



Environmental Policy

Policy owner/ issued by	Reviewed and approved by	Date issued/ reviewed	Effective from	Next review	Next independent review
Group Health, Safety and Environment Director	Board of Directors	February 2026	February 2026	February 2027	2027

We are a leading global manufacturer of threads, yarns, safety fabrics, composite materials, in-soles and footwear structural components. For over 250 years we have helped to connect and form the fabric of daily life on our planet. Our purpose is to connect talent, textiles, and technology to make a better and more sustainable world.

Limiting our impact on the environment is a fundamental part of our business and is something everyone in Coats takes seriously. Coats senior management has defined both short - and long -term objectives and targets to achieve the highest practicable standard of environmental performance for the Group, and these will be continuously revised as necessary to meet the challenges of the future. We recognise that the environment is a shared resource and our responsibilities extend to near and far neighbours and to future generations.

Coats senior management has also defined objectives and set targets to reduce the amount of energy and water we use to manufacture our products and to ensure that the energy and water we use is sustainably sourced and that our custodianship of it is responsible.

To fulfil this requirement, we care for our environment by:

- acting responsibly in every aspect of our operations. We comply with all applicable environmental laws and regulations and voluntary commitments to which the company subscribes.
- providing appropriate information, training, and resources to every member of the Coats team to ensure we continually improve our environmental performance and implement energy, waste, water and effluent efficiency measures. Where possible we will work to reduce absolute energy and water consumption and waste generation.
- identifying significant environmental aspects, including our use of energy and water, that affect our business at a local, regional, and global level and continuously seeking to reduce the environmental impact of our production processes and of our operations and committing to protecting the environment and prevention of pollution.
- ensuring every Coats unit has a procedure for responding to accidents and emergencies and for preventing or mitigating resulting environmental impacts.
- consulting and partnering with leading apparel and footwear brands and our customers to prevent pollution and improve environmental performance.
- reducing, re-using, or recycling materials wherever practicable and using recycled and sustainable materials in our product development.

- encouraging and partnering with our suppliers and contractors to reduce their environmental impact and to improve the efficiency of their use of energy and water as well as to ensure that they are compliant with our Restricted Substances List.
- engaging with our waste management contractors to ensure responsible handling, recovery and disposal of waste, to support our ambition to eliminate waste to landfill, with the only exceptions being where local regulatory requirements mandate controlled landfill for specific waste types.
- committing to manage all manufacturing operations through a structured environmental management system aligned to ISO 14001, to monitor, measure and target energy consumption through an energy management system aligned to ISO 50001, and to implement effective waste and water management plans to monitor, measure and target waste generation and water use.
- continuously monitoring our environmental performance and regularly providing information and updates on our environmental performance to our stakeholders.
- monitoring the effect of our use of water on the local environment and on our industrial and community neighbours.
- recognising the critical importance of biodiversity and committing to its conservation by minimising negative impacts on ecosystems, protecting natural habitats, and promoting the responsible use of natural resources across our operations and supply chain.

We will deploy resources and implement processes to assure implementation of this policy, which has been reviewed and approved by the Board of Coats Group plc. It is applicable to all Coats companies.

The effectiveness of this Environmental Policy and the environmental and energy management systems will be reviewed on a regular basis by the Sustainability Committee of Coats Group plc, and it should be read in combination with our Climate Policy.