I would like to express my gratitude to our employees, customers, and suppliers for helping Johns Manville (JM) become a leader in the building materials and specialty products industries. From our beginning, the focus of JM has been on sustaining profitable growth by serving customers with products that address societal needs. Today those needs include energy efficiency for buildings and vehicles, thermal and acoustical comfort for occupants, and sustainable spaces where people can live, work, play, and grow.

At the same time, our employees rely on us to provide them with sustainable benefits, including a focus on health and safety. In 2015, JM renewed its commitment to safety by implementing new corporate management systems and launching a pilot project to better understand and improve our safety culture. We also set a new five-year goal in 2016 to reduce workplace injuries by 30 percent by 2020, and we continue to build a culture where our employees can experience equitable opportunities for organizational success.

Our culture is driven by the JM Experience and based upon the four core values shaped by our long history: People, Passion, Perform, and Protect. We are committed to delivering positive and powerful experiences, because we are successful only when our employees and customers thrive.

Delivering on our core values includes using resources responsibly and giving back to the communities where we operate. In 2015, we continued our focus on sustainable manufacturing by improving overall production efficiencies, including reducing waste through recycling and reuse of materials. In addition, we continued to drive innovation and operational excellence to deliver the best value for our products and services. Plus, our employees worldwide continued their tradition of giving back to communities through volunteering and financial support.

Finally, we made bold moves to generate smart growth for the decades ahead by making significant investments in our plants, manufacturing technologies, and product development pipeline. In fact, we have invested nearly $1.5 billion over the past ten years in the improvement of our efficiencies, productivity, output of our plants, and product quality, while increasing our commitment to environmental sustainability and worker safety. In short, these investments have allowed us to better respond to our customers’ needs, while building greater resilience into our business.

Having spent my entire career working for JM, I’m proud to lead an organization that is committed to living and leading its core values to create a sustainable future.

Mary Rhinehart
Chairman, President & Chief Executive Officer
Continuing to integrate sustainability in our culture is always a highlight. We are committed to positioning JM for the future by putting in place new environmental, health, and safety management systems that protect our employees, customers, communities, and the environment. This includes proactively identifying, rezoning, and mitigating the risks that can cause accidents. Of course this requires the undivided attention, not only of management, but of all JM’s employees and contractors worldwide. We see continued opportunities to strengthen engagement with our employees and contractors to better embed best practices across the organization. Consistently applying these management approaches facilitates positive operating environments and results in further improvements.

What were the main sustainability challenges in 2015 and how did JM respond?

We were disappointed that our workplace safety incidents increased in 2015, especially considering that our vision is zero injuries. There is no greater priority than to ensure the safety of our people. Even though our total recordable safety incident rates remain lower than the U.S. average, we experienced a notable increase in our lost-time rate compared with 2014. We continue to apply a greater focus on safety and health, and introduce additional resources to help. But there are times when human factors and associated cultural issues can fall below the radar screen of management. In order to continuously improve our awareness, we have ramped up our worker engagement to build an employee-driven safety system where our people become catalysts for change.

What role will JM’s supply chain play in meeting these future challenges?

Innovation is an area of focus for JM. In order to sustainably meet the challenges of tomorrow, we have high expectations of our suppliers. We encourage our suppliers to provide customers with products and services that contribute to sustainability. The entire value chain must share the responsibility for solutions that are cost-effective and offer better or comparable operating and product performance. The entire value chain must share a common vision to make the necessary investments to become more sustainable. Even modest improvements in our value chain can make an enormous difference in facilitating positive advances in the efficient use of materials, energy, and water. Our industry may need to accelerate associated cultural issues can fall below the radar screen of management.

What is JM’s sustainability strategy? What are the key drivers?

Our ownership and governance structure favorably position JM for long-term sustainable growth, prosperity, and success. As an industrial manufacturer, the sustainability of our business is driven by the environmental, social, and economic performance of our processes and products. Our strategy encompasses sustainability as a lever for business growth that meets our customers’ needs without compromising those of future generations.

An active voice in the building materials and specialty products industries, JM participates in lifecycle assessments, product category rule development, and environmental product declarations throughout North America and Europe. Additionally, we collaborate with business groups, such as The Conference Board, and with other Berkshire Hathaway companies on sustainability best practices and performance.

Finally, we invite every employee to bring their passion, expertise, and skills to the task of creating positive outcomes for JM’s customers as well as our society at large. We want all JM employees to contribute to sustainability by exchanging knowledge and know-how with fellow employees, customers, and suppliers.

6. How is JM positioned to meet customers’ sustainability commitments and challenges?

According to the United Nations Environment Program, buildings consume about 40 percent of the world’s energy resources. We believe the most effective method of reducing energy consumption is through incorporating insulation in the building sector. Energy-efficient heating and cooling can occur only if there’s sufficient demand to maintain optimum conditions inside. There’s an added noise-reduction benefit from insulation as well. In addition, fiberglass is utilized in a number of the company’s products and is made from sand, one of the most abundant minerals on Earth.

In fact, a majority of JM’s key products conveniently allow customers and consumers to be more sustainable: (1) reducing energy usage and associated Greenhouse Gas (GHG) emissions; (2) enhancing the durability and extending the life of building systems; (3) contributing to the creation and use of renewable resources like wind energy; (4) reducing the use of natural resources by using recycled content; and (5) promoting health and wellness by improving indoor and in-vehicle environmental quality.

7. Can you describe the process for setting JM’s new five-year sustainability goals? What are the key focus areas and priorities?

We wanted to make our next generation of sustainability goals more meaningful to our business and stakeholders. We re-evaluated our key targets and sharpened our understanding of how JM impacts society and the world. Meeting our goals requires an ongoing emphasis on innovation and sustainable manufacturing, as well as a commitment to consistently improving every day. You can learn more about our updated sustainability goals and focus areas on page 39.

8. What have you learned about JM’s sustainability journey during the past five years?

We tend to think very long term. JM has thrived for over 158 years because the company has been practical, conservative, and intensively competitive. Our predecessors put the right building blocks in place, establishing fundamental core values and a vision for growth. All of the value that’s been created is a result of the dedication and hard work of our employees.

Sustainability is not a program or initiative—it’s just good business. But sustainable growth is everyone’s job and it requires an appropriate degree of risk-taking to try new things. By bringing more people on the journey, we’re able to accelerate our progress. Our values continually guide our decisions. That’s what makes me optimistic about our future.

9. What lies ahead for JM in terms of sustainability?

JM is well-positioned to address some of the most pressing societal needs, including reducing CO2 emissions by increasing the energy efficiency of buildings and transportation vehicles. For example, we see the trend accelerating to achieve “net zero” energy consumption in buildings. JM’s building and industrial insulations are designed to help building owners meet this challenge.

We also see better possibilities for innovation in cradle-to-cradle systems where raw materials are efficiently salvaged and reused, allowing companies like JM to manufacture more products from recycled resources. Plus, the industry continues to experiment with other second-life options for building products. The still remains significant work to be done to achieve technical feasibility and positive outcomes. Our goal is to meet the needs of our customers and employees in a sustainable way.

10. What is your view on the risks and opportunities posed by climate change?

I subscribe to Warren Buffett’s position taken in Berkshire Hathaway’s most recent annual report where he states, “It seems highly likely to me that climate change poses a major problem for the planet... It would be foolish, however, for me or anyone to demand 100 percent proof of huge forthcoming damage to the world if that outcome seemed at all likely and if prompt action had even a small chance of thwarting the danger.”

This past December, 195 countries adopted the first-ever universal, legally-binding global climate agreement at the Paris climate conference. All of the major countries and regions where JM operates—including the United States, China, and Canada — are signatories to the agreement due to enter into force in 2020. Energy efficiency and conservation are key for climate protection and we are committed to implementing energy efficiency projects throughout our own operations. Plus, JM’s products and innovations will help countries, customers, and consumers reduce energy consumption and achieve carbon emissions reduction goals.

4

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2. What were the main sustainability challenges in 2015 and how did JM respond?

3. What role will innovation play in meeting these future challenges?

4. What role will JM’s supply chain play in meeting these future challenges?

5. What is JM’s sustainability strategy? What are the key drivers?

6. How is JM positioned to meet customers’ sustainability commitments and challenges?

7. Can you describe the process for setting JM’s new five-year sustainability goals? What are the key focus areas and priorities?

8. What have you learned about JM’s sustainability journey during the past five years?

9. What lies ahead for JM in terms of sustainability?

10. What is your view on the risks and opportunities posed by climate change?
2015 SUMMARY

ENERGY EFFICIENCY
Energy Savings for Projects Commissioned in 2015
80,533 GIGAJOULES SAVED

BUSINESS INVESTMENT
$1.5 BILLION INVESTED OVER PAST 10 YEARS TO MODERNIZE AND MAINTAIN PLANTS AND EQUIPMENT AND PAVE THE WAY FOR CONTINUED GROWTH.

PRODUCT STewardship

HEALTH PRODUCT DECLARATIONS (HPD) CONTRIBUTE TO TRANSPARENCY, EMPOWERING PEOPLE TO MAKE INFORMED DECISIONS IN MATERIALS SELECTION WHILE FOSTERING INNOVATION IN THE SUPPLY CHAIN.

SAFETY
JM Total Safety Incident Rate1 Versus U.S. Average2

70% OF OUR PLANTS HAD NO LOST TIME INCIDENTS AND 30% HAD NO RECORDABLE INJURIES.

ECONOMICS
Emissions

Non-GHG Regulated Air Emissions
-6%

Waste
Solid Waste Intensity Trend (Yr. Over Yr.):

-0.4%

ENVIRONMENTAL MANAGEMENT SYSTEM
Plants Conforming to ISO 14001

+8 ADDITIONAL PLANTS IN 2015
23 PLANTS TOTAL

SOCIAL IMPACT

Charitable Contribution Trends3
$377,000 IN 2015
$366,000 IN 2014
$463,000 IN 2013
$501,000 IN 2012

Scholarship Contribution Trends4
$20,000 IN 2015
$21,000 IN 2014
$23,125 IN 2013
$10,000 IN 2012
$20,000 IN 2011

Volunteering Trends

Projects 98 98 165 171 167
Volunteer Hours 5,929 9,005 7,247 8,612 9,255
Volunteers 1,534 1,450 2,134 3,283 3,232

Training
Employees completed more than 71,000 hours in safety and environmental training and an additional 174,000 hours of training in areas that include leadership, management, compliance, language, personal development, technical skills, and job-specific training.

1 A Health Product Declaration is a report of the material or ingredient content of a building product and the associated health effects. Defining the content of the report is the Health Product Declaration Open Standard.
2 As defined by the Occupational Safety and Health Administration, a U.S. agency charged with the enforcement of safety and health legislation, Incident Rate is the number of injuries and illnesses x 200,000 / employee hours worked.
4 All numbers have been restated from prior reports to ensure consistent methodology.
5 Figures do not include tuition reimbursement for JM employees.

Health and Wellness Program Participation

50% OF U.S. EMPLOYEES PARTICIPATED IN 33 ON-SITE BIOMETRIC SCREENING EVENTS.
ORGANIZATIONAL PROFILE

Johns Manville, a Berkshire Hathaway (NYSE: BRK.A; BRK.B) company, is a leading manufacturer and marketer of premium-quality products for building insulation, mechanical insulation, industrial insulation, commercial roofing, roof insulation, and fibers and nonwovens for commercial, industrial, and residential applications.

Our company serves markets that include aerospace, automotive/transportation, appliance, commercial/residential construction, HVAC, pipe and equipment, filtration, waterproofing, building, flooring, interiors, and wind energy. JM has three strategic business units: Engineered Products, Insulation Systems and Roofing Systems.

In business since 1858, JM holds leadership positions in many of the key markets we serve. Headquartered in Denver, Colorado and operating 44 manufacturing facilities located in the United States, Canada, Germany, Slovakia, and China, the company achieved sales of approximately $2.6 billion in 2015. Aggregate employee wages worldwide totaled nearly $480 million in 2015, and the cost of employee benefits totaled just over $160 million.
JM’s suppliers are an important component of our value chain. JM procures over 50,000 material and technical products from nearly 10,000 suppliers worldwide and transports thousands of products to customers all over the globe. We also obtain numerous services from other suppliers, such as utility providers. We understand the important role that the supply chain plays in the overall sustainability picture and in our ability to meet our customers’ expectations. JM purchases goods including glass batch materials (such as sand, soda ash, and boric acid), binders and chemicals, recycled glass cullet, and renewable carbohydrate-derived binders in order to manufacture premium-quality building materials and specialty products. JM’s purchasing spend in 2015 was approximately $1.7 billion.

JM constantly strives to improve our productivity and processes in order to reduce total finished product costs wherever practical. Only by doing so will we maintain our position as a “world-class” supplier. JM expects every one of our suppliers to take similar, responsible actions to ensure the competitive pricing of their products. The competitive quoting process often provides a better product or service at the lowest total cost to JM. Our team makes every attempt to encourage competition while simultaneously working diligently to build long-lasting relationships with qualified best-in-class suppliers. Suppliers whose performance, quality, and technical capability do not keep pace with JM’s needs will be replaced by an alternate supplier until they have demonstrated that they have made the necessary improvements to be reconsidered for a future supply opportunity.

**2015 investments:**
- Increasing glass microfiber capacity in Waterville, Ohio
- Expanding glass fiber operations in Stowah, Texas
- Increasing TPO capacity and building a second production line in Scottsboro, Ala.
- Unveiling new production line in Berlin, Germany, for JM spunbond products
- Products distributed to 4,200 customers in over 85 countries worldwide
- Customers include contractors, specialty distributors, big box retail, fabricators, manufacturers, building owners, specifiers, and plastic compounders
- EPA SmartWay® Excellence Award recipient
- Full-line product portfolio
- One-stop shopping capabilities in target markets
- Scientific Certification Systems Indoor Advantage™ Gold + Formaldehyde Free certified products

**50,000 material and technical products procured**
**10,000 suppliers globally**
**89% of global spend sourced locally**

**Supplier Quality Program**
- Sourced materials moved on a global basis
- Trackers Against Trafficking Silver Level Sponsor

**Supplier of the Year**
- Sourced materials moved on a global basis

**Products**
- Products distributed to 4,200 customers in over 85 countries worldwide
- Customers include contractors, specialty distributors, big box retail, fabricators, manufacturers, building owners, specifiers, and plastic compounders
- Full-line product portfolio
- One-stop shopping capabilities in target markets
- Scientific Certification Systems Indoor Advantage™ Gold + Formaldehyde Free certified products

**The JM Experience**
- Trackers Against Trafficking Silver Level Sponsor
- Sourced materials moved on a global basis
GOVERNANCE

As an operating business of Berkshire Hathaway, JM is managed on a decentralized basis with minimal day-to-day involvement by our parent company. JM’s Chairman, President & Chief Executive Officer Mary Rhinehart reports directly to Warren Buffett, Chairman & CEO of Berkshire Hathaway. The heads of our businesses and functional areas, including our Chief Sustainability Officer, report directly to Ms. Rhinehart. This executive team is responsible for the development, approval, and updating of JM’s purpose, value statements, strategies, policies, and goals related to economic, environmental, and social impacts. JM’s Board is responsible for evaluating the performance of her direct reports with respect to meeting economic, social, and environmental policies.

JM’s board of directors consists of our Chairman, President & CEO; our Chief Financial Officer; and our General Counsel. The board directly oversees risk management, finance and accounting, operations, human resources, and sustainability. Two-thirds of the governing board are women and none are associated with any other minority groups. Members of JM’s senior management team regularly interact with their counterparts at Berkshire Hathaway.

Economic, social, and environmental policies are set at the corporate level with associated priorities established annually. JM’s board of directors and Sustainability Council, consisting of the senior leadership team, key managers, and employees from other areas of the business, identify opportunities, assess risks, and develop mechanisms for measuring progress toward goals as part of the strategic planning process. The board of directors and the Sustainability Council regularly receive stakeholder feedback throughout the year. This includes collaborating on sustainability best practices and benchmarking at events such as the Berkshire Hathaway Sustainability Summit. JM’s management has an open-door practice where employees are encouraged to provide feedback and bring their best ideas to work. Overall performance is measured in terms of the corporation as a whole, with sustainability considered a component of performance.

COMPETENCIES

Performance is tied to overall performance; however, decisions may also be impacted by global economic conditions and meeting or exceeding each individual’s annual performance priorities. The company regularly reviews the compensation structure of the organization to ensure that our overall elements are competitive and equitable.

UNDERSTANDING OUR IMPACTS

The company regularly reviews the compensation structure of the organization to ensure that our overall elements are competitive and equitable.
WE ARE PEOPLE CHAMPIONS

OUR EMPLOYEES AND CUSTOMERS ARE AT THE CORE OF EVERYTHING WE DO, AND WE STRIVE TO SEE THE WORLD THROUGH THEIR EYES. JM EMPLOYS APPROXIMATELY 7,000 PEOPLE WORLDWIDE, IN 44 FACILITIES ACROSS THREE CONTINENTS AND FIVE COUNTRIES. JM DELIVERS A POSITIVE EXPERIENCE WHEN OUR EMPLOYEES AND CUSTOMERS SUCCEED.

WE'RE COMMITTED TO PROVIDING A SAFE AND POSITIVE WORKPLACE FOR OUR EMPLOYEES. WE CARE ABOUT EACH OTHER; THEREFORE, SUPPORTING EACH OTHER COMES NATURALLY. AT THE SAME TIME, WE CONTINUALLY EVALUATE WHAT'S WORKING AND WHAT NEEDS TO CHANGE. THIS DELIBERATE APPROACH INCLUDES CONTINUOUSLY INVESTING IN OUR PEOPLE TO ENSURE LONG-LASTING RELATIONSHIPS WITH OUR CUSTOMERS AND THE LONG-TERM VIABILITY OF OUR BUSINESS.

ETHICS

Integrity is a fundamental component of our business. In the Berkshire Hathaway family, every employee has a non-negotiable expectation to behave with the highest level of integrity. JM complies with all laws and regulations and seeks to always do the right thing rather than what is easy or widely accepted as status quo. This includes our commitment to adhere to the highest standards of ethical behavior in our business conduct, activities, and relationships. At all times, ethical behavior — doing business with honesty and integrity — will supersede all other considerations. Every salaried employee must be certified, or recertified, on the JM Code of Conduct on an annual basis. All new hourly and salaried employees are required to certify JM’s Policies and Code of Conduct as part of their on-boarding process. In dealing with potential suppliers, JM employees are required to adhere to the confidentiality commitments set forth in both JM’s Code of Conduct and any applicable nondisclosure/confidentiality agreements. JM employees are not permitted to disclose any JM non-public information to potential suppliers unless there is a fully-executed non-disclosure agreement in place protecting such information.

In 2015, nearly 100 percent of management and non-management salaried employees received training focused specifically on corruption, conflicts of interest, anti-bribery protocols, ethics, and general conduct. In addition, 100 percent of JM’s three business units are part of internal audit’s annual risk assessment, which considers fraud and corruption risk in planning future audits. The assessment includes interviews with senior management and covers internal controls and business risks. It also includes targeted questions to identify any potential fraud and corruption. The results of the assessment are shared internally as well as with the management of Berkshire Hathaway.

From time to time JM receives inquiries and information requests from governmental agencies concerning environmental, health and safety, and antitrust issues. JM always cooperates fully with any such inquiries and requests. In 2015, there were no confirmed incidents of an enforcement actions taken related to anti-competitive behavior, antitrust, or monopoly practices. Furthermore, JM received no significant fines or non-monetary sanctions under laws and regulations related to accounting fraud, workplace discrimination, or corruption. JM is dedicated to conducting marketing activities with the highest level of integrity and truth. Our legal team, as part of a change management process, reviews proposed marketing communications, advertising, and promotional material, including website material, to ensure compliance. We also work through trade organizations such as the North American Insulation Manufacturers Association (NAIMA) to dispute any misleading information provided by competitors. In 2015, JM did not identify any incidents of non-compliance in the area of marketing and advertising.

PROMOTING EMPLOYEE DEVELOPMENT, EDUCATION, AND TRAINING

JM employees are the engine that drive our ability to deliver high-value solutions to our customers and help us uphold our sustainability commitments. We are dedicated to empowering our employees to continually grow and contribute to the success of the business. JM offers a wide range of development, training, and educational opportunities in areas including leadership, management, compliance, language, and technology. In 2015, training in these areas increased by 75 percent to approximately 174,000 hours, and 99 percent of salaried JM employees received performance reviews.

In 2014, JM put in place a robust performance management program utilizing a dedicated, industry-leading software platform. This software was implemented to improve performance management and our goal-setting process. In 2015, JM conducted our first full performance management and goal-setting process under the new system. As of February 2016, 44 percent of salaried employees in our performance management system had documented individual development plans.1

1 German employees are not included in these metrics.
Diversity, inclusivity, and equality are important ingredients of our workplace because the varied backgrounds, opinions, and orientations of our people create better ideas and successful outcomes for our customers. Diversity, including diversity of thought, is an overall goal for our organization. To foster diversity in our workplace, we annually review recruiting processes to ensure we are inviting qualified individuals from all demographics to apply to join our company. We also annually review compensation to ensure we are offering a competitive wage.

Health and wellness programs are designed and implemented within each country and include health and biometric screenings; sports-oriented programs including gym memberships; individual and confidential employee assistance programs; and the expertise of outside experts such as Accountable Health Solutions and Live Healthy America.

During this past year, 33 on-site biometric screening events were conducted at locations in the U.S. In total, 50 percent of employees participated in the on-site screenings. Many of our employees have participated in individual health analyses to assess health risks and to make smarter health and lifestyle decisions. JM provides a wide range of well-being advice on its internal wellness website. Participating employees can see their results from the last three years to assess their progress.

Johns Manville is a major employer in many of the communities where we operate, and our goal is to be an asset in those areas. We invest in our communities through in-kind and financial donations and volunteering programs, as well as through local hiring and the purchasing of regional goods and services. From charity race participation and nature trail maintenance to classroom volunteering and more, we’re proud of our employees’ enthusiasm to serve. Charitable contributions have grown significantly at JM. In addition, we’re proud of our employees’ enthusiasm to serve.

JM’s Safety Leadership Team introduced three key corporate initiatives to promote safety and health at our plants and offices. The following actions were taken to implement and continually track the health and safety performance of each operating facility while complying with all applicable laws and regulations in each location:

• Developing and using innovative technology and processes to prevent adverse impacts from company operations on employee health;
• Conducing both internal and independent assessments of compliance, and continuously tracking the health and safety performance of each operating facility while complying with all applicable laws and regulations in each location;
• Providing leadership within our business segments to establish effective safety and occupational health standards and procedures.

Every JM plant continually monitors for occupational hazards; each business unit identifies its own health and safety leader; most plants have an internal safety leader; reviewing our safety policy and practices on a regular basis, in light of current and planned activities; holding every employee responsible for implementing our health and safety policy and practices.

Making health our priority is not just about doing good for the people who work at JM, it’s also making sure they have the support and tools they need to have a productive and healthy workplace. JM provides a wide range of health and wellness programs to help employees take control of their lifestyle and health.

Journey to Safety

Being safe is a condition of employment at JM. In striving to achieve this objective, employees must demonstrate a satisfactory level of operational excellence and understanding of their tasks before being permitted to perform the job. Employees go through extensive training in order to maintain JM’s high standard of safety.

Safety Strategy

Our safety strategy has been developed to minimize potential safety hazards and better position JM for future growth. The following actions have been taken to enhance the safety of our employees:

• Implementing a corporate Environmental, Health & Safety Management System that enables a consistent framework for reducing risk;
• Introducing an SAP EHS/MS system to drive consistent incident reporting and analysis to compile and communicate cross-company safety data; and
• Launching a safety culture pilot project in our German glass plants to gain a deeper understanding of JM’s safety culture.

Safety Awards and Recognition

The 2015 JM Annual Safety Award was presented to the Sustumbala, Ala. plant for its continuous improvement in health and safety. The plant achieved several accomplishments over the past two years including:

• 5,229 employee safety engagements with over 2,000 safety condition inspections and close to 1,000 total safety training hours;
• Reminding employees about the importance of safety by engaging them with safety slogans throughout the plant;
• Offering OSHA 30-hour training for its entire staff and to other regional JM plants; and
• Sharing best practices with other regional industries.

Other notable plant safety milestones included:

• Bremen, Ind. plant – 18 years without a lost-time injury; 5 years without an OSHA recordable injury;
• Lewiston, Maine plant – 13 years without a lost-time injury; 9 years without an OSHA recordable injury;
• Etowah, Tenn. plant – Received the “Tennessee OSHA Governor’s Award of Excellence” for completing 1,000,000 parson hours without a lost-time or restricted-duty injury;
• OSHA Voluntary Protection Program (VPP) Status stands at 10 with facilities recognized in Lewiston, McPherson, Willows, and Macon.

JM U.S. Plants Awarded OSHA VPP Status (as of 2015)

<table>
<thead>
<tr>
<th>Plant Name</th>
<th>Year First Awarded</th>
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<tbody>
<tr>
<td>Tucson, Ariz.</td>
<td>2007</td>
</tr>
<tr>
<td>Macon, Ga.</td>
<td>2007</td>
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<tr>
<td>Willows, Calif.</td>
<td>2008</td>
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<tr>
<td>Jacksonville, Fla.</td>
<td>2008</td>
</tr>
<tr>
<td>Richland, Miss.</td>
<td>2010</td>
</tr>
<tr>
<td>Fernley, Nev.</td>
<td>2010</td>
</tr>
<tr>
<td>Lewiston, Maine</td>
<td>2012</td>
</tr>
<tr>
<td>Scottsboro, Ala.</td>
<td>2013</td>
</tr>
<tr>
<td>Richmond, Va.</td>
<td>2015</td>
</tr>
<tr>
<td>Belgrade, Mont.¹</td>
<td>Applied in 2015</td>
</tr>
</tbody>
</table>

¹ Submitted VPP application as of December 31, 2013.
RESPECTING HUMAN RIGHTS

JM supports the 10 principles of the United Nations Global Compact that respect the protection of internationally proclaimed human rights, and denounce the exploitation of children and forced labor, and promote the elimination of all forms of discrimination. Our policies and procedures support these practices and are a reflection of our commitment to ethical business conduct. In 2015, none of JM’s operations or suppliers were identified as prohibiting, violating, or putting at significant risk the right to exercise freedom of association and collective bargaining.

We have implemented positive management practices and have a goal to provide a workplace where employees feel they can work with leaders to find mutual solutions. Where employees have chosen, or are required by law to be represented by a third party, JM recognizes the third party’s right to represent employees, and will strive to deal with elected representatives in a respectful and business-like manner. In 2015, 56 percent of our global workforce was represented through a third party, employs illegal child, forced, or compulsory labor in any way. JM will not knowingly engage a supplier that directly, or indirectly, through a third party, employs illegal child, forced, or compulsory labor in any way. Once again in 2015, there were no incidents reported or legal actions taken regarding child or forced labor.

JM adheres to the highest standards of ethical behavior in our business conduct, activities, and relationships. At all times, ethical behavior supersedes all other considerations. This includes conforming to environmental, health, and safety standards, as well as applicable labor laws. It is our expectation that suppliers will not employ child labor. Any violation of these standards by suppliers will result in a loss of future business engagements with JM.

In 2015, JM took action against human trafficking by entering into a sponsorship agreement with the non-profit organization Truckers Against Trafficking (TAT). In addition to this sponsorship, JM began modifying its supplier agreements with language that supports these types of initiatives. JM now asks all carriers to support TAT or, at a minimum, take the TAT training and call the hotline as appropriate.

In August 2015, at the Johns Manville Technical Center in Litteton, Colo., JM hosted TAT’s Freedom Drivers Project, a first-of-its-kind, mobile exhibit that educates members of the trucking industry and general public about domestic sex trafficking and how the trucking industry is combating it. The demonstration truck features displays that explain the mission of TAT and how the huge network of truckers can be the eyes and ears of the roadways, particularly at rest stops.

EXPLORE THE JM PRODUCT LANDSCAPE

JM products are all around us. Used in a multitude of industries, JM products impart superior performance, innovative technologies, and sustainable qualities to improve our way of life. To demonstrate usage cases and sustainable benefits of our innovative products, we provide a dynamic, interactive experience called the JM Product Landscape available at www.jm.com/sustainability. By clicking on various locations within the landscape, you can access specific product application and sustainability information. For 2015, we continued to evolve this experience by incorporating additional informational resources and features that provide insight into our relentless efforts toward building a better world.

JM Safety Metrics — 2015

<table>
<thead>
<tr>
<th>JM Total OSHA1 Incidents versus U.S. National Rates</th>
<th>JM Safety Metrics — 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>OSHA Recordable Injuries Rates</td>
<td>OSHA Occupational Illness Case Rates</td>
</tr>
<tr>
<td>Male</td>
<td>Female</td>
</tr>
<tr>
<td>------</td>
<td>-------</td>
</tr>
<tr>
<td>JMEE</td>
<td>TP</td>
</tr>
<tr>
<td>Canada</td>
<td>0.93</td>
</tr>
<tr>
<td>China</td>
<td>0.98</td>
</tr>
<tr>
<td>Germany</td>
<td>1.75</td>
</tr>
<tr>
<td>Slovakia</td>
<td>0.70</td>
</tr>
<tr>
<td>U.S.</td>
<td>2.15</td>
</tr>
<tr>
<td>Total JM</td>
<td>1.92</td>
</tr>
</tbody>
</table>

Note: The years shown in blue include the acquisition of a subsidiary with higher rates than JM’s historical rates.

Several reported accidents in 2015 involved injuries to hands and fingers. Our operating teams responded by implementing corrective actions to better understand the root causes of these accidents, training employees on how to better protect themselves, purchasing new equipment, and updating their respective policies and procedures.

JM’s Hearing Conservation Program (HCP) continued with 49 projects completed in 2015. Our health and safety managers are leading multi-year projects to map and mitigate key areas of concern within the plants. For example, new edge trim winders were installed in our Bobingen, Germany facility to reduce noise levels and energy consumption.

EXPLORING THE JM PRODUCT LANDSCAPE

JM products are all around us. Used in a multitude of industries, JM products impart superior performance, innovative technologies, and sustainable qualities to improve our way of life. To demonstrate usage cases and sustainable benefits of our innovative products, we provide a dynamic, interactive experience called the JM Product Landscape available at www.jm.com/sustainability. By clicking on various locations within the landscape, you can access specific product application and sustainability information. For 2015, we continued to evolve this experience by incorporating additional informational resources and features that provide insight into our relentless efforts toward building a better world.
Our PASSION is in going the extra mile.
INNOVATION
At JM, sustainability and innovation are synchronized forces, working together to enhance our competitive position, while promoting our ability to add value to the world and society. Our relentless desire to protect our core, develop new technologies and applications, and identify new markets to accelerate growth has allowed us to remain a worldwide leader in building material solutions for over 150 years. However, we know that growing and serving our customers sustainably for the centuries to come will mean a commitment to optimizing our portfolio of products, strengthening our building science leadership position, and continuously improving our ability to manufacture specialty products with unparalleled quality and effectiveness.

JM is focused on three approaches to innovation:

• Sustaining Innovation – Developing new and improved products and businesses that solve problems and create value for our customers.
• Efficiency Innovation – Making our existing products more cost effective; and
• Disruptive Innovation – Introducing new and novel products into the marketplace that solve problems and create value for our customers.

In 2015, JM dedicated significant resources to driving innovation. We added several team leaders to our innovation team, which manages and facilitates JM’s Innovation Council, as well as bolsters our product development and new business innovation initiatives. We’ve also assembled cross-functional groups of employee volunteers who assess market opportunities, aggregate customer insights, and generate solutions as a platform for building profitable new businesses for JM. Bringing an entrepreneurial approach, the innovation team leaders engage with our customers and determine the best avenue for fulfilling their needs. Realizing that game-changing products, technologies, and process improvements can come from anywhere and anywhere in our company, we launched our Call for Ideas program, encouraging employees to voice their ideas on how to solve specific problems.

The innovation team helped JM enter the expanding lightweight continuous insulation market with APM™ Foil-Faced Insulation, which enables builders to meet higher energy-efficiency codes. The team also introduced GoBoard®, a reflective surface for lighting applications, which offers outstanding ease of installation. Both products leverage our existing Roofing Systems’ assets and help improve capacity utilization. APM™ Foil-Faced Insulation and GoBoard® both use Engineered Products’ glass mat, and are supported by Insulation Systems’ distribution and customer service capabilities.

Finally, we continue to investigate new channels and opportunities for our existing products, especially those that contribute to sustainability. As JM products are launched, we continually evaluate how they can be used to benefit our business, our people, and the environment while contributing to our ability to deliver the JM Experience.

NEW PRODUCT DEVELOPMENTS
Insulation Systems:

• JM Spider® Plus – Blown-in insulation featuring “Interlocking Fiber Technology,” allowing the insulation fibers to spring and lock into cavities with no adhesion or netting. JM Spider Plus achieves an R-value of 15 in a 2x4 cavity and an R-23 in a 2x6 wall.

• JM Corbond® Open-Cell Spray Polyurethane Foam (oc SPF) – and JM Corbond® Open-Cell Appendix X Spray Polyurethane Foam (oc XSPF) – These materials create a two-component, low-density, low-odor insulation system designed for sealing both vented and unvented attics and ceilings in homes, offices, and classrooms. The result is better air quality and increased occupant comfort.

Roofting Systems:

• Cool Roof Granulated (CR G) Cap Sheet Portfolio – Combining the installation ease of a standard granulated cap sheet with the energy efficient benefits that come from a highly reflective and emissive surface, this latest addition is the most cost-effective cool roof product option to date from JM for modified bitumen systems.

• SeamFree™ PMMA Liquid Membrane System – Designed to provide excellent adhesion to a variety of substrates including metal, wood, plastic, concrete, and asphalt. The product is easy to use and apply in a variety of temperatures (33°F – 95°F) and is rainproof in 30 minutes.

• EPOD Fit (Factory Inseam Tape) System – A unique, flexible solution offering multiple installation options for tape-to-tape or tape-to-standard sheets.

Engineered Products:

• MultiStar® 264 Roving – Designed to increase mechanical performance in MultiStar® 264, a staple fiber that is gaining run-out and glass distribution for a variety of applications in the transportation, electrical, and building industries.

• MultiStar® 566 Roving – Designed for excellent resin transparency in panel components used in the building industry.

• MultiStar® 576 Roving – Designed for high-speed processing in polyurethane reinforcement systems.

• ThermoFloor™ 675 Chopped Strands – A new chopped strand glass fiber designed for automotive applications where lightweight, long-term performance and improved impact and strength characteristics are critical to developing next-generation automotive components.

• Polyester Spunbond Media – Euali® 427/505 is a new JM product developed for air pollution control. This cleanable filter media offers excellent mechanical strength and pliability.

INSULATION SYSTEMS
JM’s Insulation Systems division is a leading North American supplier of insulation products for residential, commercial, and industrial applications. Our customers include insulation contractors, specialty distributors, big box retailers, and fabricators.

Buildings use 40 percent of energy and 70 percent of electricity in the United States. Buildings also emit over one-third of U.S. greenhouse gas emissions, directly or indirectly, which is more than any other sector of the economy.1 JM’s insulation systems save energy and reduce greenhouse gas emissions when applied in residential, commercial, office, and industrial buildings and processes. A study by the Alliance to Save Energy showed mineral wool and fiber glass insulation save 12 times the energy used to make them each year. In other words, these products, on average, save all the energy used to manufacture them during the first month in service. Insulation also reduces noise and adds to the quality and comfort of buildings, transportation, and consumer products.

ROOFING SYSTEMS
JM’s Roofing Systems division is a leading North American supplier of roofing membranes, cover boards, rigid insulation, and accessories for the commercial roofing market. Customers include roofing distributors, contractors and manufacturers, building owners, and specifiers. Our total roofing systems can increase the serviceable life of the commercial roof covering system, providing owners significant environmental and economic advantages.

The benefits of JM’s commercial roofing systems include increased energy efficiency, reduced global-warming potential, and extended building lifecycle. For example, Eneryg 3.0, the latest generation of polyiso foam insulation launched in 2014, carries the same fire rating as ENRGY 3 without the use of halogenated flame retardants. ENRGY 3 is listed on the Decline database, is designated Red-List Free, and is the first rigid, fire-resistant polyiso roof insulation board manufactured without halogenated flame retardants to meet UL Class A requirements.

Our reflective roofing membranes can reflect solar radiation to reduce heat transfer into buildings and also reduce the urban heat island effect. Thermoplastic polyol, or TPO, for example, provides a reflective roofing membrane for warm-weather markets. In 2015, JM announced plans to build a second TPO line to better serve this growing market.

JM continues to offer roofing products containing low volatile organic compound (VOC) content, decreasing the negative impact on air quality. These products are better for the environment and building occupants. Low VOC products may cost more, but they conform to more stringent standards while maintaining the high performance our customers expect.

ENGIERED PRODUCTS
JM’s Engineered Products division is a global supplier of glass fibers and nonwovens that are used in a wide range of markets including building and construction, roofing, commercial interiors, automotive, filtration, and energy storage. Customers include manufacturers of roofing and flooring products, automotive batteries, and filters, as well as plastic compounders that demand innovative materials that have a low environmental impact over the lifecycle of the products.

For example, JM’s glass fibers are increasingly popular amongst designers of lightweight composite materials for the transportation industry. Composites are widely used materials that enable the manufacturing of key components used in cars, trucks, and electrical equipment. These materials have a proven track record of providing performance, quality, and lower cost compared to traditional materials such as steel and aluminum. Composites provide strength, excellent resistance to corrosion, and design freedom with a bonus of 40 to 50 percent lower CO2 emissions throughout the lifecycle (cradle-to-grave).2

In 2015, JM calculated the start-up of a new lightweight spunbond line at our Berlin, Germany facility. The new production line is part of our strategy to support the growing demand for high-end filtration media including a new generation of spunbond filter media for cabin air, air pollution control and liquid filtration applications. It utilizes newly developed, proprietary spinning technology and will increase the Berlin plant’s spunbond lightweight capacity by more than 40 percent. Plant employees produce and market Euali® polyester spunbond nonwovens mainly for the filtration, roofing, and geotextile industries. Johans Manville invested more than $35 million to build the line.

1. Source: Alliance to Save Energy
2. Based on an LCA study on parts made from SMC/BMC Light Weight Composites released in 2012 by The European Alliance for SMC/BMC.
GLOBAL MARKETS, LOCAL PRESENCE

JM’s strong performance in 2015 enabled the company to continue investing in its facilities, technology, and people. Over the past 10 years, we have invested approximately $1.5 billion in modernizing and maintaining our plants and equipment, providing our employees with the best tools and processes to meet our customer needs. In addition to the direct jobs generated, these investments support a network of external suppliers and service firms. Furthermore, these investments make JM more sustainable by making us more economically resilient and improving our environmental and worker safety performance.

JM has maintained a practice of hiring locally when possible. This practice also applies to our senior management as 100 percent of our CEO’s direct reports were hired locally. As a general rule, manufacturing employees’ wages are competitive with local averages.

JM spends over $1.7 billion per year on purchasing materials, goods, and services from suppliers on the three continents where our plants are located. These expenditures generate a ripple effect through the indirect creation of jobs in the industries that supply, support, and service our facilities. Although JM does not have a formal policy to give preference to local suppliers, we will competitively bid local suppliers within a manufacturing plant’s geographic area. In 2015, JM sourced approximately 89 percent of its global spend locally, using the definition of “in country” based on the “order-from-address” for the supplier.

WE ARE COMMITTED TO DELIVERING PROFITABLE GROWTH AND A SUSTAINABLE COMPETITIVE ADVANTAGE FOR OUR STAKEHOLDERS. PERFORMING AT A SUPERIOR LEVEL REQUIRES A POSITIVE ATTITUDE, ENTREPRENEURIAL THINKING, THE WILLINGNESS TO TAKE ON TOUGH CHALLENGES, AND THE PERSISTENCE TO FOLLOW THROUGH. JM’S SUCCESS COMES FROM EACH AND EVERY EMPLOYEE STRIVING TO DELIVER THE JM EXPERIENCE TO OUR CUSTOMERS – FROM THE HIGH-QUALITY PRODUCTS WE MAKE TO THE EXCELLENT CUSTOMER SERVICE WE PROVIDE.

JOHNS MANVILLE HAD A STRONG 2015, WITH IMPROVED OPERATIONAL PERFORMANCE FROM EACH OF THE THREE BUSINESS UNITS. GOOD VOLUME PERFORMANCE IN ALL BUSINESSES, COMBINED WITH FAVORABLE MANUFACTURING COSTS, BETTER PRODUCTIVITY RESULTS, AND EFFECTIVE SPENDING CONTROLS, HELPED DRIVE THE IMPROVED PERFORMANCE.
WE PROTECT TODAY TO ENSURE TOMORROW

PROTECTING OUR CUSTOMERS, EMPLOYEES, FAMILIES, AND THE WORLD AROUND US IS OUR RESPONSIBILITY. JM’S HERITAGE IS BUILT ON THE CORE PROMISE TO DO THE RIGHT THING AND TO CULTIVATE TRUST. IN EVERYTHING WE DO, WE ACT WITH INTEGRITY, WEIGHING THE IMPACT OF OUR DECISIONS ON OURSELVES, OUR CUSTOMERS, OUR COMMUNITIES, OUR ENVIRONMENT, AND OUR REPUTATION. WE TAKE A PRECAUTIONARY APPROACH TO HELP ENSURE THAT WE COMPLY WITH ENVIRONMENTAL LAWS AND REGULATIONS WHILE CONSIDERING THE ENVIRONMENTAL CHALLENGES OF BOTH TODAY AND THE FUTURE. WE PERIODICALLY REVIEW OUR ENVIRONMENTAL POLICY IN LIGHT OF CURRENT AND PLANNED ACTIVITIES TO CONTINUALLY IMPROVE OUR ENVIRONMENTAL PERFORMANCE WHILE MINIMIZING SOCIAL IMPACTS. THIS PRECAUTIONARY APPROACH ALSO INFORMS THE WAY OUR PRODUCTS ARE MADE, INFLUENCING THE SELECTION AND REMOVAL OF CHEMICAL INPUTS TO BETTER MEET THE NEEDS OF THE MARKETPLACE WHILE MAINTAINING COST AND END-USE EFFECTIVENESS.
PRODUCT STEWARDSHIP

As a member of the European Composites Industry Association, Johns Manville has implemented the Occupational Safety and Health Administration’s (OSHA) revised Hazard Communication Standard (HCS), which aligns with the provisions of the Globally Harmonized System (GHS) of Classification and Labeling Chemicals. The primary benefit of the revised HCS is increased quality and consistency of information provided to workers, employers, and chemical users by adopting a standardized approach to hazard classification, labels, and safety data sheets (SDSs). The changes will positively affect workers in two primary ways. First, revised HCS is increased quality and consistency of information provided to workers, employers, and chemical users by adopting a standardized approach to hazard classification, labels, and safety data sheets (SDSs). The changes will positively affect workers in two primary ways. First, a more uniform approach to hazard classification, labels, and safety data sheets (SDSs) will help to quickly convey hazard types to users. Second, the changes will help to reduce workplace injuries and illnesses by providing more consistent and comprehensive information about chemicals.

PRODUCT AND SERVICE LABELING

Johns Manville has implemented the Occupational Safety and Health Administration’s (OSHA) revised Hazard Communication Standard (HCS), which aligns with the provisions of the Globally Harmonized System (GHS) of Classification and Labeling Chemicals. The primary benefit of the revised HCS is increased quality and consistency of information provided to workers, employers, and chemical users by adopting a standardized approach to hazard classification, labels, and safety data sheets (SDSs). The changes will positively affect workers in two primary ways. First, a more uniform approach to hazard classification, labels, and safety data sheets (SDSs) will help to quickly convey hazard types to users. Second, the changes will help to reduce workplace injuries and illnesses by providing more consistent and comprehensive information about chemicals.

CUSTOMER HEALTH AND SAFETY

As a company, we commit to never knowingly making or selling any product that cannot be manufactured and used safely when appropriate work and installation practices are followed. During new raw material reviews with R&D, JM’s Product Stewardship function provides guidance on the selection of new materials based on the relative health and safety impacts of the different materials under consideration. JM is also improving product information transparency to assist customers in selecting the best products for their needs.

PRODUCT IMPACT INFORMATION

Types of Information Available

<table>
<thead>
<tr>
<th>Yes</th>
<th>No</th>
</tr>
</thead>
<tbody>
<tr>
<td>The sourcing of components within the product or service</td>
<td></td>
</tr>
<tr>
<td>Content, particularly with regard to substances that might produce an environmental or social impact</td>
<td></td>
</tr>
<tr>
<td>Safe use of the product or service</td>
<td></td>
</tr>
<tr>
<td>Disposal of the product or service</td>
<td></td>
</tr>
<tr>
<td>Approximately 30 JM products are GREENGUARD and GREENGUARD GOLD Certified and may display this mark on product packaging.</td>
<td></td>
</tr>
</tbody>
</table>

1. JM defines significant monetary penalties at $75,000, which is equal to twice the daily maximum penalty under many environmental programs in the U.S.

2. “24-Karat Gold Challenge Award” by the Colorado Department of Public Health and Environment for “above and beyond” efforts in creating and implementing a program that has made a measurable contribution to the environment, the economy, and society. JM was nominated to receive the award by 97 “Gold Leader” peer companies within the Environmental Leadership Program.

ENVIROMENTAL COMPLIANCE AND RECOGNITION

JM maintains a corporate dedication to comply with all environmental laws and regulations while implementing practices that protect natural resources and systems that support the production and delivery of high-quality products. Responsible environmental management is an integral part of our business strategy. We deliver products that reduce energy consumption and make the world a better place, and we are committed to continuous improvement.

In 2015, JM did not have any significant monetary penalties1 for noncompliance with environmental regulations. Even on an aggregated basis, the sum of all penalties paid were below JM’s defined significance level in 2015. JM did have seven notices of violation in 2015. Three of these notices of violation carried no monetary penalty, while the other four were not significant penalties.2 JM maintains metrics of spills that are required to be reported to a governmental agency or authority. In 2015, one spill at our Richmond, Ind. plant triggered this reporting and was therefore considered significant. Roughly 15 gallons of hydraulic oil leaked from a failed hydraulic line onto an internal roadway from an off-road vehicle. The spill was immediately cleaned; however, a small amount of hydraulic oil may have reached a drain that goes into the sanitary sewer line. Because of the potential discharge to the sanitary sewer, the Richmond publicly owned treatment works was notified of the spill and mitigation measures. No further action was required.

Corporate goals and environmentally responsible projects are evaluated on a regular basis to measure progress and identify additional opportunities for innovation and sustainability.

In 2015, the JM Annual Environmental Award was presented to the Fruta, Colo. plant for reducing landfill waste and reusing associated waste materials commercially. The facility eliminated 40 years of reliance on an obsolete three-acre waste impoundment complex. These activities were also recognized with the “24-Karat Gold Challenge Award” by the Colorado Department of Public Health and Environment for “above and beyond” efforts in creating and implementing a program that has made a measurable contribution to the environment, the economy, and society. JM was nominated to receive the award by 97 “Gold Leader” peer companies within the Environmental Leadership Program.

JM won the 24-Karat Gold Challenge Award thanks to staff members at the plant who reinvented, redesigned, and reconstructed its manufacturing process. This resulted in the elimination of approximately 863 tons of landfill waste annually by diverting that material into an energy-conserving product stream. Additionally, the product made from this reclaimed material is conservatively estimated to reduce end-user emissions by over 270,000 tons of CO2 per year.

1. JM defines significant monetary penalties at $75,000, which is equal to twice the daily maximum penalty under many environmental programs in the U.S.

2. JM tracks notices of violations (NOVs), which are strictly defined as a written document from an agency with authority alleging that an environmental law, regulation, or requirement was violated, and in which they require JM to take some action, such as pay a penalty, implement some corrective action, or respond with actions to prevent recurrence. A single document can have more than one NOV if more than one violation is alleged.

ISO 14001:2004 CERTIFIED

JM continued to implement the ISO 14001 program across our manufacturing plants. In 2016, eight additional plants implemented JM’s ISO 14001 environmental management system (EMS), bringing the total number of plants that conform to the ISO 14001 standards to 23. The eight new plants are undergoing formal certification in 2016. These plants adhere to the following practices in order to improve overall environmental performance:
ENERGY EFFICIENCY

JM embeds energy-efficient improvements and practices into all areas of the business to optimize the resources required to manufacture products. Energy efficiency is monitored and reported on a monthly basis in order to better understand energy consumption and identify where efficiency measures may be most impactful. Ongoing investments in research and development, manufacturing machinery, operational processes, and employee behavior continue to be key drivers toward conducting more energy-efficient operations.

We continued our multi-year energy savings program by refining processes and redesigning and retrofitting manufacturing plants. For instance, over the past two years the Innisfail plant in Alberta, Canada continued with its energy reduction and recovery projects including:

- Upgrading lighting systems and oven equipment with more efficient technologies;
- Redesigning heating and ventilation systems for heat recovery and energy reduction;
- Installing a new energy monitoring system to better manage and optimize energy and water usage.

These projects are estimated to reduce the plant’s energy consumption and CO₂ emissions, as well as increase efficiency.

2015 Energy Saved Due to Conservation and Efficiency Improvements

<table>
<thead>
<tr>
<th>Year</th>
<th>Project Commissioned</th>
<th>Cumulative Energy Savings for All Projects</th>
</tr>
</thead>
<tbody>
<tr>
<td>2011</td>
<td>1.34%</td>
<td>1.90%</td>
</tr>
<tr>
<td>2012</td>
<td>0.72%</td>
<td>2.13%</td>
</tr>
<tr>
<td>2013</td>
<td>1.96%</td>
<td>4.11%</td>
</tr>
<tr>
<td>2014</td>
<td>0.53%</td>
<td>5.54%</td>
</tr>
<tr>
<td>2015</td>
<td>0.51%</td>
<td>5.55%</td>
</tr>
</tbody>
</table>

1 The baseline for energy savings calculations was reset as of 2014, informing JM’s new five-year goal. Revised 2014 baseline figures include gas and electricity usage from our subsidiary IIG, previously not incorporated into the calculation.

Energy Saved Due to Conservation and Efficiency Improvements

ENERGY USAGE CHANGE

MANUFACTURING RATE CHANGE

GHG INTENSITY CHANGE

9.9% 7.9% 1.6%

Direct versus Indirect Energy

64% Direct 36% Indirect

Total Direct and Indirect Energy Consumption* in Gigajoules

<table>
<thead>
<tr>
<th>Year</th>
<th>Direct</th>
<th>Indirect</th>
</tr>
</thead>
</table>

| Coke (Phenix City) | Not Included | Not Included |
| LPG | 859 | 668 |
| Natural Gas | 9,384,070 | 9,638,896 |
| Total Direct | 9,384,929 | 9,639,564 |

| Electricity | 5,495,062 | 5,500,361 |
| Total Indirect | 5,495,062 | 5,500,361 |
| Total | 14,843,991 | 15,139,925 |

2015 Energy Saved Due to Conservation and Efficiency Improvements (in Gigajoules)

2014: 75,747 2015: 80,533

76,362 MMBTU 80,533 GIGAJOULES

U.S. HOUSES POWERED EQUIVALENT TO 852

836,380 MMBTU 882,059 GIGAJOULES

U.S. HOUSES POWERED EQUIVALENT TO 9,331

9,331
WASTE

Operational excellence is a fundamental priority at JM that helps us protect resources today, for use tomorrow. This includes minimizing waste throughout our manufacturing processes and administrative functions. Operational excellence also includes designing products that deliver the required functionality but have a lower environmental impact or use fewer resources, and recycling or reusing materials to minimize waste sent to landfills.

In 2015, our Jacksonville, Fla. plant developed a creative method of reducing waste to the landfill. The plant produces nearly 550 tons of dust material each year from its product-cutting operations. JM transfers this dust to another party who uses it in their process to absorb liquid, thereby reducing the Jacksonville plant’s landfill waste by 50 percent.

RECYCLING

Our Milan, Ohio facility made great progress in reducing waste by reusing and recycling process materials. During the past two years, the plant eliminated over 3,300 tons of waste and improved product quality, primarily through better process controls and innovation. The reductions include better harvesting of scrap product, thereby maintaining the highest utility and value of materials at all times. Recovering, recycling, and reprocessing these materials eliminates waste to the landfill, reduces the need to purchase associated raw materials, and returns resources to the product lifecycle.
AWARDS
• Colorado Environmental Leadership Program, Gold Leader
• 24 Karat Gold Challenge Award, Colorado Department of Public Health and Environment
• Insulate America, Inc. Supplier of the Year
• Innovative Technology Award, Jefferson County (Colo.) Economic Development Corporation
• Occupational Safety & Health Administration and the Arizona Division of Occupational Safety & Health recertified Tucson as a STAR-level plant and granted a five-year exemption from inspection
• Occupational Safety & Health Administration Voluntary Protection Program STAR status – ten JM U.S. manufacturing facilities

FASADE DE Oxide County, Fla. Product Approvals

ALLIANCES AND PARTNERSHIPS
• Foam Sheathing Committee
• Glass Alliance Europe, the European Alliance of Glass Industries
• Glass Manufacturers Industry Council (GMIC)
• GlassFibreEurope, the European Glass Fiber Producers Association
• Heating, Air-conditioning & Refrigeration Distributors International
• Industrial Energy Consumers of America (IECA)
• National Insulation Association
• National Women in Roofing
• North American Insulation Manufacturers Association (NAIMA)
• Polyisocyanurate Insulation Manufacturers Association (PIMA)
• Single Ply Roofing Industry (SPRI)
• Sheet Metal and Air Conditioning Contractors’ National Association
• Southwest Energy Efficiency Project (SLEEP)
• TECH-FAB-Europe
• U.S. Department of Energy, Building America Program
• U.S. Department of Energy, U.S. Photovoltaic Manufacturing Consortium
• U.S. Environmental Protection Agency (EPA) ENERGY STAR Partner
• U.S. Environmental Protection Agency (EPA) SmartWay Transport Partner
• U.S. Green Building Council (USGBC) Gold Membar

CERTIFICATIONS
• Customs-Trade Partnership Against Terrorism (C-TPAT)
• ECOLOGO Certification
• EPA ENERGY STAR® Partner
• ENERGY STAR® Certification for JM’s AFR™ Foil-Faced Sheathing
• EPA SmartWay® Certification for JM’s carrier fleet in Hazle Township, Pa.
• GREENGUARD Certifications for numerous fiber glass insulation products
• GREENGUARD Gold Certification for JM’s entire line of Formaldehyde-free™ fiber glass building insulation
• ISO 14001 Environmental Management System – eight additional plants conforming in 2015; 23 plants total
• ISO 50001 Energy Management System – five manufacturing facilities across Germany
• CS Certified – U.S. Environmental Protection Agency
• Cool Roof Rating Council (CRRC)
• Construction Specifications Institute (CSI)
• European Alliance for Thermoplastic Composites (EATC)
• Electricity Consumers Resource Council (ELCON)
• EPDM Roofing Association (ERA)
• European Paints Association (EPTA)
• European Disposables and Nonwovens Association (EDANA)
• Federation of Reinforced Plastics (FRP) in Germany

APPROVALS
• Dade County, Fla. Product Approvals
• Florida Building Code
• FM Global
• International Code Council Evaluation Service (ICC-ES) approval for JM’s entire line of foam sheathings products
• US. (Underwriters Laboratories)
### IDENTIFIED MATERIAL ASPECTS AND BOUNDARIES

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<td>GA-20 Internal Aspect Boundary.</td>
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<td>GA-26 Approach to stakeholder engagement.</td>
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<th>Specific Standard Disclosures</th>
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<td>GA-EC6 Proportion of senior management hired from the local community at significant locations of operation.</td>
<td>25</td>
</tr>
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<td>GA-EC9 Proportion of spending on local suppliers at significant locations of operation.</td>
<td>25</td>
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### ECONOMIC

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2015 marks the fifth year that JM has published a sustainability report detailing our enterprise-wide sustainability initiatives including economic, environmental, and social impacts. G4-17

At JM, we believe in the value of publishing our sustainability report as a progress marker to communicate our sustainability developments and also as a comprehensive resource providing a lens into our priorities, global operations, and corporate culture. JM publishes a sustainability report on an annual basis and pursues opportunities for better communication of sustainability efforts in a transparent and meaningful way. We have identified high-priority internal and external stakeholders utilizing a variety of mechanisms, gleaning insight into key topics that influence their assessments, decisions, and livelihoods. Detailed information on JM’s approach to stakeholder engagement and materiality from ongoing stakeholder dialogue is available on pages 12 and 13 of this report. JM’s sustainability reports are available on our website at www.jm.com/en/sustainability. Our previous sustainability report was published in May 2015.

To ensure that insights from all areas of the business are represented in the report, we have assembled a cross-functional team. This team is focused on determining and prioritizing stakeholders, understanding material content for inclusion in the report; and providing economic, environmental, and social data aligning to Global Reporting Initiative (GRI) guidelines and performance indicators. G4-18

The content of this publication reflects information and metrics gathered during the reporting period of Jan. 1 through Dec. 31, 2015. Where possible, we have included additional company and product information to provide more context regarding our business approach and long-standing sustainability efforts. Where JM oversees wholly owned operations and joint ventures, data from these organizations are included in this report. G4-17

To ensure comprehensive report content as well as the appropriate level of transparency, JM created this report in accordance with GRI sustainability reporting guidelines. GRI is a widely recognized and applied reporting standard for companies such as JM that are focused on measuring and managing the economic, environmental, social, and governance implications of their business. JM does not currently seek external assurance services for the report; and there is no formal policy in place requiring us to do so. External assurance options are evaluated on a yearly basis and may be an option in the future.

JM’s 2015 Sustainability Report has been developed ‘in accordance’ with the GRI G4 Guidelines Core option. It has undergone review by GRI’s Materiality Disclosures Service to confirm the correctness of the locations of the G4 Guidelines Materiality Disclosures. For a full list of the GRI General Standard Disclosures, including Materiality Disclosures and Specific Standard Disclosures reported in 2015, please refer to the GRI Index found on pages 36 and 37.

To learn more about the GRI, visit www.globalreporting.org.

ABOUT THIS REPORT

LOOKING AHEAD

JM’s 2015 Sustainability Report communicates our corporate commitment to sustainability and conducting business in a responsible way that respects our stakeholders and the environment. In business for over a century and a half, JM’s ability to remain a leader in our industry is based on our ability to improve, adapt, and create trustworthy relationships while delivering the JM Experience. In 2015, we sharpened our focus on our four core values and the way they shape our business today and into the future. These core values create the foundation for the JM Experience as well as the primary structure of the 2015 JM Sustainability Report. We embrace the fact that as an organization we are made stronger by interweaving these values into our culture and our approach to conducting business. JM’s four core values are:

We are PEOPLE champions
Our employees and customers are at the core of everything we do. We strive to see the world through their eyes.

Our PASSION is going the extra mile
We pursue fresh ideas and embrace new approaches to elevate how we work and deliver value.

We PERFORM at a superior level
We are committed to delivering profitable growth with a sustainable competitive advantage.

We PROTECT today to ensure tomorrow
Protecting our customers, employees, families and the world around us is our responsibility.

New Goals for the Next Step in JM’s Sustainability Journey

Since developing our first generation of sustainability goals over a half-decade ago, JM has learned a great deal about embracing sustainability as an asset. So far in our sustainability journey, we’ve refined our understanding of material aspects through a comprehensive annual assessment in order to better inform our sustainability strategy, policy, and approach. We’ve engaged in collaborative dialogue with our internal and external stakeholders, listening and learning about the impacts, trends, and concerns that impact our business. We’ve learned how to improve our measurement and management methodologies, as well as gained insight into which sustainability objectives truly deliver value to JM and our stakeholders. We’ve also taken action, investing in sustainability across our global operations to make the company, our products, and our processes even better.

Dedicated to building on our ongoing sustainability experience, and with collaborative discussion, careful consideration, and a great deal of pride, JM announces its next generation of sustainability goals, effective January 1, 2016:

1. To learn more about JM’s commitment to sustainability, see our Sustainability Policy at www.jm.com/en/sustainability/corporate-responsibility/sustainability-policy/

JM FIVE-YEAR SUSTAINABILITY GOALS 2016

Energy:
Implement projects that result in a 5% improvement in energy efficiency by 2020, over a 2014 baseline

Solid Waste:
10% intensity reduction by 2020

Environmental Management System:
Implement environmental management systems in all North American and European plants by 2020

Water:
Complete local water vulnerability assessment of all plants by 2020

Health and Wellness:
Support employee health and wellness such that overall employee biometric results are maintained or improved, and expand programs offered to address mental as well as physical well-being

Employee Development:
Increase emphasis on employee development by delivering a 5% increase in average employee training hours and ensuring all salaried employees who have been employed at JM for at least 6 months have documented development plans in place by 2020

Safety:
Continuously improve performance leading to our vision of zero injuries by:
- Reducing the three-year rolling average number of yearly injuries by 30% by 2020
- Reducing the three-year rolling LTIR by 30% by 2020

Community Investment/Volunteerism:
Increase employee voluntarism by 20% by 2020, based on the following metrics:
- Number of volunteer projects annually
- Number of volunteers annually
- Number of volunteer hours annually

1 All 2016 Sustainability Goals correspond to a 2015 baseline unless otherwise noted