

## ThPA SA AUDIT COMMITTEE

**SUBJECT: Update by the Audit Committee to shareholders about the activities of the Audit Committee during the year 2022 and submission of the annual activity report of the Audit Committee, according to article 44 par. 1i of Law No. 4449/2017 as currently in force.**

### **A. ESTABLISHMENT AND OPERATION OF THE AUDIT COMMITTEE.**

ThPA SA has an Audit Committee, as provided for in article 44 of Law No 4449/2017 (A' 7) as amended by article 74 of Law No 4706/2020 and currently in force.

The Ordinary General Meeting of June 23, 2021 decided that the Audit Committee of the company will constitute a Committee of the Board of Directors within the meaning of article 44 par. 1a case aa' of Law No. 4449/2017, with a term until 23.06.2023. The Committee has three members and consists of two independent non-executive members and one non-executive member.

During 2022, the composition of the Audit Committee of ThPA SA was as follows:

- Charalambis Karamaneas, non-executive member (member)
- Panagiotis Michalopoulos, independent non-executive member (Chairman)
- Angeliki Samara, independent non-executive member (member)

With Decision No 7704/12.1.2023 the Board of Directors decided to reconstitute the Audit Committee with a term until 23.06.2023, due to the loss of the capacity of a member of the Board of Directors and the Audit Committee, as follows:

- 1) Panagiotis Michalopoulos, Independent non-executive member
- 2) Angeliki Samara, Independent non-executive member and
- 3) Panagiotis Stampoulidis, non-executive member

### **B. THE COMMITTEE AND ITS MEMBERS COMPLY WITH AND FULFILL THE REQUIREMENTS OF ART. 44 OF LAW NO 4449/2017 (A'7) AS AMENDED AND CURRENTLY IN FORCE.**

Specifically:

- **The members of the Audit Committee, both of the previous and the current composition, are in their majority independent of the audited entity** according to article 44 par 1 d) of Law No 4449/2017 (A' 7) as amended by article 74 of Law No 4706/2020 and currently in force.
- **The Independent Non-Executive Members of both the previous compositions and the current composition of the Audit Committee, fully comply with the provisions of the current regulatory framework and in particular of both article 9 par. 1 and 2 of Law No 4706/2020, a fact which has been fully checked and ascertained by the Board of Directors. The persons who meet the conditions for independence constitute the majority of the Committee.**
- **The Chairman was appointed by the members and is independent of the audited entity** according to article 44 par. 1 e) of Law No 4449/2017 (A' 7) as amended by article 74 of Law No 4706/2020 and currently in force.
- In cases of loss of membership in the Board of Directors of certain members of the Committee, the Board of Directors has appointed new members, from its members, to replace those who

have lost their capacity, in accordance with article 44 par. 1 f) of Law No. 4449/2017 (A' 7) as amended by article 74 Law No. 4706/2020 and currently in force.

- **The members of both the previous compositions and the current composition of the Audit Committee met and still meet the suitability criteria set by the law, the company's Corporate Governance Code and Suitability Policy.**
- **The members** of both the previous compositions and the current composition of the Audit Committee of ThPA SA **have sufficient knowledge of the sector in which the company operates**, while the two independent members of the Committee who have sufficient knowledge and experience in auditing or accounting, attended the meetings of the Committee concerning the approval of the financial statements in accordance with article 44 par. 1 g.) of Law No 4449/2017 (A' 7) as amended by article 74 of Law No 4706/2020 and currently in force.

**-The Audit Committee of ThPA SA, that has a Charter** which was approved by the Board of Directors (decision 7584/5.7.2021) and posted on the company's website ([https://www.thpa.gr/files/general/ked/kanonismos\\_leit\\_ee\\_21\\_en.pdf](https://www.thpa.gr/files/general/ked/kanonismos_leit_ee_21_en.pdf)), met 17 times at the company's headquarters or via teleconference, as provided in its Charter, while during its meetings minutes were kept describing the items on the agenda and any decisions of the Committee, according to article 44 par. 1 h) of Law No 4449/2017 (A' 7) as amended by article 74 of Law No 4706/2020 and currently in force.

**-The audit committee submits this annual activity report to the Ordinary General Meeting of ThPA SA** in accordance with article 44 par. 1 i) of Law No 4449/2017 (A' 7) as amended by article 74 of Law No 4706/2020 and currently in force:

“The Audit Committee shall submit an annual activity report to the Ordinary General Meeting of the audited entity or, in the case of non-shareholder entities, to the equivalent body. This report shall include a description of the sustainable development policy pursued by the audited entity”.

## **C. RESPONSIBILITIES OF THE AUDIT COMMITTEE.**

The Audit Committee of ThPA SA shall consistently fulfill its obligations under the law and in particular the obligations contained in its Charter and in article 44 par. 3 of Law No. 4449/2017 (A' 7) as amended by article 74 of Law No 4706/2020 and currently in force.

Within this framework, during the FY 2022, the Audit Committee of ThPA SA and in addition to the liability as members of the Board of Directors according to article 44 par. 3 of Law No. 4449/2017 (A' 7) as amended by article 74 of Law No 4706/2020 and currently in force, complied with the paragraphs of the above article which stipulate that the Audit Committee:

- a) informs the Board of Directors of the audited entity on the outcome of the statutory audit and explains how the statutory audit has contributed to the integrity of the financial reporting and what the role of the Audit Committee was in this process;
- b) monitors the financial reporting process and raises objections or makes proposals to ensure its integrity;
- c) monitors the effectiveness of the Company's internal audit, quality assurance and risk management systems and, where appropriate, its internal audit department, in respect of the audited entity's financial reporting, without violating the independence of such entity;
- d) monitors the statutory audit of the annual and consolidated annual financial statements and, in particular, its performance, taking into account any findings and conclusions of the competent authority in accordance with par. 6 of article 26 of Regulation (EU) No 537/2014;
- e) supervises and monitors the independence of certified accountants or audit firms in accordance with articles 21, 22, 23, 26 and 27 and article 6 of Regulation (EU) No 537/2014 and in particular

the suitability of the provision of non-audit services to the audited entity, in accordance with article 5 of Regulation (EU) No. 537/2014;

f) is responsible for the selection procedure of certified auditors or audit firms and proposes certified auditors or audit firms to be appointed in accordance with article 16 of Regulation (EU) No 537/2014, unless par. 8 of article 16 of Regulation (EU) No 537/2014 applies.

It is noted that there was extensive and in deep cooperation with the audit firm KPMG both in thematic content and in internal audit procedures, such as the selection of an audit firm in the subsidiary of ThPA SA in Bulgaria under the trade name "Sofia EAD".

The Audit Committee, throughout 2022, has exercised its supervisory and monitoring role according to the Law and the BoD and General Meeting decisions across the institutional structure of ThPA SA.

This audit was multifaceted and was performed in accordance with the international auditing and accounting standards, as they have been incorporated in the Greek legislation and according to the European Directives 43/2006/EU, 537/2014/EU, 56/2014/EU and article 44 par. 3 of Law No. 4449/2017 (A' 7) as amended by article 74 of Law No 4706/2020 and currently in force.

Given that ThPA SA is a **Public Interest Entity**, the operation and activities of the Audit Committee are also subject to audit by the Hellenic Accounting and Auditing Standards Oversight Board (HAASOB).

## **D. DETAILED ACTIONS OF THE COMMITTEE WITHIN 2022, AS PROVIDED BY THE LAW.**

The detailed actions of the Audit Committee of ThPA SA in order to comply with the above obligations of the law during 2022, consist of the following:

### **D.1. IN RELATION TO THE STATUTORY AUDIT**

#### **D.1.1. Cooperation with the administrative or supervisory body.**

This cooperation includes:

frequent meetings of the Committee members with the executive Management, the Chairman, the Managing Director and the Chief Financial Officer, during scheduled meetings and at all Board of Directors meetings within the timeframe. During these meetings, the annual and half-year financial statements and the selection of the Audit Firm were presented and voted, with the consent of the Committee. The same occurred for the subsidiary of ThPA SA in Sofia, operating under the trade name "Sofia EAD".

b) Presentation to the BoD of the overall planning of the External and Internal Audit and explanation where necessary, of the Audit Committee's role and contribution to the auditing procedure and ensuring the completeness of the statutory audits and to the integrity of financial reporting.

The "permanent" and "continuous" nature of the exercise of the supervisory role of the Audit Committee, with the implementation of collaborative consultations with the executive management and the Board of Directors and with detailed suggestions not only of informative content but also of a propositional nature with proven electronic correspondence, is highlighted.

Cooperation with the Board of Directors and the top executive management was permanent and continuous with regular recommendations to the boards of directors.

#### **D.1.2. Controlling the Independence of the Audit Firm including the previous approval of the permitted non-audit services.**

The Audit Committee has reviewed and monitored the independence of the audit firm in accordance with articles 21, 22, 23, 26 and 27 and article 6 of Regulation (EU) No 537/2014 and in particular the suitability of the provision of non-audit services, in accordance with article 5 of Regulation (EU) No. 537/2014. It has also monitored the fees that were paid to the audit firm in order to ensure future compliance with 70% of fee CAP of non-audit services (NAS). For this purpose, in communication with the Finance Division of ThPA SA, it monitored, reviewed and approved the type and amount of non-audit services allowed, as well as the total fees for these services, so that they are limited to a percentage that does not exceed 70% of the average fees paid, during the last three (3) consecutive financial years for the statutory audit. At its meetings of 4/3/2022, 23/3/2022, 13/4/2022, the Audit Committee approved the provision by KPMG of the additional-audit services requested by the Finance Division.

### **D.1.3. Monitoring the external auditor election procedure and its completion.**

The Audit Committee discussed with the Finance Division the terms and characteristics of its cooperation with the external auditor, namely the company KPMG, in order, in conjunction with its own opinion formed for the quality of audit work and procedures and the examination of the independence and compliance with the provisions of the law, to proceed with the evaluation of the work of KPMG and to prepare the final proposal to the BoD and the General Meeting, for the definition of KPMG as an audit firm for ThPA SA for the year 2022.

### **D.1.4. Monitoring the mandatory audit.**

The Audit Committee as an institutional body and its members, accordingly, monitored the implementation of the statutory audit plan for the 2022 management period. The Audit Committee did not suggest any changes, given that the audit is conducted based on the International Accounting Standards, as incorporated into the Greek Law and require the application of *specific* audit standards. However, it has consulted thoroughly the necessary additions and specifications, which complement the relevant final reports.

For this purpose, it has met four times with the auditors of KPMG (8/9/2022, 26/9/2022, 25.1.2023 & 5.4.2023), while there has been regular correspondence and cooperation on issues concerning both ThPA SA but also concerning the subsidiary of ThPA SA in Bulgaria under the trade name "Sofia EAD". The topics and conclusions from the relevant correspondence were included in the conclusions and proposals to the BoD and in the minutes of the Audit Committee.

### **D.1.5. Monitoring the financial reporting process.**

To ensure the integrity of the company's financial reporting process, the audit committee monitored the financial reporting process in close collaboration with the Internal Audit Department, the Chief Financial Officer and the Financial Department of the Finance Division.

It has been ensured through meetings and is reflected on the relevant correspondence.

In its cooperation with the Chief Financial Officer and the statutory meetings with him in its respective meetings, the Audit Committee asked questions about the interpretation of financial results in specific areas inside and outside the corporate operation, such as changes in the top management, the recalculation of the useful life of infrastructure and machinery, the upgrade of the loading and unloading equipment, the impact of the Covid-19 pandemic, the impact of the results of the subsidiary in Sofia, and the comparative presentation of the results in the interim and annual financial statements.

In particular, the Audit Committee oversaw the cooperation between the external auditors and the Internal Audit Department for matters related to the financial operation of the company and that may have a direct or indirect effect on them. The internal audit reports were communicated to the external auditors and, in a two-way action, any findings of the statutory audit were communicated to the internal audit for inclusion in

the audit actions and the 2022 audit plan and in the follow-ups to monitor the corrective actions on any findings.

## **D.2. IN RELATION TO THE MONITORING OF INTERNAL AUDIT SYSTEMS.**

### **D.2.1. Regular monitoring of the internal audit, quality assurance and risk management systems.**

In 2021, the Company modernized its corporate governance framework and adapted to regulatory and legal requirements. In this context, a Department of Risk Management and Regulatory Compliance was created, which reports to an independent member of the BoD who is also the chairman of the Audit Committee.

In order to ensure more effective supervision of the internal audit and risk management systems, the Company's BoD, with its decision No. 7689/17.11.2022, replaced the Risk Management and Regulatory Compliance Department with the position of Regulatory Compliance and Risk Management Officer. The Regulatory Compliance and Risk Management Officer of ThPA SA operationally reports to the Audit Committee and administratively to the Executive Chairman of the BoD.

With the above decision, the BoD also created a Corporate Governance Department. This Department ensures the establishment of rules and procedures that support the reliable, transparent and efficient administration and operation of the company, as well as the integrity of the Information and Telecommunication Systems.

The Committee reviewed and the Internal Audit Department contributed in an advisory role in these changes. In addition:

a) The Committee carried out systematic supervision, monitoring the implementation and results of the implementation of the internal audit, regulatory compliance and risk management systems. 2022 is characterized by the close and parallel cooperation of the Committee with the Department of Risk Management and Regulatory Compliance and the Internal Audit Department. In this context, it dealt with issues of drafting and implementing corporate policies and regulations.

b) The Audit Committee has evaluated the operation of the Internal Audit Department. With its remarks and by performing its supervisory role, the Audit Committee has substantially contributed with its proposals in the enhancement and efficient organization and operation of the Internal Audit Department, safeguarding its independence.

It has monitored the implementation of the general planning of the audit works and the implementation of the audit plan, informing the executive management and the Board of Directors on the issues related to the observance of the plan and compliance with the deadlines.

In the context of the interventions and proposals to the Board of Directors, the Audit Committee proceeded throughout 2022, and with a view to upgrading the corporate operation, to pointing out in its relevant proposals the necessity of taking the necessary measures on the part of the executive management, both for the drafting of new regulations and policies and their observance, and for the establishment of a process of continuous renewal and adaptation of the rules and regulations to the new circumstances and in accordance with current legislation.

### **D.2.2. Undertaking initiatives and specific action in strict conformity of the applicable legislation and relevant circulars.**

These include:

**\* Upgrading the role of the Internal Audit Department.**

During the last four months of 2021 and 2022, the Audit Committee proposed to the Internal Audit Department to carry out specific thematic audits, based on risks identified during the year. These audits were carried out in priority over those of the Audit Plan.

Also, the Audit Committee agreed to the proposal submitted by the head of the Internal Audit Department, for cooperation with an external consultant specialized in information systems and telecommunications security issues, in order to ensure an in-depth audit of the areas included in the approved audit plan. During 2022, the Committee received from the Internal Audit Department the reports on audits the subjects of which concerned matters relating to: data protection and information security, improvement of operations on RoRo vessels, supplier contracts and payments, maintenance work, management contracts and ThPA Sofia EAD's procedures for costs, expenses and invoicing.

The Head of Internal Audit also submitted reports to the Audit Committee on the following:

- Implementation of corrective actions for semester B of 2021 and
- Implementation of corrective actions for semester A of 2022.

In addition, the upgraded Internal Audit Department participated in an advisory role in working groups to update the Company's Delegation of Authorities to the BoD, the Company's Internal Organization and Operation Regulation, as well as the revision of the Company Risk Registry.

Finally, the Committee discussed the drafting of the Audit Plan 2023 carried out by the head of the Internal Audit Department, provided its opinion and submitted it to the Board of Directors meeting of 10/02/2023, where the relevant approval decision was taken.

It is also noted that the Audit Committee during 2022 collaborated, monitored and highlighted the content of the actions and the operational importance of the Regulatory Compliance and Risk Management department. The positive results of the implementation of the principles of cooperation and participation by the Audit Committee in the sectors and among the corporate units for matters of supervision of the ExCo were highlighted in the relevant evaluations and submitted to the BoD.

In coordination with the views of the Audit Committee, the BoD meeting dated 17/11/2022, after the recommendation of the Executive Chairman and Managing Director, Mr. Liagkos, decided to integrate the Regulatory Compliance and Risk Management department into the Internal Audit department and its reporting to the Audit Committee within the framework of the new organizational chart. Following the reports of the head of the relevant department to the BoD, we examined and now submitted as Audit Committee to the BoD the memorandum of actions for 2022 and the plan for 2023.

**\* Consistency and continuity of operation of the Audit Committee in exercising its duties.**

The Committee's interest and practical contribution to all matters handled by the Internal Audit Department is continuous and scrupulous.

Thanks to the experience and the constant care of its members, the Audit Committee monitors the implementation of the audit plan increasing thus the effectiveness of the audits performed. Thanks to the knowledge of its members and their technocratic approach, the Audit Committee practices substantial and in depth advisory auditing in the identification of risky areas, as well as, in the implementation of the audit, with special attention to the strict observance of the independence of the auditors and the department and in the context of the operational report provided by the law.

Topics that were also addressed and highlighted by the Audit Committee during 2022 are the following:

- the cooperation with the the Regulatory Compliance and Risk Management Department.
- the findings of the reports of regular and extraordinary audits, their evaluation, as well as their qualitative and quantitative analysis in combination with the expression of opinion and the submission of judgments and improvement proposals for the upgrading of the corporate operation, in accordance with the principles of corporate governance and the requested corporate culture building.
- the "follow-ups" for the periodic re-audit of the corrective actions on the findings of the performed audits and the requirement of the development of participation of the entire management hierarchy with consistency in the repeatability and continuity.

- the process of updating the Risk Registry and its scientific compilation, so as to include foreseeable and non-foreseeable risks in the internal and external environment of the Company's operation.
- the importance of the contribution of the participatory process to the drafting, content and two-way evaluation process of the Risk Registry under formation and of the participants, as the evaluation is developed and extended to the internal operating framework of the company and to human resources.
- the further development and deepening of cooperation with the executive management.
- the new corporate reality, in which, with the contribution of the internal audit, legal services and regulatory compliance units and the Audit Committee, the appropriate, necessary and desirable conditions for administrative reorganization and restructuring are now created, within the new internal framework for building the corporate operation and corporate culture.
- the connection of the qualitative and quantitative characteristics of the structural components of the audits. That is: findings, percentage of implementation in relation to the unit or division but also in relation to the time of initiation and completion or not of the agreed corrective actions, degree of risk.
- the issues of cooperation, participation, communication, transparency and self-development, as well as discipline and mutual respect in the management hierarchy and corporate operation in the internal and external reference framework, as they emerge and arise each time from the study of the audit reports, the findings, the responses of the authorities and the identified and implemented corrective actions.

**\* Cooperation, communication and participation in the framework of corporate governance and the development of corporate culture.**

The Committee, during its work in 2022, in the framework of corporate governance, promoted the consultation and mutual information with the Chairman and the Managing Director, but also with company executives in order for the Company's Management to participate substantially and contribute to the implementation and the completion of the complex audit process. The importance of the continuity of the flow of audits and the promotion of internal audit as an individual and institutional collective process of continuous cyclical flow were particularly communicated.

The Audit Committee pointed out the need to implement a training plan to integrate the concept and value of the internal audit system into the corporate culture at an individual but also at a collective management and operational level. The internal audit system linked to the dimension of time and corrective actions, in the sense of duty and obligations arising from the inclusion of each employee in the administrative hierarchy.

The Audit Committee applies the principles of repeatability, prioritization, continuity and participation. Based on the above, it focused both on the digitalization of processes at all operational levels with vertical and horizontal interconnection, emphasizing as a priority the security of information systems, proposing the establishment of a security monitoring process, internal and external, on a periodic basis, which will be carried out by a unit other than the IT Division.

To this end, the Audit Committee carried out regular telephone and electronic communications, as well as meetings, focusing on the respect to the internal auditor's operation, his independence, as well as to the undistorted application from his side of the necessary procedures in order to adhere to the hierarchy in the company's operation and to the transparency in financial reporting.

The Committee also cooperated regularly and fruitfully with the Department of Legal Services, on matters within its competence.

In meetings of the Committee during 2022, executives of the company, as well as directors and heads of departments were invited and participated, depending on the issues to be discussed.

Specifically, in the context of the continuous monitoring of Health and Safety and the application of rules and regulations, the Committee collaborated with the Director of Technical Projects to monitor the Fire Safety and Static Adequacy of the port buildings, making observations on the need for re-audits and updates and making specific proposals.

**\* The use of new technologies and the digitalization of the processes of the internal audit systems.**

Since its establishment, the Committee, throughout 2022, has stressed and insisted on the need and importance of upgrading the internal audit systems through digitalization and vertical and horizontal integration of the internal audit procedures, as well as the application of automated audit systems.

In this context, the Audit Committee monitors and welcomes the adaptation to the needs of the Company of the new management information system in the verification process for the objectification of the Risk Registries and the exercise of "follow up" actions by recognizing the responsibility of implementation.

### **D.2.3. Independent evaluation of the Internal Audit System of ThPA SA**

In the context of the Audit Committee's obligations, in accordance with the provisions of Law No 4706/2020 and the relevant decisions issued by the Capital Market Commission (1/891/30.9.2020 and 2/917/17.6.2021), as well as the Policy and Procedure for periodic evaluation of the Company's Internal Audit System, the Committee took all the necessary actions in cooperation with the Procurement Department of ThPA SA for the selection of an Evaluator. Specifically, it evaluated the offers in terms of the Evaluator Selection Criteria, in accordance with the above Policy of ThPA SA and submitted to the Board of Directors meeting dated 17/11/2022 a reasoned proposal to select a contractor for the relevant procedure. The evaluation covered the period 01/07/2021 to 31/12/2022 and was carried out by Grant Thornton.

During the external evaluation, the Committee supervised the process of conducting it in order to ensure that the evaluator had timely access to all the information and documents necessary to carry out a full and thorough evaluation. This supervision was carried out either through telephone communications or through a meeting of the Committee.

At the end of the evaluation, the Committee received from the evaluator the Evaluation Results Report, which includes both a summary of his observations and their analysis, the time of its preparation, the reference date of the evaluation and the period covered by the Evaluation Report and submitted it to the BoD (28/3/2023).

The Company submitted (30/3/2023) the summary of the Report to the Capital Market Commission.

The annual Corporate Governance Statement includes a relevant reference to the results of the Evaluation Report.

## **E. PROVEN OPERATION AND ACTION.**

The Audit Committee's above action is reflected not only in the recorded correspondence but also in the most official way in the submitted multi-pages detailed reports, as topics for discussion in the BoD Meetings and in the relevant decisions and the Minutes of Meetings (MoMs) of the Audit Committee. Specifically:

### **E.1. MEETINGS CONVENED AND IMPLEMENTED DURING 2022**

A total of 17 Committee meetings were convened during 2022, the main content of which was the following:

- The audit plan of the certified public accountant, the progress of the audit, the completion of the audit and his report on the financial statements as well as the supplementary audit report of Article 11 of Regulation (EU) 537/2014.
- Audit Reports of the Internal Audit Department.
- Activity Reports of the Internal Audit Department.



- Issues of the Regulatory Compliance Department regarding the updating of the Risk Registry.
- Performance of specific thematic audits, based on risks identified during the year.
- Proposals by the Audit Committee to the BoD
- Clarifications on issues of the Annual & 6-month Financial Report for 2021
- Approval for the provision of non-audit services by the Audit Firm KPMG.
- Selection of the Evaluator of the Internal Audit System of ThPA SA.

Specifically, during 2022, the following 17 meetings of the Committee were convened:

**1.** MEETING 64/18.1.2022, **2.** MEETING 65/9.2.2022, **3.** MEETING 66/24.2.2022, **4.** MEETING 67/4.3.2022, **5.** MEETING 68/9.3.2022, **6.** MEETING 69/23.3.2022, **7.** MEETING 70/24.3.2022, **8.** MEETING 71/28.3.2022, **9.** MEETING 72/13.4.2022, **10.** MEETING 73/10.5.2022, **11.** MEETING 74/25.5.2022, **12.** MEETING 75/22.6.2022, **13.** MEETING 76/8.9.2022, **14.** MEETING 77/26.9.2022, **15.** MEETING 78/12.10.2022, **16.** MEETING 79/24.10.2022, **17.** 80/15.11.2022.

## **E.2. PROPOSALS FOR INFORMATION AND DECISION-MAKING OF THE BOARD OF DIRECTORS OF THPA SA.**

The Committee informed the Board of Directors on a regular basis and on an extraordinary basis whenever required with detailed multi-page presentations in the following meetings:

1. On 20/1/2022
2. On 28/3/2022
3. On 30/5/2022
4. On 27/6/2022
5. On 28/9/2022
6. On 17/11/2022

At the same time, the Head of the Internal Audit Department, to the knowledge and under the supervision of the Audit Committee, made presentations to the BoD on internal audit activities and Audit Reports.

## **E.3. PROVEN CORRESPONDENCE AND SCHEDULED MEETINGS WITH EXECUTIVE MANAGEMENT, INTERNAL AUDIT AND EXTERNAL AUDITORS.**

Electronic invitations, e-mails and telephone communications through secretarial support and face-to-face meetings are the documentation of meetings with the executive management as well as for all activities and actions of the Audit Committee.

## **F. SUSTAINABLE DEVELOPMENT 2022**

According to the Stakeholder Analysis process, the groups identified are the following: Employees, Shareholders and Investors, Customers, Shippers and Terminal Operators, Port Community, Media, Suppliers, Con-

tractors and Strategic Partners, Passengers, Financial Institutions and Credit Authorities, Regulators, Ministries and Port Authorities, Maritime Industry Associations, NGOs and Civil Society, Research Institutions and Scientific Community, Ports and Terminals.

The Sustainable Development Strategy of ThPA SA has been developed based on the guiding principles of sustainable development and ESG (Environment, Social, Governance) criteria. Responding to today's needs, ThPA SA developed in 2022 its Sustainable Development Strategy, incorporating ESG criteria, in order to cover the entire range of non-financial information and metrics that determine the company's activities, internally and externally. At the same time, the performances of these metrics are communicated to all shareholders and stakeholder groups of ThPA SA, with absolute commitment to their implementation.

The Strategy aims to create long-term value for stakeholders, address current climate change challenges and promote a holistic approach to the relevant strategic pillars that have been formulated.

Through the Strategy, ThPA SA aims to have a strong ESG criteria management proposition, which will be able to create value and address the impacts and outcomes of the individual ESG criteria elements. Through its implementation, it is ensured that the company's business activities create economic, environmental and social value in all phases of shipping and other activities.

For the successful implementation of sustainable development goals, a new framework has been created based on ESG criteria and the 4 pillars. Within these pillars are specific objectives, performance indicators, (KPIs) and initiatives that will help implement and measure our performance.

#### **Sustainable Development Pillars**

- Environment, Climate and Energy
- Social Engagement
- Business Ethics and Value Creation
- Smart and Digital Port

In addition, ThPA SA laid the foundations of Sustainable Development Governance, through the establishment and staffing of a specialized Sustainable Development and Environmental Strategy Department as well as two internal governance bodies for Sustainable Development. The two bodies, i.e. the Sustainability Committee and the Sustainable Development Group, will oversee the implementation of the sustainable development strategy and the prioritization of the Company's goals. The aim of these two bodies is to establish a culture of good corporate governance in ESG & sustainable development issues and transparency in the respective key issues. Sustainable development is firmly integrated in this way so that ESG issues are monitored and reviewed at regular intervals for the successful planning of the Company's actions and goals.

In order to harmonize the role and the operation of the Company with the Agenda 2030, the objectives that have been set in the framework of the Sustainable Development Strategy, have been aligned with the respective Sustainable Development Goals, (SDGs) with the following implementation actions: Additionally, the SDGs have also been linked, during the materiality analysis process, to the validated substantive issues of ThPA.

#### **✓ Health and safety of employees**

ThPA SA manages and investigates all occupational accidents, near misses as well as material damages, with the aim of taking preventive measures and aiming to minimize and/or eliminate occupational accidents.

In 2022, ThPA SA was certified by TUV AUSTRIA according to the unified system ISO 9001, 14001, 45001.

ThPA SA procured a fire truck and made it available for use at the Port Fire Station, as a result of which the latter now has both a fire truck and a fire boat.

Also, the Company procured a heavy-duty vacuum cleaner to better manage the problem of dust originating from the handling of solid bulk cargo.

During 2022, a number of trainings were held on topics such as:

- Fire Protection
- Safe work at height
- Safety belts and fall arrest harnesses
- Hazardous cargo and waste management

Total training hours were approximately 3,850

Finally, two emergency drills were implemented:

- The first concerned the evacuation of a building in the event of an earthquake and
- The second involved extinguishing a fire in a warehouse, with the simultaneous rescue of a trapped person.

### ✓ **Employee training**

ThPA SA recognizes the value of its employees, its ability to continue to create value through its activities, which is why it continuously invests in their training. The Company is committed to ensuring the professionalism and continuous development of the professional skills of its people. Specifically, it invests in training aimed at enhancing employee performance, upgrading their technical skills and improving their ability to respond to emergency situations.

The training needs of the company are determined annually and specialized trainings are planned, within the company or with certified trainers and agencies. In-house health, safety and environmental training is also provided. Specialized trainings are tailored to needs and focus on employee roles and responsibilities. In 2022, a series of internal and external training programs were implemented, in order for ThPA SA to enhance both the personal and professional skills of employees, maintaining a culture of fairness and diversity at all levels of the Organization and promoting equal opportunities while respecting human rights. Employee training hours for 2022 totaled 5,225.

For 2022, the Company had 756 employee participations in training programs.

Among others, the following trainings were carried out

<b>TRAINING PROGRAM</b>	<b>PARTICIPANTS</b>
ISO 14001:2015-Inspector/Chief Inspector of Environmental Management Systems	2
Port Facility Security	458
Training on the risks of working at height, Fall Protection Equipment and how to use it	30
Training Technicians in handling lane changes and coupling-uncoupling vehicles	12
Safe handling and loading/unloading of hazardous cargo and waste	61
Safe handling of lifting equipment and devices	45

### ✓ **Non-discrimination and inclusion**

ThPA SA has implemented policies that ensure the elimination of discrimination in the workplace and the integration of people with different backgrounds. In 2021, the Recruitment Policy was implemented, which was updated in 2022, in order to ensure the selection of new employees based on their skills and the value they can offer to the Company. In addition, the Diversity Policy was incorporated into the strategy, according to which the Company operates under fair and legal human resource management procedures, without discrimination based on age, race, gender, color, nationality, religion, health, sexual orientation or beliefs.

## ✓ **Employment**

The strategic priority of ThPA SA is to unleash the power of its people as it continuously creates a work environment where its people can feel they belong to a company where they can be inspired and develop themselves with equal opportunities. ThPA SA recognizes that its business activities require a significant number of human resources to effectively face the challenges of day-to-day activities and to respond professionally throughout its value chain.

The Company constantly enhances work by contributing to economic development, in order to maintain its business continuity and create jobs with the aim of welfare of society. Therefore, it has a number of recruitment policies and procedures in place, which ensure equal opportunities, helping to develop people skills and ensuring the improvement of our operations.

## ✓ **Indirect economic impact**

During 2022, ThPA SA continued the implementation of the obligations it has undertaken towards the Hellenic Republic in the framework of the Mandatory Enhancements of the Concession Agreement, specifically proceeding with the following investments:

- Final receipt and commissioning of the two new specially designed gantry cranes (STS cranes) at the C.T., with a total value of €15.7 million.
- With the amendment of the Concession Agreement, the purchase of five Straddle Carriers completed in 2019 was included in the Mandatory Enhancements.

In addition to the implementation of the Mandatory Enhancements, ThPA SA proceeded with a series of other investments, which contributed to the improvement and upgrade of both its infrastructure and equipment and specifically:

- Upgrade of quaywall 26 with addition of new bumpers and maintenance of bollards
- Upgrading of Substation 6A in the C.T.
- Advance payment of the new electricity supply for the extension of Pier 6
- Installation of Warehouse fire extinguishing and fire detection systems
- Purchase of new loading and unloading machines at the C.T. (empty container handlers, terminal tractors)
- Upgrade of loading and unloading cranes and purchase of new Conventional Cargo machines
- Creation of a new Ro-Pax terminal
- Implementation of the new TOS (terminal operating system) at the C.T.
- Purchase of IT equipment (Servers, desktops, pc's, tablets, UPS etc) and Software.

ThPA SA is committed to adopting and implementing innovative and sustainable strategies in line with global trends in the port and logistics industry, within the context of environmentally friendly practices, following strict safety standards in transit and workplaces. Specifically, within 2022 the following were implemented:

- Continued implementation of the Access Control & ISPS systems contract
- Studies of Core and Non-core port activities
- Photovoltaic installation study within the port, energy footprint study of buildings, energy upgrade study of four buildings
- Expansion of the installation of Led lighting systems at different points within the port.

The total capital expenditure within 2022 amounts to €17.5 million.

## ✓ **Local Community Support**

The operation and development of the port is directly linked to the economic, social and cultural development of Thessaloniki. The Company's priority is to build, in collaboration with local agencies and local authorities, a sustainable port that will have a positive impact through its operation and the resulting interactions.

In this context, two meetings of the Thessaloniki Port User Council were held in 2022 with the participation of the Company's Executive Management, where they discussed the progress of infrastructure development projects, the upgrade of equipment and services provided, as well as the prospects for tourism development.

The cruise plays a decisive role in the development of the tourist industry of Thessaloniki and the wider region. In 2022, 61 cruise vessels arrived in the port of Thessaloniki, compared to 17 in 2021, which had a positive socioeconomic impact on the local community, as in addition to improving the city's recognition as a tourist destination, many professionals benefited from the increase in tourist traffic.

This year Greece's leading cruise and yachting conference "Posidonia Sea Tourism Forum" (PSTF) will take place in Thessaloniki on April 25-26, 2023. Consequently, Thessaloniki, attracting high-ranking industry executives for these two days, is expected to become the world capital of Cruises.

Recognizing the important work carried out by the Hellenic Police, ThPA SA proceeded in 2022 with an important donation of 18 new fully equipped motorcycles, which directly strengthen the Special Response Directorate of Thessaloniki, thus enhancing the sense of security of the city's residents. With this initiative, ThPA SA practically expresses its gratitude and support to the people on the front line who continuously serve society with professionalism and selflessness.

#### ✓ **Waste Management, Emissions, Seawater Quality**

Environmental protection is a key element of ThPA SA's Sustainable Development Strategy. The company has been certified according to the international standard ISO 14001:2014 for the environmental management system it implements and has an Environmental Policy which has been communicated to all stakeholders. It is a member of the EcoPorts network and participates as an incentive provider in the Green Award network. Within 2022, according to approved Waste Management Plans, ThPA SA managed all the waste produced in the Port facility as well as ship-generated waste through a network of licensed specialized external partners and submitted the relevant report to the Electronic Waste Registry (EWR) of the Ministry of Environment and Energy. In addition, within 2022, ThPA SA commissioned an external consultant to implement an Energy Management System in accordance with the International standard ISO5001:2018 and it is expected to be certified within 2023.

In addition, ThPA SA renewed for four (4) additional years the environmental terms for the operation of the Port in accordance with the declaratory act of implementation No ΥΠΕΝ/ΔΙΠΑ/75644/5126 regarding par. 8 of article 1 of Law No 4014/2011, as applicable, for the approval of environmental terms of Thessaloniki Port Authority SA. Finally, the company implements a program to monitor environmental parameters (sea water, air quality, environmental noise) by conducting daily measurements and implementing related actions, while it has plans and equipment to deal with sea pollution from oil and dangerous chemicals.

**The Internal Audit and Regulatory Compliance System of ThPA SA includes and updates safeguards integrated into the pillars of the Sustainable Development strategy, in order for the Company's development in the short, medium and long term to ensure the prosperity of all stakeholders.**

**The Audit Committee, through the Internal Audit System, in each audit area throughout 2022 and 2021 emphasized the interconnection of audit procedures, results and corrective actions with the main pillars of the company's policy, that are the foundations of Sustainable Development.**

Kind regards,

**The Members of the Audit Committee**