

Report of the proceedings of the Audit Committee to the Ordinary General Assembly of the Shareholders of Gr. Sarantis S.A. of May 4th 2023

Athens, March 27 2023

Dear Shareholders,

I. INTRODUCTION

In the framework of a. 44 par. 1 of Law 4449/17, the Audit Committee submits to the General Meeting its report on issues regarding its proceedings on the financial year 2022, as defined in the Corporate Governance Code of Gr. Sarantis S.A., and in more detail in its Operating Regulation.

II. COMPOSITION AND PURPOSE OF THE AUDIT COMMITTEE

The Audit Committee of Gr. Sarantis S.A. in the period 1/1/2022 to 31/12/2022 consisted of two (2) independent and non-executive members of the Board of Directors and one (1) independent third party and, in particular:

1. Ioannis Arkoulis of Michael, third party independent of the Company, Chairman of the Audit Committee,
2. Irene Nikiforakis, daughter of Markos, Legal Advisor, Athens Lawyer at the Areios Pagos, visiting lecturer in the Postgraduate Program of the Law School of the University of Athens, independent non-executive member of the Board of Directors, member of the Audit Committee.
3. Christos Economou of Ioannis, independent non-executive member of the Board of Directors, member of the Audit Committee and

The above members of the committee were appointed pursuant to the decisions of the Ordinary General Assembly of 28/05/2021 (Period 01/01/2022 - 30/05/2022) as well as the Ordinary General Assembly of 31/05/2022 (Period 31/05/2022 - 31/12/2022) in accordance with the provisions of article 44 L. 4449/2017 as amended, the Committee's Regulations and Circular 1508/17-07-2020 of the Directorate of Listed Companies of the Hellenic Capital Market Commission.

The term of the Audit Committee was set until the Ordinary General Assembly of 2023 and until a relevant decision is taken by it.

The above composition, which is also the current composition of the Audit Committee, was unanimously determined at the meeting of 02/06/2022 where it was formed as a body.

The Audit Committee assists the Board of Directors in fulfilling its supervisory responsibility towards the shareholders.

It recommends a committee designed to add value and improve the operations of the organization. Its role includes, among others: (a) informing the Board of Directors of the outcome of the mandatory audit, (b) monitoring the process of financial information, (c)

monitoring the effectiveness of internal control systems, (d) monitoring the mandatory audit of annual and consolidated financial statements, (e) overseeing and monitoring the independence of sworn auditors or auditing firms, (f) responsible for the selection process of sworn auditors or auditing firms, (g) responsible for the selection process of independent evaluators for the evaluation of the SPC's work, monitoring their work, and updating both the Board of Directors and the competent supervisory authority.

The Audit Committee has an Operational Regulation, which defines, among other things, its role, the procedure for fulfilling it, as well as the procedure for convening and holding meetings. The operational regulations of the Audit Committee are posted on the Company's website.

This report of the Audit Committee pertains to the twelve-month period of the closed fiscal year (1/1-31/12/2022). The report was prepared and is in compliance with the provisions of Law 4449/2017 as amended by Article 75 of Law 4706/2020 and aims to inform you about the achievements of the Audit Committee based on its prescribed duties.

III. MEETINGS AND OPERATION

During the year 2022, the Committee held a total of 9 standalone meetings with full attendance and members participated in 5 meetings of the Board of Directors (total meetings within 2022: 14). In addition, the Chairman of the Audit Committee participated in 6 meetings with members of the Company's Finance Department, auditors, and representatives of management for various updates primarily related to developments in Ukraine and their impact on the Group's subsidiaries operating in war zones.

With reference to actions related to the reference period 2022 and until the approval of the financial statements for the year 2022 by the Board of Directors, in the following year 2023 the audit committee met 3 times independently with a full quorum and received information on matters of planning and execution of the audit of financial statements for the year 2022 by the Certified Auditors and examined, before their approval by the Board of Directors, the financial statements for the year 2022 of Gr. Sarantis S.A., and taking into account the report of the Certified Auditor, evaluated positively their completeness and consistency and informed the Board of Directors accordingly.

Depending on the topics of the Audit Committee's meetings, the heads of the units responsible for Financial Information, Internal Control, Sustainable Development, as well as Certified Auditors were called upon to participate.

The relevant informational material (internal audit reports, management reports, reports and presentations by certified auditors, financial and non-financial information, etc.) was timely distributed to the members of the Committee for study in order to express their opinion.

During the meetings of the Audit Committee minutes were kept in which the issues discussed and approved by the attending Members and notified to the Board of Directors were recorded. All the members of the committee attended its meetings.

The Audit Committee has proceeded to a self-assessment of its effectiveness and the results were discussed at the Board of Directors. An external assessment of the Audit Committee was performed during the assessment of the Internal Audit System pursuant to article 14, par. 3 case j and par. 4 of L.4706/2020 and no material issues were identified.

During the exercise of its competences, the Audit Committee had unrestricted and full access to all necessary information and was given the necessary resources and infrastructures for its effective operation.

Additionally, during the fiscal year 2022:

- 1) Regarding the supervision of the **external audit and the financial reporting process**, the Audit Committee:
 - Met nine (9) times with the certified auditor-accountant of Gr. Sarantis S.A. and specifically (6) times for consultation and updates regarding developments in Ukraine and their effects on the group's subsidiaries operating in conflict areas, as well as updates on the progress of the audit, (1) time during the planning stage of the audit, and two (2) times during the preparation stage of the annual audit report 31/12/2021 as well as the presentation of the supplementary report and review of the semi-annual financial statements as of 30/06/2022.
 - Delivered its opinion in favor of the extension of the appointment of the Auditing Company BDO Certified Public Accountants S.A. for the mandatory audit of the Company and the consolidated financial statements for the fiscal year 2022.
 - Was informed about the schedule for preparing financial information by the management, as well as significant judgments, assumptions, and estimates made in the preparation of the financial statements.
 - Examined the independence of the Certified Auditors-Accountants in the framework of the mandatory audit and ascertained that they do not receive fees by the Company and its subsidiaries for non-auditing services pursuant to article 5 of the European Union Regulation no. 537/2014.
 - Was informed about regulation (EU) 2020/852 on the EU Taxonomy and the disclosure requirements in the financial statements of the Company and the Group.
 - The Committee was informed by the certified auditor-accountant about the annual plan of the mandatory audit before it was implemented, assessed the plan and confirmed that it includes the most significant fields of audit, in relation to the main business and financial risks of the Group.
 - Examined the level of significance chosen by the certified auditor – accountant as well as the sampling method used for the audit.
 - Was informed by the Certified Public Accountant about issues related to the application of the revised standard ISA 315 "Identifying and Assessing the Risks of

Material Misstatement through Understanding the Entity and Its Environment" that pertains to the mandatory audit of the financial statements for the year 2022.

- Once the annual mandatory audit was completed, it received by the ordinary auditor the supplementary report pursuant to article 11 of EU Regulation 537/2014 which contained the results of the mandatory audit and informed the Board of Directors.
- Received comprehensive briefing about the process and the software program regarding the consolidation of the financial statements of the Group's subsidiaries.
- Examined, prior to their approval by the Board of Directors, the 2021 financial statements (both standalone and consolidated) of G. Sarantis S.A., and taking into account the contents of the supplementary report of the Certified Public Accountant, positively evaluated their completeness and consistency and informed the Board of Directors.
- Examined, before their approval by the Board of Directors, the interim financial statements for the period 01/01/2022 – 30/06/2022 (standalone and consolidated) of Gr. Sarantis SA, positively assessed their completeness and consistency and informed the Board of Directors.
- Was informed about issues related to the application of the ESEF Regulatory Framework regarding the preparation of the Company's and Group's standalone and consolidated financial statements for the year 2022.

2) Regarding the supervision of the **Internal Audit System and in particular the Internal Audit unit, the Regulatory Compliance unit and the Risk Management Unit**, the Audit Committee:

- Assessed the adequacy and efficiency of the Internal Audit System, taking also into account the content of the audit reports of the Internal Audit Unit and ascertained its adequacy and efficiency.
- Assessed the adequacy and efficiency of the Risk Management System and found that the risk assessment system is adequate and effective and is in the process of being updated and improved based on appropriate practices and in accordance with the legislative framework.
- Assessed the adequacy and efficiency of the Regulatory Compliance System and found that the Regulatory Compliance Unit meets all the requirements of Law 4706/2020 and is constantly improving, in order to achieve timely full and continuous compliance of the Company with the currently applicable regulatory framework throughout the range of its activities.
- Approved the annual work program of the Regulatory Compliance Unit and monitors its smooth implementation.
- Became aware of the conflict of interest declarations of obligated persons in accordance with the Company's regulations.

- Was informed about the new risk assessment methodology and the process of developing the audit plan, which takes into account both compliance issues with Law 4706/20 and the structure of the company's internal control system in relation to the three lines of defense methodology of the IIA, as well as the obligations of internal auditors under international internal control standards.
 - Was briefed on issues related to the implementation of the Group's Code of Conduct and the Reporting and Whistleblowing Policy.
 - Evaluated proposals for advisory support from consulting firms to the Compliance and Evaluation and Risk Management Units and recommended the relevant assignments.
 - Ensured timely assignment of the internal control system assessment in accordance with article 14, paragraph 3, sub-paragraph i and paragraph 4 of law 4706/2020.
 - Approved the annual audit plan of the Internal Audit Unit, assessing the process during which it was formed. It confirmed that the annual audit plan for 2021 was formed based on the main risks (financial reporting, operating, regulatory compliance and financial risks) that the Group's companies face and informed the BoD accordingly.
 - Monitored the implementation of the annual audit plan and assessed the efficiency of the Internal Audit Unit, through quarterly reports of the Head of the Unit.
 - Monitored the progress and the efficiency of the auditing work, by assessing, through quarterly reports, the findings, the corrective actions agreed to handle the findings as well as the implementation thereof and informed the BoD accordingly.
 - Became aware of the training plan for the executives of the Internal Audit Unit, while recommending that the Board of Directors examine a potential increase of resources for the Unit in order to fully implement the audit program due to increasing requirements arising from the new regulatory framework of corporate governance.
 - Became aware of compliance issues regarding data protection and the assurance system of the company.
- 3) Regarding the non-corrective event of the war between Ukraine and Russia and its impact on the Group's subsidiaries in Ukraine and Russia, the Audit Committee:
- Requested and received briefing by the Management regarding the assessment of risks performed by the Risk Management Committee, and any potential examination of alternative scenarios to handle the situation.
 - Together with the Management and the Auditors, it examined the likelihood of the non-going concern of the subsidiaries in Ukraine and Russia and any impact on the activity of the Company and the Group.
 - Requested and received briefing by the Management regarding the possibility to complete the audit of the subsidiaries in Ukraine and Russia for the fiscal year 2021 and ascertained that they have been completed in time.
 - Due to the criticality of the situation, it was agreed upon at the initiative of the management that updates from the Deputy CEO and Financial Director of the Group

be provided on a weekly basis to the President of the EU, the Board of Directors, and the Head of Internal Audit until the announcement of the 2021 financial results.

- 4) Reviewed the Sustainable Development Policy of the Group and ascertained that:
- the organization recognizes both its environmental and social footprint and the interactions due to its operation related to its natural and social environment.
 - the organization is committed to responsibly managing the resources it uses and aims at the sustainable development by adopting appropriate practices.

The main points of this Policy are the following:

Objective

At Sarantis Group, we recognize that our operational activity has direct and indirect economic, social and environmental effects on our stakeholders, including consumers, employees, investors, customers, partners and local communities in which we operate worldwide.

Fully recognizing the importance of our contribution to sustainable development, the purpose of this policy is to commit to responsibly managing these effects throughout the Group's value chain, from the production of the raw materials we supply to the use and disposal of our products by consumers.

The Group's business practices are designed to create value in the short and long term, maximizing positive effects, such as creating employment, and improving consumers' health and wellbeing, while mitigating negative effects, such as greenhouse gas emissions or the use of plastic.

The company's sustainable development policy is based on:

- i. The compliance with the current legislation
- ii. The contribution to the United Nations Sustainable Development Goals
- iii. The Precautionary Principle or approach - Principle 15 of 'The Rio Declaration on Environment and Development.
- iv. The Principle of Materiality, as defined by the GRI Standards, through which the Group undertakes to prioritize at least every two years the most important economic, social and environmental effects it creates
- v. The Principles of the United Nations Global Compact

Scope and duration of application

This Policy covers all the activities of the Group and is linked to individual procedures, standards, voluntary and regulatory commitments that may create liabilities to third parties.

The Policy will be reviewed every two years. (i.e. again in 2023)

Aspects

The Sustainable Development Policy covers the following economic, social and environmental aspects of the Group's effects, which arise following the observance of the Policy Principles, and which are reviewed at least biennially, in the context of the analysis of substantive sustainable development issues of the Sarantis Group:

I. Sustainable production and consumption:

- Ensuring product quality and customer safety
- Practicing responsible marketing and product environmental/social labeling
- Safeguarding sustainable and circular sourcing of raw and packaging materials
- Minimizing packaging and adopting circular practices for the management of waste
- Improving energy efficiency, use of renewable sources and reduction of GHG emissions in production and distribution
- Investing in R&D for innovative and sustainable products
- Assessing suppliers against environmental and social effects
- Improving water use efficiency, waste treatment and circularity in production
- Supporting responsible consumption and sustainable lifestyle

II. Responsible governance

- Ensuring robust economic performance
- Safeguarding corporate governance, regulatory compliance and business ethics

III. Empowered employees

- Creating employment and investing in employees' training
- Ensuring employees' health, safety and wellbeing
- Offering equal opportunities, ensuring employees' diversity and respecting Human Rights

IV. Thriving Communities

- Being an active part of the society of its operational region, the Group effectively supports the needs of the local communities and implements similar initiatives. The impact of the Group on the local and wider community is deeply understood and expressed through financial contributions, product donations and many other initiatives aimed at increasing the positive economic, social, and environmental effects on all stakeholders.