

## **SIG EUROPEAN HOLDINGS LIMITED**

### **STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2023**

The Directors present their Strategic report for the year ended 31 December 2023.

#### **Principal activity**

The principal activity of the Company during the year was that of an intermediate holding company. The Company owns the beneficial interest in a number of SIG plc's Mainland European operations.

#### **Business review**

The results for the year are set out on page 8. The Company incurred a loss after tax of £5.8m (2022: profit of £11.4m) due to the interest payable on the intercompany loan. The profit in the prior year included dividends received from a dissolved subsidiary. The Company has net liabilities of £33.1m at the end of the year (2022: net liabilities £27.3m).

#### **Key performance indicators and principal risks and uncertainties**

The Company does not have any key performance indicators as it is an investment holding company.

The main risk it faces is the potential diminution in the carrying values of the investments which the Company holds that would arise as a result of the risks faced by each subsidiary undertaking. Risks faced by subsidiary undertakings include risks around cyber security; health and safety; macroeconomic uncertainty; attraction, recruitment and retention of people; data quality and governance; environmental, social and governance; mergers and acquisitions; legal or regulatory compliance; modernisation and change management.

The Company is also exposed to currency rate risks where any fluctuations in exchange rates would give rise to translation differences on overseas earnings streams when translated into sterling.

#### **Future developments**

The Directors intend for the Company to continue operating as an intermediate holding company for the foreseeable future.

#### **Section 172 statement**

The Directors consider that they have performed their fiduciary duty, as stipulated under Section 172 of the Companies Act 2006 ("CA 2006") in good faith to promote the success of the Company for the benefit of the members as a whole. They have taken into consideration, amongst other matters: the likely consequences of any decision in the long term; the impact of the operations on the community and the environment; the desirability of the Company maintaining a reputation for high standards of business conduct; and the need to act fairly as between members of the Company.

As a wholly-owned subsidiary of the wider SIG plc Group, the Company has a sole member. As a holding company, the Company's principal activity is aligned with the SIG plc Group. The Directors of the Company are therefore guided by the Group's culture, policies and strategies. The Directors of the Company however recognise that their statutory duties are owed to the Company and believe when taking Board decisions during the period ended 31 December 2023 that they have acted in a way that they consider, in good faith, would be most likely to promote the success of the Company, having regard to those matters set out in Section 172 of CA 2006. As a holding company with effectively no employees, third party suppliers or customers, the Directors do not consider the factors listed in Section 172(1)(b) interests of employees, 172(1)(c) relationships with suppliers and customers or 172(1)(d) impact of operations on the community and environment, as relevant to the proper discharge of their duties pursuant to Section 172 of the CA 2006.

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**STRATEGIC REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2023**

**Section 172 statement**

The nature of the Company's activities during the period were such to achieve the Company's long term success and were aligned with the SIG plc Group, which has policies and procedures in place which have guided and informed the Directors during the period, when considering the likely consequences in the long term outcome of their decisions. The Directors rely on the Group's functional experts, such as Legal, Finance, Tax and Treasury, and obtain guidance and seek approval as appropriate before authorising any Board resolutions. The Directors of the Company are also members of the Executive Leadership Team of SIG plc and they are therefore informed on any matters of significance related to the business activities of the Company. A specific example of how the Directors have had regard to the matters set out in Section 172 when discharging their duties during the period is the review and approval of the Financial statements, including conclusions on going concern and the recoverability of investments in subsidiaries.

This report was approved by the Board on 8 August 2024 and signed on its behalf.



**Andrew Watkins**  
Director