

2021 December 23

ROCKWOOL on stone

At the core of ROCKWOOL's strategy is our corporate purpose: to release the natural power of stone to enrich modern living. Stone is the essential raw material used in our products and the foundation on which our business is built.

We have identified seven properties or "7 strengths of stone" that confirm the versatility of our stone wool. They are fire resilience; thermal properties; acoustic capabilities; robustness; aesthetics; water properties; and circularity. We apply these seven strengths to engineer superior products for our customers that are uniquely suited to address some of the biggest challenges facing our world.

Stone is by far the most abundant natural resource on Earth.¹ More than 75 percent of the stone we use is volcanic, including stone types such as basalt and gabbro. On average, the Earth produces 38 000 times more stone through volcanic activity than we use annually to produce stone wool.² For example, our total annual volcanic stone consumption is less than one percent of what is "created" every year by the Kilauea volcano on Hawaii.³ The remaining 25 percent of the stone we use, including stone types such as anorthosite and dolomite, have estimated world reserves of millions of years.⁴

The sustainability impacts of using stone relate among others to its extraction in quarries and transportation to the manufacturing facility. We work in multiple ways to minimise these impacts.

Most important, we minimise the consumption of stone per tonne of stone wool produced with a continual focus on material efficiency and by using secondary waste material instead of virgin stone where possible. For example, we repurpose waste from the aluminium industry, power plants, and municipal wastewater treatment. As a result, in certain geographies and product lines, our stone wool products can contain up to 75 percent recycled material, thus reducing the total amount of virgin stone used in production.

As for transportation, we typically source stones from local quarries. Around half of our manufacturing facilities source stone solely from within 300 km of the facility.

As with all our other suppliers, we set sustainability requirements for our stone suppliers in our Supplier Code of Conduct. All our suppliers are required to accept and enforce ROCKWOOL's Supplier Code of Conduct, which explains expectations of them and of their suppliers, including compliance with international, national and local laws and guidelines regarding environmental and employment practices.

We have evaluated the sustainability risks of all our suppliers related to three overall areas: human rights and labour rights; environment; and anti-corruption and bribery across the countries in which we currently operate and the type of materials and services we procure. This work resulted in a risk matrix tool that we are using to proactively manage and limit potential sustainability-related risks from high-risk category suppliers.

³ <u>https://volcano.oregonstate.edu/eruption-rates</u>

¹ TW Dahl, et al. (2011), International Geology Review (Volume 53 Numbers 7–8, June–July 2011) 'The human impact on natural rock reserves using basalt, anorthosite, and carbonates as raw materials in insulation products', p. 901. <u>Source link</u>

² Own calculation, based on TW Dahl, et al. (2011), International Geology Review (Volume 53 Numbers 7–8, June–July 2011) 'The human impact on natural rock reserves using basalt, anorthosite, and

carbonates as raw materials in insulation products'. <u>Source link</u>

⁴ https://hudsonresourcesinc.com/projects/white-mountain-anorthosite-project/;

https://www.researchgate.net/publication/287316220_Anorthosites_in_Greenland_A_possible_raw_material_for_aluminium);

https://www.aluminum.org/industries/production/bauxite); (https://www.mdpi.com/2075-163X/9/8/485/pdf