

# Slavery and Human Trafficking Statement 2022

This statement is made pursuant to Section 54(1) of the Modern Slavery Act 2015.

## 1. ORGANISATIONAL STRUCTURE

This statement is made by PPG Holdings (U.K.) Limited (Company Number: 02140935) (“**PPG Holdings**”) on behalf of its subsidiaries, specifically including the following UK trading entities:

- PPG Industries (UK) Limited (Company Number: 02110620)
- PPG Refinish Distribution Limited (Company Number: 01438525)
- PPG Kansai Automotive Finishes UK LLP (Company Number: OC309844); and
- PPG Architectural Coatings UK Limited (Company Number: 00436135)

(together “**UK Subsidiaries**”).

The principal activity of PPG Holdings is that of an intermediate holding company which is a wholly owned subsidiary of the US parent PPG Industries, Inc. It operates as part of the group’s European division and is the parent company of the UK Subsidiaries.

PPG Industries, Inc and its worldwide subsidiaries (“**PPG Group**”) is a global manufacturer of paints, coatings and specialty materials.

## 2. BUSINESS OPERATIONS AND SUPPLY CHAINS

### 2.1 PPG Industries (UK) Limited

PPG Industries (UK) Limited encompasses the activities of four core business units:

#### **Automotive Refinish business unit**

This business unit has two manufacturing facilities in Stowmarket which manufacture finished paint (1<sup>st</sup> facility) and resin for refinish paint production (2<sup>nd</sup> facility). The refinish paint facility produces automotive refinish coatings for cars, commercial transport and light industrial equipment and machinery, and

supplies to independent distributors, to larger direct end users, and to the PPG Europe, Middle East and Africa (EMEA) warehouse network where the product is then sold to end users and distributors in multiple countries in EMEA and some globally to Asia, USA and Latin America. It also distributes its range of coatings via PPG Refinish Distribution Limited's captive distribution network in the UK. The 2<sup>nd</sup> facility produces resin supplies, mainly to the refinish paint facility in Stowmarket and the PPG Milan facility, while also supplying other PPG sites and a very small volume to customers.

### **Packaging Coatings business unit**

The business unit sells coatings for the protection and decoration of metal packaging, eg food and beverage cans etc. In 2017, sales order processing and order fulfilment transferred to Rubi, Spain. However, the business maintains local sales management, technical and technical service teams in the UK.

### **Aerospace Products business unit**

This business unit, based in Shildon, supplies sealants, coatings, aircraft maintenance chemicals, transparencies, lightning strike protection, 3<sup>rd</sup> party chemical repackaging services, chemical management services and customised application systems serving original equipment manufacturers and maintenance providers for all aviation and military land based defence markets.

### **Industrial Coatings business unit**

This UK subsidiary does not have its own industrial coatings facility in the UK. Instead its finished goods are sourced Whitford Limited's UK facility in Runcorn and from PPG group companies in Europe. 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.

### **Automotive OEM Coatings business unit**

This business unit does not have a manufacturing facility in the UK, but instead sources its finished goods from PPG Group companies in Europe. The business unit sells automotive OEM coatings to automotive customers located in the UK.

## **2.2 PPG Refinish Distribution Limited**

PPG Refinish Distribution Limited is a wholly-owned subsidiary of PPG Industries (UK) Limited. It consists of a captive distribution network of 10 trading outlets in the UK. PPG Refinish Distribution Limited sells predominantly automotive refinish products. The bulk of these are purchased from PPG Industries (UK)

Limited's automotive refinish plant in Stowmarket, although it also sells a range of third-party goods, which are consumables used in automotive refinish bodyshops (e.g abrasives, masking tapes/films, spray equipment). Around 50% of the Refinish paint products purchased from Stowmarket are produced and supplied into Stowmarket by PPG Industries Italia in Milan.

### **2.3 PPG Kansai Automotive Finishes UK LLP**

PPG Kansai Automotive Finishes UK LLP is a UK limited liability partnership comprising two limited companies: PPG Industries (UK) Limited (60% interest) and Kansai Paint Europe Limited (40% interest). PPG Kansai Automotive Finishes UK LLP sells automotive coatings which it sources from Kansai Paint Group and PPG Group. PPG Kansai Automotive Finishes UK LLP resells its products to Japanese automotive OEM customers having manufacturing plants in Europe and Russia.

### **2.4 PPG Architectural Coatings UK Limited**

PPG Architectural Coatings UK Limited manufactures and sells architectural coatings. It also sources and sells external wall insulation systems, render systems, performance coatings and goods for resale.

### **2.5 Supply chains of the UK Subsidiaries**

- Raw materials (used to manufacture our products)
- Toll manufactured products
- Finished goods
- Goods for re-sale (tools and equipment related to coatings)
- Paint for re-sale
- Indirect goods and services
- Skilled and unskilled labour
- Marketing and logistics
- IT systems & solutions

## **3. RISKS OF MODERN SLAVERY PRACTICES**

We have identified that the following area gives rise to the highest modern slavery risk:

- raw materials which are used in coatings manufacture and which are associated with industries and/or are sourced from countries estimated to have the highest prevalence of modern slavery.

## 4. ACTIONS TAKEN TO ADDRESS RISKS OF MODERN SLAVERY

We have appropriate policies, processes and targeted initiatives in place that underpin our commitment to addressing the risks of modern slavery or human trafficking in our supply chains or in any part of our business.

Our policies reflect our commitment to acting ethically and with integrity in all our business relationships and to implementing and enforcing effective systems and controls to address the risks of slavery and human trafficking taking place in our supply chains. We have the following policies, processes and targeted initiatives in place relevant to modern slavery:

- Supplier Sustainability Policy which can be found at: <https://procurement.ppg.com/Programs/Supplier-Sustainability>
- Global Code of Ethics which can be found at: <https://www.ppg.com/about-ppg/en-US/ethics>
- Global Supplier Code of Conduct which can be found at: <https://procurement.ppg.com/getmedia/d4b8362a-0e86-4ba1-a6fd-824169ca22e3/English.pdf>
- Procedures for on-boarding new suppliers
- Supplier ratings
- Reporting policies
- Global Code of Ethics training and specific trainings on modern slavery
- Global initiatives such as those described below in section 12

## 5. Global Code of Ethics (“GCOE”)

### 5.1 Summary

PPG’s GCOE 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 Group are required to comply with the GCOE. In addition, all of the PPG Group’s allocated employees are required to complete, on an annual basis, a GCOE online training course.
- b) 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).

## 6 GLOBAL SUPPLIER CODE OF CONDUCT (“GSCC”)

### 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 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

<b>Forced or compulsory labour</b>	Suppliers must: <ul style="list-style-type: none"> <li>• Prohibit all forms of forced or compulsory labour</li> <li>• Maintain and promote fundamental human rights</li> </ul>
<b>Child labour</b>	Suppliers must: <ul style="list-style-type: none"> <li>• Prohibit the use of child labour</li> <li>• Adhere to the minimum employment age limit defined by national law or regulation</li> <li>• Comply with relevant International Labour Organization (ILO) standards</li> </ul>
<b>Human trafficking</b>	Suppliers are prohibited from engaging in any form of human trafficking
<b>Rights of minorities</b>	Suppliers shall respect the legal rights of minorities and indigenous people, including land, forest and water rights and will not participate in any illegal forced eviction practices
<b>Diversity and inclusion</b>	Suppliers must:

	<ul style="list-style-type: none"> <li>• Promote a diverse workforce and provide a workplace free from discrimination, harassment or any other form of abuse</li> <li>• Create a work environment in which employees and business partners feel valued and respected for their contributions</li> </ul>
<b>Health and safety</b>	Suppliers must: <ul style="list-style-type: none"> <li>• Provide safe and healthy working conditions</li> <li>• Proactively manage health and safety risks with the goal of providing an incident-free environment where occupational injuries and illnesses are prevented</li> <li>• Implement management systems and controls that identify hazards and assess and control risk related to their specific industry</li> </ul>
<b>Freedom of association</b>	Suppliers must: <ul style="list-style-type: none"> <li>• Respect employees' right to freedom of association and collective bargaining, consistent with local laws</li> <li>• Respect employees' rights to join or refrain from joining associations and worker organizations</li> </ul>
<b>Wages, hours and benefits</b>	Suppliers must: <ul style="list-style-type: none"> <li>• Treat employees fairly, including with respect to wages, working hours and benefits</li> <li>• Comply with all applicable legal and regulatory requirements and apply sound employee relations practices</li> </ul>
<b>Responsible mineral sourcing</b>	Suppliers are expected to be in compliance with the PPG Responsible Minerals Sourcing Policy

### 6.3 Responsibility and enforcement

a) We expect suppliers to immediately report any suspected violations of our GSCC through the PPG Ethics Helpline or other specified channels. In the event of any non-compliant activity or violation of the GSCC, the supplier may be required to provide a detailed corrective action plan to address the deficiency. We reserve the right to terminate our relationship with any supplier that cannot demonstrate compliance with the GSCC.

b) Employees, suppliers and other third parties can anonymously report suspected human rights violations within our operations and those of our suppliers through the PPG Ethics Helpline. The helpline is managed by an independent, third-party firm, and we investigate each allegation thoroughly and fairly.

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

## 7. PPG'S SUPPLIER SUSTAINABILITY POLICY ("SSP")

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

We acknowledge that our success in achieving these Goals will be dependent upon the full support of the global supplier base for which PPG's Global Sustainability Committee has issued its SSP.

## 8. PROCEDURE FOR ON-BOARDING A NEW SUPPLIER

New suppliers undergo an on-boarding process requiring their compliance with the GSCC and SSP and completion of a new supplier qualification form which includes questions on child and forced labour; human rights violations and safety in workplace violations.

All suppliers are required to sign up to ePro (a company-wide supplier portal). Within ePro, all suppliers are required to comply with the GSCC and SSP and to keep their vendor profiles up to date (which includes informing us of any breaches of the GSCC or SSP or informing us of any changes to the answers previously given to the qualification form). Accordingly, we are able to monitor any changes to their vendor profiles.

## 9. SUPPLIER RATINGS

We use EcoVadis, a leading third-party ratings organization, to evaluate supplier sustainability performance, which includes questions relating to child and forced labour, human trafficking, employee health and safety, working conditions, discrimination and harassment.

Beyond EcoVadis, we have shifted the focus of our internal supplier evaluations to review our most critical and highest risk suppliers. We identify suppliers for more in-depth review based on country and industry-specific risk.

## 10. REPORTING POLICIES

### 10.1 PPG employees

PPG employees and contractors are required to comply with the GCOE. Employees are encouraged and expected to report all suspected violations of the GCOE or the law to the appropriate levels of management, including the 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.

### 10.2 PPG 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.

## 11. TRAINING

All PPG 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.

In 2019 and 2022, we launched a modern slavery e-learning course aimed at permanent employees ranked from the most senior management to middle management/ mid-grade specialists with assigned email addresses.

## 12. GLOBAL INITIATIVES

Global initiatives are relevant because of the UK Subsidiaries' global supply chain. Their inclusion in this statement is consistent with our assessment that PPG's greatest risk exists in its global supply chain for raw materials.



## 12.1 Responsible Mica Mining initiative

A portion of the pigments supplied by PPG's pigment suppliers incorporate mica, which is extracted from mines located in India. In general, 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 to eradicate child labour and unacceptable working conditions in the Indian mica supply chain by joining forces across industries.

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

## 12.2 Responsible Minerals Sourcing Policy

"Conflict Minerals" currently include cassiterite, columbite/tantalite, and wolframite (the most common derivatives of which are tin, tantalum and tungsten, respectively) and gold – commonly referred to as 3TG. 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. The U.S. Securities and Exchange Commission (the "SEC") adopted Conflict Minerals reporting and disclosure requirements to further the humanitarian goal of ending violent conflict and inhumane treatment in the DRC and surrounding countries, which have been partially financed by the exploitation and trade of Conflict Minerals. Other minerals, including, cobalt, mica, and silicon may also be sourced from areas where there is a risk of human rights abuses in the supply chain of these minerals.

As further described in PPG's Supplier Code of Conduct, PPG is committed to ethical business conduct and responsible sourcing. We are working diligently with our global supply chain partners to ensure compliance with the SEC's Conflict Minerals rules and to source minerals from ethical suppliers. However, the international supply chain for minerals is complex, and the tracing of them is challenging. Many of the raw materials that contain Conflict Minerals and minerals of concern used by PPG passed through a variety of intermediaries before reaching PPG. PPG does not purchase directly from smelters; therefore, we must rely upon our suppliers to identify the sources of Conflict Minerals and minerals of concern and to declare the Conflict Mineral status of their products.

Consistent with PPG's commitment to social responsibility and sustainability, PPG has established a process to facilitate compliance with applicable laws mandating disclosure of Conflict Minerals, including

membership in the Responsible Minerals Initiative (“**RMI**”) and conducting due diligence on source and chain of custody using RMI’s Responsible Minerals Assurance Process (the “**RMAP**”). We commit to making reasonable efforts in requiring our 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 the RMAP and to determine the source of any Conflict Minerals or Conflict Mineral containing product supplied to PPG;
- provide the Conflict Minerals source information reasonably requested by PPG necessary to support our due diligence and reporting obligations under the SEC’s Conflict Minerals rules;
- notify us if a product supplied to PPG contains Conflict Minerals originating in the DRC or surrounding countries; and
- commit to being or becoming “conflict free.”

We also work with the suppliers of other minerals of concern to trace the origin of these minerals in an effort to ensure that our suppliers are meeting their obligations under the GSCC.

Suppliers who are not able to provide adequate information about the source of any Conflict Minerals or other minerals of concern in the products supplied to PPG shall be evaluated by PPG’s Global Procurement department and may be denied future PPG business. Furthermore, our Supplier Code of Conduct provides that we may terminate any agreement with any supplier that cannot eliminate products containing Conflict Minerals or other minerals from the supply chain, or which funds or supports armed conflict or human rights abuses.

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).

This statement is made pursuant to section 54(1) of the Modern Slavery Act 2015 and constitutes our slavery and human trafficking statement for the financial year 1 January to 31 December 2022. It was approved by the board of PPG Holdings (U.K.) Limited and is signed by Steven Pocock on behalf of that Company and also PPG Industries (UK) Limited, PPG Refinish Distribution Limited, PPG Kansai Automotive Finishes UK LLP, and PPG Architectural Coatings UK Limited on behalf of which this statement is made.



**Steven Pocock**

**Director**

**PPG Holdings (U.K.) Limited**

Below are the links to the UK Subsidiaries' 12 previous statements made pursuant to section 54(1) of the Modern Slavery Act 2015

2016	<a href="#"><u>PPG Architectural Coatings UK Limited</u></a>	<a href="#"><u>PPG Industries (UK) Limited (and subsidiaries)</u></a>
2017	<a href="#"><u>PPG Architectural Coatings UK Limited</u></a>	<a href="#"><u>PPG Industries (UK) Limited (and subsidiaries)</u></a>
2018	<a href="#"><u>PPG Architectural Coatings UK Limited</u></a>	<a href="#"><u>PPG Industries (UK) Limited (and subsidiaries)</u></a>
2019	<a href="#"><u>PPG Architectural Coatings UK Limited</u></a>	<a href="#"><u>PPG Industries (UK) Limited (and subsidiaries)</u></a>
2020	<a href="#"><u>PPG Architectural Coatings UK Limited</u></a>	<a href="#"><u>PPG Industries (UK) Limited (and subsidiaries)</u></a>
2021	<a href="#"><u>PPG Architectural Coatings UK Limited</u></a>	<a href="#"><u>PPG Industries (UK) Limited (and subsidiaries)</u></a>