Coats Group plc Annual Report and Accounts 2022

Business model

HOW WE CREATE VALUE FOR OUR CUSTOMERS

Our purpose of connecting talent, textiles and technology to make a better and more sustainable world drives how we operate and create long-term value.

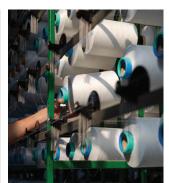
SPEED

Speed to market is critical. Owing to our agile supply chain and customer-centric operational footprint, we provide customers and brands with the flexibility they need to stay relevant in a fast moving world.

OUR LEADING POSITION

A COMPETITIVE ADVANTAGE

FOR COATS



PRODUCTIVITY

We employ the latest in Lean Six Sigma and other methodologies to ensure a continuous cycle of improvement and delivery of operational excellence. This enables us to reduce costs which help to offset inflation and maintain excellent customer service.



INNOVATION

We have a longstanding culture of innovation. Our Innovation Hubs are spaces to collaborate with customers, in which we develop new solutions to solve their problems and improve their finished products. Our innovation capabilities have been further enhanced with the acquisitions of the talent in Texon and Rhenoflex.



QUALITY

We manufacture to high ethical, labour and environmental standards whilst delivering consistent colour and exceptional product quality. Our products are tested and measured against globally consistent, stringent safety standards.

RELIABILITY

Our track record for reliability and excellent technical customer service allows us to partner with leading global retailers, brands and manufacturers.



SUSTAINABILITY

A key element of our purpose is to create a more sustainable world. It is not just what we produce, but how we produce it. Coats has been a leader in setting sustainability strategy within the industry since we officially launched 'Pioneering a Sustainable Future' in 2019. We have advanced our ambitions, acknowledging the impact that industry has on the environment, and our part in taking responsibility for this. We have set very ambitious sustainability targets across energy, materials, water, waste and people to complement our market differentiating EcoVerde range. See our **TCFD Report** for details. We gain competitive advantage by helping customers to improve their own supply chain sustainability credentials and our two acquisitions this year, Texon and Rhenoflex, further enhance our sustainability capabilities and ambitions. $\widehat{}$

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Business model cont.

HOW WE CREATE VALUE FOR OUR STAKEHOLDERS

EMPLOYEES

We are a proud employer of a 17,000 strong highly engaged, committed and diverse workforce. Whilst driving a high-performance, solutionfocused culture, we are committed to the health, safety, rights and well-being of our employees. We champion diversity and inclusion across the Group. This is reflected in our GPTW[©] certification.

17,000 EMPLOYEES ACROSS THE GLOBE



CUSTOMERS We put our customers at the centre of everything we do

centre of everything we do and, as their expectations evolve, we continually drive towards responsibly sourced, sustainable products.

34,000 GLOBAL CUSTOMERS

SUPPLIERS

We look for the right balance of global, national and local capabilities to maintain supply chain agility.

SIBN DOLLARS PAID TO SUPPLIERS



INVESTORS

We are committed to delivering superior returns and long term, sustainable value for our investors.

2.43c TOTAL DIVIDEND FOR 2022



ENVIRONMENT

Sustainability is critical in everything

we do, and for our customers. We have

sustainability targets in 2022 and have set new 2026 targets as we progress towards our 2050 net zero ambitions.

substantially delivered against our ambitious

COMMUNITIES

We actively engage with our local communities, providing educational support to children, food donations, and DE&I events, along with thread donations and tree planting initiatives. This was highlighted in our Save the Children donation presented by the Board in Mexico during October.

WE ARE IMMENSELY PROUD OF THE 11 COATS EMPLOYEE Volunteers who went to The Earthquake epicentre In South-Eastern Turkey As Part of Our Emergency Response rescue team



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STRATEGIC REPORT