

ROCKWOOL

Remuneration Report 2023



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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 2023 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 and Nomination Committee as per authorisation of the Board of Directors. The report will be presented to the Annual General Meeting in April 2024, for an indicative vote.

The 2022 Remuneration Report was presented to the Annual General Meeting in March 2023 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 Registered Directors during 2023 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 139 b.

To attract and retain diverse and competent employees with broad experience, the usual merit process for all employees was carried out in April 2023.

No changes were made to any remuneration schemes for the Board of Directors and Registered Directors during 2023.

Performance of the company

As central banks continued tightening financial conditions to fight inflation, the low economic activity and high interest rates reduced construction activity in many of our European

markets. The sales were negatively impacted although to a lesser extent than expected in the beginning of the year. Declining energy prices, pricing stability and agility in operation helped us regain a more normal profitability level in 2023. Considering the market conditions, the 2023 financial results were good.

Net sales declined across most businesses, though with improved profitability. Net sales for 2023 reached 3620 MEUR, a decrease of four percent in local currencies compared to 2022, with an EBIT margin of 14.3 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.

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. The last time, the annual review resulted in a change,

was in 2022 where an increase of 11 percent was approved by the Annual General Meeting. 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 2023 received pro-rata fees as per the principles of the Remuneration Policy.

Annual board fee per member position

kEUR	2023/2024
Chairman	161
Deputy Chairman	108
Other members	54
Supplement for Audit Committee Chairperson	44
Supplement for Audit Committee members	27
Supplement for Remuneration and Nomination Committee members	13

Individual board fees paid in 2023

kEUR	Chairman	Deputy Chairman	Board member	Chairperson Audit Committee	Audit Committee	Remuneration & Nomination Committee	Total
Thomas Kähler	161	-	-	-	27	13	201
Jørgen Tang-Jensen	-	*72	**18	-	**9	*9	108
Carsten Bjerg	-	**35	-	-	-	**4	39
Rebekka Glasser Herlofsen	-	-	54	44	-	-	98
Jes Munk Hansen	-	-	*35	-	*18	-	53
Carsten Kähler	-	-	54	-	-	-	54
Ilse Irene Henne	-	-	54	-	-	-	54
Connie Enghus Theisen	-	-	54	-	-	-	54
Christian Westerberg	-	-	54	-	-	-	54
Berit Kjerulf	-	-	54	-	-	-	54
Total	161	107	377	44	54	26	769

* for the period 1 May 2023 to 31 December 2023. ** for the period 1 January 2023 to 30 April 2023.

Remuneration of the Registered Directors

Registered Directors refer 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.

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 by 1 April 2023.

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

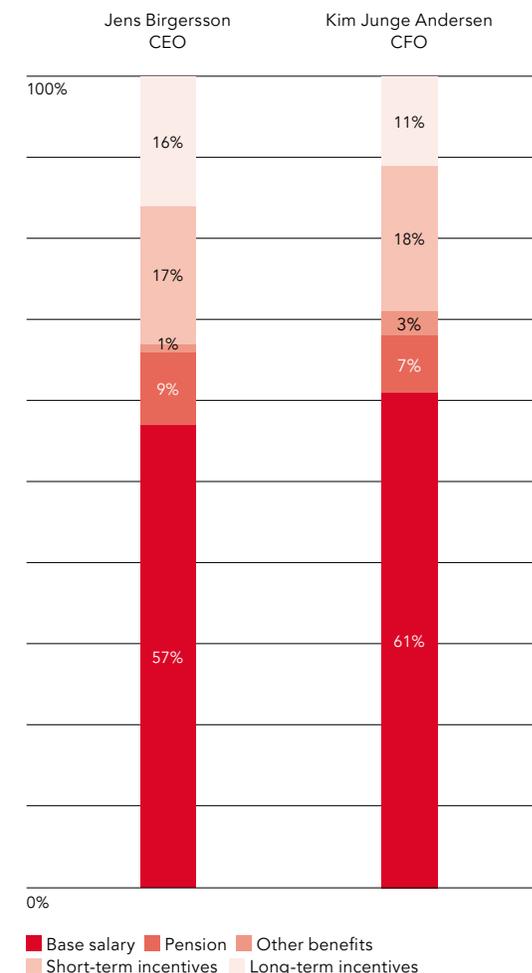
Registered Directors receive non-monetary benefits such as company car or cash compensation equivalent to the value of a company car, health and insurance benefits, paid phone and internet.

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 2023 company scorecard, applicable for the Registered Directors, were sales and earnings, with 2/3 weight to sales and 1/3 weight to earnings. The actual performance for the sales criteria ended close to target while the earnings criteria ended above target. The cash bonus



Actual remuneration of Registered Directors for 2023

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	1 883	282	30	2 195	571	535	1 106	3 301
Kim Junge Andersen, CFO	686	74	30	790	207	131	338	1 128

* 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)

will be paid to the Registered Directors with the first salary payment after the Annual General Meeting has approved the Annual Report in April 2024.

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 and Nomination Committee and approved by the Board of Directors. The condition for obtaining the RSUs or stock options is continued employment at the vesting date.

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 2023, RSUs were granted. The fair value on the date of grant, 11 April 2023, was 1541 DKK per share. The RSUs will vest in May 2026.

In 2023, the total variable portion of the Registered Directors' remuneration package in terms of STI paid and LTI granted is 33 percent for the CEO and 29 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 2023, the RSUs granted in 2020 vested.

One-time awards

No one-time awards were granted in 2023.

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 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 CO₂ 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 2023, no incentive remuneration was reclaimed.

Value RSUs vested in 2023

Name and position	Date	Plan	Number	Vesting date value (kEUR)
Jens Birgersson, CEO	23-05-2023	2020 RSU	2 583	601
Kim Junge Andersen, CFO	23-05-2023	2020 RSU	779	181

Outstanding RSUs at year-end

	Per 01/01	Granted	Exercised	Per 31/12	Est. value*, unvested (kEUR)
Jens Birgersson					
2020 RSU + one-time award	11 715	140	2 583	9 272	2 461
2021 RSU	1 298	-	-	1 298	345
2022 RSU	1 474	-	-	1 474	391
2023 RSU	-	2 462	-	2 462	653
Total	14 487	2 602	2 583	14 506	3 850
Kim Junge Andersen					
2020 RSU	737	42	779	-	-
2021 RSU	352	-	-	352	94
2022 RSU	396	-	-	396	105
2023 RSU	-	604	-	604	160
Total	1 485	646	779	1 352	359

* 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 2023 was 769 kEUR, up 40 kEUR compared to 2022. The main reason for the higher fee, was the approved remuneration increase at the Annual General Meeting in 2022. The composition of the Board of Directors was changed in 2023 as Carsten Bjerg retired from the Board of Directors and Jes Munk Hansen was elected as new member of the Board of Directors.

The total remuneration to the Registered Directors amounted to 4429 kEUR, an increase of 16 percent compared to 2022. The increase was due to higher short term incentives as one of the earnings criteria performed above target as well as the merit increase. By way of comparison, in the same period ROCKWOOL's share price increased 21 percent.

The CEO pay ratio is 26 times the average total remuneration per FTE in the parent company, ROCKWOOL A/S.

Board of Directors

kEUR	Position	2023	%*	2022	%*	2021	%*	2020	%*	2019
Thomas Kähler (from 01-04-2020)	Chairman; Remuneration & Nomination Committee	174	3%	169	7%	157	0%	105	-	-
Thomas Kähler (from 07-04-2021)	Audit Committee	27	3%	26	7%	16	-	-	-	-
Thomas Kähler (until 01-04-2020)	Member	-	-	-	-	-	-	16	3%	47
Carsten Bjerg (until 29-03-2023)	Deputy Chairman; Remuneration & Nomination Committee	39	3%	117	7%	110	0%	110	3%	106
Carsten Bjerg (until 01-04-2020)	Chairman Audit Committee	-	-	-	-	-	-	12	3%	39
Carsten Bjerg (from 01-04-2020 to 07-04-2021)	Audit Committee	-	-	-	-	8	0%	16	-	-
Jørgen Tang-Jensen (until 29-03-2023)	Member; Audit Committee	27	3%	78	7%	73	0%	73	3%	70
Jørgen Tang-Jensen (from 29-03-2023)	Deputy Chairman; Remuneration & Nomination Committee	81	-	-	-	-	-	-	-	-
Rebekka Glasser Herlofsen (from 01-04-2020)	Member; Chairperson Audit Committee	98	3%	95	7%	88	0%	59	-	-
Jes Munk Hansen (from 29-03-2023)	Member; Audit Committee	53	-	-	-	-	-	-	-	-
Carsten Kähler (from 07-04-2021)	Member	54	3%	52	7%	32	-	-	-	-
Ilse Irene Henne (from 06-04-022)	Member	54	3%	36	-	-	-	-	-	-
Connie Enghus Theisen	Employee elected member	54	3%	52	7%	48	0%	48	3%	47
Christian Westerberg	Employee elected member	54	3%	52	7%	48	0%	48	3%	47
Berit Kjerulf (from 06-04-2022)	Employee elected member	54	3%	36	-	-	-	-	-	-
Andreas Ronken (until 06-04-2022)	Member	-	-	16	7%	48	0%	48	3%	47
Henrik Brandt (until 01-04-2020)	Chairman; Remuneration Committee	-	-	-	-	-	-	52	3%	153
Søren Kähler (until 01-04-2020)	Deputy Chairman; Remuneration Committee	-	-	-	-	-	-	36	3%	106
Søren Kähler (from 01-04-2020 to 07-04-2021)	Member	-	-	-	-	16	0%	32	-	-
Søren Kähler	Audit Committee	-	-	-	-	8	0%	25	3%	23
René Binder Rasmussen (until 11-11-2021)	Employee elected member	-	-	-	-	42	0%	48	3%	47
Total remuneration Board of Directors		769	3%	729	7%	694	0%	728	3%	732

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

ROCKWOOL Group financial performance

	2023	%*	2022	%*	2021	%*	2020	%*	2019
Net sales (MEUR)	3 620	-7%	3 907	27%	3 088	19%	2 602	-6%	2 757
Growth in local currencies	-4%	-	23%	-	19%	-	-4%	-	2%
EBIT (MEUR)	518	29%	402	0%	401	19%	338	-9%	372
ROCKWOOL B share price (DKK)	1 977	21%	1 637	-43%	2 859	25%	2 296	45%	1 585

Registered Directors

kEUR	2023	%*	2022	%*	2021	%*	2020	%*	2019
Jens Birgersson	3 301	17%	2 831	0%	2 845	21%	2 343	8%	2 171
Jens Birgersson, one-time award	-	-	-	-	-	-	1 476	-	-
Kim Junge Andersen	1 128	12%	1 003	-8%	1 086	17%	925	0%	929
Total	4 429	16%	3 834	-2%	3 931	-17%	4 744	53%	3 100

ROCKWOOL A/S financial performance

	2023	%*	2022	%*	2021	%*	2020	%*	2019
Net sales (MEUR)	466	26%	371	15%	323	-10%	358	-11%	402
EBIT (MEUR)	108	100%	54	-23%	69	9%	64	-16%	76
Avr. total remuneration per FTE (kEUR)	126	4%	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 2023.

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, 7 February 2024

Registered Directors

Jens Birgersson
CEO

Kim Junge Andersen
CFO

Board of Directors

Thomas Kähler
Chairman

Jørgen Tang-Jensen
Deputy Chairman

Rebekka Glasser Herlofsen

Jes Munk Hansen

Carsten Kähler

Ilse Irene Henne

Connie Enghus Theisen

Christian Westerberg

Berit 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 2023 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.

Our firm applies International Standard on Quality Management 1, ISQM 1, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

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, 7 February 2024

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab
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