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# Conflict Minerals Policy

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Policy owner/ issued by	Approved by	Date issued/ reviewed	Effective from	Next review	Next independent review
Head of Insurance, Property and Compliance	Chief Legal & Risk Officer and Group Company Secretary	April 2023	April 2023	April 2024	April 2025

Coats is committed to the responsible sourcing of all raw materials and purchased goods and we continually review our approach to ethical and sustainable supply chain management.

This policy refers specifically to our approach to avoiding 'Conflict Minerals' entering our supply chains and supplements our wider supply chain management standards.

Coats is also committed to the principles laid out in the Wall Street Reform and Consumer Protection Act of the US Federal government, also known as the Dodd-Frank Wall Street Reform and Consumer Protection Act ('the Act'). The Act was drafted in response to profits from militia-controlled mines in the Democratic Republic of Congo (DRC) being used to fund regional conflicts in and around central Africa. Minerals extracted from such mines are commonly referred to as 'Conflict Minerals'. Section 1502 of the Act requires manufacturers to identify components of products that contain tantalum, tungsten, tin or gold (known as '3TG minerals') which originate in the Democratic Republic of Congo (DRC) or any of its adjoining countries.

Coats will abide by the EU Conflict Minerals Regulation (2017/821) which seeks to prevent the trade of tantalum, tungsten, tin or gold from 'high risk' areas identified by the EU Commission.

Coats follows best practice advice given by the Responsible Minerals Initiative<sup>1</sup> (RMI) and the Organisation for Economic Co-operation and Development (OECD)'s 'Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas'<sup>2</sup>.

Coats does not source any 3TG minerals directly, and engages with suppliers and contractors to ensure that the provenance of any 3TG minerals used in their manufacturing processes are 'DMC Conflict-free' and/ or the final smelter is approved by RMI.

Specifically, we require all vendors of metallic raw materials and metallic components and all contracted electroplaters to:

<sup>1</sup><https://www.responsiblemineralsinitiative.org/>

<sup>2</sup> <https://www.oecd.org/corporate/mne/mining.htm>

- Declare if tantalum, tungsten, tin or gold are necessary to the functionality or production of the products they manufacture, or subcontract to manufacture for Coats.
- Confirm annually that supplied goods do not contain any tantalum, tungsten, tin or gold which could originate from the DRC or adjoining countries.
- Carry out due diligence with their suppliers and, where possible, locate the smelter where these minerals are converted and report this to Coats.
- Review due diligence information received from their suppliers against RMI requirements
- Initiate corrective and preventive actions if any of their suppliers' due diligence falls short of RMI requirements.
- Maintain reviewable business records supporting the source of conflict minerals.
- Require their direct and indirect suppliers to adopt policies and processes that are consistent with Coats' Conflict Minerals Policy.