

## REPORT OF THE AUDIT COMMITTEE OF THE YEAR 2024

### 1. Summary for the Management

In my capacity as Chairman of the Audit Committee of the Company, I hereby present the summary Report of the Committee for the financial year 2024 (01.01.2024 - 31.12.2024), in order to demonstrate the relevant actions and Committee's essential contribution toward the Company's compliance with the provisions of current legislative and regulatory framework in an environment characterized by intense and multilevel challenges as well as uncertainties.

The Audit Committee constitutes an Independent Committee and is consisted of one (1) Independent Non-executive Member of the Board of Directors of the Company and two (2) non-members - third parties.

The current Audit Committee was elected by the Extraordinary General Meeting of Shareholders on February 11<sup>th</sup>, 2021, as the Committee was reconstituted into a body following the resignation of the member Mr. Konstantinos Gianniris and his replacement by the new member Ms. Sophia Manesi. Following the replacement of Mr. Konstantinos Gianniris by the Annual Ordinary General Meeting of the Company's Shareholders on May 24<sup>th</sup>, 2023 and the appointment of Ms. Sophia Manesi as new member for the remainder of the term, the Audit Committee during its meeting on May 25<sup>th</sup>, 2023 was constituted in a body as follows:

Georgios Samothrakis	Independent Non-Executive Member of the Board – Chairman
Konstantinos Kotsilinis	Third party – non Board Member – Member
Sofia Manesi	Third party – non Board Member – Member

The members of the Audit Committee have in their entirety sufficient knowledge of the sector which the Committee activates in, while the total members of the Audit Committee are independent of the Company, as the following apply:

- (a) They do not hold shares representing an equity stake greater than 0.5% of the Company's share capital; and
- (b) They do not have any dependency relationship with the Company itself or persons related to the Company. The dependency relationship is specified in particular in the provisions of article 9 par. 1 and 2 of Law 4706/2020.

Furthermore, the criterion of sufficient knowledge and experience in the fields of auditing or accounting is demonstrably fulfilled both in the person of Mr. Georgios Samothrakis and in the person of Mr. Konstantinos Kotsilinis, both of whom are former Chartered Auditors - Accountants with a very broad background in terms of scientific knowledge and with rich professional experience as well as prior professional service. The above decisively and substantially contribute to the greater efficiency of the Audit Committee and assist in the implementation of its duties in the most appropriate manner with the aim of strengthening the dynamics as well as the value of the Company. Finally Ms. Sophia Manesi, possessing many years of experience in Internal Auditing, can make a substantial contribution to the Audit Committee so that the latter can carry out its work in the most effective manner and be able to provide substantial solutions and guidance facilitating at the same time the economic growth of the Company, while fulfilling all of its legal obligations.

The term of the Audit Committee is five years, beginning on February 11, 2021 and ending on February 11, 2026.

Furthermore, with regard to the Committee's actions during the previous year there is respective analysis in the following paragraphs:

## **2. Meetings - frequency of attendance of each member per year in the meetings**

The Committee convenes at least four (4) times a year. The Chairman of the Committee decides on the frequency and schedule of meetings. The independent Chartered Auditors- Accountants are entitled to request a meeting with the Committee if they deem it necessary.

During the year 2024, the Audit Committee convened eleven (11) times with all its members present at all meetings and with the Internal Auditors, the independent Chartered Auditors – Accountants, the Head of the Regulatory Compliance and Risk Management Unit along with the Finance Team of the Group and the Company informing the Committee on matters related to their duties. In the majority of meetings, and following a relevant invitation made by the Committee, key executives in charge of the administration and management of the various corporate affairs and activities were also present.

The relevant minutes were kept for all meetings of the Committee that took place in year 2024, and were approved in the subsequent meeting. During these meetings the Committee mainly examined the following issues according to the analysis presented in the next paragraphs.

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

The Audit Committee was mainly concerned with the following:

- The preparation process of financial information and the assessment of the financial statements of the Company in terms of their accuracy, completeness and consistency. In particular, it was found that the financial statements were in accordance with their legally binding content and framework of preparation. At the same time, the compliance with the respective publicity rules was verified, as well as the ability of investors and other users to have immediate, smooth and uninterrupted access to the financial information.
- The disclosures concerning the financial performance of the Company and the careful review of the main parts of financial statements that contain significant judgments and estimates by the Management.
- The provision of additional non-audit services to the Company by the audit firm to which the Chartered Auditor- Accountant belongs. The selection and determination of the terms of collaboration and the remuneration of the Chartered Auditor- Accountant, through a relevant proposal presented at the Ordinary General Meeting of the Company as well as the selection criteria that should be applied and ultimately be fulfilled (provision of high quality services, fair, reasonable and competitive remuneration, etc.).
- The assurance of the state of independence of the Chartered Auditor- Accountant, of the objectivity and efficiency of the audit process, based on the relevant professional and regulatory requirements. In the above context, the Chartered Auditor- Accountant was summoned by the Audit Committee and joined its meetings two (2) times and more specifically on April 15<sup>th</sup> and September 9<sup>th</sup>, 2024. During the above meetings, the Chartered Auditor- Accountant confirmed the independence and absence of any external direction or directive or recommendation in the performance of duties. Furthermore, monitoring and ensuring the completeness, objectivity and effectiveness of the audit by the Chartered Auditor- Accountant constitutes a key priority of the Committee.
- The monthly review of the Financial Results of the Company and the Group.
- The smooth transition and execution of the tasks of the new Chartered Auditor, namely the audit firm ERNST & YOUNG (HELLAS) CERTIFIED AUDITORS ACCOUNTANTS S.A. (EY).
- The review of the separate and consolidated financial statements of the Group and the Company for the first half of 2024, the first quarter of 2024 and the 9-month period of 2024, as well as the Company's key operating and financial figures, which were publicly released for the respective periods.

During the mandatory audit, the analysis of risks and the audit plan concerning the fiscal year 2024 were discussed with the Chartered Auditors. Specifically, among other things, the Key Audit Matters for the Annual Financial Report for the year ended December 31, 2024, were discussed, namely the impairment test of

goodwill (on a consolidated basis) and investments in subsidiaries (on a corporate basis) and the net benefit from funded defined benefit plans (on a consolidated basis), which mainly arises from the subsidiary Don & Low LTD. Additionally, the main risks and significant developments in the business environment that could affect the results of the fiscal year were discussed. Furthermore, issues such as the materiality threshold and estimates regarding the criteria for selecting entities subject to audit for consolidation purposes (scoping), the scope and results of the audit, and any problems that arose during the audit process due to the complexity of the audit work were analyzed. Following these discussions, the correctness and completeness of the audit procedures were confirmed, based on the relevant regulatory provisions.

#### **4. Process of Non-Financial Information (Sustainability Report).**

Thrace Group has put into effect since 2021 an official Sustainable Development, Environmental and Social Responsibility Policy, which was reviewed and approved in 2024 by the Audit Committee. At the same time, the Group has adopted and is following a 5-year Strategic Plan for Sustainable Development based on the following axes, each of which is broken down into specific actions and goals:

- Reduction of greenhouse gas emissions in all production processes;
- Improving the environmental impact of products;
- Implementation of circular economy related projects;
- Improving social aspects concerning the stakeholders;
- Ensuring responsible corporate governance;
- Awareness and certification of activities.

These axes correspond to the pillars of society, environment and corporate governance and include the principles of sustainable development upon which the Group's approach is based.

The focus areas of the above strategy have emerged through the recognition and prioritization -by the Management of the Group- of the essential issues of sustainable development (according to the international standards of Sustainable Development, GRI – Global Reporting Initiative), aiming at their timely, lawful and effective management of those issues and the delivery of tangible results for the creation of a greater value in the economy, the environment and the society where the Group operates.

Especially in recent years, the transition from the model of linear economy to the one of circular economy has been a great challenge for the Group, as it creates opportunities for further growth and development. Fully in line with the European strategy on plastics, the Group has taken initiatives to enter into the era of circular economy with the aim of reducing its environmental footprint. In this context, the Group constantly adapts its business model in order to reduce its carbon footprint and focus on the development of innovative

products and services, applying the principles of the circular economy. The strategy, plans, results and related commitments are analyzed in the Group's Sustainability Report.

It is noted that for the financial years beginning on 1.1.2024, the parent companies of large corporate groups with securities traded on the Athens Exchange, Greece, are required to publish Sustainability Reports in accordance with Law No. 5164/2024 (Government Gazette 202/12.12.2024), the CSRD (Corporate Sustainability Reporting Directive) and ESRS (European Sustainability Reporting Standards) (EC announcement with protocol number 373/14.02.2025).

In addition, in accordance with Article 7 par. 1 of Law No. 5164/12.12.2024 the information included in the Sustainability Report must be clearly identifiable in a special section of the Management Report of the Board of Directors (EC announcement with protocol number 506/07.03.2025).

It is noted that the Audit Committee, applying the provisions of Article 43 of Law 5164/2024 and the aforementioned announcements of the Listed Companies Division of the Hellenic Capital Market Commission:

A) Approved the appointment of the audit firm employing the Certified Public Accountant who carries out the audit of the Financial Statements of the Financial Year 2024, as responsible for the Audit of the Sustainability Report of the Financial Year 2024 in accordance with the provisions of Article 7 of Law 5164/2024 and submitted the relevant recommendation to the Board of Directors for final approval.

B) Received information and update from the audit firm employing the Certified Public Accountant who conducted the audit for the preparation of the 2024 Sustainability Report in accordance with the CSRD directive.

It is noted that the Group's Sustainability Committee also received information and update from the audit firm employing the Certified Chartered Accountant who conducted the audit of the 2024 Sustainability Report in accordance with the CSRD directive.

## **5. Internal Controls and Risk Management System / Internal Audit Unit**

The Audit Committee also dealt with the following:

- The supervision of the Company's internal audits and monitoring the effectiveness of the Company's internal control and risk management systems to ensure that the main risks (such as risk of fluctuations in raw material prices, credit risk, liquidity risk, foreign exchange risk, interest rate risk, capital adequacy risk, etc.) are properly identified, addressed and disclosed.
- Ensuring the independence of the Internal Audit Unit, monitoring its smooth operation in accordance with international standards for the professional implementation of internal control procedures, but also in line with the current legal and regulatory framework (indicatively Law 4706/2020, as currently in force).

- Informing the Audit Committee, regarding the work of the Internal Audit Unit and its audit reports, the evaluation of the work, the adequacy as well as the efficiency of the unit as well as of the Head of Internal Audit.
- The submission of the audit reports from the Internal Audit Unit to the Board of Directors.
- The information provided to the Board of Directors of the Company regarding the areas that the Audit Committee, during the exercise of its duties, considers that there are essential issues and the monitoring of the response of the Management on the above issues.
- Defining and reviewing the operating regulation of the Internal Audit Unit of the Company.
- The identification of possible cases of conflict of interest during the Company's transactions with related parties or any unusual transactions that have not taken place under normal market practices and the submission of the relevant reports to the Board of Directors.
- Ensuring the existence of the required procedures, according to which the Company's personnel will be able, in confidentiality, to express their concerns about possible illegalities and irregularities in matters of financial information or other issues related to the operation of the Company, which they should then be properly investigated and addressed.

It is noted that the Audit Committee fully complying with the key points, clarifications and recommendations as well as the Questions and Answers (Q&As) of the documents with protocol number 784/20.03.2023 of the Department of Listed Companies of the Hellenic Capital Markets Commission underlines that both the main and the supplementary report submitted by the regular Chartered Auditor-Accountant does not include any of the following:

- o Important issues regarding financial information and reporting, and
- o Weaknesses on the level of the internal control system with regard to the Chartered auditor-accountant's supplementary report to the Audit Committee.

Additionally, as already mentioned in the above paragraphs, the Audit Committee during the fiscal year of 2024:

- o Was informed of all the findings resulting from the reports compiled by the Internal Audit Unit,
- o Submitted specific proposals in relation to the above reports and findings either to the Internal Audit Unit or to the Company's Board of Directors, and in all cases there was a corresponding response to all issues that emerged.

## **6. Regulatory Compliance and Risk Management / Regulatory Compliance and Risk Management Unit**

In the context of implementation of Law 4706/2020, the supervision of the Regulatory Compliance and Risk Management Unit was included in the responsibilities of the Audit Committee, and therefore the Audit Committee mainly dealt with the following:

- Monitoring the level of compliance with corporate governance and specific governance practices such as data protection, cyber security and information security.
- Ensuring that there were no cases of conflict of interest in the Company's transactions with related parties and updating the Board of Directors about the specific issue.
- Monitoring the process and the implementation of the risk assessment exercise on the level of the Company and its subsidiaries. The respective exercises were submitted by the External Consultant to the Audit Committee.
- The monitoring of the process and the implementation of assessment of the Company's Corporate Governance System with a reporting date of 31.12.2024 and a reporting period of 01.01-31.12.2024, as carried out by the Secretary of the Board of Directors with the assistance of the Regulatory Compliance & Risk Management Unit, following the same audit, with a reporting date as of 31.12.2023 and with a reporting period from the entry into force of article 14 of Law 4706/2020 (17.07.2021).
- Ensuring that there are structures and procedures, according to which the Company's personnel will be able, in confidence, to express concerns about potential illegalities and irregularities in matters of financial information or about other issues related to the operation of the business (Whistleblowing). Also ensuring the performance of effective and independent investigation of such matters and their appropriate handling.
- Informing the Board of Directors about the issues arising from the work carried out on the above areas.

## **7. Summary of Items and Performance of Mission**

A summary of the items of the agenda of the Audit Committee per meeting is being attached to the current document.

Finally, it is noted that during the exercise of our Audit Committee's duties, we have and continue to have unhindered and full access to all the information we need each time, while our Company provides the necessary infrastructure and space in order to effectively perform all our duties.

**Georgios Samothrakis**

**Chairman of the Audit Committee of Thrace Plastics Co S.A.**

**8. Appendix - Summary of the items of the agenda of the Audit Committee per meeting**

Summary of the Audit Committee Meetings of Thrace Plastics Group for the Financial Year 2024		
Date of Meeting	Items of the Meeting's Agenda	Participation
10/4/2024	1. Validation of minutes of previous meeting. 2. Review and approval of the quarterly report of the Internal Audit Department's activities for Q1 2024. 3. Approval of the Annual Report of the Audit Committee for the fiscal year 2023. 4. Other matters.	Quorum
15/4/2024	1. Validation of the minutes of the previous meeting. 2. Presentation by PwC on the regular audit and conclusions. 3. Discussion on the drafts of the Financial Statements and the Reports of the Certified Public Accountants. 4. Validation of the Memorandum of the Audit Committee submitted to the Board of Directors	Quorum
19/4/2024	1. Validation of the minutes of the previous meeting. 2. Progress of the Internal Audit Department's activities (including internal audits formally distributed recently and not yet presented to the Audit Committee). 3. Presentation of the progress of corrective actions by the auditees on the findings of past audit reports. 4. Presentation and approval of the 2024 annual work plan of the Internal Audit Department. 5. Progress of the Regulatory Compliance & Risk Management Department's activities. 6. Presentation and approval of the 2024 annual work plan of the Regulatory Compliance & Risk Management Department. 7. Other matters.	Quorum
29/4/2024	1. Validation of minutes of previous meeting. 2. Proposal for the Election of an Auditing Company from the Public	Quorum



	<p>Registry for the mandatory audit of the annual and semi-annual Financial Statements of the current financial year 2024 (01.01.2024-31.12.2024) and determination of its remuneration.</p> <p>3. Approval of the Audit Committee's Memorandum to the Board of Directors</p> <p><b>4. Quarterly update from the Chairman of the Audit Committee to the Board of Directors.</b></p>	
27/5/2024	<p>1. Validation of minutes of the previous meeting.</p> <p>2. Approval of the financial statements for the period ending March 31, 2024, and the related memorandum of the Audit Committee to the Board of Directors</p>	Quorum
20/6/2024	<p>1. Validation of minutes of the previous meeting.</p> <p>2. Review and approval of the Sustainable Development, Environmental, and Social Responsibility Policy by circulation.</p>	Quorum
10/7/2024	<p>1. Validation of Minutes of the Previous Meeting.</p> <p>2. Review and approval of the quarterly report of the Internal Audit Department's activities for Q2 2024.</p> <p>3. Review and approval of the semi-annual report of the Regulatory Compliance and Risk Management Department's activities and the semi-annual risk management report for 2024.</p> <p><b>4. Quarterly update from the Chairman of the Audit Committee to the Board of Directors.</b></p> <p>5. Other matters.</p>	Quorum
9/9/2024	<p>1. Validation of Minutes of Previous Meeting.</p> <p>2. Update from external auditors on the semi-annual financial statements for 2024.</p> <p>3. Approval of the semi-annual financial statements for 2024 and the related memorandum of the Audit Committee to the Board of Directors.</p> <p>4. Discussion of the Audit Committee on the evaluation of the Corporate Governance System for the current fiscal year.</p> <p><b>4. Quarterly update from the Chairman of the Audit Committee to the Board of Directors.</b></p>	Quorum

<b>18/9/2024</b>	<ul style="list-style-type: none"> <li>1. Validation of minutes of previous meeting.</li> <li>2. Approval of the significant issues of the Group based on the G1 standard within the framework of the new European CSRD directive.</li> </ul>	Quorum
<b>15/10/2024</b>	<ul style="list-style-type: none"> <li>1. Validation of minutes of previous meeting.</li> <li>2. Review and approval of the quarterly report of the Internal Audit Department's activities for Q3 2024.</li> <li>3. Other matters.</li> </ul>	Quorum
<b>13/11/2024</b>	<ul style="list-style-type: none"> <li>1. Validation of minutes of previous meeting.</li> <li>2. Approval of the financial statements for the period ending September 30, 2024, and the related memorandum of the Audit Committee to the Board of Directors.</li> <li><b>3. Quarterly update from the Chairman of the Audit Committee to the Board of Directors.</b></li> </ul>	Quorum