



Climate Change Policy

Policy owner/ issued by	Reviewed and approved by	Date issued/ reviewed	Effective from	Next review
Head of Sustainability	Board of Directors	January 2022	January 2022	January 2023

We are a leading global manufacturer of threads and yarns. For over 250 years we have helped to connect and form the fabric of daily life on our planet.

Our purpose is to connect talent, textiles, and technology to make a better and more sustainable world.

There is a strong scientific consensus on the link between human activity with consequent emissions of greenhouse gases (GHGs) and measurable and progressive climate change. The most recent Intergovernmental Panel on Climate Change (IPCC) Assessment Report (AR5) clearly outlines the relationship between human activity and climate change and the potentially catastrophic impacts on humans and other species from climate change.

Coats fully accepts this scientific consensus and recognises that, as a business that is contributing to the emissions that are driving climate change, we have a responsibility to reduce our emissions in line with the acceptable limits identified in the COP21 – Paris Agreement.

To fulfil this requirement, we will:

- comply with all relevant regulations and legislation on climate change-related issues in all of the countries in which we operate
- measure and track all emissions from our direct activities (Scopes 1 and 2) and our indirect emissions from our value chain (Scope 3). Since measuring some Scope 3 emissions is very challenging, we will make reasonable assumptions where necessary but continuously look to improve our access to hard data. We will also:
- set both short and long term emissions reduction targets that are aligned to the scientific consensus of a safe emissions level and have our targets validated externally;
- report at least annually on our progress towards our targets and aim to be transparent about the actions that we are taking and the impacts we are achieving;
- collaborate widely up and down our value chain and with other partners to find the most effective ways to reduce the total emissions related to our activities, since many aspects of our emissions are indirect;
- regularly assess the risks from climate change to our business and to all of our stakeholders and identify appropriate mitigating actions to minimise any impacts.

We will deploy resources and implement processes to assure implementation of this policy, which has been reviewed and approved by the Board of Coats Group plc. It is applicable to all Coats companies.

The effectiveness of this Climate Change Policy will be reviewed on a regular basis by the Sustainability Committee of Coats Group plc, and it should be read in combination with our Environmental Policy.