



# SANCTIONS INSTRUCTIONS

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Chief Legal & Risk Officer and Group  
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**APPROVED BY**  
Group Executive Team on behalf  
of the Board of Directors

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## Quick Reference

- Export controls and sanctions laws restrict the individuals, companies and countries with which Coats can do business.
- To understand the sanctions checks and processes which must be followed, please refer to Section C of these instructions and the flow chart set out in [Appendix 5](#).

## 1. INTRODUCTION

Coats Group plc and its subsidiaries ("Coats" or the "Company") are a group of companies with employees and operations located internationally and serving customers and markets all around the world. As such, Coats and the companies with which it partners are subject to complex laws and regulations governing international trade, and in particular:

- export controls; and
- economic and financial sanctions.

## 2. INTENT AND SCOPE

All Coats' transactions and exports must be conducted in compliance with applicable export control and sanctions regulations or any other applicable country's regulations. These Instructions ("Instructions") are designed to make all Coats' personnel aware of export control and sanctions laws in place and to provide practical guidance to help Coats' personnel comply with those laws.

As Coats continues to pursue growth in global markets, it is responsible for ensuring full compliance with the laws of the countries in which it does business. All Coats employees, including but not limited to sales personnel, customer-facing teams, and commercial and procurement teams, should follow these Instructions when doing business with any other entity or person. Moreover, customers, contractors and suppliers representing Coats should also adhere to these Instructions when doing business for or on behalf of Coats overseas in accordance with our Supplier Code.



### 3. WHERE DO THESE INSTRUCTIONS APPLY AND WHO IS RESPONSIBLE FOR COMPLYING WITH THEM?

These Instructions apply to the activities of all parts of Coats (including its operating companies, subsidiaries, branches and joint ventures), wherever located, and in all territories and jurisdictions where Coats conducts operations, makes sales, or purchases goods or services.

In addition to these Instructions, any export control and sanctions laws in the country of production also need to be taken into account and the relevant Responsible Commercial Team and Responsible Procurement Team in local units are responsible for ensuring they are aware of and comply with all such laws.

In the case of dealings with customers, distributors and agents, it is the commercial team of the unit which issues the invoice for the products/services which is responsible for ensuring compliance with these Instructions. For the purpose of these Instructions, this is the Responsible Commercial Team.

In the case of dealings with suppliers, it is the relevant procurement team which places an order with a supplier which is responsible for ensuring compliance with these Instructions. For the purpose of these Instructions, this is the Responsible Procurement Team.



## 4. EXPORT CONTROLS

### WHAT ARE EXPORT CONTROLS?

Export control regulations in the EU/UK and the United States of America ("US") prohibit the unlicensed and/or unauthorized export of certain products or technology (including hardware) for political, economic and national security reasons. Arms embargoes and other trade control restrictions prohibit the export of:

- weaponry; and
- goods which have both civil and military use which are on published lists ("Dual Use Items"). See Appendix 3 for a link to check if your product(s) appear(s) on the UK, US, EU or UN lists.

Export controls usually arise for one or more of the following reasons:

- **Goods/Services:** the nature of the export has actual or potential military applications (i.e., Dual Use Items);
- **Country/Buyer/End User:** international governments have concerns about the destination country, organisation, or individual; and/or
- **End Use:** international governments have concerns about the declared or suspected end-use, or the end-user, of the export.





Controls can be placed on the country, goods, buyer/end user and end use. There can be many reasons why these controls are put in place, which is what makes this a complicated area of the law.

Depending on the products or technology or people and places involved in any export-related activity, export regulations may:

- allow exports without the need for prior government authorisation;
- require that appropriate government authorisation is in place before going ahead with a transaction (e.g., a licence to supply);
- stipulate that the transaction needs to be notified/reported to relevant authorities; or
- prohibit the transaction, which will generally be the case if the export is to any of the countries listed in [Appendix 1 \(Embargoed Countries\)](#) or is a Dual Use Item for export to a country listed in [Appendix 2 \(High-Risk Countries\)](#).

## HOW DO EXPORT CONTROLS AFFECT COATS?

On the basis that most of Coats' exported products are threads or yarns, the majority are unlikely to have an actual or potential military use. However, Coats may be exporting specific industrial and/or engineered yarns or utilising technology which might be considered Dual Use Items or otherwise restricted in the country of use. This is particularly the case with certain of our Performance Materials. In practice, if the Responsible Commercial Team has a reasonable suspicion that this is a risk (see Section C, Paragraph 3, below), they should require comfort that the end-user will not use the goods for military purposes. The document in [Appendix 6](#) must be used to do this and retained by the Responsible Commercial Team.



## 5. SANCTIONS

### WHAT ARE THE SANCTIONS LAWS AND REGULATIONS?

In addition to the export controls on certain goods, the United Nations ("UN"), European Union ("EU") and most countries have sanctions laws that restrict the individuals, companies and countries with which Coats can do business.

These measures include comprehensive trade and economic embargoes against countries or regimes, as well as selective sanctions measures, depending on the foreign policy and national security objectives sought to be achieved through sanctions.



In some cases, sanctions are directed against specific individuals and entities, considered to be designated groups, including terrorist organisations, narcotics traffickers, weapons proliferators, and others. In some other cases, the sanctions regimes are targeted at countries or industries within countries.

#### WHO IMPOSES SANCTIONS?

Sanctions are imposed by a number of international bodies and governments. As a consequence of its global footprint, Coats is affected by numerous, sometimes overlapping sanctions programmes. These include the following:

- the UN Security Council as the body responsible for adopting measures that are binding on all UN member states;
- the Organisation for Security and Co-operation in Europe ("OSCE") which addresses arms embargoes and trade controls that are implemented by all member states of the OSCE;
- the EU and its member states, which can independently adopt sanctions in accordance with each member's foreign and security policy objectives, e.g., protection of human rights, rule of law and democratic principles;
- the UK Treasury, which administers the UK sanctions regime; and
- the US Office of Foreign Assets Control ("OFAC"), which administers US sanctions programmes.

Simple changes, such as a change of government in a country can have implications for the sanctions applicable. For example, President Trump in the US implemented stricter sanctions against Russia and Iran than those implemented by his predecessor.



## OVERVIEW OF SANCTIONS MEASURES

In general terms, these measures include economic sanctions that include arms embargoes, travel bans, asset freezes, reduced diplomatic links, reduction in trading relationships, suspension from international organisations, withdrawal of aid, trade embargoes and restrictions on cultural/sporting links, amongst others.

Most importantly for Coats, the restrictions impacting Coats' ability to trade include:

- wide-ranging asset-freezing measures, which prohibit the release of any funds or "economic resources" (which may potentially include any of Coats' products) to any sanctioned individual or entity (or person acting on their behalf);
- wide-ranging prohibitions which prevent the making available of any funds or "economic resources" (either directly or indirectly) to:
  - 1.a designated individual or entity;
  - 2.any person acting on behalf of a designated individual or entity; and/or
  - 3.any entity owned or controlled by a designated individual or entity;
- specific targeted prohibitions on the transfer of funds to, and trade related activities in, certain key sectors of the economy (e.g., capital market, oil & gas, insurance, defence, shipping, telecommunications) of a target country, such as Russia, Iran, Syria or North Korea. These include restrictions on the transfer of funds to and from persons and entities in these countries by financial institutions, such as UK banks.

When sanctions come into force, the relevant countries are under a legal obligation to:

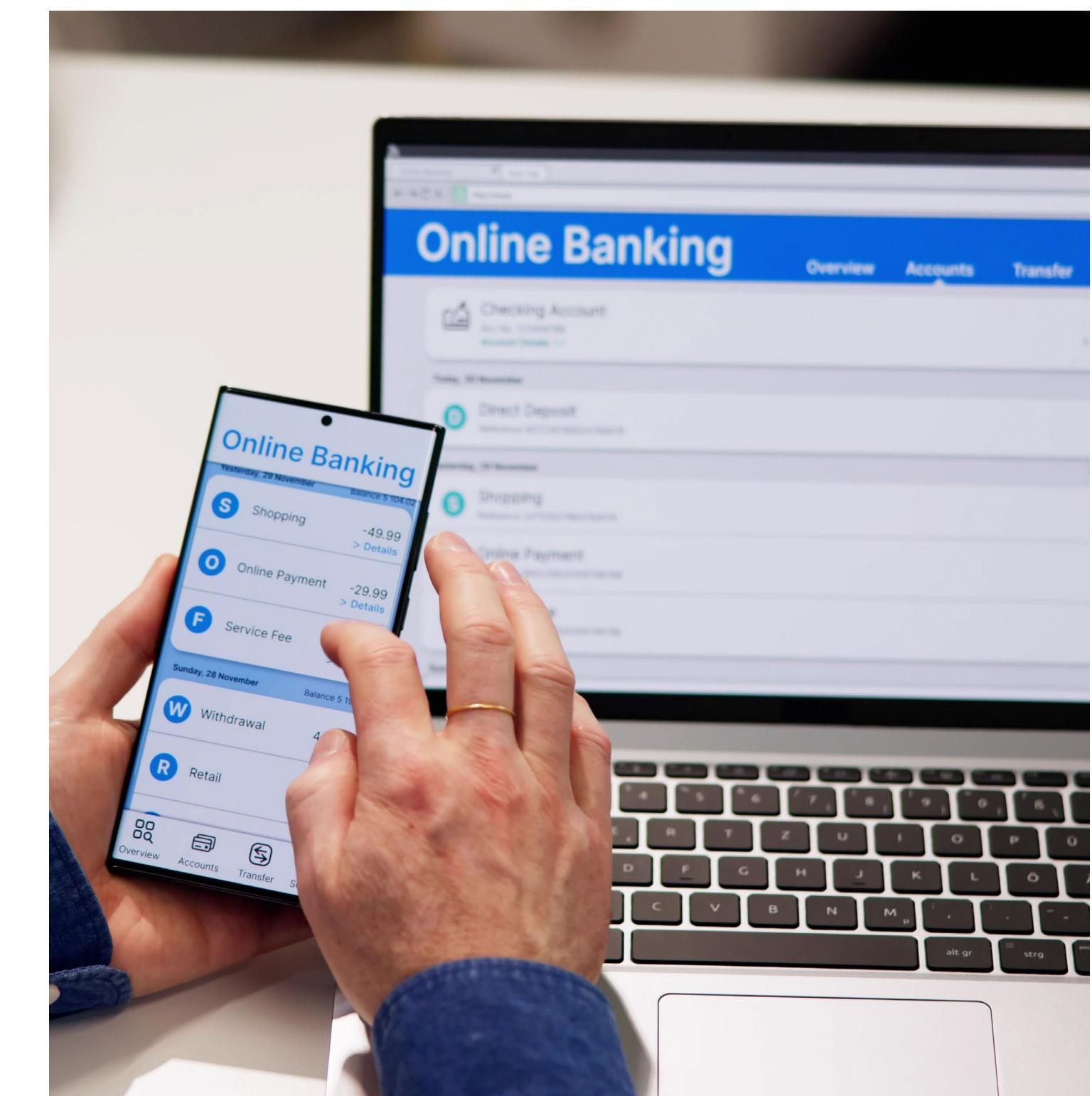
- without delay, freeze the funds of and other financial assets or economic resources, including funds derived from property owned or controlled directly or indirectly by, those entities and/or individuals;
- prevent the entry into, or transit through, their territories by designated individuals; and
- prevent the direct or indirect supply, sale, or transfer of goods and services.

All entities and individuals subject to those laws are required to comply immediately with those restrictions.



In practice, the application of sanctions measures is wide-ranging, restricting Coats' abilities to make payments to, or deal with funds of, a designated individual or company or engage in a specific trade-related activity without a licence.

The measures also restrict the ability to receive payments from funds owned, held, or controlled by designated persons without a licence. In some cases, payments to Coats from embargoed countries or parties could be frozen by banks for months or years until the sanctions are lifted.



What are sanctions laws and regulations?

Who imposes sanctions?

Overview of sanctions measures

Embargoed countries

High-risk countries

Compliance risks

## 🚫 EMBARGOED COUNTRIES (also known as proscribed or sanctioned countries)

Embargoed countries, also known as proscribed countries or sanctioned countries, are nations that are subject to specific trade restrictions imposed by one or more countries or international organizations as a punitive measure. These restrictions are typically imposed due to concerns related to the targeted country's actions, such as human rights violations, nuclear proliferation, terrorism, or threats to international peace and security.

Sanctions against embargoed countries can encompass various measures, including trade embargoes, arms embargoes, financial sanctions, travel bans, restrictions on specific goods or services, and other punitive actions. **The goal is to exert economic and political pressure on the targeted country or government, encouraging them to change their behaviour or policies.**

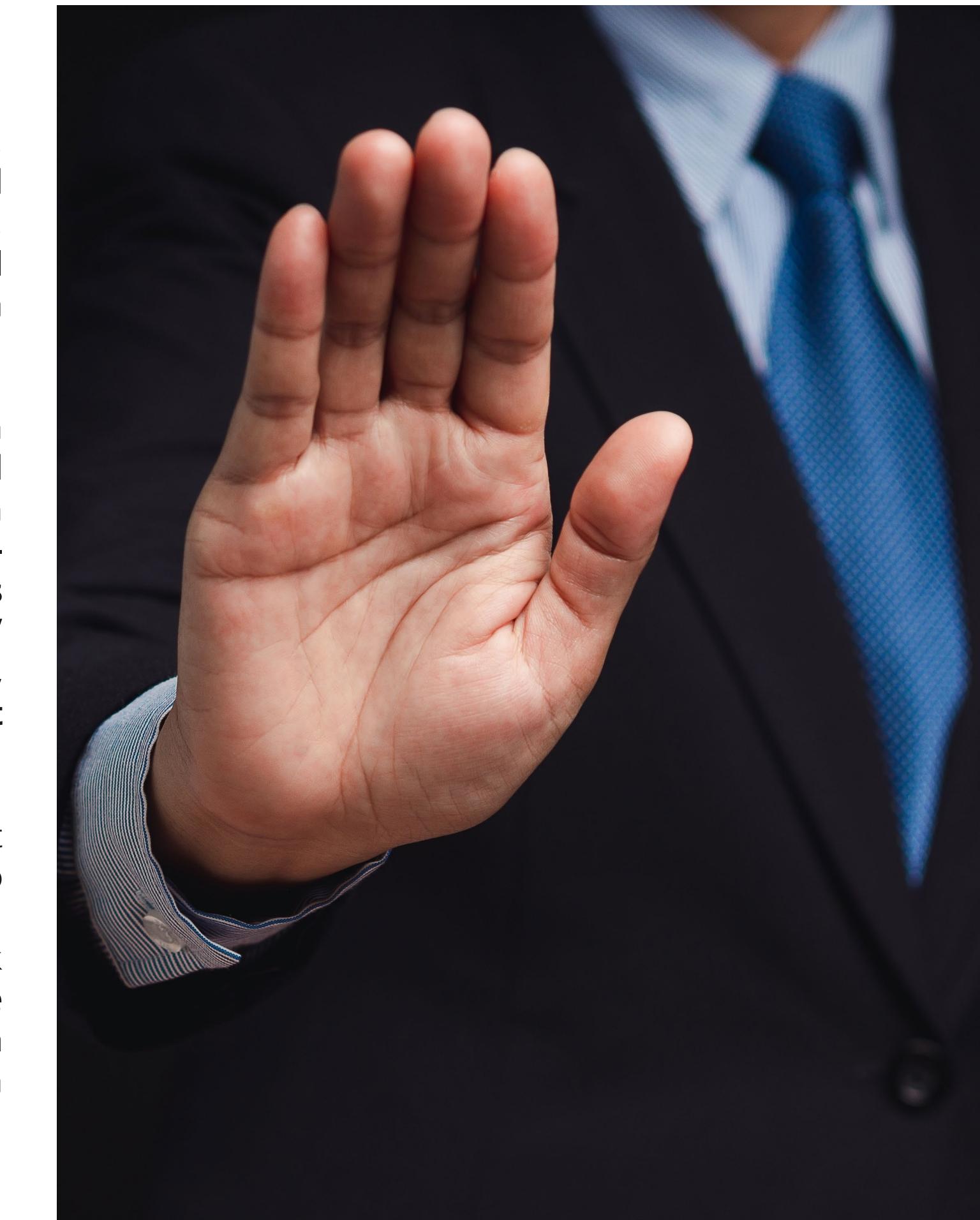
Sanctions against embargoed countries are usually enforced through laws and regulations that restrict individuals, companies, and organizations within the jurisdiction of the enforcing entities from engaging in specified activities with the targeted country. These activities may include trade, financial transactions, technology transfers, investments, or other forms of cooperation.

## ✖ HIGH-RISK COUNTRIES (also known as additionally restricted countries)

High-risk countries, also known as additionally restricted countries, in the context of sanctions, refer to nations that pose an elevated risk in terms of compliance with international norms, regulations, and legal frameworks related to various areas, including financial transactions, anti-money laundering ("AML"), counter-terrorism financing ("CTF"), and other illicit activities.

Financial institutions and international organizations often conduct risk assessments to determine the level of risk associated with engaging in financial transactions or business activities with countries or entities operating within those countries. **High-risk countries are typically identified based on factors such as weak governance, corruption, inadequate AML/CTF frameworks, presence of terrorist organizations, money laundering activities, or involvement in other illicit practices.**

In the context of sanctions, high-risk countries are often subject to enhanced due diligence measures and increased scrutiny to mitigate the risks associated with potential sanctions violations. Financial institutions and businesses operating in high-risk countries may be required to implement stricter compliance procedures, monitor transactions more closely, and take extra precautions to ensure they are not inadvertently involved in sanctionable activities.



INTRO	INTENT & SCOPE	INSTRUCTIONS APPLICATIONS	EXPORT CONTROLS	SANCTIONS	COATS COMPLIANCE	APPENDIX 1 EMBARGOED COUNTRIES	APPENDIX 2 HIGH-RISK COUNTRIES	APPENDIX 3 DUAL USE PROD. CHECKER	APPENDIX 4 CHECKLIST	APPENDIX 5 SANCTIONS APPROVAL	APPENDIX 6	REVISION HISTORY
				What are sanctions laws and regulations?	Who imposes sanctions?	Overview of sanctions measures	Embargoed countries	High-risk countries		Compliance risks		

## COMPLIANCE RISKS



Failure to comply with sanctions and export control laws can result in significant regulatory enforcement action, with both criminal and civil penalties being imposed on companies or individuals party to any breach. The severity of these penalties is dictated by the nature of the violation, but they are generally highly punitive.

In the US, the UK and many EU member states, governments have intensified efforts towards the criminal prosecution of export control and sanctions violations. Enforcement actions regularly result in criminal convictions. Prison sentences are getting longer and multimillion-dollar fines are becoming increasingly regularly administered. Some of the biggest recent fines for sanctions violations were paid in 2014 by BNP Paribas for USD 8.9 billion, in 2017 by ZTE, the Chinese telecom company, for USD 1.19 billion and in 2023 by British American Tobacco for USD 500 million, all to US authorities.

Fines have been imposed by OFAC for violation of the Iran Transaction and Sanctions Regulations ("ITSR") on the basis that the exporting company had "reason to know" that the distributor, in receipt of the goods intended to re-export the goods to Iran in violation of the ITSR. This should also be assumed to be the same for re-export to other sanctioned countries and for the sale of our products as Dual Use Items, the end use of which is in military products.

As international governments are devoting more resources to the investigation of export control and sanctions' violations, the current enforcement climate is more uncompromising than ever.

In the EU, the nature and scope of the sanctions will depend on national measures. The EU can prescribe sanctions, but it is the member states that criminalise non-compliance and determine the penalties. While some EU member states have imposed general laws covering infringements of all EU embargoes, other member states prefer to establish the criminal offence on a case-by-case basis.

When implementing EU sanctions laws, it is worth noting that some EU member states and the UK apply strict liability standards to an entity if the entity has EU or UK individuals acting as directors, officers, or employees. A strict liability standard means that liability will be found simply by the act of doing, even if the entity or individual did not know it was an offence. For example, UK Regulations explicitly hold an entity liable for a sanctions offence committed by a UK employee when such offence is committed "with the consent or connivance of any director,

manager, secretary, or other similar officer of the body corporate, or any person who was purporting to act in any such capacity," or commits an offence that "is attributable to any neglect on the part of any such person". Thus, EU and UK entities should avoid at all times adopting corporate decisions that might violate EU or UK sanctions regulations.

In the UK, HM Treasury administers the list of financial sanctions. Breaching sanctions is a criminal offence. Penalties vary depending on the nature of the offence, but they may include:



**Revocation of a licence**



**Seizure of goods**



**Issuing of a compound penalty fine; and/or**



**Imprisonment of up to 10 years**

In addition, the reputational risk for Coats in breaching sanctions laws may be greater than the fines and penalties at stake and may prevent Coats from being able to trade in some jurisdictions in the future.

## 6. COATS COMPLIANCE

All Coats' transactions and exports, including those through agents, must be conducted in compliance with applicable export control and sanctions regulations, or any other applicable country's regulations. Special care should be taken to prevent transactions with Embargoed Countries, entities and individuals subject to sanctions or asset-freezing measures and the sale of Dual Use Items to High-Risk Countries.

This means that all Coats' business units must comply with the export control and economic sanctions laws and regulations of:

- their respective home countries,
- the countries in which they are located, and
- US, UN and EU sanctions even when not located or operating in the US, UN, or EU.

The Responsible Commercial Team (for dealings with customers, distributors and agents) and the Responsible Procurement Team (for dealings with suppliers) must ensure that it conducts appropriate due diligence and follows these Instructions to ensure compliance with these laws. They must also maintain a written record of the steps and checks they have taken to comply with these Instructions and upload those documents to the Customer Data Management System or Vendor Data Management System as appropriate. The Responsible Commercial Team must complete the sanction compliance validation within the Customer Data Management System before a customer can be created in SAP.

Similarly, the Responsible Procurement Team must complete the sanction compliance validation within the Vendor Data Management System before a vendor can be created in SAP.

As a guide, a flowchart of critical compliance steps and processes which must be followed is set out in [Appendix 5](#).

### a) Embargoed Countries

The US, UK, UN and EU impose comprehensive embargoes against certain countries and selected sanctions against other countries.

**To comply with these broad country-based economic sanctions programmes:** Coats will not directly, or indirectly through a third party, sell or provide products or services to, or to any person or entity in, any of the **Embargoed Countries** listed in Appendix 1 unless the transaction has been determined to comply with applicable laws and regulations and checked and approved by the Group Legal Team. Likewise, Coats will not proceed with a transaction if it knows or has a reasonable suspicion that its goods or services are ultimately destined to benefit a person in one of the Embargoed Countries, unless checked and approved by the Group Legal Team.

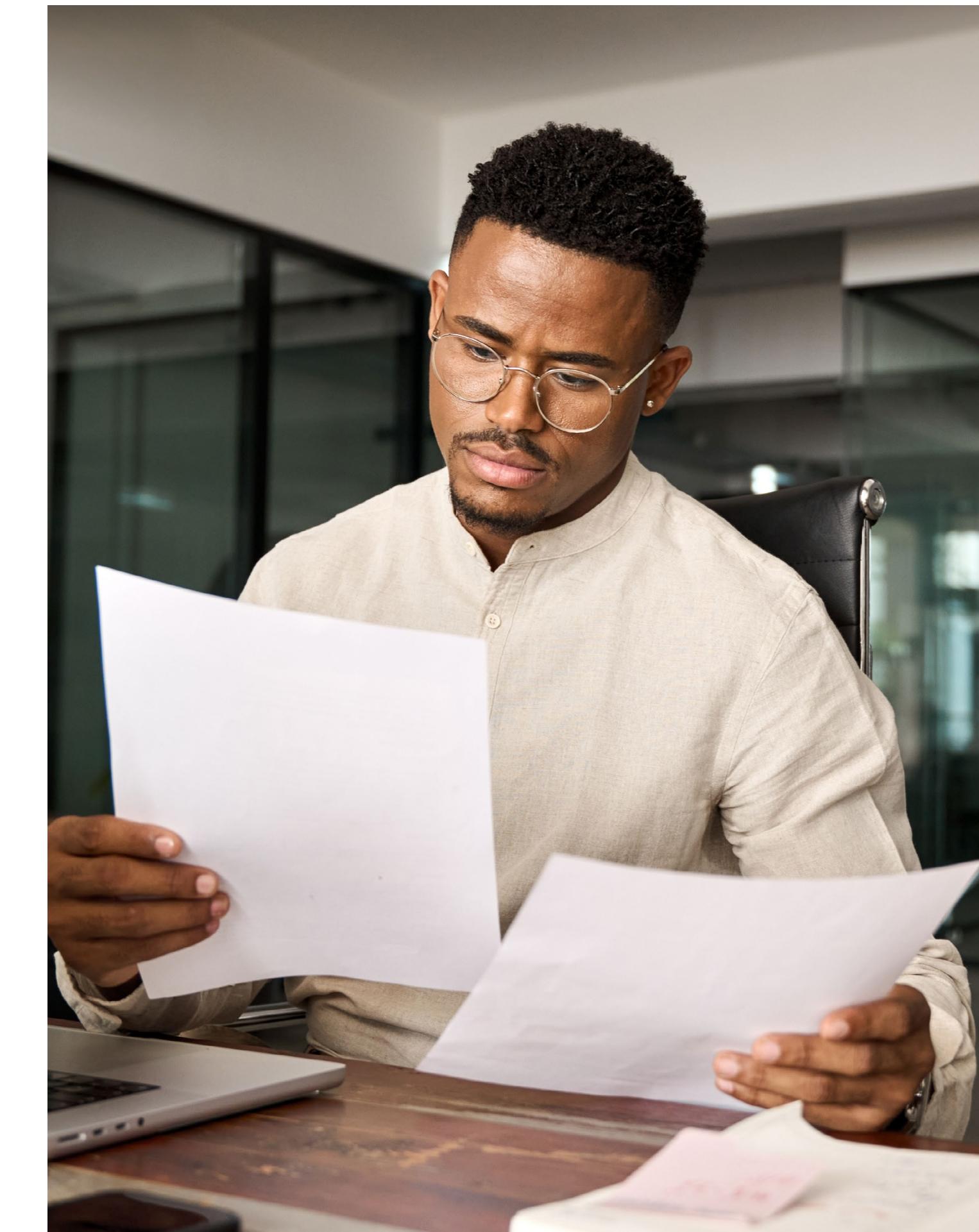
It is the responsibility of the Responsible Commercial Team to identify whether or not the customer is an Embargoed Country or is a person/entity in an Embargoed Country or whether our products or services will, or if they have a reasonable suspicion that they will, ultimately be supplied into an Embargoed Country or person/entity in an Embargoed Country.

The Responsible Commercial Team must use their market knowledge and carry out basic checks of publicly available information, e.g., reviewing the customer's website or published marketing material to make an assessment of whether or not there are grounds for such a "reasonable suspicion". They must also retain a record of their assessment and any customer end use certificates obtained.

Where the Responsible Commercial Team has a reasonable suspicion that exported Coats' products will end up in an Embargoed Country (e.g., customer's website suggests it is an affiliate of an Embargoed Country, serves an Embargoed Country or where they neighbour sanctioned countries (e.g., Russia, Lebanon -> Syria, Turkey -> Syria, S. Korea -> N. Korea), they must carry out the sanctions checks as detailed in [Appendix 4](#) and [Appendix 5](#) and obtain confirmation/documentation from the customer on an annual basis that this is not the case. This can be obtained by the customer completing a customer end use certificate in the form set out in [Appendix 6](#). In addition, continued monitoring of the customer may be required to ensure that products exported are not being used in violation of any sanctions regulations.

It is the responsibility of the Responsible Procurement Team to identify whether or not the supplier is an Embargoed Country or is a person/entity in an Embargoed Country or whether the supplied products or services will, or if they have a reasonable suspicion that they will, be supplied from an Embargoed Country or a person/entity in an Embargoed Country. The Responsible Procurement Team must use their market knowledge and carry out basic checks of publicly available information, e.g., reviewing the supplier's website or published marketing material to make an assessment of whether or not there are grounds for such a "**reasonable suspicion**". They must also retain a record of their assessment and any supplier compliance certificates obtained.

Where the Responsible Procurement Team has a reasonable suspicion that supplied products or services have been sourced from an Embargoed Country (e.g. supplier's website suggests it is an affiliate of an Embargoed Country or itself has suppliers in an Embargoed Country or where they neighbour sanctioned countries (e.g., Russia, Lebanon -> Syria, Turkey -> Syria, S. Korea -> N. Korea), they must carry out the sanctions checks as detailed in [Appendix 4](#) and [Appendix 5](#) and obtain confirmation/documentation from the supplier on an annual basis that this is not the case. This can be obtained by the supplier completing a supplier compliance certificate in the form set out in [Appendix 6](#). In addition, continued monitoring of the supplier may be required to ensure that the supplied products or services are not being sourced in violation of any sanctions regulations.



## b) Blocked/Designated Persons and Entities

The US, UK, UN and EU prohibit Coats from engaging in business activities with certain persons and entities that are subject to asset-freeze measures.

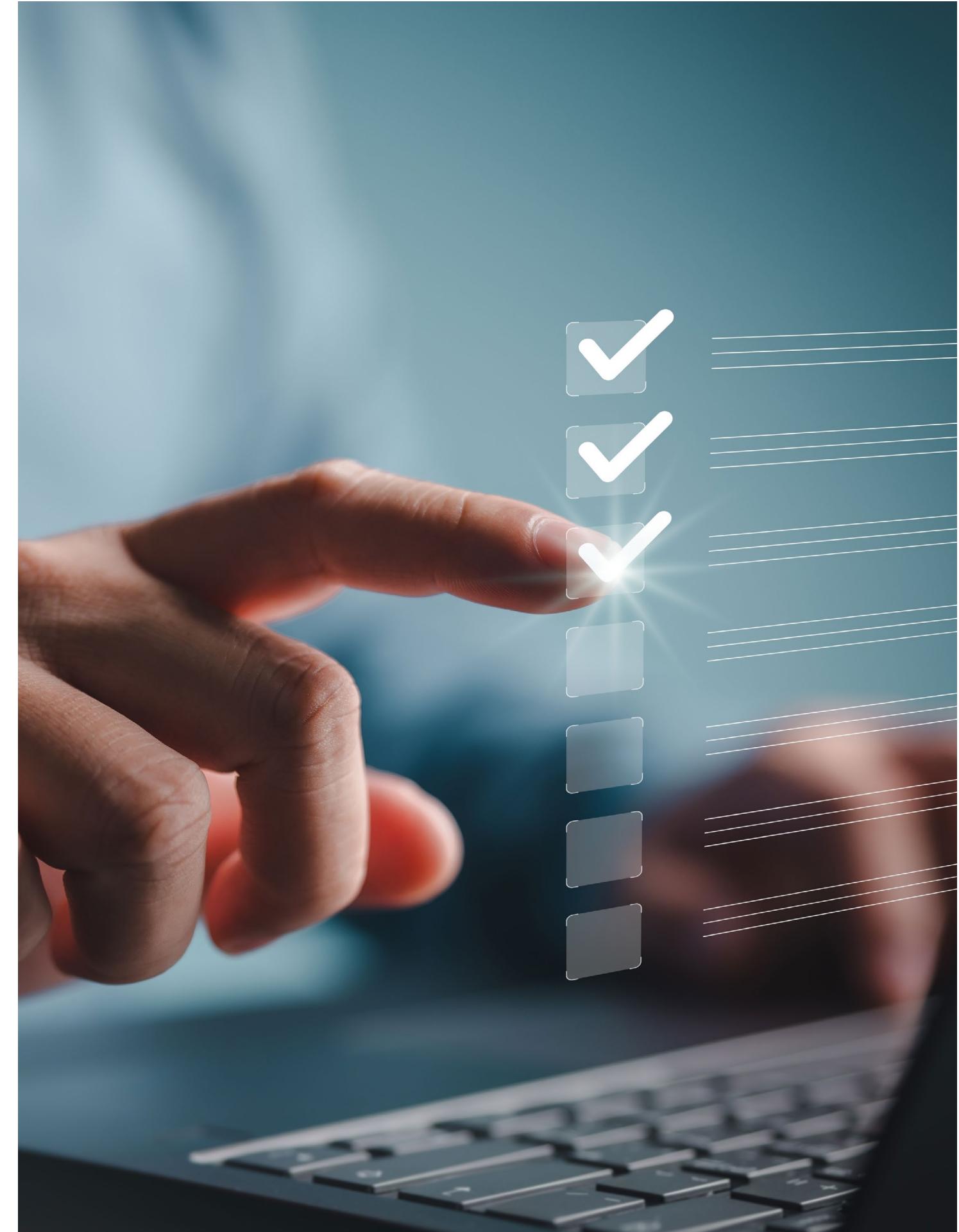
**To comply with these broad lists of Blocked Persons and Entities:** *Coats will not directly, or indirectly through a third party, sell or provide products or services to, or to a business associated with, Blocked Persons or Entities on the US, UK, or EU sanctions lists*, even with respect to transactions that occur outside the country where the person is listed.

In addition, Coats expects that its affiliates, consultants, agents, contractors, suppliers, customers and other persons acting for or on behalf of Coats, wherever located, will not do business with such persons or entities.

*It should be assumed that anyone directly or indirectly connected with the military or police (and potentially even the government) or quasi-government and terrorism may be on such lists.* All customers and suppliers must be checked to ensure that they are not a Blocked Person or Entity. Care particularly is needed with respect to **Embargoed Countries** (listed in [Appendix 1](#)) and **High-Risk Countries** (listed in [Appendix 2](#)), where there are wide-ranging prohibitions on designated persons and entities. In the event of any reasonable suspicion that a customer or supplier is associated with a Blocked Person or Entity, the Responsible Commercial Team or Responsible Procurement Team must ask customers and suppliers to confirm that this is not the case by asking them to complete the relevant certificate in [Appendix 6](#).

It is the responsibility of the Responsible Commercial Team to identify whether or not the customer is a Blocked Person or Entity or is connected to (e.g., owned by) a Blocked Person or Entity. The Responsible Commercial Team should check the customer against the sanctioned person lists, which are linked in [Appendix 2](#), and carry out the sanctions checks as detailed in [Appendix 4](#) and [Appendix 5](#). If the Responsible Commercial Team has any doubt about whether or not a customer is, or is connected to, a Blocked Person or Entity then they should get the customer to complete a declaration in the form set out in [Appendix 6](#).

It is the responsibility of the Responsible Procurement Team to identify whether or not the supplier is a Blocked Person or Entity or is connected to (e.g., owned by) a Blocked Person or Entity. The Responsible Procurement Team should check the supplier against the sanctioned person lists, which are linked in [Appendix 2](#), and carry out the sanctions checks as detailed in [Appendix 4](#) and [Appendix 5](#). If the Responsible Procurement Team has any doubt about whether or not a supplier is, or is connected to, a Blocked Person or Entity then they should get the supplier to complete a declaration in the form set out in [Appendix 6](#).



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					Embargoed countries	Blocked/Designated persons and entities	Military and dual-use items and services	Additional compliance steps		Consequences of non-compliance		

### c) Military and Dual Use Items and Services

The UN, US, UK and EU prohibit the sale of military goods and services to certain countries. They also prohibit the sale or provision of specified Dual Use Items in particular scenarios.

**To comply with these controlled lists of products:** *Coats will not, directly or indirectly, through a third party, sell or provide any products or services:*

- to anyone in the military, police, or border guards in any Embargoed Country (listed in [Appendix 1](#)) or High-Risk Country (listed in [Appendix 2](#)); or
- to any Embargoed Country, or High-Risk Country; or
- to anyone where the end user is in the military, police, or border guards in any Embargoed Country or High-Risk Country; or
- for use in any military equipment (or the production of any military equipment) or for any military end use (this includes armour or protective military equipment) in any Embargoed Country or High-Risk Country,

(together military end use/users) without the prior approval of Group Legal.

It is the responsibility of the Responsible Commercial Team to identify whether or not a Coats product or service has a potential military end use/users. The Responsible Commercial Team should use their market knowledge and other available information (such as the customer's website or promotional material) to check whether it is probable that the customer could use Coats' products/

services for a military end use or for supply to a military end user. They should also consider the nature of the Coats' products or services being sold and whether it is probable that they would have a military application. [Appendix 3](#) provides a link to check Coats products falling within the Dual Use lists.

### d) Additional compliance steps:

If the Responsible Commercial Team or Responsible Procurement Team has any reasonable suspicion that a transaction will be caught by any of these prohibitions, they must carry out the sanctions checks as detailed in [Appendix 4](#) and follow the flowchart in [Appendix 5](#).

If a US citizen or national is involved in such a transaction, please notify the Group Legal Team as a matter of priority before any deal is signed or completed.

If an arrangement is agreed upon, all payments to Coats must be made in Euros (€) and payments from customers must be paid upfront to Coats before the goods and/or services are supplied.

Any deviation from this must be pre-authorised by the Group Head of Tax and Treasury.

### e) Consequences of non-compliance

Failure to comply with economic sanctions laws and regulations can result in severe civil and criminal penalties, including imprisonment and significant monetary fines for both Coats and those individuals responsible for the violations. A failure by any Coats personnel to comply with these Sanctions Instructions will be a disciplinary matter treated with the utmost severity, which may include dismissal.



Before entering into commercial discussions for such transactions, as well as Group Legal approval, you must obtain written authorisation from:

- the relevant Divisional CFO and the CEO of the relevant Division; and
- the Group Head of Treasury (and the authorisation must state that the proposed payments can be received or made by Coats).

# APPENDIX 1

## Embargoed Countries (also known as Proscribed Countries or Sanctioned Countries)

If there is a third-party request regarding a business transaction with an end-user or other party with or in any of the following countries, it can only be considered after approval from the Group Legal Team.

-  1. Crimea, Donetsk and Luhansk region of Ukraine
-  2. Cuba
-  3. Iran
-  4. North Korea
-  5. Syria
-  6. Venezuela
-  7. Russia



# APPENDIX 2

## High-Risk Countries (also known as Additionally Restricted Countries)

The below sets out a list of countries (as of 24 August 2023) where wide-ranging prohibitions such as arms embargo, trade sanctions and other trade restrictions have been imposed on designated persons and entities exist. Please refer to the links below for specific prohibited persons and entities.

<b>1</b>	<b>Afghanistan</b> (trade sanctions including an arms embargo, and transit control)
<b>2</b>	<b>Albania</b> (transit control)
<b>3</b>	<b>Argentina</b> (trade restrictions and transit control)
<b>4</b>	<b>Armenia</b> (arms embargo, trade controls, and transit control)
<b>5</b>	<b>Azerbaijan</b> (arms embargo, trade controls, and transit control)
<b>6</b>	<b>Belarus</b> (trade sanctions including an arms embargo, and transit control)
<b>7</b>	<b>Benin</b> (ECOWAS restrictions and transit control)
<b>8</b>	<b>Bosnia/Herzegovina</b> (transit control)
<b>9</b>	<b>Burkina Faso</b> (ECOWAS restrictions and transit control)
<b>10</b>	<b>Burma</b> (Myanmar) (trade sanctions including an arms embargo, and transit control)

<b>11</b>	<b>Burundi</b> (transit control)
<b>12</b>	<b>Cameroon</b> (transit control)
<b>13</b>	<b>Cape Verde</b> (ECOWAS restrictions and transit control)
<b>14</b>	<b>Central African Republic</b> (trade sanctions including an arms embargo, and transit control)
<b>15</b>	<b>Chad</b> (transit control)
<b>16</b>	<b>China</b> (People's Republic other than the Special Administrative Regions) (arms embargo and transit control)
<b>17</b>	<b>Colombia</b> (transit control)
<b>18</b>	<b>Congo</b> (Brazzaville) (transit control)
<b>19</b>	<b>Côte d'Ivoire</b> (Ivory Coast) (ECOWAS restrictions and transit control)
<b>20</b>	<b>Democratic People's Republic of Korea</b> (trade sanctions including an arms embargo, and transit control)
<b>21</b>	<b>Democratic Republic of the Congo</b> (trade sanctions including an arms embargo, and transit control)
<b>22</b>	<b>Dubai</b> (transit control)
<b>23</b>	<b>East Timor</b> (Timor-Leste) (transit control)
<b>24</b>	<b>Eritrea</b> (transit control)
<b>25</b>	<b>Ethiopia</b> (transit control)
<b>26</b>	<b>Gambia</b> (ECOWAS restrictions and transit control)
<b>27</b>	<b>Georgia</b> (transit control)
<b>28</b>	<b>Ghana</b> (ECOWAS restrictions and transit control)
<b>29</b>	<b>Guinea</b> (ECOWAS restrictions and transit control)
<b>30</b>	<b>Guinea-Bissau</b> (ECOWAS restrictions and transit control)
<b>31</b>	<b>Haiti</b> (transit control)
<b>32</b>	<b>Hong Kong Special Administrative Region</b> (arms embargo and transit control)
<b>33</b>	<b>Iran</b> (relating to human rights) (trade sanctions including an arms embargo, and transit control)
<b>34</b>	<b>Iran</b> (relating to nuclear weapons) (trade sanctions (including an arms embargo) and transit control)
<b>35</b>	<b>Iraq</b> (trade sanctions including an arms embargo, and transit control)
<b>36</b>	<b>Jamaica</b> (transit control)
<b>37</b>	<b>Kenya</b> (transit control)
<b>38</b>	<b>Krygyzstan</b> (transit control)
<b>39</b>	<b>Lebanon</b> (trade sanctions including an arms embargo, and transit control)
<b>40</b>	<b>Liberia</b> (ECOWAS restrictions and transit control)
<b>41</b>	<b>Libya</b> (trade sanctions including an arms embargo, and transit control)
<b>42</b>	<b>Macao Special Administrative Region</b> (transit control)
<b>43</b>	<b>Mali</b> (ECOWAS restrictions and transit control)
<b>44</b>	<b>Mauritania</b> (transit control)
<b>45</b>	<b>Moldova</b> (transit control)
<b>46</b>	<b>Montenegro</b> (transit control)

<b>47</b>	<b>Morocco</b> (transit control)
<b>48</b>	<b>Nepal</b> (transit control)
<b>49</b>	<b>Niger</b> (ECOWAS restrictions and transit control)
<b>50</b>	<b>Nigeria</b> (ECOWAS restrictions and transit control)
<b>51</b>	<b>Oman</b> (transit control)
<b>52</b>	<b>Pakistan</b> (transit control)
<b>53</b>	<b>Russia</b> (trade sanctions including an arms embargo, and transit control)
<b>54</b>	<b>Rwanda</b> (transit control)
<b>55</b>	<b>Senegal</b> (ECOWAS restrictions and transit control)
<b>56</b>	<b>Serbia</b> (transit control)
<b>57</b>	<b>Sierra Leone</b> (ECOWAS restrictions and transit control)
<b>58</b>	<b>Somalia</b> (trade sanctions including an arms embargo, and transit control)
<b>59</b>	<b>Sri Lanka</b> (transit control)
<b>60</b>	<b>South Sudan</b> (trade sanctions including an arms embargo, and transit control)
<b>61</b>	<b>Sudan</b> (trade sanctions including an arms embargo, and transit control)
<b>62</b>	<b>Syria</b> (trade sanctions including an arms embargo, and transit control)
<b>63</b>	<b>Taiwan</b> (transit control)
<b>64</b>	<b>Tajikistan</b> (transit control)

<b>65</b>	<b>Tanzania</b> (transit control)
<b>66</b>	<b>Togo</b> (ECOWAS restrictions and transit control)
<b>67</b>	<b>Trinidad &amp; Tobago</b> (transit control)
<b>68</b>	<b>Turkmenistan</b> (transit control)
<b>69</b>	<b>Uganda</b> (transit control)
<b>70</b>	<b>Ukraine</b> (trade sanctions applying to the non-government controlled territory, and transit control)
<b>71</b>	<b>Uzbekistan</b> (transit control)
<b>72</b>	<b>Venezuela</b> (trade sanctions including an arms embargo, and transit control)
<b>73</b>	<b>Yemen</b> (trade sanctions including an arms embargo, and transit control)
<b>74</b>	<b>Zimbabwe</b> (trade sanctions including an arms embargo, and transit control)

→ A list of countries impacted by US sanctions is available at:  
<https://www.treasury.gov/resource-center/sanctions/Programs/Pages/Programs.aspx>

→ A list of UN, EU and UK sanctions is available at:  
<https://www.gov.uk/guidance/current-arms-embargoes-and-other-restrictions>

→ A helpful EU sanctions map is available at:  
<https://www.sanctionsmap.eu/#/main>

The Lists of Blocked and Designated Persons can be found at:

 US:  
[https://www.treasury.gov/resource-center/sanctions/SDN-List/Pages/sdn\\_data.aspx](https://www.treasury.gov/resource-center/sanctions/SDN-List/Pages/sdn_data.aspx)

 UK:  
<https://www.gov.uk/government/publications/financial-sanctions-consolidated-list-of-targets>

 EU:  
<https://data.europa.eu/data/datasets/consolidated-list-of-persons-groups-and-entities-subject-to-eu-financial-sanctions?locale=en>

# APPENDIX 3



UK Dual Use Products checker

<https://www.ecochecker.trade.gov.uk/spirefox5live/fox/spire/>

[Consolidated list of strategic military and dual-use items that require export authorisation - GOV.UK \(www.gov.uk\)](#)



EU:

[Exporting dual-use items \(europa.eu\)](#)



US:

[Commerce Control List \(CCL\) \(doc.gov\)](#)

[Overview of U.S. Export Control System \(state.gov\)](#)



UN:

[Prohibited Items | United Nations Security Council](#)



# APPENDIX 4

## Checklist

	Business in Embargoed or High-Risk countries	Yes	No	Comment
1	Does the customer or supplier or an associated third party appear on the list of Embargoed Countries in Appendix 1, or High-Risk Countries in Appendix 2, of the Instructions?			If yes, please complete the rest of this checklist and contact the Group Legal Team. For Iran, please also refer to the "Doing Business in Iran" checklist on <a href="#">Coats World</a> .
2	Are any US persons involved in the transaction e.g. is anyone involved in the transaction internally or externally that is a US national or citizen?			If yes, please contact the Group Legal Team.
3	Does the customer or supplier or an associated third party of such customer or supplier appear on any of the US Office of Foreign Asset Control's lists ( <a href="https://sanctionssearch.ofac.treas.gov/">https://sanctionssearch.ofac.treas.gov/</a> )?  Please note that individuals/entities may have aliases and it is therefore important to consider variations of the individual or entity name as well.			If you are unsure or the answer is yes, please contact the Group Legal Team.
4	Is the customer or supplier or associated third party majority owned or controlled by an individual or entity listed			If you are unsure or the answer is yes, please contact the Group Legal Team.

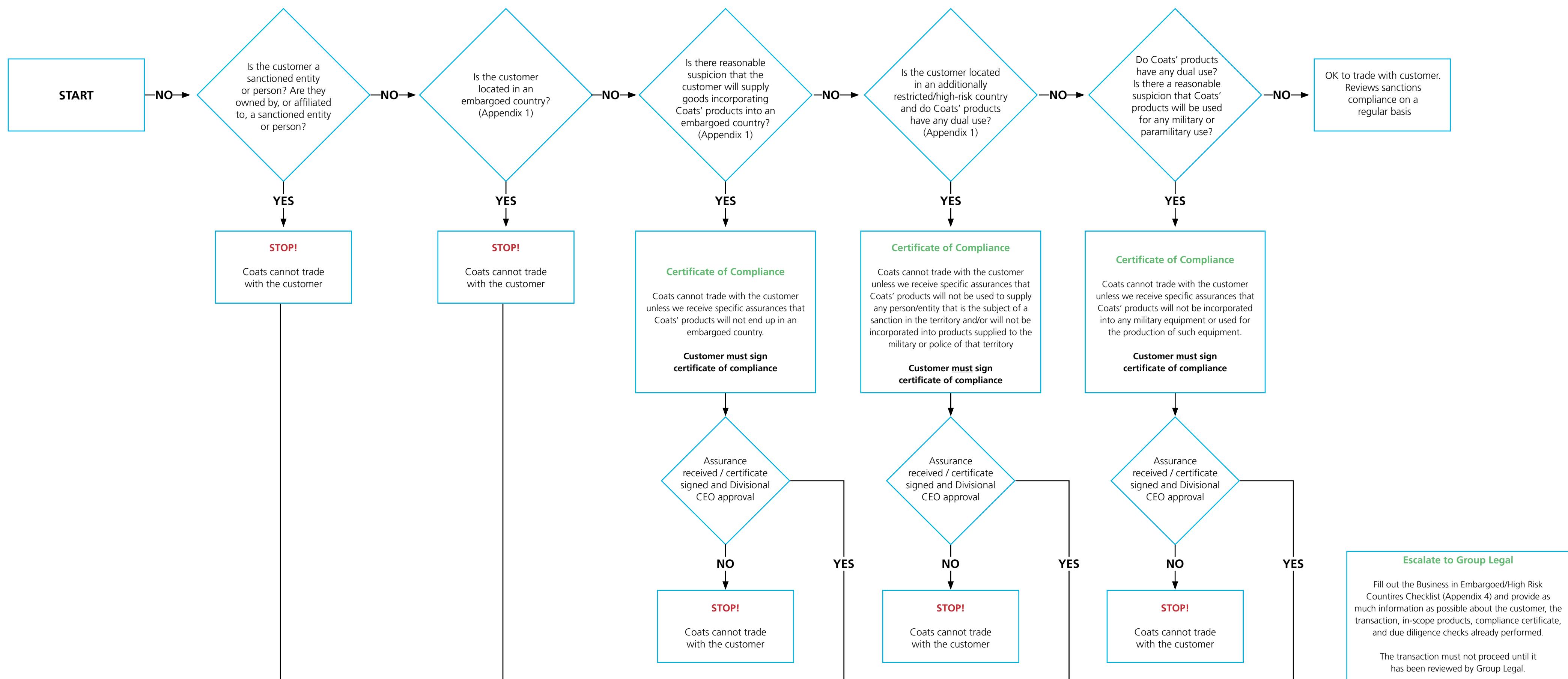
	Business in Embargoed or High-Risk countries	Yes	No	Comment
5	Does the customer or supplier or an associated third party of such customer or supplier appear on the UK's list of restricted persons or entities ( <a href="https://www.gov.uk/government/publications/financial-sanctions-consolidated-list-of-targets/consolidated-list-of-targets">https://www.gov.uk/government/publications/financial-sanctions-consolidated-list-of-targets/consolidated-list-of-targets</a> )?  Please note that individuals/entities may have aliases and it is therefore important to consider variations of the individual or entity name as well.			If you are unsure or the answer is yes, please contact the Group Legal Team.
6	Do the goods being exported classify as restricted Dual Use items on the "Consolidated List of Strategic Military and Dual-use Items that Require Export Authorisation"?  <a href="https://www.gov.uk/government/publications/uk-strategic-export-control-lists-the-consolidated-list-of-strategic-military-and-dual-use-items-that-require-export-authorisation">https://www.gov.uk/government/publications/uk-strategic-export-control-lists-the-consolidated-list-of-strategic-military-and-dual-use-items-that-require-export-authorisation</a>  Could the goods being exported be considered as Dual Use Items (e.g. Is there reason to believe that the exported products eventually will be used for military end-use)?			If you are unsure or the answer is yes, please contact the Group Legal Team.
6	Has the end-user provided Coats with documentation/confirmation that items will be used for the stated end-use?			

	Business in Embargoed or High-Risk countries	Yes	No	Comment
7	<p>Is authorisation required for export under the US Commerce Control List? If the items are subject to the jurisdiction of the US Department of Commerce then you will need to identify (1) what is the Export Control Classification Number (ECCN) of the item; (2) where it is going; (3) who is the end-user; and (4) what is the end-use.</p> <p>Information as to classification of items or requesting an official classification from the Bureau of Industry and Security (BIS) can be found at the following link:</p> <p><a href="https://www.bis.doc.gov/index.php/licensing/commerce-control-list-classification">https://www.bis.doc.gov/index.php/licensing/commerce-control-list-classification</a></p>			<p>If yes or if in doubt, please contact the Group Legal Team.</p> <p>If No, please ensure that the item is not being shipped to a sanctioned destination, to a denied person, sanctioned entity, or prohibited end-user and that the item will not be used for a specific end-use, subject to higher controls (the adjacent link provides further information and guidance on prohibited end-uses).</p>
8	<p>Is there any “reasonable suspicion” that the goods will end up in a sanctioned country? E.g, does customer/supplier’s website suggests it is an affiliate of a sanctioned country, serves sanctioned countries or where they neighbour sanctioned countries (e.g. Russia, Lebanon -&gt; Syria, Turkey -&gt; Syria, S. Korea -&gt; N. Korea)?</p>			<p>If yes, appropriate due diligence is required and documentation/confirmation from the customer or supplier that the goods will not end up in a sanctioned country should be sought. Continued monitoring in some instances may be necessary.</p>
9	<p>Has appropriate due diligence been undertaken before engaging in any activity? Details of the checks undertaken must be documented.</p>			<p>If yes, please provide details of the due diligence undertaken to Coats’ Legal Director at <a href="mailto:jeffrey.soal@coats.com">jeffrey.soal@coats.com</a> and your relevant Finance Business Partner.</p> <p>If no, please explain and send the reasoning to Coats’ Legal Director at <a href="mailto:jeffrey.soal@coats.com">jeffrey.soal@coats.com</a> and your relevant Finance Business Partner.</p>

	Business in Embargoed or High-Risk countries	Yes	No	Comment
10	Do any payments need to be made in US dollars?			If yes, please contact the Group Head of Tax and Treasury.
11	Will payment be made via a US bank or financial institution?			If yes, please contact the Group Head of Tax and Treasury.
12	Does the transaction involve the supply of any US origin goods or goods with US content? For example, will US technology be used for the purposes of the transaction?			
13	Have you checked with the Group Treasurer that Coats does not have any pre-existing banking covenants which limit its ability to trade with Iran?			If no, please contact the Group Treasurer.
14	Have you retained within your records a copy of the prior authorisation from Coats' Group Treasurer?			If no, please ensure the prior authorisation is retained within your records.
15	Have you retained within your records a copy of the prior authorisation from the Divisional CEO?			If no, please ensure the prior authorisation is retained within your records.
16	Has Coats' Head of Insurance, Property, Product and Environmental Safety confirmed that the transaction has support from the relevant insurers?			If no, please contact the Head of Insurance, Property, Product and Environmental Safety

# APPENDIX 5

## Sanctions approval process



# APPENDIX 6

## Customer end use confirmation



### CUSTOMER CERTIFICATE

DATE:

1. [COATS ENTITY]	2. [CUSTOMER]
3. [DETAILS OF PRODUCT END-USE]	

### 4. GOODS/TECHNOLOGY

Description of goods	Tariff code CN Code	Quantity	Value:

## 5. CUSTOMER'S CERTIFICATE

We hereby confirm, represent and warrant that we are not, nor are any of our principals, officers, directors, subsidiaries, or shareholders, or any other person or entity involved in this sales transaction as a freight forwarder, supplier, customer, end-user, consultant, agent, or otherwise are:

1. An entity or individual designated on any of the E.U. and U.S. government restricted parties lists ("Designated Person"), including without limitation the E.U. consolidated list of persons, groups and entities subject to EU financial sanctions (linked [here](#)), HM Treasury's consolidated list of financial sanctions targets in the United Kingdom (U.K.) (linked [here](#)), the U.S. Commerce Department Bureau of Industry and Security Denied Persons List, Entity List or Unverified List, the U.S. Treasury Department Office of Foreign Asset Controls Specially Designated National and Blocked Persons List or the U.S. State Department Directorate of Defense Trade Controls Debarred Parties List (linked [here](#)), or other similar lists of other countries with jurisdiction over this transaction.
2. Owned or controlled by, or acting for or on behalf of, directly or indirectly, an entity or individual designated on any of the above-mentioned lists.
3. Directly or indirectly owned or controlled by the government of Cuba, Iran, North Korea, Syria, Russia, Venezuela or any other country subject to trade embargoes adopted by the U.S., the U.K and/or the European Union and its Member States ("Embargoed Country").
4. Directly or indirectly involved in business arrangements or otherwise engaged in transactions with a Designated Person or an Embargoed Country (unless such arrangements or transactions are made under the authority of a valid licence issued by the competent national authority).
5. Directly or indirectly sourcing any products or services used in the supply of products or services from a Designated Person and/or an Embargoed Country.

We hereby acknowledge and agree that we will immediately provide written notice to Coats' entity referred to in Section 1 upon the occurrence of any event that would result in a breach of the foregoing representations and warranties.

We hereby confirm that the data cited in this certificate are correct and proper, according to our knowledge and belief, and that any additional data that is not in accordance with this certificate is unknown to us.

Customer's Signature

Date of signature \_\_\_\_\_

Name and position of the signatory \_\_\_\_\_

(By typewriter or in capital letters)

# APPENDIX 6

## Supplier end use confirmation



### SUPPLIER CERTIFICATE

DATE:

1. [COATS ENTITY]	2. [SUPPLIER]
3. [DETAILS OF PRODUCT END-USE]	

### 4. GOODS/TECHNOLOGY

Description of goods	Tariff code CN Code	Quantity	Value:

## 5. SUPPLIER'S CERTIFICATE

We hereby confirm, represent and warrant that we are not, nor are any of our principals, officers, directors, subsidiaries, or shareholders, or any person, or entity involved in this sales transaction as a freight forwarder, supplier, customer, end-user, consultant, agent, or otherwise are:

1. An entity or individual designated on any of the E.U. and U.S. government restricted parties lists ("Designated Person"), including without limitation the E.U. consolidated list of persons, groups and entities subject to EU financial sanctions (linked [here](#)), HM Treasury's consolidated list of financial sanctions targets in the United Kingdom (U.K.) (linked [here](#)), the U.S. Commerce Department Bureau of Industry and Security Denied Persons List, Entity List or Unverified List, the U.S. Treasury Department Office of Foreign Asset Controls Specially Designated National and Blocked Persons List or the U.S. State Department Directorate of Defense Trade Controls Debarred Parties List (linked [here](#)), or other similar lists of other countries with jurisdiction over this transaction.
2. Owned or controlled by, or acting for or on behalf of, directly or indirectly, an entity or individual designated on any of the above-mentioned lists.
3. Directly or indirectly owned or controlled by the government of Cuba, Iran, North Korea, Syria, Russia, Venezuela or any other country subject to trade embargoes adopted by the U.S., the U.K and/or the European Union and its Member States ("Embargoed Country").
4. Directly or indirectly involved in business arrangements or otherwise engaged in transactions with a Designated Person or an Embargoed Country (unless such arrangements or transactions are made under the authority of a valid licence issued by the competent national authority).
5. Directly or indirectly sourcing any products or services used in the supply of products or services from a Designated Person and/or an Embargoed Country.

We hereby acknowledge and agree that we will immediately provide written notice to Coats' entity referred to in Section 1 upon the occurrence of any event that would result in a breach of the foregoing representations and warranties.

We hereby confirm that the data cited in this certificate are correct and proper, according to our knowledge and belief, and that any additional data that is not in accordance with this certificate is unknown to us.

Supplier's Signature

Date of signature \_\_\_\_\_

Name and position of the signatory \_\_\_\_\_

(By typewriter or in capital letters)

# REVISION HISTORY

REVISION DATE	DESCRIPTION OF CHANGES	REVISED BY
---------------	------------------------	------------

December 2025

- Revamp of this policy in the new format

Avinash Kumar and Fernanda Insua