



HELL ENERGY

HELL ENERGY SUSTAINABILITY REPORT

2021



EXECUTIVE DIRECTOR'S GREETING [102-14]

Dear Reader,

For the second time this year, we are publishing our Sustainability Performance Report. Although this year has also been marked by challenges, whether it's the coronavirus pandemic or rising energy prices, we are proud to close 2021 as another successful year. In addition to economic growth, we place a high priority on environmental awareness, preserving our values and protecting the future. This ethos permeates all areas of our business.

Despite the external challenges, we have been able to ensure continuity of operations, with production and sales continuing uninterrupted throughout the year, resulting in a 32% increase in annual turnover. In July, we reached another milestone with the issuance of a HUF 67 billion green bond, the proceeds of which will be used to make new efficient and sustainable investments.

We make it a priority to produce our products in an environmentally conscious and energy-efficient way, and in addition to ensuring quality, we pay special attention to the protection of the environment. We strive to produce our products in the most environmentally friendly way possible, in accordance with environmental and energy standards. Our beverage can factory in Sikszó is located directly next to our filling plant, which has eliminated dependence on suppliers and the need for transportation, and thus the associated emissions.

Our outstanding success this year was that we were able to further increase the proportion of aluminum cans in our packaging, and we no longer use PET bottles at all for carbonated soft drinks. In 2021, we introduced Floewater, our premium quality freshwater solution without packaging. Floewater vending machines were introduced at the University of Miskolc, in connection with the institution's 'green campus' project.

In addition to university links, we also see supporting local communities as a priority. Our income is not only invested in business, but also in community-building projects. A notable example of this is the recreational park created this year in the town of Szikszó. As the next milestone in our sustainability efforts, we have launched consumer education in the form of presentations on environmental awareness and digital communication. The main message of our communication campaigns on aluminum recycling and environmentally friendly packaging is our commitment to the circular economy.

We believe that actions speak louder than promises, so this year's Sustainability Report is about what we have achieved and what we have completed and are working on, rather than promises.



Barnabas Cserekllye
Managing Director

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INTRODUCTION [102-53]

As one of the fastest-growing FMCG (fast-moving consumer goods) brands in the world, sustainability is a key priority for us and we want to lead by example. We are constantly assessing our business processes to improve them so that we can operate in a way that is more in tune with society and the environment. A key priority in our operations is to continuously reduce our environmental impact. We believe that one of the pillars of growth is continuous innovation towards more efficient and sustainable solutions.

This year, for the second time, we are preparing our publicly available Sustainability Report (the "Report"), which summarizes the sustainability performance of the HELL ENERGY Group. We assess our performance in terms of our relationship with our employees, suppliers, customers, and consumers. The Report has been prepared in accordance with the GRI (Global Reporting Initiative Standards) to help achieve transparency and comparability.

The purpose of the Report is to present our results in a transparent way to our consumers, employees, business partners, and other stakeholders, and to share our approach to sustainability with them.

For comments, suggestions for improvement, or questions, please contact us.

sustainability@hellenergy.com



HELL ENERGY COMPANY PROFILE

REPORTING DATA

[102-1] [102-3] [102-5] [102-45] [102-50] [102-51] [102-52]

THE NAME OF THE ORGANIZATION	HELL ENERGY Hungary Ltd.
THE HEADQUARTERS OF THE ORGANIZATION	1062 Budapest, Andrásy út 126.
THE SCOPE OF THE REPORT	The Report covers the HELL ENERGY Group's member companies HELL ENERGY Hungary Ltd. and QUALITY PACK Zrt.
DATE OF LAST REPORT	2021. 11.24.
REPORTING PERIOD	Calendar year 2021
REPORTING CYCLE	Annual



HELL GROUP [102-5] [102-18]

HELL ENERGY is one of the fastest-growing FMCG brands globally, as evidenced by its continued export expansion and growing global popularity. Our 100% Hungarian-owned energy drink brand was born in 2006, and by 2010 it had become the market leader in Hungary and a dominant player in international markets. Our products are now sold in more than 50 countries outside our home country, of which we are the market leader in 10. Globally, HELL ENERGY DRINK is estimated to be the 3rd largest energy drink brand, our ENERGY COFFEE brand has become the market leader in 5 countries, and our XIXO iced tea is the market leader in Hungary.

Our company is unique among beverage producers: we are the only one in the world to be the market leader in several countries, with a strong brand, our own filling plant, and aluminum can factory, as well as an automated high-bay warehouse, giving us an unrivaled strategic position in both domestic and foreign markets. Despite its outstanding international success, the HELL Group is still a family business, managed by 4 directors.

About our organization [102-2] [102-4] [102-7]



NUMBER OF EMPLOYEES

719

PEOPLE



EQUITY CAPITAL

40.57

BILLION HUF



PRODUCTION CAPACITY

1.5

BILLION NOMINAL
CAPACITY



BRANDS

5

HELL ENERGY
ENERGY COFFEE
XIXO
SWISS
FLOEWATER

Our memberships [102-13]

HBLF
(2021)

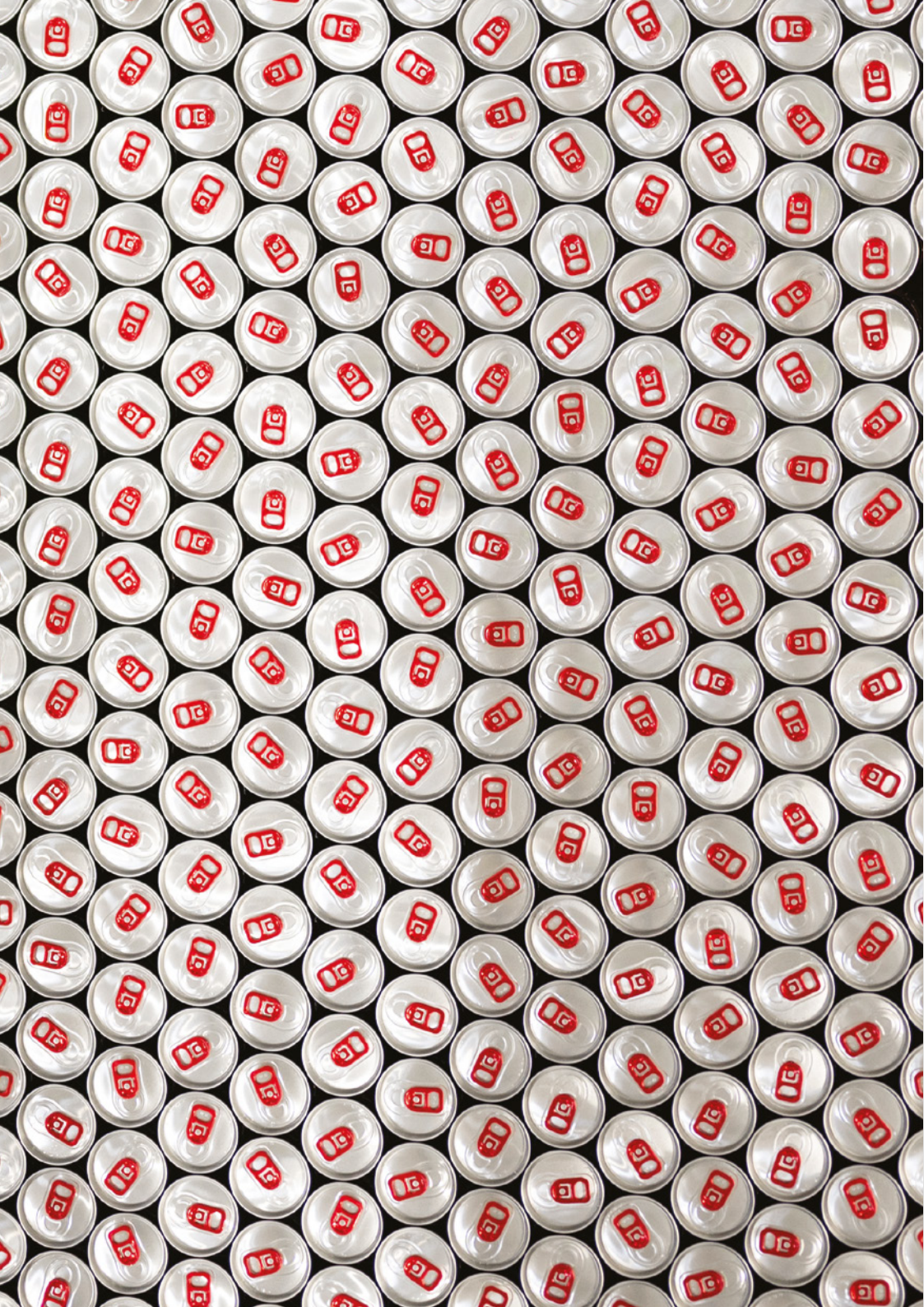
KSZGYSZ
(2021)

BCSDH
(2021)

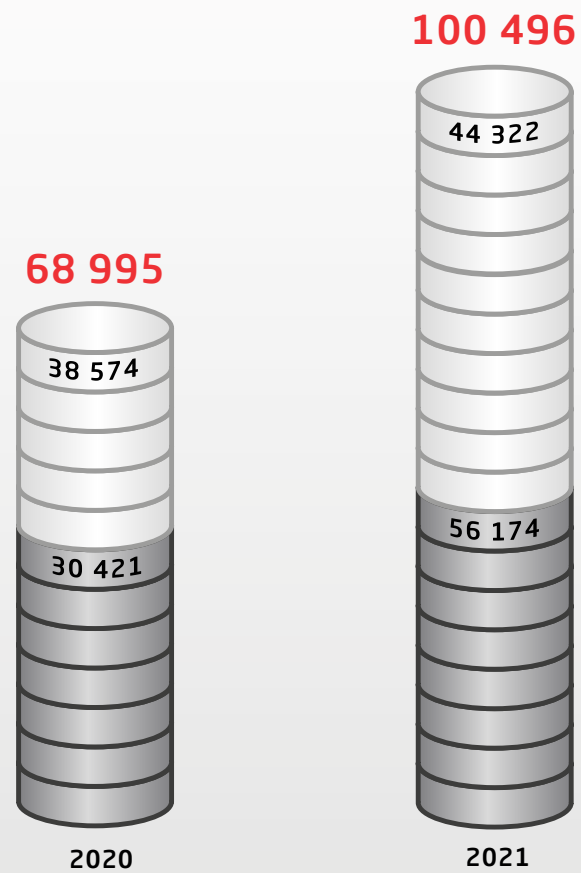
MASZESZ
(2021)



HWP
(2021)





Presentation of net sales (HUF million)
[102-7]



-  Net turnover from domestic sales
-  Net turnover from export sales

OPERATION SITES [102-4] [102-6]

HELL ENERGY is present in many countries through distributors, to whom we have high expectations: to be among the top three energy drink brands in the country within one year and to be the market leader within three years.

Our biggest export markets are Romania and Bulgaria.

5 CONTINENTS,
IN MORE THAN **50** COUNTRIES



KEY RESULTS FOR 2021

MILESTONES



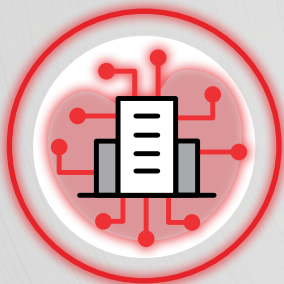
**PHASING OUT PET PACKAGING FOR
CARBONATED SOFT DRINKS**



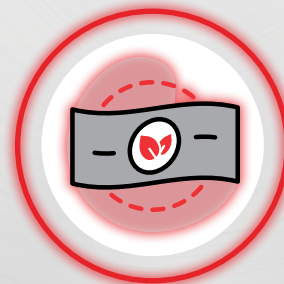
**INTRODUCTION OF FLOEWATER AS
A PACKAGING-FREE SOLUTION**



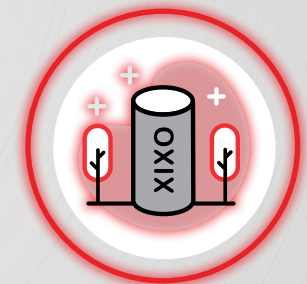
**IMPLEMENTATION OF ISO 14001
ENVIRONMENTAL MANAGEMENT SYSTEM**



**FURTHER DEVELOPMENT OF
CORPORATE DIGITALISATION**



**GREEN BOND ISSUANCE WITH A NOMINAL
VALUE OF HUF 67 BILLION ISO 14001**



XIXO SUSTAINABILITY CAMPAIGNS

STRUCTURE OF THE REPORT

[102-40] [102-42] [102-43] [102-44] [102-46] [102-54]

The Report summarizes the events, achievements, and challenges of the 2021 calendar year. As we did in 2020, we have prepared this year's report in accordance with the requirements of the GRI standard "GRI in accordance Core", incorporating its elements. The compilation and delimitation of the topics included in the Report have been specifically defined for the purpose of writing the Report, as a result of the materiality test carried out in 2021. In last year's study, we asked our internal and external stakeholders to assess the relevance of each topic for HELL by means of a questionnaire. In identifying and selecting stakeholders for the Report, we took into account the need to include representatives from all areas. The list of relevant topics prepared in 2020 was reviewed in a management workshop prior to the preparation of this year's Report.

For us, sustainability is not only about economic sustainability and the conscious use of available resources, but also about taking into account the internal and external, wider and wider environment and communities of the factory. In addition to the key figures on company performance, we also consider it important to present the issues of public interest that are highlighted for the year.

In our report, we assess sustainability along 3 main themes: our world, our environment, and our society, and the themes highlighted in the materiality assessment.

Our work is guided by the UN Sustainable Development Goals (SDGs), which cover universal issues that are relevant to our well-being, such as health, responsible consumption, and combating climate change and its negative impacts. They are also presented in the context of the individual chapters of the Report.



RELEVANT TOPICS [102-47]

When preparing this Report, we reviewed the materiality assessment carried out a year ago, and as HELL ENERGY's operations and activities have not changed significantly, we did not repeat the full assessment. However, we validated it in a management workshop and added the essential topics for the presentation in 2021.

The topics identified in the essential topics list for the 2020 Report were still considered essential by the workshop participants. An additional element was added to the list, namely maintaining and increasing market presence.

The key material themes in the Report's focus are also being prioritized by management within the organization. Accordingly, internal instructions, policies, and commitments have been established and progress in areas related to the objectives is continuously monitored through reviews and management fast-track meetings. Complaints mechanisms are in place in a number of areas, and specific initiatives are taken, e.g. programs or internal processes are put in place to improve the areas concerned. The above, and specific information on their effectiveness and efficiency, are presented in detail in each chapter under the relevant topic.

Materiality matrix showing the relevant topics



THE HELL VALUE COMMUNITY

Being a “HELL employee” is not just about being part of the company. It is also a statement of our shared values, embedded in our culture, which are an integral part of how we operate every day and how we relate to the world. Accordingly, we work as a team to meet customer needs while adhering to our shared high ethical standards and keeping the future of our society and planet in mind.

Our relations with the world and with each other are characterized by human decency, professional humility, and the value of belonging. This is also demonstrated by the exemplary camaraderie we have shown during the pandemic. Together, we have even overcome the challenges posed by COVID, be it the temporary absence of our colleagues or the challenges of supply. Our operations continued uninterrupted, with no redundancies or shutdowns, and we were able to continue to serve our customers at a high standard.

But we take responsibility not only for each other but also for the community in which we operate. As a HELL, environmental sustainability and social responsibility is an operating norm, and we continuously educate and train our employees on these issues. We remember where we came from, so we work closely with and support the local community that is home to us. Our investments in Szikszó are constantly creating new jobs, thus contributing to the development of the region. We are also committed to developing the next generation of responsible workers and have set up a dual training program with the local higher education institution, the University of Miskolc. We also aim to create value for the indirect external stakeholders of the region, through continued support to local sports communities and hospitals.



OUR WORLD



HELL's mission is to improve consumer well-being through its products, so every element of the product portfolio is made in the spirit of **responsible consumption and production**. Thanks to our innovative technology, production is efficient, with minimal environmental impact. Our drinks are high quality, vitamin-rich, and mostly made from local ingredients.



HELL's core values include a true-to-our-local-roots approach to creating value for employees within the company, also helping to promote **sustainable cities and communities**. The company is a driving force behind numerous local initiatives in the city of Szikszó, supporting the local vision of the young generation, health, sports communities, and culture.



As a modern company, we are constantly looking for **industrial and infrastructural innovations** that can make our processes more efficient. By continuously upgrading the design elements of our products and the aluminum packaging we use, and by vertically integrating our manufacturing process, we reduce our exposure to changing market conditions, our costs, and our real and potential negative environmental impact.



ESG APPROACH

OUR PRINCIPLES [103-301]

Sustainability is reflected in the product development process and in our day-to-day operations. Our innovations not only improve the quality of life for people and our communities but also have a positive environmental impact. We do this in accordance with the high ethical standards and norms we set for ourselves, and we are uncompromising in our approach.

As a global company, we believe it is our responsibility to find solutions to minimize our environmental impact and opportunities to create value for our internal and external stakeholders. That is why the building blocks of HELL's business plan are sustainability principles and ambitions that do not make lofty statements for the distant future, but objectives that are transparent, credible, financially and environmentally viable solutions today. Their effectiveness will be measured continuously and the actual performance achieved will be reported on an annual basis.

OUR GOAL TO BE THE WORLD'S GREENEST ENERGY DRINK AND SOFT DRINK PRODUCER

As a responsible manufacturer and brand, we strive to keep global temperature growth below 2°C below 1990 levels by 2050, in line with the commitments of the Paris Climate Agreement, and we are looking for ways to achieve the 1.5°C ambition. We know that corporate responsibility practices expect commitments to be backed up by quantified targets, but at HELL we believe that ambition can only be measured in terms of results. This is the approach we take in our approach to sustainability, i.e:

ACTIONS SPEAK LOUDER THAN WORDS

HELL sees the minimization of its environmental impact primarily in the responsible management of raw materials, thus helping to conserve natural resources. In this context, HELL is committed to setting internal ambitions and principles that will enable transparent decision-making based on a scientific assessment of environmental impacts. As a company, we have looked at all areas of the operation where material use occurs and considered the possibilities for reducing, converting, or recycling. We have made the environmental footprint of our product packaging a priority. That is why we have set a target to reduce the proportion of PET bottles (only 2% of which are recycled in a closed system) and to bring the proportion of aluminum cans (which can be recycled infinitely) in our portfolio to over 95% by 2020. We have successfully met this target and are now ready to take another ambitious step. We aim to bring the proportion of PET bottles below 1% by 2025.

CORPORATE GOVERNANCE, ETHICAL OPERATION, COMPLIANCE



SOCIAL RESPONSIBILITY

We have a responsibility towards our environment. We aim to create value for future generations and local communities. We continuously support culture, social goals, sporting events, and health.



CONSUMER INFORMATION

We place a high priority on providing consumers with adequate and accurate information, in compliance with current legislation. A key area of focus is the labeling of our products, where we comply fully with local legal requirements.



DIVERSITY, FAIRNESS, AND NON-DISCRIMINATION [406-1]

We act with the highest standards of personal and professional integrity and demand the same from our partners. We make every effort to avoid incidents of discrimination, and we have developed a specific internal system and policy for reporting.



RESPECT FOR HUMAN RIGHTS [412-1] [412-2] [412-3]

We have laid down the importance of human rights in our Code of Ethics, which we expect all our employees to know and apply. We distance ourselves from suppliers and partners where there is a risk of human rights violations.



ANTI-CORRUPTION

[103-205] [205-1] [205-2] [102-16]

Zero tolerance for corruption and bribery. Our Code of Ethics applies to all our representatives, employees, service providers, and subcontractors, prohibiting all forms of bribery, regardless of job title or position.



FAIR BUSINESS PRACTICES

[103-206] [206-1]

Ethical behavior in competition. We seek to win business and orders on fair terms, without collusion or illegal agreements with competitors or decision-makers. Fines for breaches of competition or antitrust regulations have been imposed not only this year but also in the history of the company.



PROTECTING CUSTOMER DATA

[103-418] [418-1]

Protecting the personal and sensitive data of our consumers, partners and employees are of the utmost importance to us. We strive to ensure that the data we process complies with the European Union Data Protection Directive (GDPR) and other requirements set out in other sectoral rules where applicable.



LEGAL COMPLIANCE

[419-1]

We use consistent and innovative ways to prepare our colleagues to comply with legal requirements, international standards, norms, and ethical standards, including competition law, consumer protection, and other relevant legislation, and data protection policies.

DEVELOPMENTS, INVESTMENTS, BUSINESS PLANS

[102-11]

At HELL, we constantly strive to improve our performance, and 2021 was no different. An important milestone in the year's developments was the issuance of a green bond with a face value of HUF 67 billion, the proceeds of which will be used for green infrastructure investments. Our commitment was noted by Sustainalytics, an internationally recognized independent third party.

Innovations that improve efficiency and environmental performance are present at all stages of production. Our

vertical integration within the Group is based on the fact that the key production points are located at a single site: from the QUALITY PACK aluminum can factory, the cans are transported on a conveyor line to the HELL filling plant and from there to the automated high-bay warehouse. The process minimizes the market exposure issues experienced during the pandemic by providing us with the flexibility to react quickly to any disruptive effects that may arise and allows us to control the entire production process from raw material to the final consumer product.

This not only means cost and quality control but also serves as a driver for our sustainable operations. By using interconnected supply chains, there is no need for freight transport, so there are no greenhouse gas (GHG) and pollutant emissions from transport related to manufacturing, which reduces our carbon footprint.

HIGH LEVEL OF VERTICAL INTEGRATION



SUCCESSFUL, GLOBALLY RECOGNIZED BRAND

**HIGH-TECH ALUMINUM BEVERAGE
CAN FACTORY**

**STATE-OF-THE-ART FILLING
PLANTS**

**AUTOMATED WAREHOUSE AND
OWN LOGISTICS FLEET**

As a responsible company, we believe it is important that our capacity growth is accompanied by innovation and efficiency. This enables us to grow the company in a sustainable way, reducing the number of resources used in the production and use of our products.

We have doubled our capacity by starting up a new second production line at our QUALITY PACK aluminum can plant. As an example of its efficiency, we produced more than 4 million cans in one day.

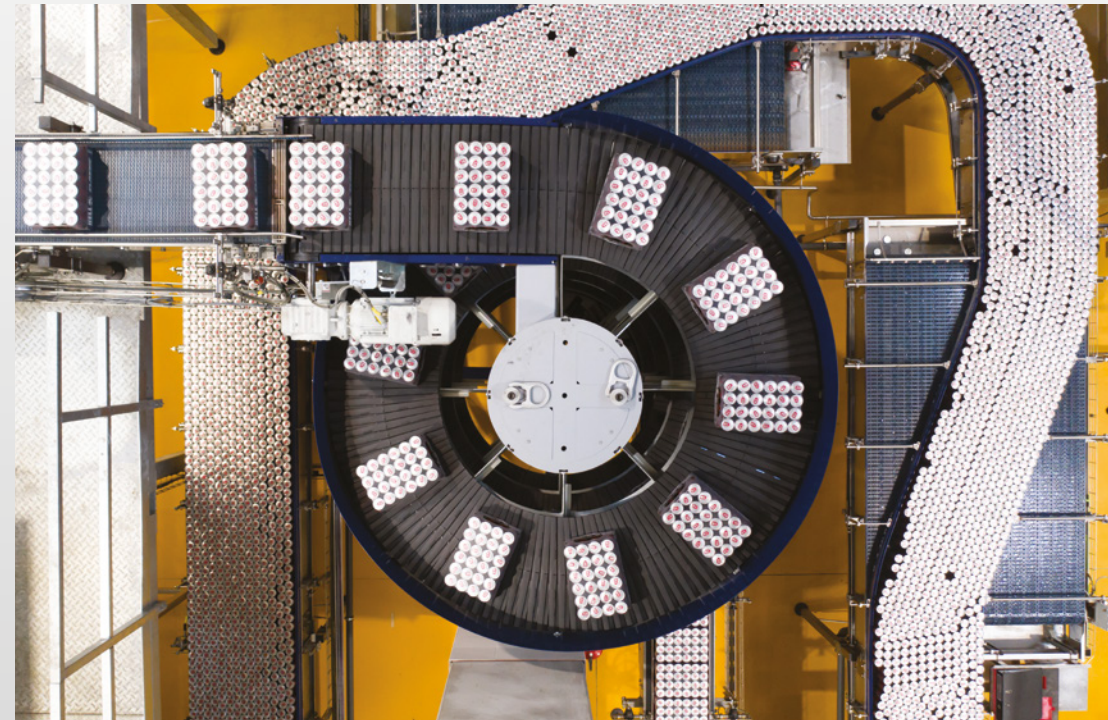
On the HELL filling side, we have also seen a steady increase in efficiency. Since March, a new filling line has been introduced: cans are rinsed using a new air technology, which saves the company a significant amount of water consumption and thus wastewater production. In

our coffee plant, thanks to a high degree of digitalization, automatic material handling is now in place to ensure process efficiency.

In compliance with our legal obligations, we have begun to install a sub-metering system for the HELL plant, which will allow us to accurately measure the energy consumption of each machine, thus ensuring that potential improvement points can be identified. This will be done by reducing the scrap rate, properly treating wastewater, increasing the share of renewable energy sources, and continuing to digitalize and roll out sub-meters. We apply the precautionary principle as part of our risk management when making decisions related to our investments. For developments, investments, and new product launches, we address potential risks in our business plan and financial

calculations, which are regularly monitored, reviewed, and reassessed as necessary.

At HELL Group, an independent internal audit area has been operational since the beginning of 2020. During the establishment of this area, internal due diligence of the HELL Group was carried out, which included a comprehensive company-wide risk assessment. As a result, we obtained the ISO14001 standard in 2021, which was implemented in the spring.



ECONOMIC PERFORMANCE

HELL ENERGY is the only company with a market-leading brand in several countries, a privately owned aluminum can factory, a modern filling plant, and an automated high-bay warehouse. This gives it an unrivaled strategic position, also at the global level.




It is important for the management to be able to dynamically monitor the achievement of the financial results planned for the year. The availability and processing of information in real-time allow any necessary adjustments to be made and the economic ambition to be achieved.

Economic performance indicators also play an important role in determining future development directions. The economic value generated, i.e. income, is made up of net sales, sales of assets, and income from investments. The increase in this indicator in 2021 was due to an increase in production and sales, both thanks to the expansion of the product portfolio and to investments. At the same time, personnel expenses (wages and benefits) and operating expenses also increased due to the increased workforce, mainly due to the energy used for operations. The increased revenues and greater staff numbers mean higher tax obligations.

Produced and divided economic value (million HUF) [201-1]

	2018	2019	2020	2021	y-o-y (20-21)
Produced economic value					
 Revenue	61 339	66 354	93 103	125 805	35%
Divided economic value					
 Operational costs	49 057	54 262	75 566	98 803	31%
 Employee salary and benefits	2 414	3 177	3 943	5 273	34%
 Payments to capital investors	0	0	0	0	0%
 Payments made to the state	3 246	4 350	5 160	6 031	17%
 Community investments	185	182	229	119	-48%

Financial support received from the state (HUF) [201-4]

	2018	2019	2020	2021	y-o-y ('20-21)
 Tax deductions	472	216	496	247	-50%
 Contributions	0	0	0	0	0%
 Investment support, research and development support	1 357	513	4 830	58	-99%
 Prizes	0	0	0	0	0%
 Financial contributions from export credit agencies	0	0	0	0	0%
 Financial incentives	0	0	0	0	0%
 Other contributions	0	0	0	0	0%

INDIRECT ECONOMIC EFFECTS [203-1]

Despite the pandemic period, 2021 was still a year of dynamic growth in sales demand, which we had to keep up with on the supply side. Coordination with other areas, such as sales, marketing, and especially production, and the associated capacity increases, played a key role in organizing time-efficient service. Thanks to strategic planning, we have made efficient use of existing capacity to meet growing consumer demand, whether it be for production in new countries, new products, or the introduction of new flavors. Our planning process uses a robust methodology with appropriate checkpoints, both at the strategic and operational level.

Major infrastructure investments and subsidies (HUF million)

2018	2019	2020	2021	y-o-y ('20-21)
4 115	8 298	12 291	25 623	108%



PRODUCT PORTFOLIO [102-2]



As a young, dynamic company, we aim to offer products that fully meet the dynamically changing needs of consumers. As the primary consumers of our soft drinks are young people, our brands within our portfolio need to be constantly renewed, with seasonal products, new flavours and a refreshing look. With this in mind, HELL is always on the lookout for and finds opportunities to innovate.

We treat sustainability as a key issue in line with the values of the next generation. These aspects have become our credo and are reflected in the manufacturing process of our products as well as in the ingredients and packaging of our physical products.

PRODUCT DESIGN , INNOVATION AND LIFE CYCLE MANAGEMENT

HELL is at the forefront of innovation. We are constantly working to make the look of our cans more dynamic, keeping in mind environmental requirements and international trends. As part of this, we have formulated our environmental strategy, which includes increasing the proportion of our aluminum can products in the portfolio to over 95% and the target to be above 99% by 2025. This commitment is underlined by the construction of our own QUALITY PACK aluminum can factory in 2017, which we are continuously expanding.

The strength of aluminum cans lies in the fact that, because the material itself remains as strong after any amount of melting and reforming, it can be recycled 100% and infinitely. It is also one of the most valuable of all packaging materials as secondary raw material. Their collection and recycling is the most efficient. Aluminum is a light, durable and flexible material, which requires 95% less energy to recycle than the production of aluminum cans from primary raw materials. More than 75% of the aluminum that was once discarded can now be found in the cycle, and up to 60 days after it is thrown away by the consumer, it can be recycled and reused indefinitely. By being conscious in our use of materials, we reduce the amount of waste generated that enters the Earth's cycle and significantly reduce emissions from production and recycling.

Looking for further improvement points, from 2021 we will use aluminum with an exceptionally high recycled content and low carbon footprint in the production of all our cans,

meaning that our cans will have at least 75% recycled aluminum content. This means that the aluminum that is recovered and used will have been a consumer product at least once. The remaining 25% contains both additional recycled consumer and manufacturing waste and primary metal produced from renewable energy. This means that we have reduced the carbon footprint of our aluminum material by at least 60% compared to what we have been using so far. As a result, the aluminum we use has an extremely low carbon footprint globally, setting an example for the whole industry. From 2021, we will cover our energy needs for production with 100% renewable energy, a significant achievement in environmentally conscious energy use.

We have also taken product innovation in packaging to the next level by introducing our Floewater brand in 2021, which we see as the packaging-free solution for modern water consumption.



HELL ENERGY

HELL energy drinks are the best-known products of our group and are now available in more than 50 countries worldwide. The main driver of their popularity is that they combine high-quality ingredients with good value for money thanks to our efficient production technology. Our products are manufactured in accordance with the European Union recommendations for the recommended min. 32 mg/100 ml of caffeine, contain high-quality EU2 grade sugar, 5 different B vitamins, and are preservative-free.

Our HELL energy drink portfolio currently comprises 12 permanent products, including sugar-free versions and various functional drinks such as our FOCUS. Continuous development and renewal have always been an important part of our brand, so we always offer more and more specialties to our consumers. In this spirit, this year we have introduced 3 new gamer drinks to the public, as well as 2 new flavors Summer Cool (peach-lemon & watermelon and beach neon and pink) and 2 Ice Cool (nordic red and nordic turquoise) limited edition variants.



ENERGY COFFEE

In 2019, as part of our portfolio expansion, HELL ENERGY COFFEE has launched 3 different iced coffees on the shelves: Latte, Slim Latte and Cappuccino. Made with 75% Hungarian milk, real Arabica and Robusta coffee extracts and no preservatives, our products have quickly become a consumer favorite. The energy in the coffee is provided by the extra caffeine content (40mg/100ml). Thanks to its excellent composition and its practical, environmentally friendly packaging, it is a great alternative when you need a little pick-me-up during an active weekday or when traveling. This year, we have added two new flavors to our coffee range: double espresso and lactose-free.



XIXO

The XIXO soft drinks brand was born in 2013. The beverages are the perfect choice for the whole family, made with premium ingredients, natural tea extracts, and real fruit, without preservatives. They also contain no artificial colors, so everyone from little ones to adults can enjoy them. The XIXO carbonated drinks are made with stevia and fructose instead of granulated sugar, and the zero versions are made without aspartame.

We are proud to have officially phased out PET packaging for all our carbonated soft drinks in 2021, and our iced tea line is now available in PET in one-and-a-half liter sizes only. However, we are also careful to use recycled content wherever possible.



-  WATER
-  STEVIA, FRUCTOSE
-  BUBBLES
-  CITRIC ACID
-  AROMA



-  WATER
-  FRUIT JUICE
-  REAL TEA EXTRACT
-  SUGAR
-  CITRIC ACID
-  AROMA
-  ANTIOXIDANT



SWISS LABORATORY

The SWISS brand joined the group in 2021. Our vitamin drink family was launched to support the health of our consumers. The drinks offer an alternative way to take vitamins every day, as they contain a wide range of vitamins and minerals. All products contain herbal extracts from the Swiss DXA manufactory, which has a 104-year history. This essence is prepared with the utmost care using hyssop, marshmallow, bergamot, and mint, exclusively from the Swiss Alps, which have been used in folk medicine for centuries.



-  WATER
-  FRUIT JUICE
-  SWISS HERBAL EXTRACT
-  VITAMINS



-  WATER
-  CARBONIC ACID
-  SWISS HERBAL EXTRACT
-  SUGAR
-  VITAMINS AND MINERALS



FLOEWATER

We are constantly looking for alternative, environmentally friendly solutions for our packaging materials, so we came up with the idea of eliminating them completely where possible. We are very proud to have launched our Floewater brand in 2021, a premium quality packaging-free water consumption solution. The key innovation of the product is the world's first Fibredyne™ carbon filtration technology, which filters out micron-sized pollutants found in water and piping systems while preserving the precious minerals in our Hungarian waters. The filter also treats the water that passes through it by adjusting the pH of the problematic groundwater, providing a silky-tasting, fresh, clean, healthy, and environmentally conscious solution for those seeking alternative water consumption.

Floewater provides an exceptional solution for universities, offices, and the hospitality industry. It eliminates the need for storage, warehousing, inventory, stock control, ordering, and waste management. It is a truly cost-effective solution not only for businesses but also for the planet.





PRODUCT SAFETY AND QUALITY

[103-416] [416-2]

Quality and product safety are our top priorities. Through continuous improvement, we strive for excellence in our technical solutions. We are committed to high quality and aware of our obligations to our customers so that only impeccable products reach the shelves and consumers. All our production processes are regularly checked and documented. We comply with our external and internal audit obligations in our operations. In the case of products of unsatisfactory quality, we apply a recall protocol under which the defective product is withdrawn from distribution. Thanks to our advanced technological processes, there were no product recalls due to health problems in 2021.

We regularly carry out quality control at HELL product manufacturing plants around the world and expect our partners to meet strict quality criteria, to monitor it continuously, and to provide data. To further enhance product safety, we have also established laboratories for development, microbiological, and incoming goods control.

RESPONSIBLE MARKETING AND COMMUNICATION

As a responsible company, we consider it our duty to inform and educate our consumers about consumer information, product ingredients, and environmental improvements in our packaging, in addition to our communication activities to promote our products. We attach particular importance to providing consumers with correct and accurate information and to complying with current legislation.

HELL is characterized by 360-degree communication. We deliver our key messages to a wider audience by integrating different channels. Our awareness-raising content is not only presented in traditional communication channels and on our website but also regularly on our social media pages, which are particularly popular with young people. This awareness-raising is a key element of all our digital campaigns as it allows us to target our different consumer groups. We are also committed to providing information on nature conservation issues and on the compliance of our products with these issues. As an important step in this

direction, we have launched the HELL ENERGY sustainability blog, where anyone can easily access various content related to this topic.

The most significant sustainability campaign of 2021 was inspired by the new aluminum can packaging of XIXO ice tea. This year, we phased out PET bottle packaging and made sustainable packaging the focus of their marketing campaign. The two main messages of the campaign were to raise awareness of the brand's strong connection to the city of Szikszó and to raise awareness of the importance of circularity for the future of our planet among the next generation. The design element of the new iced tea packaging is the recycling message on the can:

Aluminium cans like this, can be recycled indefinitely. Please, make sure you handle it properly after consumption.

We felt it was important to get the message across, so we translated it into the local language on the cans to our export countries.

RESPONSIBILITY IN THE SUPPLY CHAIN

[102-9] [102-10]

The supply chain management organization is responsible for the material supply process of the HELL Group. Based on customer needs and forecasts received from the sales organization, production planning is carried out within this organization, and then, based on the production plan, purchasing strategies are defined, according to which the purchasing managers carry out the call-offs based on material requirements.









The organizational structure has been changed, with strategic and direct procurement separated to manage more efficient strategy development and operational implementation.

As a proud member of the local community, HELL has always placed a strong emphasis on sourcing raw materials and services locally, as this creates jobs and generates revenue for companies operating in the area. Accordingly, the proportion of domestic suppliers in our production processes has always been extremely high.

With the establishment of the QUALITY PACK factory, can production is now carried out in a concentrated location within the group, making us independent of suppliers in this area. As a result of vertical integration and our improvements in logistics, we have also become more efficient in the organization of transport. We consider

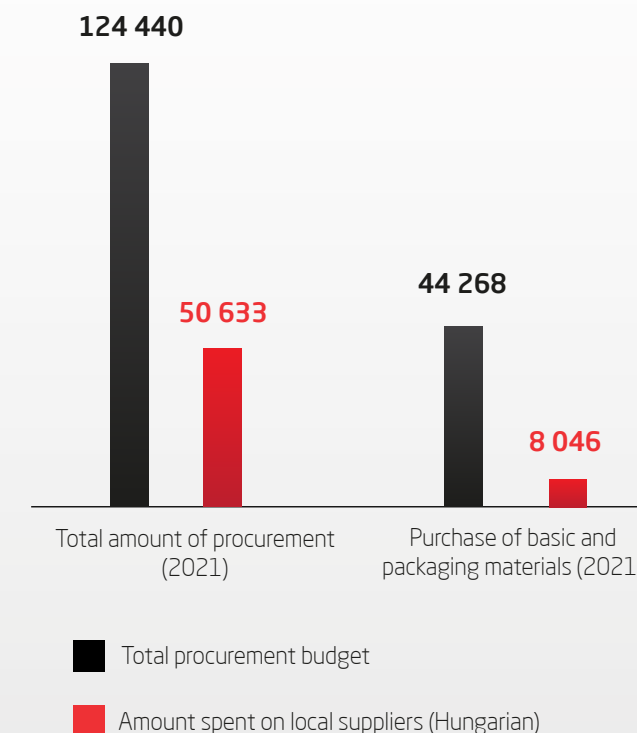
local suppliers to be suppliers based in Hungary. In 2021, Hungarian suppliers continued to predominate in the total amount of procurement and in the procurement of raw materials and packaging materials. We are proud to supply 100% of ENERGY COFFEE's milk procurement from domestic dairy farms, with the largest proportion coming from the local dairy farm in Miskolc.

Supply chain data [102-9]

	2018	2019	2020	2021	y-o-y ('20-21)
Number of suppliers	Number of suppliers (total)				
	 1 389	1 392	1 338	1 432	7%
	Number of suppliers (HU)				
	 1 189	1 189	1 127	1 219	8%
Proportion of Hungarian suppliers	Proportion of Hungarian suppliers				
	 86%	85%	84%	85%	1%
	Payments (total)				
Payments (1000 ft)	 52 641 818	64 542 674	76 181 274	93 167 733	22%
	Payments (HU)				
	 31 566 056	39 695 951	47 821 547	65 562 812	37%
	Proportion of Hungarian suppliers				
 60%	62%	63%	70%	7%	

Value share of local suppliers (HUF million)

[205-1] [204-1]



On the supplier side, the big challenges in 2021 were the shortage of raw materials due to the pandemic and the resulting drastic price increase. This has had an exponential impact on many other areas, as we are talking about one of the cornerstones of our value chain. One of the top priority issues to address was the magnesium shortage, which we were able to address last year by developing new strategic partnerships.

TRANSPARENCY IN THE SUPPLY CHAIN [308-1]

We assess our suppliers and subcontractors on the basis of their environmental performance and set minimum requirements for them, and it is a fundamental expectation that they meet them. Our suppliers are also screened from an occupational health and safety and environmental point of view, during which compliance with the requirements must also be demonstrated by the presentation of documentation.

Preference will be given to suppliers who have an environmental management system (e.g. EMAS, ISO 14001) or are certified. And our transport partners are always required to use Euro6 engines, which have significantly lower emissions.

Enforcing and meeting these requirements is difficult for smaller companies at the moment, but we always include our procurement policy and EHS (Environmental, Health and Safety) requirements for our suppliers in our procurement.



OUR ENVIRONMENT



Clean water and basic public cleanliness are of paramount importance to HELL ENERGY, as our most important raw material is clean, high-quality drinking water. And our Floewater product, launched earlier this year, is a solution specifically designed to stimulate the consumption of water from public sources, eliminating packaging materials completely.

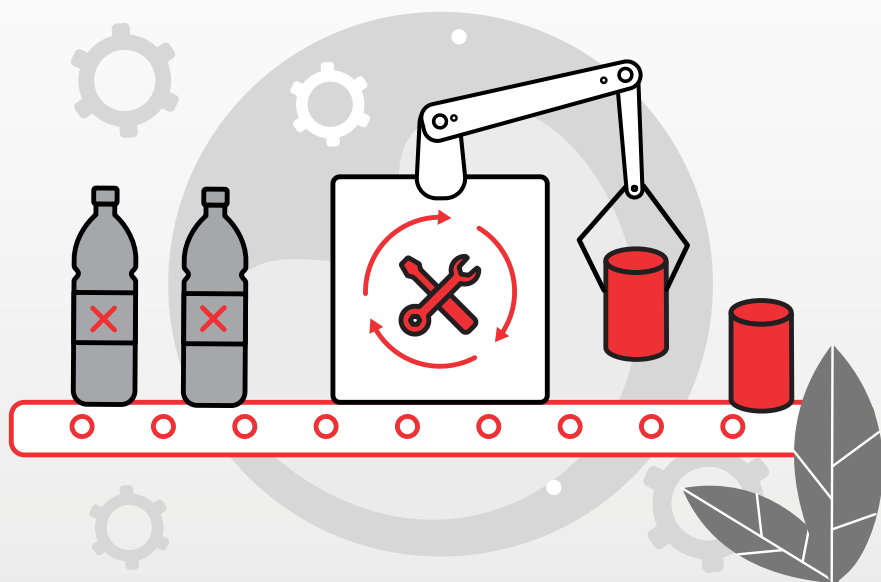


By minimizing your environmental impact with HELL ENERGY, you can support the **fight against climate change**. A related priority is the reduction of packaging waste, which is at the heart of HELL ENERGY's philosophy and ambition. We are linked to the target in several other points, as the reduction of the greenhouse gas intensity of energy consumption also serves this objective.



Affordable and clean energy is essential for HELL ENERGY as an industrial user. We strive to reduce our energy intensity and cover our energy consumption from renewable sources. We are proud that HELL ENERGY is moving in this direction and has purchased green energy hedging for its entire energy consumption in the calendar year 2021.

GOODBYE TO PET PACKAGING



Dismantling of the PET production line

In 2021, our PET filling line was dismantled and replaced by a can filling line, so that we can provide the increased can demand in an optimal location. The installation of the new canister filling line will be completed and the handover test run will take place in 2022. However, we will not say goodbye to the PET filling line forever, it will be re-installed in a new location in 2022, as although it represents a small and decreasing share of our portfolio, up to 1% in the future, the filling line will still be needed.



The packaging-free solution - Floewater

Floewater, thanks to its innovative water filtration and treatment technology, always delivers premium quality, fresh, great-tasting, and chilled water, on the spot, without the need for packaging. This solution is another important step in our environmental philosophy and our commitment to sustainability, and an important step in providing sustainable products. The product is available in glass bottles and in 'beer tap' form for vending machines and catering outlets. The launch of our Floewater brand took place at the University of Miskolc, where we focused on educating the younger generation about our packaging-free solution.

OUR ENVIRONMENTAL IMPACT

USE OF MATERIALS [301-1] [103-301]

Our main environmental impact is the materials used to make our products and their waste. We take great care to choose packaging materials that are of the right quality and have as little impact on the environment as possible. We use foils, interleaves, edge protectors, and paper trays made from 100% recyclable materials for the packaging of our products, and aluminum packaging containing a minimum of 75% recycled content for beverage packaging, as well as aluminum cans of 330 and 500 ml of and aluminum tops, which are also recyclable.

Materials used

	2018	2019	2020	2021
Paper (tray, interleaving, edge protectors)	1 389	1 392	1 338	1 432
Aluminum can	1 189	1 189	1 127	1 219
Aluminum can (330 ml and 500 ml)	171	268	475	870
aluminum lid (202 diameter)	40	63	86	123
aluminum lid (200 diameter)	1 982	2 289	2 454	2 995



WATER USE [303-1]


Drinking water is the primary raw material for our products, so the importance of responsible water management is not an issue for HELL ENERGY. More than 98% of our water consumption is related to manufacturing processes, with a negligible part of it being used in office or service facilities. There have been no significant changes in HELL's water use and water management in the last year.[303-3]

The water used in production comes partly from 8 wells (92 546 m³) producing their own groundwater and partly from mains drinking water (466 742 m³).

The water used in the production process includes the production of product water, the production of feed water for the steam boilers, steam generation and other process uses (washing, cleaning, cleaning, and other uses in the service facilities).

Our water consumption is monitored on an ongoing basis, and the increase in 2021 is due in large part to the increase in potable water use for process purposes in October. The increase was due to water demand for the newly installed can production line.

Összes vízfelhasználás (ML) [303-3]

	2018	2019	2020*	2021
 In total area (ML)	470	504	469	559
 Industrial water	339	406	369	467
 Groundwater	130	98	101	93
 In total area (m ³)	469 534	504 337	469 990	559 288
 Industrial water	339 155	406 036	369 461	466 742
 Groundwater	130 379	98 301	100 529	92 546

[303-2] [303-4] Process wastewater and leachate generated during production are treated at QUALITY PACK's wastewater treatment plant and discharged to Vadász Creek in compliance with environmental limits set by the competent authority. We also monitor the characteristics of our wastewater discharges through self-monitoring by regular sampling by accredited laboratories. The organic matter content, the chemical and biological oxygen demand, and the fluoride and aluminum content of the effluent are the main criteria for our tests.

[303-3] We have developed our internal water management rules in full compliance with our regulatory permits. For this reason, we also monitor, for example, the dissolved salinity or conductivity ¹ of the water used, but the mineral content is not relevant to the treatment of the water.

* A data have been republished due to data errors. [102-48]

¹ The water used has a dissolved mineral content of less than 1000mg/liter.

ENERGY CONSUMPTION [302-1]

We strive to minimize the energy demand of our processes to ensure that greenhouse gas emissions from energy consumption are reduced. Energy efficiency is at the heart of investment decision-making. We use the most up-to-date technology currently available in our operations, so energy efficiency measures in this area are not necessary at this stage.

We are proud to have a green electricity certificate of origin to cover our total energy needs in 2021.

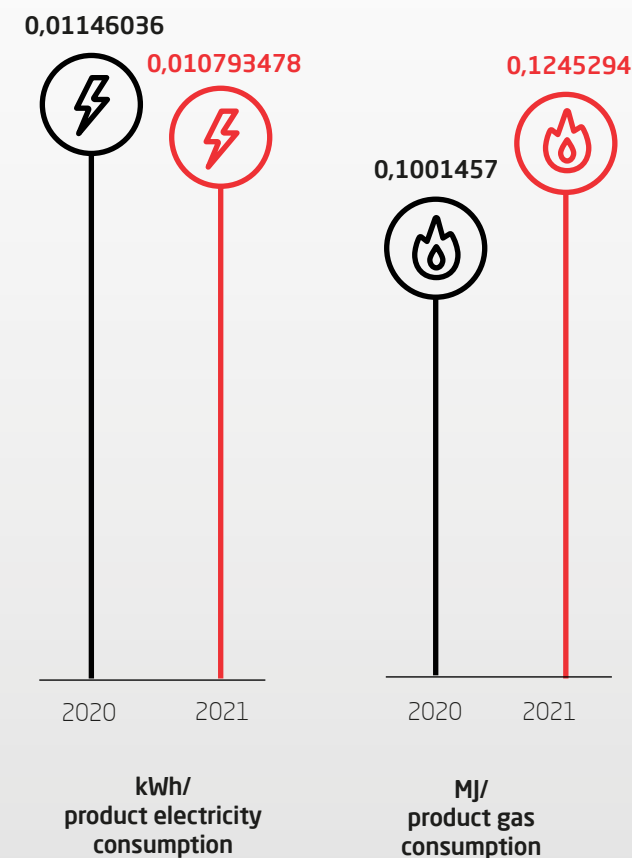
Energy consumption, in particular gas consumption, will increase significantly in 2021, due to the new charging line.

Sub-meters installed in 2021 will allow us to monitor our energy consumption in more detail, but the data presented does not separate the energy used to run each line and to heat the building, so we use a mathematical formula and empirical calculations to determine the amount of energy used. These values are therefore not based on actual measurements but on estimates.

Fogyasztás, energiahordozók szerint

	2018	2019	2020	2021
Szikszó				
Natural gas (m3)	3 112 031	3 287 787	3 853 884	5 687 002
HELL I	1 430 160	1 033 561	718 486	752 437
HELL II	519 763	1 010 078	1 399 718	1 835 321
Coffee plant	Operational from July 2020		260 957	1 258 598
QUALITY PACK can production	1 058 975	1 156 240	1 357 491	1 675 707
QUALITY PACK lid production	103 133	87 909	117 232	164 939
Electricity [kWh]	27 386 540	29 442 859	33 070 432	39 934 399
HELL I	8 056 245	6 003 457	4 899 401	4 086 453
HELL II	2 155 716	3 735 531	4 839 647	5 918 605
Coffee plant	Operational from July 2020		335 861	2 331 439
QUALITY PACK can production	10 157 228	11 653 078	13 599 796	16 321 691
QUALITY PACK lid production	7 017 351	8 050 793	9 395 727	11 276 211

Energy intensity of our products based on energy consumption² [302-2]



² For the calculation of the energy intensity per product, the calorific value of gas was converted from m3 to GJ with a correction factor of 1.082 and a calorific value of 34.2 MJ/m3.

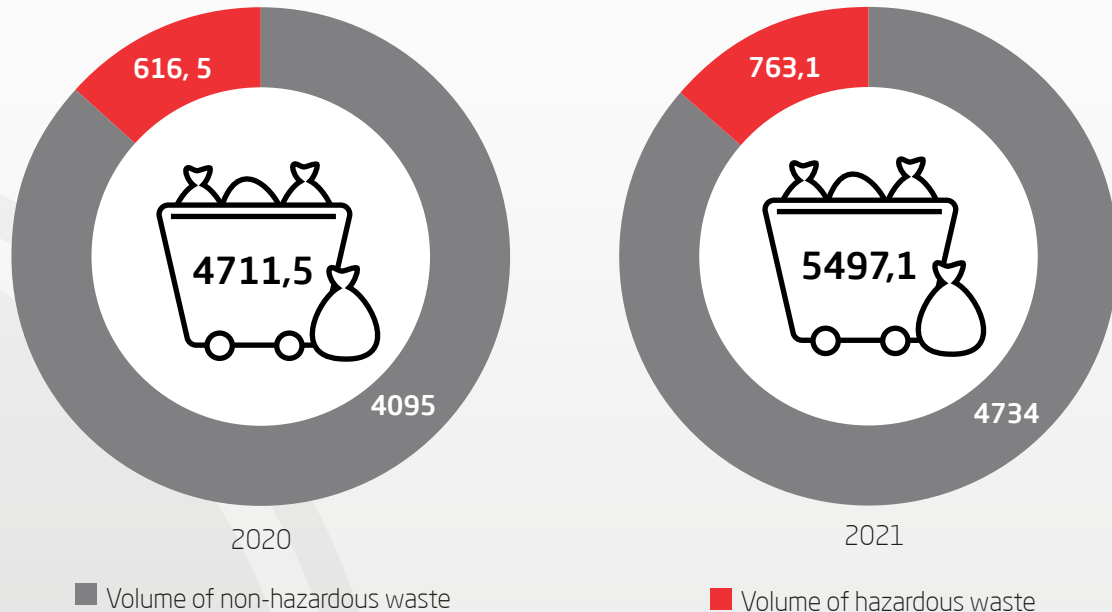
WASTE GENERATED [306-1] [306-3] [306-103]

Our operations generate packaging waste, waste from wastewater treatment, hazardous and non-hazardous production waste, waste from scrap raw materials, maintenance waste, and municipal waste from social premises. Of these wastes, the risk of negative environmental impacts associated with hazardous waste is the main one to be considered and prevented during their storage. We believe that our task in minimizing our environmental impact is not only to reduce our ongoing consumption and emissions but also to prevent and prepare for the occurrence of events with potentially negative impacts.

Although no such event occurred in 2021, spills could occur during the storage of hazardous waste, which could lead to soil or water contamination. To reduce this exposure, outdoor waste storage shelving systems with damage suppression have been purchased. The amount of waste is constantly monitored and when it reaches a truckload, it is immediately removed.

As our production capacity increases, the amount of waste generated increases year on year.

Total weight of waste generated (t) [306-3]



[306-2] Waste is collected and stored in accordance with legal requirements and then transported by a properly licensed waste transport partner and handed over to an appropriate handler. Waste generation is a major issue not only on our sites but also in our supply chain.

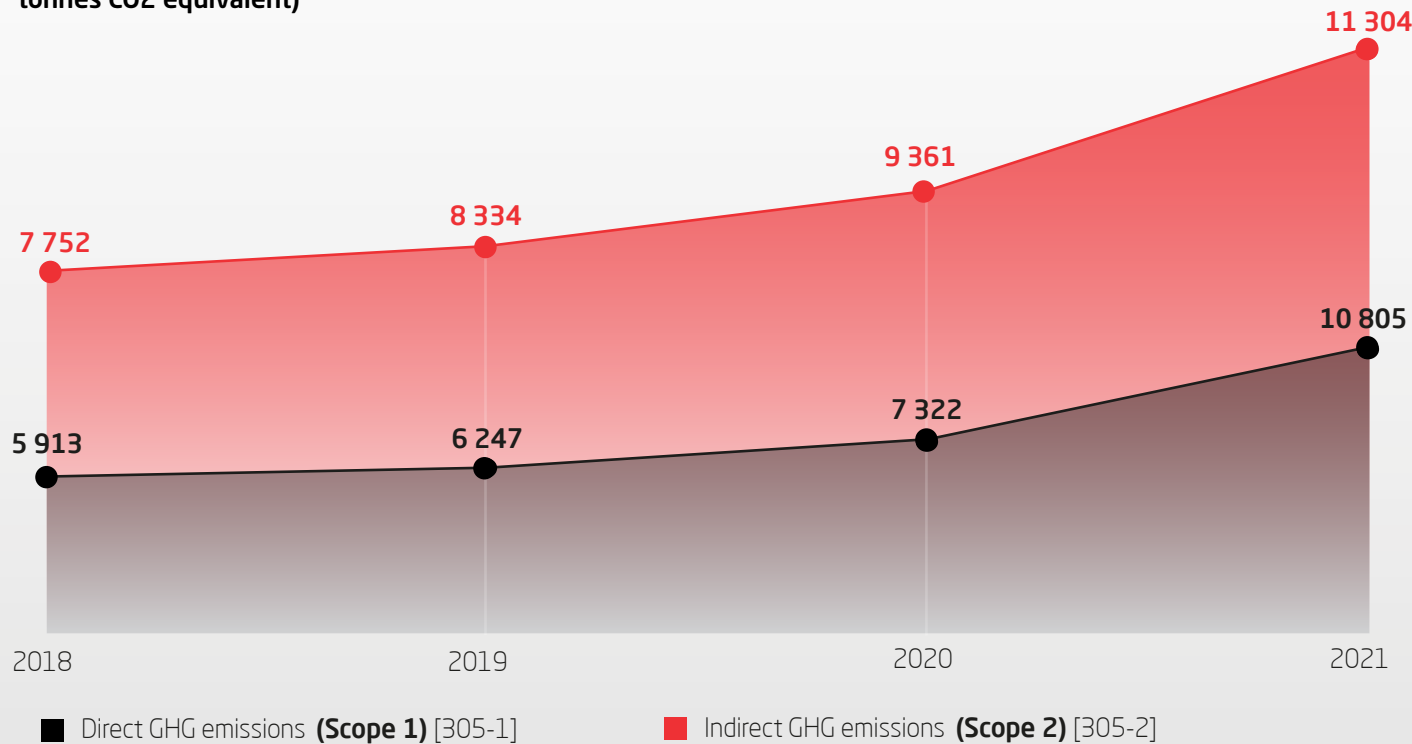
We look at the impacts of the waste we generate, and the impacts on the supply chain and look for solutions to improve these impacts, such as recycling aluminum waste, recycling packaging waste as recyclables, or reducing plastic waste.

[306-2] Our waste management data is collected and tracked through the workplace collection point logbook and SAP system delivery receipts. Industrial scrap and production waste are collected and compacted and returned to our suppliers, which are 100% recycled, so we are talking about a waste-free production for aluminum.

GREENHOUSE GAS EMISSIONS

We continuously monitor our emissions and their carbon equivalents in relation to our activities³. Our corporate carbon footprint has been monitored annually since the opening of our new factory, in terms of electricity and natural gas consumption.

Gross indirect (Scope 1) and direct (Scope 2) greenhouse gas emissions (metric tonnes CO2 equivalent)



Scope 2 covers GHG emissions from the indirect use of energy carriers (e.g. electricity used for heating and cooling, district heating).

Scope 1 includes direct emissions whose source can be linked to company-owned or managed sites, plants, fleet of vehicles. Examples include GHG emissions from the direct combustion of energy carriers (e.g. fuel, natural gas) or emissions from transport.

Emissions from continued capacity growth can be offset in the future by increasing the efficiency of production processes (lower scrap rates, increased production volume).

³ The carbon dioxide equivalent was calculated using the DEFRA emission factor based on consumption data.

PRIORITY MEASURES TO REDUCE ENVIRONMENTAL IMPACTS IN 2021



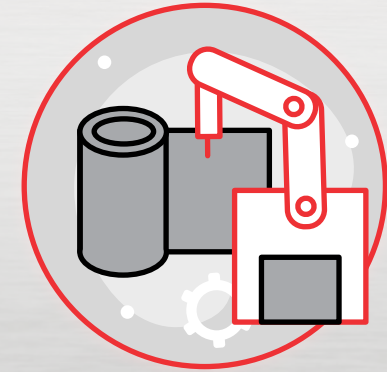
AIR FLUSHING CANS

The new can filling line, installed in 2021, will use air to flush the empty can as it arrives at the filling station, instead of the previous water flushing technology, thus reducing water consumption and wastewater emissions. The system is currently being tested, if it achieves good results, we will consider converting additional lines to air flushing



REDUCING SCRAP AND PROCESS WASTE

We are committed to reducing our scrap rate. Currently, our scrap rate is slightly higher than industry best practice due to the workload caused by the COVID-19 pandemic and the introduction of continuous operations. In order to effectively reduce the scrap rate, we are implementing a digital identification and weighing system that will clearly identify which areas are generating the most scrap so that we can formulate targeted corrective actions.



PACKAGING OPTIMIZATION

Robotic and optimized sizing is used to avoid possible losses due to the initial coil size. Although the loss from the wrapping material is currently recycled, avoiding the generation of waste is environmentally preferable.

COMPLIANCE WITH ENVIRONMENTAL REGULATIONS

[307-103] [307-1]

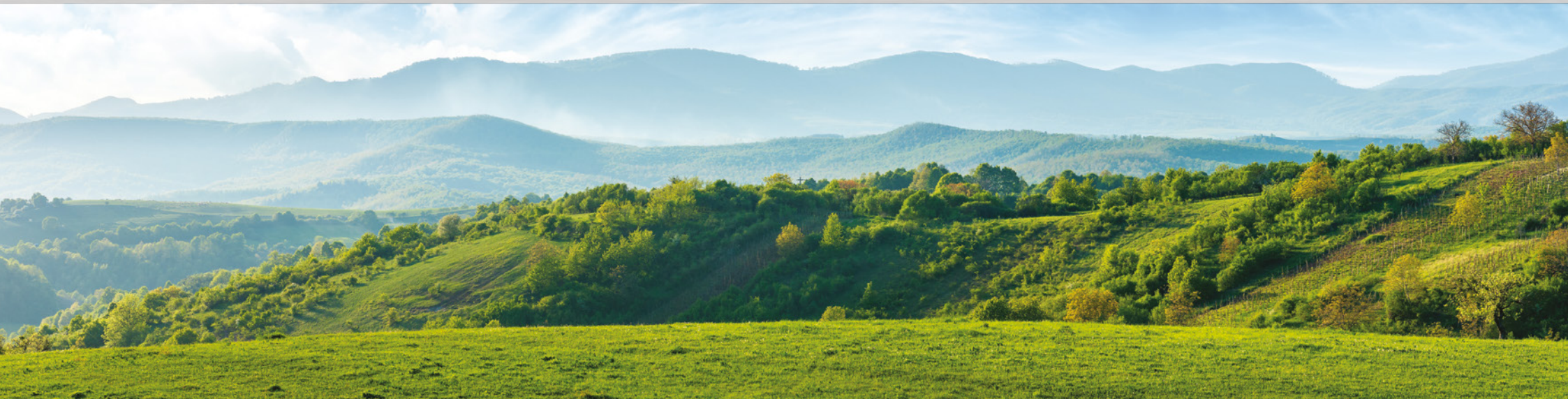
Compliance with legal requirements is essential for operations. Accordingly, HELL ENERGY has the necessary environmental permits, regulations, and expert staff.

We report on our performance, including compliance with environmental legislation, on a monthly basis, including the results of inspections carried out at our sites, the number of non-compliances and non-compliances identified, and the resulting sanctions. In 2021, there were no significant fines or non-monetary sanctions related to non-compliance with environmental laws and/or regulations. Our environmental standards apply to all employees working on the site, as well as to external persons, and compliance is closely monitored.

RAISING ENVIRONMENTAL AWARENESS

As a market-leading company, it is our responsibility to inform and educate our consumers to make environmentally responsible choices. Our aim is to communicate clearly and transparently, both through the publication of our report and through our website sustainably.hellenergy.com. Our consumers also have an important role to play in creating a real circularity, and we strive to support them in this.

In addition to our consumers, we also have a responsibility to raise awareness among our colleagues, because together with more than 700 colleagues working at HELL ENERGY and QUALITY PACK, we can also do our part to protect our environment. You can read more about our employer and social responsibilities below.





OUR SOCIETY



For our employees and our communities, **health, and well-being** are essential values, and we have maintained a high level of commitment to this during the pandemic. In addition to our measures to control the coronavirus and our general improvements in occupational health and safety and accident prevention, we have also supported local hospitals during this difficult period.



HELL ENERGY pays particular attention to supporting **quality education**. We play a major role both in the development of our employees and in the professional development of the younger generation. An excellent example of this is our cooperation with the University of Miskolc.



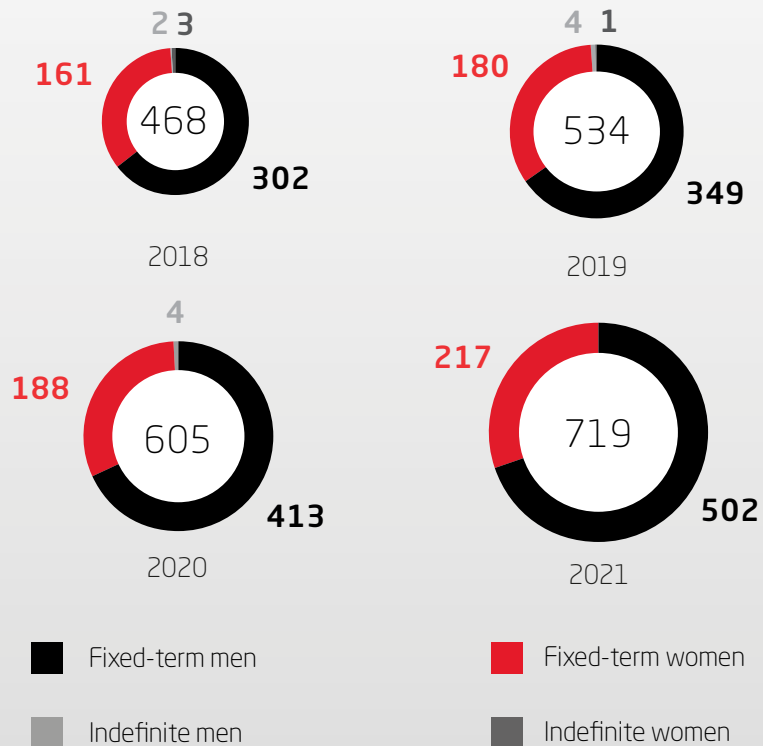
Our company fully condemns all forms of discrimination. We also prioritize **gender equality** in our Code of Ethics and conduct our recruitment and hiring processes according to these strong principles.

RESPONSIBLE EMPLOYER

OUR STAFF [102-8] [202-1] [202-103] [404-2] [404-3]

We employ a total of 719 people at our sites in Szikszó, Budapest, and Miskolc. It is important to us to provide a safe, inspiring, and rewarding working environment for all our employees.

Total number of employees by job classification, by sex (person)

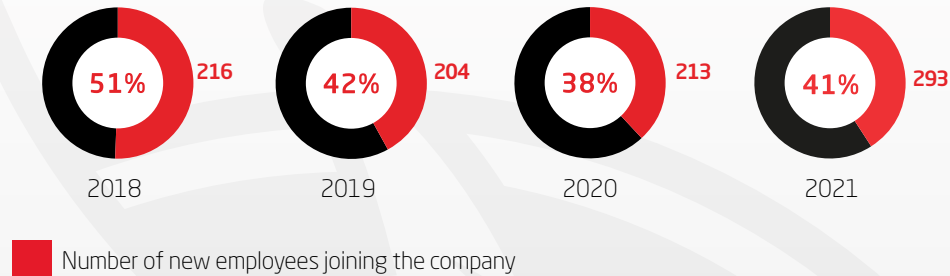


Total number of employees by employment contract (fixed-term and indefinite) by region (person)

	2018	2019	2020	2021
Budapest	83	84	115	133
Indefinite	78	79	111	133
Men	46	45	75	87
Women	32	34	36	46
Fixed-term	5	5	4	0
Men	2	4	4	0
Women	3	1	0	0
Szikszó	310	348	392	482
Indefinite	310	348	392	482
Men	233	275	313	389
Women	77	73	79	93
Fixed-term	0	0	0	0
Men	0	0	0	0
Women	0	0	0	0
Miskolc	75	102	98	104
Indefinite	75	102	98	104
Men	23	29	25	26
Women	52	73	73	78
Fixed-term	0	0	0	0
Men	0	0	0	0
Women	0	0	0	0

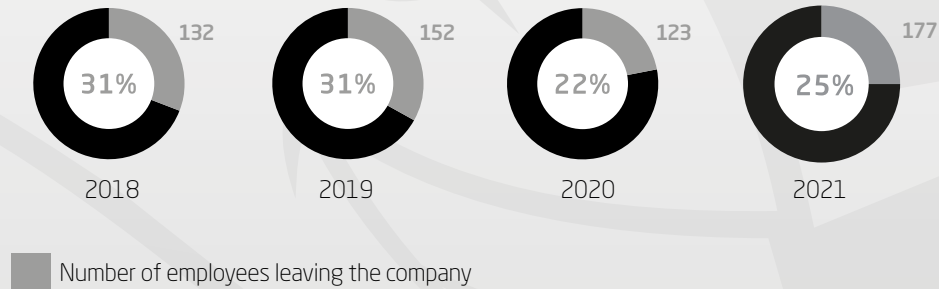
We are proud that there have been no staff reductions this year, and in fact, our new hires are 41 percent higher than last year's 2020 figures.

Proportion of new workforce (persons)



In recent years, we have seen a significant reduction in turnover, the number of employees leaving our workforce in 2021 compared to the number of employees in that year. However, between 2020 and 2021, our total number of employees increased by 16 percent.

Fluctuation (persons)



Our long-term goal is to further improve our retention rate by involving our employees in the future, as their opinions are essential to improving our working conditions.

HELL is committed to creating an attractive, modern, inclusive, and supportive working environment. We place a strong emphasis on work-life balance for our employees, on providing continuous professional development opportunities, and on developing and maintaining an attractive and consistent pay structure.

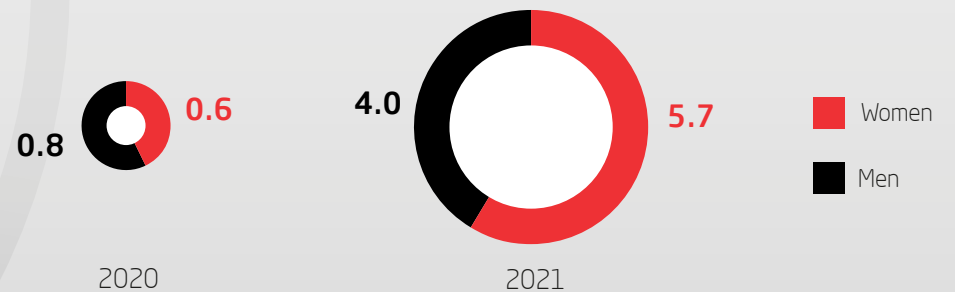
We do not discriminate between fixed-term and permanent contract employees in the benefits available to our employees, which are equally available to all.

TRAINING [404-1] [404-2] [404-3]

As a responsible employer, we are committed to the continuous development and training of our employees, and we provide them with an annual budget to attend various training courses and conferences tailored to their needs. We finance the career development of our colleagues who are studying a specialized field of study through study contracts.

Individual and group professional development is an essential value for our company, which is why we have tried to increase the number of hours spent by our employees on training this year.

Average annual training hours per person



All our employees, regardless of their field or position, undergo regular performance appraisals. Performance appraisals help employees to develop their strengths, assess their education and training needs, and enable them to build a strong career in whatever field they work in, even in a short time.

For us, HELL Group is not just a company, but a community of values. We are proud to have been awarded the Responsible Employer title for our multi-faceted and exemplary approach to the well-being of our employees. We also came third in the FMCG category in the Most Attractive Workplace of the Year⁴ assessment.

CAREER DEVELOPMENT AND PERFORMANCE APPRAISAL OPPORTUNITIES

INTERNAL COMPANY INITIATIVES



Familiarizing workers with modern machinery used in factories



External training, with a fixed annual training framework per area



Management training



Talent Pool program (program to retain key people)



Compulsory training required by public authorities (job-related)

UNIVERSITY-RELATED OPPORTUNITIES



University-funded study contracts



University placements



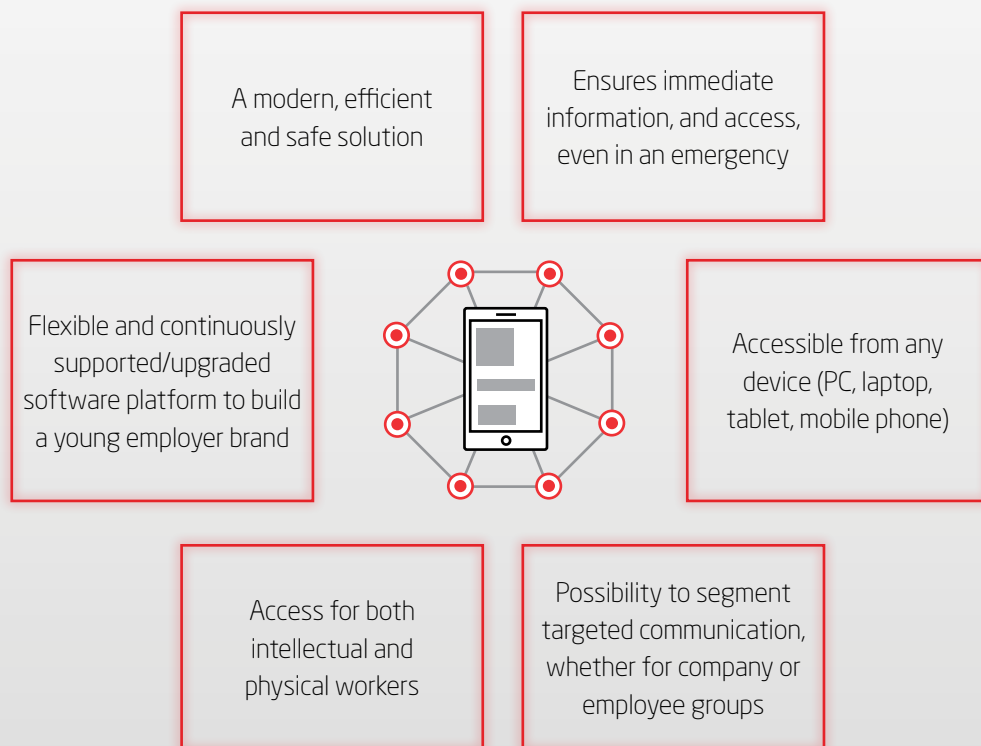
Dual student program

⁴PwC 2021 Most Attractive Workplace Award

DIGITALIZATION

Digitalization is constantly evolving across all areas of the company to make it easier for our employees to work more efficiently and with more modern tools. In the HR area, digitalization will help us reduce administration and paper use. This year and next year, we will continue to develop our SAP system, which will simplify the above-mentioned administration and data management in our daily work.

One of our highlights is the roll-out of the HELLGo application, which connects internal corporate communication channels. The app aims to increase digitalization and efficiency, deepen corporate culture and reach colleagues instantly, regardless of location or device, to facilitate ongoing communication. The app provides a number of benefits:



The application is available only with dedicated access, which is granted to all HELL employees. Here, everyone can access company news and events, the photo gallery, and company documents, but also the onboarding process, internal training, and company training.



THE HEALTH AND SAFETY OF OUR EMPLOYEES

Ensuring the health and well-being of our workers is an important responsibility. By effectively promoting well-being at work, our employees have more confidence in us, are more willing to spend time at work, and are more productive. As well as providing a pleasant working environment, we encourage our employees to take action to improve their health. We do this by, among other things, providing opportunities for exercise, but we also organize regular occupational health programs. [404-2]

KORONAVÍRUS-HELYZET KEZELÉSE

It is particularly important for management that employees feel safe both professionally and personally, so during the pandemic period, we took measures to ensure that employment was uninterrupted and unproblematic. We acted swiftly and with agility to slow the spread of the coronavirus epidemic. Our employees were kept informed of the pandemic situation and of our provisions to protect their health. The following measures have been put in place in relation to the coronavirus:



Pandemic plan



Screening programs, e.g. Covid testing at the locations and with external service providers



Corporate vaccination program



Remote working

WORKPLACE SAFETY AND ACCIDENT PREVENTION [403-1, 403-2, 403-4, 403-5, 403-7, 403-8]

We give priority to occupational safety and accident prevention in our operations. To this end, we have the risk assessments required by law. The company is committed to protecting the health of its employees, and the ISO 45001 Occupational Health and Safety Management System, which was implemented in 2020, has been reassessed and successfully received third-party validation. The management system covers the production areas of HELL ENERGY Hungary Ltd. and QUALITY PACK Zrt. and the external companies working in these areas, whose work is supervised by HELL. In the event of accidents involving external contractors, the fact of the accident is recorded and the investigation is carried out by the contractor's specialist.

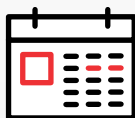
Continuous improvement of the Occupational Health and Safety Management System



Our health and safety analyses are carried out according to the requirements of standards and guidelines. The results are presented during training sessions.



Minor deficiencies: addressed immediately.



Major deficiencies: included in annual tasks and budgeted for.

We are able to follow up the correction of non-conformities identified during risk assessments, safety reviews, quasi-accidents, and accidents, and the implementation of corrective actions throughout the organization, also made possible by vertical integration and the creation of centralized functions.

Process for dealing with dangerous situations

1 >>> **2**

Employee notification:
email, telephone,
ticketing system

Immediate investigation:
the danger is immediate
we strive to eliminate

If a hazard detected by a worker affects work, the worker may suspend work in accordance with the health and safety rules and only resume work after the hazard has been eliminated.

As in previous years, there were no serious or fatal accidents in 2021 [403-9]

Workplace health and safety [403-9]

	2018	2019	2020	2021
Fatal workplace accidents	0	0	0	0
Severe workplace accidents	0	0	0	0
Reported workplace accidents	8	9	6	8
Number of quasi-accidents	0	0	12	20
Main types of workplace accidents	Hand injury	Hand injury	Hand injury	Hand injury

Occupational health and safety [403-10]

Criterion	Explanation	2018	2019	2020	2021
Number of fatal occupational diseases	Deaths from occupational diseases	0	0	0	0
Number of occupational diseases to be reported	Cases of illness from occupational disease	0	0	0	0

All accidents at work are investigated in accordance with internal health and safety rules and national legislation in force. According to the Occupational Accident Reporting procedure, the injured person or witness to the accident reports the incident to the supervisor, who then informs the EHS organization. [403-3, 403-6]

In addition to occupational safety and health, occupational health services covering the whole enterprise and all its employees are of particular importance. The occupational health service is also involved in the risk assessments and makes recommendations during the process to remedy any shortcomings identified. We provide annual fitness tests for our employees and bi-annual eye screening for our screening colleagues. Health data collected from HELL employees during occupational health activities are treated with the utmost care and in accordance with GDPR rules and are only stored in a manner accessible to competent medical practitioners.



CODE OF ETHICS AND COMMITMENT [102-16]

In accordance with the guidelines of the Code of Ethics in force at the Group, all employees are expected to act with the highest standards of personal and professional integrity in the performance of their duties, to comply with legal requirements and to carry out their work in accordance with internal rules and policies.

In addition, each professional area has its own rules, procedures, and internal instructions that govern our operations. The Code of Ethics applies to all employees of the HELL Group, but it also applies to all partners, consultants, and agents. It is everyone's individual responsibility to behave in an ethical and law-abiding manner.

OUR CODE OF ETHICS IS BASED ON FOUR GUIDELINES



COMMITMENT TO QUALITY WITH AN OWNERSHIP APPROACH



**HUMAN DECENCY,
PROFESSIONAL HUMILITY**



**COMRADESHIP IN ALL SITUATIONS WE
ARE A TEAM, WE WORK FOR
EACH OTHER**



**I AM A HELL EMPLOYEE,
YOU CAN COUNT ON ME**

The management is fully committed to the principles of non-discrimination, human decency and professional humility, as well as equal treatment, which is reflected in both our recruitment policy and our remuneration structure. The number of reported cases of discrimination was also zero in 2021. [406-1]

“We do not tolerate discrimination or any form of harassment, either within the company or in our business relationships. We condemn unethical, unlawful, or illegal behavior.”

Management strongly condemns child labor and distances itself from suppliers and partners where there is a risk of child labor.

“We behave responsibly in all aspects of life.”

Our Code of Ethics sets out our commitment to social responsibility. As a responsible member of society, the HELL Group supports culture, social causes, sports, health, and the environment through donations of money and goods, within the relevant legal and financial limits. We do not make donations for the purpose of gaining business advantages.

“We do not litter, we protect the cleanliness and beauty of our environment.”



CUSTOMER CONFIDENCE AND SATISFACTION

The health and satisfaction of our customers is our top priority. We have also introduced an internal incentive and penalty (bonus) system, as mentioned in last year's Report, and a number of performance indicators to measure effectiveness, such as compliance with audits (external and internal), compliance with standards, avoidance of regulatory penalties, and freedom from complaints. We also have a number of commitments in this area, for example in the form of quality policy statements. We have established a complaints handling mechanism and a recall protocol to deal with product quality complaints.

LABELING REQUIREMENTS FOR PRODUCTS AND SERVICES

[417-1] [417-2] [417-3]

Compliance with the labeling rules will again this year be carried out by an external contractor. HELL's aim is to achieve full compliance at all times, but by outsourcing the task, the contractor is responsible for meeting the legal requirements and is also liable for any non-compliance.

Our labeling process follows the processes and rules outlined on page 44 of last year's Report. There were no incidents of product labeling or marketing communication non-compliance related to labeling in 2021.

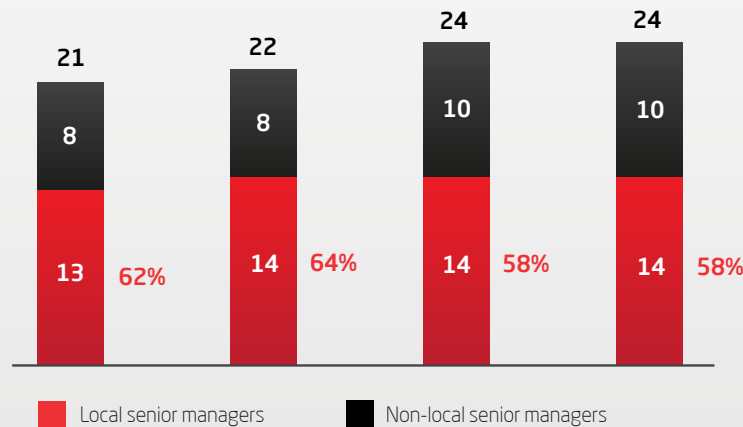


BUILDING LOCAL COMMUNITIES [413-1] [102-12] [103-204]

JOB CREATION

As a responsible employer, we are responsible for training our existing staff and providing job opportunities in our locations of operation. Our company is continuously cooperating with the municipality of Szikszó on social issues, etc., and has provided and continues to provide employment opportunities for many local residents.





Percentage of local senior managers [202-2]



Our company considers employees living in the Borsod Abaúj-Zemplén county, a major operational location, as local labor. Our company prefers to employ local labor for all jobs. We also have a higher proportion of senior managers from the local community compared to non-local managers.

SUPPORTING CAREER OPPORTUNITIES FOR YOUNG PEOPLE

We have an excellent relationship with the University of Miskolc, and we continuously provide opportunities for talented graduates to complete mandatory internships. Based on the cooperation agreement previously concluded with the University, from the academic year 2020/2021 we will accept students who have been accepted for one of the following BSc courses at the University of Miskolc for dual training:

-  Bachelor of Mechanical Engineering;
-  bachelor's degree in mechatronics engineering,
-  Bachelor of electrical engineering,
-  Bachelor of Industrial Product and Design Engineering

This higher education dual training is a practice-oriented form of training based on the coordination and close cooperation between the needs of the University of Miskolc and HELL ENERGY Hungary Ltd. Students accepted for the dual training can gain professional experience at HELL ENERGY Hungary Kft. from the first semester onwards, where they can enrich their theoretical knowledge acquired at the university with the help of our experienced mentors.

SOCIAL RESPONSIBILITY PROGRAMME [413-1]

Supporting local communities is a priority for us. In the 15 years of its existence, the HELL Group has supported the people of Borsod-Abaúj-Zemplén County, especially the people of Szikszó, with hundreds of millions of HUF. In 2018 and 2020, the company donated a total of HUF 50 million for the development of the pediatric oncology department of the Central Hospital and University Teaching Hospital of Borsod-Abaúj- Zemplén County and for the purchase of equipment needed for the coronavirus epidemic.

In continuous cooperation with the town of Szikszó, the Group is also looking for development opportunities to improve the life of a family or the whole community, whether it is a sterile room for a sick child or the organization of a Santa Claus party for kindergarten children in Szikszó.

Supporting sports and healthy lifestyles is also important for the HELL ENERGY Group, and the company is a committed supporter of sports, including the HELL Fight martial arts club, which has been successfully training athletes in Szikszó and Miskolc for years.

One of the big surprises for locals this year, courtesy of HELL, is the full funding of a HUF 50 million investment to support the construction of the XIXO Bringa Garden. The bike track will be surrounded by a beautifully landscaped area with benches, providing a great recreational opportunity as well for those who are on foot.

BLOOD DONATION DRIVES

In cooperation with the Hungarian Red Cross, we traditionally organize blood donation events 2-3 times a year at the HELL factory in Szikszó. All our employees are encouraged to participate in blood donation, for which we provide the conditions as well as the necessary rest time for regeneration. For our joint work, the Hungarian Red Cross and HELL ENERGY Hungary Ltd. was awarded the “Blood Donor Friendly Workplace” award. The “Blood Donor Friendly Workplace” award is given to companies that regularly organize blood donation drives at work or join other blood donation events and encourage their employees to participate in as many of these events as possible.



GRI INDEX [102-55]

Note: The data displayed refers to QUALITY PACK Zrt. and HELL ENERGY Ltd.

! Relevant topic

Number of indicator	Description of indicator	Location	Remark/reason for omitting
GRI 102: General Disclosures			
Note: the data shown applies to QUALITY PACK Zrt. And HELL ENERGY Kft.			
102-1	Organization Name	HELL ENERGY company profile, page 6	
102-2	Activities, brands, products and services	HELL ENERGY company profile, page 6	
102-3	The headquarters of the organization location	HELL ENERGY company profile, page 6	
102-4	Locations of Operation	HELL ENERGY company profile, page 6	
102-5	Nature of Property and legal form	HELL ENERGY company profile, page 6	
102-6	Serviced Markets	HELL ENERGY company profile, page 6	
102-7	The Size of the Organization	HELL ENERGY company profile, page 6	
102-8	Information about employees and workers	Munkatársaink, 41. oldal	

Number of indicator	Description of indicator	Location	Remark/reason for omitting
102-9	Supply Chain	Responsibility in the supply chain, page 28	
102-10	Significant changes in the organization or supply chain	Transparency in the supply chain, page 30	
102-11	Precautionary principle or approach	Developments, investments, business plans, page 16	
102-12	External initiatives	Building local communities, page 51	
102-13	Association Memberships	HELL ENERGY company profile, page 6	
Strategy			
102-14	102-14	Executive director's greeting, page 5	
Ethics and integrity			
102-16	Values, principles, standards, behavior standards	Code of Ethics, commitment, Page 48	
Management			
102-18	Organization management structure	HELL ENERGY company profile, page 6	

Number of indicator	Description of indicator	Location	Remark/reason for omitting
Stakeholder commitment			
102-40	Stakeholder List	Structure of the report, page 10	
102-41	Collective Agreements	Structure of the report, page 10	
102-42	Stakeholder identification and selection	Structure of the report, page 10	
102-43	Stakeholder involvement approaches	Structure of the report, page 10	
102-44	Key topics and issues that arose	Structure of the report, page 10	
Reporting practice			
102-45	List of entities covered by the annual report	HELL ENERGY company profile Page 6	
102-46	Defining the content of the report and applying the principles in doing so	Structure of the report, page 10	
102-47	List of relevant topics	Structure of the report, page 10	
102-48	Re - disclosure of information	Page 33.	
102-49	Change in reporting		

Number of indicator	Description of indicator	Location	Remark/reason for omitting
102-50	Reporting period	HELL ENERGY company profile Page 6	
102-51	Date of last report	HELL ENERGY company profile Page 6	
102-52	Reporting cycle	HELL ENERGY company profile Page 6	
102-53	Contact information for people who have questions regarding the report	Introduction, page 5	
102-54	Statement on compliance with GRI standards	Structure of the report, page 10	
102-55	GRI content index	GRI Index page 53	
102-56	External attestation		

Number of indicator	Description of indicator	Location	Remark/reason for omitting
GRI 201: Economic performance			

201-1	Generated and divided economic value	Economic performance indexes Page 18	
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201-4	Financial support from the state	Economic performance indexes Page 18	
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GRI 202: Market presence			
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202:103-1	Explanation and limits of the relevant topic	Responsible Employer, Structure of the Report, pages 41 and 10	
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202:103-2	The management approach and its components	Responsible employer, page 41	
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202:103-3	Explanation and Evaluation of the management approach	Responsible employer, page 41	
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202-1	The ratio of starting salaries by gender to the local minimum wage	Responsible employer, page 41	
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202-2	Proportion of senior managers from the local community	Job creation, page 51	
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GRI 203: Indirect economic effects			
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203-1	Infrastructure investments and supported services	Indirect economic effects, page 19	
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Number of indicator	Description of indicator	Location	Remark/reason for omitting
GRI 204: Procurement Practice (Use of Recycled Materials)			

204:103-1	Explanation and boundaries of the relevant topic	Building Local Communities, Structure of the Report, pages 51 and 10	
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204:103-2	The leadership approach and its components	Building local communities, page 10.	
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204:103-3	The leadership approach and its components	Building local communities, page 10.	
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204-1	Value ratio of local suppliers	Value Proportion of Local Suppliers, page 29	
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GRI 205: Anti-corruption (Fraud prevention and security)			
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205:103-1	Explanation and boundaries of the relevant topic	2020 Report page 22	
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205:103-2	The leadership approach and its components	2020 Report page 22	
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205:103-3	Evaluating the leadership approach	2020 Report page 22	
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205-1	Areas assessed for corruption risk	2020 Report page 22	
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205-2	Communication and training on anti-corruption policies and procedures	2020 Report page 22	
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Number of indicator	Description of indicator	Location	Remark/reason for omitting
! GRI 206: Anti-competitive behavior (Ethical operation)			

206:103-1	Explanation and boundaries of the relevant topic	2020 Report page 23, Structure of the report	
206:103-2	The leadership approach and its components	2020 Report page 23	
206:103-3	Evaluating the leadership approach	2020 Report page 23	
206-1	Anti - competitive, antitrust and anti-monopoly law	2020 Report page 23	

! GRI 301: Materials (Primary packaging materials)			
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301:103-1	Explanation and boundaries of the relevant topic	Our Principles, Structure of the report, page 10, 2020 Report page 32	
301:103-2	The leadership approach and its components	2020 Report, page 32	
301:103-3	Evaluating the leadership approach	2020 Report, page 32	
301-1	Materials used by weight and volume	Use of materials, page 33	
301-2	Use of recycled input materials	Use of materials, page 33	

Number of indicator	Description of indicator	Location	Remark/reason for omitting
GRI 302: Energy			

302-1	Energy consumption within the organization	Energy consumption, page 35	
302-2	Reducing the energy needs of products and services	Energy consumption, page 35	

GRI 303: Water and sewage			
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303-1	Interactions with water as a common resource	Water use page 34	
303-2	Addressing the effects of water emissions	Water use page 34	
303-3	Water withdrawal, recycled and reclaimed water	Water use page 34	
303-4	Wastewater discharge	Water use page 34	
303-5	Total water consumption (m3)	Water use page 34	

GRI 305: Emissions			
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305-1	It is displayed in part. Direct GHG emissions (scope 1)	GHG emissions, Page 37	
305-2	It is displayed in part. GHG emissions from indirect energy use (scope 2)	GHG emissions, Page 37	

Number of indicator	Description of indicator	Location	Remark/reason for omitting
GRI 306: Waste (Packaging recovery, recycling)			
306:103-1	Explanation and boundaries of the relevant topic	Generated waste, Structure of the Report, page 36 and page 10	
306:103-2	The leadership approach and its components	Generated waste, page 36	
306:103-3	Evaluating the leadership approach	Generated waste, page 36	
306-1	Waste generation and significant environmental impacts associated with the waste	Generated waste, page 36	
306-2	Management of significant environmental impacts associated with waste	Generated waste, page 36	
306-3	Waste generated	Generated waste, page 36	

GRI 307: Compliance with environmental regulations (adherence to environmental standards)			
307:103-1	Explanation and boundaries of the relevant topic	Structure of the report page 10	
307:103-2	The leadership approach and its components	Compliance with environmental regulations page 39	

Number of indicator	Description of indicator	Location	Remark/reason for omitting
307:103-3	Evaluating the leadership approach	Compliance with environmental regulations page 39	
307-1	Non-compliance with environmental laws and regulations	Compliance with environmental regulations page 39	
GRI 308: Environmental screening of suppliers			
308-1	It is displayed in part. New suppliers assessed from an environmental aspect	Transparency in the supply chain page 30	
GRI 401: Employment			
401-1	Recruitment and turnover	Our employees page 41	
401-2	Benefits for full-time employees not provided to fixed-term or part-time employees	Our employees page 41	

Number of indicator	Description of indicator	Location	Remark/reason for omitting	Number of indicator	Description of indicator	Location	Remark/reason for omitting
GRI 402: The relationship between employees and management							
402-1	Minimum notice period for organizational changes	Responsible management, ethical operation & compliance, page 30		403-8	Munkavédelmi irányítási rendszer által lefedett munkavállalók	Occupational safety and accident prevention, from page 45	
GRI 403: Workplace health and safety							
403-1	Occupational safety management system	Occupational safety and accident prevention, from page 45		403-9	Munkához kapcsolódó balesetek	Occupational safety and accident prevention, from page 45	
403-2	Occupational health and safety	Occupational safety and accident prevention, from page 45		403-10	Foglalkozásból eredő betegségek	Occupational safety and accident prevention, from page 45	
403-3	Occupational health services	Occupational safety and accident prevention, from page 45		GRI 404: Training and education			
403-4	Employee participation, consultation and communication on health and safety at work	Occupational safety and accident prevention, from page 45		404-1	Average annual training hours per person	Our employees, page 41	
403-5	Occupational safety training	Occupational safety and accident prevention, from page 45		404-2	Employee skills development programs and assistance with employment changes	Our employees, page 41	
403-6	Occupational health	Employment, from page 14 Occupational safety and accident prevention, from page 45		404-3	Percentage of employees who receive regular performance and career development reviews	Our employees, page 41	
403-7	Prevent and mitigate occupational safety impacts directly related to business relationships	Occupational safety and accident prevention, from page 45		GRI 406: Anti-discrimination			
				406-1	Number of cases of discrimination and measures to eliminate them	Code of Ethics and Commitment, page 48	

Number of indicator	Description of indicator	Location	Remark/reason for omitting
GRI 412: Evaluation of human rights			
412-1	Human rights evaluation	Total number of operations subject to human rights reviews or human rights impact assessments 0.	
412-2	It is displayed in part. Staff training on human rights policies and processes	Human rights issues are set out in the company's Code of Ethics.	
412-3	It is displayed in part. Significant investment agreements and contracts that include human rights clauses and have been examined for human rights	Corporate governance, ethical conduct, compliance, page 15	
GRI 413: Helyi közösségek			
413-1	Műveletek a helyi közösségek bevonásával, hatásvizsgálat és fejlesztési programok	Helyi közösségek építése, 51. oldal	

Number of indicator	Description of indicator	Location	Remark/reason for omitting
GRI 416: Customer Health and Safety (Consumer Health and Safety)			
416:103-1	Explanation and boundaries of the relevant topic	Structure of the report, Product safety and quality, page 10 and 27	
416:103-2	The leadership approach and its components	Product safety and quality, page 27	
416:103-3	Evaluating the leadership approach	Product safety and quality, page 27	
416-2	Incidents of non-compliance of products and services with health and safety	Product safety and quality, page 27	
GRI 417: Distribution and labeling			
417-1	Labeling requirements for products and services	Customer Health and Satisfaction, page 50	
417-2	Incidents of non-compliance with product and service labeling	Customer Health and Satisfaction, from page 50	
417-3	Incidents resulting from marketing communication non-compliance	Customer Health and Satisfaction, from page 50	



