



Diversity, Equity, Inclusion and Belonging (DEI&B) Policy Statement

Policy owner/ issued by	Approved by	Date issued/ reviewed	Effective from	Next review
Chief People Officer	Chief People Officer	March 2026	March 2026	March 2027

1. Our Commitment (What We Do)

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. Diversity in decision making is correlated with higher likelihood of financial outperformance.
- b. Organisations with above-average diversity generate a 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. But most importantly, DEI is about fairness, dignity, and equal opportunity — values Coats holds dearly.

Therefore, we build on our global initiative - **Coats for All**, to turn commitment into everyday actions across regions and functions.

We commit to:

- Building and supporting a diverse global workforce
- Providing fair, equitable and unbiased opportunities for all employees throughout the employee lifecycle
- Ensuring leaders model inclusive behaviors and embed inclusion in all people-related decisions
- Maintaining a safe, respectful and discrimination-free workplace with zero tolerance for harassment, bullying, threats, violence or victimization
- Listening to employees and using their feedback to continuously strengthen our culture



- Complying with all applicable anti-discrimination and employment laws, protecting the rights of all employees
- Ensuring equal treatment regardless of protected characteristics, including race, colour, nationality, ethnic or national origin, sex, sexual orientation, gender identity or reassignment, marital or civil partnership status, pregnancy or maternity, religion or belief, age or disability

Key Definitions

- Diversity: The presence of different identities, backgrounds, experiences and perspectives.
- Equity: Ensuring fair access, opportunities and support to thrive.
- Inclusion: Creating an environment where all employees feel welcomed, valued and heard.
- Belonging: A culture where employees can be authentic, confident and safe.

2. How We Measure Progress

To understand how well we are doing and where we need to improve, Coats measures DEI&B through the following indicators:

a. Workforce & Representation Data

- Global gender representation (overall and senior management)
- Hiring, promotion, succession and turnover demographics
- Voluntary self-identification data (where lawful and with explicit consent)
- Equity reviews across performance, development and compensation to ensure fair and consistent outcomes for all employees

b. Employee Listening

- Annual global employee survey measuring inclusion, belonging, psychological safety, fairness and respect

c. Culture Indicators

- Engagement scores and attrition trends
- Speak Up (whistleblowing) themes and time-to-resolution trends

3. Our DEI&B Targets

The following targets provide clear direction and accountability. They will be reviewed annually and may be adjusted to reflect business context, data insights, and legal requirements.



Representation

- Increase the proportion of women in senior management each year, progressing toward balanced gender representation. Internal annual targets may be strengthened when external progress exceeds expectations to ensure continued ambition and sustained momentum.
- Strive to include diverse candidate shortlists — with at least one woman whenever feasible — in senior management recruitment and succession processes.

Culture & Inclusion

- Maintain or improve the global inclusion score from the annual employee survey.
- Ensure all leaders complete mandatory annual DEI&B training, with completion tracked on a regular basis.

Equity

- Ensure equitable access to development programmes, with strong representation of women in leadership development cohorts each year.

Participation & Data

- Increase voluntary self-identification participation (where lawful) over time to support clearer insight into workforce diversity.
- Increase employee participation in listening activities — such as listening groups, feedback sessions, and culture-pulse channels — with progress monitored and reported globally

4. Governance

Leadership owns the DEI&B agenda and is accountable for progress. The Board and Group Executive Team sponsor the DEI&B strategy and review progress annually. HR owns the global DEI&B policies, ensuring they are current, compliant and consistently applied. Leaders are accountable for role-modelling inclusive behaviours and leading in line with our policies, and all employees are responsible for working in accordance with these standards. Coats maintains global policies—including the Business Code of Conduct, Worldwide Employment Standards, Working Hours, Anti-Harassment & Anti-Discrimination, and Speak Up (Whistleblowing)—that set the expected standards of behaviour for all employees, suppliers and partners



5. Scope

This policy applies globally to all individuals engaged with Coats Group, including full-time and part-time employees, fixed-term employees, contractors, interns, trainees and anyone working under any other engagement model.

6. Data & Privacy

Employee data used for DEI&B monitoring is collected and reported in line with applicable laws and our Data Protection Policy. Data is voluntary where required, aggregated for analysis and reporting, and access is strictly limited to authorised personnel in Central HR and the employee. We use multiple sources to understand our progress, including HRIS data, recruitment and promotion records, learning systems, employee surveys and listening sessions, exit interviews, ERG participation (aggregated) and external benchmarks.

7. Roles & Responsibilities

Leaders: *are accountable for role-modelling and fully applying Coats' DEI&B policy in all leadership behaviours, people decisions and day-to-day management. They are responsible for creating inclusive environments, ensuring fair and transparent practices, and driving measurable progress on DEI&B goals.*

Key responsibilities:

- Demonstrate inclusive leadership by creating and maintaining an inclusive team environment, ensuring teams uphold these standards and addressing inappropriate behaviour promptly.
- Sponsor and support diverse talent, ensuring fair, equitable, transparent and consistent processes across hiring, promotion, development, performance management and pay.
- Review and act on DEI&B metrics and targets as part of business and team reviews.
- Encourage participation in surveys, listening sessions and development programmes to strengthen inclusion and engagement.

All Employees: *are expected to uphold the DEI&B policy and contribute to an inclusive, respectful culture.*



Key responsibilities:

- Treat colleagues, customers and partners with respect and speak up against discrimination or harassment.
- Participate in DEI&B learning and provide feedback to help improve our culture.

HR : *is responsible for owning the DEI&B policy, providing specialist guidance, ensuring consistent and compliant application across all people processes, and championing inclusive practices throughout the organisation.*

Key responsibilities:

- Govern the DEI&B policy and support its consistent, compliant implementation through clear guidance, tools and training for leaders and teams.
- Maintain accurate and compliant DEI&B data, monitor progress and issue regular dashboards and insights.
- Act as advocates for inclusion, helping embed inclusive practices at both local and global levels.
- Partner with leaders and local teams to deliver initiatives such as awareness campaigns, capability-building sessions and community engagement activities that strengthen culture and belonging.