

ESG Report **2023**



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Foreword

(GRI 2-22)

Dear Readers,

It is a defining moment for us to hand you our first ESG report which opens a new era in our sustainable operations. This report not only presents facts and figures, but also provides a comprehensive picture that credibly reflects our long-term commitment to sustainability, innovation and good corporate governance. Over the past year we have developed new solutions that have helped us to align our economic goals with our environmental ambitions and the requirements.

Our company has more than 30 years of experience and is now one of the leading PVC processors in the region. We pride ourselves on providing high quality, innovative products that meet the most stringent industry standards to a wide range of sectors such as pharmaceuticals, food, construction and advertising. Our commitment to sustainability goes deeper than mandatory regulations. We aim to make this approach and our positive impact on the environment felt in all aspects of our operations.

Our company’s core values of respect, commitment, loyalty, efficiency and teamwork are reflected in all our decisions and actions. We operate to the highest ethical standards and principles of fair business practices including transparency, collaboration and openness. We firmly reject all forms of corruption and ensure maximum respect for the rights of our employees and partners.

In 2023 we placed particular emphasis on increasing energy efficiency and using renewable energy sources. We launched a 1,7 MWp solar farm, which has made a significant contribution to achieving

our emission reduction targets. In addition, we started to use heat pump systems to reduce our gas consumption, which has led to significant energy and cost savings. These measures will also ensure that we continue on the path of sustainable energy management.

The quality of our operations and our commitment to sustainability are backed up by international certifications, Environmental Product Declarations (EPDs), Scope Analyses and Life Cycle Assessments, which demonstrate our strong commitment to environmental and industry standards.

We also made great strides in waste management. We recycled 98% of the waste we produce, a clear example of our commitment to a circular economy. We are further increasing our recycling rate with our newly applied grinding equipment. Our aim is to minimise the waste generated in the production process and move closer and closer to zero waste.

The well-being and development of our employees is at the heart of our corporate strategy. We are proud to have been awarded the title of „Family Friendly Workplace” in 2023, which includes not only the provision of individual working arrangements but also the introduction of an allowance to support starting the school year and a comprehensive benefits package, among other things. Diversity is also a key priority for us, which we demonstrate by strengthening the role of female managers, as an example. 33% of our senior managers are women. Developing and retaining talent is at the heart of our HR

strategy. Through our internal training programmes and knowledge transfer systems we continuously ensure that our colleagues have up-to-date, competitive knowledge.

Our corporate social responsibility initiatives were active in 2023 as well: we supported a number of local community and health projects. For us it is key to contribute to the development of communities not only through our products but also to be actively involved in helping those in need and supporting local sports.

In the coming years we will continue to work to ensure that our sustainability efforts meet and also exceed global expectations. This will further strengthen our position in the PVC processing industry and help create a more sustainable future.

Thank you for joining us on this journey.

Best regards,


Kovács Eszter
ügyvezető igazgató


Szabó Gyula
ügyvezető igazgató


Varga Balázs
cégvezető



About our report

(GRI 2-1, 2-2, 2-3, 2-4, 2-5, 2-6, 2-14)

The ESG report of Ongropack Ltd. for the year 2023

Company headquarters

Ongropack Kft. 3711 Szirmabesenyő, 19. Miskolci street

Scope of the report

The report covers the company's area of operation.

Area of operation

Hungary

Company name

Ongropack Plastic Film Manufacturing, Processing and Trading Limited Liability Company

Headquarters/Place of business

3711 Szirmabesenyő, 19 Miskolci street

Activity

Manufacturing and sales of PVC stretch and rigid films and sheets

Companies not included in the report

Regitruck Kft. (registered office: 3711 Szirmabesenyő, 17. Miskolci street)

Due to the volume of its business this company is not included in our report, but it can be stated that this subsidiary is managed along the same principles as the reporting company.

Content of the report

This report presents the material issues related to the company's operations and the related programmes and initiatives, based on the 2023 materiality assessment of Ongropack Ltd.

Reporting period

The reporting period is the period from 1 January 2023 to 31 December 2023, corresponding to the financial year. The data provided refer to 2023.

Reporting cycle

Our report is published annually.

Classification of the report

GRI Standards 2021 „in accordance with the GRI Standards” This report is the first ESG report of Ongropack Ltd. which has been prepared based on and in accordance with the guidelines of the current GRI Standard (GRI Standards 2021), without external, independent certification.

Data sources

The data presented in the report was collected by the relevant units of Ongropack Ltd. and validated by their managers.

Management approval

The full content of our ESG report and its material topics are subject to the approval of the management and ESG Committee of Ongropack Ltd.

Place and means of publication

This report is published on <https://www.ongropack.com>. Sustainability aspects are also taken into account in its publication, which is why the report is published online only.

Date of publication of the report

9 December 2024

The following documents are mandatory annexes to this publication:

GRI index and glossary

More information

Any questions about the ESG Report or the information it contains should be sent to Dobos.Edina@ongropack.hu

Key sustainability achievements and events in 2023:



1. Renewable energy sources

- investment in a 1.7 MWp solar farm which started generating power in the second half of 2023



Energy efficiency investments

- installation of energy-efficient, new, high-performance equipment, construction of a production and storage hall, installation of new heat pump systems with the support of EKD (Individual Government Decision)



Waste management and recycling

- purchase of new grinding equipment for the more efficient recycling of secondary raw material



Environmental statements and carbon footprint calculations

- Ongrofoam foamed PVC rigid sheet carbon footprint calculation,
- Ongrodur compact PVC rigid sheet EPD environmental statement,
- corporate carbon footprint Scope 1, Scope 2 calculation



Grants and awards

- training and wage subsidies under GINOP Plus 3.2.1-21,
- winning the „Family Friendly Workplace” award

Facts and figures (2023)

30+

years of market presence

One of the
TOP 10

plastics processing companies in Hungary

26,5

billion HUF turnover

100%

Hungarian ownership

40.000

tonnes production capacity

84.000

m² factory site

315

employees

„Family-friendly Workplace”

Company history:

- 1993

●

The company is established as a subsidiary of BorsodChem Zrt. under the name BC-Ongropack Kft.
- 1994

●

We start our production activity with the production and sale of PVC rigid and stretch films.
- 1996

●

The company merges with Poly-Platt Ltd. (also owned by BorsodChem), thus expanding its scope of activities to include the production, processing and sale of PVC sheets.
- 2008

●

We take over part of the Mixing Plant of the Kompaund Business Unit of BorsodChem Zrt.
- 2009

●

The company becomes 100% privately owned and we continue our activities under the name Ongropack Ltd.
- 2014

●

We launch the “Our Own Site Project” as part of a greenfield investment.
- 2015

●

The building permit is granted.
- 2018

●

We receive the occupancy permit.
- 2018 – 2021

●

The relocation of the various production departments to the new site is completed.



The owners of the company

László F. Kovács
Eszter Kovács

Business management

Eszter Kovács - Managing Director
Gyula Szabó- Managing Director
Balázs Varga – General Manager

Members of the Supervisory Board

Ms Erzsébet Kovácsné Makara
Dr. István Gere
Ms Katalin Judit Motkóné Lauer

About Ongropack Ltd.

(GRI 2-6)

Ongropack Ltd. was established on 1 October 1993 as a wholly owned subsidiary of BorsodChem and started its production activities on 2 January 1994, manufacturing and selling PVC rigid and stretch films. On 1 July 1996 the company merged with Poly-Platt Ltd., also owned by BorsodChem, thus expanding its activities with the production, processing and sale of PVC sheets.

Since our establishment we have made a number of technological improvements and our production capacity has grown significantly, and we now have an annual production capacity of 40 000 tonnes of film and sheet. As of 1 January 2008 we took over the mixing plant of BorsodChem Zrt. Kompaund Business Unit, which produced PVC resin blends for us.

On 27 March 2009 Ongropack Ltd became 100% privately owned and took its current name on 1 July 2009. The services required for its operation are partly in-house and partly purchased from external providers.

In 2014 we launched our “Own Site Project”, a greenfield investment in Szirmabesenyő, and in 2018 we started the gradual relocation of the various production departments. In addition to the existing production lines we also installed new equipment, a process that was completed in the summer of 2021.

Since then, all our manufacturing activities have been carried out in Szirmabesenyő, which also became the company’s headquarters following the completion of the greenfield project.

Currently Ongropack Ltd. is one of the leading plastics manufacturers, processors and traders in Central and Eastern Europe. We manufacture stretch PVC Folpack film for food packaging and rigid PVC film for forming, with the pharmaceutical industry as its primary user. In addition, we produce rigid PVC sheets for industrial, sandwich panel sheet and cladding applications. The main application for our free foamed PVC sheets is the advertising industry. We sell 9 out of every 10 products we manufacture to foreign markets. We, as a Hungarian owned company are proud that thousands of companies and individuals from Portugal to Russia, from Sweden to Egypt use our products with complete satisfaction.

Our main markets



Value chain



Our company is one of the leading PVC processors in Hungary and the Central and Eastern European region, and with almost three decades of professional experience it plays a prominent role in the plastics industry. We are committed to our responsibility for environmental sustainability and customer-centric solutions which we implement throughout our value chain. Advanced technology, high quality production and comprehensive customer service are present in all our activities, ensuring a high level of market satisfaction.

Our value chain, from sourcing to sales of finished products, is characterised by state-of-the-art manufacturing technologies and logistics solutions that allow us to optimise production processes and minimise waste. Our innovative products serve a broad spectrum of industries including pharmaceuticals, food and construction.

We work closely with our partners to implement the principles of the circular economy. As part of these efforts we are continuously expanding our recycling programmes and improving our packaging technologies to minimise their environmental impact.

In addition to providing professional advice and technical support our company pays particular attention to production safety and strict adherence to quality standards, thus strengthening its market position and contributing to the success of its customers. Through innovation and excellent technical background we help to create sustainable operating conditions and support our partners in implementing environmentally sound operational processes.



Megatrends

Ongropack Ltd. has a prominent position in the plastics industry with unique competence in the highly versatile use of PVC as a raw material. As a result, our products are recognised in a number of industries such as packaging (pharmaceutical and food), advertising and construction, reflecting our strategic focus and commitment to innovation. Our diversity and expertise in the industry is also reflected in the solutions we offer our partners to help them not only increase their competitiveness but also to successfully achieve their own sustainability goals.

It follows from the above that the global trends and challenges in these industries create opportunities and challenges for our company that we should prepare for early. Developments in automation, technological modernisation and sustainability offer significant growth potential. Increasingly stringent environmental standards and the demand for sustainable solutions will, on the other hand, continue to shape market needs.

Packaging industry (pharmaceutical and food)

- **Biodegradable materials:** the growing demand for environmentally friendly packaging is driven by sustainability requirements.
- **Smart packaging:** these solutions significantly increase product safety. In the food industry sensors track the freshness of food, while in the pharmaceutical industry heat-sensitive labels increase safety, thereby reducing health risks.
- **Food safety and regulations:** increasingly stringent regulations aim to ensure the quality and safety of products. This encourages manufacturers to choose packaging materials with the highest quality and sustainability in mind.
- **Materials and recycling:** reducing material use and an integrated approach to recycling will be central to new product designs to minimise waste and protect natural resources.
- **Eco-design:** energy efficiency and waste minimisation have become a priority due to the EU's strict environmental regulations, so incorporating eco-design principles into product development is a significant step towards sustainability.
- **Innovative packaging solutions:** refillable and anti-bacterial packaging will come to the fore, reducing waste and minimising food waste.
- **Automation and digitalisation:** the introduction of industrial robots and automated systems not only increases productivity but also helps to use resources more efficiently and increase supply chain transparency by reducing costs and the potential for errors.
- **Nanotechnology** revolutionises pharmaceutical packaging solutions, increases product safety.

Construction

- **Sustainable construction solutions:** recyclable materials such as composites and carbon fibre plastics are becoming increasingly important, given that these materials reduce the ecological footprint of construction processes while ensuring durability and quality.
- **Efficiency:** prefabricated elements and modular construction techniques increase construction efficiency, reducing construction time and waste.
- **BIM and 3D printing:** these modern technologies are revolutionising the construction process, enabling more accurate and faster construction. Building Information Modelling (BIM) helps efficient design and construction, while 3D printing reduces material waste and costs.
- **Green building practices:** stricter environmental regulations encourage the use of green technologies. Energy-efficient solutions such as solar energy and thermal insulation are becoming increasingly popular.
- **Automation:** the use of construction robots and drones not only increases efficiency but also improves safety on construction sites. Automation contributes to more accurate construction and reduces labour shortages.
- **Material quality:** the demand for weather and chemical resistant materials is constantly increasing, especially for long-life buildings.

Advertising industry

- **Printable plastic surfaces:** While digital advertising continues to gain ground, printable plastic surfaces continue to play a key role, particularly for outdoor applications where durability and versatility are paramount.
- **Environmentally friendly materials:** the demand for recyclable and sustainable materials is constantly growing in line with environmentally conscious business and consumer expectations. This trend also creates opportunities for the development and use of environmentally friendly promotional materials.
- **Digital printing:** the latest digital printing technologies facilitate more efficient, customised production while significantly reducing waste.
- **Strict environmental standards:** enforcement of recycling regulations is being stepped up.
- **Innovative solutions:** the demand for unique advertising solutions is growing as companies seek to differentiate themselves from competitors.
- **Automation:** the use of automated systems allows advertising campaigns to be run faster and more efficiently. The potential for human error is reduced, while processes become more transparent and sustainable, thus reinforcing corporate responsibility.

Our products

Plants

Ongropack Ltd. settled 5 years ago in the administrative area of Szirmabesenyő on a site of about 147 216 m2, where there is 1 main office building, 3 production plants, 3 warehouses, 1 mixing plant, 1 cooling tower and 1 transformer station.

We place great emphasis on maintaining and caring for green spaces and creating an ergonomic environment.

In terms of product range 3 main production plants have been built with the following sizes:

I.	Stretch film plant	7 012 m²
II.	Sheet plant	7 267 m²
III.	Rigid film plant	6 787 m²



1. Stretch film plant

In the stretch film plant film is produced on 8 production lines.

PVC stretch film is a soft, fine film produced by blow moulding, mainly used for food packaging.



2. Sheet plant

In the sheet plant we produce compact PVC rigid sheets and foamed PVC rigid sheets by extrusion. In addition to the construction industry it is used for displays, exhibition stands, signs, graphics and various printing applications.

The sheet plant has 5 production lines for the production of rigid sheet and free-foamed sheet.



3. Rigid film plant

The rigid film plant produces PVC films for food, pharmaceutical and technical applications. The rigid film parent rolls are produced on the following 2 production lines:

- Calender 1 - types produced on the production line: T (technical), R (recirk) and IS (tube shell)
- Calender 2 - types produced on the production line: P (pharmaceutical), T (technical), R (recirk), G (glossy graphic), GE (anti-reflective), GM (matt/matt graphic), GC (chemically matted graphic), TC (chemically matted technical), IS (tube shell), LL (laminated), M (metal vapour deposited)

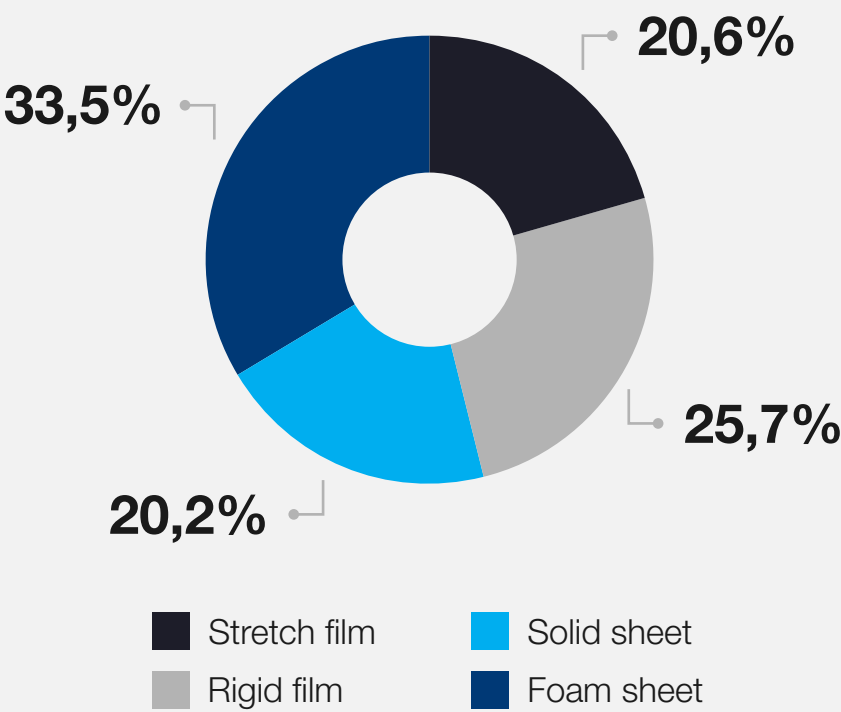
In the slitting section 2 semi-automatic lines are used for cutting and folding film rolls (all types).

In the film-roll-up section 2 lines are used for rolling up IS-type tube shell insulation films.

Ongropack Ltd. is committed to sustainability and environmental protection. Our wide range of products offers high quality and reliable solutions for various industries, among which our **Ongrofol® Recycled** product stands out as a significant contribution to reducing environmental impact and an efficient use of resources.

The main activity of the company is **the production and sale of plastic films and sheets.**

Quantities sold by product group



We market our **PVC film** products under the **ONGROFOL** brand, our **sheet** products under the **ONGRODUR** and **ONGROFOAM** brands.

- Our ONGROFOL branded products:**
- Rigid PVC films
 - Stretch PVC films

- Our ONGRODUR branded products:**
- Solid PVC flat sheets

- Our ONGROFOAM branded product:**
- Free foamed PVC solid sheets.

Rigid PVC film is used in **the pharmaceutical and food industries, as well as for packaging technical products. Our special types are used in the printing industry for graphic applications.**

A new product is insulation film for pipe insulation.

Our **stretch** PVC films are used **as packaging materials in the food industry.**

Our **sheet** products are used in **the construction, advertising, chemical and engineering industries.**

We produce PVC **rigid films** by **calendering** technology, PVC **stretch films** by **extrusion blow moulding** technology and PVC **sheets** by **extrusion** technology.

Below you will find details of our product categories, product features, applications and sustainability knowledge.

Our products used in the construction industry

Product name	Product features	Area of use	Sustainability
Ongrodur-I	rigid PVC sheet for industrial applications, vacuum formable, cuttable, bendable, weldable, printable	tanks, protective covers, components, refrigerators	meets international fire resistance standards, has a long service life
Ongrodur-BS	sandwich panel with excellent sound and thermal insulation properties	cladding, sandwich panel production, door panel production, insulation	meets international fire resistance standards, has a long service life, reduces energy consumption through its insulation properties
Ongrodur-BD	excellent formability, UV and weather resistant	door panel production	long life, complies with international fire resistance standards
Ongroclad	wall cladding element, antibacterial, non-toxic, available in a wide range of colours	pharmaceutical areas, hospitals, public institutions, clean rooms, industrial kitchens, food processing areas, agricultural facilities	long life, low environmental impact with minimised maintenance requirements

Our products used in advertising

Product name	Product features	Area of use	Sustainability
Ongrodur-A	printable PVC solid sheet	billboards, displays, printed decorations	long-life, also suitable for environmentally friendly printing solutions
Ongrofoam WHITE subtypes: Premium, Base, Ultra, Easy-Use, SD	foamed sheet with different densities depending on the application, with a fine cell structure	exhibition stands, sandwich panel production, UV and digital printing, display products	low flammability, self-extinguishing, meets international fire resistance standards, low environmental impact, economical use
Ongrofoam COLOUR	coloured foam sheet with fine cellular structure	UV printing, die cutting, digital printing	low flammability, self-extinguishing, meets international fire resistance standards
Ongrofol® Graphic	rigid film for graphic printing, with gloss and matt surface	calendars, greeting cards, posters, displays, promotional products	easy to print, long life

Our products used in the packaging industry

Product name	Product features	Area of use	Sustainability
Ongrofol® Converted	stretch film for household and catering packaging	household use, hand packaging	complies with EU directives on food contact packaging materials, also available in DOA (Diocetyl Adipate) free versions
Ongrofol® Industrial	stretch film for automatic and manual packaging	automatic packaging machine, semi-automatic, hot table, manual packaging	complies with EU directives on food contact packaging materials
Ongrofol® Jumbo	open-end stretch film for manual packaging	for rewinding handwrap and catering films	complies with EU directives on food contact packaging materials
Folpack®	stretchable PVC film for household packaging	household use, hand packaging	complies with EU directives on food contact packaging materials
Ongrofol® Thermoform	thermoformable film for food and technical applications	roofs, boxes, inserts, dividers, trays	meets the requirements for food contact packaging materials
Ongrofol® Metallized	metal vapour deposited film in gold, silver and copper	bon-bon trays, lids, boxes, inserts, dividers	meets the requirements for food contact packaging materials
Ongrofol® Recycled	recycled film for technical use	non-food packaging, technical use	high recyclate content, environmentally friendly solution

Our products used in the pharmaceutical industry

Product name	Product features	Area of use	Sustainability
Ongrofol® Pharma	pharmaceutical film with excellent gas barrier properties	packaging of medical devices, blistering of ampoules, syringes, tablets and capsules	meets European Pharmacopoeia standards and is registered with the FDA (Food and Drug Administration)

The products of **Ongropack Ltd.** are of high quality and versatility, helping our partners to meet their various industrial and commercial needs. Our products meet the most stringent international standards, ensuring reliability and long-term usability. We pay particular attention to recycling and minimising environmental impact, especially through our Ongrofol® Recycled product.



Our values, our mission, our vision

Our values



Respect

We show respect for everyone we come into contact with.



Commitment and loyalty

We are committed and loyal to our company and our partners.



Compliance

We recognise and follow the rules.



Efficiency and development

We strive to work effectively and improve continuously.



Teamwork and partnerships

Teamwork and partnerships are a priority for us.



Openness and honesty

We focus on openness and honesty in our communications.



Collaboration and transparency

We strive for collaboration in all our partnerships and our processes are based on the principles of transparency.

Our vision for the future

Our goal is to permanently position Ongropack Ltd. among the top plastic processing companies in Hungary, **consistently ranking in the TOP10**, and to continue to be one of the most influential and respected PVC processing **companies in the** Central and Eastern European region, **standing out from the competition with our innovations and quality products**. It is important for us to maintain and strengthen these positions, **ensuring the stability and growth of the company**.

Our mission

We are committed to **excellence achieved by maintaining the** highest standards of quality management and environmental management systems. **We are also committed to continuously** improving our environmental performance and contributing to a sustainable future.



Applications

(GRI 201-4)

Ongropack Ltd. is committed to sustainable development and ecological responsibility, which is underpinned by a number of significant investments and projects. Our company won two major tender applications in 2023 that will contribute to our long-term goals.

	Title of the tender	Main topic/objective	Year of granting
1.	EKD (Individual Government Decision) Support	Purchase of a new high-performance sheet production line, construction of a production and warehouse hall, energy efficiency investments	2023.
2.	GINOP Plus-3.2.1-21	On-the-job training and wage subsidies	2023.

Under the **EKD** grant we started a new investment in 2023 to **replace an old sheet production line with the aim of reducing energy consumption specifically**. The new line was ordered in 2023 and we expect to start production in the first half of 2025. **In order to increase our energy efficiency** we plan to **install heat pump systems** to support the replacement of the sheet production line as well. In addition, **we will convert the energy generated into heating energy** by recovering the heat used to clean the gases, **thereby reducing greenhouse gas emissions and optimising energy use**.

As part of the project a new state-of-the-art **warehouse** is also being built, which is designed primarily **to store raw materials** but

in such a way that **it will also be able to accommodate a new technology in the future**, thus providing the opportunity to expand production activities.

These measures not only reduce operating costs but **also support our environmental sustainability goals**.

Under the GINOP Plus 3.2.1-21 programme our company has won a significant subsidy **for training and wage subsidies for our employees**. This project will allow us to **keep our employees** up to date with the latest technological and industry trends. Through training programmes we enhance **the professional competences of our employees and contribute to their personal development**,



which will strengthen our competitiveness in the long term. Wage subsidies, on the other hand, ensure that the company is reimbursed for the wages of employees who take part in trainings.

These projects not only help us grow and develop our business but also help us set an example for the industry and contribute to a more environmentally and socially responsible economy. This commitment is an important part of the strategy and vision of Ongropack Ltd.



Our key organisational memberships

Awards and recognitions

(GRI 2-28)

Our membership of the Hungarian Plastics Industry Association provides us with the opportunity to **engage** directly **with the leading players in the industry** and promotes the development of our company through ongoing **industry dialogue and cooperation**.

During the preparation of this report we joined the non-profit **ESG Club Hungary** which provides us with access to the latest industry experience on sustainability practices, supporting our company’s development in the field.

	Name of the organisation	Start of membership	Logo	The purpose of membership
1.	Hungarian Plastics Industry Association	1995		professional advocacy, attending exhibitions, gathering first-hand information about the industry
2.	ESG Club Hungary	2024		attending organised events, networking, gaining up-to-date ESG knowledge

Our company boasts several prestigious **awards that highlight the quality of our products and the values of our corporate culture**. In 2013 the Ministry of National Development awarded the Hungarian Product Grand Prize to Ongrofoam Foam Sheet, and in 2014 Ongrofol Stretch Film received the same recognition. These **awards testify to the excellence of our products and our capacity for innovation**.

The “**Family Friendly Workplace**” award received in 2023 by the Family Friendly Hungary Centre Nonprofit Public Benefit Ltd. **is a sign of our company’s commitment to the well-being of employees and the creation of a family-friendly workplace environment**.

	Name of award / recognition	Year	Name of the organisation granting recognition
1.	Ongrofoam foam sheet Hungarian Product Grand Prize	2013	Ministry of National Development
2.	Ongrofol stretch film Hungarian Product Grand Prize	2014	Ministry of National Development
3.	"Family-friendly Workplace"	2023	Family Friendly Hungary Centre Nonprofit Public Benefit Ltd.



Our ESG approach

Sustainability Strategy

(GRI 2-22)

Ongropack **is committed to** the future where sustainability and innovation are combined to **ensure the well-being of future generations**. Our management and all our employees take their responsibility to respond to social and environmental challenges seriously, as we aim to make a positive impact on the economy, our communities and our environment. **Over the past years we have already taken significant steps to make our operations more sustainable** by implementing new technologies, tools and systems that improve the quality and efficiency of our products.

In developing our strategy we have paid particular attention to adapting to the specific environmental and market conditions our company operates in. **We strive to work in a forward-looking manner** that not only serves our corporate goals but **also contributes to the long-term success of our customers, employees and partners**. We place particular emphasis on **environmental measures, employee safety and well-being, and high levels of customer**

service and satisfaction. Sustainability is an integral part of our everyday business practices, and we aim to continuously develop and expand our strategy to secure our place in the global market as a committed player in sustainable development.

Our company is committed to supporting the **UN Sustainable Development Goals**. We have developed our strategy in line with the global sustainability goals, with the aim of achieving net zero emissions by 2050. We design our business practices to **promote responsible corporate governance** and pay **special attention to our employees**. We also work to ensure that **our products** meet the highest **sustainability standards** and **take an active role in reducing our ecological footprint**.



OUR ESG STRATEGY AND OBJECTIVES



Environmental (E)

- **Green energy production:**
increasing our solar capacity
- **Energy efficiency:**
installing heat pump systems
- **Waste reduction:**
by further reducing the share of non-recyclable waste
- **Recycling secondary raw materials:**
with increased use of secondary raw materials from external partners
- **Greenhouse gas emissions measurement:**
categories Scope 1, 2 and 3, with full assessment
- **Fleet renewal:**
with the introduction of hybrid vehicles



Social (S)

- **Employee well-being:**
introducing a comprehensive benefits package and programmes
- **Employee satisfaction:**
launching regular focus group surveys
- **ESG education:**
providing ESG knowledge with a video tutorial
- **Training system:**
implementation of an integrated corporate training system
- **Reducing employee turnover:**
regular reporting and analysis of exit interviews
- **Community support:**
launching donation and volunteering programmes



Corporate Governance (G)

- **Digital supplier certification:**
setting up a supplier certification scheme and code
- **Code of Ethics:**
development and implementation
- **ESG questionnaire:**
launching an ESG and GDPR questionnaire for suppliers
- **ESG committee:**
appointment of an ESG officer and a five-member committee
- **Sustainability membership:**
obtaining membership of an organisation
providing sustainability information





OUR COMMITMENTS IN LINE WITH THE UN SUSTAINABLE DEVELOPMENT GOALS

	<ul style="list-style-type: none">From 2024/2025 our company focuses on employee health, offering a comprehensive benefits package and programmes to support physical and mental wellbeing.From Q2 2025 we will conduct regular focus group employee satisfaction surveys to continuously improve employee satisfaction and well-being.
	<ul style="list-style-type: none">We focus on ESG education in our training programme and from the second half of 2024 we are gradually making ESG knowledge available to a wider range of employees, including sharing an ESG training video with our employees.In 2025 we will introduce our standardised internal integrated corporate training system.
	<ul style="list-style-type: none">In 2024 15-16% of our annual electricity consumption will be provided by green electricity generated by our solar power plant.To increase our energy efficiency we are installing heat pump systems that will also be able to meet heating needs, significantly reducing the gas consumption of the air handling unit.
	<ul style="list-style-type: none">Our strategic goal is to develop Ongropack Ltd. into a strong employer brand and an efficient and performance-driven organisation.Starting in the fourth quarter of 2024 we commit to report on the results of our exit interviews on a monthly, quarterly, semi-annual and annual basis, and to incorporate the information and lessons learned into our operations, improving the conditions that lead to resignations, thereby reducing employee turnover.
	<ul style="list-style-type: none">Our 2025/2026 targets include the digitalisation of the entire HR administration and maintenance processes related to production.

	<ul style="list-style-type: none">From 2024/2025 our company will actively continue its donation activities, complementing its support to local communities with volunteering programmes.
	<ul style="list-style-type: none">In 2024/2025 we will develop our digital supplier rating system based on the ESG law and risk management principles and establish our supplier code. We will also launch ESG sensitisation programmes for our suppliers.Waste from our own production that cannot be recycled by our company is currently sold to an external company for re-cycling. This amounted to 1.98% of production in the year under review. Our target for 2026 is to improve the current rate by 10%.We also purchase secondary raw materials from external partners for use in our waste management process. Our aim is to recycle and use as much of the secondary materials generated by our processors as possible, doubling the 2023 baseline (140 tonnes) by 2025.From the third quarter of 2024 an extended questionnaire on ESG and GDPR will be sent to our suppliers.
	<ul style="list-style-type: none">We pledge that in 2023 we complete the same Scope 1,2 measurement as in 2022, and to fully update our Scope 1,2,3 measurement in 2024.We aim to add one new hybrid vehicle to our fleet in 2024 and replace three conventional vehicles with hybrid models.
	<ul style="list-style-type: none">In 2024 our company will develop and implement a Code of Ethics.
	<ul style="list-style-type: none">In 2024 we will appoint an ESG officer and establish a 5-member ESG committee.In 2024 we want to become a member of a non-profit organisation where we can get the latest sustainability information.

Our stakeholders

Materiality survey (GRI 3-1)

In line with the GRI standards we have identified our stakeholders in developing our sustainability strategy and conducting our materiality analysis. We used online questionnaires to gather stakeholder views on the relationship between our activities and ESG, and how they rate our impact on each sustainability issue. In identifying material topics we took into account the results of our benchmark analysis, which also identified topics of importance to our international competitors and applied the sector-specific criteria of MSCI.

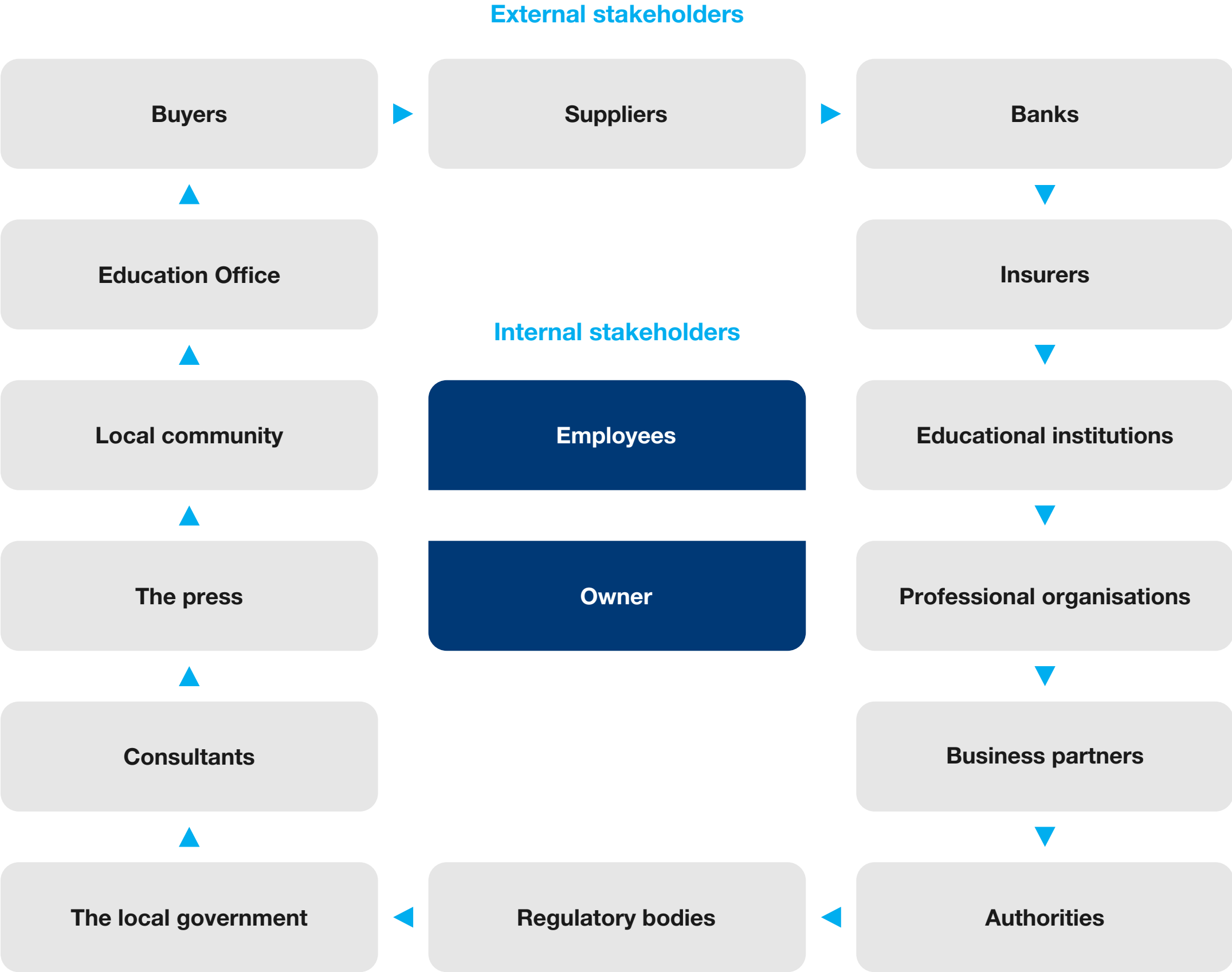


Stakeholder analysis and stakeholder engagement (GRI 2-29)

We believe that we can operate as a responsible company by involving our stakeholders. By stakeholders we mean groups of people directly or indirectly affected by us or who influence our company. We maintain a long-term and transparent relationship with these groups based on mutual respect and trust.

It is important for us to develop a collaboration and regular, open dialogue with our stakeholders that allows for the mutual sharing of sustainability feedback. The opinions and information received will help us to incorporate sustainability factors that are of value to our stakeholders.

Interested parties



How we communicate and engage with the key stakeholder groups of Ongropack Ltd.

Employees

The company's internal communication system is well organised and efficient, ensuring a constant flow of information. We use a variety of channels to achieve this. Fixed times for weekly thematic, tightly scheduled formal meetings ensure smooth planning and coordination processes, while informal meetings and various internal events such as family days, Christmas dinners and Women's Day celebrations also contribute to keeping staff informed and communicating effectively. As internal communication platforms noticeboards and circulars also play an important role in disseminating information quickly and widely, so that all employees are informed of important news and events in a timely manner.

Our internal communication system is not a one-way street, with informal and focus group meetings we give staff the opportunity to share their views and ideas for improvement with their managers.



Buyers

Our sales colleagues keep in touch with our customers on a daily basis through multiple channels, and record and process feedback and suggestions on our products, ensuring customer satisfaction and continuous improvement.

In addition to daily liaison we cooperate and communicate with our customers at exhibitions, conferences and other professional events.

Suppliers

One of our core values is the long-term and close cooperation with our suppliers. In line with the principles of our Code of Ethics we maintain continuous and effective communication with them, including daily telephone and email contact, frequent online meetings and participation in annual conferences. These forms of communication ensure that our cooperation is transparent, ethical and constantly evolving.

Banks, insurance companies

We are in active liaison with our financing banks and insurance companies. Sustainability issues have been raised by our banks for years and are a regular topic of discussion at our monitoring and annual review meetings. We also provide ESG-relevant data and information directly to our funding banks through this report.

Educational institutions

We work closely with universities, vocational schools and technical schools on dual training and apprenticeship programmes. Through these partnerships we provide students with the opportunity to gain practical experience to support their professional development and integration into the labour market, and to become employees of Ongropack Ltd. after their training, thus providing the company with a skilled and committed workforce.

Professional organisations

We maintain links with these organisations through our memberships and active participation in both national and international professional events. The above mentioned organisations significantly support industry stability, knowledge sharing and continuous innovation. These partnerships also allow us to stay up-to-date with industry trends and work together to ensure continuous improvement.

Material topics

(GRI 3-2)

In our materiality assessment we took into account the current economic situation, our stakeholders’ expectations, our values and the UN Sustainable Development Goals. In our ESG report we present our sustainability activities according to the list of material topics approved by the management and ESG Committee of Ongropack Ltd. These material topics are also linked to the relevant GRI (Global Reporting Initiative) topic-specific standards. In addition, we have added content to the areas presented to help you gain a more comprehensive understanding of our operations and performance.



Environmental

- Energy management
- Emissions
- Use of materials
- Waste management



Social

- Human resource management
- Ensuring appropriate working conditions
- Workers’ health and safety
- Commitment to education and training
- Social responsibility, supporting local communities



Corporate

- Ethical Operations and Compliance
- Data protection
- Digitalisation
- Economic performance
- Risk management
- Quality assurance, product quality
- Responsible procurement practices

Environment

(GRI 3-3, 301, 302, 305, 306)





Energy management

(GRI 302)

Our company has a long-standing commitment to sustainable **energy management**, which is backed up by numerous initiatives and documents. Over the years **the Energy Specialist Reports, the Life Cycle Assessments of our products and the Scope 1, 2 and 3 analyses carried out in 2022** have all contributed to the continuous improvement of our energy strategy. In line with our objectives and to further improve our energy performance **we commissioned external experts to prepare a comprehensive energy audit in 2023**, covering the period 2020 to 2023. The results and findings of the audit confirmed our previous experience in energy efficiency and also confirmed the success of our investments which already reflect our commitment to sustainable energy management. The audit also provides new perspectives, ideas and suggestions for managing our energy use even more efficiently, reducing energy costs and minimising environmental impact.

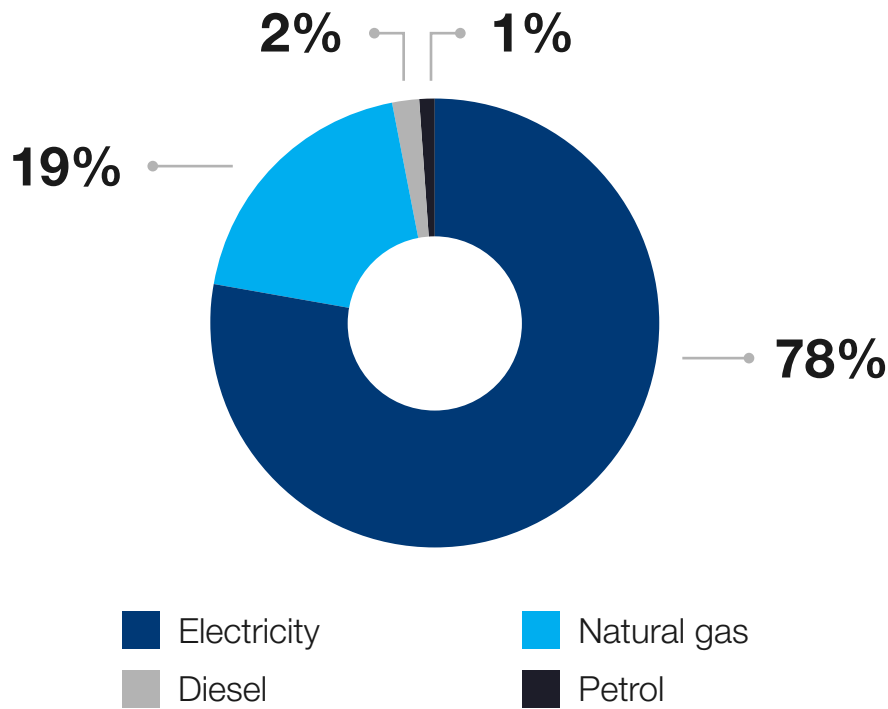
A key part of our report is the **energy chapter** which quantifies the direct environmental impacts of our operations.

Our total energy use in 2023





Energy sources	Unit of measurement	Total purchased energy consumption
 Electricity	kWh/year	14 825 965
	MJ/year	53 373 474
 Natural gas	m³/year	339 000
	kWh/year	3 626 950
	MJ/year	11 785 774
 Petrol	litres/year	22 089
	kWh/year	198 178
	MJ/year	713 441
 Diesel	litres/year	35 433
	kWh/year	346 456
	MJ/year	1 247 242
Total	kWh/year	18 997 549
	MJ/year	67 119 930

In the year of the report **our total energy consumption** from different energy carriers was **18 997 549 kWh**. **78% of** our energy consumption **was electricity** which is the main component of our company’s energy supply. **The share of natural gas is 19%**, which is the second most important component of our energy sources. **Diesel oil and motor gasoline** use is negligible, **the former** representing **2%** and **the latter only 1%** of our annual energy consumption.

Breakdown of our energy use by energy source



Our 3 main areas of energy use

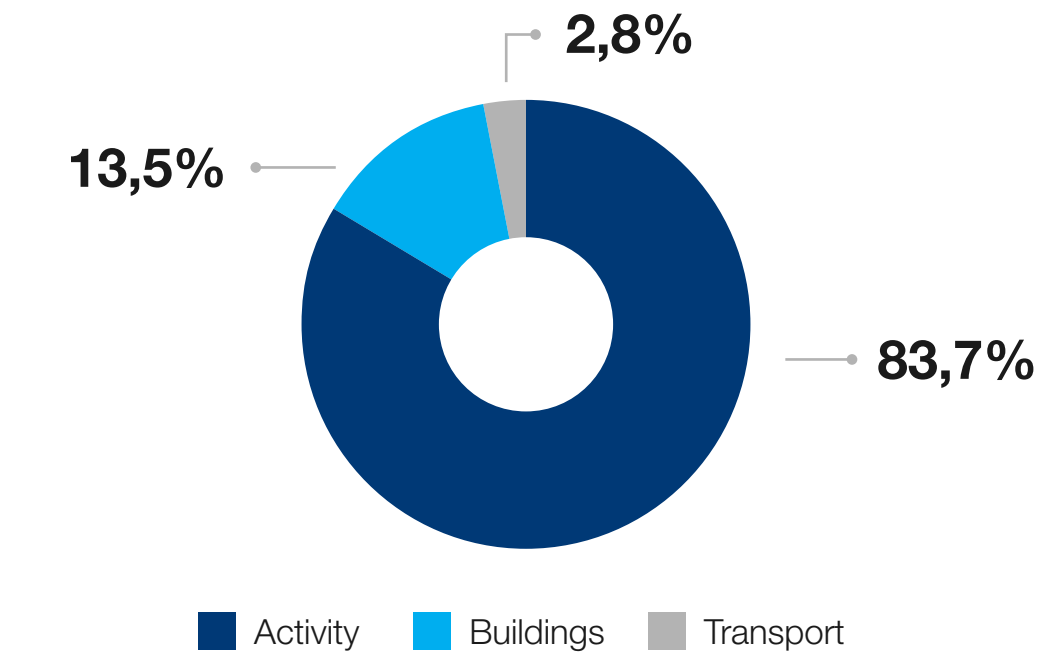
Total purchased energy consumption	Unit of measurement	Total purchased energy consumption	Buildings	Activity	Transport
 Electricity	kWh/year	14 825 965	2 053 423	12 772 542	0
	MJ/year	53 373 474	7 392 323	45 981 151	0
 Natural gas	m³/year	339 000	263 882	75 118	0
	kWh/year	3 626 950	2 823 268	803 682	0
	MJ/year	11 785 774	9 174 209	2 611 565	0
 Petrol	litres/year	22 089	0	0	22 089
	kWh/year	198 178	0	0	198 178
	MJ/year	713 441	0	0	713 441
 Diesel	litres/year	35 433	0	0	35 433
	kWh/year	346 456	0	0	346 456
	MJ/year	1 247 242	0	0	1 247 242
Total	kWh/year	18 997 549	4 876 691	13 576 224	544 634
	MJ/year	67 119 930	16 566 532	48 592 716	1 960 682

In more detail, our energy use in 2023 is divided into **three main areas:**

- energy performance of buildings,
- activities and
- transport.

Of our electricity consumption **12 772 542 kWh was related to production processes**, while **2 053 423 kWh** was used to power buildings. **Natural gas was mainly used for heating buildings**, while **transport**, although smaller, also accounted for a significant 2.8% of our total energy consumption.

Breakdown of our energy use by area



We are proud to have launched our 1.7 MWp solar farm in 2023, an important milestone in our renewable energy strategy.

Renewable energy use

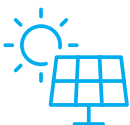


Our aim is to reduce our fossil energy use and increase our energy efficiency in the long term by reducing our annual electricity consumption of 14 GWh of grid electricity through our own solar energy generation. **The solar power plant** started operating in the second half of 2023 and **produced 787 600 kWh of green energy in five months**, providing 4.1% of our site's annual consumption in 2023.

In 2023 the use of green energy generated by our own solar park reached 30 % of our electricity mix.

This project is central to our energy efficiency strategy and makes a significant contribution to our sustainability objectives. The solar farm will allow us to significantly reduce our carbon emissions in the long term and to rely increasingly on our own renewable energy.

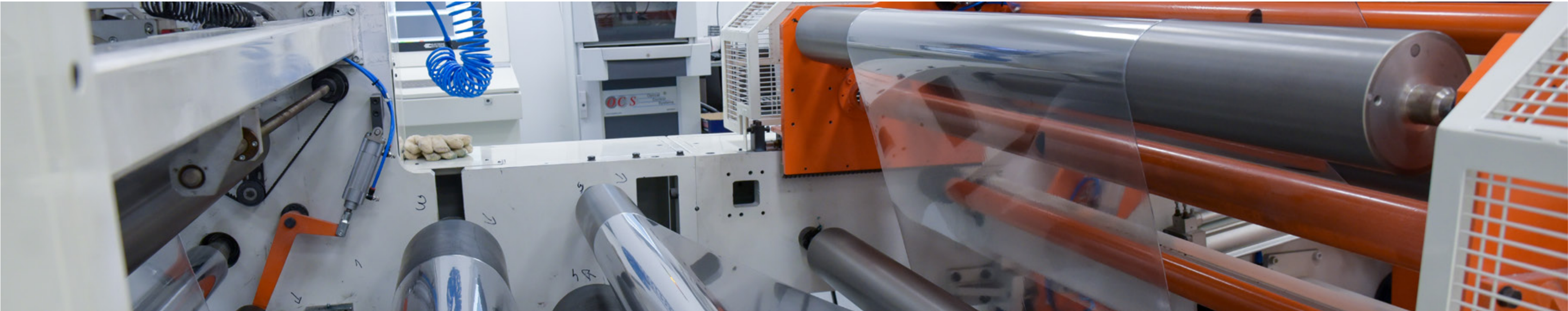
In 2024 15-16% of our annual electricity consumption will be provided by **green** energy generated by our solar power plant, a significant step towards reducing our dependence on external energy sources. Our future plans include further expansion of our solar capacity to meet an even greater share of our energy needs from green energy. In addition, our long-term goal is to make efficient use of the additional energy generated by the solar power plant through energy storage solutions.

Our renewable energy use in 2023

Total renewable energy use	Unit of measurement	Aggregate value of companies	Buildings	Activity	Transport
 Electricity production from solar panels	kWh/year	787 600	0	787 600	0
	MJ/year	2 835 360	0	2 835 360	0
 Energy recovery from heat recovery	kWh/year	30 055	0	30 055	0
	MJ/year	108 197	0	108 197	0
 Thermal energy production from solar panels	kWh/year	102 930	102 930	0	0
	MJ/year	370 548	370 548	0	0

The thermal energy generated by **our heat recovery systems** is mainly used in our heating system, which significantly increases the energy efficiency of our manufacturing processes. Thermal energy from **solar collectors** is used to produce hot water which we use in our buildings. These clearly demonstrate that **our company is actively pursuing** sustainable and **environmentally friendly energy management, integrating renewable technologies into our operations and infrastructure.**





Reducing gas consumption in the rigid film plant

The rigid film manufacturing process uses a significant amount of energy to temper the air. **The aim of our new investment is to efficiently recycle the hot air generated** during the manufacturing process, minimising the energy needed for heating. The conversion will result in an 80% air circulation rate, resulting in significant energy savings of nearly 3736 GJ.

The project was launched in 2023 as part of the Save the Factory programme and, given its complexity, will continue under the EKD programme planned for 2024-2025. In the preparation phase the engineering designs, the return-on-investment calculations, the technical specifications and the construction budget have already been prepared.

Energy efficiency improvement of the stretch film plant (Reduction of gas consumption by heat pump)

In the year under review, we also launched a project to improve the energy efficiency of the stretch film plant, replacing the gas-based heating system with a modern heat pump system. The new system will be able to meet not only cooling but also heating needs in an energy efficient way, significantly reducing the gas consumption of the air handling unit by almost 80%.

Although the project started in 2023, the implementation will continue in 2024-2025. As a result of the conversion, we expect not only a reduction in gas consumption but also a significant increase in energy efficiency. This investment will result in total energy savings of 4270 GJ/year.

Aerotechnical development of the stretch film rewinding plant section

In order to **implement the air handling system** required for the development of our HACCP (Hazard Analysis and Critical Control Points) system, we plan to install a fine filter ventilation system with a crossflow heat exchanger capable of providing at least 8 000 m³/h of fresh air with maximum energy efficiency. This system will not only optimise the supply of fresh air but will also help to rationalise our energy consumption.

The project started in 2023 with aerotechnical measurements and engineering designs, but its budget is part of our 2024 investment plan. This investment will also further improve the energy balance of our plant site while meeting the requirements of the Hungarian regulations.

Measures resulting in energy savings that do not require investment

- Keep the heater free and clean
- Adjust fan-coil thermostats
- Ventilate briefly but intensively
- In summer we use shading structures
- Use „smart” lighting (e.g. in toilets, hallways, motion detectors, time relays, etc.)
- We operate the cooling/heating at the right temperature
- Make sure your air conditioner is regularly maintained
- No unnecessary use of computers and other office machines
- Do not plug in chargers (e.g. laptop, mobile phone, etc.) unnecessarily
- Strive for energy efficient equipment



Energy efficiency improvement plan (2023-2025)

Serial number	Proposed action	Investment amount [net HUF]	Annual cost savings [net HUF/year]	Payback period [year]	Annual energy savings (real) [GJ/year]	Investment category	CO ₂ savings [tonnes CO ₂ e]
1	Boiler replacement to heat pump - model calculation	6 000 000	603 005	9,95	155,67	C	8,1
2	Hydraulic control	902 759	166 553	5,42	21,78	C	1,22
3	Mechanical fitting insulation	375 000	913 018	0,41	120,93	B	6,78
4	Free cooling of server rooms	600 000	232 860	2,58	11,18	B	0,79
5	Air handling heat recovery	40 000 000	10 408 839	3,84	1299,95	B	73,43
6	Compressed air network leak repair	2 500 000	729 167	3,43	35,00	B	2,46
7	Lighting upgrades	114 000	60 397	1,89	2,90	B	0,20
8	Replacement of electric motor with unit of IE4 energy efficiency class	650 000	232 631	2,79	11,17	B	0,78
9	Purchase of an electric vehicle to replace an internal combustion engine vehicle	16 535 433	411 619	40,17	31,49	C	2,17
10	Flue gas heat recovery	25 000 000	3 153 296	7,93	412,35	C	23,13
Total:		92 677 192	16 911 384	5,48	2 102,43		119,07

The continuous greening of our fleet and assets, the integration of electric and hybrid technologies will not only improve our operational efficiency but will also contribute significantly to reducing our environmental footprint in the long term in line with our sustainability goals.

Fleet and energy use

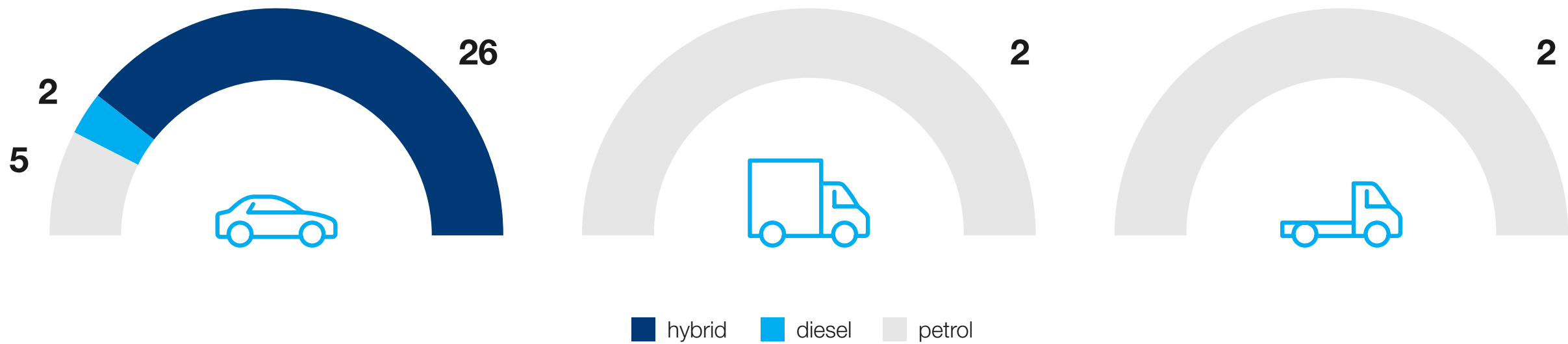
We also need **fossil energy to power our vehicle fleet**. Our fleet consists of 37 vehicles including **33 cars, 2 trucks and 2 towing vehicles**. The composition of the fleet reflects the operational needs of the company while paying particular attention to environmental compliance. **Most of the vehicles are EURO VI certified**, which ensures lower emissions. Of **our passenger cars 22 are leased** and 11 **are in our ownership**. The trucks and **tractors are all in our ownership**, ensuring a stable transport capacity for the company.

Distribution of our fleet by vehicle type in 2023

	passenger car (pc)	truck (pc)	towing vehicle (pc)
our own	11	2	2
hired	22	0	0
Total	33	2	2

In terms of fuel use our fleet includes only 5 pure **petrol cars** besides **2 diesel and 26 hybrid** vehicles. Our **trucks and towing vehicles** are all **diesel** vehicles. The increase in the proportion of **hybrid vehicles** which are already served by the on-site **charging station** demonstrates our commitment to sustainability, while **greening the fleet** continues to play a key role in reducing our carbon footprint.

Breakdown of our fleet by fuel type in 2023



Our company aims to **add one new hybrid vehicle to its fleet** and **replace three conventional vehicles with hybrid models in 2024**. In addition, we aim to continuously increase the share of environmentally friendly vehicles in our fleet in the medium term.

Our commitment to sustainability extends not only to our fleet of vehicles but also to our rented forklifts. **We use electric forklift trucks** that minimise fossil fuel use, and for our latest purchases we have switched to lithium-ion batteries which provide more efficient energy use.

In addition, guards also use **electric cars** to patrol the **premises**.



Emissions

(GRI 305)

Given our company’s strong focus on environmental sustainability, one of our priorities is to measure, monitor and reduce our emissions. As a demonstration of our commitment, we **already assessed our greenhouse gas (GHG) emissions from energy use in 2022 with the help of external experts, and did so again for 2023.** These calculations will serve as the basis for the precise definition of our strategic commitments to **achieve real and measurable results** in reducing our environmental impact.

The greenhouse gas equivalent (CO₂ e) is the sum of the most common gases as defined in the Kyoto Protocol.

Most common greenhouse gases:

- carbon dioxide (CO₂)
- methane (CH₄)
- nitrous oxide (N₂O) (nitrous oxide)

To determine the carbon footprint of a company the CO₂ equivalents of the different emission sources need to be aggregated. The emission sources can be direct or indirect. Accordingly, Scope 1, 2 and 3 categories have been defined in the following standards:

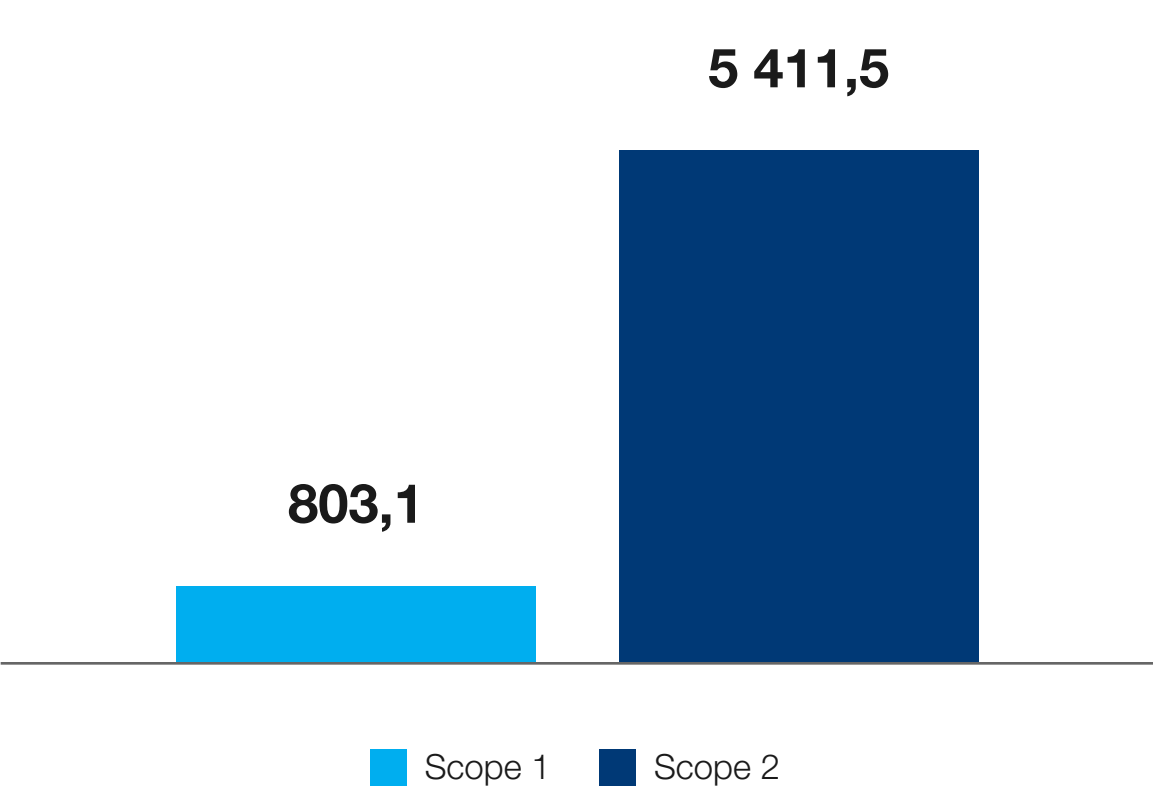
- The Greenhouse Gas Protocol, Corporate Accounting and Reporting Standard
- ISO14064-1-2018: Greenhouse Gas

Scope 1 Direct (on-site) emissions of the company, such as natural gas combustion, production technology emissions, transport vehicle fuel emissions, etc.

Scope 2 Indirect (indirect) emissions not generated on-site, such as electricity, district heating, steam etc., but the company is nevertheless responsible for these emissions through using them.

Scope 3 Indirect (indirect) emissions that cannot be controlled, such as waste processing, wastewater treatment, public transport, etc., but the company is responsible for their use.

Total company emissions in 2023
2023 t CO₂e



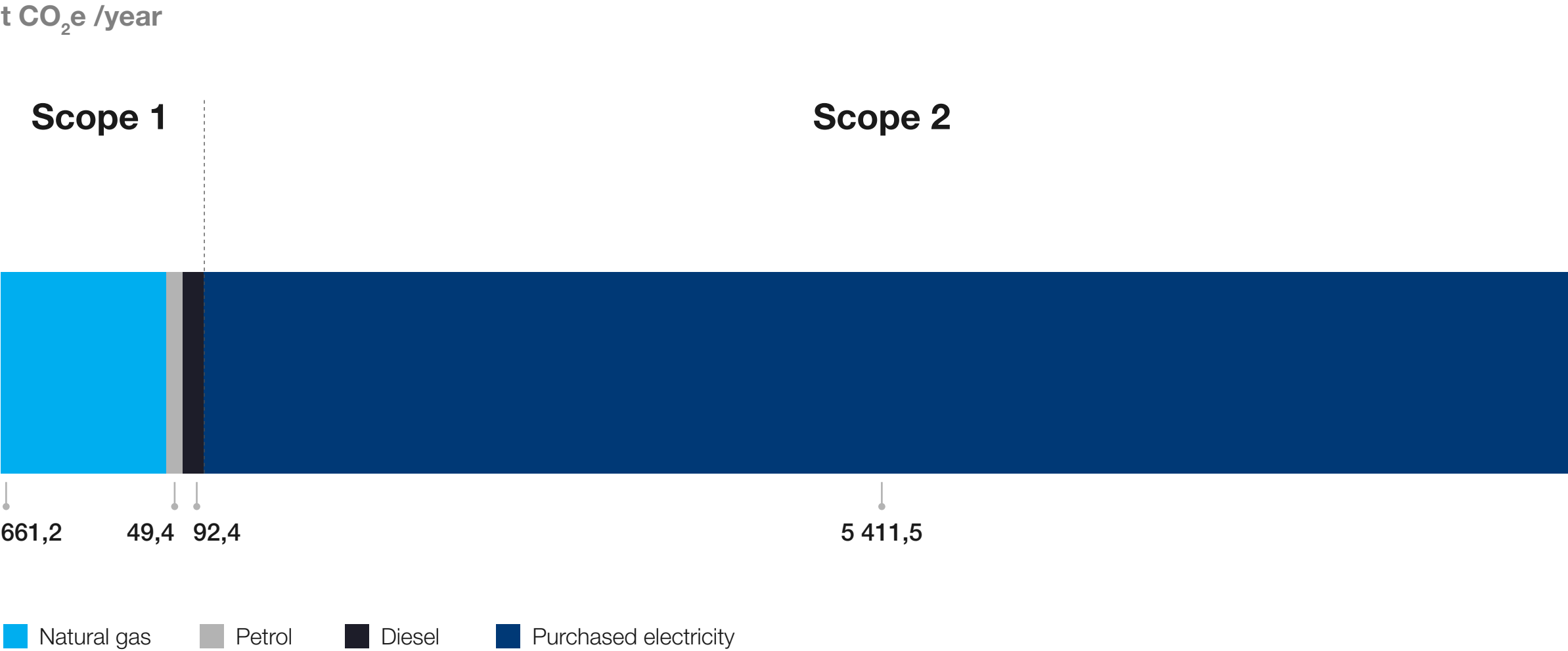
In 2023 our total Scope 1 and 2 emissions were **6214 t CO₂ eq.** These figures encourage us to continue our efforts to reduce our emissions and increase energy efficiency.

Total company emissions in 2023 by emission source

Scope	Emission sources	t CO ₂ /year	t CH ₄ /year	t N ₂ O /year	t CO ₂ e /year	%
Scope 1	Natural gas	661,18	0,0118	0,0012	661,2	10,6%
	Petrol	49,44	0,0021	0,0004	49,4	0,8%
	Diesel	92,42	0,0037	0,0007	92,4	1,5%
	Forklift truck engine gas	0,00	0,0000	0,0000	0,0	0,0%
Scope 1 total		803,04	0,0177	0,0024	803,1	12,9%
Scope 2	Purchased electricity	5 411,48	0,0000	0,0000	5 411,5	87,1%
Scope 2 total		5 411,48	0,0000	0,0000	5 411,5	87,1%
Total Scope 1 and 2		6 214,52	0,0177	0,0024	6 214,5	100%

In the year 2023, Ongropack’s total GHG emissions were 6 214.5414 t CO₂e/year, consisting of 6 214.5213 t carbon dioxide, 0.0177 t methane and 0.0024 t nitrous oxide.

The annual aggregated Scope 1 and 2 emissions of the company in 2023



Total company emissions by area

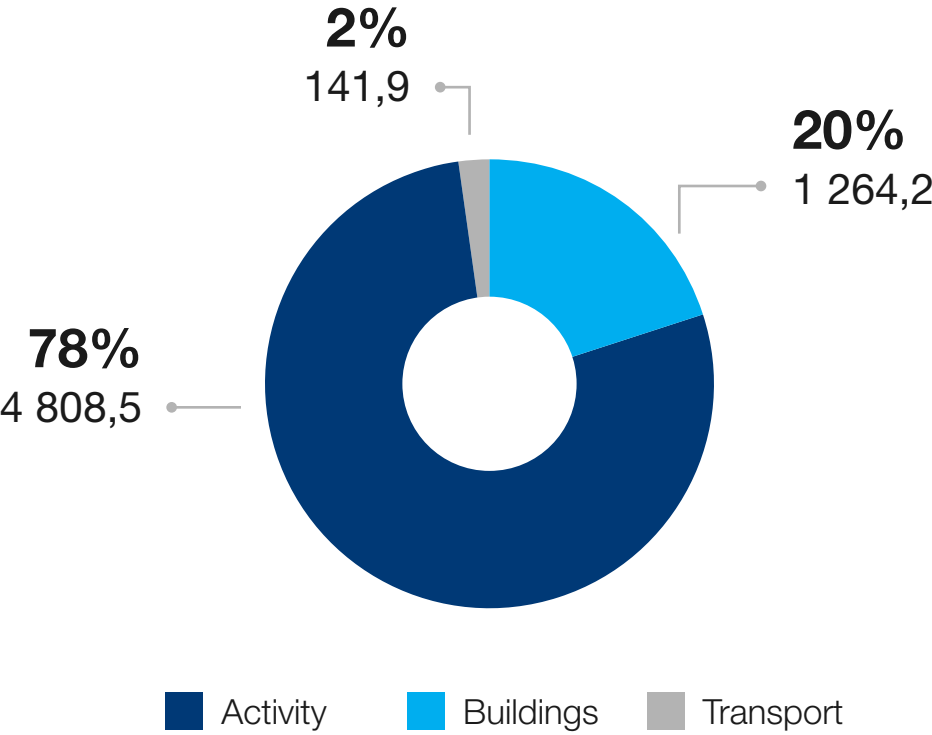
Scope	Category	Distribution (%)	Total company (t CO ₂ e)	Buildings (t CO ₂ e)	Activity (t CO ₂ e)	Transport (t CO ₂ e)
Scope 1	Natural gas	10,6	661,2	514,7	146,5	0,0
	Petrol	0,8	49,4	0,0	0,0	49,4
	Diesel	1,5	92,4	0,0	0,0	92,4
	Forklift motor gas	0,0	0,0	0,0	0,0	0,0
Scope 1 total		12,9	803,1	514,7	146,5	141,9
Scope 2	Purchased electricity	87,1	5 411,5	749,5	4 662,0	0,0
Scope 2 total		87,1	5 411,5	749,5	4 662,0	0,0
Total Scope 1 and 2		100,0	6 214,5	1 264,2	4 808,5	141,9

87.1%, the largest share of our total measured CO₂ emissions came from purchased electricity. Emissions from energy consumption were mainly generated during our production, accounting for 4 662 tonnes of CO₂ emissions.

Emissions from our natural gas consumption contributed 10.6% or 661.2 tonnes to total CO₂ emissions. Natural gas used to heat buildings and meet other energy needs resulted in total emissions of 514.7 tonnes.

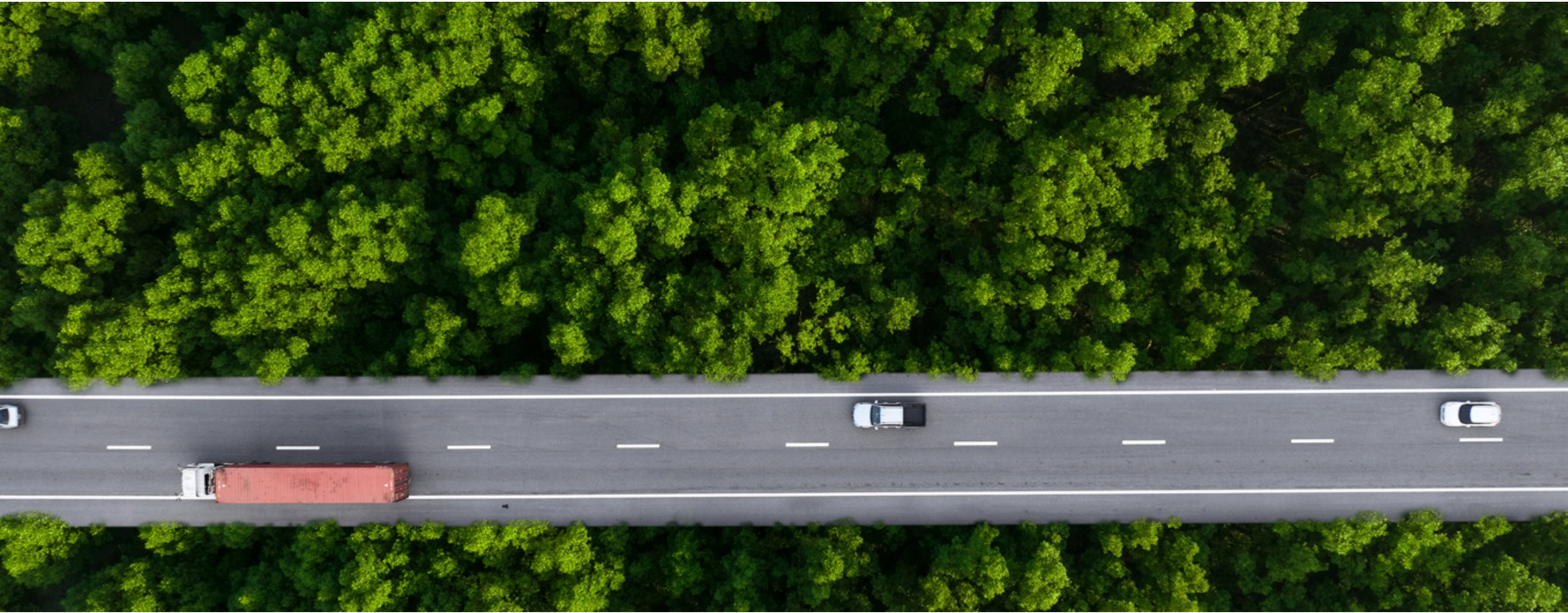
The motor gasoline and diesel oil consumption of our transport activities resulted in a total of 141.8 tonnes of CO₂. These include fleet management and the consumption of vehicles used for transport. It can be said that emissions from fuel use are a small part of the overall picture.

Company annual aggregated Scope 1 and 2 emissions
t CO₂e /year



The data suggests that one of the biggest opportunities to reduce our emissions lies in rationalising our electricity consumption which is currently the dominant driver of our emissions. To achieve our sustainability goals we are striving to reduce our future emissions through further investments in energy efficiency and a greater integration of renewables.

For 2024 we undertake a full update of the Scope 1,2,3 measurement made in 2022.

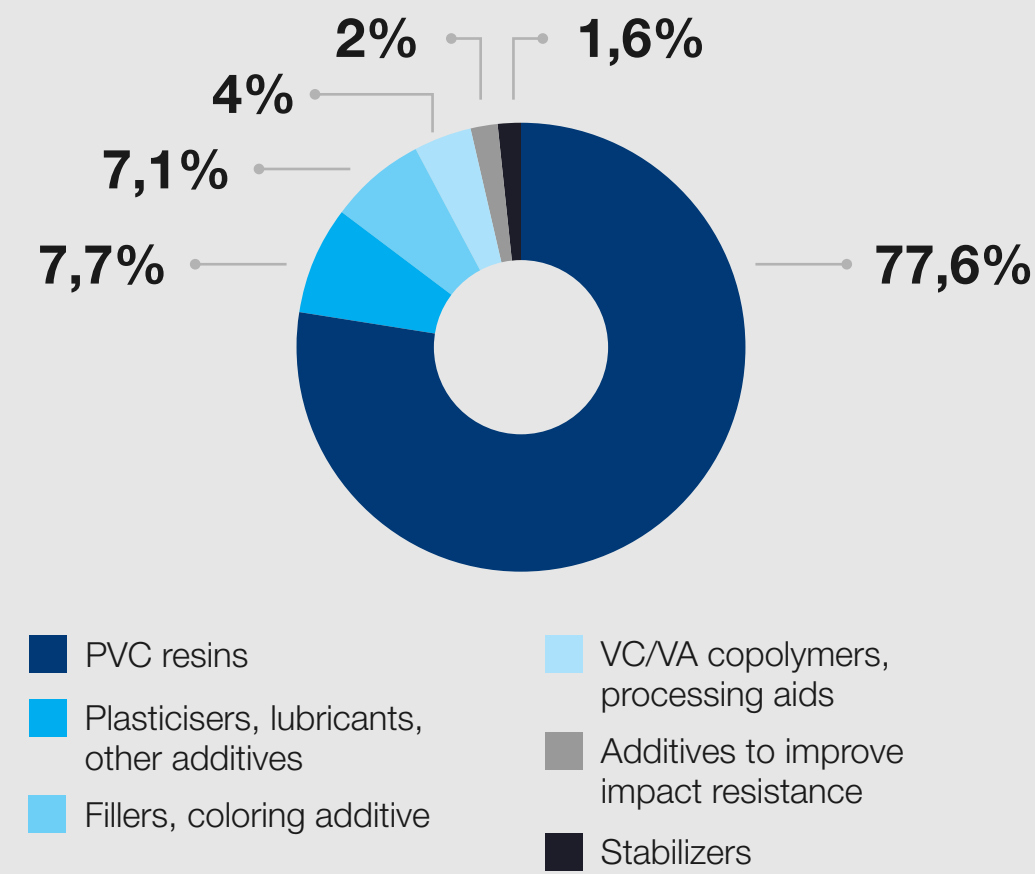


Use of materials

(GRI 301)

Basic and auxiliary materials

Percentage of basic material use in 2023



Our raw material and auxiliary material consumption statistics clearly show the dominant role of different types of polyvinyl chloride (PVC) in our manufacturing processes. Our largest input material is a PVC resin used in the production of foam sheets, solid sheets and rigid films. This lower molecular weight PVC offers significant advantages in terms of stability in manufacturing processes and easier processing of the material, which reduces energy consumption, thus supporting a more sustainable use of our resources.

We have obtained an EPD for our Ongrodur-B PVC solid sheet and a carbon footprint calculation for Ongrofoam PVC foam sheets, according to the RTS PCR protocol and ISO 14040/44 standards. The analyses for both products follow a cradle-to-gate approach. In the production of Ongrodur-B PVC solid sheet 2.14 kg of CO₂-equivalent is generated during the production of 1 kg of product, while for Ongrofoam foam sheet products this value is 2.25 kg of CO₂.

Another PVC resin with a higher molecular weight is used mainly for the production of stretch films. This material improves the mechanical properties of the product, resulting in longer life and less waste production.

We also use a range of auxiliary materials in our manufacturing process to ensure that the properties of our finished products meet the strict quality and technical requirements.

They are key to ensuring that our products meet market expectations and consumer needs in addition to quality and technical requirements.

The conscious selection of raw materials and the optimisation of material use are of paramount importance to us, and the targeted use of different types of PVC not only increases our production efficiency but also contributes to the conservation of our natural resources, thus supporting our overall environmental consciousness and the recycling of our products.





Use of packaging materials

Our packaging strategy plays a particularly important role in protecting products and promoting our sustainable practices.

Our packaging materials used in 2023

Materials	Unit of measurement	Quantity
Paper	pieces	5 558 598
Plastic	pieces	1 349 394
	m²	7 445 217
	roll	3 420
	kg	64 468
Wood	pieces	82 110

Paper packaging materials such as boxes and dividers are used in significant quantities in the packaging of products. Plastic packaging materials including films and polyethylene packaging are also used in large quantities and play an essential role in maintaining the integrity of products during storage and transport. Besides, we use wood materials in large quantities, mainly pallets and lidding which are key to the storage and movement of some of our products, ensuring their integrity.

The packaging materials used include materials from renewable sources, such as the aforementioned pallets and recycled paper.

In our procurement process we only use materials from certified suppliers that are free of harmful substances and comply with REACH. This is particularly important as our products are used in sensitive areas such as food, pharmaceuticals and hospital environments where strict compliance with health and safety regulations is essential.

Waste management

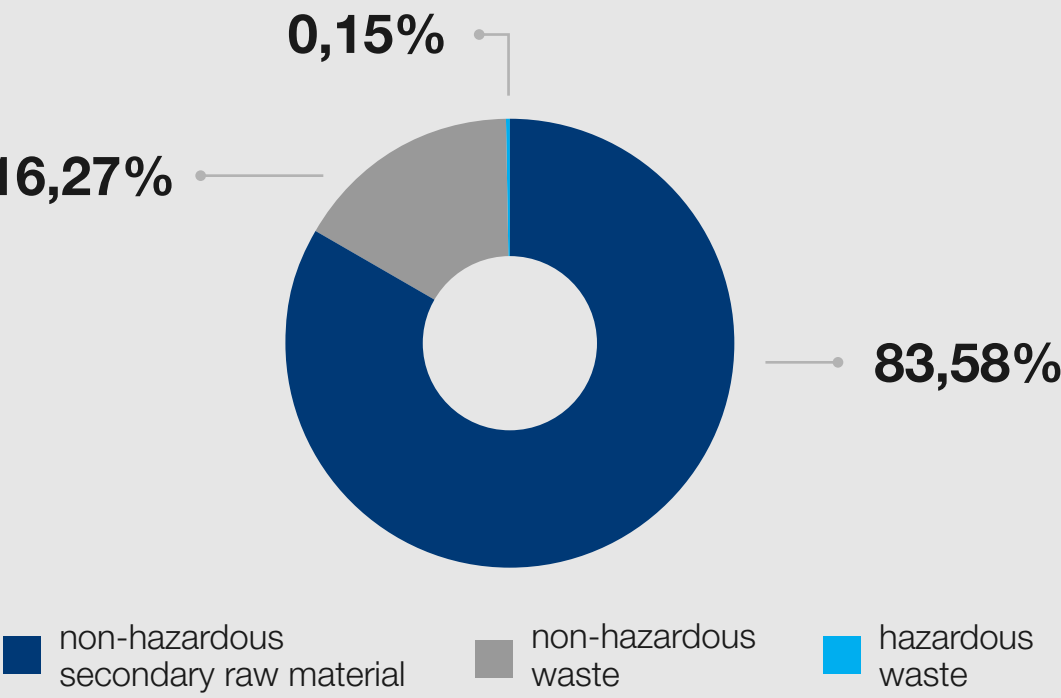
(GRI 306)

We are committed to the efficient management and recycling of the waste generated by our operations, in line with the principles of the circular economy. Our aim is to minimise waste emissions and maximise the recycling of waste into the production process. Our waste management strategy is based on three main pillars: selective collection of waste, development of internal recycling systems and cooperation with external partners for recycling and disposal. We continuously measure the environmental impact of waste generation and disposal and implement modern practices in compliance with the legislation.



We pay special attention to the storage of waste generated and have set up separate collection points on our premises where we collect waste separately. These are handled and transported by the local public service provider. Our company registered and joined the MOHU system for waste management in 2023. Waste generated at our plants is categorised according to strict regulations including plastic, wood, paper packaging and hazardous waste. Everything is stored in labelled collection containers, making identification easy and facilitating safe handling. We also work with the Government Office’s specialist services and our contracted partners to manage waste.

Annual waste generation (2023)



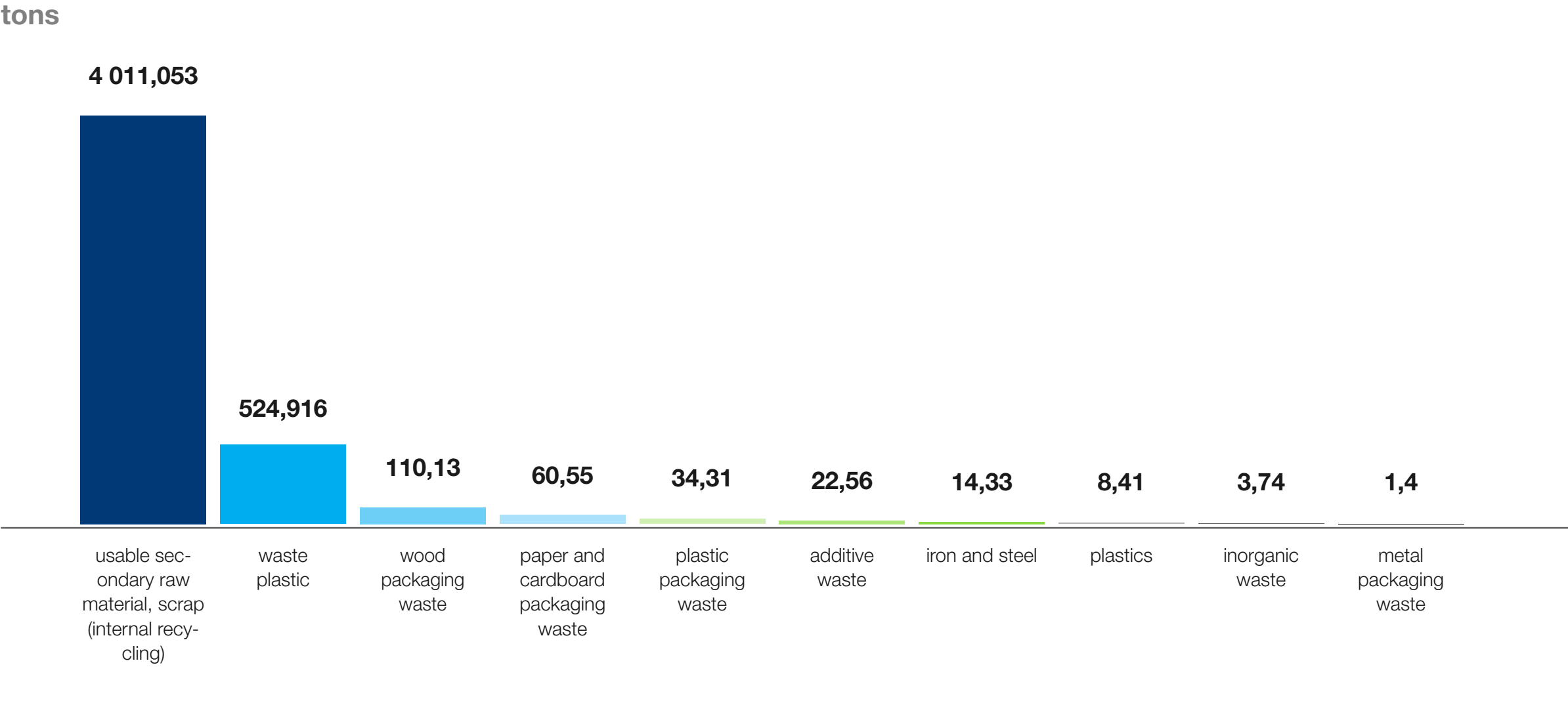
Annual waste generation (2023)	tons	%
non-hazardous secondary raw material	4.011,053	83,58
non-hazardous waste	780,346	16,27
hazardous waste	7,191	0,15
the annual waste production of the company	4.798,59	100



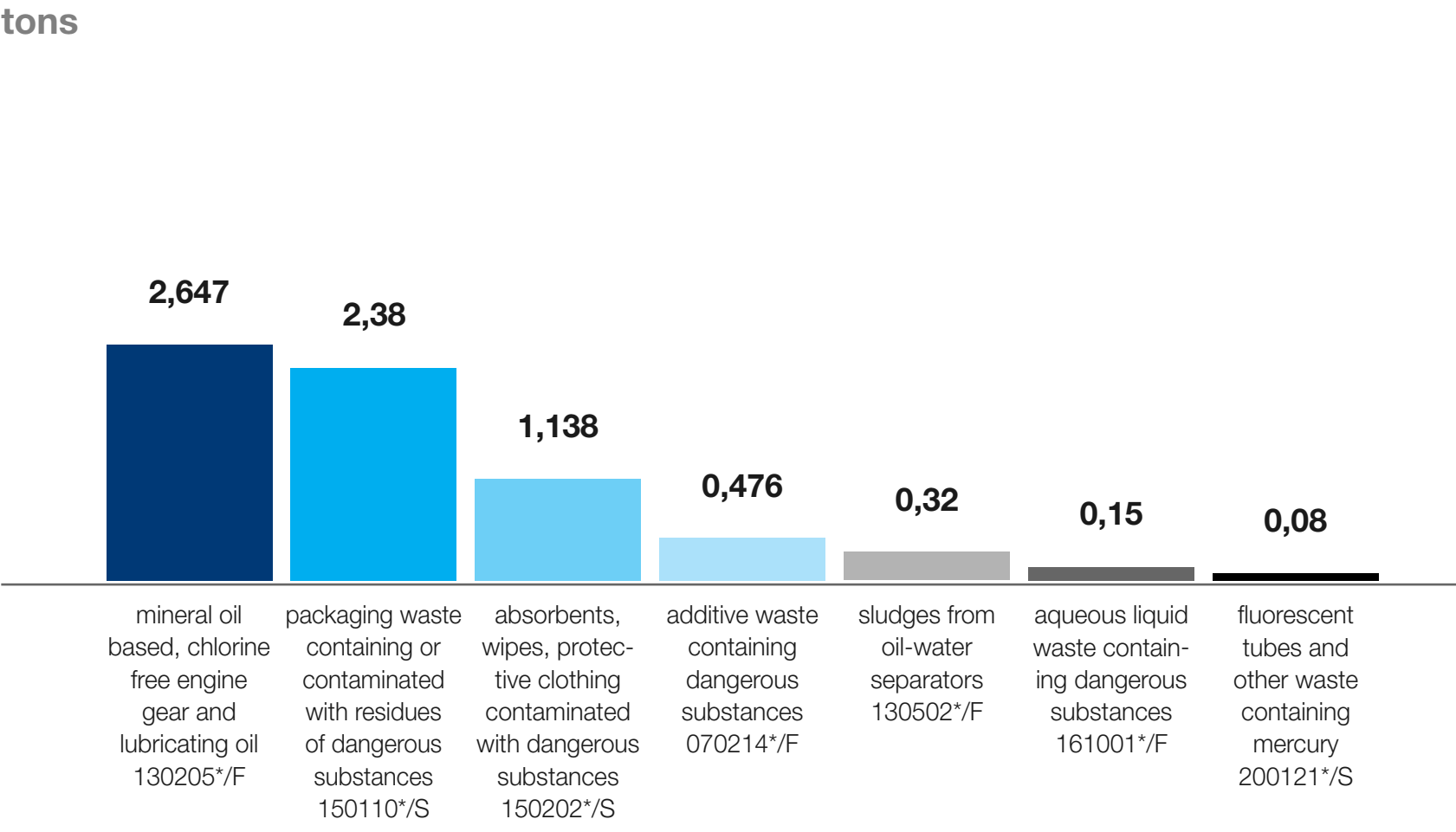
Hazardous waste such as used oil, oily sludge or contaminated packaging materials is stored in special leak-proof containers, metal drums and IBCs. During separate storage we use damage containment trays to prevent any spills or leaks. Separate storage and handling of hazardous and non-hazardous waste ensures that this waste does not interact with other materials, the environmental impact on the site is kept to a minimum, and neither soil nor water is contaminated. This type of waste is processed by authorised partners, guaranteeing disposal or recycling. Regular internal audits and trainings ensure that employees comply with waste management standards, particularly with regard to the handling of hazardous substances. Up-to-date hazardous waste records and strict compliance with regulations ensure our safe operations.

In all cases, the waste generated on each site will be taken away by the contracted specialised service provider. The removal of hazardous waste is always carried out by contractors with the appropriate permits and skills. In the contracts concluded the contractors undertake to store, dispose of and destroy the waste in a professional manner that does not harm the environment.

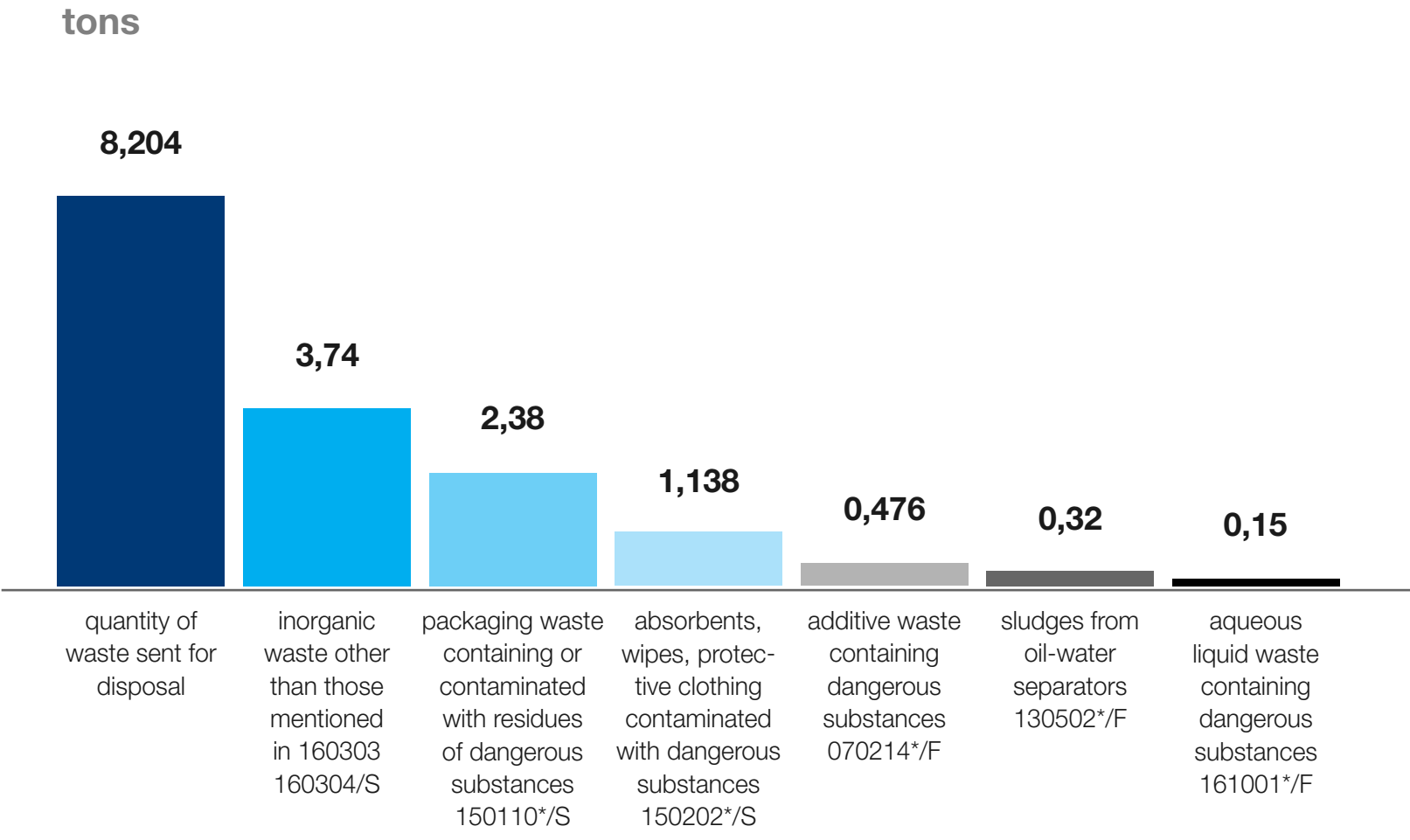
Non-hazardous secondary materials and waste types and their quantities (2023)



Types and quantities of hazardous waste (2023)



Amount of waste sent for disposal (2023)



Our medium-term ambition is to recycle almost all waste.

Recycling

We place great emphasis on improving our internal waste management and recycling systems. We already recycle nearly 85% of the secondary materials and waste generated in our production process using modern technologies such as inline shredders and separate shredders that allow waste to be shredded and reused.

As we are committed to recycling secondary raw material and scrap from our own production in an even more economical way, in 2023 we purchased a grinding machine as a new investment that allows more efficient grinding resulting in a much smaller particle size than currently. Through this new process and procedure we are able to achieve a more homogeneous material quality, better processability and a higher degree of reprocessability. Our sustainability goals include the continuous reduction of waste emissions from our own production.

Waste from our own production that cannot be recycled by our company is currently sold to an external company that recycles it and uses it to manufacture products of lower quality. In 2023 this amounted to 1.98% of production /created, sold/. Our target for 2026 is to improve the current rate by 10%.

In our waste management process, we not only focus on recycling internal waste but also purchase secondary raw materials from external partners for use. Our aim is to recycle and use as much as possible of the secondary materials generated by our processors, doubling the 2023 baseline (140 tonnes) by 2025.



Amount of secondary materials and waste recycled/transferred for recovery (2023)	tons
Amount of secondary materials and waste recycled/transferred for recovery	4.790,386
Usable secondary raw material, scrap - internal recycling	4011,053
Plastic waste 070213/S	524,916
Wood packaging waste 150103/S	110,13
Paper and cardboard packaging waste 150101/S	60,55
Plastic packaging waste 150102/S	34,31
Additives waste 070215/F	22,56
Iron and steel 170405/S	14,33
Plastics 200139/S	8,41
Mineral oil based, chlorine free engine gear and lubricating oil130205*/F	2,647
Metal packaging waste/ 150104/S	1,4
Fluorescent tubes and other waste containing mercury 200121*/S	0,08

It is clear from the above that our waste management strategy is based on the implementation of a circular economy. We are constantly looking for new ways to optimise the recycling and treatment of waste.

Our company operates a comprehensive waste record system to ensure that all waste movements are documented and that we comply with the legislation. The records include the type and quantity of waste generated and how it is managed.

We are also making a major effort to reduce waste in packaging. We continuously monitor the packaging waste of incoming materials and take steps to manage it more efficiently.

Through our waste management practices and circular economy solutions we are able to achieve sustainable growth while responding effectively to future environmental and economic challenges.

Society

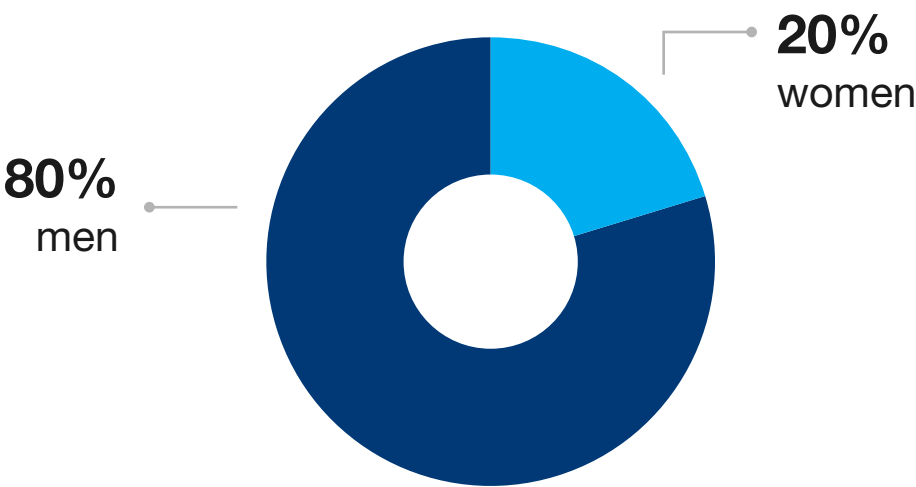
(GRI 3-3, 2-7, 2-8, 2-19, 2-20, 401, 403, 404, 405, 413)

Employment

(GRI 2-7, 2-8, 401, 405)

Ongropack Ltd. employs 315 people including 64 women (20%) and 251 men (80%), all of whom having permanent employment contracts. We do not have any employees on fixed-term contracts as we are committed to long-term employment. We believe this increases employee satisfaction and loyalty, as employees feel secure in their jobs and careers.

Number of employees by type of employment



The total workforce is 315 out of which 97.5% are full-time employees. Of these, 19% are women and 81% are men. The share of part-time workers is only 2.5%, with women representing 62.5% and men 37.5%.

Number of employees by type of employment contract (persons)

Total number of employees	315
of which number with an open-ended employment contract	315
women	64
men	251
of which number with a fixed-term contract	0
women	0
men	0

Number of employees by type of employment (persons)

full-time employees	307
women	59
men	248
part-time employees	8
women	5
men	3

Number of non-employed workers (temporary, agency, contractor, etc.) (persons)

women	0
men	27
Total	27

The “Try&Hire” type of temporary employment provides for the whole length of the induction period beyond the maximum 3-month probationary period stipulated in the national legislation, as the high technological standard requires a training period of 3-12 months, depending on the technology. Temporary agency workers are entitled to all wage and non-wage company benefits, and their wages are the same as company wages; we condemn discrimination in this area. After a successful induction period temporary agency workers are transferred to our own staff.

Number of disabled workers (persons)

women	4
men	7
Total	11

Number and proportion of disabled workers in relation to the total number of employees (persons)

total number of employees	315
total number of disabled workers	11
proportion of disabled workers in relation to the total number of employees	3,49%

We are proud to be able to employ people with disabilities who represented 3.49% of the total workforce at the end of the year. Of the **11 employees with disabilities** 4 are women and 7 are men who **make a valuable contribution to our team**. This reflects **our ambition to create an inclusive and supportive workplace** where everyone can find their place and develop their potential, while at the same time social sensitisation is continuing.

Data on maternity leave (persons)

Number of people taking maternity leave	3
of which women	3
Number returning to work after maternity leave in the reporting period	1
of which women	1
Total number of workers returning to work after maternity leave and still employed 12 months after returning to work	1
of which women	1

3 female employees took their maternity leave in 2023, and **1** of them **returned to work who** is still employed **12 months** after **her return to work**. We try to facilitate returning to work by providing the individual work schedule the employee requests. It is important to underline **our company’s commitment to creating a family-friendly environment**, as demonstrated by our “Family Friendly Workplace” award during the reporting period.

Distribution of employed persons by age (persons)

Number of employees under 30 on the last day of the year	55
of which women	13
of which men	42
Number of employees aged 30-50 on the last day of the year	151
of which women	20
of which men	131
Number of employees aged over 50 on the last day of the year	109
of which women	31
of which men	78

Our company's **workforce is also diverse in terms of age**, although the data shows that the largest number of employees is in the **30-50 age group**, which accounts for **48% of** the workforce. 17.5% of employees are under 30, while 34.6% are over 50. This age composition facilitates the sharing of knowledge between generations.

Evolution of the workforce

Employee turnover (2023) (persons)

total number of employees entering	136
women	5
men	131
number of workers leaving	106
women	7
men	99

During the reporting period **136 new employees joined the company and 106 employees left**. There are 5 women and 131 men among the new entrants, which is due to the specific nature of our operations and profile. Among the leavers there were 7 women and 99 men, reflecting similar proportions. These figures show that although the company’s workforce is predominantly male, employee **turnover is present for both sexes**.

Our corporate **turnover rate** (25.2%, voluntary leavers) **typically follows the dynamics of the local labour market**, which is strongly influenced by the competitors’ benefit policies and the evolution of the economic environment.

The most common reasons for leaving:

- change of family residence,
- the Hungarian labour market has enjoyed several new investments creating workplaces, resulting in extreme competition for skilled labour,
- for younger generations there are generational specificities,
- the opportunities offered by the Borsod region are not attractive enough for many workers, as the area does not have the retention capacity to attract workers with long-term plans,
- inflation and a wage spiral induced by the increase in the number of new investments in the country.

In view of the above **we constantly monitor current trends to ensure that we can respond appropriately to the changing labour market environment** and maintain employee satisfaction and loyalty.

Starting from the fourth quarter of 2024 we pledge to report on the results of our exit interviews on a monthly, quarterly, semi-annual and annual basis instead of the ad-hoc reporting we used to do, **and we will incorporate the information and lessons learned into our operations** improving the circumstances that lead to the departures **thereby reducing employee turnover**.

Our ambition is to include **focus group employee satisfaction surveys as a regular feature from the second quarter of 2025** to continuously monitor and improve the satisfaction and well-being of our employee groups. Due to the size of our company focus group discussions supported by semi-structured questionnaire interviews provide more accurate research results and also ensure a deeper personal dialogue, which is more important than any survey. Through these surveys **we obtain valuable feedback from our employees, the results of which are not only reported to the company management but also fed back to the employees**, ensuring transparent communication and continuous dialogue, and allowing for **the rapid identification and resolution of problems and the continuous improvement of the work environment**. Through the regular use of satisfaction surveys we strengthen employee engagement and increase job satisfaction, which contributes to an engaging corporate culture and sustainable growth in performance.




Human resource management


HR Strategy


Addressing human resources (HR) issues is of paramount importance to the success and sustainability of our business, as the management and development of HR activities is not only a matter of recruitment and retention but also plays a key role in corporate culture, employee development, engagement and performance. Designing and implementing an effective HR strategy will help Ongropack Ltd. to attract, support and develop the best talent and ensure the long-term success of the company in a changing market environment.


We strive to ensure that our employees receive the most appropriate training and development programmes to support them in reaching their full potential. In this way we not only increase employee satisfaction but also contribute to the continuous improvement of the performance and competitiveness of our company.


The HR strategy of Ongropack Ltd. is based on the following five main pillars:

- 

1. Control approach
- 

2. Recruitment marketing
- 

3. Digitalisation of work
- 

4. Training and knowledge management
- 

5. Communication

Our company is continuously improving its approach to controlling, including the introduction of visual dashboard reporting which makes performance indicators more transparent and supports management decisions. Data-driven decision making is key to our HR strategy as it enables our organisation to respond quickly and accurately to changing labour market conditions and optimise employee performance.

In recruitment marketing our company aims to build a brand in the labour market to present Ongropack Ltd. as an attractive employer to potential employees. Successful recruitment marketing not only attracts the most talented candidates but also helps to increase the engagement and loyalty of our existing employees by strengthening our company's reputation and culture.

We also make it a priority to be close to our employees, simplifying administrative processes. Our employees are among the most important stakeholders in our company, so we also pay special attention to motivation management and digitalisation. As part of this we are planning to introduce digital systems by 2025/2026 that will allow, for example, for the electronic entry of employee access data, electronic posting of pay slips and the possibility to request leave from mobile devices. The aim of these developments is to further simplify administration, increase the efficiency of work processes and improve the employee experience, which will strengthen the competitiveness of the company in the long term.

Knowledge transfer management and the creation of our internal training system are essential elements of our HR strategy. Our company is committed to ensuring that our employees are constantly developing and keeping their knowledge up to date. In 2025 we will introduce our single internal integrated corporate training system, which will be implemented through our multi-level training and induction programmes.

Currently four main types of training ensure that our employees are always up to date:

- 1. technical education,
- 2. quality assurance education,
- 3. soft skills trainings and
- 4. mentoring programmes

that support the integration of new staff. Knowledge sharing and internal trainings not only improve employee competences but also foster collaboration and synergies within the company, contributing to its long-term success.

Active internal communication as well as external communication supporting B2B is also crucial for our company. Ongropack Ltd. also strengthens its corporate culture and social responsibility through various forms of social engagement such as sponsorship. Our effective internal communication strategy ensures that employees are well informed about the goals and values of the company and fosters cohesion and the achievement of common goals. External communication, on the other hand, helps build and maintain our reputation. More details are given in the Communication section of our Report.

Overall, our HR strategy is a comprehensive and integrated approach that supports the sustainable growth and competitiveness of our company. The development of a control approach, recruitment marketing, labour and employee relations management, training and knowledge transfer as well as PR and communication all contribute to our company achieving its HR strategic goals while ensuring employee satisfaction and engagement.

Our company is proud to be a ‘**Family Friendly Workplace 2023**’ which recognises our efforts to **support the well-being of our employees and their families**, as **we place a high priority on creating a work environment that harmonises work-life balance**. Our company has introduced a number of **measures** to foster a **family-friendly work culture**, such as support at the beginning of the school year, individual work schedules, teleworking/home office, flexible working hours, 24/worldwide life and accident insurance, family spa access, funeral allowance, social assistance, etc. These measures not only increase employee satisfaction but also contribute to long-term commitment and job stability.

Recruitment and onboarding

Our recruitment process is well organised and efficient, ensuring that the right candidates are selected quickly. The process starts with headcount control, after determining the workforce needs, we open new positions and then prepare the candidate specification in consultation with the relevant managers.

An ethical recruitment policy, a non-discriminatory selection process, fair working conditions and employee well-being as well as respect for employees’ rights are essential elements of our corporate governance.

Our recruitment marketing takes place through various channels including internal referrals, dual training and apprenticeship programmes, company careers pages, exhibitions, recruitment agencies, job portals and social media platforms.

The pre-screening is followed by personal interviews, one round for physical jobs and up to two rounds for office jobs. **During the interviews we assess the candidates’ professional and personal competencies and how well they fit into our company culture**.

What makes the company attractive to potential employees is not only **its strong brand and competitive benefits package but also the fact that it offers ethical working conditions and a fair wage policy**.

The integration of new recruits is facilitated by a **well-structured onboarding process** with **mentors providing support** and sharing their experience and knowledge. Particular attention is paid to **familiarising new employees with our sustainability efforts** including green office practices, energy efficiency measures, waste management practices and digital solutions. This detailed onboarding process not only ensures fast and efficient integration but also contributes to the company’s sustainability goals.

We are committed to creating long-term social and economic value through our workforce management. This goal is reflected in **the diversity of our employment practices** ranging from **standard employment contracts**, specific support for **people with disabilities**, career-starting opportunities for **students and trainees** to the valuable experience of our **retired** employees.

Details on the integration and training of new staff are described in the chapter [“Commitment to education and training”](#).



Our employer branding

Our employer brand is essentially a natural evolution, the result of organic development, our intrinsic values and culture which gives us a good reputation. This existing foundation is further strengthened through conscious recruitment marketing and brand building to make us an attractive employer in the labour market. We believe that the credibility of our established employer brand attracts employees and business partners, and we can already say that this positive perception helps our company to achieve its goals and its sustainable growth, and it also facilitates our recruitment processes in the market.

Our employer brand also reinforces our corporate social responsibility principles. Transparent communication and employee appreciation increases employee satisfaction and loyalty, which can form the basis for long-term sustainability. Although brand building was not consciously managed in the past, **the formulating positive perception now gives us a strategic advantage in both the labour market and in business relationships**.

With this in mind **we have** consciously **developed Ongropack’s employer vision and vision for the future, formulated our key messages** to local communities, and defined the communication channels and tools.

Our strategic goal is to develop Ongropack into a strong employer brand and an efficient and performance-driven organisation. Internal communication, a strengthening team spirit, the enhancement of the Ongropack community, the right working environment and a transparent, performance-oriented system will work together to have an impact.

Ensuring appropriate working conditions

We strive to offer our employees the widest variety of **employment opportunities**. These are



Typical

- permanent full-time working hours
- continuous shift pattern
- on-call working hours



Atypical

- flexible working hours
- informal working hours
- home office
- teleworking
- employing people with reduced working capacity
- working part-time
- traineeship programme
- employment with company scholarships
- GYES/ GYED (childcare benefit/childcare fee) reintegration programme with part-time employment
- employment on a scholarship contract

We are committed to providing our employees with **fair and decent working conditions**, because we know that employee satisfaction and productivity are directly linked. **Our aim is to make our employees feel safe, valued and supported at work every day.**

As a first step we place great emphasis on **ergonomic design** and **hygiene in the workplace**. Our offices are air-conditioned, well-lit and equipped with modern computer technology. Also, our hygiene team uses quality cleaning machines and environmentally friendly cleaning products to maintain a clean working environment thus ensuring the health of our employees. Our employees’ daily refreshment is provided by the installation of soda machines.


We offer our employees a range of flexible working options **to maintain a good work-life balance**. We pay particular attention to **ensuring that everyone can find the most suitable form of employment**. Traditional working patterns include **permanent daytime** working, **continuous shift patterns** and **on-call working**. In addition, a wide range of atypical forms of employment are available: **flexible and informal working arrangements, home office and teleworking** options as well as **part-time positions** ensure that everyone can work in the way that best suits their circumstances.



We are particularly proud of our **Disabled Worker’s Compensation (DWC)** employment, **apprenticeship programmes, company scholarships** and **the GYES/GYED** (childcare benefit/childcare fee) **reintegration programme**, which helps parents return to work part-time. Besides these, scholarship contracts give talented young people the opportunity to get involved in our company while they are still in school.

In addition, we are particularly proud to have been awarded the **“Family Friendly Workplace”** title, which confirms our commitment to supporting employees and their families. The award is mainly based on exemplary corporate practices in the field of **atypical arrangement of work** (e.g. working hours tailored to the individual needs of mothers and employees with reduced working capacity, short-time working/Kurzarbeit, support for university studies through the addition of a dual training scheme), and **specific well-being measures to meet the individual needs of employees** (childcare allowance for newborn babies, support for studies not geared to company objectives, spa passes, dinner, school enrolment support, Santa Claus package for parents with children, financial consolidation programme, company loan etc.).


We reinforce employee engagement and satisfaction through a range of benefits and incentive schemes. These include **recognition of our core team members, executive bonuses, bonuses, 13th month bonuses and production-related recreational time-off**. We also provide **individual cash rewards** for meeting specific targets as well as personalised **gifts and cultural and recreational support** for our employees. We promote continuous professional development and employee satisfaction through regular individual and focus group appraisals and feedback.




Recognition of our core team members




Executive bonuses




Bonuses



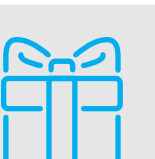
13th month bonuses



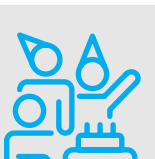
Production-related recreational time-off



Individual cash rewards



Gifts



Cultural and recreational support

Internal communication

Effective internal communication is essential for our business. It **contributes to increasing employee satisfaction, strengthening employee relations and successfully achieving our corporate goals**. Due to the size of the company our internal communication is easy to organise and is delivered through multiple channels, ensuring a fast and efficient flow of information and keeping employees well informed.

Our communication methodologies and tools are focused on the following:

Personal meetings and discussions are of great importance at Ongropack. **Our weekly formal meetings** ensure predictability and good time management.



Informal meetings such as spontaneous brainstorming sessions and exchanges of experience also play an important role in strengthening our corporate culture and provide a space for immediate feedback and direct communication.



The use of **physical billboards** is also preferred as they are the easiest way to reach physical workers.



Our company events such as Women’s Day, Christmas dinner and Family Day not only serve to strengthen community spirit but also provide an opportunity for more informal communication. Such events promote team cohesion and strengthen the quality of relationship between employees.

Using the intranet allows employees to have up-to-date access to the latest company news, policies and other documents. Circular emails, on the other hand, provide a fast and efficient way to disseminate important information widely, whether it is urgent announcements or general information.

Our internal communication strategy is not only about efficiency, but also about integrating ESG principles. To promote sustainability and social responsibility we are taking the following measures: we minimise paper use using the intranet and digital communication channels, thus reducing our ecological footprint. We also pay attention to the use of environmentally friendly solutions for internal events and meetings.

From 2025 onwards we will pay particular attention to our external and internal communications including a renewed website and increased social media activity to credibly showcase our ESG achievements and ambitions. In our internal communication we will place a strong emphasis on sustainability achievements and on recognising the activity and performance of our employees, thereby increasing their engagement and satisfaction. These actions strengthen our public image and internal cohesion, contributing to our long-term success.

Diversity and equal opportunities

(GRI 405)



Our company is committed to diversity and equal opportunities with a particular focus on increasing the proportion of female managers. In our management structure one third (33%) of senior managers are women, while the representation of women at middle management levels is lower. Although these ratios show a more favourable picture for female leaders compared to the national average, we continue to aim to improve the gender balance, especially at the middle management level.

33% of senior managers are women, which is a significant achievement in itself, but only 15% of middle managers are women, so our priority is to give women even more scope for career progression and leadership in the future. Increasing the proportion of women in management will help to make the company an even more inclusive and diverse workplace, providing an attractive and supportive environment for all employees. We also believe that improving the gender balance is not only important for equal opportunities but also contributes to the diversity of our decision-making and to our organisational effectiveness.






In our company the involvement of female leaders in decision-making and management processes has become a strategic priority based on the following aspects:



Diversity and creativity

The unique perspectives and experiences of female leaders create new opportunities for decision-making, stimulating creativity. This diversity contributes to the innovation and competitiveness of our company.



Financial performance improvement

International research shows that companies where women have a significant share of management tend to perform better financially. We also believe that the participation of our female leaders promotes more deliberate decision-making and operational efficiency, which improves the long-term performance of our company.


Promoting diversity and inclusion is not only an ethical imperative but also a strategic advantage in today’s globalised and competitive business environment. The inclusion of young workers, retirees, women and people with disabilities and building their career paths together form the basis of our human capital strategy for diversity. We are constantly building and developing our workforce with these aspects in mind, as the inclusion of these groups of people is essential to our adaptability and business success.

We are confident that our commitment to diversity and equal opportunities will not only enrich our corporate culture but also serves as a positive example for other players in the industry.



People-centred relationships

Female managers tend to be more sensitive to human relations, which is good for our internal working environment and corporate culture. Their ability to empathise and collaborate contributes to conflict management inside and outside the company and to the cohesion of our teams.



Leading by example and motivation

The presence of female leaders is also an inspiration to other female colleagues, encouraging them to take on leadership roles and realise their ambitions. This not only improves the performance of our female employees but also has a positive impact on the overall functioning of our company.

Remuneration policy

(GRI 2-19, 2-20, 401-2)

We offer a comprehensive and diverse benefits package to our employees, covering a broad spectrum of both salary-related and fringe benefits as well as benefits in kind. This benefits package not only contributes to the financial well-being of our employees but also makes a significant contribution to their job satisfaction and motivation.

Salary-related benefits

Our company considers it essential to apply a fair wage policy which includes a number of elements in addition to the mandatory benefits under the Labour Code. In addition to the mobile wages and target-related benefits provided to employees our company offers a 13th monthly bonus, performance-related bonuses, awards and other bonuses, which are paid according to individual and group performance. We also pay special attention to the recognition of our long-term employees, as reflected in the anniversary bonus.

Fringe benefits

There is also a real commitment to employee well-being and health in the area of fringe benefits. Through the cafeteria system our employees are free to choose the benefits that best suit their needs. Social assistance, funeral allowances and voluntary private pension fund contributions are also provided. Smaller gifts such as beach passes, massages and dinners as well as back-to-school allowances also help our employees’ daily lives. Home office and telecommuting options further increase work flexibility, while Christmas dinners and extra leaves based on seniority

reward community togetherness and loyalty. In addition, we support our staff’s professional development and training through study contracts.

Cafeteria

It includes a number of elements that not only increase employee satisfaction but also support work-life balance, significantly reduce overall stress levels and promote sustainable lifestyles thus furthering the company’s sustainability goals.

Within the Cafeteria system the SZÉP card further enhances the well-being and security of employees, while the cash redemption provides flexibility in the use of benefits.

From 2024/2025 onwards we will place even greater emphasis on the health of our employees, and in this light, we will review the current fringe benefits and benefits-in-kind packages with a focus on physical and mental well-being. Planned benefits include sport/fitness activities, health and mental health workshops, inter-work breaks as part of working time, vitamin package, vaccination (flu). Through these initiatives we will improve the health and satisfaction of our employees, reduce absenteeism and increase workplace efficiency, strengthening the company culture and creating a sustainable, health-conscious working environment.

Benefits in kind

Prominent among our benefits in kind is our company bus service, which not only provides our employees with a comfortable and safe way to get to work but also reduces our ecological footprint and promotes environmentally responsible transport. In addition, the provision of safety goggles for specific job roles as well as allowances for employee film (foil) and study time also serve the well-being of our employees.

Our company benefits package is not focused on financial reward only but also provides a comprehensive way to support our employees’ quality of life and a long-term commitment to our company. This complex benefits system contributes to making Ongropack an attractive and competitive place to work in the market, where employees feel valued and supported at all levels.

We do not wish to disclose confidential information on new employees’ starting salaries, but we have already started preparing for compliance with the EU Salary Transparency Directive, which will require full disclosure for all employees (job titles).



Workers’ health and safety

(GRI 403)

As a manufacturing company the **health and safety of our employees** is of great importance to us **motivated not only by compliance with the law but also by our corporate responsibility and employee retention**.

In 2023 there were 3 reportable **workplace accidents** the **investigation of** which **was documented in detail and the lessons learned were incorporated into our OHS processes**. To prevent accidents, we continuously monitor and analyse the working environment and take immediate action where necessary.

All our work areas are designed with the comfort and health of our workers in mind, with **appropriate safety equipment** and regular health checks. **We are constantly expanding and deepening our health services, providing our employees with more and more extensive examinations and screening programmes**. We carry out regular medical examinations and pay attention to the continuous monitoring of **the occupational fitness of our employees**.

We believe that a carefully designed and high-quality **working environment not only increases employee satisfaction and well-being but also contributes to the success of our company and the achievement of our sustainability goals**. We are constantly improving our working environment in this spirit.

The above is reflected in **the regular delivery of mandatory training in fire safety, occupational health and safety, quality and environmental management, GMP Good Manufacturing Practice** (quality management system for the pharmaceutical and food

industry) **and GDPR data protection**. Through these trainings we not only comply with regulatory requirements but also contribute to a safer and more conscious working environment and raise our employees’ awareness to these topics.

As detailed in the remuneration policy section of the report **we have launched and are planning to launch a number of initiatives to promote health and work-life balance**. These programmes improve the quality of life of employees while also contributing to increased job satisfaction and engagement.

We are also making significant efforts **to improve the physical environment** of the workplace. Ergonomic design, energy efficiency improvements all contribute to a greener and healthier workplace.

These initiatives not only benefit the well-being of our employees but also enhance our reputation and attractiveness as a **responsible employer**. In this way our company strengthens its position in the labour market as well as contributing to wider social and economic sustainability, which is an outstanding example of good corporate governance in the chemical sector.



Commitment to education and training

(GRI 404)

Our company places great emphasis on the continuous training and development of our employees, which is an integral part of our long-term and sustainability strategy. To this end, we operate comprehensive, multi-level training and induction programmes to ensure the acquisition and development of professional competencies for all employees. As part of this effort, we aim to introduce a single internal integrated corporate training system in 2025.

Our current internal training system has been consciously built since 2021. 4 main types of training ensure that our employees are always up to date and can perform their work to the highest standards:

The integration of new staff is supported by a standardised onboarding and induction procedure, since we believe it is important for newcomers to feel supported and valued from the very first moment.

Based on a matrix of two plus two target groups, our onboarding process consists of four programmes: physical or office workers, and pharmaceutical or non-pharmaceutical employee onboarding (e.g. pharmaceutical physical onboarding or non-pharmaceutical onboarding for office workers). For newcomers we hold an Information Day, where they learn about the operations and culture of our company and attend a mandatory occupational health and safety and a fire safety training, ensuring they are aware of the basic principles of safe working practices.

1. Technical training

Our workers learn how material and machine work together and how to increase machine capacity and efficiency.
2. Education on quality assurance

Focus on quality assurance, quality systems and quality conscious living.

3. Soft skills trainings

Motivation, assertive communication, conflict and stress management, time management and “train the trainer” programmes.
4. Mentoring

We support the integration of new employees with the help of trained mentors who actively share their experience and knowledge.





They then follow **an individualised onboarding plan with a timetable tailored to their individual abilities, supported by mentors trained in-house. Mentors** not only provide guidance but are **actively involved in knowledge sharing as well**, passing on their own experience and knowledge to the new recruits. This process, complemented by regular **performance appraisals**, ensures that our new recruits integrate quickly and effectively into our community. **At the end of the induction period there is an optional** position-assessment, the successful passing of which **may lead to a job reclassification and an increase in the benefits package. The average induction period is 3-12 months**, depending on the job.

Sustainability is an integral **part of the learning process**. We go into detail about green office practices, **waste management, energy saving measures and digital solutions for your company**. Our aim is to make **our employees** aware of the benefits of living green so that they **actively participate in our sustainability efforts and projects**. To this end, from 2024 **we will add an ESG education block to the new employee induction programme** and form, ensuring that sustainability and environmental awareness are integrated into everyday work from day one. We believe that our employees can contribute to positive change both in their working environment and in their wider communities.

The company’s **annual training plan** is embedded in the quality management documentation system and is divided into two **main categories: hard skills and soft skills** trainings. Hard skills trainings are aimed at ensuring regulatory compliance and increasing quality awareness, while soft skills trainings focus on developing interper-

sonal skills and individual competencies. Trainings in self-awareness, project management, time management, conflict management, stress management, teamwork and presentation techniques all contribute to **the personal and professional development of employees**. The training plans are accompanied by an employee involvement plan, a time schedule and a cost plan to ensure the efficiency and effectiveness of the training.

Mandatory trainings include fire safety, occupational health and safety, QMS-EMS training (Quality Management System - Environmental Management System), GMP Good Manufacturing Practice (a quality management system for the pharmaceutical and food industry) as well as forklift and lift truck operator trainings. These courses **are designed to protect the health and safety of workers and ensure compliance with the legislation**. The annual number of training hours per person varies depending on the type of training.

Compulsory trainings		Annual training hours per person
1.	Fire safety	1
2.	Safety and health at work	1
3.	Other: QMS-EMS education	2
4.	Other: GMP Good Manufacturing Practice	4
5.	Other: forklift and lift truck operator course	67

In addition to the mandatory trainings our company offers its employees a range of additional training courses to **improve their professional skills, information and communication technologies and soft skills**. Particularly important are management academies, ethics trainings and other specialised trainings to help employees learn the latest technologies and methods.

	Training category	Training topic	Annual training hours per person
1.	Training on professional skills	Kulcs Szoft, Asprova, GMP	8
2.	Training on information and communication technologies (ICT)	Using digital tools and applications	30
3.	Soft skills trainings (e.g. sales, lean, communication, leadership development, etc.)	Leadership academy	30
4.	Ethics training	Code of Ethics and corporate culture	8

Our training courses use a **blended learning** methodology that combines the benefits of traditional face-to-face training and e-learning, **allowing our staff the flexibility to develop their skills at their own pace**. This not only helps to increase the efficiency of the workforce but also helps to increase employee satisfaction and engagement. **By using the new platform, we** significantly **reduce the ecological footprint of our training programmes**, thereby supporting our sustainability goals.

In the area of **talent development**, we place particular emphasis on **dual training and apprenticeship programmes**, which are central to the company’s succession strategy. These programmes provide participants with the opportunity to gain valuable experience in a real work environment, while also ensuring their continuous professional development. **We work closely with the University of Miskolc and the University of Debrecen**, as well as the Miskolc Vocational Training Centre and its technical schools such as Bláthy and Andrássy Technikum, which are excellent partners in attracting and training talented young people thus contributing to the future success of our Company.

In addition to this, our company **regularly submits successful tender applications, and in 2023 we were awarded funding from the GINOP Plus 3.2.1 programme**, which aims to improve the adaptability and productivity of employees and companies through on-the-job training. 80% of the trainings described earlier in the training chapter was funded by external grants.

As you can see from the above **our company is constantly striving to improve and expand its training system** to ensure that its employees are always up to date and perform to the highest standards. We will strengthen this commitment by **making ESG training a permanent feature of our training programme**. Currently ESG is covered at management level, but **from the second half of 2024 we will gradually extend the coverage to all our employees**. We plan to update and refresh ESG knowledge on an annual basis **as a recurring training**. The training material will be delivered to employees in the form of blended learning, i.e. a combination of a video tutorial, written training material and a knowledge assessment test.

We believe that these efforts not only make the company more competitive but also create **a workplace culture where all employees feel valued and appreciated**.

Number of workers in training (persons)

white collar workers in training	124
participating female white-collar workers	38
participating male white-collar workers	86
blue collar workers undergoing training	80
participating female manual workers	27
participating male manual workers	53

Social responsibility, supporting local communities

(GRI 413)

Our company is committed to social responsibility and supporting local communities and we have a number of significant initiatives in this area. **We pay particular attention to supporting sports, health, social well-being and the ‘local heroes’.**

Through **sponsoring Diósgyőr Röplabda Kft.** our company actively contributes to the development of local sports life. The support enables the sports club to provide high quality training and competition opportunities for young athletes. This sponsorship not only helps to boost the local sporting scene but also helps to educate young people to lead healthy lifestyles and instils community values.

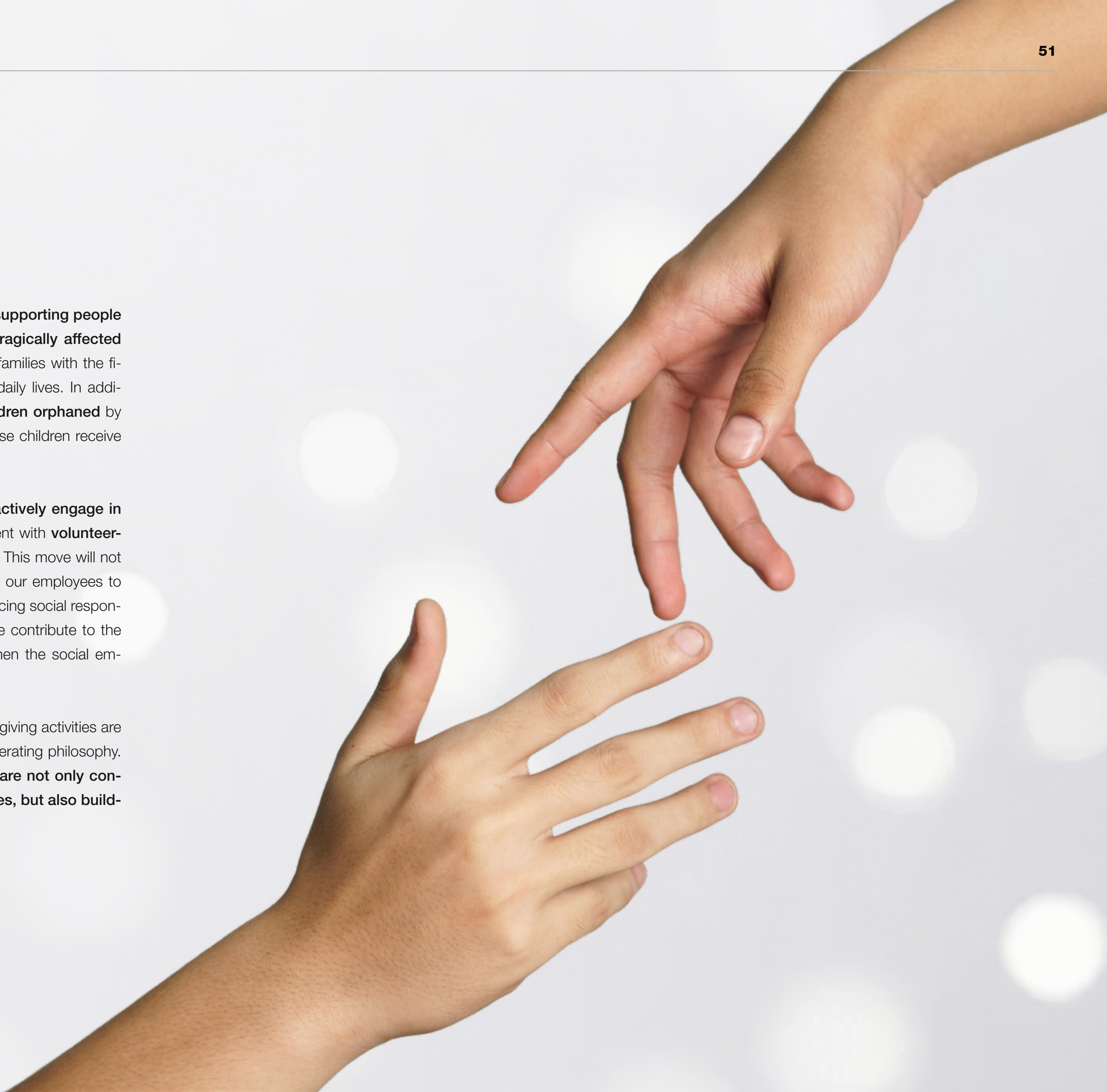
We also play a role in promoting health and social well-being. Through our **financial donations to the National Association for Smiles Public Benefit Association** we contribute to programs that promote the well-being of children and families, fostering community cohesion and mental health. **Financial support for the Women for Success Foundation**, on the other hand, enables women to participate in programmes that promote their professional and personal development, thus contributing to the promotion of gender equality.

To ensure the safety and well-being of local communities **our company regularly supports the Miskolc Firefighters Sports Association.** This financial support helps to maintain and improve the physical and mental fitness of firefighters enabling them to do their life-saving work even more effectively.

Our company also pays special attention to supporting people in need. Regular cash support for families tragically affected by the COVID-19 epidemic provides affected families with the financial assistance they need to maintain their daily lives. In addition, through **regular monthly support for children orphaned** by a tragic accident our company ensures that these children receive adequate care and support.

In 2024/2025 our company will continue to actively engage in donation activities which we aim to complement with **volunteering programmes** to support local communities. This move will not only provide financial support but will also allow our employees to actively participate in community building, reinforcing social responsibility. By combining volunteering and giving we contribute to the development of local communities and strengthen the social embeddedness of our company.

These social responsibility programmes and our giving activities are an integral part of our company’s values and operating philosophy. **We believe that through these initiatives we are not only contributing to the well-being of local communities, but also building a more sustainable and better future**



Corporate governance

(GRI 3-3, 2-9, 2-10, 2-11, 2-12, 2-13, 2-14, 2-15, 2-16, 2-17, 2-23, 2-24, 2-25, 2-26, 2-27, 2-30, 201, 308, 406, 414, 418)

The management of Ongropack Ltd.

(GRI 2-9, 2-10, 2-11, 2-12, 2-13, 2-30)

Our corporate governance system is based on sound and well-thought-out foundations that ensure that we operate transparently, fairly and responsibly. Our organisational structure clearly defines responsibilities and decision-making processes, enabling both efficient operations and long-term sustainability. It is of paramount importance to us that all our activities comply with legal and regulatory requirements which we consider to be the cornerstone of our comprehensive regulatory framework.

Our company does not have a GTC or a Collective Agreement, we refer to the Articles of Association as a guideline.

Our governance system is designed to ensure transparency, good governance and active stakeholder engagement, which together ensure the sound running of our business. In our external and internal communication, we strive to keep our partners and employees informed about all our activities and important events affecting our company.



The owners of the company are László F. Kovács and Eszter Kovács, the operational management is carried out by the managing directors and the CEO. Management is responsible for strategic decision-making, managing the company’s operations and achieving long-term goals. The work of the management is supported by the different divisions, areas and departments.

Committees and bodies

The committees and bodies that operate in the company ensure transparency and regularity in corporate governance. The section of the report below shows that diversity is also present in our committees, with both men and women actively involved in decision-making.

Supervisory Board

- Employee delegate: Ms Erzsébet Kovácsné Makara
- External member: Dr. István Gere
- External member: Ms Katalin Judit Motkóné Lauer

The committee meets quarterly, and its tasks include approving the annual business plan and investments, and adopting the annual report. The Supervisory Board submits its reports to the owners.

Audit Committee

The Audit Committee is headed by an independent auditor, Dr. Dezső Csaba Sugár and is responsible for the control and audit of the company's operations in compliance with the accounting laws, including the balance sheet, profit and loss accounts and other financial annexes.

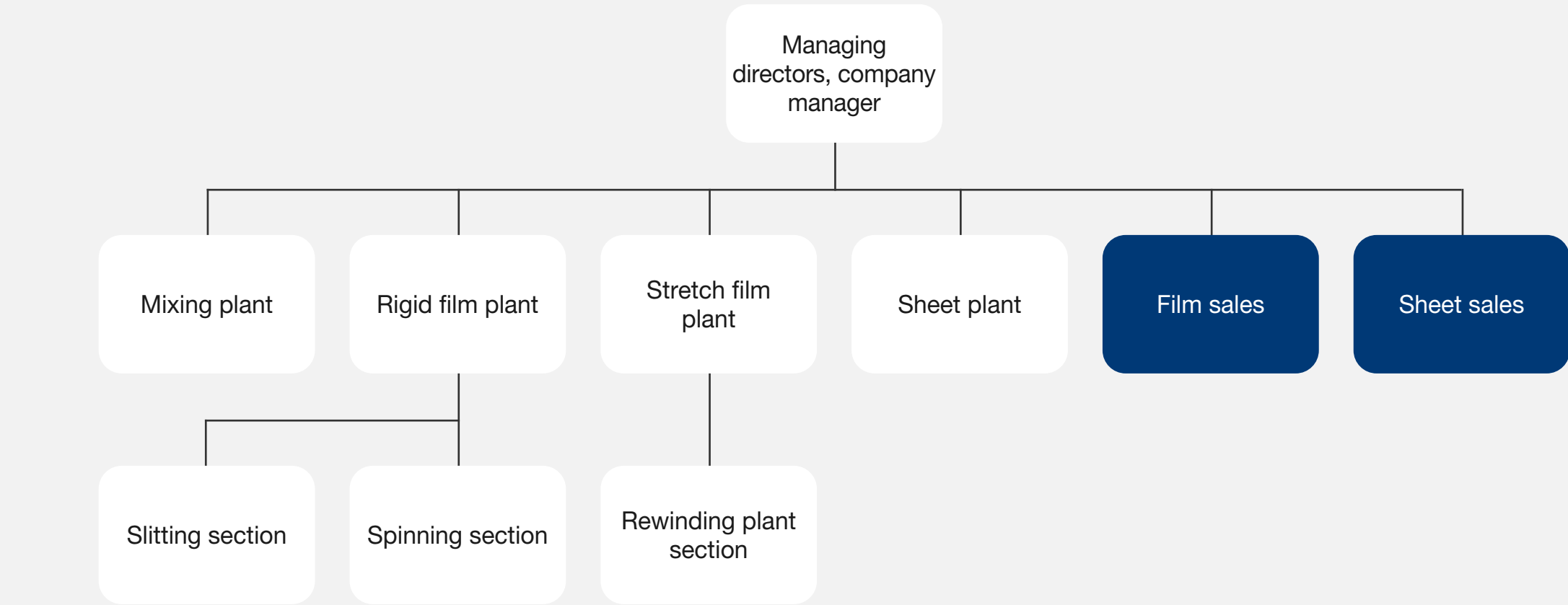
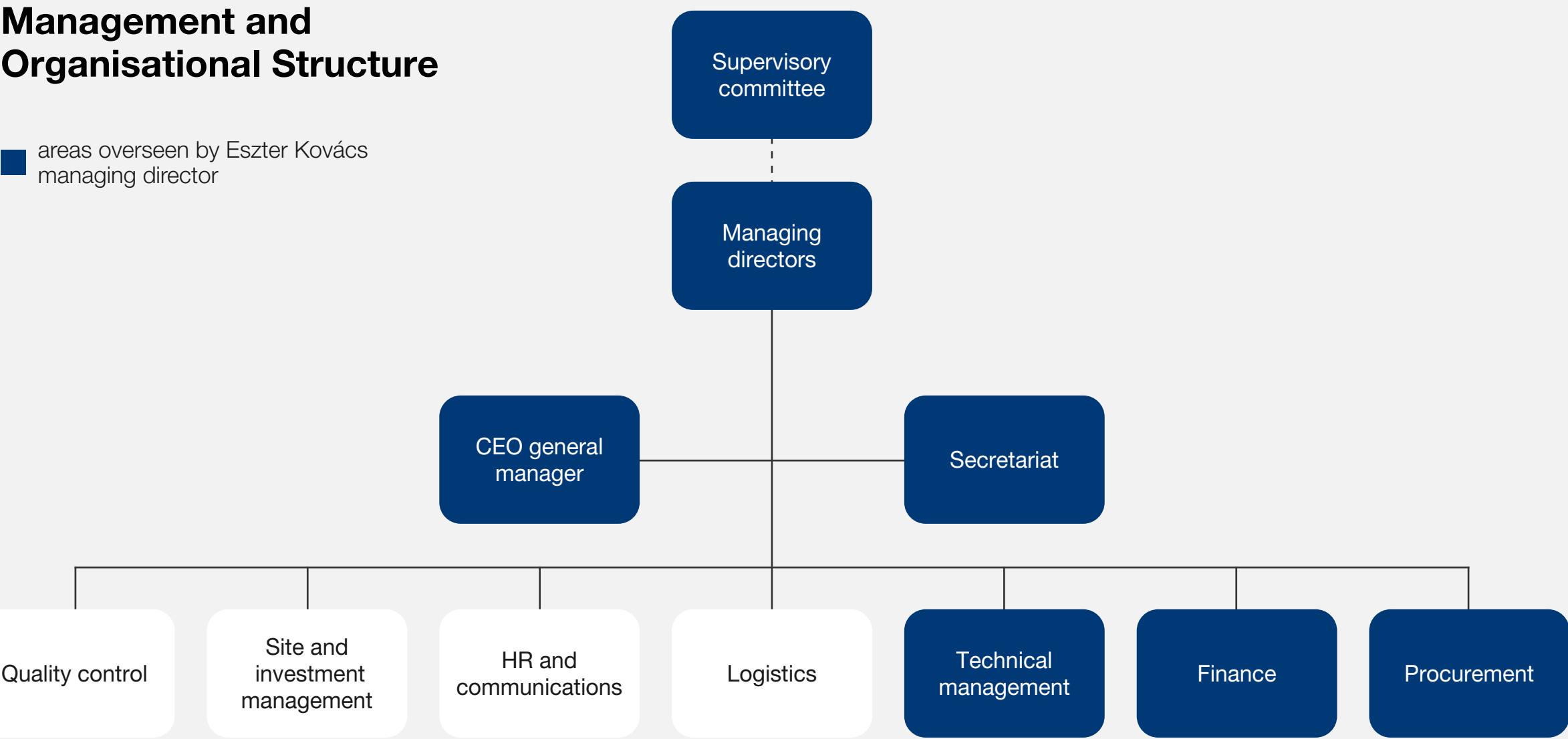
In 2024 one more committee was set up at Ongropack Ltd. Although the reporting period is 2023, it is important to note that our ESG Committee was already active at the time of the preparation of the report.

ESG Commission

- President: Balázs Varga
- Members: István Szilágyi, Endre Nagy, Péter Nagy, Edina Dobos

The Committee is composed of the Chairman and 4 other members who are employees of the company. The committee meets immediately if necessary but at least once a quarter, and its main responsibilities include developing and integrating the company’s ESG policy into the overall strategy of the company continuously reviewing and improving ESG practices, objectives and performance indicators within the company, and overseeing ESG reporting processes and determining the content of annual reports.

Management and Organisational Structure



Sustainability Officer

(GRI 2-17)

Sustainability and environmental tasks are the responsibility of the Quality Management Department and the Environmental Officer. **Sustainability tasks are carried out by the elected Sustainability Officer**, who also acts as the quality expert in the Quality Management Department. Some **environmental tasks** are carried out by the **external environmental officer**, who ensures compliance with legislation and environmental impact minimisation.

Energy specialist

An **external energy specialist is responsible for** the company’s energy tasks optimising the company’s energy use and implementing energy efficiency measures. **This role is key to achieving our company’s sustainability goals**, as increasing energy efficiency directly contributes to reducing our company’s environmental footprint.

We commit to appointing an ESG officer in 2024 to lead the company’s sustainability reporting projects and monitor the objectives set out in the ESG strategy, and we also pledge to **establish a 5-member ESG committee. The members of the Committee will be** the company’s CEO, the Quality Manager, the Site and Investment Manager, the HR and Communications Manager and the ESG Officer who is also a quality expert. The committee aims to **meet** at least **quarterly** to **review the achievement of ESG objectives and to set strategic orientations**.



Business Ethics and Compliance

(GRI 2-15, 2-23, 2-24, 2-25, 406)



Principles of ethical business conduct

- Communication
- Data protection, protection of intellectual property
- Protection of company reputation
- Protection of company property and assets
- Expected conduct at work
- Relations with partners, customers
- Fair trading and competition
- Corruption, bribery
- Handling of true and accurate records, reports
- Discrimination
- Compliance with laws
- Safety, environment, health

Ongropack Ltd. has always been committed to **ethical operation and legal compliance** which **are the pillars of our corporate culture**. In our day-to-day operations we place particular emphasis on **the principles of fairness, transparency, mutual respect and partnership**, ensuring that the highest ethical standards are upheld in all areas.

As part of our commitment, **we place a high priority on legal compliance and avoiding conflicts of interest**. All our employees and

managers have a duty to act in the best interest of the company, avoiding situations where their personal interests may conflict with the company's objectives.

We consistently apply these principles through **the exemplary behaviour of our leaders, encouraging our staff and partners** to follow good practice. We pay particular attention to **data protection, the safeguarding of company secrets and fair market practices**. It is of utmost importance to us that personal data is processed only for lawful purposes and is protected **by the highest information security measures**.

We firmly reject all forms of corruption including bribery, the acceptance of undue advantage, and all forms of **child and forced labour**. It is strictly **forbidden for our employees to ask for or accept any undue advantage**, as such actions would jeopardise the reputation and interests of our company. We are committed to **the principles of fair trade and competition** and will not tolerate unfair business practices. Operating ethically is not just about following the rules, it is also about our commitment to the **highest standards of integrity and responsibility**.

During the reporting period **there were no cases of corruption, and no legal proceedings were initiated against the company**.

We have a long-standing commitment to ethical conduct as reflected in our Code of Ethics in force from 2016 to 2024. This will be adapted in 2024 to create and implement our Code of Ethics, which will provide clear guidelines for responsible and transparent conduct.

The Code of Ethics **supports the ethical decision-making and behaviour of employees thus strengthening corporate culture and business reliability**. Through this measure we enhance trust in our company and promote sustainable operations in line with our long-term commitment to social responsibility. The current version of the Code of Conduct will be available through the company's internal communication channels and displayed on our sites as well as on our website.

Compliance

(GRI 2-27)

The Compliance function is fulfilled in the framework of cooperation between the different areas. We apply strict internal rules to ensure legal compliance, ethical operation and corporate integrity.

We strive to ensure that all aspects of our operations comply with current legislation and industry standards, thereby ensuring transparency and responsible business conduct. During the reporting period there were no complaints of abuse or corruption requiring investigation and no fines were imposed.

Abuse reporting system

(GRI 2-16, 2-26)

In order to **fully comply with the legislation** we established the whistleblowing system in 2023, which operates in accordance with the provisions of Act XXV of 2023 on Complaints, Public Interest Reports and the Rules for Reporting Abuse. This **system ensures that our employees and partners can report violations or breaches of ethical standards through secure and confidential channels (in writing or in person)**. Reports are received and investigated by the Abuse Reporting Team. The operation of this system contributes significantly to **the transparency and good governance of our company** supporting the achievement of our sustainability goals.

Data protection

(GRI 418)

Our company is also focused on data protection, in particular on compliance with Hungarian data protection and GDPR relevant laws. **In 2023 we conducted a comprehensive data protection review during which we strengthened our data management processes with a focus on the secure handling of personal data and legal compliance.** In line with our Privacy Policy our data management practices are guided by the principles of purposeful processing and data minimisation, which ensures that we only process the data that is most necessary, and we do so with the highest level of security.

Our policy is to carefully document all data processing operations, and we have strict guidelines for the selection of data processors and the conclusion of data processing contracts. **Our data management and document management policy** pay particular attention to the security of the processing, storage and transmission of personal data.

We employ a dedicated **Data Protection Officer (DPO)** who is responsible for overseeing data management processes and handling any data breaches. To avoid data breaches, **we have strict internal policies and regular trainings to** ensure that all our employees are aware of the GDPR requirements and our internal data management standards.

We constantly strive to ensure that **all our data processing operations are fully compliant with the requirements of the GDPR.** Our data protection measures such as the physical security of server rooms, strict password management rules and policies for handling sensitive data all contribute to keeping our data safe.

Our aim is to build trust in our business through our data management practices and to ensure the integrity of our data through innovative solutions.



Digitalisation

Digitalisation is a key area of our strategy. Through our developments we strive for more modern, faster and more efficient business processes, while helping to improve the quality of the working environment and the reliability of production activities.

As part of our digitalisation efforts, **we are also looking to introduce a new type of bar-coded warehousing system** that will automate the identification and release of incoming goods, not only increasing the efficiency of warehousing processes but also allowing for centralised material handling and faster response to demand.

Our SAP ERP system has supported our financial, accounting and warehousing processes for many years, but **further improvements** are needed in the areas of manufacturing and operations. In recent years we have already made significant progress in **electronic invoicing**, which will be further enhanced **by the electronic management and archiving of incoming invoices**. This development will be **fully operational** in 2024 allowing us to **conduct** invoicing **processes with our partners electronically**.

We are already exploring the possibilities of applying **artificial intelligence** to invoicing processes. Indeed, the introduction of such robotic technologies would allow for **the automated processing of routine, repetitive invoices**, freeing up human resources for more complex tasks, a move that would not only increase efficiency but also help to redeploy staff, **allowing them to focus on higher value-added activities**.

The company also uses various digital systems to optimise production such as the **Asprova production scheduling system, the DigitLean efficiency monitoring system and the SCADA data collection system**. These tools not only support data collection and analysis, but also contribute to the speed and accuracy of decision-making.

The digitalisation of our maintenance processes is also a priority, in particular, through our newly implemented system, which allows for the electronic documentation of maintenance work, the automatic sending of notifications of maintenance due, and the creation of detailed queries on the status of machines and maintenance activities.

Our 2025/2026 goals include the digitalisation of the entire HR administration and maintenance processes related to production, increasing efficiency and transparency. The new processes will enable faster and more accurate data management and improve employee experience and the reliability of production processes.

The “**paperless office**” principle and the “**clean desk**” concept aim to enhance digital data management and reduce our environmental impact, ensuring that **data management processes are efficient and sustainable**.

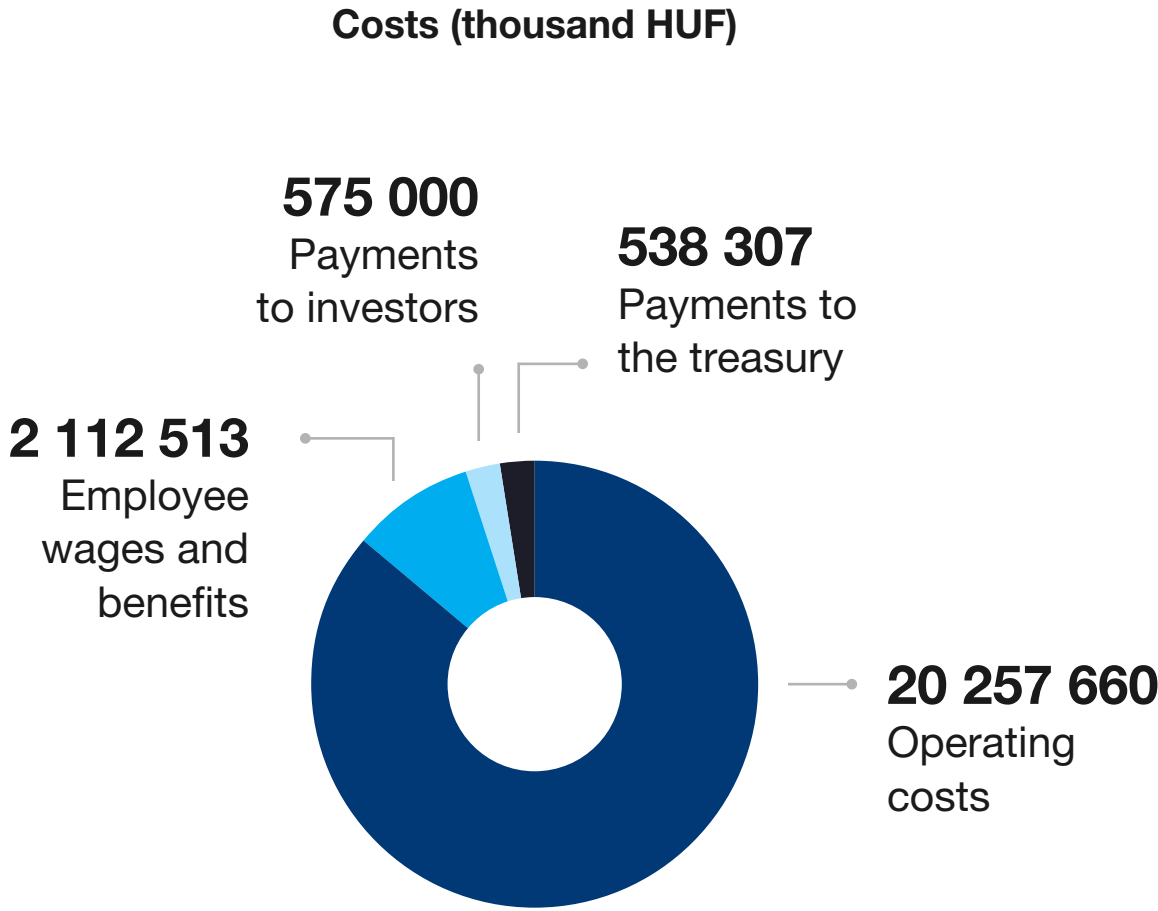
Our company is aware that **digitalisation** not only requires technological improvements but **also promotes a transformation of corporate culture**. The introduction of new digital tools and systems makes every day work more efficient, while increasing process transparency and operational flexibility. With this in mind, **we are constantly improving our digital infrastructure and supporting our employees to make the digital transition** as smooth as possible, thereby **strengthening our company’s future success and capacity to innovate**.



Economic performance

(GRI 201)

Economic performance (2023)	HUF
Direct economic value generated (revenues)	28 201 442 000
Distributed economic value	
Operating costs	20 257 660 000
Employee wages and benefits	2 112 513 000
Payments to investors	575 000 000
Payments to the treasury	538 307 000
Retained economic value	4 717 962 000



Risk management

(GRI 201-2)



Employment risks

such as high employee turnover and skills shortages are a major challenge. To address these, we constantly monitor current trends to be able to respond to the changing labour market environment, and we launch comprehensive retention and training programmes to increase employee satisfaction and continuously improve professional competences.



Our operational risks

such as breakdowns of machinery and equipment can lead to downtime and loss of production. To mitigate such risks we employ state-of-the-art maintenance systems and continuously invest in advanced technologies to ensure smooth and efficient operations.



Supplier risks

especially shortages in raw material supply can have a significant impact on the continuity of our production. In order to minimise these risks we diversify our supply chain and develop alternative sources of supply to maintain the stability of our production processes.



Protecting trade secrets

is key, as breaches can seriously jeopardise our company's competitive advantage. To this end, we have strict data protection and confidentiality policies in place to ensure the protection of company information and intellectual property.



Product sales risks

we use flexible business strategies to manage product sales risks so that we can respond quickly and effectively to changes in market demand, ensuring the continued success of our products in the marketplace.

Through these risk management measures we ensure that Ongropack Ltd. can continuously adapt to changing circumstances, strengthening our long-term business stability and sustainability.

As a responsible company we pay particular attention to identifying and managing the risks arising from our operations ensuring long-term sustainability and business stability.





The potential impact of climate change

Based on our analysis the **adverse effects of climate change do not currently pose a direct physical risk** to Ongropack. We do not carry out any manufacturing activities that would be more vulnerable than usual to extreme weather events due to climate change.

However, our company cannot exempt itself from **the indirect effects of** climate change. Climate change can indirectly affect **our financial performance and long-term sustainability**. Therefore, **our** overriding strategic **objective is to** maintain our competitiveness and ensure our long-term stability by **adapting to climate change, preparing for it and making the transition to sustainability**.

The following climate change-driven processes could have a financial impact on our operations:

Increase in raw material costs

The global market for the raw material (PVC resin) used in our production processes could be significantly affected by extreme weather events due to climate change. Rising temperatures and droughts could affect the production and transport of fossil raw materials, leading to price increases. In addition, the transport of raw materials may become more uncertain if extreme weather conditions cause delivery delays, directly affecting the procurement costs and the materials management planning of the company.

Regulatory changes

Government regulations may change in response to climate change. Tighter environmental regulations or taxes on carbon emissions or other harmful substances could impose significant costs on our business.

Changes in market demand





Consumers may tend to prefer products that have a smaller ecological footprint, which may increase demand for environmentally friendly packaging materials that are, for example, sustainably produced or made from recycled materials.

Reputational risks

Climate-sensitive companies can be monitored by the public and customers. Not investing enough effort in sustainability or taking steps to reduce our environmental footprint could negatively impact our brand reputation and customer loyalty.

Ongropack Ltd. aims to **take proactive measures not only to adapt to** the challenges of climate change but also to **consciously participate in sustainable solutions** to ensure our company remains competitive and stable in the long run as well.

Quality assurance, product quality

	Certification, name of certificate	Details of the qualification, certificate	Date of issue	Validity
1. 	ISO 15378:2017 Number:7205504	Primary packaging materials for medicines. Specific requirements for the application of ISO 9001:2015 with regard to Good Manufacturing Practice (GMP)	14.04.2014.	13.04.2026.
2. 	ISO 9001:2015 Number: HU04/0583	Quality management principles	23.02.2004.	22.02.2025.
3. 	ISO 14001:2015 Number: EN09/3823	Environmental management principles	16.02.2000.	15.02.2027.
4. 	HACCP (stretch film plant)	Hazard analysis and critical control points	20.10.2022.	19.10.2025.

Quality assurance, product quality and sustainability are at the heart of our company’s operations as evidenced by **a number of internationally recognised certificates and certifications. Our company** is consistently focused on conducting all our activities **to the highest industry standards, while at the same time being responsible towards the environment and society.**

Our company is proud to hold the **ISO 15378:2017** certificate which demonstrates the compliance of our primary packaging manufacturing for the **pharmaceutical industry** with GMP (Good Manufacturing Practice) guidelines. **This certification guarantees** not only high-quality standards but **also product safety.**

We guarantee compliance with standards and legislation, maintaining product quality and ensuring good manufacturing practices during audits of Hungarian and foreign pharmaceutical companies alike.



Pharmaceutical audits

2019



2020



2021



2022



2023



The **ISO 9001:2015** certification is a clear demonstration of our commitment to continuous improvement and excellence, particularly in our quality management processes. This certification **covers the entire operation of our company, ensuring reliability and consistency in our production processes. For each product we have detailed quality control plans that are regularly reviewed to meet the most current industry requirements. All manufacturing processes are documented in detail,** including the results of quality checks to ensure product reliability and safety. This documentation helps to track the entire life cycle of products and ensure error-free operation.

Our **ISO 14001:2015** environmental management certification **is proof of** our environmental awareness, **demonstrating that our company systematically strives to minimise its environmental impact and operate sustainably.** As part of this, we pay particular attention to waste management, energy use and reducing emissions. **Internal audits** and continuous **improvements** in these areas **ensure that** all aspects of **our operations comply with environmental standards.**

By applying the **HACCP** (Hazard Analysis and Critical Control Points) system we ensure **in our stretch film plant that our products comply with food safety regulations at all critical points.** This internationally recognised food safety system identifies potential hazards and defines critical control points where risks can be minimised. The system’s rigorous control mechanisms ensure that every stage of the manufacturing process is carried out to the highest safety standards, minimising risks. **Whenever new products are developed,**

a risk analysis is carried out to identify potential quality risks, further enhancing the reliability of our products.

These certificates and quality assurance procedures demonstrate that quality and environmental awareness are key elements of the daily operations of Ongropack Ltd.

In addition, **we are continuously improving our internal systems and technologies** to keep pace with industry innovations and to better meet the ever-increasing market demands. **We place** a high priority **on product traceability,** which is achieved through unique identification solutions linked to our **SAP** system. These measures ensure that **the entire lifecycle of products can be tracked, minimising the possibility of errors and non-conformities and helping to ensure that customer needs are met accurately.**



Responsible procurement practices

(GRI 308, 414)

Our sourcing activities focus on **long-term responsible operations** and the provision of **quality raw materials** in line with our company's environmental objectives and quality assurance standards. Our procurement process is based on **accurate planning, transparency and consistent quality and sustainability**. Through the close integration of SAP and annual planning cycles our company **is able to effectively adapt to production needs and continuously optimise material management**, thereby minimising inventory levels. **Close cooperation between the purchasing and the quality department** ensures that the **selection of raw materials and the evaluation of suppliers** is always carried out in accordance with the high quality and environmental standards of our company.

Our purchasing plans are made on an annual basis based on forecast sales volumes. These plans already **take into account sustainability aspects including the objectives of the Environmental Management System (EMS) and the Quality Management System (QMS)**. We place great emphasis on the continuous evaluation of supplier performance. **Annual supplier ratings are based on a strict set of criteria**, where product quality, delivery timeliness, price flexibility and partnership are assessed. **The list of rated suppliers** is updated annually and only those who achieve the minimum score set by our company can remain on the list. **The regular analysis of ratings and supplier data allows** us to monitor price trends and changes in the quantities of materials used, **making our purchasing decisions more transparent and efficient**.

During the **annual supplier audits** we rigorously assess **not only quality aspects** but also compliance with environmental and ethical requirements. This ensures that **our entire supply chain** operation is in line with **our environmental and responsible corporate policies**. As the next step in our efforts we also want to map the ESG maturity of our suppliers and will send **a questionnaire including ESG and GDPR topics** to our suppliers **from Q3 2024**.

In line with the requirements of the ESG law and risk management principles **we will develop our supplier rating system in 2024/2025** mainly through digital solutions and **establish our supplier code**. In addition, we will launch **ESG sensitisation programmes for our suppliers** to support them in achieving their own sustainability and social responsibility goals. With our new system and our supplier code we can ensure that our partners also comply with ethical and sustainable business practices, strengthening the integrity and transparency of our entire supply chain.



GRI glossary and index

Glossary

BIM	Building Information Modelling
DPO	Data Protection Officer
EKD	Individual Government Decision
EPD	Environmental Product Declaration
ESG	Environmental, Social, Governance
GDPR	General data protection regulation
GINOP	Economic Development and Innovation Operational Programme
GMP+	Good Manufacturing Practices
GRI	Global Reporting Initiative
GHG	Greenhouse gases
GYED	Childcare Fee
GYES	Childcare Benefit

HACCP	Hazard Analysis & Critical Control Point
ISO	International Organization for Standardization
KIR	Environmental Management System
MIR	Quality Management System
MMK	People with reduced working capacity
MSCI	Morgan Stanley Capital International
PVC	Polyvinyl chloride
SAP	System Analysis Program Development
Scope 1	The company's direct greenhouse gas emissions
Scope 2	Indirect emissions from energy purchased by the company
Scope 3	All other indirect emissions within the company's value chain
SZMSZ	Organisational and Operational Rules

GRI index

GRI standard	Disclosure	Location	Explanation
GRI 2 General Disclosures 2021	2-1 Organizational details	About our report (page 5)	
	2-2 Entities included in the organization's sustainability reporting		
	2-3 Reporting period, frequency and contact point		
	2-4 Restatements of information		Our report has not been published before, so no related information is available.
	2-5 External assurance		
	2-6 Activities, value chain and other business relationships		
	2-7 Employees	Employment (page 37.)	
	2-8 Workers who are not employees		
	2-9 Governance structure and composition	The management of Ongropack Ltd. (page 52.)	
	2-10 Nomination and selection of the highest governance body		
	2-11 Chair of the highest governance body		
	2-12 Role of the highest governance body in overseeing the management of impacts		
	2-13 Delegation of responsibility for managing impacts		

GRI standard	Disclosure	Location	Explanation
GRI 2 General Disclosures 2021	2-14 Role of the highest governance body in sustainability reporting	About our report (page 5.)	
	2-15 Conflicts of interest	Business Ethics and Compliance (page 55.)	
	2-16 Communication of critical concerns	Abuse reporting system (page 55.)	
	2-17 Collective knowledge of the highest governance body	Sustainability Officer (page 54.)	
	2-18 Evaluation of the performance of the highest governance body		The information is not public data.
	2-19 Remuneration policies	Remuneration policy (page 46.)	
	2-20 Process to determine remuneration		
	2-21 Annual total compensation ratio		The information is not public data.

GRI standard	Disclosure	Location	Explanation
GRI 2 General Disclosures 2021	2-22 Statement on sustainable development strategy	Foreword (page 4.) Sustainability Strategy (page 17.)	
	2-23 Policy commitments	Business Ethics and Compliance (page 55.)	
	2-24 Embedding policy commitments		
	2-25 Processes to remediate negative impacts		
	2-26 Mechanisms for seeking advice and raising concerns		
	2-27 Compliance with laws and regulations	Fines (page 55.)	
	2-28 Membership associations	Our key organisational memberships (page 16.)	

GRI standard	Disclosure	Location	Explanation
GRI 2 General Disclosures 2021	2-29 Approach to stakeholder engagement	Stakeholder analysis and stakeholder engagement (page 20.)	
	2-30 Collective bargaining agreements	The management of Ongropack Ltd. (page 52.)	
GRI 3 Material Topics 2021	3-1 Process to determine material topics	Materiality assessment (page 20.)	
	3-2 List of material topics	Material topics (page 22.)	
	3-3 Management of the material topics	Environment (pages 23-36.) Society (pages 37-51.) Corporate governance (pages 52-63.)	

GRI standard	Disclosure	Location	Explanation
GRI 201 Economic Performance 2016	201-1 Direct economic value generated and distributed	Economic performance (page 58.)	
	201-2 Financial implications and other risks and opportunities due to climate change	Risk management (page 59.)	
	201-3 Defined benefit plan obligations and other retirement plans	Economic performance (page 58.)	
	201-4 Financial assistance received from government	Tenders (page 15.)	
GRI 301 Materials 2016	301-1 Materials used by weight or volume	Use of materials (page 32.)	
	301-2 Recycled input materials used		
	301-3 Reclaimed products and their packaging materials		

GRI standard	Disclosure	Location	Explanation
GRI 302 Energy 2016	302-1 Energy consumption within the organization	Energy management (page 23.)	
	302-2 Energy consumption outside of the organization		No information is currently available, but we are working to improve data provision.
	302-3 Energy intensity		
	302-4 Reduction of energy consumption		
	302-5 Reductions in energy requirements of products and services		
GRI 305 Emissions 2016	305-1 Direct (Scope 1) GHG emissions	Emissions (page 29.)	
	305-2 Energy indirect (Scope 2) GHG emissions		
	305-3 Other indirect (Scope 3) GHG emissions		No information is currently available, but we are working to improve data provision.
	305-4 GHG emissions intensity		
	305-5 Reduction of GHG emissions		
	305-6 Emissions of ozone-depleting substances (ODS)		
	305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions		

GRI standard	Disclosure	Location	Explanation
GRI 306 Waste 2020	306-1 Waste generation and significant waste-related impacts	Waste management (page 34.)	
	306-2 Management of significant waste-related impacts		
	306-3 Waste generated		
	306-4 Waste diverted from disposal		
	306-5 Waste directed to disposal		
GRI 308 Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	Responsible procurement practices (page 63.)	No information is currently available, but we are working to improve data provision.
	308-2 Negative environmental impacts in the supply chain and actions taken		
GRI 401 Employment 2016	401-1 New employee hires and employee turnover	Employment (page 37.)	
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	Remuneration policy (page 46.)	
	401-3 Parental leave	Employment (page 37.)	

GRI standard	Disclosure	Location	Explanation
GRI 403 Occupational Health and Safety 2018	403-1 Occupational health and safety management system	Workers' health and safety (page 47.)	
	403-2 Hazard identification, risk assessment, and incident investigation		
	403-3 Occupational health services		
	403-4 Worker participation, consultation, and communication on occupational health and safety		
	403-5 Worker training on occupational health and safety		
	403-6 Promotion of worker health		
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships		
	403-8 Workers covered by an occupational health and safety management system		
	403-9 Work-related injuries		
	403-10 Work-related ill health		

GRI standard	Disclosure	Location	Explanation
GRI 404 Training and Education 2016	404-1 Average hours of training per year per employee	Commitment to education and training (page 48.)	
	404-2 Programs for upgrading employee skills and transition assistance programs		
	404-3 Percentage of employees receiving regular performance and career development reviews		
GRI 405 Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	Employment (page 37.) Ensuring appropriate working conditions (page 42.)	
	405-2 Ratio of basic salary and remuneration of women to men		The information is not public data.
GRI 413: Local communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	Social responsibility, supporting local communities (page 51.)	
	413-2 Operations with significant actual and potential negative impacts on local communities		We believe and strive to ensure that our activities do not have a negative impact on local communities.

GRI standard	Disclosure	Location	Explanation
GRI 414 Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	Responsible procurement practices (page 63.)	No information is currently available, but we are working to improve data provision.
	414-2 Negative social impacts in the supply chain and actions taken		
GRI 418 Customer privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	Data protection (page 56.)	There were no such incidents during the reporting period.

Imprint

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