



CALIFORNIA TRANSPARENCY IN SUPPLY CHAINS ACT OF 2010 DISCLOSURE AND U.K. Modern Slavery Act of 2015 Slavery and Human Trafficking Statement

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The California Transparency in Supply Chains Act of 2010 (SB 657) went into effect on January 1, 2012. This law requires manufacturers and retailers doing business in the State of California to disclose information regarding their efforts to eradicate slavery and human trafficking from their direct supply chains.

The U.K. Modern Slavery Act of 2015 went into effect on October 15, 2015. This law requires companies doing business in the U.K with a financial turnover of £36 million annually to disclose their business operations and supply chains are slavery-free via a "slavery and human trafficking statement."

Our [Human Rights Policy](#) was published in late 2016 and aims to protect the rights of people where we operate and to ensure that they are treated with dignity and respect. It applies to Owens Corning, the entities that it owns, the entities in which it holds a majority interest (including joint ventures), facilities that it manages and franchises or branded operations, as well as all employees (full time, part time, agency or contractors). Our policy is guided by the Ten Principles of the United Nations Global Compact, the Universal Declaration of Human Rights, the UN Guiding Principles, and the International Labor Organization's Declaration on Fundamental Principles and Rights at Work.

Owens Corning is a signatory to the UN Global Compact, and incorporated UN principles in the development of the Owens Corning [Supplier Code of Conduct](#), which requires suppliers to follow socially responsible business practices to ensure that products are produced under lawful, humane and ethical conditions. Among other things, our Supplier Code of Conduct requires that Owens Corning suppliers not use child or forced labor, and comply with all applicable laws, rules and regulations in all locations where they conduct business. Owens Corning policy permits a range of measures up to and including termination of a supplier for violation of the Supplier Code of Conduct. This would include non-compliance with our company standards regarding slavery and trafficking. All of our employees are required to abide by our [Company Code of Conduct](#) to ensure that our business is always conducted in a legal and ethical manner.

Our 2030 goal for Human Rights directly relates to this topic. Our target is:

- 100% of our suppliers meet our Supplier Code of Conduct requirements, with special attention to human rights issues such as safety and forced labor.

Our 2019 Sustainability Report details our full 2030 Sustainability Goals, including other goals which relate to the supply chain. In our 2030 goals we have targets to:

- Collaborate with suppliers to increase transparency around the raw materials we use in our products.
- Reduce the greenhouse gas emissions related to our purchased materials and services by collaborating with our suppliers to cut these emissions by 30%.
- Train and recertify annually 100% of our global sourcing team on sustainability.

As we look ahead to 2030, we will anticipate 100% compliance with our Supplier Code of Conduct among our suppliers, and we will continue to prioritize supply chain partners that share our commitments to sustainability in all its forms. This includes our goal of reducing Scope 3 greenhouse gas emissions by 30% from a 2018 base year. Our approach to maintaining effective and equitable supply chains includes:

1. Setting clear expectations for human rights and labor standards with our suppliers

The Owens Corning Supplier Code of Conduct requires that Owens Corning suppliers not use child or forced labor and comply with all applicable laws, rules and regulations in all locations where they conduct business. A segmented group of suppliers, identified by risk and impact to the company, is surveyed annually. Adherence to this code of conduct is part of the assessment.

When supplier risk is identified, a contingency plan may be created to assist in mitigating identified risks. We utilize an industry-standard process for corrective actions with our suppliers. This includes a short-term action and containment plan, root cause analysis, identification and verification of long-term corrective actions, implementation of long-term corrective action, and final verification and sign-off by stakeholders.

For each of our suppliers, we strive to create an environment for understanding and complying with our Supplier Code of Conduct, and expect the supplier to comply with national and local legislation, the international norms explicitly referenced in the code, or Owens Corning's specific standards - whichever standard sets the highest expectations.

2. Utilizing leading-edge sourcing practices

Under the company's supply contracts, Owens Corning has the right to audit all suppliers for compliance with the Owens Corning Supplier Code of Conduct. Owens Corning employees periodically inspect the facilities of the company's suppliers to ensure compliance with these standards. Facilities are generally selected for inspection where quality or other issues have been identified. Suppliers are expected to keep accurate records to prove compliance with the Supplier Code of Conduct. Owens Corning does not employ independent third parties or conduct unannounced audits but is evaluating these options as our supply chain sustainability program evolves.

Owens Corning sourcing and supply chain professionals evaluate existing and potential suppliers using either on-site visits or supplier self-assessments. The on-site evaluations are specific to the kind of supplier – e.g., chemicals, minerals, cullet, packaging – and focus on the highest risks for each category. The self-assessment is an in-depth document asking about business practices, investments, quality management systems, and more. Both evaluations include questions about the Owens Corning Supplier Code of Conduct (which includes social criteria such as human rights and labor practices), safety, and environmental policies.

In line with the Supplier Code of Conduct, in 2019, 100% of new suppliers were evaluated business practices, facilities, safety and sustainability practices and risk mitigation processes, as well as environmental and social criteria (e.g., human rights and labor practices). As part of our new supplier screenings, we screen for any global or governmental sanctions using the Thomson Reuters World-Check system.

We also identified country locations where risk of forced or compulsory labor is prevalent according to U.S. State Department and EIRIS data. Leveraging our supplier segmentation tool, we mapped both our top segmented suppliers and our own locations to identify the number of locations in higher-risk countries. This information provides a basis for continued monitoring for compliance both in evaluating supplier risk and within our own operations.

3. Measuring and disclosing supply chain performance

Disclosure of supply chain information is reported in Owens Corning's 2019 Sustainability Report. Some key performance metrics for 2019, in addition to the above, were:

- We conduct annual human rights assessments via a survey for our key suppliers, which comprise 80% of our spending. In 2019, 641 suppliers were assessed for impacts on society and labor practices. None of these suppliers were found to have potential or actual significant negative impacts on society, human rights, labor practices, or the environment. Selected observations from the survey-based assessment are:
 - More than 95% of Owens Corning suppliers are able and willing to comply with all aspects of our supplier code of conduct.
 - We also found that 91% of suppliers have organizational goals and policies for safety (up from 83% in 2018).
 - Additionally, 81% of those surveyed have goals for sustainability. Many of the companies report on their goals and policies internally and externally, and some publish their data at least annually.
 - 84% of suppliers surveyed have policies in place regarding labor practices and human rights.
 - 52% of suppliers surveyed in 2019 have policies explicitly prohibiting forced or child labor.
- Due to the nature of the industry, we have canvassed our mineral mining suppliers to inquire about forced labor issues. No risk issues have come to light. This continues to be a question on annual surveys.

4. Employee training and supply chain engagement

Owens Corning conducts training on human trafficking for employees whose job functions include procurement. This training emphasizes the company requirement that suppliers comply with the Supplier Code of Conduct. Our 2030 Goal is for 100% of our sourcing team to be trained and recertified annually on Sustainability, a percentage we maintained in 2019.

Our 6,413 staff employees, approximately 33% of our employees worldwide, collectively received 6,400 hours of human rights training in 2019.

In 2019 we began exploring ways in which Owens Corning can do more to engage with our employees and our supply chain around Human Trafficking, as we feel that our carriers are in a unique position to play a part. This issue is especially meaningful to us as our headquarters, a science and technology center, and three of our plants are in the state of Ohio, which is fifth in the U.S. in cases of human trafficking, most likely due to the high volume of interstate traffic. We estimate that about half of our carriers have had some training on how to spot human trafficking. To ensure all of them are educated on the tools available, we will include human trafficking risk identification training as part of new carriers' onboarding in 2020.

The 2019 Sustainability Report is found at <https://www.owenscorning.com/corporate/sustainability>.