

Human Rights Salience Review Results

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Background

The UN Guiding Principles on Business & Human Rights establish the internationally recognized framework detailing corporate responsibilities regarding human rights. These principles require companies to prevent, mitigate, and remediate any adverse effects they may have on human rights.

To fulfil these obligations, organizations are expected to undertake comprehensive human rights due diligence, which involves prioritizing actions related to their most significant human rights risks and impacts. Companies undergo this process in order to:

- Meet the expectations of stakeholders including investors, corporate benchmarks, customers and civil society.
- Respond to a rapidly evolving operating context where risks to people are increasing in severity and likelihood.
- Position for long-term success and maintain competitive advantage in an evolving business landscape.
- Comply with laws and regulations existing and upcoming related to due diligence, import bans and disclosure.

Salient human rights issues refer to those at risk of having the most serious negative impact resulting from a company's activities and partnerships, including interactions with third-party suppliers, business partners, and downstream product users.

The concept of salience is determined by:

- The degree of risk posed to individuals, rather than risk to the business itself.
- Adopting a full value chain approach, rather than focusing solely on internal operations or immediate suppliers.
- Adhering to internationally recognized human rights standards as opposed to national benchmarks.

This assessment not only reflects best practices but also supports and reinforces our purpose of **Building a Better Future for All™** and our values: Do the Right Thing, Be Bold and Progressive, and Collaborate for Greatness.

PROCESS

James Hardie engaged a third party consulting firm, Human Level, to conduct its Human Rights Salience Review. Human Level has extensive experience in the intersection of human rights, business and law. There is a three-phased approach:

- Identify: Identify human rights risks and impacts in our operations and value chain.
- Assess: Assess the human rights risks and impacts based on how severe they are to people and their likelihood.
- Prioritize: A list of salient human rights issues for us to manage and address as a priority.

The inputs for this process are Desktop Research; Internal policies and processes; Stakeholder interviews (internal and external); Human Level’s expertise.

JAMES HARDIE SALIENT HUMAN RIGHTS ISSUES

The following Human Rights Salience Issues have been identified through our process. This list enables us to strategically allocate resources, continue our investments, and keep certain issues at the forefront of our minds. It serves as a valuable tool as we build our strategy and grow our organization.

	Employees & Own Operations	Supply Chain	Builders & Customers	Communities
Health & Safety				
Discrimination & Harassment				
Forced Labor				
Child Labor				
Fair Wages				
Worker Voice				
Land & Indigenous Rights				
Water & Sanitation				
Clean, healthy & sustainable environment				

Working Hours is a cross-cutting salient issue, as excessive hours are typically the outcome of multiple interrelated salient human rights risks identified above, rather than a standalone issue.



Risk only relevant to a very small portion of our own operations



Relevant to full value chain

It is important to recognize that salience is a relative concept rather than an absolute one; its significance may vary according to context, the vulnerability of rightsholders, and whether impacts are actual or potential. For further information, please refer to [UN Guiding Principle 24](#) and the UN Office of the High Commissioner for Human Rights’ [Interpretive Guide](#) to the UNGPs.

OUR HUMAN RIGHTS ACTION PLAN

As part of our ongoing commitment to human rights, James Hardie has identified a set of prioritized actions that will guide our efforts over the next three years and beyond. This action plan is dynamic and will be updated as new opportunities and challenges emerge. Our goal is to ensure that our strategy remains aligned with our purpose, values, and the evolving needs of individuals, communities, and our business:

What We're Doing Now

- **Transparency:** We are committed to sharing our list of salient human rights issues, along with our prioritized recommendations and the progress we are making. This openness is central to building trust with our stakeholders.
- **Training:** We are launching a global, annual human rights training program for all employees to ensure everyone understands their role in upholding these commitments.
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Our Ongoing and Future Actions

Employees & Our Own Operations

- We will continue to invest in our Zero Harm programs, which focus on both mental and physical health and safety.
- We will keep listening to our employees through regular pulse surveys.
- We will continue to maintain our complaints procedures and [ethics hotline](#).

Supply Chain

- We are enhancing our Responsible Sourcing program by mapping risks in our supply chain, conducting social compliance audits of our tier 1 high-risk suppliers, and working towards requiring suppliers to acknowledge our [Supplier Code of Conduct](#) across the whole of our global operation.
- Suppliers identified as moderate risk or higher will complete a detailed questionnaire.
- We will expand our efforts beyond tier 1 suppliers and increase supplier engagement.

Builders & Customers

- We will continue to invest in and promote safety guidance for handling products offered by James Hardie.
- We will share our Zero Harm culture and best practices through contractor summits and other collaborative avenues.

Communities

- We remain committed to our sustainability goals, focusing on reducing our environmental impact.
- We will pursue product circularity.
- We will continue to support communities through donations, volunteering, and advocacy for resilient and sustainable building practices.

This action plan reflects our belief that respecting human rights is an ongoing journey. We will continue to review and update our priorities as necessary.

CONCLUSION

Respecting human rights is a continual commitment at James Hardie and one that evolves as our business and the world around us change. Our Human Rights Saliency Review helps us focus on the areas where we can make the greatest impact, guiding clear actions for the years ahead. We will continue to strengthen our Zero Harm culture, enhance responsible sourcing, support our communities, and report transparently. By embedding human rights into the way we operate and grow, we aim to build a better future for all and uphold the dignity and well-being of the people and communities we impact.