



## **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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### **Background:**

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.”

This disclosure has been developed by Owens Corning in accordance with the reporting obligations stated in the California Transparency in Supply Chains Act of 2010 (SB 657) and the U.K. Modern Slavery Act of 2015.

### **About Owens Corning:**

Owens Corning is a global building and construction materials leader committed to building a sustainable future through material innovation. Our three integrated businesses – Composites, Insulation, and Roofing – provide durable, sustainable, energy-efficient solutions that leverage our unique material science, manufacturing, and market knowledge to help our customers win and grow. Our business is global in scope, with approximately one hundred operations spread across 31 countries, and human in scale, with approximately 19,000 employees and longstanding, local relationships with its customers<sup>2</sup>. Founded in 1938 and based in Toledo, Ohio, Owens Corning recorded net sales in 2022 of \$9.8 billion. For more information see the [Owens Corning Website](#).

In 2022, Owens Corning’s supply chain was composed of over 17,000 suppliers accounting for \$6.5 billion in annual spend. The majority of our suppliers are spread out across 19 countries with notable spending in USA, China, India, Canada, Mexico, France, and Finland. For more information about the Owens Corning Supply Chain see the Owens Corning’s 2022 Sustainability Report in the Supply Chain chapter.

At Owens Corning, we define sustainability to include environmental, social and governance (ESG) concepts such as environmental compliance, product stewardship, personal safety, human rights, and the environmental and social impacts of our global operations and the products we make and sell.

## **Owens Corning's Policies on Human Rights, Slavery and Human Trafficking**

Owens Corning is committed to protecting the rights of people where we operate and to ensure they are treated with dignity and respect. Owens Corning is guided by the Ten Principles of the United Nations Global Compact, the Universal Declaration of Human Rights, the UN Guiding Principles on Business and Human Rights and the International Labor Organization's Declaration on Fundamental Principles and Rights at Work.

Owens Corning does not and will not employ forced, slave, convict, or bonded labor. In addition, Owens Corning will not knowingly engage a supplier or distributor, or enter into a joint venture with an organization, that directly or indirectly, employs forced labor or employs persons who were trafficked into employment.

The [Owens Corning Human Rights Policy](#) was implemented in 2015 and outlines specific commitments related to non-discrimination & equal opportunities, child labor, Indigenous People's traditional and land rights, forced labor, employment standards, compensation and working conditions, freedom of association and collective bargaining, workplace security, safety, health, environmental and product stewardship, non-harassment, and privacy for employees and stakeholders.

Our Human Rights Policy applies to all Owens Corning employees (full time, part time, agency or contractors), the entities that we own, the entities in which we hold a majority interest (including joint ventures), facilities that we manage and franchises or branded operations. The policy includes standing policies, as noted, and addresses areas of human rights where no policy previously existed.

Human Rights elements are also addressed in the [Owens Corning Code of Conduct](#). Owens Corning is committed to working with and encouraging our suppliers, customers, and other business relationships to uphold the principles of our Human Rights Policy and Code of Conduct and to adopt similar policies within their businesses.

The [Owens Corning Supplier Code of Conduct](#) applies to our suppliers and is aligned with the expectations and commitments in our overarching Human Rights Policy. The Supplier Code of Conduct also serves as a reference point in the sourcing selection processes and is central to our engagement with stakeholders.

Our Supplier Code of Conduct requires that Owens Corning suppliers not use child, forced labor, and human trafficking, 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 our employees are required to abide by our Company Code of Conduct to ensure that our business is conducted in a legal and ethical manner.

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

Our Supplier Code of Conduct prohibits the employment of persons who were trafficked into employment on the Supplier's premises or engage in human trafficking, as defined in Article 3 of the Protocol to Prevent, Suppress and Punish Trafficking in Persons Especially Women and Children, supplementing the United Nations Convention against Transnational Organized Crime.

Owens Corning will not knowingly engage a Supplier that directly or indirectly through a third party employs child labor on the Supplier's premises. We define "child labor" as work or service extracted from anyone under the age of sixteen (16), or the age for completing compulsory education in that country, whichever is higher. Owens Corning supports the participation in legitimate workplace apprenticeship programs for young workers between the ages of sixteen (16) and eighteen (18), as long as they comply with all applicable laws and are consistent with Articles 6 and 7 of the ILO Minimum Age Convention No. 138 on vocational or technical education and light work. If children below the legal working age are found in the workplace, suppliers are expected to take measures to remove them from work and to help seek viable alternatives and access to adequate services and education for the children and their families.

### Due Diligence Processes

Owens Corning undertakes ongoing due diligence in alignment with the UN Guiding Principles on Business and Human Rights and the OECD Guidelines for Multinational Enterprises to identify, prevent, mitigate, and account for actual or potential adverse impacts on human rights and decent working conditions and provide for or co-operate in remediation where required.

We are continually improving our internal management practices including our human rights due diligence process, and in 2022 we completed a risk-based approach to evaluate risks of adverse impacts on human rights based on the location and context of our sites, nature of business activities, number of people that could potentially be affected and severity and probability of impact. Based on the 2022 risk assessment, we focused our due diligence assessment on mining and sand suppliers located in high-risk jurisdictions to conduct additional site-level engagements and assessments this year. These focused activities are ongoing and will inform broader human rights due diligence work in 2023 and beyond.

### Risk Assessment and Management

Owens Corning utilizes several mechanisms to assess potential and actual impacts on the environment and society including audits, risk assessments, surveys, and impact assessments.

#### Internal Audits

In 2022 we proactively assessed six sites for human rights risks, examining documented evidence and making visual assessments where needed. Our 2022 audits included U.S. sites representing all three of Owens Corning's business units. All the sites assessed had some type of mitigation plan in health and safety. High-risk findings are tracked to completion in a

corporate findings' repository. All risk findings are required to be closed. There were no issues identified through EHS human rights audits in 2022.

Additionally, our internal audit team conducts visual inspections covering forced labor, child labor, unsafe working conditions, and other human rights issues in their on-site assessments, in addition to their standard audit process. This expansion is part of our commitment to ensuring that our workplaces reflect the highest human rights standards, as well as best practices for health and safety for everyone at our sites, including employees, contractors, and visitors. In 2022, the internal audit team conducted 17 internal audits that included a review of human rights risk.

### Prioritizing Suppliers Using ESG Risk Scoring

Our approach to prioritizing suppliers empowers us to emphasize the importance of sustainability throughout our value chain by enabling us to consider sustainability risk exposures. We have developed a sustainability risk scoring framework based on the risk atlas developed by S&P Global Rating. All suppliers receive a rating, and high-risk suppliers are automatically included in the segmentation process.

In this approach, we assign a sector risk score based on the commodity that the company supplies to Owens Corning. This score encompasses associated environmental and social risk criteria. In addition, a regional risk score, embodying governance characteristics, is assigned to a supplier's country. These scores are then combined to determine an overall sustainability risk score. For suppliers that provide multiple commodities to Owens Corning, and therefore have multiple sustainability risk scores, we select the highest of their risk scores to ensure a more conservative representation of these suppliers.

### New Supplier Screenings

In line with the Supplier Code of Conduct, in 2022, over 2,900 new suppliers were onboarded and 100% were evaluated for these issues as well as environmental and social criteria such as human rights and labor practices.

### Supplier Visits and Evaluations

Owens Corning sourcing and supply chain professionals evaluate existing and potential suppliers using either on-site visits and/or supplier assessment surveys. Both evaluations include questions about the Owens Corning Supplier Code of Conduct, which includes our expected standards on a range of social criteria, including discrimination, child labor, forced labor, human trafficking, the right to collective bargaining, and the right to freedom of association, as well as safety and environmental policies. In 2022, over 25 on-site evaluations or self-assessments were conducted. Owens Corning does not currently employ independent third parties or conduct unannounced audits but is evaluating these options as our supply chain sustainability program evolves.

### Supplier Risk Mitigation and Contingency Planning

Our detailed risk mitigation tool focuses on all critical suppliers, along with all single and sole source suppliers. The tool consists of the following sections:

- Risk identification.
- Risk assessment.
- Maturity assessment.
- Risk score and segmentation.
- Prioritization.
- Documented contingency planning, where required.

Categories of risk assessed among suppliers include human risk, information and legal risk, quality risk, reputational risk, and operational risk. Each identified risk is considered among a series of scoring matrices within the tool, with the final deliverable being a risk tolerance chart showing “impact” and “likelihood” of the risk. This drives the documented contingency and testing process for the highest priority risks. Contingency plans can be completed on a supplier, category, or business basis and can vary by need. For example, these documented plans can be used for needs such as backup transportation, raw material procurement, temporary employment, or a request for production data to ensure that a supplier’s process is consistently running quality material. The risk mitigation tool was used in all category strategies in 2022 to create contingency plans and identify our highest risk areas, a required component in our category reviews.

### Stakeholder Engagement

Owens Corning interacts with a wide range of stakeholders on a regular basis including investors, customers, suppliers, community members, trade associations, and NGOs, to name a few. Through these engagements, we seek to discuss our efforts accurately and transparently, understand concerns, and work together for solutions. To better understand our stakeholders’ expectations and priorities, we actively engage and consult with individuals, groups, and organizations that are impacted by our business operations.

We invite stakeholders to communicate with us on any economic, environmental, or social topic related to our business. Owens Corning leverages a variety of channels to receive feedback from stakeholders including several options available on our website to submit questions or concerns related to company products and activities. Stakeholders can submit their concerns of potential misconduct (anonymously, if desired) to our Business Conduct Council through a confidential helpline (1-800-461-9330) or web portal which are operated by a third-party service provider.

## **Key Performance Indicators and Reporting**

As part of our 2030 Sustainability Strategy, we have set goals and publicly report progress related to Human Rights and a Responsible Supply Chain including:

- 100% of our suppliers meet our Supplier Code of Conduct requirements, with special attention to human rights issues such as safety and forced labor.
- Train and recertify annually 100% of our global sourcing team on sustainability.
- Reduce absolute Scope 3 emissions by 30%, compared to the base year of 2018.
- Collaborate with suppliers to increase transparency around the raw materials we use in our products.

Disclosure of supply chain information is reported in Owens Corning's Sustainability Report in the Supply Chain Sustainability section. Some key performance metrics for 2022 extracted from our Supplier Sustainability Survey results are:

- 96% of suppliers surveyed reported that they meet the standards set by our Supplier Code of Conduct. Those that could not say that they comply are listed as high risk, and follow-up management is in place. This percentage also includes manual research into suppliers' codes of conduct. Owens Corning also surveys suppliers about their policies and goals related to sustainability and safety.
- 86% of suppliers surveyed have organizational goals and policies for safety, and 80% of suppliers surveyed have organizational goals and policies related to sustainability. Many of the companies report on their goals and policies internally and externally, and some publish their data at least annually.
- 79% of suppliers surveyed have policies in place regarding labor practices and human rights.
- 65% of suppliers surveyed have policies in place that prohibit forced or child labor.

## **Training & Development**

In 2022, training was conducted, either in-person or online, with 100% of global sourcing members. The sustainability training provides a baseline understanding and knowledge of sustainability concepts that are relevant for our sourcing professionals, including the Supplier Code of Conduct and Owens Corning's overall sustainability goals. In addition, the training covers more general concepts such as the circular economy, decarbonization, and ESG topics.

To ensure compliance with our Code of Conduct, internal training is essential. All staff employees are enrolled in the Code of Conduct training course at hire and annually thereafter, are required to certify their compliance, and are given an opportunity to disclose nonconformance. Special attention is given to personnel in key groups such as sales, environmental, safety, and security teams. In addition, managers are expected to lead by example and ensure that these policies are incorporated into the way employees interact each day with customers, colleagues, suppliers, and the public.

## **Focus in 2023 and Beyond**

To continually improve our due diligence systems and process, we will focus on initiating the following efforts related to human rights and decent working conditions in 2023 and beyond:

- Updating policies and procedures related to human rights management.
- Strengthening governance of human rights.
- Review of training programs related to human rights including topics of modern slavery.
- Initiating a human rights saliency assessment and identification of priority areas to complete a Human Rights Impact Assessment.
- Strengthening the supplier risk assessment processes related to human rights.
- Conducting human rights risk assessment for high-risk suppliers and jurisdictions.

## **Additional Information**

Additional information on Owens Corning's human rights and sustainability practices can be found in the following documents:

- The 2022 Sustainability Report is found at:  
<https://www.owenscorning.com/corporate/sustainability>.
- [Safeguarding Human Rights at Owens Corning](#)
- [Owens Corning Human Rights Policy](#)
- [Owens Corning Supplier Code of Conduct](#)

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