



imagine
a better place



DULUXGROUP CORPORATE SUSTAINABILITY REPORT 2018

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WE BELIEVE THAT A ROBUST CORPORATE SUSTAINABILITY FRAMEWORK, PRACTICES 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 and communities, our environment, our employees and our shareholders.

Whilst DuluxGroup has not formally adopted the Global Reporting Initiative (GRI) framework, this report has been prepared by referencing the relevant core principles of the GRI reporting framework as it relates to our environmental, social and governance practices and performance.

Over the past year, we have made good progress towards our sustainability goals, further improved our safety performance and increased participation in our local communities.

We have much more to achieve and we remain focussed 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 49.



www.duluxgroup.com.au

**FOR MORE INFORMATION,
VISIT DULUXGROUP.COM.AU**



OUR PRODUCTS



7 million

kilograms of waste paint and packaging collected through Paintback since the paint industry-wide scheme was launched in 2016



92,000

litres of paint and 183,500 containers collected from store drop-off points via the New Zealand Paint Take-Back recovery program



110

Yates acquired OCP (Organic Crop Protectants) in 2018, adding 110 products to its portfolio, meeting growing demand for organic garden products in Australia and New Zealand



Plans established for **69%** of high concern chemicals in our products.

45 planned improvement actions from existing plans were implemented across the businesses



609

calls to our Emergency Response Service to help our community



Yates was awarded overall **Garden Supplier of the Year**

in Victoria and Tasmania by the Hardware Association



DuluxGroup ranked **40** in the Australian Financial Review Most Innovative Companies - 2018



OUR PEOPLE



75% **41%** **49%**

of our graduate intake,

of new hires and

of internal promotions are female

43%

of our board members are female



~180

leaders participated in formal leadership programs in FY18



>24 years

fatality free



13% record low

Serious near misses (Category 3) decreased 13% to a record low of 20 incidents



18% record low

Serious injuries (Category 3 recordable cases), involving more than 10 days of lost and/or restricted time, decreased 18% to a historic low level of 28 injuries



3%

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 3% to 1.67 (or from 69 injuries in 2017 to 70 in 2018 from our approximately 4,000 employees)



10%

Total hazard and near miss reporting (Total General Learning Incidents) increased 10% to a positive, record high of 4.3 per employee



OUR OPERATIONS



In May 2018 we opened Australia's largest paint factory, at Merrifield Victoria. It has equal to the most sophisticated manufacturing technology of any paint factory in the world.

It features 300kW solar power generation, rain harvesting and on-site waste water treatment



3%

Energy consumption (gigajoules per tonne of production) decreased 3% to 0.71 GJ/t



2%

Water consumption (kilolitres per tonne of production) increased 2% to 0.63 kL/t primarily due to start-up of Dulux Merrifield



36%

waste to landfill primarily due to start-up of Dulux Merrifield, with plans to significantly reduce in FY19



Completed new environmental specialist audits at four sites and implemented actions from audits of four sites completed in 2017



OUR COMMUNITIES



>250

local community organisations assisted



200th

Surf Life Saving Club painted in Australia as part of Dulux Weathershield partnership



>100

conservation huts and historic assets painted in New Zealand since 2013



6,000 litres

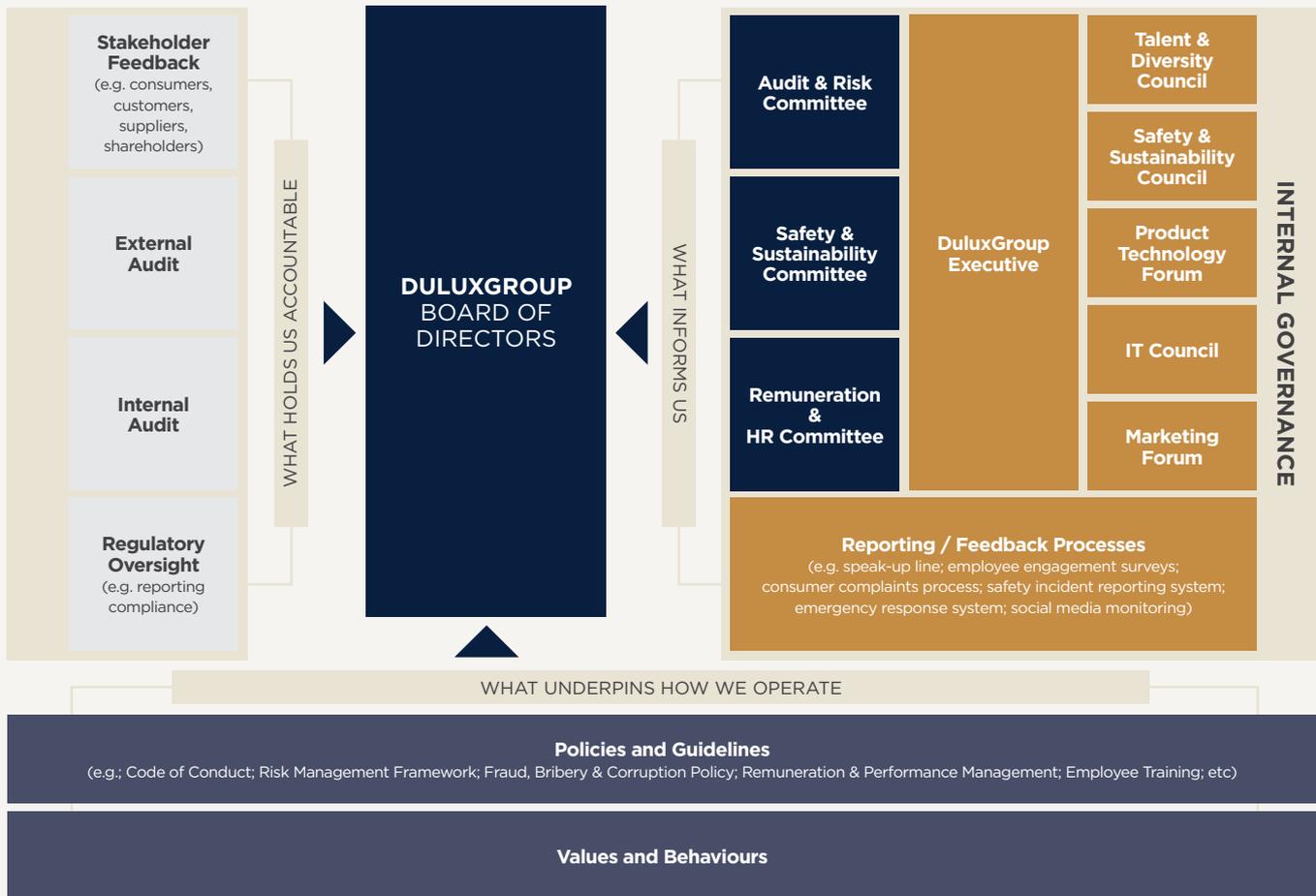
of paint donated to Habitat for Humanity in NZ - to paint 18 new and more than 20 existing homes for people in need



>1600 hours

volunteered by our people to help communities in need

DuluxGroup Corporate Sustainability Governance Model



Governance of corporate sustainability

THE BOARD IS ULTIMATELY RESPONSIBLE FOR STEERING DULUXGROUP TOWARDS BUSINESS PERFORMANCE THAT IS ENVIRONMENTALLY, SOCIALLY AND ECONOMICALLY SUSTAINABLE.

The Board Safety & Sustainability Committee’s mandate includes oversight of DuluxGroup’s sustainability goals and performance. Sustainability leadership and accountability is reinforced by the integration of sustainability considerations into our policies, audit & reporting processes and decision making. There is also a direct link between executive remuneration and sustainability outcomes to drive improvement. This is underpinned by a culture that rewards and celebrates sustainable business performance.

For an overview of our corporate governance at DuluxGroup see page 74.



OUR PRODUCTS

DULUXGROUP HAS EVOLVED AND GROWN ITS MARKET LEADING BRANDS OVER THE PAST 100 YEARS BY CONTINUALLY INVESTING IN NEW PRODUCT TECHNOLOGIES.

Continuous innovation – in the products we make, the way we serve our customers, and the way we reach, understand and communicate with our consumers – ensures we anticipate and meet the needs and wants of our consumers and customers over time.

DuluxGroup has a strong record of new product development and commercialisation. We are one of the biggest employers of industrial chemists and technologists in Australia, and have a long history of collaboration with the tertiary sector and other publicly funded research organisations.



DULUXGROUP IS ONCE AGAIN NAMED IN AUSTRALIA'S TOP 50 INNOVATIVE COMPANIES

In 2018, DuluxGroup was again included in the top 50 most innovative organisations in Australia, ranking in 40th position. Selley's was highlighted as a great example of DuluxGroup's innovation focus, with the launch of Liquid Nails Instant Hold. Liquid Nails Instant Hold is a construction adhesive that allows you to stick any building materials (weighing up to 400kg/m²) onto any surface (including vertical surfaces) without the use of fasteners or clamps.

Selley's and other DuluxGroup businesses continue to build capabilities in consumer-driven innovation by absorbing macro trends and cultural insights to identify new product opportunities.

Product Innovation

CONTINUING TO LEAD IN A FAST-CHANGING MARKETPLACE

We know that sustainable businesses are built on innovation. Our approach to innovation is expressed clearly in our values to *Be consumer driven, customer focussed* and *Unleash your Imagination* and realised in investment in research and product development.

During the year, our businesses continued to develop and launch new products and services to delight and inspire our consumers to 'Imagine a better place'.



DULUX INNOVATION IS HELPING COMMUNITIES TO FIGHT GRAFFITI

In December 2017, Dulux joined with Western Sydney's local residents and artists to rejuvenate the Kings Langley Baseball Club by covering its façade in a beautiful hand painted mural.

With a coating of Dulux Precision Anti-Graffiti coating, the mural is future-proofed and will be part of the community for years to come.

The new precision anti-graffiti paint helps to provide a protective coating that prevents any graffiti from ruining surfaces. Any graffiti will just wash away with high pressure water. This means no harsh solvents need to be used in cleaning - which is better for the environment.

"These projects are important for our community and other communities that have issues with graffiti. It's great to be a part of something that changes the life and the look of the place. This is about bringing pride back to our communities," Danielle RG, community leader and street artist.

"We're so pleased to be part of this project. Seeing our products make a real difference to how people feel about their local places and spaces is why we do what we do," said Briana Keenahan, Dulux Senior Brand Manager.

DULUX TECHNOLOGY IMPROVING SUSTAINABILITY OF ASSETS

In 2017 Dulux Protective Coatings launched its first water-based metal protection range. Called 'Duration', the range offers an environmentally friendly, low VOC, alternative to traditional solvent-based technologies. The range includes epoxies, polyurethanes and fluoropolymer technologies designed to protect and decorate structural steel, in mild corrosive environments.

Duration T80 is a premium water based fluoropolymer that offers outstanding gloss and colour retention properties, keeping assets looking better for longer. It has been used on a number of commercial projects, including the 'Oculus' of the QV1 building in Perth (pictured below).





DULUXGROUP
EMPLOYS

130+

Scientists and technologists

18

Scientists in our Graduate Program



Research and development

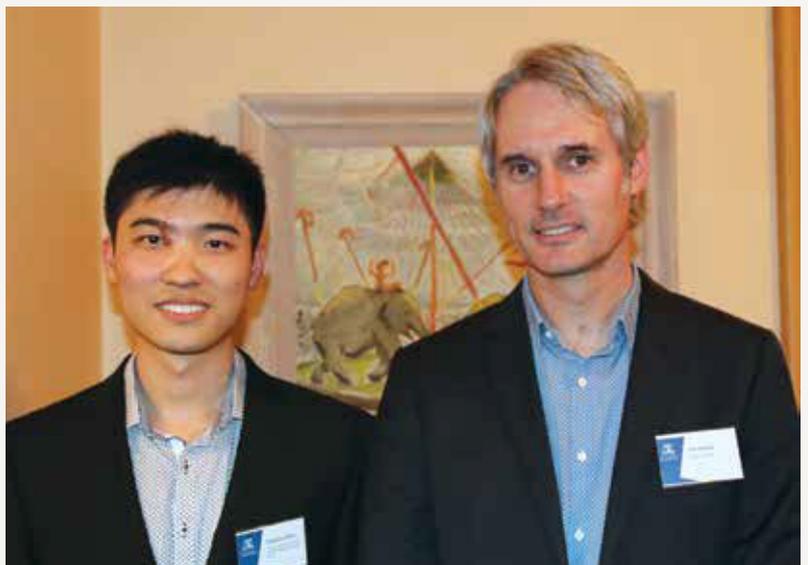
INVESTING FOR THE FUTURE

DuluxGroup employs more than 130 scientists and technologists across its businesses, and is one of Australia's largest employers of industrial chemists. DuluxGroup currently employs 18 graduate scientists as part of its three year graduate program. In addition to our formal graduate program, DuluxGroup has long-standing collaborations to support university students through industry projects, placements and scholarships.

Supporting Australian science and innovation

Staying at the forefront of technology and innovation is fundamental to building a sustainable business. DuluxGroup takes fundamental enabling science and, through marketing and innovation, develops it into market leading brands, products and services.

A number of our businesses, including Dulux, Yates, Selley's and Parchem, have ongoing collaboration with a range of tertiary institutions. This can include sponsoring PhD students, offering internships and industry placements and collaborating on research for broader economic and social benefit. During 2018, our businesses worked with the University of Melbourne, the University of Sydney, The University of New South Wales, Monash University, the University of Warwick (UK) and CSIRO.



The 2018 'Dulux Prize' is presented to Dingchen Wen, BSc (Chemistry) Honours student at the University of Melbourne, by Dr Tim Davey, Dulux Exterior Products Technical Manager. Dulux has sponsored the award since 1987, to foster academic excellence in chemistry.

INNOVATION THROUGH COLLABORATION

Dulux's Exterior Coatings Technology Manager Dr Tim Davey is a Board Member of the Australian Innovation Research Group (AIRG). The AIRG is an industry led Association that supports the innovation and R&D initiatives of its members by increasing collaboration opportunities, facilitating peer-to-peer mentoring, enabling cross-sector learning, and providing access to international best practice for effective management of research and development and innovation.

Monthly roundtable discussions have been running successfully in Melbourne and have recently launched in Sydney. The group's ambition is to begin the program in other major Australian cities.

airg Australian Innovation
Research Group



Product Stewardship

IMPROVING THE IMPACTS OF OUR PRODUCTS OVER THEIR LIFE CYCLE

Improving the impacts of our products throughout their life cycle (cradle to grave) remained a key focus in 2018, continuing our historic attention to this area. Our continuous improvement approach is driven by an annual product risk assessment process to identify actions in the priority areas of:

- consumer safety;
- product misuse;
- post-consumer waste;
- raw material impacts;
- packaging and labelling; and
- distribution.

Our product stewardship knowledge and management approach has evolved over time. During the 2017 refresh of our sustainability strategy we identified a number of opportunities to continue this journey, including:

- adding customer and consumer insights to our stewardship assessment and planning tool;
- implementing a life cycle assessment tool; and
- development of performance metrics.

The stewardship process complements other improvement processes dedicated to managing sourcing and chemicals of concern risks. Managing the risks associated with hazardous chemicals used in the

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, requiring a rigorous management approach.

In 2017 we began development of risk management plans for chemicals we identify as high or moderate concern (based on toxicological and/or regulatory classifications). This includes chemicals that may only be present in minor or trace quantities, however we endeavour to ensure all potential risks are evaluated. The plans are designed to check that if any current or future risks exist, they are identified and managed to acceptable levels via improvement actions to reduce or eliminate risks (e.g. changes to formulations, packaging, labelling, sourcing, marketing).

Performance metrics help to improve our understanding of the life cycle impacts of our products, identify the improvement priorities for action, and measure the outcomes of those improvements. Development of the metrics has begun, for implementation in 2019. Examples include:

- sales of sustainable products;
- total carbon footprint;
- use of renewable raw materials;
- packaging intensity; and
- consumption of chemicals of concern.



MANAGING THE RISKS ASSOCIATED WITH HAZARDOUS CHEMICALS USED IN THE FORMULATION OF OUR PRODUCTS, IS AN IMPORTANT PRIORITY.



Parklands by AAA – Arkhefield, ARM and Archipelago Architects, 2018 Dulux Colour Awards finalist. Photo by John Gollings

DULUX EPDs LEAD TO GREEN STAR RATINGS

In 2018, Dulux paints made Environmental Product Declarations (EPDs) available to assist architects, specifiers and construction industry members to achieve sustainable and Green Star certified projects.

EPDs detail the environmental impact of Dulux paints throughout the life cycle of the product, from the production and processing of raw materials, to manufacturing, distribution and application. The documentation also covers any waste generated throughout the life cycle, and opportunities for recycling of packaging.

Dulux EPDs for Wall Paints, Ceiling Paints and Preparation Paints provide comprehensive data on selected products within each paint range. The EPDs are prepared in accordance with international standards and independently verified. The EPDs are available on the Australasian and International Environmental Product Declaration websites (www.environdec.com).

Dulux 2018 Colour Awards Finalist 'Parklands' on the Gold Coast in Queensland. Parklands is a pilot project for the new Green Star Communities rating tool and has achieved 6-Star rating.



REDUCING PAINT WASTE

Dulux is a founding member of Paintback®, an Australian initiative to responsibly dispose of unwanted paint and packaging by establishing collection and treatment facilities around Australia. As well as responsibly collecting the paint, Paintback® repurposes the valuable materials in leftover paint into recycled packaging, alternative energy fuel as well as water resources and is funding research to find better uses for unwanted paint & packaging waste. The program is funded by a 15 cent per litre levy on products sold by Australia's major paint manufacturers.

Paintback® has expanded rapidly over the past 12 months, doubling the number of major collection sites to more than 100. Since inception Paintback® has collected 7 million kilograms of waste paint and packaging for responsible disposal showing strong growth from 4 million kilograms collected the previous year.

In 2009 Dulux New Zealand launched its 'Dulux Paint and Packaging Takeback Programme'. Trade painters return unused paint and packaging to Dulux Trade Stores, which is collected, recycled and repurposed as much as possible to minimise environmental impact. Since its inception, more than 360,000 litres of paint and 779,000 packages have been diverted from landfill.

FOCUS AREA

2018 PRIORITIES

Product Stewardship

- Implemented actions in 2018 stewardship improvement plans and completion of annual assessments and plans for 2019 across all businesses
- Redesigned the stewardship assessment and planning tool to include new aspects such as consumer insights and a scoring system to measure progress
- Continued development of new risk management plans for priority chemicals of concern and implementation of actions identified in existing 2017 plans
- Establishment of a rigorous monitoring process to stay abreast of any emerging regulatory or social concerns for priority chemicals
- Commenced sustainability engagement with key customers to identify common stewardship concerns, priorities and opportunities
- Commenced implementation of a life cycle assessment software tool to enable our technologists to assess the sustainability attributes for different product formulation scenarios
- Submitted a consolidated DuluxGroup report and action plan under the Australian Packaging Covenant, replacing individual business reports in prior years

2018 PERFORMANCE

- **Improvement:** Over 90 product stewardship improvement actions were implemented across the group during the year. Examples include:
 - Dulux Australia continued to be an active, founding member of Paintback, a recovery scheme for leftover paint and packaging. More than 100 collection points have now been established across Australia and 7 million kilograms has been collected since the scheme was launched in 2016
 - Dulux New Zealand continued their Paint Take Back recovery program, with 92,000 litres of paint and 183,500 containers collected from store drop-off points during the year. New 10L plastic pails currently contain 1% recycled plastic and Dulux will shortly transition to 5%, with the recycled plastic sourced from the take-back program
 - Acratex extended their program of direct distribution to customers and from local manufacturers for render products, reducing transport and fuel use by more than 18%
 - Dulux Australia transitioned from custom made timber exhibition stands to reusable modular systems, reducing annual landfill waste by 65m³ and costs by 25%. Use of solvent based technologies for colour collateral was also eliminated, saving 7.5 tonnes of VOCs
 - Porter's reviewed sourcing of European timbers for flooring products manufactured in China to ensure all are derived from sustainably managed, certified sources
 - Dulux Protective Coatings ceased sale of 60 litre containers of thinners, eliminating a significant manual handling risk for both customers and employees
- **Chemicals of concern:** Development of risk management plans continued, with plans now established for 69% of high concern chemicals. 45 planned improvement actions from existing plans were implemented across the businesses. Examples include:
 - Selleys commenced successful production trials for sealant and adhesive products free of alkylphenol ethoxylate (APE) surfactants, with products on track for introduction in 2019
 - Dulux New Zealand moved to toluene-free formulations for a range of spraypack products and Selleys deleted a toluene-based sealant product, continuing a multi-year program across all businesses to reduce toluene exposure risks, particularly via deliberate inhalation (sniffing)
 - Parchem replaced carbendazim biocides in all products with a less hazardous alternative, reducing end user risks from any inadvertent exposure
 - Yates ceased production of a boron-based ant bait and further improved rat bait packaging, reducing potential harm to children and animals via inadvertent exposure to these products
- **Incidents and Compliance:** No serious (Category 3) product or distribution incidents involving customer, consumer or community harm occurred, consistent with 2017. Two years free of such incidents is our best performance on record. Three regulatory improvement and/or infringement notices were received, compared with none in the prior year, all of which were fully addressed. Our emergency response service provider managed 609 calls, compared with 599 in 2017. 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





The Joyful House
by Mihaly Slocombe
Architects, 2018 Dulux
Colour Awards finalist.
Photo by Tatjana Plitt
Styling by Pip + Coop



OUR GOAL IS TO ONLY WORK WITH SUPPLIERS THAT ARE HONEST, TRANSPARENT AND COMMITTED TO CONTINUOUS IMPROVEMENT.

Sourcing

ENSURING ETHICAL AND RESPONSIBLE SOURCING

We are committed to sourcing products in an ethical and responsible manner, and closely managing risks associated with significant expenditure on sourcing.

Through our Sustainable Procurement Policy and Standard, we embed environmental, health and safety, labour conditions and human rights considerations (including modern slavery) in procurement processes. Our goal is to only work with suppliers that are honest, transparent and committed to continuous improvement. We do not accept non-conformance with our requirements related to fraud, bribery and corruption, child labour, forced/bonded labour and illegal labour.

The importance of a viable, productive network of suppliers is recognised, including the many small businesses who make up our supply chain. DuluxGroup is a signatory to the *Australian Supplier Payment Code*, consistent with our procurement practices and timely payment of suppliers.

In 2016, we commenced formal supplier evaluations against the requirements of our policy and standard with key outsourced manufacturers. In 2018, the evaluations extended to other key suppliers. These evaluations require 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.

FOCUS AREA

2018 PRIORITIES

Sourcing

- Continued evaluation of key outsourced manufacturers (>\$10,000 per annum spend)
- Commenced evaluation of other key suppliers (>AUD100k p.a. spend)

2018 PERFORMANCE

- 66% of key outsourced manufacturers have been evaluated to date, with 48 formally approved and 8 conditionally approved pending completion of some agreed improvements. One supplier has been prohibited and their manufacture of all DuluxGroup branded products and formulations has ceased.
- 17% of other key suppliers have confirmed their commitment and compliance to our policy to date and completion of questionnaires are in progress, with reviews and approvals to be finalised early in 2019.



MANY OF OUR PRODUCTS HAVE POSITIVE SUSTAINABILITY ATTRIBUTES.

Climate Change

TRANSITIONING TO A LOW CARBON FUTURE

DuluxGroup recognises that climate change presents both risks and opportunities. We are committed to reducing our impacts, while adapting to the effects of climate change and transitioning to a low carbon future.

We have completed some work to identify material climate-related risks, such as Integrated Sustainability Analysis (ISA) of upstream impacts, and are currently working to further develop our understanding in this area, including an assessment of total carbon footprint. In 2019 this will include formal assessment of our climate change risks and opportunities, together with development of a prioritised improvement plan. Our largest climate-related risk exposures are upstream (e.g. sourcing of

energy intensive raw materials for use in our products) and downstream (e.g. outsourced product distribution, post-consumer product waste disposal) of our operations. Many of our products have positive sustainability attributes and further innovation in this area (e.g. improved substrate protection, low carbon products) is a key climate-related opportunity.

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 is summarised below.

| TCFD ELEMENT | CURRENT STATUS |
|---------------------|--|
| Governance | <ul style="list-style-type: none"> Our Board Safety & Sustainability (S&S) Committee and Executive S&S Council regularly review strategies, objectives and performance. A priority for 2019 will include our progress against the TCFD recommendations. |
| Strategy | <ul style="list-style-type: none"> New sustainability actions commenced in 2018 (e.g. new metrics, life cycle assessments), including beginning to identify climate-related risks and opportunities During 2019 we will formally identify all risks and opportunities for different climate-related scenarios and develop a targeted improvement strategy |
| Risk management | <ul style="list-style-type: none"> Our product stewardship process was revised during the year to improve assessment of upstream and downstream impacts (e.g. via life cycle assessments) Site energy efficiency opportunities are being actioned following a 2017 review (see Our Operations), while business continuity plans manage supply risks These risk management processes will be revised once the targeted improvement strategy is developed |
| Metrics and targets | <ul style="list-style-type: none"> Current metrics include Australian Scope 1 and 2 emissions (see Our Operations) New metrics currently in development include global Scope 1 and 2 emissions, total carbon footprint (Scope 3) and sales of sustainable products Targets will be established once new metrics are fully implemented |





OUR PEOPLE



AT DULUXGROUP, WE KNOW THAT OUR PEOPLE ARE CRITICAL TO OUR SUCCESS. WE STRIVE TO CREATE AN ENVIRONMENT WHERE OUR PEOPLE ARE SAFE, VALUED AND ENGAGED.

Across our brands and locations, our people are bound together by our Values and our Core Purpose to 'Imagine a better Place'.



YATES RECEIVES SAFEWORK NSW AWARD FOR FORKLIFT SAFETY CONTROLS

The Yates factory and warehouse at Mount Druitt in New South Wales operates with up to 70 people on site, depending on the season, across multiple shifts and handles hundreds of pallet movements by forklift each day. The site has been recognised by SafeWork NSW for its Forklift Safety programme, which is being used as an example of best practice for industries throughout NSW.





OUR APPROACH IS TO INVEST IN RISK REDUCTION VIA CHANGES TO WORKPLACE AND EQUIPMENT DESIGN, CONDUCT RISK ASSESSMENTS AND TRAINING IN STANDARD OPERATING PROCEDURES, CONDUCT HEALTH ASSESSMENTS AND MONITORING, REPORT HAZARDS, AND TO ADOPT EARLY INJURY INTERVENTION.

13% record low

Serious near misses (Category 3) decreased 13% to a record low.

>24 years
fatality free

Safety

FATALITY AND INJURY PREVENTION

Protecting our people from harm is a key priority. 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 24 years and recognise through benchmarking that this is exceptional performance. However, it can never be taken for granted, which requires a focus on constant improvement. 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 increased year on year, which is a positive indicator that our risk awareness culture continues 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 - 1.7) is 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 is to invest in risk reduction via changes to workplace and equipment design, conduct risk assessments and training in standard operating procedures, conduct health assessments and monitoring, report hazards, and to adopt early injury intervention.



FOCUS AREA

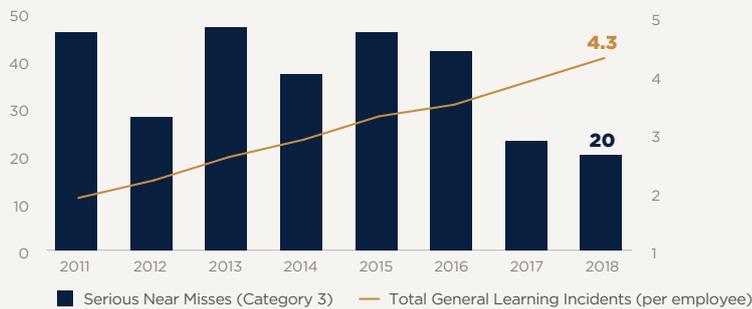
2018 PRIORITIES

Fatality prevention

- Completed in-depth protocol best practice reviews at nine sites and implemented actions from reviews conducted at the 14 largest sites in 2017
- Commenced a new action plan for contractors and truck drivers working at height
- Completed a specialist safety culture survey across 14 priority sites

2018 PERFORMANCE

- There were no major near misses (Category 4) involving fatality risks. More than three years has elapsed since the last such incident. Serious near misses (Category 3) decreased 13% to a record low of 20 incidents, while our total hazard and near miss reporting (Total General Learning Incidents) increased 10% to a positive, record high of 4.3 per employee. Each of these three measures represent our best performance on record.



FOCUS AREA

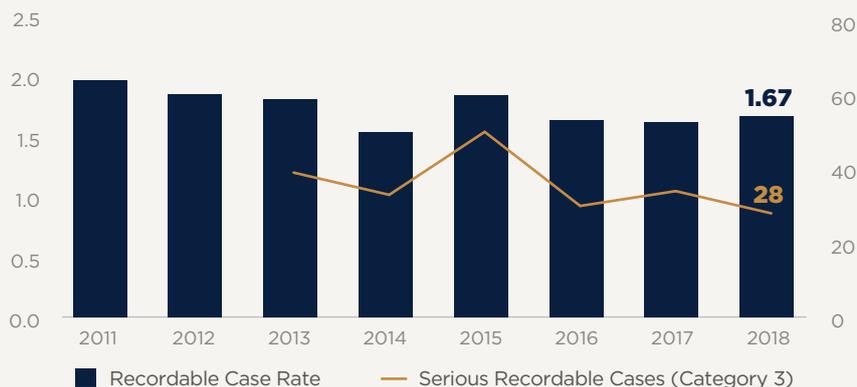
2018 PRIORITIES

Injury prevention

- Continued implementation of targeted reduction plans for 20 priority sites/areas
- Completed over 1,500 health assessments and 500 hygiene tests to monitor employees working with chemicals or high-risk activities
- Developed a new mental health awareness program for managers and employees, with sessions delivered across several workgroups

2018 PERFORMANCE

- **Injury prevention:** Serious injuries (Category 3 recordable cases), involving more than 10 days of lost and/or restricted time, decreased 18% to a historic low level of 28 injuries. Most of these injuries were strains and 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 3% to 1.67 (representing 70 recordable injuries, versus 69 in 2017).
- **Claims:** Compensation claims performance remained relatively steady. Claims numbers declined 1% to a historic low level, while our premium increased 5% due to a small number of prior year strain and sprain injuries involving lengthy recoveries.
- **Compliance:** No regulatory prosecutions or prohibition notices were received during the year, consistent with 2017. Four improvement and/or infringement notices were received compared with three in the prior year, all of which were fully addressed.



Culture and Engagement

MAKING OUR WORKPLACE "A BETTER PLACE"

Our Values are the foundation of the way we work at DuluxGroup. However, having clearly stated values does not, of itself, guarantee behaviour that meets the expectations of our stakeholders.

The Board and the Executive team play a key role in setting, leading and monitoring our culture and our Values are reinforced in our leadership programs, employee awards and recognition, our remuneration structure and the behaviour of our senior leaders.

The Board monitors the culture through multiple mechanisms:

- Regular reporting on HR metrics including employee engagement, turnover, absenteeism;
- DuluxGroup has a 'Speak-Up' line for employees to anonymously report concerns without fear of reprisals. The Board receives regular reports on the issues raised;
- Direct engagement with our employees via site visits, presentations to Board sub-committees and management updates;
- Monthly reporting to the Board of any material consumer or customer complaints; and
- Regular employee engagement surveys across the group.

We recognise and reward people who best demonstrate our Values and Behaviours in action. Peer nominated monthly awards in each business lead to DuluxGroup's four winners of our annual Imagine a Better Place awards (one winner for each of our four 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

OUR VALUES

JAY'S INITIATIVE BRINGS ENVIRONMENTAL AND COMMERCIAL BENEFITS

Jay Jagadeeswar is a process control technician in Dulux Powder Coatings in New Zealand. He won DuluxGroup's 2017 *Value people, work safely and respect the environment* award for taking exceptional initiative in developing a solution for the hundreds of tonnes of waste – such as overspray powder, obsolete stock and bag house powder – which is sent to landfill in New Zealand every year.

During a holiday to his native India, Jay spoke to powder coating applicators and agents to see if they could use these waste materials and found interested parties who agreed to a trial.

This has since turned into a significant outlet for our waste materials, with plans for the waste product to be used to coat satellite dishes in India.

Jay said the win was "the best thing that has happened to me in my 15-year career at Dulux. Our value to "run the business as your own" meant that I could initiate this project and see it through."

Jay's award win recognised his drive to respect the environment, while also running the business as his own, and building relationships that add value.

Jay Jagadeeswar (right) receives his *Imagine a Better Place* award from DuluxGroup Managing Director and CEO Patrick Houlihan





CUSTOMER FOCUS AND A WINNING MINDSET

Tori Clutten has made a significant impact since she joined the Cabot's sales team in 2016, winning the 2018 Cabot's Sales Professional of the Year award in just her second year in the role. The award recognised her particularly strong work with paint specialist store customers and going above and beyond what was expected of her.

Tori's effort was so significant that she was invited to present at a customer's annual conference overseas. "I actively focussed on improving ranging, organizing in-store promotions and worked very closely with our customers to drive sales - and it worked". Asked why she went the extra mile Tori reflected that "I guess just doing the job description wasn't quite enough for me and I saw a real opportunity to help my customer win so I went for it. It's nice to be recognised for that."

Tori wishes that she could nominate a Cabot's product as her favourite but she doesn't have a deck yet! "When I do I'll definitely be using the Feast Watson Scandinavian Oil." Until then Tori's favourite product is Yates Pyrethrum Insect Control Spray "I use it on my indoor plants to kill the bugs and it works really well!"

2018 PRIORITIES

- Continued 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 and the Board



"I LOVE OUR BRANDS. DULUXGROUP HAS SUPPORTED ME A LOT THROUGH COACHING, MANAGEMENT COURSES, STUDY TOURS AND I'VE BEEN REALLY ENCOURAGED BY MY MANAGERS TO STEP UP."

Hadley Vaughan

STRONG BRANDS AND STRONGER PEOPLE

Hadley Vaughan joined DuluxGroup in 2011 and has progressed through a range of roles to become marketing manager for Dulux New Zealand.

Hadley attributes his success over seven years at DuluxGroup to the support and training he has received and the great team around him.

"I love our brands. Duluxgroup has supported me a lot through coaching, management courses, study tours and I've been really encouraged by my managers to step up. It's a great feeling to be enabled to work across the entire business. I'm very proud that we recently launched the Dulux NZ Website. It is already a fantastic way to engage with our consumers and help them get stuck into more projects."

Hadley recently just got stuck into his own project - a major renovation of his home. "I have Weathershield in Dulux Pukaki on the exterior and Wash & Wear in Dulux Okarito on the interior with a feature wall in Dulux Rangitikei River half. It looks fantastic."





Jemma received a 2017 DuluxGroup Achiever Award

DEVELOPING OUR LEADERS

Jemma Carison, B&D Channel Business Manager, has had a ‘big’ 18 months. She has stepped into a new role in a completely different business, completed an MBA and welcomed a baby daughter to the world. It’s a good thing she thrives on challenge.

“The thing I love about DuluxGroup is that you get great support to challenge yourself and ‘step up’,” says Jemma.

Since commencing with DuluxGroup in 2012 as Berger Paints brand manager, Jemma has progressed to Dulux Weathershield brand manager and then to Cabot’s Marketing Manager before her current role.

“Each new role has been a progression, allowing me to step outside of my comfort zone and ‘prove myself’. Along the way DuluxGroup has invested in my career with various training and development opportunities. They also supported me in completing my MBA.

“When I took maternity leave, I felt completely included, with the business staying in touch. When I said I wanted to broaden my skills and step into a sales management role following my leave, I was offered the channel business manager role at B&D. I’ve enjoyed getting more diverse experience and learning a completely different business.

Last year, Jemma received a DuluxGroup Achiever Award.

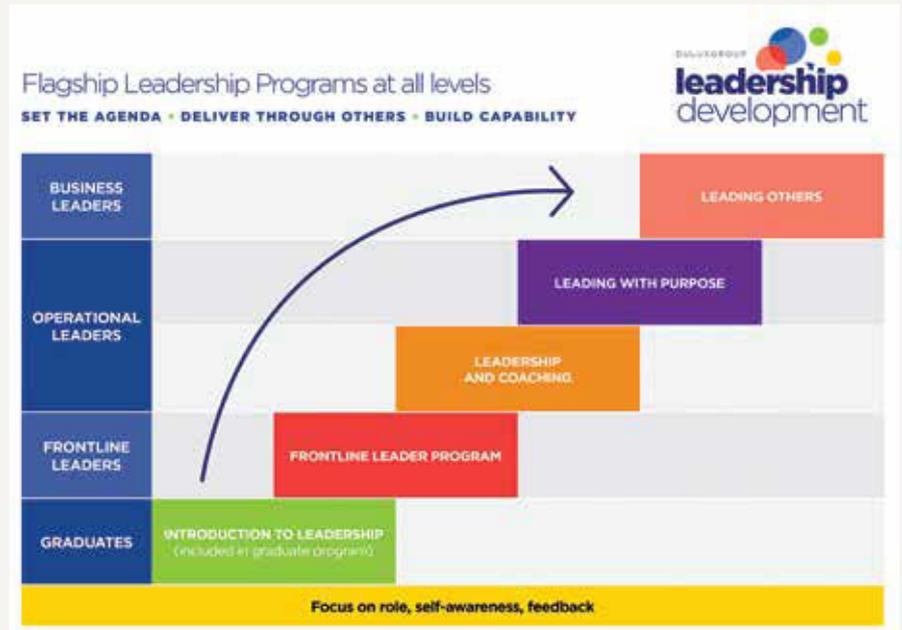
“I see my future with DuluxGroup. I like coming to work. I feel constantly challenged and always supported not only in my career but also in staying connected to my daughter.”

Leadership and Development

INVESTING IN OUR PEOPLE

We have a long-standing and well-regarded suite of leadership programs designed to equip our leaders with the skills and knowledge to create an environment where they, and their teams, can perform at their best.

We offer a comprehensive suite of transition-based leadership programs to support our people to progress their careers through the organisation from first time leaders through to senior leaders.



DuluxGroup graduate program participants 2018: Our three-year graduate program puts graduates in real jobs from day one and supports them with a comprehensive development program over three years.

GRADUATE PROGRAM OPENS UP CONTINUOUS LEARNING OPPORTUNITIES

Madhuri Ranjan is a third year science graduate who works as a Dulux specialty coatings development chemist. This year she undertook a four-month secondment with an overseas paint company, with which DuluxGroup has had a long-standing collaborative relationship.

“I was excited by the opportunity,” says Madhuri.

“For me, it was like an accelerated learning experience with exposure to a different lab environment, different areas of focus and ways of thinking. To be able to work with a different group of experienced and talented people and see how they operate and interact with suppliers, really accelerated my understanding of the paint industry.

“It was a great opportunity to view the industry through their lens and in the context of their market and customers. It was also a great way for me to further develop my personal skills and has given me more confidence to apply new ideas in my role here.”

Secondments are offered each year as part of an exchange program between Dulux and overseas peers.



CAMERON MURCOTT - FRONTLINE LEADER

In 2018, Trade Centre Manager Cameron Murcott participated in the Frontline Leader program. Here's what he had to say:

“The Frontline Leaders Program has been a great way for me to develop my skills and learn from others. The format worked really well. Each session covered a specific topic, with a month in between to apply what I'd learnt and explore the ideas the course the exposed me to. Allowing for feedback on the previous month at the beginning of each session let us see practical responses to the topics from the people who implemented them - what worked, what didn't, and how to improve.

I also really appreciated the chance to learn from people in other parts of DuluxGroup. My group included an export manager from B&D Garage Doors & Openers and a warehouse supervisor from our Lincoln Sentry Cabinet & Architectural Hardware. The blending of people from different parts of the business worked perfectly.”

DuluxGroup's Frontline Leader program is designed to equip people leaders with the skills, knowledge and tools to increase their effectiveness in leading high-performance teams. The program provides theory and practical workplace exercises in 8 sessions over 12 months.

Cameron Murcott, DuluxTrade Centre Manager,
Dandenong, Victoria

2018 PRIORITIES

- Continued to enhance our leadership and professional skills curriculum
- Promoted our comprehensive learning curriculum across the business
- Talent acceleration programs for high potentials, including focused development, senior executive mentoring and active career management to support achievement of career goals
- Implemented and refreshed our established learning curriculum across functions, including sales and marketing, and comprehensive training on our extensive product range

2018 PERFORMANCE

- In FY18, almost 180 leaders, participated in formal leadership programs. 43% of these were women
- Implemented new 12-month leadership program for frontline leaders in our supply chain and store network. Approximately 50 frontline leaders are currently participating
- We have approximately 70 future leaders in our talent acceleration pool



**“THE FRONTLINE LEADERS
PROGRAM HAS BEEN A
GREAT WAY FOR ME TO
DEVELOP MY SKILLS AND
LEARN FROM OTHERS”**

Cameron Murcott

Diversity

BUILDING A DIVERSE WORKFORCE

We recognise that building a diverse and inclusive workforce is a critical enabler to achieving our strategic goals. We believe 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 consumer base. This leads to better solutions for the benefit of our customers, our consumers and our overall results.

DuluxGroup's key diversity objectives are to:

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)

The policy can be found on our website at www.duluxgroup.com.au.



2018 PRIORITIES

- Continued 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
- 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

2018 PERFORMANCE

- 41% of new hires were female, demonstrating that our employee value proposition resonated with females
- 43% of leadership program attendees were female
- Identified and accelerated females through our talent acceleration programs (54% of our high potential cohort are female)
- Promoted talented women (49% of internal promotions were female)
- Through our annual gender pay equity analysis ensured there was no gender differential when setting salary and awarding incentives
- Enhanced and promoted our workplace flexibility and parental support offering, with 56% of surveyed employees indicating that they work flexibly
- Supported females during pivotal points in their careers, such as returning to work after parental leave (85% of females return to work)
- Voluntary turnover of females dropped slightly to 13%. Overall Group turnover was 14.5%



A CHANCE SHINES FOR A NEW CAREER

Ali Assi, 36, is the son of Lebanese migrants who grew up and went to school in Preston in Melbourne's northern suburbs and began working immediately after completing year 12.

Ali worked for 12 years at a large manufacturer supplying local car manufacturers. As the Australian car industry scaled back production before final closure in October 2016, Ali 'saw the writing on the wall' and took redundancy.

Around that time Dulux had the unique opportunity to build a workforce for its new paint factory in Merrifield from scratch - creating a range of new opportunities for workers.

Dulux wanted to build a team of people who would look out for each other and take pride in their work. They were also determined to create a diverse workforce which reflected the local community in the north of Melbourne, which they did by directly engaging with local community groups and running inclusive advertising for the roles.

"As soon as I saw the Dulux ad, that was the job I was determined to get," says Ali.

"I'm getting the chance to do things I never thought I'd be doing."

Ali was one of three former automotive industry employees offered a new start at Dulux Merrifield.

GENDER DIVERSITY KEY STATISTICS

| | 2018 | | 2017 | |
|--------------------------------|--------|------------|--------|------------|
| | NUMBER | PERCENTAGE | NUMBER | PERCENTAGE |
| Board | 3 of 7 | 43% | 1 of 7 | 14% |
| Non-Executive Directors | 3 of 5 | 60% | 1 of 5 | 20% |
| DuluxGroup Executive | 2 of 9 | 22% | 2 of 9 | 22% |
| Senior Leadership ¹ | | 27% | | 25% |
| Organisation ² | | 34% | | 31% |
| Graduates ³ (ANZ) | | 66% | | 46% |

¹ Leadership is defined as DuluxGroup senior managers (employees at CEO – 3 roles and above). These employees work in a variety of roles including business management, sales, supply chain, research and development, marketing and functional roles such as finance, IT, legal and human resources. They are responsible for delivering substantial commercial and operational outcomes and for leading people.

² Inclusive of our global workforce

³ Graduates in our three-year development program



WE REPORT OUR DIVERSITY PROGRESS EXTERNALLY TO THE WORKPLACE GENDER EQUALITY AGENCY (WGEA) ON AN ANNUAL BASIS. THE REPORT CAN BE FOUND ON OUR WEBSITE: WWW.DULUXGROUP.COM.AU AND WWW.WGEA.GOV.AU/PUBLIC-REPORTS-0



LONG CAREER NEVER GETS OLD

During a career that started 45 years ago, Ron Mur has done everything from manufacturing, quality testing, warehouse management and leading state sales teams before becoming a Dulux state distribution manager for the past 20 years.

“More than four decades across different roles, businesses and working environments – in the factory, in the lab, on the road, in the office or warehouse – I’ve had the chance to see from almost all perspectives,” says Ron.

“And, I’ve been applying that to my current role. Particularly, helping my team to see things from our customers’ point of view.”

Ron reflects that his proudest achievement, in fact, has been managing the recent move to DuluxGroup’s new, purpose-built, Victorian Distribution Centre.

“It is extremely satisfying to be a part of the big projects because they are the most challenging. This one was complex and took a lot of careful planning. It was special because we all worked together and pulled it off seamlessly; it’s a testament to the team that we did it within a week while hitting all of our deliveries and keeping seamless service for our customers.”

Asked what keeps him at DuluxGroup, he says: “It’s fun, usually interesting and often challenging. The business has changed so much over that time, there’s always something new to challenge you.”

Ron’s favourite product is Intergrain Ultradeck. “I’ve got it on my deck and then anywhere else I can put it on. I love my timber clears.”



PIP WELCOMES OPPORTUNITY TO LEAD

Pip Smith joined DuluxGroup as B&D Garage Doors & Openers Operations Manager in 2016. From a background in paint, she welcomed the opportunity to ‘step out of her comfort zone’ into something new. Supply chain and manufacturing are historically male-dominated areas, and she is pleased to be part of a gradual, but accelerating, wave of change.

“Women’s perceptions of operations and engineering is really changing. Women are seeing that they have the skills and ability to work in these roles – and that’s really exciting.

“There are so many opportunities here, in terms of roles, training, networking. My message to young women is don’t let yourself get in the way of your goals or great opportunities.

“My background was in paint, but at DuluxGroup I feel like I have the opportunity to work at any one of our more than 20 manufacturing sites.

“When I first applied here, I had no idea of the breadth of great brands and businesses – besides Dulux and B&D, household names like Selleys, Yates, British Paints and more.

“One of the things I most value here is that there are so many different types of people with different backgrounds and experience, there’s always an opportunity to hear new ideas. I love the collaboration and the innovation.

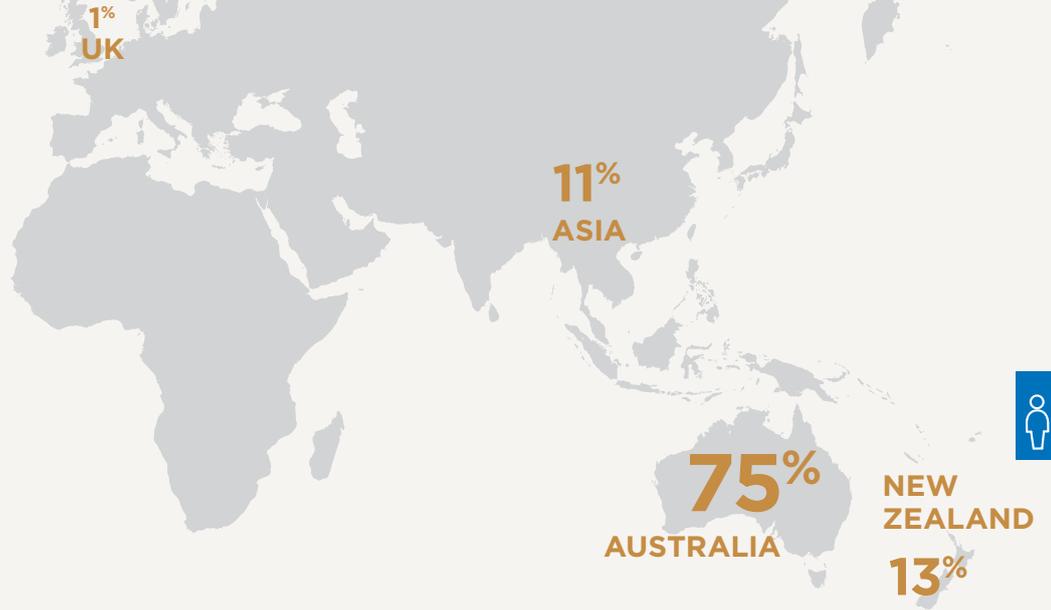
“We have a product that lets you open your garage door remotely from the other side of the world – I love telling family & friends about that.”



WORKPLACE PROFILE

EMPLOYEE LOCATION

% of workforce based in:



WORK TYPE (ANZ)



FULL TIME

84%



PART TIME

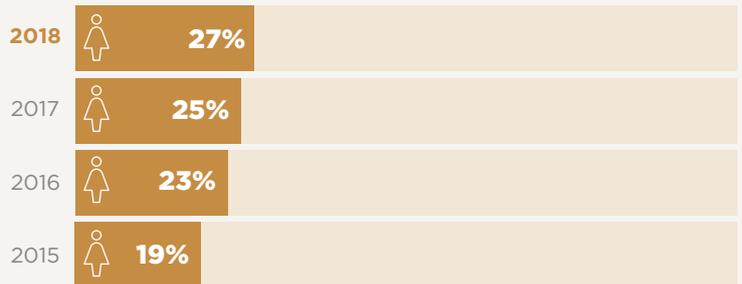
9%



CASUAL

7%

FEMALES IN SENIOR LEADERSHIP



34%

GENDER (GLOBAL)



66%

41%

2018 NEW HIRES (ANZ)

59%

49%

2018 INTERNAL PROMOTIONS (ANZ)

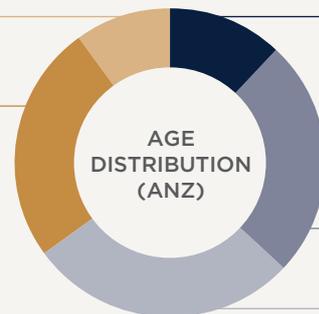
51%

10%

60+ years

25%

50-59 years



12%

<30 years

25%

30-39 years

28%

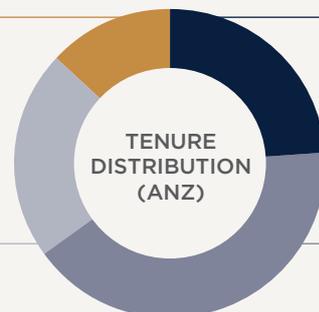
40-49 years

13%

>20 years

22%

10-20 years



24%

<2 years

41%

2-10 years



OUR OPERATIONS



DULUXGROUP'S GLOBAL OPERATIONS AND SUPPLY CHAIN COMPRISE 24 MANUFACTURING FACILITIES, 24 DISTRIBUTION CENTRES AND MORE THAN 100 COMPANY OWNED TRADE CUSTOMER STORES ACROSS AUSTRALIA, NEW ZEALAND, THE UNITED KINGDOM AND PARTS OF ASIA.

We are committed to protecting our people, assets and the safety of our operations as we focus on providing leading service to our customers.



Terrarium House by architect John Ellway
Architect, 2018 Dulux Colour Awards finalist.
Photo by Toby Scott



Energy consumption (gigajoules
per tonne of production)

**decreased 3% to
0.71 GJ/t**

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 continues to be a priority focus.

More than 34 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 action is required.

Our in-depth periodic hazard study process, which involves deep hazard analysis at factories with process safety risks, checks that effective critical risk controls are being implemented and sustained. Specialist progress reviews are conducted every six months, including updating 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.

Waste

A NEW FOCUS ON TOTAL WASTE GENERATED/DIVERTED AND MATERIALS EFFICIENCY

Waste reduction is a key operational sustainability priority, due to the environmental impacts associated with use of finite resources and the significant operational costs.

Historically, our focus has been on waste to landfill. These levels have reduced by more than 25% over the last decade, remaining relatively static in recent years. During 2018 we changed our focus to total waste generated and diverted, in order to improve our understanding of total waste impacts and the potential reduction opportunities. This has been supported by developing and piloting a new materials efficiency review process (replacing historic waste audits) that will be applied at priority sites from 2019 and used to develop targeted reduction plans.

| FOCUS AREA | 2018 PRIORITIES |
|----------------|---|
| Process Safety | <ul style="list-style-type: none"> Completion of new Periodic Hazard Studies at Yates Mt Druitt and Dulux Lae, plus implementation of actions at sites where studies have previously been completed 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 |

2018 PERFORMANCE

- No major near miss (Category 4) incidents involving process safety risks occurred, with the last such incident occurring 2.9 years ago, and there was a 50% reduction in serious near misses (Category 3) to four incidents. Both outcomes represent our best performance on record

| FOCUS AREA | 2018 PRIORITIES |
|-----------------|---|
| Dangerous Goods | <ul style="list-style-type: none"> Completion of specialist dangerous goods audits and actions at priority sites |

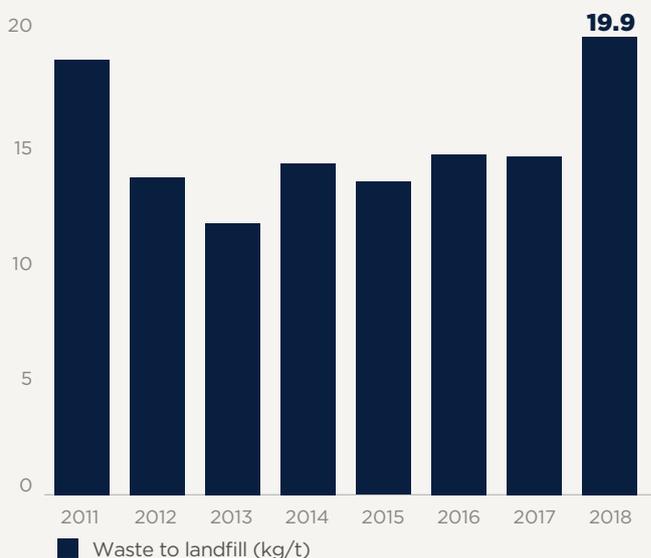
2018 PERFORMANCE

- No serious incidents involving storage and handling of dangerous goods occurred, consistent with 2017

| FOCUS AREA | 2018 PRIORITIES |
|------------|---|
| Waste | <ul style="list-style-type: none"> Implementation of new metrics for total waste generated and diverted Review of stockpiled waste levels and management procedures Piloting of new materials efficiency review process at Selleys Padstow |

2018 PERFORMANCE

- Total waste generated was 83 kg/t (kilograms per tonne of production) and total waste diverted was 45%. Waste to landfill increased 36% to 19.9 kg/t. Our performance was strongly influenced by the start-up of Dulux Merrifield. Now that the plant has reached planned production rates, significant improvement in all waste metrics are expected in 2019. Excluding Merrifield, total waste generated was 65 kg/t, total waste diverted was 62%, and waste to landfill was 18.6 kg/t (27% increase over 2017). This landfill increase was primarily due to a number of one-off stockpiled waste clean-ups (e.g. Selleys Padstow, Dulux Gracefield) and project construction wastes (e.g. Parchem Wyong), plus the loss of available recycling suppliers (e.g. Dulux Glenfield). We expect significant improvement in 2019.



Energy and Water

FOCUS ON EFFICIENCY

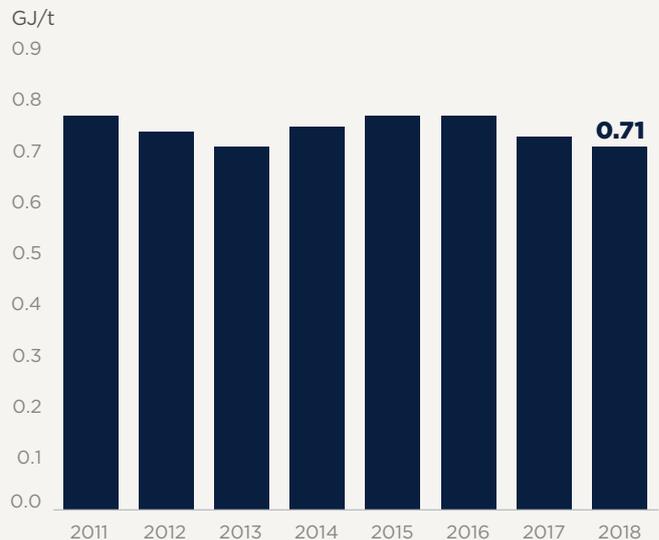
Benchmarking indicates that our energy and water consumption levels are not highly significant compared to peer organisations and this is consistent with the nature of our manufacturing operations (mixing, blending).

Our greatest supply chain impacts are upstream and downstream of our operations and this is our evolving priority focus area (see Climate Change in Our Products), while 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 key improvement opportunities. A review of water efficiency opportunities will be completed in the next 2-3 years.

We will be implementing new metrics to capture consolidated emissions (e.g. greenhouse gases, VOCs (volatile organic compounds)) across the group in 2019. Energy consumption and scope 1 and scope 2 greenhouse gas emissions for our Australian activities are reported under the National Greenhouse and Energy Reporting (NGER) scheme. 82% 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). 65% 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).

| FOCUS AREA | 2018 PRIORITIES |
|------------|---|
| Energy | <ul style="list-style-type: none"> Continued installation of LED lighting upgrades Installation of solar panel system at Dulux Merrifield |
| | 2018 PERFORMANCE |
| | <ul style="list-style-type: none"> Our energy consumption (gigajoules per tonne of production) decreased 3% to 0.71 GJ/t. This reduction was primarily associated with LED lighting upgrades across B&D and Lincoln Sentry, and DGL Camel plant shutdown. National Greenhouse and Energy Reporting (Australia): Total energy consumption (including solvents in products) reported was 575,500 GJ and total greenhouse gas emissions (Scope 1 and 2) were 32,500 tonnes (CO₂-e or equivalent carbon dioxide emissions). Compared with 2017 these results were 5% and 4% higher respectively, due to increases in absolute electricity use and solvent consumption. On a production rate basis, energy consumption increased 2% and there was no change in greenhouse gas emissions. These differences were primarily due to Dulux Merrifield electricity consumption and Dulux Rocklea solvent consumption. |





A NUMBER OF OUR OPERATING SITES HAVE IMPLEMENTED ENERGY AND WATER EFFICIENCY IMPROVEMENTS

Environment

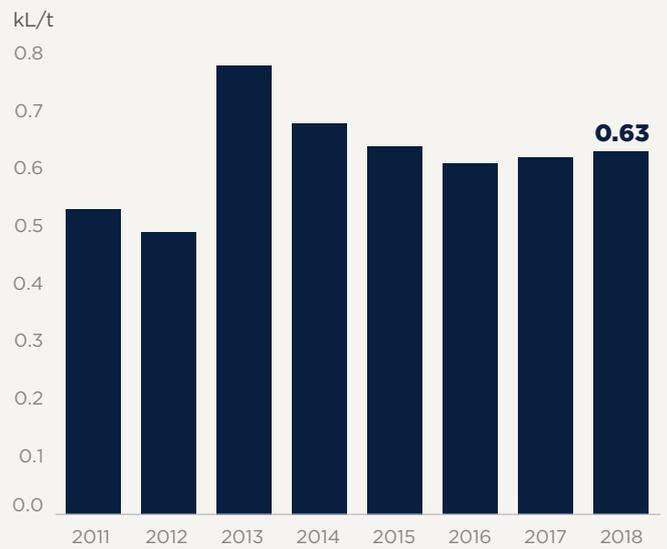
MINIMISING THE IMPACT OF OUR LOCAL OPERATIONS

Managing operational environmental risks (e.g. air, odour, noise, waste, effluent, land) at all of our sites to meet regulatory standards and community expectations is a key commitment in preventing harm.

In 2017, we introduced a new program of environmental specialist audits at our manufacturing sites to check all environmental risks and compliance requirements are managed effectively. These audits continued throughout 2018.

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 all sites to identify and manage any risks. As reported previously, localised, stable contamination associated with historic activities exists on some older sites, however no remediation is currently required.

| FOCUS AREA | 2018 PRIORITIES |
|------------|--|
| Water | <ul style="list-style-type: none"> Installation of rainwater recovery system for utilities at Dulux Merrifield |
| | 2018 PERFORMANCE |
| | <ul style="list-style-type: none"> Water consumption (kilolitres per tonne of production), including water used in production processes and in products as a raw material, increased 2% to 0.63 kL/t, primarily due to the start-up of Dulux Merrifield. 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. |



| FOCUS AREA | 2018 PRIORITIES |
|-------------|---|
| Environment | <ul style="list-style-type: none"> Completed new environmental specialist audits at four sites and implemented actions from audits of four sites completed in 2017 Completed further soil and groundwater investigation works, including routine monitoring |
| | 2018 PERFORMANCE |
| | <ul style="list-style-type: none"> Soil and groundwater: No new significant issues requiring intervention or remediation works were identified. Compliance: There were no serious community or environmental incidents (Category 3) in 2018, consistent with 2017. There were three regulatory improvement and/or infringement notices received compared with two in the prior year, and all have been fully addressed. |



OUR COMMUNITIES

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

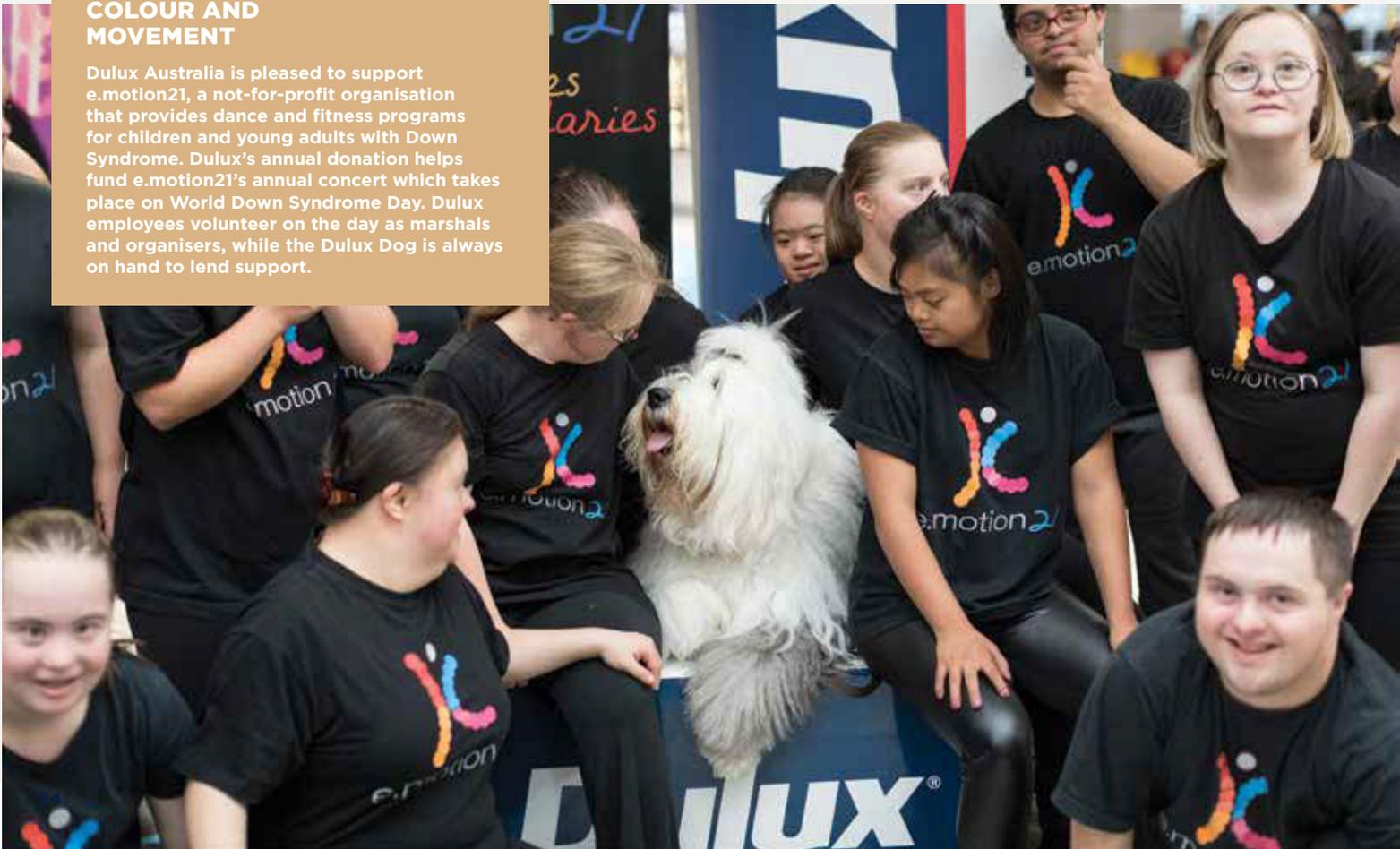
**This means creating products and
services in a sustainable way to help our
consumers to 'Imagine a Better Place'
and contributing to our local communities.**

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; and
- paying our fair share of taxes in all regions in which we operate.

JOY THROUGH COLOUR AND MOVEMENT

Dulux Australia is pleased to support e.motion21, a not-for-profit organisation that provides dance and fitness programs for children and young adults with Down Syndrome. Dulux's annual donation helps fund e.motion21's annual concert which takes place on World Down Syndrome Day. Dulux employees volunteer on the day as marshals and organisers, while the Dulux Dog is always on hand to lend support.





DULUX PROVIDES SO MUCH COLOUR BEYOND BLUE

Dulux Australia's Craig Blinco presents \$22,600 to Nathan Thompson from Beyond Blue, raised with generous donations from Dulux's Accredited Painters at the 2018 Dulux Accredited National Conference in Melbourne. Over the past three years, Dulux Accredited has raised more than \$50,000 for Beyond Blue.



OUR EMPLOYEES CONTRIBUTED HUNDREDS OF HOURS VOLUNTEERING FOR COMMUNITY PROJECTS, TO RAISE FUNDS AND PROVIDE MENTORING OR TECHNICAL EXPERTISE FOR THOSE IN NEED.

2018 PRIORITIES

- Began a project to consolidate and quantify DuluxGroup's total contribution to the community, while maintaining the mandate for businesses to support local communities as appropriate
- Our individual businesses developed community support criteria and guidelines relevant to their respective brands
- Conducted an employee survey to understand what our people knew about our community contributions, and where they believed DuluxGroup could focus its efforts

2018 PERFORMANCE

During 2018, our businesses and employees helped more than 250 local community organisations through fundraising, volunteering, provision of products and direct donations. Some of the organisations that benefited during the year were:

- Beyond Blue
- e.motion21 in support of World Down Syndrome Day
- The Victoria Police 'Head to Head' Walk in support of mental health
- Kids Under Cover
- Habitat for Humanity, New Zealand
- Schools, garden clubs and community organisations throughout Australia and New Zealand as part of Yates community support program
- Men's Shed

A cross-business Community Working Group was formed to break down the employee survey results and work on a community investment strategy.

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. Organisations we helped during 2018 included:

- The Royal Womens Hospital Accommodation Foundation in Melbourne, where 56 Dulux employees worked over three days to repair and paint apartments used by patients' families who travel from regional and interstate locations to be near loved ones in the hospital's care. Dulux also donated all of the paint for the project
- RSPCA's "Million Paws Walk" 2018, which Dulux employees in a number of states supported over different weekends
- Moonlit Animal Sanctuary in Victoria, where 28 Cabot's employees worked over two days to restore decking and public areas
- Dulux Protective Coatings donated products, labour and equipment to repair and coat the floor of Surf Life Saving Australia's emergency rescue helicopter hangar in Brisbane
- Dulux New Zealand employees joined with customers to repair and paint the Salvation Army's Auckland Safe Centre
- DuluxGroup employees throughout Australia volunteered for Foodbank
- Yates New Zealand employees volunteered time, expertise and products to re-establish a community garden for patients to enjoy at Otago Spinal Rehabilitation Unit

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 32 years these highly coveted awards have grown in prestige, and in 2018 attracted a record 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 helped more than 3,000 students across 25 schools throughout Australia to create outdoor classrooms and gardens as part of the Yates Junior Landcare Grants for Gardens Program.
- Dulux provides paint to help the National Gallery of Victoria showcase permanent and temporary exhibitions in colour perfect surroundings.
- 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.
- Yates launched the Growing Good Garden Grants program and awarded 15 schools a \$1000 garden grant each to bring their garden project to life.
- Yates New Zealand inspires young gardeners with its 'Kids Go Gardening' program, which provides \$8,000 and more than 1,000 packets of seeds.
- 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.



DULUX TECHNOLOGY INNOVATION AND COMMUNITY SPIRIT COMBINE FOR A CAUSE

Dulux Protective Coatings partnered with Kennards Hire and Quince Paint to donate more than \$15,000 in products, labour and equipment to repair and coat the concrete floor of Surf Life Saving Australia's emergency rescue helicopter hangar on Queensland's Sunshine Coast.

The team of volunteers applied Luxafloor FCF to the hangar's concrete floor. In 2018 Dulux was the first company in Australia to commercialize the new completely novel fast drying technology of this product. This ensured that the hangar, which is an essential community service, was up & running the next day, where conventional technologies require about a week's drying (cure) time. Dulux also donated paint for the walls and offices as an added bonus.



YATES INSPIRES THE NEXT GENERATION OF GARDENERS

Yates has partnered with Life Education Australia to develop a program with 'Healthy Harold' school curriculum content, promoting good gardens and good habits. This has been taken nationally, with 50,000 school kids participating to date.

Yates has also launched the Growing Good Garden Grants program and awarded 15 schools a \$1000 garden grant each to bring their garden project to life.



YATES BRINGS JOY OF THE GARDEN TO SPINAL PATIENTS

Yates New Zealand donated products, labour and horticultural expertise to re-establish a community garden for patients to enjoy at Otago Spinal Rehabilitation Unit in Auckland.



SAFEGUARDING THOSE WHO SAFEGUARD US

Since 2012, Dulux Australia has partnered with Surf Life Saving Australia to paint surf clubs around the country in Dulux Weathershield, made to withstand Australia's toughest coastal conditions. In 2018, Lorne Life Saving Club on Victoria's Bellarine Peninsula became the 200th club painted.

Supporting our next generation of architects

The Dulux Study Tour is a coveted award that 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 tour took them to London, Berlin and Milan to visit iconic projects including the 'Tin House' by Henning Strummel in London and the Koenig Gallery in Berlin. They also got an insight into some of the best practices at firms such as Foster & Partners, David Chipperfield and Piuarch who work closely with Dolce & Gabbana. 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.

"One of the strongest lessons that the Dulux Study Tour offers is the insight, if only briefly, into the character and personality of a place. And with that insight, the understanding that architecture is so heavily informed by or exists in relationship to that place; and to its community, its history and its environment," Kim Bridgland.

"I previously hadn't considered what benefits there would be in spending time with the Dulux team, and the sort of questions and thinking that came from the strategising of an organisation like Dulux was an unexpected & valuable contribution," Dirk Yates.

2018 Dulux Study Tour participants.



**NEW MERRIFIELD
FACTORY IS PART OF
THE LOCAL FABRIC**

Dulux's new \$165M factory at Merrifield in Melbourne's north is equal to the most technically advanced paint factories anywhere in the world. In choosing Merrifield as the location for this 'once in a generation' investment, Dulux has aimed to be an integrated part of this growing community from day one.

"The fact that the Merrifield Business Park was also part of a mixed-use community with a city centre and residential aspect resonated with us," says Dulux Chief Operating Officer Patrick Jones.

"We could see the potential for us to be in the community over the long term. With Merrifield being in a growth area, we can grow with the community, which is especially important for Dulux. It also provides access to a skilled workforce in a growing region to support the business now and into the future."





**“WITH MERRIFIELD BEING
IN A GROWTH AREA, WE
CAN GROW WITH THE
COMMUNITY, WHICH IS
ESPECIALLY IMPORTANT
FOR DULUX”**

Dulux Chief Operating Officer Patrick Jones.



Providing local job opportunities

The new factory created more than 60 new jobs, with most of the new employees drawn from the local area.

“We wanted to ensure that our workforce reflected and was committed to the local community. We have assembled a team of people who are diverse in age, gender, cultural background and previous work experience. What they all have in common is an enthusiasm and excitement to be part of something new and leading edge with a strong future,” says Dulux Merrifield site manager David King.



DULUX MERRIFIELD GIVES OMUR A NEW START

Omur joined DuluxGroup in August 2017 looking for greater career opportunities and says he found that, and much more, working at the brand new state-of-the-art Dulux Merrifield factory.

Omur comes from a background of shift work. “I used to work irregular hours where I would often start at 3 or 4 in the morning every day,” he says.

Omur reflects he is much happier and feels supported since he joined DuluxGroup. “Working at Dulux has improved my work life balance a lot. I now start at 6:30 in the morning and finish around 2:30 in the afternoon which lets me pick up my kids from school every day.”

Omur is celebrating his recent promotion to manufacturing co-ordinator and is looking forward to learning more about batch control and also to a special holiday to Europe next year to visit he and his wife’s family with his young children.

Omur used to work for a company building other people’s houses, and when he came to build his own house he made sure he used Dulux products. “The company didn’t use the quality of Dulux on the houses I built in my previous job, but I made sure I used it on my own. I remember painting with Weathershield tinted to Colorbond Monument to match my roof and it was easy to apply, looks fantastic and has held up great.”

Bringing the world's best innovation and technology

In designing the new factory, Dulux visited 20 of the world's leading factories to ensure we built a paint factory that is world's best right here in Australia. By drawing on technologies used in the pharmaceuticals industry, together with advanced control systems, Dulux can continue to provide high quality, market leading products and be even more responsive to our customers. It is considered a world-class example of advanced digital manufacturing in the process chemical industry.

Victorian Industry Minister Ben Carroll (right) and DuluxGroup Chairman Peter Kirby at the Official Opening of Dulux Merrifield on DuluxGroup's 100th Birthday in May 2018



Supporting our local economy

Of the \$165M investment in the new Dulux factory at Merrifield in Melbourne's North, approximately \$135M was spent with Australian suppliers, \$130M of that in Victoria.



\$165M investment in the new Dulux factory at Merrifield



Dulux Merrifield team restores Banksia Gardens Community Centre

A group of enthusiastic Merrifield team members went along to Banksia Gardens Community Centre in Autumn 2018 to volunteer their time. The team all got involved in rejuvenating the exterior garden surrounding a new portable building that will house the new alliance hub building, adding to the centre's already successful project, 'Second Chance'.

Banksia Gardens has been part of the Broadmeadows community for 30 years. Their success in turning around youth crime and juveniles undergoing sentencing through their 'Second Chance' initiative has lead Hume council to rely on their support to educate and equip individuals with skills that can gain them employment within the wider community.

SUSTAINABLE BUSINESSES ARE BUILT ON SOLID AND FAIR PARTNERSHIPS

DuluxGroup partners with thousands of suppliers – small, medium and large – throughout its supply chain. It is a signatory to the Australian Supplier Payment Code, which is a voluntary, industry-led initiative that enshrines the importance of prompt and on-time payment for small business suppliers. Each year we reinforce these partnerships by celebrating excellent customer service at the DuluxGroup Supplier of the Year Awards.



Australian
Supplier Payment
CODE

supplierpaymentcode.org.au

Recognising our valued partners

DuluxGroup and its businesses partner with thousands of suppliers throughout our supply chain. Each year, we celebrate the very best of our valued supply chain partners at the Annual DuluxGroup Supplier of the Year Awards. Now in their 28th year, the awards are highly regarded.



Celebrating our DuluxGroup Suppliers of the Year 2018

Contributing to public policy and debate

In 2018 DuluxGroup engaged with Government and contributed to public policy debate through:

- Regular meetings with political representatives and government officials by our Managing Director and CEO and senior executives
- Participation in industry forums and delegations through memberships of the Business Council of Australia, Manufacturing Australia and Chemistry Australia
- Submissions to Government policy reviews – specifically, the Australian Government's Review of the R&D Tax Incentive
- Hosting of political representatives at DuluxGroup sites to demonstrate the tangible benefits of local investment in science, innovation and manufacturing

Some of the key issues raised included incentives for Australian industry to invest in genuine research and development that generates Australian jobs and delivers a long term economic and community benefit, and policies to ensure energy security and affordability that allows Australian manufacturers to compete globally.



DuluxGroup Managing Director and CEO Patrick Houlihan participates in the Business Council of Australia's 'Strong Australia' community forum at Broadmeadows in Melbourne.

DuluxGroup in the community 2018 –

PAYING OUR FAIR SHARE

Of our \$1.8 billion in revenue this year, approximately: \$407 million went to wages and benefits for our 4,000 employees; \$58 million approximately in taxes; \$106 million was returned to shareholders in the form of dividends; \$1.2 billion was paid in expenses, including to thousands of suppliers – small, medium and large – some of which rely on DuluxGroup's businesses for their own viability and ability to employ.

\$45M

Retained for capital and growth

\$106M

Dividends

\$407M

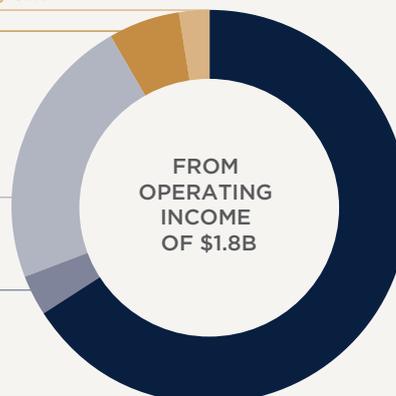
Employee wages & benefits

\$58M

Tax expense

\$1.2B

Expenses



Tax transparency

DuluxGroup's tax culture aligns with community expectations that DuluxGroup pays its fair share of taxes. We manage our tax affairs appropriately and have robust governance, overseen by senior executives, our Board Audit and Risk Committee and our full Board.

In 2017, DuluxGroup adopted the voluntary Tax Transparency Code. DuluxGroup believes that increased transparency enables more informed tax policy debate and builds community confidence in the integrity of Australia's taxation system. It also highlights the significant contribution made by Australian businesses.

Right is a summary of the taxes paid by DuluxGroup in regard to our global operations in 2018. Please refer to our Tax Contribution Report 2018 for more detailed information, which is available at www.duluxgroup.com.au.

31%

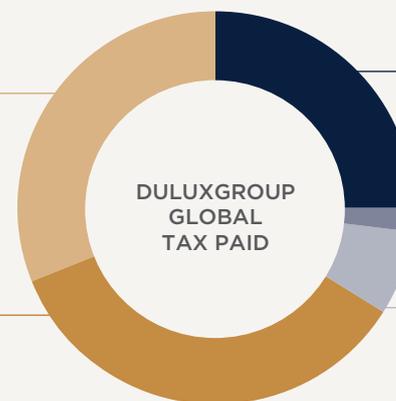
GST/VAT (net collected)

(30 September)¹

35%

Employee withholding taxes

(30 June)¹



25%
Corporate tax

2%
Fringe benefits tax
(31 March)

7%
Payroll tax
(30 June)

Note 1: Tax contributions for our operations in China are based on a 31 December year end.

| 2018 DULUXGROUP TAX CONTRIBUTIONS | TOTAL \$M |
|--|------------|
| Corporate tax (30 September) | 58 |
| Fringe benefits tax (31 March) | 5 |
| Payroll tax (30 June) | 15 |
| Employee withholding taxes (30 June) | 80 |
| GST/VAT (net collected) (30 September) | 71 |
| Total | 229 |



OUR COMMUNITY EXPECTS THAT DULUXGROUP PAYS ITS FAIR SHARE OF TAXES – AND WE DO



OUR GOVERNANCE

AS A BOARD, WE BELIEVE THAT A STRONG CORPORATE GOVERNANCE FRAMEWORK AND CULTURE TRANSLATES TO A STRONG COMPANY THAT DELIVERS FOR ITS SHAREHOLDERS.



DuluxGroup's directors and management are committed to conducting business in an ethical, fair and transparent manner in accordance with high standards of corporate governance. The Board, together with the management team, leads by example. We have a robust corporate governance framework in place and we are committed to fostering a culture of compliance that values personal and corporate integrity, accountability and continuous improvement.

OUR CORPORATE GOVERNANCE FRAMEWORK INCLUDES:

An engaged Board of directors with a diverse range of skills and experience supported by an effective Board Committee structure.

Clear and transparent communication with our shareholders.

Strong risk management and assurance processes and culture.

Our Values and Behaviours and supporting policies that underpin the way we behave and meet our strategic objectives.

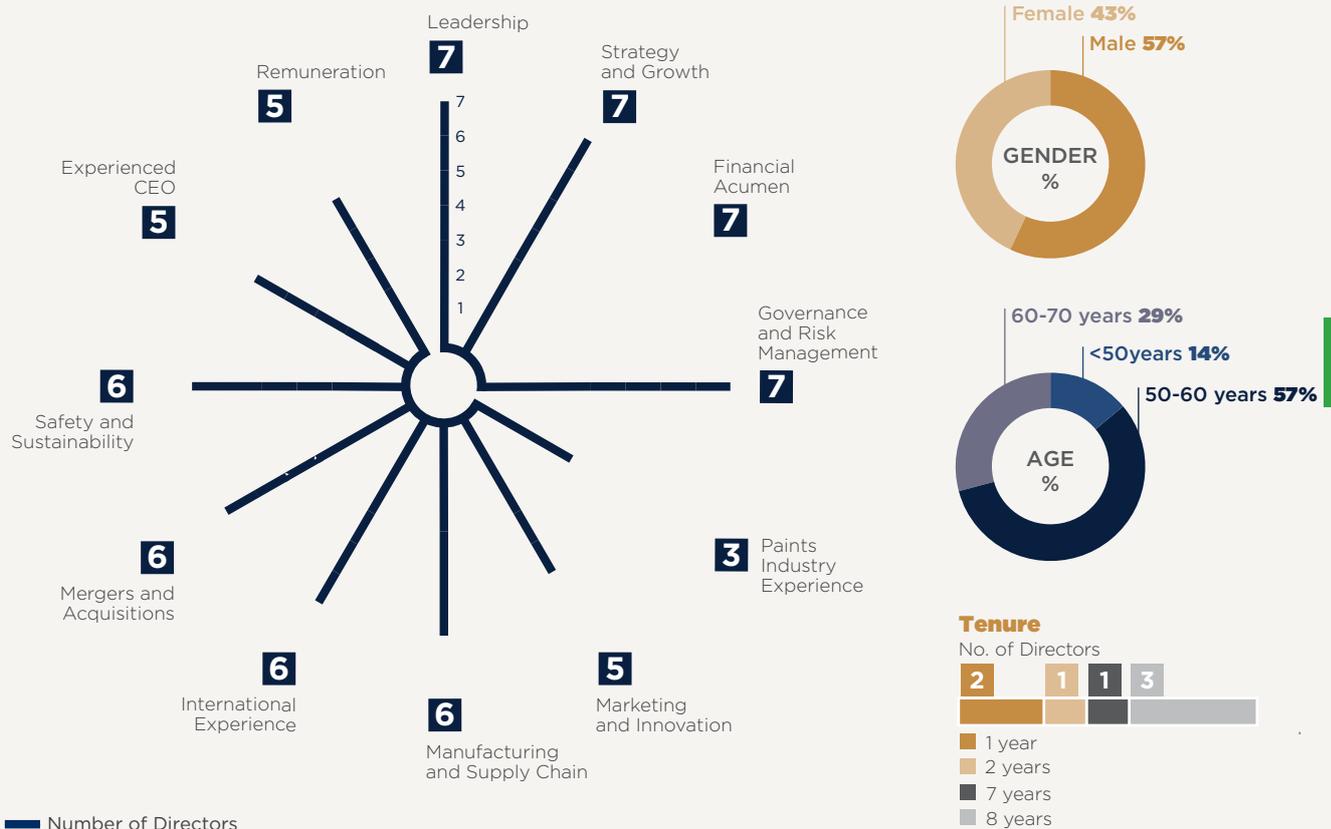
DuluxGroup's corporate governance framework complies with the 3rd edition of the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations (**ASX Principles**).

BOARD AND COMMITTEES

The Board's primary role is to enable the protection and enhancement of long term shareholder value taking into account the interests of all stakeholders including employees, customers, suppliers and the wider community. The Board has four standing Committees that play an important role in assisting the Board perform its role and discharge its responsibilities. These cover audit and risk, remuneration and human resources, safety and sustainability, and Board succession and performance. Read our Board and Committee Charters at www.duluxgroup.com.au.

The Board believes that having a range of different skills, backgrounds, experience and diversity enables a broad range of viewpoints which facilitates effective governance and decision making.

Board Skills, Experience and Diversity



The Board has an active professional development program in place for directors and is incorporated as part of the annual Board cycle. This varies each year and may include internal presentations, discussions with key external subject matter experts, customers and/or suppliers as well as visits to DuluxGroup sites and other places of interest.

DURING THE 2018 FINANCIAL YEAR, THE BOARD'S PROFESSIONAL DEVELOPMENT PROGRAM INCLUDED, AMONG OTHER THINGS:

- focussed sessions at each Board meeting addressing topical issues facing one or more of the business units or functions;
- a visit to the B&D Group manufacturing site in Revesby, NSW and the Selleys manufacturing site in Padstow, NSW;
- a tour of the United Kingdom and broader Europe to give the Board insight into growth opportunities, DuluxGroup's operations and the relevant markets; and
- presentations from key customers as well as subject matter experts on issues including macro-economics, information technology, continuous disclosure, capital markets and accounting developments.

More information on our Board members can be found on pages 78 and 79. Also read our Corporate Governance Statement at www.duluxgroup.com.au for more information about our Board including our appointment, evaluation and succession planning processes, our independence policy and our expectations about managing conflicts of interests.

DuluxGroup Corporate Sustainability Report

Our Governance

MANAGEMENT

The CEO, together with the DuluxGroup executive team, is responsible for the development and implementation of strategy and the overall day-to-day running of the company. Consistent with the company's primary objective to enhance long term shareholder value, this includes operational, financial and strategic delivery, risk management and compliance, leadership and organisational culture, and the provision of accurate, timely and clear information to enable the Board to perform its responsibilities. A formal delegation of authority is in place that sets out the powers that are reserved to the Board and those that are delegated to the CEO. This can be found in the corporate governance section of our website at www.duluxgroup.com.au. There is also a formal structure setting out the delegations from the CEO to management and other employees. More information on our DuluxGroup executive team can be found on pages 80 and 81.

SHAREHOLDER ENGAGEMENT

DuluxGroup is committed to open, clear and timely communications with its shareholders. The company has a Shareholder Communications Policy and investor relations program in place that encompasses the company's commitment to providing transparent two-way communications with all shareholders through a number of channels. These include:

- the company's website at www.duluxgroup.com.au;
- the company's AGM;
- the company's Annual Report, which is available in hard copy and on the company's website;
- disclosures and other major announcements released to the Australian Securities Exchange (ASX); and
- communications with analysts, investors and governance bodies as well as media briefings.

Read our Corporate Governance Statement and our Shareholder Communications Policy for more information at www.duluxgroup.com.au.



RISK MANAGEMENT PRACTICES

Effective assurance and risk management practices help DuluxGroup to achieve its strategic objectives, enable compliance with its legal obligations and protect the best interests of the company and its shareholders. The Board and management have established controls that are designed to safeguard the company's interests and the integrity of its reporting. These include accounting, financial reporting, safety and sustainability and other internal control policies and procedures. We also have crisis management and disaster recovery plans in place.

The Board has adopted the following key elements for the oversight and management of material business risks:

- The Audit and Risk Committee reviews DuluxGroup's risk management policy and framework on an annual basis to ensure that it remains sound. Such a review took place in the 2018 financial year.
- The Group's risk register, containing material financial and non-financial risks, is systematically and formally reviewed by the Board and/or the Audit and Risk Committee, the DuluxGroup Executive and each of the key business and functional units within the company on (at least) an annual basis. The reviews by the Board and key business and functional units were conducted during the 2018 financial year. The DuluxGroup Executive assessment was conducted in October 2018.
- The key identified risks are then systematically reviewed by the DuluxGroup Executive during the year to ensure controls remain sound and improvement actions are progressed. The results of these risk reviews are then reported to the Board or the relevant Board Committee tasked with oversight of the relevant risk.
- Formal risk reporting is then provided to the Board on an ongoing basis.
- Risk assessments are also performed for individual material projects, capital expenditure, products and country risks as required.

GOVERNANCE POLICIES

DuluxGroup people are united by shared values which underpin the way we meet our strategic objectives and ultimately deliver our core purpose. These values are supported by our Code of Conduct and policy framework. It is expected that directors, executives, employees and contractors observe the highest ethical standards of corporate and business behaviour.

DuluxGroup's governance policy framework includes the following.

- **Code of Conduct**, which sets out the standards of business conduct required of all employees (including directors and senior management) and contractors of the company. A Speak Up line enables employees to report (on an anonymous and confidential basis) breaches of the Code of Conduct. The Speak Up Line is available to all DuluxGroup employees around the world and can be reached any time, day or night. If a report is made, it is escalated as appropriate for investigation and action. DuluxGroup prohibits retaliatory action against any employee, officer or director who reports a possible violation. A management committee monitors and reviews the effectiveness of the Speak Up line on a periodic basis.
- **Fraud, Bribery and Corruption Control:** We have a zero tolerance stance towards fraud, bribery and other improper behaviour. So we are committed to the prevention and detection of fraud and bribery (including in both local and foreign jurisdictions) through the development and implementation of our Fraud, Bribery and Corruption Control Policy and Framework along with our Gifts and Entertainment Policy. Our policies, as well as our training and monitoring programs, meet the highest standards globally including those required under the relevant UK and US legislation.
- **Political Donations:** Our policy is that all political donations must be authorised by the DuluxGroup CEO and CFO. Any donation proposed by the CEO or CFO must be approved by the Chairman of the Board. No such donations were approved in 2018. However, from time to time we attend events hosted by political parties, where relevant topics are discussed.
- **Competition and Consumer Law:** We take our legal obligations in relation to promoting competition and protecting consumers very seriously. We have robust policies, systems and training programs in place. Each of our people is responsible for compliance – no employee, whatever his or her position, is permitted to contravene this policy, and ignorance is no excuse.
- **Privacy:** The privacy of our consumers' personal information is of the utmost importance to us. We are committed to protecting all personal information that we collect and we have policies and procedures in place to ensure we meet the Australian Privacy Principles.
- **Share Trading Policy**, which reinforces the requirements of the Corporations Act 2001 in relation to the prohibition against insider trading.
- **Continuous Disclosure**, which establishes detailed procedures for identifying and disclosing material and price sensitive information in accordance with the Corporations Act 2001 and the ASX Listing Rules. This policy was refreshed in the 2018 financial year and the Board undertook specific training from external subject matter experts. A program is in place whereby senior executives are also provided training to ensure appropriate awareness of how the continuous disclosure obligations apply to DuluxGroup.

