



ESG COMMITTEE CHARTER
TERMS OF REFERENCE OF THE ESG COMMITTEE

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Related Documents
Sarantis Internal Operations Regulation

1. Purpose

The ESG Committee ("Committee") is established to provide oversight, guidance, and strategic direction for the company's Environmental, Social, and Governance (ESG) initiatives as part of the company's business strategy and its effectiveness in the overall creation of value. The Committee ensures alignment with the company's corporate strategy and compliance with relevant regulations, including the Corporate Sustainability Reporting Directive (CSRD).

2. Scope and Objectives

The Committee's primary objectives are:

- To oversee the development, implementation, and monitoring of the company's ESG strategy and goals.
- To review and approve the company's ESG policies, metrics, and disclosures in line with CSRD requirements.
- To ensure continuous improvement in ESG practices and alignment with industry best practices.
- To monitor and manage ESG-related impacts, risks and opportunities affecting the company.

3. Membership

3.1 Composition and term of office

- The ESG Committee consists of at least three (3) members, appointed by the Board of Directors. These members are all non-executive members of the BoD and at least two (2) members are independent non-executive.
- Independent non-executive members constitute the majority of the members of the Committee.
- One of the members of the Committee who is an independent non-executive BoD member is appointed as the Chairperson of the Committee upon decision of the BoD.
- All the members of the ESG Committee have proven sufficient knowledge of the sector in which the Company operates or other adjacent sectors.
- The participation of the ESG Committee does not exclude the possibility for the members to participate in other committees of the BoD that are not involved in day-to-day administration and management of corporate affairs.
- If a member resigns or passes away or loses his/her membership in any other way, the BoD appoints one of the existing members as a new member to replace him or her for the remainder of the term of office, without prejudice, where appropriate.

3.2 Role of the Chairperson

The Chairperson is responsible for:

1. Leadership and Strategic Direction

- Setting the Agenda: The Chairperson is responsible for setting the strategic agenda for the committee, ensuring that the focus is on key ESG risks, opportunities, and long-term sustainability objectives. Works closely with the Head of ESG, senior managers and other committee members, or relevant stakeholders to align ESG goals with the company's broader strategic priorities. Ensures that committee members receive necessary information and materials ahead of time to facilitate informed decision-making.

- Providing Vision and Leadership: Provides leadership to the committee by guiding discussions and ensuring that the committee's efforts contribute to the company's sustainability and governance objectives. Ensures that the ESG committee has a forward-looking perspective and anticipates emerging ESG risks, regulatory changes, and stakeholder expectations. Leads the process of assigning tasks, setting timelines for action items, and monitoring follow-up on decisions made during the meetings.
- Aligning ESG with Corporate Strategy: Ensures that ESG issues are not treated as standalone initiatives but are embedded within the company's overall strategy and operations. Works with management to ensure that ESG metrics and goals are integrated into the company's strategic planning and performance management. Works closely with the CEO and senior management to ensure alignment between the company's ESG initiatives and broader business objectives. Provides guidance and support to management in implementing ESG-related programs and ensuring that they deliver value to the company and its stakeholders.

2. Coordination with Other Board Committees

- Collaboration with Other Committees: Coordinates with other board committees, such as the Audit, or Remuneration & Nomination Committees, to ensure alignment on cross-cutting issues. Facilitates the flow of information between the ESG Committee and other committees to ensure a holistic approach to governance and risk management.
- Ensuring ESG Integration Across Board Activities: Works with the board chairperson and other committee chairs to ensure that ESG considerations are integrated into all aspects of board oversight, including financial performance, risk management, and corporate governance.

3. Reporting to the Board of Directors

- Reporting: Provides updates and reports to the board of directors on the activities, findings, and recommendations of the ESG Committee. Presents key ESG risks, progress toward sustainability goals, and relevant ESG metrics that may impact the company's financial performance or reputation.
- Presenting ESG Performance: Presents the company's progress on ESG performance, including updates on material issues such as climate-related risks, diversity and inclusion initiatives, or regulatory changes. Recommends actions to the board based on the committee's evaluations of ESG-related risks and opportunities.
- Advocating for ESG-Related Initiatives: Acts as a key advocate for the company's ESG initiatives at the board level, making the case for integrating sustainability into strategic decisions and capital allocation.

4. Risk Oversight and Accountability

- Ensuring ESG Risk Management: Ensures that the ESG Committee monitors and assesses the company's management of ESG-related risks, including climate change, regulatory compliance, supply chain issues, and labor practices. Works with management to ensure that appropriate systems are in place for identifying, evaluating, and mitigating ESG risks.
- Accountability for ESG Targets: Holds management accountable for setting and achieving ESG targets, such as reducing greenhouse gas emissions, improving workforce diversity, and enhancing corporate governance practices. Ensures that the company has clear and measurable ESG key performance indicators (KPIs) and that progress is regularly reviewed by the committee.

5. Overseeing ESG Reporting and Disclosure

- Ensuring Accurate ESG Reporting: Oversees the development and publication of the Integrated Annual Report's "Sustainability Statement" and any additional ESG report that needed to be published in each reporting year, ensuring that they are accurate, transparent, and aligned with the ESRS standards and other relevant standards (if applicable) such as the Global Reporting Initiative (GRI), Sustainability Accounting Standards Board (SASB), and Task Force on Climate-related Financial Disclosures (TCFD).
- Monitoring ESG Metrics and Performance: Ensures that the company's ESG performance is tracked using appropriate metrics and that the company's reporting is consistent with investor expectations and regulatory requirements.

6. Evaluating Committee Effectiveness

- Assessing Committee Performance: Leads the evaluation of the ESG Committee's performance, ensuring that it is meeting its objectives and adding value to the company's governance framework. May suggest adjustments to the committee's composition, processes, or scope of work based on performance assessments and evolving ESG priorities.
- Continuous Improvement: Advocates for continuous improvement in the company's approach to ESG, encouraging innovation and new strategies to address sustainability challenges.

7. Fostering ESG Expertise and Education

- Enhancing Committee Expertise: Ensures that committee members have access to education and training on emerging ESG trends, regulations, and best practices. May recommend external advisors or consultants to the committee when specialized expertise is required.
- Keeping the Committee Informed: Keeps the committee informed of relevant ESG developments, including changes in regulatory frameworks, industry best practices, and evolving stakeholder expectations.

3.3 Appointment and Tenure

- The term of the office of the members of ESG Committee coincides with the term of office of the BoD members.
- Membership shall be reviewed annually to ensure effectiveness.

4. Roles and Responsibilities

4.1 Responsibilities of the Committee

- The ESG Committee has unimpeded and full access to information it needs in order to exercise its duties.
- The ESG Committee uses any resources it deems appropriate to fulfil its purposes, including services from external consultants and therefore it should have sufficient funds available for this purpose.
- Approve ESG strategies, targets, and action plans.
- Oversee the preparation and submission of ESG-related reports under CSRD and other relevant standards.
- Evaluates the alignment of the company's sustainability initiatives with European Sustainability Reporting Standards (ESRS) and oversee the preparation and submission of ESG-related reports under CSRD and other relevant standards.
- Ensure stakeholder engagement on material ESG issues.
- Review and monitor the effectiveness of ESG policies and practices.

4.2 Responsibilities of the Chairperson

- Set the agenda for Committee meetings in consultation with the Head of ESG.
- Facilitate discussions and ensure all voices are heard during meetings.
- Report Committee outcomes to the Board.

4.3 Responsibilities of the Head of ESG

- The Head of ESG serves as a key liaison between the Committee and the company's operational teams, ensuring effective implementation of ESG initiatives and compliance with regulatory requirements.
- Provide regular updates to the Committee not limited on ESG performance (with relevant KPIs), key developments, non-financial emerging impacts, risks & opportunities and progress towards ESG targets.
- Coordinate the development of the company's ESG reports and disclosures in compliance with CSRD and other relevant standards.
- Propose ESG policies, metrics, and targets for Committee approval.
- Collaborate with internal and external stakeholders to ensure the integration of ESG considerations into business operations.
- Conducting every year the process of ESG-related impacts, risks & opportunities identification (non-financial risk assessment).
- Coordinating the implementation of the Committee's recommendations across departments.
- Offering insights into best practices and emerging sustainability trends.

5. Meetings and Reporting

5.1 Format and Frequency of Meetings

- The Committee shall meet at least three (3) times annually:
 - o One meeting is required for the approval of the Sustainability Statement of the company's annual Integrated Report.
 - o One meeting is required for the approval of the company's annual Double Materiality results.
 - o One meeting is required to assess the company's annual ESG performance and to monitor the annual ESG targets.
- Additional meetings may be convened as required.
- The meetings are held at the Company's domicile or in another place, either in person or via teleconference, pursuant to the provision of article 90, L. 4548/2018 applicable to the Board of Directors.
- The Committee may invite to its meetings any person (apart from Head of ESG) it deems that s/he can assist it in the execution of its tasks.
- The Secretary of the ESG Committee is appointed by the Chairperson as required for the purposes of the convening of the meetings each time.

5.2 Agenda and Minutes

- Meeting agendas shall be prepared by the Chairperson in collaboration with the Head of ESG and circulated to the rest members of the Committee prior to each meeting.
- Minutes shall be recorded and distributed to all members within two weeks.

5.3 Reporting to the Board

- The Chairperson shall present a summary of the Committee's activities, decisions, and recommendations to the Board of Directors.
- All related ESG reports, presentations, minutes, and outcomes of ESG Committee will be stored online in a shared folder to which Committee members and the Head of ESG will have access and will be available for any future use.

6. Evaluation of the ESG Committee

The ESG Committee shall undergo regular evaluations to ensure its effectiveness and continuous improvement. The evaluation process will include self-assessment conducted by the Committee members. The Committee will conduct an annual self-assessment to review its performance, the effectiveness of its decisions, and its contribution towards achieving the company's ESG goals.

This self-assessment will focus on the following key areas:

- Alignment of ESG strategy with company objectives.
- Effectiveness of meetings and decision-making processes.
- Engagement with stakeholders and reporting transparency.
- The implementation and progress of ESG initiatives.

Follow-up and Improvement Plan:

- Based on the results of the self-assessment, the ESG Committee will develop an improvement plan to address any identified gaps or opportunities for growth. This plan will be reviewed and monitored regularly to ensure continuous progress.

7. Review and Amendments

This Terms of Reference shall be reviewed annually to ensure its alignment with regulatory requirements and the company's strategic priorities. Amendments must be approved by the Board.

8. Governance and Compliance

The Committee shall ensure full compliance not limited to:

- CSRD reporting requirements.
- Applicable laws, regulations, and industry standards.
- The company's internal governance framework.

9. Effect, Approval and Publication

This Regulation becomes effective once it is approved by the Company's Board of Directors. The Regulation is made publicly available on the Company's website.