



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.

Furthermore, it is Owens Corning's expectation that Owens Corning's suppliers will conduct themselves in a lawful and ethical manner. Our Sustainability Report lists supply chain sustainability as one of our 2020 goals: "an active supply chain sustainability program will be in place with communication, audits and engagement with all top-tier suppliers." The process will include:

1. Setting clear expectations for sustainability progress by our suppliers

The [Owens Corning Supplier Code of Conduct](#) requires that Owens Corning suppliers not use child or forced labor when producing products, and comply with all applicable laws, rules and regulations in all locations where they conduct business. A segmented group of suppliers, identified by criticality to the company and risk in general is surveyed annually and 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 country-specific or 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 its suppliers to ensure compliance with these standards. Facilities are generally selected for inspection where there has been identified quality or other issues. 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. Thirty-six supplier audits were conducted in 2018.

In 2018, 100% of new suppliers were screened using environmental and social criteria (e.g., human rights and labor practices) in line with the supplier code of conduct. Screening includes review of suppliers' self-evaluation data or review by an Owens Corning commodity leader. As part of our new supplier screenings, we screen for any global or governmental sanctions using the Thomson Reuters World-Check system.

3. Measuring and disclosing supply chain performance

Disclosure of supply chain information is reported in Owens Corning's 2018 Sustainability Report.

Some key performance metrics for 2018, in addition to the above, were:

- In 2018 we contacted 990 suppliers from around the world to complete to our annual survey, and 455 responded – a response rate of approximately 46%. The contact list included any supplier that had been scored using the supplier segmentation tool described previously as well as any other large, new suppliers. The survey was revised in recent years to go deeper on certain key issues and remove less important questions. Selected survey findings 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 83% of suppliers have organizational goals and policies for safety.
 - Additionally, 77% 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.
 - 66% of suppliers surveyed in 2018 have policies explicitly prohibiting forced or child labor.
- In 2018, Owens Corning also conducted an internal corruption risk assessment of suppliers and customers by region. As a result of this analysis, Owens Corning identified China, India, and Brazil as countries that would benefit from targeted outreach and trainings. Owens Corning engaged over 800 suppliers and customers in these regions as a result of this analysis.
- **Internal Accountability Standards:** 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 when producing products, and comply with all applicable laws, rules and regulations in all locations where they conduct business. The Supplier Code of Conduct is part of our purchasing agreements or purchase order terms. 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.
- **Employee Training:** 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. 6,619 employees collectively received 4,400 hours of human rights training in 2018, which represents approximately 34% of our employees worldwide.

- **Policy and Compliance Updates:** Owens Corning also continues to update its policies and procedures to ensure safeguards against any mistreatment of persons involved in our supply chain and will continue to strengthen training on the Company's Human Rights Policy. In 2018, we developed a model to foster accountability and execution of our human rights policy. Each element of the policy is assigned to and managed by specific corporate functions within Owens Corning, including human resources, legal, operations leadership, corporate development, real estate, IT, sustainability, EHS, security, and community relations. This cross-functional approach allows for a more strategic, integrated focus that implements the spirit of our [Human Rights Policy](#), beyond compliance. In addition, our ownership model is responsible for training, continuous improvement processes, and annual reporting

The 2018 Sustainability Report is found at <https://www.owenscorning.com/corporate/sustainability>.