



Modern Slavery Statement for the Financial Year 2016

This statement is made pursuant to Section 54 of the Modern Slavery Act 2015 and constitutes ROCKWOOL Limited and the ROCKWOOL Group's statement for the financial year 31 December 2016. The statement describes the initiatives that ROCKWOOL Limited and the ROCKWOOL Group have taken to ensure that slavery and human trafficking are not taking place in the company.

ROCKWOOL Group Organisational Structure

The ROCKWOOL Group is world leader in stone wool solutions covering building insulation, industrial and technical insulation for the process industry, marine and offshore, customised solutions for industrial applications, wall and facade systems, acoustic ceilings, horticultural substrate solutions, engineered fibre solutions and noise and vibration control.

In 2016, the Group generated net sales of EUR 2,202 million. ROCKWOOL Group operations have a large presence in Europe and Russia, a rapidly growing presence in North America, facilities in Asia, and the Group's head office is located in Denmark. The Group has approximately 10,500 employees worldwide.



The ROCKWOOL Group strongly believes in the rights and freedoms to which all human beings are entitled. As a company, we are committed to acting in compliance with international human rights, throughout our businesses.

The Supply Chain

The ROCKWOOL Group engages a worldwide supplier base across multiple categories and the supplier base currently consists of more than 10,000 active suppliers in total. On a Group basis total expenditure exceeds €1bn annually.

Due to the location of the factories, the profiles of the suppliers vary from smaller local companies to large global companies. The Group sources raw materials directly from the producers around the world.

Organisational Policies

ROCKWOOL Limited in the UK does not have a separate policy concerning modern slavery. Instead, efforts against modern slavery are aligned and adopted on a Group basis. This also applies to the Code of Conduct



for Suppliers setting group standards for suppliers. The ROCKWOOL Group is committed to conduct business on ethical and environmentally sound principles and in accordance with the ROCKWOOL Values.

Sourcing is done in accordance with the Group Procurement Policy, which requires suppliers of direct materials with an annual spend more than €100,000 to sign the Code of Conduct for Suppliers. Alternatively, we are able to accept suppliers operating on their own code of conduct where these are, at a minimum level, similar to that of the ROCKWOOL Group. The Code of Conduct for Suppliers is aligned with the 10 principles of UN Global Compact including Principle 4: the elimination and abolition of all forms of forced and compulsory labour.

The ROCKWOOL Group works with suppliers to ensure that the suppliers meet the requirements in the Code of Conduct. The ROCKWOOL Group may terminate a contract with a supplier in case of violation of the Code of Conduct.

The ROCKWOOL Group conducts its business ethically and in compliance with the law. The Whistle Blower Policy encourages employees and third parties to report serious and sensitive concerns regarding breaches of e.g. business ethics or applicable law. This also includes suspicion of slavery or human trafficking.

In 2016 the Group Management of ROCKWOOL established an Integrity Committee consisting of top management. The Integrity Committee oversees ongoing compliance activities and develops initiatives to strengthen the focus on integrity throughout the Group. More information is available at www.rockwool.com

Due Diligence

Group Sourcing and Procurement (GSP) is responsible for the governance and procurement principles as well as the ethical Code of Conduct for Suppliers as per the Group Procurement Manual.

GSP handles contract with large suppliers. This includes regular visits to suppliers and visits of production facilities. The close cooperation with new and existing suppliers is important when considering compliance with the Code of Conduct for Suppliers.

In November 2016 the Group launched a new e-Procurement Portal. All new suppliers must accept the Code of Conduct for Suppliers in order to become a supplier to the Group. Work is also ongoing to enrol all existing suppliers in the new e-Procurement Portal.

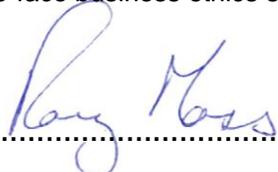
At this point in time, 94 percent of suppliers (for direct materials) have accepted the Code of Conduct for Suppliers. A KPI has been set-up to ensure that the remaining suppliers will be requested to accept as well. The Group carried out 121 supplier evaluations in 2016.

We have engaged with a third party to conduct independent CSR audits of our suppliers and agents in cooperation with Internal Audit. In 2016 we made 3 audits of our suppliers. The selection of suppliers for third party audits is based on a risk assessment involving criteria such as category of products supplied, country of residence, supplier size, magnitude of cooperation with the Group and financial performance etc.

We did not identify any instances of slavery with a supplier in 2016.

Training and capacity building

In relation to practices defined as modern slavery, special emphasis is on employees in GSP. In order to create awareness, in 2016 all employees in GSP participated in face-to-face business ethics seminars including the Code of Conduct for Suppliers.

Signed: 
Title: **Managing Director, ROCKWOOL Limited**