

Hempel (Wattyl) Australia PTY LTD

Statement related to Fiscal Year 2023 pursuant to the *Australian Commonwealth Modern Slavery Act 2018*

Identity of Reporting Entity

This statement sets out the steps Hempel has taken to address the risks of modern slavery in any part of its business and its supply chain during the financial year 2023 which runs from 1 January 2023 to 31 December 2023. 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 2023, 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 four 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 product sourced from Multinational Corporations with regional operations that have been vetted by and are also used by its global parent Hempel. Key Countries Wattyl sources from are Australia, USA, Malaysia, Germany, Indonesia, and China. Wattyl recognises that all products and services carry the risk of modern slavery in their supply chains but through the actions discussed below aim to minimise these risks.

Actions Taken to Assess and Mitigate Risks

Certifications

Wattyl requires, through its purchase order terms and conditions, as well as the Hempel Code of Conduct incorporated therein, direct suppliers and subcontractors to certify, to the best of their knowledge and belief, that they do not engage in or support human trafficking or use any indentured bonded, prison, or forced labour, slavery or servitude. Wattyl works transparently with its suppliers.

Internal Accountability

Wattyl maintains internal accountability standards and procedures for employees, suppliers, and subcontractors. Failure to comply with such policies can result in adverse actions, including termination for employees, suppliers, and subcontractors.

Wattyl's policies reflect its commitment to acting ethically and with integrity in all its business activities and relationships, specifically;

Employee Code of Conduct (available for download at https://www.hempel.com/-/media/Hempel/Files/Legal/Code-of-Conduct/18282-coc_uk_web--English-Sept-2025.pdf).

This policy describes how we should behave in our daily work, including how we should conduct ourselves when dealing with each other, our customers, business partners, suppliers and other stakeholders. It confirms our commitment to comply with applicable laws and act in an ethical, sustainable and socially responsible manner, and emphasises:

- That our employees are obligated not to associate with business partners who engage in any illegal activities, such as bribery or activities that violate human rights, and employees are required to report any incidents or potential issues related to business partners to their manager; and
- Our commitment to respecting human rights (in accordance with the United Nations' Guiding Principles on Business and Human Rights and the UN Global Compact). Employees are required to set a good example and not tolerate any violations of human rights.

Business Partner Code of Conduct (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

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 policy and require the same from their own business partners. Areas covered include our business partner's:

- **Health and safety** – to ensure safety rules, regulations and a safe and healthy work environment are in place, and there is a strive to promote an accident-free workplace;
- **Equal opportunities** - to ensure an inclusive work environment, where everyone (regardless of age, gender, colour, race, disability, religion, belief, nationality, social status or any other status recognised by international law) is treated with respect, and discrimination and harassment in the workplace is eliminated;
- **Rights at work** – to ensure rights at work are respected, by supporting the employee's right to freedom of association, recognising their right to be a member of a union or other collective bargaining group, and being compensated with fair pay for their work, as well as benefit from reasonable work breaks and paid holidays in accordance with local law;
- **Child labour** – to ensure no child labour is used, including in our business partner's own supply chain. Our expectation is set out in the policy; and
- **Forced labour** – to ensure freedom of movement during employment and that personal documentation such as passports and/or payment of compensation are not retained or withheld to prevent such freedom of movement, thereby giving rise to forced or involuntary labour.

We make it clear that our choice to work with a business partner is not only based on the quality, price and professionalism of their services or products; it is also based on their respect for our commitment to conduct business in an ethical, environmental and socially responsible manner in accordance with the Business Partner Code of Conduct. We set out that we may request that certain business partners work with us openly and transparently to assess whether they are in compliance with the Hempel Business Partner Code of Conduct, which may include a requirement to complete a self-assessment questionnaire, or an onsite audit and may ultimately end in a termination of the relationship, in cases of repeated or serious breaches of the Code.

This Business Partner Code of Conduct is now referred in, and attached to, many of our standard form contracts. Also all new suppliers receive and must acknowledge our Business Partner Code of Conduct. Additionally new suppliers of raw materials and packaging materials need to complete a Supplier Questionnaire to describe how their company complies with the Business Partner Code of Conduct.

Ethics hotline

As a responsible employer, 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>)

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

Training

In order to ensure that our key employees are aware of and can tackle the issues and risks posed by modern slavery and human trafficking and can best help prevent it from occurring, we have continued to build on targeted training provided to the Wattyl leadership team, employees holding procurement roles, and employees in People & Culture and sales teams.

This has occurred through mandatory training that has been developed and rolled out for all employees to ensure familiarity with our Employee Code of Conduct. In addition, all new employees commit to complying with our Code of Conduct as part of the hiring process and complete online training in the code of conduct during their first weeks with the business.

Assessing the Effectiveness of Modern Slavery Risk Management

Verification of Business and Product Supply Chains

Hempel continuously commits resources to periodically evaluate our business and supply chain in relation to modern slavery risks. Wattyl's model is to monitor, detect, and prevent instances of human trafficking and slavery in its business and supply chain. Wattyl employs processes and tools for due diligence on its employees, its suppliers, and subcontractors at all tiers.

We have identified the purchase of raw materials and Sundries as the two highest risk areas in our supply chain, in relation to modern slavery and human trafficking issues, primarily because of the location from which some are directly or indirectly sourced.

We continue to undertake risk-based reviews and conduct due diligence on all of our raw material suppliers before granting them the status of becoming a preferred supplier, including a requirement on them to complete a Supplier Assessment Questionnaire, and which includes questions on child labour, forced labour, workplace discrimination and rights at work. Our risk mitigation continues to be supported by our standard form T&Cs of Purchase which requires suppliers to confirm their commitment by warranting that they pay their employees the minimum wages and benefits, prohibit child / forced labour and abuse, and comply with laws relating to employment rights.

Strategic direct spend suppliers are also expected to participate in regular online sustainability performance assessments. The assessment is performed by EcoVadis, an external provider of sustainability evaluations, and covers four key topics; labour and human rights, environment, ethics and sustainable procurement. Suppliers that are part of Hempel's top 80% spend for each direct spend category are requested to participate in the sustainability assessment. Low scoring suppliers are targeted for improvement and follow-up. In 2022, we implemented a risk review process at category level in order to improve our handling of low performing suppliers. Ad-Hoc reviews were completed in 2023.

In addition to the systematic reviews and due diligence which we continue to undertake, we also undertook reviews based on independently generated reports regarding areas within our supply chain, which may represent a risk. This ad-hoc risk mitigation continues into 2024.

In relation to the suppliers of Sundries, which are for resale in our Wattyl Paint Centres and Wattyl Paintworld Paint Centres, we have continued our work here. All suppliers of our Sundries are required to commit to our Business Partner Code of Conduct as part of their purchasing agreement with Wattyl.

Wattyl remains committed to upholding human rights and combatting modern slavery from our supply chain and we will be reviewing our progress and effectiveness on an annual basis as part of the overall Hempel approach to ensuring we maintain the same high standards globally.

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 2023 and has been approved by the Board of Hempel (Wattyl) Australia Pty Ltd.



Matt Crossingham

Director