

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 2023 APCO Annual Report. The organisation's reporting period was **January, 2022 - December, 2022**



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.

Contact

A: Suite 1102, Level 11, 55 Clarence Street, Sydney, NSW, 2000
E: apco@apco.org.au

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

During this reporting period, DuluxGroup adopted packaging recycled content targets and continued to work on post-consumer recovery programs and phasing out of problematic packaging materials. Our business also implemented a new product development sustainability checklist that targets sustainability of both the product and packaging early in the design and specification stage.

The B&D business has worked to phase out polystyrene and has also redesigned its openers packaging to utilise fully recycled cardboard in place of plastic. The new opener package allows more openers to fit in a shipping container thereby delivering distribution efficiencies. The business continues to offer a take-back service for packaging and used roller-doors.

Fosroc investigated options to collect and recycle LDPE packaging from customers, with trials due to commence in 2023. Fosroc also transitioned to use of 100% recycled material in its cartons. Yates has completed trials to include recycled content in HDPE bottles and to move away from PET/LDPE laminate to single material flat bottom bags. Yates has also incorporated 60% post-consumer recycled content in its large format LDPE bags.

Cabot's developed a packaging solution for decking stains that allows the use of the package as an application bucket, avoiding the need to purchase a separate plastic item. Cabot's is also supporting reforestation and restoration programs through sponsorship of the Planet Ark Seedling Bank.

Dulux continued its participation in the Paintback paint and packaging recycling scheme throughout 2022. Dulux also developed and commercialised a 15l plastic paint pail containing 50% recycled content for trade paint products.

Dulux has also developed a packaging recovery and recycling service for trade builders, who cannot utilise the Paintback program. Dulux's Project Earth collects used 15l plastic from customer building sites and uses the material for production of roller trays and paint stirrers, sold through the Dulux distribution channels.

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

Strength and other functional requirements of our packaging can limit opportunities for materials efficiency and increased recycled content in some cases. However, it is the supply of consistent, good quality recycled material that is the key constraint to incorporation of recycled content in our plastic packaging. Life Cycle Assessments have shown that the environmental footprint of our products is much higher than the footprint of our packaging. We are therefore careful not to introduce packaging efficiencies that compromise product protection or longevity, leading to a worse sustainability outcome.

Recycling options in Australia are limited for some materials (e.g LDPE, packaging with residual product) and this presents a challenge for delivery of post-consumer recovery programs.

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

1/ Dulux is a founding member of the Paintback product stewardship program, which provides a paint pail

recovery solution for households and trade painters. In 2021/22 the program recovered 8,700 tonnes of unwanted paint and packaging. Of this, 1,660 tonnes of steel and plastic packaging was collected, with 76% recovered as a secondary resource. The Paintback program now services 85% of the Australian population, with 169 permanent collection sites and 70 collection events run in 2021/22.

2/ The Dulux Project Earth plastic pail recycling program has won the prestigious national Product Stewardship Award for the best outcome for 2022, against a field of major companies in Australia. Dulux Project Earth is a closed loop plastic pail recycling initiative, which was launched to the Trade market during 2021/22 to reduce waste to landfill. The project has been approved as a voluntary product stewardship arrangement under the Australian Government Recycling and Waste Reduction Rules 2020. Project Earth provides a best practice solution to paint pail waste and is unique as there is no incidental waste production, materials are closely tracked from customer to final product and recycle is used to manufacture products that are marketed through established sales channels, replacing existing products manufactured from virgin materials.

3/ Approximately 150,000 Openers are produced in B&D Groups Dalian China plant per year and shipped to Australia, NZ, USA, Canada and Middle East. The packaging previously utilised high gloss 3 colour packaging, contained multipage manuals and handbooks, plastic bags and plastic clamshells and labels. The B&D team worked with suppliers to develop alternative packaging to remove plastic; replace all paper-based manuals, stickers and guides with QR codes linked to online manuals; and reconfigured product to reduce packaging size to enable increased shipping and storage capacity. Together with the reduced size packaging, the team evaluated different stacking configurations to optimise shipping container capacity. All these changes were tested and approved by key stakeholder groups prior to launch.

The outcome of this project exceeded all expectations delivering packaging with the following characteristics:

- Use of recycled cardboard packaging materials
- Less ink and fewer chemicals
- ZERO plastic or EPS
- On-line manuals via QR Code
- Reduced overall packaging size
- Cost savings for the business

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 **31%** 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 for transport efficiency
 - Provide consumer information on environmental sustainability
- **35%** 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.)
- **81%** 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.

- 27% of our packaging to be designed to have all packaging components be recoverable at end-of-life.
- Use PREP to assess the recyclability of our packaging through kerbside collection in Australia and/or New Zealand.
- Investigate opportunities to use reusable packaging.
- Participate in a close-loop recovery program/alternative collection system.

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.

- 42% 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 50% of our on-site waste to be diverted from landfill.
- Improve the accuracy of our data regarding on-site waste.

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
 - Participating in Business Clean Up Day
 - Delivering a litter education campaign
 - As the official sponsor of Planet Ark's Seedling Bank, Cabot's has donated 10,000 seedlings that were planted by community groups and schools around Australia for National Tree Day. The business participated in tree planting activities across the country, with the Cabot's team, family & friends planting over 2,000 seedlings.
- Phase-out the following problematic and unnecessary single-use plastic items:

- Rigid polystyrene (PS) packaging