

# James Hardie Supplier Code of Conduct

2024



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## James Hardie Supplier Code of Conduct

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James Hardie Industries plc, on behalf of itself and its affiliates (**James Hardie**), is committed to respecting internationally recognised human rights standards as outlined in the UN Guiding Principles on Business and Human Rights. Our Supplier Code of Conduct is based on the International Bill of Human Rights and the International Labour Organization's Declaration on Fundamental Principles and Rights at Work. We support the UN Global Compact and the OECD Guidelines for Multinational Enterprises.

We recognize that our global supply chain network can have a wide-ranging impact beyond our own operations. We are committed to the sustainable and ethical procurement of products and services. The James Hardie Supplier Code of Conduct (**Code**) sets out the principles, standards, and expectations that we hold for our own employees as well as our suppliers including their employees, personnel, agents, and subcontractors (collectively referred to as **suppliers**) to support, embrace and adhere to.

Because our suppliers are a critical part of our network, it is essential that they conduct their business in an ethical, legal, and responsible manner and work to reduce potential supply chain disruptions. We acknowledge that minimizing the environmental and social impacts of and in our supply chain is a continuous improvement process. We will work to align with suppliers who demonstrate improvement over time and have a commitment to this common goal. For all sections outlined in this Code we expect suppliers to provide training on processes, procedures, and topics for relevant workers, supervisors, and leaders.

While conducting business with or on behalf of James Hardie, suppliers are expected to adhere to this Code and the applicable laws and regulations in the jurisdictions in which they operate. We expect that suppliers embed the elements of this Code into the way they do business and the standards they have for their supply chain. This means cascading these expectations outlined here to their supply chain and having processes in place for appropriate due diligence. We encourage suppliers to create their own codes of conduct and to go above and beyond what is outlined below.

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## Safety and Health

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We expect that all working environments prioritize the physical and psychological safety of workers and visitors. This includes the following:

- Promote a safe workplace and drive continuous improvements to improve the safety of and reduce harm to their workforce.
- Comply with all relevant workplace health and safety laws, codes, and regulations with specific emphasis on life safety, fire prevention, and disaster preparedness.
- Maintain an active process that evaluates for hazards / risk and includes a mechanism to track and close action items to ensure proper closure of findings.
- Adoption of global and regional standards that create baseline expectations and sustainability in line with James Hardie Zero Harm Safety Systems.
- Workers can raise health and safety concerns to maintain a culture of safety and health through the grievance channels without fear of retaliation.
- Ensure through documentation and training that workers are appropriately trained to perform the tasks to which they are assigned.
- All employees must be trained on the use of appropriate personal protective equipment as required for their job.
- Transparent documentation is kept on all incidents regardless of severity including how the incidents were acted upon and remediated. Processes are in place to aid in the reporting, management, monitoring, and prevention of incidents.
- Ensure workspaces and amenities for workers are clean, safe and comply with country requirements.
- Clear policies and procedures on safety and health are communicated annually, with each new hire and are updated periodically.
- There is governance in place to manage health and safety with clear roles and responsibilities defined.

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## Environment and Sustainability

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We expect that the air, water, land, and biodiversity are protected and not harmed. This includes the following:

- Compliance with applicable environmental laws and standards.
- Document adherence to environmental permits and compliance obligations.
- Reduce environmental impacts including the reduction of emissions to air, water, and land.
- Reduce waste and drive increased efficiencies in the use of natural resources.
- Minimize impact of products and activities on biodiversity, climate change and water scarcity.
- Any forest products used by the supplier have been responsibly and legally sourced with a strong preference for those receiving third-party certifications or from low-risk plantations.

We expect that all workers are treated with dignity and respect and that their human rights are upheld. This includes the following:

### No Child Labour

- No one is employed under the age of 15 or under the local legal minimum for work, whichever is higher.
- There are policies in place stating child labour is prohibited that extend to supply chain networks.
- There are processes and procedures in place for age verification during the hiring process.
- Young workers, age 15-18, are protected. This means they do not participate in hazardous or night-time work.

### No Forced Labour

- Forced labour is prohibited in all forms: slavery, trafficked, indentured, bonded, and physical, psychological, and/or mental coercion.
- Workers are not required to surrender government issued identification (such as a passport) or valuables as a condition of employment.
- There are no fees or deposits in connection to obtaining or maintaining employment. This includes any company or person as part of the recruitment process.
- Prison labour is prohibited.
- Workers have freedom of movement and are not confined to employer premises including work provided housing.
- Policies and training are provided to all staff including security to ensure freedom of movement.
- Policies and procedures are in place with training of relevant staff, like human resources, to ensure workers are entering employment voluntarily.

### Reasonable Working Hours

- Working hours do not exceed local legal maximums. Where there are no legal maximums, the internationally recognized standard of a 48-hour regular working week and a maximum of 60 hours per week should be followed. All workers are entitled to at least 24 hours of rest in every 7-day period.
- There are policies, processes, and procedures in place to ensure there are no excessive working hours including a process for exceptional circumstances where increased overtime is needed.

### No Harassment

- Workers are treated with dignity and respect. All forms of harassment are not tolerated. This includes physical, emotional, verbal, psychological, and sexual harassment. All workers, including supervisors, managers, and security staff, who harass others will face appropriate disciplinary measures.
- There are policies in place that prohibit all forms of harassment and abuse and all staff are trained to recognize and prevent.

## **Freedom of Association**

- The right of workers to form or join a union or to create representative organizations of their choice and collectively bargain is respected, where these activities are not restricted by applicable local law.
- Where freedom of association is restricted by local law, workers ability to develop parallel means for independent association and bargaining is not hindered.
- There are policies in place to ensure workers who freely associate and collectively bargain are not retaliated against in any form.

## **Fair Wages**

- All workers receive at least the local legal minimum wage.
- All overtime work is paid at the legally required premiums.
- Wages are paid in full, regularly and on time.
- Payslips are provided to all workers that transparently identify regular wages, overtime, and all legally required or agreed upon deductions.
- All non-mandatory deductions are expressly agreed upon with the worker prior to being removed from the wages.

## **No Discrimination**

- Discrimination based on race, ethnic origin, gender, religion or ideology, marital status, pregnancy, social class, country of origin, disability, age, sexual identity, political leaning, or involvement in a trade union is not tolerated. Discrimination is not tolerated during any part of employment. This includes hiring, compensation, promotions, discipline, and termination.
- Pregnancy testing is prohibited.
- Policies and procedures are in place to prevent discrimination during the hiring process.
- There are policies in place that prohibit all forms of discrimination and all staff are trained to recognize and prevent it.
- The supplier has a policy in place for equal pay for equal work meaning there is no discrimination, including gender discrimination, in wages.

## **Terms of Employment**

- Terms and conditions of employment are transparent and in a language the worker understands or explained verbally if necessary. They also receive a copy of the terms of employment that matches what the employer has on file.
- All terms and conditions of employment are clearly defined and are freely agreed by the worker.
- Short-term contracts and temporary jobs are not used to replace permanent work and therefore the avoidance of paying benefits.

## **Grievance Mechanisms**

- All workers have access to fair, transparent, and confidential procedures to raise grievances and complaints that arise from the workplace without fear of retaliation.
- Grievances or complaints are addressed in an effective and timely manner and overseen by the appropriate governance.
- There is a clear process and procedure in place that is communicated to all workers about the process and the procedures relating to confidentiality.

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## Communities

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We expect that communities and community members are respected. This includes the following:

### Land Rights

- Land grabbing is prohibited.
- Promote and seek free, prior and informed consent (FPIC) when negotiating land and property.
- The rights and title of land to individuals and communities, including indigenous populations, are respected.
- Conduct risk assessments on how operations will impact the local communities and proactively engage with local stakeholders.

### Rights Defenders

- There is zero tolerance for abuse, threats, or intimidation against human rights and/or environmental defenders.

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## Legal Compliance and Business Integrity

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We expect that all business is conducted in an ethical manner, following all laws with integrity. This includes:

- Compliance with all applicable laws is ensured.
- Adherence to internationally recognized standards and best practices is embedded in compliance programs including avoiding conflicts of interest and promoting and maintaining fair competition.
- Compliance with anti-bribery and anti-corruption laws is ensured.
- The requirement to comply with anti-bribery and anti-corruption laws is cascaded in supply chain networks.
- The use of facilitation payments (payments to speed up routine actions), secret commissions, kickbacks, money laundering or payments to secure preferential advantage is prohibited.
- Inappropriate gifts or inappropriate entertainment is not offered to James Hardie employees.
- All business arrangements and obligations are honored, and unforeseen situations are managed in a proactive, open and timely manner.
- Books and records that reflect all transactions are maintained in an accurate, honest, and timely way and utilize appropriate audit and compliance processes.
- Any and all material non-public information acquired while doing business with James Hardie is not shared or used for any purpose, including market trading.
- James Hardie's intellectual property, including trade secrets or confidential information, is not disclosed or used unless specifically authorized, and supplier will take all actions to comply with applicable intellectual property and data protection laws.
- Concerns about the appropriate conduct of any James Hardie employee or party within James Hardie's supply chain network are reported.
- Due diligence and reporting of any conflict minerals in the supply chain are conducted and available, as applicable.

James Hardie will regularly revise and amend this Code where necessary and appropriate and may request that suppliers complete a self-assessment. James Hardie reserves the right to verify through an on-site audit or other means whether the supplier is in compliance with this Code and to demand corrective measures or, if necessary, to terminate the business relationship with the supplier in the event of non-compliance with the Code.

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## Appendix

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The following conventions are part of the foundation of this Code. We recommend suppliers to familiarize themselves with them and use them to build policies, processes and trainings.

- Convention No. 29 of the International Labour Organization of 28 June 1930 concerning Forced Compulsory Labour (Federal Law Gazette 1956 II pp. 640, 641) (ILO Convention No. 29)
- Protocol of 11 June 2014 to Convention No. 29 of the International Labour Organization of 28 June 1930 concerning Forced or Compulsory Labour (Federal Law Gazette 2019 II pp. 437, 438)
- Convention No. 87 of the International Labour Organization of 9 July 1948 concerning Freedom of Association and Protection of the Right to Organize (Federal Law Gazette 1956 II pp. 2072, 2071), as amended by the Convention of 26 June 1961 (Federal Law Gazette 1963 II pp. 1135, 1136) (ILO Convention No. 87)
- Convention No. 98 of the International Labour Organization of 1 July 1949 concerning the Application of the Principles of the Right to Organize and to Bargain Collectively (Federal Law Gazette 1955 II pp. 1122, 1123), as amended by the Convention of 26 June 1961 (Federal Law Gazette 1963 II pp. 1135, 1136) (ILO Convention No. 98)
- Convention No. 100 of the International Labour Organization of 29 June 1951 concerning Equal Remuneration for Men and Women Workers for Work of Equal Value (Federal Law Gazette 1956 II pp. 23, 24) (ILO Convention No. 100)
- Convention No. 105 of the International Labour Organization of 25 June 1957 concerning the Abolition of Forced Labour (Federal Law Gazette 1959 II pp. 441, 442) (ILO Convention No. 105)
- Convention No. 111 of the International Labour Organization of 25 June 1958 concerning Discrimination in Respect of Employment and Occupation (Federal Law Gazette 1961 II pp. 97, 98) (ILO Convention No. 111)
- Convention No. 138 of the International Labour Organization of 26 June 1973 concerning the Minimum Age for Admission to Employment (Federal Law Gazette 1976 II pp. 201, 202) (ILO Convention No. 138)
- Convention No. 182 of the International Labour Organization of 17 June 1999 concerning the Prohibition and Immediate Action for the Elimination of the Worst Forms of Child Labour (Federal Law Gazette 2001 II pp. 1290, 1291) (ILO Convention No. 182)
- International Covenant of 19 December 1966 on Civil and Political Rights, (Federal Law Gazette 1973 II pp. 1533, 1534)
- International Covenant of 19 December 1966 on Economic, Social and Cultural Rights (Federal Law Gazette 1973 II pp. 1569, 1570)
- Minamata Convention on Mercury of 10 October 2013 (Federal Law Gazette 2017 II p. 610, 611) (Minamata Convention) 21
- Stockholm Convention of 23 May 2001 on Persistent Organic Pollutants (Federal Law Gazette 2002 II pp. 803, 804) (POPs Convention), last amended by the decision of 6 May 2005 (Federal Law Gazette 2009 II pp. 1060, 1061)
- Basel Convention on the Control of Transboundary Movements of Hazardous Wastes and their Disposal of 22 March 1989 (Federal Law Gazette 1994 II pp. 2703, 2704) (Basel Convention), as last amended by the Third Ordinance amending Annexes to the Basel Convention of 22 March 1989 of 6 May 2014 (Federal Law Gazette II pp. 306/307).

## Raising a Concern

James Hardie expects its employees and suppliers to have high ethical standards in the performance of their duties and to observe all laws and regulations. James Hardie believes that unethical, inappropriate, or illegal behavior should not go unreported.

Should you have concerns related to unethical, inappropriate, or illegal behavior of James Hardie employees or suppliers, James Hardie encourages you to report this to our Ethics Hotline so the matter can be dealt with appropriately. The ethics hotline is an independent and confidential service, and you can choose to remain anonymous. The hotline can be used by James Hardie employees, vendors, suppliers and employees of vendors and suppliers. Our ethics hotline policy including toll free numbers can be accessed via the internet:

[https://ir.jameshardie.com.au/jh/corporate\\_governance/policies\\_and\\_processes.jsp#hotline](https://ir.jameshardie.com.au/jh/corporate_governance/policies_and_processes.jsp#hotline)

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