

Report of the Independent Non-Executive Members of the Board of Directors to the Annual General Meeting of Shareholders of April 20th, 2026

Maroussi, March 2026

Dear Shareholders,

We honorably submit this Report to the Annual General Meeting of Shareholders of the Company, which was prepared jointly by the Independent Non-Executive Members of the Board of Directors of the Company “GRIGORIS SARANTIS INDUSTRIAL AND COMMERCIAL COMPANY OF COSMETICS, APPAREL, HOUSEHOLD AND PHARMACEUTICAL PRODUCTS S.A.”, within the framework of their responsibilities, in accordance with article 9, paragraph 5 of Law 4706/2020 and the relevant guidelines of the Hellenic Capital Market Commission.

This Report covers the period from March 2025 to March 2026.

1. Composition and Compliance of Board of Directors

At the time of writing, the Board of Directors consists of eight (8) members, of which two (2) are executive and six (6) are non-executive, while four (4) of them are independent non-executive members.

It is confirmed that:

- the requirements of Law 4706/2020 are properly met in terms of number and independence criteria,
- the members also meet the suitability criteria in accordance with the approved Suitability Policy,
- adequate gender representation is ensured in accordance with the applicable regulatory framework,
- there are no incompatibilities or restrictions regarding the participation of members in the Board of Directors.

It is noted that on December 17th, 2025, Mr. Christos Varsos, Group Chief Financial Officer, and Evangelos Siarlis, Group Chief Human Resources Officer, submitted their resignation from the position of executive member of the Board of Directors. The Remuneration and Nominations Committee, following an assessment of the composition and the collective adequacy of the Board of Directors, proceeded with a recommendation to maintain its eight-member composition without replacing the resigned members. The aim was to increase the proportion of independent non-executive members and the representation of the underrepresented gender. Following the above, the Board of Directors was reconstituted into a body consisting of eight (8) members, of which four (4) independent non-executive members (50% of total), exceeding the requirements of Law, while the participation of the underrepresented gender accounted for 37.5% (3/8 members), in compliance with the current as well as prospective representation requirements. There was no change in the composition of the Board of Directors committees. The term of office of the Board of Directors expires on 20.12.2027.

The Independent Non-Executive Members who participated during the reporting period were the following:

- Michael Imellos
- Maria Ioanna Politopoulou
- Angeliki Samara
- Aleksandra Edyta Gren

During the reporting period, the Board of Directors' committees operated in accordance with the applicable regulatory framework for corporate governance, effectively supporting the work of the Board of Directors and the exercise of its supervisory responsibilities.

The **Audit Committee**, consisting of three members, and also having a majority of independent non-executive members, met nine (9) times during the reporting period, achieving a quorum in all meetings. The Committee examined, among others, the financial reporting process, the adequacy and effectiveness of the Internal Audit and Risk Management System, the work of Internal Control Unit, as well as the independence and work of the external auditors.

The **Remuneration and Nominations Committee**, also consisting of three members, and having a majority of independent non-executive members, met five (5) times during the reporting period, achieving a quorum in all meetings. The Committee contributed to the assessment of the composition and collective adequacy of the Board of Directors, to the submission of proposals for the selection and succession of its members, as well as to the formulation and monitoring of the remuneration policy, with the aim of ensuring transparency and compliance with the regulatory framework.

The **ESG Committee**, consisting of three members and composed exclusively of independent non-executive members, met four (4) times during the reporting period, achieving a quorum in all meetings. The Committee supervised the implementation of the Group's sustainability strategy, the progress of compliance with the applicable regulatory framework (in particular CSRD and ESRS), the dual materiality assessment and the quality of the relevant data, as well as it approved the Sustainability Reports before their submission to the Board of Directors, while contributing to the integration of ESG parameters into the Group's strategy and risk management framework.

The above summary note to the committees of the Board of Directors is performed within the framework of the supervisory role of this Report, in accordance with article 9 of Law 4706/2020. Detailed information regarding the composition, operation, meetings and responsibilities of the committees is included in the Company's Corporate Governance Statement, which is prepared in accordance with the provisions of Law 4548/2018, Law 4706/2020 and decision 2/905/03.03.2021 of the Hellenic Capital Market Commission, in compliance with the Greek Corporate Governance Code, and constitutes an integral part of the Annual Report of the Board of Directors.

2. Role and Responsibilities of Independent Members

According to article 7 of Law 4706/2020, the Independent Non-Executive Members:

- monitor and review the Company's strategy and its implementation,
- ensure effective supervision of the executive members,
- examine and evaluate the Management's proposals,
- contribute to ensuring good corporate governance and the protection of shareholders' interests.

In the exercise of our duties as Independent Members, we act with independence of judgment, objectivity and professionalism.

3. Strategy Execution and Group Performance

Regarding the monitoring and review of the Company's strategy, its implementation and the achievement of corporate objectives, we note the following:

During the reporting period, we were informed accordingly by the Management Team and reviewed the progress of the implementation of the Group's strategy, as reflected in the five-year business plan, as well as the evolution of the key financial and operational figures for the financial year 2025.

The Group's strategy continues to be based on three key pillars:

- achieving sustainable organic growth in combination with targeted acquisitions,
- continuously improving operational efficiency and simplifying processes, and
- strengthening organizational capacity and human resource development.

❖ Financial performance and value creation

We were also informed that, during the financial year 2025, the Group presented:

- stable revenue growth, with total sales of approximately €600 million,
- significant improvement in operating profitability, with an EBITDA level of approximately €89 million and margin improvement,
- higher level of net profitability and cash flows.

At the same time, we observed the following:

- improvement in capital efficiency as well as in the management of working capital,
- even more solid financial position and balance sheet resilience,
- continuation of rewarding shareholders through dividend distribution.

The overall financial performance, in our assessment, reflects increased earnings visibility, improved margins and disciplined cost and capital management.

❖ Business development and portfolio

We were also informed that the following developments took place:

- the branded product portfolio posted resilience and positive momentum, outperforming the private label portfolio,
- the strategic categories (Beauty, Skin & Sun care and Strategic Partnerships) recorded growth,
- the market expansion of the core brands (Hero brands) and the implementation of investments in innovation and marketing continued.

In addition, we assessed the progress:

- in the development of new products and the acceleration of innovation,
- in the optimization of the portfolio and the attainment of higher profitability by category,
- in the integration of acquisitions and realization of synergies at the Group level.

❖ International development and geographical expansion

We were informed about the Group's stronger international presence, via the following developments:

- the significant growth in selected international markets, with higher sales and profitability,
- the expansion into new markets and distribution channels,
- the stronger presence in digital and international retail ecosystems.

In our view, the international activity is a key driver of growth, strengthening the diversification and resilience of the business model.

❖ Operational efficiency and transformation

We reviewed the progress of key transformation initiatives, including:

- the implementation of digital transformation systems and tools (SAP S/4HANA, IBP, data & analytics),
- the solidification of unified planning (S&OP) as well as the improving predictability,
- the optimization of the supply chain and procurement management.

At the same time, we have observed the following:

- improved working capital management,
- enhanced transparency and data quality for decision-making,
- progress in creating more flexible and resilient operating models.

❖ Organizational development and human resources

We were informed about initiatives that strengthen organizational capacity, with an emphasis on:

- developing leadership skills and creating a talent pool,
- improving organizational effectiveness and team alignment,
- further enhancing the culture of performance and continuous improvement.

❖ Overall evaluation

Based on the above, we found that the Group's strategy for the financial year 2025:

- was implemented consistently,
- boosted the Group's financial performance and market position,
- contributed to the creation of shareholder value,
- and continued to lay the foundations for sustainable growth.

4. ESG and Sustainability

As part of our oversight regarding sustainability and ESG issues, and in light of the higher importance of relevant regulatory requirements, we systematically monitored the work of the ESG Committee.

During the reporting period, the ESG Committee continued to oversee the implementation of the Group's sustainability strategy, with a focus on regulatory compliance, governance, Dual Materiality Assessment, the quality of ESG data and the Group's readiness to meet the requirements of the CSRD Directive and of the European Sustainability Reporting Standards (ESRS).

At the meeting held during March 2025, the Committee reviewed and approved the Sustainability Report of 2024 prior to its submission to the Board of Directors and established key priorities for the year 2025, such as the further development of distinct sustainability-related policies, the aim to achieve even stronger health and safety performance, the continuous integration of ESG financial risks, and the solidification of the respective data collection and assurance mechanisms.

At the meeting held during September 2025, the Committee was informed about the progress of key sustainability initiatives, including CSRD compliance, the ESG assessment improvement strategy, the review of 2025 Dual Materiality Assessment, the development of ESG digital tools, the progress of the SBTi process, the progress of key policies, the green energy strategy, as well as regulatory developments related to the EUDR, CBAM and CSRD Omnibus Directives. In the same context, it approved the methodology for updating the 2025 Dual Materiality Assessment as well as the methodology for assessing the Group's value chain against sustainability criteria.

At the meeting held during December 2025, the Committee reviewed the results of 2025 Dual Materiality Assessment and was updated on the Group's performance in the area of ESG assessments conducted by the respective rating agencies during the reporting period. Particular emphasis was placed on methodological improvements towards financial materiality, with the aim to enhance consistency, comparability and assurance, as well as on the increased weighting of specific topics and subtopics, such as violence and harassment in the workplace and the protection of employee and consumer data.

At the meeting held during March 2026, the Committee reviewed and approved the final draft of 2025 Sustainability Report for the purposes of presentation to the Group's Board of Directors along the final approval process. The Committee was also informed about key improvements made in the Report compared to the previous year, such as the enhanced connection of the Dual Materiality Assessment (DMA) with Enterprise Risk Management (ERM) and decision-making, the update of the financial materiality threshold for 2025, the enhancement of disclosures of the ESRS S1 and G1 topics, the more distinct connection between investment planning and sustainability priorities, as well as the progress in relation to the Group's climate goals.

The ESG Committee continued to support the systematic integration of sustainability principles into the Group's governance, reporting and strategic decision-making processes.

Throughout the period, we ascertained that sustainability issues are gradually being integrated into the Group's strategy, risk management and decision-making processes.

5. Internal Control and Corporate Governance System

Within the framework of our supervisory responsibilities regarding the adequacy and effectiveness of internal control and corporate governance systems, we took note of the relevant assessments carried out in accordance with the applicable regulatory framework.

- Corporate Governance System and Internal Control System, assessment summary

*The Board of Directors, in the context of its obligations arising from paragraph 1 of article 4 of Law 4706/2020, evaluated the implementation and effectiveness of the Company's **Corporate Governance System** with a reference date of December 31, 2025 and no material weaknesses emerged from this evaluation.*

In the context of the above evaluation, the Board of Directors of the Company assigned the auditing firm BDO Certified Auditors S.A. to evaluate the adequacy and effectiveness of the Company's Corporate Governance System. The assessment was carried out based on the assurance procedures program included in decision I'73/08b/14.02.2024 of the Supervisory Board of the Institute of Certified Public Accountants, in accordance with the International Standard on Assurance Engagements 3000 (Revised), "Assurance Engagements Other than Audits or Reviews of Historical Financial Information". The above work of Certified Public Accountants did not reveal any material weaknesses in the Company's Corporate Governance System.

*The Company, in accordance with the decision 1/891/30.09.2020 of the Hellenic Capital Market Commission and the specifications of article 14 (paragraphs 3 and 4) of Law 4706/2020 as in force, as well as the **Internal Control System (ICS) Assessment Policy**, proceeded with an assessment process of audit firms with a view to assigning the task of assessing the ICS. Based on the above procedure, the Board of Directors assigned the task of assessing the ICS to "BDO Certified Auditors S.A." (BDO) with a reference date of 31/12/2025. BDO confirmed its independence in accordance with the Code of Ethics for Professional Accountants of the International Ethics Standards Board for Auditors as incorporated into Greek Law, as well as with the requirements of EU Regulation 537/2014 and Law 4449/2017. Ms. K. Kalogeropoulou, Certified Public Accountant with AM/SOEL 36121, was appointed as Independent Evaluator.*

BDO conducted the assessment work based on Law 4706/2020 and the specifications of article 14 (paragraphs 3 and 4), decision 1/891/30.09.2020 of the Board of Directors of EC and in accordance with the International Standard for Assurance Engagements 3000. The purpose of the work was to assess the adequacy and effectiveness of the ICS of the Company and of its significant subsidiaries with a reporting date of 31/12/2025. The evaluators gathered appropriate and sufficient evidence in order to form an opinion which is summarized as follows: "Based on our work performed, as well as the evidence obtained, regarding the assessment of the adequacy and effectiveness of the ICS of the Company and of its significant subsidiaries, with a reporting date of 31 December 2025, we did not observe any issue that could be considered a material weakness of the ICS of the Company and its significant subsidiaries, in accordance with the Regulatory Framework."

Based on the above, we consider that the Internal Control and Corporate Governance Systems operate adequately and effectively, supporting the proper risk management and sustainable development of the Group.

6. Executive Member Supervision and Evaluation

In the context of the supervision of the executive members, we monitored the evaluation process of the Board of Directors and its Committees, as carried out by the Remuneration and Nomination Committee.

The evaluation process included the following:

- the individual and collective evaluation of members,
- examination of adequacy and composition of the Board of Directors,
- confirmation of the criteria of suitability and independence,
- review of conflict of interest and compliance issues.

The evaluation did not reveal any significant issues that require corrective action, while the effective functioning of the Board of Directors and its Committees was ascertained.

In addition, we supervised the updating process of the Suitability Policy as well as the Remuneration Policy and we recommended their approval to the Board of Directors.

7. Participation in Decision-Making and Governance

During the period:

- we actively participated in the meetings of the Board of Directors,
- we contributed substantially to the formulation of decisions,
- we ensured the implementation of good corporate governance practices.

Our presence enhanced:

- transparency,
- objectivity in decision-making,
- the safeguarding of the interests of both shareholders and other stakeholders.

8. Conclusions

Based on the above, as Independent Non-Executive Members:

- we confirm that the Board of Directors operates effectively,
- we have found that the Group's strategy is implemented consistently and delivers concrete results,
- we consider that the governance and internal control systems are adequate,
- we confirm that the relevant ESG issues are effectively integrated into the Group's operations and strategy.

Finally, we confirm our agreement with the content of the Board of Directors' Management Report and the Corporate Governance Statement for the financial year 2025, which forms an integral part of the Annual Financial Report and is available on the Company's website via the following link: [Publication of Results \(sarantisgroup.com\)](https://www.sarantisgroup.com).

The Independent Non-Executive Members

Michail Imellos

Maria Ioanna Politopoulou

Angeliki Samara

Aleksandra Edyta Gren