

STRATEGY OVERVIEW

Strategy Overview

Having completed a full review of our sustainability strategy and targets in 2022, 2023 has been focussed on delivering progress against those new 2026 targets. Progress is described in detail in the body of this report.

Integrating our 2022 footwear structural component businesses, Texon and Rhenoflex, into our strategy has been a significant project during the year because of the different supply chains, manufacturing processes and product profiles of these businesses. At the time of establishing our 2022 targets we factored in these businesses, but we were in the early stages of post-merger integration then, so we did not have full transparency of data for the new units. Having completed the integration we have confirmed our analysis and the integrated businesses are fully reflected in the 2026 targets.

During 2023 we disposed of our EMEA zips business and outsourced our Chinese zip business. Zip manufacturing activities constituted a minor portion of Coats' overall business and were never a strategic focus. Therefore, the removal and outsourcing of these operations does not affect our strategy.

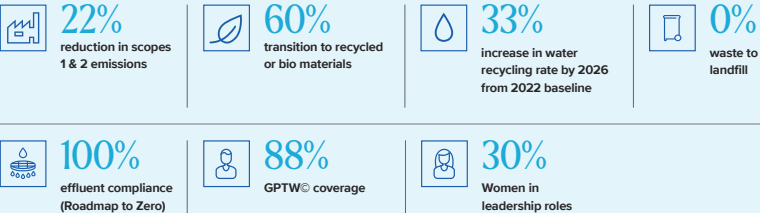
During 2023 we have completed our biennial materiality assessment update. While the 2023 update does reflect some changes, especially with regard to climate related issues, the current strategy and targets continue to be highly relevant as a response to our key material issues and no changes are required. Details of our 2023 materiality

assessment process and results are contained later in the Managing Sustainability section of this report.

The roadmap shown in the right hand panel describes our journey towards delivery of our Net-Zero target in 2050 and our interim 2030 Science-based Targets for emissions reduction.



2026 OUR NEXT CHAPTER SHORT-TERM TARGET



2030 OUR GOALS FOR 2030 ARE CLEAR AND AMBITIOUS

APPROVED SCIENCE BASED TARGETS WITH 2019 BASELINE THAT COMMIT US TO



FURTHER TRANSFORMATIONAL TARGETS



2050 LONG-TERM TARGET



Strategy Overview

OUR STRATEGY FRAMEWORK

Our 5 pillar strategy framework, updated in 2022 is shown to the right and continues to align to our materiality assessment (described in this report on page 66) and the key sustainability issues for delivery of our commercial goals.



ENERGY



Our processes rely on energy, mainly for kinetic and thermal purposes. Our use of energy causes emissions of greenhouse gases that contribute to climate change. Reducing emissions through more efficient use of energy and using less emitting sources of energy is crucial to combat climate change.



MATERIALS



The materials we use to make our products are largely oil based and are energy intensive in terms of upstream production. They are our main overall source of greenhouse gas emissions. Transitioning to materials with lower inherent emissions, by moving to recycled or bio-based materials is a priority to combat climate change.



WATER



Some of our processes, especially dyeing, are water-intensive. Many of our plants are located in areas of water stress. Ensuring that we are minimising the additional water stress caused through our operations is important to other users and to the environment.



WASTE



We produce solid and liquid waste in our processes. Through all our processes we need to ensure that we recover as much material as possible from waste streams and that we are then ensuring that any residual waste product is dealt with responsibly and with the smallest impact on the environment.



PEOPLE



Our employees, their families, our neighbouring communities and those in our wider value chain are all the people that are immediately touched by our business. We have a responsibility to them all and our policies, procedures and programmes are there to ensure that safety, wellbeing, fairness, equality, diversity and opportunity are part of that relationship.






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Across this strategic framework we have identified the most important metrics to track us on our journey and we are now embarked on delivering progress towards our next short-term milestone being 2026.

Our aspirations beyond 2026, are underpinned by our SBTi approved 2030 emission reduction targets and our 2050 Net-Zero target covering the entire value chain has been submitted to SBTi for approval.






STRATEGY PILLAR	2026 MILESTONE TARGETS			2030 ASPIRATIONS	2030 SBTi COMMITMENTS	2050 TARGET
	METRIC	2022 BASELINE*	END 2026 TARGETS			
ENERGY	 % reduction in Scopes 1&2 CO ₂ e emissions	182.0K TONNES	22% REDUCTION	70% of energy to come from renewables	-46.2% in Scopes 1&2 emissions vs 2019 baseline	Net-Zero emissions in our value chain
MATERIALS	 % volume free from new oil-extraction raw materials	25%	60%	100%	-33% in Scope 3 emissions vs 2019 baseline	
WATER	 % of water to be recycled	24%	33% INCREASE IN RECYCLING RATE			
WASTE	No waste to landfill	2.30K TONNES	ZERO TO LANDFILL			
	All effluent to meet ZDHC limits	99.76%	100%			
PEOPLE	% employees in units with Great Place to Work certification	86%	88%	90%		
	% of females in Senior Leadership positions	21%	30%	40%		

*2022 Baseline has been updated to exclude divestments of EU Zips business and Madagascar/Mauritius made through the course of 2023.

Strategy Overview



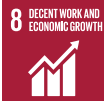
COATS AND THE SUSTAINABLE DEVELOPMENT GOALS

SDG	WHY IS THIS RELEVANT TO COATS, WHAT ARE OUR OPPORTUNITIES AND RESPONSIBILITIES?	OUR PRIORITIES AND ACTIONS	OUR GOALS AND INDICATORS, OUR DESIRED OUTCOMES AND IMPACT
	<p>We employ over 15,000 permanent staff in more than 50 countries. Many families are dependent on us directly for their principal source of income and it is our responsibility to ensure that that income is sufficient to lift people out of poverty. We can also use our purchasing power to ensure that those in our upstream supply chain have the same opportunity.</p>	<p>Our principal focus has been on ensuring that all of our employees receive a Living Wage. To this end we have established a policy and calculation methodology, using external benchmark data to measure our remuneration packages. We have then taken action in any cases where we have found that the benchmark for a Living Wage is not achieved.</p> <p>Our work on ensuring a Living Wage is described on page 61 of this report.</p>	<p>Having established a robust methodology for our own operations, our goal is now to extend our focus to encapsulate our upstream supply chain by revising and enhancing our supplier code and ensuring that this is included in our supplier audit programmes.</p>
	<p>A large percentage of our manufacturing operations are sited in developing countries and in some locations we operate in communities where we are the principal employer.</p> <p>Our business is dependent on having motivated and healthy employees and our employees and their communities depend on us to provide safe and fair employment.</p> <p>Ensuring the health and wellbeing of our employees, their families and our neighbouring communities is therefore of mutual interest to us and our employees.</p>	<p>Our priority is that our employees and those working on our sites are able to return home safely each day and that their health is maintained or improved while working with us.</p> <p>We maintain a robust H&S programme that focusses on developing leading actions such as hazard identification, near miss reporting and frequent training to ensure that our incident rates are as low as possible.</p> <p>In addition we have recently launched a new programme to focus on wellbeing: 'Coats Cares'</p> <p>Our activities in this area can be found in the following sections of this report, with page numbers: H&S management - 57 Journey to Zero - 57 Commuting Safety - 57 Coats Cares - 62</p>	<p>Our aspiration is obviously to have zero incidents for both workplace and commuting, but our goal is to reduce our incident rate each year. Every incident is fully investigated and remedial actions identified and implemented. We publish a broad range of leading and lagging indicators and ensuring that our leading indicators continue to improve is a principal lever to ensure that our incident rates continue to drop from the already very low levels that we have compared to our industry norm.</p>
	<p>Employing the highest quality employees is obviously good for our business. With a large employee population like ours that should lead to broad gender equality at all levels. At a global employee level our female: male ratio is 39:61, but at senior management levels the ratio is 23:77. At Board level the ratio is 44:56. We recognise the need to further increase female diversity at senior management levels and have set a target to achieve 30% females in senior leadership positions by 2026. This is a clear opportunity for us and it is our responsibility to ensure that we are providing our female employees with career enhancement opportunities.</p>	<p>Our priority is to ensure that our practices and procedures give female employees the support and opportunity they need to flourish in their career aspirations.</p> <p>We have an active Diversity, Equity and Inclusion Network that is led from the very top of the organisation. Network meetings are led by our CEO and frequently involve contributions from Board members as well as external speakers.</p> <p>Through 2023 we continued to enhance gender equality through our 'Coats for Her' programme. In filling role vacancies we seek to have short lists that are gender balanced whether for internal or external candidates.</p> <p>Our programmes for gender equality and our current performance are described in the following section of this report, with page number: Coats for Her - 53 Promoting Diversity and Inclusion - 52</p>	<p>Our aspiration is to achieve high levels of gender equality at Board and senior management levels. This will lead to an enhanced ability to attract and retain skilled employees which will deliver greater productivity and increased competitiveness for the business.</p> <p>Our Board female representation has remained at 44% throughout 2023.</p> <p>Our focus over the coming years is to make strong progress in our female representation at senior management levels and our goal for 2026 is to achieve 30% with an aspiration to achieve 40% by 2030.</p>



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	<p>Most of our thread and yarn products require dyeing and this currently is mainly dependent on the use of water. Many of the locations in which we operate are water stressed and our use of water, though temporary, could restrict availability for others.</p> <p>Our industrial use of water can also lead to degradation of water quality when returned to the environment.</p> <p>Our responsibility is to minimise fresh water abstraction, especially in areas of high water stress and to return the water we have used to the environment in a fit state for use by others. We are focused on opportunities to reduce or eliminate water use, on recycling water where necessary, and on technologies that reduce contamination of water in the first place or that provide better remediation after use.</p>	<p>Our priority during this last period has continued to be on the reduction of water use in our processes, eliminating any wasteful or unnecessary uses, and re-engineering processes to reduce water use or reduce the use of chemicals that can lead to degradation of water quality. Continued investment in remediation of water after use is also a high priority and looking forward our focus will shift onto ensuring that we are cleaning and recycling more water to reduce our fresh water abstraction in areas of high water stress. We also have an ongoing interest and active project in developing water-free dyeing technology.</p> <p>These programmes are described in the following sections of this report, with page numbers: Reducing water use – 42 Recycling of water – 43 Treatment of effluent – 48</p>	<p>We have increased our water recycling rate by 14% against the 2022 baseline, and are firmly on track to delivering the 2026 target of 33% increase.</p> <p>We continue to effectively manage our water consumption, and have further reduced our water intensity by 5.5% (from 37.7 Lt/Kg in 2022, to 35.6 Lt/Kg in 2023).</p> <p>Our focus going forward will be to reduce our fresh water abstraction in high water stress areas, while maintaining effluent and sludge compliance through our Roadmap to Zero programme.</p> <p>Our desired outcome is for there to be no harmful water-related impact from our activities on our stakeholders (especially our Communities and the Environment).</p>
	<p>Our processes require energy for process heat and for powering our machines. The former relies mainly on the burning of fuels to generate super-heated steam, while the latter is mainly provided as electricity from third party suppliers. Our responsibility here is to ensure that we are using the cleanest available fuels in our steam boilers and that we are promoting the use of clean and renewable electricity generation through agreements with suppliers for both on and off-site renewable programmes. The opportunity we have is to convert all of our electricity to renewable sources and to progressively convert our heat energy to electrical or other clean generation systems.</p>	<p>We eliminated any use of coal in our operations in 2019, and our sites seek to use gas rather than oil in their boilers where possible. We continue to hold off boiler replacement activities while we review the options for clean steam generation.</p> <p>We have a programme in place for transitioning to renewable electricity that includes both on and off-site supply agreements.</p> <p>Our programmes in this area are described on page 31</p>	<p>Our stated goal, under our approved Science-based Targets is to increase sourcing of renewable electricity to 100% by 2030. In addition we have made the commitment that 70% of all our energy will be from renewable sources by 2030.</p> <p>Our desired outcome here is to use our economic leverage to help accelerate the supply of clean, affordable and renewable energy.</p>
	<p>We directly employ over 15,000 permanent staff and they and their families are directly dependent on our employment. Our upstream supply chain partners also employ many people and their employment is partially or fully dependent on our activities. Our responsibility is to ensure that we and our supply chain provide stable, decent and appropriately remunerated employment conditions and that our activity provides economic growth opportunities for our employees, our neighbouring communities and the employees of our suppliers. Our principal opportunity is to use our purchasing leverage to extend responsible employment throughout our supply chain.</p>	<p>Our priority is to continue to ensure that all of our employment norms are rigorously applied to our own operations and to progressively extend these to our upstream supply chain.</p> <p>Our programmes to support this work are described in the following sections of this report with page numbers: Great Place to Work certifications – 51 Whistleblowing hotline results – 61 Living Wage implementation – 61 Group Internal Audits – 61 Supplier Code implementation – 60 Anti Modern Slavery work – 61</p>	<p>We continue to drive employee engagement through our Great Place to Work programme, where by 2026 we aim to have 88% of our employees covered by county level certification. In 2023 we achieved 87% coverage, and will continue to seek opportunities to exceed our 2026 targets.</p> <p>Monitoring of employment standards is provided by our global data system, by Group Internal Audit checks and by our externally managed whistleblowing hotline.</p> <p>Supplier Code compliance is monitored, based on risk evaluations, by both internal and external audits.</p> <p>Our desired outcome here is to see our standards progressively spread along our supply chain, which would have a beneficial impact on many more than our direct employment numbers.</p>



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	<p>The textile industry is principally a user of virgin raw materials from both natural and synthetic sources, and the trend in recent years is for garments to be used for a shorter lifespan and then to be disposed of in ways that don't recycle the useful materials. This is a wasteful model and it is our responsibility to ensure not only that we don't persist with this model in our own business, but that, where possible, we support the rest of the industry to move away from this model. The opportunity we have is that progressively we are introducing more recycled or regenerated or renewable materials into our product lines, and that we also have an emerging line of products that will assist in dismantling of garments at the end-of-life to promote easier recycling.</p>	<p>We are currently prioritising the development of recycled, regenerated and bio-based products in our range and seeking to reduce waste in our operations and, by focussing on packaging also reduce waste for our suppliers and our customers. We have developed multiple circular models for packaging materials with our suppliers this year to reduce waste in this area.</p> <p>We also launched in 2022 our first thread that will assist with the recycling of garments at the end-of-life.</p> <p>These programmes are described in the following sections of this report, with page number 37.</p>	<p>To drive physical waste reduction, we set a 2026 target of Zero Waste to Landfill, and have made good progress towards this target in 2023, having delivered a 37% reduction versus our 2022 baseline.</p> <p>We continue to collaborate with upstream suppliers on identification of circularity opportunities, and in 2023 we diverted ~9000 tonnes of materials into circular flows.</p> <p>We have a major programme of material transition, converting virgin oil-based products to recycled materials, and our goal for 2026 is to have 60% of our raw materials originating from recycled or renewable sources.</p> <p>We have also committed that by 2030 all of our products will be made without any use of new oil-extraction materials.</p> <p>We are also focussing on developing new bio-based material streams and our Innovation Hub in China is focussed on developing both bio-based and recycled materials.</p> <p>Making our packaging more sustainable is also a key goal for us.</p> <p>Our desired outcome is to have a suite of products that are recycled and/ or bio-based and that support the recycling of garments, footwear and other products at the end-of-life through mono-materiality or separation and recycling. Particularly in the case of our threads, because these are what holds garments together then the impact we can have in this area is proportionally greater.</p>
	<p>Our activities contribute to global warming and our responsibility is to ensure that we reduce our emissions, and those of our value chain, in line with what is required to minimise the damage from climate change. The principal opportunity we have to achieve this is via the transition to renewable electricity, though energy conservation will continue to play a significant part.</p>	<p>Our near-term Science-based Targets, to 2030, were approved early in 2022 and we have submitted our long term Net Zero commitment for approval. During 2023 we have made further progress in our transition to renewable energy. We increased our proportion of renewable electricity from 29% in 2022 to 54% in 2023.</p> <p>Our programmes in this area are described in the following sections of this report, with page numbers:</p> <p>Climate change – 24</p>	<p>Our approved Science-based Targets commit us to:</p> <ul style="list-style-type: none">– Reduce absolute Scopes 1 & 2 GHG emissions 46.2% by 2030 from a 2019 base year.– Increase annual sourcing of renewable electricity from 5% in 2019 to 100% by 2030.– Reduce absolute scope 3 emissions 33% by 2030 from a 2019 base year. <p>Our Net Zero targets for 2050 are currently under review by Science-based Targets initiative.</p> <p>These targets are in line with a 1.5°C trajectory and this will allow us to maximise our impact in supporting global actions to reduce climate change.</p>







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SUMMARY OF PROGRESS AGAINST OUR 2026 TARGETS

2023 is the first year of delivery against our recently set 2026 targets.

The table on the right shows the progress made towards our 2026 targets and outlines the positive outcomes delivered in 2023. The commentary on each strategic pillar in this report gives more details and examples of the work done to deliver on this performance across the business.

In 2023 we commenced assurance of our core 7 sustainability metrics, giving assurance of our 2022 baseline and 2023 performance. It is our intention to transition to public limited assurance at the point of reporting of our full year 2024 performance on these metrics.

STRATEGY PILLAR	METRIC	2026 TARGET	2023 PERFORMANCE	% ACHIEVEMENT OF 2026 TARGET VS 2022 BASELINE
 ENERGY	Scopes 1 & 2 emissions reduction	22% reduction from 2022 baseline	39% reduction	177%
 MATERIALS	Transition to sustainable materials	60% sustainable materials	29%	48%
 WATER	Water recycling rate	33% increase in rate of water recycling from 2022 baseline	13.5% increase	41%
 EFFLUENT	Zero waste to landfill	Zero waste to landfill	37% reduction	37%
	ZDHC compliance	100% compliance	99.83%	99.83%
 SOCIAL	% females in senior leadership	30%	23%	77%
	% employees covered by GPTW certification	88%	87%	99%

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LEADERS' VOICES

Adrian Elliott
Divisional Chief Executive Officer – Apparel

The Apparel Division has an extensive global reach that aligns with the industry’s centres of manufacturing.

Our garment making customers are working in a highly competitive market, with pressure to meet tight deadlines with exceptional colour matching. To meet these requirements Coats has a widely distributed downstream manufacturing network. We produce small batch sizes of hundreds of thousands of distinct colours annually, where consistency and quality is paramount.

Each year the proportion of our brand customers focused on supply chain sustainability increases. We expect this trend to continue upwards as consumers, pressure groups and regulation increase pressure on the textile industry to consider both the social and environmental aspects of their supply chain. Emissions reduction, low carbon materials, life cycle analysis, water abstraction, waste reduction and all aspects of employment and human rights are critical issues across the industry and are determined as highly material to Coats. During the year, demand from leading brands has increasingly focussed on traceability, transparency and compliance with legislation. Meeting new regulatory requirements and supply chain visibility are of paramount importance to Coats’ supply chain.

In the apparel industry, sustainability entails addressing each of these challenges. In an increasingly demanding environment, the suppliers who, like Coats, can commit to working with brands to support their transition towards sustainability will

be the ones that progress and, over time, increase market share. In the last few years, leading brands have started to consider sustainability in their suppliers as a prerequisite to do business rather than an added benefit. Supply chain traceability at the product level is important, and Coats are working with suppliers on life cycle assessments aiming, in coming years, to understand the carbon footprint for every product we sell.

Emissions reduction and energy transition are increasingly considered a requirement for supply by major brands, as they impose their own net zero targets on us. This, as well as transition to sustainable materials, remain consistent material concerns in terms of Coats’ own sustainability targets. With the Apparel Division, innovation remains a key priority as we continue to invest in new technologies like water free dyeing processes and biomaterials development.

For the Apparel Division therefore, supply chain visibility and traceability is becoming the number one sustainability priority. This will be achieved through supplier life cycle analysis, more detailed product specifications and continued product innovation, all of which are already well underway in Coats. We are proud of our track record but it is clear we, and our supply chain must keep improving our sustainability credentials.



Adrian Elliott
Divisional CEO - Apparel

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In the last few years, leading brands have started to consider sustainability in their suppliers as a prerequisite to do business rather than an added benefit.”

Strategy Overview



LEADERS' VOICES

Frederic Verague

Divisional Chief Executive Officer – Footwear

The footwear industry, and especially performance athleisure, is a concentrated market with the vast majority of the production located in Asia where manufacturers have the expertise to deliver volume and quality for such a complex product, combining performance comfort and design.

It is a segment that combines well known, long established brands with strong consumer loyalty, continued innovation and strong commitment toward sustainability.

This year Coats' Footwear Division has overcome destocking challenges and integrated new acquisitions Texon & Rhenoflex, while continuing to increase the amount of sustainable materials contained in our structural components and threads. A crucial requirement set by our brands for these products is technical product performance. A challenging year for the industry, it is gratifying to see the focus on sustainability has not been compromised. Leading brands are setting higher standards for themselves in a quest to produce goods with superior product performance while reducing their environmental impact. Disclosure of environmental credentials is becoming a pre-requisite to supply all major brands and is evidence of continued improvement of circularity in production processes and components.

Coats' Footwear Division is in a strong position to meet these expanding requirements. Coats Texon and Rhenoflex are leading brands in term of innovation and sustainability which are being leveraged and enhanced by being one organisation.

As expected, this year has seen an emphasis on the provision of transparent life cycle analyses to support brands in making complex choices that strike a balance between product compliance requirements and performance, and the priority of reducing their own product emissions footprints. Our own work on setting Net Zero targets has facilitated the provision of product level emission data to our customers, as well as these detailed life cycle assessments. We are able to provide brand customers with a sustainability focus that is aligned with their requirements across nearly all of the fundamental structural elements of their goods. As we continue to make progress towards our own medium and longer term emissions targets, this plays an important role in the reduction of value chain emissions for our customers. Our detailed emissions data means we are able to meet the increasing emissions disclosure requests, giving us a key competitive advantage.

An area of focus for Coats is the use of recycled and renewable materials to reduce the carbon footprint of our products. Our new Sustainability Hub in Madurai, is working hard to provide opportunities to increase the recycled content for all of our new product development, as materials transition underpins the delivery of our own Net Zero target.

Simultaneously, process innovation is continually identifying new opportunities for cutting waste in the manufacturing processes by moving closer towards 3D printing models. Increasing movement towards mono-material design concepts is also addressing end-of-life concerns.

We expect these trends to continue unabated into the next years and we are confident that Coats Footwear is well positioned to meet the needs of our customers with our sustainability led innovation.



Strategy Overview

LEADERS' VOICES

Soundar Rajan Divisional Chief Executive Officer – PM

The Coats Performance Materials Division is dedicated to serving a diverse customer base, spanning various sectors from personal protection to performance threads and composites.

Despite the distinct product requirements across these categories, a common thread unifies them – the necessity for underlying thread or yarn components that adhere to stringent performance and compliance standards. These performance materials play a crucial role in critical end products such as protective clothing, automotive safety components, and composite yarns for cables, where technical demands are exacting, and quality is of the utmost importance.

In the current landscape, global supply chain scrutiny has intensified, with sustainability emerging as a pivotal factor across diverse segments. Shared concerns include the demand for life cycle assessments throughout the value chain, the pursuit of lightweighting in end products, and the utilisation of sustainable or recycled raw materials to enhance the final product's durability and mitigate premature obsolescence. Notably, in the realm of performance threads, where consumer preferences and brand focus wield considerable influence, there is a pronounced emphasis on adopting new, more sustainable technology choices to align with emission reduction targets and minimize embedded carbon throughout operations.

Proudly reflecting on the strides made this year, particularly in environmental stewardship, our

division has achieved noteworthy reductions in water intensity and waste to landfill. A meticulous analysis of our waste chain resulted in a remarkable decrease of over 30% in landfill waste during the year. Progress has also been marked in enhancing water and energy efficiency within the dyeing process. Efforts have been directed towards the colouration of fibers at the supplier level, thereby reducing water and energy usage. Additionally, the adoption of pigment-infused fibers contributes to sustainable practices.

Our commitment to sustainability extends to our dedicated sustainability hub, where ongoing research focuses on next-generation sustainable materials. Bio-based materials take centre stage in our efforts to promote environmental responsibility. The incorporation of new infrared bonding technology not only aids in energy conservation but also significantly reduces waste, especially in catering to smaller customer orders.

These collective initiatives position us strongly to not only meet but exceed our customer requirements. Our commitment to detailed life analysis and the early integration of sustainable materials into the product design process underscore our dedication to fostering a more sustainable and resilient future.



Soundar Rajan
Divisional CEO – Performance Materials

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Bio-based materials take
centre stage in our efforts
to promote environmental
responsibility.”

Strategy Overview

LEADERS' VOICES

Jackie Callaway
Chief Financial Officer

Sustainability is integral to our strategy at Coats, and we know that remaining at the forefront of emission reduction and materials transition provides us a strong competitive advantage and is now a prerequisite for many of our customers.

We have an ambitious Net Zero target and continue to make good progress towards achieving it. Value chain emission reductions, through material transition to recycled, circular or bio-based materials and energy reductions initiatives across all divisions are key components of our Net Zero plan.

Continued innovation within materials transition is crucial to reducing our Scope 3 emissions. Our customers are leading brands, who constantly seek pioneering products, with technical performance characteristics and strong quality control. Our new Sustainability Hub seeks to deliver this through the use of recycled and renewable materials in our product design. With a lower carbon footprint, these products should help us gain market share as they support our customers on their own net zero pathways.

Going forward our businesses will continue to focus on developing products that while generating financial returns for our shareholders, also reduce the carbon footprints of our customers, consumers, and investors.



Stuart Morgan
Chief Legal & Risk Officer

Ethics and integrity at Coats isn't just about compliance - it's a fundamental part of our DNA and a source of clear competitive differentiation. To that end, we spend a great deal of time training, testing and auditing (supported by a robust, well-publicised and used set of whistleblowing channels) both our own employees right across our Group and also our extensive global network of suppliers on a very broad range of legal and broader ethical areas.

We also communicate and engage extensively in interactive discussions with them about what doing the right thing means for them in practice in their daily working lives - to ensure that our entire ecosphere, or ethisphere, is operating consistently with the highest possible ethical standards. This is a key, and vital, element of our ESG programme and right at the heart of what we mean when we refer to running and continuing to grow a sustainable business.



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LEADERS' VOICES

Farnaz Ranjbar
Chief Human Resources Officer

Never before has the “S” in ESG been more relevant than it is today, and never before have we as an organisation focused more on People as our most important asset.

Throughout the pandemic we put people first, sending people home where possible and protecting those who were still delivering important goods to the world. Post pandemic, our caring leadership continued, and Coats leaders have demonstrated this care in many ways.

With a high-trust culture, Coats has created a workplace where employees can belong and be their authentic selves, where they are appreciated and paid fairly. This has been highlighted through our DE&I program “Coats for All”, whilst we have continued to push boundaries for gender parity through our “Coat for Her” providing mentoring and visibility to our female talent, helping their development journey. Our employees want to stay at their jobs and are proud of where they work and what they do. Coats has been caring for the world not only for decades but for over 270 years. This unwavering dedication and sense of purpose has been part of the DNA of our people, propelled forward with our “Coats Cares” program. Coats Cares shines the light on our unsung heroes who use their time to give back to the world.

Our people are at the heart of what we do and their dedication, creativity and diverse perspectives drive our innovation and growth. That’s why we are proud to have been named in 2023 as one of the Top 25

World’s Best Workplaces by the Great Place to Work organisation and Fortune magazine. And that’s why we will remain focused on our people who will lead us to success in our ambitions of being an employer, provider and investment of choice.



Strategy Overview

COATS THREAD SUPPLY CHAIN

UPSTREAM

DOWNSTREAM

