



**Activity Report  
of the Audit  
Committee  
for financial year  
2021**

HELLENIC PETROLEUM  
HOLDINGS S.A



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## Introduction

Dear Shareholders,

The Audit Committee (hereafter the “Committee”) presents a summary of the activities it undertook for the year 2021 according to the provisions of article 44 par. 1(h) of Law 4449/2017 (as amended based on article 74 of the Law 4706/2020) on how the Committee has discharged its responsibilities in order to demonstrate its contribution and assistance to the compliance of “Hellenic Petroleum Holdings S.A” (former “Hellenic Petroleum S.A.”) (the “Company”) with the provisions of the current legislative and regulatory framework. Further, this year’s report includes the activities the Committee undertook in relation to the financial statements for the year ended 31 December 2021 which were published in 2022.

In the last quarter of 2022, the process will commence to select and appoint an external assessor to evaluate the system of Internal Control by the end of March 2023 in accordance with the Law 4706/2020, as well as to commission an external Quality Assurance review of the Internal Audit function. Through its oversight, the Committee’s objective is to strengthen the internal control environment as well as the commitment to continuous improvement.

## The purpose of the Committee and its key responsibilities

The primary purpose of the Committee is to assist the Board of Directors in fulfilling in its responsibilities regarding the supervision of: the quality and integrity of the financial information and financial statements; the evaluation of the effectiveness of the system of internal controls, risk management systems and regulatory compliance; the design and operating effectiveness of the system of corporate governance; the effectiveness of the Internal Audit function as well as the monitoring of the statutory audit of the annual and consolidated financial statements of the Company.

The Committee reports to the Board on how it discharges its responsibilities and makes recommendations to the Board. A full list of responsibilities is provided in the revised Committee’s Operation Regulation which have been updated following the introduction of an amendment of article 74 of Law 4706/2020. The Committee’s Operation Regulation, which is approved by the BoD, is available at <https://www.helpe.gr/investor-relations/corporate-governance/board-committees/>

The main responsibilities of the Committee include the following:



## Composition of the Committee, skills and experience

The Committee, in accordance with its current Operation Regulation, which was approved and came into effect on July 15 2021 by virtue of the decision of the Board of Directors' number 1388/1/15. 7. 2021, may be either a Committee of the Board of Directors, composed exclusively of non-executive members of the Board of Directors, or an independent Committee, composed of non-executive members of the Board of Directors and third parties or exclusively of third parties. The type of the Committee, the tenure, the number and the credentials of its members are decided by the General Meeting of the Company's shareholders.

The Annual General Meeting of the Company's shareholders on June 30, 2021 decided, following the election of the members of the new Board of Directors of the Company, that the Audit Committee is a Committee of the Board of Directors, consisting of three non-executive and in their majority independent, within the meaning of the provisions of Law 4706/2020, members of the Board of Directors with a three-year tenure and authorized the Board of Directors to appoint them after ascertaining the fulfilment of the criteria and conditions of article 44 of Law 4449/2017. By a decision of the Board of Directors no. 1387 of June 30, 2021, the current members were appointed who meet all the criteria of article 44 of Law 4449/2017 and article 9 of Law 4706/2020 as they have, collectively, sufficient knowledge of the sector in which the Company operates and one of them has documented sufficient knowledge and experience in auditing or accounting. The Committee convened on 1<sup>st</sup> of July, 2021 and its Chair and members were appointed.

The tenure of the Committee is triennial, coincides with the tenure of BoD and shall expire on 30.06.2022.

## Composition of the Committee as of 2021

The following table depicts the present composition of the Committee:

Member	Title	Tenure
Lorraine Scaramanga	Chair	30.06.2021 – 30.06.2024
Iordanis Aivazis	Member	30.06.2021 – 30.06.2024
Panagiotis Tridimas	Member	30.06.2021 – 30.06.2024

(\*) The current Committee succeeded the previous Committee which, for the first half of 2021, consisted of Mr. Spyridon Pantelias (Chairman), Mr. Theodoros Pantalakis (member) and Mr. Iordanis Aivazis (member), two of whom were independent non-executive members of the Board of Directors

The Curricula Vitae of the members of the Committee are attached to this Report.

In addition, the Committee has at its disposal all the necessary resources to enable it to perform its duties, both in terms of Company's personnel and the assistance of external consultants.

## Committee Meetings

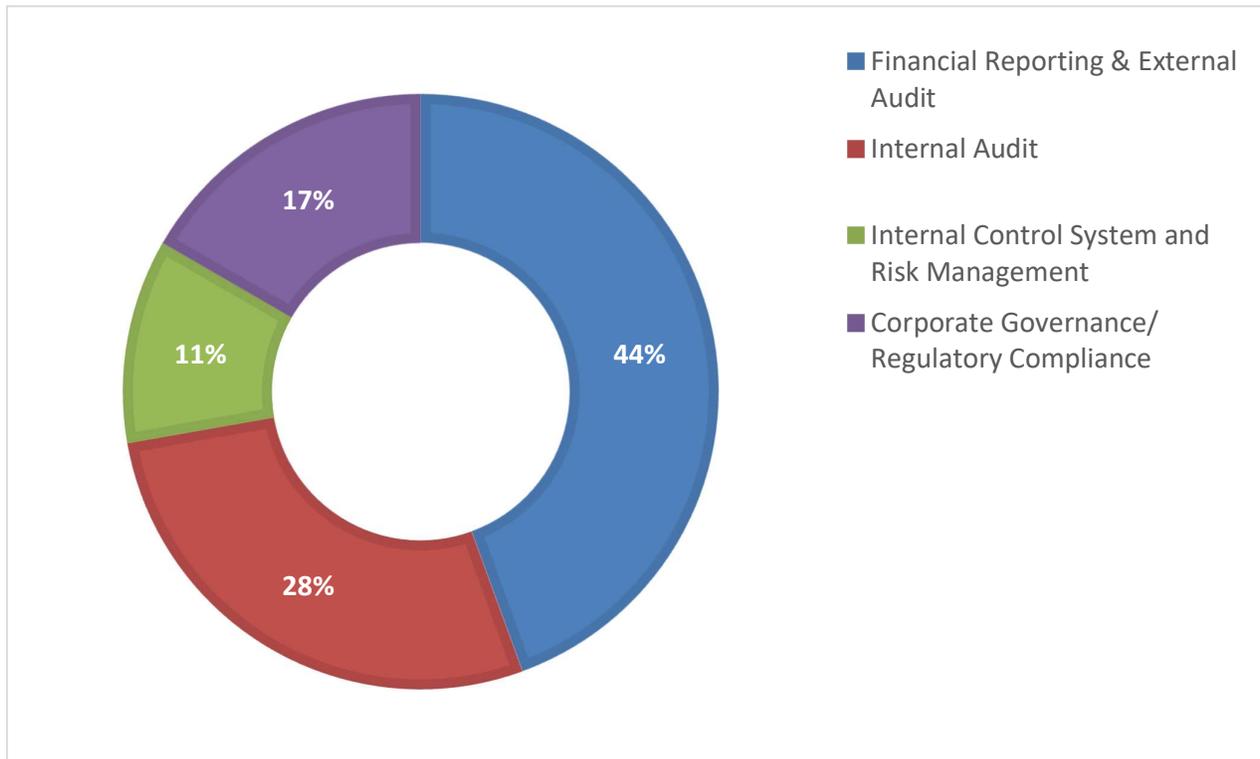
According to the Terms of Reference of the Committee, the Committee meets at regular intervals at least six (6) times per year and holds extraordinary meeting when required.

During the 2021, the Committee met in total eighteen (18) times and covered all the topics falling under the areas of its responsibilities. Depending on the topics of the meetings, members of Management and the external auditors of the Company are invited to participate in order to provide the necessary information.

All the Committee's decisions were taken unanimously. Additionally, in 2022, the Committee held 3 meetings regarding the financial statements for the year ended 31 December 2021 with Management and the External Auditors in order to be informed about the progress and the results of the audit .

The Committee provided periodic updates on its activities to the Board of Directors.

Estimated Allocation of Meeting time according to key responsibilities of the Committee in 2021



The three members of the Committee attended all the meetings for 2021.

The Head of Internal audit was invited and attended the vast majority of the Committee meetings.

## Financial Reporting & External Audit

During its meetings, the Committee devoted considerable time being informed and discussing issues relating to the preparation of the annual and interim financial statements. The main issues that were discussed and the activities undertaken by the Committee are the following:

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Topic	Activity
Annual Consolidated and company financial statements of 2020	<p>The Committee was informed by the Chief Financial Officer (CFO) of the Company regarding the Company's Financial Statements on a consolidated and individual level for the year ended 31 December 2020 regarding:</p> <ul style="list-style-type: none"><li>➤ The significant accounting policies that were adopted by the Company for the preparation of the Financial Statements, which did not differ from the policies adopted by the Company for the preparation of the Financial Statements of 2019 and,</li><li>➤ The key matters that concerned the Group Finance Division during the preparation of those statements, including i) Assessment of the assumption that the entity will continue as a going concern ii) Evaluation of the recoverability of assets</li></ul> <p>In addition, the Committee was informed by the External Auditors regarding the external audit of the Financial Statements of the Company and the Group for the year 2020.</p> <ul style="list-style-type: none"><li>➤ Specifically, the key matters examined by the External Auditors during their audit were discussed as well as their conclusions, as they were reflected in their audit opinion (unqualified opinion).</li><li>➤ The External Auditors reported their findings during their assessment in relation to the system of internal controls relevant to the audit for the year 2020 (Management letter).</li><li>➤ The External Auditors informed the Committee of the completion of their tax audit for the year 2019 and progress to date for the year 2020.</li></ul>
Interim condensed consolidated and company financial statements of 2021	<p>The Committee was informed by the Chief Financial Officer (CFO) and other members of management of the Company regarding the Company's interim condensed Financial Statements on an individual and consolidated level for each of the periods ending 31 March, 30 June and 30 September 2021.</p>

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Topic	Activity
	<p>Specifically, for the Interim Condensed Financial Statements for the six-month period ending 30 June 2021, the Committee held discussions with the External Auditors regarding:</p> <ul style="list-style-type: none"> <li>• The scope and work plan of their review,</li> <li>• The key matters examined by the Auditors during their review.</li> </ul> <p>Based on the above, the Committee informed the Board of Directors on the matters it examined, as well as, where applicable, the issues that arose from the external auditors' review.</p>
<p>Process of Annual Audit 2021</p>	<p>The Committee met regularly with the External Auditors to discuss: the scope and approach to the audit, the materiality levels applied, the key audit matters, together with the plan and progress of their work in relation to the annual audit and their findings for 2021.</p>
<p>Annual Consolidated and Company Financial Statements 2021</p>	<p>In the context of the annual audit of the 31 December 2021 Financial Statements for the year 2021, the Committee met regularly with the Chief Financial Officer of the Company and the External Auditors in January and February 2022.</p> <p>From the above meetings, the Committee was informed of the key audit matters, the auditors' conclusions, as they were depicted in their audit opinion (unqualified opinion) and the special report of the external auditors to the Committee.</p> <p>Based on the above, the Committee updated the Board of Directors, on the matters that arose during the statutory audit.</p>

## External Auditors

### Appointment of Statutory Auditors

The Committee has the primary responsibility for selecting the lead audit partner (statutory auditor). The relevant tasks of the Committee include: initiating the tender process, expressing an opinion on the responsible lead partner and proposing to the Board of Directors the appointment, reappointment, and removal of external auditors.

Within 2021, the Company's Group Finance deemed the performance of the auditors to be satisfactory and following its recommendation, the Committee proposed to the Board of Directors that EY be reappointed as Statutory Auditor to audit the Company and the Group's Financial Statements for the year ended 31 December 2021.

### Ensuring the independence and objectivity and maintaining effectiveness

In its relationship with the external auditor, the Committee must ensure that the external auditor maintains its independence and objectivity and is effective in conducting its statutory audit. The Board of Directors and the external auditor each have policies and procedures designed to safeguard the independence and objectivity of the statutory auditor.

The Committee receives the statutory auditor's annual declaration of independence and discusses with them any threats that might jeopardize statutory auditor's independence and the means of ensuring that those threats are mitigated.

The Committee, taking into account the views of the External Auditor, Management and internal audit as appropriate, examines whether the relationships appear to affect the auditors' independence and objectivity.

### Non-audit services

The Committee is responsible for the approval of non-audit services to the Group Companies, which are permissible by law. The Committee considers that the statutory auditors have significant knowledge of the Group's activities and the way in which the accounting policies are applied. Thus, in some cases, it may be more efficient for statutory auditors to provide non-audit services. In addition, there may be reasons of confidentiality that make statutory auditors the preferred choice to provide specific non-audit services.

However, safeguarding the objectivity and independence of statutory auditors is a top priority. The Committee therefore ensures that in each case the provision of such services will not impede the independence or objectivity of the statutory auditor.

In the context of non-audit services that are permissible by law, the Committee assesses and evaluates the following:

- Potential threats to the independence and objectivity arising from the provision of the service and any safeguards to eliminate or reduce those threats to the extent that they do not jeopardize the statutory auditor's independence and objectivity,
- The nature of the non-audit services,
- If the skills and experience of the audit firm make it the most appropriate non-audit services' provider,
- Remuneration incurred or to be incurred for non-audit services both individually and as a whole, in relation to remuneration for audit services, including specific terms and conditions (e.g. non-audit services fee cap), and
- The criteria governing the remuneration of the persons conducting the audit.

In 2021, the Committee examined the non-audit services proposed to be undertaken by the statutory auditor. Both the work performed and the remuneration of the approved non-audit services did not jeopardize the independence or objectivity of the Company's statutory auditors.

### Internal Audit and Regulatory Compliance

The Committee met nine (9) times during the year 2021 and examined issues of its responsibilities regarding the monitoring of the activity, the role and the effectiveness of the Group Internal Audit Division.

In summary, the main matters examined by the Committee relating to the activities of the internal audit are the following:

Matter	Activity
Internal Audit Activity Results	The Committee reviewed all the findings of the internal audit reports (regular and extraordinary) as well as the Management’s response.
Internal Audit Coverage	The Committee monitored the progress of internal audit assignments performed by the General Internal Audit Group Division, which related to the coverage of key risk areas.
Pandemic- Covid-19	The Committee was informed regarding the effects of the COVID-19 pandemic on the activities of the Group Internal Audit Division and approved the initiatives taken by the Division in the context of its contribution to addressing the effects of the pandemic on the operation of the Group.
Annual and Triennial Internal Audit Plan –Budget for the year 2021	The Committee reviewed and approved the proposed annual and three-year audit plan, the budget and training plan of the Division for the year 2021.
Risk Management	The Committee was informed on the established procedure as well as the results of the annual risk assessment procedure performed by the Group Internal Audit Division.
Annual Evaluation of the General Internal Audit Director and Declaration of Independence	The Committee evaluated the performance of the General Director for the year 2020 according to the Internal Audit Charter of GIAGD, and in a joint meeting with the Remuneration and Succession Planning Committee, approved the annual adjustment of the annual remuneration of the General Director. Further, the Committee was informed of the Declaration of Independence of the General Director for the year 2020.

Matter	Activity
Follow up of high and medium risk findings	The Committee was briefed on the progress in addressing high risk findings on a quarterly basis as well as on the other findings every six months.
Corporate Governance	The Committee was informed and approved the amendment of the Corporate Governance System of "HELLENIC PETROLEUM SA" ("Company") in line with the provisions of Law 4706/2020, the revision of the Terms of Reference of the Audit Committee and the Internal Audit Charter based on the above law and the regulatory decisions of the Capital Market Commission and in particular 1/891 / 30.09.2020.
Other Issues	The Committee was informed and approved the update of the operation manual and "Vision Strategy Principles GIAGD" as a result of the update of the Internal Audit Charter of GIAGD following the introduction of the new law on Corporate Governance.
	The Committee was also briefed on the audit satisfaction survey conducted in accordance with the Quality Assurance Manual.
The Committee monitored the effectiveness of Internal Audit through key performance indicators (KPIs) for the above activities and the progress of the related work.	
Regulatory Compliance	The Committee was briefed by the Head of the Regulatory Compliance Division on the work and the results for the year 2020 and 2021.

## Sustainable Development Policy

The Sustainability and Corporate Responsibility Report is available at:

<https://www.helpe.gr/corporate-responsibility/corporate-responsibility-in-greece/SustainableCities/>

HELLENIC PETROLEUM Group ("Group") has integrated Sustainable Development into its strategic planning and is committed through the Health, Safety, Environment and Sustainable Development Policy, which aims at safe and accident-free, economical operation, with respect for the environment and society in accordance with the 17 UN Sustainable Development Goals (SDGs).

The Group, due to the nature of its activities, faces a number of risks in its daily activities, regarding the use of hazardous and flammable substances and technical challenges in production and distribution facilities (petroleum and non-petroleum) of particular complexity and significant size. Failure to manage the above risks could have a significant impact on the operation and financial position of the Group, including administrative sanctions, and / or inability to conduct business.

Regarding the management of risks related to health, safety and environmental issues, the Group applies a series of response procedures during the design of the equipment and operations, for their management and containment and monitors them through selected performance indicators (KPIs). At the same time, actively participates in international organizations for measuring and comparing important indicators with the European petroleum and chemical industry, as well as the transfer and integration of best practices, to improve its performance in health, safety and environment.

## A. Health and Safety

Health and Safety are the principal priorities for the Group in all its activities. The holistic approach to managing health and safety issues includes planned initiatives and prevention measures to eliminate risks and improve performance. At the same time, it encompasses management systems, inspections and leadership strengthening actions, in all the activities of the Organization. In addition, the Group takes all necessary safety measures for employees, partners and visitors to all workplaces in line with the UN Sustainable Development Goal (SDG 3).

## B. Environment and Climate Change

The Group, as a producer of energy products but also a significant consumer, faces significant challenges in the field of energy and climate change. Especially with regard to the phenomenon of Climate Change, this affects its business activity, creating significant challenges and opportunities. The potential risks and opportunities for the Group's business activities include, for example, the management of costs of participation in the European Emissions Trading Scheme - EU ETS and legislative changes, but also an opportunity to accelerate energy efficiency projects, investment feasibility studies, investments with emphasis on RES and the increase of the portfolio for the energy transition to climate neutrality.

The first step for the effective planning of the Group's actions / strategy is the identification, measurement and management of the risks and the opportunities that exist, both in terms of mitigation of the phenomenon of climate change and in terms of adaptation strategy on the effects of climate change. Increased costs for fuels and raw materials, reduced demand for energy-intensive products as well as additional measures to control and reduce greenhouse gas emissions (GHG) are critical issues that are addressed and analyzed through different pillars such as the existing and forthcoming legislation, the new technologies but also the markets in which the Group operates. At the same time, the international forecasts for the energy market and climate change are analyzed, in order to formulate the long-term strategy of the Group.

The Group has set the improvement of its environmental footprint until 2030 as its main strategic goal. The main contribution will be the de-carbonization program of the main activities, with a reduction of emissions by 30%, while a 20% will come from compensations through the development of RES, with an initial target of 600 MW by 2025 and 2 GW by 2030.

## C. Society

The cooperation of the Group both with the wider community and with the local communities, which are adjacent to our facilities is continuous, multidimensional and essential. The initiatives undertaken by the Group are connected with the needs of each region and are formed through an open dialogue with the interested parties, by conducting surveys and identifying the essential issues, public opinion polls, public discussions and consultations.

In recent years, we have developed close cooperation with an extended circle of social partners and we all work together for the common good. The younger generation is always at the center of our programs by awarding scholarships, in Greece and abroad, to young people who are distinguished for their talent and performance. We support actions and initiatives that promote innovation, entrepreneurship and create prospects for young people.

## D. Corporate Governance

The aim of HELLENIC PETROLEUM GROUP is to ensure that its activities are in accordance with the principles of transparency and healthy competition and are governed by specific principles that are applied to all aspects. and has zero tolerance to any instances of corruption.

These values and principles define a law-abiding and ethical mode of operation towards attaining our business

objectives and safeguarding our sustainability and business continuity.

Marousi, 17 May 2022  
**THE AUDIT COMMITTEE**

Lorraine Scaramanga

Iordanis Aivazis

Panagiotis Tridimas

## Annex – Members’ CVs

Lorraine Scaramanga

Independent Non Executive Member of the Board of Directors

Ms. Scaramanga was born in Scotland in 1956. She is a graduate of the University of Glasgow, with an MA (Language and Literature) and LLB (Law). She is a fellow (F.C.A.) of the Institute of Chartered Accountants in England and Wales (ICAEW), as well as a member (non-practicing) of the Institute of Certified Public Accountants of Greece (SOEL).

She has extensive experience in accounting, finance, and auditing. She worked at Arthur Andersen in London between 1979 and 1985, and at Coopers & Lybrand/PwC in Greece from 1985-2005, where she became a partner in 1991. Subsequently, between 2005 and 2011, she was a Consultant/Finance Director of Alpha Tankers & Freighters International Ltd, and, from 2007-2020, Chairman of the Audit Committees of the banks, Eurobank Bulgaria (Postbank) and Eurobank Serbia (Beograd).

She is currently a member of the Board of Directors and of the Audit Committee of Eurobank Private Bank Luxembourg. She also acts as a consultant on quality assurance and improvement matters for the Internal Audit Department of a large Greek Bank and provides consultancy services in the shipping sector.

Iordanis Aivazis

Independent Non Executive Member of the Board of Directors

He graduated from the University of Athens with a Degree in Economics (Department of Politics and Economics). He completed his postgraduate studies at the University of Lancaster (England) and he obtained a Postgraduate Diploma in Economics and a Masters of Arts (M.A.) in Marketing and Finance.

He worked at senior positions with Greek and international banks in Athens, Greece, and he was Chief Financial Officer (CFO) and Chief Operating Officer (COO) with Hellenic Telecoms (OTE S.A.). Following the acquisition of OTE by Deutsche Telekom (DT), he joined OTE’s Board of Directors as an Executive member and DT’s European Management Board. Additionally, he was sitting, as a NED, on the Boards of Greek listed companies.

Currently, he is Chair of the Special Liquidations Committee of the Bank of Greece and Member of the Board of the Hellenic Company of Assets and Participations (HCAP).

Panagiotis Tridimas

Independent Non Executive Member of the Board of Directors

Mr. Tridimas was born in Athens in 1963. He is a graduate of the University of Athens, with a degree in Legal Sciences, and holds a Master of Science (LL.M.) and a Ph.D. from the University of Cambridge with a specialization in Harmonisation of Securities Regulation in the European Community.

He is a lawyer in Athens since 1987 and a Barrister in England and Wales since 2000 and has appeared before the European Court of Justice, the General Court of the European Union, the Supreme Court of the United Kingdom, the European Court of Human Rights, as well as investment arbitration courts.

He previously held academic positions at the Universities of Birmingham, Southampton, Cambridge, and London (Queen Mary), while he has also worked at the European Court of Justice as a Référendaire. He has taught in a number of universities in Europe, the U.S.A, and Canada.

He is currently Professor of European Law and Director of the Center for European Law at Dickson Poon School of Law, at King's College London, while he is also Professor and Distinguished Researcher (Nancy A. Patterson Distinguished Faculty Scholar) at Pennsylvania State University School of Law (Penn State Law) and Visiting Professor at the College of Europe in Bruges. He works as a Barrister at Matrix Chambers in London.

He has experience in international and European affairs, having been an advisor to European institutions on a number of legal issues as well as the Republic of Cyprus during the negotiations on Brexit, as well as the Greek Presidency of the European Union between 2002-2003 with emphasis on issues of enlargement of the European Union.

From 2005-2013 he was an independent non-executive member of the Board of Directors of EFG Eurobank, and since February 2020, he is a non-executive member of the General Council of the Financial Stability Fund.

He has published numerous legal studies and has written important textbooks on European Law.