

**Audit Committee 2021 Annual Report of the listed company
"LOULIS MILLS S.A." (henceforth "Company")
General Commercial Registry Number: 50675444000**

Dear shareholders,

In accordance with article 44 paragraph 1 (i) of Law 4449/2017, which stipulates that:
'The Audit Committee shall submit an annual report of its activities to the general meeting of the audited entity or, in the case of entities without shareholders, to the equivalent body. This report shall include a description of the sustainable development policy pursued by the audited entity',

we submit to you the report on the activities of the Audit Committee about fiscal year 2021. The Chairman of the Audit Committee is Mr. Andreas Koutoupis, independent non-executive member of the Board of Directors, and members of the Audit Committee are Mrs. Elisavet Kapelanou-Alexandri, independent non-executive Vice Chairman of the board of directors and Mr. Konstantinos Kontochristopoulos, independent third party (non-member of the board of directors).

All members of the Audit Committee were present at the meetings of the Audit Committee and all decisions were taken unanimously. Minutes were held about each meeting, and all got signed by all members of the Audit Committee. The members of the Audit Committee meet frequently with each other, the Certified auditor of the Company, the internal auditor of the Company and generally with Company's management, in the context of the performance of their duties in accordance with Regulation (EU) 537/2014, Article 44 of Law 4449/2017, Decision 1302/2017 of the Hellenic Capital Market Commission and in general the applicable legislation.

In 2021, 13 meetings of the Audit Committee were held, where the committee discussed and decided about below matters:

Regarding statutory audit

- Reviewed and examined the process of conducting the statutory audit of the annual financial statements of the Company and the Group for the year 2021 and the review of the first half of 2021, as well as the content of the auditor's reports. The Committee met with its certified auditor before the beginning of audit procedures to be informed and examine the audit plan of the auditors, but also after the completion of the audit and before the publication of the corporate and group financial statements to discuss any findings.
- Examined key audit matters and the risks that could have an impact on financial reporting process, as mentioned in independent auditor Report and informed the Board of Directors about the result of the statutory audit.
- Confirmed the certified auditor's independence. The auditing company BDO declared in writing its independence, as well as the independence of its executives involved in the statutory audit.
- Confirmed that there is no need in changing the certified public accountant for the regular audit of the year and proposed the re-election of the auditing company BDO.
- Reviewed the total remuneration of the statutory auditors about audit work performed and confirmed the observance of the provisions of European Regulation 537/2014. No non-audit work was performed by the company BDO.

Regarding financial information procedure

- Reviewed and evaluated the procedure of preparing Financial Information, which was followed by the Company during the issuance of the annual and semi-annual financial statements and informed the Board of Directors accordingly.

- Was informed extensively through meetings by respective officers and the certified auditors about the important audit issues, important assumptions, and estimations during preparation of the financial statements.
- Reviewed disclosed information regarding main risks and uncertainties of the Company in relation to the financial information.
- Held meetings with financial managers of the Group companies, the internal auditor manager, the IT manager, and other executives of the Company and was informed about important issues, such as the work plan of the IT department, the pending legal cases of the Group and the relevant forecasts.
- Recommended to the Board of Directors on the semi-annual and annual financial statements based on the results of the audit work of the external auditors, the internal auditor, and the above meetings.

Regarding internal control system

- Reviewed and evaluated the work of the Internal Audit Unit in terms of the adequacy and effectiveness of the audit work carried out, was informed about all audits carried out during the period under review, their findings, the corrective actions agreed with the senior management and informed the Board of Directors.
- Studied and approved the annual audit plan of the Internal Audit Unit which was prepared based on key risks faced by the Group companies.
- Attended the process of compliance of the Company with the requirements of the Corporate Governance Law 4706/2020 through the work of the Internal Audit Unit but also meetings with the respective Group officers and the executives who dealt with the specific project.
- Studied and approved the revision of the Internal Operating Rules of the Company and the Internal Audit Unit charter.
- Studied and approved the charter and Policies of Risk Management and Regulatory Compliance and the Policy and Procedure of evaluation of the Internal Control System before their approval by the Board of Directors.
- Monitored compliance with applicable laws and regulations, including internal corporate policies.
- Evaluated the methods used by the Company to identify and monitor its main risks.

Regarding Sustainability Policy

The Company, emphasizing its sincere commitment to the principles of Corporate Responsibility and Sustainable Development, drafted a Sustainability Policy which was approved within the year by the Board of Directors. The policy covers all the activities of the Company and the Group and binds the Company and all its subsidiaries.

The Company with the Sustainability Policy that it implements, seeks over time to create value for those involved with the company, i.e., shareholders, members of the Board of Directors, Executives, other employees, customers, suppliers, Banks, the Public, society and other social groups that interact with the company.

To achieve this goal, the company places particular emphasis on, among other things, the training and development of human resources, health, and safety at work, as well as the protection of the environment, following the principles of sustainable operation and development.

The Sustainability Policy of the Company reflects the approach and commitment of the Management to the issues of sustainable development and responsible operation. Responsible operation is a continuous commitment to substantial management, to generate value for all involved with the company that meet the modern needs of society and contribute

to its overall prosperity. The company has a specific strategy, which focuses on the important issues related to its activity and seeks its continuous responsible development, focusing on the critical pillars of ESG business responsibility, namely, Environment, Society, Governance. Sustainability Policy is an integral part of the Company's business practice model and culture. In the context of the implementation of Sustainability Policy, the Company develops activities, among others, in the following areas:

a) Health and safety of employees and products produced

The Company has set as a non-negotiable priority and primary concern the protection of health and safety of its staff. In the context of implementing this priority, the Company has established every best international practice that contributes to the strengthening and improvement of the safety culture and the achievement of the goal for "zero accidents" and at the same time organizes training programs, both about understanding of the risks in the production process and to cultivate a common sense and safety behavior among employees. Promoting the protection of health, the Company treats the current situation, regarding the COVID-19 pandemic, with due seriousness, aiming at the health and safety of the employees. Regarding its products, the company has adopted the following policies to ensure the health and safety of its products in the framework of the Product Excellence strategy:

- Quality Policy
- Food Safety Management Policy

b) Training and development of human resources

The Company recognizes the decisive contribution of the staff in its successful business path so far. Great experience, high specialization, know-how and creativity of the staff support the course of the Company to a stable, dynamic, and continuous development. The Company poses great importance to the objective evaluation of the staff, to the emergence and development of talents, as well as to its continuous training, designing, and implementing high value-added training programs, which are based on structured methodology, selected subjects and training materials that meet specific needs and cover a wide range of knowledge fields. The Company encourages professional development and utilizes the knowledge and skills of the staff, while in the culture of the company there is a tendency to fill vacancies with internal movements. In the year 2021, educational programs were implemented giving the opportunity to participants to take part and reap the benefits of learning provided by highly qualified trainers. Some of these programs were implemented on a recurring basis.

c) Social responsibility

The Company seeks the sustainability of the local community where it is based and for this reason maintains a bilateral, continuous cooperation with the local community. The Company draws from the local community that operates a significant part of its needs in human resources and suppliers. Of the total workforce, a significant percentage comes from employees of local communities, thus contributing to the local and national economy. Regarding the company's social initiatives it must be mentioned that the company, supports vulnerable groups, as it has provided support to 180 organizations with more than 90 tons of flour, it responded to emergencies (eg natural disasters) with 2 tons of flour to earthquake victims in Elassona and 5 tons of flour to the fire victims of North Evia, it launched a voluntary blood donations at the Company's facilities, provided donations to public benefit institutions, supported 40 bakery schools with the sponsorship of more than 10 tons of flour for their educational needs, supported an initiative for "Reducing Food Waste" in collaboration with the non-profit organization "We can" and other initiatives that promote common values for progress, development and social contribution, such as the enrichment of new educational programs of the corporate "Loulis Museum".

d) Environment protection

Environment protection is a key element of the corporate Sustainability Policy and is a key pillar of its business strategy, which adapts to the ever-changing international business environment. Environmental awareness is expressed through the adoption of an Environmental Management Policy to protect the environment from its operation and targeted environmental protection investments and systematic and daily practices, which combine responsible environmental management with the effort to continuously reduce the environmental impact. In the context of environmental protection, the Company implements the current legislation and the management of the environmental programs that it implements, is carried out through the Environmental Management System that is certified according to the international standard ISO 14001: 2015.

In particular, the company proceeded with:

- Planning of repressive measures to deal with problems and emergencies that may arise during Company's operation.
- Delimitation of measurable objectives and corresponding programs for the continuous improvement of the Company's environmental performance.
- Regular communication with all stakeholders - staff, suppliers, partners, local community, companies with the same, related, or complementary objective - on environmental issues that relate to the full range of Company's activities, to evaluate all relevant environmental data and raising public awareness on environmental management issues.

Also:

- Implements targeted environmental management programs (eg energy saving programs, actions and initiatives to reduce emissions, etc.).
- Seeks the rational use of raw materials and natural resources (eg rainwater, etc.) and implements a plan for the recycling of metals, equipment, electrical and electronic devices, paper and plastic packaging by certified collectors.
- Implements an integrated waste management system and achieves 100% recycling through certified waste management entities.
- Monitors developments in technology and regularly upgrades infrastructure of environmental interest:
 - o Applying annual noise and dust measurements by a certified company.
 - o Conducting emergency exercises, fire protection, decontamination.
 - o With constant renewal and tree planting of the surrounding area in the production plants.
 - o Achieving a significant reduction in water consumption in the last 40 years during the production process.
 - o By disinfecting organic grain and flour in a controlled atmosphere, without use of chemicals.
- Provides for the continuous training and awareness of employees on environmental issues.

e) Corporate governance

The Company, recognizing the importance of corporate governance principles and the advantages deriving from their adoption, follows international best practices and international standards that apply in its areas of activity, to maximize the benefit for its shareholders and in general about all stakeholders and the society.

As a listed company on the Athens Stock Exchange, it implements the current legislation on corporate governance.

To enhance corporate transparency and control mechanisms, effective management and optimal operational performance, the Company implements Internal Operating Rules and has adopted the Hellenic Corporate Governance Code issued in June 2021, by the Hellenic Corporate Governance Council.

In addition, the Code of Conduct, the Policy and Procedures for the Detection and Prevention of Conflict of Interest, the Anti-Corruption and Corruption Policy and the Shareholder Policy and Procedure reflect its commitment and position on transparency, corruption and bribery and conflict of interest.

It is pointed out that to achieve the above-mentioned objectives of the Sustainability policy, the Company has established and operates the following Directorates - Departments and roles, which are fully staffed with sufficient and appropriate staff:

- Corporate Responsibility and Communication Directorate.
- Directorate of Human Resources.
- Quality Directorate.
- Department of Internal Audit.
- The role of Risk Management.
- The role of Regulatory Compliance.

We are at your disposal about any additional information or clarification.

Keratsini, 19/4/2022

The Company's Audit Committee