

# TATO HOLDINGS LIMITED

## SECTION 172(1) STATEMENT

The Board of Directors is fully aware of its roles and responsibilities within the organisation and must always act in ways that add sustainable long-term value to our business for the benefit of all our stakeholders. The principal responsibilities of the Board is to lead the Group's strategic purpose from Commercial, Financial, Technological and Sustainable perspectives and ensure that the Group's culture is fully aligned with these.

It monitors the Group's performance in delivering its strategy, ensuring that the required resources are in place for the Group to meet its objectives, analyse the trends and assess the opportunities and risks that they may present. The Board has established a framework of prudent controls that enable these risks to be managed and engage with all stakeholders to ensure that its views and concerns are considered.

This will be achieved by carrying out a rolling agenda which will cover both past performance and thinking for the future and will be reviewed against several specific KPI's that are not just linked to financial performance such as sales, profit, and working capital ratios but are correlated with our strategic vision that includes environmental, community impact and governance aspects.

This process will be carried out by validation and engagement with all of the key drivers within our business model; customers, employees, shareholders, suppliers, investment decisions, CSR Policy and corporate governance.

The Group has a Code of Conduct which was rolled out in 2022 and this aims to ensure that our values of Trust, Honesty, Optimism, Respect are widely communicated across the Group. The Code provides guidance on the standards of integrity and ethics expected by us to better enable the future development of our business. The Group also operates a Whistleblowing line, which is monitored by the Group Compliance Manager and any necessary actions are taken.

The Board has appointed a sub-committee to bring a strong focus to ethics and compliance. The Ethics Committee meets three times per year and is made up of the Group CEO, Group CFO, Group COO EMEA and the Group Compliance Manager.

As expectations continue to increase about the role of business in society it is important that the Board hears first hand from stakeholders about their perceptions of our performance and the opportunities and challenges that lie ahead:

- regular updates are provided to our major shareholder base through their attendance at Main Board meetings with discussions focused on strategic planning, sustainability and corporate governance. This will continue throughout the coming year with additional emphasis placed on the environment, climate change and community impact. This enables a flow of communication in both directions so that the shareholders are able to express their wishes for the Group and the Board can explain the strategy to achieve these wishes having regard to other stakeholders.
- There are two non-executive Directors appointed to the Board to provide additional oversight and expertise as the Group looks to continue its Global expansion plans.
- The Board creates excellent workplace environments to encourage staff retention and loyalty, this is borne out by low staff turnover and a high number of long serving employees.

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During 2023, Management implemented the first Employee Engagement Survey (EES). All employees were asked to provide their feedback on a range of topics, ranging from working conditions, to communication, to peer feedback, to employee safety, to pay and finally diversity and inclusion. The response rate was high at 75% allowing Management to gain a real perspective into what our employees thought. The result of this EES has been the publication and implementation of an action plan based around seven key themes which came across in the employee responses. In addition to the Group action plan, each site produced their own local action plan to address any issues highlighted which were more local in nature.

The Board believes that a close working relationship with our employee groups and our partners is key to the continued success of the Group and a cornerstone of our business model. Whilst 2023 proved to be another challenging year, the Group have emerged from it stronger than ever, thanks to our robust business model and the resilience and commitment of our employees and the long-term partnerships with customers and suppliers alike.

As a result of our 2023 activities the Group will pay €24.4 million in current corporate taxes around the world assisting our host Governments to provide important services to their citizens and to pursue their economic objectives, and our direct economic contribution to the local communities in which we operate was €0.7 million, paid through our policy of donating a target percentage of pre-tax profits to local communities and charitable organisations. There were no political donations made during the year.

During the year the Company paid out €51,900,000 to its shareholders from its reserves. The Directors considered the impact of this distribution on the Company's long-term interests and its creditors in making this decision and concluded that the Company's solvency and interests were not prejudiced in any way given the Company's available cash and distributable reserves. The Company will continue to review its on-going dividend policy in line with its investment plans and business objectives.

We have learned from the period during the pandemic and understand the flexibility that some element of working from home affords to some families. We continue where possible to facilitate our employees working from home, with regular contact in place with management to ensure employee well-being.

With the backdrop of a very dynamic and changing business environment, the Group has produced cashflow forecasts for full year 2024 and financial plans through to 2028, and with a strong balance sheet and continuing investment in high value growth, capability, employees and sustainability, the Group is well positioned to be resilient and thrive in a new world of complexity.