenses realised by ROCKWOOL in 2024 were assigned to each activity identified as qualifying for the EU Taxonomy. Details of the applied screening classification methods of the operating expenses are described in the section 'EU Taxonomy accounting policy' p. 90.

Do No Significant Harm (DNSH)

Climate change adaptation

For activity CCM 3.5 *Manufacture of energy efficiency equipment for buildings*, CCM 7.2 *Renovation of existing buildings* and CCM 7.6 *Installation, maintenance and repair of renewable energy technologies*, ROCKWOOL conducted a climate scenario analysis in 2022 to evaluate physical climate-related risks across the factories. The climate scenario analysis is presented in E1 Climate change. It was assessed that all relevant eligible activities comply with the criteria.

Sustainable use and protection of water and marine resources

For activity CCM 3.5 *Manufacture of energy efficiency equipment for buildings*, ROCKWOOL controls and mitigates risks to local water quality at manufacturing sites among others through environmental permits, environmental management programmes and water scarcity and/or water stress assessment. The water governance and management approach is described in E3 Water and marine resources.

For activity CCM 7.2 *Renovation of existing buildings*, documentation is not available regarding technical screening criteria and thus deemed taxonomy not-aligned.

For activity CCM 7.6 *Installation, maintenance and repair of renewable energy technologies*, the DNSH for Sustainable use and protection of water and marine resources is not applicable. As it is not requested to meet specific technical criteria, the ROCKWOOL activity in reference to 7.6 is deemed taxonomy-aligned.

Pollution prevention and control

For activity CCM 3.5 *Manufacture of energy efficiency equipment for buildings* and CCM 7.2 *Renovation of existing buildings*, the finished insulation products, as placed on the market, contain less than 0.1 percent of formaldehyde (in free form) and thereby meet the criteria of Appendix C. For other substances of concern, as stated by EU ECHA information on substances (see link: Substance Information - ECHA[1]), stone wool insulation does not have any classifications for adverse impacts on human health or the environment.

For activity CCM 7.6 *Installation, maintenance and repair of renewable energy technologies*, the DNSH for Pollution prevention and control is not applicable. As it is not requested to meet specific technical criteria, the activity in reference to 7.6 is deemed taxonomy-aligned.

Transition to a circular economy

For activity CCM 3.5 *Manufacture of energy efficiency equipment for buildings*, ROCKWOOL has incorporated circularity principles in its business model with products that are durable and long-lasting, easily disassembled, recyclable, containing recycled material. Life Cycle Analysis is calculated for insulation products. Disclosures referring to this technical screening criteria are presented in section E5 Resource use and circular economy.

For activity CCM 7.2 *Renovation of existing buildings*, documentation is not available regarding technical screening criteria and thus deemed taxonomy not-aligned.

For activity CCM 7.6, *Installation, maintenance and repair of renewable energy technologies*, the DNSH for Transition to circular economy is not applicable. As it is not requested to meet specific technical criteria, the ROCKWOOL activity in reference to 7.6 is deemed taxonomy-aligned.

Protection and restoration of biodiversity and ecosystems

All ROCKWOOL stone wool factories have an environmental permit where requirements are made to protect the environment. Furthermore, all factories are part of the Group's environmental management programme. Robust compliance and conformance programmes are in place at all sites. In 2022, all ROCKWOOL stone wool factories were mapped to determine the location of biodiversity-sensitive areas near the factories. This was followed up in 2023 with an assessment of the robustness of the European factories' mitigation plans to minimise risks to biodiversity sensitive areas.

For activity CCA 8.2 *Computer programming, consultancy and related activities*, there are no DNSH technical criteria requirements. These activities are thus deemed taxonomy-aligned.

Minimum Safeguards

Compliance with the requirements of the Minimum Safeguards was tested using the recommendations included in the Final Report on Minimum Safeguards by the Platform on Sustainable Finance. Minimum Safeguards are set out in Art. 18 of Regulation 2020/852, and they are based on conducting due diligence processes as defined in the UN Guidelines on Business and Human Rights and the OECD Guidelines for Multinational Enterprises.

1 https://echa.europa.eu/substance-information/-/substanceinfo/100.117.636

Analysis of compliance with Minimum Safeguards:

Premise for non-compliance	How was it disproven?
1. Inadequate or non-existent due diligence mechanisms for human rights, anti-corruption and countering unfair competition	Due diligence processes were verified by checking a list of requirements - based on the methodology proposed by the Platform on Sustainable Finance and by additional analysis of corporate documents and processes. As a result of the analysis, it was found that ROCKWOOL has appropriate due diligence processes in place.
2. Tax strategy	ROCKWOOL has a publicly available tax policy that reflects and supports its business by ensuring a sustainable tax rate, mitigating tax risks and complying with OECD guidelines and with rules and regulations in the jurisdictions in which we operate. The transfer pricing methods are in line with the OECD Transfer Pricing Guidelines.
3. The company can be ultimately held liable or found to be a labour or human rights violator in certain types of labour or human rights lawsuits	The verification consisted of an internal review on whether ROCKWOOL had not been legally convicted in the area of human rights, corruption, fair competition and taxation. As a result of such verification, it was found that there was no information on such cases.
4. Lack of cooperation with the OECD National Contact Point (OECD NCP)	The OECD NCP notification database was reviewed, which showed no notifications in relation to ROCKWOOL in 2024.
5. The Business and Human Rights Resource Centre (BHRRC) made an allegation against the company and the company did not respond within 3 months	The Business and Human Rights Resource Centre (BHRRC) database of notifications was reviewed, which showed no notifications against ROCKWOOL in 2024.

Melaka, Malaysia

Social information

5 GENDER EQUALITY
8 DECENT WORK AND ECONOMIC GROWTH
11 SUSTAINABLE CITIES AND COMMUNITIES

Caparroso, Spain

S1 Own workforce

As an industrial family-founded company, we have established an inclusive culture with a safe, friendly and respectful environment for growth and development of more than 12,000 employees representing 88 nationalities.

[SMB-2, SMB-3] Interests and views of stakeholders and material impacts, risks and/or opportunities

ROCKWOOL's success has always been built on its skilled employees and strong teams. We are fundamentally dependent on the expertise that our colleagues embody, combining business knowledge with engineering skills to create the industry leading technology, continuous innovation, and decarbonisation efforts, supported by market-specific business and commercial strategies.

With a business model where human and intellectual capital is one of our key assets, we emphasise long-term employment contracts where workplace health and safety are always first priority, working conditions are attractive, and two-way dialogue with the workforce is regular feature. We are a people-focused employer that values skills and commitment.

Material impacts, risks and/or opportunities	Classification	Time horizon	Location in value chain	Description and interaction with business model and /or strategy
Working conditions in production	Negative impact and risks	Short-term	OO	ROCKWOOL's production technology involves working with chemicals, heavy equipment and at high temperatures, which may lead to negative impacts on health and safety of own workforce, including potential fatalities Mitigation: Continued reinforcement of the health and safety management system
Exposure to four salient human rights risks, especially in high-risk countries	Negative impact and risks	Short- and medium-term	OO	Factories use contract workers to meet short-term production needs. Some are employed by local agencies, and we have assessed their exposure to four human rights risks: working conditions, health and safety, and child and/or forced labour Mitigation: Continued reinforcement of the human rights due diligence mechanism
Gender bias in manufacturing	Negative impact and risks	Short- and medium-term	OO	Balancing gender representation in manufacturing is challenging due to working conditions, which may limit diversity. Increased regulatory requirements and investment strategies by financial institutions pose a risk to gender diversity Mitigation: Implementation of actions supporting the increase of female leadership in executive and middle management positions

Health and safety

Especially for ROCKWOOL's own factory workforce, which consists of employees and contract workers, there is a potentially high inherent impact on their health and safety. Our workforce in the stone wool factories have daily contact with high temperatures and heavy machinery as well as chemicals, waste, and raw materials.

[MDR-A] Organisational and financial resources allocated for management of health and safety of own workforce

The Board of Directors monitor the strategic approach to occupational health and safety. The Board of Directors receives quarterly updates on progress and is involved in target setting and follow-up. In case of fatalities or serious accidents, the Board is informed about the reasons and how these are mitigated going forward.

Group Management promotes ROCKWOOL's strategic approach to occupational safety and health of the workforce. Group SHE organises and supports implementation of policies and compliance with defined standards that reduce the risks of incidents or/and fatalities. On the operational level, regional Managing Directors are responsible for occupational health and safety in all ROCKWOOL locations, including stone wool factories as well as sales and administrative offices. In the factories, the Managing Director is supported by a Technical Director, who implements Group standards and is responsible for the daily application of the SHE policy and manual.

[S1-1] Policies related to own workforce health and safety

Group policy	Description	Scope	Accountability
ROCKWOOL Safety, Health and Environment policy	The Safety, Health, and Environment (SHE) policy guides all entities on how to prevent, mitigate, manage risks and/or negative impacts, including workplace safety risks, environmental emissions, and regulatory compliance. The policy fulfils the requirements of ISO 14001 Environmental Management System (EMS) and ISO 45001 Occupational health and safety management system. Monitoring processes include regular audits, safety performance assessments, and proactive risk management, ensuring continuous improvement in SHE performance. The policy is supported by an internal Group SHE manual, which describes responsibilities, processes and procedures. The SHE policy is communicated to all employees and people working directly with ROCKWOOL, including contract workers, and is available for all interested parties on the ROCKWOOL Group website.	The SHE policy covers all ROCKWOOL operations globally. Key affected stakeholder groups are own employees, contractors and local communities, ensuring a thorough approach to safety, health, and environment management throughout our operations.	Group Management leads our strategic approach to safety and health of our workforce. Group Safety, Health and Environmental supports the implementation of policies and compliance with defined standards. Managing and Technical Directors are responsible for the implementation and daily management of the SHE policy and manual. Regular reporting on SHE performance is made to the CEO and Board of Directors.
ROCKWOOL Occupational health and safety and environment management system certification	The Group manual sets Group Mandatory Minimum Requirements (MMR) by which all ROCKWOOL facilities should operate. In our facilities, 45 percent are externally certified according to ISO 45001 or 74 percent to ISO 14001, which contribute to improving the safety and wellbeing of the workforce on ROCKWOOL premises and mitigates risks arising from working with machinery, chemicals and raw materials.	All of ROCKWOOL's workforce – employees, contractors – are covered by the Group health and safety management system.	Group Management promotes the manual. The manual and all MMRs are made in cooperation with the Global SHE organisation and approved by management.

In 2024, investments amounting to 9 MEUR were dedicated to occupational health and safety of the factory workforce. Most of these investments relate to factories and/or production lines, machinery safety upgrades, building and surrounding improvements, fire safety improvements, dust and noise reduction and maintenance, which all have a positive impact on working conditions.

Identification of actions and responses to actual and potential negative impacts in health and safety of own workforce is organised through the following channels:

- Daily reporting of any observation, suggestion, or event related to health and safety is done through the RockSHE platform, which is available on PC and mobile phone to any ROCKWOOL employee;
- For employees who do not have access to RockSHE, the shift leader or Trusted Person at factory level is always available;
- Safety engagement: In ROCKWOOL's annual employee engagement survey ‘RockPulse’, four safety related questions were included. The response rate was 85 percent in 2024. Details from the survey are provided in the ROCKWOOL House of Safety reports that are published internally each year.

[S1-2] Processes for engaging with own workers and workers’ representatives about impacts

One of the main ways in which we listen to employees is through the annual engagement survey RockPulse. In 2024, 85 percent of more than 12,000 employees responded and shared their views on employee satisfaction, loyalty, views of their immediate manager and senior management, cooperation among colleagues, and working conditions. Employee loyalty, satisfaction and motivation increased slightly in 2024 compared to 2023. The top three drivers for satisfaction and motivation remained the same as 2023: reputation, job content, and working conditions.

Another notable score is the Group’s total employee Net Promoter Score (eNPS), which reflects whether employees are satisfied and loyal to their workplace and the extent to which employees would recommend ROCKWOOL as a good place to work. In 2024, ROCKWOOL's eNPS score has increased by four points compared to 2023.

We also engage with the workforce via workplace assessments conducted in different countries, annual meetings with employee representatives through the ROCKWOOL European Forum, meetings with representatives of trade unions throughout the year, the company whistleblower platform, and semi-annual and annual employee performance reviews.

In terms of health and safety, we hold bi-annual face-to-face meetings and three to four annual, online meetings with all Safety Officers and Fire Officers. We conduct safety, health and environment audits at all factories at least every third year.

It is ROCKWOOL's policy to focus on leadership, training, knowledge-sharing and awareness programmes to create a culture of continuous improvement. To engage the workforce, especially on impacts and risks linked to occupational health and safety, each Managing Director must establish a consultation and participation process with workers (e.g. via a Health and Safety Committee) so a two-way (bottom-up) communication is ensured. The implementation of this is verified in the SHE audits.

[S1-3] Processes to remediate negative impacts and channels for own workers to raise concerns

Through the Human Rights Policy, the SHE policy and operational manuals, we are committed to remedy any direct impacts related to material impacts, risks and opportunities. This applies especially to occupational health and safety and salient human rights risks.

In practice, whenever a non-compliance event or suspicion is reported via one of the governance channels, a thorough investigation takes place. Reports on the events or suspicions are presented to the Integrity Committee and, when appropriate, to other administrative, management or supervisory bodies. Based on the outcomes from the report and on the scale of the issue, a proportionate remedy is proposed, accepted, implemented, tracked and monitored by the Integrity Committee. On a quarterly basis, the Board of Directors receives a report on this from the Integrity Committee.

ROCKWOOL provides a range of grievance mechanisms and reporting channels for employees to raise concerns, report suspicions or confirmations. The most common channels used are the whistleblower platform and through the Integrity Committee. We regularly inform employees that these are available and how they can be accessed. These resources are further described in the chapter on Business Conduct (p. 119).

Regarding health and safety, we document all incidents and audit findings in the RockSHE system. Here, everyone can report incidents including good catches, near misses and accidents. All reports are followed up and the outcome is shared with the person raising the report.

[S1-4] Taking action on material impacts on own workforce, and approaches to mitigating material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions.

In 2024, health and safety actions were focused around three themes:

1. Strategic approach

- In 2024, we announced a new global framework to mitigate risks, prevent and decrease health and safety incidents known as ‘ROCKWOOL House of Safety’. With this framework, we established a ‘Vision Zero’ method that enables us to proactively use incident data to prevent accidents. ROCKWOOL House of Safety sets a new, data-driven methodology for evaluating the level of safety and supports the enforcement of preventive improvements where needed the most.

2. External verification of ISO 45001 certification in stone wool factories

- In 2024, 17 stone wool factories (45 percent of all factories) passed the external verification of this ISO standard dedicated to health and safety topics.

3. Prevention: education, awareness and best practices exchange

- Prevention through safety visits: As part of ROCKWOOL House of Safety, seven factories with an increased rate of incidents compared to the year before or with a serious incident, were selected for additional focus in 2024. Assessment meetings were held to take a fresh look at the safety work, discuss best practices, update SHE processes and set targets to improve safety performance. The targets are documented and followed up on in the internal RockSHE reporting system and reported to Group Management.
- Group Safety Day: In April 2024, we celebrated annual global safety day for the ROCKWOOL Group. On this day, we highlighted relevant safety issues, conducted training sessions, and gave recognition to the work dedicated to raising the standards of health and safety. This year, we focused on launching the ROCKWOOL House of Safety framework through intranet stories, videos and training for safety officers.
- In the event of a fatality or serious accident, a thorough investigation is carried out, and actions are distributed to all relevant sites and management levels. Action implementation is tracked and communicated to top management.
- Own workforce health and safety topics are on the agenda of top management meetings, for example the Group Leadership Forum and Board of Directors meetings, and town hall meetings with employees.

Next steps

We plan to continue implementing the ROCKWOOL House of Safety framework, which was launched in April 2024. We will focus on improving safety performance at key factories by ensuring each factory has a tailored action plan. In addition, we are developing Group-wide safety tools that leverage best practices from ROCKWOOL sites and integrate data-based data-based incident insights. Lastly, we are rolling out global safety culture training, building on a pilot programme deployed in Nordic entities in 2024.

Human rights

Stone wool factories use contract workers to adapt to changes in the needed production capacity. Some of these workers are employed by local employment agencies. For factories located outside of Europe, local regulations may differ from EU standards. We have a high impact on ROCKWOOL's workforce and require business partners to comply with the Human Rights Policy. ROCKWOOL's objective is to address the following salient human rights risks in own workforce: working conditions, health and safety as well as counteracting any occurrence of child and/or forced labour.

[S1-1] Policies related to human rights

The ROCKWOOL Code of Conduct (see p. 118) is the foundation of ROCKWOOL's approach to human rights. The principles it embodies are applied in everyday business activities, including management of human capital and gender equity. In addition to the Code of Conduct, we have adopted the following policies to manage human rights risks in ROCKWOOL's operations:

[S1-1] Policies related to human rights

Group policy	Description	Scope	Accountability
ROCKWOOL Human Rights Policy	ROCKWOOL is committed to respect all internationally recognised human rights as proclaimed in the International Bill of Human Rights, including the United Nations Universal Declaration of Human Rights as well as the 11 fundamental Conventions of the International Labour Organisation (ILO) and the ILO Declaration on Fundamental Principles and Rights at Work. We also endorse and follow the UN Guiding Principles on Business and Human Rights (UNGPs) and the OECD Guidelines for Multinational Enterprises. ROCKWOOL's policy refers to the following impacts and salient human rights risks assessed in the double materiality assessment: non-discrimination, incl. when referring to gender, working conditions, safe and healthy workplace, as well as counteracting child and forced labour. It explicitly commits ROCKWOOL to have a meaningful dialogue with potentially affected groups and other relevant stakeholders to prevent or mitigate impacts as well as to provide remedy for any direct impacts we cause or contribute to. Ensuring compliance with the policy is supported through regular risk assessments, internal audits, and stakeholder engagement, allowing ROCKWOOL to address any human rights violations or concerns proactively. We regularly report on human rights issues, and the Integrity Committee plays a key role in monitoring adherence to the policy.	The policy covers ROCKWOOL's own operations as well as suppliers and business partners. It covers all geographical regions where we operate. Key stakeholder groups affected by the policy include employees, contract workers, local communities, and supply chain workers.	Group Management is responsible for the Human Rights Policy while Managing Directors are responsible for the implementation of this policy supported by the Human Resources organisation.
ROCKWOOL Human Rights Manuals	The ROCKWOOL Human Rights Policy is supported by two manuals: (1) "Group Human Rights Manual referring to Forced and Child Labour" for general purposes and (2) "Group Human Rights Manual - Forced and Child Labour - contingent workers". The latter includes check lists, provisions, guidelines and mandatory procedures when working with contract workers. Both manuals manage the most significant issues and set mandatory provisions regarding the employment process and adaptation of processes to prevent future adverse impacts. This includes criteria and documentation of the age of the contract worker and employment conditions such as limits of working hours per week, living wage, rest periods, annual holidays, statutory taxes and social security, minimum criteria for accommodation or housing, termination of the contract, grievance mechanism and remedy. ROCKWOOL's "Group Human Rights Manual - Forced and Child Labour - contingent workers" state zero tolerance for human trafficking and violations of human rights.	The scope of these two manuals is the same as the scope of Group Human Rights Policy.	The Group Sustainability Sourcing Manager and Managing Directors are primarily responsible for the implementation of the two manuals.

[S1-4] Organisational and financial resources related to human rights:

1. Human Rights Committee

Since late 2023, ROCKWOOL has a Human Rights Committee consisting of two members of Group Management and the CHRO. The Committee meets formally four times a year and its role is to approve, implement, promote and sponsor policies, manuals, evaluate risks assessments and action plans that continuously uphold the due diligence process in relations to human rights.

2. Internal human rights experts and Human Rights Working Group

Besides having two in-house human rights subject matter experts in Group Public Affairs, an internal Human Rights Working Group was appointed in 2024. This working group meets formally at least four times a year, while maintaining regular contact on an ongoing basis. The 12 members are ROCKWOOL employees from different countries, backgrounds, experiences and Group disciplines. Their task is to draft and update Group policies and manuals and execute an inclusive dialogue with internal stakeholders on human rights-related issues. All corporate documents and plans in relation to human rights are presented to Directors of Human Resources and to Group Management for further review, acceptance and implementation.

[S1-4] Taking action on material impacts on own workforce, and approaches to mitigating material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions.

In 2024, in relation to human rights, actions were focused around the following three themes:

1. Anchoring ROCKWOOL Human Rights Policy across the company

- In 2024, we created two human rights manuals for internal use to assure proper implementation of prevention measures with reference to own workforce. The manuals address counteracting forced and child labour especially among the most vulnerable group in ROCKWOOL's workforce: contractor workers. After the internal publication of the Manual on forced and child labour, we have learned that the communication and implication can be challenging due to the diverse cultural and workplace related circumstances. We therefore launched internal training sessions for Group and Regional HR teams as well as for HR community and Business Partners on the implementation of the Manual's provisions.

  We also launched an internal human rights and social impact awareness raising campaign targeted directly at stone wool factory Technical Directors, Occupational Health and Safety Managers, Factory Managers, Finance Directors, local HR teams and Public Affairs and Sustainability Directors. The campaign covers ROCKWOOL sales offices, all stone wool factories, and the Group Sourcing and Procurement team. This will last until September 2025. The goal is to anchor the Group Human Rights Policy along with internal Manuals. The campaign consists of offline and online training.

2. Onboarding Group Sourcing and Procurement function on sustainability, including human rights due diligence

- In 2024, the Group Sustainable Sourcing Manager and the Group Sustainability Partner were made responsible for human rights due diligence in the supply chain, focusing primarily on suppliers from high-risk countries and sectors.
- ROCKWOOL continued the awareness raising process launched in 2023 regarding human rights in the supply chain. We strive for 100 percent of ROCKWOOL purchasing Category Managers and Directors to go through a dedicated training on human rights. In 2024, Category Managers and Directors went through the ROCKWOOL awareness session on human rights in the supply chain.
- Supply Chain Risk Monitoring:
  Based on ROCKWOOL's internal Sustainability Sourcing Manual, we perform sustainability risk assessments, including human rights, and monitor suppliers from high-risk categories through a real time cloud-based sustainability risk management tool. In 2024, we monitored more than 1,000 suppliers from high-risk categories.

3. Internal human rights risk assessments and internal audits

- In 2024, an internal human rights risks assessment focused on non-discrimination with priority for the three following traits: gender, nationality and disability. It was carried out in order to monitor the actions taken to prevent discrimination. The criteria were that this group includes newcomers, direct and indirect employees as to involve affected stakeholders into the assessment process and evaluate the effectiveness of actions to prevent discrimination.

  Based on a risk assessment of entities, the factory in the Netherlands was selected for a more in-depth analysis. While the final report confirmed a general good understanding of this topic, continuous awareness raising sessions are needed.

  Overall, the information gathered on the HR processes and day-to-day interactions has shown that there is generally a good awareness of the phenomena of discrimination and harassment, mainly with respect to indirect employees, including the HR team. There were also cases mentioned by interviewed employees related to discrimination. These are limited to "inappropriate" behaviours (e.g. harassment) that were witnessed in the production area and between employees.

- Human rights topics were also added to regular Group internal audits in the beginning of 2024. The Group Internal Audit team executed seven audits covering five stone wool factories and two administrative and/or commercial offices. The Group Internal Audit team focused controlling processes around two social topics: (1) Own workforce working hours where compliance with local working regulations and/or ILO principles, rest periods – based on time attendance system and paid overtime – were verified. The second group of audited topics (2) referred to the salary level of ROCKWOOL's own workforce.

[S1-1] Policies related to gender equity

Group policy	Description	Scope	Accountability
ROCKWOOL Diversity, Equity and Inclusion (DEI) policy	The objective of ROCKWOOL DEI policy is to foster an inclusive culture where all employees feel respected and empowered, ensure equal opportunities for career development, and address any form of discrimination. This includes visible and invisible, innate and acquired characteristics, such as age, gender, race, colour, disability, religion, sexual orientation, political opinion, social origin, or other. Additionally, we consider the preferences and needs of employees with different perspectives, including those from vulnerable groups, ensuring that everyone feels valued and supported. Monitoring is conducted through regular employee surveys, diversity metrics, and DEI performance evaluations to ensure continuous progress.	The DEI policy applies to ROCKWOOL's own employees across all global operations. The policy also influences interactions with partners, suppliers, and contractors to promote inclusive practices across the broader value chain.	Group Management promotes the DEI policy. Managing Directors together with Human Resources teams are responsible for implementing this policy.
ROCKWOOL Recruitment Policy	The objective of ROCKWOOL Recruitment Policy is to ensure: ▪ A diverse resource pool to strengthen the organisation and future talent pipeline; ▪ That we attract and recruit people who have the right skill sets, potential and aspiration; ▪ Objectivity, fairness, consistency and transparency in sourcing, recruitment and selection of candidates; ▪ Constant development of best practices within the global recruitment processes to be efficient and effective, free of bias and discrimination. All countries where ROCKWOOL has operations must have a local guideline in place on the hiring of 'Students' based on agreed global principles. Reference is also made to the employment of relatives policy and the Diversity statement on the corporate web page.	The policy applies to all internal and external recruitment activities and for all levels and functions within the company.	The recruitment policy and complementing manuals and/or guidelines are the responsibility of the CHRO to secure a consistent and transparent approach to sourcing, recruitment and selection across the Group.

Gender equity

ROCKWOOL has a long-standing commitment to equal access to resources and opportunities for all employees. One of the three material sustainability topics identified in own workforce is gender equity, including gender pay gap, which forms part of the human rights discussion. As an employer, we have impact on the gender breakdown of ROCKWOOL's workforce. The way we manage human capital, through such KPIs as employee engagement, gender equity or rotation, mitigates risks such as labour unrest, degradation of employer's reputation, limited access to talent pool or low productivity. We see diversity and inclusion as a key strength and a resource, and we have made gender equity central to ROCKWOOL's overall human rights efforts.

[MDR-A] Organisational and financial resources related to gender equity

1. Internal human rights experts, compliance and HR team

ROCKWOOL has allocated dedicated in-house cross-functional experts in Group Public Affairs and HR teams to work on and advance gender and DEI-related topics.

2. Pay review

Ensuring equal pay for the same job, regardless of gender, is fundamental to ROCKWOOL. This is achieved through well-defined and fixed salary levels across all job categories. In 2024, to maintain pay equality, we compared salary levels between men and women within comparable job grades. Going forward, comparisons will be conducted on a quarterly basis.

[S1-4] Taking action on material impacts on own workforce, and approaches to mitigating material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions

In 2024, actions on gender equity and the gender pay gap in ROCKWOOL's own workforce were focused around two themes:

1. Empowering people through development

- We support employees in developing their talents and in advancing in their careers. ROCKWOOL has a one-year programme for talents globally to prepare them for future leadership roles and an 18-month development programme targeting leaders in operations. In ROCKWOOL's talent development programmes, we pay attention to the gender distribution of participants, ensuring that female talents have access to these opportunities, allowing them to grow and rise in ROCKWOOL. In the 2024 talent programme, 17 people participated, where 41 percent were women.

2. Diverse hiring

- In 2024, the proportion of women among new hires for executive and middle manager positions remained stable (32 percent), compared to 2023.

Metrics and accounting policies

[S1-5] Targets related to health and safety

Every year, ROCKWOOL's target is to have zero fatalities and serious incidents with a continuous focus on reducing the Lost Time Incident (LTI) rate. In 2024, we had one fatality and six more work-related incidents compared to 2023, which led to an increase of the LTI rate to 2.7 compared to 2.5 in 2023. The increased number of LTIs were concentrated at a few stone wool factories, to which special attention will be allocated in 2025.

[S1-5] Targets related to human rights

To ensure a strong management of human rights-related issues, ROCKWOOL's goals, linked to the DEI policy, are the following:

- By September 2025, 100 percent of stone wool factory managers, technical directors, occupational health and safety managers and local HR teams pass the training on human rights risks and due diligence mechanism;
- By March 2025, 100 percent of the HR organisation pass the training covering the Manuals on counteracting forced and/or child labour.

[S1-5] Targets related gender equity

- ROCKWOOL has established an ongoing annual voluntary target of 35 percent female leaders in senior and middle management positions. In 2024, ROCKWOOL made slight progress, achieving a one percentage point increase from 2023 to 28 percent, driven by more female leaders in Canada, Malaysia, the Netherlands and Poland.
- ROCKWOOL has set a voluntary target of 33 percent of female shareholder-elected Board members by 2024. For the composition of the Board of Directors, please see pp. 34-36.
- Currently, due to the need for data collection system refinement, we do not have a target related to gender pay gap. In 2024, the unadjusted pay ratio between genders for employees was 1.6 percent.

[S1-6] Characteristics of the undertaking's employees

2024 ROCKWOOL employees in headcount breakdown per gender, contract type and region and/or country. ROCKWOOL does not have any non-guaranteed hours employees.

	Number of permanent employees					Number of temporary employees					All employees				
	Male	Female	Non-binary	Other or gender not disclosed	**Total**	Male	Female	Non-binary	Other or gender not disclosed	**Total**	Male	Female	Non-binary	Other or gender not disclosed	**Total**
Germany	1,120	160	-	-	**1,280**	79	18	-	-	**97**	1,199	178	-	-	**1,377**
Other countries in Western Europe	3,648	929	-	7	**4,584**	190	60	-	4	**254**	3,838	989	-	11	**4,838**
Western Europe	**4,768**	**1,089**	**-**	**7**	**5,864**	**269**	**78**	**-**	**4**	**351**	**5,037**	**1,167**	**-**	**11**	**6,215**
Poland	1,482	487	-	7	**1,976**	44	35	-	4	**83**	1,526	522	-	11	**2,059**
Other countries in Eastern Europe and Russia	1,524	377	-	24	**1,925**	32	15	-	1	**48**	1,556	392	-	25	**1,973**
Eastern Europe and Russia	**3,006**	**864**	**-**	**31**	**3,901**	**76**	**50**	**-**	**5**	**131**	**3,082**	**914**	**-**	**36**	**4,032**
North America	**1,138**	**298**	**-**	**-**	**1,436**	**10**	**6**	**-**	**-**	**16**	**1,148**	**304**	**-**	**-**	**1,452**
Asia and others	**863**	**236**	**-**	**6**	**1,105**	**63**	**5**	**1**	**-**	**69**	**926**	**241**	**1**	**6**	**1,174**
Total	**9,775**	**2,487**	**-**	**44**	**12,306**	**418**	**139**	**1**	**9**	**567**	**10,193**	**2,626**	**1**	**53**	**12,873**

Accounting policies

Headcount includes the total number of employees, regardless of full-time or part-time status. Employee data in characteristics of the undertaking employees is calculated based on all headcounts as of the reporting date, broken down by country, gender, contract type and turnover calculations.

Full time equivalent (FTE) represent an employee's contractual hours as a percentage of a full-time contract for the same positions and country. FTE is reported in the consolidated financial statement, p. 10. The average FTE (p. 135) calculated across each legal entity as a monthly average over the year, based on month-end measurements. The headcount and FTE includes both permanent and temporary employees on local payroll, as well as inactive employees on sick leave or parental leave.

Gender data is based on headcount, with no use of estimates. In ROCKWOOL, employees have the option to choose a gender category that aligns with their identity. The available choices are: man, woman, non-binary, other, or choose not to disclose. Permanent employees have open-ended contracts, while temporary employees have contracts with defined start and end dates, with possible extensions. Employee data is centrally managed per GDPR guidelines and covers all employees, also the entities not in Human Capital Management (HCM) system, as this have been collected manually.

Most production employees are classified as Direct (blue-collar), while sales and administrative staff are Indirect (white-collar).

Employee turnover reflects the number of employees who left ROCKWOOL during the year. Total turnover includes all terminations (voluntary, involuntary, mutual, retirements, and death in service) for both permanent and temporary contracts. Turnover is calculated as the total number of employees who have left the company divided by the average headcount for the year. Terminations are counted starting from the month the employee leaves ROCKWOOL.

Employee turnover rate	**2024**
Employees who have left ROCKWOOL	1,471
Employee turnover rate total	12%

[S1-14] Health and safety metrics

Performance of health and safety management system among own workforce (head count):

	2024	2023	Targets
Own workforce (own employees and contractors):			
Number of fatalities	1	-	Zero fatalities
Number of serious accidents	1	2	Zero serious accidents
Frequency of LTI – employees and contractors (No./per million hours worked)	2.7	2.5	Continuous improvement
Annual improvement in LTI frequency (%)	-8	10	
Employees:			
Number of fatalities	-	-	Zero fatalities
Number of work-related incidents	57	53	Continuous improvement
Number of recordable work-related ill health incidents	1	-	Continuous improvement
Number of days lost to work-related injuries and fatalities from work-related incidents, work-related ill health and fatalities from ill health	2,754	-	
LTI (Lost Time Incident)	2.8	2.6	
Contractors:			
Number of fatalities	1	-	Zero fatalities
Number of work-related incidents including fatalities	12	9	Continuous improvement

Accounting policies

All locations are covered by ROCKWOOL's **health and safety management system**. To manage safety and related risks effectively, we categorise contractors into permanent contractors and occasional contractors. **Permanent contractors** are individuals with long-term duties for or on behalf of ROCKWOOL. **Occasional contractors** are those performing short-term work, such as on-site maintenance. For both contractor types, a method statement is required, with specified safety precautions and supervision measures in place.

Incidents involving both permanent and occasional contractors are recorded and included in the Group Lost Time Incident (LTI) rate. While incidents involving external visitors are not included in the Group LTI rate, they are recorded and investigated.

Reported **fatalities** are work incidents that result in the death of employees or contractors.

Serious accidents are injuries resulting in loss of body parts or injuries with risk of invalidity for employees or contractors.

Work-related ill health refers to any condition rising from workplace exposure to physical, chemical, or biological agents that disrupts normal physiological functions, impairing the worker's health. This includes occupational diseases recognised by local authorities. The metric is measured as the number of cases of work-related ill health, irrespective of duration and recognised by the authorities.

Work-related incidents are incidents that occur in connection with work on ROCKWOOL premises (factories, offices etc.), during travelling, visiting building sites or otherwise working for ROCKWOOL Group. Incidents cover fatalities, serious accidents and LTI.

All fatalities, serious accidents, work-related ill health and work-related incidents are registered and investigated within the system used for tracking LTI.

The **LTI** rate is calculated as the total LTI per one million working hours. An LTI is defined as an incident that prevents an employee from performing any regular work on any calendar day following the incident. In accordance with CSRD, the number of fatalities is included in the LTI count and LTI rate.

The number of days lost for employees due to LTI are tracked in the safety management system, with fatalities set at 180 days lost as per U.S. Occupational Safety and Health Administration guidance.

Frequency of LTI for own workforce for 2023 was restated from 2.4 to 2.5, and the 2023 annual improvement hereof was restated from 14 percent to 10 percent. The restatement was due to three unreported LTI that first came to ROCKWOOL's attention in April 2024.

Working hours for ROCKWOOL employees are calculated based on payroll data, or in some cases other systems, and reflect total actual hours worked. For safety and working environment reporting, contractors are considered as employees and included in the numbers. Contractor working hours are calculated using actual hours logged on-site or as specified in tender documents.

[S1-16] Remuneration metrics (pay gap and total remuneration)

ROCKWOOL workplace gender diversity metrics:

	Goal	2024	2023
Percentage of female shareholder-elected Board members	33%	40%	33%
Percentage of females in Group Management	-	13%	13%
Percentage of female leaders in executive and middle management positions	35%	28%	27%
Share of female in new hires for middle manager positions	-	32%	32%

Gender Pay Gap contextual information:

The reported pay gap of Direct and Indirect employees reflects the consequence of not considering objective factors. The majority of Direct employees are part of collective agreements, which by nature have no pay gap between genders. For Indirect employees, objective factors such as different responsibilities, work experience, type of work, and assigned grades is not considered in the calculated total pay gap. When considering these objective factors, the calculated pay gap for Indirect employees would be 2.5 percent.

Gender Pay Gap in %:	2024
All employees (direct and indirect)	1.6%

Annual total remuneration ratio:	2024
Total remuneration ratio (Indirect)	34

Accounting policies

The gender pay gap is calculated as the difference in average pay of men compared to the average pay of women, without considering country, responsibilities and work experience, and covers both Indirect and Direct employees. The data used for Direct employees is based on 13 factory locations. For Indirect employees, data from ROCKWOOL's Human Capital Management (HCM) system have been used. In total, 80 percent of employees are represented. The gross hourly wage includes both short- and long-term incentives for Indirect employees. Guaranteed shift premiums for Direct employees are included. Overtime, pension and other variable components have not been included.

The remuneration ratio represents the ratio of the highest-paid individual's remuneration to the median annual total remuneration of Indirect employees (excluding the highest-paid individual). This ratio is calculated by comparing the CEO's remuneration - including fixed salary, short- and long-term incentives (share-based payments at grant value) - to the median annual total remuneration of only the Indirect employees. Direct employees are not included in this calculation as the required data is currently not centrally available. An initiative will be started in 2025 to rectify the data limitations.

Critical estimates and judgements

Due to data limitations, the gender pay gap is calculated based on Indirect and Direct employee data from 13 factories. This data covers 80 percent of the employees in the Group. It is Management's judgement that this constitutes a good representation of the gender pay gap for the Group. The pay data used for the calculation pertains to contractual salary amounts for a 12-month rolling period ending in September 2024. Overtime, pension and other variable components have not been included. It is Management's assessment that this does not have a significant impact on the pay gap, as pension often is dependent on regulations or other local guidelines applicable for all employees in the same category.

The remuneration ratio is calculated based on remuneration data covering Indirect employees, but excluding Direct employees due to data limitations. It is Management's assessment that if the Direct employees were included, the ratio would be higher.

S3 Affected communities

We are a global company, while our business is local. We produce close to customers, and we buy products and hire services in the communities where we operate.

[SBM-2, SBM-3] Interests and views of stakeholders and impacts, risks and opportunities

With 42 factories in 23 countries, we are a global company, while our business is local. By this we mean that we produce close to customers and buy products and hire services in the communities where we operate. ROCKWOOL generates employment, invests, pays taxes, and provides business for local companies directly within communities where we manufacture. All factories operate within regulations set by the country in which they are located to safeguard employees, contractors, local populations and the environment. These arrangements are subject to robust internal verification processes with consequences in the event of non-compliance. However, industrial activity in general and the association with chemicals and air emissions can raise concerns from local stakeholders.

Material impacts, risks and/or opportunities	Classification	Time horizon	Location in value chain	Description and interaction with business model and /or strategy
Business opportunities for local small and medium enterprises	Positive impacts and opportunities	Short- and medium-term	OO	ROCKWOOL generates employment, investment, tax revenues, and business opportunities for suppliers of goods and services within communities where we are located
Local communities' concern about air emissions and the use of chemicals	Negative impacts and risk	Short- and medium-term	OO	ROCKWOOL's production process generates air emissions and requires the use of chemicals. Some of these emissions and chemicals can, in high concentrations, have health impacts Mitigation: All factories operate within regulations set by the country in which they are located as well as comply with ROCKWOOL's Mandatory Minimum Requirements to safeguard employees, contractors, local populations and the environment

[S3-1] Policies related to affected communities

Building and operating a stone wool factory is a long-term investment for ROCKWOOL's business, employees and for the communities in which we operate. To ensure we suitably consider and engage with local communities, we have developed an internal Community Engagement Manual. Additionally, ROCKWOOL's commitment to uphold human rights and engage with communities is outlined in the Human Rights policy and Code of Conduct for Suppliers (see S1 Own workforce, indicator S1-1).

[S3-2] Processes for engaging with affected communities about impacts

ROCKWOOL's responsibility is to ensure effective communication by engaging in timely, meaningful, and ongoing two-way dialogue with all relevant stakeholders regarding ROCKWOOL's impacts - from employment, local taxes and business for local communities to addressing environmental and health concerns that community members may have. The Community Engagement Manual is a tool intended for use at all factories to support effective communication with local communities.

Besides year-round, continuous contact and cooperation with representatives of local communities, which includes a community feedback mechanism, for greenfield or major retrofit planning, ROCKWOOL's Community Engagement Manual obliges stone wool factories to conduct community and stakeholder due diligence as early as practically possible.

Group policy	Description	Scope	Accountability
Community Engagement Manual	This Manual is an internal document, aligned with the UN Guiding Principles on Business and Human Rights, the OECD Guidelines for Multinational Enterprises and the International Finance Corporation "Stakeholder Engagement - A good practice handbook". The purpose of this manual is to expand positive contribution to local communities and avoid or minimise negative impacts of ROCKWOOL operations on local communities. The manual sets out a five-step approach to community engagement and includes practical tools including external agency evaluation, a project risk assessment scorecard, and stakeholder mapping. The objective is to ensure a two-way dialogue with local communities covering the multiple phases of a factory's existence, from the planning and pre-investment stages through to construction and full operation. The purpose of this manual is to set common ROCKWOOL principles for any factory to ensure effective communication by engaging in timely, meaningful, and ongoing two-way dialogue with all relevant and potentially impacted stakeholders regarding the benefits we bring, while also addressing any concerns about projects that community members may have.	The manual applies to all stone wool factories and outlines how ROCKWOOL production facilities should engage with local communities and presents several practical tools and guidelines.	Group Management is responsible for promotion of ROCKWOOL Community Engagement Manual, while regional Managing Directors are responsible for implementation and execution regarding community and social due diligence.

Regional Managing Directors, with support from local Public Affairs and Sustainability Directors, have the operational responsibility for implementing the Community Engagement Manual and ensuring that this engagement happens. The Member of the Group Management responsible for Marketing, Communication and Public Affairs, supported by Group VP Communications and Group Director of Public Affairs, is responsible for the principles set out in the Manual and for its communication across ROCKWOOL Group.

ROCKWOOL uses official correspondence and our network of local community engagement practitioners to actively stay updated, to track and respond to questions, complaints and feedback from members of affected communities. In 2024, we focused efforts on three projects – on the existing stone wool factory in Roermond in the Netherlands and on the two new electric stone wool factories planned in the United States and the UK. Both social and environmental topics were part of the two-way dialogue with local communities.

[S3-3] Processes to remediate negative impacts and channels for affected communities to raise concerns

We use the following communication channels and processes to engage with local communities:

- Regular correspondence and meetings throughout the year with representatives from local communities in connection with greenfield and brownfield projects, decarbonisation projects (e.g. Flumroc) and larger expansions and/or retrofits of existing factories;
- ROCKWOOL's whistleblower platform is available to all external stakeholders, including local communities in all languages of countries where ROCKWOOL has business entities. The whistleblowing platform is accessible from the corporate website. For more information on the whistleblower platform and how we protect those raising concerns against retaliation, see section G1 on business conduct.

[S3-4] Taking action on material impacts on affected communities, and approaches to managing material risks and pursuing material opportunities related to affected communities, and effectiveness of those actions

We aim to construct factories with minimal negative impact on communities. In 2024, among others, actions focused on the following initiatives:

1. Reduced ammonia emissions at the factory in Roermond, the Netherlands

Thanks to an improved binder technology to be implemented in the Rockfon production line by 2026-2027, ammonia emissions will be significantly reduced. This technology will cut ammonia emissions by approximately 70 percent at the product level, reducing the factory total ammonia emissions by about 10 percent, based on a reference calculation made in 2024, with assumption of full production capacity of the factory with the current production mix. This initiative is part of broader efforts to lessen the environmental footprint of the factory in Roermond. The complex introduction of this technology requires significant investments and is supported by the Ministry of Climate and Green Growth and the Dutch province of Limburg.

2. Community engagement in Peddimore (outskirts of Birmingham), England where a ROCKWOOL electric state-of-the-art stone wool factory is expected to create quality jobs and supply chain opportunities and start operations by end of 2029

In 2024, we conducted two local open houses and contacted a range of local representatives and statutory consultees, engaged with more than 2,000 direct points of contact during the consultation period, which resulted in 28 publications related to the new factory. Concerns included over-development, traffic impact, emissions, visual impact, lighting, and local ecology. Suggestions were made for eco-friendly building practices and local job opportunities. ROCKWOOL committed to ongoing engagement and addressing specific concerns with those raising them.

3. Community engagement in Walla Walla, Washington State, United States where a ROCKWOOL electric state-of-the-art stone wool factory is expected to create quality jobs and supply chain opportunities

To introduce ROCKWOOL locally, we hosted open houses in Burbank and Walla Walla in spring 2024. Community members met ROCKWOOL leaders and learned about the planned stone wool factory in Wallula Gap Business Park, Walla Walla County. We presented ROCKWOOL's products, manufacturing processes, and commitment to environmental stewardship and local economic opportunities. Additionally, we held meetings with local, state, and federal authorities, including the local chamber of commerce, Walla Walla port representatives, and schools.

Metrics and accounting policies

[S3-5] Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities

By September 2025, 100 percent of stone wool factory managers, technical directors, safety managers, environmental managers and local HR teams will have completed training on the Community Engagement Manual and due diligence mechanism. Compared to baseline 2024: 0 percent.

S4 Consumers and end-users

We support businesses purchasing ROCKWOOL products as well as people living, working, learning, and recovering in buildings and communities where our products are used, in addressing some of today's most pressing sustainability challenges. These include energy consumption, decarbonisation, fire resilience, noise pollution, water scarcity, and flooding, while also improving health and safety.

[SBM-2, SBM-3] Interests and views of stakeholders and material impacts, risks, and opportunities

ROCKWOOL products are designed to last – both to stand the test of time themselves as well as to extend the lifespan of the structures they protect. The longevity of ROCKWOOL products ensures that their benefits can be gained for decades, leaving a lasting positive impact on the safety, health, and wellbeing of end-users. These characteristics address customers' expectations as well as drive market opportunities and generate preference for ROCKWOOL, which directly pertains to the business strategy, as presented on pp. 16-17.

Material impacts, risks and/or opportunities	Classification	Time horizon	Location in value chain	Description and interaction with business model and /or strategy
Increased safety, health and wellbeing of end-users	Positive impacts and opportunities	Short- and medium-term	D	ROCKWOOL products, including insulation, acoustic ceilings, cladding systems, horticultural solutions, and engineered fibers help address major sustainability challenges like energy consumption, fire resilience, noise pollution, water scarcity, and flooding

Health and safety of consumers & end-users

Whether it is technical or building insulation, acoustic ceilings, external cladding systems, horticultural solutions, engineered fibres for industrial use or insulation for the process industry and marine, ROCKWOOL products substantially contribute to improving health and safety for customers and end-users.

ROCKWOOL positively impacts end-users' health and safety in four areas

Fire resilience of stone wool

Stone wool is classified as a non-combustible material, which means it has minimal or zero contribution to the spread of fire. Stone wool insulation will not ignite when exposed to flames (stone wool can withstand temperature above 1,000°C) and can prevent fire from spreading to other materials. Fire-safe stone wool insulation is vital to help ensure the safety of building occupants, preventing the spread of fire and limiting its structural damage.

Less noise, greater comfort

Stone wool's thermal properties enhance the indoor comfort of homes by allowing temperatures to be controlled. And because stone wool products provide noise and vibration control, they help limit sound passing through walls as well as bouncing around in rooms, which can lead to stress and other harmful health effects. ROCKWOOL stone wool products also contribute to reducing noise and vibration in urban environments as well, including noise fences along roadways and mats under rail tracks.

Less resource use for professional greenhouse growers

Grodan's stone wool growing media is engineered to retain water, which creates ideal growing conditions in large-scale greenhouses as well as indoor and vertical farms. The substrate is used for many growing purposes, such as tomatoes, peppers, flowers, berries, and medicinal crops. Farmers using Controlled Environment Agriculture (CEA) can increase yields while using less water, land and fertilizer. What's more, with Grodan, they have the possibility to reduce or even eliminate chemicals to protect crops.

Water repellent, better air quality and lighting

ROCKWOOL insulation and Rockpanel façade cladding are water repellent and vapour permeable, which means they do not trap moisture, which helps prevent rot, mould and fungal growth. In addition to dampening sound, Rockfon's acoustic ceiling panels also improve the lighting quality by balancing light reflection and diffusion, reducing common light-related symptoms like tiredness, headaches and eye fatigue.

[S4-1] Policies related to consumers and end-users

Customers and end-users are covered by ROCKWOOL's Human Rights Policy where they are referred to as "business partners and business relationships" – see section S1 on own workforce. Additionally, we ensure the products' safety for customers and end-users by adhering to REACH (Registration, Evaluation, Authorisation and Restriction of Chemicals) policy.

[S4-2] Processes for engaging with customers, consumers and end-users about impacts

Throughout the year and with the objective to incorporate perspectives of consumers and end-users of our products and those who interact with them, ROCKWOOL actively and directly engaged with these external stakeholders through the following events:

- Dedicated seminars in face-to-face and online formats;
- Education and training in reference to ROCKWOOL products in cooperation with installers, construction companies, students and universities;
- Direct day to day work and contact with customers.

In 2024, during the above events, we discussed commercial terms as well as the technical and sustainability performance and characteristics of our products. Sustainability topics included products' carbon footprint, durability and compliance with taxonomy-alignment technical criteria and DNSH (Do No Significant Harm) for such activities as construction of new buildings and renovation of existing building. The Marketing, Communication and Public Affairs Group function and regional Managing Directors supported by their team, are responsible for ensuring this continuous engagement with customers, consumers and end-users of ROCKWOOL products.

1 https://www.rockwool.com/uk/resources-and-tools/product-documentation/

Group policy	Description	Scope	Accountability
REACH policy	The purpose of the REACH policy is to ensure compliance with the demanding EU REACH (Registration, Evaluation, Authorisation, and Restriction of Chemicals) regulation and improve protection of human health and the environment from risks that can be posed by chemicals, especially by Substances of Very High Concern (SVHCs). EU REACH principles including substances registration, risk assessment and management as well as avoidance and substitution with more sustainable options, are also incorporated in other ROCKWOOL policies, manuals and Mandatory Minimum Requirements (MMR) – see section E2 Pollution. ROCKWOOL requires European suppliers and suppliers delivering to European entities to declare SVHCs in the products and chemicals supplied to us. Roles and responsibilities for ROCKWOOL entities regarding processes, communication and documentation (e.g. Safe User Instruction Sheet/Safety Data Sheet) as well as regarding REACH compliance are outlined in the REACH Compliance Manual for Process and Activities, which is an internal document. This policy applies to ROCKWOOL operations, but has impact on customers and end-user.	ROCKWOOL operations in Europe, incl. Switzerland, UK, Norway, Lichtenstein and Iceland. Thus, the policy does not cover the non-EU countries. In case of non-EU countries, sets of country-specific laws and local regulations pertaining the chemicals composition and use of products are applied.	Group Management promotes the REACH policy. Compliance and implementation are the responsibility of Group function heads and Managing Directors.

[S4-3] Processes to remediate negative impacts and channels for consumers and end-users to raise concerns

While we do not sell products directly to individual customers or end-users, we widely and precisely communicate about the products' technical performance, including environmental topics as well as health and safety aspects, on local web pages and via product documentation, which is available on 48 different local ROCKWOOL web pages in more than 20 local languages (e.g. for UK and Ireland: Download ROCKWOOL Insulation Product Documentation[1]).

ROCKWOOL's corporate website, which includes the whistleblower platform, is available to everyone on https://www.rockwool.com/group/about-us/corporate-governance/whistleblower-policy/. Commercial contacts are also available for any end-users to raise concerns. For more information on the whistleblower platform and how we protect whistleblowers against retaliation, see G1 on business conduct.

Individual customers can – in the same way as corporate customers – directly contact ROCKWOOL for technical support. Depending on the specific country, that can include contact via ROCKWOOL's website and/or calling the technical support team.

Interactive contact with corporate customers

Since 2015, we have measured corporate customer satisfaction on an annual basis using the Net Promoter Score (NPS) methodology. NPS analysis covers all ROCKWOOL product groups, related services, business relationships, communication and all key corporate customers including distributors, specifiers, architects, contractors, corporate clients like building or facility owners, installers, consultants and developers. The surveys are brief, taking ca. three minutes to complete. The surveys give customers/stakeholders an opportunity to score ROCKWOOL as well as to share their perspectives on the overall experience interacting with ROCKWOOL, including any concerns or comments they have. Moreover, we strive to increase the number of invitations sent out every year to complete these surveys. In 2024, invitations were sent to almost 67,000 customers. The response rate was 12 percent.

Tracking effectiveness, monitoring and follow-ups

The brief customer surveys are the basis of ROCKWOOL's analytical work. This analysis covers all of ROCKWOOL's global and regional operations and is executed in the second half of the year. Results from the NPS analysis are presented to Group Management for discussion and agreement on further actions. In 2024, the Group NPS score was 56.2, four points higher than the score in 2023, and 20 points above the construction industry average. NPS helps ROCKWOOL gather client feedback on product quality, with many respondents - architects, contractors, and installers - highlighting ROCKWOOL's commitment to small and medium enterprises.

[S4-4] Taking action on material impacts, and approaches to mitigating material risks and pursuing material opportunities related to affected communities, and effectiveness of these actions and approaches

Continuous product quality improvement, environmental sustainability, and ensuring the safety of ROCKWOOL products for customers and end-users are key elements of the product due diligence, reflecting ROCKWOOL's commitment to meeting customer and stakeholder expectations. Group Regulatory Affairs within Group Marketing, Communication and Public Affairs function, is responsible for monitoring topics related to consumer health and safety. In 2024, ROCKWOOL focused efforts on the following three key themes:

1. Ensuring product chemical and fire safety for customers and end-users

- ROCKWOOL's construction products are regulated under the Construction Products Regulation and other requirements such as REACH in Europe; we use a third-party for verification. In non-EU countries, country-specific laws and local regulations pertaining the chemicals composition and use of products are applied.
- ROCKWOOL's technical and building insulation products achieve the top fire performance Euroclass Reaction to Fire Classification, either A1 or A2-s1, d0.
- ROCKWOOL stone wool does not contain flame retardants and is EUCEB (European Certification Board for mineral products) certified. This is a voluntary certification scheme. Product samples from each factory are tested by independent laboratories twice a year to verify that the produced fibres are bio-soluble and fulfil the strictest requirements globally within this area[2].

2. Expanding Cradle-to-Cradle certification to new products

- In 2024, 87 percent (based on sales volumes) of Rockfon products in Europe were Cradle to Cradle Certified® at silver level. Additionally, the Futura insulation product line produced at the factory in Switzerland was Cradle to Cradle Certified® at gold level.
- Rockpanel's two most popular product ranges, Rockpanel Colours and Rockpanel Natural, received Cradle to Cradle Certification® at silver level, verifying that the products are safe, sustainable, and are supporting a circular product life cycle, contributing to a more sustainable future.

3. Supporting building certifications

- The quality of ROCKWOOL products, especially for the indoor use, is a benefit when used in building certification schemes such as LEED, WELL, BREEAM and/or to DGNB (Deutsche Gesellschaft für Nachhaltiges Bauen), and HQE (Haute Qualite Environnementale).

In 2024, no severe human rights issues connected to the consumers have been reported.

Metrics and accounting policies

[S4-5] Target related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities

Currently, we do not have specific targets. ROCKWOOL is currently assessing how to set targets compliant with CSRD related to consumers and end-users.

2 www.euceb.org

Governance information

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

16 PEACE, JUSTICE AND STRONG INSTITUTIONS

Melaka, Malaysia

G1 Business conduct

We are committed to conduct business with integrity and to ensure compliance with ethical standards and regulations across ROCKWOOL's operations.

[GOV-1, IRO-1] Governance and material impacts, risks and/or opportunities

We focus on transparency, accountability, and ethical behaviour while never compromising on compliance. We promote a strong culture of integrity through the Code of Conduct, regular training for employees, and a robust whistleblower system. By adhering to these principles, we strengthen long-term trust in business relationships.

In the double materiality assessment, protection of whistleblowers and counteracting corruption and bribery were assessed to be material. If these risks are not managed effectively, this could affect ROCKWOOL's reputation and limit commercial opportunities. The double materiality assessment confirmed that an ongoing reinforcement of these business conduct mechanisms should be maintained.

[G1-1] Business conduct policies and corporate culture in relation to anti-corruption and protection of whistleblowers

ROCKWOOL's business conduct is rooted in the four values of The ROCKWOOL Way: Ambition drives the pursuit of excellence; integrity ensures ethical decision-making; responsibility upholds accountability to stakeholders and society; efficiency guarantees the optimal use of resources.

To safeguard and strengthen integrity and ensure that business activities are conducted in an ethical manner, ROCKWOOL has among other things established an Integrity Committee.

The Integrity Committee consist of the CEO, the CFO, a member of Group Management, the CHRO, the Group General Counsel and the Group Integrity Officer, and is informed of all integrity cases and reported whistleblower cases. The Integrity Committee decides on investigation measures and takes decisions on individual cases.

Material impacts, risks and/or opportunities	Classification	Time horizon	Location in value chain	Classification, time horizons and concentration in the value chain
Anti-corruption and protection of whistleblowers	Risks	Short- and medium-term	OO	Non-compliance in anti-corruption, bribery and protection of whistleblowers could exclude ROCKWOOL from tenders and/or commercial partnerships Mitigation: Prevention through awareness-raising and training as well as continued reinforcement of these mechanisms

Reporting through whistleblower platform and protection of whistleblowers

Non-compliances with the Code of Conduct can be reported through the following communication channels for internal and external stakeholders:

- Global ROCKWOOL whistleblower platform, available on all corporate web pages both for external and internal stakeholders with the possibility to remain anonymous;
- Regular post directed to ROCKWOOL A/S, Hovedgaden 584, Entrance C, 2640 Hedehusene, Denmark (Att. Group Integrity Officer);
- ROCKWOOL employees can also report in person.

Whistleblower cases are processed electronically, and sensitive information is stored in encrypted format. The system enables anonymous dialogue with the whistleblower, where the Group Integrity Officer can ask clarifying questions or request further documentation. To ensure the anonymity of the whistleblower, this dialogue is based on their willingness to voluntarily log on to the portal.

All whistleblowing notifications are brought to the attention of the ROCKWOOL Group Integrity Officer. Depending on the nature and seriousness of the reported case, the relevant Group and/or local functions are contacted.

To support those affected and support the handling of non-compliance issues, whistleblowers are protected from any form of consequential retaliation, discriminatory or disciplinary action. This includes discharge, demotion, suspension, threats or any other kind of harassment. This is regardless of whether the identity of the whistleblower is known at the outset or becomes known during the course of the investigation. Any such retaliation against the whistleblower is considered a serious breach of the Whistleblower Policy and the Code of Conduct. Such protection shall not apply if the whistleblower is proven to have made a false or unreasonable allegation.

Group policy	Description	Scope	Accountability
The ROCKWOOL Code of Conduct	The Code of Conduct complies with the UK Bribery Act 2010 and with the UN Global Compact commitments, including with principle no. 10 "Businesses should work against corruption in all its forms, including extortion and bribery", which is derived from the UN Convention against Corruption. The following rules constitute the Code of Conduct and refer to ROCKWOOL's material sustainability topics: ▪ zero tolerance approach to fraud; ▪ anti-corruption and bribery, including Gifts and Hospitality Policy; ▪ counteract conflict of interest; ▪ compliance with national and international competition and antitrust laws; ▪ protect data privacy and data security, including confidentiality of information; ▪ counteract money laundering; ▪ respect human rights and labour rights; ▪ protect the health and safety of own workforce; ▪ strive to reduce impact on climate and environment.	Applicable for own employees and contractor workers, company-wide and in all geographies.	The Code of Conduct is promoted and monitored by the Board of Directors, while implementation and execution are the responsibility of Group Management, Managing Directors and managers.
The ROCKWOOL whistleblower public policy and internal manual	The whistleblower policy is supported by a manual, which describes how to report non-compliance in a confidential manner, how reported cases will be treated, and defines the following three types of topics that should be reported: **(1) accounting or auditing matters or irregularities of a financial nature,** legal and/or ethical nature, such as: fraud, serious deficiencies or deliberate error, breach of antitrust regulations, lack of respect of human rights, bribery or corruption; **(2) other irregularities of a general and/or operational nature,** such as serious endangerments concerning the vital interests of the ROCKWOOL Group or the life or health of individuals, environmental crimes, major deficiencies regarding security in the workplace and serious forms of discrimination or harassment e.g. in the form of sexual or other serious harassment; **(3) breaches of Union law pursuant to Directive (EU) 2019/1937 of 23 October 2019 on the protection of persons** who report breaches of Union law. The manual also describes how the investigation of matters are evaluated and processed, how whistleblowers are protected from any kind of retaliation and how reports records are kept, including deletion of data.	Covers all ROCKWOOL Group companies worldwide and is available to own workforce, suppliers, customers and third-parties in more than 45 languages on the corporate website (Whistleblower policy).	The *Whistleblower public policy* is promoted and monitored by the Board of Directors, while implementation and execution are the responsibility of Group Management, Managing Directors and managers.

[MDR-A] Actions and organisational resources allocated for anti-corruption and protection of whistleblowers

Topics related to the Code of Conduct, including anti-corruption, prevention of bribery and protection of whistleblowers, are managed by the Group Integrity Officer, who is part of Group Legal and under the responsibility of the CFO. The Group Integrity Officer's mandate, in cooperation with the Director of Business Assurance, is to anchor the Code of Conduct across the organisation, i.e. to ensure corruption is prevented and whistleblowers are protected.

The Audit Committee is informed of new and closed whistleblower cases on a quarterly basis. The Audit Committee chairperson has regular meetings with Group Business Assurance where the development of the cases are discussed. The Audit Committee chairperson has direct access to the whistleblower system.

[G1-3] Prevention and detection of corruption and bribery

In 2024, Group's key actions were focused on two actions: awareness and detection. Awareness raising was delivered by the Code of Conduct e-learning training campaign. These training sessions included such topics as Group Integrity, Code of Conduct, bribery and other improper payments, conflict of interest, human rights, including Group's Human Rights Policy, Group's DEI Policy, employee conduct, zero tolerance principle, gift and hospitality policy, what and how to report anti-corruption incidents and other breaches of the Code of Conduct. To ensure detection, that outcomes of investigations are unbiased and that investigators and the Integrity Committee are separate from the chain of management involved, these steps were followed in 2024:

- Establishment of an investigation team that is not connected with the specific case and not reporting to anyone involved in the case;
- In case the matter relates to the Group Integrity Officer, the Group General Counsel, or the Director of Business Assurance of ROCKWOOL A/S, the individual is excluded from participating in the case and any associated decision-making;
- If a matter relates to a member of Group Management, the Board of Directors are informed and involved;
- The same principles apply if the whistleblower case concerns a member of the Integrity Committee. The member is then excluded from participating in the handling and decision-making process.

2024 ROCKWOOL anti-corruption and bribery trainings coverage:

	At-risk functions (all indirect employees)	New hires (only within indirect employees)	**Total**
Training coverage:			
Total (in headcount)	4,820	336	5,156
Total receiving training (%)	98%	77%	97%
Delivery method:	e-learning	e-learning	e-learning
Classroom/face-to-face trainings	—	—	—
Duration of e-learning	35 minutes	35 minutes	
Frequency:			
How often the training is required?	Every second year	Mandatory for new hires	
Topics covered:			
Code of Conduct (conflict of interest, workplace harassment, health and safety, human rights)	✓	✓	✓
Anti-corruption, anti-bribery and Gifts and Hospitality Policy	✓	✓	✓
Whistleblowing mechanism and reporting procedures	✓	✓	✓

Metrics and accounting policies

[MDR-T] Tracking effectiveness through metrics and targets

ROCKWOOL's target is to reach 90 percent of active employees annually within the at-risks functions, with training dedicated to Code of Conduct, anti-corruption and whistleblowing mechanisms. In 2024, this target was surpassed as 97 percent of active employees received the training.

Moreover, we reached out to employees working in factories with face-to-face training to present the Code of Conduct in 2024. The purpose was to raise awareness on topics such as ROCKWOOL's values and employee conduct, human rights, harassment and discrimination as well as health and safety. In addition to these training and awareness sessions, there is an open internal communication through the ROCKWOOL intranet, including articles focused on identifying cases of Code of Conduct breaches.

Accounting policies

Training programme coverage is reported for functions-at-risk, defined as roles with tasks and responsibilities that make them susceptible to risks of corruption and bribery. At ROCKWOOL, all functions-at-risk employees registered in the human resources system are required to complete an online training program in the Group's Code of Conduct. These employees are classified as functions-at-risk due to the nature of their work responsibilities. Functions-at-risk employees consist of active employees, defined as those not on parental leave, sick leave, or other extended absences. Employees no longer with the company are not counted as having completed the training, regardless of previous participation. Data on completion rates for functions-at-risk employees are collected from Rockademy, ROCKWOOL's Learning Management System.

[G1-4] Confirmed incidents of corruption or bribery

Reported confirmed incidents refer to non-compliance cases that the Group Integrity Officer and Integrity Committee have determined to be substantiated. This determination does not require confirmation by a court of law. Confirmed incidents of corruption or bribery exclude cases that are still under investigation at the close of the reporting period.

In 2024, no convictions and no fines for violation of anticorruption and anti-bribery laws were reported and there were no public legal cases regarding corruption or bribery.

In 2024, there were two confirmed corruption incidents received through whistleblowing and other communication channels in which own workforce individuals were dismissed or disciplined. One contract with business partners was terminated or not renewed due to violations related to corruption or bribery.

Appendix

Ranson, United States

References to other EU legislations

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Description of the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process	71, 73, 78, 82, 85, 87
Disclosure of Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks	73
A description of the targets used by the organisation to manage climate-related risks and opportunities and performance against targets	71, 78, 82

Reference table with UN Sustainable Development Goals

	Page
SDG 5 Gender equality: Contributing to target 5.1 End all forms of discrimination against all women and girls everywhere	105
SDG 6 Clean water and sanitation: Contributing to target 6.4 By 2030, substantially increase water-use efficiency across all sectors and ensure sustainable withdrawals and supply of freshwater to address water scarcity and substantially reduce the number of people suffering from water scarcity	81-82
SDG 7 Affordable and clean energy: Contributing to target 7.2 By 2030, increase substantially the share of renewable energy in the global energy mix	71
SDG 8 Decent work and economic growth: Contributing to target 8.8 Protect labour rights and promote safe and secure working environments for all workers, including migrant workers, in particular women migrants, and those in precarious employment	100-101
SDG 9 Industry innovation and infrastructure: Contributing to target 9.4 By 2030, upgrade infrastructure and retrofit industries to make them sustainable, with increased resource-use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes, with all countries taking action in accordance with their respective capabilities	76, 78
SDG 11 Sustainable cities and communities: Contributing to target 11.b By 2020, substantially increase the number of cities and human settlements adopting and implementing integrated policies and plans towards inclusion, resource efficiency, mitigation and adaptation to climate change	114
SDG 12 Responsible consumption and production: Contributing to target 12.5 By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse	84-89
SDG 13 Climate action: Contributing to target 13.2 Integrate climate change measures into national policies, strategies and planning	67-68
SDG 14 Life below water: Contributing to target 14.1 By 2025, prevent and significantly reduce marine pollution of all kinds, in particular from land-based activities, including marine debris and nutrient pollution	81-82
SDG 16 Peace, justice and strong institutions: Contributing to target 16.1 Substantially reduce corruption and bribery in all their forms	119

Financial statements

Consolidated financial statements

Statements

Parent company financial statements

Production line in Marshall, United States

Statement of profit and loss

1 January – 31 December

MEUR	Note	2024	2023
Revenue	2.1	3,855	3,620
Other operating income		16	15
Operating income		**3,871**	**3,635**
Raw material costs and production material costs		1,282	1,302
Delivery costs and indirect costs		475	437
Other expenses		303	300
Employee benefits expenses	2.2	871	817
Operating costs		**2,931**	**2,856**
EBITDA		**940**	**779**
Amortisation, depreciation and impairment	3.4, 3.5	263	261
EBIT		**677**	**518**
Share of net profit of associates		1	2
Finance income	5.1	40	38
Finance expenses	5.1	22	36
Profit before tax		**696**	**522**
Tax expense	6.1	146	133
Profit for the year		**550**	**389**
Profit for the year attributable to:			
Non-controlling interests		-	-
Shareholders of ROCKWOOL A/S		550	389

EUR	Note	2024	2023
Earnings per share:	5.7		
Earnings per share of 10 DKK (1.3 EUR)		25.8	18.0
Diluted earnings per share of 10 DKK (1.3 EUR)		25.7	18.0

Statement of comprehensive income

1 January – 31 December

MEUR	Note	2024	2023
Profit for the year		**550**	**389**
Items that will not be reclassified to profit or loss:			
Actuarial gains and losses of pension obligations	3.6	-8	-10
Tax on other comprehensive income		3	3
Items that may be reclassified to profit or loss:			
Exchange differences on translation of foreign entities		9	-54
Hedging instruments, value adjustments		1	-3
Tax on other comprehensive income		-	1
Other comprehensive income		**5**	**-63**
Comprehensive income for the year		**555**	**326**
Comprehensive income for the year attributable to:			
Non-controlling interests		-	-
Shareholders of ROCKWOOL A/S		555	326

Statement of financial position

Assets – as at 31 December

MEUR	Note	2024	2023
Goodwill		136	98
Software		12	10
Customer relationships		50	23
Other intangible assets		6	8
Intangible assets under construction		9	6
Intangible assets	3.1	213	145
Land and buildings		1,019	881
Plant and machinery		820	740
Other operating equipment		38	26
Tangible assets under construction		382	432
Property, plant and equipment	3.2	2,259	2,079
Right-of-use assets	3.3	77	72
Prepayments		13	-
Investments in associates		11	11
Deposits and receivables		12	8
Deferred tax assets	6.1	62	46
Financial assets		98	65
Non-current assets		**2,647**	**2,361**
Inventories	4.1	381	375
Trade receivables	4.2, 5.2	338	337
Other receivables	5.2	57	53
Prepayments		31	30
Income tax receivable	6.1	31	44
Cash and cash equivalents	5.2, 5.3	403	354
Current assets		**1,241**	**1,193**
Total assets		**3,888**	**3,554**

Equity and liabilities – as at 31 December

MEUR	Note	2024	2023
Share capital	5.5	29	29
Foreign currency translation		-162	-171
Proposed dividend		182	125
Retained earnings		3,038	2,824
Hedging		-2	-3
Equity attributable to shareholders of ROCKWOOL A/S		**3,085**	**2,804**
Non-controlling interests		1	-
Total equity		**3,086**	**2,804**
Deferred tax liabilities	6.1	72	66
Employee benefit obligations	3.6	42	39
Lease liabilities	3.3	55	48
Provisions	3.7	20	22
Borrowings	5.2, 5.4	16	24
Non-current liabilities		**205**	**199**
Borrowings	5.2, 5.3, 5.4	23	14
Trade payables	5.2	256	241
Lease liabilities	3.3	28	29
Provisions	3.7	12	15
Income tax payable	6.1	79	41
Other payables	5.2	199	211
Current liabilities		**597**	**551**
Total liabilities		**802**	**750**
Total equity and liabilities		**3,888**	**3,554**

Statement of cash flows

Accounting policies

The consolidated statement of cash flows is compiled using the indirect method on the basis of EBIT. The statement of cash flows shows flows from operating, investing and financing activities for the year, as well as cash and cash equivalents at the beginning and at the end of the year.

Cash flows from operating activities comprises operating profit before financial items adjusted for non-cash items and changes in working capital.

Cash flows from investing activities comprise payments relating to acquisition and sale of companies, intangible and tangible assets and other asset investments.

Cash flows from financing activities comprise proceeds from borrowings, repayment of lease liabilities and debt, payment of dividends, sale and purchase of treasury shares, transactions with non-controlling interests and increases of the share capital.

Cash available includes cash less short-term bank debt.

Comments

Individual items in the statement of cash flows cannot be directly deduced from the statement of financial position.

MEUR	Note	2024	2023
EBIT		677	518
Adjustments for amortisation, depreciation and impairment	3.4	263	261
Adjustments of non-cash operating items	4.3	-15	-2
Changes in net working capital	4.3	-7	71
Cash flow from operations before financial items and tax		**918**	**848**
Interests etc. received		35	14
Interests etc. paid		-20	-34
Taxes paid		-116	-121
Cash flow from operating activities		**817**	**707**
Purchase of property, plant and equipment		-376	-321
Proceeds from sale of property, plant and equipment		8	9
Purchase of intangible assets		-11	-5
Acquisitions of subsidiaries, net of cash acquired	5.8	-74	-
Disposal of subsidiaries, net of cash disposed of		-	5
Cash flow from investing activities		**-453**	**-312**
Free cash flow		**364**	**395**
Dividend paid		-125	-101
Share buy-back programme		-149	-
Purchase of treasury shares		-3	-3
Sale of treasury shares		-	-
Repayment of lease liabilities	3.3	-29	-29
Repayment of non-current receivables		-3	-5
Proceeds from borrowings		13	1
Repayment of borrowings		-13	-101
Cash flow from financing activities		**-309**	**-238**
Net increase in cash and cash equivalents		55	157
Cash available at 1 January		353	202
Exchange rate adjustments on cash and cash equivalents		-6	-6
Cash available at 31 December	5.3	**402**	**353**
Unutilised, committed credit facilities		**600**	**600**

Statement of changes in equity

Accounting policies

Dividend is included as a liability at the time of adoption by the Annual General Meeting. Dividend that is expected to be paid for the year is shown separately in the equity.

Sale and purchase of, as well as dividends on treasury shares are recognised under retained earnings in the equity. The reserve for foreign currency translation consists of exchange rate differences that occur when translating the subsidiaries' financial statements from their functional currency into EUR.

Hedging adjustments comprise changes in the fair value of hedging transactions that qualify for recognition as cash flow hedges and where the hedged transaction has not yet been realised.

Non-controlling interests

The non-controlling interests' proportionate share of the result for the year and the equity is recognised as part of the Group's result for the year and as a separate share of the Group's equity.

	Shareholders of ROCKWOOL A/S							
MEUR	Share capital	Foreign currency translation	Proposed dividend	Retained earnings	Hedging	Total	Non-controlling interests	Total equity
Equity at 1 January 2024	**29**	**-171**	**125**	**2,824**	**-3**	**2,804**	**-**	**2,804**
Profit for the year	-	-	182	368	-	550	-	550
Actuarial gains and losses of pension obligations	-	-	-	-8	-	-8	-	-8
Hedging instruments, value adjustments	-	-	-	-	1	1	-	1
Exchange differences on translation of foreign entities	-	9	-	-	-	9	-	9
Tax on other comprehensive income	-	-	-	3	-	3	-	3
Comprehensive income for the year	-	9	182	363	1	555	-	555
Share buy-back programme	-	-	-	-149	-	-149	-	-149
Purchase of treasury shares	-	-	-	-3	-	-3	-	-3
Share based payments	-	-	-	3	-	3	-	3
Transactions non-controlling interests	-	-	-	-1	-	-1	1	-
Dividends paid	-	-	-125	1	-	-124	-	-124
Equity at 31 December 2024	**29**	**-162**	**182**	**3,038**	**-2**	**3,085**	**1**	**3,086**
Equity at 1 January 2023	**29**	**-117**	**102**	**2,567**	**-1**	**2,580**	**-**	**2,580**
Profit for the year	-	-	125	264	-	389	-	389
Actuarial gains and losses of pension obligations	-	-	-	-10	-	-10	-	-10
Hedging instruments, value adjustments	-	-	-	-	-3	-3	-	-3
Exchange differences on translation of foreign entities	-	-54	-	-	-	-54	-	-54
Tax on other comprehensive income	-	-	-	3	1	4	-	4
Comprehensive income for the year	-	-54	125	257	-2	326	-	326
Purchase of treasury shares	-	-	-	-3	-	-3	-	-3
Share based payments	-	-	-	2	-	2	-	2
Dividends paid	-	-	-102	1	-	-101	-	-101
Equity at 31 December 2023	**29**	**-171**	**125**	**2,824**	**-3**	**2,804**	**-**	**2,804**

Notes

Note 1
Basis of preparation

Notes

1.1 Critical accounting estimates and judgements

The preparation of the consolidated financial statements requires Management to make accounting estimates and assumptions that have a significant effect on the application of policies and reported amounts of assets, liabilities, income, expenses, and related disclosures. The most significant accounting estimates and judgements are presented below.

The application of the Group's accounting policies may require Management to make judgments that can have a significant effect on the amounts recognised in the consolidated financial statements. When determining the carrying amount of some assets and liabilities it requires Management to make judgments, estimates and assumptions concerning future events.

The estimates and underlying assumptions are based on professional experience, historical experience and various other factors that Management considers appropriate under the given circumstances. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Changes in estimates may be necessary if there are changes in the circumstances on which the estimate was based, or if more detailed information becomes available. Such changes are recognised in the period in which the estimate in question is revised.

Below are the accounting estimates and judgements, which Management considers significant to the preparation of the consolidated financial statements:

Accounting estimates

- Impairment testing (note 3.5)
- Valuation of inventories (note 4.1)
- Business combinations and asset acquisitions (note 5.8)
- Deferred tax assets and uncertain tax positions (note 6.1)

Judgements

- Expected lifetime for property, plant and equipment (note 3.2)

The accounting policies are described in each of the specific notes to the financial statements, which also include additional description of the most significant accounting estimates and judgements.

1.2 Material accounting policy information

The Annual Report for ROCKWOOL A/S has been prepared in accordance with IFRS Accounting Standards as adopted by the EU and further requirements in the Danish Financial Statements Act.

The financial year for the Group is 1 January – 31 December 2024.

Group Accounts

The consolidated financial statements comprise ROCKWOOL A/S and the entities in which the company and its subsidiaries hold the majority of the voting rights.

The consolidated financial statements have been prepared as a consolidation of the parent company's and the individual subsidiaries' financial statements, determined according to the Group's accounting policies, and with elimination of dividends, internal revenue and expenditure items, internal profits as well as intercompany balances and intercompany shareholdings.

Translation of foreign currency

The Annual Report has been presented in Euro (EUR) which is the Group's presentation currency. Each company in the Group determines its own functional currency. The functional currency of the parent company is Danish kroner (DKK), however the parent financial statements are presented in Euro (EUR).

Transactions in foreign currency are translated using the exchange rate at the transaction date or a hedged rate. Monetary items in foreign currency are translated using the exchange rates at the reporting date. Accounts of foreign subsidiaries are translated using the exchange rates at the reporting date for items in the statement of financial position, and the periodic average exchange rates for items of the statement of profit and loss.

Notes

1.2 Material accounting policy information (continued)

Transactions in Russian roubles were since March 2022 translated using exchange rates published by the Russian National bank. Transactions in roubles were translated using the exchange rates at the reporting date for items in the statement of financial position, and the periodic average exchange rates for items of the statement of profit and loss.

All exchange rate adjustments are recognised in the statement of profit and loss under financial items, apart from the exchange rate differences arising on:

- Conversion of equity in subsidiaries at the beginning of the financial year using the exchange rates at the reporting date;
- Conversion of the profit for the year from average exchange rates to exchange rates at the reporting date;
- Conversion of the forward hedging of capital investments in subsidiaries;
- Conversion of capital investments in associated and other companies; and,
- Profit and loss on effective derivative financial instruments used to hedge expected future transactions.

These value adjustments are recognised directly in other comprehensive income.

1.3 New and amended standards and interpretations

Implementation of new standards, amendments and interpretations

Effective from 1 January 2024, the Group has implemented the following amendments to standards (IAS and IFRS):

- IAS 1, IAS 7, IFRS 16.

The adoption of the new or amended standards has not impacted our consolidated financial accounts for 2024 and is not anticipated to have a significant impact on future periods.

New standards, amendments and interpretations adopted but not yet effective

IASB has issued new or amended accounting standards and interpretations that have not yet become effective and have consequently not been implemented in the consolidated financial statements for 2024. The Group expects to adopt the accounting standards and interpretations when they become mandatory.

In April 2024, IASB issued IFRS 18, which will replace IAS 1. IFRS 18 introduces amongst other new requirements for presentation within the statement of profit and loss, statement of cash flow, and disclosures of management-defined performance measures. The EU has not yet adopted the standard. The implications of the new requirements are currently being evaluated by the Group.

None of the other new or amended standards or interpretations are expected to have a significant impact on the consolidated financial statements.

1.4 Reporting under the ESEF Regulation

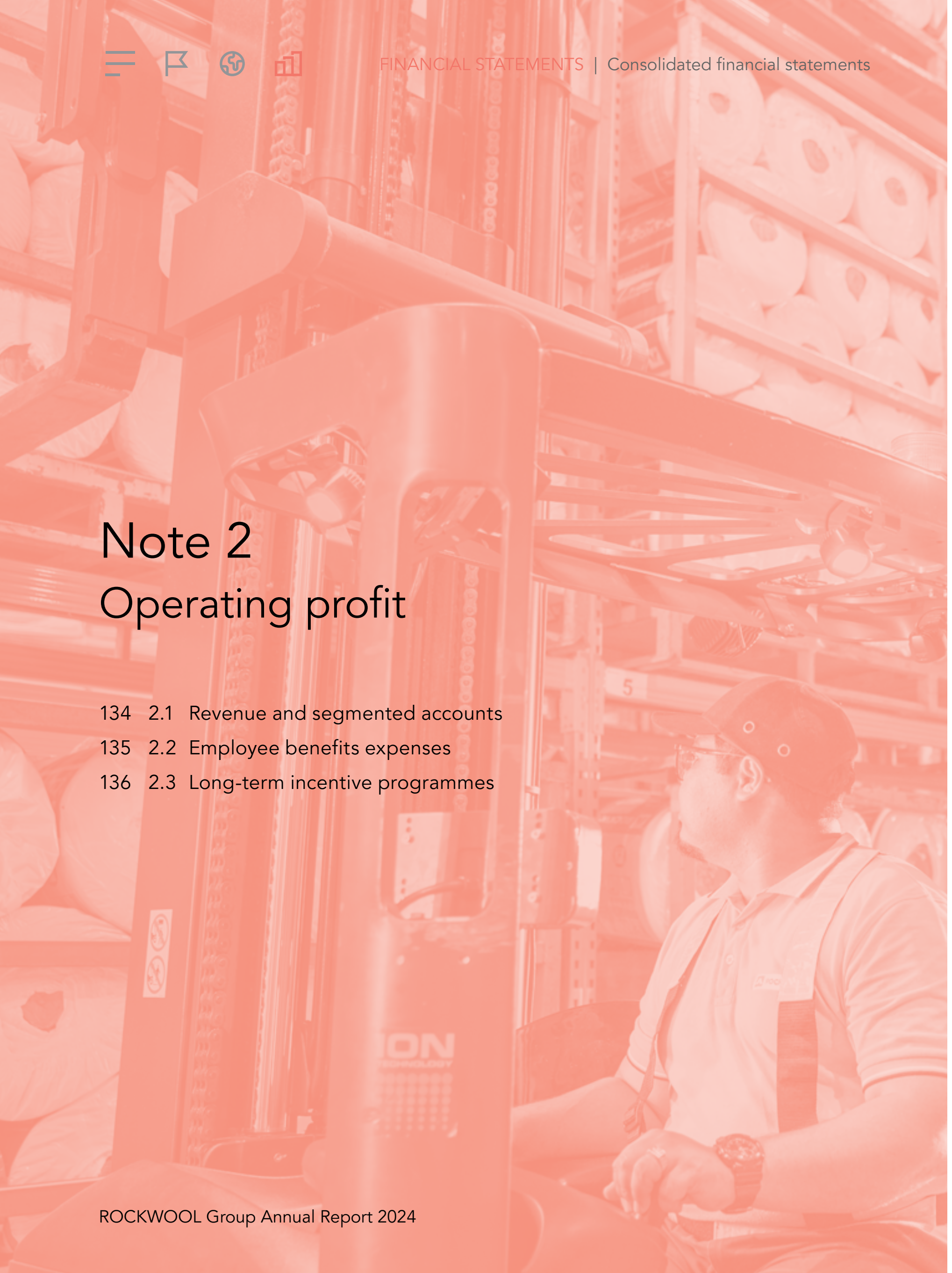
The Commission Delegated Regulation (EU) 2019/815 on the European Single Electronic Format (ESEF Regulation) has introduced a single electronic reporting format for the annual financial reports of issuers with securities listed on the EU regulated markets.

The ESEF Regulation sets out the annual financial reports shall be disclosed using the XHTML format and that the statements and notes in the consolidated financial statements shall be tagged using inline eXtensible Business Reporting Language (iXBRL).

IXBRL tags shall comply with the ESEF taxonomy, which is included in the ESEF Regulation and developed based on the IFRS taxonomy published in the IFRS Foundation.

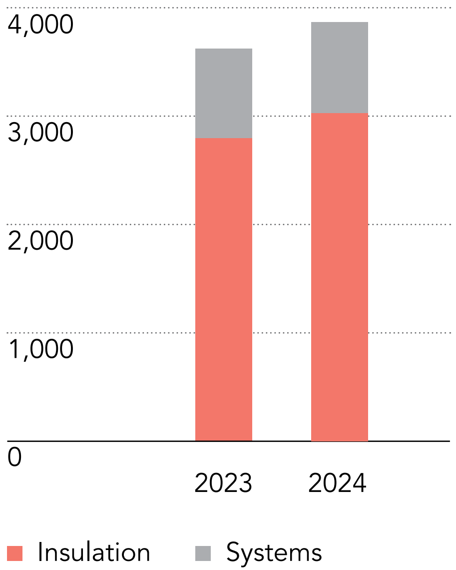
As part of the tagging process financial statement line items and notes are marked up to elements in the ESEF taxonomy. If a financial statement line item is not defined in the ESEF taxonomy, an extension to the taxonomy is created. Extensions have to be anchored in the ESEF taxonomy, except for extensions which are subtotals.

The Annual Report submitted to the Danish Financial Supervisory Authority (The Officially Appointed Mechanisms) consists of the XHTML document together with some technical files all included in a ZIP file named ROCK-2024-12-31-en.zip.



Note 2
Operating profit

Revenue per business segment (MEUR)



Reported revenue increase

7%

Average number of FTEs

12,174

EBIT margin

17.5%

Notes

2.1 Revenue and segmented accounts

Accounting policies

Revenue

The Group produces and sells a range of non-combustible stone wool insulation products, including solutions for ceiling systems, ventilated façades, friction and water management and stone wool substrate solutions for the professional horticultural.

Revenue is recognised when control of the products has transferred to the customer, being when the products are delivered to the customer and the risk has been transferred.

The products are often sold with volume discounts based on aggregate sales over a 12-month period. Revenue from these sales is recognised based on the price specified in the contract, net of the estimated volume discounts. Accumulated experience is used to estimate and provide for the discounts, using the expected value method.

The revenue includes no element of financing as the sales are made with credit terms of normally 30-60 days consistent with market practice.

A receivable is recognised when the products are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

Segmented accounts

Group Management has determined the business segments for the purpose of assessing business performance and allocating resources. Primarily segments are based on products and thermal performance, as Systems segment is primarily defined as non-thermal insulation products. Nearly all external revenue consist of sales of products.

Segmental data is stated for business areas and geographical areas. The split by business areas is in accordance with the Group's internal reporting.

Business segments and revenue reporting

	Insulation segment		Systems segment		Eliminations		ROCKWOOL Group	
MEUR	2024	2023	2024	2023	2024	2023	2024	2023
External revenue	3,032	2,792	823	828	-	-	3,855	3,620
Internal revenue	369	389	-	-	-369	-389	-	-
Total revenue	**3,401**	**3,181**	**823**	**828**	**-369**	**-389**	**3,855**	**3,620**
Operating costs net	2,624	2,546	660	684	-369	-389	2,915	2,841
EBITDA	**777**	**635**	**163**	**144**	**-**	**-**	**940**	**779**
EBITDA margin	*22.8%*	*20.0%*	*19.9%*	*17.5%*	-	-	*24.4%*	*21.5%*
Amortisation, depreciation and impairment	212	204	51	57	-	-	263	261
EBIT	**565**	**431**	**112**	**87**	**-**	**-**	**677**	**518**
EBIT margin	*16.6%*	*13.6%*	*13.6%*	*10.5%*	-	-	*17.5%*	*14.3%*
Finance items and income from associated companies	-	-	-	-	-	-	19	4
Tax expense for the year	-	-	-	-	-	-	146	133
Profit for the year	**-**	**-**	**-**	**-**	**-**	**-**	**550**	**389**
Goods transferred at a point in time	3,032	2,792	823	828	-	-	3,855	3,620
Non-current asset additions	359	273	48	71	-	-	407	344

Geographical segments

	Revenue		Intangible and tangible assets	
MEUR	2024	2023	2024	2023
Western Europe	2,170	2,125	1,210	1,050
Eastern Europe and Russia	753	679	449	433
North America	737	630	641	615
Asia and others	195	186	172	126
Total	**3,855**	**3,620**	**2,472**	**2,224**

Notes

2.1 Revenue and segmented accounts (continued)

The segmental data is presented according to the same principle as the consolidated financial statements. The segmental EBIT includes revenue and expenditure including non-recurring expenditure operationally related to the segment.

Comments

ROCKWOOL Group operates in two business segments based on products: Insulation segment and Systems segment. The information is based on the management structure and internal management reporting to Group Management and constitutes the reportable segments.

Headquarters costs are allocated to the business segments based on allocation keys used in the internal management reporting. These allocation keys are reassessed annually based on planned activity in the segments. Finance income and expenses, and income taxes are managed at Group level and are not allocated to business segments.

Internal revenue from the Insulation segment to the Systems segment is at arms' length prices. The Insulation segment includes among others interior building insulation, façade insulation, roof insulation and industrial and technical insulation. The Systems segment includes acoustic ceilings and walls, cladding boards, engineered fibres, noise and vibration control, and horticultural substrates.

The geographical revenue information is based on the location of the customers, while the information regarding the geographical assets distribution is based on the physical placement of the assets.

The domestic revenue in Denmark was two percent (2023: three percent) of the Group's revenue. The domestic intangible and tangible assets in Denmark amount to 196 MEUR (2023: 179 MEUR).

No customers exceed 10 percent of the Group's revenue neither this year nor last year. In Germany, France, and the United States revenue amount to between 10-15 percent of the Group's total revenue in both 2024 and 2023. In no other country does revenue exceed 10 percent of the Group's total revenue.

In 2024 and 2023, intangible and tangible assets in the United States, Canada, and Germany amount to between 10-20 percent of the Group's total intangible and tangible assets.

2.2 Employee benefits expenses

Comments

Remuneration of Group Management (key management personnel) complies with the principles of the Group's Remuneration Policy.

The variable part of the total remuneration, measured as short-term incentive maximum and annual long-term incentive grant, can be maximum 50 percent of the total remuneration. The short-term incentive (bonus) is dependent on achievement of individual targets and targets for the Group's financial performance, which are annually approved by the Remuneration Committee. In addition, pension and other benefits are offered in line with market practice with a total value not exceeding 20 percent of base salary.

The individual remuneration elements of each Registered Director are disclosed in the annual Remuneration Report. Resignation costs related to the departure of the former CEO of 3 MEUR are included in 2024 (2023: 0 MEUR).

Employee benefits expenses

MEUR	2024	2023
Wages and salaries	730	681
Expended value of RSUs issued	3	3
Pension cost	36	36
Other social security cost	102	97
Employee benefits expenses	**871**	**817**
Average number of employees	12,174	11,996

Notes

2.2 Employee benefits expenses (continued)

Remuneration to Group Management, Registered Directors and Board of Directors

Personnel costs include the following to Group Management, Registered Directors and Board of Directors:

MEUR	2024	2023
Group Management		
Salaries and other benefits to Group Management	7	7
Resignation cost to Group Management	3	-
Value of expensed RSU costs or fair value adjustments to Group Management	1	1
Pension cost to Group Management	1	1
Total to Group Management	**12**	**9**
Hereof Registered Directors		
Hereof remuneration to Registered Directors	3	3
Hereof resignation cost to Registered Directors	3	-
Hereof value of expensed RSU cost or fair value adjustments to Registered Directors	1	1
Hereof pension cost to Registered Directors	1	-
Total to Registered Directors	**8**	**4**
Board of Directors		
Remuneration to Board of Directors	1	1
Total remuneration to Registered Directors and Board of Directors	**9**	**5**

2.3 Long-term incentive programmes

Accounting policies

Two different share-based incentive programmes have been established: A stock option programme and a restricted share programme (RSUs). Both programmes are classified as equity based, as they are settled in shares. Due to local rules, a minor part of both programmes is given as phantom shares and is classified as cash-based, as they are settled in cash. The programmes are offered to Group Management and other senior executives. The incentive programmes are part of the variable part of the remuneration and follows the Group's remuneration policy. Participation in the programmes are at the Remuneration Committees discretion and no individual has a contractual right to participate or receive any guaranteed benefit.

Restricted Share Units (RSUs)

When RSUs are issued, the value of the RSUs at grant date is recognised in employee benefits expenses in the statement of profit and loss and in equity over the three-year vesting period. On initial recognition of the RSUs, the number of RSUs expected to vest is estimated. Subsequently, the estimate is revised so the total cost recognised is based on the actual number of RSUs vested. The fair value of RSUs is determined based on the quoted share price at grant adjusted for expected dividend payout (based on historic dividend payout ratio). The participants are compensated for any dividend payment by receiving additional RSUs.

A minor part of the RSUs is given as phantom shares (cash-based programme) and are after initial recognition adjusted to fair value through finance expenses in the statement of profit and loss against a related provision.

Comments

Restricted Share Units

Restricted Share Units (RSUs) will be subject to a vesting period of three years. After the vesting period the shares are transferred to the participants without payment, subject to continued employment with ROCKWOOL Group in the vesting period.

The RSUs represent the employee's right to shares but do not carry voting rights nor have any tangible value before the RSUs are exercised and become actual B shares of ROCKWOOL A/S. The terms of the share incentive may provide that shares may be settled in cash in which case, the related provision equals the share price at the time of vesting.

The estimated fair value of RSUs granted in 2024 was 4 MEUR (2023: 3 MEUR) at grant date.

In 2024, 3 MEUR was expensed related to the RSUs (2023: 3 MEUR), of which 3 MEUR (2023: 3 MEUR) was recognised in employee benefits expenses. In 2024, the fair value adjustment under finance expenses was close to zero (2023: close to zero).

There are no outstanding stock options in 2024.

Notes

2.3 Long-term incentive programmes (continued)

Cash-settled programmes

The cash-settled programmes consist of phantom shares granted during the years 2021-2024.

The employees granted the phantom shares participate on terms and conditions similar to those applying to the RSUs. The outstanding RSUs from 2021-2024 include 2,706 phantom shares (2023: 2,792).

The total intrinsic value of the phantom RSUs at year-end amounts to less than 1 MEUR (2023: less than 1 MEUR), which is recognised as a liability.

Restricted share units (RSUs)

RSUs outstanding at year-end have the following vesting dates:

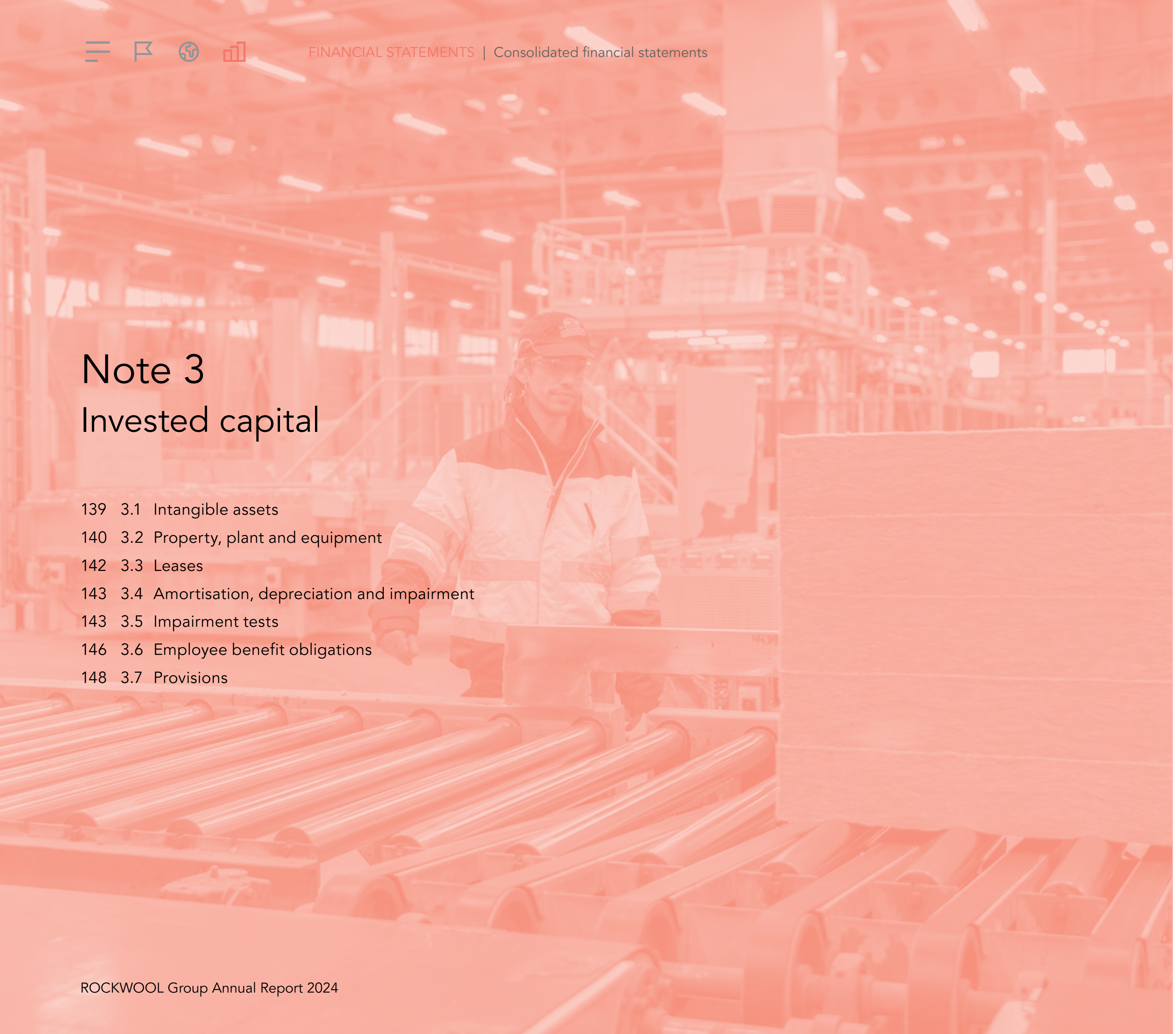
Time of grant	**Vesting date**	**Number of RSUs 2024**	**Number of RSUs 2023**
2020, one-time award	26.05.2025	9,272	9,272
2021	22.05.2024	-	7,192
2022	21.05.2025	9,259	9,303
2023	20.05.2026	12,834	12,900
2024	25.05.2027	7,725	-
2024, sign-on award	02.09.2027	3,421	-
		42,511	**38,667**
Weighted average remaining contractual life of the outstanding RSUs at year-end (Year)		1.3	1.6

Of the number of RSUs 18,091 belong to the current and former Registered Directors and 24,420 to other senior executives. In 2023, 15,858 belonged to Registered Directors and 22,809 to other senior executives.

Development in number of outstanding RSUs

	2024	**2023**
Outstanding RSUs 1/1	38,667	40,052
Granted	11,451	13,718
Vested	7,497	15,008
Forfeited	110	95
Outstanding RSUs 31/12	**42,511**	**38,667**

The average share price at vesting date was 356 EUR.



Note 3
Invested capital

CAPEX excl. acquisitions

387 MEUR

Up 61 MEUR
compared to 2023

ROU assets

77 MEUR

ROIC

25.1%

Notes

3.1 Intangible assets

Accounting policies

The costs of research activities are carried as expenditure in the year in which they are incurred. The costs of development projects which are clearly defined and identifiable, and of which the potential technical and commercial exploitation is demonstrated, are capitalised to the extent that they are expected to generate future revenue. Other development costs are recognised on an ongoing basis in the statement of profit and loss under operating costs.

Intangible assets, apart from goodwill, are stated at cost less accumulated amortisation and impairment.

Amortisation of the following intangible assets is made on a straight-line basis over the expected future lifetime of the assets, which is:

Development projects:	2-10 years
Patents:	5-20 years
Software:	2-4 years
Trademarks:	10-20 years
Customer relationships:	5-10 years

Goodwill arisen from acquisition of enterprises and activities is stated at cost. The carrying amount of goodwill is allocated to the Group's cash-generating units at the acquisition date. Identification of independent cash-generating units is based on business structure and level of internal control of cash flow.

Goodwill is tested annually for impairment and the carrying amount of other assets is reviewed on indications of impairment. When testing for impairment, the value is impaired to the estimated net sales price or the value in use, if greater. Intangible assets under construction is also tested for impairment annually.

Intangible assets

	2024						2023					
MEUR	Goodwill	Software	Customer relationships	Other intangible assets	Intangible assets under construction	Total	Goodwill	Software	Customer relationships	Other intangible assets	Intangible assets under construction	Total
Cost 1/1	137	98	92	31	6	364	138	97	91	31	3	360
Exchange rate adjustments	4	1	-	1	1	7	-1	-	1	-	-	-
Additions for the year	-	3	-	1	7	11	-	-	-	-	5	5
Transfer of assets in progress	-	5	-	-	-5	-	-	2	-	-	-2	-
Disposals for the year	-	-2	-	-	-	-2	-	-1	-	-	-	-1
Additions through business combinations	34	-	39	1	-	74	-	-	-	-	-	-
Cost 31/12	**175**	**105**	**131**	**34**	**9**	**454**	**137**	**98**	**92**	**31**	**6**	**364**
Amortisation and impairment 1/1	39	88	69	23	-	219	31	83	62	19	-	195
Exchange rate adjustments	-	-1	-	3	-	2	-	-	-	-	-	-
Amortisation for the year	-	8	12	2	-	22	-	6	7	3	-	16
Impairment for the year	-	-	-	-	-	-	8	-	-	1	-	9
Disposals for the year	-	-2	-	-	-	-2	-	-1	-	-	-	-1
Amortisation and impairment 31/12	**39**	**93**	**81**	**28**	**-**	**241**	**39**	**88**	**69**	**23**	**-**	**219**
Carrying amount 31/12	**136**	**12**	**50**	**6**	**9**	**213**	**98**	**10**	**23**	**8**	**6**	**145**

During the year R&D costs amounting to 67 MEUR (2023: 64 MEUR) have been expensed.

Notes

3.1 Intangible assets (continued)

Comments

Goodwill is allocated to cash generating units (CGUs) in Insulation segment at an amount of 72 MEUR (2023: 37 MEUR) and to CGUs in Systems segment at an amount of 64 MEUR (2023: 61 MEUR).

Goodwill has been impairment tested in 2024 and 2023 for the identified CGUs, which for 2024 has not resulted in any value adjustments. In 2023 the test resulted in impairments of 8 MEUR, of which 7 MEUR related to Wall Systems in the Insulation segment.

The impairment test of goodwill is based on current and future results for the CGUs to where the results are allocated. Most of the goodwill in the Group is related to the acquisition of Wetherby Wall Systems and ROCK WOOL KHAI HOAN in 2024, Flumroc in 2017, Chicago Metallic in 2013 and CSR in 2010 and they are performing according to plan.

Please refer to note 3.5 for further details.

The carrying amount of other intangible assets includes brands amounting to 3 MEUR (2023: 5 MEUR) and patents amounting to 3 MEUR (2023: 3 MEUR).

3.2 Property, plant and equipment

Accounting policies

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. The cost of technical plant and machinery manufactured by the Group comprises the acquisition cost, expenditure directly related to the acquisition, engineering hours, including indirect production costs and borrowing costs.

Depreciation is carried out on a straight-line basis, based on current assessment of their useful lives and scrap value.

The expected lifetimes are:

Buildings:	20-40 years
Plant and machinery:	5-15 years
Other operating equipment:	3-10 years

On sale or scrapping of assets, any losses or gains are included under other operating income for the year.

Investment grants are deducted in the cost of the equivalent tangible assets.

Critical estimates and judgements

The expected lifetime for property, plant and equipment is determined based on past experience and expectations for future use of the assets. Especially the estimated lifetime of plant and machinery is linked to uncertainty due to varying utilisation and the significant amount of maintenance costs. The expected future lifetime for the assets is evaluated annually.

When there is an indication of a reduction in the profitability of an asset, an impairment test is performed for the assets in question and impairments are made, if necessary.

The recoverable amounts of the assets and cash-generating units are determined based on value-in-use calculations and fair value less cost to sell. These calculations require the use of estimates as they are based on budgets, business plans and projections for five years and take into account previous experience and represent Management's best estimate of future developments.

Comments

Of the carrying amount of land and buildings, 192 MEUR (2023: 121 MEUR) represent sites not subject to depreciation.

Accumulated capitalised interests amounting to 7 MEUR (2023: 6 MEUR) are included in the cost of property, plant and equipment. The interest rate used for capitalisation was between 1-9 percent.

Notes

3.2 Property, plant and equipment (continued)

For the recognised investment grants the conditions are fulfilled or are reasonably assured to be fulfilled. Some of the received investment grants are subject to repayment obligations provided that the attached conditions are not fulfilled within a number of years.

Property, plant and equipment have been impairment tested, which for 2024 has led to impairment of 7 MEUR (2023: 4 MEUR), which relate to tangible assets under construction in the Insulation segment.

The Group's investment grants are for the main part received in China, Poland, Spain, Germany, Norway and the United States. The investment grants received in 2024 amount to 0 MEUR (2023: 5 MEUR). The grants are in most cases linked to expansion of the Group including the amount of investment in property, plant and equipment and the creation of jobs - and is given as cash or loans. Only limited contingent liabilities exist.

Contractual obligations for the purchase of property, plant and equipment at 31 December 2024 amount to 106 MEUR (2023: 121 MEUR).

Property, plant and equipment

	2024					2023				
MEUR	Land and buildings	Plant and machinery	Other operating equipment	Tangible assets under construction	Total	Land and buildings	Plant and machinery	Other operating equipment	Tangible assets under construction	Total
Cost 1/1	1,441	2,697	173	432	4,743	1,443	2,565	153	359	4,520
Exchange rate adjustments	11	16	-1	-3	23	-25	-27	-	-1	-53
Additions for the year	2	16	2	356	376	7	27	2	285	321
Transfer of assets in progress	169	195	27	-391	-	34	151	26	-211	-
Additions through business combinations	8	1	2	-	11	-	-	-	-	-
Disposals for the year	-11	-48	-7	-5	-71	-18	-19	-8	-	-45
Cost 31/12	**1,620**	**2,877**	**196**	**389**	**5,082**	**1,441**	**2,697**	**173**	**432**	**4,743**
Depreciation and impairment 1/1	560	1,957	147	-	2,664	535	1,863	135	-	2,533
Exchange rate adjustments	-3	1	-2	-	-4	-8	-22	-2	-	-32
Depreciation for the year	49	144	12	-	205	45	134	17	-	196
Impairment for the year	-	-	-	7	7	-	-	4	-	4
Additions through business combinations	1	-	1	-	2	-	-	-	-	-
Disposals for the year	-6	-45	-	-	-51	-12	-18	-7	-	-37
Depreciation and impairment 31/12	**601**	**2,057**	**158**	**7**	**2,823**	**560**	**1,957**	**147**	**-**	**2,664**
Carrying amount 31/12	**1,019**	**820**	**38**	**382**	**2,259**	**881**	**740**	**26**	**432**	**2,079**
Hereof investment grants	**-17**	**-23**	**-**	**-**	**-40**	**-17**	**-26**	**-**	**-**	**-43**

Notes

3.3 Leases

Accounting policies

Whether a contract contains a lease is assessed at contract inception. For identified leases, a right-of-use (RoU) asset and corresponding liability are recognised on the lease commencement date.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the payments, which are fixed or variable payments dependent on an index or a rate. When adjustments to lease payments based on an index or a rate take effect, the lease liability is reassessed and adjusted against the lease asset. Service components are excluded from the lease liability except from those relating to cars.

To measure the lease liability at an amount equal to the net present value of the lease payments, a discount rate is used. For this purpose, the Group generally uses its incremental borrowing rate (IBR). The IBR is calculated per main country/region per asset type considering different length of the lease terms.

The lease payments have been split into an interest cost and a repayment of the lease liability.

RoU assets are measured at cost corresponding to the lease liability recognised, adjusted for any lease prepayments or directly related costs, including restoration costs.

RoU assets are depreciated on a straight-line basis over the shorter of the expected lease term and the asset's useful life. RoU assets are tested for impairment whenever there is an indication that the assets may be impaired.

Leases in the statement of financial position

MEUR	2024	2023
Right-of-use assets:		
Offices, other buildings and sites	23	22
Warehouses	35	30
Forklifts, cars and other assets	19	20
Carrying amount of right-of-use assets 31/12	**77**	**72**
Contractual maturity of lease liabilities:		
< 1 year	27	29
1-5 years	49	44
> 5 years	13	14
Total undiscounted lease liabilities	**89**	**87**
Current/non-current lease liabilities classification (discounted):		
Non-current	55	48
Current	28	29

In 2024, additions to right-of-use assets were 20 MEUR (2023: 18 MEUR).

Leases in the statement of profit and loss

MEUR	2024	2023
Depreciation and impairment of right-of-use assets:		
Offices, other buildings and sites	5	7
Warehouses	15	19
Forklifts, cars and other assets	9	10
Total depreciation and impairment of right-of-use assets	**29**	**36**
Interest expense (included in finance expenses)	3	3
Expense relating to short-term leases (included in other expenses)	12	13
Expense relating to low-value leases (included in other expenses)	1	1
Variable lease payments not included in the lease liabilities (included in other expenses)	2	2

The total cash outflow for leases in 2024 was 47 MEUR (2023: 48 MEUR), of which 29 MEUR (2023: 29 MEUR) is classified as cash flow from financing activities and 18 MEUR (2023: 19 MEUR) is classified as cash flow from operating activities.

Notes

3.3 Leases (continued)

Accounting policies

Extension and termination options are included in a number of property and equipment leases across the Group. The majority of extension and termination options held are exercisable only by the Group and not by the respective lessor. If the lease contract contains an extension or purchase option that the Group considers reasonably certain to be exercised, these are included in the measurement of the liability.

Short-term leases and leases of low value are recognised on a straight-line basis as cost in the statement of profit and loss.

The Group's portfolio of leases covers leases of office buildings, warehouses and other equipment such as cars and forklifts. Leases for offices and other buildings have lease terms between 2-22 years, warehouses between 3-10 years while car and forklift leases generally have lease terms between 3-5 years. The Group also has a few long-term site leases with lease terms up to 99 years.

Comments

RoU assets are tested for impairment whenever there is an indication that the assets may be impaired. This was not the case in 2024. In 2023 the impairment tests led to an impairment of 6 MEUR related to operational restructuring in Rockfon in the Systems segment.

3.4 Amortisation, depreciation and impairment

Amortisation, depreciation and impairment

MEUR	2024	2023
Amortisation and impairment of intangible assets	22	25
Depreciation and impairment of property, plant and equipment	212	200
Depreciation and impairment of right-of-use assets	29	36
Amortisation, depreciation and impairment	**263**	**261**

Comments

Please refer to notes 3.1, 3.2 and 3.3 for further details regarding impairment.

3.5 Impairment tests

Accounting policies

When there is an indication of a reduction in the profitability of an asset, an impairment test is performed for the assets in question and impairments are made, if necessary.

For goodwill, annual impairment tests are made. The recoverable amounts of the assets and cash-generating units (CGUs) have been determined based on value-in-use calculations. When testing for impairment, the value is written down to the estimated recoverable amount, if lower than the carrying amount.

The carrying amount of other non-current assets is tested for impairment once a year. The carrying amount of property, plant and equipment is tested for impairment when there is indication of change in the structural profitability.

Critical estimates and judgements

When preparing impairment tests, estimates are used to calculate the future value. Significant estimates are made when assessing long-term growth rates and profitability. In addition, an assessment is made of the reasonable discount rate.

Changes in the growth rate in the budget period or discount rate may result in significantly different values. The assessments are made based on budgets, business plans and projections for five years and take into account previous experience and represent Management's best estimate of future developments.

Notes

3.5 Impairment tests (continued)

Key parameters are growth in sales, margins, discount rate and future growth expectations.

Comments

Management has performed the yearly impairment test of the carrying amount of goodwill and other non-current intangible assets. In addition, impairment test of property, plant and equipment has also been made, where indication of reduction of value was found. In the impairment test, the carrying amount of the assets is compared to the discounted value of the future cash flows. The assessment of future cash flows is typically based on five-year management reviewed budgets and business plans, where the last year is used as a normalised terminal year. Revenue, raw material prices, discount rate and future growth assumptions constitute the most material parameters in the calculation.

The average growth rate in the terminal period is set to two percent. The average growth rate in the budget period is estimated to be between 3-7 percent depending on the businesses.

The high growth rates are used in countries where we historically have seen steep increases.

Gross margins are based on average values the last three years and adjusted over the budget period for efficiency improvements and expected raw material inflation based on past actual price movements and future market conditions. Future investment is derived from the historic investment level to secure a smooth operation of the factories and the capacity utilisation is based on the current situation including investment plans. The post-tax discount rate is based on the specific circumstances of the Group and the operating segments and is derived from the weighted average cost of capital (WACC).

2024

The impairment tests for 2024 have not shown a need for impairment or reversals of impairment recognised previous years. All cash generating units are showing a solid headroom to the carrying amount. Due to difficult market conditions, sales in China remained stagnant. Still, the result in the Chinese Insulation business was close to what was expected. The Chinese Insulation business continues to be followed closely to monitor that the expected future outcome of the investment in Fogang in 2022 is realised.

2023

During 2023, most markets have recovered from high inflation in the second half of 2022 and profitability is again at a normal level. However, that has not been the case for the Wall Systems business. Wall Systems is a non-stone wool producing unit within the Insulation segment. The business unit produces and sell dry mortar, pasty render and paints. Challenging market conditions in Germany and Poland have significantly impacted the business. Wall Systems has not performed as expected and has recorded low earnings. Impairment tests based on market outlooks have resulted in impairment of goodwill related to Wall Systems of 8 MEUR. The net present value of Wall Systems amounts to 23 MEUR. The key assumptions used is growth depending on the market conditions. All other cash generating units are showing a solid headroom to the carrying amount. Due to difficult market conditions sales in China remained sluggish, which was expected. The Chinese Insulation business is followed closely to ensure that the expected future outcome of the investment in a new factory in Fogang in 2022 is realised. We expect sales growth to come back within the Chinese Insulation business with improved profitability.

Notes

3.5 Impairment tests (continued)

Sensitivity analysis

As part of the preparation of impairment tests, sensitivity analyses are prepared on the basis of relevant risk factors and scenarios that management can determine within reasonable reliability. Sensitivity analyses are prepared by altering the estimates with a range of probable outcomes.

2024

The sensitivities have been assessed as follows, all other things being equal; an increase in the discount rate of one percent, a decrease in the growth rate of one percent p.a. and an increase of input costs of one percent p.a. None of the scenarios resulted in identification of impairment.

We consider the chosen scenarios as the most realistic, which is why none of the impairment tests have given rise to adjustment of the value.

2023

The sensitivities have been assessed as follows, all other things being equal; an increase in the discount rate of one percent, a decrease in the growth rate of one percent p.a. and an increase of input costs of one percent p.a. We consider the chosen scenarios as the most realistic. The impairment related to Wall Systems would have been 2-12 MEUR higher if the discount rate was to increase one percent, the growth was one percent lower or input costs one percent higher.

Impairment test of goodwill

MEUR	2024			
CGUs	**Carrying amount, Goodwill**	**Discount rate**	**Average growth rate in the budget period**	**Headroom**
Chicago Metallic Corporation (Rockfon)	64	8.8%	3%	Large
CSR including KEWO	14	8.8%	7%	Large
Flumroc	17	7.5%	3%	Large
ROCK WOOL KHAI HOAN	21	Acquired in October 2024, see note 5.8		
Wetherby Wall Systems	14	Acquired in October 2024, see note 5.8		
Other	6	21.0%	3%	Large
Total	**136**			

Impairment test of goodwill

MEUR	2023			
CGUs	**Carrying amount, Goodwill**	**Discount rate**	**Average growth rate in the budget period**	**Headroom**
Chicago Metallic Corporation (Rockfon)	61	8.9%	3%	Large
HECK Wall Systems	-	8.2%	2%	-
CSR including KEWO	14	8.7%	8%	Large
Flumroc	17	7.2%	3%	Large
Other	6	11-18%	4-6%	Large
Total	**98**			

Notes

3.6 Employee benefit obligations

Accounting policies

Pension payments concerning defined contribution plans are recognised on an ongoing basis in the statement of profit and loss.

Defined benefit plans are stated at the net present value at the reporting date and included in the consolidated financial statements. Adjustments of the plans are carried out on a regular basis in accordance with underlying actuarial assessments. Actuarial gains or losses for defined benefit plans are recognised in full in the period in which they occur in other comprehensive income. The actuarial assessment is carried out every year.

Funded benefit plans have assets placed in trustee-administered pension funds, which are governed by local regulations and practice in each country.

If a benefit plan constitutes a net asset, the net asset is recognised only to the extent that it equals the value of future repayments or will lead to reduced future payments.

The payments to the pension funds are based on the usual actuarial assessments and are recognised in the statement of profit and loss after maturity. Provided that the actuarial assessments of pension obligations show noticeable excess solvency or insolvency in relation to the pension fund's assets, the difference is entered to the statement of financial position and the future payments are adjusted accordingly. With regard to these schemes, the actuarial assessment is also carried out every year.

Comments

A number of the Group's employees and former employees participate in pension schemes. The pension schemes are primarily defined contribution plans. However, defined benefit plans are also used, mainly in Switzerland, the United Kingdom, and Germany. The benefit plans in the United Kingdom and Germany are closed for new entries.

Under a defined benefit plan the Group carries the risk associated with the future development in e.g. interest rates, inflation, salaries, mortality and disability.

Defined benefit plans typically guarantee the employees a retirement benefit based on the final salary at retirement.

The pension benefit plans in the United Kingdom and Switzerland have assets placed in independent pension funds. The remaining plans are unfunded, where the main part relates to Germany. For these plans the retirement benefit obligations amount to approximately 23 percent (2023: 24 percent) of the total gross liability.

Except for the Swiss and UK plans, the mentioned defined benefit plans are not subject to regulatory requirements regarding minimum funding. The granted pension payments of the mentioned defined benefit plans are based upon the salary of the participating employees during the period of employment. The Group's contributions are derived from the split of the pension premium between the employee and employer.

The actuarial assessment of the pension obligation is based on assumptions specific to each country. The latest actuarial calculation is prepared by authorised experts. The valuation of the assets is based on the composition and the expectations to the economic development. The assumptions used are weighted averages.

The present value of defined benefit pension obligations depends on a number of factors that are determined on an actuarial basis using a number of assumptions. Any changes to these assumptions will impact the carrying amount of pension obligations.

The discount rate and other key assumptions are based in part on the current market conditions.

During 2024, a buy-in/buy-out process was initiated related to the pension benefit plan in the United Kingdom. The purpose of the process is to transform ROCKWOOL's pension obligation from the current defined benefit plan into a contribution benefit plan. In November 2024, the UK pension benefit plan was insured with Royal London (buy-in). Next step is to convert the individual members pension to a direct insurance with Royal London (buy-out). The buy-out process is expected to be completed in 2025.

Notes

3.6 Employee benefit obligations (continued)

Pension costs

MEUR	2024	2023
Defined contribution plans:		
Total pension costs recognised	**32**	**32**
Defined benefit plans:		
Pension costs	3	3
Interest costs	6	7
Interest income	-5	-6
Total pension costs recognised	**4**	**4**

In 2025, the Group expects to pay contributions of 5 MEUR to defined benefit plans.

Defined benefit pension plans

MEUR	2024	2023	2022	2021	2020
Present value of pension liabilities	200	198	177	239	250
Fair value of plan assets	-187	-189	-179	-214	-184
Asset ceiling limitation	29	30	34	10	-
Pension obligation, net 31/12	**42**	**39**	**32**	**35**	**66**

Key assumptions

Weighted average	2024	2023
Increase in salaries and wages	1.7%	1.7%
Discount rate	2.7%	2.8%
Remaining life expectancy at the time of retirement (years)	23	22

Defined benefit pension obligations

MEUR	2024	2023
Obligations 1/1	198	177
Exchange rate adjustments	1	6
Pension costs	4	4
Interest costs	5	6
Actuarial gains/losses from changes in demographic assumptions	1	-1
Actuarial gains/losses from changes in financial assumptions	3	13
Actuarial gains/losses from changes in experience	-1	3
Benefits paid	-11	-10
Obligations 31/12	**200**	**198**

The weighted average expected duration of the defined benefit obligations is 14 years (2023: 14 years).

Sensitivity analysis

Assumptions	**Discount rate**		**Salary increase**		**Life expectancy**	
	-1.0%	**+1.0%**	**-1.0%**	**+1.0%**	**-1 year**	**+1 year**
MEUR						
2024 - Impact on obligations	27	-23	-2	2	-5	4
2023 - Impact on obligations	24	-21	-2	2	-5	5

The sensitivity analysis above has been determined based on a method that extrapolates the impact on the defined benefit obligation as a result of reasonable changes in key assumptions.

Notes

3.6 Employee benefit obligations (continued)

Pension plan assets

MEUR	2024	2023
Pension plan assets 1/1	189	179
Exchange rate adjustments	1	8
Interest income	5	6
Return on plan assets	-5	-2
Employer's contribution	5	5
Participant's contribution	1	1
Benefits paid	-9	-8
Pension plan assets 31/12	**187**	**189**

Composition of pension plan assets

MEUR	2024	2023
Assets quoted in active markets:		
Equities in European markets	26%	25%
Bonds in European markets	12%	37%
Assets unquoted:		
Cash	3%	10%
Other	59%	28%

3.7 Provisions

Accounting policies

Provisions are recognised where a legal or constructive obligation has been incurred as a result of past events and if it is probable it will lead to an outflow of financial resources and if the size of the liability can be measured on a reliable basis. The provision is calculated as the amount expected to be paid to settle the obligation.

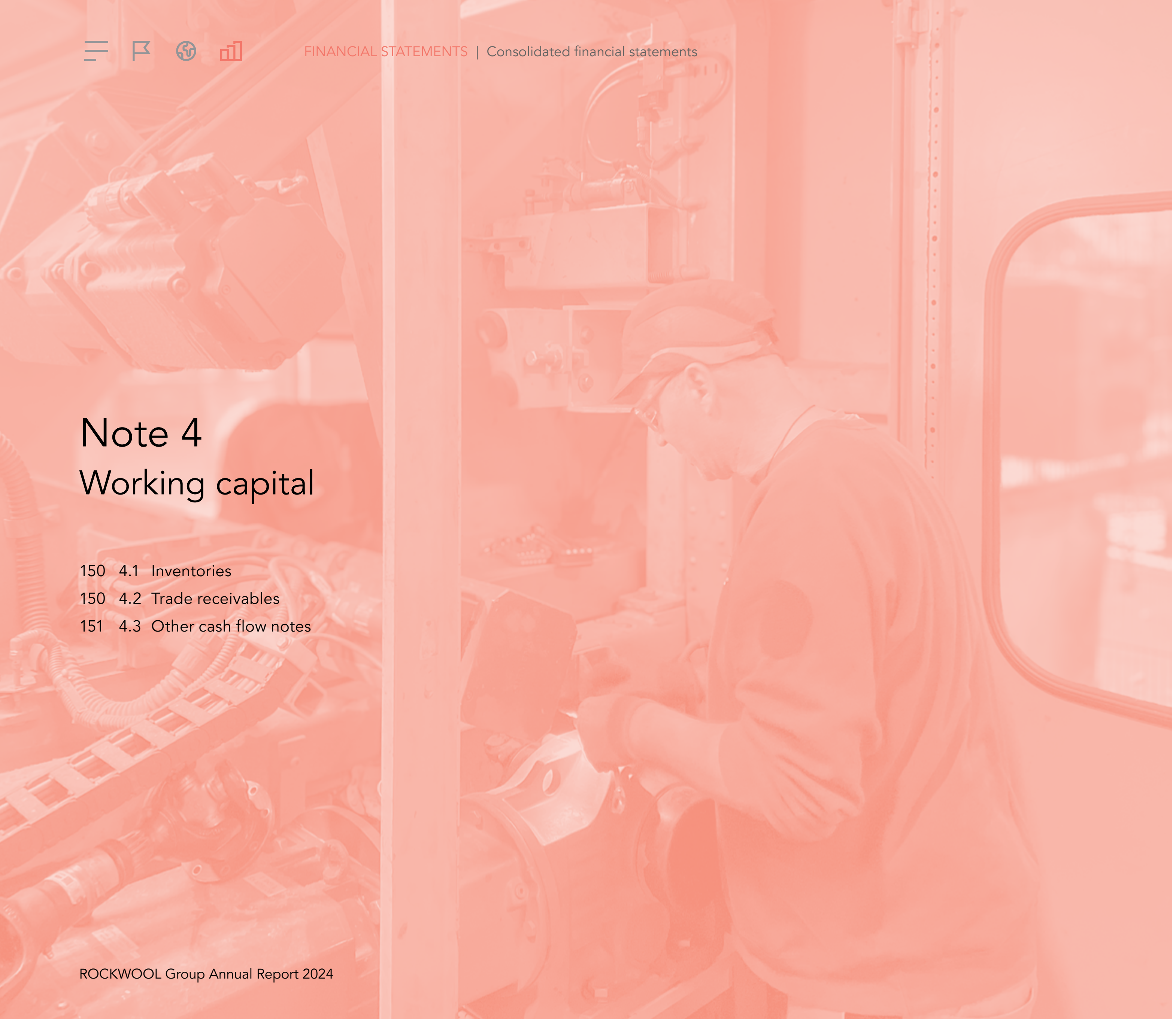
Comments

Provisions relate primarily to jubilee obligations and retirement benefits, refurbishment obligations, warranties, fair value provision for phantom shares, restructuring and ongoing disputes.

As at 31 December 2024 other provisions include a provision of 1 MEUR (2023: 3 MEUR) for restructuring measures. This provision is expected to be utilised within one year.

Provisions

	2024				2023			
MEUR	Employees	Claims and legal actions	Other	Total	Employees	Claims and legal actions	Other	Total
Provisions 1/1	15	7	15	37	13	2	21	36
Additions for the year	6	4	3	13	5	8	6	19
Used during the year	-3	-5	-2	-10	-3	-1	-10	-14
Reversed during the year	-1	-3	-4	-8	-	-2	-2	-4
Provisions 31/12	**17**	**3**	**12**	**32**	**15**	**7**	**15**	**37**
Current/non-current classification:								
Non-current liabilities	12	-	8	20	11	1	10	22
Current liabilities	5	3	4	12	4	6	5	15
Provisions 31/12	**17**	**3**	**12**	**32**	**15**	**7**	**15**	**37**



Note 4
Working capital

Net working capital in % of revenue

9.4%

Decreased compared to 9.9% in 2023

Total net working capital

364 MEUR

Notes

4.1 Inventories

Accounting policies

Inventories are valued at the lowest value of historical cost calculated as a weighted average or the net realisation value.

The cost of finished goods and work in progress include the direct costs of production materials and wages, as well as indirect production costs such as personnel costs, maintenance costs and depreciation of plant and machinery.

Comments

The main part of the write-down of inventory relates to write-down of spare parts inventory.

Critical estimates

At least once a year, management assesses whether the standard cost of inventories approximates actual cost. During the year, standard cost is revised if it deviates significantly from actual cost. Indirect production costs are assessed on an ongoing basis to ensure reliable measurement of capacity utilisation, production hours, product applications and other factors.

Calculation of the net realisable value of inventories is relevant mainly for finished goods and spare parts. The estimate of inventory write-downs is considering excess quantities, condition of the inventory and lower selling prices.

Inventories

MEUR	2024	2023
Raw materials and consumables	198	184
Work in progress	18	15
Finished goods	165	176
Inventories 31/12	**381**	**375**
Inventory before write-downs	471	462
Write-downs 1/1	-87	-79
Change in the year	-3	-8
Write-downs 31/12	-90	-87
Inventories 31/12	**381**	**375**

4.2 Trade receivables

Accounting policies

Trade receivables are measured at amortised cost less allowance for bad debt based on the expected credit loss model.

The Group applies the simplified approach to measure expected credit losses, which uses a lifetime expected loss allowance for all trade receivables.

To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due.

The expected loss rates are based on the payment profiles of sales over a period of 60 months before 1 January 2024 and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables.

The costs of allowance for bad debts and realised losses during the year are included in other external costs.

Notes

4.2 Trade receivables (continued)

Trade receivables

MEUR	2024	2023
Trade receivables before allowance for bad debts (maximum credit risk)	350	347
Allowance for bad debts 1/1	-10	-13
Movements during the year	-3	2
Realised losses during the year	1	1
Allowance for bad debts 31/12	-12	-10
Trade receivables 31/12	**338**	**337**

Allowance for bad debts based on the expected credit loss model

2024				
MEUR	Expected loss rate	Gross carrying amount	Allowance for bad debt	Total
Current	0.1%	331	-	331
More than 30 days past due	2%	6	-	6
More than 60 days past due	40%	2	-1	1
More than 90 days past due	100%	11	-11	-
Total 31/12		**350**	**-12**	**338**

2023				
MEUR	Expected loss rate	Gross carrying amount	Allowance for bad debt	Total
Current	0.1%	331	-	331
More than 30 days past due	2%	5	-	5
More than 60 days past due	40%	2	-1	1
More than 90 days past due	100%	9	-9	-
Total 31/12		**347**	**-10**	**337**

4.3 Other cash flow notes

Adjustments of non-cash operating items

MEUR	2024	2023
Provisions	-10	-
Expensed value of RSUs issued	3	2
Gain/loss on sale of intangible and tangible assets	-8	-4
Adjustments of non-cash operating items	**-15**	**-2**

Changes in net working capital

MEUR	2024	2023
Change in inventories	-	49
Change in trade receivables	-	18
Change in other receivables	-13	24
Change in trade payables	11	-26
Change in other payables	-5	6
Change in net working capital	**-7**	**71**

Note 5
Capital structure and financing

Equity ratio

79%

At level with 2023

Cash

402 MEUR

Up 49 MEUR from 2023

Earnings per share

25.8 EUR

Up 7.8 EUR from 2023

Notes

5.1 Finance income and Finance expenses

Accounting policies

Finance income and expenses comprise interest income and interest costs, interest costs compiled from lease liabilities, realised and unrealised foreign exchange gains and losses, as well as fair value adjustments of cash-settled share-based incentive programmes which are offset against other liabilities.

Further, they include adjustments to fair value hedges, and income and costs relating to cash flow hedges transferred from other comprehensive income on realisation of the hedged items.

Finance income

MEUR	2024	2023
Interest income	34	13
Foreign exchange gains	6	25
Finance income	**40**	**38**
Hereof finance income on financial assets at amortised cost	32	13

Finance expenses

MEUR	2024	2023
Interest expenses and similar	14	19
Interest expenses lease liabilities	3	3
Foreign exchange losses	5	14
Finance expenses	**22**	**36**
Hereof finance expenses on financial liabilities at amortised cost	13	17

5.2 Financial risks and instruments

Accounting policies

Derivative financial instruments are initially recognised in the statement of financial position at cost price and are subsequently measured at fair value. Derivative financial instruments are recognised in other receivables and other payables.

Changes to the fair value of derivative financial instruments, which meet the conditions for hedging the fair value of a recognised asset or liability, are recognised in the statement of profit and loss together with any changes in the fair value of the hedged asset or liability.

Changes to the fair value of derivative financial instruments, which meet the conditions for hedging future cash flows, are recognised in other comprehensive income provided the hedge has been effective. Hedge effectiveness is determined at the inception of the hedge relationship, and through periodic prospective effectiveness assessments to ensure that an economic relationship exists between the hedged item and hedging instrument. The accumulated value adjustment related to these hedge transactions is transferred from other comprehensive income when the position is realised, and is included in the value of the hedged position e.g. the adjustment follows the cash flow.

For derivative financial instruments, which do not qualify as hedging instruments, changes to the fair value are recognised on an ongoing basis in the statement of profit and loss as finance income or finance expenses.

Comments

As a consequence of ROCKWOOL Group's extensive international activities, the Group's statement of profit and loss and equity are subject to a number of financial risks. The Group manages these risks in the following categories:

- Exchange rate risk
- Interest rate risk
- Liquidity risk
- Credit risk

The Group's policy is to identify and hedge significant financial risks on an ongoing basis. This is the responsibility of the individual companies in which financial risks might arise and overall supported by the Group's treasury department. The parent company continuously monitors the Group's financial risks in accordance with a framework determined by Group Management and/or the Board of Directors.

Exchange rate risk

As a consequence of the Group's structure, revenue and expenditure in foreign currency are to a significant degree set off against each other, so that the Group is not exposed to major exchange rate risks.

Commercial exchange rate risks, which cannot be set off, are hedged on a continuous basis in the individual companies, to the extent that they may significantly affect the results in a negative direction, using currency loans, currency deposits and/or financial derivatives. The Group's hedging reserve is disclosed under "Statement of changes in equity" with an insignificant amount.

Notes

5.2 Financial risks and instruments (continued)

Categories of financial assets and liabilities

MEUR	2024	2023
Trade receivables	338	337
Other receivables	57	53
Cash and cash equivalents	403	354
Financial assets at amortised costs	**798**	**744**
Financial instruments for hedging of future cash flows	2	6
Financial liabilities at fair value through other comprehensive income	**2**	**6**
Borrowings	39	38
Trade payables	256	241
Other payables	197	205
Financial liabilities at amortised costs	**492**	**484**

The carrying value of the Group's financial assets and liabilities measured at amortised cost are assessed to be a reasonable approximation of fair value.

Other receivables and receivables from associates

Other receivables and receivables from associates fall due within one year in both 2024 and 2023, and amount to 57 MEUR (2023: 53 MEUR).

Comments

The Group's revenue and expenditures will be subject to exchange rate fluctuations on translation into EUR.

A sensitivity analysis is made for the Group's result and equity based on the underlying currency transactions. The financial instruments included in the sensitivity analysis are cash, receivables, payables, current liabilities and financial investments without taking hedging into consideration.

The impact on the revenue of the difference between average rate and year-end rate amounts to 5 MEUR (2023: 12 MEUR) for the five most exposed currencies (USD, RUB, CAD, PLN, and GBP), which is a change of 0.1 percent (2023: -0.3 percent).

The Group's policy is not to hedge exchange rate risks in long-term investments in subsidiaries. When relevant, external investment loans and Group loans are, as a general rule, established in the local currency of the company involved, while cash at bank and in hand are placed in local currency.

The Group is currently exposed to foreign currency risk on the intercompany balance between ROCKWOOL A/S and one of the subsidiaries in Russia. Due to the economic environment, it has not been possible to hedge this position since March 2022, which has resulted in an unrealised exchange rate gain of 4 MEUR in 2024 (2023: 18 MEUR gain) partly off-setting an unrealised loss of 34 MEUR recognised in 2022.

Notes

5.2 Financial risks and instruments (continued)

In the few countries with ineffective financial markets loans can be raised and surplus liquidity placed in DKK or EUR, subject to the approval of the Group's finance function. Most Group loans that are not established in DKK or EUR, are hedged via forward agreements, currency loans and cash pools or via the SWAP market.

Interest rate risk

Currently the Group does not have any significant non-current interest-bearing debt or assets. The Group's policy is that necessary financing of investments should primarily be affected by raising five to seven year loans at fixed or variable interest rates.

Drawings on credit facilities at variable interest rates generally match the funds, and all Group loans are symmetrical in terms of interest rates. Consequently, changes in interest rates will not have a significant effect on the result of the Group.

Sensitivity analysis

Effect in MEUR

		EBITDA	
Change in exchange rate	**%**	**2024**	**2023**
USD (+/-)	5%	14	12
RUB (+/-)	10%	12	9
CAD (+/-)	5%	7	5
PLN (+/-)	5%	2	2
GBP (+/-)	5%	10	9

		Equity	
Change in exchange rate	**%**	**2024**	**2023**
USD (+/-)	5%	21	14
RUB (+/-)	10%	38	31
CAD (+/-)	5%	14	14
PLN (+/-)	5%	17	15
GBP (+/-)	5%	13	8

Liquidity risk

The current surplus and deficit liquidity in the Group's companies is set off, to the extent that this is profitable, via the parent company acting as intra-Group bank and via cash pool systems. When considered appropriate, underlying cash pool systems are established in foreign companies.

To the extent that the financial reserves are of an appropriate size, the parent company also acts as lender to the companies in the Group.

To ensure adequate financial reserves as defined by the Board of Directors, investment loans can be raised on a continuous basis to partly cover new investments and to refinance existing loans. The parent company has made guarantees for some credit facilities and loans. The parent company has issued ownership clauses and/or deed of postponements in connection with intercompany loans.

The parent company ensures on an ongoing basis that flexible, unutilised committed credit facilities of an adequate size are established with Investment Grade credit-rated banks. The Group's financial reserves also consist of cash at bank and in hand, and unused overdraft facilities.

Credit risk

Due to the considerable customer spread in terms of geographical location and numbers, the credit risk is fundamentally limited. To a minor degree, when considered necessary, insurance or bank guarantees are used to hedge outstanding receivables.

As a consequence of the international diversification of the Group's activities there are business relations with a number of different banks in Europe, North America and Asia. To minimise the credit risk on placement of funds and on entering into agreements on derived financial instruments, only major, financially sound institutions are used.

Customer credit risks are assessed considering the financial position, past experience and other factors. Individual risk limits are set based on internal and external ratings. For bad debt allowance related to trade receivables please refer to note 4.2.

Notes

5.2 Financial risks and instruments (continued)

Financial instruments

Financial assets and liabilities at fair value are related to foreign exchange rate forward contracts, foreign exchange rate swaps or interest rate swaps all of which have been valued using a valuation technique with market observable inputs (level 2).

The Group is using no other valuation technique. The Group enters into derivative financial instruments with financial institutions.

Derivatives valued using valuation techniques with market observable inputs are mainly foreign exchange forward contracts. The most frequently applied valuation techniques include forward pricing models using present value calculations. The models incorporate various inputs including the credit quality of counterparties and foreign exchange spot rates.

5.3 Cash

Cash

MEUR	2024	2023
Cash and cash equivalents	403	354
Bank debt	1	1
Cash available 31/12	**402**	**353**

Comments

Cash available disclosed above and in the statement of cash flows comprise cash on hand and short-term liquid assets that are readily convertible to cash. Of the total cash and cash equivalents, 166 MEUR (2023: 112 MEUR) are subject to restrictions implying that the cash may not be readily available for general use or distribution by the Group.

5.4 Loans

Comments

Bank loans are measured at amortised cost. The carrying amount for these approximates fair value.

Borrowings amounted to 39 MEUR at 31 December 2024, hereof bank debt 1 MEUR and bank loans 38 MEUR. The bank loans are to be repaid within three years, of which 22 MEUR are due within one year. The loans are fixed and floating interest loans, and are denominated in CNY, INR and EUR. In 2023, bank loans amounted to 37 MEUR. The bank loans were fixed or floating interest loans, were to be fully repaid within three years, and were denominated in CNY, INR and EUR.

5.5 Share capital

Comments

The share capital consists of A shares and B shares.

Each A share of a nominal value of 10 DKK (1.3 EUR) carries 10 votes, and each B share of a nominal value of 10 DKK (1.3 EUR) carries one vote.

Completion of voluntary conversion of A shares to B shares in accordance with the company's articles of association for 2024 were completed on 20 December 2024, and the company's articles of association have been updated with the resulting changes to the size of the company's A and B share capital. The total share capital is unchanged.

The share capital has been fully paid up. No shareholder is under an obligation to allow his shares to be redeemed whether in whole or in part. The shares are negotiable instruments, and all shares shall be freely transferable.

Notes

5.5 Share capital (continued)

Capital structure and capital allocation

Management regularly assesses the ROCKWOOL capital structure. The overall objective is to ensure continued development and strengthening of the Group's capital structure that supports long-term profitable growth.

It is the intention of ROCKWOOL that the net debt should be maximum one time the EBITDA, with due regard to the Group's long-term financing requirements.

The dividend policy is to pay out a stable dividend that is at least one-third of net profit after tax.

After assessing the outlook for the economic cycle, investment plans and structural business opportunities, and considering the dividend policy, ROCKWOOL can further decide to initiate share buy-backs to adjust the capital structure.

Share capital

MEUR	2024	2023
A shares - 9,866,603 shares of 10 DKK each (1.3 EUR)	13	
B shares - 11,754,106 shares of 10 DKK each (1.3 EUR)	16	
A shares - 10,776,159 shares of 10 DKK each (1.3 EUR)		14
B shares - 10,844,550 shares of 10 DKK each (1.3 EUR)		15
Share capital	**29**	**29**

5.6 Treasury shares

Accounting policies

ROCKWOOL A/S has a reserve of treasury shares recognised in retained earnings. The shares are bought back to meet obligations under the Group's equity-based restricted share unit programme and as part of the Group's share buy-back programme.

Treasury shares

EUR	2024			2023		
B shares	**Number of shares**	**Average purchase/ sales price**	**% of share capital**	**Number of shares**	**Average purchase/ sales price**	**% of share capital**
Treasury shares 1/1	50,288		0.2	47,857		0.2
Purchase	436,900	347	2.0	15,000	217	0.1
Settlement/sale	6,405	-	0.0	12,569	-	0.1
Treasury shares 31/12	**480,783**		**2.2**	**50,288**		**0.2**

Treasury shares are used to hedge the Group's restricted share unit programme and as part of the Group's share buy-back programme. Treasury shares are purchased based on authorisation from the General Assembly.

5.7 Earnings per share

Earnings per share

MEUR	2024	2023
Profit for the year attributable to shareholders of ROCKWOOL A/S	550	389
Average number of shares ('000)	21,621	21,621
Average number of treasury shares ('000)	270	52
Average number of outstanding shares ('000)	**21,351**	**21,569**
Dilution effect of restricted share unit programme ('000)	41	39
Average number of diluted shares ('000)	**21,392**	**21,608**
Earnings per share (EUR)	25.8	18.0
Earnings per share, diluted (EUR)	25.7	18.0

Notes

5.8 Business combinations and asset acquisitions

Accounting policies

Acquisitions

Acquisitions are accounted for using the acquisition method. The cost of a business combination comprises the fair value of the consideration agreed upon, including the fair value of any consideration contingent on future events, and the amount of any non-controlling interests in the acquiree. The Group recognises any non-controlling interest in the acquiree on an acquisition-by-acquisition basis, at either fair value (full goodwill) or at the non-controlling interest's proportionate share of the recognised amounts of the acquiree's identifiable assets. Acquisition-related costs are expensed in the statement of profit and loss as and when incurred within other external costs.

The acquired entities' identifiable assets, liabilities and contingent liabilities are measured at fair value at the acquisition date. The acquisition date is the date when the Group effectively obtains control of an acquired subsidiary or significant influence over an associate. Identifiable intangible assets are recognised if they are separable or arise from a contractual right. Deferred tax is recognised on revaluations.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount of any non-controlling interest in the acquiree over the fair value of the identifiable net assets acquired.

Goodwill and fair value adjustments in connection with the acquisition of an entity are treated as assets and liabilities belonging to the foreign entity and translated into the foreign entity's functional currency at the exchange rate at the transaction date.

The identifiable assets, liabilities and contingent liabilities on initial recognition at the acquisition date are subsequently adjusted up until 12 months after the acquisition. The effect of the adjustments is recognised in the opening balance of equity, and the comparative figures are restated accordingly if the amount is material.

Changes in estimates of contingent purchase considerations are recognised in the statement of profit and loss.

In a step acquisition, the Group gains control of an entity in which it already held a shareholding before gaining control. The shareholding held before the step acquisition is remeasured at fair value at the acquisition date and added to the fair value of the consideration paid for the shareholding acquired in the step acquisition and is accounted for as the total cost of the shareholding in the acquired entity. The gain or loss on the remeasurement is recognised in the statement of profit and loss.

Disposals and loss of control

Gains or losses on the disposal or liquidation of subsidiaries and associates are recognised as the difference between the sales price and the carrying amount of net assets (including goodwill) at the date of disposal or liquidation, and net of foreign exchange adjustments recognised in other comprehensive income, and costs to sell or liquidation expenses.

The shareholding retained after the loss of control of subsidiaries is remeasured at fair value and accounted for as the fair value on initial recognition of a financial asset or the cost of an investment in an associate. Gains or losses on the loss of control of subsidiaries are recognised as the difference between the fair value of the retained shareholding and the carrying amount of the derecognised net assets (including goodwill) at the date of loss of control, and net of foreign exchange adjustments recognised in other comprehensive income.

Critical estimates and judgements

The most significant assets acquired generally comprise goodwill, customer relationships and production equipment. As no active market exists for the majority of acquired assets, liabilities and contingent liabilities, in particular in respect of acquired intangible assets, Management makes estimates of the fair value. The methods applied are based on the present value of future cash flows, churn rates or other expected cash flows related to the specific asset.

The fair value of customer relationships acquired in business combinations is based on an evaluation of the conditions relating to the acquired portfolio. Measurement is based on a discounted cash flow model on key assumptions about the estimated split of the acquired and expected revenue, the related churn rates and profitability of the revenue at the time of the acquisition.

Notes

5.8 Business combinations and asset acquisitions (continued)

Comments

Acquisition of Khai Hoan Insulation in Vietnam (now ROCK WOOL KHAI HOAN JOINT STOCK COMPANY)

On 1 October 2024, ROCKWOOL completed the acquisition of 90 percent of the shares and voting rights in the leading stone wool producer in Vietnam, Khai Hoan Insulation, based near Ho Chi Minh City. The acquisition complements ROCKWOOL's existing business in Vietnam and reflects the Group's increased focus on the region.

The total consideration was 31 MEUR, of which 28 MEUR was paid in 2024 and is included in the statement of cash flows as investing activities. The remaining 3 MEUR will be paid in 2025, 2026, and 2027. Related transaction costs of 0.2 MEUR have been expensed in the statement of profit and loss.

Net assets at fair value amount to 12 MEUR. The assessment of the fair value of sites and buildings is based on an external valuation. The fair value of plant and machinery is based on an internal valuation. For customer relationships fair value is based on an earnings model with estimates for future cash flows and customer attrition rates.

The fair value of inventory and trade receivables amounts to 1 MEUR including provision for bad debt and provision for obsolete and slow-moving goods. None of the trade receivables have been impaired and it is expected that the full contractual amounts will be settled.

After recognition of identifiable assets and liabilities at fair value, goodwill was recognised with a fair value of 20 MEUR. Goodwill represents the value of the current workforce, know-how and expected synergies and growth from integration within the ROCKWOOL Group. The recognised goodwill is not tax deductible.

From the date of acquisition, Khai Hoan Insulation has contributed with revenue of 2 MEUR and 0 MEUR profit for the year. If Khai Hoan Insulation had been owned since 1 January 2024, total contribution to revenue would have been around 5 MEUR, and profit for the year would have been around 0.5 MEUR.

Acquisition of Wetherby Building Systems Ltd. in the United Kingdom (now Wetherby Wall Systems Ltd.)

To strengthen our position in the UK market, ROCKWOOL completed the acquisition of 100 percent of the shares and voting rights in the UK company Wetherby Building Systems Ltd. on 9 October 2024. Wetherby Building Systems Ltd. is a leading supplier for external thermal insulation composite systems (ETICS) in the UK market. The acquisition marks an important milestone in ROCKWOOL's quest to strengthen the Systems segment and expand its façade expertise in the UK.

The fair value of net assets in the acquired company amounts to 54 MEUR. Including goodwill, the total fair value is 68 MEUR. Less cash in the acquired company (23 MEUR), the total cash consideration paid amounted to 45 MEUR, included in the statement of cash flows as investing activities. Related transaction costs of 1.3 MEUR have been expensed in the statement of profit and loss.

The assessment of the fair value of sites and buildings is based on an external valuation. For customer relationships fair value is based on an earnings model with estimates for future cash flows and customer attrition rates. The fair value of inventory and trade receivables amounts to 12 MEUR including provision for bad debt and provision for obsolete and slow-moving goods. None of the trade receivables have been impaired and it is expected that the full contractual amounts will be settled.

Opening balances for acquisitions in 2024

MEUR	Opening balance at fair value
Customer relationships	39
Other intangible assets	1
Property, plant and equipment	9
Deferred taxes	-
Inventories	4
Receivables	9
Other current assets	24
Non-current liabilities	-
Current liabilities	-20
Net identifiable assets acquired	66
Goodwill	34
Net assets acquired	100
Cash in acquired companies	-23
Non-controlling interests	-1
Total consideration net of cash acquired	76

Notes

5.8 Business combinations and asset acquisitions (continued)

After recognition of identifiable assets and liabilities at fair value, goodwill was recognised with a fair value of 14 MEUR. Goodwill represents the value of the current workforce, know-how and expected synergies and growth from integration within the ROCKWOOL Group. The recognised goodwill is not tax deductible

From the date of acquisition, Wetherby Building Systems has contributed with revenue of 13 MEUR and 3 MEUR profit for the year.

If Wetherby Building Systems Ltd. had been owned since 1 January 2024, total contribution to revenue would have been 58 MEUR, and profit for the year would have been 8 MEUR.

There were no acquisitions in the year ending 31 December 2023.

Packaging line in Caparroso, Spain

Note 6
Other

Effective tax rate in 2024

21.0%

Number of subsidiaries in the Group

62

Number of associates in the Group

4

Notes

6.1 Tax

Accounting policies

Tax in the statement of profit and loss is comprised of current year tax expense and changes to deferred tax. Adjustments to prior year tax results and audits are captured in the statement of profit and loss if such adjustments materialise. Tax on changes in other comprehensive income is recognised directly under other comprehensive income.

Movement in income tax receivable and payable is comprised of payments to tax authorities and provision for current tax on profit captured in the statement of profit and loss, and adjustments to prior years if such materialise.

Provisions for deferred tax are calculated on all temporary differences between accounting and taxable values, calculated using the balance-sheet liability method.

Deferred tax provisions are also made to cover the re-taxation of losses in jointly taxed foreign companies previously included in the Danish joint taxation.

Companies within the Group may be entitled to claim special tax deductions for investments in qualifying assets or in relation to qualifying expenditure. The Group accounts for such allowances as tax credits. Consequently, the allowance reduces income tax payables and current tax expense. A deferred tax asset is recognised for unclaimed tax credits that are carried forward.

Deferred tax assets are recognised when it is probable that the assets will reduce tax payments in coming years and they are assessed at the expected net realisable value.

Deferred tax is stated according to current tax regulations. Changes in deferred tax as a consequence of changes in tax rates are recognised in the statement of profit and loss.

The parent company is taxed jointly with all Danish subsidiaries. Income subject to joint taxation is fully distributed.

Tax expense

MEUR	2024	2023
Current tax for the year	165	106
Change in deferred tax	1	24
Adjustment to valuation of tax assets	-17	-
Withholding taxes	1	6
Adjustment in current and deferred tax in previous years	-4	-3
Tax expense	**146**	**133**

Reconciliation of effective tax rate

%	2024	2023
Danish tax rate	22.0	22.0
Deviation in non-Danish subsidiaries' tax compared to Danish tax percentage	1.6	1.4
Withholding tax adjustment	0.2	1.2
Permanent differences	0.4	1.4
Effect on change in income tax rates	-	0.1
Adjustment to valuation of tax assets	-2.5	-
Other deviations	-0.7	-0.6
Effective tax rate (%)	**21.0**	**25.5**

Income tax receivable and payable

MEUR	2024	2023
Income tax receivable and payable 1/1	-3	-1
Exchange rate adjustments	-	-2
Acquisition of subsidiaries	2	-
Current tax for the year including withholding taxes	167	112
Payments during the year	-114	-116
Adjustment in respect of prior years	-4	4
Current tax for the year recognised in other comprehensive income	-	-
Income tax receivable and payable 31/12	**48**	**-3**
Income tax is recognised as follows:		
Income tax receivable	31	44
Income tax payable	79	41
Income tax receivable and payable 31/12	**48**	**-3**

Notes

6.1 Tax (continued)

Critical estimates and judgements

While conducting business globally, transfer pricing disputes, etc. with tax authorities may occur, and Management judgement is applied to assess the possible outcome of such disputes. Probability weighted outcomes is used as the measurement method, and Management believes that the provision made for uncertain tax positions not yet settled with local tax authorities is adequate. However, the actual obligation may deviate and is dependent on the result of litigations and settlements with the relevant tax authorities.

The Group is subject to income taxes in numerous jurisdictions. Significant estimates is required in determining provision for uncertain tax positions or the recognition of a deferred tax asset.

A tax asset is recognised if it is assessed that the asset can be utilised in a foreseeable future based on strong indications that sufficient future profits are available to absorb the temporary differences including the Group's future tax planning.

The valuation of tax assets related to losses carried forward is done on a yearly basis and is based on expected positive taxable income within the next 3-5 years.

Minimum Taxation

ROCKWOOL is within the scope of the OECD Pillar Two minimum taxation rules. Pillar Two legislation was enacted in Denmark where the parent company is incorporated, and is effective from 1 January 2024. The Group applies the exception to recognising and disclosing information about deferred tax assets and liabilities related to Pillar Two income taxes, as provided in the amendments to IAS 12 issued in May 2023. Under the legislation, the Group is liable to pay a top-up tax for the difference between their GloBE effective tax rate per jurisdiction and the 15 percent minimum rate.

Comments

Tax assets not recognised amount to 19 MEUR (2023: 20 MEUR). The tax assets relate in part to assets from subsidiaries with a history of losses, but also recognised tax incentives with utilisation in 2030 and onwards.

Deferred tax assets and liabilities are offset in the consolidated statement of financial position if the Group has a legally enforceable right to set off and the deferred tax assets and liabilities relate to the same legal tax entity consolidation. Of the total deferred tax assets recognised, 4 MEUR (2023: 17 MEUR) relate to tax loss carry forwards.

ROCKWOOL maintains a Tax Policy available on our website. Our legal entity structure supports our business requirements. We do not engage in harmful or artificial structures. During the year we have only had operations in one country listed on EU's list of uncooperative tax jurisdictions; Russia.

ROCKWOOL will make use of the OECD Safe Harbour rules. As such ROCKWOOL has estimated that the effective tax rate is above 15 percent in all jurisdictions of its operation, except for Croatia and Hong Kong. Due to an expected utilisation of a non-qualifying incentive in Croatia, the tax rate falls below 15 percent, at 0.9 percent. Applying substance base income exclusion (SBIE) a provision of 0.5 MEUR is included in the tax provision. Hong Kong's expected effective tax rate after recalculation of deferred taxes is at 9.2 percent. Applied SBIE a provision of 0.1 MEUR is included in the tax provision.

Deferred tax

MEUR	2024	2023
Deferred tax, net 1/1	20	7
Exchange rate adjustments	-1	1
Acquisition of subsidiaries	10	-
Change in deferred tax recognised in profit and loss	1	16
Adjustment to valuation of tax assets	-17	-
Deferred tax for the year recognised in other comprehensive income for the year	-3	-4
Deferred tax, net 31/12	**10**	**20**
Deferred tax is recognised in the statement of financial position as follows:		
Deferred tax assets	62	46
Deferred tax liabilities	72	66
Deferred tax, net 31/12	**10**	**20**
Deferred tax relates to:		
Non-current assets	60	60
Current assets	-19	6
Non-current liabilities	-17	-18
Current liabilities	-14	-15
Tax loss carried forward	-4	-17
Re-taxable amounts	4	4
Deferred tax, net 31/12	**10**	**20**

Unrecognised tax assets expire as follows

MEUR	2024	2023
< 1 year	-	-
1-5 years	-	3
> 5 years	4	13
Do not expire	15	4
Unrecognised tax assets	**19**	**20**

Notes

6.2 Commitments and contingent liabilities

Accounting policies

Provisions for legal proceedings are recognised if they are certain or probable at the reporting date, and if the size of the liability can be measured on a reliable basis. Legal proceedings for which no reliable estimate can be made are disclosed as contingent liabilities.

Comments

For the Group, commitments comprise 24 MEUR (2023: 28 MEUR), which mainly relates to a number of long-term supply agreements and one conditional tangible asset purchase obligation. Contractual obligations for purchase of property, plant and equipment are mentioned in note 3.2. Contingent liabilities amount to 9 MEUR (2023: 9 MEUR).

The Group is engaged in a few legal proceedings. It is expected that the outcome of these legal proceedings will not impact the Group's financial position in excess of what has been provided for in the statement of financial position as at 31 December 2024 (as well as at 31 December 2023).

6.3 Related parties

Comments

At 31 December 2024, treasury shares accounted for 2.2 percent (2023: 0.2 percent) of the share capital, see note 5.6.

The Group's related parties comprise the Company's shareholders; the ROCKWOOL Foundation, the Company's Board of Directors and Management and associates.

In 2024, as well as in 2023, no shares were purchased from major shareholders.

Apart from dividends and purchase of treasury shares, no transactions were carried out with the shareholders during the year. For transactions with the Board of Directors and Group Management please refer to note 2.2 and note 2.3.

Transactions with related parties

MEUR	2024	2023
Transactions with associates:		
Sales to associates	28	26
Loan to associates	1	1

6.4 Auditor's fee

Comments

Fees for services in addition to the statutory audit of the financial statements which were provided by the statutory auditor PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab to the Group amounted to less than 1 MEUR in both 2024 and 2023.

Services in addition to the statutory audit of the financial statements comprise general consultancy services.

ROCKWOOL's policy is to follow the 70 percent fee cap restriction on non-audit services provided by PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab, Denmark, the auditor of the parent company. PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab complies with the 70 percent fee cap restriction in 2024 and 2023.

Fees to auditors elected at the Annual General Meeting

MEUR	2024	2023
Statutory audit	2	2
Other opinions	1	-
Tax consultancy	-	-
Other services	-	-
Fees to auditors	**3**	**2**

6.5 Events after the reporting date

We are not aware of events subsequent to 31 December 2024, which are expected to have a material impact on the Group's financial position.

Notes

6.6 Group companies

Parent company ROCKWOOL A/S

Subsidiaries	Country	% Shares owned
ROCKWOOL Australia Pty. Ltd.	Australia	100
ROCKWOOL Handelsgesellschaft m.b.H.	Austria	100
ROCKWOOL Belgium N.V.	Belgium	100
ROCKWOOL Bulgaria EooD	Bulgaria	100
ROXUL Inc.	Canada	100
ROCKWOOL Firesafe Insulation (Guangdong) Co. Ltd.	China	100
ROCKWOOL Firesafe Insulation (Jiangsu) Co., Ltd.	China	100
ROCKWOOL Adriatic d.o.o.	Croatia	100
ROCKWOOL a.s.	Czechia	100
ROCKWOOL Danmark A/S	Denmark	100
Tripplex ApS	Denmark	100
ROCKWOOL EE OÜ	Estonia	100
ROCKWOOL Finland OY	Finland	100
ROCKWOOL France S.A.S	France	100
Deutsche ROCKWOOL GmbH & Co. KG	Germany	100
HECK Wall Systems GmbH	Germany	100
ROCKWOOL Beteiligungs GmbH	Germany	100
ROCKWOOL Mineralwolle GmbH Flechtingen	Germany	100
ROCKWOOL Operations GmbH & Co. KG	Germany	100
ROCKWOOL Rockfon GmbH	Germany	100
ROCKWOOL Verwaltungs GmbH	Germany	100
ROCKWOOL Building Materials Ltd.	Hong Kong	100
ROCKWOOL Hungary Kft.	Hungary	100
ROXUL ROCKWOOL Insulation India Ltd.	India	100

Subsidiaries	Country	% Shares owned
ROXUL ROCKWOOL Technical Insulation India Pvt. Ltd.	India	100
ROCKWOOL Technical Insulation India Pvt. Ltd.	India	100
PT ROCKWOOL Trading Indonesia	Indonesia	100
ROCKWOOL Italia S.p.A.	Italy	100
ROCKWOOL Japan LLC	Japan	97
ROCKWOOL Korea Co. Ltd.	Korea	100
SIA ROCKWOOL	Latvia	100
ROCKWOOL UAB	Lithuania	100
Chicago Metallic (Malaysia) Sdn. Bhd.	Malaysia	100
ROCKWOOL Malaysia Sdn. Bhd.	Malaysia	100
CMC Productos Perlitas S de R.L. de C.V.	Mexico	100
Servicios Pearl de Mexico S de R.L. de C.V.	Mexico	100
AS ROCKWOOL	Norway	100
FAST Sp. z o.o.	Poland	100
ROCKWOOL Global Business Service Center Sp. z.o.o.	Poland	100
ROCKWOOL Polska Sp. z o.o.	Poland	100
ROCKWOOL Romania s.r.l.	Romania	100
LLC ROCKWOOL	Russia	100
LLC ROCKWOOL-NORTH	Russia	100
LLC ROCKWOOL-Ural	Russia	100
LLC ROCKWOOL-VOLGA	Russia	100
ROCKWOOL Building Materials (Singapore) Pte Ltd.	Singapore	100
ROCKWOOL Slovensko s.r.o.	Slovakia	100
ROCKWOOL Peninsular S.A.U.	Spain	100

Subsidiaries	Country	% Shares owned
ROCKWOOL AB	Sweden	100
Flumroc AG	Switzerland	100
PAMAG Engineering AG	Switzerland	100
ROCKWOOL GmbH	Switzerland	100
ROCKWOOL (Thailand) Limited	Thailand	100
Breda Confectie B.V.	the Netherlands	100
ROCKWOOL B.V.	the Netherlands	100
ROCKWOOL Insaat ve Yalitim Sistemleri San. Ve Tic. Ltd. Sti.	Türkiye	100
LLC ROCKWOOL Ukraine	Ukraine	100
ROCKWOOL Middle East FZE	UAE	100
ROCKWOOL Limited	United Kingdom	100
Wetherby Building Systems Limited	United Kingdom	100
ROXUL USA Inc.	United States	100
ROCK WOOL Khai Hoan Joint Stock Company	Vietnam	90

Associates		
AKUART A/S	Denmark	20
RESO SA	France	20
ScanArc Plasma Technologies AB	Sweden	34
RESO SWISS SA	Switzerland	20

The German subsidiaries DEUTSCHE ROCKWOOL GmbH & Co. KG and ROCKWOOL Operations GmbH & Co. KG, which have legal form of partnership, make use of the exemptions provided by section 264b of the German Commercial Code (HGB).

Definition of key figures and ratios

Part of management's review

EBITDA

Earnings before amortisation, depreciation, impairment, financial items and tax

EBIT

Earnings before financial items and tax

Net working capital (NWC)

Inventories, trade receivables, other receivables and other current operating assets less trade payables, other payables and other current operational liabilities adjusted for investment payables

Invested capital

NWC + intangible assets, property, plant and equipment, and right-of-use assets less non-interest bearing liabilities and investment payables

Net interest bearing debt

Cash less bank loans and other loans less bank debt less lease liabilities

EBITDA margin (%)

$$\frac{\text{EBITDA}}{\text{Revenue}} \times 100\%$$

EBIT margin (%)

$$\frac{\text{EBIT}}{\text{Revenue}} \times 100\%$$

Earnings per share of DKK 10 (EUR 1.3)

$$\frac{\text{Profit for the year excl. non-controlling interests}}{\text{Average number of outstanding shares}}$$

Diluted earnings per share of DKK 10 (EUR 1.3)

$$\frac{\text{Profit for the year excl. non-controlling interests}}{\text{Diluted average number of outstanding shares}}$$

Cash flow per share of DKK 10 (EUR 1.3)

$$\frac{\text{Cash flows from operating activities}}{\text{Diluted average number of outstanding shares}}$$

Dividend per share of DKK 10 (EUR 1.3)

$$\frac{\text{Proposed dividend for the year}}{\text{Number of shares at the end of the year}}$$

Book value per share of DKK 10 (EUR 1.3)

$$\frac{\text{Equity end of the year excl. non-controlling interests}}{\text{Number of shares at the end of the year}}$$

ROIC

$$\frac{\text{EBIT}}{\text{Average invested capital including goodwill}} \times 100\%$$

Return on equity (%)

$$\frac{\text{Profit for the year excl. non-controlling interests}}{\text{Average equity excl. non-controlling interests}} \times 100\%$$

Equity ratio (%)

$$\frac{\text{Equity end of the year excl. non-controlling interests}}{\text{Total equity and liabilities at the end of the year}} \times 100\%$$

Dividend payout ratio (%)

$$\frac{\text{Proposed dividend for the year}}{\text{Profit for the year excl. non-controlling interests}} \times 100\%$$

Leverage ratio

$$\frac{\text{Net interest-bearing debt}}{\text{EBITDA}}$$

Financial gearing

$$\frac{\text{Net interest-bearing debt}}{\text{Equity end of the year}}$$

Market cap

Number of outstanding shares x share price

Definition of key figures and ratios

(continued)

Growth in local currency

Growth rates excluding currency impact, as both periods are using the same exchange rates.

Sustainability investments

This category comprises investments relating to improving workforce occupational health and safety as well as reducing environmental impacts in own operations, including those within "climate change transition". For more information about ROCKWOOL's climate change transition plan, see Section E1 Climate change.

CO_2 intensity (Scope 1+2) per tonne stone wool

Defined according to the Greenhouse Gas Protocol. Scope 1 emissions are direct emissions from the stone wool factories. It includes emissions from all combustion sources and process emissions. Scope 2 emissions are indirect emissions from purchased electricity, heat or steam.

Energy efficiency in own buildings

Energy efficiency improvement in own buildings calculated in metrics of $kWh/m^2/year$.

Water use intensity from stone wool production

All water (surface water, groundwater, public water, and water from other external sources) used in stone wool production and not returned to its original source.

Number of countries with recycling service

Number of countries where ROCKWOOL can take back used stone wool from the market through Rockcycle®.

Landfill waste from our stone wool production

Total quantity of production waste sent to landfill by the stone wool factories.

Lost time incident frequency rate

Number of recorded lost time injuries resulting in more than one day of absence per million working hours for the year.

Absolute greenhouse gas (GHG) emissions (Scope 1+2)

Defined according to the Greenhouse Gas Protocol. Scope 1+2 GHG emissions are the sum of CO_2 emissions and other GHG emissions measured as CO_2-equivalents. Scope 2 emissions include indirect emissions from electricity, heat and steam.

Absolute greenhouse gas (GHG) emissions (Scope 3)

Defined according to the Greenhouse Gas Protocol and includes other indirect emissions from our activities that result from sources we do not own or control.

RATIOS

The ratios have been calculated in accordance with cfa.dk/keyratios/ issued by CFA Society Denmark.

The ratios mentioned in the five-year summary are calculated as described in the definitions above.

Management's statement

The Board of Directors and the Registered Directors have today considered and adopted the Annual Report of ROCKWOOL A/S for the financial year 1 January – 31 December 2024.

The consolidated financial statements have been prepared in accordance with IFRS Accounting Standards as adopted by the EU and further requirements in the Danish Financial Statements Act, and the parent company financial statements have been prepared in accordance with the Danish Financial Statements Act. Management's review has been prepared in accordance with the Danish Financial Statements Act.

In our opinion, the consolidated financial statements and the parent company financial statements give a true and fair view of the financial position at 31 December 2024 of the Group and the Parent Company and of the results of the Group and Parent Company operations and cash flows for 2024.

In our opinion, Management's review includes a fair review of the development in the operations and financial circumstances of the Group and the Parent Company, of the results for the year and of the financial position of the Group and the Parent Company as well as a description of the most significant risks and elements of uncertainty, which the Group and the Parent Company are facing.

Additionally, the sustainability statement, which is part of Management's review, has been prepared, in all material respects, in accordance with paragraph 99 a of the Danish Financial Statements Act. This includes compliance with the European Sustainability Reporting Standards (ESRS) including that the process undertaken by Management to identify the reported information (the "Process") is in accordance with the description set out in the section titled *Impact, risk and opportunity management*. Furthermore, disclosures within subsection titled *EU Taxonomy* in the environmental section of the sustainability statement are, in all material respects, in accordance with Article 8 of EU Regulation 2020/852 (the "Taxonomy Regulation")

The year 2024 marks the initial implementation of paragraph 99 a of the Danish Financial Statements Act concerning compliance with ESRS. As such, more clear guidance and practice are anticipated in various areas, which are expected to be issued in the coming years. Furthermore, the sustainability statement includes forward-looking statements based on disclosed assumptions about events that may occur in the future and possible future actions by the Group. Actual outcomes are likely to be different since anticipated events frequently do not occur as expected.

In our opinion, the Annual Report of ROCKWOOL A/S for the financial year 1 January to 31 December 2024 with the file name ROCK-2024-12-31-en.zip is prepared, in all material respects, in compliance with the ESEF Regulation.

We recommend that the Annual Report be adopted at the Annual General Meeting.

Hedehusene, 6 February 2025

Registered Directors

Jes Munk Hansen
CEO

Kim Junge Andersen
CFO

Board of Directors

Thomas Kähler
Chairman

Jørgen Tang-Jensen
Deputy Chairman

Rebekka Glasser Herlofsen

Ilse Irene Henne

Carsten Kähler

Connie Enghus Theisen

Christian Westerberg

Janni Munkholm Nielsen

Independent auditor's Reports

To the shareholders of ROCKWOOL A/S

Report on the audit of the Financial Statements

Our opinion

In our opinion, the Consolidated Financial Statements give a true and fair view of the Group's financial position at 31 December 2024 and of the results of the Group's operations and cash flows for the financial year 1 January to 31 December 2024 in accordance with IFRS Accounting Standards as adopted by the EU and further requirements in the Danish Financial Statements Act.

Moreover, in our opinion, the Parent Company Financial Statements give a true and fair view of the Parent Company's financial position at 31 December 2024 and of the results of the Parent Company's operations for the financial year 1 January to 31 December 2024 in accordance with the Danish Financial Statements Act.

Our opinion is consistent with our Auditor's Long-form Report to the Audit Committee and the Board of Directors.

What we have audited
The Consolidated Financial Statements (pp. 123-165) and Parent Company Financial Statements (pp. 177-186) of ROCKWOOL A/S for the financial year 1 January to 31 December 2024, comprise statement of profit and loss, statement of financial position, statement of changes in equity and notes, including material accounting policy information for the Group as well as for the Parent Company, and statement of comprehensive income and statement of cash flows for the Group. Collectively referred to as the "Financial Statements".

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the *Auditor's responsibilities for the audit of the Financial Statements* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence
We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark. We have also fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

To the best of our knowledge and belief, prohibited non-audit services referred to in Article 5(1) of Regulation (EU) No 537/2014 were not provided.

Appointment
We were first appointed auditors of ROCKWOOL A/S on 9 April 2014 for the financial year 2014. We have been reappointed annually by shareholder resolution for a total period of uninterrupted engagement of 11 years including the financial year 2024. We were reappointed following a tendering procedure at the General Meeting on 10 April 2024.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the Financial Statements for 2024. These matters were addressed in the context of our audit of the Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter
Impairment of intangible assets and property, plant and equipment

Intangible assets and property, plant and equipment might be impaired due to for example increased competition in local markets, changes in the global economy and changes in the strategy of the Group.

We focused on this area as the determination of whether or not an impairment charge for intangible assets and property, plant and equipment is necessary involves significant estimates and judgements made by Management, including especially:

- estimation of future cash flows and the significant assumptions applied by Management in this estimation, including sales growth and the applied margin, cost inflation and efficiency improvements;
- long-term growth rates and discount rates applied in discounting future cash flows.

Reference is made to notes 3.1, 3.2, 3.4 and 3.5 to the Consolidated Financial Statements.

Independent auditor's Reports

(continued)

How our audit addressed the key audit matter

We carried out risk assessment procedures in order to obtain an understanding of IT systems, business processes and relevant controls regarding impairment of intangible assets and property, plant and equipment. For the controls, we assessed whether they were designed and implemented to effectively address the risk of material misstatement.

We tested the impairment trigger analysis and the impairment tests prepared by Management and evaluated the reasonableness of estimates and judgements made by Management in preparing these.

Our audit procedures included assessing the Group's impairment model. We also challenged Management's significant assumptions related to the key drivers of the future cash flows, including sales growth and the applied margin, cost inflation and efficiency improvements, as well as long-term growth rates and discount rates.

We examined sensitivity analyses regarding changes in sales growth, margin and discount rates.

We also considered the historical outcome of accounting estimates made in prior periods by comparing budgeted figures to actual figures for the past years.

We evaluated the disclosures regarding impairment tests included in the notes.

Statement on Management's Review

Management is responsible for Management's Review (pp. 4-42, 166-167 and 176).

Our opinion on the Financial Statements does not cover Management's Review, and we do not as part of the audit express any form of assurance conclusion thereon.

In connection with our audit of the Financial Statements, our responsibility is to read Management's Review and, in doing so, consider whether Management's Review is materially inconsistent with the Financial Statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

Moreover, we considered whether Management's Review includes the disclosures required by the Danish Financial Statements Act. This does not include the requirements in paragraph 99 a related to the Sustainability Statement covered by the separate auditor's limited assurance report hereon.

Based on the work we have performed, in our view, Management's Review is in accordance with the Consolidated Financial Statements and the Parent Company Financial Statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act, except for the requirements in paragraph 99 a related to the Sustainability Statement, cf. above. We did not identify any material misstatement in Management's Review.

Management's responsibilities for the Financial Statements

Management is responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with IFRS Accounting Standards as adopted by the EU and further requirements in the Danish Financial Statements Act and for the preparation of parent company financial statements that give a true and fair view in accordance with the Danish Financial Statements Act, and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the Financial Statements, Management is responsible for assessing the Group's and the Parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Management either intends to liquidate the Group or the Parent Company or to cease operations, or has no realistic alternative but to do so.

Independent auditor's Reports

(continued)

Auditor's responsibilities for the audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Financial Statements.

As part of an audit in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Parent Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Parent Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group or the Parent Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that gives a true and fair view.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the Consolidated Financial Statements and the Parent Company Financial Statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence and, where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Financial Statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter.

Independent auditor's Reports

(continued)

Report on compliance with the ESEF Regulation

As part of our audit of the Financial Statements we performed procedures to express an opinion on whether the annual report of ROCKWOOL A/S for the financial year 1 January to 31 December 2024 with the filename ROCK-2024-12-31-en.zip is prepared, in all material respects, in compliance with the Commission Delegated Regulation (EU) 2019/815 on the European Single Electronic Format (ESEF Regulation) which includes requirements related to the preparation of the annual report in XHTML format and iXBRL tagging of the Consolidated Financial Statements including notes.

Management is responsible for preparing an annual report that complies with the ESEF Regulation. This responsibility includes:

- The preparing of the annual report in XHTML format;
- The selection and application of appropriate iXBRL tags, including extensions to the ESEF taxonomy and the anchoring thereof to elements in the taxonomy, for all financial information required to be tagged using judgement where necessary;
- Ensuring consistency between iXBRL tagged data and the Consolidated Financial Statements presented in human-readable format; and
- For such internal control as Management determines necessary to enable the preparation of an annual report that is compliant with the ESEF Regulation.

Our responsibility is to obtain reasonable assurance on whether the annual report is prepared, in all material respects, in compliance with the ESEF Regulation based on the evidence we have obtained, and to issue a report that includes our opinion. The nature, timing and extent of procedures selected depend on the auditor's judgement, including the assessment of the risks of material departures from the requirements set out in the ESEF Regulation, whether due to fraud or error. The procedures include:

- Testing whether the annual report is prepared in XHTML format;
- Obtaining an understanding of the company's iXBRL tagging process and of internal control over the tagging process;
- Evaluating the completeness of the iXBRL tagging of the Consolidated Financial Statements including notes;
- Evaluating the appropriateness of the company's use of iXBRL elements selected from the ESEF taxonomy and the creation of extension elements where no suitable element in the ESEF taxonomy has been identified;
- Evaluating the use of anchoring of extension elements to elements in the ESEF taxonomy; and
- Reconciling the iXBRL tagged data with the audited Consolidated Financial Statements.

In our opinion, the annual report of ROCKWOOL A/S for the financial year 1 January to 31 December 2024 with the file name ROCK-2024-12-31-en.zip is prepared, in all material respects, in compliance with the ESEF Regulation.

Hellerup, 6 February 2025

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab
CVR no 33 77 12 31

Kim Tromholt

State Authorised Public Accountant
mne33251

Rune Kjeldsen

State Authorised Public Accountant
mne34160

Independent auditor's limited assurance report on the Sustainability Statement

To the stakeholders of ROCKWOOL A/S

Limited assurance conclusion

We have conducted a limited assurance engagement on the Sustainability Statement of ROCKWOOL A/S (the "Group") included in Management's Review, pp. 43-122, for the financial year 1 January – 31 December 2024 (the "Sustainability Statement").

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the Sustainability Statement is not prepared, in all material respects, in accordance with the Danish Financial Statements Act paragraph 99 a, including:

- compliance with the European Sustainability Reporting Standards (ESRS), including that the process carried out by Management to identify the information reported in the Sustainability Statement (the "Process") is in accordance with the description set out in subsection *Impact, risk and opportunity management* pp. 55-56; and

- compliance of the disclosures in subsection *EU Taxonomy* within the environmental section pp. 90-96 of the Sustainability Statement with Article 8 of EU Regulation 2020/852 (the "Taxonomy Regulation").

Basis for conclusion

We conducted our limited assurance engagement in accordance with International Standard on Assurance Engagements (ISAE) 3000 (Revised), Assurance engagements other than audits or reviews of historical financial information ("ISAE 3000 (Revised)") and the additional requirements applicable in Denmark.

The procedures in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion. Our responsibilities under this standard are further described in the Auditor's responsibilities for the assurance engagement section of our report.

Our independence and quality management

We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark. We have also fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

Our firm applies International Standard on Quality Management 1, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Management's responsibilities for the Sustainability Statement

Management is responsible for designing and implementing a process to identify the information reported in the Sustainability Statement in accordance with ESRS and for disclosing this Process in subsection *Impact, risk and opportunity management* pp. 55-56 of the Sustainability Statement. This responsibility includes:

- understanding the context in which the Group's activities and business relationships take place and developing an understanding of its affected stakeholders;

- identification of the actual and potential impacts (both negative and positive) related to sustainability matters, as well as risks and opportunities that affect, or could reasonably be expected to affect, the Group's financial position, financial performance, cash flows, access to finance or cost of capital over the short-, medium-, or long-term;

- assessment of the materiality of the identified impacts, risks and opportunities related to sustainability matters by selecting and applying appropriate thresholds; and

- making assumptions that are reasonable in the circumstances.

Independent auditor's limited assurance report on the Sustainability Statement

(continued)

Management is further responsible for preparation of the Sustainability Statement, which includes the information identified by the Process, in accordance with the Danish Financial Statements Act paragraph 99 a, including:

- compliance with ESRS;
- preparing the disclosures in subsection *EU Taxonomy* pp. 90-96 within the environmental section of the Sustainability Statement, in compliance with Article 8 of the Taxonomy Regulation;
- designing, implementing and maintaining such internal control that Management determines is necessary to enable the preparation of the Sustainability Statement that is free from material misstatement, whether due to fraud or error; and
- the selection and application of appropriate sustainability reporting methods and making assumptions and estimates that are reasonable in the circumstances.

Inherent limitations in preparing the Sustainability Statement
In reporting forward-looking information in accordance with ESRS, Management is required to prepare forward-looking information on the basis of disclosed assumptions about events that may occur in the future and possible future actions by the Group. Actual outcomes are likely to be different since anticipated events frequently do not occur as expected.

Auditor's responsibilities for the assurance engagement

Our responsibility is to plan and perform the assurance engagement to obtain limited assurance about whether the Sustainability Statement is free from material misstatement, whether due to fraud or error, and to issue a limited assurance report that includes our conclusion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence decisions of users taken on the basis of the Sustainability Statement as a whole.

As part of a limited assurance engagement in accordance with ISAE 3000 (Revised) we exercise professional judgement and maintain professional scepticism throughout the engagement.

Our responsibilities in respect of the Process include:

- Obtaining an understanding of the Process, but not for the purpose of providing a conclusion on the effectiveness of the Process, including the outcome of the Process;
- Considering whether the information identified addresses the applicable disclosure requirements of ESRS; and
- Designing and performing procedures to evaluate whether the Process is consistent with the Group's description of its Process, as disclosed in subsection *Impact, risk and opportunity management* pp. 55-56.

Our other responsibilities in respect of the Sustainability Statement include:

- Identifying where material misstatements are likely to arise, whether due to fraud or error; and
- Designing and performing procedures responsive to disclosures in the Sustainability Statement where material misstatements are likely to arise. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Summary of the work performed

A limited assurance engagement involves performing procedures to obtain evidence about the Sustainability Statement. The nature, timing and extent of procedures selected depend on professional judgement, including the identification of disclosures where material misstatements are likely to arise, whether due to fraud or error, in the Sustainability Statement.

In conducting our limited assurance engagement, with respect to the Process, we:

- Obtained an understanding of the Process by performing inquiries to understand the sources of the information used by Management; and reviewing the Group's internal documentation of its Process; and

Independent auditor's limited assurance report on the Sustainability Statement

(continued)

- Evaluated whether the evidence obtained from our procedures about the Process implemented by the Group was consistent with the description of the Process set out in subsection *Impact, risk and opportunity management* pp. 55-56.

In conducting our limited assurance engagement, with respect to the Sustainability Statement, we:

- Obtained an understanding of the Group's reporting processes relevant to the preparation of its Sustainability Statement including the consolidation processes by obtaining an understanding of the Group's control environment, processes and information systems relevant to the preparation of the Sustainability Statement but not evaluating the design of particular control activities, obtaining evidence about their implementation or testing their operating effectiveness;
- Evaluated whether the information identified by the Process is included in the Sustainability Statement;
- Evaluated whether the structure and the presentation of the Sustainability Statement is in accordance with ESRS;
- Performed inquiries of relevant personnel and analytical procedures on selected information in the Sustainability Statement;
- Performed limited substantive assurance procedures on selected information in the Sustainability Statement;
- Where applicable, compared disclosures in the Sustainability Statement with the corresponding disclosures in the Financial Statements and Management's Review;
- Evaluated the methods, assumptions and data for developing estimates and forward-looking information; and
- Obtained an understanding of the Group's process to identify taxonomy-eligible and taxonomy-aligned economic activities and the corresponding disclosures in the Sustainability Statement.

Hellerup, 6 February 2025

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab
CVR no 33 77 12 31

Kim Tromholt

State Authorised Public Accountant
mne33251

Rune Kjeldsen

State Authorised Public Accountant
mne34160

Management's review of ROCKWOOL A/S

Statement on Management's Review

The activities in the parent company ROCKWOOL A/S is to support the Group through Group functions, holding of shares in the Group companies and funding through the Group's treasury function.

Statement of profit and loss

Revenue in ROCKWOOL A/S consists of income from constructing and maintaining the Group's manufacturing facilities and royalty for the use of patents and trademarks.

In 2024, revenue from constructing and maintaining the Group's manufacturing facilities was 94 MEUR (2023: 108 MEUR), a decrease of 14 MEUR as a result of decreased investment activities during 2024 (2023: 15 MEUR).

ROCKWOOL A/S holds the major patents and trademarks in the Group and charges a royalty to the subsidiaries for the use of these rights. Group companies paid royalty of 401 MEUR (2023: 358 MEUR).

Income from investments in subsidiaries was 411 MEUR (2023: 296 MEUR). The increase is related to increased activity and profitability in the Group companies. Net finance income amounted to 3 MEUR (2023: net finance income of 17 MEUR) the decrease is related to foreign currency exposure on the intercompany balance between ROCKWOOL A/S and the subsidiary in Russia. Due to the economic environment, it has not been possible to hedge this position since March 2022, which in both 2024 and 2023 has resulted in an unrealised exchange gain. In 2024, profit for the year totalled 541 MEUR against 381 MEUR in 2023.

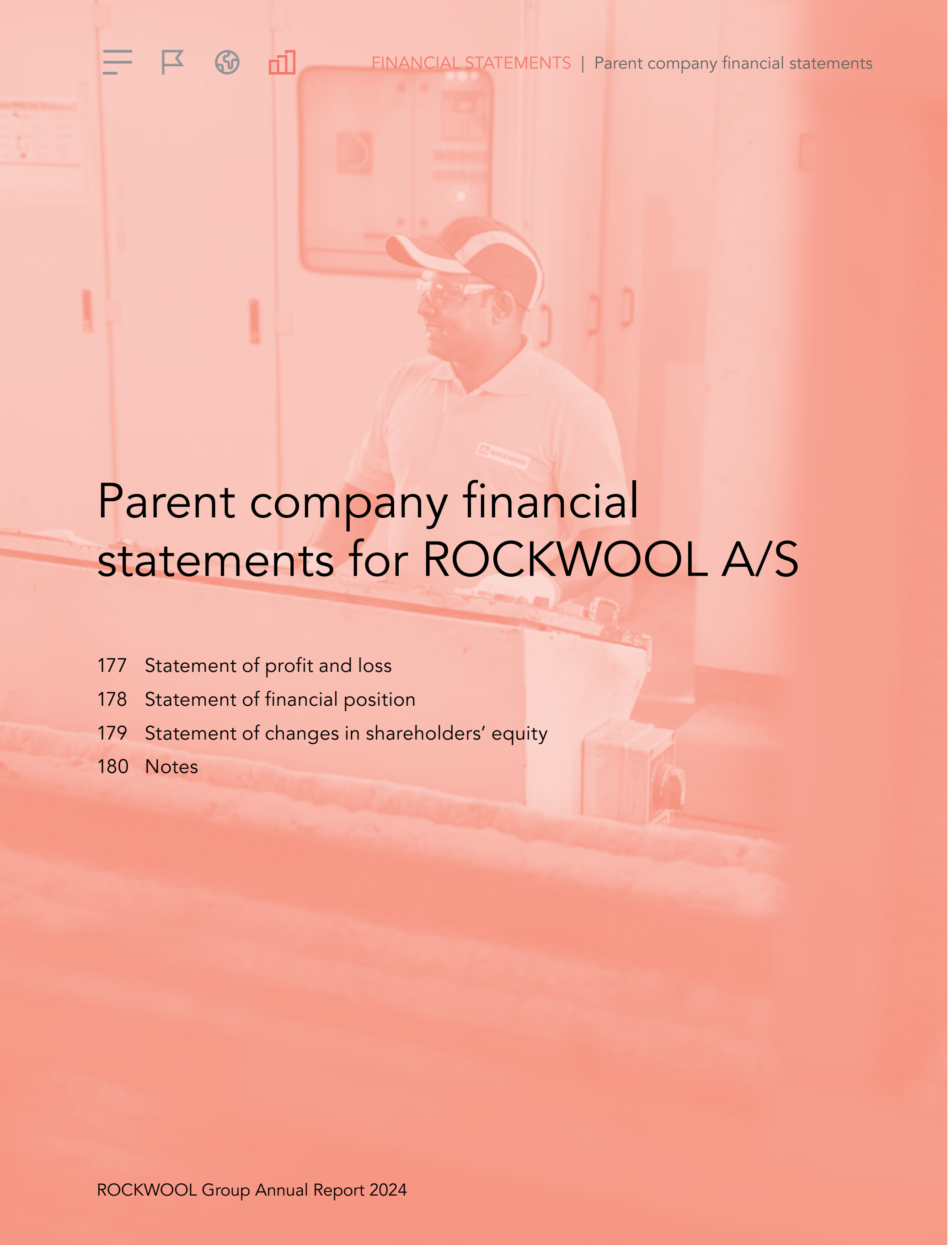
Statement of financial position

Total assets at year-end amounted to 3,494 MEUR (2023: 3,299 MEUR) and the equity was 3,024 MEUR (2023: 2,751 MEUR).

Investment in subsidiaries was 2,799 MEUR (2023: 2,331 MEUR). The increase is mainly due to increased activity and profitability in Group companies.

Management considers the result to be satisfactory.

For further information, please refer to ROCKWOOL Group Management's review on pp. 4-42.



Parent company financial statements for ROCKWOOL A/S

Statement of profit and loss – ROCKWOOL A/S

1 January – 31 December

MEUR	Note	2024	2023
Revenue	2.1	495	466
Costs of raw material and consumables		68	83
Other external costs		179	188
Gross profit		**248**	**195**
Employee benefits expenses	2.2	73	72
Amortisation, depreciation and impairment	3.1, 3.2	13	15
Operating profit / EBIT		**162**	**108**
Income from investments in subsidiaries	2.3	411	296
Finance income	2.4	32	40
Finance costs	2.4	29	23
Profit before tax		**576**	**421**
Tax expense	2.5	35	40
Profit for the year	2.6	**541**	**381**

Statement of financial position – ROCKWOOL A/S

Assets – as at 31 December

MEUR	Note	2024	2023
Completed development projects		9	9
Acquired patents, licenses and trademarks		9	9
Intangible assets under construction		9	7
Intangible assets	3.1	**27**	**25**
Land and buildings		25	19
Other operating equipment		12	9
Tangible assets under construction		10	7
Property, plant and equipment	3.2	**47**	**35**
Investment in subsidiaries	3.3	2,799	2,331
Investment in associates		1	1
Receivables from subsidiaries	3.3	172	210
Financial assets		**2.972**	**2,542**
Non-current assets		**3,046**	**2,602**
Inventories		**2**	**1**
Contract work in progress	3.4	22	21
Receivables from subsidiaries		285	485
Other receivables		14	6
Prepayments	3.5	11	16
Receivables		**332**	**528**
Cash and cash equivalents		**114**	**168**
Current assets		**448**	**697**
Total assets		**3,494**	**3,299**

Equity and liabilities – as at 31 December

MEUR	Note	2024	2023
Share capital		29	29
Revaluation reserve according to the equity method		832	522
Reserve for development costs		12	11
Retained earnings		1,969	2,064
Proposed dividend		182	125
Total equity		**3,024**	**2,751**
Deferred tax	3.6	5	6
Payables to subsidiaries		-	58
Other provisions		1	1
Non-current liabilities		**6**	**65**
Trade payables		16	18
Payables to subsidiaries		402	440
Tax payable		30	13
Other payables		16	12
Current liabilities		**464**	**483**
Total liabilities		**470**	**548**
Total equity and liabilities		**3,494**	**3,299**

Statement of changes in shareholders' equity – ROCKWOOL A/S

MEUR	Share capital	Revaluation reserve according to the equity method	Reserve for development costs	Retained earnings	Proposed dividend	Total equity
Equity at 1 January 2024	**29**	**522**	**11**	**2,064**	**125**	**2,751**
Exchange rate adjustments	-	-1	-	-	-	-1
Profit for the year	-	303	-	56	182	541
Development costs for the year	-	-	1	-1	-	-
Exchange differences on translation of foreign entities	-	6	-	-	-	6
Other adjustments	-	2	-	-	-	2
Share based payments	-	-	-	1	-	1
Share buy-back programme	-	-	-	-149	-	-149
Purchase of treasury shares	-	-	-	-3	-	-3
Dividends paid	-	-	-	1	-125	-124
Equity at 31 December 2024	**29**	**832**	**12**	**1,969**	**182**	**3,024**
Equity at 1 January 2023	**29**	**472**	**12**	**1,919**	**102**	**2,534**
Exchange rate adjustments	-	-	-	-5	-	-5
Profit for the year	-	101	-	155	125	381
Development costs for the year	-	-	-1	1	-	-
Exchange differences on translation of foreign entities	-	-54	-	-	-	-54
Other adjustments	-	3	-	-5	-	-2
Share based payments	-	-	-	1	-	1
Purchase of treasury shares	-	-	-	-3	-	-3
Dividends paid	-	-	-	1	-102	-101
Shareholders' equity 31/12 2023	**29**	**522**	**11**	**2,064**	**125**	**2,751**

Notes for ROCKWOOL A/S

Note 1

1.1 Accounting policies

The financial statements of ROCKWOOL A/S have been prepared in accordance with the Danish Financial Statements Act (accounting class D).

The financial statements are presented in Euro (EUR).

Changes in accounting policies

The accounting policies applied remain unchanged from previous year.

The accounting policies are the same as for the consolidated financial statements with the adjustments described below. For a description of the Group's accounting policies, please refer to the consolidated financial statements.

Recognition and measurement in general

Income is recognised in the statement of profit and loss as earned.

All costs incurred in generating the year's revenue are also recognised in the statement of profit and loss, including depreciation, amortisation and impairment losses.

Value adjustments of financial assets and liabilities measured at fair value or amortised cost are also recognised in the statement of profit and loss.

Assets are recognised in the statement of financial position when it is considered probable that future economic benefits will flow to the company and the value of the asset can be measured on a reliable basis. Liabilities are recognised in the statement of financial position when they are considered probable and can be measured on a reliable basis. At initial recognition, assets and liabilities are measured at cost. Assets and liabilities are subsequently measured as described below for each item.

Revenue

The company produces and sells machinery and consultancy service. The projects typically include one deliverable. Revenue from the projects is recognised over time based on the progress and is based on the price of the projects. As the work is done at the customer's site, control is transferred along with the project progress. Recognition is based on actual costs spent relative to the total estimated costs for the project, as this method is estimated to reflect the transfer of control. The credit terms are normally end of month plus 20 days.

Royalty is received for the use of the ROCKWOOL brand and technology. Royalty is based on the level of sales in the subsidiaries and is recognised when earned according to the terms in the agreement.

Intangible assets

The accounting policies for intangible assets follow those of the Group with the exception of goodwill, which is amortised over a period of 10 years using the straight-line method.

An amount equal to the total capitalised development costs after tax is recognised under Shareholders' equity in the Reserve for development costs.

Financial assets

Investments in subsidiaries are recognised initially at cost and measured subsequently using the equity method. The company's share of the equity of subsidiaries, based on the fair value of the identifiable net assets on the acquisition date, minus or plus unrealised intercompany profits or losses, with addition of any residual value of goodwill, is recognised under Investments in subsidiaries in the statement of financial position.

If the shareholders' equity of subsidiaries is negative and ROCKWOOL A/S has a legal or constructive obligation to cover the company's negative equity, a provision is recognised. Net revaluation of investments in subsidiaries is recognised under Shareholders' equity in the Revaluation reserve according to the equity method. The reserve is reduced by payments of dividends to the parent company and adjusted to reflect other changes in the equity of subsidiaries.

The proportionate share of the net profits of subsidiaries less goodwill amortisation is recognised under Income from investments in subsidiaries in the statement of profit and loss. Goodwill in subsidiaries is amortised over a period of 10 years using the straight-line method.

Inventories

Inventories are measured at cost in accordance with the FIFO principle. Obsolete goods, including slow-moving goods, are written down.

Note 1

1.1 Accounting policies (continued)

Contract work in progress

Contract work in progress is measured at the sales value of the work performed, calculated on the basis of the degree of completion. The degree of completion is calculated as the proportion of the contract costs incurred in relation to the contract's expected total costs. When it is probable that the total contract costs will exceed the total revenue on a contract, the expected loss is recognised in the statement of profit and loss.

Payments received on account are deducted from the sales value. The individual contracts are classified as receivables when the net value is positive and as liabilities when the net value is negative.

Receivables from subsidiaries

Receivables from subsidiaries are recognised at amortised costs and are subsequently measured after deduction of allowance for losses based on an individual assessment.

Leases

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to the statement of profit and loss on a straight-line basis over the period of the lease.

Dividend

The dividend proposed for the financial year is shown as a separate item under Shareholders' equity.

Statement of cash flows

ROCKWOOL A/S has in accordance with the Danish Financial Statements Act, Section 86 (4) not prepared separate cash flow statements. Please refer to the consolidated statement of cash flows.

References to notes to the consolidated financial statements for the following notes, see information in the consolidated financial statements:

- Share capital – see note 5.5
- Treasury shares – see note 5.6
- Auditor's fee – see note 6.4

Note 2

2.1 Revenue

MEUR	2024	2023
Revenue from projects	94	108
Royalties and other fees	401	358
Revenue	**495**	**466**

2.2 Employee benefits expenses

MEUR	2024	2023
Wages and salaries	65	64
Expensed value of RSUs issued	1	1
Pension costs	6	6
Other social security costs	1	1
Personnel costs	**73**	**72**
Average number of employees in ROCKWOOL A/S	476	497

Reference is made to note 2.2 and 2.3 to the consolidated financial statements concerning remuneration of the Board of Directors and the Executive Board.

2.3 Income from investments in subsidiaries

MEUR	2024	2023
Share of net profit/(loss)	422	306
Amortisation of goodwill	-11	-10
Income from investments in subsidiaries	**411**	**296**

2.4 Finance income and Finance costs

MEUR	2024	2023
Interest income	13	9
Interest income from subsidiaries	7	6
Foreign exchange gains	12	25
Finance income	**32**	**40**

MEUR	2024	2023
Interest expenses etc.	17	12
Interest expenses to subsidiaries	9	6
Foreign exchange losses	3	5
Finance costs	**29**	**23**

2.5 Tax expense

MEUR	2024	2023
Current tax for the year	35	34
Change in deferred tax	-1	-2
Withholding taxes	2	6
Adjustment in current and deferred tax in previous years	-1	2
Tax expense	**35**	**40**

2.6 Proposed distribution of profit

MEUR	2024	2023
Proposed distribution of profit:		
Proposed dividend to shareholders	182	125
Revaluation reserve according to equity method	303	101
Retained earnings	56	155
Total profit	**541**	**381**

Note 3

3.1 Intangible assets

Comments

Completed development projects and Intangible assets under construction mainly comprise software development.

MEUR	Completed development projects	Acquired patents, licenses and trademarks	Intangible assets under construction	2024 Total	2023 Total
Cost 1/1	91	42	7	140	139
Exchange rate adjustments	-1	-1	-	-2	-
Additions for the year	-	3	7	10	6
Transfer of Intangible assets under construction	5	-	-5	-	-
Disposals for the year	-1	-	-	-1	-5
Cost 31/12	**94**	**44**	**9**	**147**	**140**
Amortisation and impairment 1/1	82	33	-	115	106
Exchange rate adjustments	-1	-	-	-1	-
Amortisation for the year	5	2	-	7	9
Impairment for the year	-	-	-	-	1
Disposals for the year	-1	-	-	-1	-1
Amortisation and impairment 31/12	**85**	**35**	**-**	**120**	**115**
Carrying amount 31/12	**9**	**9**	**9**	**27**	**25**

3.2 Property, plant and equipment

Comments

Of the total net book value of land and buildings, 1 MEUR (2023: 1 MEUR) represent land not subject to depreciation.

MEUR	Land and buildings	Other operating equipment	Tangible assets under construction	2024 Total	2023 Total
Cost 1/1	39	29	7	75	68
Exchange rate adjustments	-1	1	-	-	1
Additions for the year	-	1	17	18	8
Transfer of tangible assets under construction	8	6	-14	-	-
Disposals for the year	-	-2	-	-2	-2
Cost 31/12	**46**	**35**	**10**	**91**	**75**
Depreciation and impairment 1/1	20	20	-	40	37
Exchange rate adjustments	-	-	-	-	-
Depreciation for the year	1	5	-	6	5
Disposals for the year	-	-2	-	-2	-2
Depreciation and impairment 31/12	**21**	**23**	**-**	**44**	**40**
Carrying amount 31/12	**25**	**12**	**10**	**47**	**35**

Note 3

3.3 Financial assets

MEUR	Investments in subsidiaries	Receivables from subsidiaries	2024 Total	2023 Total
Cost 1/1	1,809	210	2,019	2,011
Exchange rate adjustments	-1	-1	-2	-2
Additions for the year	209	30	239	92
Reductions/disposals for the year	-50	-67	-117	-82
Cost 31/12	**1,967**	**172**	**2,139**	**2,019**
Value adjustments 1/1	522	-	522	472
Exchange rate adjustments	6	-	6	-54
Share of net profit	422	-	422	306
Amortisation of goodwill	-11	-	-11	-10
Dividends received	-108	-	-108	-195
Other adjustments	1	-	1	3
Value adjustments 31/12	**832**	**-**	**832**	**522**
Carrying amount 31/12	**2,799**	**172**	**2,971**	**2,541**

3.4 Contract work in progress

MEUR	2024	2023
Sales values of work performed	243	218
Invoiced on account	-221	-197
Contract work in progress, net	**22**	**21**
Recognised as follows:		
Contract work in progress (assets)	22	21

3.5 Prepayments

Comments

Prepayments consist of prepaid insurance, prepaid subscriptions and other prepaid cost related to subsequent financial years.

3.6 Deferred tax

MEUR	2024	2023
Deferred tax 1/1	6	8
Change in deferred tax recognised in profit and loss	-1	-2
Deferred tax 31/12	**5**	**6**

Note 4

4.1 Derivatives

Reference is made to note 5.2 to the consolidated financial statements concerning derivatives.

Comments

The policy is not to hedge exchange rate risks in long-term investments in subsidiaries.

When relevant, external investment loans and Group receivables are, as a general rule, established in the local currency of the company involved, while cash at bank and in hand are placed in the local currency.

In the few countries with ineffective financial markets, loans can be raised and surplus liquidity placed in DKK or EUR, subject to the approval of the parent company's finance function.

Most Group receivables that are not established in DKK or EUR are hedged via forward agreements, currency loans and cash pools or via the SWAP market.

To ensure adequate financial reserves as defined by the Board of Directors, investment loans can be raised on a continuous basis to partly cover new investments and to refinance existing loans.

Ownership clauses have been issued and/or deed of postponements in connection with intercompany receivables. Please refer to note 4.2.

4.2 Commitments and contingent liabilities

Comments

Operational lease commitments in 2024 and 2023 amount to less than 1 MEUR. The majority of lease commitments expire within one year from the reporting date.

4.3 Related parties

The Company has chosen only to disclose transactions which have not been made on an arm's length basis in accordance with section 98(c) (7) of the Danish Financial Statements Act. No such transactions took place in 2024 and 2023.

ROCKWOOL A/S has registered the following shareholders holding more than five percent of the share capital or the votes:

	2024	
	Share capital	**Votes**
ROCKWOOL Foundation, DK-1360 Copenhagen K	23%	31%
15. Juni Fonden, DK-2970 Hoersholm	6%	12%

The ROCKWOOL® trademark

The ROCKWOOL trademark was initially registered in Denmark as a logo mark back in 1936. In 1937, it was accompanied with a word mark registration; a registration which is now extended to more than 60 countries around the world.

The ROCKWOOL trademark is one of the largest assets in ROCKWOOL Group, and thus well protected and defended by us throughout the world.

ROCKWOOL Group's primary trademarks:

ROCKWOOL®
Rockfon®
Rockpanel®
Grodan®
Lapinus®

Additionally, ROCKWOOL Group owns a large number of other trademarks.

Disclaimer

The statements on the future in this report, including expected sales and earnings, are associated with risks and uncertainties and may be affected by factors influencing the activities of the Group, e.g. the global economic environment, including interest and exchange rate developments, the raw material situation, production and distribution-related issues, breach of contract or unexpected termination of contract, price reductions due to market-driven price reductions, market acceptance of new products, launches of competitive products and other unforeseen factors. In no event shall ROCKWOOL A/S be liable for any direct, indirect or consequential damages or any other damages whatsoever resulting from loss of use, data or profits, whether in an action of contract, negligence or other action, arising out of or in connection with the use of information in this report.

Photography credits

Shutterstock and ROCKWOOL Group

Design and production
ROCKWOOL Marketing Shared Service Center

Released
6 February 2025

ISSN
ISSN 1904-8653 (print)
ISSN 1904-8661 (online)

ROCKWOOL Group
ROCKWOOL A/S
Hovedgaden 584
2640 Hedehusene
Denmark

Phone: +45 4656 0300
CVR No. 54879415

www.rockwool.com