

DULUXGROUP SUSTAINABILITY REPORT

2019



imagine
a better place



We believe that a robust corporate sustainability framework, practice and culture translates to a strong company that delivers for all its stakeholders over the long term.

At DuluxGroup, our core purpose to **Imagine a Better Place** anchors our approach to sustainability.



We help our consumers to imagine and create better places and spaces in which to live and work. We do this by manufacturing and marketing a wide range of products that enhance, protect and maintain those places and spaces. We recognise that doing business in a responsible and sustainable way is critical for us to earn and maintain the respect and trust of all stakeholders including our consumers, customers, communities and our employees.

During the past year, we have made good progress towards our sustainability goals, and we have much more to achieve and we remain focused on improving. In coming years, we intend to conduct and publish a formal assessment of material risks in relation to sustainability. We are committed to further improving our climate-related disclosures and adopting the key recommendations of the Taskforce on Climate-related and Financial Disclosures (TCFD). Our current status in relation to the TCFD is outlined on page 16.

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ABOUT DULUXGROUP

ABOUT DULUXGROUP



DuluxGroup's origins go back to 1918, when the foundations of the existing business were established in Sydney, Australia. It has evolved from its original heritage as Dulux paints and coatings in Australia and New Zealand. Today, DuluxGroup is a leading marketer and manufacturer of premium branded products that enhance, protect and maintain the places and spaces in which people live and work. It is home to a portfolio of iconic brands including Dulux, Selleys, Cabot's, Yates and B&D. In addition to growing its market leading businesses in Australia and New Zealand, DuluxGroup is developing pathways to a more meaningful offshore business, including in Asia, the UK and Europe.

In late 2019, DuluxGroup became part of Nippon Paint Holdings Limited. Nippon Paint is the world's fourth largest paint company and the largest in the Asia Pacific.

DULUXGROUP AT A GLANCE

ESTABLISHED IN **1918** IN SYDNEY AUSTRALIA

APPROXIMATELY **\$2 BILLION** IN ANNUAL REVENUE

APPROXIMATELY **4,000** EMPLOYEES

~ **95%** OF REVENUE IN AUSTRALIA, NEW ZEALAND AND PAPUA NEW GUINEA

22 MANUFACTURING SITES

PART OF THE WORLD'S **FOURTH LARGEST** (AND ASIA PACIFIC'S LARGEST) **PAINT COMPANY**

OUR BUSINESSES



DULUX

The leading marketer and manufacturer of premium branded decorative paints, woodcare coatings, texture coatings, protective coatings, industrial and powder coatings products. With a heritage dating back to 1918, Dulux has grown to become the number one brand for home owners and trade professionals and has industry leading brand recognition. Dulux is regularly named as one of Australia's 'most trusted' brands.



SELLEYS

Selleys was established in Sydney in 1939 with a focus on invention and creativity. That legacy has endured, and today Selleys is a leading choice for Australian and New Zealand consumers and tradespeople when it comes to household adhesives, sealants, fillers and paint preparation products. Selleys is growing its presence in Asian markets through its partnership with Nippon Paints.



PARCHEM

Parchem's origins date back to 1958 and it has grown to be a leader in construction chemicals, decorative concrete products and related equipment for Australia and New Zealand's civil engineering, industrial, commercial and residential construction markets.



* Licensed Brand

YATES

Yates is synonymous with 'home gardening' in Australia and New Zealand. With origins dating back to 1883, today Yates is a leading marketer and manufacturer of fertilisers, potting mix, pest & disease control, lawn care, seeds, pots and organic gardening products.



B&D GROUP

B&D was founded in Sydney in 1946. Today, B&D Group is a leading manufacturer and marketer of garage doors and automatic openers for the Australian and New Zealand residential, commercial and industrial markets. The B&D Roll-A-Door was originally launched in 1956 and has been named as one of Australia's most successful inventions.



LINCOLN SENTRY

The Lincoln Sentry cabinet and architectural hardware distribution business was established in Brisbane in 1986. Since then, it has evolved to become one of Australia's leading distributors of premium quality hardware and components to the cabinet making, window, door and glazing industries.



* Distributed brand

DGL INTERNATIONAL

DuluxGroup's offshore business, focussed on paints and Selleys, is building its presence, predominantly in the UK and Europe. It includes the Craig & Rose paints business in the UK, a well established brand dating back to 1829, Selleys in the UK, and the Maison Deco paints business in France.



DuluxGroup Limited owns the Dulux trade mark in Australia, New Zealand, Papua New Guinea, Samoa and Fiji only, and the Cabot's trade mark in Australia, New Zealand, Papua New Guinea and Fiji only. DuluxGroup is not associated with, and has no connection to, the owners of the Dulux and Cabot's trade marks in any other countries, nor does it sell Dulux and Cabot's products in any other countries.

MARKETS AND SECTORS

DuluxGroup is predominantly an Australian and New Zealand paints, coatings, sealants and adhesives company.

Our primary end-market focus is on the maintenance and improvement of existing homes, with a smaller focus on new residential construction, complemented by a presence in commercial and industrial markets.

OUR PRODUCTS

Paints, coatings, sealants and adhesives account for approximately 70% of group revenue.

OUR CUSTOMER CHANNELS

More than half of DuluxGroup's business is delivered via trade channels, comprising an extensive network of customers including, painters, specifiers, architects, engineers, designers, builders, concreters, cabinet makers, garage door dealers, project and facilities managers.

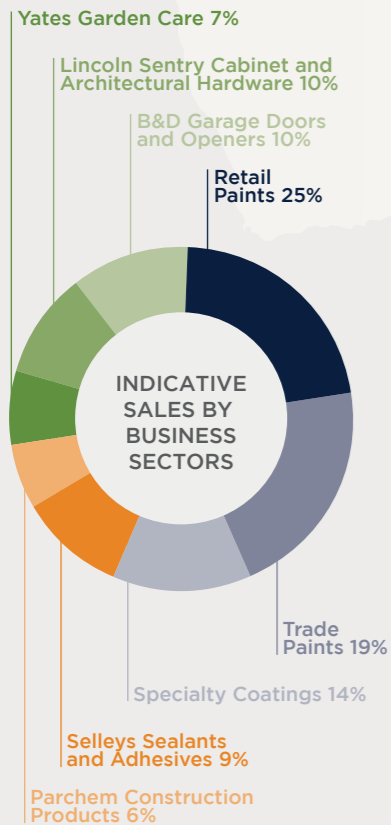
In addition to our own extensive company trade store network, DuluxGroup's products are sold through thousands of retail customer outlets ranging from large national home improvement and grocery retailers to specialist paint and decorating stores, smaller family-owned hardware stores and garden centres.

OUR END MARKETS

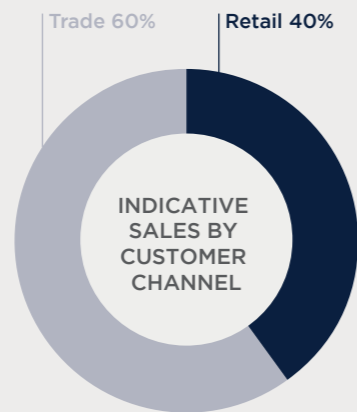
Approximately two thirds of DuluxGroup's business is focused on the maintenance and improvement of existing homes. Throughout economic cycles consumers have continued to invest in making their homes 'a better place', whether it be through do-it-yourself (DIY) projects or engaging a trade professional.

DuluxGroup also has some focus on new housing, with a bias towards the premium end of the market where consumer choice of brands plays a greater role.

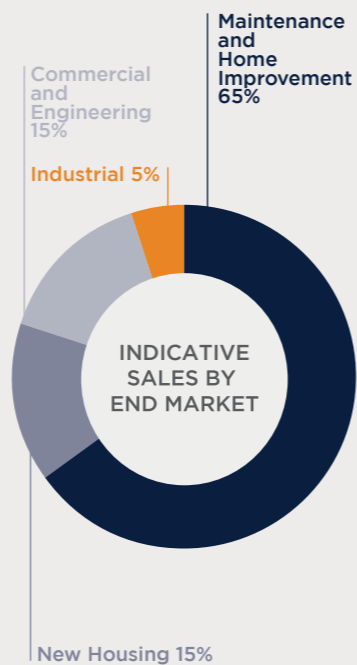
Approximately one fifth of DuluxGroup's business comes from commercial and engineering construction and industrial markets



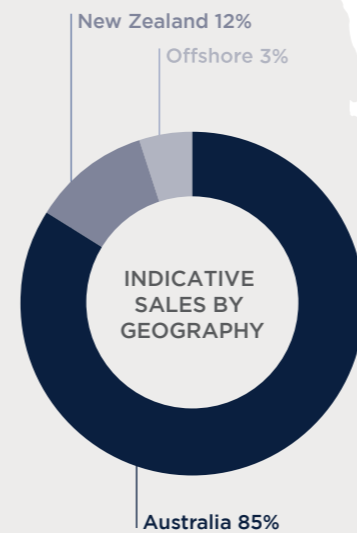
A broad portfolio of products and markets.



DuluxGroup invests in its iconic brands and provides innovative product solutions to drive growth through its retail and trade customers.



DuluxGroup's primary focus is on residential markets, with a strong bias towards existing homes. This is complemented by a presence in commercial and industrial markets.



DuluxGroup holds market leading positions in Australia, New Zealand and Papua New Guinea, with exposure to higher growth regions in Asia and a developing presence in the United Kingdom.

MANUFACTURING FACILITIES

Dulux Decorative Paints

- Merrifield, Victoria, Australia
- Rocklea, Queensland, Australia
- Mascot, New South Wales, Australia (Porter's Paints)
- Gracefield, Wellington, New Zealand
- Lae, Papua New Guinea
- Edinburgh, Scotland, UK (Craig & Rose)
- Marseille, France (Maison Deco)

Cabot's Woodcare

- Dandenong, Victoria, Australia

Dulux AcraTex Texture Coatings

- Beverley, South Australia

Dulux Powder Coatings

- Dandenong, Victoria, Australia
- Auckland, New Zealand

Dulux Protective Coatings

- Dandenong, Victoria, Australia

Selleys Sealants & Adhesives

- Padstow, New South Wales, Australia
- Mulgrave, Victoria, Australia

Parchem Construction Chemicals

- Wyong, New South Wales, Australia

Yates Garden Care

- Wye, New South Wales, Australia
- Mt Druitt, New South Wales, Australia

B&D Group Garage Doors

- Hornby, Christchurch, New Zealand
- East Tamaki, Auckland, New Zealand
- Revesby, New South Wales, Australia
- Clontarf, Queensland, Australia
- Kilsyth, Victoria, Australia
- Malaga, Western Australia

B&D Group Openers

- Dalian, China

Innovation and Technology Centres

- Dulux, Clayton, Victoria, Australia (Global Headquarters)
- Selleys, Padstow, New South Wales, Australia
- Dulux AcraTex, Beverley, South Australia.

REGIONAL SALES PRESENCE

- Hong Kong
- Port Moresby, PNG
- Singapore
- Vietnam
- Milton Keynes, UK

DULUXGROUP'S MAIN MANUFACTURING SITES

DuluxGroup employs approximately 4,000 people in Australia, New Zealand, Papua New Guinea, South East Asia, China, the United Kingdom and France. DuluxGroup has:

- 22 main manufacturing sites
- 24 distribution centres
- Approximately 120 company owned trade outlets

DULUXGROUP CONTINUES TO EVOLVE





OUR PRODUCTS

PRODUCT STEWARDSHIP

Improving the sustainability impacts of our products throughout their life cycle (cradle to grave) continued to be a key focus during the year, continuing our long heritage in this area. Our continuous improvement approach is driven via an annual product risk assessment process that identifies actions in priority areas such as consumer safety, product misuse, post-consumer waste, raw material impacts, packaging and labelling, and distribution. This stewardship process complements other improvement processes dedicated to management of chemicals of concern and sourcing risks.

In 2017 we refreshed and improved our stewardship assessment and planning tool to include capture of customer and consumer insights, implementation of a life cycle assessment tool, and development of new performance metrics. Effective performance metrics are critical to ensuring we continue to improve our understanding of the sustainability impacts of our products throughout their life cycle, identify the right improvement priorities for action, and measure the outcomes of our improvement work over time. Implementation of these new metrics continued in 2019, including total carbon footprint, packaging intensity, and consumption of high concern chemicals. A metric for sales of sustainable products, derived from portfolio sustainable assessments (PSA), is currently in development and once implemented will provide a clear understanding of our product sustainability improvement progress.



OUR PRODUCTS

2019 PRIORITIES

- | | |
|----------------------------|---|
| Product Stewardship | <ul style="list-style-type: none"> • Implementation of actions identified in 2018 stewardship improvement plans and completion of annual assessments and plans for 2019 across all businesses • Continued sustainability engagement with key customers to identify common stewardship concerns, priorities and opportunities • Continued implementation of a life cycle assessment software tool to enable assessment of product sustainability attributes for different design scenarios • Submitted a consolidated DuluxGroup report and action plan under the Australian Packaging Covenant • Progressed implementation of new product sustainability performance metrics |
|----------------------------|---|

2019 PERFORMANCE

- **Stewardship:** 59 annual product stewardship assessments and 108 product stewardship improvement actions were completed across the group. Improvement examples include:
 - Dulux Australia continued to be an active, founding member of Paintback, a recovery scheme for leftover paint and packaging. More than 120 collection points have now been established across Australia, with more than 12 million kilograms collected since the scheme was launched in 2016.
 - Dulux New Zealand continued their Paint Take-Back recovery program, with 91,500 litres of paint and 184,000 containers collected. Recycled plastic from the take-back program is currently incorporated into new 10L plastic pails at a level of 5%, with plans in place to increase to 10%.
 - Cabot's continued focus on increasing the availability of water-based woodcare products in the market and growing consumer uptake, with 66% of sales now made up of water-based products.
 - Yates launched new rodent control products such as Ratsak Natural Bait and Repel ultrasonic repellents, providing alternative solutions to traditional anticoagulant chemical bait products.
- **Packaging:** Actions from our Australian Packaging Covenant (APC) plan were implemented, including incorporation of a sustainable packaging design checklist into the new product development process in each business. Our consumption of packaging was 9.8kg/\$1000 net sales.
- **Incidents and Compliance:** Three serious (Category 3) product and distribution incidents occurred, compared with none in 2018. All incidents were fully resolved without any impacts on people, the environment or community. Two regulatory improvement and/or infringement notices were received, compared with three in the prior year, all of which were fully addressed.
- Our emergency response service provider managed 624 calls, compared with 609 in 2018. This service provides advice 24 hours a day to customers and members of the public with any emergency concerns involving our products, with most calls involving minor, inadvertent human and animal exposures.



Water-based products make up two-thirds of Cabot's volume sold.



CABOT'S SUSTAINABILITY FOCUS IS A WHOLE OF TEAM EFFORT

The transition to water-based technology for the Cabot's Business isn't something that is left to the R&D chemists, everybody in Team Cabot's is focused on accelerating the move.

For all New Product Development (NPD) projects, water-based technology is the default starting point for the R&D team. All consumer marketing campaigns highlight the flagship water-based products such as Cabot's Aquadeck and Intergrain UltraDeck, and our sales teams help educate our retail and trade customers about the benefits of our water-based products.

The team focus on water-based technology has made a huge impact. Over the past five years, Cabot's has shifted the profile of its sales volume from 55% water-based technology to 66% in 2019. This product stewardship process improvement represents 400,000 litres less solvent not going into the atmosphere every year - equivalent to 10 semi-trailer fuel tankers of solvent every year.



CHEMICALS OF CONCERN

Managing the risks associated with hazardous chemicals used in formulation of our products, especially those with potential for long term health or environmental effects ("chemicals of concern"), is an important priority. Scientific knowledge, regulations, and community concerns for many chemicals are constantly evolving, therefore requiring a rigorous management approach. In 2017 we commenced implementation of a new group standard to enhance our historic focus on this area through product stewardship, with development of risk management plans for chemicals we identify as high or emerging concern (based on toxicological and/or regulatory classifications). This includes chemicals that may only be present in minor or trace quantities, however we want to ensure all potential risks are understood and evaluated. The plans are designed to ensure that if any current or future risks exist, they are being identified and managed to acceptable levels via improvement actions to further reduce or eliminate the risks (e.g. changes to formulations, packaging, labelling, sourcing, marketing).

2019 PRIORITIES

Chemicals of concern

- Continued development of new risk management plans for high and emerging concern chemicals and implementation of actions from existing plans
- Continued a rigorous monitoring process to stay abreast of any emerging regulatory or social concerns for chemicals of concern
- Introduced a new performance metric for consumption of high concern chemicals in order to track long term improvement progress

2019 PERFORMANCE

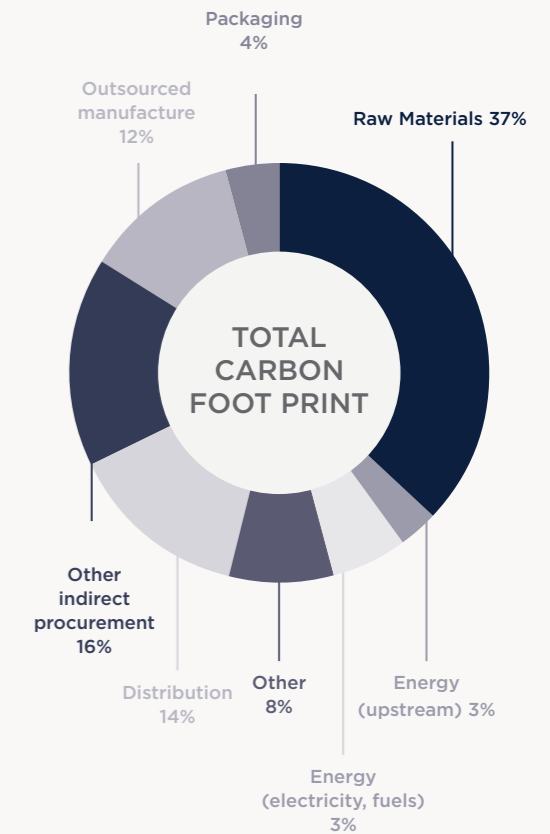
- 29 new risk management plans were developed, with plans now established for 71% of high concern chemicals and 36% of emerging concern chemicals.
- 76 improvement actions from existing plans were implemented across the businesses. Examples included:
 - Yates completed the removal of boron and alkylphenol ethoxylate (APE) surfactants from all retail products.
 - Parchem replaced hydrazine sulphate with a non-hazardous petroleum coke in a range of cementitious mortars.
 - Dulux Powder Coatings replaced materials containing >0.1% RCS (respirable crystalline silica) with those containing <0.1% RCS.
 - Lincoln Sentry worked with suppliers to replace a range of toluene-based adhesives and cleaners with less hazardous alternatives.
- Our consumption of high concern chemicals was 1.5 kg/\$1,000 net sales.



CLIMATE CHANGE AND CARBON

DuluxGroup recognises that climate change presents both risks and opportunities. We are committed to limiting our climate change impacts, while adapting to the effects of climate change. During 2019 we calculated our total carbon footprint (Scope 1, 2 and 3 emissions) for the first time in order to understand and inform our future improvement opportunities. The total annual footprint is 995 kt and Scope 3 emissions comprise 94%, reflecting that our direct operations are not energy intensive due to the nature of our manufacturing processes (e.g. mixing, blending). 80% of the footprint is upstream, with raw materials being the largest component, and this will be the significant risk and opportunity for longer term improvement.

During 2019 we commenced adoption of the key recommendations of the Taskforce on Climate-related and Financial Disclosures (TCFD) in order to improve our climate related disclosures. This included a high level review of the risks and opportunities associated with climate change and this will be refined during the coming year to identify materiality to the group under different scenarios and an associated action plan. Potential risks identified include impacts on product performance, brand perception, markets, and supply chain efficiency, while potential opportunities include new product attributes and new markets. Our current TCFD status is summarised in the following table.



SOURCING

Formal supplier evaluations against the requirements of our sustainable procurement policy and standard commenced with key outsourced manufacturers in 2016 and with other key suppliers in 2018. These assessments involve supplier completion of questionnaires and provision of supporting evidence, followed by review by our procurement and safety and sustainability specialists. These reviews identify the need for any further evidence or verification via site visits, the priority of any required improvements, and ultimately an approval rating. Any suppliers unwilling to address significant priority improvements within a reasonable timeframe are prohibited from supply.

2019 PRIORITIES

- Sourcing**
- Continued assessment of outsourced manufacturers, applicators, and installers (>AUD10,000 p.a. spend)
 - Continued assessment of other significant spend suppliers (>AUD100,000 p.a. spend)

2019 PERFORMANCE

- Completed 321 new assessments and addressed 11 priority improvements from prior years. Two new high priority non-compliances relating to an outsourced manufacturer for solvent based products were identified and this is currently being actioned.
- 83% of outsourced manufacturers and 51% of applicators and installers have been assessed to date. 144 have been formally approved and 15 conditionally approved pending completion of some agreed improvements. To date, one manufacturer has been prohibited and is no longer used for supply.
- 44% of other significant spend suppliers have been assessed and formally approved to date.

TCFD ELEMENT CURRENT STATUS

TCFD ELEMENT	CURRENT STATUS
Governance	<ul style="list-style-type: none"> Our Executive Safety and Sustainability Council regularly reviews strategies, objectives and performance, including climate change
Strategy	<ul style="list-style-type: none"> Our current sustainability priority actions (e.g. metrics development, life cycle assessments) include climate-related risks and opportunities within their scope Formal identification of risks and opportunities has commenced, with further work planned to evaluate these under different climate-related scenarios
Risk management	<ul style="list-style-type: none"> Our current sustainability priority actions (e.g. metrics development, life cycle assessments) include climate-related risks and opportunities within their scope Formal identification of risks and opportunities has commenced, with further work planned to evaluate these under different climate-related scenarios
Metrics and targets	<ul style="list-style-type: none"> Implementation of new metrics commenced in 2019, including total carbon footprint (Scope 1, 2, and 3) and sales of sustainable products Targets to be considered in future, once confidence in new metrics is established



- Dulux Australia** continued to be an active, founding member of **Paintback**, a recovery scheme for leftover paint and packaging. More than 120 collection points have now been established across Australia, with more than 12 million kilograms collected since the scheme was launched in 2016.
- Dulux New Zealand** continued their **Paint Take-Back** recovery program, with 91,500 litres of paint and 184,000 containers collected. Recycled plastic from the take-back program is currently incorporated into new 10L plastic pails at a level of 5%, with plans in place to increase to 10%.
- Yates** launched new rodent control products such as **Ratsak Natural Bait** and **Repel** ultrasonic repellents, providing alternative solutions to traditional anticoagulant chemical bait products.

OUR OPERATIONS



OUR OPERATIONS



SAFETY

DISASTER PREVENTION

Prevention of disasters such as a major fire or explosion from manufacturing process safety risks (e.g. flammable solvents, combustible dusts) and handling of dangerous goods across our operations network is a key priority, in order to protect our assets, people, and continuity of supply. More than 35 years has elapsed since our last major incident (fire) involving a chemical process safety risk. However, we know from the regular occurrence of such high consequence events in similar industries around the world that continuous vigilance and improvement is required.

The key improvement activity in this area remains our in-depth periodic hazard study process, which involves deep hazard analysis every five years at factories with process safety risks, to ensure that effective critical risk controls are

being implemented and sustained. Specialist progress reviews are conducted every six months, including updating of each site's process safety lead indicator scorecard, to ensure improvement actions are effective. This is further supported by disaster prevention protocols that specify the minimum, generic control standards for management of flammable solvent, combustible dust, and dangerous goods risks.

While our performance improvement in recent years has been strong, we continue to focus on identification and implementation of best practice improvement opportunities. This included an external specialist review of our process safety risk management framework in 2016 and specialist safety culture surveys, including process safety dimensions, at priority sites in 2018 and 2019.

2019 PRIORITIES

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| Process safety | <ul style="list-style-type: none"> • Completion of new Periodic Hazard Studies at Cabot's Dandenong and Dulux Rocklea, plus implementation of actions from prior year studies at other sites • Disaster prevention protocol and lead indicator scorecard reviews at each site • Continued implementation of best practice improvements identified during the 2016 external specialist review of our process safety management framework • Completion of high reliability organisation workshops to identify process safety culture improvements following specialist safety culture surveys in 2018/19 |
|-----------------------|--|

- | | |
|------------------------|---|
| Dangerous goods | <ul style="list-style-type: none"> • Completion of specialist dangerous goods audits and actions at priority sites |
|------------------------|---|

2019 PERFORMANCE

- **Process safety:** Serious near misses (Category 3) involving process safety risks decreased 25% to three incidents, our lowest level on record.
- **Dangerous goods:** No serious (Category 3) incidents involving storage and handling of dangerous goods occurred, consistent with 2018.

ENVIRONMENT

Managing operational environmental risks (e.g. air, odour, noise, waste, effluent, land) to meet regulatory standards and community expectations is a key foundation of our commitment to preventing harm. In 2017 we introduced a new program of environmental specialist audits designed to ensure all environmental risks and compliance requirements at our manufacturing sites are being managed effectively.

Prevention and management of soil and groundwater contamination is also an important priority, particularly for our sites handling chemicals. We apply a targeted assessment and monitoring approach to our existing and acquired sites to ensure any risks are identified and managed. Localised, stable contamination associated with historic activities exists on some older sites, however no remediation is currently required.

2019 PRIORITIES

- | | |
|--------------------|---|
| Environment | <ul style="list-style-type: none"> • Completed new environmental specialist audits at five sites and implemented actions from prior year audits at other sites • Completed further soil and groundwater investigation works, including routine monitoring. This included testing for PFAS at our highest risk sites and a desktop survey of remaining sites to identify any areas requiring further investigation |
|--------------------|---|

2019 PERFORMANCE

- **Soil and groundwater:** No new significant issues with off-site impacts requiring current intervention or remediation works were identified.
- **Compliance:** There were no serious (Category 3) community or environmental incidents during the year, consistent with 2018. There were no regulatory improvement and/or infringement notices received compared with three in the prior year.

WASTE

Waste generation improvement is a key operational sustainability priority, recognising both the environmental impacts associated with use of finite resources and the significant operational costs. Historically our focus was on waste to landfill and these levels were reduced by >25% over the last decade, though were relatively static in more recent years. During 2018 we moved to a focus on total waste generated and diverted, in order to improve our understanding of total waste impacts and the potential reduction opportunities. Solid wastes account for 73% of total waste generated, with the largest waste stream being filter cakes and sludges from waste water treatment. Other significant waste streams include various forms of packaging from raw materials, and water and solvent wash wastes from process equipment cleaning.

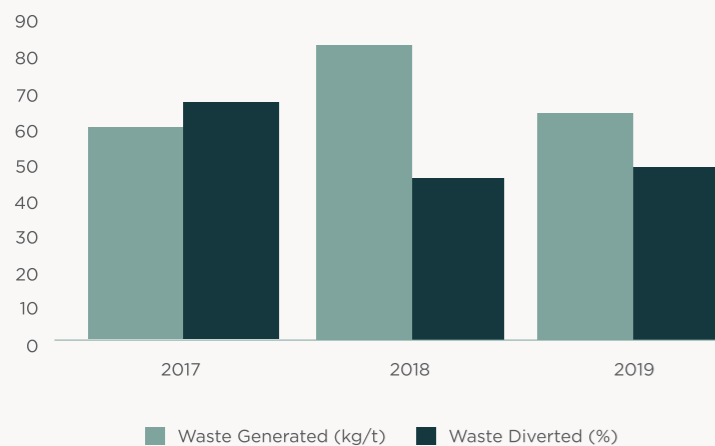
The move to a focus on total waste has been supported by a new materials efficiency review process (replacing historic waste audits), which is being applied at priority sites and used to develop targeted reduction plans. This will be further supported in the coming year by development of a group level action plan targeting the largest common waste streams.

2019 PRIORITIES

- Waste**
- Completion of new materials efficiency reviews and development of action plans at four priority sites, following a pilot at Selleys Padstow in 2018
 - Implementation of waste inventory management procedures and metrics across operating sites

2019 PERFORMANCE

- **Waste generation:** Total waste generated decreased 22% to 64 kg/t (kilograms per tonne of production) and total waste diverted increased 7% to 48%. This significant improvement was primarily due to Dulux Merrifield achieving full production rates, following plant construction and commissioning having a significant negative impact on performance in 2018.



DULUX PNG OPENS NEW SOLVENT RECOVERY PLANT

During the year, Dulux commissioned a solvent recovery plant to treat solvent waste for reuse at its factory in Lae Papua New Guinea (PNG).

About half of the factory's annual volume is in solvent-based paints, which results in hazardous solvent waste that is subject to strict regulatory controls.

Off-site recycling options are costly and present risks, such as potential for a spill during transport. This is particularly the case in PNG where local solvent recycling facilities are not available and waste solvent must be stored until sufficient quantities are available to cost-effectively export to a recycling plant overseas.

The new plant is processing around 200 litres of solvent a day. Initially the processed solvent will be reused onsite for cleaning with any excess sold locally as a specialised washing solvent for the cleaning of spray equipment and paint brushes. In the longer term the site is looking to reuse the solvent in production of solvent-based paints, reducing the need to purchase raw material.

"This was an exciting project for us and with the support from the Dulux Safety and Sustainability team fills a passion we have for 'Building a Future Without Harm'," said Simon Barstow, General Manager for Dulux PNG.

"Old waste solvents are purified and re-used, while old steel drums are cleaned, recycled and also sold. Proceeds are being used for our corporate social responsibility fund, which we use to support local charities to give back to the local community.

"Overall this project is a win for DuluxGroup, the local community and for the environment," said Simon.



ENERGY AND WATER



Benchmarking indicates that our energy and water consumption levels are not highly significant compared with peer organisations and this is consistent with the nature of our manufacturing operations (mixing, blending). Our greatest supply chain impacts are upstream and downstream of our operations and this is our evolving priority focus area (see Our Products, Carbon), whilst still recognising the need for operational efficiency improvements to manage potential business impacts (e.g. energy prices and reliability). A number of our operating sites have implemented energy and water efficiency improvements over time and in 2017 we completed a review of energy efficiency opportunities. This review identified LED lighting upgrades and solar panel systems on new or upgraded plants as the key improvement opportunities. A review of water efficiency opportunities will be completed in the near future.

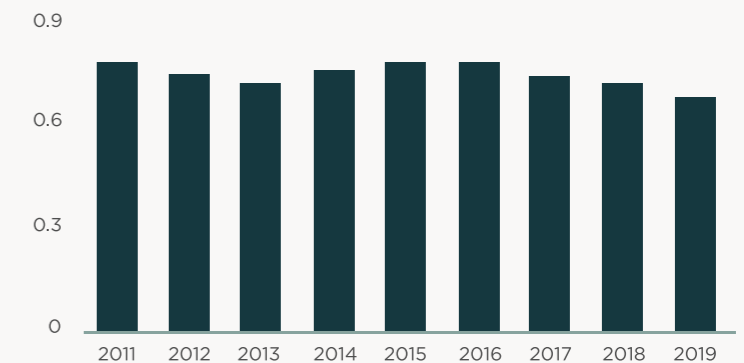
Energy consumption and scope 1 and scope 2 greenhouse gas emissions for our Australian activities are reported annually under the National Greenhouse and Energy Reporting (NGER) scheme. More than 80% of these reported greenhouse gas emissions arise from electricity consumption with the remainder associated with use of natural gas, diesel and LPG fuels (including fleet vehicles), while 58% of the reported energy consumption is raw material solvents used in product formulation (i.e. the solvents are not combusted or used as an energy source).

2019 PRIORITIES

- Energy**
- Continued installation of LED lighting upgrades
 - Completion of simple energy efficiency reviews at a number of sites, with some improvement opportunities identified (e.g. compressed air leaks)

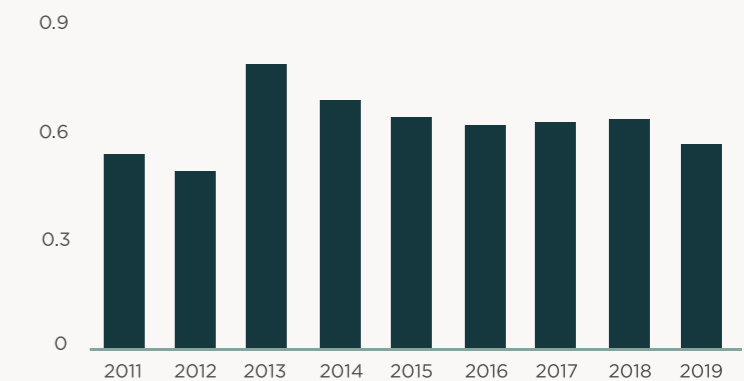
2019 PERFORMANCE

- **Energy:** Our energy consumption (gigajoules per tonne of production) decreased 6% to 0.67 GJ/t, our best performance on record. This reduction was primarily associated with Dulux Merrifield achieving full production rates and LED lighting upgrades across Dulux Trade Centres, Lincoln Sentry branches, and distribution centres.



- **National Greenhouse and Energy Reporting (Australia):** Total energy consumption (including solvents in products) reported was 466,700 GJ and total greenhouse gas emissions (Scope 1 and 2) were 31,800 tonnes (CO₂-e or equivalent carbon dioxide emissions). Compared with 2018 these results were 19% and 2% lower respectively, due to changes in required reporting for raw material solvents and decreased fleet fuel consumption.

- **Water:** Water consumption (kilolitres per tonne of production), including water used in production processes and in products as a raw material, decreased 11% to 0.56 kL/t, our lowest level in seven years. This was primarily due to Dulux Merrifield achieving full production rates. The paints and coatings businesses account for 75% of group water consumption, with approximately 40% of this water used as raw material in formulation of water based products.





OUR PEOPLE



OUR PEOPLE

SAFETY

FATALITY AND INJURY PREVENTION

Protecting our people from harm is a critical priority and we adopt a differentiated approach between fatality and injury prevention. This recognises that common fatality risks across the business (e.g. forklifts, work at heights, driving) are not the same risks involved in everyday injuries (e.g. manual handling strains, cuts, slips/trips) and often require different controls

We have been fatality-free for more than 25 years and continue to identify through benchmarking that this is exceptional performance, however it can never be taken for granted. Constant improvement focus is required and the foundations of our fatality prevention approach are hazard and near miss reporting, auditing of significant risks, risk management basics (e.g. permit to work, management of change), and implementation of protocols that prescribe mandatory risk controls. Our focus on hazard and near miss reporting (“Total General Learning Incidents”) is critical for risk awareness, especially for high consequence risks, so that we can take action before harm occurs. These reporting levels have continued to increase year on year and we see this as a positive indicator of our risk awareness culture continuing to improve.

The majority of our injuries involve strains from manual handling. Benchmarking indicates that our recordable injury rate of recent years (range 1.6 – 2.1) is a strong performance compared to organisations with high levels



of manual handling risks, and we continue striving to improve further. This includes prevention of injuries occurring, reducing the severity of injuries that do occur, and managing compensation claims to minimise cost impacts. Our approach includes investment in risk reduction via changes to workplace and equipment design, risk assessments and training in standard operating procedures, health assessments and monitoring, hazard reporting, and early injury intervention.

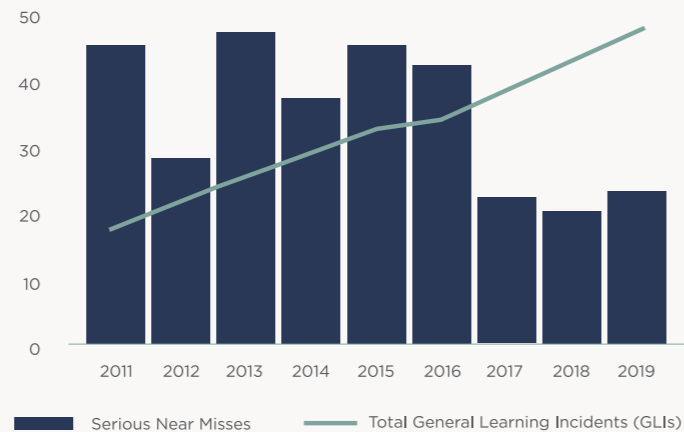
Culture improvement is a key element of successful fatality and injury prevention, and is complementary to continuous risk management and reduction. Specialist safety culture surveys have been completed at 16 priority sites over the last two years, with good insights compared with global best practice. This has enabled each site to develop targeted plans to address their specific culture dimension improvement opportunities.

2019 PRIORITIES

- Fatality prevention**
- Implemented actions from in-depth protocol best practice reviews completed at the 23 highest risk sites in 2017/18
 - Implemented actions from a targeted plan for contractors and truck drivers working at height
 - Developed and piloted a new fatality risk lead scorecard to drive continued focus on critical controls across sites, will full implementation to be completed in 2020
- Injury prevention**
- Continued implementation of targeted reduction plans for 20 priority sites / areas
 - Commenced development of a new manual handling protocol designed to deliver a sustainable reduction in common strain injuries
 - Completed more than 1,500 health assessments and 500 hygiene tests to monitor employees working with chemicals or high-risk activities
 - Delivered mental health awareness programs for managers and employees across several workgroups

2019 PERFORMANCE

Fatality prevention: Serious near misses (Category 3) increased 20% from a historic low in 2018 to 24 incidents. This increase was driven by two sites and targeted safety improvement plans have been established. There was strong improvement elsewhere, including a 75% reduction in working-at-height near misses to a historic low. Our total hazard and near miss reporting (Total General Learning Incidents) increased 12% to a positive, record high of 4.8 per employee.



Injury prevention: Serious injuries (Category 3), involving more than 10 days of lost and/or restricted time, increased 29% from a historic low level in 2018 to 36 injuries. These injuries involved manual handling strains and slip/trip injuries (e.g. sprains). The Recordable Case Rate, or total number of employee and contractor injuries requiring time off work, restricted duties or medical treatment per 200,000 hours, increased 29% to 2.16 (representing 86 recordable injuries, versus 70 in 2018). This performance deterioration was driven by four sites / business areas and targeted action plans have been established, while strong performance was sustained elsewhere.



- **Compensation Claims:** Claim numbers remained steady at a historic low level, while our premium increased 13% due to a small number of prior year strain injuries involving lengthy recoveries.
- **Compliance:** No regulatory prosecutions or prohibition notices were received during the year, consistent with 2018. Two improvement and/or infringement notices were received compared with four in the prior year, all of which were fully addressed.

CULTURE AND ENGAGEMENT



At DuluxGroup we know that our diverse, skilled and engaged workforce is critical to our success. We focus on developing talent and capability, encouraging leadership and accountability and rewarding performance to create an engaging workplace that attracts and retains talented and skilled people. Our people are rewarded not only for what they do but how they do it. Our DuluxGroup Values were developed by our people and guide them in achieving results in the right way. Across our brands and locations, our people are bound together by our Values and our Core Purpose: 'To imagine a Better Place'.

Our Values are the foundation of the way we work at DuluxGroup. We recognise that we must live our values every day to deliver on our Core Purpose. To ensure this, our Values are reinforced in our leadership programs, our employee awards and recognition, our remuneration structure and the behaviour of our senior leaders. Our Executive team plays a critical role in setting, leading and monitoring our culture.

Recognising those employees that best demonstrate our values is important to us. We have many recognition programs across our businesses. Employees are encouraged to nominate their peers monthly for living our Values and Behaviours and this culminates in our four penultimate winners of Imagine a Better Place awards for each year.

OUR VALUES

Be consumer driven, customer focused.

- Walk in the shoes of our consumers & customers
- Ask, listen, learn and act
- Help your customers win
- Use and understand our products
- Think like tomorrow's consumer

Unleash your imagination.

- Challenge the status quo - imagine 'what if'
- Seek, encourage and support new ideas
- Fight for good ideas and don't give up
- Embrace change and get on board
- Be brave - make it happen

Value people, work safely and respect the environment.

- Protect yourself and others - work safe, home safe
- Work as a team, win as a team for DuluxGroup
- Behave with respect and integrity, embrace diversity
- Lead, recognise, help others succeed
- Strive to leave our environment better than we found it
- Participate in our communities

Run the business as your own.

- Know your role, be accountable & deliver
- Take a responsible approach to costs
- Plan for tomorrow, act today
- Build partnerships that add value
- Be decisive

2019 PERFORMANCE

- 24% of new employees attended face to face workshops on our culture and values. A further 64% completed online training on our expectations.

2020 PRIORITIES

- Continue induction of new employees into our values, including our expectations of their behaviour
- Ongoing reporting on our culture and HR statistics to the Executive team
- Aligning company culture to business strategy by taking a systemic lens



Imagine a better place award winner Justin Merrett with DuluxGroup CEO and Chairman Patrick Houlihan

JUSTIN CREATES A WIN FOR DULUX AND THE ENVIRONMENT



As part of the Dulux customer marketing team, Justin Merrett is responsible for managing the design and building of stands for several customer exhibitions each year. Traditionally the stands for each expo were built from scratch, consuming large amounts of timber and MDF that would eventually end up in land fill. Justin recognised the financial and environmental waste associated with building disposable expo stands and sought a solution.

“I was bothered by what became of the old expo stands. They were expensive to produce, and at the end of each event, they were scrapped and sent to landfill. I thought there must be a better way to firstly reduce the amount of waste produced by these projects and reduce our impact on the environment,” says Justin.

“I looked into the idea of reusable materials and realised that significant costs could be saved by re-using materials indefinitely and viewing them more as assets rather than something to be disposed of.”

He wrote a brief for a modular, reusable expo stand system and arranged for a few specialist expo system organisations to tender. An aluminium frame system that also enables infinite creative design flexibility was selected.

As a result, Dulux Decorative expo stands were built with reusable components while still delivering strong and creative branding.

The result is an expected annual cost saving of approximately 25%, while building materials being sent to landfill will reduce by approximately 90%.

Justin’s determination to challenge the status quo and make positive change was recognised with 2018’s Imagine a better place award for ‘Value people, work safely and respect the environment.’

“I couldn’t believe that my efforts at changing something I had a problem with would be so valued by the business as a whole. It was a moment in my career that I am most proud of and feel like I’ve done something good for both the business and the environment,” says Justin

LEADERSHIP & DEVELOPMENT

DuluxGroup’s well established suite of leadership programs is designed to provide our leaders with the skills and knowledge to create an environment where they, and their teams, can perform at their best.

We are aiming to develop world class leaders. A comprehensive suite of transition-based leadership programs supports our people to progress in their careers, from first time leaders through to senior leaders.

We empower our employees to be the catalyst of their own learning through our professional skills curriculum. We have an ever expanding range of topics areas from Strategic and Business Acumen; Management and Marketing Skills; Developing yourself and your career; Health and Wellbeing; IT skills to Knowing our Business for our employees to access, as we recognize we are all lifelong learners.



DuluxGroup Chairman and CEO Patrick Houlihan with third year DuluxGroup Graduates

GRADUATE PROGRAM

Our graduate program, now in its tenth year, puts graduates in real jobs from day one while supporting them with a comprehensive development program over three years. It offers university graduates authentic work experience, while providing them with structured development opportunities. The program delivers much more than technical skills and knowledge – DuluxGroup is developing our graduates to be leaders of the future. During the three-year program they are immersed in experience-rich development opportunities that focus on finance, project management, presentation skills, communication skills and a variety of business simulations.

The graduates do field work, spend time in various parts of the business and develop a holistic view of DuluxGroup. Our Executive team and other senior leaders actively sponsor and mentor graduates.



“THE DULUXGROUP GRAD PROGRAM STOOD OUT AS AN INTERESTING WAY TO LEARN ABOUT DIFFERENT ELEMENTS OF BUSINESS WHILST BEING PLACED IN AN ACTUAL ROLE, WITH ACCOUNTABILITY FOR DELIVERING REAL RESULTS,”

Jasmin Bebelmans

PROGRAM PROVIDES CHALLENGE AND REWARDS FOR JASMIN

Jasmin Bebelmans recently started as a Business Graduate in the Dulux Trade team. She was looking for a structured graduate program that would help her develop and grow, so when the opportunity presented to apply for the DuluxGroup rotational grad program in the Trade team it was too good an opportunity to pass up.

“The DuluxGroup grad program stood out as an interesting way to learn about different elements of business whilst being placed in an actual role, with accountability for delivering real results,” says Jasmin.

In her three years Jasmin will be rotated into different roles. Her first role sees her out visiting our customers as a Trade Territory Manager.

“No two days are the same. It requires lots of planning, problem solving, site visits and of course the unavoidable admin but it also requires a degree of flexibility and agility to respond to the demands that arise day to day. It’s exciting and really challenging,” she says.

Next Jasmin will work in one of the Dulux Trade Stores before her final year in a head office role.

As Jasmin learns she is also being supported by the Trade Sales Team. They are coaching her, checking in with her and giving her every opportunity to learn and observe. This attitude of “how can we help” has led to Jasmin feeling welcomed and really supported.

“One thing that has really resonated with me is our DuluxGroup Value of ‘Run the business are your own’. Everyone is trusted to work in a way that best suits them and the business.”



2019 PERFORMANCE

- In FY19, over 67 leaders, participated in formal leadership programs. 58% of these were women.
- Introduced an agile and accessible way for all employees to learn through our “Learning Festival” whereby 17% of our workforce attended 30 learning session, hosted via webinars over 2 days. (case study attached)
- Approximately 61 future leaders in our talent acceleration pool.

2020 PRIORITIES

- Continue to expand and improve our leadership and professional skills curriculum
- Promotion of our comprehensive learning curriculum across the business to increase take-up
- Talent acceleration programs for high potentials, including focused development, senior executive mentoring and active career management to support achievement of career goals.
- Ongoing implementation and refreshing of our established learning curriculum across our functions, including sales and marketing and comprehensive training on our extensive range of products.

DULUXGROUP LEARNING FESTIVAL A HIT WITH EMPLOYEES

In 2019 DuluxGroup launched ‘The Learning Festival’ for employees. Over two days, more than 600 employees participated in one or more of 30 separate webinars hosted by DuluxGroup senior leaders and subject matter experts from inside and outside the company. Each presenter had a passion for their subject area and expertise to share.

Employees participated in groups in meeting rooms, at their desks with headphones on, at home, and some even stopped driving to participate on their laptops in their cars. Our employees love any opportunity to learn and are increasingly looking for flexible and innovative ways to develop their knowledge and expertise. The feedback has been overwhelmingly positive and there are plans to expand the program in 2020.

Dulux Customer Help & Advice Manager Kylie Grigg was one of the experts sharing her knowledge and experience. A six-year veteran of DuluxGroup, five years in marketing and customer service roles at Yates, Kylie found the Festival really rewarding.

“I was fortunate to present a deep dive into the value of data and artificial intelligence programs for the Yates business. This was the first webinar I’d ever done. But the program was so well organised that it was really seamless and easy for presenters and the audience to participate,” says Kylie.

“There were opportunities to engage with attendees throughout the 45min session and to answer questions. It also meant that location was no impediment for employees – they could attend anything, anywhere.

“I got really positive feedback and lots of great questions. I would happily do it again. We were able to reach so many people in such a short space of time – across a great breadth of topics.

“I also attended many other sessions to expand my knowledge of other businesses under the DuluxGroup umbrella along with sessions focussed on emotional intelligence and agile ways of working - all were beneficial.

“They entire program was a great way to hear from peers and learn more about our business and skill sets in bite size sessions.”



Kylie Grigg

INCLUSION



Building a diverse and inclusive workforce is critical to achieving DuluxGroup’s strategic goals. We know that diversity of gender, culture and age as well as experience, skills and thinking enriches our decision making processes and strengthens our connection with our consumers. This leads to better solutions for the benefit of our customers, our consumers and our overall results.

DULUXGROUP’S KEY DIVERSITY OBJECTIVES MAY BE BROADLY CATEGORISED AS FOLLOWS:

- 1. INCREASE THE NUMBER OF WOMEN IN DULUXGROUP**
- 2. INCREASE THE NUMBER OF WOMEN IN LEADERSHIP POSITIONS IN DULUXGROUP**
- 3. BUILD A DIVERSE AND INCLUSIVE WORKFORCE IN DULUXGROUP (INCLUDING GENDER, AGE AND CULTURAL BACKGROUND)**

2019 PERFORMANCE

- Female representation across the Group continued to grow to new high of 35%.
- Ensured our employee value proposition resonated with females which saw 39% of new hires being female.
- Identified and accelerated females through our talent acceleration programs (36% of our high potential cohort are female)
- Promoted talented women (38% of internal promotions were female)
- Through our annual gender pay equity analysis ensured there was no gender differential when setting salary and awarding incentives.
- Through the formation of a specially tasked project team (Project Ignite) enhanced and promoted our workplace flexibility and parental support offering
- Busted flexibility myths through sharing success stories from across the group
- Supported females during pivotal points in their careers, such as returning to work after parental leave
- Partnered with e.motion21 in a world first pilot initiative, Impact 21, that sees DuluxGroup offer employment to individuals living with Down Syndrome once they have completed a year of study
- Voluntary turnover of females of 11%, a reduction of 2% year on year.

2020 PRIORITIES

- Continue the attraction and recruiting of talented women through our strong brand and employee value proposition
- Retaining women in the middle years of their career through active career management as well as through our flexible working and parental support programs
- Promoting a flexible mindset to leaders when recruiting to attract a more diverse talent pool into the workforce
- Accelerating talented women through providing promotion and development opportunities.
- Inclusive leadership principles embedded in leadership development programs
- In our store and sales network, we focus on recruiting individuals who reflect the cultural and language background of our customers.
- Celebrating initiatives that encourage diverse & inclusive work cultures

IGNITING IDEAS FOR A MORE FLEXIBLE WORKPLACE

When Mariana Roldan, Dulux Trade Network and Planning Manager, was asked to be part of a 12-month project aimed at increasing workplace flexibility across DuluxGroup, she jumped at the chance.

“Collaborative project work is common across DuluxGroup and is a great development opportunity, but this project was especially close to my heart because its purpose was to look at how to optimise the use of flexibility across the Group,” says Mariana.

The project, at its core, was about getting more high performing women into senior leadership positions, however through the journey, it grew into a broader look at flexibility, and how to challenge the status quo of the “normal” 9-5 workday mindset.

“For me, in particular, this would help women returning to the workforce have more opportunities to advance their career and maintain a flexible approach to work/life balance,” says Mariana.

“I was on Parental Leave at the time and so being involved in the project allowed me to feel more certain on my path forward, as well as helping others in similar circumstances which ultimately helped reinforce that the business values employees like me.

“The project consisted of 16 high potential employees from almost every part of DuluxGroup. In mapping the employee experience of working flexibly we were able to come up with four distinct initiatives that would help propel flexibility forward.

“We addressed issues like transparency of information by launching a new online site dedicated to flexibility. We collected and shared stories about where flexibility is being used, and used well, to show all DuluxGroup employees what is possible. We reframed the steps for employees transitioning in and out of the workforce to ensure a better overall experience and we innovated - we created a talent pool of flexible employees that can be matched with business projects. We launched all our initiatives to the workforce in December.

“To support us through this journey we were given a Senior Leader as a sponsor to mentor us through the project, with direct reporting to the DuluxGroup Executive along the way.

“Aside from what we delivered, one of the real personal benefits for me was to meet so many other people who had shared experiences like mine. Project Ignite gave me the opportunity to have my story heard and get involved to make a genuine positive change in how we view flexibility at DuluxGroup.”



Mariana Roldan



“FOR ME, IN PARTICULAR, THIS WOULD HELP WOMEN RETURNING TO THE WORKFORCE HAVE MORE OPPORTUNITIES TO ADVANCE THEIR CAREER AND MAINTAIN A FLEXIBLE APPROACH TO WORK/LIFE BALANCE”

Mariana Roldan

TRANSITIONING INTO RETIREMENT – MY WAY



For most people retirement means a sudden change from full time employment to no employment. Parchem Technical and Specification Service Manager Phil Jones is choosing a different way, transitioning towards retirement while working and living in an idyllic location.

Phil has worked for Parchem in Australia for 36 years. Three years ago, when he began thinking about retirement, he and his wife, who is from New Zealand, eventually decided that some acreage at the top of New Zealand's South Island offered the lifestyle they craved.

"I was then in my early 60s, and with both kids living overseas, my wife – who is a Kiwi – convinced me that the time was right to move across the Tasman," says Phil.

"I wasn't ready to retire, I love my job, but I was ready for a change. I approached my manager with my plan about changing my work arrangements from full time to part time and to also work remotely. He was really receptive to the idea.



Phil Jones (left) at work with customers

"FLEXIBILITY COMES IN MANY DIFFERENT FORMS AND MEANS DIFFERENT THINGS TO DIFFERENT PEOPLE."

Phil Jones

"Flexibility comes in many different forms and means different things to different people. For me it means I can find more time to spend on the things that I am passionate about while continuing to work in a job that I love as I transition to retirement.

"Essential to this being successful is the trust the business has in me. And it has worked out really well. I have a role that keeps my brain active, a bit of money coming in and more time for myself. I see the situation as a win-win – the business gets to retain my immense knowledge and experience. If anything, I'm more productive than ever, fully focussed on tasks without interruptions.

"At the same time, there's a spectacular lifestyle and landscape right outside my office door."



Phil Jones enjoying New Zealand's beautiful landscape

"I KNOW THE BENEFITS THAT FLEXIBILITY BRINGS SO I HAVE ALWAYS ACTIVELY ENCOURAGED MY TEAM TO FIND A FLEXIBILITY SOLUTION THAT WORKS BEST FOR THEM, AS WELL AS THE BUSINESS."

Sarah Shatkin



THINKING DIFFERENTLY ABOUT RECRUITMENT YIELDS RESULTS

In a time when workplace flexibility has fast become a 'must have' to attract and retain the best talent Sarah Shatkin, Marketing Manager for Parchem, realises the important role she plays as a senior leader in embracing flexibility. Not only does Sarah herself work flexibly but she also manages one of the most flexible teams in DuluxGroup.

"Flexibility is a must in my own life and it's also very important for the majority of my team," says Sarah, who started at DuluxGroup in 2007.

"I know the benefits that flexibility brings so I have always actively encouraged my team to find a flexibility solution that works best for them, as well as the business. Currently I have team members that work from home, work out of other DuluxGroup locations that are more conveniently located, alter their start and finish times and, or, work part time.

"They are also geographically dispersed – in New Zealand, New South Wales and Victoria – so to manage this team effectively already requires a flexible mindset. Discussing with them the flexibility needs they have, to be most effective in their jobs, is simply an extension of that."



Parchem Marketing Manager Sarah Shatkin on site at the Sydney Metro Project, Kellyville, New South Wales.

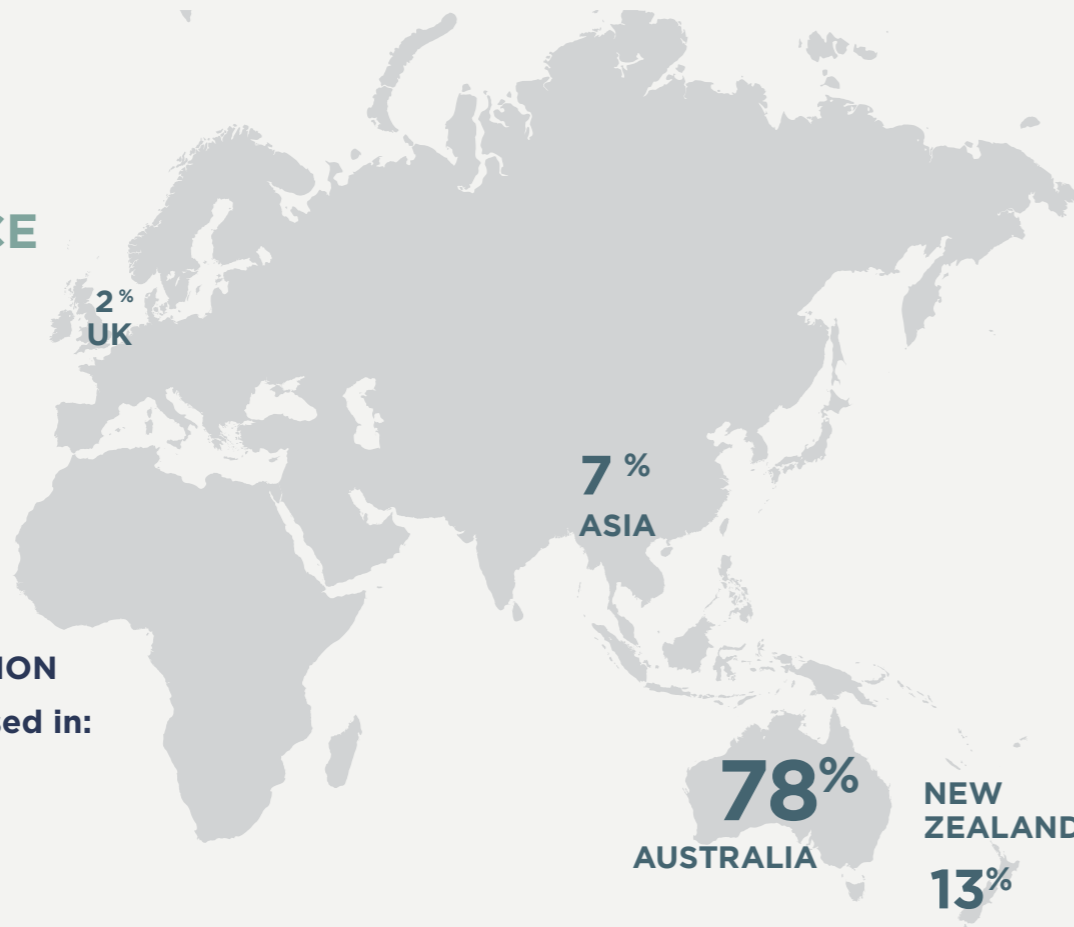
In 2019, when Sarah was recruiting for a replacement brand manager position, a role that had previously been done full time, she decided to test the market and advertise the position as full time as well as separately advertising the role promoting it as flexible.

"After seeing the candidates who applied, and in order to achieve a truly flexible role for them, I realised that the role needed some redesign. It was worth it. I ended up attracting a wealth of high potential talent, all drawn to the flexibility element," she says.

"The result was that I ended up employing not one, but two brand managers, both working part time with the role split in two. Those two team members now deliver far more than one person ever could, which more than covers the extra costs associated with the initial additional hire.

"I make a point of role modelling flexibility, allowing my team to work through and determine ways that will make them most productive. This has resulted in a team of highly engaged, outcome driven people in a workplace culture where differing needs are widely accepted."

WORKFORCE STATS



EMPLOYEE LOCATION % of workforce based in:

WORK TYPE (ANZ)



FULL TIME
84%

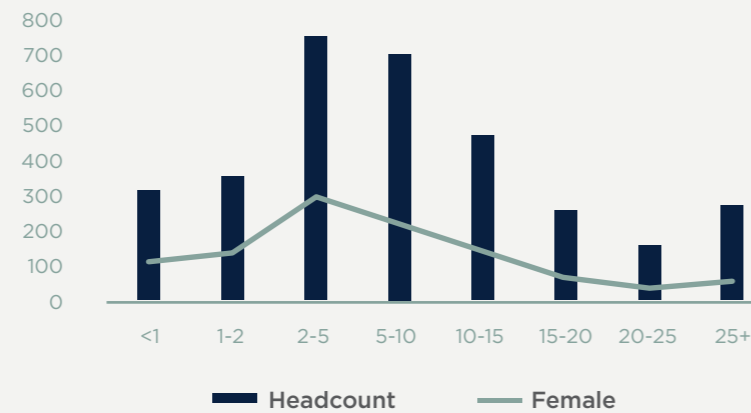


PART TIME
9%

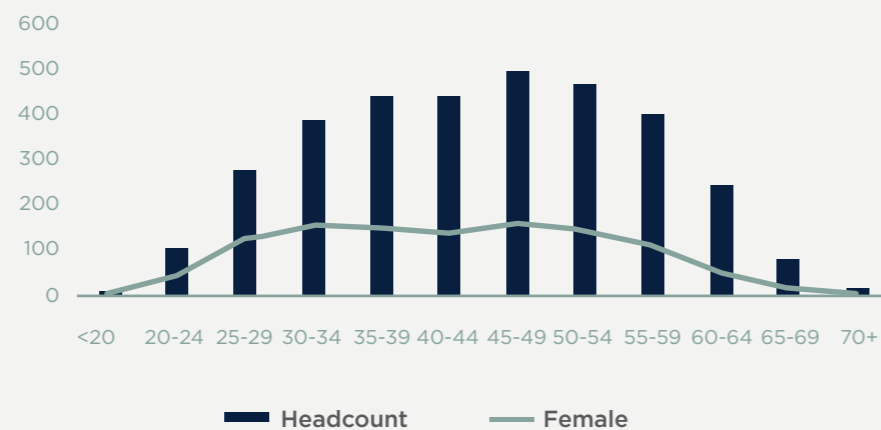


CASUAL
7%

TENURE DISTRIBUTION

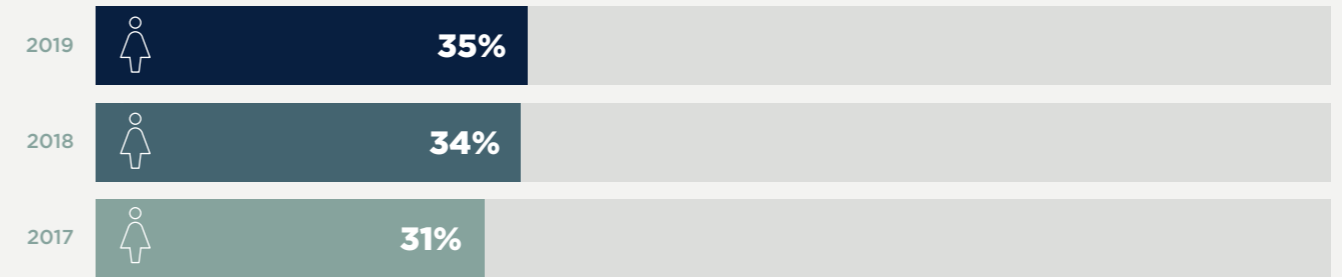


AGE DISTRIBUTION

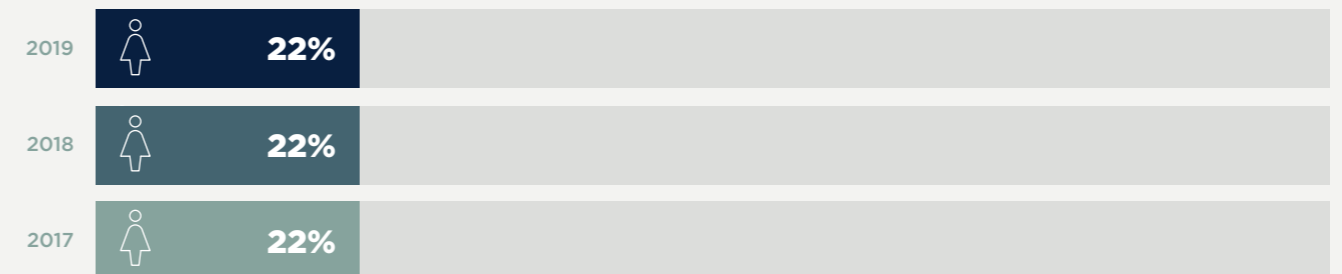


GENDER DIVERSITY IN LEADERSHIP

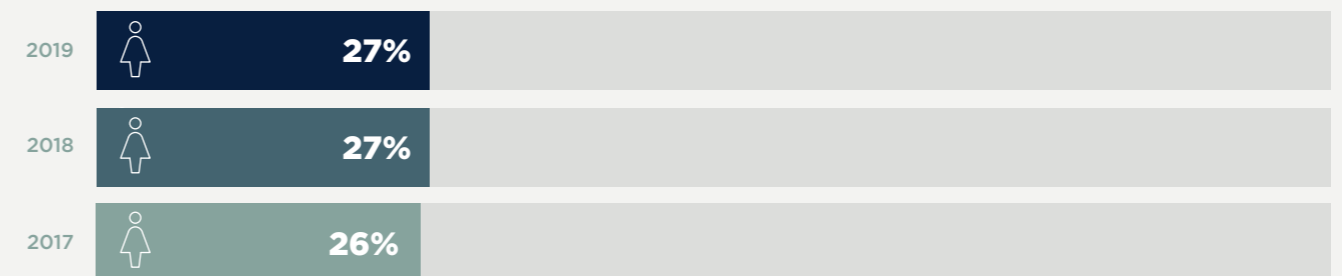
WOMEN IN DULUXGROUP (GLOBAL)



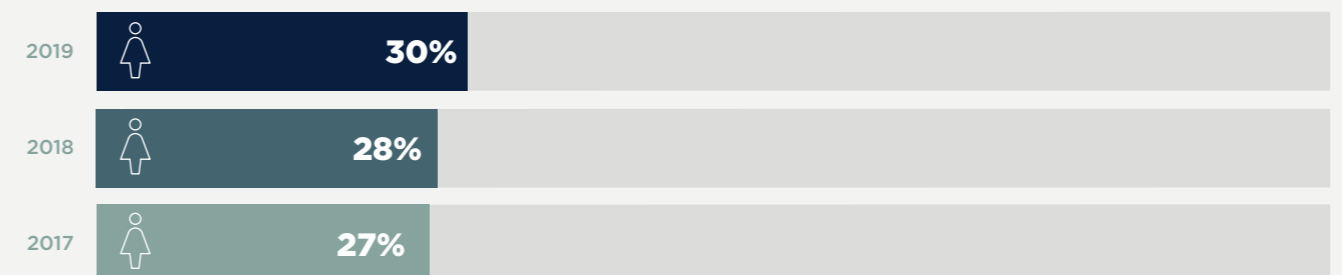
WOMEN ON THE DULUXGROUP EXECUTIVE



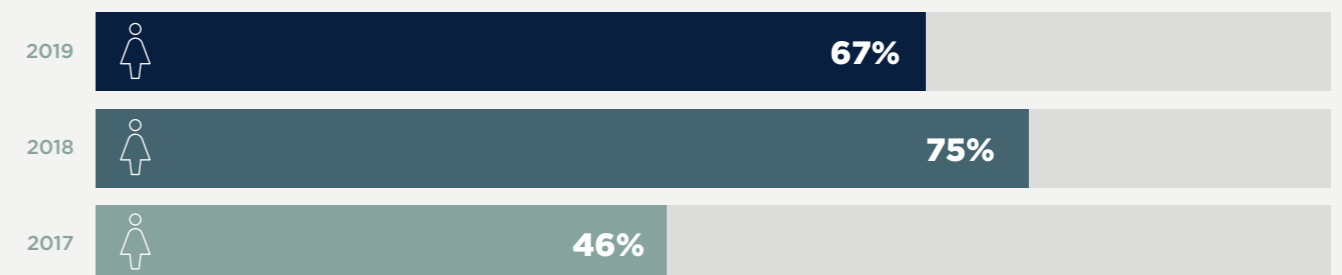
WOMEN IN SENIOR LEADERSHIP (JOB GRADE 37+) - ANNUAL REPORT



WOMEN JOB GRADE 35-38 (LEADERSHIP PIPELINE)



FEMALE GRADUATES



OUR COMMUNITIES



OUR COMMUNITIES



DULUXGROUP AIMS TO BE A WELCOME AND POSITIVE PARTICIPANT IN ALL OF THE COMMUNITIES IN WHICH WE OPERATE.

This means creating products and services in a sustainable way to help our consumers to 'Imagine a Better Place' and contributing to our local communities. **We do this by:**



GIVING BACK TO OUR LOCAL COMMUNITIES TO HELP THEM THRIVE BY DONATING PRODUCTS, FUNDS AND EMPLOYEE VOLUNTEER HOURS



EMPLOYING THOUSANDS OF LOCAL PEOPLE AND SUPPORTING THOUSANDS OF LOCAL BUSINESSES THROUGHOUT OUR OPERATIONS AND SUPPLY CHAIN



ENSURING THAT OUR PRODUCTS AND OPERATIONS CAUSE NO HARM



CONTRIBUTING POSITIVELY TO PUBLIC POLICY DEBATE TO BEST REPRESENT THE INTERESTS OF OUR SHAREHOLDERS, EMPLOYEES, CUSTOMERS AND COMMUNITY



SUPPORTING THE DEVELOPMENT OF SCIENCE AND INNOVATION THROUGH COLLABORATION AND INVESTMENT



PAYING OUR FAIR SHARE OF TAXES IN ALL REGIONS IN WHICH WE OPERATE.

2019 PERFORMANCE

During 2019, our businesses and employees helped more than 250 local community organisations through fundraising, volunteering, provision of products and direct donations. During the year we supported community organisations with more than \$500, 000 in direct donations and products.

Some of the organisations that benefited during the year were:

- Beyond Blue
- e.motion21
- Kickstart 4 Kids
- Second Chance Animal Rescue
- Schools, garden clubs and community organisations throughout Australia and New Zealand as part of Yates community support program
- Australian Men's Shed Association

In addition, our employees contributed hundreds of hours volunteering for community projects, to raise funds and provide mentoring or technical expertise for those in need.

Examples during 2019 included:

- The Dulux team from our Rocklea factory in Brisbane helping to restore the Oxley Creek Catchment by helping to plant 400 indigenous plants.
- Dulux New Zealand helping to restore and paint the Department of Conservation's beach house in Mimiwhangata.
- The Dulux Trade team in Melbourne helping to repaint the Peninsula Home Hospice.
- Working with the White Lion Foundation to help teach new trades skills to young people
- Employees throughout Australia celebrating and raising funds for Harmony Day
- Dulux employees volunteering time and skills to repaint the Second Chance Animal Rescue refuge in Victoria

STRONG COMMUNITY PARTNERSHIPS



Alongside supporting the tremendous community work that our employees are encouraged and empowered to undertake at their own initiative, DuluxGroup's businesses have formal partnerships to support community organisations.

These include:

- The Dulux Colour Awards, which celebrate the most creative and considered use of colour in residential, commercial and student architecture and interior design. Over 33 years these highly coveted awards have grown in prestige, and in 2019 again attracted a high number of entries
- Dulux sponsors the Melbourne School of Design (MSD) at Melbourne University to foster excellence in architectural education. The Dulux Gallery at MSD hosts a range of exhibitions designed to inspire innovation in architecture.
- The Dulux Study Tour, which supports Australia's next generation of talented architects
- Dulux is helping to paint every Surf Life Saving Club in Australia – helping to protect the assets that protect and support our community.
- Yates partners with Life Education Australia to develop a program with Healthy Harold school curriculum content promoting good gardens and good habits. This year, 50,000 school children throughout Australia participated.
- In addition, during 2019, Yates and Life Education Australia provided grants to 10 schools, childcare centres and youth & community groups across Australia who can demonstrate plans and ideas for a garden that encourages a passion for growing and learning healthier habits through gardening.
- Dulux provides paint to help the National Gallery of Victoria showcase permanent and temporary exhibitions in colour perfect surroundings.
- Dulux New Zealand sponsors the Department of Conservation walking trail huts throughout New Zealand, ensuring they are restored and protected in Dulux Weathershield using the 'Colours of New Zealand' colour range.
- Every year Yates donates a generous amount of growing media and seeds to the wonderful initiative sponsored by the Royal Botanic Gardens Sydney – called Community Greening. This program is taken around Sydney suburbs and many communities are united in their love and passion for gardening. With more than 100,000 participants each year it is embraced by kids, parents, seniors and all to start communal gardens and develop new friendships.
- Araluen Botanic Park, in Roleystone Western Australia, is a unique botanic park that attracts tens of thousands of visitors each year and allows people to enjoy beautiful gardens in a bushland setting. For the past 27 years, Yates has supported Araluen's spring events ('Yates Springtime at Araluen'), which includes a spectacular tulip festival.

EMPLOYEES GET PLANTING TO RESTORE IMPORTANT WATER CATCHMENT

Dulux's factory has been part of the Rocklea community in Queensland for more than 60 years and employees play an active role to support local communities. The site has partnered with local environmental groups, such as the Oxley Creek Catchment Association (OCCA).

Rocklea is situated in the northern end of the Oxley Creek catchment where there is a stable swamp creek which flows into Oxley Creek on the western boundary. Oxley Creek is a tributary of the iconic Brisbane River.

Dulux's sponsorship of OCCA provides equipment and materials used in creek rehabilitation, education, training and reporting.

Dulux also provides labour, with employees volunteering in creek bank restoration projects. These projects include the planting of indigenous trees and grasses and the removal of weeds and rubbish.

These projects increase habitat connectivity, improve water quality and visual amenity.

Peter Holden, the Rocklea Site Manager says: "Our collaboration with OCCA increases our awareness of the environmental threats to the catchment and shows us the steps that we can take to ensure that our waterways remain healthy."



Employees planting 400 indigenous trees and grasses in the Granard Wetlands.

The 2019 Dulux Study Tour winners at the top of MAAT in Lisbon. L-R: Carly McMahon, Alix Smith, Jennifer McMaster, Phillip Nielsen and Ben Peake. Image: Linda Cheng, ArchitectureAU.com



SUPPORTING OUR NEXT GENERATION OF ARCHITECTS

The Dulux Study Tour is a coveted award offered by Dulux in partnership with the Australian Institute of Architects. The Tour inspires Australia's next generation of architects by exposing them to some of the world's most brilliant architecture and most innovative architecture practices. This year's five participants were selected by a panel of esteemed architects.

"The jury was impressed by the winners' depth of skill, engagement and dedication to their profession," said Clare Cousins, the Institute's national president and jury chair. "The Institute's Dulux Study Tour is one of our most coveted awards that celebrates the importance of experiencing architecture first hand by our most promising emerging practitioners."

The tour took them to Copenhagen, Lisbon and London to visit iconic projects including the landmark 'Museum of Art, Architecture and Technology (MAAT)' in Lisbon. The tour offers unparalleled insights and exposure into the best architectural firms and projects in these European cities. It's a great opportunity to learn from the best and bring that education back to Australian projects. Dulux is proud to continue supporting our emerging architectural 'stars' by helping them see through the global lens to find solutions to the modern challenges of their industry.

LENDING A HAND FOR BRIGHTER LEARNING SPACE

During the year the employees from Dulux's marketing and R&D teams donated paint and their painting skills to re-paint and brighten up classrooms at OC Connections in Melbourne. Over two days, the teams transformed tired spaces into a vibrant and bright learning environment.

OC Connections is a not-for-profit organisation which assists people with an intellectual disability to integrate and develop within the wider community to their full potential. Today they provide services to more than 400 adults in the areas of employment, residential, recreational and day support.



The Dulux Team after a job well done for OC Connections

LINCOLN SENTRY PROUD SUPPORTERS OF BLACK DOG INSTITUTE

As part of its 'Voice of the Customer' survey during the year, Lincoln Sentry undertook to donate \$5 for every completed customer survey to the Black Dog Institute.

With customers keen to provide their feedback, while also helping a good cause, a total of \$2140 was donated.

National Marketing Manager Jill Every said it was wonderful to have so many customers take the time to complete the online survey, while also helping fundraise for the not-for-profit organisation Black Dog Institute.

"Our support of Black Dog Institute is aligned to Our Values and in particular our activities concerning valuing people," said Jill.

"Given Black Dog Institute's goal of creating a mentally healthier world resonates so profoundly with our employees, customers and suppliers, it's not surprising that this most recent survey prompted a record number of our customers to respond."



Lincoln Sentry National Manager Operations and DCs, Raj Prasad (second from right) was on hand to present Black Dog Institute Community Fundraising Manager Evan Jackson (left), Community Fundraising Officer Phoebe Collins and Major Gifts Officer Lewis Blomfield with a cheque courtesy of Lincoln Sentry customers who took part in the Voice of Customer survey in November 2019.



Young people from White Lion receive hands-on training at the DuluxGroup Training Academy

HELPING DISADVANTAGED YOUTH LEARN NEW SKILLS

During the year the DuluxGroup Training Academy hosted a dozen young people from White Lion, providing practical skills training, career advice and tips for navigating the working environment.

White Lion is a not-for-profit organisation that has been helping young people from disadvantaged backgrounds for more than 30 years, with the goal of assisting homeless and underprivileged youth to overcome barriers to employment.

During their day at the Training Academy, they received hands-on training in the fundamentals of paint and painting along with guidance and advice from DuluxGroup mentors.

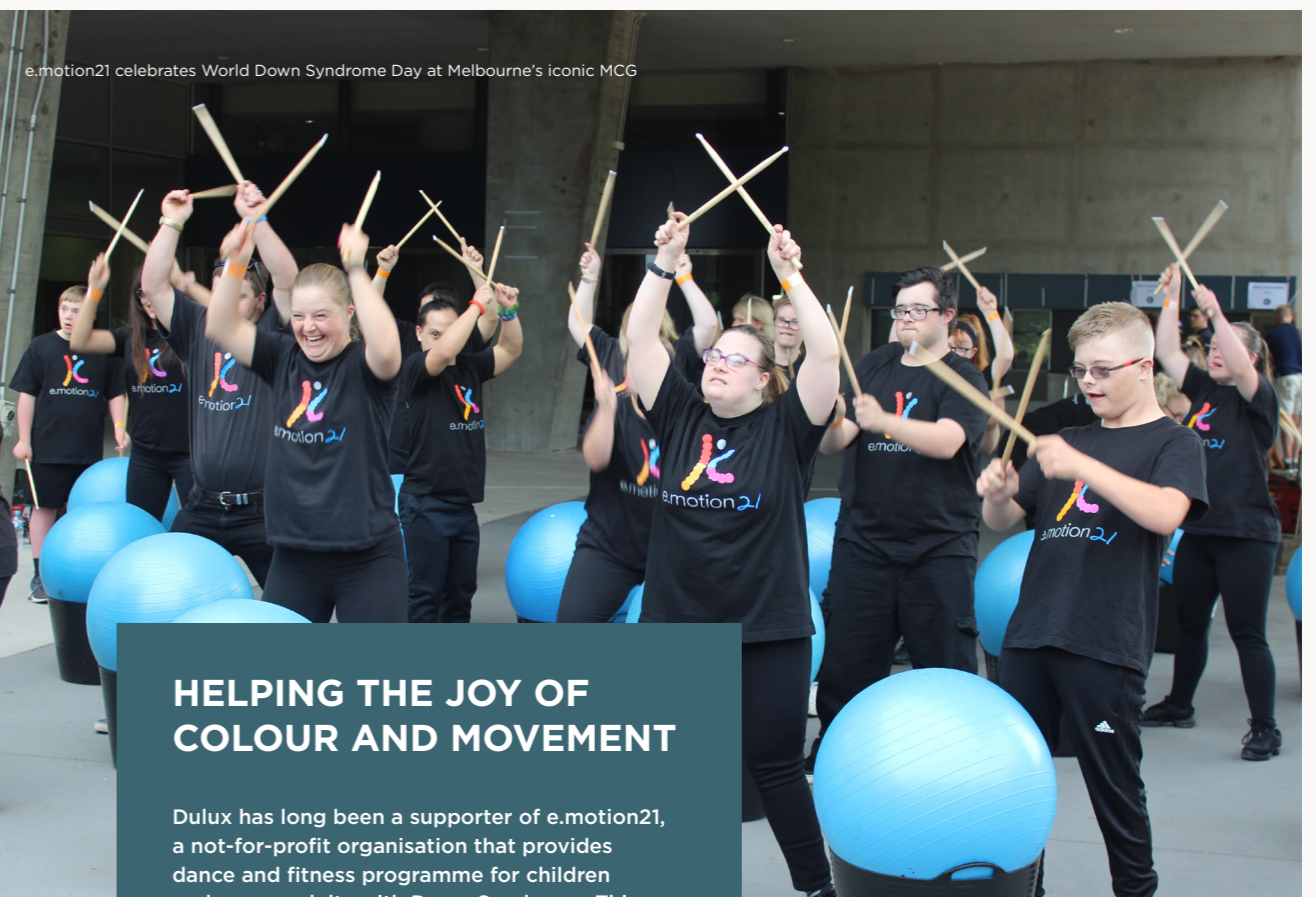
The Training Academy and White Lion will continue to work together to further assist underprivileged Victorians.

YATES & LIFE EDUCATION ANNOUNCE THE 2019 'GROWING GOOD GARDENS' GRANTS PROGRAM

During the year, Yates continued its partnership with Life Education Australia, providing grants to 10 schools, childcare centres and youth & community groups across Australia who demonstrated plans and ideas for a garden that encourages a passion for growing and learning healthier habits through gardening.

Yates was pleased to be helping to celebrate Life Education's 40th anniversary. Alongside Yates's 'Healthy Harold', Yates is taking a pro-active role in encouraging children to get out in the garden to grow and learn. This partnership allows Yates to reach over 50,000 Australian students each year.

Yates is working with Life Education Australia to help children develop a love of gardening and healthy eating



e.motion21 celebrates World Down Syndrome Day at Melbourne's iconic MCG

HELPING THE JOY OF COLOUR AND MOVEMENT

Dulux has long been a supporter of e.motion21, a not-for-profit organisation that provides dance and fitness programme for children and young adults with Down Syndrome. This year, e.motion 21 celebrated its 10th birthday with a gala celebration and also celebrated World Down Syndrome Day with a special performance before an AFL crowd at a packed MCG. Dulux was pleased to support both events and e.motion21 in its aim of 'moving bodies and moving boundaries'.



DULUX AUSTRALIA NAMED VICTORIAN MANUFACTURER OF THE YEAR

Dulux Australia was awarded 2019 Manufacturer of the Year (Large Business) by the Victorian Government's Manufacturing Hall of Fame.

The awards recognise exemplar Victorian manufacturers who have made a sustained contribution to the manufacturing industry, including through innovation, investment in cutting edge technologies and a commitment to investing in their staff. Dulux has four manufacturing sites in Victoria, respectively manufacturing Dulux decorative paints, Cabot's wood coatings, Dulux Protective Coatings and Dulux Powder Coatings.

Dulux's \$165 million new factory at Merrifield north of Melbourne was highlighted as a world class example of advanced manufacturing design and operation.

Since opening in 2018, Merrifield has attracted other recognition, including the Hume Council Business of the Year Award in 2019 and being the first ever Australian project to be showcased by Siemens at the world renowned Hannover fair Germany. It has drawn interest from a range of international visitors, and in late 2019 it was pleased to host a visit by The Honourable Linda Dessau AC, Governor of Victoria, and her husband Mr Anthony Howard AM QC



Victorian Governor, The Honourable Linda Dessau AC (second from left) visits Dulux Merrifield

DULUX SUPPORTS SECOND CHANCE ANIMAL RESCUE

Creating a difference in the community has always been incredibly important to Dulux, so for this year's Jelly Beans campaign they elected to support Second Chance Animal Rescue.

Dulux donated \$1.00 from every Jelly Beans tin sold in conjunction with Dulux Paint to Second Chance Animal Rescue, equating in a \$140,000 donation to fit out their new Animal Hospital with much needed equipment.

Second Chance Animal Rescue was founded in 2008 after vet nurse and shelter volunteer Marisa Debattista witnessed first hand how many beautiful animals needed help, versus how few resources were available. The new hospital will help alleviate this pressure within the wider Victorian area.

"Our new animal hospital aims to provide veterinarian support to sick and injured animals whose owners may not be able to afford to pay the bills," Marisa says.

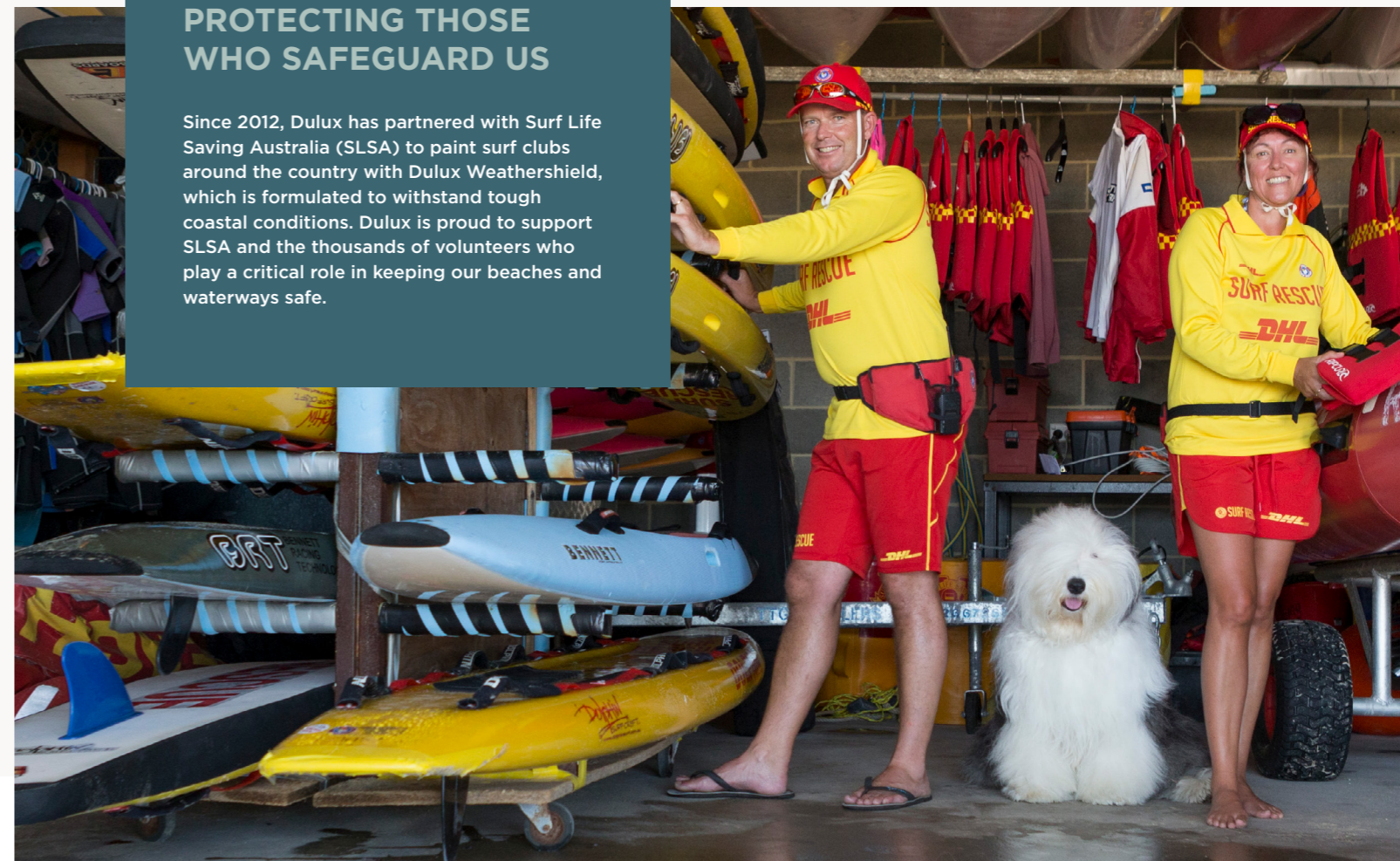
"We will also be offering a number of free services not readily available within the state - such as our Safe House for Pets program, where we house pets temporarily for owners who are domestic violence survivors."

In addition, some of our Dulux team volunteered their time and skills to paint the new hospital, with Dulux supplying all paint to complete the project.



PROTECTING THOSE WHO SAFEGUARD US

Since 2012, Dulux has partnered with Surf Life Saving Australia (SLSA) to paint surf clubs around the country with Dulux Weathershield, which is formulated to withstand tough coastal conditions. Dulux is proud to support SLSA and the thousands of volunteers who play a critical role in keeping our beaches and waterways safe.





duluxgroup.com.au

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