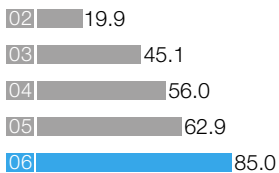


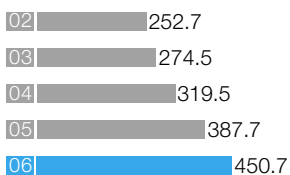
increase in net sales/employee  
from US\$387.7 thousand to  
US\$450.7 thousand



## Growth Culture



**EBIT/Employee**  
(Thousands of US dollars)



**Net Sales/Employee**  
(Thousands of US dollars)

James Hardie has begun a process of culture-change to ensure we continue to attract and keep the people we need to lead our current operating scale and our demanding growth targets.

Our aim is to more clearly define and promote the values and core competencies that have made us successful, and identify the behaviours that will have a positive impact on the business, so we can achieve our **mission**:

*To aggressively pursue organic growth through a differentiated position in the building products industry.*

To support our mission, and recognise the importance of ethical behaviour, safety in the workplace, the diversity of our employees and the need to always provide quality products and service to our customers, James Hardie is committed to the following **values**:

*Thrive on Competition* – we will execute our business strategy by never accepting the status quo and continuously striving to be better than we were yesterday;

*Build on Organisational Advantage* – we will win by recruiting, engaging and developing the right people through

a culture that promotes innovation, performance and growth;

*Embrace Step Change* – we will seek and support opportunities that drive toward the James Hardie Mission and deviating from established practices;

*Operate with Respect* – we will behave with professionalism and regard toward our internal and external stakeholders, fostering a diverse environment of candid communication and ideas.

These values are the cornerstones that will ensure our competitive advantage in the marketplace and they are supported by specific behaviours which will allow us to measure our progress.

All members of the Senior Leadership Team have made a commitment to embody these values in their day-to-day lives at James Hardie and to provide their teams and each other with continuous feedback and coaching so everyone in the company understands and embraces the mission, values and behaviours. Their success will be evaluated using a process of 360-degree feedback surveys. In addition, a comprehensive leadership development training program is being implemented for all managers.



To help increase employees' involvement and retention, an engagement survey is being progressively conducted throughout the company; initial results show a striking belief in the company's exciting and successful future, and enormous commitment to, and enthusiasm about, being a part of this. Company-wide improvement plans are being developed and progress will be monitored throughout the year.

As part of the culture shift, we will work to develop career paths for employees and implement talent management processes to ensure we select high potential employees, identify top talent and increase the development and retention of potential leaders.

#### **We develop our people**

We have formal programs to train and develop employees who have the potential to help us build new businesses, launch new products and expand the company.

To reinforce our values, we reward individual and team performance and achievement, and appropriate behaviour and competence. We pay competitive salaries, supplemented by a range of

performance and skill-based bonus and remuneration schemes.

Key managers' goals are closely aligned with the company's performance through an Economic Profit Incentive Plan that provides competitive year-end bonus payments to participants when the company achieves a profit target in excess of the cost of capital.

#### **We recognise the contribution of families**

We recognise the important contribution that employees' families make to the performance of our businesses, and individual plant managers organise a variety of activities to involve families in the workplace.

#### **We offer our employees assistance**

Beyond work, we offer employees and members of their immediate families confidential access to professional counsellors at any time for help with work concerns, stress or family issues, drug and alcohol problems, bereavement or other life challenges.

#### **Superannuation and share plans**

All James Hardie employees have access to superannuation or individual retirement savings plans. Many employees

participate in our share and option plans, which encourage them to become shareholders and think and act like owners of James Hardie.

More details of these plans are provided in the Remuneration Report on page 60.

#### **We also strive to help our local communities**

This year, James Hardie continued its sponsorship of Habitat for Humanity Australia, supplying building materials for the houses they built.

Individual plants and businesses are encouraged to support local charities and organisations.