

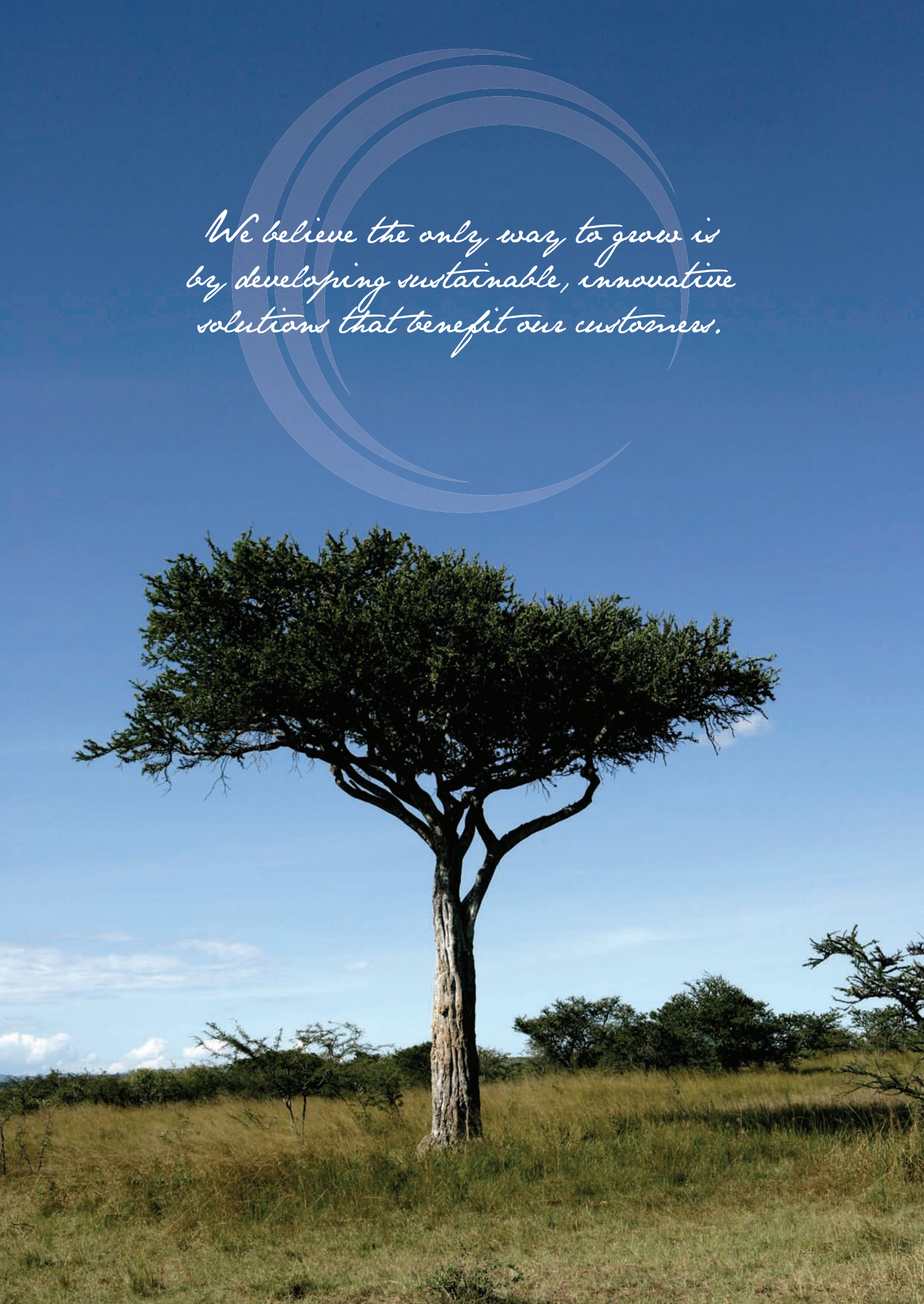


Sustainability *in action*



July 2009



The image features a large, mature tree with a wide, flat canopy, characteristic of an acacia, standing in a grassy savanna. The sky is a clear, deep blue. Overlaid on the upper half of the image are several concentric, semi-transparent circles in a light blue or purple hue. Centered within these circles is a quote in a white, elegant script font.

*We believe the only way to grow is
by developing sustainable, innovative
solutions that benefit our customers.*



Our approach to sustainability

Sustainability is important to us. We are committed to systematically improving our performance across the whole sustainability spectrum. To achieve this we have set ourselves ambitious visions and goals across five broad strategic areas:

- **the products & services we offer**
- **the way we behave towards the people & communities with whom we interact**
- **the environmental impact of the energy we use**
- **the way we transport our products and ourselves**
- **the way we use the earth's resources to minimize waste**

We have been striving to be a more sustainable business for some time, and have made real progress, but the more we understand about the issues, the greater we see the need for more radical action. It is our ambition to reduce the whole-life

ecological footprint of the decorating process and to contribute to more sustainable home, work and leisure environments, as well as minimize the environmental impacts of our own operations.

'**Step Towards Greener**' explains our approach. It recognizes that there are no instant fixes but acknowledges that progress will be made by making many step-wise improvements to reach our sustainability goals. We are committed to step towards greener with openness and honesty. Our hope is that the following pages will demonstrate these commitments.



Green Building Council of South Africa Founding Member

Dulux Trade is one of the founding members of the Green Building Council of South Africa. The Green Building Council of South Africa's vision is to lead the transformation of the South African property industry to ensure that all buildings are designed, built and operated in an environmentally sustainable way that will allow South Africans to work and live in healthy, efficient and productive environments.



SILVER | FOUNDING MEMBER

Achievement highlights Dow Jones Sustainability Indexes

In 2007 the prestigious Dow Jones Sustainability World Indexes (DJSI) gave us our best-ever mark, making AkzoNobel number one in the chemicals industry. In 2008 we were proud to be ranked second. We've also been listed on the FTSE Group's FTSE4Good Index.



The DJSI is one of the world's foremost sustainability indices, benchmarking the performance of leading companies. It rates companies on their environmental, social and economic performance, including forward-looking financial indicators. Compared to our peers, AkzoNobel is number one when it comes to the use of renewables, carbon emissions and energy efficiency.

AkzoNobel is also a member of FTSE4Good index. To achieve this, companies must meet criteria in five areas:

- **Working towards environmental sustainability**
- **Develop positive relationships with stakeholders**
- **Uphold and supporting universal human rights**
- **Ensuring good supply chain labour standards Countering bribery**

Accreditations

Our manufacturing site in Durban has been accredited with a ISO 14001 and ISO 9001 which is audited annually.





Vision:

Our innovative products and services will create sustainable value by systematically reducing the ecological footprint of the whole-life decorating process and contributing to more sustainable home, work and leisure environments.

Goals:

- Reduce the ecological footprint of our products without compromising performance
- Innovate to provide products that contribute positively to the well-being of people and the environment
- Design products, packaging and service solutions that reduce waste, energy consumption, water usage and transport impacts for ourselves and our customers
- Encourage our customers to make more sustainable choices
- Create partnerships that promote sustainability with key suppliers and customers
- Ensure we source raw materials from sustainable supplies
- Build sustainability into all our commercial functions and processes

Ecosure

The new Ecosure range, developed by Dulux Trade is a perfect example of our Step Towards Greener philosophy in action. This new range of water-based paints, offer 'best in class' coverage and application characteristics, providing the perfect balance of sustainability and performance. Step Towards Greener is our acknowledgement that, whilst Ecosure paints are the most sustainable within our product portfolio to date, their introduction is only a stage in the journey to developing increasingly sustainable products in the future.



Light & Space

Dulux Trade Light & Space is an innovative water-based paint that harnesses advanced LumiTec technology to reflect significant amounts of light back into the room, and therefore save energy by requiring less artificial lighting.

Oyster Box Case study

Light & Space has been used in the restoration project of the Oyster Box in Umhlanga Durban.

"Light & Space was used on all the ceilings, cornices and the administration wing. I was very impressed with this product as it really creates more light. The white is very 'Brilliant White'. I highly recommend this product to any architects looking at opening up a room and creating a feeling of space."

Anton de Kock, M2K Architects, Cape Town

Colour and Contrast CD: Supporting visually impaired people through colour & contrast

In 1994, AkzoNobel sponsored a research project between the RNIB, University of Reading and Guide Dogs for the blind to establish how colour and contrast can enhance spatial awareness for visually impaired people, helping them identify key building features without compromising on aesthetic appeal.

From this, Dulux produced a CD using colour and contrast to benefit visually impaired people. This helps the architects and designers improve the lives of visually impaired people without compromising design freedom, creativity or innovation. The Dulux colour notation found in the fandec enables professional specifiers to create colour schemes following the colour and contrast guidelines.



*Individuality and
creativity are welcomed and
appreciated and everyone
must be treated fairly
and honestly.*





Vision:

Our employees will be proud to work for a successful company that puts sustainability at the forefront of its agenda. We will also be a good neighbour, playing a positive role in both the local and global communities.



Goals:

- ✔ **Ensure working environments are safe and stimulating for our employees**
- ✔ **Attract, nurture and retain talent throughout the business**
- ✔ **Engage employees in sustainability agenda**
- ✔ **Form mutually beneficial partnerships with local communities throughout the value chain**
- ✔ **Play a positive role in wider society**



Employee support initiative

Independent Counselling & Advisory Services (ICAS)

Dulux recognises that its employees need to deal with the practical and emotional challenges of everyday home and work life. Therefore, Dulux employees have access to a confidential support service where they can find help and advice on personal or work issues such as stress, difficult relationships, HIV/AIDS, depression. This free service is offered 24/365 via a personal support line.

Dulux HIV Management

Dulux organizes regular awareness and education campaigns on HIV. Free tests are offered to all our employees and we encourage them to know their HIV status. Counselling is offered to those diagnosed with HIV and support offered to their families.

Dulux Paint Academy

Our people is our most important asset and continuous personal development is important to the success of Dulux.

We invested in a world class training facility in Johannesburg which will allow us to train our employees but also our customers. If you are looking for training for yourself or your staff, please contact your local Dulux Representative.



Code of Conduct Training

Dulux South Africa's employees were trained on AkzoNobel company's code of conduct. The Code of Conduct sets out the expectations all employees should have of each other and if those expectations are not being met then we should take action.

AkzoNobel Community Program

The AkzoNobel Community Program was launched in 2005. It is a global Program about employees who are encouraged to actively contribute to their local living and/or working communities. The Program was enthusiastically embraced by the AkzoNobel employees and by the end of 2008 more than 800 projects were running all over the world. Dulux launched this Program in South Africa last year and three projects have successfully gone past the rigorous and stringent Central Processing Committee test and are ready to be implemented and completed by the end of 2009.



Bokmakerie

The Dulux team will provide the school with a safer, cleaner and brighter environment for its 160 school children in Pre-Primary. The Dulux volunteers will be painting the school grounds (jungle gyms and other facilities in the playground area), cupboards and some surfaces in the classrooms to brighten the space and provide a clean safe, visually and educationally stimulating environment.

Ithembelihle

The Dulux team will be tackling a DIY Project for a school which houses 160 special needs school children. This Primrose based charity provides a safe and comfortable environment for the children to learn, play and live – this is only achieved by the trained staff that are able to deal with the physical disabilities.

Health Care Clinics

A community health project called Reach provides free health care services and holds regular clinics conducted by professional registered nurses on a voluntary basis. 6 clinics were conducted in 2008 with approximately 100 patients. Employee hands-on involves coordination and event planning by two of our Dulux employees to ensure smooth operation of this project as it has been around the community assisting those in need for a while.

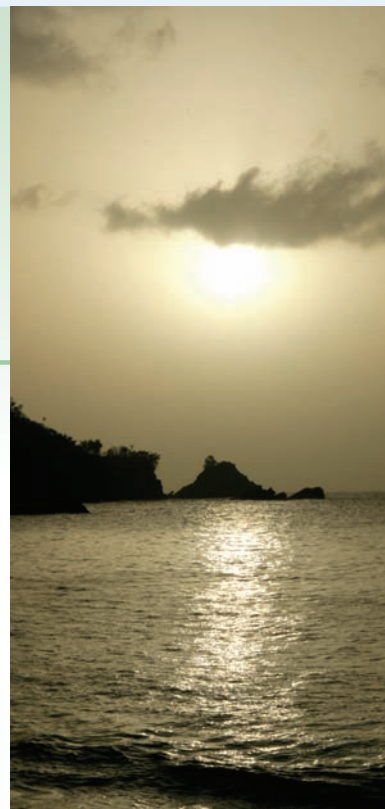
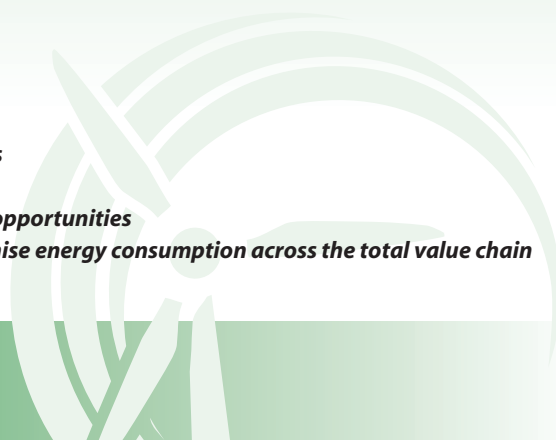


Vision:

We will halve our CO² emissions from our energy consumption by 2020 (baselined from 2005) and drive further reductions across our total value chain Operations. We are currently developing our carbon strategy and working to build joint initiatives with our suppliers to reduce CO² emissions across the business.

Goals:

- *Improve the energy efficiency of our operations*
- *Engage employees in energy reduction activities*
- *Determine energy procurement policies*
- *Exploit commercially viable energy generation opportunities*
- *Work with key suppliers and customers to minimise energy consumption across the total value chain*



Initiatives in progress

- *Equipment installations and replacements to be energy efficient*
- *Installation of solar heating for geysers & insulation of hot water pipes*
- *Voluntary switching off of unused equipment.*
- *Switching off of excess lights between shifts.*
- *Identification and elimination of all air leaks as they are found.*
- *Running only the necessary compressors at a given time.*
- *Major consuming equipment (high speed mixers) are on a condition maintenance program to reduce energy wastage due to inefficiency*
- *Installation of automatic switch off timers on air conditioning units.*

Energy Efficiency Program

Dulux has taken the initiative to educate its employees about energy saving. Dulux invited to their premises artists from the National Energy Efficiency campaign, Save it! This initiative raised the awareness on different ways to save energy in a fun and humorous way.



Vision:

We will significantly reduce the impact on people and the environment associated with the movement of our products and our people.

Goals:

- *Continually optimise our logistics and delivery network*
- *Select our vehicles to ensure that miles travelled have the lowest practicable environmental impact*
- *Provide an infrastructure which enables people to do business effectively whilst travelling fewer miles*
- *Educate and engage our people to reduce their business miles and make informed travel choices*

Reducing people miles

We have reviewed the list of available vehicles for those employees who rely on a company car to do business, and encourage them to make good environmental choices.

Also we encourage all employees to consider the environmental impact of their travel by introducing a business wide audio and on-line conferencing tool which is standard in AkzoNobel and provides users with an opportunity to share information and collaborate with colleagues, partners, customers and suppliers across the world.

Our company vehicles

In the recent years, we have been aiming to reduce CO² emissions and fuel consumption by careful selection of our vehicles. Here are couple of key initiatives which have made a significant impact:

- *Optimising the weight on our trucks*
- *Usage of Light Weight Volume Max Trailers*

Dulux also adheres to the UN Dangerous Goods Regulations.



A dirt road winds through a lush green field under a bright blue sky filled with large, white, fluffy clouds. The road starts in the foreground and curves towards the horizon. In the upper center of the image, there is a faint, stylized graphic of three concentric circles in a light blue color. Overlaid on this graphic is a quote in a white, cursive script font.

Develop innovative new products which have increased benefit for our customers and the environment throughout their life cycle.



Vision:

We will eliminate all waste and emissions from our own operations and reduce the impact of our products and our packaging for our customers

Goals:

- **Create zero landfill by 2015 and zero hazardous waste by 2020**
- **Reduce our VOC emissions to zero by 2020**
- **Reduce our water consumption and dependency on no sustainable water sources**
- **Implement and fully integrate schemes to reduce the waste from our customers use of products**

Our manufacturing site in Durban engaged with a recycling company to manage waste on site. Waste is sorted on site (Recyclable, Hazardous, Non-hazardous) prior to disposal to landfill. We were able to improve the recycling of our waste by 29% against last year.

Ozone Depleting Substances

We conducted a survey on the Durban factory site to determine the number of old air con units containing R22 gas which is not environmentally friendly. Following this survey we replaced these units with CFC free ones.

Water Reuse

Again on our manufacturing site, we've taken a series of initiatives to decrease our water consumption. One of the major initiative is the reuse of process water into paint manufacturing.

Dulux Trade Environmental Wash System

This unique system allows customers to wash out their brushes, rollers and other painting tools with minimal impact on the environment. Water-based paints are converted into clean water and a small, manageable amount of solid waste. The water can be reused and the disposal of the solid waste has been rated as a low risk activity by The UK Environment Agency. The Dulux Trade Environmental Wash System is also used in our labs and training centre.

Environmental Wash System



Environmental Wash System Case study

The environmental wash system has been used on the Durban Moses Mabhida stadium. Smith & Winfield Painting Contractors has been painting the new stadium for the last 12 months.

"The Dulux Trade Environmental Wash System has really added value to our contract in painting the New Moses Mabhida Stadium as it has allowed us to comply with Best Practice not only for the main contractor but also for ourselves. Once we had installed the unit and were trained, we were able to put into practice the great benefits of this Environmentally Friendly Water based Paint Wash-Up System. We felt that we were actively involved in trying to reduce hazardous waste from entering our water systems on this enormous site. We would recommend this Envirowash unit as it greatly added to the sustainability factor of this project, something which all manufacturers and contractors are striving towards."

Nigel Murray-Rogers from Smith & Winfield Painting Contractors, Durban



Dulux aligned with global VOC standards

AkzoNobel Paints was influential in lobbying for the introduction of VOC (Volatile Organic Compound) regulations in Europe. South African legislation regulating VOC levels in decorative paints does not currently exist. However, Dulux is embarking on series of initiatives showing again leadership in this field.

What are VOCs?

VOCs are solvents that help determine the viscosity, flow and drying time of paints. VOCs readily evaporate into the atmosphere, potentially causing air pollution as well as contributing to global warming.

White spirit and ethanol are two main VOC carriers in solvent-based paints. While VOC limits also apply to water-based products, they only carry small amounts of VOCs. For this reason, traditional solvent-based products, such as interior and exterior trim paints, varnishes and woodstains are the products that Dulux are seriously looking at dropping the VOC levels in line with EU 2010 and the Green Star Rating SA.

Why reducing VOCs?

VOCs are damaging to the environment and can pose a health risk to humans.

VOCs contribute to air pollution and are seen to play a role in global warming. They also contribute to the creation of ozone in the lower atmosphere, which is harmful to humans, animals and plants. Whilst not the largest contributors to VOC emissions in SA, it is the responsibility of paint manufacturers to help reduce total emissions.

Green Star Rating Tool

Dulux Trade supports the SA Green Star Rating tool. If you wish to know more about it or get some advice on how you could get your points by specifying our paints, please contact one of our trained Specifiers.



How we're helping you?

Dulux has embarked on various initiatives throughout the years to align ourselves with global VOC standards. These initiatives have included the introduction of water-based products as opposed to their solvent-based counterparts, wherever possible. In our premium water-based lines, VOCs have been greatly reduced by substituting VOC-contributing raw materials with environmentally friendly alternatives that offer the same performance. As a result, our premium water-based lines currently conform to the 2007 regulations of EU directive 2004/42/EC which means that they are considered as having low VOC content. We've also launched Dulux Trade Ecosure which is in line with the VOC levels of Green Star SA.



Sustainability *in action*





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