



FINAL STATEMENT

Specific instance submitted by West Virginians for Sustainable Development regarding the activities of Rockwool International A/S and its subsidiary Rockwool North America Inc.

June 3rd 2021

The Mediation and Complaints-Handling Institution for Responsible Business Conduct – The Danish National Contact Point to the OECD

The Danish Mediation and Complaints-Handling Institution for Responsible Business Conduct (NCP Denmark) is the Danish National Contact Point based on the OECD Guidelines for Multinational Enterprises. NCP Denmark is an independent non-judicial grievance mechanism established by law¹. NCP Denmark is mandated to handle specific instances (complaints) concerning whether Danish companies, public authorities, and public and private organisations act in observance of the OECD Guidelines for Multinational Enterprises.

NCP Denmark can determine whether a corporate or public entity has observed the OECD Guidelines for Multinational Enterprises and can provide recommendations. NCP Denmark cannot prescribe remedy or compensation to impacted parties.

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¹ The Danish Act no 546 of 18 June 2012 on a Mediation and Complaints-Handling Institution for Responsible Business Conduct.

1. EXECUTIVE SUMMARY

In October 2019, West Virginians for Sustainable Development (hereafter “WVSD”) submitted a complaint to the Mediation and Complaints-Handling Institution for Responsible Business Conduct (hereafter “NCP Denmark”) which is the Danish OECD national contact point for responsible business conduct. The complaint concerned Rockwool International A/S and its subsidiary Rockwool North America Inc. (hereafter “Rockwool”). The complaint alleged that Rockwool had failed to observe the [OECD Guidelines for Multinational Enterprises](#) (hereafter “the OECD Guidelines”) by failing to carry out risk-based due diligence in relation to its planning and construction of a mineral wool manufacturing facility in Jefferson County, West Virginia, USA.

The complaint concerns the potential risks of Rockwool’s manufacturing facility to the environment and public health, primarily with focus on air pollution and water contamination as well as improper involvement in local political activities. Moreover, WVSD asserts that Rockwool has failed to engage with relevant impacted stakeholders and continuously avoided transparency and public notice in order to withhold information about project plans.

Rockwool objects to all claims about improper involvement in political activities, assertion of having avoided transparency, and failure to conduct appropriate risk-based due diligence. Rockwool also disagrees with claims about failing to engage with relevant stakeholders yet recognizes that they could have done more in their engagement with the local community.

NCP Denmark recognizes that Rockwool has conducted numerous and extensive assessments of environmental and health risks in order to assess potential adverse impacts associated with the manufacturing facility project. Furthermore, all necessary construction and environmental permits have been approved by the U.S. and West Virginia authorities. NCP Denmark also recognizes Rockwool’s voluntary

measures to accommodate community concerns. However, based on the submitted documentation, NCP Denmark finds that Rockwool has not documented that the company has carried out risk-based due diligence in accordance with the OECD Guidelines in the initial phases of the manufacturing facility project and therefore did not sufficiently observe the OECD Guidelines. The submitted documentation indicates that the initial phases of the project were based on a transactional due diligence approach and thereby too narrowly focused on risks to the company itself rather than identifying potential adverse impacts on people, the environment, and society in accordance with the OECD Guidelines.

Furthermore, NCP Denmark finds that Rockwool did not sufficiently observe the OECD Guidelines’ expectations to provide meaningful opportunities for the relevant stakeholders to express their views during the planning and decision-making process of the manufacturing facility project. NCP Denmark however recognizes that Rockwool did attempt to rectify the situation once the company became aware of the public controversy surrounding the manufacturing facility. Further, the submitted documentation shows that subsequent to the emergence of the controversy regarding the manufacturing facility project, Rockwool has adopted a new policy and new procedures regarding local community engagement and social due diligence when developing new manufacturing facilities or pursuing major retrofits to existing facilities.

Finally, NCP Denmark finds that Rockwool’s hiring of a local engineering company does not constitute improper involvement in local political activities or a conflict of interest and accordingly does not constitute non-observance of the OECD Guidelines.

NCP Denmark will follow up on this statement after one year to assess whether Rockwool has implemented NCP Denmark’s recommendations. Consequently, NCP

Denmark requests that Rockwool, no later than one year after the publication of this Final Statement, provides NCP Denmark with a follow-up report on how Rockwool has approached the recommendations made by NCP Denmark.

2. SUBSTANCE OF THE SUBMISSION AND PROCEEDINGS

2.1 Substance of the submission

In October 2019, West Virginians for Sustainable Development (hereafter “WVSD”)² along with several co-complainants³ submitted a complaint to the Mediation and Complaints-Handling Institution for Responsible Business Conduct (hereafter “NCP Denmark”) – The Danish OECD national contact point for responsible business conduct. The complaint was submitted against Rockwool International A/S⁴ and its subsidiary Rockwool North America Inc.⁵ (hereafter “Rockwool”).

WVSD’s complaint alleges that Rockwool has failed to observe the [OECD Guidelines for Multinational Enterprises](#) (hereafter “the OECD Guidelines”) by failing to carry out risk-based due diligence in the planning and construction of a mineral wool manufacturing facility in the city of Ranson in Jefferson County, West Virginia, USA. The project was initiated in 2016 and on 6 July 2017, Rockwool announced its construction and expansion plans for the Ranson site. The controversy in the community surrounding Rockwool’s

manufacturing facility emerged following the formal groundbreaking ceremony on 26 June 2018. The manufacturing facility has been under construction during NCP Denmark’s investigation and it is expected to become operational in 2021.

WVSD asserts, that political improprieties, pollution of air and groundwater will cause adverse impacts on the health and environment of the local community. Moreover, WVSD asserts that Rockwool has failed to engage with relevant impacted stakeholders and continuously avoided transparency and public notice in order to withhold information about project plans. WVSD has provided that the primary objective of the complaint is that Rockwool immediately stop construction of its manufacturing facility and return the site to as close to its original condition as practically possible. Alternatively, WVSD has provided a list of remedies for Rockwool to meet.

Rockwool objects to all claims about improper involvement in political activities, assertion of having avoided transparency, and failure to conduct appropriate risk-based due diligence. Rockwool also disagrees with claims about failing to engage with relevant stakeholders yet recognizes that they could have done more in their engagement with the local community. Rockwool maintains that the company has observed the OECD Guidelines.

2.2 Proceedings

On 21 October 2019, the complaint was submitted to NCP Denmark. Based on NCP Denmark’s initial assessment, the complaint was accepted for further consideration and

² West Virginians for Sustainable Development is a non-profit volunteer organization working to support the socio-economic and environmentally sustainable development of West Virginia.

³ West Virginia Delegate John Doyle, West Virginia Delegate Sammi Brown, Jefferson County Commissioner Jane Tabb, Jefferson County Commissioner Ralph Lorenzetti, Leesburg Town Council Member Neil Steinberg, Friends of the Blue Ridge Mountains, Mid-Atlantic Center for Children’s Health and the Environment, Ohio Valley Environmental Coalition, Potomac Riverkeeper Network, Potomac Valley Audubon Society, West Virginia Citizen Action Group, and West Virginia Interfaith Power & Light.

⁴ Rockwool International A/S is a Danish listed company and a manufacturer of stone wool. The Rockwool group operates 48 manufacturing facilities around the world and have a global network of sales offices and distributors. Rockwool International A/S is owned by 15. Juni Fonden and Rockwool Fonden among others.

⁵ Rockwool North America (formerly Roxul USA Inc.) is a wholly owned subsidiary of Rockwool international A/S.

the parties were encouraged to initiate a bilateral dialogue to resolve the matter themselves, in accordance with section 7, subsection 1, of the Danish Act no 546 of 18 June 2012 on a Mediation and Complaints-Handling Institution for Responsible Business Conduct (hereafter “the NCP Act”). As the bilateral dialogue did not result in an agreement between the parties, NCP Denmark conducted a preliminary investigation and decided to offer the parties mediation facilitated by NCP Denmark. However, Rockwool declined the offer of mediation. Subsequently, in accordance with section 7, subsection 4, no. 2 of the NCP Act, NCP Denmark conducted an actual investigation, the results of which is described in this Final Statement.

The entire body of documentation submitted by the parties – confidential as well as non-confidential – constitutes the basis for NCP Denmark’s investigation and Final Statement.

3. NCP DENMARK’S INVESTIGATION

As part of NCP Denmark’s investigation, NCP Denmark has considered whether Rockwool has failed to observe the OECD Guidelines by neglecting to carry out risk-based due diligence in the planning and construction of the manufacturing facility in West Virginia (paragraph 3.1 below). Moreover, NCP Denmark has also considered whether Rockwool has failed to observe the OECD Guidelines by being improperly involved in local political activities (paragraph 3.2 below).

3.1 Risk-based due diligence according to the OECD Guidelines

According to the OECD Guidelines, Chapter II.A, paragraph 10, companies should carry

out risk-based due diligence in order to identify, prevent, and mitigate actual and potential adverse impacts and account for how these impacts are addressed. Whereas the more traditional transactional due diligence is concerned with risks to the company (financial risk, market risk, operational risk, reputational risk, etc.), risk-based due diligence is concerned with risks caused by the company to people, the environment, and society.⁶

Risk-based due diligence is a process and not a specific standard that companies have to live up to. It requires companies to know and describe the risk of adverse impacts covered by the OECD Guidelines and on that basis take steps to address the risk. The nature and extent of due diligence, such as the specific steps to be taken in a particular situation will be affected by factors such as the size of the enterprise, context of its operations, and the severity of its adverse impacts.⁷ Risk-based due diligence is characterized as a management approach. It should be an ongoing and contextual process that involves engagement of stakeholders, in particular those affected by the risks.

Furthermore, Chapter II.A, paragraph 14, of the OECD Guidelines provides that enterprises should “Engage with relevant stakeholders in order to provide meaningful opportunities for their views to be taken into account in relation to planning and decision making for projects or other activities that may significantly impact local communities”.

NCP Denmark has focused on the following two areas relevant to Rockwool’s implementation of the OECD Guidelines in the manufacturing facility project:

- **Identification of adverse impacts** – To what extent did Rockwool identify and

⁶ The due diligence expectation in the OECD Guidelines covers the following issues: human rights, including workers and industrial relations, environment, bribery and corruption, disclosure, and consumer interests.

⁷ Commentary number 15 to Chapter II of the OECD Guidelines.

assess its actual and potential adverse impacts caused by the manufacturing facility project?

- **Meaningful stakeholder engagement** – To what extent has Rockwool carried out meaningful stakeholder engagement?

3.1.1 Identification of adverse impacts

As mentioned in section 3.1 above, the OECD Guidelines provide that enterprises should carry out risk-based due diligence in order to identify, prevent, and mitigate actual and potential adverse impacts and account for how these impacts are addressed. In this case, the main question is whether Rockwool has documented that the company has identified its actual or potential adverse impacts on people, the environment, and society in relation to the construction and operation of the manufacturing facility in West Virginia.

WVSD asserts that Rockwool did not conduct risk-based due diligence in the manner contemplated by and required by the OECD Guidelines prior to making its decision to locate the construction site in Jefferson County. WVSD states that if Rockwool had performed appropriate due diligence, Rockwool would have recognized the inappropriateness of the area for its factory and located elsewhere. Moreover, WVSD asserts that Rockwool's risk assessments in regard to air pollution and water contamination are inaccurate and do not adequately identify and mitigate pollution and contamination risks. WVSD's concerns are coupled with the factory's proximity to local elementary schools and day care centres.

Rockwool disagrees with WVSD on claims about Rockwool's due diligence process and asserts that WVSD's allegations of inadequate due diligence in regard to environment and health risks are factually incorrect. Rockwool maintains

that extensive risk assessments have been conducted in accordance to local regulatory procedures and requirements. Rockwool acknowledges WVSD's concerns about potential water contamination but is of the opinion that the foundation for these concerns is fundamentally flawed. Rockwool maintains that the local regulatory requirements are sufficient to ensure groundwater safety and the health of the nearby students. As a measure to accommodate and reassure community concerns, Rockwool has voluntarily funded two air monitoring stations at two local schools and will install a groundwater monitoring well network.

The principles and requirements of risk-based due diligence were first set out in the Guiding Principles on Business and Human Rights (UNGP),⁸ and have since been adopted into the 2011 revision of the OECD Guidelines. Principle 18 of the UNGP provides that "In order to gauge human rights risks, business enterprises should identify and assess any actual or potential adverse human rights impacts with which they may be involved either through their own activities or as a result of their business relationships."

The initial step in conducting risk-based due diligence is, therefore, to identify and assess the nature of the actual and potential adverse impacts with which a business enterprise may be involved. The purpose is to understand the specific impacts on specific people, the environment, and society given a specific context of operations. Typically this includes assessing the human rights context prior to a proposed business activity, identifying who may be affected, cataloguing the relevant human rights standards and issues, and projecting how the proposed activity and associated business relationships could have adverse human rights impacts on those identified.⁹ This exercise will enable the enterprise to

⁹ Commentary to principle 18 of the UNGP.

⁸ The Guiding Principles on Business and Human Rights – Implementing the United Nations "Protect, Respect and Remedy" Framework (United Nations, 2011).

carry out an initial prioritisation, if required, of the most significant risk areas that may require further assessment. Information about the local regulatory framework, governance, socio-economic context, and political context may also be relevant to examine during the identification and assessment of actual and potential adverse impacts. As would information from international organizations, civil society organizations, NHRI's,¹⁰ governments agencies, trade unions and employer and business associations.

NCP Denmark recognizes that Rockwool has conducted numerous and extensive assessments of environmental and health risks in order to assess potential adverse impacts associated with the manufacturing facility project. Furthermore, all necessary construction and environmental permits have been approved by the U.S. and West Virginia authorities.¹¹ NCP Denmark also recognizes Rockwool's voluntary measures to accommodate community concerns and notes that WVSD does not agree with the results of Rockwool's risk assessments. However, NCP Denmark emphasizes that it will not assess the substance or results of Rockwool's risk assessments. NCP Denmark is only mandated to review a company's procedural approaches to risk-based due diligence and cannot assess the technical specifications of a host country's national legislative requirements for permit decisions or approved assessments. NCP Denmark is solely mandated to assess Rockwool's business practices in regard to the OECD Guidelines, which in the context of this complaint means whether or not Rockwool has implemented the necessary procedural steps of risk-based due diligence.

Based on the submitted documentation, NCP Denmark finds that Rockwool has not documented that the company has carried out risk-based due diligence in accordance

with the OECD Guidelines in the initial phases of the manufacturing facility project and therefore did not sufficiently observe the OECD Guidelines. The submitted documentation indicates that the initial phases of the project were based on a transactional due diligence approach and thereby too narrowly focused on risks to the company itself rather than identifying potential adverse impacts on people, the environment, and society in accordance with the OECD Guidelines. Furthermore, identification of potentially impacted stakeholders is considered a prerequisite for carrying out risk-based due diligence. This subject will be examined in detail in paragraph 3.1.2.

3.1.2 Meaningful stakeholder engagement

Meaningful stakeholder engagement is a key component of the due diligence process and an expectation of responsible business conduct. Engagements with stakeholders are therefore a required process that informs an enterprise's due diligence process.

Chapter II.A, paragraph 14, of the OECD Guidelines provides that enterprises should "engage with relevant stakeholders in order to provide meaningful opportunities for their views to be taken into account in relation to planning and decision making for projects or other activities that may significantly impact local communities."

Stakeholder engagement involves interactive processes of engagement with relevant stakeholders through, for example, meetings, hearings or consultation proceedings. Meaningful stakeholder engagement is characterised by two-way communication and depends on the good faith of the participants on both sides. It is also responsive and on-going, and includes in many cases engaging with relevant stakeholders before decisions have been

¹⁰ National Human Rights Institutions.

¹¹ The stormwater discharge permit is being disputed by a local non-profit organization in a legal proceeding.

made, for example in the planning and decision-making concerning projects or other activities involving the intensive use of land or water, which could significantly affect local communities.¹²

Engaging with potentially affected groups and other relevant stakeholders provides important insights into their perspectives and concerns regarding the enterprise's operations and the implications these have for the impacted stakeholders. Stakeholder engagement can also be an effective activity for identifying and avoiding potential adverse impacts of a project or operation and appropriately mitigating and remedying impacts if they do occur. Furthermore, effective engagement can help demonstrate that the enterprise takes stakeholders' views and their dignity, welfare and human rights seriously. This can help to build trust and make it easier to find ways to address impact in an agreed and sustainable way, avoiding unnecessary grievances and disputes. Consultation with potentially affected stakeholders can require particular sensitivity. Some individuals or groups may be at risk of exclusion from the consultation process unless targeted efforts are made to reach out to them. There may be competing views among and within stakeholder groups about the relative significance of certain impacts.¹³

WVSD asserts that Rockwool has failed to identify and engage with all relevant stakeholders and only shared information with stakeholders who WVSD claims could advance the manufacturing facility project in Jefferson County. WVSD further maintains that Rockwool has taken advantage of opportunities to avoid transparency and public notice and that Rockwool has continued to withhold information about project plans. Rockwool disagrees and has provided NCP Denmark with an overview

of community outreach initiatives and public information prior to the formal groundbreaking of the manufacturing facility as well as an overview of public meetings and open houses that took place after the formal groundbreaking. Rockwool has acknowledged that it could have engaged in broader, more extensive two-way consultations earlier in the process. Rockwool explains that it has taken the Jefferson County experience seriously and implemented a new "Community Engagement Manual" – a Group-wide standard policy and procedures for local community engagement and social due diligence when developing new manufacturing facilities or pursuing major retrofits to existing facilities. Rockwool maintains that the company has not failed to observe the OECD Guidelines.

NCP Denmark notes that Rockwool's approach to stakeholder engagement has evolved during the course of the manufacturing facility project. Thus, the evaluation of Rockwool's stakeholder engagement is sectioned into three subsections; **the initial approach, the development throughout the project, and current/future approach to stakeholder engagement.**

Initial approach: NCP Denmark finds that Rockwool did not sufficiently observe the OECD Guidelines' expectations to provide meaningful opportunities for the relevant stakeholders to express their views during the planning and decision-making process of the manufacturing facility project. Even though Rockwool conducted stakeholder engagement activities early in the project timeline, Rockwool has not sufficiently managed to identify all relevant stakeholders and conduct two-way engagement in time. Before the official site selection and the subsequent formal groundbreaking on the construction site, Rockwool focused its stakeholder engagement activities towards

¹² Commentary number 25 to Chapter II of the OECD Guidelines.

¹³ The corporate responsibility to respect human rights: An interpretive guide (2012) published by the Office of the United Nations High Commissioner for Human Rights, pp. 44-45.

public institutions and officials, the local business community, and philanthropic events. Rockwool has not documented an attempt to engage with the local community residing around the facility site, NGO's, interest groups, or other potentially relevant stakeholders, who may have informed Rockwool's impact assessments. Rockwool did however publish press releases (6 July 2017 and 26 June 2018) and distributed informative pamphlets (October 2017 and January 2018) to the residents in and around Ranson. Nonetheless, as these activities generally constitute one-way communication, Rockwool did not sufficiently provide meaningful opportunities for all relevant stakeholders to express their views and contribute to informing the impact assessment process in the early stages of the project.

Rockwool's development throughout the project: Rockwool did however attempt to rectify the situation once the company became aware of the public controversy surrounding the manufacturing facility. Rockwool participated in several public body meetings, hosted open houses, funded air monitoring stations at local schools, conducted a human health risk assessment, and made plans to install a groundwater monitoring well network. NCP Denmark recognizes Rockwool's attempt to follow up on issues and potential impacts raised by the community and emphasizes that such endeavours are expected by the OECD Guidelines. Thus, NCP Denmark assesses that at this stage of the project Rockwool has appropriately endeavoured to address the community concerns resulting from the facility project.

Current and future approach to stakeholder engagement: In December 2019, Rockwool formally adopted the "Group-wide standard policy and procedures for local community engagement and social due diligence".¹⁴ According to Rockwool, the

new policy and procedures are implemented when developing new manufacturing facilities or pursuing major retrofits to existing facilities. NCP Denmark acknowledges that Rockwool has applied its new approach to stakeholder engagement in one of its potential new projects in France, which included engagement with the local community prior to the decision-making phase. NCP Denmark expects that Rockwool's "Community Engagement Manual" will assist the enterprise to conduct meaningful stakeholder engagement in the future.

In conclusion, even though Rockwool's approach to stakeholder engagement seems to have evolved significantly since the controversy surrounding the manufacturing facility arose, Rockwool did not sufficiently observe the OECD Guidelines in regard to carrying out meaningful stakeholder engagement in the beginning of the manufacturing facility project.

3.2 Improper involvement in local political activities

NCP Denmark has considered whether Rockwool failed to observe chapter II.A, paragraph 15, of the OECD Guidelines and engaged in improper involvement in local political activities when hiring a local engineering company.

WVSD asserts that Rockwool's hiring of a local engineering company was improper. WVSD asserts that the local engineering company was engaged to carry out design and engineering work for the facility project at the same time as Rockwool was negotiating economic incentives for the site selection with the West Virginia Development Office, which was ultimately headed by the West Virginia Commerce Secretary, who was also the owner of the local engineering company. WVSD contends that the business relationship between

¹⁴ The "Community Engagement Manual" is considered confidential information but has been made available to NCP Denmark.

Rockwool and the local engineering company constitutes a conflict of interest and a breach of public trust. Rockwool objects to this claim and has submitted documentation of West Virginia's ethics regulations as well as documentation detailing how the Commerce Secretary had placed his financial assets in a blind trust during his term of office.

Based on the submitted documentation, NCP Denmark finds that Rockwool's hiring of the local engineering company does not constitute improper involvement in local political activities or a conflict of interest. Consequently, NCP Denmark finds that Rockwool has observed Chapter II.A, paragraph 15, of the OECD Guidelines.

4. FINDINGS

Based on NCP Denmark's investigation and the entire body of documentation submitted by the parties, NCP Denmark finds that:

- Rockwool has conducted numerous and extensive risk assessments on the environment and public health, including air pollution and water contamination, based on local statutory requirements. The assessments have been approved by the U.S. and West Virginia authorities. On top of the mandatory risk assessments Rockwool has conducted additional assessments. NCP Denmark does not have a mandate to assess the technical specifications of national legislative requirements for permit decisions or approved assessments.
- Rockwool has not documented that the company has carried out risk-based due diligence in accordance with the OECD Guidelines in the initial phases of the manufacturing facility project and therefore did not sufficiently observe the OECD Guidelines. The submitted documentation indicates that the initial phases of the project were based on a transactional due diligence approach and thereby too narrowly focused on

risks to the company itself rather than a risk-based due diligence process, identifying actual and potential adverse impacts on people, the environment, and society in accordance with the OECD Guidelines.

- Rockwool did not sufficiently observe the OECD Guidelines in regard to carrying out meaningful stakeholder engagement in the initial phases of the manufacturing facility project. While the submitted documentation indicates that Rockwool's approach to stakeholder engagement has evolved significantly since the controversy surrounding the manufacturing facility arose, Rockwool did not allow sufficient meaningful stakeholder engagement to inform Rockwool's impact assessments in relation to the manufacturing facility project in the initial phases of the project.
- Rockwool's hiring of a local engineering company does not constitute improper involvement in local political activities or a conflict of interest and accordingly does not constitute non-observance of the OECD Guidelines.
- Rockwool has documented improvements by responding to issues that have occurred during the project. NCP Denmark recognizes Rockwool's attempts to rectify the situation by improving internal risk-management processes related to societal impacts, attempts to engage with the local community and the implementation of voluntary measures to accommodate community concerns. NCP Denmark recognizes that these measures qualify as acts of remedy in accordance with the OECD Guidelines.

5. RECOMMENDATIONS

NCP Denmark emphasizes that risk-based due diligence constitutes a dynamic on-going process by which actual and potential impacts must be reassessed at regular intervals as needed, such as

prior to major decisions or changes in activities, in response to or in anticipation of changes in the operating environment, and periodically throughout the lifecycle of an activity or relationship. Meaningful engagement with relevant and impacted stakeholders is a key part of this process.

NCP Denmark notes that in order to be successful, stakeholder engagement depends on both parties' constructive participation and good faith.

To support observance of the OECD Guidelines going forward, NCP Denmark makes the following recommendations:

- NCP Denmark recommends that Rockwool reviews its decision-making processes to ensure systematic integration of risk-based due diligence in accordance with the OECD Guidelines. This includes all steps of risk-based due diligence, including, but not limited to, i) identifying, preventing or mitigating actual and potential adverse impacts, ii) identification of relevant and potentially impacted stakeholders as well as meaningful engagement with these, iii) following up on identified impacts, iv) communicating how the identified impacts are addressed, and v) providing for or cooperating on remediation when appropriate. In this regard, Rockwool may employ the [OECD Due Diligence Guidance for Responsible Business Conduct \(2018\)](#).
- NCP Denmark notes that Rockwool has adopted the "Community Engagement Manual" in 2019 – a Group-wide standard policy and procedures for local community engagement and social due diligence when developing new manufacturing facilities or pursuing major retrofits to existing facilities. The NCP finds it positive that Rockwool has responded to stakeholder concerns by developing the new manual. NCP

Denmark recommends that Rockwool reviews the "Community Engagement Manual" regularly and ensures that it is adjusted as needed and implemented to accommodate the circumstances and context of specific projects. In line with the [OECD Guidelines and the OECD Due Diligence Guidance for Responsible Business Conduct \(2018\)](#), NCP Denmark takes this opportunity to emphasize that Rockwool should not limit the identification of relevant stakeholders to what is required by local legislation. This includes anticipating and including stakeholders that stand to be directly and/or indirectly impacted by Rockwool's activities throughout the lifecycle of a project. NCP Denmark notes that this also applies to the manufacturing facility project in West Virginia. In this regard, Rockwool may employ the [OECD Due Diligence Guidance for Meaningful Stakeholder Engagement in the Extractive Sector \(2017\)](#) as a source of inspiration. The guidance offers practical tools for companies to help them implement the expectations of risk-based due diligence regarding meaningful stakeholder engagement in accordance with the OECD Guidelines.

- NCP Denmark recommends that Rockwool communicates publicly about its due diligence processes as well as actions and responses related to the recommendations above and include information on stakeholder consultation processes and outcomes in accordance with Chapter VI, paragraphs 2a and 2b of the OECD Guidelines.

6. FOLLOW-UP

Pursuant to section 7 of the NCP Act, NCP Denmark will follow up on this statement after one year to assess whether and how Rockwool has taken NCP Denmark's recommendations into account. Consequently, NCP Denmark requests that Rockwool, no later than one year after

the publication of this Final Statement, provides NCP Denmark with a follow-up report on how Rockwool has approached the recommendations made by NCP Denmark and what changes has been made to Rockwool's decision-making and risk management systems in order to ensure that they meet the due diligence requirements of the OECD Guidelines.

NCP Denmark will assess Rockwool's follow-up report and publish a Follow-up Statement.