

Modern Slavery Statement for the Financial Year ending 31 December 2017

This statement is made pursuant to section 54 of the Modern Slavery Act 2015 and sets out the steps that Colart and its subsidiaries have taken and are continuing to take to ensure that modern slavery or human trafficking is not taking place within the business or supply chain.

Modern slavery encompasses slavery, servitude, human trafficking and forced labour. Colart has a zero tolerance approach to any form of modern slavery. We are committed to acting ethically and with integrity and transparency in all business dealings and to putting effective systems and controls in place to safeguard against any form of modern slavery taking place within the business or in the supply chain.

Our Business

Colart's core activity is the development, manufacture and supply of artists' materials, in order to provide sustainable, creative tools and services to release pure expression. The largest business function (measured by the number of people employed) is manufacturing. Colart operates 4 manufacturing sites: two in the UK, one in France and one in China, distributing its products in approximately 120 countries and working with over 700 suppliers covering production and non-production spend.

Our High Risk Areas

Some of our raw materials are sourced from mines, in particular certain pigments used in our product ranges. Our policies pay particular attention to standards for suppliers. We operate a number of internal policies to ensure that we are conducting business in an ethical and transparent manner.

These include:

1. **Code of business conduct:** Our over-arching Code of Business Conduct sets out our standards for how we behave as an organisation and how we expect our employees and suppliers to act. This includes provisions on Modern Slavery in our supply chain, as well as other ethical business practices like the prevention of bribery and corruption.
2. **Whistleblowing policy:** We operate a whistleblowing policy so that all employees know that they can raise concerns about how their colleagues are being treated, or practices within our business or supply chain, without fear of reprisals.
3. **Recruitment policy:** We operate a robust recruitment policy for all employees to safeguard against human trafficking or individuals being forced to work against their will.

Our Suppliers

Colart operates a supplier assessment policy and is currently working on a preferred supplier list. We conduct due diligence on suppliers before allowing them to become a preferred supplier, which includes our own information gathering, data gathering from SEDEX (described in more detail below), and online searches to exclude suppliers who have been convicted of offenses relating to modern slavery.

SEDEX which is an online data base that facilitates for facilitating access to information on the following pillars:

- Labour Standards
- Health and Safety
- The Environment
- Business Ethics

Each supplier is required by SEDEX to complete a Supplier Assessment Questionnaire based on the above pillars. This as well as inherent risk and any social audits are used as part of a risk assessment tool, which allows us to highlight potential risks.

Once the due diligence is complete, a risk score is assigned to each supplier based on the results. We are working to implement a system of site visits to suppliers with a higher risk score which, once implemented, will allow us to make assessments about compliance first hand. The combination of the above tools will allow us to identify and investigate risks fully and to exclude suppliers who do not comply with our policies (and to report unlawful practices to the authorities, where appropriate).

Training

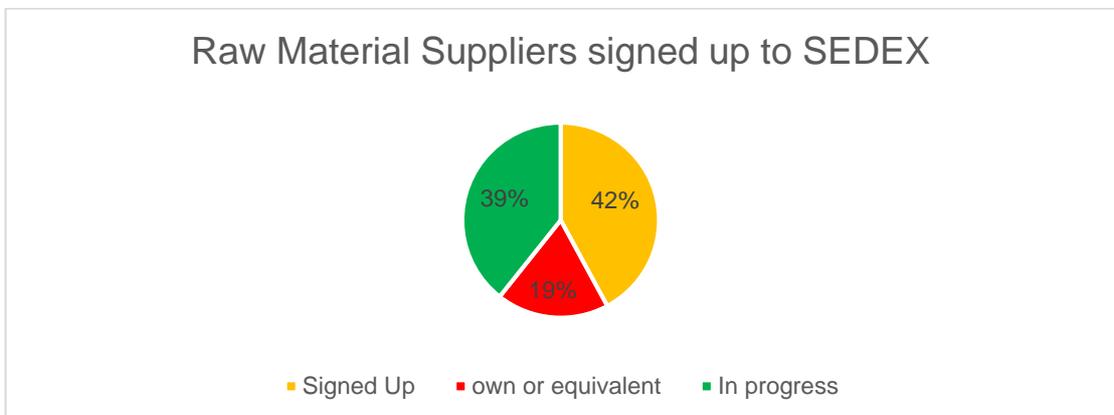
We are in the process of implementing regular training for our procurement/buying teams to enable them to identify risk factors for modern slavery in our supply chain and to make assessments about whether suppliers are in compliance with our policy and the law.

Our performance indicators

We will know the effectiveness of the steps that we are taking by assessing:

- The number of issues raised by our procurement/buying teams based on their due diligence, site visits (where appropriate) and the information received from SEDEX
- The number of reports received from employees, the public, or law enforcement agencies identifying practices which may point to modern slavery in the supply chain.
-

Update



In 2017 our focus in terms of our supply chain was Raw Materials. We have up to 400 raw material suppliers and working with the SEDEX engagement team, we now have over 42% of all our raw material suppliers signed up to SEDEX. Of the remaining suppliers 19% have their own systems or equivalent which our procurement teams are satisfied with. We are still working with our remaining suppliers in order to have full transparency in our supply chain.

Our next steps will be to risk assess these suppliers and conduct audits as necessary.

Approval for this statement

This statement was approved by the Board of Directors on 05th November 2018.

Dennis van Schie

A handwritten signature in black ink, appearing to read 'Dennis van Schie', is written over a horizontal line. The signature is stylized and cursive.

05/11/2018