

Hempel (Wattyl) Australia PTY LTD

Statement related to Fiscal Year 2025 pursuant to the *Australian Commonwealth Modern Slavery Act 2018*

Identity of Reporting Entity

This statement sets out the steps Hempel (Wattyl) has taken to address the risks of modern slavery in any part of its business and its supply chain during the financial year 2025 which runs from 1 January 2025 to 31 December 2025. It is made on behalf of Hempel (Wattyl) Australia Pty Ltd and its related entities in Australia {collectively "Wattyl", "we", "our", etc.}.

Hempel has a zero-tolerance approach to any form of modern slavery or human trafficking. Hempel is committed to acting ethically and to prevent slavery and human trafficking in any of its corporate activities, as well as seeking to ensure that its supply chain is also free from such practices as an important element of its sustainability work. Hempel is committed to acting with integrity and transparency in all business dealings and to putting effective systems and controls in place to safeguard against any form of modern slavery taking place within Wattyl or its supply chain.

Structure, Operations and Supply Chain

In 2022, Hempel (Wattyl) Australia was a subsidiary of Hempel A/S, a Denmark corporation.

Hempel A/S (together with its group companies/subsidiaries referred to herein as "Hempel") is a global leader in the manufacture, development, distribution, and sale of paints, coatings, and related products to professional, industrial, commercial, and retail customers. Hempel manufactures products under well-known brands such as Wattyl, Valspar, Crown, Farrow and Ball, Hempel and many more.

With global headquarters in Copenhagen, Denmark, Wattyl branded products are sold through a chain of more than 110 company operated stores and facilities, and also sold through leading mass merchandisers, home centres such as Bunnings, independent paint dealers, hardware stores and industrial distributors. The Hempel Performance Coatings range supplies a broad range of highly engineered solutions for the construction, industrial, packaging and transportation markets around the world.

In the fiscal year 2025, Hempel (Wattyl) Australia Pty Ltd and its related entities (listed below) had a combined consolidated revenue exceeding \$100m. This statement is made in relation to Hempel (Wattyl) Australia Pty Ltd and the following related entities in Australia:

Hempel (Newco) Australia PTY LTD

Wattyl employs approximately 700 people in Australia across manufacturing, distribution, retail, sales and support functions. Wattyl operates two manufacturing plants: one in West Footscray, Melbourne and the other at Kilburn, Adelaide. This manufacturing capacity is supported by three distribution centres across Australia. Annually, Wattyl serves thousands of retail and trade customers with paint and coatings solutions either through its stores, e-commerce and direct deliveries.

Wattyl has more than 500 active supply partners, who directly supply products and services. All immediate suppliers are obligated to sign the Hempel Business Partner Code of Conduct to mitigate risks around modern slavery.

The main products and services purchased within its supply chain are:

- Raw Materials for the manufacturing of product
- Sundry decorating products ("Sundries") for resale through its Wattyl Paint Centres
- Packaging;

- Equipment and machinery, for the offices and manufacturing facilities;
- Transport and Logistics;
- Skilled and unskilled labour; and
- Services, such as those to support its marketing activities.

Risks of Modern Slavery

Wattyl sources from a range of locations, with the majority of products sourced from multinational corporations with regional operations that are also used and vetted by its global parent, Hempel. Key sourcing countries include Australia, USA, Malaysia, Germany, Indonesia, and China. Wattyl recognises that all products and services carry a risk of modern slavery within their supply chains. These risks are particularly relevant in globally sourced raw materials and products with complex upstream supply chains. Wattyl seeks to minimise these risks through the actions described below.

Actions taken to assess and mitigate risks

Supplier requirements

Hempel (Wattyl) integrates human rights requirements, including the prohibition of forced labour, child labour, and modern slavery, into supplier relationships through legally binding contractual clauses and the Business Partner Code of Conduct.

Suppliers are required to:

- comply with applicable labour and human rights laws
- demonstrate compliance upon request
- disclose any non-compliance in their operations or supply chain
- accept audits, including on-site inspections

Non-compliance constitutes a material breach of contract and may result in corrective actions or termination of the business relationship.

Internal accountability

Hempel (Wattyl) maintains internal accountability standards for employees, suppliers, and subcontractors. Failure to comply may result in disciplinary action or termination of employment or business relationships.

This is supported by:

- **Employee Code of Conduct**, which sets expectations for ethical behaviour, respect for human rights, and reporting of concerns. (available for download at https://www.hempel.com/-/media/Hempel/Files/Legal/Code-of-Conduct/18282-coc_uk_web---English-Sept-2025.pdf).
- **Business Partner Code of Conduct**, which applies to all suppliers, covering labour rights, human rights, environment, and anti-corruption. (available for download at <https://www.hempel.com/-/media/Hempel/Files/Legal/Business-Partner-Code-of-Conduct/hempel-business-partner-code-of-conduct -english-September-2025.pdf>)

- **Human Rights Policy**, which sets out Hempel's commitment to respect internationally recognised human rights, including the prohibition of forced labour, child labour, and modern slavery. (available for download at [Hempel-Human-Rights-policy-030226.pdf](#))
- **Procurement Sustainability Policy**, which integrates ESG considerations into procurement processes, including risk-based supplier due diligence and monitoring of modern slavery risks. (available for download at [Hempel-Procurement-Sustainability-policy-030226.pdf](#))

It is essential that all of our business partners operate to the same ethical standards and integrity as we do. This policy is applicable to all of our business partners. Our expectations take into account the UN Global Compact's ten fundamental principles within the areas of human rights, labour rights, the environment and anti-corruption. The Group, of which Wattyl is part, is a signatory to the UN Global Compact and has committed to implement the principles as part of our core operations. Our business partners are expected to work towards implementing the standards laid out in the Business Partner Code of Conduct and require the same from their own business partners.

Whistleblowing

As a responsible employer, Hempel (Wattyl) encourage its employees, customers, partners and other stakeholders to report or question any suspected cases of potentially unethical or illegal behaviour. If unable to report concerns to Group Legal, the People & Culture department or the Regional Ombudsman, there is an Ethics Hotline available which explains this whistle-blower system that allows anyone to make anonymous reports about suspected unethical or illegal practices, such as fraud, law violations or corruption within the Group. (see <https://whistleblowersoftware.com/secure/Hempel>)

Hempel (Wattyl) will monitor whistleblowing reports to ensure that modern slavery and human trafficking do not occur within its business or supply chain.

Training

Hempel (Wattyl) assesses that the greatest exposure to modern slavery risks lies within its supply chain and therefore focuses training on employees involved in procurement and supplier management.

Targeted training is provided to relevant functions on human rights impacts, including modern slavery, and the application of due diligence processes.

All employees are required to comply with the Employee Code of Conduct, which includes principles related to human rights and labour standards.

Risk-based due diligence

Hempel (Wattyl) applies a risk-based due diligence approach to identify and manage modern slavery risks across its supply chain. This approach considers procurement category impact and country risk to determine the level of due diligence applied.

Human rights risks are identified and prioritised through annual category-level impact assessments covering both direct and indirect procurement. These assessments combine desktop research on sector and country risks, adverse media screening and supplier sustainability data, including EcoVadis. This enables prioritisation of higher-risk categories and suppliers for enhanced due diligence. Hempel (Wattyl) recognises that modern slavery risks are not evenly distributed across its operations and supply chain.

The highest risk areas have been identified as:

- Raw materials: Upstream sourcing of chemical inputs and minerals may involve elevated risks of forced labour and exploitative working conditions in extraction and processing stages.
- Logistics and transportation: Use of third-party logistics providers may involve risks related to migrant labour, including excessive working hours and wage exploitation.
- Contracted and temporary labour: Engagement of external labour, particularly in manufacturing, warehousing, and distribution, may present risks related to coercion, underpayment, or lack of freedom of movement.

From a geographic perspective, increased risks may arise in countries with higher prevalence of labour rights violations, particularly in relation to upstream supply chains.

Hempel (Wattyl) also recognises that visibility decreases beyond Tier 1 suppliers, and that the most significant risks are likely to occur deeper in the supply chain.

Supplier due diligence and monitoring

Suppliers are subject to due diligence prior to onboarding and during the business relationship. This includes Supplier Assessment Questionnaires covering human rights topics, contractual requirements aligned with the Business Partner Code of Conduct and sustainability assessments conducted via EcoVadis for relevant suppliers.

Suppliers representing the majority of spend within each direct procurement category are requested to participate in EcoVadis assessments.

Low-performing suppliers are subject to corrective actions, follow-up, and re-assessment, and may be escalated if insufficient progress is demonstrated.

Enhanced due diligence for high-risk areas

Suppliers operating in high human rights impact categories and/or high-risk geographies are subject to enhanced due diligence measures. This includes:

- category-specific human rights impact assessments, including upstream risks
- targeted supplier risk analysis
- detailed review of sustainability assessment results
- on-site or third-party audits where required
- supply chain traceability and data collection where relevant
- ongoing supplier engagement and corrective action follow-up

Where severe risks are identified, suppliers are subject to escalation, including intensified monitoring, mandatory corrective actions, or potential disengagement where risks cannot be mitigated.

Where Hempel (Wattyl) identifies actual or potential instances of modern slavery, it seeks to address these through a remediation approach, which includes investigation of reported or identified issues, engagement with the relevant supplier to understand root causes and development and implementation of corrective action plans with defined timelines.

In cases where suppliers fail to address identified risks or demonstrate insufficient progress, Hempel (Wattyl) may escalate the matter, including suspension or termination of the business relationship.

Assessing the effectiveness of Modern Slavery risk management

Hempel (Wattyl) assesses the effectiveness of its modern slavery risk management through ongoing monitoring and governance processes.

This includes:

- monthly risk reviews, where supplier performance, corrective actions, and emerging risks are evaluated
- tracking of supplier sustainability performance, including EcoVadis scores and development over time
- monitoring of corrective action plans, including completion rates and timeliness
- review of audit findings and follow-up actions for higher-risk suppliers
- analysis of adverse media and external risk indicators

These processes enable Hempel (Wattyl) to assess whether risks are effectively identified, mitigated, and addressed, and to take further action where required.

Hempel (Wattyl) continues to review and strengthen its due diligence approach based on these insights.

Continuous Improvement

Hempel (Wattyl) continues to review and strengthen its due diligence processes and risk mitigation measures on an ongoing basis. The effectiveness of these measures is assessed through supplier performance tracking, corrective action closure, and internal governance processes.

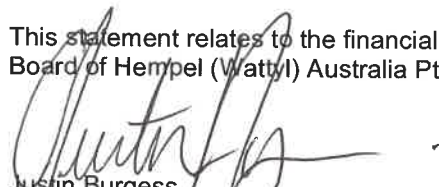
Consultation Process

Hempel (Wattyl) Australia Pty Ltd. recognises that each entity within the group has a role to play in addressing modern slavery risks. Hempel (Wattyl) Australia Pty Ltd developed this statement in consultation with Hempel A/S, as many of the modern slavery risks reside within the global supply chain managed by related entities overseas.

In developing this statement, Hempel (Wattyl) Australia Pty Ltd engaged specifically with key business areas responsible for procurement, global supply, risk, legal and human resources, as well as with the directors of the related entities covered by this report. This statement was also discussed regularly during Hempel (Wattyl) Australia Pty Ltd governance meetings which are held monthly.

Other Relevant Information

This statement relates to the financial year ending 31 December 2025 and has been approved by the Board of Hempel (Wattyl) Australia Pty Ltd.



Justin Burgess
Director 31 May 2026

Wattyl – A part of Hempel

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