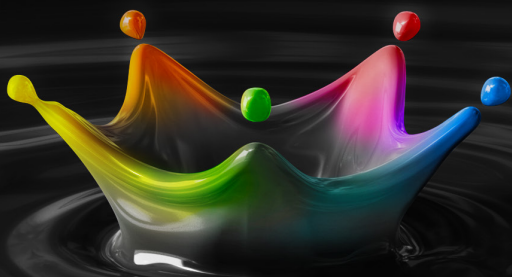




MODERN SLAVERY STATEMENT 2018



It's not just paint.
It's personal.®

Crown Paints Modern Slavery Statement 2018

This statement has been published in accordance with the UK Modern Slavery Act 2015. It sets out the steps taken by Crown Paints Ltd and its subsidiaries up to December 31, 2017, to prevent modern slavery in its business and supply chain.

Introduction

This statement is made pursuant to Part 6 and section 54(1) of the Modern Slavery Act 2015 and sets out the steps that Crown Paints Limited ("Crown Paints") has taken or will take to ensure that Crown Paints and companies in the supply chains are free from slavery and human trafficking during the financial year ending 2017.

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 chains are 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 135 stores across the UK and Eire, employing over 1,150 employees.

Policies relating to slavery and human trafficking

Crown Paints' Code of Conduct and Business Ethics policies reflect its commitment to acting ethically and with integrity in all its business activities and relationships.

Suppliers

Crown Paints is committed to ensuring that its global operations are in compliance with government regulations and legal requirements in each country in which it operates and that it serves. Crown Paints tries to ensure that Suppliers are obligated to act in an ethical responsible manner by ensuring compliance with Crown Paints' Employee Code of Conduct (<http://www.hempel.com/en/corporate-responsibility/code-of-conduct>), to ensure Suppliers meet the same standards of compliance as Crown Paints' employees. A new

business partner code of conduct is due to be rolled out shortly. Under the Crown Paints Supplier Code of Conduct, Suppliers must (amongst other things):

- not force any person to work against his or her will;
- refuse to tolerate any unacceptable treatment of employees, such as sexual or personal harassment or unlawful discrimination;
- provide fair remuneration and work breaks and holidays prescribed by local laws; and
- employ no child workers.

Crown Paints conducts due diligence on all suppliers before granting them the status of becoming a preferred supplier, including the requirement to complete a vendor Questionnaire which includes questions relating to the above issues. Further, clauses have been added into Crown Paints' two most commonly used sets of standard terms being (i) the T&Cs of Purchase and (ii) the Agreement for the Supply, Installation and Commissioning of Equipment for major capex purchases – requiring suppliers to warrant that they pay minimum wages and benefits, prohibit child and forced labour and abuse, and comply with laws relating to employment rights.

Employee Code of Conduct and awareness raising programme

All Crown Paints employees must comply with the Group's Employee Code of Conduct which sets out the standard of ethics that Hempel and Crown Paints expect from all Crown Paints employees.

The Code of Conduct stipulates that Crown Paints is guided by principles of:

- **diversity and inclusion** – we provide an inclusive work environment, promote diversity and work to eliminate any form of discrimination or harassment;
- **respect for human rights** – we are committed to respecting human rights in accordance with the UN's Guiding Principles Business and Human Rights and the UN Global Compact;
- **health and safety** – we promote a healthy and safe work environment for all of our employees and business partners; and
- **rights at work** – we respect and promote our employee's rights at work, including right to freedom of association, fair pay and working conditions and to never employ child or forced labour (directly or indirectly).

All employees are expected to conduct themselves in a manner that ensures customers, suppliers and fellow employees are treated with respect, fairness and dignity.

Crown Paints has provided its employees holding procurement and senior management roles with training on

the requirements of the Modern Slavery Act 2015. Crown Paints will also conduct an awareness raising programme among its employees to ensure that they are aware of Crown Paints' zero tolerance approach to slavery and human trafficking. An Anti – Slavery and Human Trafficking Policy has been prepared, and Crown Paints' employees will be made aware of the company's commitment to the prevention of exploitation and abuse associated with modern slavery and human trafficking.

In addition to this statement, a risk assessment will be prepared which sets out the key slavery and human trafficking risks to the business high risk areas and specify any control measures required to mitigate such risk(s).

Performance Indicators

Crown Paints will assess the effectiveness of the steps taken to ensure that slavery and human trafficking are not taking place within the business high risk areas or the supply chain.

Crown Paints will monitor whether investigations are commenced and undertaken by law enforcement agencies and regulators that indicate that modern slavery or human trafficking practices have been identified.

Ethics hotline

Crown Paints employees have previously had access to the Hempel Ethics Hotline – a whistle-blower system that allowed for the reporting of suspected unethical or illegal behaviour. During 2017, this was upgraded to an externally operated system that is open for reporting by employees and customers, suppliers and other stakeholders.

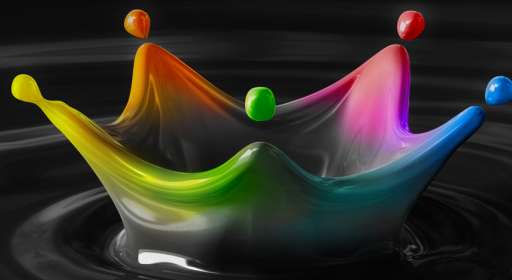
Crown Paints will also monitor whistleblowing reports from employees and reports from members of the public to ensure that modern slavery and human trafficking is not occurring within its business or supply chain.

This Slavery and Trafficking Statement has been approved by the Board of Crown Paints Limited.

SIGNATURE OF DIRECTOR *Joe Devitt*
JOE DEVITT

Date *26th February 2018*





A part of  **HEMPEL**

Crown Paints Ltd, PO Box 37, Hollins Road, Darwen, Lancashire BB3 0BG. Tel: 01254 704951