



Our Sustainability Progress

Released December 2024



Build on us.

Ensuring maximum impact

Welcome to our Sustainability Progress Report for 2023.

This high-level overview charts our performance against the Knauf Group's 2021 baseline and documents our progress toward commitments established by Knauf Insulation's 'For A Better World' sustainability strategy.

This strategy commits us to Put People First, Achieve Zero Carbon, Deliver A Circular Economy and Create Better Buildings. It sets benchmark targets for 2025 and 2032.



In 2023, we continued to build on our foundations for change.

In the short term, this meant focusing on quick improvements, such as chasing energy efficiency gains and securing low carbon energy suppliers. In the long term, we made key decisions that would have a significant impact, including investing in new multi-million euro electric production lines and expanding our geographical footprint.

In addition, in every region, we appointed sustainability managers to create the right environment internally to make the sustainability transition. In every plant, we recruited designated sustainability engineers to find solutions to site-specific challenges.

We also improved our sustainability literacy as a company through widespread attendance at Climate Fresk awareness workshops and continuous communication.

Now our colleagues are speaking the language of sustainability more fluently, whether they are discussing water use or energy efficiency at plant morning briefings or the low carbon advantages of our solutions during sales calls.

Of course we face challenges. For instance, we are a long way from achieving zero waste. In some countries, low landfill costs hinder the development of recycling activities in our business environment.

But we are addressing these challenges and recognise that sustainability is not a simple transition; it is a metamorphosis.

At Knauf Insulation we need to rethink everything – all at once – from people and production to processes and products, all For A Better World. It will not be easy, but our leadership is committed to driving this metamorphosis by making the right business decisions to ensure maximum impact.

It is a privilege to play a role in such an exciting and important transformation.

Marc Bosmans

Group Sustainability Director for Knauf Insulation



OUR SUSTAINABILITY PROGRESS



**PUT
PEOPLE
FIRST**

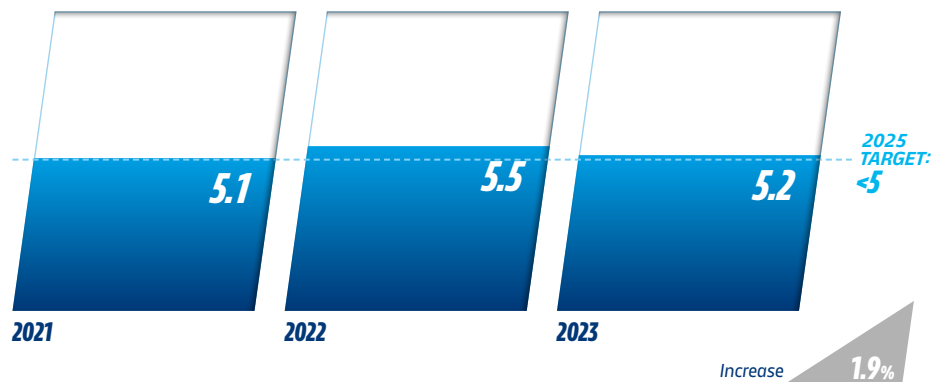
Ensure zero harm

2025 target: Report a maximum Total Recordable Incident Rate (TRIR) of 5.0 by 2023 (fast-tracked from 2025)

Status: *Work in progress*

We are determined to deliver a zero-risk tolerance culture. In 2023, we increased our safety interactions, amplified our focus on risk awareness and continued to increase efforts to reinforce positive behaviour. To ensure the effectiveness of these measures we consistently share best practice and, of course, any serious concerns that require immediate action. Knauf Insulation is committed to prioritising safety, providing effective safety equipment and enforcing non-negotiable Life Saving Rules. To ensure everyone goes home safely, we must all take responsibility, remain vigilant and stay fully committed to a zero-harm culture.

Total Recordable Incident Rate (TRIR) – KI EMEA & APAC



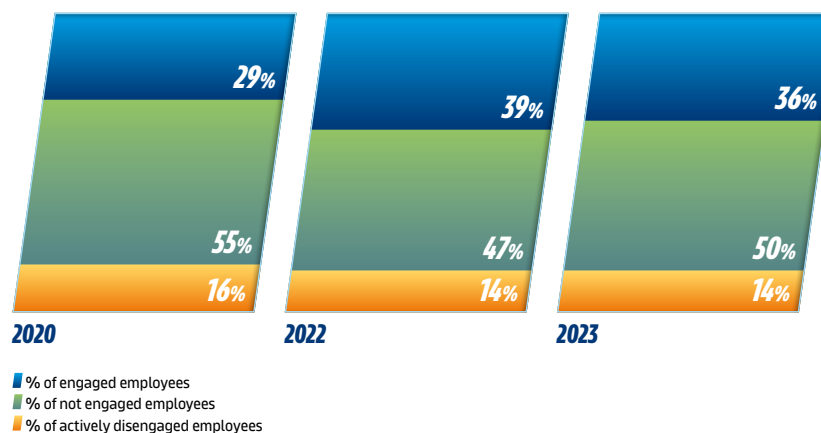
Have the most engaged employees

Targets: Report a minimum of 42.5% engaged employees by 2025 with this figure rising to at least 50% by 2032

Status: *On track*

The percentage of engaged colleagues increased from 29% to 36% from our first survey in 2020 to 2023, and the number of actively disengaged employees decreased by two percentage points to 14% in the same time period. From 2022 to 2023, the percentage of overall actively disengaged colleagues remained stable and there was a slight increase in employees classed as not engaged. We have been working on proactively improving engagement using employee survey feedback and workshops to develop action plans. Those discussions helped to identify recognition, care and development as key areas for improvement.

Engagement Index



OUR SUSTAINABILITY PROGRESS



Deliver net zero embodied carbon solutions

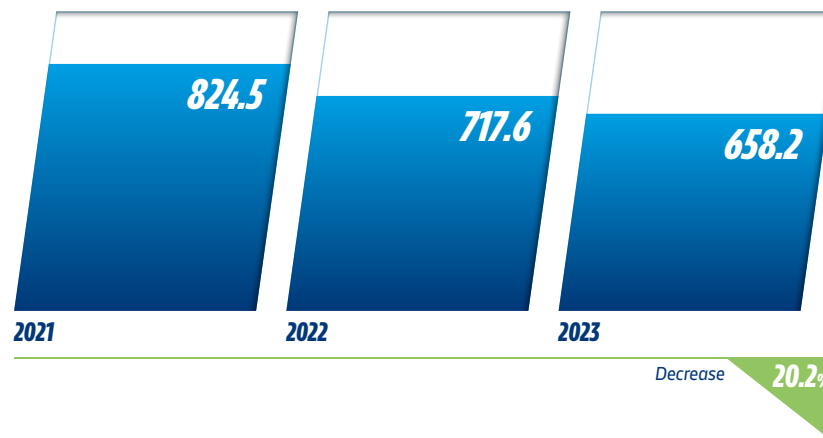
2032 target: Reduce absolute scope 1 and 2 by 50% and scope 3 by 30%

Status: On track

We are committed to reducing our absolute scope 1 and 2 emissions by 50% and our scope 3 by 30%. The deadline for these targets is 2032, when Knauf will celebrate its 100th anniversary. This commitment has raised the ambition of our previous target to cut the embodied carbon of our products by 15% by 2025.

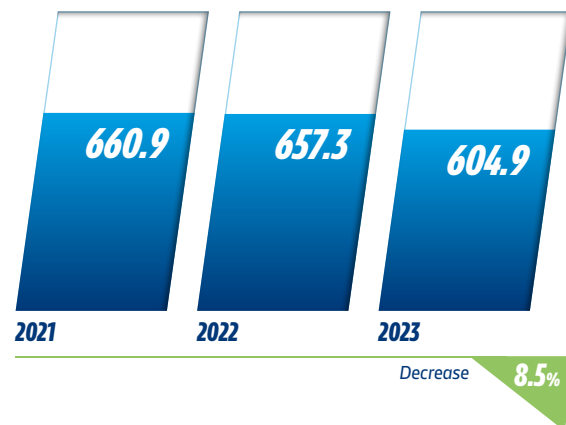
In 2023, we drove decreases in our scope 1 and 2 emissions by implementing energy efficiencies, investing heavily in new technology, securing supplies of low carbon electricity, and installing low carbon supply solutions at our sites (e.g. PV panels). We also achieved a 13.8% decrease in scope 3 emissions from 2021 to 2023 through logistic improvements and greater engagement with suppliers.

Scope 1 + Scope 2, in absolute value (kTon CO₂e)



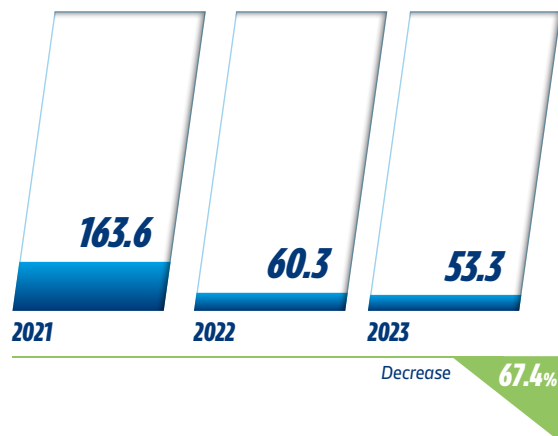
Scope 1

(kTon CO₂e)



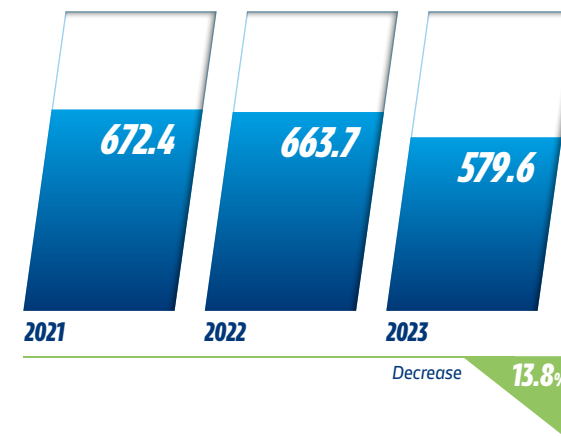
Scope 2

(kTon CO₂e)



Scope 3

(kTon CO₂e)



OUR SUSTAINABILITY PROGRESS



DELIVER A
CIRCULAR
ECONOMY

Increase recycled content in our batch

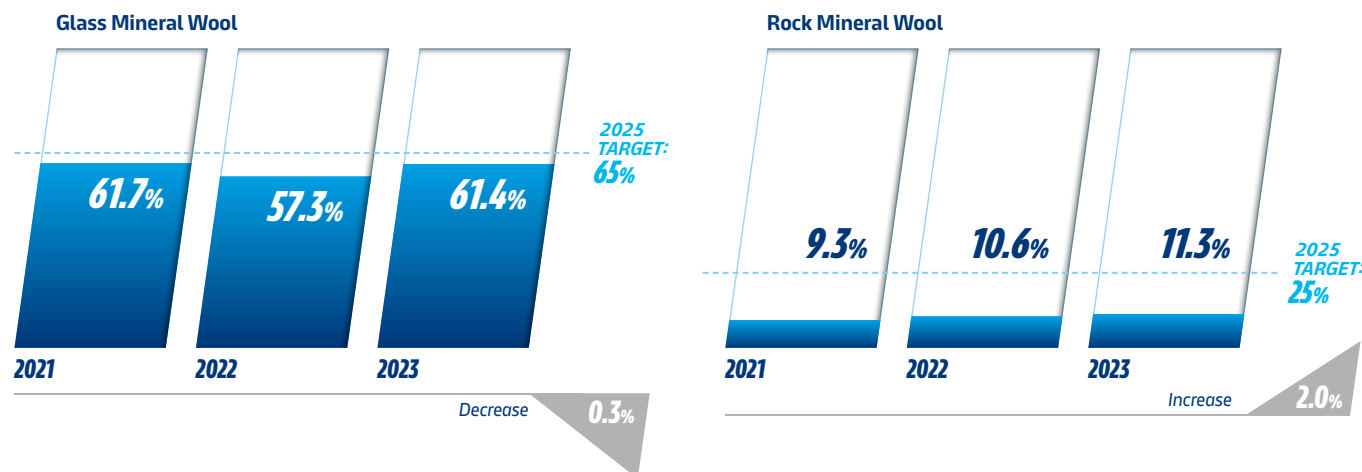
2025 target: Use more than 65% external recycled material in our Glass Mineral Wool and more than 25% external recycled material in our Rock Mineral Wool

Status:

Glass Mineral Wool: Work in progress

Rock Mineral Wool: Work in progress

Using recycled materials saves landfill and requires less energy to be transformed into Mineral Wool, hence reducing emissions and delivering savings. However, sourcing reliable large volumes of recycled materials that meet our quality standards remained a challenge for some markets in 2023. At our Eskişehir plant in Turkey, for example, we use 80% recycled glass cullet in our batch, while other sites continue to face sourcing challenges. Throughout 2023, we explored different sources of recycled content in order to diversify our supply chain and secure long-term availability.

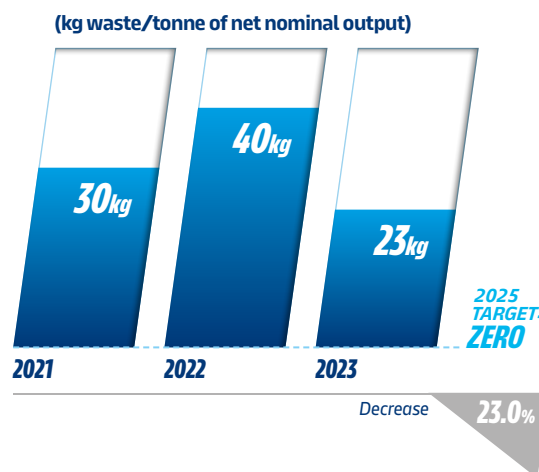


Send zero waste to landfill

2025 target: We will send zero production waste to landfill from our Glass Mineral Wool and Rock Mineral Wool plants by 2025

Status: Work in progress

We will achieve our zero waste to landfill target by maximising manufacturing efficiencies and ensuring effective recycling routes. Following waste audits to identify sources and types of waste generated at our plants, 2023 saw new site initiatives to optimise processes and minimise waste generation. We also found new recycling routes into other construction businesses to recycle our waste. In addition, we continued to explore new Mineral Wool solutions from off-cuts at our Belgian recycling plant using our RESULATION® service. Since 2022, our Wood Wool division has been sending zero waste to landfill.

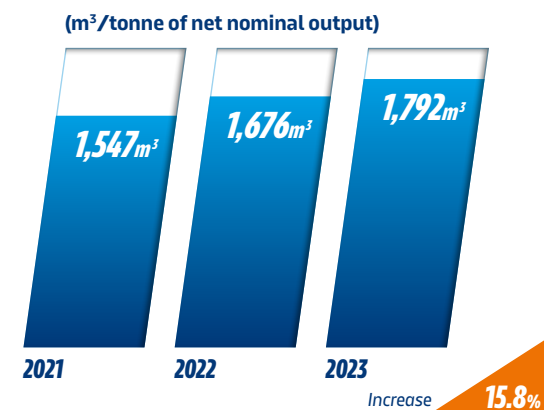


Reduce fresh water use in our plants

2025 target: We will have implemented a range of new projects to reduce the amount of fresh water we use in five plants

Status: Delayed

In line with our approach to continuous improvement, we carried out site audits to identify ways to minimise consumption, and implemented a range of initiatives to reduce water loss. We also started to explore potential new solutions to recuperate water from evaporation, which remains a challenge for many of our plants.



ABOUT KNAUF INSULATION

With more than 40 years of experience in the insulation industry, Knauf Insulation represents one of the fastest growing and most respected names in insulation worldwide.

Knauf Insulation is committed to helping its customers to meet the increasing demand for energy efficiency and sustainability in new and existing homes, non-residential buildings and industrial applications. The company shows a strong and steady financial performance with turnover exceeding €2.5 billion. Knauf Insulation currently has nearly 6,000 employees in more than 40 countries and 29 manufacturing sites in 15 countries.

OUR BRAND PROMISE

We deliver the best results to our customers by providing high-performing solutions, strong partnerships and trustworthy hands-on support. At Knauf and Knauf Insulation our customers know they can **Build On Us**.

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