

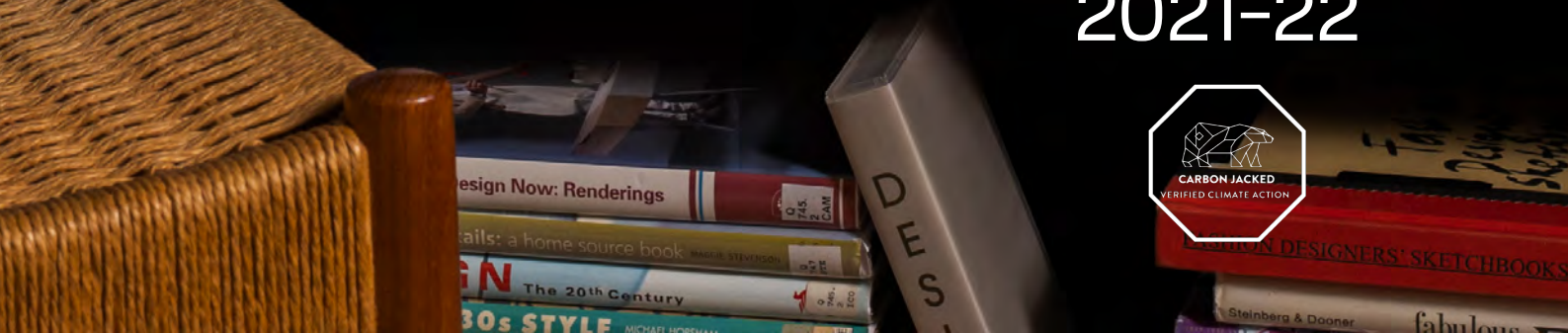
COATPAINTS.COM



Climate Positive Business by COAT

THE CARBON POSITIVE PAINT COMPANY

2021-22



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The Carbon Positive Paint Company.

It's not always visible, but it's happening. Global Carbon Pollution is on the up, and there's growing division in our societies. **According to the UN the worst impacts of climate change could be irreversible by 2030.**

But change is in our control, and every single person can make conscious decisions for the better. We're building COAT as a regenerative company that contributes more to the world than it takes. Acting responsibly as a business doesn't live in words on a Corporate Policy - it lives in our core beliefs and values, and it shows in what we do.

We're two humans who want to do more for the planet and our communities - and COAT as our business is no different. Here's how we do it now, and always.

Rob & Rob
COAT Founders



Our Story

This past year has changed our view on plenty of things. Our time, our relationships, and even our core values. Most people have found themselves with more time at home, to think about their home life and environment. Decorating is about creating spaces people love, that last - **and COAT wants the planet to last too.**

COAT Paints launched in 2020, mid pandemic, with a goal to simplify the clunky paint buying experience and give the luxury paint market a swift kick into the modern world. Perhaps the swiftest of those kicks came in the field of sustainability and planet conscious business.

“We’ve renovated several houses over the years, and trekking to and from the DIY store for paint tester pots and tiny colour chips left us bored and generally out of time” says Rob Abrahams, co-founder at COAT.



“There’s a screaming lack of environmental consciousness to the paint brands and products out there - with way too much plastic and waste as part of the painting process and supply chain.”

COAT is uniquely focused on a 'less is more' approach to choosing colour and to environmental impact. *"Simplifying things for people, and making the choosing and decorating process super quick and easy is such a big part of the COAT experience"* says Rob Green, co-founder at COAT *"but beyond that simplicity is a deep-rooted mission to make a positive impact on the planet, and society. Not only through our entirely water-based and low-toxin paints - but through our broader focus as a regenerative business, where we can stand proudly on every ethical decision we make."*

COAT is the first Carbon Positive Paint Company in the world, which means the business has taken responsibility for all its Scope 1-3 carbon emissions, and offsets unavoidable emissions by contributing double to UN Gold Standard environmental offsetting projects through partner accreditor Carbon Jacked.

"The meaning of Luxury has evolved" says Rob. *"Luxury is about doing good for yourself and for the world. It's balanced, and democratic. COAT Paints are a symbol of that shift in generational perception and environmental responsibility."*

COAT is proudly championing the new way to paint that's simple, consciously, and rooted in doing right for our generation and the next.



Our Values

OK so we have four - but these questions steer everything at COAT, from how we produce and ship our paint to how we live and work with our suppliers and customers. We're people after all:

"Is that fair?"

Fair is to other people, to animals, and to the planet. We want a level playing field - always.

"Does it feel right?"

A company is a group of humans, with hearts and gut feelings. We don't underestimate the power of this question. Ever.

"Can it be better?"

There's rarely a 'no'. Progress above perfection, we'll always keep moving.

"Does it help?"

If we're not helping someone, why are we here? We move faster together.





2.

ACCOUNTABILITY

VERIFIED CARBON
POSITIVE



Doing things the right way

UNIQUELY COAT

SMARTER SOLUTIONS

Anything that's made to be single-use like paint testers needs serious thought. We think differently about our approach to every part of the paint buying journey. Peel & Stick swatches are not only a game changer for customers, but they're infinitely better for the planet too. **No brainer.**

CLEANER PRODUCTS

Unlike most of the paint produced, the entire COAT range is entirely water-based and low VOC (that's toxins). Our supplies are B-Corp certified too, so no nasty plastics. All our products are entirely packaged using recycled and recyclable materials. **A fundamentally greener approach.**

SUSTAINABLE BUSINESS MODEL

Most paint companies batch-produce paint in huge quantities, in different colours, only for it to sit on shelves in stores or warehouses. COAT only produces paint to order and send it straight to your door via Carbon Neutral delivery partners. Less waste, and less car trips. **It's the COAT way.**



CARBON POSITIVE

*WHAT DOES
THAT MEAN?*

COAT
COAT

~~Carbon Neutral~~ Carbon Positive

SUSTAINING ISN'T REALLY ENOUGH.

CARBON NEUTRAL

COAT has been a Carbon Neutral business since day one. For us, it was a fundamental part of creating a new business in the world - we just had to make sure we weren't damaging the planet further.

It's good, but we can do better.

= CARBON POSITIVE

This means going beyond neutrality. It's a lot more work to measure and quantify, but being Carbon Positive (or Climate Positive, or Carbon Negative, or Planet Positive...) means measuring, owning, and offsetting the unavoidable emissions in our business. We know our impact, and we contribute double that back to climate positive projects that support UN sustainability goals worldwide.

We're owning it.



Verified Climate Action, by Carbon Jacked

MEASURED, OWNED, VERIFIED.

Shockingly, there is currently no legislation dictating footprint assessments - and no requirement within the paint industry.

But we've decided to take action, and partner with Carbon Jacked as an independent third party to review, measure, and offset our emissions - in a rigorous, tangible way that we can stand by.

Carbon Jacked is a totally independent third-party provider of carbon footprint assessments and formal verification of carbon neutrality, in line with the recognised Greenhouse Gas (GHG) Protocol - which is the international framework for carbon accounting.

This is an accredited process and we are so happy to be working with an expert group as driven towards climate positive change as us. Beyond the measurement, Carbon Jacked help COAT to offset any unavoidable emissions through financial contribution to UN Gold Standard sustainability projects across the globe.

“Like us COAT do things differently. They don’t see sustainability as an afterthought. They prioritised it from the start, partnering with Carbon Jacked to make them carbon neutral from day one.

And now they’ve gone even further by taking responsibility for their entire supply chain and offsetting twice as much CO2 as they produce. The amount they’ve done in less than a year is genuinely standout.”

**CARBON JACKED
FOUNDERS JACK
CURTIS & JACQUES
SHEEHAN**



Assessment Methodology

AN INDEPENDENT PROCESS.

Don't just take our word for it. In fact, don't take anyone's word for it. Ask questions, challenge, push for more... that's what we do at COAT. Becoming Carbon Positive isn't some certificate you get - there's a rigorous evaluation process, action plan and financial commitment to make as a company.

Here's how we've been assessed by internationally renowned standards by independent body Carbon Jacked:

GREENHOUSE GAS PROTOCOL

- HIGHEST INTERNATIONAL STANDARDS**
 - The Protocol provides an international standard for carbon footprint reporting, which forms the basis of all major national reporting regimes
 - Our methodology is also in line with the ISO 14064 and PAS 2060 standards, which use the Protocol to provide guidance on reporting and carbon neutrality
- ENTIRE CORPORATE VALUE CHAIN**
 - For businesses, we use both the the Corporate Standard and the Corporate Value Chain (Scope 3) Standard from the GHG Protocol
 - This ensures the most detailed and accurate assessment of a business's carbon footprint, including their operations and supply chain
- LATEST AVAILABLE RESEARCH & DATA**
 - Our methodology is built on the latest available data from national databases, internationally recognised organisations, and leading academic research
 - We continually update our methodology to incorporate the latest research on the causes of, and calculations for, GHG emissions

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BEYOND BASICS

“Greenwashing by companies is pretty prevalent. Producing plastics, and then cleaning the Oceans. Polluting the planet, then planting trees. We’ll never knock the positive actions anyone takes, but to be truly conscious companies need to think in a deeper way, and be far more transparent.”

Scope 1-3 Emissions

DIGGING DEEPER...

Most companies will look at carbon emissions termed 'Scope 1 and Scope 2'. That means, as far as the Greenhouse Gas (GHG) Protocol goes, direct emissions from controlled operations and indirect emissions from purchased energy. Basically, the stuff companies have direct control over.

Scope 3 emissions refer to all other indirect emissions from the activities of a company. So that means supply partners, fulfilment partners, logistics carriers...things where companies might have influence, but not direct control.

UNDERSTANDING THE SCOPES OF YOUR EMISSIONS



- Under the GHG Protocol, the emissions of a company fall within three different Scopes (1, 2 & 3)
- An organisation's core footprint is made up of Scope 1 & 2 emissions; however, we always recommend taking account of elements of your Scope 3 emissions wherever sensible

SCOPE	DESCRIPTION	EXAMPLES
1	Direct emissions from owned/controlled operations	Use of fossil fuels on company owned or controlled site
2	Indirect emissions from the use of purchased electricity	Purchased electricity
3	All other indirect emissions from the activities of an organisation	Shipping of products, waste, business travel and employee commuting



BREAKING DOWN YOUR EMISSIONS



SCOPE	DESCRIPTION	COAT FOOTPRINT
1	Direct emissions from owned/controlled operations	COAT has no direct Scope 1 emissions
2	Indirect emissions from the use of purchased electricity	COAT's electricity use from its office/studio
3	All other indirect emissions from the activities of an organisation	COAT has quite extensive Scope 3 emissions given the nature of its business and the amount of products purchased. We have included the emissions associated with the production of your purchased products, shipping, business travel and commuting, waste and water use, and other indirect emissions associated with electricity/fuel use

- Scope 3: We always advise businesses to include elements of their scope 3 emissions. There is no perfect answer to what should be included and therefore it's always a judgment call. For COAT, we've included a detailed assessment of your scope 3 upstream emissions, including all of the goods you purchase and the associated shipping
- Upstream emissions: We have focused on your upstream Scope 3 emissions as these are the largest and the emissions you have the most control over. Downstream emissions, such as the end of life treatment of your products, are not typically included for a business such as yours and we've excluded from this assessment

At COAT we decided to own our Scope 3 emissions too. We want to drive change, and if we can make friends and influence people to make better climate decisions let's do it. In the meantime we're taking responsibility and offsetting our supply chain emissions too.

Our emissions calcs don't include 'end of life treatment' of our products i.e. what people do with leftover paint for example - but we're tackling those by only making paint to order (zero waste), and with our unique 360 recycling programmes. And there's always more to do.

LET'S OWN IT.



3.

BETTER PRODUCTS

HIGH-GRADE, ZERO
PLANET COMPROMISE

Kind Paints

Last year, 9.8 billion gallons of paint was made globally – but shockingly only 30% was water-based and Low VOC. That means the vast majority of paint produced is still using heavy solvents and harmful chemicals. No thanks.

The entire COAT paint range is:

- ✓ Water-based and solvent-free
- ✓ Low VOC
- ✓ UK made
- ✓ 100% Vegan friendly
- ✓ 100% Animal cruelty free

CHOOSE COLOURS



Clever Little Swatches

Typical paint tester pots are wasteful and usually not recyclable. People buy loads of them, and they knock around in draws or go straight to landfill. So we changed the game with COAT Peel & Stick Swatches, and 95% less waste.

Any conscious business thinks hard about single-use plastics, and our Swatches are the pack leader when it comes to practical and responsible choices:



- ✓ 95% less waste than a conventional 200ml tester pot (our swatches use 10ml of paint)
- ✓ 100% Adhesive free (no solvents)
- ✓ 100% Recyclable PET material
- ✓ 100% Colour accurate

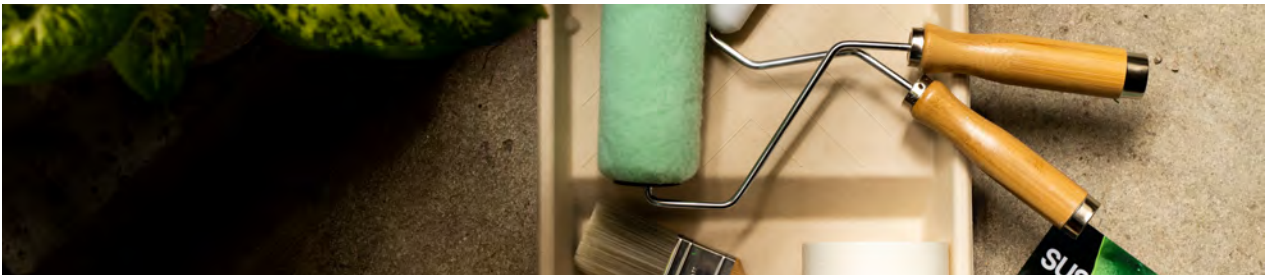
TRY THEM OUT



Decorating is about creating spaces we love, that last. We want the planet to last, too.

Planet Friendly Supplies

Plastic paint brushes are the cheapest and most widely available option. But like tester pots, they're usually non-recyclable virgin plastic and destined for landfill. Not good enough. COAT has partnered with the only B-Corp certified provider in Europe for our high-grade eco-friendly painting supplies:



- ✓ Paint Brushes - infinitely farm-able bamboo handles, 60% re-used and 100% fully recyclable metal and bristles, made in the UK
- ✓ Paint Roller frames - infinitely farm-able bamboo handles, 60% re-used and 100% fully recyclable metal
- ✓ Paint Roller sleeves - 100% recyclable when used with water-based paints like COAT
- ✓ Paint Tray - made from sugarcane bagasse, a natural waste material that's biodegradable and compostable



COAT
COAT
COAT

No nasty
plastics. Thanks.

4.

CLEANER OPERATIONS

SMARTER, LEANER, MORE
PLANET FRIENDLY

COAT
COAT
COAT

Smart Deliveries

It's boring, but so important. We deliver paint directly to home, which is more efficient and direct with less wasteful travel. Think less lorries, and less back-and-forth trips to DIY stores. Entirely recycled or recyclable packaging too. It's a critical shift.

- ✓ Cardboard packaging is unbleached and 100% recyclable
- ✓ Recycled steel paint tins are infinitely recyclable



- ✓ Deliveries are 100% Carbon Neutral through our chosen courier
- ✓ Protective shipping moulds are 100% recycled and recyclable
- ✓ Kraft paper packaging tape is 100% recyclable and vinyl-free
- ✓ Wooden stir sticks are FSC certified



Exclusively Made To Order



UNLIKE OTHERS, WE DON'T MAKE PAINT UNTIL SOMEONE ORDERS IT.

Most paint companies batch-produce paint in huge quantities, in different colours, only for it to sit on shelves in stores or warehouses. Customers then take multiple trips to-and-from the stores to pick out a dusty tin at best - and at worst, this paint goes unsold towards the 2 million litres of landfill paint every year. But not COAT. We produce paint to order in only the colours people want, and send it straight to home via Carbon Neutral delivery partners. That's less waste, and less car trips.

Only the colours people want, and zero waste production.



360 Degree Recycling

2 million litres of excess paint is sent to landfill every year in the UK. 50% of it is probably in your shed or understairs cupboard, am I right?

Any COAT customer can send back their empty tins or unused paint, and we'll process them fully for recycling. That means the tins, handles, and most importantly any excess paint is recycled.

We work with a partner who process excess or waste paint and turn it into their own recycled paint product - so there's nothing going to waste.

There's even more being done by COAT when it comes to minimising paint waste, which we're pretty excited about.



5. OUR CARBON FOOTPRINT WE'RE OWNING IT, AND MAKING IT RIGHT

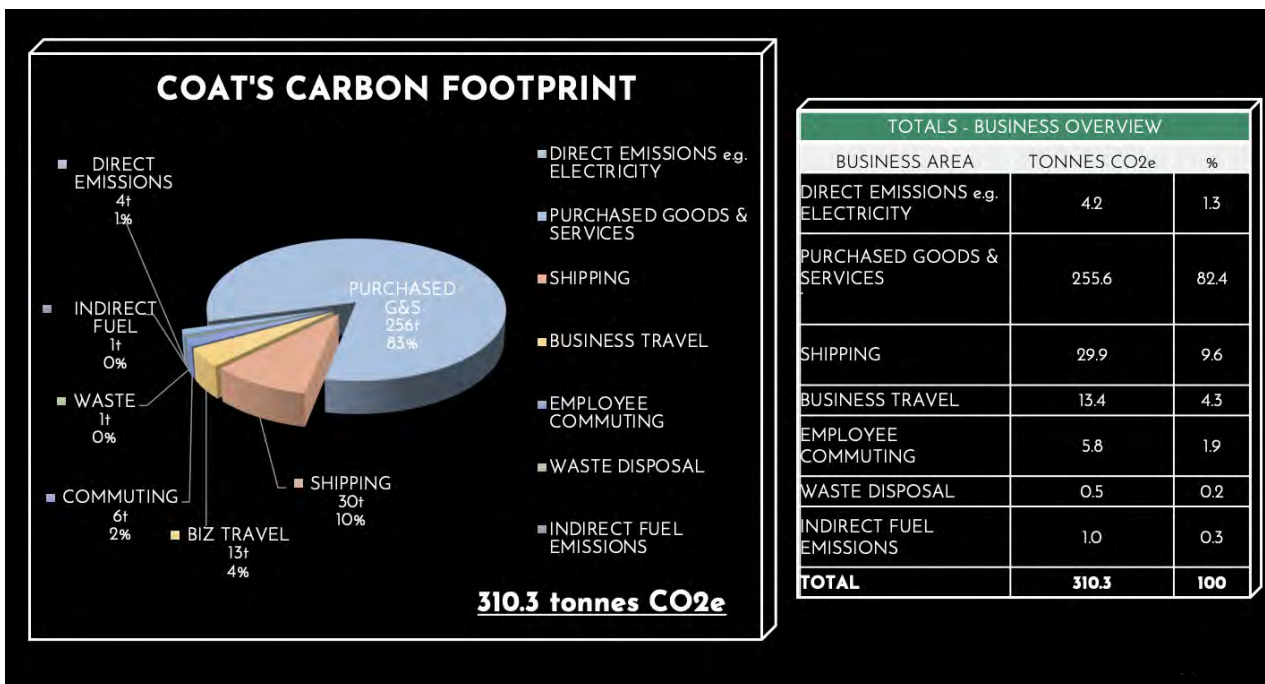


Our Carbon Footprint

310.3 TONNES.

THAT'S ABOUT 100 CARS WORTH - FOR AN ENTIRE COMPANY

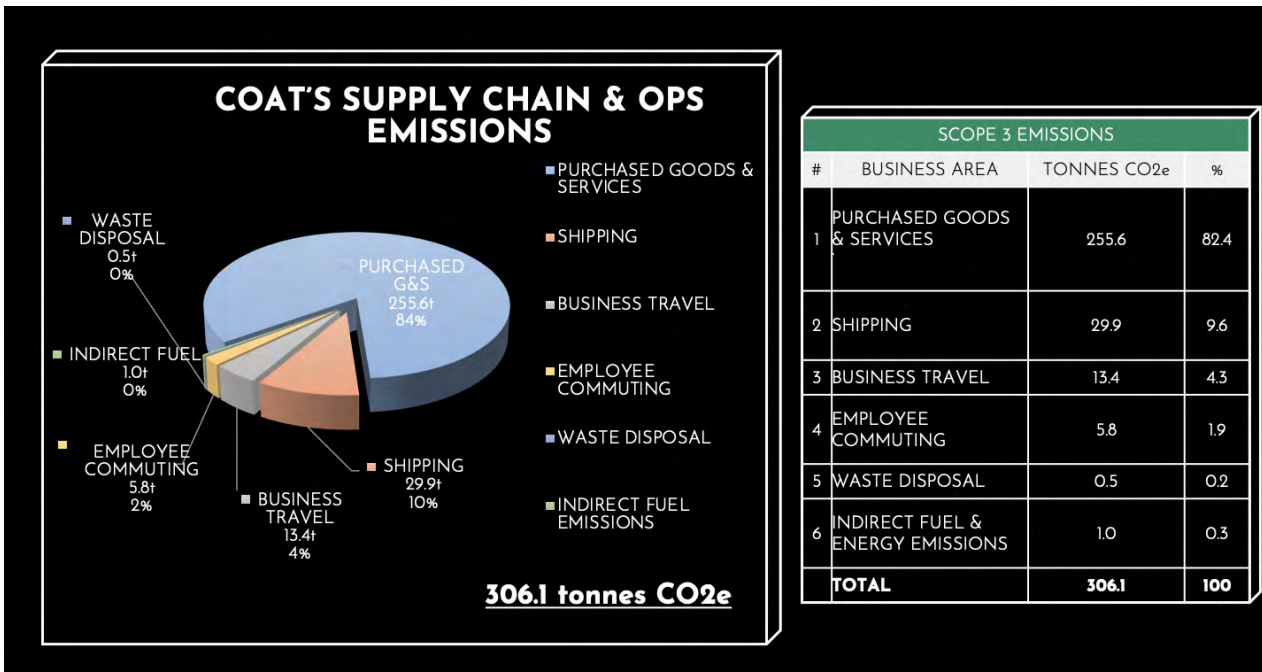
COAT's annual carbon footprint, including indirect Scope 3 emissions, is 310.3 tonnes of CO₂e. For an entire company, that's a pretty darn small footprint. Scope 1 and 2 emissions (the direct COAT business) make up just 1% of COAT's carbon footprint - with the vast majority coming from indirect Scope 3 emissions from our suppliers and partner logistics operations.



LOOKING BEYOND OUR OWN BUSINESS.

COAT’s Scope 3 footprint is 306.1 tonnes of CO₂e, with 83% of this amount coming from purchased goods and services. It is not uncommon for an online business like COAT to have limited Scope 1 & 2 emissions – but it means to have the greatest positive impact we’re focusing improvements on Scope 3 and the areas in our supply chain that are more difficult to influence. We like a challenge.

Purchased Goods & Services emissions are the emissions of a product or service from its creation to the point of purchase (‘cradle to gate’). For example, the emissions associated with the purchase of paint would include all raw materials, production and operations. For PG&S, by far the biggest source of COAT’s emissions comes from base paint and colourant, as well as the factory production and packing process.



Extract from Carbon Footprint Report Results –
Produced by Carbon Jacked on behalf of COAT Paints | July 2021

How We Offset

WE DOUBLE-OFFSET, TO GO FURTHER.

The Sustainable Development Goals (SDGs) or Global Goals are a collection of 17 interlinked global goals designed to be a "blueprint to achieve a better and more sustainable future for all". The SDGs were set up in 2015 by the United Nations General Assembly, and are intended to be achieved by the year 2030. That's not so far away...

COAT contributes financially to initiatives that reduce greenhouse gas emissions, supporting way beyond a minimal offset amount. Not only that, the projects we support are verified Gold Standard by the UN, and contribute to 12 of these 17 sustainable development goals.

That's pretty cool, right? (pun absolutely intended).



United Nations Sustainable
Development Goals

Let's be super clear - COAT has double offset our unavoidable carbon emissions. That means offsetting twice the amount of our measured carbon footprint - because we think that 'to sustain' in this world is not enough. We want to give back more than we take, and help to turn the tides.

We're supporting projects verified under the Verified Carbon Standard (VCS) programme, which is one of the leading international standards for the verification of carbon credits in the world. If you're going to do it, do it right.



Effectively protecting and restoring forests has the potential to mitigate 30% of global greenhouse gas emissions by 2030 - significantly reducing the effects of climate change. Protect the trees we've got, y'all.

But you might not know that poorly planned and illegal farming is responsible for 80% of forest loss - lots of which happens across continents like Africa and South America. Carbon Tanzania is an organisation that COAT supports with carbon offsetting credits, with projects designed to address the issue of poorly planned or illegal deforestation by empowering communities to enforce their land use plans and defend their land rights. With irreversible climate changes less than a decade away - we think the battle lies in protecting ancient forests, not necessarily in planting new seeds. It's sad, but we've got to move faster than that.

6. THE FUTURE MAKING A DIFFERENCE - TOGETHER.



8855-1
Chaste

8939-1
Shy Pink

9002-1
Rosario

What Next?

WE WON'T STOP.

We started right. Local sourcing, clean products, and zero-waste production. Oh, and Carbon Neutral operations from day one.

Going beyond that to look at up-and-downstream Carbon emissions and owning them right now, is a step that 99% of companies never take. But we're in the 1%.

There's so much that can still be done though. We have a plan to lobby our supply chain, bring innovation to the table, implement cutting edge work practices and continue to reduce carbon emissions in house and with our entire supply chain.

~~Watch this space.~~ Make moves.



Leading the charge

We've shared how we do things at COAT and the ethical decisions we make. Not because we're sanctimonious - but because we think consumers deserve to know who they're buying from, to make conscious choices. A few too many charts perhaps, but you get it.

We're not chaining ourselves to trees at the weekend or anything, we're just really conscious of our impact and making the right decisions for a better future. We've got all control, so we're making sure we use ours in the right way.

Bravo if you got to this point. Thanks for being curious and for your interest in responsible business. We're here if you want to chat -

Rob & Rob. Founders.
hello@coatpaints.com

The
Carbon
Positive
Paint Co.





Paint, just
better.
THANK YOU.