

## **Environment, Social, Governance Committee (ESG-Co)**

### *Terms of Reference (ToR)*

#### **PURPOSE**

The primary purpose of the Environment, Social, Governance (ESG) Committee (committee) is to consider, promote and report periodically to the Thrace Group (Company) Board of Directors (Board) on matters relating to (1) the continuous improvement of the Company's ESG strategy development, management and performance, (2) recommend the corporate governance guidelines for the Company, including Ethics and Compliance and (3) oversee the evaluation of the Board, its Committees and the Executive management.

#### **RESPONSIBILITIES**

##### **General**

- Review the formulation of the ESG related policies, strategies and objectives to ensure that they are in line with the needs of the Company for long term sustainable performance in line with the purpose, vision and values, fully complying with applicable legal and regulatory requirements
- Monitor the objectives development and implementation of the ESG objectives, review the progress of these objectives and provide suggestions on the actions needed
- Review the progress and results of any of the Company's ESG work and report to the Board regularly (vs Review the progress and results regarding ESG ratings)
- Monitor external ESG trends and report to the board important trends
- Identify ESG risks and opportunities and advise the Board on the appropriate response
- Review the Company's annual ESG Report and other related disclosures, in advance, providing suggestions to the Board for approval
- Capture opportunities on the Greek bond market
- On behalf of the Board safeguard the company's reputation in relation to all ESG matters

## Coverage

**Environment:** impact of the company's footprint to land, air, water, climate via the use of raw materials, end products design, technology, manufacturing units, etc

**Social:** impact of company's strategies to employee's learning & development, well-being including Health & Safety, living wage standards, Diversity & Inclusion philosophy and commitments, reward fairness, policy of child/forced/compulsory labour, tax, human rights, community support, work environment, etc.

**Governance:** impact of company's public policy management, corporate governance practices including code of conduct, application of the prevailing laws, industry practices, investor views, size of the board, frequency of meetings, review and approve Board members disclosures, approve external appointments and consulting agreements, review and approve transactions between the company and its Board members, Board and committees functioning and annual evaluation process, etc.

## COMPOSITION

The Committee consists of up to four directors. All committee members are appointed and relieved from their duties in the Committee, by the Board. At least 50% of the members should be Independent Non-Executive, ensuring objectivity of judgement on ESG matters. The Board appoints a member of the Committee as Chair and is supported by a Committee secretary.

## MEETINGS

The Committee will meet at least 4 times a year. In case of important matters requiring resolution, the Chairman of the Committee may request an interim meeting. In the absence of the Chairman of the Committee at any meeting, the Committee shall elect one of its members present to act as its acting chairman.

The notice of the meeting and relevant material will be sent by the secretary to the members minimum one week before the meeting is held; The secretary of the Committee will be responsible for the minutes, and the members (or their delegates) attending the meeting will need to sign the minutes.

The Committee may invite other members of the board or senior executives to attend the meeting, express opinions, as attendees without voting rights; external consultants may also be invited to attend meetings of the Committee on a need basis.

The meeting shall be held in the form of on-site, video or telephone.

## **AUTHORITY, COMPLIANCE AND FUNDING**

The Committee members have the right to (1) receive training and resources for the performance of duties, (2) receive advice or assistance provided by external consultants or experts with the related costs funded by the Company, (3) receive any data, records or reports provided by the Company.

All committee members should (1) guarantee confidentiality of the matters they are privy of and (2) declare without delay any conflicts of interest related to the topics discussed.

## **PERIODIC REVIEW**

The ToR, which will be reviewed annually and revised as appropriate in one of its regular meetings organized by the secretary, will come in full force as of the date approved by the Board and will be subsequently be uploaded to the company's site.

The committee will perform once a year an evaluation of its effectiveness and contribution.