

Report of the Independent Non-Executive Members of the Board of Directors to the Annual General Meeting of Shareholders of 23 April 2024

Marousi, 28 March 2024

Dear Shareholders,

We are submitting the present report to the Ordinary General Meeting of the Company's Shareholders of 23 April 2024. The report was prepared jointly by the Independent and Non-Executive Members of the Board of Directors of the Company "GRIGORIS SARANTIS SOCIETE ANONYME INDUSTRIAL AND COMMERCIAL COMPANY OF COSMETICS, CLOTHING, HOUSEHOLD AND PHARMACEUTICAL ITEMS" (the "Company"), in accordance with the article 9, paragraph 5 of Law 4706/2020 and the relevant guidelines of the Hellenic Capital Market Commission.

At the time of preparation of this report, the Board of Directors (the "Board" or "BoD") of the Company consists of 10 members, of which 5 are executive and 5 non-executive. Of these 5 non-executive members, 4 are independent non-executive members. With regard to the composition of the Board of Directors it is confirmed that:

- i the number of independent non-executive members is harmonized with the requirements of Law 4706/2020,
- ii the members of the Board of Directors meet the eligibility (suitability) criteria provided for in the approved Suitability Policy in relation to the members of Board of Directors of the Company and there is sufficient representation by gender, at least twenty five percent (25%) of all members of the Board of Directors,
- iii the conditions of independence of article 9, Law 4706/2020 are met for each of the independent nonexecutive members of the Board of Directors, and
- iv there are no obstacles or incompatibilities in each member of the Board of Directors in compliance with the provisions of Law 4706/2020, the applicable Corporate Governance Code and the updated Internal Operating Regulation of the Company.

During the reporting period, i.e. from the last Report of the Independent Members as of 10 April 2023 up to the date of the Ordinary General Meeting of Shareholders as of 23 April 2024, there were the following changes in the composition of the Independent and Non-Executive Members of the Company's Board of Directors.

1. In the period 10/4/2023 to 30/06/2023, the Independent Non-Executive Members of the Board of Directors were the following:
 - Dimitrios Reppas of Panagiotis,
 - Christos Oikonomou of Ioannis,
 - Nikolaos Nomikos of Pericles,
 - Irimi Nikiforakis of Markos.

2. Subsequently, on 30/6/2023 after the resignation of Mr. Christos Oikonomou, the Board of Directors by its own decision was reconstituted having as Independent Non-Executive Members the following:
 - Dimitrios Reppas of Panagiotis,
 - Nikolaos Nomikos of Pericles,
 - Irimi Nikiforakis of Markos,

3. Following, by the decision of the General Meeting of the Company's Shareholders on 20/12/2023, a new Board of Directors was elected, in which the following individuals participated as Independent Non-Executive Members:
 - Michael Imellos of Nikolaos,
 - Maria Ioanna Politopoulou of Georgios,
 - Angeliki Samaras of Dimitrios,
 - Irimi Nikiforakis of Markos,

This Report has been prepared collectively by the Independent Non-Executive Members elected by the Annual General Meeting (AGM) of Shareholders as of 20 December 2023, and concerns the period from 20 December 2023 until the preparation date of this document, and it has been specifically prepared by the following individuals:

- Michael Imellos of Nikolaos,
- Maria Ioanna Politopoulou of Georgios,
- Angeliki Samaras of Dimitrios,
- Irimi Nikiforakis of Markos,

Pursuant to Article 7 of Law 4706/2020, the non-executive members of the Board of Directors, including independent non-executive members, have, in particular, the following obligations:

- They monitor and review the Company's strategy and its implementation, as well as the achievement of corporate targets,
- They ensure the effective supervision of executive members, including the monitoring and control of their performance, and
- They examine and express opinion regarding the proposals submitted by the executive members based on existing information.

In fulfilment of our obligations as per above, during the period covered by this report (i.e. from 20/12/2023 until the preparation date of the present), we, as being the independent non-executive members of the Board of Directors of the Company, carried out the following:

- a) Regarding the monitoring and examination of the Company's strategy, its implementation and the achievement of the corporate targets:
- We were briefed about and reviewed the five-year financial Plan of the organization, including the most important financial targets, perspectives, opportunities and risks for the Company for the coming five year period, as the Plan was presented to the Board of Directors from the Management Team before its presentation to the Investor Community.
 - We were also informed by the Management Team about the following:
 - the process of streamlining the organization's product portfolio. In particular, we were informed about the completion of the code reduction project by 40%, which took place in the last three years and at the same time the support of the most recognizable and best-selling codes. The latter were called "HERO SKUs" and are the Group's high-value products, for which the Management Team is considering their further development to position the Group in the respective categories and markets strategically.
 - the task of simplifying and improving the efficiency of the organization's operations and processes.
 - the project to improve and more effectively manage the inventory levels with the aim of releasing liquidity.
 - innovation initiatives which will aim at fewer and larger projects.
 - the business plan project which is expected to be completed within the 3rd quarter of 2024.
 - the project of digital transformation and improvement of the infrastructure and in particular for the transition to the new SAP S/4HANA software system, as well as for the implementation of the new logistics center in Oinophyta (which will be implemented through funding from the Recovery and Resilience Facility - RRF).
 - the new investment in Stella Pack factory in Poland, which will strengthen the plastic recycling capability and contribute to the organization's sustainable development agenda.
 - With regard to ESG matters, we were informed about the organization's three objectives: enhancing interaction with stakeholders (customers, suppliers, local communities, etc.), the implementation of the double materiality assessment with the aim of determining the critical points which the organization should focus on and the determination of specific sustainable development targets that should be set by the end of 2024.
 - The Management Committee, in which the executive members of the Board of Directors participate, monitors the development and implementation of the Strategy, at least on a monthly basis. The Management Committee informs the Board of Directors (BoD) about important issues regarding developments during the implementation phase of the Strategy, with the BoD being the one which takes the relevant decisions regarding the Strategy and its implementation. In this context, the Board of Directors ensures the effective implementation of the corporate strategy through a series of actions that include the proper management of available resources, the monitoring of the Company's course, the preparation of reliable financial statements, the identification, evaluation and management of risks in relation to the defined objectives, as well as the collection of reliable data regarding the non-financial position of the Company.

b) With regard to ensuring the effective supervision of the executive members, including the monitoring and control of their performance:

- We were informed from the former Independent and non-Executive Members of the Board of Directors about the results of the last assessment of the Board of Directors regarding the suitability (eligibility) of its members and its Bodies, the evaluation of the performance of each member and collectively of the respective bodies, the evaluation process of the independence of independent members, as well as the implementation of the policy and procedure in relation to the conflict of interests.

Due to the election of a new Board of Directors by the Extraordinary General Meeting of Shareholders as of 20 December 2023, the new Remuneration and Nominations Committee will carry out a new evaluation of the Board of Directors and its Committees based on the following:

- The process of evaluating and supervising the performance of the members of Board of Directors.
- The policy and procedures for preventing and dealing with conflict-of-interest situations.
- Eligibility policy
- The declaration of independence process
- The policy and procedure for preventing and dealing with conflict-of-interest situations.

The evaluation will be carried out upon completion of one year from the day of election of the new Board of Directors, i.e. within December 2024.

- The Board of Directors operates effectively in order to serve the long-term interests and sustainability of the Company. The composition of the Board, which is being characterized by a diversity of knowledge, qualifications and experience, contributes to the achievement of the business objectives. Furthermore, the executive members are distinguished for their integrity, objectivity, reputation, reliability and professionalism, while they all possess knowledge, skills and experience in exercising supervision over the general operations and activities of the Company. This in turn ensures the strengthening of the long-term economic value of the Company and the protection of the interests of shareholders as well as all stakeholders.

c) Regarding the proposals submitted by the executive members:

- Through the roles we had assumed in the context of our participation in the Board of Directors and its committees, we act with a sense of responsibility, transparency and independence along the formulation of opinion. We attend the meetings of the Board of Directors and also actively participate in the decision-making process. Our purpose is to apply good corporate governance practices and to assist in the effective supervision of both the practices and the decisions of the management bodies. Our objective is also to safeguard the interests of all stakeholders (shareholders, government regulators, financial institutions, employees etc.). Our views and proposals are being discussed accordingly at the Board meetings. Our presence aims to ensure the implementation of sound corporate governance practices and to provide effective oversight of management decisions, thereby ensuring that the interests of all internal and external stakeholders are properly considered in the deliberations and decision-making of the Board of Directors and its committees. The non-executive members of the Board have been assured to have unhindered communication with the management team of the Company as well as regular information from the various Units' Directors.

Finally, as independent non-executive members of the Company's Board of Directors, we confirm our agreement with the content of the Management Report of the Company's Board of Directors and the Corporate Governance Statement 2023, which is an integral part of the Annual Financial Report and is available on the Company's website via the following link: [Publication of Results \(sarantisgroup.com\)](https://www.sarantisgroup.com).