



PPG MODERN SLAVERY STATEMENT 2022

PPG INDUSTRIES AUSTRALIA PTY LIMITED
ABN 82 055 500 939



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1. INTRODUCTION

- 1.1 This modern slavery statement (“MSS”) is made jointly on behalf of PPG Industries Australia Pty Limited (“PPGIA”) and all of its wholly owned subsidiaries (together the “PPG Australia Group”) pursuant to section 16 of the Modern Slavery Act 2018 (the “MSA”). It relates to the period 1 January 2022 to 31 December 2022 (inclusive).
- 1.2 PPG Australia Group forms part of a large international group of companies and joint ventures (“PPG Group”) whose ultimate parent company is PPG Industries, Inc (“PPG”) based in Pittsburgh, USA. PPG is listed on the NYSE and at the date of this MSS, is the world’s 566th most valuable company (ranked by market capitalisation)¹.
- 1.3 This is PPG Australia Group’s third statement relating to the actions and activities it has taken under the MSA.

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2. STRUCTURE, OPERATIONS AND SUPPLY CHAIN

2.1 PPG Australia Group is a diverse coatings manufacturing business with a large workforce and supplier base. The legal structure and business operations of the PPG Australia Group are set out in Appendix 1.

2.2 PPG Australia Group's supply chain falls into the following categories:

- a. Raw materials (used to manufacture its products);
- b. Toll manufactured products;
- c. Finished goods;
- d. Goods for Re-sale (tools and equipment related to coatings);
- e. Indirect goods and services;
- f. Skilled and unskilled labour;
- g. Marketing and logistics;
- h. IT systems & solutions.

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3. THE RISKS OF MODERN SLAVERY PRACTICES

3.1 PPG Australia Group has reviewed its businesses and supply chain. It has identified the following risks of modern slavery practices.

- a. *Employees* – the risk of modern slavery in the direct workforce of the PPG Australia Group is very low. Employees are either salaried or on Award (or better) conditions.
- b. *Goods and services sourced locally* – the risk of modern slavery is very low. PPG Australia Group buys goods and services locally from reputable organisations that are highly regulated. These industries do not appear to the PPG Australia Group to present any significant risk of modern slavery practices.
- c. *Services sourced overseas* – the risk of modern slavery is low as the PPG Australia Group generally works with internationally recognised companies.
- d. *Goods sourced overseas excluding raw materials* – this risk of modern slavery is low as the PPG Australia Group generally works with internationally recognised companies for Non-Raw Material Goods sources such as plant equipment.
- e. *Raw Materials sourced overseas* – the greatest risk of modern slavery practices in the supply chain of the PPG Australia Group is in the supply of raw materials used in coatings manufacture. While PPG exercises great vigilance, risks exist in suppliers of suppliers to PPG.
- f. *Global character* – As part of a complex global business, PPG Australia Group may not directly manage every aspect of its own supply chain.

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4. ACTIONS TAKEN TO ADDRESS RISKS OF MODERN SLAVERY

4.1 PPG Australia Group is part of a global business operation, with a complex global supply chain.

4.2 PPG Australia Group has rigorous policies, processes and targeted initiatives in place to manage its ethics and compliance responsibilities. Those relevant to this MSS include the following:

- i. Global Code of Ethics;
- ii. Global Supplier Code of Conduct;
- iii. Supplier Sustainability Policy;
- iv. Procedures for on-boarding new suppliers, Annual Supplier Ratings and Audits;
- v. Ethics Helpline and other reporting policies;
- vi. Regular and comprehensive training on PPG's bribery and corruption policies, Code of Ethics, Workplace Behaviour and other business policies;
- vii. Global initiatives such as those described in Section 11 below (Conflict Minerals, Responsible Mica initiative, etc);

Detail on each of these appear in sections 5 – 11 below.

4.3 These policies and processes are overseen by the board of directors of each PPG Australia Group company and implemented through the Coatings Leadership Team ("CLT"), which is made up of the most senior representative of each business and function in Australia and New Zealand.

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5. GLOBAL CODE OF ETHICS (“GCOE”)

5.1 Summary

PPG’s GCOE (see link: <https://corporate.ppg.com/Our-Company/Ethics.aspx>) outlines PPG’s commitment to conduct business in an ethical manner that respects human rights. In particular, the GCOE requires compliance with all laws prohibiting forced, compulsory or child labour, human trafficking and employment discrimination.

5.2 Application

- a. All employees within the PPG Australia Group are required to comply with the GCOE. We regard observing local law to be the minimum acceptable level of conduct. In addition, PPG’s own standards of conduct frequently oblige us to go beyond the legal minimum of a locality and to conduct our affairs according to our own higher standard. This principle is applied in all of the 70 countries in which PPG operates.
- b. All of PPG Australia Group’s allocated employees (including those with responsibility over PPG’s supply chain) are required to complete, on an annual basis, a GCOE online training course, which is accompanied by a test they must pass in order to complete the training.
- c. The GCOE is also a key pillar of PPG’s Supplier Sustainability Policy (see Section 7 below) with which all suppliers and contractors are expected to comply.

5.3 Responsibility and enforcement

Ultimate responsibility for enforcement of the GCOE rests with PPG’s Chief Compliance Officer. PPG’s Compliance Department will investigate any violation of the GCOE by an employee and this may result in disciplinary action being taken by the relevant PPG Group Human Resources department up to and including dismissal (in accordance with the relevant Human Resources policy and local law).

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6. GLOBAL SUPPLIER CODE OF CONDUCT

6.1 Summary

- a. PPG expects its valued suppliers to operate their business practices in accordance with PPG's ethics and integrity expectations. As such, PPG has implemented a Global Supplier Code of Conduct ("GSCC"). The GSCC applies to any persons providing goods and services to the PPG Group including suppliers and contractors.
- b. The GSCC (see link: <https://corporate.ppg.com/getmedia/64e86ca8-5d5c-4434-b9de-591b18f54b47/Global-Supplier-Code-Of-Conduct-English.docx>) is a key pillar of PPG's Supplier Sustainability Policy (see Section 7 below). The GSCC imposes minimum compliance standards with respect to business integrity, labour practices, associated health and safety, and environmental management. It is intended to complement the GCOE. The GSCC covers a wide range of standards but those specific to this annual statement are set out in the table below.

6.2 Specific GSCC requirements

Forced or compulsory labour	Suppliers must: <ul style="list-style-type: none"> Prohibit all forms of forced or compulsory labour Maintain and promote fundamental human rights
Child Labour	Suppliers must: <ul style="list-style-type: none"> Prohibit the use of child labour Adhere to the minimum employment age limit defined by national law or regulation Comply with the relevant International Labour Organisation (ILO) standards
Diversity and inclusion	Suppliers must: <ul style="list-style-type: none"> Promote a diverse workforce and provide a workplace free from discrimination, harassment or any other form of abuse Create a work environment in which employees and business partners feel valued and respected for their contributions
Health and Safety	Suppliers must: <ul style="list-style-type: none"> Provide safe and healthy working conditions Proactively manage health and safety risks with the goal of providing an incident-free environment where occupational injuries and illnesses are prevented Implement management systems and controls that identify hazards and assess and control risk related to their specific industry

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Freedom of association	Suppliers must: <ul style="list-style-type: none">• Respect employees' right to freedom of association and collective bargaining, consistent with local laws• Respect employees' rights to join or refrain from joining associations and worker organisations
Wages, hours and benefits	Suppliers must: <ul style="list-style-type: none">• Treat employees fairly, including with respect to wages, working hours and benefits• Comply with all applicable legal and regulatory requirements and apply sound employee relations practices

6.3 Responsibility and enforcement

Ultimate responsibility for enforcement of the GSCC is the Global Purchasing Organisation led by the Chief Compliance Officer for PPG.

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7. PPG'S SUPPLIER SUSTAINABILITY POLICY

PPG's commitment to human rights and eradicating slavery from its supply chain is closely aligned with its commitment to make PPG Group's businesses more sustainable in terms of its compliance with applicable laws and adherence to internationally recognised environmental, social and corporate governance standards.

PPG Australia Group acknowledges that its success in achieving these Goals will be dependent upon the full support of its global supplier base for which PPG's Global Sustainability Committee has issued its Supplier Sustainability Policy (see link: <https://corporate.ppg.com/Purchasing/Supplier-Sustainability.aspx>).

8. PROCEDURE FOR ON-BOARDING A NEW SUPPLIER, ANNUAL SUPPLIER RATINGS AND SUPPLIER AUDITS

In Asia Pacific, PPG Australia Group conducts onsite audits. The existing suppliers for onsite audits are selected based on an established schedule or if a new product will be produced in a supplier facility. New suppliers are selected for onsite visits based on their impact to the business, formulations or supply chain of the PPG Australia Group.

PPG Australia Group will cease doing business or development with suppliers that achieve a score of less than 50 on a 100-point scale. A score of 50 to 64 results in suspension until the supplier meets PPG's requirements by implementing corrective action plans that are closely monitored. A final evaluation of 65 or higher enables the supplier to be moved to or maintained in the approved supplier pool. The approved suppliers are subject to ongoing audits to ensure their performance level is sustained or improved.

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9. REPORTING POLICIES

9.1 PPG Australia Group's employees

PPG Australia Group employees and contractors are required to comply with PPG's Global Code of Ethics. Employees are encouraged and expected to report all suspected violations of the GCOE or the law to the appropriate levels of management, including PPG's Ethics and Compliance Office. Several reporting options are offered including the PPG Ethics Helpline, which is a confidential freephone and online reporting service maintained by an independent third party. Any retaliation – whether direct or indirect – against any employee who raises a good faith concern is grounds for discipline up to and including dismissal.

9.2 PPG Australia Group's suppliers

Under the GSCC, suppliers are required to report suspected violations of the GSCC to the Chief Compliance Officer, PPG's Ethics Helpline or PPG's Chief Compliance Officer immediately if a violation of the GSCC is ever in question. In the event that a supplier recognizes any non-compliant activity or violation of the GSCC, the supplier must provide a detailed corrective action plan to address such deficiency.

10. TRAINING

All PPG Australia Group employees are regularly trained in global ethics and business conduct. In addition, they are required to complete a GCOE annual online refresher training course, which is accompanied by a test which they must pass in order to complete the training.

11. GLOBAL INITIATIVES

Global initiatives are relevant because of PPG Australia Group's global supply chain. Their inclusion is consistent with the assessment by PPGIA that its greatest risks exist in its global supply chain for raw materials.

11.1 Mica mining

A portion of the pigments supplied by PPG's pigment suppliers incorporate mica, which is extracted from mines located in India. PPG Group uses pigments containing natural (as opposed to synthetic) mica in its formulations especially with respect to those relating to its automotive refinish and aerospace business units.

The Terres des Hommes International Federation highlighted in several of its published reports in 2016 that Indian mines were using child labour. PPG Group subsequently took steps to establish that none of PPG Group's pigment suppliers sourced mica from Indian mines that used child or any other forms of forced or compulsory labour.

The investigation led to PPG Group becoming, on 31 January 2017, a voting member of the Responsible Mica Initiative Group (see link: <http://www.responsible-mica-initiative.com>). This is a Do-Tank which aims within the next five years to eradicate child labour and unacceptable working conditions in the Indian mica supply chain by joining forces across industries.

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The following link to the Responsible Mica Initiative Group's Annual Report 2020 shows the actions that were taken by the group in 2021 - <https://responsible-mica-initiative.com/wp-content/uploads/2023/03/RMI-Annual-Report-2022.pdf>.

11.2 Conflict Minerals

"Conflict Minerals" currently include cassiterite, columbite/tantalite, and wolframite (the most common derivatives of which are tin, tantalum and tungsten, respectively) and gold. These Conflict Minerals are of concern because mines in the Democratic Republic of the Congo ("DRC") and surrounding countries are important sources of these minerals. Some of these mines are controlled by armed groups that finance their conflicts through mining activities.

As a publicly traded company in the United States, PPG is subject to the rules of the U.S. Securities and Exchange Commission ("SEC"). These rules include annual reporting and disclosure requirements concerning Conflict Minerals to further the humanitarian goal of ending violent conflict and human rights abuses in the DRC and surrounding countries, which have been partially financed by the exploitation and trade of Conflict Minerals.

Consistent with PPG's commitment to social responsibility and sustainability PPG expects each of its suppliers to conduct due diligence on its supply chain in accordance with the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas and to determine the source of any Conflict Minerals or Conflict Mineral containing product supplied to PPG.

PPG expects all of its suppliers to provide the Conflict Minerals source information reasonably requested by PPG necessary to support its due diligence and reporting obligations under the SEC's Conflict Minerals rules.

PPG also expects all of its suppliers to notify it if a product supplied to PPG contains Conflict Minerals originating in the DRC or surrounding countries.

Suppliers that are not able to provide adequate information about the source of any conflict minerals in their products or that supply products containing conflict minerals from the DRC or surrounding countries are evaluated by PPG's Procurement Department and may be denied future PPG business. For PPG's most recent conflict minerals report, please see the attached link [https://ppgsustain2021prd.azurewebsites.net/getmedia/344e90dd-191d-4ebf-ab0c-ab85a2c33ff2/2021-Conflict-Minerals-Report-For-Website-\(5-28-21-Final\).pdf](https://ppgsustain2021prd.azurewebsites.net/getmedia/344e90dd-191d-4ebf-ab0c-ab85a2c33ff2/2021-Conflict-Minerals-Report-For-Website-(5-28-21-Final).pdf).

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11.3 Other Jurisdictions

PPG Group has spent significant time giving thought to the ways modern slavery risks can be reduced within the global business. In addition, PPG Group is governed by legislation covering modern slavery risks within the United Kingdom and California, and compliance with these laws includes submitting mandatory modern slavery statements in those jurisdictions. In particular:

- a. PPG is subject to the Modern Slavery Act 2015 (UK). Under this legislation, PPG is required to prepare and then, to update its modern slavery statement annually. The most recent versions can be found at https://uk.ppgrefinish.com/media/1010371/slavery-statements_tisc_industries2022.pdf in respect of PPG's UK refinish business and https://corporate.ppg.com/getmedia/89cc27c5-e9bb-4078-8743-36c9e231d478/Slavery-statements_TISC_ACUK2022 in respect of PPG's UK architectural business.
- b. PPG is subject to the California Transparency in Supply Chain Act 2010 and is committed to complying with its requirements. Accordingly, PPG publishes a statement describing the steps it has taken to ensure that there is no slavery, coerced labour or human trafficking in its own business or in its supply chain. This statement is updated regularly and the most recent version can be found at [https://procurement.ppg.com/getmedia/c5c8b95a-5820-48f1-b003-df4aabb15fa1/CA-Transparency-in-Supply-Chain-Act-2020-Revision-\(Final\).pdf](https://procurement.ppg.com/getmedia/c5c8b95a-5820-48f1-b003-df4aabb15fa1/CA-Transparency-in-Supply-Chain-Act-2020-Revision-(Final).pdf).

11.4 PPG Europe Supply Chain Review

PPG also engages EcoVadis®, which is a leading global corporate social responsibility and sustainability ratings company, to leverage assessment processes, tools, resources and insights to drive sustainability standards and practices throughout its global supply base. PPG has expanded the scope from 100 suppliers per year to 1,000 suppliers based on a preliminary risk assessment around activities such as mining, geographic position and other category risk factors. PPG is conducting the program in quarterly waves of approximately 200 suppliers through 2021, with the initial wave launched in the fourth quarter of 2020. By the end of 2021, more than 67% of invited PPG suppliers responded to the assessment, many of which performed above the EcoVadis average. PPG's most recent ESG Report details PPG's continued progress and strengthened focus on sustainably advantaged products, diversity, equity and inclusion, climate-related risks, supplier sustainability and more. The full report is available at the following link: sustainability.ppg.com.

In 2022, PPG maintained a Gold Rating in corporate social responsibility from EcoVadis, ranking higher than 92% of evaluated companies.

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PPG is evaluated by EcoVadis on 21 factors, grouped into four key segments of sustainability:

- Environment: Energy consumption, product use, customer health and safety, and biodiversity;
- Labour and human rights: Employee health and safety, working conditions, child labour, forced labour, human trafficking, diversity, discrimination and harassment;
- Ethics: Corruption and anticompetitive practices; and
- Sustainable procurement: Supplier environmental and social practices.

The rating methodology is based on international sustainability standards and initiatives, such as the Global Reporting Initiative (GRI) Standards, United Nations Global Compact and ISO 26000 standard (social responsibility)

The EcoVadis scorecard allows assessed companies to benchmark against industry peers, and it provides an overall corporate social responsibility (CSR) performance rating on a scale from increasing risk to best in class. The majority of the initial respondents received a score that demonstrated a confirmed level of engagement.

12. ASSESSING THE EFFECTIVENESS OF ACTIONS TAKEN TO ADDRESS MODERN SLAVERY PRACTICES

The working group established to prepare this MSS will review it annually, update it and report on the effectiveness of the actions taken to assess and address the risk of modern slavery in its business and supply chain.

13. APPROVAL

This statement was approved by the board of PPG Industries Australia Pty Ltd, ABN 82 055 500 939. This statement was also approved by the boards of each of the four subsidiary reporting entities covered by this statement.

DocuSigned by:

Claire Louise Walker

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Claire-Louise Walker

Managing Director

PPG Industries Australia Pty Limited

Director, Protec Pty Ltd

Director, PRC DeSoto Pty Ltd

Director, Barrier Chemicals Pty Ltd

Director, PPG SharePlan Nominees Pty Ltd



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APPENDIX 1

LEGAL STRUCTURE AND OPERATIONS OF THE PPG AUSTRALIA GROUP

1. PPG Industries Australia Pty Ltd

1.1 PPG Industries Australia Pty Limited (PPGIA) is an Australian company with manufacturing locations in Clayton, Victoria and Villawood, New South Wales. It forms part of an international group of companies and joint ventures ("PPG Group") whose ultimate parent company is PPG Industries, Inc ("PPG") based in Pittsburgh, USA.

1.2 PPGIA has six businesses.

Architectural - This business unit has a manufacturing and research and development facility in Clayton, Victoria, and Villawood, New South Wales. It manufactures and sells retail paint products to independent distributors, networks and larger direct end users. It also distributes its range of paint products through company owned stores.

Automotive Refinish - This business unit has a manufacturing and research and development facility in Clayton, Victoria. It manufactures and sells automotive refinish coatings for cars, commercial transport and light industrial equipment and machinery to independent distributors and larger direct end users. It also distributes its range of coatings through company owned stores.

Packaging Coatings - This business unit has a manufacturing and research and development facility in Clayton, Victoria. The business unit sells coatings for the protection and decoration of metal packaging e.g. food and beverage cans etc.

Aerospace Coatings - This business unit has an application support centre in Tullamarine, Victoria. The majority of its products are sourced from PPG Group companies globally. It sells transparencies, sealants, coatings, electrochromic window systems, surface solutions, packaging, and chemical management services.

Industrial Coatings - This business unit has a manufacturing and research and development facility in Clayton, Victoria. The business unit sells industrial coatings for appliances, agricultural and construction equipment, consumer electronics, automotive parts and accessories, building products (including residential and commercial construction) and transportation vehicles.

Protective and Marine Coatings - This business unit has a manufacturing and research and development facility in Clayton, Victoria. The business unit sells advanced protective industrial coatings and systems against corrosion, high temperatures and fire for civil and commercial infrastructure, rail, mining, oil, gas, chemical and power facilities, water and wastewater facilities and tank lining. It also sells advanced protective industrial coatings and systems for all aspects of marine ships and shipyards, including drydock and cargo hold.

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2. Subsidiaries of PPGIA

2.1 PPGIA has the following wholly owned Australian subsidiaries:

- a. Protec Pty Ltd (ABN 41 007 857 392);
- b. PRC DeSoto Pty Ltd (ABN 74 050 106 217);
- c. Barrier Chemicals Pty Ltd (ABN 75 008 210 160); and
- d. PPG SharePlan Nominees Pty Ltd (ACN 091 363 101).

2.2 None of these subsidiary companies are reporting entities for the purposes of the MSA. None are actively trading (engaging in manufacturing, buying goods or services or selling to customers) and the extent to which any do trade, they share the same supply chain as PPGIA. While this MSS covers the activities of all companies in the PPG Australia Group, the focus of this MSS is appropriately on PPGIA.

2.3 Under section 16(1)(f) of the MSA, reporting entities must describe the process of consultation with entities that the reporting entity owns or controls (or is giving a joint statement with). In PPGIA's MSS for the 2021 calendar year, we were told that PPGIA had not met this criteria and to address this in our next MSS submitted. Accordingly, PPGIA reports that no formal consultation has occurred between it and the entities it owns or controls listed above, as none are actively trading (and to the extent they do trade, they share the identical supply chain with PPGIA). In this context, consultation is not necessary as the same safeguards and processes apply.

3. Related companies of PPGIA

3.1 In December 2020, PPG bought all of the shares of the "Ennis Flint" group in a global acquisition. The Australian companies acquired as part of this transaction are:

- a. Ennis Paint Australia Holdings Pty Ltd (ACN 140 460 153);
- b. Ennis Traffic Safety Solutions Pty Ltd (ACN 064 325 631);
- c. Zaganite Pty Ltd (ACN 005 018 422); and
- d. Ennis Flint New Zealand Holdings Pty Ltd (ACN 161 284 939).

3.2 These companies are neither subsidiaries nor parent companies of PPG Australia Group, but are ultimately owned by PPG in the United States.

3.3 None of these companies are reporting entities for the purposes of the MSA as consolidated revenue does not reach the reporting threshold of AU\$100m/annum.