

Functional Area

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| Document title: | ColArt FSC Multi-site Chain of Custody Policy |
| Document Filename: | Regulatory_001_FSC Group Policy |
| Document number: | |
| Author: | Sara Brennan |
| Version: | 2.0 |
| Saved: | 18 th April 2016 |

| Distribution List: | |
|--------------------|-----------|
| Area | Full Name |
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| Review and Approval Table | | | | |
|---------------------------|------|-------|----------|--------------|
| Approval Stage | Name | Dated | Approval | Need by Date |
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| Change History | | | |
|----------------|--------------|------------|--------------------|
| Version number | Author | Date | Summary of changes |
| 1.0 | Sara Brennan | 26.10.2015 | First version |
| | | | |
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Table of Contents

| | |
|---|----|
| Functional Area..... | 1 |
| ColArt FSC Multi-site Chain of Custody Policy | 3 |
| 1.0 Purpose | 3 |
| 2.0 Definition..... | 3 |
| 3.0 Principles | 3 |
| 4.0 Responsibilities and Appointed FSC Person | 3 |
| 5.0 Material Sourcing Process | 4 |
| 6. Issue management process..... | 7 |
| Appendix 1..... | 8 |
| Appendix 2..... | 9 |
| Appendix 3..... | 9 |
| Appendix 4..... | 10 |
| Appendix 5..... | 10 |

ColArt FSC Multi-site Chain of Custody Policy

1.0 Purpose

The purpose of this policy is to document the relevant Chain of Custody requirements for FSC certification. This policy has been prepared to help our employees control the flow of materials throughout the reception, production, storage and shipping processes so that all applicable FSC requirements are in place and ensure we meet the requirements of the Chain of Custody standard FSC-STD-40-004 and Multi-site Certification FSC-STD-40-003.

2.0 Definition

FSC refers to Forestry Stewardship Council.
COC refers to Chain of Custody.

3.0 Principles

Multi-site Chain of Custody certification has been developed to facilitate FSC Chain of Custody certification for larger companies that have a number of sites at which fundamentally the same functions, methods or procedures are carried out. The administrative requirements, plus communication with the certification body, are carried out by a designated central part of the organisation which for ColArt is Head Office. Multi-site certification allows certification bodies to evaluate those organizations based on samples in recognition of existing common, centrally administered and monitored control and reporting systems. In addition to this standard, certification bodies must ensure that all 'participating sites' of a multi-site organization comply with the relevant FSC Chain of Custody certification requirements. Head Office will oversee the FSC requirements.

3.1 Company Profile.

The ColArt Group is the leading supplier of colour and associated art material products across the world, including products such as brushes and surfaces which are designed for use by artists of all abilities. ColArt enjoy over a one-third share of the world market for artists' colours, as well as being a leading supplier of colour products to the education and craft markets.

The main shareholder of ColArt is the privately owned Linden Group in Sweden.

ColArt International Holdings Ltd, referred to as Head Office for the purpose of this policy is the independent legal entity which represents the multi-site organisation. This document shall be deemed the head office policy which lays out ColArt's rules for the participation of the head office and the sites in the certificate.

A consent form has been signed by each participating site by the site FSC representative. Head office is contractually responsible to the certification body for ensuring that all requirements of certification are implemented by all participating sites.

4.0 Responsibilities and Appointed FSC Person

For the purposes of Multi-Site Chain of Custody certification, Head Office FSC responsibility will be carried out by the Global Product Safety Manager. The FSC site representatives who are key FSC personnel are tabled in Appendix 1 of this document. These FSC personal know and understand their specific responsibilities.

ColArt has been recertified for FSC in April 2016 and the certificate number is BV-COC-129594

4.1 Provision of Guiding Materials.

In line with FSC-STD-40-003 a training pack which includes explanation of the certification process, explanation of the certification and accreditation bodies rights to access the participating site for the purposes of external evaluation and external surveillance and the requirements with respect to public information has been provided to FSC site representatives. Access to a copy of the relevant standard can be obtained by referring to <https://ic.fsc.org/standards.340.htm> or by contacting the Global Product Safety Manager located at Head Office. Full documentation relating to the above and other Chain of Custody information remains available on request. Copies of the relevant standard should be stored locally at each site in addition.

Training is coordinated from Head Office but is also carried out at a local site level by the FSC site representative. The date of training, list of participant and overview of what was covered is kept as training record. The template which can be used and/or adapted for use by FSC representatives is in Appendix 2 of this policy.

4.2 Summary of Records maintained by ColArt related to FSC Scope.

To enable us to monitor the CoC system effectively we maintain records covering all aspects of our CoC system. Some of these records are held locally at a site level and some is held centrally by Head Office. Annually summary information is provided by each site to Head Office who holds and collates this data into the Head Office CoC report. This report is provided to our appointed certification body Bureau Veritas. A summary of the records maintained by ColArt is in Appendix 3 of this policy. The minimum maintenance time for all records is 5 years.

Product group lists are held locally at site and must be maintained at a site level. Maintenance at site level shall be documented in local procedure. Annually this will be provided to Head Office who will maintain a Group Product list. Any update to product list during the year must also be notified to head office. Please see Appendix 4 of this document for Product list template.

5.0 Material Sourcing Process

The local site purchasing manager or equivalent is responsible for ensuring the purchasing of raw materials related to FSC is in accordance with FSC-DIR-40-004 Directive 11 and relevant regulations such as EUTR. A supplier checklist will be sent to suppliers which includes this requirement. The purchasing manager is responsible to ensure the supplier checklist is sent to all FSC suppliers and completed by the supplier. The purchasing manager or equivalent should also check every 6 months that the CoC certificate from the supplier remains valid by using the FSC website. <http://info.fsc.org>
A FSC Supplier list should be maintained locally. Please refer to appendix 5 of this document for supplier checklist template and template of FSC Supplier list that must be

maintained locally. The FSC Supplier list must be sent to Head Office Annually or when a major change occurs.

The Purchasing Manager or other nominated person at each site is responsible for preparing purchase orders. Before preparing the purchase order the Purchase manager or equivalent must confirm that the points in the Supplier Checklist have been met by the supplier and are recorded.

5.1 Material Receipt and Storage

The FSC CoC standard is designed to avoid selling material with the wrong FSC label or selling material including both the FSC on-product label and an on-product label of another forestry conformity assessment scheme. These requirements do not apply in cases where company is opening pallets and applying interim labels used for segregation during the production process providing that the labels are removed before point of sale. These requirements are, however, applicable to trading activities and shall be properly addressed.

The process for material receipt and storage will be defined locally at each site and form part of local FSC procedure. To guide how this process may operate the following is provided for information. Local procedures should ensure that they are clear how to operate material receipt and storage of FSC goods.

Example:

The site operative that is on duty and is responsible for receiving material will check appropriate information on shipping /goods/ packing documents.

FSC product is delivered to site and received by a site operative. When FSC certified material is delivered, the site personnel shall check the following:

- The material category is indicated on shipping documents as either FSC 100% or FSC Mix Credit etc.
- The correct certificate registration code of the supplier is included on the shipping document (e.g. RA-COC-123456) (Correct codes of the suppliers can be checked from the certified supplier list maintained locally).
- The quantities and quality of the supplied material corresponds to the raw material order and to the information on the shipping documents.

If it is clear that the material is certified and corresponds with the ordered material then the site operative will see the material unloaded to designated storage area and will attach a sticker with the letters "FSC" (or alternative method as per local procedure) to all certified pallets/boxes so that certified material is always clearly distinguishable.

If any of the conditions are not fulfilled, the material can NOT be accepted as certified and is not labelled with internal FSC labels. If supplier has labelled the material as certified, such labels shall then also be removed to avoid confusion.

The received material stock should be entered into the accounting programme/ERP/inventory system. Upon receipt of an invoice, a check to ensure that the invoice includes the same information. If any information is missing, the material cannot be used as certified and related corrections need to be made physically on material pallets/boxes and in the accounting programme/ERP.

The site personnel who are responsible for entering correct volumes into the accounting programme/ERP/inventory system and for checking invoices and their correspondence with the shipping documents shall ensure local FSC procedure is included in their responsibilities.

The Production Manager or nominated person assumes overall responsibility for volume control. The FSC representative or nominated person is responsible for preparing a correct annual volume summary which will be provided to Head Office. This should be prepared January each year and should show each supplier or buyer, volumes received, volumes used in production, remaining raw material volumes in stock, product sold, final products in stock. A template of the volume summary is in Appendix 6 of this document which can be adapted.

5.2 Sales and Delivery

All FSC products sold with FSC claim should ensure the sales claim is correct for the product and consistent. The FSC certification code and the claim e.g. "FSC Mix Credit" (or as per local setup) should be generated on the invoice.

Invoices covering certified material should include the following information:

- a) Name and contact details of company
- b) Name and address of the customer
- c) Date when the document was issued –
- d) Description of the product
- e) Quantity of the products sold –
- f) ColArt's FSC certificate registration code
- g) An FSC claim (for example FSC Mix Credit).
- h) Species of wood

5.3 FSC Trademark Use

Any use of the FSC trademark must be approved by Brand manager for product, this approval should be copied to Regulatory department who can ensure the trademark process is initiated and liaise with Trademark Coordinator. If the use of the trademark is on product artwork then the relevant ColArt Artwork Policy must be adhered to.

Information about trademark:

The FSC trademarks are:

- The FSC logo
- The name Forest Stewardship Council
- The abbreviation FSC.



The following cover all three trademarks.

FSC trademarks are used on product labels and may be used also for promotion of certified materials.

Before using any FSC trademark, we will submit the design of the trademark use to BV for approval. This also applies to materials that do not include the FSC logo, but only the name FSC or Forest Stewardship Council, such as a press release.

If ColArt reproduces the FSC on-product and off-product labels then the unique trademark license code in the space specified in the graphic design of the FSC labels should be adhered to.

FSC labels shall not be used on-product together with the logos, names or other identifying marks of other forest management conformity assessment schemes.

For on-product labelling, the responsible person shall ensure that the FSC label is clearly visible on the product.

On-product labelling is only applied to material which is purchased with one of the following claims included on the invoice and delivery notes:

FSC 100%

FSC Mix % where the indicated percentage is at least 70 %

FSC Credit.

For each labelled product, the FSC label must correspond to the input material.

All Trademark approvals shall be retained for minimum 5 years.

The relevant BV contact person for obtaining logo approval is michael.foley@bureauveritas.com

The unique FSC trademark
license code of Company Ltd. is:
FSC-CXXXXXX

6. Issue management process

If application of this policy leads to an issue within the business it should first be raised to the respective Policy owner – Global Product Safety Manager who will then liaise with site/sales office and coordinate any requirement to communicate with our certification body Bureau Veritas (BV).

Any other information related to issue resolution

7. Occupational Health and Safety

Each location on the CoC certification has local health and safety procedures. All local health and safety procedures include training on health and safety practices/policies. Relevant training in health and safety is recorded at a local level.

8. Non-conforming products

Local procedures will include the process for dealing with non-conforming product.

Non-conforming products should be notified immediately to Global Product Safety Manager at head office. The local procedure should cover the following information:

In case non-conforming products are discovered in storage or production facilities, we will take the following actions:

1. Immediately remove any on-product FSC claims.
2. Register products as non-certified.
3. Immediately stop any sales of non-conforming products accompanied by FSC claims.

In case non-conforming products have been sold with an FSC claim, we will take the following actions:

1. Identify all relevant customers, advise those customers in writing within three (3) business days of the non-conforming product, and maintain records of this communication;
2. Notify Bureau Veritas about this action (via Head Office).

Once immediate actions have been taken as described above, we will take the following actions:

1. Identify causes for the occurrence of non-conforming products.
2. Take appropriate action to prevent re-occurrence.
3. Inform Bureau Veritas on the case of non-conforming products and the corrective and preventive actions taken.

Appendix 1.

FSC Site Representatives:

| Site Name | Address | Contact / Phone | Activity | Approx. Head Count | Primary Site |
|---|---|--------------------------------------|--|--------------------|--------------|
| ColArt International Holdings (Head Office) | Studio Building, 21 Evesham Street, London W11 4AJ | Sara Brennan 0208 424 3275 | Group Marketing / Research / I.T. H.R. No stock holding | 80 | Head Office |
| ColArt Fine Art & Graphics (Kidderminster) | Goldthorn Road Kidderminster Worcs DY11 7JN | Paul Woodward 01562 744522 | Stock Holding, Order Processing and distribution of all group brands aimed at the UK Market | 67 | Yes |
| Crown Artist Brush | Crown Street West Lowestoft Suffolk NR32 1SG | Shane Buckingham 01502 573142 | Manufacture of Artist & Cosmetic Brushes | 41 | Yes |
| ColArt France and ColArt Le Mans | 5 rue Rene Panhard ZI Nord 72021 Le Mans Cedex 2 France | Stephane Baudet 00 33 2 43 838300 | Manufacture of group products, sourcing of factored items, set assembly, order processing and the supply of stock to international Markets | 282 | Yes |
| ColArt Americas | 11 Constitution Avenue Piscataway New Jersey 08855-1396 USA | Rich Johnson 001 732 562 0770 | Major Input and support to group Marketing Stocking and supply of group products to the North American Market | 90 | Yes |

| | | | | | |
|----------------|---|--|--|-----|-----|
| Snazaroo | Unit 1A-2D Brunel Way Mart Road Industrial Estate Minehead Somerset TA24 5BJ | Lucy Cox 01643 707659 | The manufacture of the groups Cosmetic products, supply to key customers and supply to group distribution sites | 61 | Yes |
| CTAM | 80 Xianyang Road Nankai District Tianjin 300113 China | Frank Zhao 0086 22 2736 7907 | Manufacture of group products, including Brush - sourcing of factored items, set assembly, order processing and the supply of stock to international Markets | 450 | Yes |
| ColArt Sweden | ColArt Sweden AB Box 53 SE-153 21 Järna | Tommy Ruppenon 00 46 8 709 3420 | Sales operation and stockist for group products for supply to local Markets | 11 | Yes |
| ColArt Italy | ColArt Italiana SpA Via Priv. Cadore, 10 IT-20098 San Giuliano Milanese, MI | Thierry Colcott 00 33 2 43 83 83 28 | Sales operation for group products - supply is via ColArt International No stock holding | 9 | No |
| ColArt Holland | ColArt b.v. Driemanssteeweg 250 NL-3084 CB Rotterdam | Ron Vogelaar 00 31 104 580311 | Sales operation for group products - supply is via ColArt International No stock holding | 11 | No |
| ColArt Germany | ColArt Deutschland GmbH Gutenbergstraße 4 D-63477 Maintal | Norbert Schmitt 00 49 6109 76 46 60 | Sales operation for group products - supply is via ColArt International No stock holding | 8 | No |
| ColArt Spain | ColArt Iberica, SA Poligono Centrovía Calle Bogota, 16 50196 La Muela ES-Zaragoza | Rafael Judez 00 34 9 76 14 44 22 | Sales operation for group products - supply is via ColArt International No stock holding | 9 | No |

Appendix 2.

Template for Training records:

The following members of staff have received training related to FSC certification and these Chain of Custody procedures.

| Name | Job title and function | Topic of the training | Training date | Name of the trainer/instructor |
|------|------------------------|-----------------------|---------------|--------------------------------|
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Appendix 3.

Summary of records maintained by ColArt:

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|--|
| Annual volume summary provided by sites to HO |
| Annual volume summary for all sites provided to BV |
| Product list held locally at sites |
| Group product list held by HO |
| Volume information, including conversion factor |
| Raw material orders |
| FSC Supplier Checklist |

| |
|---|
| Health and Safety held locally |
| FSC Audit plan and outcome |
| Consent form between sites and HO |
| Self- Assessment form |
| FSC Training records |
| FSC trademark |
| FSC Head Office Training Pack |
| Procedure for Outsourcing |
| Procedure for addition or removal of sites to FSC CoC |
| Stock, sales and invoices – ERP at site level |
| Minutes of Management Review meeting |
| FSC Supplier List |
| Details of any NCR raised and associated actions. |

Appendix 4.

Template for FSC Product List:

FSC Product List Example

| FSC Product Group | Product Type and Code | FSC Claim | Species | Input Material Category(ies)* | Control System for FSC Claim* | Site |
|--|--|-------------------------|---|-------------------------------|-------------------------------|-----------------------------------|
| <i>EXAMPLE: W16.household articles</i> | <i>W16.2 brooms, brushes and brush handles</i> | <i>FSC 100% FSC Mix</i> | <i>Betula species, Fagus sylvatica.</i> | <i>FSC 100% FSC Mix</i> | <i>Transfer</i> | <i>Crown Artist Brush Limited</i> |

Appendix 5.

Template for Supplier Checklist and FSC Supplier List:



FSC Supplier Checklist.doc

FSC Supplier List Template:

| Supplier (Name and address) | Product type (Description of the product) | Material category (FSC 100%, FSC Recycled Credit, FSC Recycled XX%, FSC Mix Credit or FSC Mix XX%) | FSC CoC Code | Date of latest verification |
|-----------------------------|---|--|--------------|-----------------------------|
| | | | | |
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Appendix 6

Template for Annual Volume Summary to be provided to Head Office each January.

| OPENING BALANCE | PART NUMBER | DESCRIPTION | FSC TYPE | BOUGHT | SOLD/USAGE | CLOSING BALANCE | COMMENTS |
|--------------------|----------------|-------------|-------------|--------|------------|--------------------|----------|
| | | | | | | | |
| | | | | | | | |