



**ANNUAL REPORT OF THE AUDIT COMMITTEE  
OF THE COMPANY "KARELIA TOBACCO  
COMPANY INC." TO THE ANNUAL REGULAR  
GENERAL MEETING OF THE COMPANY. (L.  
4449/17, Art. 44 par. 1)**

**Financial Year 01/01/2022 – 31/12/2022**

# KARELIA TOBACCO COMPANY INC.

The institutional framework governing the operation and establishment of the Audit Committee, which is a body necessary for public-interest entities such as the Companies identified on the Athens Stock Exchange, starts from the adoption of Regulation (EU) No 537/2014 which includes the specific requirements regarding the mandatory audit of public-interest entities and continues with the adoption of Directive 2014/56/EU amending the previous Directive 2006/43/EC on statutory audits of annual and consolidated financial statements. For the transposition of Directive 2014/56/EU into national law, the law 4449/2017 was passed on 24/1/17 which constitutes the legislative framework of the Audit Committee as amended and in force with the provisions of article 74 of Law 4706/2020.

In particular, Article 44 of Law 4449/2017 contains provisions on the audit committee that public-interest entities are obliged to have regarding its establishment, structure, staffing, the increased responsibilities and obligations it has, as well as provisions for the supervision of the Audit Committee by the Hellenic Capital Market Committee and the penalties that may be imposed on persons supervised by the Hellenic Capital Market Committee in accordance with the provisions of article 24 of Law 4706/2020.

Within this framework, the General Meeting of Shareholders, at the meeting of July 18, 2018, following a proposal by the Board of Directors, elected as members of the Audit Committee a) Mr. Dimitrios Leventakis, economist, b) the Emeritus Professor of Law of the Aristotle University of Thessaloniki, Mr. Vassilios Antonopoulos, non-executive, and independent member of the Board of Directors, as well as c) Mr. Robin Joy, non-executive independent member of the Board of Directors. Subsequently, the General Assembly of the Company on June 30, 2021 redefined the type of the Company's Audit Committee, its tenure, the number and qualifications of its members and decided that the Audit Committee should be an independent committee, consisting of non-executive Board of Director's members and third parties. Its members shall be three in number, two of which shall have the status of a non-executive independent member of the Board of Directors, within the meaning of Article 4 of Law 3016/2002 and Article 9 of Law 4706/2020, and one of them to be a

third party, which will be independent from the Company, meeting the independence criteria of Article 4 of Law 3016/2002 and Article 9 of Law 4706/2020. This term also coincides with the term of the members of the Board of Directors, which is five years, started on 18.07.18 and ends on 17.07.23. Regarding the members of the Committee, the Ordinary General Assembly of the company decided to keep in force the decision of the Ordinary General Assembly from 18.07.18, which elected all the members of the Committee, as it is in accordance with article 44 par. 1 c. of Law 4449/2017, as amended and in force, as with the other provisions of the aforementioned law. The persons elected meet the eligibility requirements and the criteria specified in article 44 par. 1 of Law 4449/2017, as well as the independence provisions of article 4 of Law 3016/2002 and article 9 of Law 4706/ 2020, as indicated with reasons for each member in the Minutes of the General Assembly. In particular, the members of the Audit Committee elected pursuant to the decision of 18.07.18 are:

Mr. Dimitrios Leventakis paternal name Dionysios, resident of Glyfada, Attica, Vor. Ipirou street no. 15, p.c. 165-62, A.F.M. 052587037, D.O.Y. Glyfadas, ID No AH 519654, date of birth 03.07.1968, External Member independent from the Company, meeting the independence criteria of Article 4 of Law 3016/2002 and Article 9 of Law 4706/2020,

Mr. Robin Derlwyn Joy, born in the United Kingdom on 14-1-1946, resident of Canterbury, Kent, 19 Pound Lane, with Passport Number GBR 556057508, United Kingdom, A.F.M. 161830749, Non-Executive Independent Board Member, within the meaning of Article 4 of Law 3016/2002 and Article 9 of Law 4706/2020,

Prof. Mr. Vassilios Antonopoulos paternal name Georgiou, resident of Thessaloniki, Georgiou Stavrou street no. 10, p.c. 54623, A.F.M. 009633599, ID AH 154113, date of birth 18.11.1940, Non-Executive Independent Board Member, within the meaning of article 4 of Law 3016/2002 and article 9 of Law 4706/2020.

The members of the Audit Committee as a whole, have documented sufficient knowledge in the field in which the entity operates, and meet the conditions set by the provisions of paragraph 1 of article 44 of Law 4449/17. Specifically, the members of the committee possess sufficient knowledge, experience, and expertise in the following areas:

- Auditing and Accounting (Mr. D. Leventakis)
- Legal and regulatory environment (Mr. V. Antonopoulos)

➤ Business environment (Mr. R. Joy)

It is noted that Mr. Dimitrios D. Leventakis, who meets the independence criteria of Article 4 of Law 3016/2002 and Article 9 of Law 4706/2020, is the member who has sufficient knowledge and experience in auditing or accounting, as indicated in the election of, qualifies as the person who will compulsorily attend the meetings of the Audit Committee regarding the approval of the financial statements, in accordance with article 44 par. 1 point g of Law 4449/2017, as amended and currently in force. Brief biographical information of the members of the Committee is listed below as follows:

Brief CVs of members of the audit committee	
Dimitrios D. Leventakis (President)	Economist, Certified Internal Auditor graduate of the Higher School of Economics and Commercial Sciences with specialization in Accounting and Financial Management. He holds a master's degree in business administration (MBA), holds a master's degree from the Athens University of Economics and Business (A.S.O.E.E.E.) specializing in corporate income taxation. He has many years of work experience in international auditing firms and in the implementation of both international auditing companies and in the implementation of both international auditing companies as well as the Greek Accounting Standards.
Vasilios G. Antonopoulos, (Member)	Lawyer and Emeritus Professor of Commercial and Economic Law at the Aristotle University of Thessaloniki, with a long career in the provision of legal services to numerous companies and groups operating mainly in the industrial and commercial sectors, non-executive independent member of the Board of Directors.
Robin Derlwyn Joy, (Member)	Consultant of companies with many years of work experience as a senior manager in various multinational companies as well as in a large international group in the tobacco industry, non-executive independent member of the Board of Directors.

**I. MORE IMPORTANT QUESTIONS CONCERNING THE FUNCTIONING OF THE AUDIT COMMITTEE:**

**A. RESPONSIBILITIES OF THE AUDIT COMMITTEE**

The responsibilities of the Audit Committee are related to:

- Monitors the financial reporting process and makes recommendations or proposals to ensure its integrity,

- Informs the Board of Directors of the audited entity about the result of the statutory audit and it explains on the one hand, how the statutory audit was conceived in the integrity of the financial information and, on the other hand, what was the role of the Audit Committee in this process,
- Monitoring the effectiveness of the company's internal control system, quality assurance and risk management systems and, as the case may be, its internal control department, with regard to the audited entity's financial reporting and disclosures, without violating the independence of this department,
- Monitors the statutory audit of the annual, semi-annual and consolidated financial statements of the group, and in particular its performance, considering any findings and conclusions of the competent authority in accordance with paragraph 6 of article 26 of Regulation (EU) no. 537/2014,
- Oversees and monitors the independence of certified public accountants or audit firms in accordance with articles 21, 22, 23, 26 and 27, as well as article 6 of Regulation (EU) no. 537/2014 and in particular the appropriateness of the provision of non-audit services to the audited entity in accordance with article 5 of Regulation (EU) no. 537/2014,
- Is responsible for the selection process of certified public accountants or auditing firms and proposes the certified public accountants or auditing firms to be appointed in accordance with Article 16 of Regulation (EU) no. 537/2014.
- Monitoring Operations and Procedures of the entity

## **B. MAIN OBJECTIVES OF THE AUDIT COMMITTEE**

The main purpose of the Committee is to assist the Board of Directors of the company in matters relating to:

- The effective control and efficient operation of the Company's activities.
- The safeguarding of its investments and assets.
- The identification of risks, in order to address them in a timely manner.
- The prevention and avoidance of wrong actions and irregularities, which could endanger the reputation and interests of the company, as well as the interests of shareholders and business partners.
- The completeness and reliability of the financial statements it publishes.

- The independent and efficient conduct of audits carried out by the internal audit department and the audits carried out by the regular certified public accountant.
- The company's compliance with the institutional and legal framework that governs it.
- Monitors the effectiveness of the company's internal control, quality assurance and risk management systems.

## **II. MAIN ISSUES OF ENGAGEMENT OF THE AUDIT COMMITTEE DURING THE YEAR 01/01/2022 – 31/12/2022**

The audit committee during the closing financial year reviewed all the important issues concerning the financial information of the company, namely the financial statements drawn up and published by the company and the group as well as the reports of the Board of Directors accompanying them. For this purpose, considerable time was devoted to monitoring the timing and the process of drafting the financial statements. To this end, he studied them and discussed them in detail, both with the company's management, the financial services executives, the head of the internal audit department and the auditing firm KPMG, so as to obtain reasonable assurance that the financial statements are free from material errors and inaccuracies. The main areas of the financial statements that the committee emphasized were:

Below is a table summarizing the main activities and meetings of the Audit Committee during the financial year 2022.

DATE	SUBJECT	MEETINGS OF THE AC CONVENED DURING 2022 – PARTICIPANTS –
<p><b>20.01.2022</b></p>	<ul style="list-style-type: none"> <li>- Overview of the company's Regulatory Compliance Action Plan for the year 2022</li> <li>- Overview of the most important findings as they arise from the report of the internal audit department concerning the time period from October 1 to December 31, 2021 (Q4 2021)</li> <li>- Approval of the annual action plan of the Audit Committee for the year 2022.</li> </ul>	<p>Dimitrios Leventakis</p> <p>Vasileios Antonopoulos</p> <p>Robin Derlwyn Joy</p>

<p><b>20.04.2022</b></p>	<p>- Discussion with the audit firm KPMG on the draft of the Annual Financial Statements for the financial year ended on December 31, 2021, the draft of the Audit Report on the corporate and consolidated financial statements as well as the Supplementary Audit Report to the Audit Committee for the year January-December 2021.</p>	<p>Dimitrios Leventakis  Vasileios Antonopoulos    Robin Derlwyn Joy    Members of the auditing firm KPMG &amp;    Members of the Board of Directors</p>
<p><b>04.05.2022</b></p>	<p>- Overview of the most important findings as they arise from the internal audit report concerning the time period from January 1, 2022 to March 31, 2022 (Q1 2022)</p> <p>- Discussion and approval of the audit committee's annual report of activities to be submitted to the Annual Ordinary General Meeting of the Company.</p>	<p>Dimitrios Leventakis  Vasileios Antonopoulos    Robin Derlwyn Joy</p>



<p><b>25.07.2022</b></p>	<ul style="list-style-type: none"> <li>- Overview of the most important findings as they arise from the internal audit report concerning the time period from April 1, 2022 to June 30, 2022 (Q2 2022)</li> <li>- Preparatory discussion for the overview report of the Interim Semi Annual Financial Statements of the company and the Group as of June 30, 2022.</li> </ul>	<p>Dimitrios Leventakis</p> <p>Vasileios Antonopoulos</p> <p>Robin Derlwyn Joy</p>
<p><b>14.09.2022</b></p>	<ul style="list-style-type: none"> <li>- Meeting and preparatory discussion with the auditing company KPMG on the overview report of the Interim Financial Statements of the company and the Group as of June 30, 2022.</li> </ul>	<p>Dimitrios Leventakis</p> <p>Vasileios Antonopoulos</p> <p>Robin Derlwyn Joy</p> <p>Members of the auditing firm KPMG &amp;</p> <p>Members of the Board of Directors</p>

<p><b>14.10.2022</b></p>	<p>- Overview of the most important findings as they arise from the internal audit report concerning the time period 01.07.2022-30.09.2022 (Third Quarter 2022).</p>	<p>Dimitrios Leventakis Vasileios Antonopoulos Robin Derlwyn Joy</p>
<p><b>02.12.2022</b></p>	<p>- Discussion on the audit framework of the external evaluation of the Internal Control System based on the provisions of Law 4706/2020 and the decisions of the Capital Market Committee. Process for the selection of the external evaluator  - Audit Committee self-evaluation</p>	<p>Dimitrios Leventakis Vasileios Antonopoulos Robin Derlwyn Joy</p>

<p><b>03.01.2023</b></p>	<ul style="list-style-type: none"> <li>- Discussion on the annual audit plan with the audit firm KPMG regarding the planning and audit of the Financial Statements as of December 31, 2022</li> <li>- Examination of the annual audit plan to be carried out by the Internal Audit Department for the year 2023 and its submission for approval by the Audit Committee</li> <li>- Examination of the annual audit program to be carried out by the Regulatory Compliance Department for the year 2023.</li> </ul>	<p>Dimitrios Leventakis</p> <p>Vasileios Antonopoulos</p> <p>Robin Derlwyn Joy</p> <p>Members of the auditing firm KPMG &amp;</p> <p>Members of the Board of Directors</p>
<p><b>27.01.2023</b></p>	<ul style="list-style-type: none"> <li>- Evaluation of Internal Control System Evaluation service's offers, determination of audit tasks and determination of material subsidiaries for the purposes of the evaluation - Selection of the external evaluator to be proposed to the Managing Board of Directors for the final approval.</li> </ul>	<p>Dimitrios Leventakis</p> <p>Vasileios Antonopoulos</p> <p>Robin Derlwyn Joy &amp;</p> <p>Members of the Board of Directors</p>

	<ul style="list-style-type: none"> <li>- Approval of the Audit Committee's annual action plan for the year 2023</li> <li>- Overview of the most important findings as they arise from the internal audit report concerning the time period 01.10.2022-31.12.2022 (Q4 2022).</li> </ul>	
<b>03.03.23</b>	<ul style="list-style-type: none"> <li>- Evaluation of human and technical resources of the department of internal audit department for the year 2023</li> <li>-Monitoring the process of the evaluation of the Internal Control system (ICS),</li> <li>- review and approve thereof of the revision of the internal control department's policies manual.</li> </ul>	<p>Dimitrios Leventakis, external evaluators, head of department of Internal Control and Members of the Board of Directors of the company</p>

<p><b>24.03.23</b></p>	<p>-Evaluation results  - Internal Control System –  Elaborating on the  detailed evaluation report with  the Audit Committee’s members and  the members of the Board of  Directors of the company</p>	<p>Dimitrios Leventakis    Vasileios Antonopoulos    Robin Derlwyn Joy &amp;  Members of the Board of  Directors of the company</p>
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**A. SUPERVISION OF FINANCIAL REPORTING-RELATED ISSUES**

The most basic areas of the financial statements, which the committee gave focused on were:

- Evaluation of the appropriateness of the accounting principles and methods used as well as the reasonableness of the financial estimates and disclosures made by the company.
- Overview of the internal control safeguards of both the company and the group in order to design audit procedures appropriate to the circumstances.
- Risk assessment for the detection of a material error due to either fraud or error
- Overview of important transactions with related parties.
- Assessment of the structure and content of corporate and consolidated financial statements

- Overview of regulatory compliance on corporate governance issues and compliance with the corporate and regulatory framework of the company's and the group's operation.

#### **A1. MONITORING OF THE INTERNAL CONTROL AND RISK MANAGEMENT SYSTEM IN RELATION TO FINANCIAL REPORTING – INTERNAL AUDIT DEPARTMENT**

The company has an adequate internal audit department, an independent objective audit department which including the head of department, consists currently of four continuous and exclusive professionals, who have experience in the procedures of the Company and the Group's subsidiaries. The committee monitored on a regular and continuous basis the activities of the internal audit department. This monitoring was carried out, mainly through the review of the audit program and the audit work carried out by the internal audit department as well as through the review of the work carried out by the audit firm KPMG in the exercise of its audit work.

More specifically, the main procedures followed by the Committee in the context of the supervision of the Internal Audit Department are listed below:

- Overview of the organizational chart, composition, and qualifications of the executives of the internal audit department, in order to obtain reasonable assurance that it operates objectively, has the necessary means, has staff with knowledge, experience and training and that it maintains the statutory independence.
- Overview of the Annual Internal Audit Plan, related to this period for the year 2022.
- Throughout its term of office, the committee, mainly through its chairman, has had frequent and regular meetings with the head of the internal audit department. The purpose of the meetings was to discuss issues and any problems related to the operation of the department and any problems that had been identified by the audits carried out by the department.
- Monitoring the effectiveness of the Internal Audit system mainly through the reports and analytical worksheets of the internal audit department and their evaluation work by the independent audit firm KPMG.

- Review, on a regular basis, of the relevant audit reports issued by the Internal Audit Department quarterly. These reports did not reveal any cases of irregular or fraudulent actions by company executives, violations of laws, nor significant deviations from the policies and procedures established by the company.
- Overview of the management policies of the main risks and uncertainties faced by the Company and monitoring the process of reporting these risks to the financial statements in an adequate and explanatory manner.
- Monitoring the company's compliance with the applicable laws, regulations and the wider regulatory environment in which it is called to perform its productive purpose.
- Carrying out a competitive process for the selection of an independent external evaluator to carry out an evaluation of the company's Internal Control System as well as determining the scope of the evaluation.

## **A2. SUPERVISION OF THE EXTERNAL AUDIT WORK - COMMUNICATION OF THE AUDIT COMMITTEE WITH THE AUDIT FIRM KPMG AND THE MANAGEMENT OF THE COMPANY**

During the year both the audit committee and its chairman had a series of meetings and contacts with both the Company's Management and the independent auditing firm KPMG on the following issues:

- Briefing of the members of the Audit Committee on the interim Financial Statements (Corporate and Consolidated) of the Company and the Group for the first six months of 2022 (semiannual financial statements).
- A brief description of the scope and coverage areas of the regular audit for the year 2022.
- Communication of materiality level and estimates on the criteria for selecting entities subject to audit for scoping purposes.
- Description of the audit approach and the timetable for its implementation.

- Information and discussion on any findings of the audit concerning the review of the company's information systems as well as possible optimal ways to deal with them.
- Detailed presentation of the end-of-year control plan for the year 2022.
- Brief description of the important issues of the audit (key audit matters)
- Evaluation of the impact of geopolitical developments and risks in terms of business risks and the continuity of the company's supply chain as well as any disclosures to be included in the Financial Statements as of December 31, 2022.
- Discussion on the state of play of the audit programme for the corporate and consolidated financial statements as of 31 December 2022.
- Discussion and confirmation of the timetable for the receipt of the Financial Statements as well as other information (Financial Report/Management Report of the Board of Directors, Remuneration Report) on which reference is made in the Audit Report of the independent Certified Auditor.
- Submission for discussion of the timetable for the settlement of any outstanding issues for the completion of the audit.
  
- Discussion on issues to be included in the presentation and the Supplementary Report to the Audit Committee as well as in the Audit Report.
- Discussion on the draft audit report on the most important audit issues as well as possible improvements to the corresponding disclosures in the Corporate and Consolidated Financial Statements.
- Discussion of the main audit findings, including the main accounting judgements.
- Communication of any material errors and significant deficiencies of the internal control system that came to the attention of the auditors during the interim audit of the financial statements for the year 2022.
- Receipt of a letter of independence from the company KPMG, which includes a declaration of independence towards the Company, any relations and



services provided to the Company under the applicable legislative and regulatory framework.

- Presentation of the final Audit Report on the Corporate and Consolidated Financial Statements of the company and the Group.
- Conducting a competitive process for the selection of an evaluator for the ICS and submitting a report to the company's Board of Directors for the final selection.

The Committee attached particular importance to the initial audit plan of the audit firm KPMG, which it received before the start of the audit, discussed it in detail with it and was satisfied with its content.

The Committee, in addition to its respective meetings, invited KPMG and without the presence of members of the Management, was informed, in writing or orally, of the results of the audits.

From the above-mentioned work of KPMG, the following emerged:

- The Financial Statements, both as of June 30, 2022, and those of December 31, 2022, were prepared in accordance with applicable accounting standards and IFRS.
- No significant weaknesses or deficiencies were identified with regard to the internal control procedures, on the contrary, the Company maintains an effective internal control system in order to safeguard the company's assets and identify the most significant risks as well as to ensure the reliability of the company's financial statements and data and financial reporting systems.
- The company has an effective system of corporate governance which, through the updates of both the Operating Regulation and the Corporate Governance Code of the company, is constantly improved and adapted accordingly to the constantly changing conditions, adopting respectively the new principles of corporate governance as prescribed by the law 4706/2020.
- No findings were found regarding the company's non-compliance with laws, regulations, or articles of association.

- No significant pending court cases involving a significant impact on the financial statements were identified, but at issue in legal cases arising in the context of the company's normal activity.
- An analysis of the company's significant court cases are listed in the notes of the Annual Financial Report of 31.12.2022.
- No outstanding significant tax issues were identified, which could have had a significant impact on the financial statements. An analysis of the company's potential future tax liabilities is set out in the notes of the Annual Financial Report of 31.12.2022.
- No financial risks other than those mentioned in the notes of the Annual Financial Report of 31.12.2022 were identified.
- No other remuneration was found to members of the Board of Directors and senior management staff beyond those mentioned in the notes of the Annual Financial Report of 31.12.2022 which are in line with the remuneration policy adopted by the company and is described in detail in the remuneration report drawn up by the company for the financial year 2022.
- Unusual transactions were not detected, while the company's transactions with related parties during the financial year 2022 have been carried out under normal market conditions and are detailed in the notes of the Annual Financial Report of 31. 12.2022.
- There were no disagreements between KPMG and the management of the company, on the contrary, the latter consented by placing particular emphasis on the issue of drafting reliable financial statements.
- Issues of non-compliance of the company with laws and regulations were not identified.

### **A3. AUDIT OF FEES PAID TO THE AUDIT FIRM KPMG FOR THE PROVISION OF AUDIT AND NON-AUDIT SERVICES DURING THE YEAR 2022**

Based on the professional auditing standards, the Code of Professional Ethics of the International Federation of Accountants (Regulatory Act ELTE 004/2017, Government Gazette B 3916/07.11.2017) as well as, article 6, par. 2(a) of Regulation (EU) 537/2014

of the European Parliament on specific requirements regarding the statutory audit of Entities of Public Interest as well as those related to Directive 2014/56/EU and Law 4449/2017, it is required that all relations (including the provision of non-audit services) between KPMG are notified in writing, at least on an annual basis, Certified Auditors S.A. and the KARELIA TOBACCO COMPANY INC. as well as of the individuals who exercise a supervisory role in the preparation of the company's financial statements that can reasonably be considered to compromise independence. This written disclosure of the relationships concerns the objectivity and **independence** of KPMG, the threats to the independence of KPMG that they create, any safeguards that have been put in place and why they face such threats, along with any other information necessary for the objectivity and independence of KPMG to be evaluated. The audit and other fees received by KPMG's network are detailed in the notes of the Annual Financial Report of 31.12.2022 and are in accordance with the fees approved by the Annual General Meeting of its company.

#### **A4. RESULTS OF INTERNAL CONTROL SYSTEM EVALUATION**

According to the provisions of paragraph i of paragraph 3 and paragraph 4 of article 14 of the law 4706/2020 and Decision 1/891/30.09.2020 of the Board of Directors of the Commission Capital Market as they apply (hereinafter "Regulatory Framework"), was carried out by auditing company MPI HELLAS A.E. evaluation of the Internal Control System (hereinafter ICS) of the company in order to evaluate the adequacy and effectiveness of the Internal Control System (ICS), of the Company, as of December 31, 2022. The company's audit committee monitored the independence of the evaluator and confirmed that throughout the project, the audit firm remained independent from the Company, in accordance with the Code of Ethics for Professional Auditors of the International Ethics Standards Board for Auditors which has been incorporated into the Greek Legislation, the requirements Code of Ethics of Regulation (EU) 537/2014 and the provisions of Law 4449/2017. Within the above legal framework and the Evaluation Assessment Report as of 24<sup>th</sup> March 2023, the Effectiveness of the Internal Control System was confirmed based on the evaluation processes carried out as well as from the evidence obtained, regarding the assessment of the adequacy and effectiveness of the Company's ICS, with reference date as of December 31, 2022, nothing came to the evaluator's attention nor did anything

emerge that could be considered a material weakness of its ICS of the Company, in accordance with the aforementioned Regulatory Framework. In continuance, the results and findings of the Analytical evaluation report which constitutes supplement to the summarized Evaluation Report of the Internal Control System (ICS) were analytically discussed with the members of the Board of Directors.

## **B. NON-FINANCIAL INFORMATION**

The Company has and implements appropriate policies aiming at its sustainable operation and development in all aspects of its business activity with the ultimate goal of satisfying its economic, social, and environmental needs in a way that ensures long-term prosperity. The company has no obligation to implement particular sustainable development policies, while in the management report it includes the information required in accordance with paragraph 1 of article 151 of Law 4548/2018 as well as a corporate governance statement, which provides the information specified in article 152 of Law 4548/2018 and its content corresponds to the financial statements. for approval of the fiscal year ended 31.12.2022.

### **Sustainable Development Policy**

The main factors to which the Sustainable Development policy refers are by category in the following areas:

<p><b>ENVIRONMENTAL</b> <b>Environmental</b> <b>Factors</b></p>	<p><b>Environmental criteria examine how a company performs its functions as a manager of the natural environment</b></p>
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<b>SOCIAL</b> Social Factors	<b>Social criteria look at how a company manages relationships with its employees, customers, the wider groups and communities in which it operates</b>

<p><b>GOVERNANCE</b> <b>Factors</b> <b>Governance</b></p>	<p><b>Corporate governance deals with the leadership of the company, the structure and size of the Board of Directors and the rights of shareholders.</b></p>
	<p><b>The company, based on the industry in which it operates, Food and Beverages, implements appropriate policies to manage the most important factors per category as:</b></p>



Water consumption	Product quality and safety	Management of critical risks
Power usage	Marketing practices	Management of systematic risks

Environmental impact of packaging		
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**III. EVALUATION OF THE AUDIT SERVICES OFFERED FOR THE FINANCIAL YEAR 2022 - PROPOSAL FOR THE ELECTION OF AN AUDIT FIRM THAT WILL CARRY OUT THE REGULAR AUDIT OF THE FINANCIAL YEAR 2023**

The Committee, taking into account the Transparency Report of KPMG, which is posted on the website of this auditing firm and following an overview of the independence of that company, finds that KPMG as an auditing firm, it has put in place the appropriate mechanisms that ensure the company's compliance with the applicable regulatory and regulatory framework as well as its independence from the audited financial units.

Also, after the completion of the 2022 audit and after a thorough evaluation of KPMG's services and work, the Committee concluded that this company has an audit team with high technical competence, a remarkable audit plan and control program as well as specific skills and abilities of the members that make up the audit team for the proper conduct of the audit.

In view of the above and the fact that KPMG is one of the largest auditing firms in the world operating in Greece, the Committee considers that KPMG meets the criteria and proposes its election to carry out the audit of the Financial Statements of the company and the Group for the financial year 2023. This proposal is disclosed. competently and in the Management of the Company.

**The President of the Audit Committee**



**Dimitrios D. Leventakis**

A handwritten signature in blue ink, appearing to read 'D. Leventakis', positioned below the printed name.