

**REPORT OF THE BOARD OF DIRECTORS  
OF THE SOCIETE ANONYME COMPANY UNDER THE NAME  
“GRIGORIS SARANTIS SOCIETE ANONYME INDUSTRIAL AND COMMERCIAL COMPANY  
OF COSMETICS, CLOTHING, HOUSEHOLD AND PHARMACEUTICALS”  
WITH REGARD TO THE REVISION OF THE REMUNERATION POLICY OF THE COMPANY  
(according to the provision of article 111, paragraph 2 of Law 4548/2018)**

To the Ordinary Annual General Meeting of Shareholders of the societe anonyme company under the name  
“GRIGORIS SARANTIS SOCIETE ANONYME INDUSTRIAL AND COMMERCIAL COMPANY  
OF COSMETICS, CLOTHING, HOUSEHOLD AND PHARMACEUTICALS”  
(the “Company”)

Dear Shareholders,

The new Remuneration Policy succeeds, is integrated into and replaces any previous remuneration policy, and therefore only the benefits and remunerations provided by the new Remuneration Policy shall apply.

The Board of Directors of the Company, following a relevant recommendation from the Remuneration and Nominations Committee, decided to revise the Company's Remuneration Policy. The revised Remuneration Policy of the Company will be submitted for approval to the General Meeting of Shareholders, in accordance with paragraph 2 of article 111 and paragraph 2 of article 110 of Law 4548/2018.

In this context, the Board of Directors brings to the consideration of the General Meeting of Shareholders the following:

**I. Amendments**

The amendment of the Company's Remuneration Policy is based on the following changes:

1. Introduction of an additional Key Performance Indicator (KPI) in the 3rd Cycle of the Bonus Shares Distribution Plan. The KPIs of the 3rd Cycle and their percentages will be as follows:
  - Percentage increase in EBITDA margin at 40%
  - Earnings per Share (EPS) at 30%
  - Carbon Emissions Reduction (CO<sub>2</sub> Carbon Emissions – CO<sub>2</sub> CE Scope 1, 2) at 30%
2. Replacement of the KPI “Inventories” by the KPI “Working Capital” as a percentage of net sales (operating working capital as % of net sales) in the Short-Term Incentive Plan (Bonus).
3. Participation of additional categories of executives in the 3rd Cycle of the Bonus Shares Distribution Plan, according to the internal grading table with regard to Greece and the Group's subsidiaries. At this point it is noted that the total value of the shares to be allocated, for all participants, will not exceed for the 3rd three-year cycle (2025 - 2027) the amount of € 1,900,000 versus € 1,300,000 that was the amount initially approved. In any case, the total number of shares to be allocated in all 3 three-year cycles will not exceed 0.7% of the total number of existing shares, i.e. 467,954 shares.

## **II. Explanations for the Amendments and Changes**

The use of EPS and CO<sub>2</sub> CE Scope 1, 2 KPIs is important for assessing the financial and environmental performance of the Company. EPS assesses the financial performance of the Company, aligns the incentives of executives with the interests of shareholders, offers transparency and credibility, and promotes long-term strategic thinking. CO<sub>2</sub> CE Scope 1, 2 is fully aligned with the Company's strategic ESG goals for the reduction of its environmental footprint.

The participation of additional categories of executives in the 3rd Cycle of the Bonus Shares Distribution Plan enhances the achievement of the Company's strategic objectives by rewarding and retaining such executives and by strengthening their commitment towards the Company. The selection of the categories of executives is defined based on the Company's internal grading table and the selected category is considered important for the implementation of the Company's 5-year development plan.

For all the above reasons, the Board of Directors of our Company considers that the revision of the Company's Remuneration Policy is justified and also rational from a business perspective. Therefore, it submits this report to the Ordinary Annual General Meeting of Shareholders and recommends the adoption of a relevant decision for the approval of the Company's Revised Remuneration Policy.

Athens, 02/04/2025

### **THE BOARD OF DIRECTORS**

**The Chairman**

**The Members**