

colart

SUSTAINABILITY

REPORT

2016 – 2017

Contents



Sustainability Report

Overview

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Reflection from our CEO

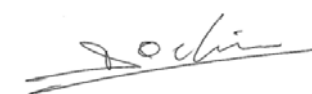
The last year at Colart has been a time of reflection, action and transformation. The launch of our vision of 'inspiring every artist in the world' kicked off our exciting journey from being an art material manufacturer for the few to a creative lifestyle company which embraces all types of creativity and welcomes the world to find out more about our company.

We did significant work in 2016 looking at all aspects of the Colart business including:

- The strength and positioning of the priority brands
- Sales relationships and activities
- Manufacturing footprint
- Support services

This situation analysis helped us to develop our transformation plan. Over the next five years we will focus on refining our core, igniting growth and driving simplicity throughout our business.

Our mission is 'to produce creative, sustainable tools and services to unleash pure expression', and the actions outlined in this report reflect how we are meeting this commitment. Ensuring that sustainability is at the core of our business is not just a moral commitment; it adds long-term value to our company. As we continue our transformation journey there will be increased demand for our products at home, in the studio and even in the corporate workplace. The creative industry is growing and we will be there to meet that demand.



Dennis van Schie
CEO

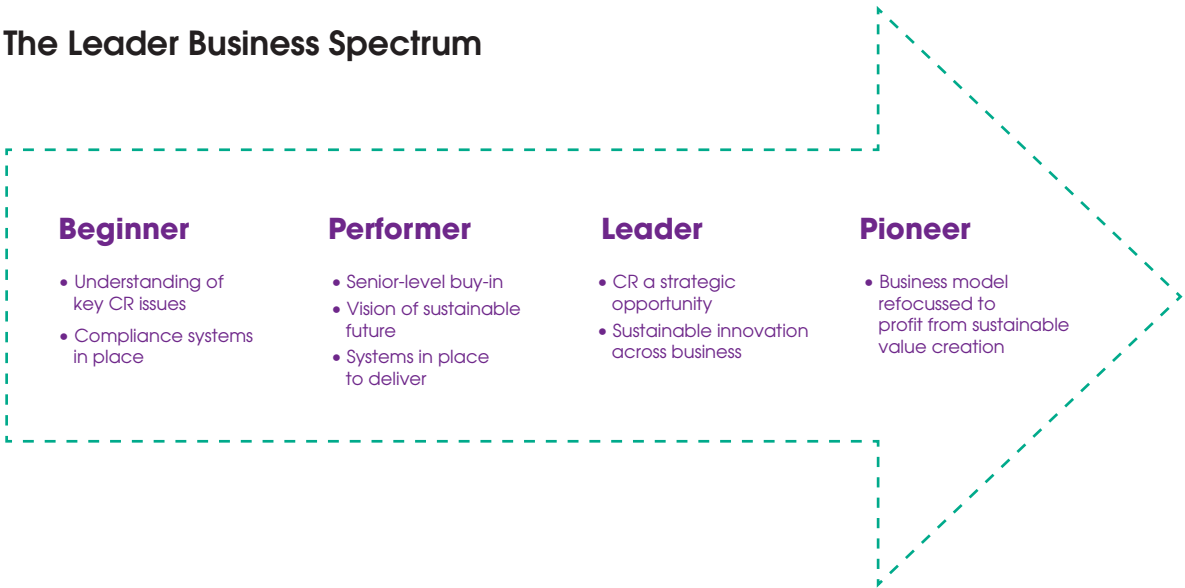
Global Sustainability Committee

Chief Operations Officer, Mark Barratt chairs the global sustainability committee. This committee was set up as we felt that in order to truly embed sustainability in the business we needed a committee with each of the functional leads. Together, they agree on the business priorities relating to sustainability and achieving our LRP.

Our overall ambition is to move Colart along the leader business spectrum from the beginner / performer where we see ourselves today, to a pioneer by 2021. The overall vision is that as a pioneer we would have an net positive impact. This is an ambitious goal but we believe that due to the investment, efficiencies and processes which form part of the long range plan, it is achievable.



The Leader Business Spectrum



Already in 2016 and 2017 we have begun working with key partners from different industries. In 2017 we will look at how to develop this further into global sustainability programs. We have invested heavily in our people and our manufacturing facilities. And we have begun to create an environment where we not only look after the physical, social and mental wellbeing of our employees but also look to provide a safe, sustainable working environment for our global community.

We are looking at global sustainability trends and the impact these may have on our business and we'll start programs to ensure that we are prepared. These trends include water scarcity, digitalisation and raw material scarcity among others. We believe

it's important to look to reduce our water footprint, reduce our impact and to reuse and recycle where possible. We need to innovate as a business and with our products to ensure we can capitalise on the growing digital space. And we are looking at new ways of running our business, with initiatives such as localised filling, safer more sustainable formulations, and embedding value stream mapping.

Our KPIs are still important to the business. We will add to them to track our progress and use the UN Sustainable development goals to communicate how they are relevant to the external global focus.

On the social side of things we are focusing on community and artist engagement as well as looking at the end-to-end supply chain.

We are also running a programme that looks at our supply chain transparency ensuring that our tier 1 suppliers, and also their suppliers, are aligned to our values and that we are aware of any issues.

We need everyone at Colart to engage with the global sustainability committee, the Ambassador Network and your colleagues to ensure that we are doing business in the right way and that we achieve what we have laid out in our LRP and transformation program.

In order to do this, we are creating a more network-based organisation, which will help to make us more agile and improve the likely success of our transformation journey.

Mark Barratt
COO

Sustainable Development Goals

The 2015 United Nations Climate Change Conference (COP 21) brought together 196 parties who negotiated a global agreement to limit overall temperature rise to a maximum of 2°C above pre-industrial levels with an effort to restrict it to 1.5°C. It is currently at 1.3°C. The Paris Agreement is a treaty under international law. Sustainable Development Goals (SDGs) were introduced as part of

The Paris Agreement. This consists of 17 goals created by the parties in order to end poverty, protect the planet and ensure prosperity of all, as part of a new sustainable development agenda. (See Appendix) These SDGs came into force on January 1st 2016. These new goals are the main focus for the next 15 years. They apply to all countries and aim to mobilise efforts to end all forms of poverty,

fight inequalities and tackle climate change while ensuring that no one is left behind.

Our Lindengruppen Framework is aligned with these SDGs. And our long-term strategy is to align with the SDGs that are relevant to the business. They can be a useful tool to communicate the work we do internally on the wider sustainability impacts.



Governance
We want to ensure that our actions reflect how we want to do business.

Social Responsibility
We recognise our role and responsibility in our community both inside and outside of Colart.

Toxic Footprint
We aim to address the environmental challenges of our products and operations and to minimise their environmental impact – for example, by reducing the use of heavy metals and increasing the number of environmentally sustainable products or operations.

Wastage
We plan to control the wasted by-products from our operations.

Energy use
We plan to be more efficient in how we use energy.

Economic
We recognise that our business has to grow and be profitable.

Innovation
We want to use product development to drive not only business growth and consumer interest but also the sustainability agenda, alongside a general culture of innovation in the company.

Reach
We shall use online and offline activities to build customer and consumer communication and understanding.

NGO Partner

Over the last year Forum for the Future has been working in partnership with Colart as their ‘critical friend’.

“ We’ve been impressed with their current GETWISER approach that demonstrates strengths in metrics, innovation and reporting – especially across their environmental agenda. For example, with their industry-first launch of a cadmium free paint.

We are currently supporting them to revise their strategy to make them the sustainability leader in their industry. We have been struck by the ambition and leadership demonstrated at all levels of the organisation.

While there are still significant impacts to be addressed, such as water and carbon use, there are also considerable opportunities to drive product innovation and

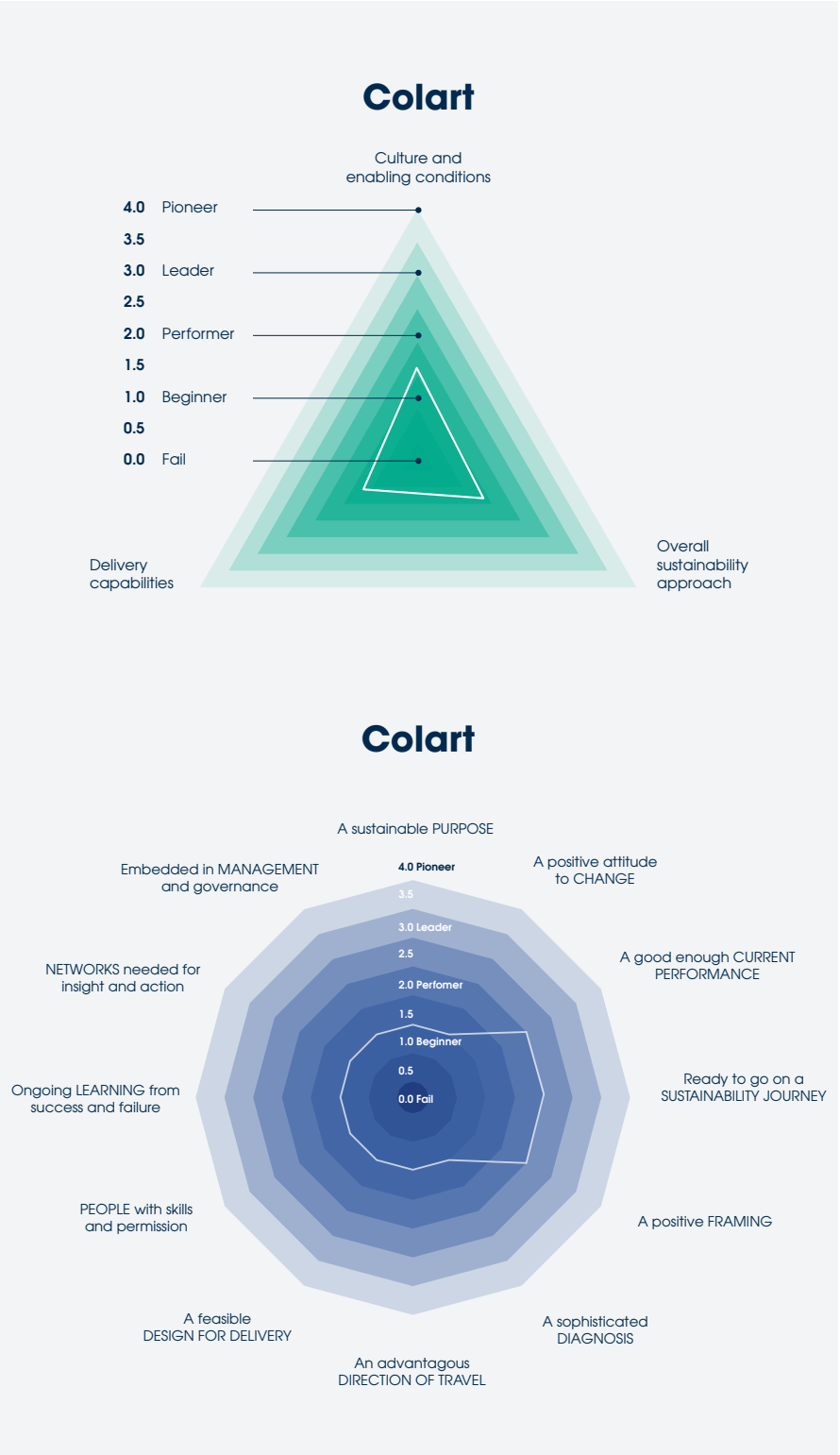
promote the benefits of creativity especially within the brand and commercial areas.

We feel that Colart is well placed to achieve this through its strong leadership, receptive culture and delivery capability. ”

Ben Kellard
Head of Sustainable Business
Forum for the Future

Overview of assessment of Colart:

- The sustainability agenda is supported by sophisticated measurement tools and is tracked carefully and honestly. However this performance is not communicated well externally. There is a role for stories to play rather than just metrics.
- The sustainability agenda is very upstream /supply chain focused. Colart could be doing more to engage, educate and collaborate with consumers.
- Colart has an inherently social purpose and this should be tied strategically to its sustainability agenda. This aligns with changing values and millennial preferences.



Transformation

In today's fast paced global business world, a company can never relax and get complacent. Colart is currently going through an extensive and exciting transformation journey towards becoming a global creative lifestyle company. This doesn't mean that we will abandon our heritage as one of the best art material companies in the world. Our roots are more important than ever. Rather, it means that we will develop our beloved brand portfolio and take them into the future.

Our business strategy is built on three pillars:

1. Refine our core
2. Ignite growth
3. Drive simplicity

By acting and delivering on our strategy we will secure success in the future. Our vision of "inspiring every artist in the world" is our guiding star. Our mission is "to create sustainable, creative tools and services to unleash pure expression". That's why we are here.

Business Review

We have collectively made great progress across the many focus areas that underpin our business and the transformation journey we have begun. The financial outcome tells only part of the story of 2016: it is important to take a holistic perspective on the business and put the financial performance in context.

Operations changes

One of the key elements of the LRP is a revised supply footprint, which, among other things, means that a significant volume of paint production will transfer from Tianjin to Le Mans. We have done preliminary analysis and investigation to locate a new production site in China that will consolidate the existing two sites and reflect the reduced production volume required. This investigation work is ongoing, though the decision in principle was approved by the Board in September 2016.

We have started to engage with NGO partners to further develop our existing sustainability program. This will allow us to create an organization that is built around sustainability, recognised as a change-inspiring leader to both internal and external audiences, benchmarking us against market leaders, working on synergies and implementing change both to our end-consumers and retailers.



Environmental

We manufacture and market fine art colour and complementary products. Managing the environmental impact of our products – from manufacture and application to waste – is a major focus for us.

We strive to develop products that combine performance and functionality with environmental sensibilities. We are maximizing our efforts to use energy and materials in a resource-efficient and environmentally friendly way and, at the same time, to reduce the volume of waste.

Notable initiatives in 2016 focused on optimising our environmental footprint include:

- Our main colour manufacturing sites in France and China have maintained their ISO 14001 (Standard for Environmental Management) accreditation in 2016.
- Cadmium pigments were expected to be restricted in 2016 by the European Commission but have been deemed not to have an environmental / health risk. The Group is, however, continuing to develop its cadmium-free ranges and will produce such products in 2017.
- UK sites had ESOS (Energy Saving Opportunities Scheme) audits carried out which are a mandatory UK requirement. The ESOS audits were successfully completed by independent auditors and deemed compliant with the EU directive on this issue.
- Get Wiser KPIs have focused on environmental activities, including tracking of energy at sites and signing top 20 suppliers up to SEDEX (supplier ethical data).
- Colart has regained FSC accreditation after a prolonged absence and lack of control and governance.

Corporate Social Responsibility (CSR)

We make it our business to understand the needs of artists and to make the finest artist materials that will never fade, crack or need restoration. This creates many opportunities, but also presents many challenges, not least sustainability.

In 2016 we continued to build on the 2015 GET WISER program, our seven-step approach to sustainable branded growth. The approach integrates sustainability into everything we do, whilst recognizing the long-term interests of all our stakeholders.

Get Wiser addresses:

- **G**overnance – nurturing a culture of openness to outside ideas and opinions.
- **E**nergy – minimizing energy use, for instance by switching to low-energy solutions and investing in local production to reduce transport distances.
- **T**oxicity – innovative programs to develop alternatives to hazardous substances like cadmium.

- **W**aste – reducing and eliminating waste in everything we do through re-use, recycling and redesign initiatives.
- **I**nnovation – encouraging and inspiring staff to contribute ideas and be pioneers in developing innovative solutions.
- **S**ocial responsibility – being a socially responsible employer and supporting local community projects that create mutually beneficial outcomes.
- **E**conomic – recognizing our business must be able to grow and be profitable
- **R**each – connecting with our artists and customers in the spirit of learning and interaction.

Truly sustainable goals take time and are most successful when the focus is bottom-up.

That is why we have continued to work in 2016 with our Ambassador Programme, training and developing people at all levels in the business to drive the sustainability agenda. A global sustainability steering group has been developed with a clear mandate linked to our Innovation Board to ensure sustainability is

embedded into everything we do, especially when we are thinking of introducing any new product into the business. We have also used the sustainability workshop initiated by our parent company to align and extend our sustainability agenda.

To demonstrate our commitment to CSR, we have decided to allocate one working day per employee on average to be dedicated to charitable community work. The amount of work time devoted has progressed during 2016 with each business unit identifying specific charitable causes to focus on. We have also identified a central charity to support, called "Hospital Rooms". This UK-based mental health charity is set up to "disrupt the barriers that limit access to art and culture for people using mental health services". They commission museum quality artists to create inventive environments and artworks for mental health units, and also program art workshops for mental health service users.

As well as providing art materials for the workshops, our employees will also undertake fundraising initiatives and volunteering days for Hospital Rooms over the coming year.

Ethical Supply Chain

As part of our drive to ensure we have an ethical and transparent supply chain we are asking all of our suppliers to register on Sedex (Supplier Ethical Data Exchange) and share information on their business practices.

WHAT IS SEDEX?

Sedex is a non-profit membership organisation dedicated to driving improvements in responsible and ethical business practices in global supply chains. They are the world's largest collaborative platform for sharing responsible sourcing data on supply chains.

Sedex provides a secure, online database which allows members to store, share and report on information in four key areas:

- Labour standards
- Health and safety
- The environment
- Business ethics

Suppliers who SEDEX deem to be high risk are highlighted. This gives us the chance to work with the supplier to find out more information or carry out an audit.

Link to SEDEX website
www.sedexglobal.com

One of our brands Winsor and Newton has a Royal Warrant. The Royal Warrant Association expects key sustainability criteria for their suppliers which we uphold. We are dedicated to making sure that our materials, manufacturing processes and the way we communicate with artists minimise our ecological impact.

This work on transparency in our supply chain is linked to our work with the Modern Slavery Act. As a company we take steps to protect vulnerable workers from severe human rights violations – what is called modern slavery. Someone is in slavery if they are:

FORCED TO WORK through mental or physical threat;

OWNED OR CONTROLLED through mental or physical threat;

BOUGHT AND SOLD as 'property';

PHYSICALLY CONSTRAINED through restrictions placed on his/her freedom of movement.

We feel that it is vital that we check our own facilities and those of our suppliers to ensure none of these practices is taking place across our supply chain. You will see more from us during 2017 regarding modern slavery as we will be working to publish a statement about this important act.

FSC Certification

We were pleased to regain our Forestry Stewardship Council (FSC) certification in 2016. Good governance is an essential in order to ensure that we can maintain the strict requirements needed to hold an FSC certificate.

We now hold a Chain of Custody FSC certification for all of our business entities. This means that we can sell certain wood and paper products as FSC Certified. FSC is a global, not-for-profit organization dedicated to the promotion of environmentally appropriate, socially beneficial, and economically viable responsible forest management.

It means that wood and paper based products are sourced from FSC Chain of Custody certified suppliers which are independently audited to ensure that materials purchased are traced back to well managed forests. It gives assurances that the materials were harvested legally.

Why is having FSC certification important

Customers are placing more importance on sustainability and ethically sourced materials. FSC-certified products give customers confidence that their FSC supplier shares their values.

The FSC also controls each certified operation at least once a year – and if they are found not to comply, the certificate is withdrawn. This means the customer doesn't have to police its suppliers, it is done for them by the FSC.

What type of products can be certified FSC?

The main types of products that can be FSC certified are wood and paper products. Colart products which could be FSC certified include: canvas, brushes, easels and packaging.

FSC and sustainable design as part of NPD / EPD

When we relaunched our canvases we made a decision as a company to only manufacture FSC canvas. This was a bold decision by Colart as it meant a lot of effort by many parties to ensure that we could source and manufacture FSC wood canvas but it was the right thing to do in terms of our sustainability journey and LRP.

We have embedded FSC and sustainability design into our new product development (NPD) process. When a new or existing product is being produced we are seeing whether FSC certified wood or paper can be used, or FSC certified packaging. For instance, the REEVES rebrand has used FSC certified packaging where possible for the whole range.

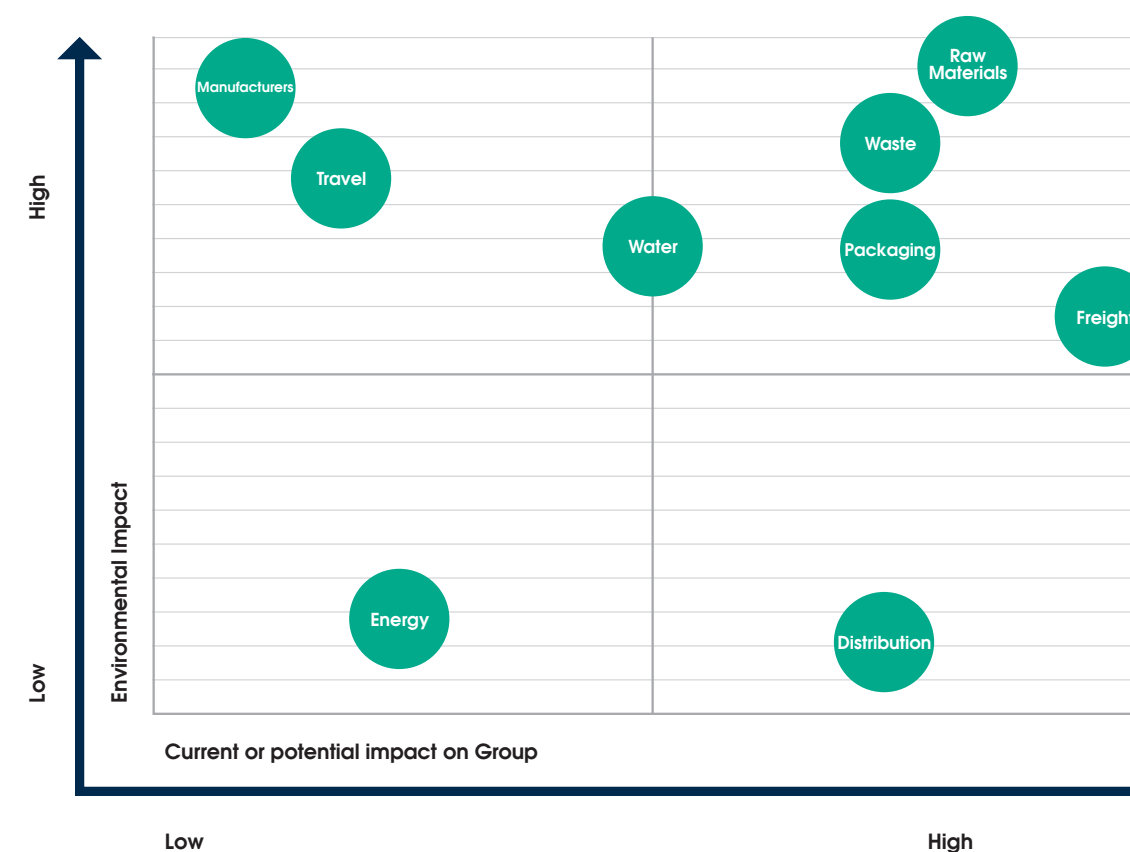
As well as the FSC we are also looking at packaging design to ensure we are not shipping air or over-packaging our products. There is more we can do with sustainability design but have made some solid progress over the past 12 months.

When we relaunched our canvases we made a decision as a company to only manufacture FSC canvas.



Prioritisation Matrix

Materiality Assessment



Activity	Environmental Impact
Manufacturing	CO2 emissions; climate change; biodiversity
Energy	Stranded assets; CO2 emissions
Raw Materials	Raw material scarcity; renewable; sustainable waste
Distribution	Force majeure
Freight	CO2 emissions; climate change
Water	Scarcity; reuse; recycle
Packaging	Waste; sustainable design
Travel	CO2 emissions; climate change
Waste	Climate change; CO2 emissions; pollution

These are the most relevant environmental impacts for Colart. These issues have been drawn out of the materiality assessment above.

We are using this along with global sustainability trends to further analyse and define our own sustainability priorities. This work is being done in partnership with Forum for the Future and the global sustainability committee.

The assessment in this report is an overview to engage the key topics. If you would like more detail, a full materiality assessment is available, please email sustainability@colart.co.uk.



Cadmium-free Colours

We want to reduce our manufacturing footprint and reduce our impact on the environment. We made a major step forward this year when we launched our cadmium free range under the Liquitex brand and opened a new facility with our Snazaroo brand. We are also focusing on how we deal with hazardous chemicals.

Liquitex launches cadmium-free range

Liquitex has launched a new range of cadmium-free colours in 2017, giving artists a wider range of choice when selecting safe art materials.

Since their foundation in 1955 Liquitex have partnered with artists to ensure that they continually evolve and innovate. There is no consensus on whether cadmium is potentially harmful in pigments but Liquitex has decided to offer both alternatives side by side so that artists can make a choice based on their personal preference. Colart is proud to be the first in the market

to introduce a parity performance cadmium-free alternative for health and safety conscious artists.

Colart is constantly reviewing product formulations to try to make them as safe as possible. For example, due to the health and environmental implications of lead Colart has stopped using lead white pigments in our formulations. Colart is committed to developing safe and sustainable alternatives without compromising on the performance of the paint.





The Art and Creative Materials Institute Inc. Approval

The new Cadmium-Free range carries an AP (Approved Product) Seal from the The Art and Creative Materials Institute, Inc. (ACMI). The ACMI is an international association of about 200 art, craft, and creative material manufacturers which promotes safety in art and creative products through its certification program. Colart is a member of ACMI. ACMI-certified product seals (AP Approved Product and CL Cautionary Labelling) indicate that these products have been evaluated by a qualified toxicologist and are labelled in accordance with federal and state laws.

The AP Seal identifies art materials that are safe and that are certified in a toxicological evaluation by a medical expert to contain no materials in sufficient quantities to be toxic or injurious to humans, including children, or to cause acute or chronic health problems.

Development and testing of the cadmium-free range

The development of the new Cadmium-Free colours was the work of several Colart Chemists over a three year period, evaluating a huge range of pigments available internationally to discover the very best in terms of performance and match to existing Liquitex cadmium colours.

Artist-approved

Prior to the launch the range was rigorously tested not just in the Colart Innovation & Development laboratory but also with the end user: artists.

Liquitex identified regular users of acrylic paint and in particular cadmium colours for a series of tests. Each artist was given two identical sets of colour, one set containing genuine cadmium paint and the other containing Cadmium-Free.

The testing was conducted blind, without the artists' knowledge of the difference between each set. They were allowed one month to work with and compare both sets. They were given a journal to keep throughout the assessment. None identified the fact that one set was Cadmium-Free.

Substances of High Concern

Hazardous chemicals cover a wide range of chemicals from flammable to carcinogenic and environmental. We want to particularly focus on the hazardous chemicals that have the most environmental and health impact. Therefore we choose to look at and focus on a group of chemicals in the EU called "Substances of Very High Concern" (SVHCS). SVHCS are a group of chemicals which are normally classified as CMRS (Carcinogenic, Mutagenic, Reprotoxic), endocrine disruptors, PBTs (Persistent Bio-accumulative Toxic), and vPvBs (Very Persistent, Very Bio-accumulative). A substance is proposed as an SVHC by either a member state or by the European chemicals agency. All SVHCS can be found on a list called the candidate list which is updated twice a year. Once on this list the chemicals are then up for authorisation. This process means they will eventually be banned for use / sale in the EU unless we apply for specific authorisation (very expensive process).

As these chemicals will be banned in the future, we have chosen to prioritise these for reformulation within R&D. By measuring these chemicals we are being proactive in working on the removal of these chemicals which have particular environmental and health impacts. Although this list is currently just for the EU, these chemicals can be found in restricted lists globally, such as in China, and therefore important for us globally. This list is not extensive and can be added to; therefore we need to actively understand what chemicals may be eventually added to the list. When we first started to measure these chemicals we were using ten raw materials which contained SVHCS. This has been reduced to seven raw materials.





Snazaroo Production Facility

Here is a bullet-point overview of some of the aspects we will be incorporating in the new build.

State-of-the-art new facility for Snazaroo

We want to create a state-of-the-art Snazaroo Centre of Excellence in Minehead, Somerset and to have a training room for teaching the art of face-painting. The training room could be used by the community as part of our sustainability programme. And there is also a proposal to use for children’s parties and maybe a possibility of providing free training courses to local people.

Somerset County Council have identified Snazaroo as an important employer in West Somerset and want to help us keep Snazaroo in Minehead (its birthplace). The company creates about 70 jobs for local people and is continuing to expand.

Audit compliant facilities:

Welfare

- Safe and healthy working environment
- Adequate toilet facilities
- Seating / rest area capacity is appropriate for the number of workers
- Accessible drinking water
- Disability access
- Maintainable temperatures (heating and cooling)

Compliant with all current health and safety legislation:

- Fire Equipment
- Walkways / Corridors are adequately sized and clearly marked
- Emergency Lighting
- Fire Call Points
- Emergency Egress – compliant with H&S and Audit requirements
- Sprinkler System

Sustainability measures:

- 5S facilities (no unnecessary items, everything has a place and everything in its place)
- Drainage system
- Rainwater harvesting for toilets
- Ventilation

Energy efficient:

- Windows
- Lighting / sensor lighting controls
- Heating
- Insulation
- Using windows to increase daylight and reduce lighting requirements

State-of-the-art technology:

- Sensor lighting
- Wireless building
- Overhead sockets

“ As you know we are keen to retain you as a major employer in the area. So we will of course work positively with you over the coming months to make that happen ”

West Somerset Council 2017



Our People Vision and Strategy

Colart is going through an extensive transformation journey towards becoming a creative lifestyle company. Our beloved brand portfolio is the foundation, but our people will make it happen. The people strategy needs to drive towards our company vision and reflect on the importance of purpose, belonging and nurturing. We also need to acknowledge the importance of each role, whether we are leaders, people managers, and team or individual contributors, to ensure that we are performing at the highest standard.

Our people vision

Inspiring every person in Colart

- 1. **It feels like a family** – a place of purpose; a place to belong; a place to grow with the demonstration of our values at the heart of this feeling.
- 2. **It acts like a high performing team** – result driven; self-reliant; fully connected with clear, shared goals and a drive to always do better.

Our people values

Our values describe how we do things at Colart. They ensure that we're all working together and pulling in the same direction. We believe by living these values, the same pattern will be woven again and again to create a strong culture and corporate brand:-

- Openness**
Being respectful and transparent
- Passion**
Enjoy to perform
- Innovation**
Challenging the status quo
- Quality**
Striving for excellence

Our people context

Culture

We are activating our vision, mission and values to engage our people and build an aligned culture that drives the business forward through our three strategic pillars of:-

- 1. Refine the core
- 2. Ignite growth
- 3. Drive simplicity

Communication

We have a global communication that encourages an open dialogue at the heart of all our communications across the business.

Resources – We have a global organisation in place that creates synergies and facilitates execution and we are strengthening our resources to enable succession and prepare for the future.

Our people promises

At Colart we will:-

- 1. Have a healthy working environment based on respect and collaboration
- 2. Be a place where the right people want to stay and grow
- 3. Put continuous improvement and development are at the heart of everything we do

Our key strategic priorities:-

- 1. Talent acquisition and retention
- 2. Value driven leadership
- 3. Growth and development
- 4. Wellbeing and engagement

Understanding the priorities in more detail:

Leadership

Key to the success of our people vision, we will share what good looks like and what is expected of our leaders – both in terms of leadership behaviours and people management responsibilities. This will be achieved through:-

The Colart Way

The Colart Way is by no means a checklist. Rather, it is a chance to express in one place what our leaders need to both embody and role model in the business over and above the core Colart values. The Colart Way is represented by leadership behaviours and accountabilities.

Leaders of the future

The identification, recognition and development of our rising talent based on succession planning discussions and an accelerated growth programme to enable the development of their full potential.

Talent acquisition and retention

We find the right talent and prepare them for life at Colart and we will achieve this through:

- Innovative and disruptive techniques to attract, engage and retain exceptional diverse talent
- Providing a world class candidate experience with the candidate at the heart of everything that we do in acquisition

- Illuminating Colart as a Creative Lifestyle company with whom to work, perform and grow
- Inspiring our people to be proud to act as Colart Talent Ambassadors at all times
- Creating a multi-channel digital communication platform for candidates to engage with Colart, no matter where they are in their recruitment journey

Growth and development

We will inspire our people to grow and provide a nurturing environment where people continually develop in skills, knowledge, confidence and capability. We understand their growth needs so they can both perform today as well as progress tomorrow and will achieve this through:-

Progress Review

A globally aligned and automated process to enable and ensure a fully comprehensive annual discussion to review performance, cultural alignment, objectives and development needs

The Colart Academy

With the progress review at its heart this is a growth and development platform that focuses on four development routes (Skill, Service, Leadership and Community) building on the importance of our people in achieving our business and strategic objectives. It supports and strengthens the Colart brand by being grounded in the values of openness, passion, innovation and quality. We pride ourselves on the mutual ownership (individual and company) for the development journey.

Wellbeing and engagement

We put people at the heart of how we work and we recognise the need to focus on the whole person to ensure a workforce that is able to deal with and react to changing needs to deliver our strategic goals. We will achieve this through:-

Living our values

Continued global activation of the vision, mission and values as explained in “Our Philosophy” with the Net Promoter Score measuring our progress

A global wellbeing calendar

Based on a global programme of physical, social and mental/ emotional activities adopted and adapted on a local basis to suit each business unit

Diversity and inclusion

Monitoring the make-up of our people and activating positive reinforcement in all aspects of the People Cycle to ensure the optimisation of diversity in thought and background.

We are proud to have an environment in which the development journey is jointly owned by both the individual and the company.



The Colart Ambassador Network

“Through this training, I learned how to communicate with employees on an equal footing, how to motivate employees to play their talents in the work, guide their employees to make their own suggestions or good ideas, good ideas to help enterprises can grow and develop.”

We began to embed sustainability within Colart through our Get Wiser initiative in 2014. We now want to take this further so we have created an Ambassador Network to help us with our sustainability transformation. Our Ambassadors work across all of Colart's locations and represent different levels and functions within the business.

We view this as an 'activist' network that leads, inspires and supports sustainable practice across Colart. The key roles are to:

- Notice things which need to change or could be improved
- Start, sustain and / or grow experimental projects
- Learn and celebrate what works and share it
- Build energy, participation and momentum across Colart for a sustainable organisation
- Share and discuss ideas as a learning community

Ultimately, we want to inspire all our people internally in the same way that we seek to inspire every artist in the world externally. We want to inspire people as much through the way we work.

“Thank you very much for these inspiring days with great meetings and workshops! Very happy to learn to know you all and looking forward meeting as a team again.”

It will start by focusing on four key points:

1. **How we interact** - How do we make Colart a great place to work that feels like a family?
2. **How we innovate** - How do we inspire great ideas and improve how we operate and act to make these a reality?
3. **How we operate** - How do we make ourselves more successful through being a sustainable business?
4. **How we impact** - How do we inspire artists everywhere to make a sustainable world possible?

State of play

The Colart Ambassador Network has already launched internally and ambassadors have been using Basecamp as a tool to communicate and network with one another. The first face-to-face workshop took place on April 18th - 21st.

We have also conducted a baseline survey to allow us to measure success and KPIs.

Sustainability Sketchbook

To help capture some of the activities and ideas coming out of the ambassador network we are making sustainability sketchbooks. These will be used to collate and share our information.

Wellbeing at Colart

We live in a highly demanding, quickly changing, difficult-to-cope-with environment, both at work and outside it. The importance of how people feel at work is now the centre of attention, as the value of people feeling good at their workplace has been recognized as being both ethically desirable but also crucial to business success.

Physical wellbeing is better understood than psychological wellbeing, however both sides are equally important. It's about being pro-active, building resilience and preventing sickness rather than reacting after damage is done.

Wellbeing can bring real benefits to a business and it can be measured in a number of ways – for example, by low absenteeism or improved performance. Wellbeing improves the satisfaction of our people and in turn the satisfaction of our consumers and customers.

Whilst the typical business response is to provide reactive help for people who are experiencing symptoms of declining wellbeing, it is clear that prevention is better than cure. This is why Colart is focusing on a more proactive response by launching a wellbeing calendar across the group.

As we recognise that wellbeing is multi-faceted we have created a calendar based on three main elements:

- 1. **Physical wellbeing** – Building the understanding of physical health together by identifying routes for improvement and promoting the importance of health and safety at work.
- 2. **Social wellbeing** – Finding ways for our people to connect socially.
- 3. **Mental/Emotional wellbeing** – Looking after our mental and emotional energy and finding ways to boost it.

To support our wellbeing activities across the group, we have also set up a network of ambassadors. Their aim is to raise awareness about wellbeing; share best practice across the group and to feedback ideas on how we can improve.

To inspire our people, we need to release their passion by looking after their minds and bodies.

Health & Safety

Announcing our new Health & Safety vision and mission

Health and safety is part of our physical wellbeing, but it is also key to ensuring we look after, our people. This is reflected in the investments Colart is making in our people and our facilities, which is embedded in our LRP. As our functions work collaboratively across the globe to drive change and continuously improve our organisation, health and safety will be a fundamental focus. We have a steering committee with representatives from every site, who will meet every quarter to discuss issues, share learning and standardise our practices.

Vision

Providing a safe, sustainable working environment for our global community.

Mission

We are dedicated to providing a safe working environment throughout our end-to-end supply chain, by putting people at the centre of everything we do. Everyone has a commitment to act responsibly and safely to promote a sustainable working culture, providing confidence to our customers, suppliers and society at large.

Steering committee

The steering committee is ultimately responsible for setting in place, communicating and enforcing our policies / processes. They will do this by:

- Reviewing our KPIs
- Providing guidance and direction where needed
- Putting a framework in place that allows our people to have knowledge and training as necessary to enable them to perform their duties in a safe and hazard-free environment
- Implementing corrective actions
- Sharing best practices globally
- Educating and training people to see and be more aware of potential problems / issues
- Make clear how to raise issues to the appropriate level, following through to ensure the corrective action is taken
- Reviewing risk assessments and accidents on a monthly basis
- This committee complements the current local Health and Safety structure. The responsibility still remains with the local site management to ensure every employee onsite is aware of their own accountability to create and maintain a safe working environment.



We cannot achieve our ambitious goals by working in isolation, so taking a holistic approach and creating strategic partnerships is key. We have partnered with numerous companies to help us during 2016.



Forum for the Future

Forum for the Future are helping us with our sustainability strategy and challenges that we face as a business. They are an international non-profit organisation working with businesses, governments and individuals to solve complex sustainability challenges. As well as using them as a critical friend to stress test our strategy and develop our business priorities they also have access to a great network of other organizations. Our partnership with them also gives us access to events and networks that we wouldn't get on our own. They also help put us in touch with other companies with similar issues to work together on the issue or companies who are further ahead on their sustainability journey so we can learn from their successes and failures.

www.forumforthefuture.org



Sustainable manufacturing:

We have been working closely with students who are studying for a Masters in Strategic Leadership in Sustainability with the Blekinge Institute of Technology. A group of students are using Colart to gather data and use us as a case study for their thesis work. They are working on sustainable development and creating a toolkit to allow manufacturers to consider whether to create new facilities or to retrofit existing facilities in terms of sustainability. This partnership has been useful for Colart in helping us to look at our own manufacturing sites and whether we can use the tool that has been developed.



We have formed a partnership with Ashridge Business School to help us set up the framework and strategy for the internal Ambassador Network. They helped us by sharing their expertise in network formation and embedding sustainable practice in organizations. This has allowed us to put structures in place as well as targets so that we have a good idea of what success looks like. Working with academic institutes has brought a level of academic rigour and theory that you don't always get when working with consultants.

We have also been supporting the MBA students of Ashridge Business School by volunteering as a live case for the MBA students to work on for their sustainability module. We were impressed by the work the MBA students did and it was a great piece of collaboration. They worked in two teams: one looking at how Colart could offer a "take back service" on used products, and one on sustainable packaging design.



Hospital Rooms

One of the social impact partnerships of 2016 was Colart and Hospital Rooms; art materials with a purpose.

Last year, Tim A. Shaw, a multimedia artist and art teacher, co-founded Hospital Rooms with curator Niamh White, a project introducing site-specific, museum quality artworks to mental health wards. During this project Shaw also ran workshops to teach service users how to make art.

“ Niamh and I wanted to approach putting art into a mental health unit and we approached the current medical director of South West London and St George’s NHS Trust, who took a chance on us. We wanted to have a co-production method of working where, rather than just putting pictures on the walls, we would commission artists to make site specific works for a particular unit after meeting with service users and staff and seeing the spaces for themselves.

The response has been overwhelmingly positive. The work made by service users has been fantastic.

We feel so lucky to have the support of Colart, who have supplied all the paint and materials for our workshops and artists – it makes such a difference to be able to supply all the attendees with great quality art materials. We also couldn’t have completed our Recovery College project without the help of all the amazing volunteers from Colart HQ.”



In conclusion a lot has been achieved in 2016
some of the achievements include:

- FSC chain of custody certification
- ESOS (Energy Saving Opportunity Scheme) completed
- Global Sustainability Committee formed
- Sustainability embedded in New Product Development design
- Global Health and Safety Steering Committee
- Reduction in substances of very high concern from our formulations

- NGO partnership
- Started collaborating externally
- Carbon emissions reduced
- Materiality assessment completed
- Wellbeing and People Strategy
- Transformation and Long Range Plan kicked off
- Manufacturing efficiencies, footprint and investments evaluated

- Ambassador network implemented
- Visioning exercises internal engagement
- Centralised Procurement / supply chain transparency / SEDEX
- ISO 14001 certification maintained
- Community collaborations / social impact
- Networking events

Going forward we can build on the achievements from last year and define, develop and deploy our business priorities surrounding sustainability in order to achieve our long range plan ambitions.

Thinking ahead some of the work we envisage will include building on our internal and external engagement, to further embed sustainability in our business practices.

We will begin to communicate more with the business internally and externally about what we have done and where we are going as a business. In order to fully embed sustainability within Colart and to ensure everyone is involved we really need to hear from you. We can't achieve what we want to achieve without your input.

Colart Sustainability Report 2016 – 2017

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