



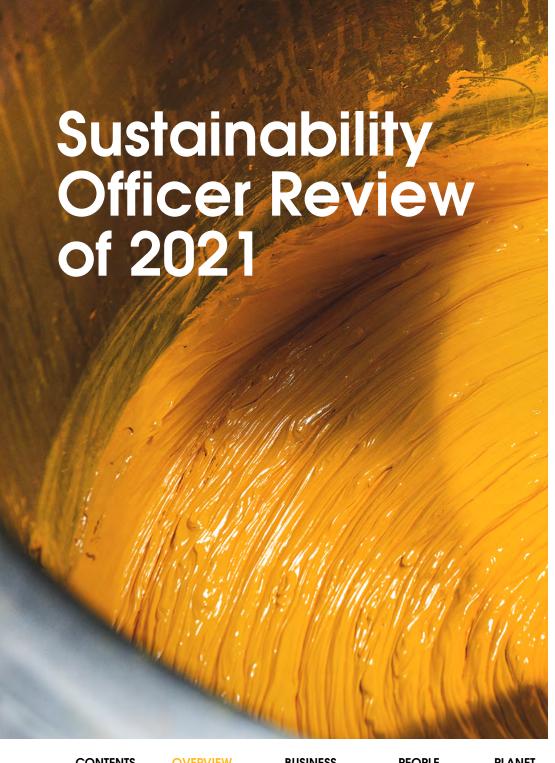
### **Overview**

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## Overview







COVID-19 has posed significant challenges for Colart throughout 2020 and into 2021. However, we have been able to adapt quickly across the business and ultimately witnessed a growing demand for our products during the pandemic.

We kept our factories and distribution centres open whilst prioritising the safety of our people. This was achieved with investment in site health and safety equipment, and redesigning processes to protect staff.

In spite of these challenges, embedding sustainability at Colart has continued at pace. Sustainability is considered, discussed and implemented at all levels of the business.

We have set a five-year sustainability plan with clear targets and KPIs. Business plans across the organisation now place sustainability at their core.

Meanwhile, Colart's brand plans outline the need for sustainable new product development, supported by our creation of sustainable packaging guidelines. For 2021, we are targeting an overall reduction of plastic use, the removal of single-use plastic, and moving to use of recycled plastics where removal is currently not an option.

Our Sustainability Ambassadors continue to drive change, with a plethora of initiatives rolled out at many local sites and globally. We closely scrutinise our energy consumption; in 2020 most of our European sites switched to buying electricity from renewable sources. In France, for example, Le Mans is installing a significant number of solar panels on-site with the project due to be live by mid-2021.

Step by step we are making progress - and I am excited by what the next few years will bring.





Our purpose-driven vision of 'Inspiring every artist in the world' continues to drive everything we do at Colart.

Our portfolio of seven brands and catalogue of over 13,000 products is sold in more than 120 countries, enabling multi-millions of creatives to express themselves in colourful and meaningful ways.

Sustainability runs throughout our operations; we don't treat it as a simple fad that will one day disappear. Greenwashing and being seen to join the good side of the debate are not on our agenda. We take our mission seriously: to become the most sustainable consumerdriven home of creative brands.

In making this mission a reality, we will lead our industry and are prepared to invest. For us, reducing environmental impact and increasing social responsibility whilst growing as a business is more than a moral commitment. We will take serious action with tangible results by reducing our carbon impact removing single-use-plastic and focusing on the wellbeing of our people.

Importantly, we are convinced sustainability adds long-term value to Colart. Whilst we still have much to do, we have set out a clear roadmap with ambitious five-year targets. We have reduced our CO2 emissions by 48%, and we are driving towards zero single-use plastic in the business.

In 2021, whilst still adapting to the pandemic, we are enjoying the benefits of a strong and mature company, capitalising on consumers' continuing compliance to the 'stay at home' advice - leading to a significant increase in demand for our beloved brands.

This positive momentum is clearly felt at Colart, releasing initiative, innovation and energy that produces a 'can do' attitude to our sustainability agenda at every company level.

The tide is turning; sustainability is no longer a side issue. It's part of our every day working life - and we are very proud to make sure that continues.







### **Energy Objective:**

To continuously reduce our energy consumption and use renewables wherever possible.

## -20.3% energy decrease

vs 2019. This mainly due to closures during the pandemic.



of renewable energy down 1% from 2018.



of renewable bought electricity in the first quarter of 2021.



## Inclusiveness & Diversity Objective:

To achieve a 50/50 gender target across Colart's leadership. We currently measure gender according to our Leadership Levels 3 to 5: Directors to CEO.









#### **WASTE**

-17%

total waste year-on-year.

**-22%** 

reduction on hazardous waste.

31%

of all waste recycled.



## Social Impact

3348.5

hours spent in the community.

34%

of all our direct suppliers are evaluated against our code of conduct. We will be working on increasing the number of suppliers throughout 2021 and beyond.

39%

of all new suppliers evaluated against our supplier code of conduct.



#### Sickness Objective:

to monitor sickness levels and build awareness of any issues that may occur.



2.6%

sickness level, against a target of less than 3%.



### **SVHCS Update**

Substances of Very High Concern (SVHCs) are chemicals that will eventually be banned due to their environmental and health impacts.

### 83% reduction

in the number of raw materials containing SVHCs.

### 97% reduction

in the number of pastes and finished products containing SVHCs.

This project has significantly reduced the number of harmful chemicals (that are not banned) in our products, thereby reducing our impact on the environment.



## Strategy Recap

Goals shared worldwide







If 2020 taught us anything it's that we would not have a business without our people; they are at the heart of all our activity. As working from home became the new normal for many of them, it was important to ensure they remained connected with each other and the wider company.

We continue to drive cultural change across all levels and aspects of the business through relentless dissemination of information and learning collateral.

#### **Social Impact**

We continue to engage with local communities. We believe promoting volunteer opportunities for employees to engage with helps to develop and retain them, whilst also attracting top talent. Even in a year as tough as 2020 we still hit our target of 3000 hours spent in the community per million hours worked.

## Health, Safety & Wellbeing

Colart's constant goal is to provide a safe and sustainable working environment for our global community. In April 2021, we held a Health and Safety virtual conference, highlighting our key initiative to drive a positive safety culture at all our sites.

In so doing, we will reduce the number of accidents and protect our key asset - our people.



We drive a positive safety culture at all our sites.





### Responsible Sourcing

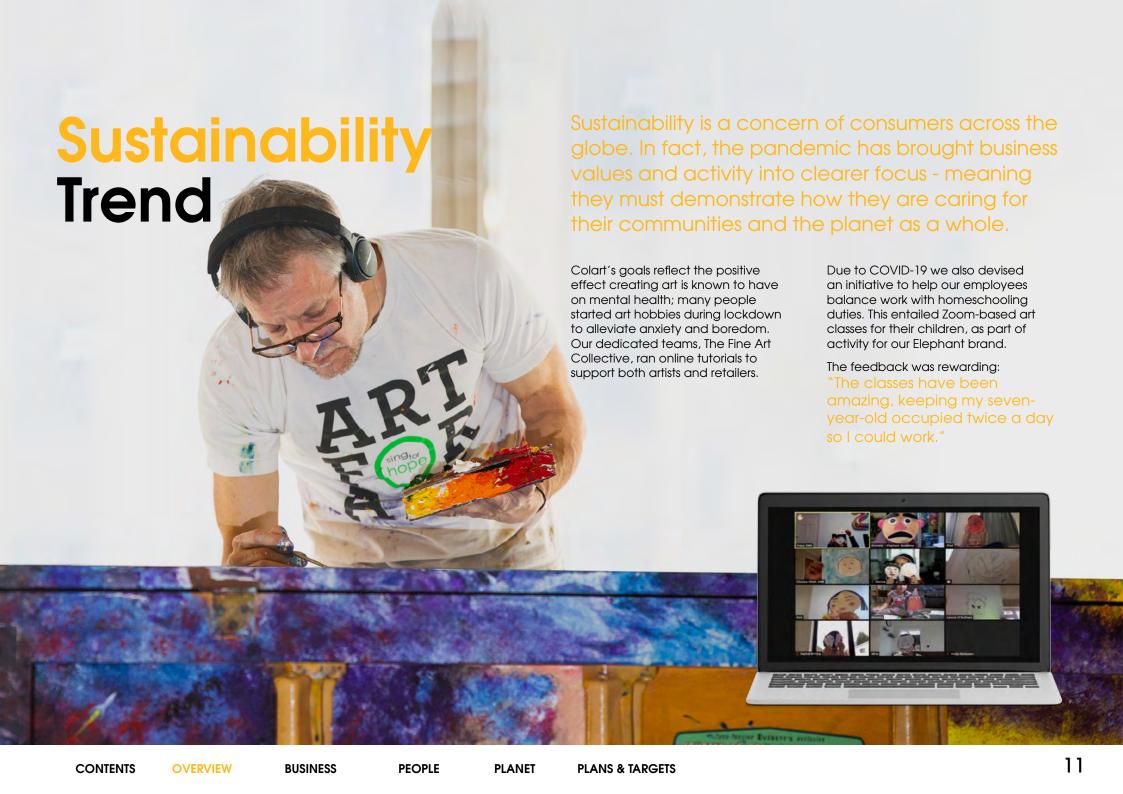
We are committed to sourcing products, materials and services of the highest standards, driving continuous improvements in quality and cost.

Our aim is to establish a transparent and ethical supply chain with a high level of environmental legal and human rights compliance, audited both internally and externally.



#### Reducing Waste

We continue to drive the reduction of waste across our production sites, implementing and monitoring stringent controls. Despite being in the chemical production industry we ensure that no waste from Colart's operations negatively impacts the environment.





Our owner Lindéngruppen is a secondgeneration family business focused on long-term development of industrial companies. The purpose of the Group is to own successful companies that lead the transition to a sustainable world.

The Group is unified by a belief that by being rooted in strong values and long-term thinking, we are able to build resilient and prosperous companies whilst also making a difference and taking an active part in solving some of the major challenges our world is facing.

Together we work actively to optimise environmental and societal benefits, and to minimise negative impact. Each of our companies is required to have a clear understanding of key issues, and how these can be influenced and transformed over time.

Going forward, an important part of optimising benefits is to understand and drive sustainability among all our customers.



Shared and sustained values.



Clear purpose and Code of Conduct.

# Our business



Inspiring artists everywhere



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## **Brand updates**

### **snazaroo**\*\*

- We have successfully moved away from black vacuum forms that were not easily recyclable.
- In September 2020, we launched our very first customisable palette via Snazaroo.com, allowing consumers to refill their palette as colours run out.
- As part of our aim to reduce single-plastic use, we are currently replacing plastic packaging of brush pens and 18ml pot blisters with sustainably sourced cardboard.
- Our new range of biodegradable glitter is due to launch in Q3 2021.
- Minehead, UK, moved to renewable energy in March 2021.





 During the first COVID-19 lockdown in 2020, Lefranc Bourgeois developed an online, artist-led programme called #StayCreative (#RestezCréatifs) dedicated to all home-confined consumers.

Several artists from France and abroad who have recently collaborate with the brand shared technical tutorials and virtual tours of their studios. Artists at home were invited to try their turn at a challenge and share their creations with the digital community.

 After having been the first brand ever to launch cadmium-free colours (in 2017 with Lefranc Bourgeois' oil paint relaunch), the brand extended the scientific expertise to their gouache range and in 2020 launched the first ever cadmium-free gouaches. The launch was encapsuled in the 300 years celebration, in which histories of great artists and the brand were revealed, such as Matisse's love for Linel Extra Fine Gouache.

- The brand had confirmed the use of glass jars for all its oil mediums and varnishes, as well as the iconic vinyl Flashe paint range.
- Most handles of the Lefranc Bourgeois Kids school brushes ranges are FSC certified, reinforcing our commitment to a sustainable supply chain.
- As of 2020, all cardboard packaging on our sets are FSC.
- The brand has moved away from black vacuum forms that were not easily recyclable.
- Most of our suppliers are accredited with ISO standards 9001 and 14001.



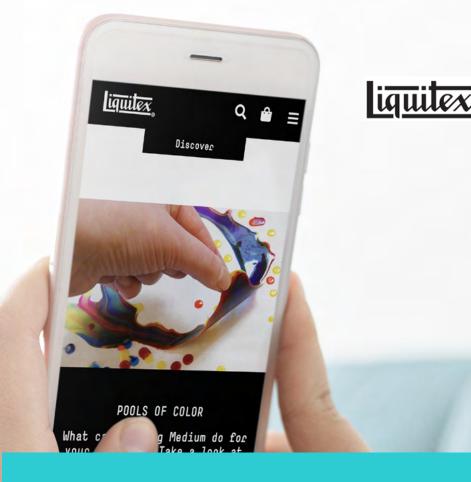
## Brand update Liquitex

## Digital-first communication strategy:

- Focuses on providing content that can be adapted by channel and audience type, to ensure maximum reach with minimal environmental impact.
- Increase in virtual demonstrations -Liquitex Live - limiting the need for printed takeaways whilst reaching more people and allowing for increased attendance.
- Artist-led content capture Artist
  Spotlight. Production equipment is
  shipped to the artist to capture content
  over a period of time, eliminating the
  need for individual production shoots.
- Long-term relationships formed with digital creators - influencer programme, In the Studio collaborations and Artist Spotlight.

## Commitment to being a more inclusive brand:

- Championing underrepresented talent, featured in campaign shoots, influencer programmes, user-generated content.
- Celebrate individual artists behind the work, and diverse artist groups across style/type of practice, materials used, ethnicity, geography, age, gender.
- Residency programme provides access to studio space, materials and mentoring in a creative community.
- Community building and support.
- Purposeful inclusion partnering with organisations that provide support and funding to underrepresented artist groups e.g. Black Art Futures Fund.



#### Packaging improvements programme:

- Liquitex Basics 60 x 22ml set will be launched exclusively for Amazon - certified for its Tier 1 Frustration Free Packaging (FFP) programme - in August 2021.
- This is a new packaging initiative for Colart to design a set certified for FFP, and will inform product development and improvements moving forward.

- FFP certification means:
- The product is designed to reduce waste and requires no Amazon over-box or prep to ship.
- It is made from kerbside recyclable packaging materials.
- It is easy to open and has minimal packaging.
- Minimal damage and defect rates.

## Brand update Winsor & Newton

Winsor & Newton is committed to offering sustainable alternatives without compromising on performance.

- In 2019 and 2020, we successfully launched Cadmium Free watercolour and oil colour, which artists confirmed to perform on par with counterparts in blind testing.
- Continuing in the spirit of offering consumers an alternative, Winsor & Newton launched synthetic watercolour and oil colour brushes in 2021. The product performs at the same level as our Watercolour sable and hog brushes.
- As with our Cadmium Free colours, artist feedback indicated the quality of the synthetic brushes meant they performed on par with counterparts in blind testing.

- Most handles of the new professional synthetic brush ranges are FSC certified, and feature reduced solvent in their paint, reinforcing our commitment to a sustainable supply chain.
- The introduction of these ranges addresses supply chain issues for larger size brushes, which have been difficult to produce with natural hair due to a shortage of longer natural hair because of climate change.
- Winsor & Newton is also committed to fully sustainable packaging.
   All launches follow new Colart sustainable packaging guidelines.
- We are in the process of relaunching our entire paper range. We ensure all materials are not derived from animals.

- We are launching 16 new skin tones in our promarker range to provide a wider variety of shades. This includes revising our packaging system to replace single-use plastic with recycled plastic.
- Most of our suppliers are accredited with ISO standards 9001 and 14001.
- From 2021, all cardboard packaging on our watercolour sets will be
   FSC and no longer have a plastic coating on the cartons so they can be recycled. There has been further investigation completed on removing plastic packaging from watercolour half pans, whilst ensuring there is no adverse impact to product quality.



80% of our papers are FSC certified - and 40% is made using renewable hydropower energy.



## Brand update Winsor & Newton

WINSOR NEWTON

- In addition, on our recently developed painting entry sets for beginners we avoid plastic whenever possible:
- No additional plastic sheet in the product window for all wet colour sets.
- A high-quality photo on cardboard for the front of pastels packs, replacing plastic sleeves.
- Pastel ranges no longer feature additional an inner carton.
- In late 2019, despite the higher cost, we decided proactively to make vacuum forms only from a recyclable material. This generic rule has now been rolled out as a requirement for all Colart products.

#### Further development of our communications strategy - Expert Colour. Endless Possibilities:

- The impact of COVID-19 and results of Colart-commissioned brand preference research highlighted the importance to our audiences of community, education, heritage, innovation, and emotional connection. Increased awareness of environmental factors is also playing a part in consumers' relationship with our brands.
- We continued our oil campaign in early 2021, focusing on our innovative Cadmium-Free oils and new Winton colours. Both ranges have been granted Approved Product seals - certified as not being toxic or injurious to humans.
- Key initiatives such as Our Featured Artists and Material Matters give us a platform to talk to our audience in an authentic and informative way, creating content where artists speak to artists about our materials.

- By working with artists who have similar values to those we want to convey about sustainability and the environment, we are taking the first steps to aligning ourselves with these issues.
- Later in 2021 we will roll out a strong, ongoing communication plan outlining our actions and initiatives to showcase our sustainable initiatives and support our community with their own commitments to being environmentally friendly in 2022 and beyond.





Sustainability is a key focus for Elephant throughout 2021 and beyond. It has become standard practice to ask ourselves what the environmental impact of any new project or opportunity will be. This is a great starting point from which to create change and challenge previous ways of doing things.

Moving to become a digital-first brand is the first step in reducing our impact on the world around us. **Elephant Academy**'s online learning classes are a great example of building meaningful connections with consumers without the need for travel or premises. We are discovering that you can create sustainability without detriment to customer experience. In fact, for many customers, sustainability is a key enhancement of any product or offering.

Our ecommerce business **Elephant Kiosk** has removed all plastic tape from packaging and will have eliminated all plastic outer packaging by the end of Q2. In Q3 we will be launching our own-brand sustainable paint sets out of Kiosk. Paints in this range will be offered in plain aluminium tubes with recyclable paper labels and all plastic moulding removed. Sets will be fully customisable, reducing waste, and we will offer a free return scheme for safe disposal of tubes.



Plastic-free packaging in Elephant's own paint brand.

## Brand update Elephant

Elephant magazine, now published twice a year, is fully recyclable on FSC-certified paper and produced by a carbon-neutral printer. We invest in offsetting carbon emissions released while creating the magazine. The editorial team covers many artistic projects that address sustainability, with an example being the interview in the Spring/Summer 2021 issue featuring art duo Cooking Sections, who explore ways of making the food industry more environmentally friendly.

The Elephant team is passionate about making a positive contribution to charities, NGOs and the local community. Our work has included:

Overseeing the giveaway of 200,000
Winsor & Newton pigment markers to
380 UK schools and colleges during
the first half of 2021. These markers
have been gratefully received, with
Elephant receiving significant positive
feedback on the value this initiative has

delivered to the art education of pupils. We will be repeating this programme later in the year in the US, targeting schools on the east coast.

- Donating more than 200 chairs from Elephant Space to a school in Africa.
- Offering substantial charity discounts on all our products.
- Working with our local London borough to create a community garden at Elephant Space, designed to absorb pollutants from traffic.
- By Q3 2021, every order placed through Elephant will contribute to planting trees in the developing world through our partnership with Eden Reforestation Projects.

These initiatives represent a first step for Elephant towards developing a business where our commitment to sustainability is meaningful and at the heart of everything we do.





### 300 marker sets donated to charity by Elephant

"Such a great resource, especially with not being in specialist classrooms at the moment. They've been so useful for providing a new medium to work with. Thanks so much!"



Carbon-neutral printer for Elephant magazine.

# Shopper Marketing & Insights





## Green values

Art supply customers want products to become more sustainable. Just under half already recycle materials (42%) rather than throw them away (25%) (Source: Colart Sustainability Report 2019-20).

They believe brands should be tackling sustainability in three ways:

- Reduced packaging.
- Increased recyclable materials.
- Fewer toxic ingredients.



## Sustainability as purchase driver

Three-quarters of artists have bought more sustainable items in the past two years (74%), with 36% saying they would pay more for 'greener' products.

This is a key opportunity for brands to differentiate, drive emotional engagement and build brand loyalty. Nearly two-thirds of artists (64%) say they are likely to feel more loyalty to eco-friendly suppliers (Source: Colart Sustainability Report 2019-20).



## Meeting consumer demand

Art suppliers agree more needs to be done to meet regulatory and consumer demand. From Cadmium Free paints to refillable markers and recyclable aluminium paint tubes many changes can be made.

Retailers also have a big part to play, and could offer change such as reduced plastic options and local recycling points.



## Harness the influencer effect

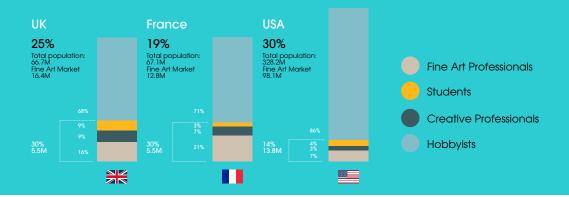
Key influencers are starting to want sustainable products, which is likely to influence the whole market (Source: GFK Brand Preference Drivers Research 2019/21).

#### **Professionals**

Sustainability is a key purchase driver for professional artists along with product performance.

### Did you know?

Across the globe we are seeing an uptick in art participation. With 'stay at home' orders now in place for long periods at a time, we expect this increased participation to be sustained.





2020 saw the strengthening of Colart's commitment to governance through the creation of a new Business Partner Code of Conduct.

The Code is intended to enhance Colart's responsible business agenda by setting out the standards and practices expected from our business partners, covering our suppliers, distributors, retail customers, artists and anyone else we engage with; as well as their own suppliers, sub-contractors and representatives in the supply chain.

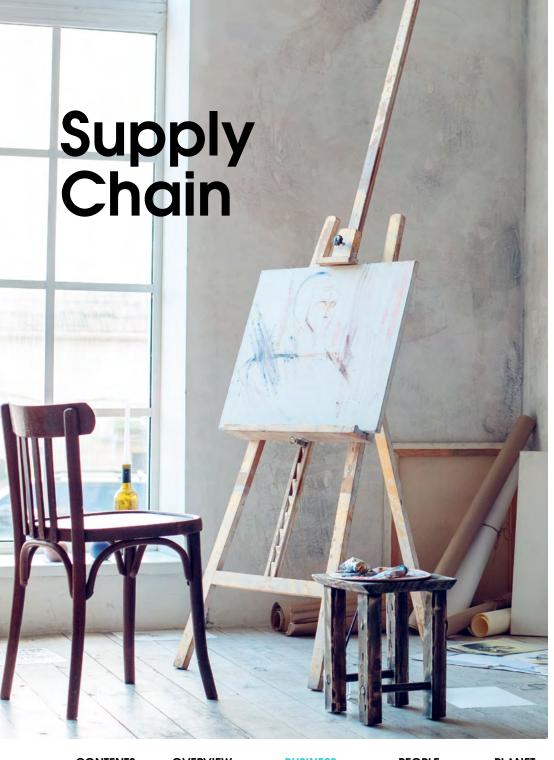
The Code places an obligation on our business partners and their supply chains to adhere to the highest ethical standards and business practices such as:

- Compliance with all applicable laws.
- Refraining from bribery and corruption.
- Avoiding conflicts of interest.
- Ensuring gifts and hospitality are not given or received with the aim of influencing a decision.
- Fair treatment of all workers with no use of child or forced labour.
- Striving to reduce environmental footprint by minimising use of energy and resources in the development, manufacture, transport, use and disposal of all products.

The Code supplements Colart's internal Employee Code of Conduct to ensure the standards we expect are upheld throughout the supply chain. To ensure commitment to the Code, business partners will be asked to confirm their acceptance of the Code. In addition, both business partners and Colart employees continue to have the ability to anonymously report any breaches through EthicsPoint - our independent online reporting portal.

A register to capture any interactions with competitors continues to be updated with declarations from Colart's Group Leadership Team. Plans are in place to ensure the wider roll-out of the register to all Colart staff, supplemented with relevant guidance and training.

Global litigation and legal entity governance continues to be tracked centrally through respective portals and registers, to ensure legal and compliance risk is effectively managed.



Colart continues to improve transparency and relations with its supply chain...



## Resource scarcity

We have observed in 2020 and at the beginning of 2021 an increasing dependence on limited resources.

Colart has started an initiative to derisk dependence by dual sourcing raw materials that are deemed critical, and finding local alternatives when possible.

We're working on our formulations to reduce the supply chain stress and locate sources closer to the consumption point. This helps avoid unsustainable airfreights.



## SEDEX & our Code of Conduct

We continue to make strides to ensuring our partners are committed to sustainability as much as Colart is.

To make this happen, we have revised our Code of Conduct so that it applies to all of our stakeholders - whether upstream or downstream - and continue to lead change in our supply chain.

All of our sites are signed up to SEDEX. We ask our suppliers to sign up as part of the procurement process, an online social and digital exchange focusing on labour standards, business ethics, health & safety & the environment.



## Packaging changes

As we continue our sustainability journey we have made significant changes to our packaging.

We are aiming to remove singleuse plastic as much as possible, but we are also working on other initiatives behind the scenes.

For example, we have stopped overpackaging goods that were shipped within the Group, by removing inner cartons wherever possible. The same approach is also being taken for shipping material in customer orders.

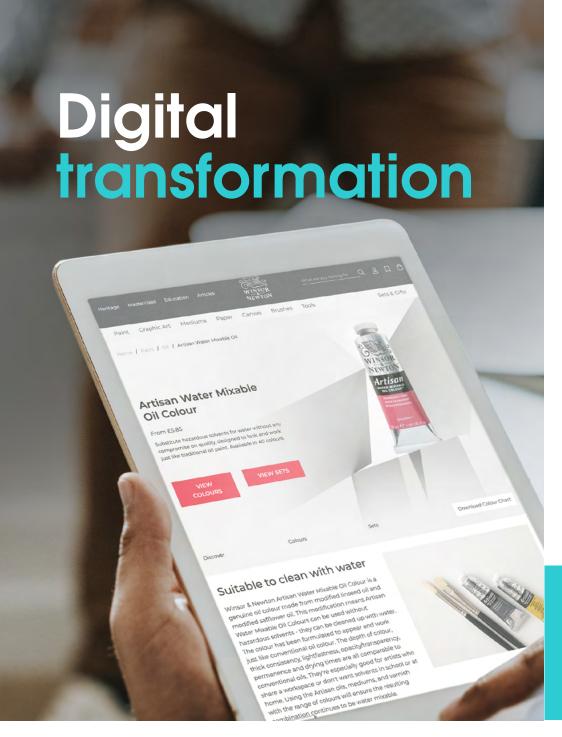
We aim to reduce the use of such material, and even when this is not possible, shift to more environmentally friendly material.



## Sustainable cotton

We are putting in place a cotton sourcing policy for all of our cotton fabric.

The initiative is intended to encourage better water and energy management practices during production. We also aim to ensure we draw from socially responsible sources.



We continue to build our internal digital capabilities, upskilling teams across the business.



## Winsor & Newton e-commerce

In 2020, we relaunched Winsor & Newton e-commerce websites in the UK, US, Australia, and Rest of the World onto our internal WordPress platform.

This was a major milestone, driving simplicity and efficiency, saving more than £100,000 in platform management expenditure. Results to date are encouraging, with increased consumer page visits and dwell time as they seek to learn more about our products.



#### Colar Trade

Another key event during 2020 was the launch of our business-to-business portal, Colart Trade. Smaller firms can now more easily and effectively place orders, reducing time and effort on manual paper-based ordering. The portal is currently available in the UK and Italy; during 2021 it will launch in several more markets.

All of our websites and Colart Trade are supported by - and dependant on - PIM, our 'one source of truth' for all product data, further driving efficiency and removing complexity. Over one million data points are now in PIM, which will continue to mature during 2021.



£100,000 saving in platform management expenditure.

## Digital transformation

## Data-driven and consumer-centric

Being both data-driven and consumer-centric in our approach are key strategic priorities for our digital marketing activities.

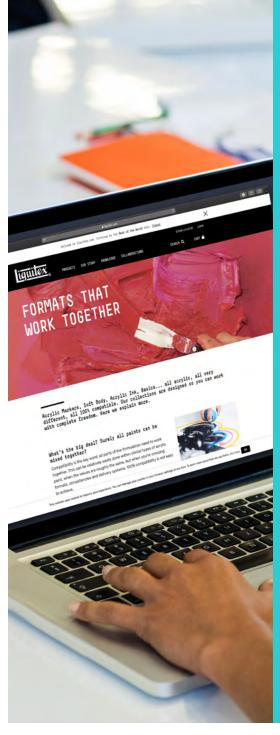
By consolidating several data platforms into one with the launch of a Consumer Data Platform, we are simplifying access to data whilst also gaining more powerful, granular insights about our consumers that will help us to deliver even more relevant, timely and consistent brand communications to our different target audiences.

During 2020, all Winsor & Newton and Liquitex consumer data was migrated to this new platform. The work continues in 2021 with Lefranc Bourgeois, Elephant and Snazaroo following suit.

## Digital democratisation

During 2021, we will begin the important project of spreading digital capability wider across the business. Progress will include upskilling capabilities in brand teams and local markets, in addition to supporting further e-commerce and direct to consumer initiatives.

By embedding digital throughout Colart we will continue to mature and future-proof our marketing activations.







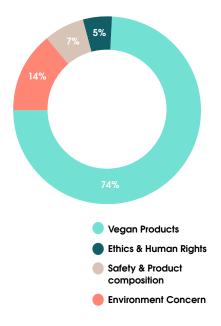
## Digital Consumer care

1.7% of the total number of enquiries received in 2020 is about Sustainability & Social Responsibility. UK is the market more concerned about those subjects. Whilst in terms of subjects, majority of questions relates to respect for animals and environment.



#### Ethics and Sustainability matters

- All Lefranc Bourgeois "Sustainability queries" are about usage of animal derived ingredients.
- Liquitex and Reeves consumers are mainly concerned about using vegan products.
- Snazaroo consumers are interested in product safety and environmentally friendly products.
- Winsor & Newton consumers are equally concerned about the environment and respect for animals, however they pay attention to Human Rights matters too.



#### Geographical split

Geographical Area	Total Queries by area	Sustainability queries by area
Oceania	3%	4%
North America	40%	25%
Europe	39%	52%
UK	17%	19%
ROW	18%	31%

## Sustainability queries by Brand

Brand	# Sustainability Queries	% Sustainability Queries per Brand
Lefranc Bourgeois	12	1.1%
Liquitex	49	1.1%
Reeves	35	4.6%
Snazaroo	6	0.9%
Winsor & Newton	177	1.9%



Reeves & Winsor & Newton consumers care the most.

## **NPD**

We continue to further embed sustainability within new product development as we drive cultural change throughout Colart.

Where possible on NPD projects, we source eco-friendly options such as PCR tubes, R-PET plastic bottles, and support these changes by making necessary adjustments to production equipment.

The following projects highlight our bid to continue to embed sustainability, and challenge the materials we use in our products:



#### Lefranc Bourgeois

Lino Ink Set - Replaced vacform with a new reusable fabric bag; also developing carton sets without plastic windows.

Enfant Gifts - Requesting FSC boxes where possible; considering the best place to assemble sets with components from both China and France, to minimise transportation between countries.

Watercolour Sets - Existing plastic boxes switched to more durable metal boxes. FSC carton packaging is now being implemented; it is recyclable, with plastic coating on the paper packaging removed. Future sustainability improvements include removing plastic wrapping over half pans and replacing them with a sustainable alternative.

**Vacforms** - All interior vacforms will be sourced from white recycled plastic.

Blockprinting Starter Set - To be proposed in a FSC cardboard box, containing all materials in an original cotton bag.

#### Liquitex:

Heavy Body - Investigations continue to uses eco-friendly (PCR) tubes for acrylic paint; planned for soft roll-out when production trials and product quality pass testing.

Sets - Where possible, we are developing new sets and modifying existing sets, to have no vacforms, which reduce plastic usage and the set footprint. We are also investigating the use of recyclable shrink wrap for all sets.

Vacforms - We are moving from black vacforms to clear vac-forms that can be recycled, while also seeking sustainable material alternatives for sets where they are needed.

#### Crown Artist Brush:

Pthalate content removed from all packaging to ensure compliance with new legislation

Phthalates products - fully migrated over during 2020 to ensure compliance.

Two new Winsor & Newton brush ranges were launched with FSC wood handles coated with water based lacquer. This in turn led to a project to progressively extend the use of FSC wood handles and water based lacquers across all our core existing ranges.





The function of business development is newly created to explore longer-term growth through partnerships within the creative industry. We not only investigate the commercial opportunity of such collaborations but actively embed our values - including our sustainability agenda - in all discussions.

As such, we have actively turned down viable commercial opportunities that conflict with our views on sustainability, whilst engaging in collaborations we felt were worth paying more for due to the supplier's brand message of sustainability whilst inspiring creativity.

One such a collaboration is our work with India-based start-up business Viviva Colors. The company has developed ultra-portable and easy-to-use colour sheets. They are predominantly made of lightweight paper, providing a stable income for women in the local community.

We believe this is a great example of how a business purpose of spreading the joy of painting and fair business ethics can go hand in hand. We are proud to partner with Viviva as its distribution partner, bringing the brand and products to consumers around the world.



# Our people.





## Our people... make the difference

We know Colart's people make a major difference to our success and we value everyone's input - whether as a leader, part of a team or an individual contributor. Our commitment to developing our people, as well as building their understanding of and engagement in sustainability inside and outside of Colart, is unwavering.

#### Leadership

We believe sustainable business performance starts with effective leadership. The starting point is knowing what good leadership looks like - as described in The Colart Way - and having clarity over who has leadership responsibility.

This became evident in 2020 as our leaders had to learn how to maintain focus alongside a sense of teamwork, with COVID-19 creating factors beyond their control.

Collaboration, communication and connectivity became the underlying call to action for our leaders, and core to our global leadership development programme during 2020.

The programme is underpinned by engendering self-awareness and reflection, to enable our leaders to become mindful of self, team and Colart's collective mission.

#### **Leaders Plus**

During 2020, we continued our membership and support of Leaders Plus - a social enterprise enabling talented people in the UK with young children to develop their leadership careers.

The network and mentoring offered by this programme have been delivered handin-hand with Colart's flexibility and support. Our commitment is recognised as evidence of the desire to build a positive environment for new parents in leadership roles.

We continue to support Leaders Plus during 2021, with our first male leader attending the programme.

"My LeadersPlus journey helped me realise that I can be a good mother and ambitious leader at the same time with out feeling any guilt but instead be inspired to do more. I would like to describe my experience as a working mother at Colart in 3 words = Trust, Flexibility and Empathy; these empowered me to become a better leader, better colleague and most importantly a better mother."

#### Cris Cosgrave

R&D Manager (London)

### Mentoring

The diminished ability to meet face-to-face in 2020 initially posed significant challenges for our mentoring programme. But taking learnings from remote working, we managed to revive the scheme with several mentoring relationships taking place online.

This also created the potential for crossborder mentoring, which we are seeking to enhance in 2021 as part of our focus on collaboration and connectivity.

We have also enhanced our intranet mentoring platform to improve accessibility and understanding of the scheme.

We value





## Our people... Day in the life of

Our 2020 ambitions for our Day in the Life programme were severely limited by remote working and social distancing, but we still managed to enable 50 people to take part.

## The benefits of the programme include:

- Ability to discover a new job.
- Understanding the challenges and needs of colleagues.
- Knowledge sharing.
- Creating social and professional bonds.
- Improved internal communication.
- A better vision of the organisation.
- Collaboration and breaking down silos.

"Good experience, very satisfied with this day. An interesting job that could interest me."

Guillaume Bouet, France

## Splash

Agile system development is part of Colart's way of working. The continued development of Splash - our global People System - is a great example of this approach.

Following the full cascade of the system to all levels in 2019, we took the next step in 2020 to enhance it by integrating automated performance and development functionality.

This step not only removed the need for a standalone system but also provided the opportunity to enhance the focus on employee development. All line managers across Colart attended to help increase the value of the discussions.

The enhancement of the review process in Splash has also enabled better analytics and follow-up strategy, especially for succession planning.

During 2021, we will continue to enhance the value of the system by leveraging existing functionality; for example, automating line manager requests and enabling people to see their total rewards.

Splash also provides the platform for our commitment to align with the Colart Code of Conduct: presented in all languages and accessible to every employee.



Direct sourcing of new recruits continued in 2020 to be an effective way of introducing new people to the Colart Family.



7933
hours dedicated to training across all sites.







### Under 25%

of our leadership can be described as ethnically diverse so progress is necessary.



40%

Women make up over 40% of our leadership, an increase from 2019.

Our vision is to inspire every artist in the world. Whilst our brand portfolio is the foundation of this vision, success will only come through our people - they are the ingredient that makes the difference.

To actively embody the concept of 'family', we know we must live up to the promises we make to our people. This means we must build a healthy working environment based on respect, dignity and collaboration. Only then can we ensure Colart is a place where people want to work.

The second global gender pay analysis was conducted in 2020. It showed that average pay continued to be aligned with most companies, with our median pay being better than the norm.

Whilst some progress could be seen compared to 2019 - particularly in North America - encouraging more women into leadership positions continues in 2021. We will support flexible working and skill development to promote diversity and inclusion.



At Colart, we are committed to focusing on the whole person. 2020 was a year like no other, but offered us the opportunity to demonstrate this commitment.

We put people first in all actions and decisions throughout the year; knowing that without our health, whether mental or physical, we would not be able to achieve our goals. Maintaining connectivity and relationships was core to this focus in response to feedback received from our people through pulse surveys during the year.

It was with great pride that we were able to coordinate many wellbeing activities across the business despite of the challenges presented by the pandemic.

As in previous years, our global Wellbeing Ambassadors were key to these grassroots wellbeing initiatives making 'welldoing' a reality.

Whilst many wellbeing activities shifted online - including yoga and art classes

- business units found creative ways to support people both inside and outside the company. For example, empty office space in Northern Europe was offered to school teachers who lacked space at home to be able to teach their students online.

Maintaining connectivity in our remote world was seen as a top priority.

Home schooling impacted many of our people during 2020. To recognise this challenge we offered an eight-week timetable of art classes to different age groups. During this period, nearly 600 places were taken with a dedicated audience of regular students.

In Colart France, our people took the initiative to clean up the site creating a sense of teamwork and environmental value.



## Our people... health & safety

Health & safety is everyone's responsibility. We decentralised this function in 2020, enabling each site to take full ownership of health & safety in their location.

In 2021, we had a virtual health & safety conference, sharing ideas and creating further alignment using the maturity matrix below. This will help Colart to plan activities and improvements to its culture and health & safety management systems.

#### **People**

- Local responsibilities clearly communicated across sites.
- Increased competency, with investment in training for all employees with clear record keeping.

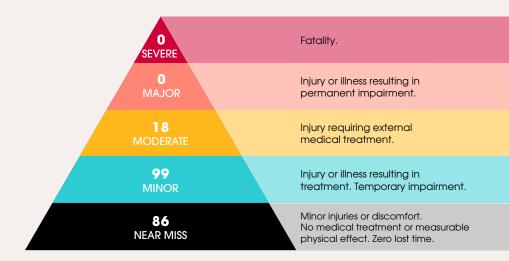
#### Policy

- Decentralised responsibilities with global guidance.
- Local regulations as a minimum shared best practice.

#### **Process**

- Greater openness encouraged; may initially lead to increases in reporting of near-miss and minor incidents. We aim to eliminate all but minor incidents.
- Local investigation and reporting, with agreed corrective and preventative actions; progress can be monitored by local health & safety committees, overseen by local management.
- Clear escalation process
- Monthly and quarterly data capture and review at GLT & Board level.

#### **Incident report 2020**





## Our people... Maturity Matrix

People Process

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							0_0
Communication	Behaviour	Training	Ownership	Governance	Guidelines Documentations	Tools	Events
Emerging Level 1				Emerging Level 1			
Clarification of H&S journey - Vision Mission Scope	Colart Way -     Safety Culture     Awareness Videos	Skill identification - Training Matrix	Individual understanding (onboarding)	Site Taskforces     Ethics Point	Colour coded zoning     Risk Assessment     Incident Reporting	KPI's visible to all	Committee     Meetings
Managing Level 2				Managing Level 2			
<ul><li>Increased signage</li><li>H&amp;S Video</li><li>Uniform Safety Message</li></ul>	Toolbox talks     Adhering to colour code	Skill identification - Training Matrix	Individual     Everyone     Responsible     (activation)	<ul><li>Safety Walks</li><li>Internal Audits</li><li>Shared learnings</li><li>Taskforce visits</li><li>Supplier Audits</li></ul>	Policy Guidelines     Discipline	Plan Do Check Act (PDCA)	Lindéngruppen Health and safety conference Conferences
Involving Level 3				Involving Level 3			
<ul><li>Who we are what we do</li><li>E-learning comms</li><li>H&amp;S Strategy / Newsletter</li></ul>	H&S Quiz / facts     Employee engage     Culture embedded	E-Learning roll out     Risk Assessments     Awareness     (videos etc)	Team - Safety     Captains     (involvement)	Shared learnings wider audience	Documentation digital database	E-learning videos etc	Contractor Safety day     Safety Week
Cooperating Level 4				Cooperating Level 4			
Safety Mascot competition	6 Golden rules     Safety Observation     KPI	Safety Checklist – operator signed     Refresher Training	Collective - Risk     Assessments     (empowering)	Benchmarking across LG	Benchmarking across LG	Human error management	Recognition and celebrating success
Continually improving	Level 5			Continually improving	Level 5		
<ul><li>H&amp;S Case Studies</li><li>LG Collaboration</li></ul>	External benchmark accreditation     Zero accident vision	Cross LG learning	Collective outside in assessment (building)	LG Accident sharing	LG policy sharing	• Industry 4.0	External award events

# Partnerships & Charity

Collaboration



Colart is excited to share an initiative we have supported that truly aligns to our vision of 'Inspiring every artist' - and to our values in supporting key projects in the community.

The pandemic has been challenging for many children and young people in West London; particularly those in vulnerable situations. To help inspire creativity and learning away from computer screens, Leighton House - the former home and studio of Victorian British artist Frederic Leighton - has collaborated with Winsor & Newton, West London Zone and RBKC Looked After Children's Services

Each keepsake art box contains a unique array of guided, practical arts and crafts projects linked to Leighton House, with all the materials needed to follow each activity, from brushes to paper, to paints and inks, and pencils and pens.

to create Time for Art gift boxes.

Artists Ayesha Gamiet and Laurelie Rae have designed original art projects for Time for Art. Each box is a present, decorated with a gold ribbon, intended to bring happiness and relaxation, encourage creativity and self-expression, and support the development of skills and knowledge of different media, techniques, artworks and makers; as well as of Frederic -Lord Leighton - and Leighton House.

This fantastic opportunity came when a Lindéngruppen board member introduced our CEO Dennis van Schie to Sir David Verey CBE, Chair of the Friends of Leighton House Museum. We then set up a task force across UK commercial, marketing, distribution and warehousing; TFAC; and Winsor & Newton global comms to deliver this project.



# **Planet**





**CONTENTS PEOPLE OVERVIEW BUSINESS PLANS & TARGETS PLANET** 

## **Footprint**

Vs 2019

We measured a large reduction in emissions in 2020 compared to 2019, and will draw on best practice from the past 12 months to reduce volumes further.

Our plan to increase purchasing of renewables at all sites is currently on track. Air freight for transporting our products should be seen as a last resort. Continuous improvement across our key sites will ensure we are efficient and creating less waste.



48%

reduction overall in emissions across the group



Le Mans reduced by

43%



Tianjin reduced by

46%

### **Freight**

Significant reduction in Scope 3 due to consolidated shipments, meaning fewer shipments - to be continued going forward. 2000 tCO2e reduction in logistics (Le Mans) due to minimum air freight. Scope 3 is 55% of our overall emissions which includes waste, water and freight.

### **Energy**

Significant reduction of energy use in the US. We continue to increase our purchased renewables across the site, predicting a significant decrease in 2021 for Scope 2 emissions.

### Waste

Most of our waste is incinerated due to the nature of the chemicals used. This is a key area of focus with plans to reduce the quantity of hazardous waste created.

**Scope 1** covers direct emissions from owned or controlled sources.

**Scope 2** covers indirect emissions from the generation of purchased electricity steam, heating and cooling consumed by the reporting company.

**Scope 3** includes all other indirect emissions that occur in a company's value chain.



A European Green Deal, a set of policy initiatives, has been published by the European Commission with the overarching aim of making Europe climate neutral in 2050.

Two areas of development will have a significant impact on the consumer chemicals industry:

- Mobilising industry for a clean and circular economy.
- A zero pollution ambition for a toxic-free environment.

Whilst there is not an exact definition of toxic-free environment, we anticipate legislative change will continue to influence how we communicate hazards to the consumer, and drive innovation to reduce our hazardous chemical footprint.

Our regulatory KPI towards Colart's sustainability goal is to remove all SVHCs (Substances of Very High Concern) from our formulations. We have made significant progress on this journey.

It is mandatory to notify on the SDS of their presence above 0.1% and comply with any sunset date. Colart is going further than this to proactively eliminate SVHCs from our formulations, and exclude them in any new products.



67% reduction

in the number of raw materials containing SVHCs



83% reduction

in the number of **pastes** containing SVHCs



57% reduction

in the number of **products** containing SVHCs



Colart continues to offer every employee up to one day per year to engage in community activities. 2020 was difficult in many ways, with COVID-19 lockdowns in many locations where we have sites, so it was somewhat harder to continue this initiative.

Our team in China, both in Tianjin and Shanghai, found creative ways to use their hours, partnering with other organisations to raise money for children from disadvantaged backgrounds. Three members of the team - Shi Jing, Wang Lu and Lucy Zhang - spent time donating discontinued products to Xingtong Development Centre for Autistic Children.

In the UK, our Minehead team got involved: Gaynor Smith, Lucy Franklin, Julian Hooper, Mandy Rich, Christine Watts and Paul Ruston completed various activities throughout the year. These included weekly shopping for people isolating due to COVID-19; village hall treasurer duties; Rainbows leadership training; admin duties for parent-teacher associations; fundraising for RNLI; and Breast Cancer Research.

Overall, 2,833 hours contributed to every million hours worked - a great achievement in a difficult year.



# **Materiality**

Our last assessment was in 2018. Although much has changed since then, our focus remains the same - but with increased priority in some areas:

### Packaging

Has increased in importance not only for us but for key customers, including Amazon and WHSmith. Remove, reduce, reuse and recycle form part of our sustainable packaging guidelines. Legislation will also impact the way we package our products.

### Wellbeing

2020 has shown us the importance of employee wellbeing and why it is a key focus for us.

### Carbon footprint

Reduction of our footprint is imperative to the survival of our planet, and a key priority for our customers. In 2020, we measured a significant reduction due in part to enforced changes caused by the pandemic; we must aim to maintain this trend.

### Quality

This is a key priority for our end users. It is synonymous with our own values and plays a vital role in the success of our business.

### Innovation

Our mission is to become 'the most sustainable consumer-driven house of creative brands'.

### **Digital**

2020 underlined how important digital is. This has been recognised within our operations with the launch of our business-to-business platform, and the ongoing process of having a single ERP system across all business units.

### Regulatory

Legislation continues to change and we must adapt quickly to ensure our products are compliant in all markets.





# Carbon footprint

is a key priority for our customers.



## Quality

remains a priority for our customers.

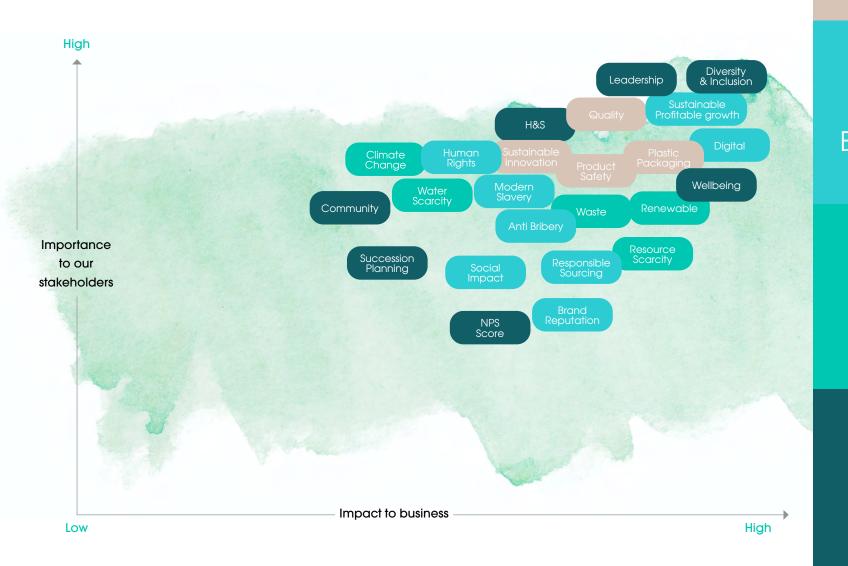


## One system

A single ERP system across all business units.

## Materiality Prioritisation matrix













**CONTENTS PEOPLE OVERVIEW BUSINESS PLANET PLANS & TARGETS** 



2020 has been a challenging year for Wellbeing as we moved offline activities to online.

### Snazaroo Halloween

To celebrate Halloween, we invited employees to join us for a Snazaroo Halloween online face painting masterclass. Emma Munro, a professional face painter, taught us a few techniques to create quick and practical designs for Halloween.

### Christmas Hamper

COVID-19 meant this year we couldn't celebrate Christmas with the usual party. So, the London Wellbeing team decided to send employees of the London Head Office either a festive hamper or food voucher to celebrate the festive season.

### Desk Yoga

In May 2020 we sent the first communications out to invite London employees to join us to celebrate Mental Health Awareness week. We did an online desk yoga class, and after the enormous success, we continued this initiative every Wednesday for a year.





- We have improved sunlight and climate management at various locations, replacing previously opaque, sealed singlepane windows with modern, double-glazed alternatives.
- This was further enhanced with replacement tinted roof windows in our brush head-making area, providing optimal light in winter and glare-free conditions in summer.
- Lighting inside the building is now approximately 80% LED. Coverage increases as worn units are replaced with an environmentally friendly alternative; creating a nicer, brighter working environment essential for the close-detail work.
- Replacement workbenches divided by glass partition screens provide a more spacious and professional environment.
- Improved toilet facilities across sites, including energy-efficient hand dryers and temperatureregulated water systems, dualflushing cisterns, and LED lighting.
- Carpet has been replaced and recycled office furniture introduced - making the office more modern, clean and fresh.



## 80% LED Lighting

inside the building (approx).



# Building efficiency

From new double glazed units to tinted windows we've improved the sunlight & climate management of the building.

## Site stories Kidderminster

### **Environmental Issues**

We are creating an area of natural beauty on approximately 1,600 square feet of disused land within our boundary on urban land. There is a large badger sett on the land and we are setting up a camera to monitor the animals' movements and other wildlife that might be attracted. Employees will develop this area in their own time.

### Local Initiatives

We're actively looking to replacing all of our plastic packaging bags with potato starch alternatives. Plastic bags are currently used on the carousel picking line, and for individually bagging certain Amazon orders.

We saved time and money by requesting Colart Le Mans deliver Winsor & Newton ink six packs without packaging. These are now transported loose within a tray box, reducing shrink wrap/cardboard packaging.

Following a surplus, Euro pallets we receive from Colart Le Mans are now exchanged for standard pallets that can be used for UK customers.

The Kidderminster site has been zero landfill since August 2017.
Alongside recycling, we also collect and donate items to charity - including bottletops, prescription glasses, toiletries and accessories for the homeless, and batteries.

Old IT equipment that cannot be repurposed on site is collected by a specialist recycling company, which extracts any precious metals and reusable parts for future use.

In Sales Inventory, Operations and Purchasing, the recent introduction of the business-to-business portal - which allows customer to place their own orders - has already reduced time and paper orders, and we believe it will continue to do so.

We email invoices to customers, reducing postal costs, paper use and unnecessary printing. A recent move to consolidate a customer's backorders to one shipment has further removed the need for multiple paper packing notes and built efficiencies into the process.

### Inspiring every artist

We continue to encourage staff and their families to submit their own arts and crafts for display in our Goldthorn Gallery. Our recent competition to design a thank you card has been well received. We gave participants a small bag of products to help create artwork.

Three winning designs were printed on A5 cards, and hand delivered to local businesses and health providers with a message of thanks from Colart for their support during the pandemic.

Later in 2021, we will hold art classes where participating staff will learn to use watercolour and acrylic paints, and take home finished paintings.



We have a six-foot carved tree in our warehouse complete with colourful leaves on which staff are writing sustainability ideas - a beautiful piece of talking art.

## Site stories Minehead

### Colart Minehead completed the work on their new building amid the turbulence of 2020.

Design was done in-house with the general manager and the office manager, incorporating the production flow to optimise efficiencies.

Where it has not been possible to do the work in house, the business has, wherever possible, engaged the services of local tradesmen and businesses to undertake the work. This has further extended the positive message into the local community to view the development as a good thing for the town.

All aspects of the build, from the building fabric, mechanical and electrical installations, energy and water have been considered from a sustainability perspective.

### Wimbleball welly walk

The well-being team arranged a welly walk on the moors for staff based at Minehead. We met at Wimbleball Lake for a gentle walk to the dam to blast away those winter cobwebs.

Wimbleball Lake is situated in Exmoor National Park and is a water supply reservoir. The dam was built in 1979 and provides drinking water to Tiverton and Exeter.

It was a lovely relaxed walk with spectacular views of the countryside, wildlife and of course the lake. We were lucky enough to be able to watch the boat club out practicing in sail boats and canoes before stopping at the dam for a quick photo and then heading off to get a hot drink to finish the morning.

### First Aid donation

When Snazaroo combined from 11 individual units into our new building, there was an abundance of surplus first aid supplies. Although this had been anticipated and supplies had been reduced, we still had many remaining, so we put our feelers out to the community to see what we could do with them.

Firstly, the Girlguiding Hut in Watchet had a selection to top up their kit, which they take with them on all their outdoor adventures.

The remaining supplies were then donated to the site's local training provider who runs free first aid courses for the community. They said, "any out of date products would be used for our training and any that are still in date will be sent over to Kenya".

### In brief...

- Upcycling of furniture from the old site
- 3 electric charge points.
- Sheltered bicycle parking to encourage cycling to work.
- A van had been used at the old site to go between the units, as everything is under one roof the need for a van is no more.
- We've moved from using cardboard boxes to heavy duty reusable boxes for transporting goods around sites to save waste.
- We're trialling new ways to store and stack our 18ml paints to eliminate the use of plastic bags.

## Signs of support

To show our support for local charities and initiatives we're changing the illumination of our signage to match.



## Site stories Piscataway

As a sustainable house of consumer driven creative brands its important that we look to give something back to the artists communities that we live and work in. In North America we have really ramped up our virtual learning across a variety of platforms to reach all kinds of creative people for free...



### **Art Materials Education**

- TFACNA (The Fine Art Collective North America) Instagram Livestreams

   by end June 2021 we will have delivered over 40 live stream sessions hosted on TFACNA. These average a modest 30 live views, but over 600 views after -they sit on the TFANA IG channel to be accessed anytime.
- TFAC lectures to art students.
- Michaels Zoom Classes June 2020 to June 2021 – 38 Zoom Classes.
   Average Live attendees 400 = approx. over 15,000 live views in the past 12 months with average replay on Youtube at 1200 per session so total views over 45,000.
- Societies we are in the process of rekindling our relationship with a number of key art societies in North America and have begun by delivering a number of materials workshops, key ones to date are Watercolour workshops to the NYC Botanical Society.
- Collaborating with our retailers on Facebook Lives, Insta Takeovers and classes delivered by Zoom.

### **Partnerships**

Winsor & Newton in NA works with ArtBridge. Winsor & Newton Sponsored 'Not a Monolith' project, a forthcoming public art and professional development initiative presented in partnership with Facebook Open Arts (@facebookopenarts) and We The Culture (@wetheculture). Not a Monolith aims to amplify a diversity of Black voices and perspectives and show that Black identities are more complex, nuanced, and abundant than their traditional representations.

Five NYC-based, emerging Black artists will be selected through a public open call process and provided with outdoor canvases in prominent public spaces throughout New York City, along with 1:1 guidance from art world professionals and support from local community organizations.

ArtBridge empowers emerging artists to transform public spaces. New York City currently has 310 miles of street-level construction scaffolding. Since 2008, ArtBridge has transformed these otherwise underutilized spaces into a canvas for local emerging artists. ArtBridge is a 501(c)(3) nonprofit organization based in Chelsea. Learn more at art-bridge.org and find us on Instagram at @artbridge.



Michaels Zoom Classes have had over 15,000 live views in the past 12 months.

## Le Mans

## As everywhere in the world, the year 2020 will be the year of the COVID-19 crisis.

This unforcastable time has seen the team in Le Mans reacting strongly to the situation keeping the mantra "people first" as the main objectives.

Despite the circumstances, after a stop of several weeks, the operation restarted and ran at full speed to serve the Customers needs. This pause did not impact in any way, our movement to a more sustainable operation with, as example:

- Launch of the project of photovoltaic parking roofs to provide 5% of total energy used on the site, including electricity for 2 cars and several electric bicycles.
- Moved to 100% green electricity contract from Jan 1st 2021.
- Cancel the use of plastic inside the packing to our customers (moved to cardboard filling).
- Planting trees to further improve biodiversity.
- Development of the homeworking (with impacts on carbon emission and trend to a paper less business).

Colart France the commercial arm of Le Mans dedicated their social impact hours to many activities including;

- Collaboration with The OsmOsons association promotes communication between artistic professions in order to share and promote this powerful means of economic and social development.
- Plein Champ a street art festival.
- Support provided to local schools including products and workshops.
- Old Town painters association.







100% green energy

from January 2021.



Photovoltaic parking roofs

provide electricity for 2 cars.



Automated robots

Our people will no longer have to move heavy stock.

## Site stories

Italy



### 300 Years of Lefranc Bourgeois

Our collaboration with InsideArt magazine was one of the many activations included in the brand's 300th anniversary.

The collaboration included a year full of different activities and culminated in a two-week artist residency hosted at the Fondamenta Gallery in Rome.

The initiative was distributed online through InsideArt social media channels and published in two newsletters and within Colart networks in Italy.

To qualify for the residency artists needed to be under 40 and a resident of Italy. With over 130 applications, a professional panel judged the artist's work and selected two winners, Alice Faloretti and Lorenzo Pace.

"Deep Blue" was the theme for the residency. Blue being the colour that historically characterizes the brand. The artist brief was to produce a piece of work that demonstrated the importance and expressiveness of the colour blue, through experimentation, research, technique and composition.

In addition to the two-weeks residency, a studio visit and a demonstration session with the resident artist Guido D'Angelo was arranged for students of Rome Fine Art Academy.



Over 130

artists applied for the residency.



2-week residency

Fondamenta Gallery in Rome.



### Liquitex x Meninas: Madrid Gallery Project

Las Meninas, or Ladies-in-waiting, painted by Diego Velazquez in 1656 is a famous piece of art history that questions both reality and illusion.

Today, this is brought to life through the annual "Meninas Madrid Gallery Project". Each year, 50 different Meninas are displayed throughout the streets and squares of Madrid.

Curated by artist Antonio Azzato and supported by the Madrid City Council, these Meninas bring the aspect of art and colour to the streets.

To celebrate the 65th anniversary of Liquitex in 2020, we engaged local artist, Maria Cabanas to paint a Liquitex sponsored Menina to represent both brand and artistic legacy over the 65-year history of Liquitex.

All 50 Meninas will be auctioned off and funds raised will go toward the Food Bank.

The result was "Infanta Tatuada". A tattooist as well as an artist, Maria used the illusion that the sculpture had been tattooed. Some classical elements included a swan and roses, plus the iconic quote from Henry Levison, the founder of the Liquitex.



# Site stories Northern Europe

## Every child deserves a birthday!

In the Netherlands there are tens of thousands of children who cannot afford to celebrate their birthday Stichting Jarige Job helps by giving a birthday box to these children. This year we donated 300 Snazaroo Princess sets to be included in the birthday box.

## Almost empty offices

The lockdown forced most of the NE staff to work from home. Team NE offered the empty office space to primary school teachers for online lessons and the Dutch Guide Dog association to use the office for practice training.

### Recycle IT

After having a clear out we recycled 1 server, 4 PC's, 3 laptops, 7 mobiles, 34 phones, 8 adapters, 86 cables... total weight 176 kg. We sold these to a recycling company with all the money donated to the WWF.

## Supporting the children of Chernobyl

We continued our support of the Hilfe für Tschernobyl-geschädigte Kinder e.V. This foundation supports the children in Chernobyl, after the nuclair disaster. This year, supported by DIY customer Bauhaus, we donated 12 pallets creative products.

### Villa Pardoes

Villa Pardoes offers unforgettable holidays for families with a seriously ill children. Not being able to contribute with our usual workshops the NE team collected money resutling in a €300 donation.

### Team wellbeing

In November we held a teambuilding session live on Teams. The session comprised of almost 30 team members was led by Mirjam Martinovic and Robert Rost. Together we each crafted and created beautiful, festive butterflies.



# Welldoing: the new normal of Wellbeing!



# Site stories Tianjin

Through the Herculean efforts of Tianjin site employees, CTAM was among the first non essential businesses to open in China post-pandemic.

Audits passed to prove site management improvements included:

- SMFTA
- ISO 9001
- ISO 14001
- ISO 45001
- Safety Standardisation certificate issued by Tianjin Work Safety Bureau.

Continuous improvement has been driven by Safety Walk and CTAM's think-tank project.

### Some outstanding examples:

- Packaging material storage area of the former containment pure water equipment safely developed.
- To improve the speed of delivery, the storage and shipping department has optimised storage areas.
- Cotman watercolor aluminium tube batch code print transformation to reduce by 3% the defective product ratio, due to stamping unclear or broken sealing glue etc.

- Developed manufacturing work order back-flush material consuming process to enhance efficiency and data input accuracy.
- Formulated standards for the recycling of pallets; accounted for their use; strove to reduce costs.
- Recycled use of raw materials written off due to discontinued product.

2020 wellbeing activities mainly took place online, such as a physical and mental health webinar, story sharing, and a creative artwork competition - refreshing to all CTAM employees during this most difficult year.

Meanwhile, we never ceased efforts to continue charitable work and to increase our social impact. This allowed us to fulfil our social responsibilities and contributed to community welfare activities. Our efforts were rewarded in 2020 when we won the title of Civilised Unit, issued by the Tianjin Nankai District Governmental Office.

### Activity took place throughout the year:

### **February**

Co-sponsored Art Charity Auction for children during COVID-19.

### April

Donated art products to Xingtong Development Centre for Autistic Children.

### May

Ran charity painting education course for students of schools in deprived areas.

### June

Painting workshop arranged with Like Art Studio.

### September

Supported energy saving and low carbon promotion.

### October

Community-based promotion for acrylic and marker pen products.

### November

Donation to Qingcongquan Autism Care project.





Despite COVID-19 the team were back in the office by the end of February 2020

### Speed-up Digitalization

#### **To Customer**

- Announce store opening hours and contacts in social.
- Suggestion on offline to online transition.

#### To Consumers

- Online painting contest during lock-down.
- Online chat group (300+ participants share experience at the same time).

Conduct brand preference study after 10 years.



### Changes on TFAC



### Offline-Street Art Festival

37 artists, more than 50 artworks, exposures in multiple platforms.



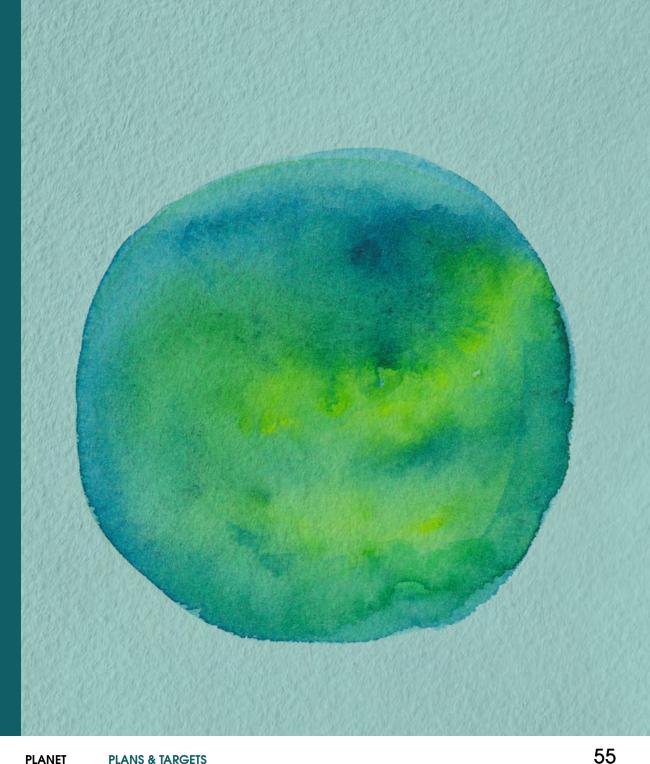
### Online -Livestreaming

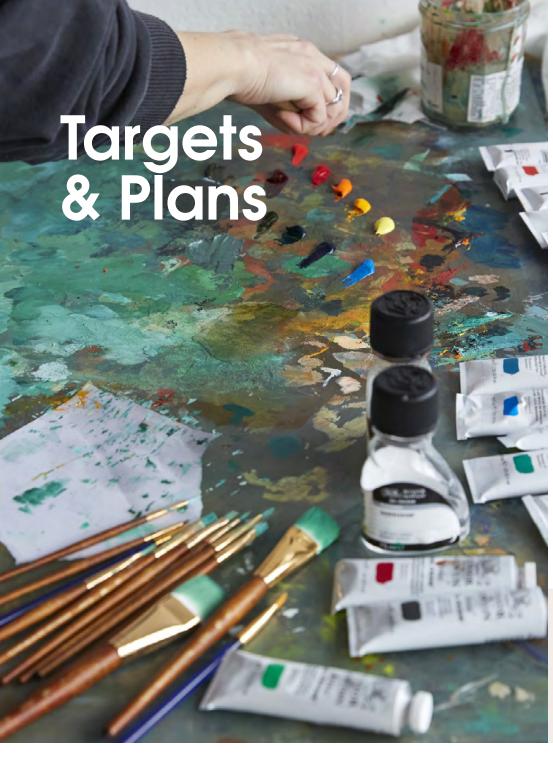
50+ Live streaming Shift focus from onsite lecture to online demo.

# Targets & Plans



Reduce environmental impact





Based on our materiality assessment, we aim to use more sustainable packaging. We want to replace virgin plastic with a more sustainable alternative; this could mean replacing plastic altogether, or ensuring only plastic with a minimum 50% recycled content is used.

- We have identified a number of projects to deliver in the next three years to eliminate unwanted plastic in our packaging.
- We want to ensure our wooden products are sourced sustainably; our canvas products and the majority of our brush handles are FSC certified. Our recent paper project ensured 80% of our paper suppliers are FSC certified. We will work towards all of our wooden products coming from responsible sources.
- Thanks to Cris Cosgrave's new role, we are reviewing feasible alternatives to our product materials so they are more sustainable without compromising quality.
- Our sites in the UK and France have switched to renewable electricity.
   In France, we are due to generate our own electricity following an investment in solar panels. The US and China remain a challenge, but we will continue to investigate options to ensure all of our sites purchase renewable electricity.
- Product end of life continues to be problematic - we continue to investigate alternative waste streams in order to deliver product circularity.



Our sites in the UK and France have switched to renewable electricity.





### Social impact

(Target 5000ppm)

2021 - 3000ppm

2022 - 3500ppm

2023 - 4000ppm



### **Accidents**

(Target Industrial Accidents 0)

2021 - 0 Accidents

2022 - 0 Accidents

2023 - 0 Accidents



### Sickness

(<3%)

2021 - 3%

2022 - 3% 2023 - 3%



### **Hazardous Waste**

(50% reduction by 2025)

2021 - reduce by 5%

2022 - reduce by 10%

2023 - reduce by 20%



### Energy

(5%KWh per hour of production)

2021 - reduce by 5%

2022 - reduce by 5%

2023 - reduce by 5%



### Water

(-2% by 2025 usage per standard hours)

2021 - reduce by 1%

2022 - reduce by 1%

2023 - reduce by 2%



### Renewable electricity

(% Increase)

2021 - +5%

2022 - +5%

2023 - +5%



### Single use plastic (None by 2025)

2021 - reduce by 15% 2022 - reduce by 25%

2023 - reduce by 50%

