

Fighting Against Forced Labour and Child Labour in Supply Chain for the Financial Year 2023

This report is made pursuant to the Fighting Against Forced and Child Labour in the Supply Chains Act (the “Act”) and constitutes Roxul Inc. d/b/a ROCKWOOL’s (“ROCKWOOL”) report for the financial year ending 31 December 2023. The statement describes the initiatives and considerations that ROCKWOOL, in conjunction with its parent company, ROCKWOOL A/S, located in Hedehusene, Denmark (the “ROCKWOOL Group”) has taken to minimise the risk of slavery and human trafficking taking place in its supply chains or in the company.

1. The steps the entity has taken during its previous financial year to prevent and reduce the risk that forced labour or child labour is used at any steps of the production of goods in Canada or elsewhere by the entity or of goods imported into Canada by the entity.

In 2023, the ROCKWOOL Group, including all its subsidiaries, strengthened its sustainable sourcing practices by implementing two initiatives:

1. revising the ROCKWOOL Supplier’s Code of Conduct; and
2. implementing a risk management platform for its supply chain business partners which consists of a tool for sustainability risk monitoring within the supply chain.

The Supplier Code of Conduct was updated to integrate additional requirements and expectations towards human rights and environment within the areas of **child and forced labour**, labour rights, health and safety, decarbonisation, bribery and corruption and the whistleblower system. The Supplier Code of Conduct allows for the investigation of suppliers through questionnaires, onsite pre-agreed sustainability internal audits and/or through independent third-party accredited auditors.

In 2023, the ROCKWOOL Group also successfully piloted a cloud-based sustainability risk management tool that is used for monitoring its suppliers and performing further sustainability risk assessments.

These commitments enable the ROCKWOOL Group to better articulate its commitment to human rights throughout its operations and value chain, and provide the necessary framework so that it, and its subsidiaries, including ROCKWOOL in Canada, can help ensure it is living up to internationally recognised standards and principles of protecting human rights and addressing inequalities, inequities, and discrimination.

The ROCKWOOL Group expects suppliers to uphold similar standards and the ROCKWOOL Group expects suppliers to enforce these guidelines towards their suppliers. ROCKWOOL Group continuously work to ensure that all suppliers conduct their business in line with ROCKWOOL Group’s policies.

2. The entity’s structure, activities, and supply chains.

In Canada ROCKWOOL manufacturers high-performing and sustainable insulation products for the construction industry as well as alternative growing media products for agriculture. ROCKWOOL has factories and offices located in both Milton, Ontario and Grand Forks, British Columbia. In Canada, ROCKWOOL has a total of 748 employees.

ROCKWOOL’s parent, the ROCKWOOL Group headquartered in Denmark, is a focused industrial company with leading positions in insulation, acoustic ceilings and horticultural growing media based on stone wool technology. In Canada, the ROCKWOOL Group operates under the trademarks ROCKWOOL, Grodan, and Rockfon.

ROCKWOOL Group operations are focused on Europe including the UK, North America and Asia. The

ROCKWOOL Group has approximately 12,200 employees, operates out of 51 manufacturing facilities and has a presence in over 120 countries. More information is available on www.rockwoolgroup.com.

The ROCKWOOL Group's supply chain currently engages more than 10,000 suppliers worldwide covering a multitude of categories of goods and services. Suppliers vary from small local suppliers to large international suppliers supplying the ROCKWOOL Group on a worldwide basis.

As a global player, the ROCKWOOL Group is aware that its sourcing and procurement activities can have an impact on both human rights and the environment. The ROCKWOOL Group co-operates closely with its suppliers and sees them as important players in the ROCKWOOL Group's common pursuit of a more sustainable supply chain.

As part of the ROCKWOOL Group, ROCKWOOL ensures it implements the ROCKWOOL Group policies and procedures in its own policies, day to day business practices, and its local supply chain.

3. The entity's policies and due diligence processes in relation to forced and child labour.

In Canada, ROCKWOOL's approach to human rights is guided by the ROCKWOOL Group Human Rights Policy. Respect for human rights is a fundamental value at the ROCKWOOL Group, one that is reflected in both the materials the ROCKWOOL Group produces and the manner in which it operates. The ROCKWOOL Group's aim is to help ensure the respect of human rights within the communities in which it operates and this is achieved via the procedures, tools and mechanisms put in place by the ROCKWOOL Group. The ROCKWOOL Group is committed to respecting human rights, sustainability and social issues as outlined in the United Nations Universal Declaration of Human Rights and the 10 principles defined in the UN Global Compact relating to human rights, labour, environment and anti-corruption.

The ROCKWOOL Group commits 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 (UDHR), as well as the 11 fundamental Conventions of the International Labour Organisation (ILO) and the ILO Declaration on Fundamental Principles and Rights at Work.

The ROCKWOOL Group endorses and strives to embed the UN Guiding Principles on Business and Human Rights (UNGPs) and the OECD Guidelines for Multinational Enterprises throughout its business and encourages its partners and suppliers to do the same when working with the ROCKWOOL Group. The ROCKWOOL Group's approach to human rights is an integrated part of the ROCKWOOL Code of Conduct.

As set forth above in Section 1, in 2023 the ROCKWOOL Group revised its Supplier Code of Conduct for implementation in 2024. The Supplier Code of Conduct allows for the investigation of suppliers through questionnaires and on-site pre-agreed audits. These audits can be conducted by either the ROCKWOOL Group or a third party audit firm engaged by the ROCKWOOL Group. In addition in 2023, the ROCKWOOL Group successfully piloted a new cloud-based sustainability risk management tool that is used for monitoring its suppliers and conducting risk assessments.

In addition to its Supplier Code of Conduct, the ROCKWOOL Code of Conduct is the overarching policy document for all employees in the ROCKWOOL Group, including those employed in ROCKWOOL Canada, and is owned by the Board of Directors. It explains the notion of integrity and what it means in ROCKWOOL. The Code of Conduct lists several key areas for the ROCKWOOL Group, including all its subsidiaries, such as preventing corruption and bribery, use of gifts and hospitality, conflict of interest, competition and antitrust law, data privacy, money laundering, and confidential information. The Code of Conduct also details the principles for the ROCKWOOL Group in relation to human rights and labour rights, the environment, health and safety. All employees in ROCKWOOL Group, and its subsidiaries, are expected to observe the highest level of integrity.

The ROCKWOOL Group has strengthened its [Code of Conduct](#), to reflect its human rights commitments. The Code of Conduct has been communicated internally and is publicly available on rockwoolgroup.com.

As a supplement to the Code of Conduct, the ROCKWOOL Group has a [Whistleblower Policy](#), which encourages all employees, including those of its subsidiaries, and third parties to report violations of the Code of Conduct and sensitive concerns. Reporting is possible via a dedicated website and via the ROCKWOOL Group whistleblower app. Reports can be made in multiple languages and anonymously. All communication with the whistleblower is encrypted and reporting is made in compliance with national data protection regulation and GDPR. In 2023 ROCKWOOL Group did not receive any whistleblower reports concerning the use of forced or compulsory labour in the supply chain.

With respect to its supplier due diligence processes, The ROCKWOOL Group is committed to respecting and promoting the fundamental human rights of its employees, suppliers, and the communities in which it operates, in line with the International Bill of Human Rights including the UN Guiding Principles on Business and Human Rights and the OECD Guidelines for Multinational Enterprises, the ROCKWOOL Group has been a member of the UN Global Compact since 2016 and reports on its progress annually.

The ROCKWOOL Group acknowledges there is a risk connected with the categories and countries the ROCKWOOL Group is engaged with in terms of compliance with international, national and local laws and guidelines relating to human rights, environmental issues and manufacturing practices as well as ethics and bribery, particularly in relation to sourcing and procurement.

The Supplier's Code of Conduct is designed to mitigate risk by clearly stating the ROCKWOOL Group's expectations of its suppliers and the requirement for its suppliers to enforce the same guidelines within their supply chain. As set forth above the Supplier Code of Conduct was revised in 2023 to reflect the ROCKWOOL Group's commitment to safeguard human rights and support its environmental and climate ambitions across the Group. The new Supplier Code of Conduct is approved and is now ready for the on-boarding of potential new suppliers. The Supplier Code of Conduct is also in the process of being distributed to existing suppliers.

With respect to due diligence activities, in 2021, 2022, 2023 and 2024, the ROCKWOOL Group carried out several activities to strengthen its due diligence governance and internal processes within human rights. As aforementioned, these activities included revising the ROCKWOOL Group Code of Conduct and approving a dedicated Human Rights Policy replacing the former Human Rights Commitment. In 2024 a Group Human Rights Manual - Forced and Child Labour and a Group Human Rights Manual-Forced and Child Labour-contingent workers have been approved. These key actions provide the necessary framework within which it can ensure compliance with internationally recognised human rights.

Before being approved as a new supplier and as a pre-requisite to secure a formal contract with the ROCKWOOL Group, and its subsidiaries, suppliers must register via an online supplier portal and answer questions relating to ROCKWOOL Group's Supplier's Code of Conduct. As part of this process, suppliers are required to confirm that they will comply with the United Nations Universal Declaration of Human Rights and the ten universal principles defined in the UN Global Compact. This also helps suppliers to understand the ROCKWOOL Group's commitment to sustainability in general.

The ROCKWOOL Group's goal is to have every on-boarded supplier to sign the most recent version of its Supplier's Code of Conduct.

The ROCKWOOL Group takes a risk based approach in order to identify supply chains where the likelihood of violations against human rights, the environment and other sustainability issues are high. We therefore undertake an annual risk assessment of our supply chains. This includes an evaluation of categories and countries where we operate or source products and services from.

4. The parts of the entity's business and supply chains that carry a risk of forced labour or child labour being used and the steps it has taken to assess and manage that risk.

The ROCKWOOL Group is committed to avoid causing or contributing to adverse impacts on people in its operations, supply chain, business relationships, and in the communities where it operates. The ROCKWOOL Group has a heightened focus on its salient risks, which include discrimination, child and forced labour, safety and health together with employment and working conditions.

The ROCKWOOL Group developed its supplier management processes in order to embed the ROCKWOOL Group's approach to sustainable sourcing in its procurement work and to ensure conformance to the Supplier's Code of Conduct. As outlined above, this process included the pilot launch of a cloud based tool in 2023. This cloud based tool allows the ROCKWOOL Group to monitor its suppliers in terms of sustainability and other risk factors. This tool has also been utilised during the sourcing and qualification process of suppliers. This will enable it to take sustainability risks into account during the initial stages of the sourcing process. The cloud based tool allows for the monitoring of suppliers in two High Risk Categories including some Tier 2 and Tier 3 suppliers. In 2024, the ROCKWOOL Group will further deploy this tool, taking a risk-based approach when selecting new categories to onboard.

The ROCKWOOL Group's commitment to human rights is another tool to help manage the risk of forced and child labour in supply chain. The ROCKWOOL Group's commitment in this regard includes:

- Supporting the International Bill of Human Rights including the UN Universal Declaration of Human Rights and the 10 principles defined in the UN Global Compact
- Conducting human rights due diligence through a dedicated due diligence process
- Identifying and preventing or mitigating impacts in its own operations and value chain and to continuously improve its human rights approach
- Pursuing dialogue with potentially affected groups and other relevant stakeholders to prevent or mitigate impacts and remedy any direct impacts that it causes or contributes to
- Disclosing its approach to due diligence and its efforts to mitigate salient impacts in its annual group report

Key performance indicators

The ROCKWOOL Group has developed a governance manual in order to define, communicate and document its approach to sustainable sourcing. This document also describes how it escalates issues concerning human rights, environment, and other sustainability issues within its supply chains. This is backed up by the monitoring tool which will monitor its high-risk suppliers and countries in which it operates which are deemed as high-risk areas.

As a part of the result of the ROCKWOOL Group's annual revision of its risk assessment of categories, ROCKWOOL Group has decided to pay further attention to categories where the risk of Human Rights violations are the highest.

5. Any measures taken to remediate any forced or child labour.

Both ROCKWOOL in Canada, and the ROCKWOOL Group, can confirm that they did not identify any forced or child labour in their supply chains for the financial reporting year 2023.

6. Any measures taken to remediate the loss of income to the most vulnerable families that results from any measure taken to eliminate the use of forced labour or child labour in its activities and supply chains.

As nether ROCKWOOL in Canada, nor the ROCKWOOL Group, identified any forced labour or child labour in their supply chains for the financial reporting year 2023, no measures to remediate the loss of income to vulnerable families were required.

7. Training provided to employees on forced labour and child labour.

To ensure a high level of understanding of the risks of modern slavery and human trafficking in ROCKWOOL Group’s supply chains and its business, the ROCKWOOL Group provides training to its employees, including its subsidiaries.

Training regarding the new expectations and requirements for suppliers is being conducted for all category managers, sourcing managers and other staff engaging with suppliers. From the beginning of 2024, all new suppliers with whom we intend to sign a contract will receive the revised Supplier Code of Conduct. ROCKWOOL will strive for 100 percent signature of the revised Supplier Code of Conduct by high-risk suppliers.

In addition, in Canada in 2023, ROCKWOOL also conducted two mandatory safety in the workplace trainings which included how to identify forced labour and child labour situations. One training was employees and the other was for supervisors and management.


8. How the entity assesses its effectiveness in ensuring that forced labour and child labour are not being used in its businesses and supply chains.

ROCKWOOL, and the ROCKWOOL Group, have set forth in Sections 1, 3, and 4 above the policies and tools to comprehensively outline the steps taken by the ROCKWOOL Group, and its subsidiaries, to ensure that there is no slavery or human trafficking in its supply chains. As set forth in more detail above, in 2023 the Group further enhanced its supplier management processes and guiding documents to define, control, communicate, and document ROCKWOOL’s approach to sustainable sourcing and to ensure enforcement of its newly revised Supplier’s Code of Conduct . In addition, this process included the pilot launch of a cloud based tool to monitor suppliers in terms of sustainability and other risk factors and further risk assessment of suppliers. During 2024, the ROCKWOOL Group will pilot a Supplier Questionnaire system to have the possibility to perform a further investigation of possible high-risk suppliers.

The ROCKWOOL Group also approved in 2024 a Group Human Rights Manual-Forced and Child Labour.

Roxul Inc. d/b/a ROCKWOOL May 2024

In accordance with requirements of the Act, and in particular section 11 thereof, I attest that I have reviewed the information contained in the report for the entity listed, Roxul Inc. d/b/a ROCKWOOL above. Based on my knowledge, and having exercised reasonable diligence, I attest that the above report is true, accurate and complete in all material respects for purposes of the Act, and the 2023 financial reporting year.

Full Name: Mark Bromiley
Signed: 
Title: Director, Roxul Inc. d/b/a ROCKWOOL
Date:05/16/24.....