



# Resilient by nature

Remuneration Report 2022

# Overview

- 03** Introduction
- 04** Remuneration of the Board of Directors
- 05** Remuneration of the Registered Directors
- 08** Development in remuneration and financial performance
- 10** Management's statement
- 11** Independent auditor's statement

# Introduction

With this report, ROCKWOOL Group aims to provide its shareholders with a consolidated picture of the remuneration elements provided to each member of the Board of Directors and Registered Directors during 2022 including comparative figures.

The report includes all fees provided to the Board of Directors as well as fixed pay, variable pay and all benefits provided to the Registered Directors. The report has been completed by the Remuneration Committee as per authorisation of the Board of Directors. The report will be presented to the Annual General Meeting in March 2023, for an indicative vote.

The 2021 Remuneration Report was presented to the Annual General Meeting in April 2022 for an indicative vote and review. The purpose of the indicative vote is to secure that the remuneration policy is implemented and applied. The report was approved with no comments.

Remuneration provided to the Board of Directors and the Registered Directors during 2022 has been in accordance with the Remuneration Policy adopted at the Annual General Meeting in April 2020 and is compliant with the Danish Companies Act section 139b.

To attract and retain diverse and competent employees with broad experience, the usual merit process for all employees was carried out in April 2022.

No changes were made to any remuneration schemes for the Board of Directors and Registered Directors during 2022.

## **Performance of the company**

2022 was a turbulent year. The economic aftershocks of the pandemic and the policy response to it, coupled with Russia's war on Ukraine, gave us and the world plenty of challenges including high inflation and volatility

in the costs of energy, materials, and logistics. Considering the difficult macroeconomic environment, which also included rapidly rising interest rates and a notable drop in construction activity in some markets, we achieved satisfactory results for the year.

Net sales grew well in all markets across the business and profitability measured in EBIT margin remained double-digit despite soaring energy costs. Net sales for 2022 reached 3907 MEUR, an increase of 23 percent in local currencies compared to 2021, with an EBIT margin of above 10 percent.

## **Compliance with the Remuneration Policy**

The remuneration of the Board of Directors and Registered Directors complies with the guidelines and framework set out in the Remuneration Policy and is aligned with the company's long-term strategic objectives. There has been no deviation from the Remuneration Policy, which is available at [www.rockwool.com](http://www.rockwool.com).

# Remuneration of the Board of Directors

Board members, both shareholder and employee elected, receive a fixed annual fee as approved at the Annual General Meeting each year. The Chairman, Deputy Chairman and members of board committees are entitled to supplementary fees for the extended duties implied by those positions. Chairpersons of committees are entitled to a higher supplementary fee than ordinary committee members.

Members of the Board of Directors are not offered pension arrangements or any type of incentive-based remuneration. Reasonable expenses for Board members such as travel, accommodation or other expenses related to board meetings as well as relevant education are reimbursed.

Board fees are reviewed once a year, and most recently at the Annual General Meeting in 2022 where an increase of 11 percent was approved.

The purpose of the increase was to align the remuneration of board members with other Danish Large Cap Companies.

With market aligned board fees, we aim to attract and retain diverse and competent board members who can bring a wide range of international and industry experience to the table when discussing and deciding the Company's long-term strategic focus and drive our sustainability agenda forward.

New board members elected and board members not re-elected at the Annual General Meeting in 2022 received pro-rata fees as per the principles of the Remuneration Policy.

## Annual board fee per member position

(kEUR)	2022/2023
Chairman	161
Deputy Chairman	108
Other members	54
Supplement for Audit Committee Chairperson	44
Supplement for Audit Committee members	27
Supplement for Remuneration Committee members	13

## Individual board fees paid in 2022

(kEUR)	Chairman	Deputy Chairman	Board member	Chairperson Audit Committee	Audit Committee	Remuneration Committee	Total
Thomas Kähler	156	-	-	-	26	13	195
Carsten Bjerg	-	104	-	-	-	13	117
Rebekka Glasser Herlofsen	-	-	52	43	-	-	95
Carsten Kähler	-	-	52	-	-	-	52
Ilse Irene Henne	-	-	*36	-	-	-	36
Jørgen Tang-Jensen	-	-	52	-	26	-	78
Andreas Ronken	-	-	**16	-	-	-	16
Connie Enghus Theisen	-	-	52	-	-	-	52
Berit Anette Kjerulf	-	-	*36	-	-	-	36
Christian Westerberg	-	-	52	-	-	-	52
<b>Total</b>	<b>156</b>	<b>104</b>	<b>348</b>	<b>43</b>	<b>52</b>	<b>26</b>	<b>729</b>

\* for the period 1 May 2022 to 31 December 2022. \*\* for the period 1 January 2022 to 30 April 2022.

# Remuneration of the Registered Directors

Registered Directors refers in this report to the Group CEO and the Group CFO, both registered as such with the Danish Business Authority. Registered Directors are entitled to an annual remuneration in accordance with the Remuneration Policy, which includes fixed base salary and variable pay elements linked to the Group performance including both short- and long-term incentives. The components of the remuneration are described in the following.

## Base salary

The fixed base salary paid to Registered Directors is based on the individual's contract and the individual's experience, contribution and in the context of the external market benchmark relevant for the position. The base salary is subject to an annual review of individual performance

and an external comparison to secure a competitive remuneration supporting long-term retention. The salary was reviewed 1 April 2022.

## Pension

Pensions paid to Registered Directors are based on individual contracts and are an integral part of the fixed remuneration. Pensions are in line with the Group's ordinary pension scheme for employees on Danish contracts.

## Other benefits

Registered Directors receive non-monetary benefits such as company car or cash compensation equivalent to the value of a company car, health and insurance benefits, paid phone and internet.

In accordance with the Remuneration Policy, the pension and other benefits combined do not exceed 20 percent of the base salary of a Registered Director.

## Short-term incentives

Registered Directors have the opportunity to receive an annual cash bonus for their contribution to the Group's strategic priorities for the year.

The selected key performance criteria in the 2022 company scorecard, applicable for the Registered Directors, were sales and earnings, each with an equal weight. The actual performance for both criteria ended close to target. The cash bonus will be paid to the Registered Directors with the first salary payment after



## Actual remuneration of Registered Directors for 2022

Name and position	Fixed remuneration			Variable remuneration			Total	
	Base salary	Pension	Other benefits	Total fixed	Short-term incentives	Long-term incentives*		Total variable
Jens Birgersson, CEO	1 727	259	22	2 008	357	466	823	2 831
Kim Junge Andersen, CFO	650	70	26	746	132	125	257	1 003

\* Value at grant. The value differs from the Annual Report where the fair value is expensed over the vesting period as per IFRS 2.

# Remuneration of the Registered Directors (continued)

the Annual General Meeting has approved the Annual Report in March 2023.

## *Long-term incentives*

Registered Directors are eligible to receive annual grants of restricted share units (RSUs) or stock options based on an allocation proposed by the Remuneration Committee and approved by the Board of Directors. The condition for obtaining the RSUs or stock options is continued employment at the date of vesting.

The objective of the share program is to attract and retain as well as drive long-term stability and contribution to strategy.

This is balanced with the annual cash bonus that has a short-term perspective on financial performance as well as with the fixed base remuneration.

In April 2022, RSUs were granted. The fair value on the date of grant, 11 April 2022, was 2350 DKK per share. The RSUs will vest in May 2025.

In 2022, the total variable portion of the Registered Directors' remuneration package in terms of STI paid and LTI granted is 29 percent for the CEO and 25 percent for the CFO and is therefore well within the maximum 50 percent of the total remuneration package (aggregated amount of base salary and incentives) warranted by the Remuneration Policy.

The RSUs and the stock options can also be given as cash-settled programmes based on phantom shares and phantom stock options.

In 2022, the RSUs granted in 2019 vested.

## *One-time awards*

No one-time awards was granted in 2022.

In line with the Remuneration Policy, a one-time award in the form of conditional RSUs was granted to the CEO in 2020 to secure the CEO's commitment and contribution in the coming years to support the continued development and realisation of the strategy and sustainable long-term value creation of the Group.

Vesting is conditional upon the achievement of three parameters: a) Reduction of CO<sub>2</sub> per tonne line wool, b) growth in sales and c) earnings. All three vesting conditions have equal weight and shall be fulfilled for the conditional RSUs to vest on 26 May 2025.

## *Claw back*

The incentive-based remuneration agreements contain provisions on claw back of incentive-based remuneration based on data which subsequently prove to be materially and manifestly misstated. In the financial year 2022, no incentive remuneration was reclaimed.

### Value RSUs vested in 2022

Name and position	Date	Plan	Number	Vesting date value (kEUR)
Jens Birgersson, CEO	24-05-2022	2019 RSUs	1 817	458
Kim Junge Andersen, CFO	24-05-2022	2019 RSUs	562	142

### Outstanding RSUs at year-end

	Per 01/01	Granted	Exercised	Per 31/12	Est. value*, unvested (kEUR)
<b>Jens Birgersson</b>					
2019 RSU	1 728	89	1 817	-	-
2020 RSU + one-time award	11 715	-	-	11 715	2 578
2021 RSU	1 298	-	-	1 298	286
2022 RSU	-	1 474	-	1 474	324
<b>Total</b>	<b>14 741</b>	<b>1 563</b>	<b>1 817</b>	<b>14 487</b>	<b>3 188</b>
<b>Kim Junge Andersen</b>					
2019 RSU	534	28	562	-	-
2020 RSU	737	-	-	737	162
2021 RSU	352	-	-	352	77
2022 RSU	-	396	-	396	87
<b>Total</b>	<b>1 623</b>	<b>424</b>	<b>562</b>	<b>1 485</b>	<b>327</b>

\* The estimated value of the unvested RSUs, is based on the share price at year-end.



# Development in remuneration and financial performance

The board fee in 2022 was 729 kEUR, up 35 kEUR compared to 2021. The main reason for the higher fee was the approved remuneration increase at the Annual General Meeting. The composition of the Board of Directors was changed in 2022, as Andreas Ronken decided not to seek reelection to the Board of Directors and Ilse Irene Henne was elected as new member of the Board of Directors. Berit Anette Kjerulf was by the employees elected as the new employee elected board member.

The total remuneration to the Registered Directors amounted to 3834 kEUR, down two percent compared to 2021. The decrease was primarily due to lower short term incentives as both performance criteria ended close to target, which reflects the turbulent year for the Group. By way of comparison, in the same period ROCKWOOL's share price decreased by 43 percent.

The CEO pay ratio is 23 times the average total remuneration per FTE in the parent company, ROCKWOOL A/S.

## Board of Directors

(kEUR)	Position	Annual.		Annual.		Annual.		
		2022	%*	2021	%*	2020	%*	2019
Thomas Kähler (from 1 April 2020)	Chairman and Remuneration committee	169	7%	157	0%	105	-	-
Thomas Kähler (from 7 April 2021)	Audit Committee	26	7%	16	-	-	-	-
Thomas Kähler (until 1 April 2020)	Member	-	-	-	-	16	3%	47
Carsten Bjerg	Deputy Chairman and Remuneration Committee	117	7%	110	0%	110	3%	106
Carsten Bjerg (until 1 April 2020)	Chairman Audit Committee	-	-	-	-	12	3%	39
Carsten Bjerg (from 1 April 2020 - until 7 April 2021)	Audit Committee	-	-	8	0%	16	-	-
Rebekka Glasser Herlofsen (from 1 April 2020)	Member and Chairperson Audit Committee	95	7%	88	0%	59	-	-
Carsten Kähler (from 7 April 2021)	Member	52	7%	32	-	-	-	-
Ilse Irene Henne (from 6 April 2022)	Member	36	-	-	-	-	-	-
Jørgen Tang-Jensen	Member and Audit Committee	78	7%	73	0%	73	3%	70
Andreas Ronken (until 6 April 2022)	Member	16	7%	48	0%	48	3%	47
Connie Enghus Theisen	Employee elected member	52	7%	48	0%	48	3%	47
Berit Anette Kjerulf (from 6 April 2022)	Employee elected member	36	-	-	-	-	-	-
Christian Westerberg	Employee elected member	52	7%	48	0%	48	3%	47
Henrik Brandt (until 1 April 2020)	Chairman and Remuneration committee	-	-	-	-	52	3%	153
Søren Kähler (until 1 April 2020)	Deputy Chairman and Remuneration Committee	-	-	-	-	36	3%	106
Søren Kähler (from 1 April 2020 - until 7 April 2021)	Member	-	-	16	0%	32	-	-
Søren Kähler	Audit Committee	-	-	8	0%	25	3%	23
René Binder Rasmussen (until 11 November 2021)	Employee elected member	-	-	42	0%	48	3%	47
<b>Total remuneration Board of Directors</b>		<b>729</b>	<b>7%</b>	<b>694</b>	<b>0%</b>	<b>728</b>	<b>3%</b>	<b>732</b>

\* % = Annualised year-on-year development in percent, not taking changes in the roles into consideration.

## ROCKWOOL Group financial performance

	2022	%*	2021	%*	2020	%*	2019
Net sales (MEUR)	3 907	27%	3 088	19%	2 602	-6%	2 757
Growth in local currencies	23%	-	19%	-	-4%	-	2%
EBIT (MEUR)	402	0%	401	19%	338	-9%	372
ROCKWOOL B share price (DKK)	1 637	-43%	2 859	25%	2 296	45%	1 585

## Registered Directors

(kEUR)	2022	%*	2021	%*	2020	%*	2019
Jens Birgersson	2 831	0%	2 845	21%	2 343	8%	2 171
Jens Birgersson, one-time award	-	-	-	-	1 476	-	-
Kim Junge Andersen	1 003	-8%	1 086	17%	925	0%	929
<b>Total</b>	<b>3 834</b>	<b>-2%</b>	<b>3 931</b>	<b>-17%</b>	<b>4 744</b>	<b>53%</b>	<b>3 100</b>

## ROCKWOOL A/S financial performance

	2022	%*	2021	%*	2020	%*	2019
Net sales (MEUR)	371	15%	323	-10%	358	-11%	402
EBIT (MEUR)	54	-23%	69	9%	64	-16%	76
Avr. total remuneration per FTE (kEUR)	122	-4%	127	8%	117	1%	116

\* % = year-on-year development in percent.



# Management's statement

The Board of Directors and Registered Directors have today considered and adopted the Remuneration Report of ROCKWOOL A/S for financial year 1 January – 31 December 2022.

The Remuneration Report is prepared in accordance with section 139 b of the Danish Companies Act.

The Remuneration Report is submitted to the Annual General Meeting for an indicative vote.

Hedehusene, 8 February 2023

## Registered Directors

Jens Birgersson  
CEO

Kim Junge Andersen  
CFO

## Board of Directors

Thomas Kähler  
Chairman

Carsten Bjerg  
Deputy Chairman

Rebekka Glasser Herlofsen

Jørgen Tang-Jensen

Carsten Kähler

Ilse Irene Henne

Connie Enghus Theisen

Christian Westerberg

Berit Anette Kjerulf

# Independent auditor's statement

## To the shareholders of ROCKWOOL A/S

We have examined whether the remuneration report for ROCKWOOL A/S for the financial year 1 January - 31 December 2022 contains the information required under section 139 b, subsection 3 of the Danish Companies Act.

We express reasonable assurance in our conclusion.

## The Board of Directors' responsibility for the remuneration report

The Board of Directors is responsible for the preparation of the remuneration report in accordance with section 139 b, subsection 3 of the Danish Companies Act. The Board of Directors is also responsible for the internal control that the Board of Directors deems necessary to prepare the remuneration report without material misstatement, regardless of whether this is due to fraud or error.

## Auditor's independence and quality management

We have complied with the independence requirements and other ethical requirements in the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour and ethical requirements applicable in Denmark.

PricewaterhouseCoopers is subject to the International Standard on Quality Control, ISQC 1, and thus applies a comprehensive quality control system, including documented policies and procedures concerning compliance with ethical requirements, professional standards and current statutory requirements and other regulation.

## Auditor's responsibility

Our responsibility is to express a conclusion on the remuneration report based on our examinations. We conducted our examinations in accordance with ISAE 3000 (revised), Assurance Engagements Other than Audits or Reviews of Historical Financial Information and the additional requirements applicable in Denmark to obtain reasonable assurance in respect of our conclusion.

As part of our examination, we checked whether the remuneration report contains the information required under section 139 b, subsection 3 of the Danish Companies Act, number 1 - 6, on the remuneration of each individual member of the Executive Board and the Board of Directors.

We believe that the procedures performed provide a sufficient basis for our conclusion. Our examinations have not included procedures to verify the accuracy and completeness of the information provided in the remuneration report, and therefore we do not express any conclusion in this regard.

## Conclusion

In our opinion the remuneration report, in all material respects, contains the information required under the Danish Companies Act, section 139 b, subsection 3.

Hellerup, 8 February 2023

## PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab  
CVR No 3377 1231

## Kim Tromholt

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