

COVID-19 Group Update

Dear all,

As countries across the globe begin the careful process of returning to work, school and international travel, we are seeing signs in the news about significant impact on businesses and our economies in general. Whilst Colart cannot take anything for granted, following on from the financials communicated last week, this update focuses on the progress we are making. Progress that should not only give us confidence but also to reinforce let's keep doing what we are doing:

Update on Commercial Performance

With most stores still closed due to COVID-19, the situation has continued to create challenges for our commercial teams...yet something really positive is happening. The following quote from Gail Pasquier tells us more:

"As we reach the end of May it is really great to see the strong sales performance from all the markets. When we were trying to forward plan for various scenarios, we were naturally quite prudent in terms of what we could expect in the way of sales for both the months of April and May. So, it has been truly humbling and wonderful to see how much consumers and customers continue to love our brands as we have beaten every metric that we could dare to imagine!

I would like to say a big thank you to everyone in all of the local commercial and marketing teams who have ensured that our customers have what they need (not just product, but inspiration too) and very importantly an even bigger thankyou to everyone in the distribution centres for working so tirelessly to pick and pack orders, whilst keeping their colleagues and themselves safe.

As we head into June, we continue to have very strong orders from our customers and this in itself, gives us some further challenges: as we know that we will not always be able to meet every order in full. I know that this may lead to some frustration from customers, but I also know that we will continue to work as One Team and as a Family across all functions to deliver the best service we can. Who could ask for anything more?"

Update on Operational Performance

The phased return of our operational business units has really stepped up and the three following categories show you that it's not just a return to work that we have seen:

Performance: Most of our people are back at work across all operational business units and the focus is on catching up on orders. We are very proud of the way everyone has adapted to the rules and protocols (including face masks) underpinning their safety. What is significant that despite the safety constraints, our efficiency and productivity is higher than previous months across **all** factories and distribution centres. This performance shows the willingness of everyone to perform for the Company so that we limit the impact of the crisis.

Collaboration : From the beginning of the crisis, the operations business units have not only shared each other's experiences of the crisis but also the sourcing of protective equipment (PPE). The building of knowledge and protocols started in China with the know how moving to France and then to the US and UK. This sense of collaboration and positive flow of know how has saved time, avoided problems and the results are evident. There has been a level of professionalism throughout the business to be proud of - the force of the family spirit!

Innovation – the new context created by COVID-19 has forced us to change the way to we respond to problems. Before, we would have taken time to discuss, check, test and then finally apply innovative ideas. Now, in this unknown environment, the only way to progress is to experiment as we go and react to what works or doesn't work. The world is changing, and everyone in the operations business units have fully adapted to the new context. There are many examples and here are just a few:

- CTAM creating makeshift dividers in the canteen to ensure people could still eat and be safe
- Minehead making its own sterilising solution and used clear PET sheeting that they had on site to create face shields and dividers.
- Lowestoft using onsite clear polythene plastic and timber to create barriers to ensure social distancing in brush making.
- Operators in Lowestoft re-engineered the hand tied brush process to ensure the string used is no longer held in the mouth.

Return to work for remote workers

In the Town Hall, Dennis reinforced our recommendation that for those of you working remotely, any return to work should be limited to one day per week in June and potentially two days per week from July subject to the ongoing situation and agreed plans. It is important to remember that this phased return is just our recommendation at this point as there are many factors that we need to consider supporting any return to the office. Plans and expectations will be communicated locally considering your feedback, which we are gathering through local surveys.

One factor that we will also need to recognise is the matter of holidays particularly if overseas travel starts up again. Of course, all holidays should be agreed in advance with your line manager and if you do decide to travel overseas it is important that upon your return, we review any potential risks that may arise by a return to the office. Clearly this will be on a case by case basis assessing the risks of where you have travelled to, so open communications with your line manager about your holiday plans are vital.

Finally, for those of you based at the Head Office, we are starting to take actions to make it COVID safe and during next week, preparations will be made to install relevant signage and protocols. Furthermore, the UK Cycle to Work scheme will be reintroduced from June for those of you thinking of other modes of transport.

The final word as always is that we cannot stress enough the importance of following the safety protocols for everyone in Colart and your families: As a reminder please visit [this site](#) for further information on how to ensure protection against infection.

STAY SAFE, and if you have any questions on this update or any other subject you have a number of routes to take:

1. Your line manager
2. Your local HRBP
3. The Q&A platform on the intranet

Regards,



Jane Beeston

Chief People Officer