



Speak Up (Whistleblowing) Policy (the ‘Policy’)

Policy owner/ issued by	Approved by	Date issued/ reviewed	Effective from	Next review
Chief Human Resources Officer	Group Executive Team on behalf of the Board of Directors	April 2022	April 2022	April 2023

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1. Purpose and applicability

1.1 This Policy is applicable worldwide to all employees of Coats Group plc and any of its subsidiaries or associated companies (including joint ventures) (hereafter referred to as 'the Company') to the extent that it is not inconsistent with local laws.

1.2 In the absence of any applicable local laws, this Policy shall prevail. For local variations to the Policy, please refer to section 9.

1.3 The Policy outlines the reasons for maintaining high standards of ethical and legal business conduct and describes the procedures for reporting acts which are thought to contravene these standards. Also outlined are the actions to be taken by the Company.

1.4 The Policy should be read in conjunction with the following Company policies:

- Ethics Code (incorporating the Business Code of Conduct and Managing Company Property Policy);
- Anti-bribery and Anti-corruption Policy;
- Health and Safety Policy;
- Environmental Policy;
- Harassment, Bullying and Discrimination Policy;
- Competition Law Policy; and
- Data Protection Policy.

2. Statement of policy

2.1 The Company is committed to the highest possible standards of integrity, openness and accountability in all of its affairs. It is determined to maintain a culture of honesty, dignity and respect and opposes any actions and behaviours which may be inconsistent with these standards. Key examples of actions or behaviours which are not consistent with these standards include:

- Fraudulent and corrupt acts;
- Code of Conduct violations;
- Conduct which is an offence or a breach of law, treaty or agreement amounting to serious improper conduct;
- Health and safety risks, including risks to the public as well as employees;
- Damage to the environment;
- Harassment, bullying or discrimination of any kind, use of child labour, and human rights violations; and
- Other unfair employment practices including wrongful promotion of employees in an unfair manner.

2.2 Fraudulent or corrupt acts include, but are not limited to:

- Financial issues – where individuals or entities have fraudulently obtained money from the Company, made fraudulent statements or manipulated accounting;

- Equipment issues – where the Company's equipment is used for inappropriate personal gain;
- Resource issues – where there is a misuse of resources (e.g. theft of materials);
- Other issues – activities undertaken by officers of the Company which may be:
 - unlawful;
 - in substantial breach of the Company's policies;
 - a danger to the health or safety of employees or the public;
 - in breach of anti-corruption laws, anti-bribery laws, sponsorship and donations guidelines, gifts or facilitation payment procedures;
 - below established standards or practices;
 - improper conduct and includes abuse of authority, gross misconduct or gross waste of money; and
 - acts of senior management that cannot be reported using the local channels.

2.3 The Company encourages honest and open two way feedback and communication where issues can be resolved. The Policy aims to encourage employees and any interested third parties such as vendors, customers, ex-employees, contractors and contract employees etc., to raise concerns about serious misconduct or report suspected violations of the law or the Company's policies and to provide assurance that those employees and third parties will be protected from retaliation for making such reports. The Policy also outlines the ways in which employees can voice their concerns and the steps the Company will take in responding to disclosed breaches or violations of laws and/or Company policies.

3. Exclusions

3.1 Incidents of an employment related nature should be reported through the normal channels, in accordance with the Harassment, Bullying and Discrimination Policy. These can be escalated to the Chief Human Resources Officer as appropriate. For instance, any queries with respect to clarification on salaries etc. are not dealt with by the Speak Up Policy as these questions are in relation to an individual's terms of employment.

4. Obligation to raise concerns

4.1 The ability for employees to Speak Up is crucial to building the right ethical culture within the organisation. Therefore the Company, in addition to other interventions, depends on its employees to highlight any unethical concerns within the organisation so that timely and appropriate action can be taken. All employees are required to promptly report any suspicions of improper or wrongful activity that may adversely impact the Company, the Company's customers, shareholders, employees or the public at large via the Speak Up channels available, which are further explained in detail in this Policy. Those raising their concerns have a choice to remain anonymous.

4.2 Suitable action may also be taken against individuals who despite having knowledge of unethical activities within the organization have chosen to look the other way.

5. Process for Speaking Up

- 5.1 Employees can sometimes observe or become aware of behaviour or actions which are in breach of laws and/or Company policies. They may however fear harassment and victimisation if they raise their concerns or disclose irregularities.
- 5.2 This Policy is intended to encourage all employees to disclose any wrongdoing that may adversely impact the Company, the Company's customers, shareholders, employees or the public at large.
- 5.3 Whenever an employee has a concern which relates to a breach of ethics, Company policies, laws or potential violations of law, the employee concerned can choose to Speak Up by either raising their concerns directly with their line managers, Managing Directors, Human Resources Business Partners ('HRBPs') or through the Company Speak Up channels.
- 5.4 Concerns being raised to the Company Speak Up channels should be addressed to the **Ethics Inbox** ethics@coats.com, the **Coats Ethics Concerns Voicemail** by dialling +442082105088, or to the external Speak Up channel ('**Coats EthicsPoint**') at <http://coats.ethicspoint.com/>. All disclosures to the Speak Up channels will be dealt with according to the highest levels of confidentiality, anonymity (if permitted by local laws) and impartiality.
- 5.5 There is no requirement as part of this Policy for the whistleblower to identify themselves while raising their concerns through any of the Speak Up channels as this is at the discretion of the whistleblower. Whistleblower protection is a fundamental principle of our Speak Up Policy.
- 5.6 Where concerns have been brought directly to the attention of the line manager or Unit management and the concern pertains to a potential act of fraud, corruption, anti-competition or violation of law, such cases are mandatorily disclosed to the Chief Legal and Risk Officer and Group Company Secretary ('CLRO'), Chief Human Resources Officer ('CHRO') as well as the Head of Group Internal Audit ('GIA').
- 5.7 Concerns that may be raised directly by employees which pertain to other matters such as behavioural issues need not be escalated to the employees mentioned in 5.6 as such concerns are expected to be investigated by the respective HRBPs. Management is expected to apply its discretion in determining who the concern should be escalated to.
- 5.8 Where concerns or allegations involve senior management, or if an employee may not be certain as to which avenue to report their concern and/or feels unable to disclose the concern with anyone mentioned above, it is recommended that the employee applies the principles below, where local laws permit:
- i. to raise any concerns to the relevant senior manager at the next level up; and
 - ii. to raise any concerns to the Chairman of the Board where any acts are suspected to involve the Group Chief Executive.
- 5.9 The Speak Up channels are monitored by members of the GIA team. Concerns raised may be transferred to another individual internally for translation purposes if submitted in a language other than those spoken by the individuals monitoring the three channels.

- 5.10 Anyone reporting concerns or allegations to any of the Speak Up channels are requested to provide full details of the concerns or allegations and, where possible, examples of the concerns or allegations being reported.
- 5.11 All disclosures are a 'reportable event' and as such must be reported in the Bi-annual Risk Questionnaire by the relevant Managing Director, the relevant regional Chief Operating Officer or member of the Group Executive Team, as appropriate.
- 5.12 In all cases, the nature and circumstances of the disclosure will determine the Company's course of action. In cases of fraud and corruption, depending upon the gravity of the disclosure, the Company may decide to institute an enquiry through an independent functionary or through GIA. This decision will be made by the Group Chief Executive in consultation with the CLRO, CHRO and the Group Chief Financial Officer.
- 5.13 The same independent functionary may also be asked to investigate other suspected violations of an unethical or illegal nature.

6. Investigation Allocation, Investigation and Closure

- 6.1 Within 7 days of receipt of the complaint, an acknowledgement will be provided to the whistleblower in both English and their vernacular language. Whistleblower complaints can be sent in any language.
- 6.2 Where the complaints raised are vague or not specific enough, the whistleblower will be asked to provide further information to help understand the concerns being raised. Based on the clarity of feedback received, feedback will be provided to the whistleblower as to whether any further investigation in line with Company policies on whistleblowing will take place or not.
- 6.3 The Speak Up channels are regularly monitored by the Head of GIA. Once a complaint is received and understood, these complaints are shared with the CLRO, CHRO, the relevant GET member in whose team the accused works, the HRBP of the relevant market and/or function and the relevant Managing Directors. Any complaints will not normally be shared with the complainant's immediate supervisor until completion of any investigation, so as to ensure a free and fair investigation, unless special circumstances arise in which disclosure has been specifically directed by the relevant GET member.
- 6.4 Whistleblowing allegations are largely undertaken by the respective HRBPs, GIA or Group Controllership. In some cases, specific help from other employees is also requested to undertake an investigation, e.g. language translation. A guiding principle during the entire investigation process is to ensure that the investigation is carried out in a free and fair manner. Towards ensuring this, care is taken at the time of allocation to ensure that for example, direct line managers do not investigate their own team members. The direct supervisors may however be present in the final interview (as opposed to the fact finding phase), as deemed necessary by the investigation. In rare situations, the concerns raised may be shared with law enforcement and/or external agencies.

- 6.5 During the course of an investigation, the investigating teams may reach out to the whistleblower to understand their concerns in detail. Evidence presented by the whistleblower and otherwise obtained independently will be thoroughly evaluated before any conclusions and recommendations are made.
- 6.6 The responsibility to make the necessary conclusions lies with the investigating team. Actions to be taken are decided independently by the CLRO, CHRO and the relevant GET member (or otherwise by a higher designated authority). In arriving at the actions to be taken, due consideration is given to similar actions taken by the Company in previous situations and across markets (subject to local laws) in order to ensure consistent actions.
- 6.7 Upon conclusion of the investigation, communication will be sent to the whistleblower with respect to the outcome of the investigation, which may be broadly classified into one of the following categories; (i) concerns not upheld, (ii) concerns not upheld with some process and control improvements identified or (iii) concerns upheld. Where concerns are upheld, the whistleblower is informed that suitable actions have taken place but the specifics of those actions are not disclosed as this would amount to the sharing of private and confidential information.
- 6.8 Any process or control improvements arising from the whistleblowing process are tracked and necessary follow ups are done to ensure completion.
- 6.9 Strict confidentiality of the complaint and the whistleblower (if identified) is maintained at all times.

7. Safeguards

- 7.1 All reports of ethical concerns can be made anonymously (if permitted by local law) and confidentially.
- *Harassment or victimisation* - the Company recognises that the decision to report a concern can be a difficult one to make, not least because of the fear of reprisal or retaliation. The Company will not tolerate harassment or victimisation and will take action to safeguard those who raise concerns in good faith. Procedural guidelines to safeguard employees and address employee grievances of harassment or victimisation can be found in the Harassment, Bullying and Discrimination Policy and the Anti-Retaliation Policy in Appendix 1.
 - *Confidentiality* - the Company will do its best to safeguard the identity of the employee that raises a concern and does not want their name to be disclosed. It must be appreciated, however, that the investigation process may reveal the source of the information and a statement by the employee may be required as part of the evidence.

8. Policy review

- 8.1 A summary of reports received, actions taken and outcomes of investigations, will be provided to the Board periodically by the CLRO. The effectiveness of this Policy will be reviewed annually or earlier if required.
- 8.2 Any need for change should be reported to the CHRO who will ensure that the appropriate approvals are obtained.

9. Retention

9.1 The CHRO and the Head of GIA shall decide on the period of retention of all investigation reports and relevant documentation, subject to restrictions imposed by legislation. However, retention of any documents under the Policy will be for no longer than necessary after the investigation is closed.

10. Abuse of the Speak Up Policy

10.1 In cases where there is evidence that that the complainant has knowingly made a false allegation, provided false or misleading information in the course of an investigation, or otherwise acted upon in bad faith indicating abuse of the Speak Up Policy, the Company reserves the right to take appropriate disciplinary action against the individual.

11. Contact

11.1 For practical guidance on any aspect of this Policy, please contact the respective HRBPs, or the Head of GIA.

Appendix 1: Anti-Retaliation Policy

The Company is committed to maintaining a work environment that is free of harassment, intimidation, discrimination and/or any other means of retaliation in response to reporting violations or participating in an investigation pertaining to alleged violations of laws, the Ethics Code, policies, or procedures. Crucial to these objectives is promoting an atmosphere where employees and others feel safe to engage in frank and honest conversations, raising questions or concerns at any time without the fear of retaliation.

Retaliation is defined in general as any kind of negative action against a current or former employee that creates a hostile, threatening or uncomfortable environment as a result of their reported complaint.

1. Protection from retaliation

- 1.1 The Company has a **zero tolerance policy** against retaliation and strictly prohibits any form of retaliatory action against employees who raise issues, ask questions, make reports, participate in an investigation or refuse to participate in improper or wrongful activity.
- 1.2 The Company prohibits retaliation even if the concerns raised are not confirmed following an investigation.
- 1.3 The Anti-Retaliation Policy does not exempt employees from the consequences of their own misconduct, and self-reporting such issues would not exempt the employee from appropriate sanctions under the Speak Up Policy.

2. Intimation

Employees who believe they have either witnessed retaliation, have been personally retaliated against or believe that any other violation of this policy has occurred, must immediately notify the respective HRBPs, CHRO, CLRO and/or the Head of GIA. The Company takes all allegations of retaliation very seriously and such concerns will be reviewed promptly and investigated where appropriate.

3. Consequences for policy violation

Anyone who violates this policy may be subject to disciplinary action, up to and including termination of employment.