

COVID-19 Group Update

Dear all,

As we move into May, it is good to know that our people continue to be well and safe with our four colleagues in the US who became poorly progressing well. This gives us confidence that the protocols put in place and decisions made have served us well.

As we mentioned in the last update, manufacturing and logistics is our priority for allowing people to return to the workplace. By delaying the return of office people, it means that we can focus on workable solutions right for our people in manufacturing and logistics before we consider the return of people working remotely. As mentioned, we are planning for remote working to continue for the most part until at least the end of May. Any return before that date will be on a **phased** and **planned** basis such as the recent planned return of the R&D team at the Head Office to support NPD projects being planned for 2021 & 2022 launch dates and beyond.

Update on the manufacturing and logistics return

Below is an overview on the progress being made:

- **Kidderminster** – we continue to increase the size of the team with over 80% back at work. This is important as the UK sales appear to be holding with April sales just exceeding budget – a great result for the whole **UK team** led by Anthony Taylor.
- **Le Mans** – we now have two shifts fully operational with the potential of a third shift running from next week. The logistics team have performed 20% better than their own forecast with 25% of the total month value shipped during the 2 last days of the month. All US containers were shipped as forecasted. In the factory, even with the protocol constraints for Covid-19, the team are performing at a minimum of 100% efficiency, doing extra hours when needed. This is a great sign for the increase in activity next week and everyone should feel proud.
- **Lowestoft** – we are pleased to confirm that most of the team came back to work this week except for those who are self-isolating or have caring responsibilities. We are fortunate to have lots of space on site to allow for the appropriate physical distancing and protocols are fully in place. Wearing masks proved to be challenging at the start for some complex brush making but the team found a solution to ensure no compromise on safety or quality.
- **Minehead** – whilst some of the team came back this week, we expect the full return will be completed in three stages. Hopefully you will have seen on the Wall pictures of the ingenious masks created by the team... the Snazaroo sponge has found a new role in life – check it out!

- **Piscataway** – our stalwart operation that has continued to work throughout the crisis with great commitment to safety protocols and teamwork. This has meant that we have ensured continuation of service for our largest market.

We highlighted the UK sales above and for the month of April it was good to see that the average sales for the group was 66% versus budget. Far better than we expected with the **Iberian team** led by Vicente Chicote Fuentes also beating their monthly budgeted targets! The strong order book into May makes the return of the manufacturing and production teams in Le Mans, Minehead and Lowestoft even more valuable.

Commitment and alignment of our senior leadership

Being able to update you on the great advancement of our operations during this difficult period in addition to reinforcing the significant efforts of our people continues to be an honour. To be able to add to this message by highlighting the action taken by the Colart Senior Leadership team really helps to cement the solidarity in commitment to Colart and our people, namely: -

For the months of May, June and July leaders at levels 3, 4 and 5 of the business will take a **20% base pay reduction**. The reason behind this decision is to not only recognise the financial losses that Colart will sustain during 2020 but also to act as a fund to ensure no one in the business: -

- through being furloughed and impacted by the statutory maximum, falls below the minimum living wage
- incurred financial loss during March and April in line with our commitment to protecting base salaries during this period.

This action by senior leadership was not requested by the Board, but it was a strong signal of the commitment to the Colart family and coupled with the performance of the whole company is really strengthening the trust that the Board has in all of us.

Developing insights from the survey

In the last update we gave an overview of the recent employee survey results – to deepen our thinking about these results we are organising mini townhall webinars by business unit to discuss the results with the business unit leader. The first webinar was held yesterday in the US with Steve Chamberlain with some good interaction from those who joined. We will summarise all the insights particularly as it gives us a good idea of what the “new normal” could look like at Colart.

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