

## Audit Committee Report for the fiscal year 2022

The current composition and type of the Company's Audit Committee was designated by virtue of a resolution by the Annual Ordinary General Assembly dated 30 June 2022. The term of office of the Audit Committee is for one year and is composed of the following members:

- Mr Panagiotis Konstantaras, son of Ioannis;
- Mr Konstantinos Thanopoulos, son of Nikolaos;
- Mr Spyridon Kyritsis, son of Charalambos.

The Company's Audit Committee is an independent committee comprising one independent non-executive member of the Board and two third persons. All the members of the Audit Committee meet the independence and sufficient knowledge criteria in accordance with the Laws 3016/2002, 4449/2017 and 4706/2020.

The members of the Audit Committee have good knowledge of the sector the Company engages in and are experienced with regard to the accounting and auditing matters of the financial statements.

The newly appointed Audit Committee organized as a body corporate in its meeting dated 1 July 2022, wherein Mr. Panagiotis I. Konstantaras (Independent, Non-Executive Member of the Board) was unanimously appointed as Chair.

In accordance with the Audit Committee charter, the members of the Audit Committee convene at least four (4) meetings each calendar year while additional meetings are held on an ad hoc basis whenever required.

During the fiscal year 2022, the Committee performed its duties without impediments within the framework of its competencies provided under the Law. The Committee conducted all the regular meetings required under the law, as well as extra-ordinary meetings, dictated by the needs arising on a case-by-case basis; it always constituted a legal quorum, on occasions via teleconferencing, through the presence of its members. All resolutions of the Committee were unanimously passed.

More specifically, during the year 2022 the Audit Committee convened 23 meetings and discussed all the matters falling in the areas of its competencies, with emphasis on the following: (a) External Audit and Financial Information; (b) Internal Audit and auditing procedures; (c) Informative meetings with the Company's senior management and executive Board members; (d) Approvals for the provision of non-auditing services by the External Auditors; and (e) Other matters that relate to the competencies / objective of the Audit Committee.

The activities of the Audit Committee during 2022 are presented in detail by subject category below:

#### **A. External Audit / Financial Information Procedure**

The Audit Committee held meetings to be briefed on the procedure of the production of the financial information and the conduct of the external audit of the accounting financial statements.

The Audit Committee was updated by the Company's Chief Financial Officer specifically in relation to the Company's Financial Statements both on a standalone and consolidated basis, the main accounting assumptions adopted by the Company in relation to the drafting of the Financial Statements, and the main issues that preoccupied the Company's Financial Division during the preparation of the financial statements.

The Audit Committee was also informed by the personnel of the Company's Financial Division with regard to the Interim Financial Statements of the period 1.1.2021-31.12.2021, both on a stand-alone and consolidated basis, which were prepared in accordance with the International Financial Reporting Standards, as well as for the Condensed Interim Financial Statements of the Company, on an individual and consolidated level, for the period 1.1.2022-30.6.2022.

With regard to the meetings with the external auditors (Deloitte), it is noted that three (3) meetings were held during which Deloitte presented the annual plan and the projected scope of its audit, its reports in relation to the audit of the Company's and the Group's Financial Statements, as well as its analysis of the annual (2021) and interim (H1 2022) financial statements. During the aforementioned meetings, discussions were held on the main issues that were examined by the Auditors, as well as on the content of the Supplementary Report that the Auditors submit to the Audit Committee pursuant to article 11 of the European Regulation 537/2014.

Based on the aforementioned meetings, the Audit Committee went through the most significant issues and examined the risk areas, in conformity with the relevant assessments by the management, that might potentially affect the preparation of the financial statements during their drafting. The Audit Committee reviewed the financial statements prior to their approval by the Board, in order to assess their completeness and compliance thereof in relation to the information that had been brought to the Committee's attention, as well as the accounting principles applied by the Company.

The Audit Committee verified the observance of the conditions imposed by the Law pertaining to financial information publicity requirements, whilst ascertained the capacity of free and unimpeded access to the relevant information.

The Audit Committee confirmed the independence of the auditing firm that conducted the regular statutory audit in accordance with the current provisions of the national and EU legislation.

In light of the mandatory rotation of the External Auditors in the fiscal year 2024, in accordance with the provisions of the Law, the Audit Committee deemed that there is no reason to discuss the change of the statutory auditors in 2022 and recommended to the Company's Board of Directors to propose to the upcoming Annual General Meeting the renewal of the appointment of the same External Auditors for the fiscal year 2022 as well as the amount of their fees.

With reference to the use of the external auditors for the provision of non-audit services, the Audit Committee is responsible for granting the approval for the provision to the companies of the Group of such services, not prohibited by the legislation. Considering that the statutory auditors through their role possess a detailed picture of the activities of the Group, the Audit Committee considers that in many cases it is much more effective and less costly for the Group to contract the statutory auditors for the provision of non-audit services.

The protection of the objectivity and independence of the external auditors constitutes a top priority matter for the Company and the Group, nevertheless. Hence, the Audit Committee maintains that in any case the provision of such services will not compromise the independence or the objectivity of the external auditors.

Having taken the above into consideration, the Audit Committee met ten (10) times during the year granting approval for the provision of non-audit services by the Deloitte audit firm. As regards the eligibility of the said non-audit services, the Committee observed the compliance with the provisions in the national and the EU legislation as part requirement for granting the final approval.

## **B. Internal Audit – Procedures of the Internal Audit Division**

The Audit Committee met five (5) times during 2022 to discuss issues related to the Internal Audit and the audit procedures of the Company's Internal Audit Division.

The Audit Committee monitored the effectiveness of the systems of the Internal Audit Division together with the quality assurance and risk management, by verifying the adequacy and the effectiveness of the policies observed and the procedures implemented through the quarterly presentations by the Internal Audit Division that took place during the year.



The Audit Committee approved the annual audit plan of the Internal Audit Division prior to its implementation, by evaluating it on the basis of the Company's sectors of activity, as well as the business and financial risks that the Company faces.

The Audit Committee received and reviewed the quarterly Internal Audit Reports, the schedule for implementing the proposed corrective actions with emphasis upon pending actions.

The Audit Committee was informed in relation to the updated Internal Audit methodology, the incorporation of the latter in the Operating Regulations of the Internal Audit Division and into the individual policies and procedures. The Audit Committee was also informed about the installation of new Audit Management Software at the Internal Audit Division, the evolution of the organizational structure of this Division as well as its further empowerment with experienced and specialized staff.

The Audit Committee confirmed the smooth operation of the Internal Audit Division and the preservation of its independence.

### **C. Other Activities**

The Audit Committee held meetings with the Executive Management of the Company as well as the Division Managers. During these meetings the planning and the course of implementing the Group's corporate restructuring and energy transition, through expansion into new activities in the broader energy sector producing more environmentally friendly forms of energy, as well as carrying out investments in the refinery contributing to improvement of the energy footprint in accordance with the modern requirements imposed by the Environmental Social Governance (ESG) criteria, were presented.

Further to the enacted Law 4706/2020, the Audit Committee met on the process of conducting an evaluation, for the first time, of the Company's Internal Audit System and established the framework for the assignment of this task to an independent person with proven professional experience, making a corresponding proposal to the Company's Board of Directors for the final decision and assignment.

The Audit Committee also met as part of its annual review of any revision/update of its Rules of Procedure, without having to make any changes to the current rules.

Intending to be better informed, members of the Audit Committee attended the informative presentations on quarterly financial results, organized by the Finance Division of the Company and conducted via teleconferencing, addressed to the institutional shareholders.

The Audit Committee duly and promptly responded to all the requests that were submitted by the competent Authorities within the context of exercising its responsibilities.

Throughout the entire term of its office, the Audit Committee had full access to the requested information and the necessary infrastructure in relation to the smooth and unimpeded performance of its business.

The Audit Committee did not request the assistance of an external consultant during the fiscal 2022.

As regards the Sustainable Development Policy of the Company, the Audit Committee was informed that a) a framework for sustainable investments according to European Union classification criteria was established b) the policy and procedure for the identification and management of climate-related risks and the list of climate risk indicators were established c) the targets for direct and indirect greenhouse gas emissions for 2030 and 2050 were approved by the Special Committee on Sustainable Development d) new policies were developed to strengthen corporate governance e) ESG criteria were incorporated into the evaluation of senior managers.

The Company's sustainable development policy is applied to the Company's operational and strategic decisions through responsible sustainable business practices that minimize negative impacts on health, safety and the environment resulting from the Company's activities, products or services.

The sustainable development policy aims at energy transition, and decarbonization of the Company with sustainable energy solutions in four areas that create long-term value for customers, shareholders, employees and society. These are: a) refining (energy efficiency, digitization, decarbonization, differentiation, etc.), b) mobility (electromobility, low carbon footprint fuels) c) renewable sources (photovoltaic systems, wind energy, new technologies, batteries, etc.) and d) alternative fuels (advanced biofuels, hydrogen, etc.) and circular economy (waste management and recycling, recycling and regeneration of lubricants, raw materials for biofuels, etc.).

Maroussi, 30 March 2023

The Chair of the Committee

The members of the Committee

P. Konstantaras

K. Thanopoulos

Sp. Kyritsis