

James Hardie Australia Modern Slavery Statement



Pursuant to the requirements of the Modern Slavery Act 2018 (Cth.) ("Act"), this statement sets out the actions taken by James Hardie Australia in the financial year ending 31 March 2020, to identify, address and minimise the risk of modern slavery in our business and supply chain.

Our Business

James Hardie Australia

James Hardie Australia¹ manufactures and distributes high-quality fibre cement building products and accessories nationally and internationally from its manufacturing plants located in New South Wales and Queensland. Our products are used in new residential construction, manufactured housing, renovations and extensions, as well as a variety of commercial and industrial applications.

James Hardie Australia is part of the James Hardie group of companies (**James Hardie Group**)², which is a leading global manufacturer of a wide range of fibre cement and fibre gypsum building products.

James Hardie Australia employs over 560 employees. We believe that a skilled and diverse workforce, which encompasses different viewpoints, skills, attributes, life experiences and the unique strengths of each employee, contributes collectively to the company's operating performance and we have policies in place to support and promote this belief. More broadly, but related, we consider the respect and improvement of human rights, but globally and within Australia, is an important issue and we believe that taking steps to address the serious issue of modern slavery is everyone's responsibility.

Reporting Entities & Organisational Structure

James Hardie Australia

James Hardie Australia¹ is a proprietary limited company with a sole shareholder, RCI Holdings Pty Ltd (ABN 55 101 671 121) (**RCIH**) and no subsidiaries. James Hardie Australia is the main operating entity for the James Hardie Group in Australia.

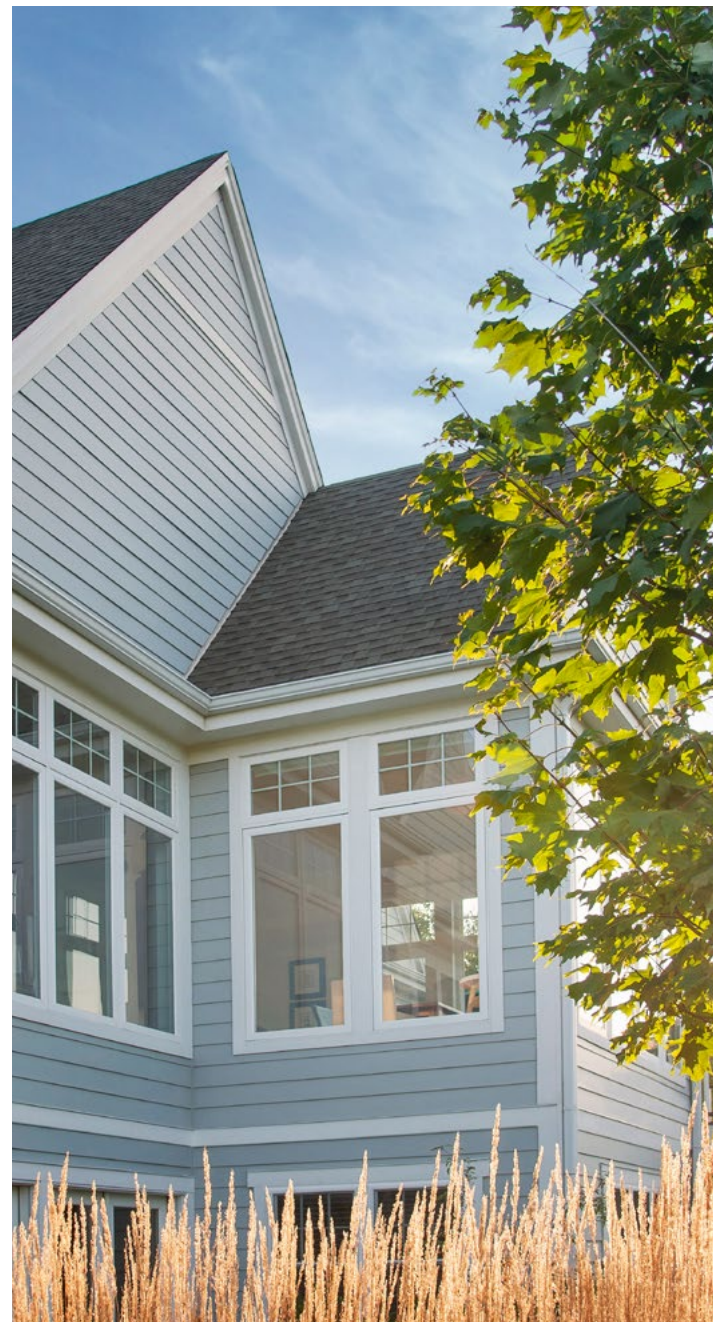
RCI Holdings

RCIH is a holding company (i.e. it does not operate any 'businesses' itself). RCIH holds all of the shares in several James Hardie Group subsidiaries including but not limited to James Hardie Australia. The sole shareholder of RCIH is James Hardie Holdings Limited, a private limited company registered in Ireland.

RCIH does not employ any persons, nor does it produce or procure goods or services from anyone outside the James Hardie Group. As a result, RCIH does not itself have any modern slavery matters upon which to report. Alongside James Hardie Australia, James Hardie Systems Pty Ltd (**JHS**) was the only other operating subsidiary of RCIH in the financial year ending 31 March 2020. As of March 2020, the business of JHS was being wound down, with a view to solvent closure thereafter. James Hardie Australia's modern slavery activities in its financial year ending 31 March 2020 (**FY20**) were, therefore, focused on the James Hardie Australia supply chain, where greatest value could be delivered.

¹ James Hardie Australia Pty Ltd (ABN 12 084 635 558)

² James Hardie Industries plc and all its direct and indirect subsidiaries



Our Governance Framework

Consistent with Group practices and procedures, James Hardie Australia adopts and enforces appropriate corporate governance practices designed to assure that informed, competent and independent guidance and oversight is maintained over its activities.

All James Hardie Group companies, including James Hardie Australia, are covered by the James Hardie Group's Global Code of Business Conduct (**Code of Business Conduct**) (<http://ir.jameshardie.com.au/jh/library.jsp>) and the Group's Ethics Hotline Policy. The Code of Business Conduct reinforces James Hardie's commitment to Zero Harm and promotes ethical behaviour. According to the terms of the Ethics Hotline Policy, James Hardie maintains an ethics hotline (**Ethics Hotline**) which provides a means by which internal and external stakeholders can report instances of suspected non-compliance with the Code of Business Conduct and any other concerns on an anonymous basis. The Ethics Hotline is managed by a third party provider able to receive reports by phone or email. Details of any Ethics Hotline concerns reported are forwarded for review by a select group of senior James Hardie executives who determine an appropriate response, which often include independent investigation.

In preparing this modern slavery statement, relevant directors and officers of the entities making the statement were consulted and provided with an opportunity to review the statement prior to its approval.

Code of Conduct



The Code of Business Conduct emphasises James Hardie's dedication to its core values and explains what we stand for collectively, and our commitment to Zero Harm. All James Hardie Australia employees are committed to a ZERO HARM working environment and accept and undertake to comply with, the James Hardie Safety Pledge - Safe People, Safe Places, Safe Systems. We value input from employees and encourage employees to ask questions and raise concerns in good faith. We do not tolerate retaliation of any kind against employees.

The Code of Business Conduct covers a range of other elements, that are important to the way we do business, including Business Integrity, Personal Accountability and Integrity in the Workplace. The Code of Business Conduct applies to all employees, agents, contactors, directors and officers who are expected to comply with the spirit as well as the letter of the Code of Business Conduct and to act ethically and with integrity in a manner consistent with our values.

Our Workforce

James Hardie Australia is covered by the James Hardie Group's Workplace Diversity Policy and related policies such as its Equal Employment Opportunity and Anti-Harrasment Policy

and Workplace Flexibility Guidelines. These support our core organisational values, including Operating with Respect. The policies apply to all individuals recruited or employed by James Hardie Australia and reflects the organisation's inclusive view of diversity.

Sustainable Manufacturing

James Hardie is committed to environmental excellence and long-term sustainability. As an example, the majority of our raw materials are locally sourced, reducing the environmental impact caused by transportation of materials.

We are committed to implementing innovative solutions that optimise the use of raw materials, water and energy resources. James Hardie's Environmental Policy is based on four guiding principles:



Renewable and Recyclable Resources



Protection of the Environment



Water, Resource and Energy Conservation



Full Lifecycle and Product Sustainability

Supplier Code of Conduct

James Hardie is committed to the sustainable and ethical procurement of products and services and continuous improvement to minimize the environmental and social impacts associated with our network. Our Supplier Code of Conduct sets out the principles and standards which we expect of our suppliers, through to their employees, personnel, agents and subcontractors (collectively referred to as suppliers) to support, embrace and adhere to.

Our Supplier Code of Conduct requires suppliers to adhere to modern slavery regulations by complying with minimum employment age limits, as defined by international Labour Organisation conventions, and prohibiting child labour, forced labour or involuntary labour. Suppliers must also avoid sourcing from organisations or individuals associated with illegal activities or human rights abuse and protect the human rights of their own workforce and those employed in their supply chain networks.

To learn more about our principles and standards, refer to our Supplier Code of Conduct via: www.jameshardie.com.au

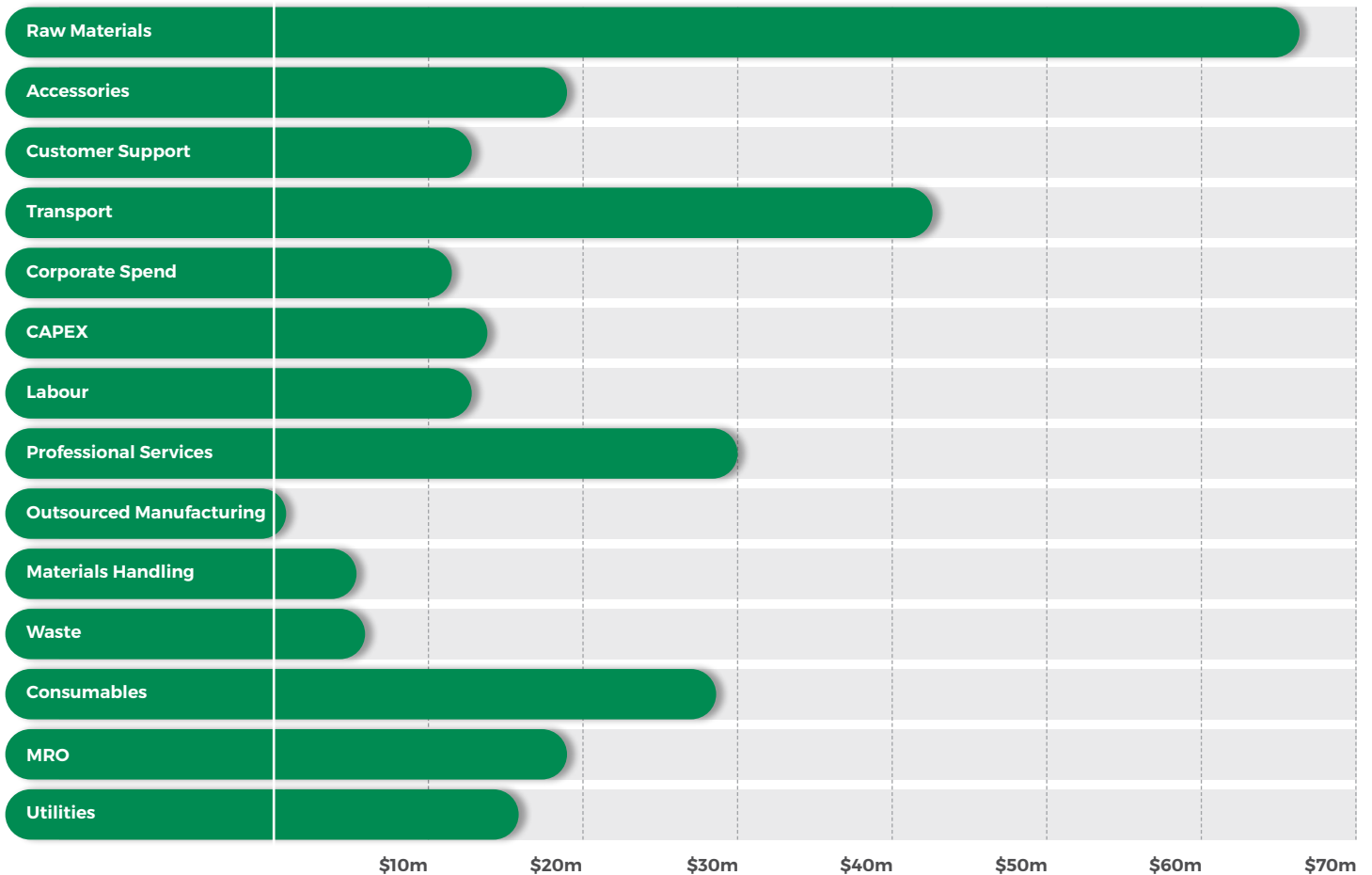
Recruitment and Labour Hire

Within the James Hardie Australia business, we consider we have a low risk of modern slavery in relation to our direct and indirect employees. This is due to internal hiring procedures that reflect the values set out in our Code of Business Conduct and are supported by our Equal Opportunities and Diversity, and Ant-Harassment policies. Our employees are required to participate in compliance training annually to ensure they understand what's expected in creating an inclusive environment free from discrimination and harassment of any kind. All indirect labour hire companies we work with have been provided with our Supplier Code of Conduct and our recruitment agreements include provisions requiring compliance with modern slavery legislation, including but not limited to reporting concerns and permitting requests for information.



Our Supply Chain

James Hardie Australia purchases good and services within the following categories:



Raw Materials represent the largest spend category for James Hardie Australia. Pulp, our primary raw material, is sourced from New Zealand and represents the greatest proportion of our annual spend. We choose to rely on a sustainably sourced forest product. Our pulp supplier has third-party certifications (Certified to Forest Stewardship Council® (FSC®) FSC-C101950) which verify it as being a low risk plantation, and certified to be free from any direct or indirect involvement in activities that violate traditional and human rights in forestry operations, as required by the International Labour Organization (ILO) Convention 169.

Supplier Risk Management and Due Diligence

Having regard to our geographical location and operational footprint, we have identified our supply-chain, as opposed to the operations of James Hardie Australia business, as being the area at greatest risk of modern slavery. Accordingly, focusing on the area of greatest risk, our efforts have been devoted to an analysis of our supply-chain.

Awareness

One of the key elements contributing to the perpetuation of modern slavery, is the fact that it can often be hidden in plain sight. Fundamental therefore, to eradicating modern slavery, is raising awareness about modern slavery, including actively engaging with our supply chain regarding risks of modern slavery, and what we can do, and must do, to address them. Accordingly, we have commenced a review of our policies and procurement contracts to ensure that they expressly include terms and conditions which require compliance with all relevant modern slavery legislation and facilitate this engagement. Any new negotiated supplier agreements will include clauses obliging suppliers to comply with all applicable laws, and requirements of the company, with respect to modern slavery.

Our raw materials and supply of goods and services agreements will outline our commitment to ensure we have a positive impact on the working conditions of those engaged directly and indirectly in the James Hardie Australia business and its supply-chains. As part of our supplier onboarding process, suppliers will be required to review and undertake to comply with our

Supplier code of Conduct including relevant provisions relating to modern slavery. James Hardie Australia requires its suppliers to declare their adherence to the Supplier Code of Conduct and demonstrate compliance with its principles throughout their operations.

Suppliers

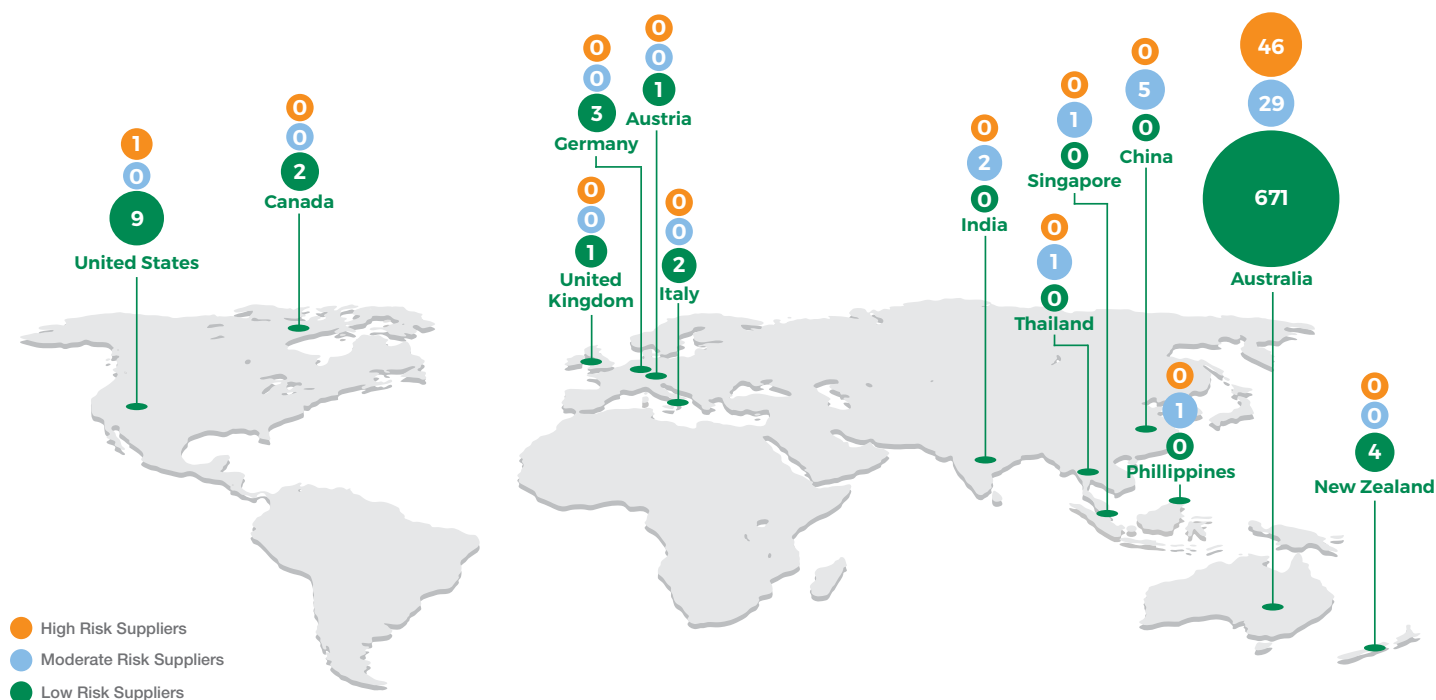


We started our modern slavery risk analysis by utilising FRDM, a third-party risk intelligence software solution. Designed to monitor risks within our supply chain, the FRDM system analyses our primary inputs, products, product categories and suppliers (industries; geographic locations) to identify any high risk areas in our supply chain. Results presented in map below.

FRDM's methodology and proprietary algorithms are designed to quantify the risks of human rights abuses across a complete supply chain providing end-to-end risk optics from raw material and primary inputs to finished products/services, product industries, geographies and suppliers.

FRDM segments and stratifies risk for each supplier based on the associated industry, country of manufacturing/service delivery origin, purchases and entity risks.

FRDM segments all suppliers providing transparency on salience and proximity of modern slavery risk, to return a list of priority (highest risk) suppliers with whom oversight and compliance efforts should be prioritized.



Supplier Risk Management and Due Diligence

Using the results from the FRDM platform analysis, a supplier self-assessment questionnaire containing our Supplier Code of Conduct was sent to suppliers which were identified in financial year 2020 as being medium and high risk.

Over the course of financial year 2021, we will be reviewing and assessing the results of the supplier self-assessment project. Where the results of any supplier self-assessment fails to alleviate, to our satisfaction, the risk identified by the FRDM risk analysis, we will take appropriate and reasonably practicable action including but not limited to undertaking physical site based inspections of supplier sites and operations to verify compliance.

Employees

While we have assessed the risk of modern slavery existing within our business (as opposed to supply-chain) as being low, we recognise the leadership role we play in the supply-chain. Modern slavery education is essential to leadership. Developing widespread understanding of modern slavery is a fundamental first step to addressing its incidence. Accordingly, this year, we have prioritised training for all of our business leaders and those employees who engage directly with our supply-chain. This training covers matters including but not limited to, what modern slavery is, how to recognise different types of modern slavery and what to do if it is identified. Legal, compliance & procurement employees involved in preparing this statement, have also attended external forums on modern slavery.

James Hardie's Ethics Hotline ensures that anyone who has concerns, for example, about how staff are behaving, is able

to raise their concerns confidentially and anonymously including when this concerns suspicion of modern slavery. Reporting can be via phone or email and as noted above, we use an independent external provider, to oversee and administer our Ethics Hotline.

Assessing the Effectiveness of our Actions and Remediation

We will assess the effectiveness of our actions by:

- measuring the number of suppliers identified as being high or medium risk relative to that in the prior year; and
- By reviewing and assessing:
 - the number of responses from supplier questionnaires in relation to modern slavery and labour hire practices;
 - the number of actions taken to work with suppliers to improve their capacity to respond to modern slavery risks;
 - FRDM media alerts of any suspected incidence of modern slavery and any incidences of modern slavery; and
 - the number of supplier sites physically audited for modern slavery.



James Hardie Australia Modern Slavery Statement

As noted above, we will be reviewing the responses to our online supplier self-assessment questionnaire. The questionnaire was designed to give us a better understanding of a supplier's policies and procedures, concerning their management of human rights, including labour rights, and modern slavery, environmental and anti-corruption issues. Where we identify non-disclosure of information or other possible problems or concerns we will, where appropriate, work together with the supplier to develop corrective actions with agreed timeframes as part of a remediation plan.

Modern Slavery - Future Commitments

Over the course of FY21, James Hardie Australia has and will:

- Continue to develop awareness on modern slavery for internal and external stakeholders
- Publish our Supplier Code of Conduct and our Modern Slavery Statement on the James Hardie Australia website www.jameshardie.com.au
- Analyze the results of our Supplier Self-Assessment Questionnaires
- Focus our efforts in deepening engagement with high-risk operations suppliers
- Engage with suppliers to understand how they are addressing their modern slavery risks



This statement is submitted on behalf of James Hardie Australia Pty Ltd and RCI Holdings Pty Ltd, pursuant to section 14 of the Modern Slavery Act 2018. This Statement was prepared in consultation with, and approved by, the Board of Directors for James Hardie Australia Pty Ltd and RCI Holdings Pty Ltd.

Signed on behalf of RCI Holdings Pty Ltd by Bruce Potts - Director

A handwritten signature in blue ink, appearing to read 'BP'.

Signed on behalf of James Hardie Australia Pty Ltd by John Arneil - Director

A handwritten signature in black ink, appearing to read 'John Arneil'.