

Risk Management Policy

DuluxGroup believes that effective risk management supports the company's ability to grow. DuluxGroup recognises the importance of risk management practices across all businesses and operations. Effective risk management prevents loss of value and provides a framework to achieve and deliver the company's strategy.

DuluxGroup is committed to reducing its exposure to risk while maximising opportunity and shareholder value by adopting a systematic approach to identify, analyse, evaluate and manage material business risk – so that risks are visible, mitigated and monitored.

DuluxGroup's culture, processes and business structures are considered when establishing DuluxGroup's management environment.

DuluxGroup aims to maintain a consistent organisation-wide approach to the management of risks by:

- maintaining a Risk Management Framework that provides a transparent approach to managing risk across DuluxGroup;
- understanding the environment in which the company operates;
- using a structured and systematic risk management process and assessment methodology addressing the risk categories identified in the framework. The process requires four core components:
 - 1 a comprehensive risk identification and assessment process that identifies material financial and non-financial business risks and develops an understanding of the risks;
 - 2 identification of internal controls required to manage or mitigate the risks;
 - 3 a risk register which records all risks identified across businesses, operations, functions and projects; and
 - 4 planned management actions to mitigate or eliminate the risk through the establishment of mitigation plans;
- reviewing the risk profile and treatment plans on an ongoing basis to ensure that the risks reflect the prevailing circumstances; and
- regular reporting to Management and to the Board of risks for the company, including profiles at the business and functional level, and an assessment of whether the material business risks are being effectively managed.

The Board, through its Audit and Risk Committee, establishes the policies for the oversight and management of material business risks and internal controls. The design and implementation of the risk management and internal control systems to manage the company's material business risks is the responsibility of Management in their respective areas of accountability.

The Board, through the Audit and Risk Committee, satisfies itself that Management has developed and implemented a sound system of risk management and internal

control. The effectiveness of these controls will be systematically reviewed by the Audit and Risk Committee and, where necessary, improved.

All employees and contractors of DuluxGroup are responsible for the implementation of risk management as part of their corporate governance obligations. Any real or potential significant risk must be reported through established reporting lines to Management.