S172 STATEMENT

Section 172 of the Companies Act 2006 requires the directors to promote the success of the Company for the benefit of its members as a whole, while having regard to the interests of its stakeholders in their decision-making (S172 Factors). When making decisions, the Board recognises the importance of considering the needs and priorities of our stakeholders to help determine what is most likely to drive sustainable, long-term value.

The ways in which the Board has engaged with our six principal stakeholder groups are outlined on pages 30 to 33, including what was learned from these engagements. The Board recognises the value of taking into account stakeholder views and the impact of the Company's activities on local communities, the environment and the Group's reputation.

Specific examples of Board decision-making, including how stakeholders were considered and how their input influenced outcomes, are shown on pages 35 to 36. Other information considered by the Board during 2025 relating to the S172 Factors is set out below:

S172 Factor	Relevant disclosures
a The likely consequences of any decision in the long term.	Group CEO's review (pages 6 to 11) Strategic enablers (pages 16 to 21) Principal risks and uncertainties (pages 38 to 46) Long-term viability statement (page 47) TCFD disclosures (pages 178 to 199)
b The interests of the Company's employees.	Business model (page 13) Sustainability KPIs (page 15) People and Culture (pages 28 to 29) Stakeholder engagement (page 31) The Board and culture (page 61)
c The need to foster the Company's business relationships with suppliers, customers and others.	Business model (page 13) Stakeholder engagement (pages 30 to 33) Operating Review (pages 22 to 24) Principal risks and uncertainties (pages 38 to 46)
d The impact of the Company's operations on the community and the environment.	Stakeholder engagement (page 32) Sustainability KPIs (page 15) Principal risks and uncertainties (pages 38 to 46) Directors' Report (SECR disclosures, pages 101 to 103) TCFD disclosures (pages 178 to 199)
e The desirability of the Company maintaining a reputation for high standards of business conduct.	People and Culture (pages 28 to 29) Non-Financial Information Statement (page 37) Principal risks and uncertainties (pages 38 to 46) Audit and Risk Committee Report (pages 66 to 71) Whistleblowing (page 100)
f The need to act fairly as between members of the Company.	Stakeholder engagement (page 31)

S172 STATEMENT CONTINUED

Examples of Board decision-making during the year and S172 Factors considered	Stakeholders	Key stakeholder considerations
Acquisition of OrthoLite The Company has a well-established acquisition strategy which includes pursuing expansion into adjacent attractive markets to unlock long-term organic growth. As part of this strategy, the Group CEO provides regular updates on the M&A pipeline and activities at Board meetings. OrthoLite is the global market leader in premium insoles. Following the acquisitions of Rhenoflex and Texon in 2022, the opportunity to purchase OrthoLite and accelerate Coats' strategy to create a Tier 2 supplier for footwear components was evaluated against clear acquisition criteria. The Board considered the need to act fairly as between members of the Company in relation to the funding of the acquisition.	Communities Customers Employees Environment Shareholders Suppliers	– Price and funding mechanisms. – Short- and medium-term growth case, including expected annualised cost synergies and enhanced Group EBIT margins, with EPS accretion expected from 2026. – Long-term strategic rationale, particularly expansion into the high-growth premium insole segment and OrthoLite's strong sustainability credentials. – Product fit and the opportunity to leverage the Company's experience in successfully delivering synergies from previous footwear acquisitions. – Cultural fit, people and leadership skills, and long-term capability building. – Significant customer, operational and route-to-market overlap, offering opportunities for accelerated growth through innovation and cross-selling. – In assessing the overall deal, the Board considered the risks and opportunities offered by the acquisition and concluded that the acquisition would be beneficial for the Group and its stakeholders.

Outcome:
On 16 July 2025, the definitive agreement to acquire OrthoLite was announced. On 29 October 2025, the acquisition was completed following receipt of all required regulatory clearances.

Post-completion, the Directors received regular updates on integration from a strategic, financial, operational and cultural perspective in order to evaluate the ongoing impact on stakeholders post-acquisition.

Examples of Board decision-making during the year and S172 Factors considered	Stakeholders	Key stakeholder considerations
Capital Raise Evaluation of the potential funding mechanisms available to the Company to purchase OrthoLite required assessment of both equity and debt options to determine the appropriate mix. The Board noted that it had the authority granted by shareholders at the 2025 AGM to issue up to 19.99% of issued share capital on a non-pre-emptive basis. The Board carefully considered the need to act fairly as between members of the Company in relation to the funding of the acquisition, and analysed the benefits of launching a retail offer. The Board considered the available debt financing options from existing lenders. The Directors also considered the implications of proceeding with the capital raise if the acquisition did not complete.	Shareholders	– The capital raise was not conditional upon any further approval by shareholders. – Where possible, the Company's major institutional shareholders were consulted on both the acquisition and the share capital increase, to minimise execution and market risk, cost, time to completion and use of management time. – The consultation process confirmed the Board's view that the share capital raise and the acquisition were in the best interests of shareholders, as well as wider stakeholders in the Company. – Directors listened to the views of shareholders on the acquisition price, potential funding methods and their impact on leverage and potential dilution impacts. Directors carefully considered these balances through the decision process. – A retail offer provided retail investors with the opportunity to participate. – The Directors and management were able to participate in the share capital raise.

Outcome:
The Directors confirmed that, if the acquisition did not proceed, it was their intention that the net proceeds of the share capital raise would be invested on a short-term basis while they evaluated other uses of the proceeds (which may have included other acquisition opportunities) or a return of capital.

Concurrent with the announcement of the acquisition of OrthoLite, on 16 July 2025 the Company announced a proposed capital raise and retail offer. The capital raise resulted in gross proceeds of approximately £246 million, with strong support from existing shareholders and participation by the Directors and management.

S172 STATEMENT CONTINUED

Examples of Board decision-making during the year and S172 Factors considered	Stakeholders	Key stakeholder considerations
Change of organisational structure Following the exit from the non-core US Yarns business and the acquisition of OrthoLite, the Board considered the appropriate organisational structure to reflect the new profile and scale of the Group's core businesses and the impact of these in the long-term to meet the Company's ambitions for sustainable growth. The Board emphasised the need for the structure to enable the business to focus on key priorities, while concurrently effectively integrating OrthoLite without disrupting day-to-day delivery and execution.	Communities Customers Employees Environment Shareholders Suppliers	– The structural and operational improvements in Performance Materials which had delivered substantial margin progression and a return to organic growth. – Cost synergies. – Operational matters, including changing footprint of operations and the associated impact on local communities and environmental performance. – Synergies from aligning underlying technologies. – The benefits of reducing internal operating complexity for both internal and external stakeholders. – Potential for further deepening relationships with customers and suppliers, accelerating innovation and delivering greater value.

Outcome:

The new two-division organisation structure was announced on 30 October 2025. Adrian Elliott would continue to lead the Apparel Division, which now included Personal Protection and Performance Threads businesses (c.80% of Performance Materials). Pasquale Abruzzese would lead the enlarged Footwear Division, which included Telecom & Energy business (c.20% of Performance Materials) as well as OrthoLite.

It was also confirmed that the Company's external reporting would align to this new structure with effect from the financial year ending December 2026.