



Board Diversity Policy

Policy owner/ issued by	Approved by	Date reviewed	Effective from	Next review	Next independent review
Human Resources	Board of Coats Group plc	February 2023	February 2023		

Coats firmly believes in the importance of a diverse workforce and promotes an inclusive work environment, guided by mutual respect, passion, and the spirit of trust and collaboration. We are committed to having the policies, programmes, and procedures in place to create an inclusive workplace culture for all in which our employees from diverse backgrounds and identities can be confident and authentic at work.

A key part of being the world's leading industrial thread company is cultivating a culture of diversity, equity and inclusion from the top. Ensuring the right balance and diversity of skills, functional, sectoral and geographical experience and expertise, age, gender, tenure, ethnicity, sexual orientation, disability and socio-economic backgrounds in our Board is critical to govern our global company and to understand and represent the views of our diverse workforce, customer base and the communities in which we operate.

The Board Diversity Policy (the "Policy") sets out the Board of Coats Group plc's (the "Company") approach to diversity and provides a high level indication of the Board's approach to diversity in senior management roles, which is governed in greater detail through the Group's policies and supports the recommendations of the FTSE Women Leaders Review (formerly Hampton Alexander) on gender diversity and the Parker Review on ethnic diversity.

Diversity embraces knowledge and understanding of relevant diverse geographies, peoples and their backgrounds and includes but is not limited to, race, socio-economical, educational and professional background, disability, gender, sexual orientation, religion, belief and age, as well as culture, personality, work-style and cognitive and personal strengths. Diversity also includes a diversity of perspectives on what motivates and interests the Company's existing and potential customers.



The Board places great emphasis on ensuring that the composition of senior managers reflects diversity in its broadest sense to bring a range of perspectives and insights to support and challenge management and good decision making.

New appointments to the Board are made on merit and objective criteria, taking account of the specific skills and experience, independence and knowledge needed to ensure a rounded Board and the diversity benefits each candidate can bring to the overall Board composition.

The Board is focused upon ensuring the appropriate balance of Board diversity while maintaining the calibre of directors and it aspires to ensure that the Board comprises at least 40% women; at least one of the Chair, CEO, CFO or Senior Independent Director positions is held by a woman; and at least one member of the Board is from a minority ethnic background¹, while recognising that periods of change in Board composition may result in temporary periods when this balance is not achieved.

The Board, Committees and Group Executive Team compositions are disclosed in the corporate governance statement of Coats Group plc Annual Reports as required by the UK Corporate Governance Code, Financial Conduct Authority, and other regulatory and statutory requirements. They are also listed on our website: www.coats.com. The Nomination Committee has responsibility for ensuring that the Board has the right balance of skills, experience and knowledge, in accordance with its terms of reference (available at www.coats.com).

¹ One of the ethnic background categories recommended by the UK Office for National Statistics (ONS), other than a white ethnic group.