

COVID-19 Company Update

Dear all,

As COVID-19 comes closer to home for many of us, we would like to remind everyone of the response that Colart has taken across the group to manage the challenges and implications.

We have introduced some clear and simple rules to enable everyone to protect themselves against the virus. Our intention is not to alarm anyone as most cases turn out to be mild, but we want to **everyone** in Colart and their families to **STAY SAFE**.

Protection First

Hygiene

Across the Group, we have reinforced the importance of hygiene as the best way to protect ourselves. Advice and guidance is being circulated in each business unit and if you would like a reminder or have further questions, more details can be found by visiting [this site](#).

Fundamentally, we recommend everyone to wash their hands regularly and thoroughly. To support this hygiene, we have purchased temperature gauges and hand towels instead of hand driers. We are also trying to secure hand sanitiser gel for each business unit across the group, but like face masks, the sourcing of this product is proving a challenge. Where possible we are leveraging our international spread to source when products become available and would like to thank Piet van Nassau for using his network to source face masks for Le Mans. This collaboration across the group is great to see.

Visitors

Clear instructions have been displayed at the front entrance to all visitors to our sites explaining what they should do before entering. Our focus is to ensure that visitors do not create an increased risk for our people

Travel

In addition to stopping all overseas travel, we have introduced a review process to restrict any business travel.

Whilst we cannot stop personal travel, we would ask everyone to show caution when organising holiday travel. If you or a member of your household do travel overseas, we ask you to contact your local HR business partner as you may be asked to work from home (self-quarantine) until we are sure that you do not have any symptoms

Remote working arrangements

In line with the travel restrictions, we have introduced robust technological infrastructure to support the culture of home working where appropriate. This enables us to maintain effective

business operations in the event of WHO-directed office closures – such as experienced recently in China, Italy and Japan.

Whilst our Chinese operations are now operational (with the CTAM factory about 60% up to speed), the offices in Milan and Tokyo are still closed at this time.

Of course, with remote working we trust everyone to keep to normal working disciplines and as a reminder we will be sharing the rules associated with this practice and line management will continue to monitor the maintenance of work output.

In-office employee clustering

Just as remote working may be a necessity over the next few weeks, we also ask everyone to be sensible about being part of large gatherings of people in a confined space. We do not want to lose the sense of collaboration and family feeling, but we are conscious that it may be safer in the short term to limit the size or occurrence of such large gatherings. Please talk to your line manager or HR business partner if you have any questions.

Impact to our sites

With our Chinese commercial unit fully functioning, we are also seeing operations in our CTAM factory gathering pace. We continue to be subject to adhoc government audits to ensure we are following the very clear working rules and we are pleased to see that both units are performing well under the inspections.

In CTAM approximately half of our people are back to work and we are performing at around 60% capacity. Orders have already left the site for domestic and international customer needs and we see that buffer stocks outside of China are sufficient to meet normal demand in the short term with customers seeking to order more from Le Mans to mitigate Tianjin disruption. In China, retailers are starting to return to work, so it is vital that we can respond without delay to their requirements.

Recognising that supply chain may be affected on a broader basis, we are carefully reviewing contingency actions that can be taken in order to secure supply to our customers. A business we are of course working through the supply chain challenges resulting from this virus to ensure service is maintained as far as possible to our customers and consumers.

Update on numbers

China's National Health Commission (NHC) reported 125 new cases of COVID-19 as of midnight March 3, down from 202 cases a day earlier. This is the lowest figure reported by the NHC since it began publishing nationwide data in January. The death toll increased by 31 to 2,943; all newly reported deaths were within Hubei Province. Serious cases have decreased by 304, with the total number of serious cases now at 6,806. The number of cured patients increased to 47,204, or nearly 60 percent of the total diagnosed.

The World Health Organization (WHO) reported 2,103 new cases of COVID-19 and 214 deaths. The total number of confirmed infections outside of mainland China has increased to 12,668 in 68 countries. The first confirmed cases of the novel coronavirus have been announced in Poland, Chile, Argentina and Ukraine while cases have continued to surge in South Korea, Iran and Italy. In the US, 6 people have now died from the novel coronavirus, with over 108 cases reported across 10 states. The number of fatalities in Italy jumped significantly, taking the total death toll to over 80.

Our thoughts are with Annie

In previous updates we have shared some stories from Annie Lu (Marketing Executive, China) and we are very sorry to confirm that a member of Annie's wider family sadly passed away as a result of the virus. Our thoughts are with Annie and her family at this very difficult time.

Recognising that whilst the virus can be minor in most cases, it can also be dangerous so we ask all of you to follow the simple rules that we have laid out as prevention is better than cure and we want to ensure the health of all our people. Thank you for your support.

Some interesting facts

1. Over 90% of the people infected with the virus in Tianjin have made a full recovery and over 80% in Shanghai. The figure across China, taking into account the heavily impacted province of Hubei is over 60%.
2. Unfortunately, the events casualty of the virus has spread to Europe with many sporting fixtures postponed or cancelled. The concern about large gatherings of people underpins these decisions. We are of course waiting to hear the verdict for the Olympics.
3. With factory operations and travel being casualties of the virus, there has been a plus side with the air in China seeing a dramatic improvement. The reduction in pollution levels is now evident in satellite images from NASA and the ESA. The data from pollution monitoring satellites show that nitrogen dioxide levels have significantly decreased below pre-Chinese New Year levels. Perhaps similar clearing of the skies will be seen with the reduced demand in business/personal travel across the rest of the world.
4. For the duration of the restrictions in place in China (now just over a month), over **7 years** of video content has been uploaded by people onto social platforms! Hopefully some of that content relates to being creative – our Chinese commercial team are indeed tapping into inspiring creativity in China with “how to” content and a focus on e-commerce activity.

Bringing our sharing of stories from China to a close we have two articles from colleagues in CTAM: Jack Li and Canna Liu [\[link\]](#). At this point it would be good to hear any experiences from elsewhere in the group. Please send them to the email address below.

Any questions?

Should you have any questions or thoughts about the current situation please send an email to people@colart.com and we will come back to you as soon as possible