

## **Report of the Acts of the Audit Committee of FOURLIS HOLDINGS SA for the financial year 2024 (1/1-31/12/2024)**

### **To the Ordinary General Assembly of the Shareholders of the year 2025**

Ladies and Gentlemen Shareholders,

This report of the Audit Committee covers the twelve months of the financial year (1/1-31/12/2024). The report has been prepared and is in accordance with the provisions of Law 4449/2017 as amended by article 75 of Law 4706/2020 and aims to inform you about the acts of the Audit Committee based on its prescribed responsibilities.

More specifically:

During the year 2024, the Audit Committee met seven (7) times.

The Internal Audit Director attended all meetings of the Committee. Depending on the issues of the meetings, the heads of the units responsible for Financial Reporting, Non-Financial Reporting (Sustainability Reporting), Information Systems Security, Risk Management, Regulatory Compliance, Corporate Governance, Sustainable Development as well as the statutory auditors were invited to participate, where deemed necessary.

The relevant information material (internal audit reports, management reports, auditors' reports and presentations, financial and non-financial information, etc.) was distributed to the members of the Commission in time for them to be able to express their informed opinions. Minutes were kept for the meetings of the Audit Committee in which the issues discussed and approved by the Members present were recorded.

The Audit Committee consists of three independent non-executive members of the Board of Directors. The members of the Audit Committee as a whole, have proven sufficient knowledge in the sector in which the Company operates, the Chairman and one member of the Committee have sufficient knowledge and experience in auditing and accounting, while the other member of the Committee has knowledge and experience in technology, information systems and information systems security.

An external evaluation of the Audit Committee was carried out by Grant Thornton during the evaluation of the Internal Audit System according to article 14 par. i of Law 4706/2020. The conclusion of the Evaluation Report on the adequacy and effectiveness of the Internal Control System was unconditional.

The Audit Committee conducts an annual self-assessment of its effectiveness and the results are discussed at the Board of Directors.

In the exercise of its responsibilities, the Audit Committee had full and unhindered access to all necessary information and was provided with the necessary resources and infrastructure for its effective operation.

The Secretary of the Board of Directors of the Company acts as Secretary of the Committee and attends all meetings of the Committee and keeps the minutes of the Committee.

The Audit Committee reported the results of all its acts in writing to the Board of Directors with its findings and made specific proposals to implement corrective actions where it deemed appropriate.

In addition, in the financial year 2024:

**1.** As regards the supervision of the regular audit, the Audit Committee:

- Conducted the evaluation of the nominated audit firms for the statutory audit of the Company's consolidated financial statements and Sustainability Report for the financial year 2024.
- It proposed to the Board of Directors the appointment of the auditing company Grant Thornton for the statutory audit of the Company, the consolidated financial statements and the Sustainability Report for the financial year 2024 as well as for the approval of the remuneration and the terms of employment of the regular auditor under article 44 of Law 4449/2018, as in force.
- It met twice (2) with the statutory auditor of FOURLIS HOLDINGS SA, prior to the publication of its semi-annual financial statements.
- It met once (1) with the statutory auditor of FOURLIS HOLDINGS SA, prior to the publication of its annual financial statements.
- It met once (1) with the statutory auditor of FOURLIS HOLDINGS SA for purposes of updating on the time-schedule and planned audit procedures for the end of the financial year 2024.
- It reviewed Grant Thornton's audit program and audit approach for the mandatory audit for the financial year 2024.
- Upon completion of the annual statutory audit and the semi-annual overview, it received from the regular auditor the supplementary report pursuant to Article 11 of Regulation (EU) 537/2014 with the results of the mandatory statutory audit and the confirmation of its independence and informed the Board of Directors respectively.
- It examined and monitored the independence of the regular auditor and the objectivity and effectiveness of the audit procedure, taking into account the relevant professional and regulatory requirements in Greece.
- It monitored the services provided by the CPAs in the context of the statutory audit and evaluated their performance, taking into account any findings and conclusions of ELTE.
- It reviewed and monitored the implementation of the procedure "Approval of the receipt of non-audit services from the audit firm performing the statutory audit of the individual and consolidated financial statements of the Group companies", approving the receipt of non-audit services in order to ensure the independence of the Statutory Auditors. For the Group, the percentage of other fees (non-audit services) in relation to audit services was 3% and for the Company 0%.

**2.** With regard to the financial and non-financial reporting process and the system of internal control, compliance and risk management, the Audit Committee:

- Before their approval by the Board of Directors, it reviewed the financial statements (corporate and consolidated) of FOURLIS HOLDINGS SA, and taking into account the content of the supplementary report of the Certified Public Auditor, it positively assessed their completeness and consistency and informed the Board of Directors.
- It has been extensively informed by the relevant management bodies and the public auditors on the significant audit issues, significant judgments, assumptions and estimates made in the preparation of the financial statements.
- Before its approval by the Board of Directors, it examined the Sustainability Report of FOURLIS HOLDINGS SA, and taking into account the contents of the Auditor's report, it positively assessed its completeness and consistency and informed the Board of Directors.
- It evaluated the adequacy and effectiveness of the Internal Control System, taking into account the content of the audit reports of the Internal Audit Department.
- It evaluated the adequacy and effectiveness of the Risk Management System. Specifically with regard to the management of the Group's main risks and uncertainties, the Audit Committee assessed the methods used to identify and monitor the risks, the treatment of the main risks through the Internal Control System and the Internal Audit Department and their proper disclosure in the published financial information.
- It evaluated the adequacy and effectiveness of the Regulatory Compliance System.
- It was informed on information systems security issues with emphasis on those related to the production of financial and non-financial information and on the progress of the action plan for the security incident.

**3.** As regards the supervision of the Internal Audit Department, the Audit Committee:

- Approved the annual audit program of the Internal Audit Department, evaluating the process of its development. It confirmed that the 2024 annual audit plan was prepared based on the main risk categories (people health and safety, strategy, profitability and liquidity, reputation & ethics, regulatory compliance, customers, sustainability, growth and competition, technology and information security, operations) faced by the Group companies and systematic application of the COSO ERM methodology adopted.
- It monitored the implementation of the annual audit plan and assessed the effectiveness of the Internal Audit Department through the Head of Department's quarterly reports and the annual report of results.
- It monitored the progress and effectiveness of the audit work, assessing, through quarterly reports, the findings identified, the corrective actions agreed to address the findings and the progress of their implementation.

- It evaluated issues identified by the Internal Audit Department's audits and made specific proposals for further actions to introduce new procedures and controls to permanently eliminate the weaknesses identified, where it deemed necessary.
- Based on the proposals of consulting firms for the co-sourcing of internal audit work, it selected the three (3) firms to which internal audit projects were awarded.
- It monitored the progress of internal audit projects outsourced to third parties under the co-sourcing model of internal audit work.
- It approved the compliance plan with the new Internal Audit Standards.
- It confirmed that the current version of the Internal Audit Department's Charter of Operation is posted on the website (<http://www.fourlis.gr>).
- It was assured of the adequacy of the resources (internal and external) of the Internal Audit Department and was informed of the training plan for its staff.

#### 4. Regarding sustainable development

The Audit Committee was informed about the Group's Sustainable Development Strategy and Policy and the Group's actions on sustainable development issues as well as the targets set and analysed in the Sustainable Development Report.

The company, recognizing that the principles of Sustainable Development are an element of its responsible course and continuous development, has developed a Strategic Sustainable Development Policy that is inextricably linked to its values and mission.

In particular, the **Sustainable Development Strategy and Policy**, provides for the following:

At Fourlis Group, sustainability is a key pillar of its strategy. The Group is committed to operating responsibly and with respect for the environment, the societies in which it operates and its people. Through innovative practices and sustainable initiatives, it seeks to reduce its environmental footprint and promote sustainability in every aspect of its operation. Its aim is to continue to be dynamic, actively and substantially contributing to the formulation and implementation of the Sustainable Development and Social Responsibility strategy, as an integral part of its corporate culture.

Since 2008, Fourlis Group has been a signatory to the United Nations Global Compact and is committed to adopting, supporting and promoting, through its business activities, the 10 Principles.

The Group informs its stakeholders about the work carried out in the field of Sustainable Development by publishing annually a relevant report in accordance with the European Sustainability Reporting Standards (ESRS).

#### **Sustainable Development Policy**

The Sustainable development has been integrated into the Group's business strategy. The Sustainable Development and Social Responsibility Department designs the Group's Sustainable Development strategy and implements and monitors its implementation as well as the implementation of relevant

policies, procedures, practices and programs and coordinates the Group's companies in initiatives and actions in the field of Sustainable Development.

The Fournalis Group conducts a dual materiality analysis as part of its continuous improvement of its approach to sustainable development and social responsibility. For issues arising, it applies a due diligence process that specifies the Group's assessment of significant impacts, risks and opportunities. In addition, it designs the sustainability strategy (commitments, targets, actions and programs) in cooperation with representatives of its subsidiaries.

Through its responsible operation, programs and activities, the Group also contributes to the achievement of the UN Sustainable Development Goals (SDGs).

The Management is committed to the implementation of the Sustainable Development Strategy and Policy at all levels, companies and sectors of the Group's activities.

### **For the Environment (E)**

Environmental protection is a priority for the Fournalis Group. The Group operates responsibly, adopts sustainable practices and invests in technologies that reduce its environmental footprint. With respect for nature and future generations, it promotes sustainability in every aspect of its operations, actively contributing to the protection of the planet.

It assesses the risks and opportunities associated with climate change, an ongoing effort to mitigate and adapt to it.

It incorporates in its strategy activities and actions to reduce its environmental footprint, focusing on the proper management of energy and the reduction of greenhouse gas emissions, the saving of natural resources and recycling of materials, the responsible water consumption.

It offers products that contribute to a sustainable lifestyle.

It raises awareness among employees, customers and the public on environmental protection and the adoption of a sustainable lifestyle.

For all of the above issues, Fournalis Group sets individual sustainable development targets, which it evaluates annually in terms of their effectiveness and revises them when and where necessary, with the aim of continuous improvement.

For Group People and Society (S)

For the People of the Group

At Fournalis Group, its people are its cornerstone and driving force. The Group continuously invests in their growth and well-being, creating an environment that fosters innovation, collaboration and personal development. The aim is to create and maintain a culture of respect, inclusion and equal opportunities for all, an environment where everyone feels safe and part of a team in which they can grow professionally and personally.

The Group ensures the creation and preservation of jobs through the development of its activities in Greece and abroad.

It has a Human Rights Policy and respects, defends and promotes internationally recognised human rights through its strategy, the policies it adopts and the initiatives it undertakes.

It offers a working environment of meritocracy and equal opportunities, with fair recruitment, reward and career development policies for all human resources, without discrimination.

It invests in the continuous training and development of its human resources, as well as in their systematic and merit-based evaluation.

It offers health benefits to employees and personalised support in cases of serious health issues and other emergencies.

It implements a Health and Safety Policy for all Group companies in all countries of its operation, providing a healthy and safe working environment.

### **For the Society**

Social responsibility is an integral part of the Group's philosophy. The Group is committed to supporting the societies in which it operates through initiatives that promote education, health and social cohesion. Responding to the needs of society, it seeks to create a better future for all.

The Group is constantly informed about the needs of the citizens and societies in which it operates through established channels of communication and consultation.

It assesses and prioritises needs and then designs and implements programs and actions based on the coverage of real and significant needs of the local community, the number of beneficiaries and the nature of its activities.

It implements social actions that are aligned with the Group's social responsibility strategy.

Responding to emergencies (e.g. pandemic, natural disasters), beyond the established programming of the social responsibility plan.

It encourages and promotes volunteering by its employees.

In addition, the Group offers quality and affordable products. The products marketed by the Group's companies meet international quality and safety standards.

It invests in technology and upgrading of its services, following the rapid changes in consumer habits and the nature of retailing, seeking to meet growing consumer expectations and create a positive customer experience.

It prioritises the health, safety and accessibility of all customers and visitors by implementing a Health and Safety Policy and creating an environment that promotes trust and comfort. It ensures that persons with disabilities can safely stay and move around and be accommodated in its facilities. With

these principles, it seeks to provide the best possible experience for everyone.

It is committed to protecting the personal data of its customers, ensuring their security and privacy.

### **Economic Development and Corporate Governance (G)**

Fourlis Group aims to achieve positive financial results, to continue strictly selected investments and to exploit new investment opportunities.

It ensures the continuous improvement of relations with its suppliers by communicating the terms of cooperation and the basic framework of principles and values that should govern the cooperation between them.

Business ethics is the foundation of the Fourlis Group's activities.

The Group has voluntarily decided to apply the Hellenic Code of Corporate Governance for listed companies, which has been prepared by the Hellenic Corporate Governance Council for listed companies, which is a body of recognised prestige.

By adopting best practices in corporate governance, it seeks to increase investor confidence and broaden the horizons for attracting investment capital with the ultimate goal of ensuring further value to its shareholders, with transparency and safeguarding their interests.

The Group's Corporate Governance System includes, in addition to the Sustainability Strategy and Policy (ESG) and the Human Rights Policy, the Policy on Combating Discrimination, Violence and Harassment at Work, the Supplier Code of Conduct, the Equal Opportunities and Diversity Policy, the Employee Code of Conduct - System for providing anonymous information, the Policy and Procedure for the Prevention, Identification and Management of Conflicts of Interest, the Policy for Conducting Related Party Transactions, Board of Directors and Executive Officers Remuneration Policy, Charter of Operation, Risk Management System, Regulatory Compliance System, Internal Control System and Supplier Due Diligence Acceptance Policy.

### **Sustainability Committee**

The Group's Sustainability Committee consists of executive and independent non-executive members of the Board of Directors. The Group's Sustainability Committee is chaired by the Director of Sustainable Development and Social Responsibility, an executive member of the Board of Directors.

The short, medium and long-term sustainable development business and investment plans, objectives, the assessment of related risks and opportunities and the annual action plans are evaluated and approved by the Group's Board of Directors under proposal of the Sustainability Committee.

### **Furthermore, in the FOURLIS Group**

- We have been a signatory to the United Nations Global Compact since 2008 and are committed to adopting, supporting and promoting its 10 Principles through our business activities.
- We conduct materiality analysis as part of the continuous improvement of the Group's approach to

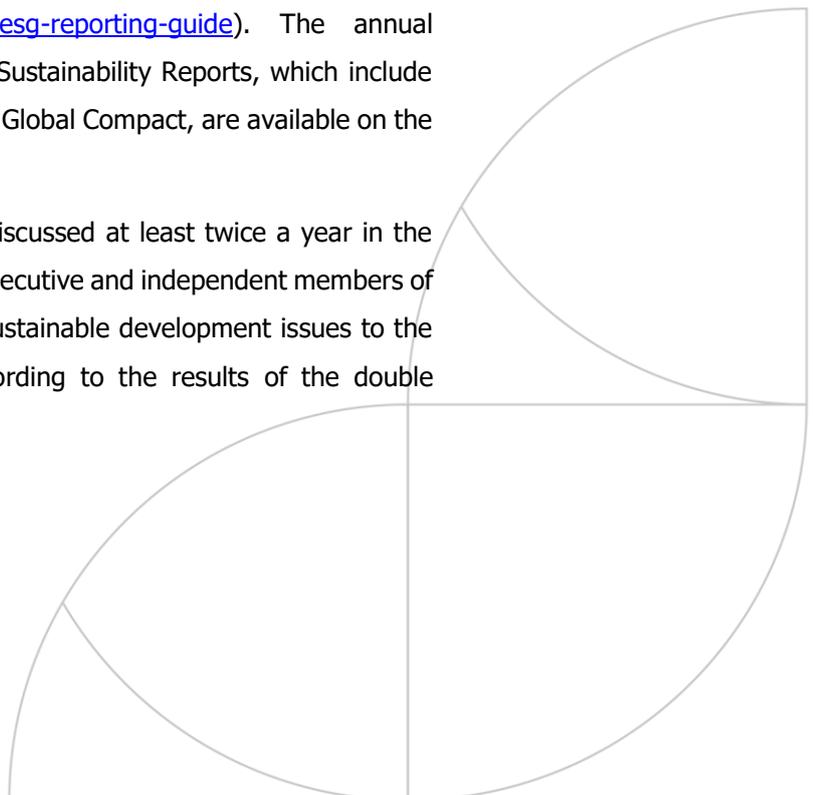
sustainable development and social responsibility issues, in order to prioritise the Group's issues that have the most significant economic, social and environmental impacts, as well as those that have a significant impact on its stakeholders.

- We link substantive issues to the UN Sustainable Development Goals (SDGs), contributing to their achievement through our responsible operation, programs and related results.
- We inform our stakeholders about the work carried out in the field of Sustainable Development by publishing an annual report in accordance with internationally accepted Sustainable Development standards.

The Management is committed to the implementation of the Sustainable Development Strategy and Policy at all levels, companies and sectors of the Group's activities.

The Sustainability Report is submitted for the first time in accordance with the requirements of the CSRD (Corporate Sustainability Reporting Directive) which was incorporated into Greek legislation by law 5164/2024, and has also been prepared in accordance with the GRI Standards (GRI Standards, 2021 edition), as well as the Athens Exchange ESG Disclosure Guide (<https://www.athexgroup.gr/el/web/guest/esg-reporting-guide>). The annual FOURLIS Group Progress Reports and the Sustainability Reports, which include the Group's COP on the 10 Principles of the Global Compact, are available on the website (<http://www.fourlis.gr>).

The Sustainable development issues are discussed at least twice a year in the Sustainability Committee, which includes executive and independent members of the Board of Directors, who in turn bring sustainable development issues to the other Board Members, in order and according to the results of the double



# Fourlis

materiality analysis, to set priorities and corresponding targets. The substantial issues of the FOURLIS Group are climate change (energy and emissions), the circular economy (waste management), the human resources (working conditions), the affected communities (social contribution) and the business conduct (corporate culture and governance). The Audit Committee evaluated the above and concluded that the Group's actions, its organisation and the policies and procedures entered into force, constitute an adequate framework and promote sustainable business and a better future for all Social Partners and the Group.

The current version of the Audit Committee's Charter of Operation is posted on the website (<http://www.fourlis.gr>).

Kifissia, on the 7th of April 2025

The Audit Committee

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