



OUR PEOPLE

Principles



ISSUE DATE: MARCH 2026
EFFECTIVE FROM: MARCH 2026
NEXT REVIEW: MARCH 2027

TABLE OF CONTENTS



01	Key People Principles Statement	3
02	Business Code of Conduct	4
03	Diversity	5
04	Worldwide Employment Standards	6
05	Working Hours Policy	7
06	Worldwide Anti-Harassment and Anti-Discrimination Standard	8
07	Whistleblowing	9
08	Pay and benefits	10
09	Training & development	11

1

Key People Principles Statement

Coats is a world-leading Tier 2 manufacturer and trusted partner for the apparel and footwear industries, delivering the essential materials, components, and software solutions that help our customers grow, compete and win. Our continued success and ambition to lead our markets depends on the talent, commitment and well-being of our people. We are committed to providing a safe, respectful and inclusive working environment where all employees are treated fairly and are able to contribute to the success of the business. We expect everyone at Coats to uphold these standards and help create a workplace where bullying, harassment and discrimination are not tolerated, and where colleagues feel respected, valued and able to perform at their best.

As a global organisation operating across diverse cultures and communities, we recognise and respect local customs while maintaining a consistent set of standards that guide how we work together. Our aim is to foster a global culture where people are empowered to collaborate, innovate and contribute to our continued growth and success.

Developing our people is fundamental to achieving our strategy. We are committed to supporting the ongoing skills development, learning and career progression of our employees and, wherever possible, providing opportunities for individuals to grow and achieve their professional ambitions within Coats.

To support these commitments, we have a number of global policies in place, including **Business Code of Conduct, Diversity, Worldwide Employment Standards, Employment Opportunities, Working Hours Policy, Harassment, Bullying and Discrimination** as well as **Whistleblowing**. These policies set clear expectations for behaviour and support consistent standards across our operations worldwide. Below is an overview of our commitments, and more details can be found within the individual policies.

We fully support and respect the **Ten Principles of the United Nations Global Compact** and incorporate them into our strategies, policies, and internal procedures. We ensure that all employees understand our Key People Principles Statement through clear communication and training programmes available to all employees, with materials translated into 38 languages. We continually seek ways to improve our approach through annual reviews and updates as necessary to reflect the changing external environment.

2

Business Code of Conduct

The Coats Ethics Code sets out the standards of integrity, professionalism, and ethical behaviour expected from all employees. Employees are required to act in the best interests of the company and avoid any actual or perceived conflicts of interest. This includes financial or personal interests involving competitors, customers, suppliers, or relatives without prior approval. Any outside employment, consultancy, or personal business activity must also receive appropriate written consent.

Employees must not accept or offer unauthorised gifts, entertainment, payments, or commissions. Fraud, illegal activities, and misuse of company property are strictly prohibited. Employees must not take personal advantage of business opportunities related to Coats. Confidential and proprietary information must be protected at all times and not disclosed without proper authorisation.

All employees are required to promptly disclose and report any potential breaches of the Ethics Code. Failure to comply may result in disciplinary action, up to and including termination of employment.

3

Diversity

At Coats, we foster a workplace where everyone is respected, included, valued, and able to contribute fully. Diversity, equity, inclusion, and belonging (DEI&B) are foundational to our business success and culture for several reasons:

- a. Diverse decision-making is correlated with a higher likelihood of financial outperformance.
- b. Organisations with above-average diversity generate a materially higher share of revenue from innovation.
- c. Workforces that reflect customer diversity are better at anticipating needs, designing relevant products, and avoiding reputational missteps.
- d. Inclusive cultures drive discretionary effort, collaboration, and resilience during change.
- e. Most importantly, DEI&B is about fairness, dignity, and equal opportunity—values Coats holds dearly.

We leverage our global initiative, **Coats for All**, to translate our commitment into daily actions across regions and functions.

4

Worldwide Employment Standards

Coats is committed to respecting human rights and providing fair, safe, and inclusive working conditions for all employees and workers worldwide. Our standards are aligned with internationally recognized principles, including the UN Global Compact and ILO conventions.

Key commitments include:

- Compliance with all applicable employment and labour laws.
- Prohibition of forced labour, human trafficking, and child labour.
- Respect for freedom of association and worker representation.
- Fair wages, benefits, and equal pay for work of equal value.
- Reasonable working hours, rest periods, and leave entitlements.
- Equal opportunities and a workplace free from discrimination.
- A culture of dignity and respect, free from harassment and bullying.
- Safe and healthy working environments that support employee wellbeing.
- Ethical and transparent recruitment and employment practices.
- Safe channels for employees to raise concerns without fear of retaliation.

All leaders are responsible for upholding these standards and ensuring they are reflected in everyday workplace practices.

5

Working Hours Policy

The Working Hours Policy applies to our employees globally including contractual employees.

Our reputation and success in the market place is built on responsible behaviour and good corporate citizenship. These values underpin the way we do business and we aim to partner with organisations which hold a similar business. One of the ways in which we aim to deliver sustainability and responsible behaviour in our own business is to ensure that high environmental and social standards are upheld. These include respecting human rights through ethical practices, providing living wages and promoting health and well-being of employees. As a truly global employer, Coats strives to follow ethical employment standards wherever in the world it operates.

The purpose of the Working Hours Policy is to establish and ensure working hours per week for all Coats employees and to avoid excessive working hours including overtime hours. We expect all our markets to meet the obligations of relevant national laws. All Coats employees are responsible for strict adherence to the policy. Leaders at all levels within Coats are accountable for ensuring this policy is followed within each market. Should local legal requirements be higher than the standards set out in International Labour Organization (ILO) standards, markets must respect the local standards. This means that units should meet the higher of the two requirements whichever is more beneficial to the employee. The ILO standard on working hours is given below. *“Working hours should not be excessive and should be defined by contract. Working hours must comply with the local and national laws, collective agreements, and be no more than 48 hours per week (excluding overtime), whichever affords employees greater protection. Employees should be provided with at least one day off in every seven day period.”*

All Coats employees are responsible for strict adherence of this policy. Coats leaders at all levels are accountable for ensuring this policy is complied within each market

6

Worldwide Anti-Harassment and Anti-Discrimination Standard

Harassment, bullying or discrimination can reduce the effectiveness of Coats by creating a negative work environment and by potentially increasing staff absence and turnover. All employees have the right to work in an environment free from harassment, bullying or unfair treatment (for any reason), including but not limited to the grounds of race, colour, nationality, ethnic or national origin, sex, sexual orientation, gender identity or reassignment status, marital or civil partnership status, pregnancy or maternity, religion or belief, age or disability. We will not tolerate harassment, bullying or discrimination by any individual or individuals in any form. In addition to the recourse an employee has with respect to the above should any employee also witness or be notified of any incident of harassment, bullying or discrimination, they too can also raise their concerns to their line manager, HR department or via the Whistleblowing Process. Harassment, bullying or discrimination is a violation of company policy and will be considered as gross misconduct for which employees may be summarily dismissed without notice or pay in lieu of notice.

If an employee feels they are a target of harassment, bullying or discrimination they should immediately contact their line manager or the HR department or the Group's confidential ethics hotline who will discuss their concerns with them and, where appropriate, will initiate an investigation. During any investigation or subsequent disciplinary action, the employee's confidentiality will be maintained to the extent permitted by the circumstances.

7

Whistleblowing

We are committed to the highest possible standards of integrity, openness and accountability in all of our affairs and are determined to maintain a culture of honesty, dignity and respect and oppose any actions and behaviours which may be inconsistent with these standards. Our whistleblowing policy aims to encourage employees to raise concerns about serious misconduct or report suspected violations of the law or our policies and to provide assurance that those employees 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 we will take in responding to disclosed breaches or violations of laws and/or our policies.

8

Pay and benefits

We firmly believe that the success of our employees translates to the success of our business. Our people are at the heart of what we do. We understand that a person's financial well-being can impact their performance and mental well-being. We aim to ensure that all employees receive a wage that is sufficient to afford a decent standard of living for the employee and their family.

We comply with any minimum wage requirements and strive to ensure our salaries reflect a fair living wage. The level of the Living Wage is established on a country-by-country basis, reviewed annually and reflects independent benchmarks, further details of our approach to living wage can be found in the Coats Living Wage Policy.

As well as this, we have benefits packages that provide additional support to employees in areas such as healthcare, childcare (sometimes onsite) or pension provision. We benchmark our benefit provision locally to ensure we remain competitive and adapt our benefit coverage to local needs and requirements.

Additionally, Coats operates performance-based incentive structures to cover as many employees as practical. These incentives are tailored to the role that the individual undertakes and are aligned to the key performance indicators of the business area or function.

Where collective bargaining arrangements exist, these are subject to negotiation with employee representatives.

9

Training and development

We are committed to providing an engaging work environment where employees can grow and feel fulfilled in their roles, with opportunities for development.

We support our people by offering career opportunities that allow movement across roles, functions and locations, helping them build their skills and experience.

Our aim is for everyone to have the opportunity to learn and succeed. We provide training focused on key skills, job requirements and priorities such as health and safety.

We also offer digital learning through our **bite-sized GROW learning app**, making it easier for employees to access learning in a flexible way. Our focus is to continue expanding access so more employees can benefit from these tools.