



ESG Index

2019 reporting period

We place high importance on providing our stakeholders with the information they need to make informed judgements about our business and approach to sustainability. However, we also recognise that each of our stakeholders' places different expectations upon our business, so we communicate and engage with them in a variety of different ways depending on what they want to know and the significance of their concerns.

To support this engagement process, this year we have developed an additional tailored Environmental, Social and Governance (ESG) index for our investors, offering more direct navigation to relevant ESG information that may be of interest to them.

This bespoke index has been developed based on recent inquiries and data requests from investors.

Note that in the following table:

[https://www](https://www.coats.com): refers to online content included on the Coats website at www.coats.com

Annual Report: refers to content included with the Coats Group plc Annual Report 2019

Sustainability Report: refers to content included within the Coats Group plc Sustainability Report 2019



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ESG	ESG component	Description	Reference
GENERAL			
General	Strategy	Sustainability strategy and approach for dealing with ESG issues.	Annual Report (2019) - P2; P25-30 Sustainability Report (2019) - P4-7 https://www.coats.com/en/Sustainability/Our-approach/Our-Sustainability-strategy
General	Managing sustainability	Management of sustainability through governance, policies and stakeholder engagement.	Annual Report (2019) - P27 Sustainability Report (2019) - P22-23 https://www.coats.com/en/Sustainability/Our-approach/Our-approach-overview
General	Targets	Targets that the company has set on ESG issues.	Annual Report (2019) - P25-30 Sustainability Report (2019) - P5-7
ENVIRONMENTAL			
E	Environmental policy & management systems	Environmental policy, management systems and approach.	Annual Report (2019) - P27-30 Sustainability Report (2019) - P5-7, P22-23 https://www.coats.com/en/Sustainability/Policies-and-downloads
E	Energy & climate change	GHG emissions and energy reduction strategy and performance.	Annual Report (2019) - P27-29 Sustainability Report (2019) - P10-11, Performance Summary https://www.coats.com/en/Sustainability/Focus-areas/Energy
E	Operational eco-efficiency	Resource minimisation and waste management (including waste water).	Annual Report (2019) - P27-29 Sustainability Report (2019) - P12-13, P20-21, Performance Summary https://www.coats.com/en/Sustainability/Focus-areas/Effluent-and-Emissions https://www.coats.com/en/Sustainability/Focus-areas/Living-Sustainably
E	Raw material sourcing	Sourcing and efficient use of materials during manufacturing and their sourcing.	Annual Report (2019) - P27-29 Sustainability Report (2019) - P20-21, Performance Summary https://www.coats.com/en/Sustainability/Focus-areas/Living-Sustainably
E	Chemical use	Minimising the use of chemicals of concern and hazardous waste	Annual Report (2019) - P27-29 Sustainability Report (2019) - P12-13, Performance Summary https://www.coats.com/en/Sustainability/Focus-areas/Effluent-and-Emissions



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ESG	ESG component	Description	Reference
E	Water	Managing water risk and reducing water consumption.	Annual Report (2019) - P27-29 Sustainability Report (2019) - P8-9, Performance Summary https://www.coats.com/en/Sustainability/Focus-areas/Water
E	Climate Change Vulnerability	Understanding and mapping climate change related risks	Annual Report (2019) - P9, P21-22, P27, P38
E	Environmental Opportunities	Opportunities in renewable energy and clean technologies	Annual Report (2019) - P27-29 Sustainability Report (2019) - P10-11 https://www.coats.com/en/Sustainability/Focus-areas/Energy
SOCIAL			
S	Workplace	Employee standards and policies, composition of workplace (e.g. diversity) and investment in talent and training.	Annual Report (2019) - P25-26 Sustainability Report (2019) - P14-19, Performance Summary https://www.coats.com/en/Sustainability/Focus-areas/Social
S	Human rights	Support for international standards and principles to protect human rights, and engagement with local communities	Annual Report (2019) - P29-30 Sustainability Report (2019) - P14-19 https://www.coats.com/en/Sustainability/Focus-areas/Social
S	Occupational Health & Safety	Approach to health, safety and wellbeing, policy and management arrangements, and safety performance	Annual Report (2019) - P25-26 Sustainability Report (2019) - P14-19, Performance Summary https://www.coats.com/en/Sustainability/Focus-areas/Social
S	Product safety & quality	Ensuring safety and quality of products	Annual Report (2019) - P27-30 Sustainability Report (2019) - P20-21 https://www.coats.com/en/Sustainability/Focus-areas/Living-Sustainably
S	Privacy & data security	Approach to data privacy and security	Annual Report (2019) - P34 https://www.coats.com/en/Privacy-and-Cookie-Policy
S	Stakeholder engagement	Identification and engagement of key stakeholders	Annual Report (2019) - P19-24 Sustainability Report (2019) - P23 https://www.coats.com/en/Sustainability/Our-approach/Stakeholder-engagement



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ESG	ESG component	Description	Reference
S	Supply chain management	Ethical supply chain standards and implementation	Sustainability Report (2019) - P14-18 https://www.coats.com/en/Sustainability/Focus-areas/Social
S	Corporate citizenship & philanthropy	Approach to community engagement and philanthropic activities	Annual Report (2019) - P12, P22 Sustainability Report (2019) - P19 https://www.coats.com/en/Sustainability/Our-approach/Stakeholder-engagement
GOVERNANCE			
G	Corporate governance - Board	Board structure, governance and diversity	Annual Report (2019) - P50-57 https://www.coats.com/en/About/Corporate-Governance/Corporate-Governance-overview
G	Corporate governance - Ownership & control	Ownership of company and organisation	Annual Report (2019) - P181-186 https://www.coats.com/en/About/Our-heritage
G	Corporate governance - pay	Board and non-executive director compensation and policies	Annual Report (2019) - P73-94
G	Code of business conduct	Maintenance of high standards of business conduct and behaviour	Annual Report (2019) - P29-30, P67 Sustainability Report (2019) - P15 https://www.coats.com/-/media/Coats/Files/policies-and-downloads/Ethics_Code.pdf
G	Materiality	Identification and assessment of material sustainability issues	Annual Report (2019) - P27 Sustainability Report (2019) - P22-23 https://www.coats.com/en/Sustainability/Our-approach/Our-material-issues
G	Risk & crisis management	Risk mitigation and management processes, including compliance and grievance processes	Annual Report (2019) - P31-39
G	Tax transparency	Tax strategy and approach	Annual Report (2019) - P10, P44-46 https://www.coats.com/en/Sustainability/Our-approach/Our-economic-contribution https://www.coats.com/en/Sustainability/Our-approach/Coats-tax-strategy



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ESG	ESG component	Description	Reference
G	Political contributions	Contributions & other political spending.	Annual Report (2019) - P67
G	Accounting policies	Accounting & financial reporting practices	Annual Report (2019) - P111-121