



CROWN

It's not just paint,
it's personal.

anti
modern
slavery

statement

for period - Jan - Dec 2022

Introduction

This statement sets out the steps that Crown Paints Limited and its subsidiaries ("Crown Paints") have taken (during the financial year which ended 31st December 2022) or will take to prevent modern slavery and human trafficking within Crown Paints and companies in its supply chain. Modern slavery encompasses slavery, servitude, human trafficking and forced labour. Crown Paints has a zero tolerance approach to any form of modern slavery or human trafficking. Crown Paints is committed to acting ethically and to prevent slavery and human trafficking occurring in any of its corporate activities, as well as seeking to ensure that its supply chain is also free from such practices. Crown Paints 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 Crown Paints or its supply chain.

Our business organisational structure and operations

Crown Paints is a leading manufacturer of decorative paints and coatings in the UK and Eire, and also has distribution and licensing arrangements in place overseas. We are a part of the Hempel Group ("Group"), and our ultimate parent company is Hempel A/S (which is owned by the Hempel Foundation). Hempel A/S has its head office in Denmark. Crown Paints has two manufacturing sites in Darwen and Hull, and over 170 stores across the UK and Eire, employing approximately 1,200 employees within its business.

Policies relating to slavery and human trafficking

Crown Paints' 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 www.hempel.com/en/about-hempel/how-we-do-it/our-code-of-conduct) – 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 www.hempel.com/en/about-hempel/how-we-do-it/our-code-of-conduct) – 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 Crown Paints 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, Crown Paints 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 (see www.hempel.ethicspoint.com), 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.

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

Training and awareness

In order to ensure that our key employees who can tackle this issue are aware of and understand 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 the targeted training provided to the Crown Paints Leadership Team, employees holding procurement roles, and colleagues in our People & Culture Department, Training & Development Department and Merchant Sales Team.

In addition to the mandatory online training and refresher training that was provided to all PC Users within the Crown Paints business, to ensure familiarity with our Employee Code of Conduct, training has been developed and rolled out for our employees that work on the "factory floor". The annual refresher training for all PC users was also undertaken. All new hires to Crown Paints must also commit to complying with the Employee Code of Conduct prior to undertaking their training.

Our supply chain

The main products and services purchased within Crown Paints' supply chain are:

Raw materials, to manufacture our coatings;

Sundry decorating products ("Sundries") for resale through our Crown Decorating Centres;

Packaging; Equipment and machinery, for the offices and manufacturing facilities;

Transport and Logistics;

Skilled and unskilled labour;

Services, such as those to support our marketing activities

Risk Assessment, Due Diligence and Performance Indicators

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.

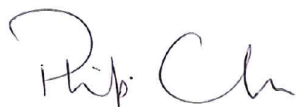
We continue to undertake risk based reviews and conduct due diligence on all of our raw material suppliers before granting them the status of becoming a preferred supplier, including a requirement on them to complete a Supplier Assessment Questionnaire, and which includes questions on child labour, forced 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. In 2023, we will implement corrective actions for low performing suppliers.

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 2023.

In relation to the suppliers of Sundries, which are for resale in our Crown Decorator 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 Crown Paints.

Crown Paints 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.



SIGNATURE OF MANAGING DIRECTOR

DATE SIGNED 9-3-2023