



Doc number: Procurement – POL-1.06
Approved by: Emilie Barriau
Executive Vice President,
Chief Technology Officer
Confirmed by: Executive Group Management
Effective date: 6 January 2026

Hempel's Procurement Sustainability Policy

Purpose

Hempel is committed to responsible and sustainable business conduct throughout our supply chain. As a signatory to the United Nations Global Compact, our approach is guided by the UN Guiding Principles on Business and Human Rights (UNGPs), ILO's fundamental conventions and OECD Guidelines for Multinational Enterprises.

Our climate-related procurement commitments are aligned with the Science Based Targets initiative (SBTi) and the Paris Agreement and are operationalized through supplier engagement and Scope 3 decarbonization activities.

The purpose of this policy is to set out how Hempel integrates sustainability considerations into procurement practices and supplier engagement across all spend categories. It provides the framework for safeguarding responsible, resilient, and sustainable supply chains, while supporting Hempel's business needs and meeting customer expectations.

This policy reflects Hempel's ambition to be sustainability leaders by developing sustainable coating solutions.

Scope

This policy applies to all Hempel Group entities, employees within Group Procurement, and any Hempel employee who interacts with suppliers or is otherwise involved in procurement activities.

Our approach to managing human rights and environmental impacts in the supply chain is further outlined in Hempel's Human Rights Policy and Environmental Policy. Expectations towards suppliers are outlined in the Hempel Business Partner Code of Conduct.

Responsibility

The Chief Technology Officer holds overall responsibility for governance of this policy and reports progress to the Executive Management Team and the Board of Directors.

The Vice President of Procurement is accountable for ensuring that sustainable procurement practices are embedded across all spend categories and for setting direction within Group Procurement.

The Head of Procurement Sustainability is responsible for driving the development, implementation, and continuous improvement of sustainable procurement processes, tools, and standards, and for coordinating sustainability initiatives across direct and indirect spend.

All Hempel employees involved in procurement activities must understand and act in accordance with this policy and contribute to responsible and sustainable sourcing practices.

We focus on four main principles:



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We engage with our suppliers to create change. We believe that collaboration and engagement increase the likelihood of positive impact and engage with suppliers across our supply chain to encourage and support responsible sustainability practices. We will prioritize suppliers that have committed to sustainability and can demonstrate good practices. We also commit to supporting suppliers who continuously improve their efforts.

We take a risk-based approach to due diligence. We identify, assess, and prioritize sustainability impacts based on category impact, country risk and individual supplier performance. This ensures we focus our efforts where risks are highest, including human rights, environmental and climate harms, and apply appropriate prevention, mitigation, monitoring, or remediation measures. Where Hempel has contributed to an adverse impact as a result of our own procurement decisions, requirements or commercial practices, we seek to provide access to remedy for affected stakeholders and to prevent or mitigate re-occurrence. Where an adverse impact is linked to Hempel through our business relationships, including impacts occurring deeper in the supply chain beyond our immediate suppliers, we use our leverage, or seek to increase it, to ensure that the entity causing the impact takes appropriate action to cease and mitigate the impact.

We have clear expectations to our suppliers. Our expectations for business partners reflect the same internationally agreed minimum standard for responsible business conduct, to which we also hold ourselves accountable. Hence, our business partners shall, at minimum, align and implement the UN Guiding Principles and OECD Guidelines, and expect the same from their business partners. Our expectations for our business partners are further elaborated in our Business Partner Code of Conduct.

We enable customer value through sustainable procurement. Sustainable procurement, due diligence and supply chain decarbonization enhance the sustainability performance of Hempel's products and services. By embedding these considerations into procurement, we support our customers' regulatory, climate, and transparency requirements while strengthening Hempel's long-term competitiveness.

To turn ambition into action, we will:

- Ensure our approach is aligned with relevant legislation and international standards
- Implement standard operating procedures (SOP) for indirect and direct spend
- Strengthen supplier ESG performance through ESG assessments, supplier audits, and Corrective Action Plans
- Engage high and medium CO2-impact suppliers in Hempel's Scope 3 decarbonization efforts, including requesting product carbon footprint data and developing reduction plans
- Develop sustainability competences within the procurement organization and promote capacity-building among suppliers.

Targets

In support of our commitments and to drive continuous improvement, Hempel has set the following targets for 2030. Performance on these targets will be tracked through Hempel's monthly Procurement Sustainability KPI reporting process.

We aim to ensure strong ESG performance and reduce our Scope 3 emissions in our supply chain by achieving:

ESG Performance targets

- 85% of direct spend with suppliers that show strong ESG performance
- 100% of direct spend with suppliers covered by ESG assessments (for high and medium human rights impact categories)
- 50% of indirect spend with suppliers covered by ESG assessments (for high and medium human rights impact categories)



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- 100% of direct spend with suppliers that have undergone an audit (for high human rights impact categories in high-risk countries)
- 80% of suppliers to close Corrective Action Plans within the agreed time frame
- 100% direct and 70% indirect active suppliers to sign Hempel Business Partner Code of Conduct

Decarbonization targets

- 85% of spend with suppliers in high- and medium-CO₂ impact categories covered through Hempel's Procurement Sustainability Screening
- 60% of spend in high-CO₂ impact categories supported by verified product carbon footprint data

Michael Hansen

Michael Hansen, Group President & CEO