

Annual Report and Action Plan

Company Name: **DuluxGroup Limited**

Trading As: **DuluxGroup**

ABN: **42133404065**

About APCO

Australian Packaging Covenant Organisation (APCO) is a co-regulatory not-for-profit organisation leading the development of a circular economy for packaging in Australia. APCO's vision is a packaging value chain that collaborates to keep packaging materials out of landfill and retains the maximum value of the materials, energy and labour within the local economy.

Each year, APCO Brand Owner Members are required to submit an APCO Annual Report and an APCO Action Plan. This document is the Annual Report and Action Plan output for the organisation listed above. This document provides the overall performance level of the organisation, as well as any commitments they have made to work towards on their packaging sustainability journey. This document may also include additional information provided by the Member in their report.

Overall Performance **Advanced**

The chart below indicates the overall performance level of this organisation listed above in the 2024 APCO Annual Report. The organisation's reporting period was **January, 2023 - December, 2023**



Understanding APCO Annual Reporting performance levels:

- 1 Getting Started:** You are at the start of your packaging sustainability journey.
- 2 Good Progress:** You have made some first steps on your packaging sustainability journey.
- 3 Advanced:** You have taken tangible action on your packaging sustainability journey.
- 4 Leading:** You have made significant progress on your packaging sustainability journey.
- 5 Beyond Best Practice:** You have received the highest performance level and have made significant progress on your packaging sustainability journey.

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Additional Information

The information below indicates additional information that the organisation included in their APCO Annual Report.

Describe initiatives, processes or practices that you have implemented during your chosen reporting period that have improved packaging sustainability

Dulux continues to actively participate in the Paintback product stewardship program. Dulux has also grown its Project Earth customer packaging take back program, which collects used 15L plastic pails from customer building sites and uses the waste material to manufacture roller trays and paint stirrers. In 2023, the 9549 kg of plastic was diverted from landfill under the scheme.

The business also increased recycled content in 15 litre trade branded polypropylene packaging. Work is in progress for increased use of 50% recyclate in Dulux retail brands.

In 2023, Selleys transitioned to 30% recycled content in HDPE plastic pails from supplier Ayva.

Yates implemented 60% recycled content into LDPE used in large format pillow packs and tested and approved the implementation of 50% recycled content in orange 2L Hose On bottles. Requirements for regulatory products have historically constrained recycling options and, in 2023, Yates engaged a consultant to undertake global research on the management and disposal of problematic containers that have contained regulated materials (eg herbicides & pesticides regulated by APVMA) and is now working to implement the report's recommendations.

Our Fosroc business moved to a flexible plastic packaging that eliminates non-recyclable composite packaging (paper with inner) and maximises the opportunity for diversion from landfill.

Cabot's introduced Feast Watson applicator buckets in Nov 2022, replacing the traditional paint pail with a package that can be used for both storage and application.

Describe any opportunities or constraints that affected performance within your chosen reporting period

Use of recyclate in packaging is limited by high performance requirements, particularly in larger pack sizes. Additionally, the technology for our packaging formats is not always readily available, and there is a shortage of post-consumer material for recycled content. Capital investment to change machinery and recycled content packaging is costly. Residual product in packaging also limits recycling opportunities for many products.

Efforts to expand recovery of packaging materials from job sites to other products beyond decorative paints is challenging due to the additional effort required by customers to segregate and store waste packaging, the cost of collection and transport where no current logistics network exists, and current recycling technologies not being advanced enough to efficiently recycle packaging where residuals remain.

Please use the space below to provide examples or case studies of exemplary packaging sustainability conducted by your organisation.

At the PIDA Australasian Packaging Innovation Design Awards 2023, the Dulux 50% recycled polypropylene paint and lid package was awarded the Sustainable Packaging design Recycled Content Design of the Year Bronze prize.

In 2022/23 approximately 8,841 tonnes of unwanted paint and packaging were collected by Paintback. The

Paintback collection network has grown to 169 sites, and partnerships with State-based stakeholders enabled Paintback to support 58 pop-up collection events during the year. That means 87.5% of Australians had a permanent site or temporary collection event nearby. A future R&D pilot plant at Deakin University in Geelong is being explored. Another improvement in 2023 is a new cleaning process to help turn unwanted plastic paint pails into Paintback's Multi-Purpose bucket, that can be recycled through Paintback. This initiative is currently being trialled with a Bunnings store in Victoria.

Dulux Project Earth is a closed loop plastic pail recycling initiative, which was launched to the trade market to reduce waste to landfill. Dulux Project Earth, now known as Dulux Envirosolutions (rebranded in October 2023), has been on an ambitious path to upscale and nationalise the plastic bucket recovery program across 2023. Dulux is working with builders and painting contractors to grow the program within the industry and will expand this work across 2024. Dulux has also invested in a full time Project Earth Commercialisation Manager to give the program focus in bringing all parts of the business together, to bring a comprehensive program to market. In 2023, Dulux collected approximately 8,611 buckets (9549 kg) and produced 21,024 (10,364 kg) 4L pails, 4524 (316 kg) paint stirrers and 6816 paint roller trays (6032 kg).

In 2023 Yates engaged with external consultant Edge to conduct an in-depth global search on how packaging used for regulated products is currently managed and to identify solutions developed globally to manage the packaging waste generated. It was found that there were no formal approaches in place and there is an opportunity for Yates to champion future schemes working with our customers.

APCO Action Plan Commitments

For each of the Packaging Sustainability Framework criteria listed below, a description is provided along with the commitments made by the organisation in their APCO Action Plan.

Criteria 1:

Governance & Strategy:

This criteria considers actions to integrate packaging sustainability into business strategies.

- Develop a strategy that includes goals (objectives) and targets for packaging sustainability that addresses the Sustainable Packaging Guidelines (SPGs) or equivalent.
- Include a commitment to achieving the 2025 National Packaging Targets in our strategy.
- Have our executive or board of directors review our strategy and have the strategy integrated within our business processes.
- Regularly communicate and promote packaging sustainability objectives and targets within our organisation.
- Regularly engage or communicate with our external stakeholders about the environmental impacts of our packaging.
- Actively participate in initiatives to promote packaging sustainability outside of our organisation.

Criteria 2:

Design & Procurement:

This criteria considers actions taken to ensure that sustainability principles are considered in the design or procurement of both new and existing packaging through use of the Sustainable Packaging Guidelines (SPGs).

- Review 50% of our packaging against the Sustainable Packaging Guidelines (or equivalent).
- Consider the following Sustainable Packaging Principles in our packaging reviews:
 - Design for recovery
 - Optimise material efficiency
 - Design to reduce product waste
 - Eliminate hazardous materials
 - Use of renewable materials
 - Use recycled materials
 - Design to minimise litter
 - Design for transport efficiency
 - Design for accessibility
 - Provide consumer information on environmental sustainability
- 39% of our packaging to be optimised for material efficiency.

Criteria 3:

Recycled Content:

This criteria considers actions taken to increase or optimise the amount of recycled material used by your organisation.

- Develop a policy or procedure to buy products and/or packaging made from recycled materials.
- Use recycled content in:
 - Our products
 - Primary packaging that we use to sell our products
 - Secondary packaging that we use to sell our products
 - Tertiary packaging that we use to sell our products
 - Other items which we purchase (e.g. office stationary and suppliers etc.)
- 60% of our packaging to be made using some level of recycled material
- Improve the accuracy of our data regarding use of recycled materials.

Criteria 4:

Recoverability:

This criteria considers actions taken to improve the recovery of packaging at end-of-life and increase use of reusable packaging.

- 75% of our packaging to be designed to have all packaging components be recoverable at end-of-life.
- Improve the accuracy of our data regarding recoverability.
- Use PREP to assess the recyclability of our packaging through kerbside collection in Australia and/or New Zealand.
- Investigate opportunities to use reusable packaging.

Criteria 5:

Disposal Labelling:

This criteria considers the extent to which packaging has been labelled to help consumers determine what to do with packaging at end-of-life.

- 40% of our packaging to have on-pack labelling to inform correct disposal.

Criteria 6:

On-site Waste:

This criteria considers progress in increasing the amount of on-site solid waste being diverted from landfill.

- Have recycling programs for the following materials:
 - Paper/cardboard
 - Soft plastics
 - Rigid plastics
 - Timber
 - Metals
- Aim for 57% of our on-site waste to be diverted from landfill.

Criteria 7:

Problematic Materials:

This criteria considers the extent to which organisations are actively phasing out problematic and unnecessary single-use plastic packaging and preventing/reducing litter.

- Help reduce litter by:
 - Conducting regular clean ups
 - Our Cabot's Woodcare business is a Planet Ark Sponsor and undertakes ongoing education via communications platforms
- Phase-out the following problematic and unnecessary single-use plastic items: