

**The ROCKWOOL Group, 2013.
Mandatory report on Corporate Social Responsibility
according to Danish Financial Statements Act, art. 99a+b.**

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Overview and introduction

The ROCKWOOL Group has always been managed on the basis of values requiring trustworthy and decent behaviour of the ROCKWOOL Group and its employees. Since an update in 2010 in connection with the introduction of the new corporate strategy, Rock the Globe, the values of *honesty, entrepreneurship, efficiency, passion and responsibility* have been basic for actions taken in the Group and transactions with our stakeholders including suppliers and customers.

These values – as interpreted by the ROCKWOOL Group - are further described on the corporate website.

Conducting our business according to the corporate values is the adequate framework for the ROCKWOOL Group to conform to modern standards for responsible and reliable business conduct as well as corporate social responsibility.

The ROCKWOOL Group has a number of Policies and Manuals to help secure conformity. All employees must conform to the conditions covering their employment in the ROCKWOOL Group – including values and group policies.

On an overall level, the ROCKWOOL Group has for many years expressed its commitment to Corporate Social Responsibility (CSR) in the Group policy on social responsibility and the Group's social charter.

All employees and managers are required to ensure that these principles are being followed.

The Group's Principles of Leadership and procedures for bilateral conversations between all managers and subordinates as well as regular, general evaluations of each employee form the framework which helps ensuring that any misconduct according to these principles are addressed and that corrective action is taken.

Furthermore, the ROCKWOOL Group has a whistleblower policy in order to ensure continued ethical conduct of its business and in compliance with the law. The whistleblower policy encourages reporting of serious breaches while ensuring the protection of employees reporting such malpractice in the company. The reporting of any such concerns and disclosures is done via an external law firm.

Special development 2013

In accordance with the Danish Financial Statements Act, art. 99 a., the company must annually report on its progress within the area on CSR. In addition to the ROCKWOOL Group's general CSR policies and measures, this report covers - in each relevant section - the special development and initiatives for the year 2013.

Code of Conduct for Suppliers updated

The ROCKWOOL Group's updated Code of conduct for suppliers now specifies that the ROCKWOOL Group must have access to *all* desired material and documentation from any given supplier (e.g. payment agreements, contracts, environmental data etc.). For certain areas – like e.g. child labour - the Code of Conduct for Suppliers has been made even more clear and explicit in establishing non-acceptance. In general, the revised Code of Conduct has a stronger emphasis on human rights and other CSR-related areas – including stronger control with the supplier's sub-suppliers.

New reporting tool to strengthen work place safety

It has been decided to implement a new system to report and investigate all common types of incidents, near misses/hits and hazards in order to strengthen the level of work place safety even further. The Group has a goal to reduce the frequency of accidents to maximum two per million working hours by 2017.

Diversity goals defined (statement according to Danish Financial Statements Act 99 b)

Goals for increased diversity in the management teams have been defined. The ROCKWOOL Group targets a 15-30% share of the under-represented gender in the company's management teams with a four year perspective. We have made good progress in promoting internal mobility, increasing both cross-cultural and cross-functional diversity. Focus on diversity will be strengthened through the company's talent management processes to support this goal.

Regarding diversity in the Board of Directors, a target of 0-1 female members elected by the General Assembly is defined – also with a four year perspective. However, if a possibility arises and a suitable candidate becomes available, a higher target may be pursued.

By 31 December 2013, the actual diversity in the ROCKWOOL Group's management teams has been measured. It shows that throughout the international organisation an average of 84% are male and 16% are female. Thus, we are within the range of the Group target, however somehow in the low end which means that we will continue our effort in increasing diversity.

Public advocacy

In 2013 the ROCKWOOL Group was a strong public advocate for the precautionary approach within climate change. The Group strongly recommended the EU to set a 40% CO₂ reduction target for 2030 as compared to 1990 as the Group believes one of the most cost efficient measures is to improve energy efficiency in buildings through insulation. In 2013, the Group's largest subsidiary, Deutsche ROCKWOOL, joined "Stiftung 2^o" (Foundation 2 degrees) in support of efforts to prevent global warming exceeding the two degree centigrade tipping-point.

Increasing our positive net carbon footprint

By increasing sales according to our target of 8 per cent per annum and assuming a constant product mix, the ROCKWOOL Group will nearly double the positive net carbon impact of our products, from 4000 million tonnes of lifetime CO₂ savings from the

insulation produced in 2009, to 7900 million tonnes in 2020. In 2013 the Group increased sales by 1.6%, somewhat below the target. Estimated lifetime net carbon savings for ROCKWOOL insulation produced in 2013 will be 5054 million tonnes. Read more about our goals for increased CO₂ efficiency in “Sustainability report – for the reporting year 2012” and CDP report 2013 www.rockwool.com

Goal for improvement of energy and CO₂ efficiency at ROCKWOOL factories

The ROCKWOOL Group has a goal for improving the energy efficiency and CO₂ efficiency at our factories by 15% per tonne of produced ROCKWOOL stone wool in 2015 compared to 2009. In 2013, special progress was made in order to make our melting process more efficient and in introducing a new system to monitor and help reduce the consumption of electricity. Furthermore, special assistance was given to our newcomer factories in Asia and Russia to help them use ROCKWOOL know-how that can make the production process more energy and CO₂ efficient. More factories also got recycling equipment.

Recycling schemes for used stone wool strengthened

Apart from recycling more than 90% of our own production waste, more than a fourth of the ROCKWOOL Group’s melt raw materials are recycled content, mostly received from other industries. Most of our production companies are offering return schemes enabling customers to return their ROCKWOOL product offcuts. In some locations residue stone wool from refurbishments are also reclaimed and recycled. In 2013, the extended recycling schemes recently introduced in Denmark (and the Netherlands (‘ROCKCYCLE’) were further rolled out. They take back ROCKWOOL renovation and demolition waste from building sites. Returned stone wool material is re-melted and turned into new insulation products.

First-time reporting to Global Reporting Initiative (GRI)

In order to facilitate transparency, in 2013 for the first time the ROCKWOOL Group’s Sustainability Report was published according to the international standard for sustainability reporting, Global Reporting Initiative (GRI).

Top 5 climate reporter in Denmark

The CDP 2013 report of the ROCKWOOL Group was among the Top 5 climate reports in Denmark.

Sourcing and Procurement organisation changed

The organisation of the ROCKWOOL Group’s Sourcing and Procurement (GSP) function has been changed. This means that sourcing and procurement outside the already globalized key suppliers is also in North America managed by GSP. GSP is now responsible for sourcing and procurement in both Europe (incl. Russia) and North America

meaning that all sourcing in these regions has to be made according to the policies established in the ROCKWOOL Group's Procurement Governance Manual. The Procurement Governance Manual sets up clear policies for a number of areas to which all procurement activities must be in compliance. There are for instance requirements to documentation, transparency, environmental issues, legal compliance, human rights etc. Compliance to this manual will be ensured by the ROCKWOOL Group's internal auditing function.

Furthermore, it has been decided that The Procurement Governance Manual in the future should cover *all* sourcing and procurement in *all* countries. This will be implemented as soon as possible.

Supplier evaluation and auditing procedure reviewed

During 2013, The ROCKWOOL Group's sourcing and procurement function has continued its implementation of a structured supplier evaluation process. In 2013, the process has been further developed and it has been decided to expand the evaluation process to all countries where the ROCKWOOL Group is active.

In addition to the 313 supplier evaluations (desk research) carried out in 2013, five physical audits of suppliers were made.

In 2013, no suppliers were dismissed due to non-compliance with our Code of Conduct for Suppliers or with laws and regulations, but a few suppliers have been put under observation primarily in relation to environmental issues.

Business ethics policy updated

The Board of ROCKWOOL International has approved an update of the business ethics policy. Among the changes are restrictions for the use of third parties. In connection with this update, a central registration of gifts and hospitality over a certain threshold has been introduced. Currently, this database and registration is in a trial phase but is expected to be implemented throughout the company.

Anti-corruption now included in updated Risk Management System

The company's annual risk evaluation process has been updated and further formalized. The managing director and finance director of each operating unit submit their report to the Group CFO and to the Group's Senior Risk and Trademark Manager (appointed in 2013). As a new element introduced in 2013, the contributing entities ensure that risks within their areas of responsibility are described, scored for severity and likelihood, and quantified in terms of actual financial impact. A Group Risk Management Report is then fed into the Audit Committee of the Board of Directors. Follow-up on the report is done every quarter.

Renewed process for measuring employee engagement

A renewed process for measuring employee engagement and strengthening of corporate culture has been introduced: RockPulse. It is now covering all affiliated ROCKWOOL companies to conduct RockPulse surveys among the office staff employees annually. Earlier we held a Global Employee Perception Survey (GEPS), on average every other year. A pilot version is planned for Production workers with the intention to be included in the same frequency.

Relevant policies and sources

- *Our mission and values, www.rockwool.com*
- *Group policy on business responsibility (appendix A)*
- *Group policy on business ethics (appendix B)*

Social responsibility

The ROCKWOOL Group will work in order to continuously improve our social performance by setting high objectives and integrating social, human rights and health & safety considerations into our daily business. The Group will maintain an open dialogue with our stakeholders and report annually on our social performance.

The Group supports the United Nations Universal Declaration of Human Rights.

Relevant policies and sources

- *Group policy on social responsibility (appendix C) www.rockwool.com*

Social Charter for the ROCKWOOL Group

In addition, the Group has chosen to further describe its social commitment in the Social Charter for the ROCKWOOL Group.

Products and services sold by the ROCKWOOL Group improve the living conditions for millions of people by giving them thermal comfort, affordable heating and cooling, reduced fire risk, a lower noise and vibration level, and fewer chemicals in vegetables from greenhouses. ROCKWOOL stone wool core insulation does not contribute to fire. Furthermore, most of our products have a positive impact on the global problems of climate change and diminishing reserves of fossil energy. These basic, positive contributions to the world are important for the Group's employees, for its management and Board and for the spirit in which we all work.

The fact that the Group offers a positive contribution to the world is also paramount for the Group's largest shareholders, the ROCKWOOL Foundation and the Kähler Family. According to its bylaws, the ROCKWOOL Foundation has to spend its entire earnings to the benefit of society.

Of course the ROCKWOOL Group as a company has to make money in order to develop the business and offer the shareholders a return on their capital. However, the priorities should not only be set according to where the Group can make most money; it should also be ensured that the Group continues to have a positive impact on society in the countries and on the continents where it operates.

Therefore the Group should continue avoiding being involved in products and in operations which may have a negative impact on people's health and well-being, and we shall conduct our business in a way that also ensures a positive social impact on our surroundings. Conducting the business according to high ethical standards, and training

personnel to a high international level, are typical ways in which the ROCKWOOL Group positively influences our environment and society - wherever we operate.

The Group maintains an open dialogue with its stakeholders.

Relevant policies and sources

- *Social charter, www.rockwool.com*

General evaluation and expectations for the future

The ROCKWOOL Group's continuous work with CSR has resulted in several decisions where the most acknowledged principles for CSR have been applied in connection with the value based management of our business. Moreover we are confident that the knowledge of the Group's values and policies incorporating these principles is strong and thus used as guidance in all work done in the ROCKWOOL Group. This is also reflected in our communication with suppliers, customers and other stakeholders.

In the following the ROCKWOOL Group will elaborate on the translation of its Policies into actions taken with regards to ten of the most widely acknowledged principles of sound corporate social responsibility.

Relevant policies and sources are listed in connection with each principle. The detailed contents of many additional policies are developed for internal use only and will not be publicly available. Any requests about further information concerning the ROCKWOOL Group's policies can be directed to the Group Communication department (see www.rockwool.com).

Human Rights

1. The company should support and respect the protection of internationally proclaimed human rights.

Actions, systems and procedures

The ROCKWOOL Group supports the international human rights principles and standards for labour as defined by the United Nations. This sets out the direction for our work in a number of areas such as for instance freedom of association, non-discrimination, child labour and forced labour.

Parallel to this, the Group Values (Honesty, responsibility, efficiency, passion and entrepreneurship) instil a general responsible and humane behaviour among all employees. Also the Group's Social Charter as described above supports the Group's general aim of contributing positively to not only society – but also to the individual human being's health and well-being.

These policies are stated and communicated through the Group's corporate communication vehicles such as e.g. the corporate website, intranet etc.

All employees must conform with these principles.

Relevant policies and sources

- *Group policy on social responsibility (appendix C) www.rockwool.com*

Special development 2013

Code of Conduct for Suppliers updated

Read more in "Overview and introduction" p. 4.

New reporting tool to strengthen work place safety launched

Read more in "Overview and introduction" p. 4.

Diversity goals defined

Read more in "Overview and introduction" p. 4.

Sourcing and Procurement organisation changed

Read more in "Overview and introduction" p. 5.

Supplier evaluation and auditing procedure reviewed

Read more in "Overview and introduction" p. 6.

Business ethics policy updated

Read more in “Overview and introduction” p. 6.

Renewed process for measuring employee engagement

Read more in “Overview and introduction” p. 6.

Evaluation and expectations for the future

The ROCKWOOL Group has not been compromised by any case or relationship which has questioned the company’s conformity with the internationally recognized human rights defined by the United Nations. The general awareness among both employees as well as other relevant key stakeholders about the ROCKWOOL Group’s integrity in this area support the general recognition of the company being in full conformity with these principles.

2. The company should make sure that they are not complicit in human rights abuses.

Actions, systems and procedures

The ROCKWOOL Group supports the United Nations Universal Declaration of Human Rights.

All suppliers under contract with the Group Procurement function are asked to sign a declaration to the Code of Conduct for Suppliers for the ROCKWOOL Group including a commitment to comply with the UN Universal Declaration of Human Rights.

All employees and managers are required to ensure that these principles are being followed.

Relevant policies and sources

- *Code of Conduct for Suppliers to the ROCKWOOL Group (appendix D)*
www.rockwool.com

Special development 2013

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Labour Standards

3. The company should uphold the freedom of association and the effective recognition of the right to collective bargaining

Actions, systems and procedures

The Group supports the United Nations Universal Declaration of Human Rights which include recognition of everyone's right to form and to join trade unions for the protection of his interests.

In general, the ROCKWOOL Group is not making any hindrance for employees and affiliate's membership of relevant organisations with the purpose of promoting and negotiating individual interests.

All employees and managers are required to ensure that these principles are being followed.

Relevant policies and sources

- *Group policy on social responsibility (appendix C) www.rockwool.com*

Special development 2013

In 2013, a number of actions have been taken that all will influence positively on the dissemination and monitoring of the ROCKWOOL Groups policies influencing labour standards.

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Renewed process for measuring employee engagement

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Evaluation and expectations for the future

The ROCKWOOL Group has not been compromised by any case or relationship which has questioned the company’s conformity with the internationally recognized right to free association and collective bargaining.

4. The company should uphold the elimination of all forms of forced and compulsory labour.

Actions, systems and procedures

The Group supports the United Nations Universal Declaration of Human Rights which prohibit all forms of forced and compulsory labour.

All employees and managers are required to ensure that these principles are being followed.

The Group is increasing its business activities in emerging markets, at the same time strengthening the auditing of suppliers. The Group has established a standardised evaluation process and those suppliers not reaching the necessary score will be subject to an audit carried out by the Group's internal audit function.

Relevant policies and sources

- *Group policy on social responsibility (appendix C) www.rockwool.com*

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Renewed process for measuring employee engagement

Read more in “Overview and introduction” p. 6.

Evaluation and expectations for the future

The ROCKWOOL Group has not been compromised by any case or relationship which has questioned the company’s active support to the internationally recognized objective of eliminating all forms of forced and compulsory labour.

5. The company should uphold the effective abolition of child labour.

Actions, systems and procedures

The Group supports the United Nations Universal Declaration of Human Rights which upholds the effective abolition of child labour.

All employees and managers are required to ensure that these principles are being followed.

The Group is increasing its business activities in emerging markets, at the same time strengthening the auditing of suppliers. The Group has established a standardised evaluation process and those suppliers not reaching the necessary score will be subject to an audit carried out by the Group's internal audit function.

Relevant policies and sources

- *Group policy on social responsibility (appendix C) www.rockwool.com*
- *Code of Conduct for Suppliers to the ROCKWOOL Group (appendix D)*

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Renewed process for measuring employee engagement

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Evaluation and expectations for the future

The ROCKWOOL Group has not been compromised by any case or relationship which has questioned the company’s conformity with the internationally proclaimed objective of abolition of child labour.

6. The company should uphold the elimination of discrimination in respect of employment and occupation.

Actions, systems and procedures

The Group supports the United Nations Universal Declaration of Human Rights which upholds the elimination of discrimination in respect of employment and occupation.

The Group is against any kind of discrimination due to e.g. age, gender, race and religion and actively aims at strengthening the company's internal diversity in these areas.

Any incident of discrimination and action taken against it must be reported to the responsible management.

All employees and managers are required to ensure that these principles are being followed.

Relevant policies and sources

- *Social responsibility, www.rockwool.com*

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Renewed process for measuring employee engagement

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Evaluation and expectations for the future

The ROCKWOOL Group has not been compromised by any case or relationship which has questioned the company’s conformity with the internationally recognized objective of eliminating discrimination in respect of employment and occupation.

Environment

7. The company should support a precautionary approach to environmental challenges.

Actions, systems and procedures

Due to the ROCKWOOL Group's corporate mission and the nature of the company's main product area, insulation, the company is a major contributor to energy efficiency and thereby reduction of CO₂ emissions. The Group thus has a significant positive net carbon impact by providing solutions addressing global climate change. Positive environmental advantages such as e.g. noise reduction and improved indoor climate are also provided by products from the company.

The ROCKWOOL Group has signed the ICC (International Chamber of Commerce) Business Charter for Sustainable Development. The Group has thereby committed itself to improve environmental management in accordance with the Charter's 16 principles. In addition to adopting a precautionary approach, the commitment includes having in place management practices to effect environmental improvement, to measure performance and to report this performance openly to internal and external stakeholders.

The ROCKWOOL Group has also drawn up a Group Environment Policy. It is Group policy to either meet or exceed all relevant national and international environmental standards and legislation.

The Group's Environment Management System includes safety management and auditing.

A number of detailed manuals including detailed standards, procedures, audit and reporting requirements have been established for all relevant production processes.

A number of the ROCKWOOL Group's production sites are certified according to the ISO 14001 and/or OHSAS 18001 standard for environmental management and occupational health and safety.

ROCKWOOL companies have over the years won numerous environmental awards.

Major relevant product groups are subject to evaluation of their environmental impacts based on a lifecycle assessment (LCA). LCA is a structured study of a product's positive and negative environmental impacts throughout its lifecycle: From extraction of resources and raw materials through production to use and final disposal of the product.

It is the ROCKWOOL Group's policy to ensure the safe use of our products. Safety aspects are assessed as part of the development process. A network of local Product Health & Safety officers – under the leadership of the Vice President for

Product Safety, Health & Ecology – is on hand to help our people guide our customers in the safe use of ROCKWOOL Group products.

The Group is an active public advocate for energy efficiency and climate change abatement and these Group public policy positions and our participation in public policy development and lobbying on energy and CO₂ efficiency are disclosed in our CDP response.

The ROCKWOOL Group's climate and environmental performance is published annually in our Sustainability Report. The report covers areas like consumption of energy and water; governance and community issues; as well as data on emissions, waste and recycling etc. The report also presents an overview of the company's social and governance profile.

All employees and managers are required to ensure that these principles are being followed.

Relevant policies and sources

- *Group environmental policy, (appendix E), www.rockwool.com*
- *Sustainability Report – for the reporting year 2012, www.rockwool.com*
- *ICC Business Charter for Sustainable development, www.iccwbo.org/advocacy-codes-and-rules/areas-of-work/environment-and-energy/business-charter-for-sustainable-development/*

Special development 2013

Public advocacy for CO₂ mitigation continued

Read more in “Overview and introduction” p. 4.

Evaluation and expectations for the future

The ROCKWOOL Group considers its overall performance in this area satisfactory and will maintain this position.

8. The Company should undertake initiatives to promote greater environmental responsibility.

Actions, systems and procedures

Besides the comprehensive existing system for managing and auditing environmental impacts, the ROCKWOOL Group is constantly developing improvements of existing systems or new, relevant systems, programmes or schemes which can help improve the company's environmental performance or promote a greater environmental responsibility.

Both the ICC Business Charter for Sustainable Development, the ROCKWOOL Group's own environmental policy as well as its social charter help us in our commitment to promote greater environmental responsibility.

The Group is a part of the Carbon Disclosure Project (CDP), publicly reporting according to strict procedures and standards about the company's CO₂ emissions. The CDP reporting allows the company to benchmark itself against other relevant players.

The ROCKWOOL Group has defined a general guideline for environmental assessment of suppliers. This is used to screen existing and potential suppliers in order to assure that also their environmental performance are taken into consideration when evaluating the business relationship. This is seen as a tool to extend The Group's commitment to improve environmental performance also outside the company itself.

All suppliers under contract with the Group Procurement function are asked to sign a declaration to the Code of Conduct for Suppliers for the ROCKWOOL Group including a commitment to comply with any relevant environmental legislation and in general to act responsibly towards the environment.

All significant suppliers and contractors under contract with the Group Procurement function are subject to random checks on environmental performance.

Relevant policies and sources

- *Group environmental policy (appendix E) www.rockwool.com*
- *Carbon Disclosure Project, www.cdproject.net*
- *Sustainability Report – for the reporting year 2012, www.rockwool.com*
- *ICC Business Charter for Sustainable development, www.iccwbo.org/advocacy-codes-and-rules/areas-of-work/environment-and-energy/business-charter-for-sustainable-development/*
- *Code of Conduct for Suppliers for the ROCKWOOL Group*

Special development 2013

Increasing our positive net carbon footprint

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Goal for improvement of energy and CO₂ efficiency at ROCKWOOL factories strengthened

Read more in “Overview and introduction” p. 5.

Recycling schemes for used stone wool strengthened

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First-time reporting to Global Reporting Initiative (GRI)

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Public advocacy for CO₂ mitigation continued

Read more in “Overview and introduction” p. 4.

Evaluation and expectations for the future

The ROCKWOOL Group considers its performance in this area satisfactory and will maintain this position by continuing the initiatives mentioned above.

9. The company should encourage the development and diffusion of environmentally friendly technologies.

Actions, systems and procedures

According to UNEP, buildings use about 40% of global energy and they emit approximately 1/3 of GHG emissions.

Diffusing best practise insulation technologies and building standards is crucial in order to significantly reduce waste of energy and CO₂. Being the world's second largest producer of insulation material which in its lifetime saves many times the CO₂ emitted and the energy used for its manufacture and transportation, the ROCKWOOL Group plays a significant role in the development and diffusion of environmentally friendly technologies through our sales of insulating systems for building, industrial and marine and offshore applications.

Given the energy and capital intensive nature of the ROCKWOOL production process, all production sites and related procedures are assessed on efficiency and environmental performance and best-practise experience is cross-fertilized across the Group.

With regard to the company's products, a significant amount of resources are invested in research and development of new technologies that can improve the energy efficiency in buildings and industrial processes globally. Apart from our own efforts and competences engaged in this, the ROCKWOOL Group also works together with a large number of external partners such as universities and other institutions involved in research and development in this area.

The Group also plays an active role in informing and working together with authorities, opinion leaders and political decision makers in order to promote the best possible framework in terms of building codes etc. which will motivate towards a higher level of energy efficiency in buildings.

Relevant policies and sources

- *Group environmental policy (appendix E) www.rockwool.com*
- *Carbon Disclosure Project, www.cdproject.net*
- *ICC Business Charter for Sustainable development, www.iccwbo.org/advocacy-codes-and-rules/areas-of-work/environment-and-energy/business-charter-for-sustainable-development/*
- *Environmental Assurance Manual (Internal)*

Special development 2013

Public advocacy for CO₂ mitigation continued

Read more in "Overview and introduction" p. 4.

Increasing our positive net carbon footprint

In 2013 the Group increased sales of CO₂ mitigating insulation, not least in growth markets with a strong need for better insulation standards.

Read more in “Overview and introduction” p. 4.

Goal for improvement of energy and CO₂ efficiency at ROCKWOOL factories strengthened

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Recycling schemes for used stone wool strengthened

Read more in “Overview and introduction” p. 5.

Evaluation and expectations for the future

The ROCKWOOL Group considers itself to be very active in the development and diffusion of environmentally friendly technologies. It is part of the company’s business to constantly keep developing and diffusing such technologies.

Anti-corruption

10. The company should work against corruption in all its forms, including extortion and bribery.

Actions, systems and procedures

The ROCKWOOL Group has for many years had clear policies on business integrity covering various social, financial and corporate governance related areas.

The Group's manual on Business Ethics clearly states in details how employees should abstain from participating in any kind of corruptive actions such as bribery, receiving gifts, making improper donations etc.

For the procurement functions special additional rules apply.

All employees and managers are required to ensure that these principles are being followed.

Relevant policies and sources

- *Our mission and values, www.rockwool.com*
- *Group policy on business responsibility (appendix A) www.rockwool.com*
- *Group policy on business ethics (appendix B) www.rockwool.com,*

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Supplier evaluation and auditing procedure reviewed

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Business ethics policy updated

Read more in "Overview and introduction" p. 6.

Updated Risk Management System

Read more in “Overview and introduction” p. 6.

Evaluation and expectations for the future

The ROCKWOOL Group has not been compromised by any case or relationship which has questioned the company’s conformity with the internationally recognized standards for business ethics and non-corruptive behaviour.

The Group will maintain this position which is considered satisfactory.

A special focus could be to increase the share of suppliers and contractors signing the ROCKWOOL Group’s Code of Conduct for Suppliers.

Appendix A

Group policy on business responsibility

All managers will conduct their business in such a way that customers, employees and the general public will consider companies within the ROCKWOOL Group as responsible and reliable firms. In particular, they will ensure that they act within the laws and regulations applicable to their business.

Appendix B

Group Policy on business ethics

Guided by the ROCKWOOL Group values, our employees will build appropriate relationships with our business partners and other stakeholders. Good own judgement will always be required as not all situations can be covered by rules and guidelines. We seek an appropriate balance between building, maintaining and expanding strong relationships on the one hand whilst ensuring that our professionalism is maintained and our integrity not impaired / jeopardized on the other hand.

The following general principles for conduct in our relationships with business partners and other stakeholders are to be followed:

- We trust our employees to make sound judgements.
- When in doubt, employees will seek guidance and confirm with their manager.
- Any behaviour to be avoided that might pose a (perceived) threat to the independence of ourselves as well as of the business partner.
- In case a business partner has a business ethics policy which is more stringent than ours, we will comply with his/her requirements.
- We consider “reasonable activities” to be those that are not viewed as excessive by a rational and informed third party taking into consideration that we operate a global company.
- We comply with laws, regulations and standards that apply to us in our professional conduct.

Of particular interest to the area of business ethics, the importance of compliance with the following Group policies is noted:

- Business Responsibility
- Risk Management
- Corporate Social Responsibility

Appendix C

Group policy on social responsibility

The ROCKWOOL Group will work in order to continuously improve our social performance by setting high objectives and integrating social, human rights and health & safety considerations into our daily business. The Group will maintain an open dialogue with our stakeholders and report annually on our social performance.

- The Group supports the United Nations Universal Declaration of Human Rights.

Appendix D:

Code of Conduct for Suppliers to the ROCKWOOL Group

The ROCKWOOL Group is committed to running its business on ethically and environmentally-sound principles. The ROCKWOOL Group wishes to ensure that we act responsibly in accordance with ethical, legal and international standards of behaviour and we endeavour to continuously improve our social performance.

The ROCKWOOL Group supports the United Nations Universal Declaration of Human Rights and the ten universal principles defined in the UN Global Compact relating to human rights, labour environment and anti-corruption.

The ROCKWOOL Group expects suppliers to uphold similar standards, ideally described in a CSR policy. This Code is designed to explain our expectations to our suppliers in more detail.

Compliance with Applicable Laws and Standards

The ROCKWOOL Group expects suppliers to comply with all international, national and local laws and standards relating to employment, environmental, purchasing and manufacturing practises.

Employment Practices

The ROCKWOOL Group wishes to ensure that the working practices of our suppliers towards their employees regarding such issues as equal opportunities, Trade Union recognition and fair employment terms comply with or exceed national and internationally accepted standards. The ROCKWOOL Group expects all suppliers to strive towards reducing any potential risk to their employees and to provide them with safe and healthy working conditions.

No supplier must, under any circumstances, be involved in the use of child labour.

Environmental Practices

The ROCKWOOL Group expects suppliers to comply with the environmental standards and regulations relevant to their business and to practice sound environmental principles in their operations.

The ROCKWOOL Group has adopted the ICC “Business Charter for Sustainable Development – Principles for Environmental Management”, which identifies responsibilities, requires an Environmental Officer to be appointed, expects companies to have an Environmental Management System with specific 3 year plans and expects all new machinery to be environmentally risk assessed before coming into operation. The ROCKWOOL Group encourages suppliers to follow these principles.

Supply Chain Practices

The ROCKWOOL Group expects suppliers to enforce these guidelines towards their suppliers. ROCKWOOL also reserves the right to audit any sub-supplier.

Purchasing Ethics

Employees of the ROCKWOOL Group, irrespective of their position in the organisation, will not accept any gift from any supplier (either directly or indirectly) that could appear to influence their decisions on sourcing and contracting issues.

The ROCKWOOL Group expects suppliers to ensure that employees, sub-suppliers and sub-contractors are not only aware of these guidelines, but are also committed to uphold the principles set out above.

Bribery

Bribery is defined as occurring when a person offers, gives or promises, directly or indirectly, any financial or other advantage to a private (e.g. business partner) or public industry (e.g. Public Official) in exchange for improperly performing a relevant function or activity. In addition, not only the act of bribing but also the act of being bribed is unacceptable defined as a person requesting, accepting or agreeing to accept a financial or other advantage, in exchange for improperly performing such a function or activity. The ROCKWOOL Group finds bribery unacceptable and expects suppliers to officially and explicitly take a stand against bribery.

Compliance

Compliance with these guidelines is seen as the basis of a good, constructive and professional working relationship between companies. Any deviation from these guidelines could detrimentally affect this relationship and the ROCKWOOL Group reserves the right to cancel the contract in case of any violation of this Code of Conduct.

Signature

By signing this Code of Conduct, we agree to abide by this Code of Conduct. We further agree that the ROCKWOOL Group is entitled to carry out audits with full access to all information, e.g. collective agreements, minutes of meetings with workforce representatives, supplier information etc.

Appendix E:

Group Environmental Policy

With the commitment of all the subsidiary companies, and in consultation with their managing directors, the ROCKWOOL Group has drawn up an environment policy. In accordance with this, our companies undertake:

- to have an environmental management system, which describes responsibility and control procedures, and to make constant improvements to this system
- to ensure that the factories do not cause problems for their neighbours of a more serious nature than is normal in an area also housing industry
- as a minimum, to comply with the conditions imposed on them by the regulatory authorities; if this is not happening in any given area, then to inform the authorities immediately and to take steps enabling compliance
- to maintain an open dialogue with stakeholders - customers, regulatory authorities, investors, employees, suppliers and neighbours - in order to ensure that relevant interests and requirements concerning environmental issues are met
- via the Group's environmental department, to carry out audits at the plants to assist the environmental work of the manufacturing companies

The ROCKWOOL companies have acceded to the International Chamber of Commerce (ICC)'s Environmental Charter for Sustainable Development – Principles for Environmental Management.