



KITE GROUP ESG REPORT 2023

The report is based on and has been prepared in accordance with the guidelines of the current GRI Standard in force ("GRI Standards 2021").

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Welcome

GRI 2-17

KITE Zrt., Hungary's market-leading agricultural integrator, has been playing a key role in the modernisation of agriculture for more than fifty years. Our initial objectives, the acquisition and dissemination of new technologies, modern production tools and plant management procedures, are still valid today, just as our core values of innovation, stability, reliability and sustainability, as set out by our founders, have permeated our operations from the very beginning. Today, we continue to build on them and they encourage us to continue to develop and grow along the lines set out at the founding, but with contemporary tools.

As a traditional element of KITE's values, a commitment to sustainability drives us to manage our economic growth opportunities responsibly, not to compromise the needs of future generations as we develop, and to preserve our resources as they were handed down from our ancestors.

KITE's innovation activities focus on the development and dissemination of technologies related to precision and conservation tillage farming, which contribute to economic, environmental and social sustainability while increasing the competitiveness of farming. Our long-term goal is to spread these technologies within and beyond our borders, in countries near and far. Our decisions are always backed by the responsibility of market leadership as the largest agricultural company in Hungary, we have a major impact on the performance of agriculture and the security of food supply.

World agriculture and food security will face serious challenges in the coming decades. Population explosion, changes in the economic and climatic environment, and the increasing frequency of occurrence of extreme weather conditions require constant adaptation and rapid response, which is increasingly pushing efficient and sustainable production solutions to the fore.

With its agrotechnological and agricultural informatics development activities and its proprietary Precision Farming System, KITE Zrt. has opened new doors to efficiency and sustainability in recent years. Our Precision Farming System provides complex solutions to ensure sustainable production by harmonising soil, crop and farming considerations.

By communicating responsible and sustainable thinking to our partners and suppliers, we consider environmental protection, avoiding unnecessary environmental effect and complying with the relevant regulations as key aspects in the design of KITE's entire product portfolio and in the provision of our services.

However, we strive to reduce our environmental footprint, use water, energy, inputs and waste efficiently not only in our business, but in all areas of our operations. For example, since 2019, we have been gradually replacing our fleet of diesel vehicles, required for our staff for work, with hybrid models, which has led to significant emission reductions.

We are particularly proud to have won the 2016 Environmental Respect Awards, one of the most prestigious awards a farming business can receive for its environment-conscious operation.

KITE Zrt.'s sustainability objectives are an integral part of the company's overall strategy. Our responsible corporate conduct is demonstrated by our many efforts to promote the development and protection of the Hungarian economy, wider social goals and smaller communities, and the natural environment.

In our first ESG report, prepared in accordance with the Global Reporting Initiative (GRI) disclosure standard, we provide an overview of the integration of environmental, society and governance issues that drive our sustainability performance into our corporate decision-making and the impact on our external environment, based on data from our anniversary year 2023.

This year was a special one in the life of KITE Zrt., as our company celebrated the 50th anniversary of its foundation, which was commemorated with our business partners and employees through several events during the year.

Of course, 2023 was not just about celebration. In January 2023, our company took another significant step towards implementing a sustainable business management system and a new business model, enabling a more responsive future by starting the replacement of its previous ERP system with a new SAP-based ERP system. In terms of external environmental and economic factors, the agriculture sector has faced new challenges in the past year. Although we had a more favourable year in terms of weather, the combined effect of higher input prices, low commodity prices and more expensive financing altogether have caused serious difficulties for agriculture.

As Hungary's leading agricultural integrator, we have once again benefited from the flexibility to respond to change that has driven our company forward so many times over the past decades.

Adapting to change opens up opportunities, turning challenges into opportunities for progress, not only for KITE but also for our partners. The pressure to change always brings opportunities. The new regulations for agriculture also open up opportunities for new technological developments and efficiency gains, while contributing to building a more sustainable, liveable future.

Despite all the difficult economic circumstances, we can say that KITE Zrt. has been able to maintain its market share and stability in 2023 as a result of the efforts, loyalty and perseverant work of our employees.

The biggest driving force for KITE's momentum and the key to its success is its human resources. In December 2023, our headcount was close to 1,800, and is now around 1,850. Despite a significant increase in staff numbers in recent years, we have managed to maintain a very family-oriented, supportive and dialogue-based company culture. We pay special attention to recognising the performance of our employees, and we ensure they learn the latest skills through regular training. The wellbeing of our employees is as much a part of sustainability as is the protection of the environment or innovation. That's why we have introduced a complex health promotion programme, including health insurance, preventive screenings, and discounted recreational and sporting activities through the Green Dawn Programme. Other benefits include a SZÉP card, back-to-school support and car rental options. We regularly organise team-building activities and staff events to promote community life and a good work environment, and also celebrate our employees' jubilee every year to show our appreciation and recognition.

Our efforts for our staff have been recognised in previous years with a number of awards, of which I am pleased to highlight the Responsible Employer Gold Award and the special prize of OFA Nonprofit Kft. for Young People. These awards are a worthy reflection of our company's efforts to support community well-being.

Our company has become a leading player in Hungarian agriculture with the knowledge, professionalism and expertise accumulated over generations. Knowledge-sharing is a serious responsibility of ours, giving the next generation the key to a sustainable world. In this context, we place great emphasis on relations with educational institutions, education and the love of agriculture. We are now working in partnership with all higher education institutions in Hungary to ensure knowledge transfer and to attract young people with a passion for their profession who will be able to take forward technological developments for the sustainability and competitiveness of agriculture.

In this context, we focus our social activities on reaching out to young people and increasing their awareness and knowledge. Our CSR activities focus on young people, the future generation, and we also regularly support local community initiatives.

Sustainability is a long and challenging journey, where each success points us to new challenges and encourages us to tackle them. So, although there is no arrival on this journey, we also know that no step we take is wasted. We are on the road together, because we can only create a sustainable future if we work together. Please keep this approach in mind when reading the pages that follow, which detail our sustainability efforts.

Yours sincerely,

Levente Szabó, PhD
CEO



About our report

GRI 2-1, GRI 2-2, GRI 2-3, GRI 2-4, GRI 2-5, GRI 2-14

KITE Group ESG report 2023

The Group's Head Office

KITE Zrt., 4181 Nádudvar, Bem József u. 1.

Scope of the report

The report covers the company's operating areas, including the headquarter, subcenters, machinery yards and horticultural site, showrooms and the subsidiaries included in the consolidated profit and loss statement

Operational region

Hungary, Serbia, Bosnia and Herzegovina, Romania

Companies included in the report, their registered office and activities

KITE Mezőgazdasági Szolgáltató és Kereskedelmi Zártkörűen Működő Részvénytársaság

4181 Nádudvar, Bem József u. 1.

Agricultural integrator, wholesale and retail trade of input materials, distribution and servicing of agricultural machinery, crop trade

Agro-Chemie Korlátolt Felelősségű Társaság

1225 Budapest, Bányalég utca 47-59.

The main activity of the company is the production of agricultural chemical products, mainly herbicides, fungicides and acaricides

Agro-Chemie Invest Korlátolt Felelősségű Társaság

1225 Budapest, Bányalég utca 47-59.

The main activity of the company is the letting of rented property and property owned by the company

Agro-Chemie Kereskedő és Gyártó Korlátolt Felelősségű Társaság

1225 Budapest, Bányalég utca 47-59.

The main activity of the company is the production of agricultural chemical products, mainly herbicides, fungicides and acaricides

AGROMAG Korlátolt Felelősségű Társaság

6722 Szeged, Jósika utca 13.

Wholesale of grain, tobacco, seeds and animal feeds

Alisca Agrárház 2010 Korlátolt Felelősségű Társaság

7100 Szekszárd, Wopfing utca 8.

Trading in input materials (mainly pesticides)

KITE-PLANT Mezőgazdasági Termelő és Szolgáltató Korlátolt Felelősségű Társaság

4181 Nádudvar, Bem József u. 1.

Growing of vegetable plants, flowers, horticultural products, renting of agricultural machinery

ÖKOIL Alapanyag Előállító és Kereskedelmi Korlátolt Felelősségű Társaság

3792 Sajóbáony, Gyártelep külterület 024/214. hrsz.

Manufacture of vegetable oils and feed materials for livestock



Companies not included in the report

KITE AGROM S.R.L.
KITE d.o.o. Novi Sad
KITE BH d.o.o. Bijeljina
KITE-Tagliani Kft.

Although we own 100% of KITE AGROM S.R.L. (RO21677176), it is a dormant company, so there is no (sustainability) activity, and it is only presented in our balance sheet.

Our two foreign subsidiaries (KITE d.o.o. Novi Sad, KITE BH d.o.o. Bijeljina) are currently not covered by our ESG report, as they are not based in an EU member state. Although our foreign subsidiaries are not included in our report, it can be stated that these subsidiaries are managed along the same principles as the Hungarian companies.

KITE-Tagliani Kft. will be liquidated, KITE Zrt. has taken over the liabilities of the company, therefore the subsidiary is not presented here.

Content of the report

This report presents the material issues related to the operation of KITE Zrt. based on its 2023 materiality assessment, as well as the programmes and initiatives developed in relation to them.

Reporting period

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

Reporting frequency

Annually from 2024 onwards

Classification of the report

GRI Standards 2021 „in accordance with the GRI Standards”

The report is the first ESG report of the KITE Zrt. Group, prepared based on and in accordance with the guidelines of the current GRI Standard 2021, without external independent certification. The GRI 13 standard was considered as the sector standard.

Data sources

The data presented in the report was collected by the relevant entities and areas of KITE Zrt. and validated by their managers.

Management approval

The full content of our ESG report, its main topics and the main findings have been published with the consent of KITE Zrt.'s ESG Committee, as well as our Group Management and the Chairman of the Board of Directors.

Place and means of publication

This report is published on the website <https://www.kite.hu/fenntarthatosag>. Sustainability considerations are also taken into account in its publication, which is why the report is published online only.

Date of publication of the report

28.10.2024

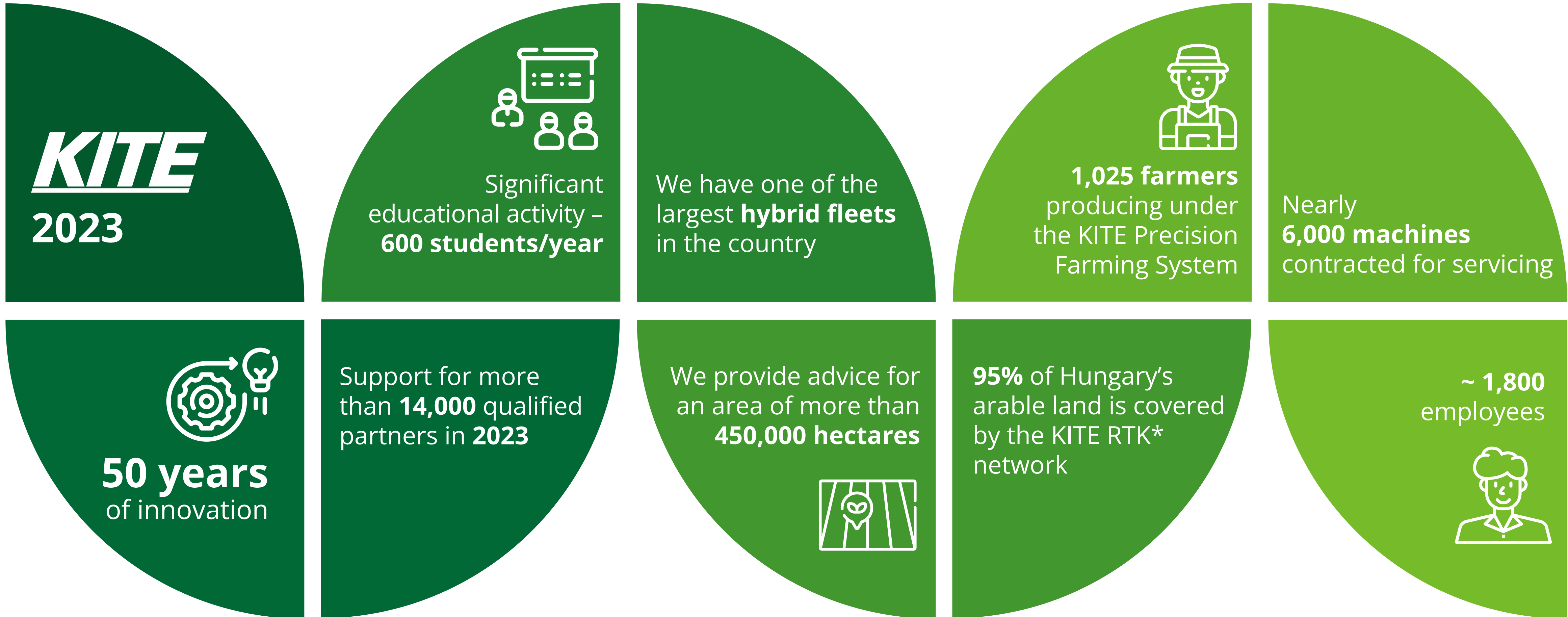
The following documents are mandatory annexes to this publication

GRI index and glossary

Further information

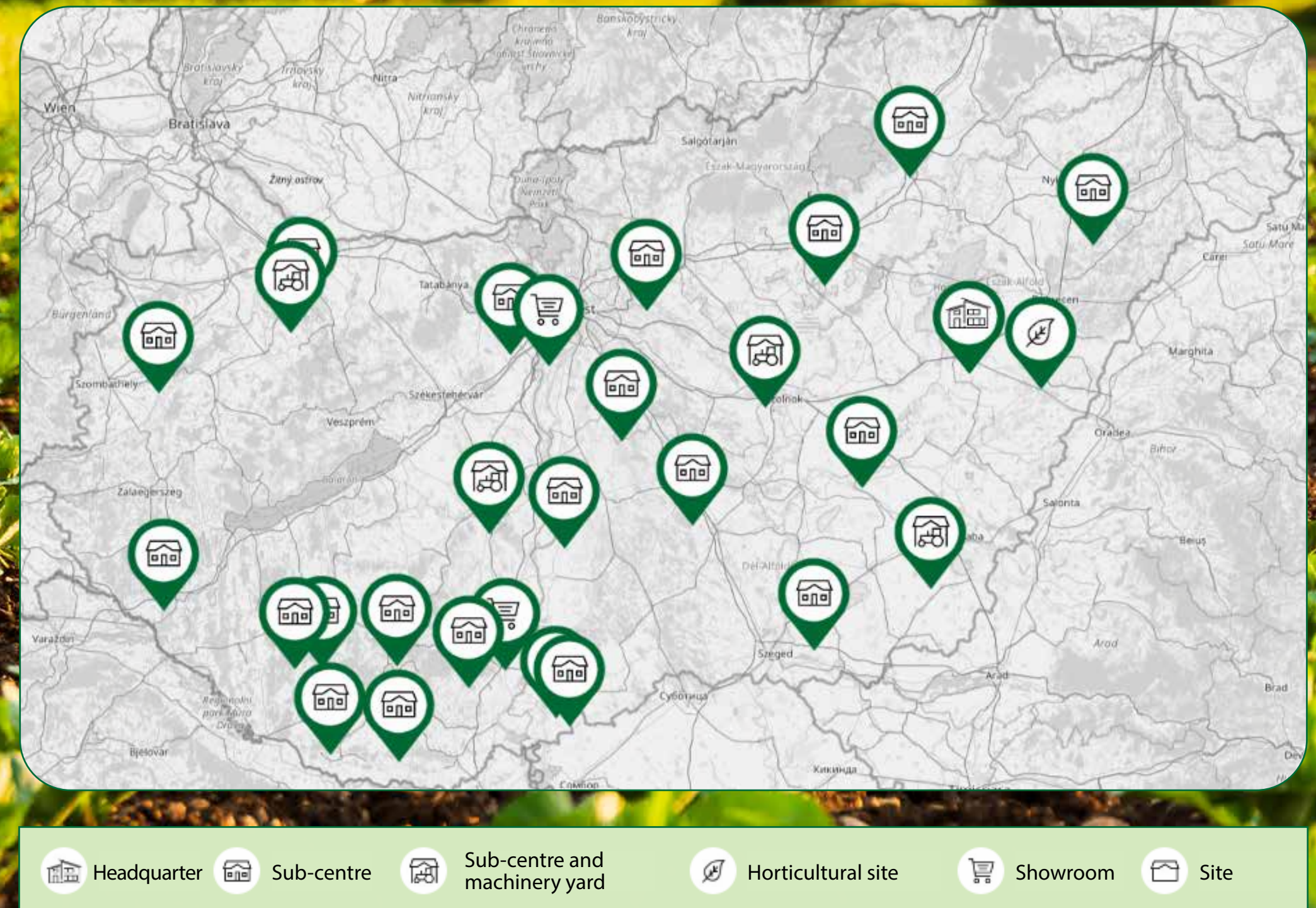
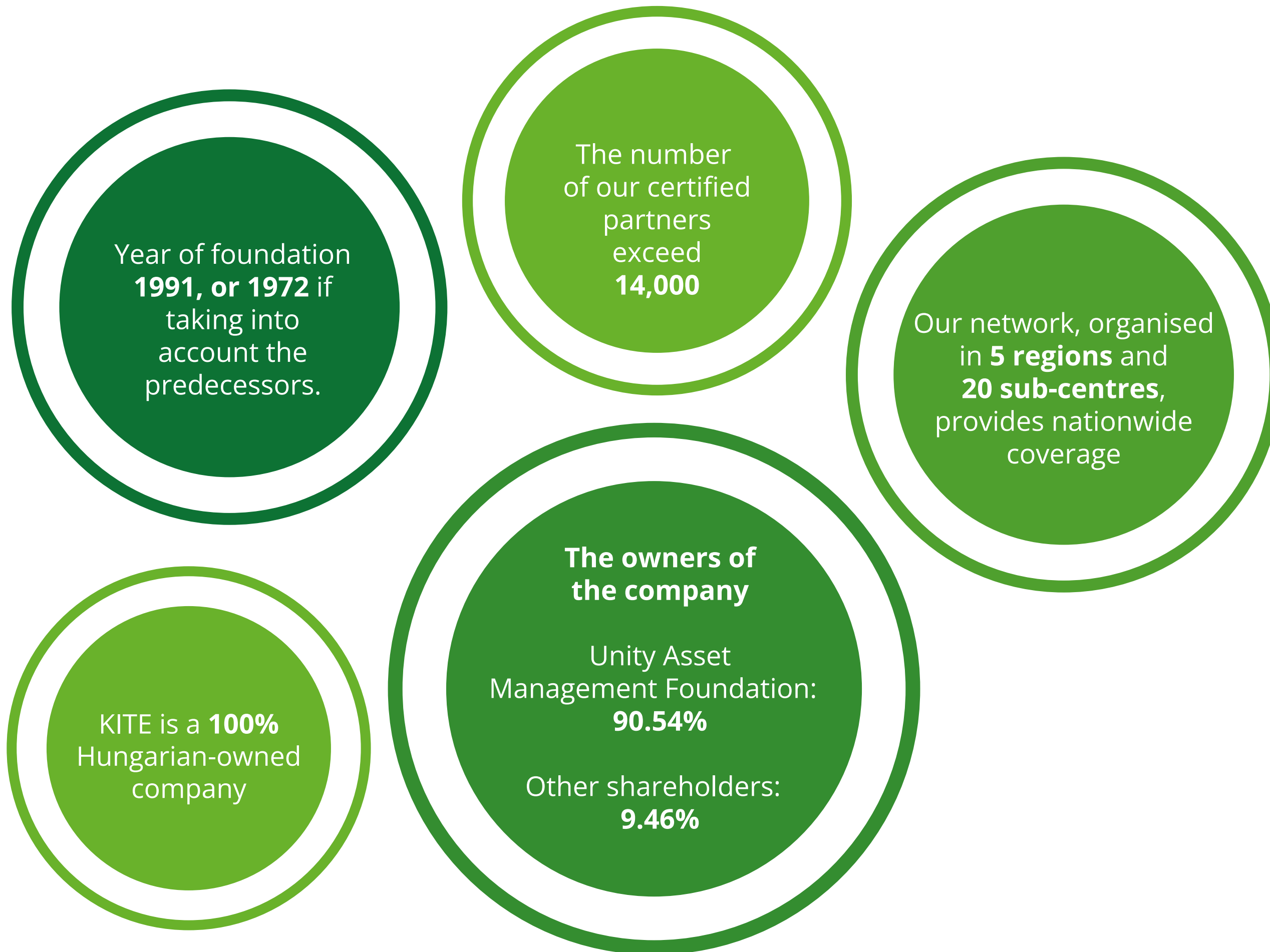
Any questions regarding this ESG Report or the information contained herein should be sent to esg@kite.hu by e-mail.

Sustainability achievements in 2023



*RTK - Real-Time Kinematic, correction signal for the most accurate positioning

Facts and figures



Business model

KITE Zrt. sells agricultural inputs, technical equipment and services to its partners. It buys up the crops produced by its partners and sells them on to processors or other crop trading companies. It also supports trade with financing solutions.

Net turnover of KITE Zrt. and its subsidiaries (in HUF thousand)

Net turnover	KITE Zrt.	Agro-Chemie Group	Agromag Kft.	Alisca Agrárház 2010 Kft.	KITE-Plant Kft.	ÖKOIL Kft.	Total	
2023.	450,792,576	3,435,769	5,163,630	23,564,861	684,774	27,969,744	511,611,354	Without AGROMAG
2022.	573,249,940	5,969,377	1,396,468	25,293,512	538,338	41,784,012	648,231,647	646,835,179
2021.	386,689,554	3,823,840	4,308,526	18,796,462	512,233	25,901,260	440,031,875	435,723,349

Comment: KITE Zrt. has been the new owner of AGROMAG Kft. since mid-2022, therefore the figures reported for the two years were not yet included in the consolidated financial statements.

Profit after tax of KITE Zrt. and its subsidiaries (in HUF thousand)

Profit after tax	KITE Zrt.	Agro-Chemie Group	Agromag Kft.	Alisca Agrárház 2010 Kft.	KITE-Plant Kft.	ÖKOIL Kft.	Total
2023.	13,658,386	-25,924	378,853	222,342	56,243	311,462	14,601,362
2022.	23,691,687	21,829	2,894	266,051	6,409	1,022,977	25,011,847
2021.	6,689,618	63,414	239,302	16,630	211,909	703,224	7,924,097



About KITE Zrt.

GRI 13.23

KITE Zrt. is the largest supplier of Hungarian agriculture and one of the most important buyers of arable farming products. The company portfolio includes a wide range of agricultural inputs (fertilisers, pesticides, seeds). The agricultural machinery and spare parts distributed by KITE Zrt. have been the dominant types in the domestic market for decades. The company is also a major buyer of Hungarian produced cereal crop.

The company's portfolio of services includes support for financing products sold to farmers, insurance brokerage, rental equipment and service. KITE was founded over 50 years ago with the aim of bringing the latest production technologies and knowledge to Hungarian agriculture. With this in mind, we also provide training and technological services to our partners.

KITE Zrt. imports and sells products of the world's major pesticide and seed companies to its Hungarian partners. We import a large part of the fertilisers we sell to our partners. The most important part of the Agricultural machinery and parts portfolio is made up of products from the world's leading American company, Deere&Co. Linked to this is our technology business, with services that support precision farming. Our company distributes products and provides services for the trouble-free operation of several world-renowned brands.

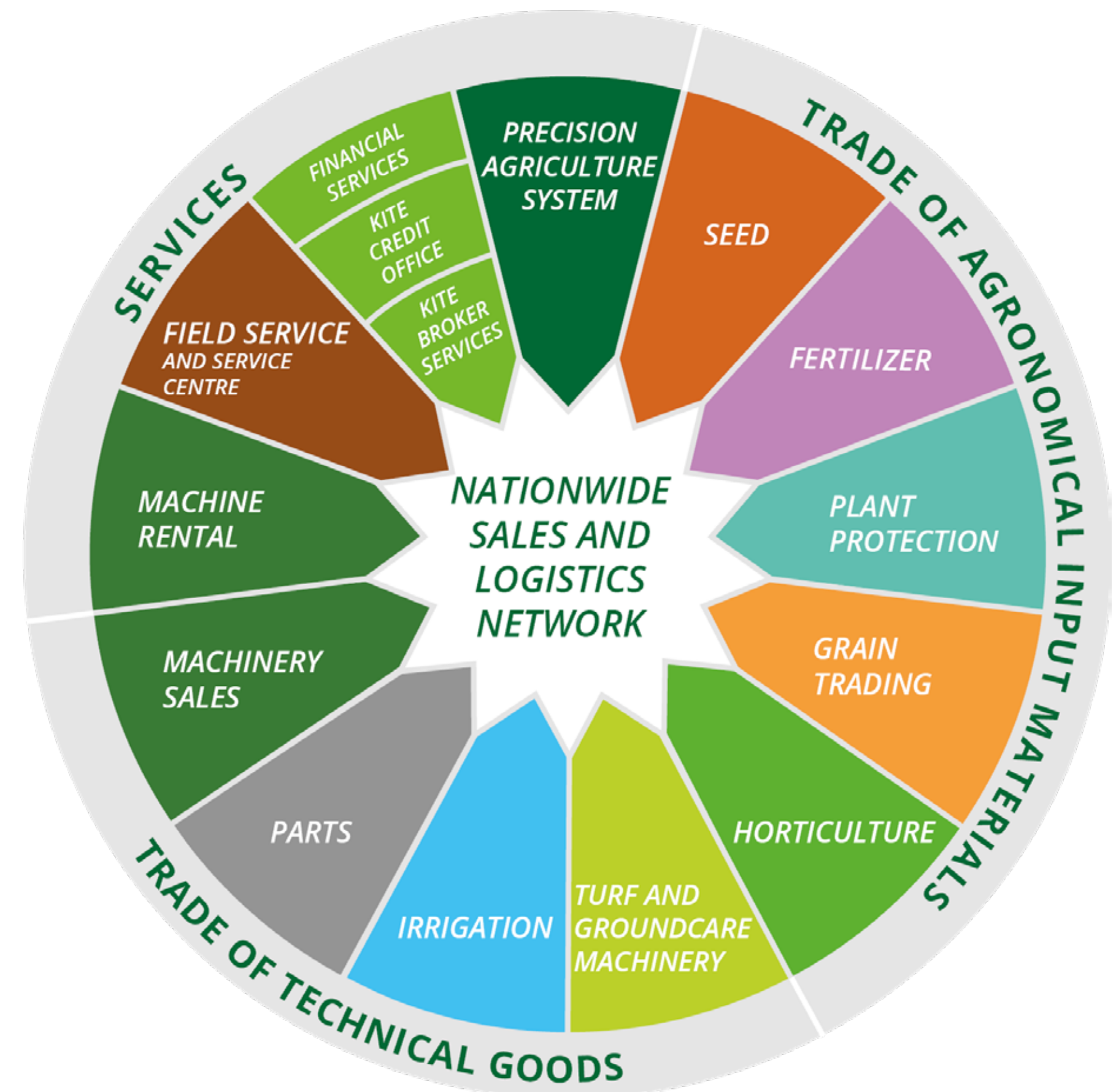
The focus of KITE Zrt.'s activities is on domestic farmers, but we also have subsidiaries in Serbia and Bosnia and Herzegovina, which offer a narrower range of services than our Hungarian units.

Our crop trading business is very significant, buying up over a million tonnes of arable grain and oil seeds, most of which is exported to Austria, Germany and Italy. A significant proportion of the purchased produce is acquired by the company in exchange for the input materials sold to farmers. Both sales and acquisitions are based on long-term, stable relationships.

Our activities cover the whole spectrum of agricultural production.
For a detailed description of our businesses click on the link [🔗](#)

We offer a 360-degree solution

Our aim is to bring the added value of KITE, a complex offer and up-to-date professional knowledge to all our commercial activities.



A description of our subsidiaries and their activities

Agro-Chemie Kft., Agro-Chemie Invest Kft. Agro-Chemie Kereskedő és Gyártó Kft.

are companies that are basically involved in the pesticide manufacturing activities of the KITE Group. The three companies were transformed from the active ingredient and finished product manufacturing division of the long-established Chinoi Rt. and became part of KITE. 100 years of professional experience enables them to provide high-quality manufacturing and research and development.

Main products: **acaricides, herbicides, ice damage preventives, UV stabilisers**

AGROMAG Kft.

The company is engaged in seed production and contracted cultivation. Its seed factory operates in Telekgerendás, where the seeds produced are processed and stored. The main focus of AGROMAG Kft.'s broad product portfolio is the production of seeds for autumn and spring cereal crops, maize, soybean, sunflower and hemp. Thanks to the decades of experience accumulated by the company, it has become a major supplier to the domestic seed market, a market leader in sunflower seeds whose produce is bought by many multinational companies in bulk.

AGROMAG Kft. operates one of the most prestigious mills in the Southern Great Plain in Makó, producing high quality wheat flour under the brand name Maros Malom. The mill has an annual capacity of nearly 22,000 tonnes and sells its products in Hungary and Romania.

Alisca Agrárház 2010 Kft.

The company is engaged in the trade of pesticides, seeds, fertilisers and crops, as well as the logistics of these inputs and crops. Its primary areas of operation are the counties of Tolna, Bács-Kiskun, Fejér, Somogy and Baranya. Its partners are among the area's growers, horticulturists, fruit and grape producers. Alisca Agrárház, with the support of KITE Zrt., provides flexible and fast logistics and financing services to more than 1,000 business partners, knowing the local conditions and partners well.

KITE-PLANT Kft.

The company operates seedling nurseries in Derecske on an area of about 17,000 square metres. The greenhouses are heated almost 100% by thermal water, with minimal electricity consumption. Thanks to its state-of-the-art equipment, the site is capable of producing around 40 million seedlings a year.

ÖKOIL Kft.

The company operates in Sajóabony, in the industrial park. It mainly presses vegetable oil from rapeseed and sunflower raw material, which is an important feedstock for biodiesel production. The extraction process used in production is the most modern way of processing it. The vegetable oil produced is not only suitable for biodiesel production but can also be used as cooking oil after further refinement.

The meal produced as a by-product of oil production is an excellent nutritional supplement, which is sold to livestock enterprises and used in feeding for livestock.

And the sunflower husk, a by-product of production, is sold to the industrial park's heating plant, which can supply heat and industrial steam to the industrial park's companies with significantly lower carbon emissions.

Value chain

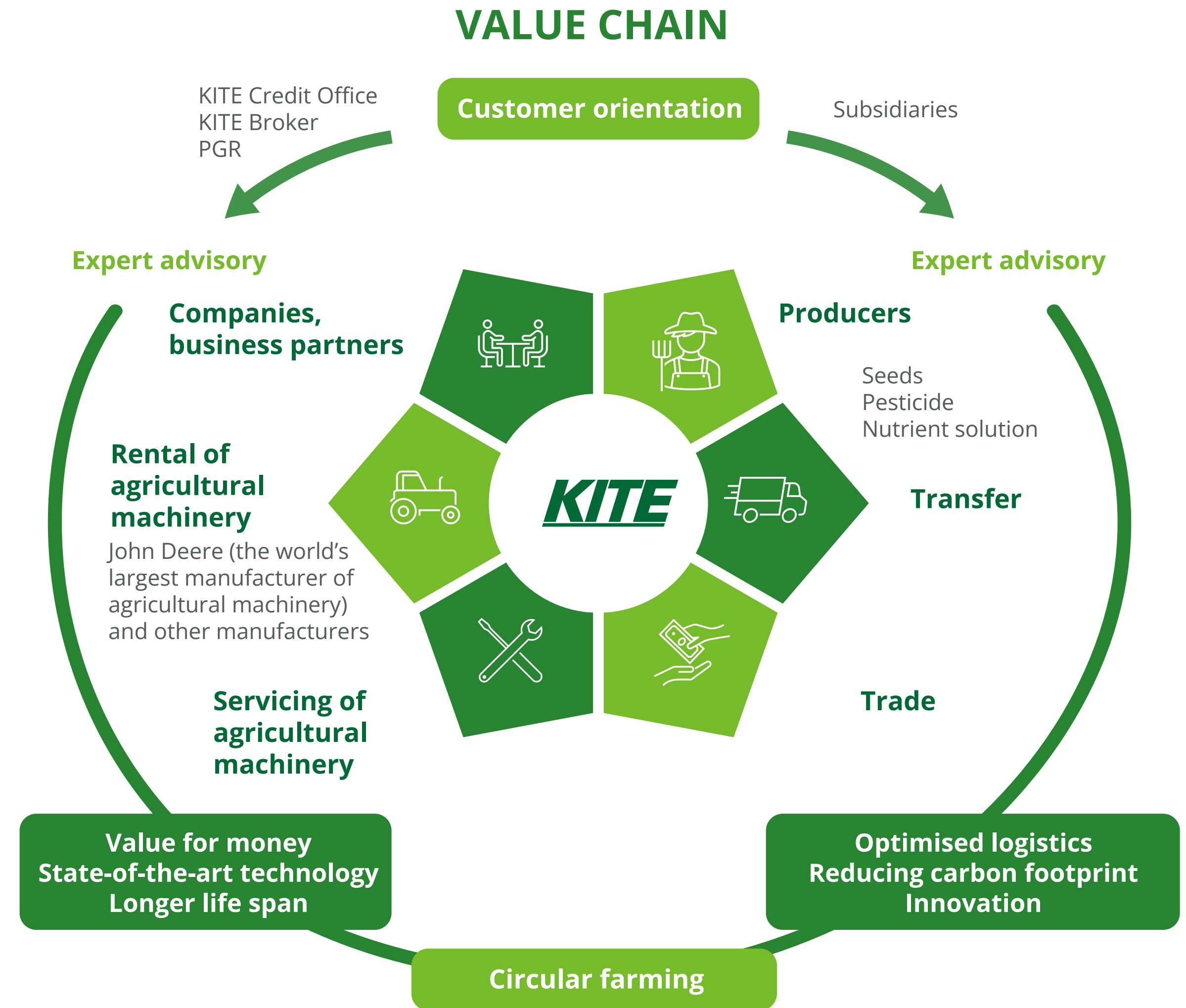
As the largest integrator in Hungary, KITE is a central player in agricultural production. We stand up for our values and beliefs along our entire value chain. We bring 50 years of extensive professional experience and a customer-centric, solution-oriented approach to our complex, multi-stakeholder operations across all segments of our product and service portfolio. We are present in every aspect of modern agriculture, covering all the important factors with our products and services, offering a 360-degree solution. Our vision is climate neutrality and a circular approach to farming, and we are working with our partners to achieve this. KITE can provide customers with the input materials, mechanisation and systems support they need for agricultural production. All technical and financial services for production security are present in our portfolio. We have the logistics in place for the purchase of farm produce, for sale and marketing, but we also keep the packaging materials generated during transport and the waste in mind – naturally, we have optimal solutions for their collection and disposal as well.

KITE works to create and support the conditions for sustainable farming for its partners. To achieve this goal, we are developing our precision farming system, improving the quality of the materials used in production and optimising quantities. We also contribute to reducing the carbon footprint of the company and its farmers and to achieving circular economy through our logistics. Through our network of professional consultants, we bring our innovation results to our partners, enabling them to continue their production activities using the latest production technologies.

We export nearly 20% of our products.

In terms of exports, we typically sell to the following countries: Austria, Germany, Italy, Romania, Slovakia, Switzerland.

The number of business partners in 2023 increased by almost 7% compared to the previous year.



Milestones in our company history

1972 Under the management of the Red Star Agricultural Cooperative of Nádudvar, the Maize and Industrial Crops Production Cooperation is established as a non-profit organisation.



1980
1987 Eight major production programmes to promote intensive farming.



1990 It continues to pursue its objectives as a profit-oriented company under the name of Maize and Industrial Plant Production Association.

1977 The number of member farms of the Cooperation exceeds 400, together they cultivate 30% of the arable land in Hungary.

1989 KITE is the official distributor of John Deere, a leader in the development of innovative solutions.



1992 The Association, together with a few commercial and industrial companies and a bank, establishes the KITE Agricultural Services and Trading Joint Stock Company.



1996 KITE is the only official distributor of John Deere in Hungary.



2004 Establishment of the Oil and Pannonian Producer Groups.

2007 KITE's national sales network: 19 sub-centres in 5 regions, plus a site in Derecske and crop storage facilities nationwide



2013 As a result of a change of ownership, a new era begins in the life of the company, with further significant developments



2016 A new training centre is completed in Nádudvar, providing a state-of-the-art venue for KITE staff and partners.

The KITE Contractor Service and the KITE Account are launched.

1997 KITE national sales network: 12 sub-centres in 3 regions



2006 KITE continues to operate as a private limited company.

2011 KITE is at the forefront of the practical application and widespread dissemination of precision technology

2014 The General Assembly of KITE elects István Szabó as Honorary Perpetual President.

2018

The Department of Agricultural Innovation and Precision Farming at the DE Faculty of Agriculture, Food Science and Environmental Management starts its work in KITE.



2017

KITE d.o.o. is established in Serbia, providing Serbian farmers with the KITE complex offer.

2020



KITE launches its Precision Farming System (PGR), taking, precision farming to a new level



2021

KITE PGR wins the Agricultural Innovation Award.

KITE launches a new joint platform with DE, the Integrated Crop Protection Technology Development Off-site Department.

The Directorate of Priority Services is established, with staff providing precision advice to partners.

KITE will also enter into a strategic partnership with the Hungarian University of Agricultural and Life Sciences (MATE), whereby KITE will host students for practical training and its staff will be able to study in the university's postgraduate courses



2023

A strong focus on innovation and sustainability, both in terms of action, mindset and communication

2022

The renewed irrigation system of the National Stud Farm and Tangazdaság Zrt. is inaugurated, with KITE Zrt. as the machinery supply partner.

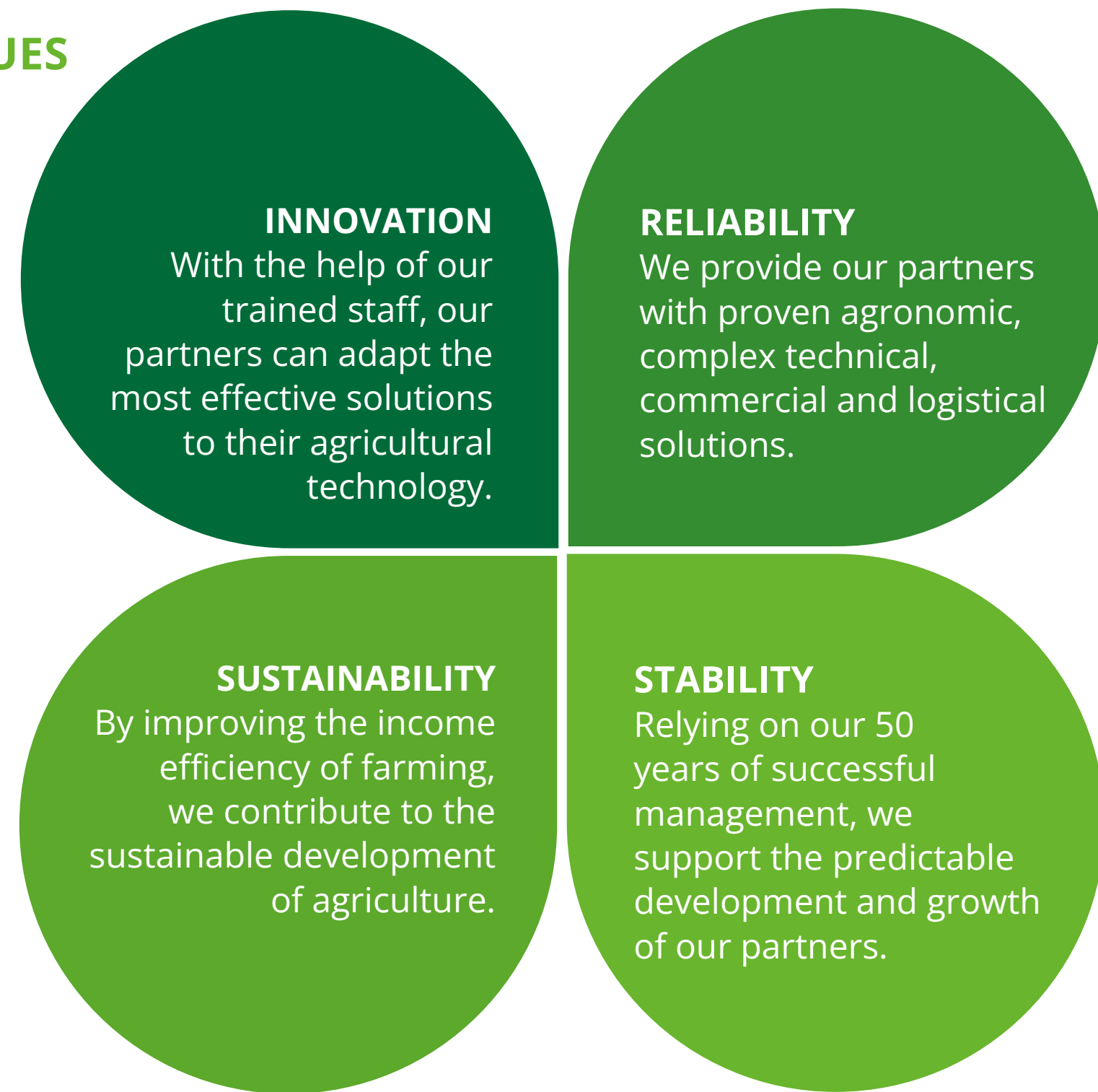
As a result of R&D and IT development, the precision irrigation advisory system will be integrated into PGR's services.

A bust of István Szabó is unveiled at KITE headquarters, marking the start of KITE's 50th anniversary celebrations.

Hungarian Maize Club – Maize Crop Competition, irrigated category 1st place

Our values, our mission, our vision

OUR VALUES



For more details click on the link [↗](#)

The core values defined when KITE Zrt. was founded are still relevant today. They have always defined the foundations of our operations, our organisational culture, and the behavioural and ethical standards of our employees and managers throughout our more than 50 years of existence. Not only do we communicate our values to our environment, we also consider the success and performance of our company to be sustainable along these principles.

This 50th anniversary message sums up all our values

“Our tracks lead the way in agriculture – Growing together for 50 years”

OUR MISSION

Development in harmony with nature. 50 years of innovation for Hungarian agriculture.

OUR VISION



Commitment to sustainability

GRI 2-22

We work for Hungarian agriculture as a responsible company. We contribute to our partners' market results: KITE's quality assurance standards increase farmers' receptiveness to quality assurance and the international competitiveness of Hungarian products. Not only in our own operations, but also in our partnerships, we strive to ensure that production, logistics, sales and all necessary background activities all have a minimal ecological footprint. This way, we are able to have a positive impact on the whole Hungarian agricultural sector beyond our own activities and strengthen the competitiveness of the sector with our sustainable solutions.

We value the knowledge and talent of our staff. We know that the continuous development of our people is essential for sustainable growth. Therefore, we place great emphasis on providing high quality training and education for our colleagues. To maintain and develop their skills, we run regular courses and specialised training in different areas.

In addition to intellectual investment, we also invest heavily in improving education infrastructure. Besides the centre in Nádudvar, we have a number of well-equipped classrooms in several sub-centres. The KITE community joins forces for society. We embrace important social issues that can set in motion long-term processes for the common well-being of people and the planet. We support initiatives that aim to improve the quality of life of people living in rural areas and create an attractive rural environment.

At the heart of our company's ESG strategy is our Precision Farming System, called PGR. We believe that the most important basis for sustainable agriculture is the widespread dissemination and systematic use of the precision farming approach. Our environmental strategy and commitments have been designed with the precision farming considerations at their core. Our main objective in implementing the strategy is the extensive use of precision farming.



In January 2024, KITE Zrt. was awarded the Special Prize for Domestic Product Development by the jury of the Product Prize competition in the Digitalisation category for its precision farming irrigation scheduling application.

Applications

In addition to its own resources, KITE Zrt. has in recent years also used significant amounts of subsidy to finance research and development for the dissemination of precision farming. At KITE, we believe that the spread of precision farming is the means by which agriculture contributes to achieving sustainability. Developments now provide us with the professional knowledge and tools to significantly reduce the carbon footprint of agriculture, preserve and improve the fertility of farmland, and restore biodiversity without reducing the volume and quality of production.

With the help of the grant funding, we have developed a precision farming system that can be extended to a wide range of partners (**GINOP-2.2.1-15-2016-00001**). This has created opportunities for large farms to improve efficiency and achieve sustainable farming. Under the programme, we have implemented some HUF 2.15 billion worth of developments at an aid intensity of 55.88%.

Climate change is causing increasing difficulties for agriculture, with increasingly extreme weather conditions to face, such as the drought experienced last year. Hungary's agriculture will have to respond to climate change, with a particular focus on the role of water management and water retention. KITE has a decades-long history of providing irrigation solutions for farmers. For the proper use of the technology, appropriate background information is essential. To this end, we have integrated precision irrigation advisory services, based on the soil-plant-atmosphere model, into the precision farming system (PGR) using our own resources and those of the grant. Under the funding programme (**2020-1.1.2-PIACI-KFI-2020-00105**), we have carried out around HUF 740 million of research and development with an aid intensity of 52%.

KITE places great importance and emphasis on facilitating technological development of its partners. To this end, it plays an active role in the mediation of several support programmes. In line with the transition to its flagship, precision farming, we are offering farmers help to access the tools and technologies to achieve this goal. We also actively support plantation establishment, assist our partners in preparing tenders and help them obtain bank financing through the KITE Credit Office. To find out more about our support for the digital transformation of agriculture and the development of nursery gardens, which we offer to our farmers,

click on the link below. [!\[\]\(9f63f5ec98cc2eddf66038fdc55c1091_img.jpg\)](#)

Major association memberships

GRI 2-28

Since its foundation, our Group has made it a priority to play a prominent role in industry associations, chambers and professional organisations.

Further association memberships

FruitVeb – Hungarian Fruit and Vegetable Interbranch Organisation and Product Council
 International Sunflower Association
 Hungarian Mineral Oil Association
 Hungarian Grain and Feed Association
 Hungarian Maize Club



Hungarian Association of Sports Ground Maintainers
 Hungarian Soil Science Society

MEGFOSZ - National Association of Agricultural Equipment and Machinery Distributors

MEGOSZ – Hungarian Association of Agricultural Machinery Manufacturers

MGyOE - National Association of Hungarian Fruit Nurseries

MKHE - Hungarian Trade Licensing Office

NAK – Hungarian Chamber of Agriculture
 NATaB – National Agricultural Advisory Committee

NSZ – Plant Protection Association
 National Potato Association and Product Council

VSZT – Hungarian Seed Association

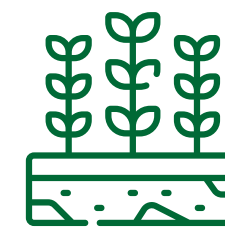
We are founding members of the Precision Farming Association of Hungary and also hold a fixed presidency position.

ESG strategy

GRI 2-22

Our sustainable business approach means that we approach present economic growth with responsibility for future generations. The responsible conduct of KITE’s management and employees is demonstrated by our many efforts to promote the development and protection of the Hungarian economy, wider social goals and smaller communities, and the natural environment. In recent years, we have taken a number of measures to improve our corporate and production management systems for sustainability, to introduce new technologies and business models, and to increase quality and efficiency.

Our values in sustainability



Responsible management and operation

Both, our vision for the future and our commitment to innovation put sustainable management at the heart of everything we do.



Developing our professional community

What does “green-blood” mean? It is the deep-rooted foundation of our organisational culture; it is about belonging and commitment to the KITE community.



Commitment to social goals

By increasing the competitiveness of agriculture and improving the retaining force of rural areas, we contribute to the sustainable development of society.



Environmentally conscious approach

The conservation and efficient use of natural resources is also reflected in our business operations and market activities.

For more details click on the link [↗](#)

Our sustainable strategy

In developing our sustainable strategy, we take maximum account of the environmental and organisational circumstances and specificities of KITE. We believe that we can be successful and future-oriented if we take into account our endowments and strive to combine them with our main asset, our human capital, i.e. our staff and the more than 50-year-long professionalism of KITE.

We see reducing the negative impact of KITE's activities on the environment and protecting the health and safety of our employees as key factors. We also place great emphasis on customer focus and continuous improvement of our operations.



Pillars and objectives of KITE's ESG strategy**E****ENVIRONMENTAL**

- More efficient use of inputs based on better biological effects
- Reducing pollutant emissions
- Dissemination of smart sprayer
- Development of more innovative products (own + co-operative)
- Efficient exploitation of drone technology

S**SOCIETY**

- „Strengthening a “green-blood” corporate culture
- Strengthening the ESG mindset
- Dialogue with stakeholders (feedback)
- Selecting responsible supplier partners
- Special training programmes for workers
- CSR activity and support for the local community

G**CORPORATE GOVERNANCE**

- Embedding ESG thinking in strategy
- Synchronization of SAP with ESG data registry
- Regular monitoring of ESG indicators
- Effective continuation of the KITE Greening Programme
- Cybersecurity Data protection

ESG COMMISSION**CODE OF ETHICS**

Contributing to the UN Sustainable Development Goals

Our sustainability strategy has been developed in line with the UN Sustainable Development Goals (SDGs), taking into account the targets defined therein, with the aim of achieving net zero emissions by 2050. Our business model puts transparent corporate governance and people as employees at the heart of our sustainability objectives. We also aim to market as many products as possible that meet sustainability requirements, so that we can play a more active role in achieving the decarbonisation goals.

By 2030, our core activities will make the biggest contribution to the following objectives



1. Eradicating poverty

Eradicate all forms of poverty everywhere.

KITE is a major player in Hungarian agriculture and has a local impact on the lives of local communities. The company's management is not only focused on profit generation, customer and employee satisfaction, but also on the interests of society as a whole and on supporting our socially marginalised fellow human beings. This is one of the reasons why we created the KITE Foundation for Employees, to help and support our staff and retired employees in unexpected life situations that can seriously affect them and their families, and to support our disadvantaged employees and their families, who are in a difficult situation, with the financial contribution needed to improve their quality of life.

Every year, we increase our social pledge and commit to increase it by 15% by 2027.

3. Health and well-being

Ensure healthy lives and promote well-being for all at all ages.

Some of the key areas KITE focuses on are: promoting community and social well-being at work, flexibility in employment, knowledge transfer, pay and fringe benefits, as well as feedback and evaluation. We also value work-life balance and safe working conditions. For the well-being of our employees, we place a strong emphasis on health protection and preventive screening when it comes to fringe benefits.

Our goal is to increase the coverage by 5% by 2027.



4. Quality education

Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all.

KITE considers building intellectual capital to be as important as quantifiable performance. Maintaining and growing knowledge is a key priority for both our corporate culture and our human resources policy. KITE Zrt. and its subsidiaries spent more than HUF 86 million on education and training during the reporting period.

Our commitment is to increase this amount to HUF 100 million by 2030.





5. Gender equality

To achieve gender equality and help empower all women and girls.
 KITE's sustainable mindset is marked by the fact that human rights, diversity and equal opportunities belong to our core values that are clearly articulated in our Code of Ethics and are not only shared by our employees, but also across our entire value chain.

The number of female middle and senior managers in the KITE Group in the year under review was 66. We aim to increase this number to 70 by 2027.



9. Industry, innovation and infrastructure

Build resilient infrastructure, promote inclusive and sustainable industrialisation and foster innovation.

Innovation has been an integral part of KITE's history since its inception, with the main objective of learning from world-class science, and of mastering and disseminating new technologies, modern production tools and farm management practices in agriculture. Our precision farming system provides the framework for the conditions needed to run a modern farm.

For Hungarian farmers, we provide a unique, complex system of precision agrotechnological, technical and IT background, but we also increase their efficiency through energy and water-saving irrigation solutions, and input use recommendations tailed to the farmers' needs. KITE devotes significant amounts annually to its relevant development and innovation activities.

We aim to increase the financial resources dedicated to developing the KITE Group's innovation activities by 15% by 2030.



12. Responsible consumption and production

Ensure sustainable consumption habits and production methods.

In line with our ESG approach, we strive to develop sustainable consumption and production patterns, and to develop the circular economy concept, reusing, refurbishing and recycling products to minimise waste and resource depletion. In our seed trade we use degradable, paper-based packaging materials. Environmentally sound collection of pesticide packaging materials occurs under the CSEBER programme, but the safe management of contaminated materials from technical services is also carried out under a similar controlled programme.

We are committed to further reducing our paper use at Group level year-on-year by increasing digitalization.



13. Taking action against the impacts of climate change

Urgent action on climate change and its impacts.

An important question for KITE is to what extent our operations as a responsible company directly impact or protect nature. In light of this, it was a natural and symbolic step for us to choose the most advanced environmentally friendly hybrid electric drive system on the market for our passenger car fleet. Consequently, we have one of the largest hybrid fleets in Hungary.

We pay particular attention to good product follow-up in the distribution of agrochemicals, encourage our partners to adopt safe business practices and promote the spread of environmentally conscious use.

Our goal is to have a sustainability due diligence system in place for our suppliers by 2027 and to work with certified, responsible, ESG-minded partners.



15. Protecting terrestrial ecosystems

Sustainable forest management, combating desertification, halting and reversing soil degradation, halting biodiversity loss.

Our commitment to the conservation and efficient use of natural resources is reflected in our corporate operations and our market activities. We are working intensively to promote the use of bio-control solutions. The modern materials we use in our precision farming ensure that healthy soil biochemistry is maintained, and yields are kept at the expected levels. These factors combine to guarantee food security, which is important for sustainability. We are aware that soil is the most important asset of agricultural production, the protection and proper management of which is essential.

In this spirit, in 2023, we signed a cooperation agreement with the Hungarian Soil Science Society, which aims to raise awareness of the diversity of soils in Hungary, and to protect and conserve them for future generations.

We are committed to raising awareness of the use of alternative, innovative agricultural technologies among our partners and farmers through a wide range of educational activities to protect the soil and ecosystem.



Our stakeholders

Materiality assessment

GRI 3-1

We have mapped our stakeholders to inform our ESG strategy and prepare the materiality analysis, in line with GRI requirements. We asked key stakeholder groups (with the help of a questionnaire) for their views on the relationship between our business and sustainability, and the actual, potential, negative and positive impact of each issue on our operations. The list of material topics was supplemented by benchmark analysis (identifying relevant topics of international competitors and business partners) and MSCI industry-specific aspects.

Stakeholders

GRI 2-29

We believe that by involving our stakeholders, we can operate as a responsible company. We consider stakeholders to be those groups that are directly or indirectly influenced by KITE, or who have an impact on our company and foster a long-term, transparent relationship based on trust and mutual respect. These are the groups who are most affected by our activities and operations and are the custodians of any successful business strategy and decisions for KITE.



ESG material topics

GRI 3-2

Our materiality assessment took into account the current economic situation, stakeholder expectations, and the UN Sustainable Development Goals. In our ESG report, we present our sustainability activities according to a list of material cases approved by the CEO of the company group.

List of material topics

**E**

Environmental factors

- Innovation, R&D, digitalisation
- Energy use
- Emissions
- Climate change adaptation and resilience
- Soil protection
- Waste management
- Water management
- Use of plant protection products
- Food safety

**S**

Society factors

- Expert advice, knowledge transfer, sharing of good practices
- Training and education of employees
- Partner satisfaction
- Health and safety of employees
- Staff and employees
- Diversity and equal opportunities
- Social responsibility and local communities

**G**

Corporate governance

- Conflict of interest
- Business ethics, compliance
- Quality management
- Procurement practice
- Indirect economic impact
- Economic performance
- Risk management
- Data protection

Environmental protection

GRI 3-3

Innovation, R&D, digitalisation

GRI 13.9

Innovation is an integral part of KITE's history since as early as its founding, its main objective was to learn from world-class science, and master and disseminate new technologies, modern production tools and farm management practices in agriculture. From the very beginning, our experts have contributed to the world-class results in the development of arable farming in Hungary.

The company will bring agricultural innovation to farmers by widely disseminating technologies related to precision and low-impact farming, helping them to become more competitive and contributing responsibly to economic, environmental and society sustainability.

Our commitment to sustainable development is primarily reflected in the responsible sharing of professional knowledge.

KITE's agrotechnology and agricultural informatics development activities and the operation of the Precision Farming System (PGR) digital services are concentrated in the Innovation Centre in Nádudvar. This is where this complex centre operates as an incubator, with around 30 highly skilled specialist with a wide range of backgrounds in agronomy, engineering, economics and IT.

Closely linked to the activities of our Priority Services Department (KSZI), which has 140 staff nationwide selling our innovative services.

The main areas of activity of the KSZI at the service of farmers

- Playing a role in promoting precision farming
- Informing and training partners
- Advice on choosing the right tools and smart solutions for the digital changeover
- Systemising digital developments
- Grants to producers

PGR
Precision Farming System



THE KITE PRECISION FARMING SYSTEM

Tools

The implementation of precision farming requires a set of technical and IT tools suitable for this purpose.



Apps

Our digital platform provides a solution to quickly and easily transform data generated in agriculture into information for supporting decision-making.



PGR consultancy

The service provided by KITE is an agronomic, technical and IT consultancy system based on many years of professional experience that has been proven in practice.

Main elements of PGR

- Nutrient management module
- Irrigation scheduling web-based and mobile app
- Agrometeorological mobile app
- Implementation of experimental results in production, based on digital data collection and statistical data analysis
- Integrating data collected by drones

Our international cooperation partners and research areas

- John Deere: development of agricultural machinery and equipment, prototype testing
- DJI Agras: development of drone crop protection application technology
- BASF: placement of new advanced fungicides in technology
- FMC: development of integrated pest management solutions for corn pests (drone application of anti-corn borer products)
- Bayer: investigating the possibilities of herbicide active ingredient reduction and their integration into technology (band spraying)
- DIGITROLL: cooperation in sensor development
- Kimitec: the use of biostimulators to optimise crop yields
- Indigo: plant protection against drought damage by microbiological nutrients

For more information on the KITE PGR system, click on the link: [🔗](#)



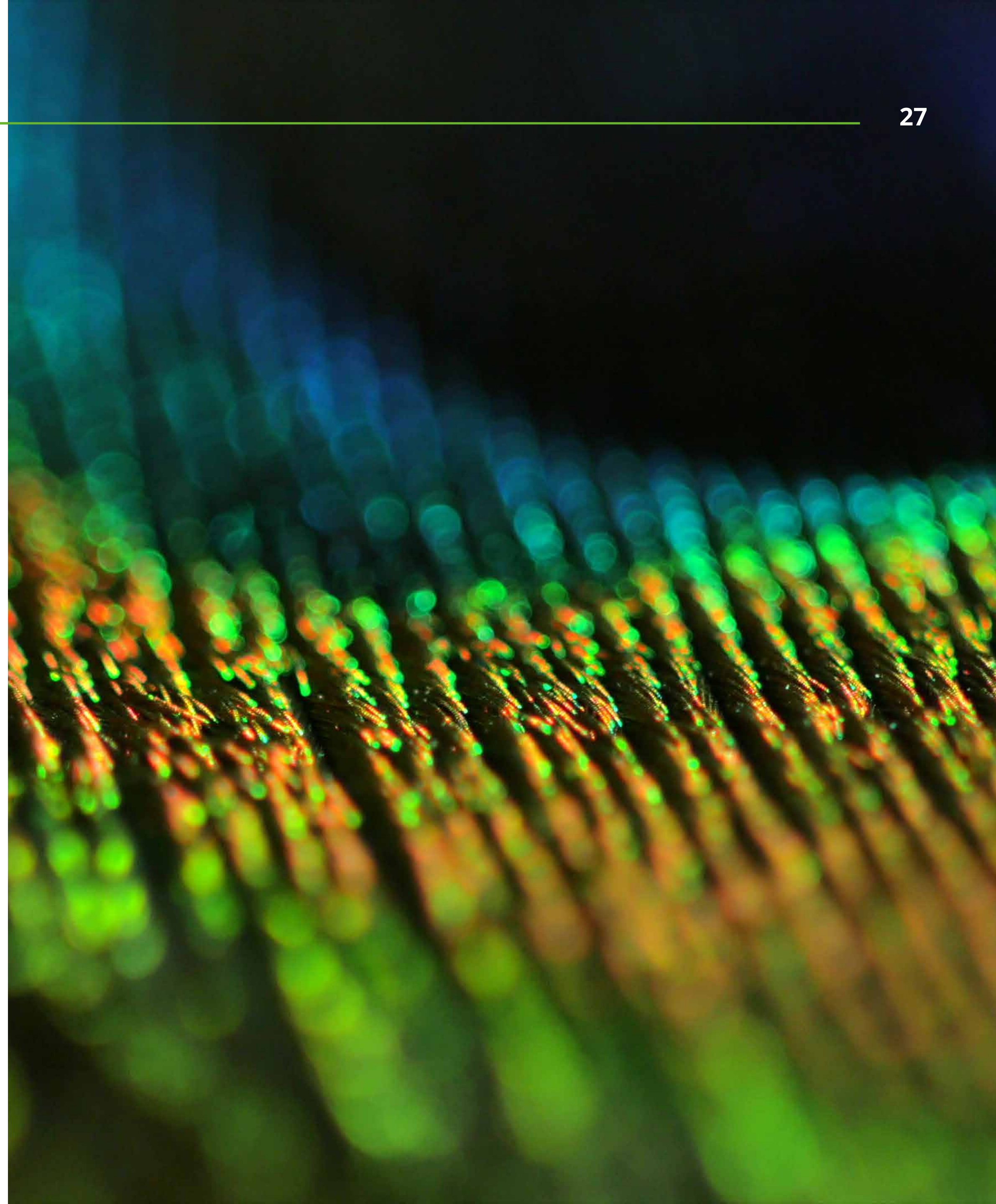
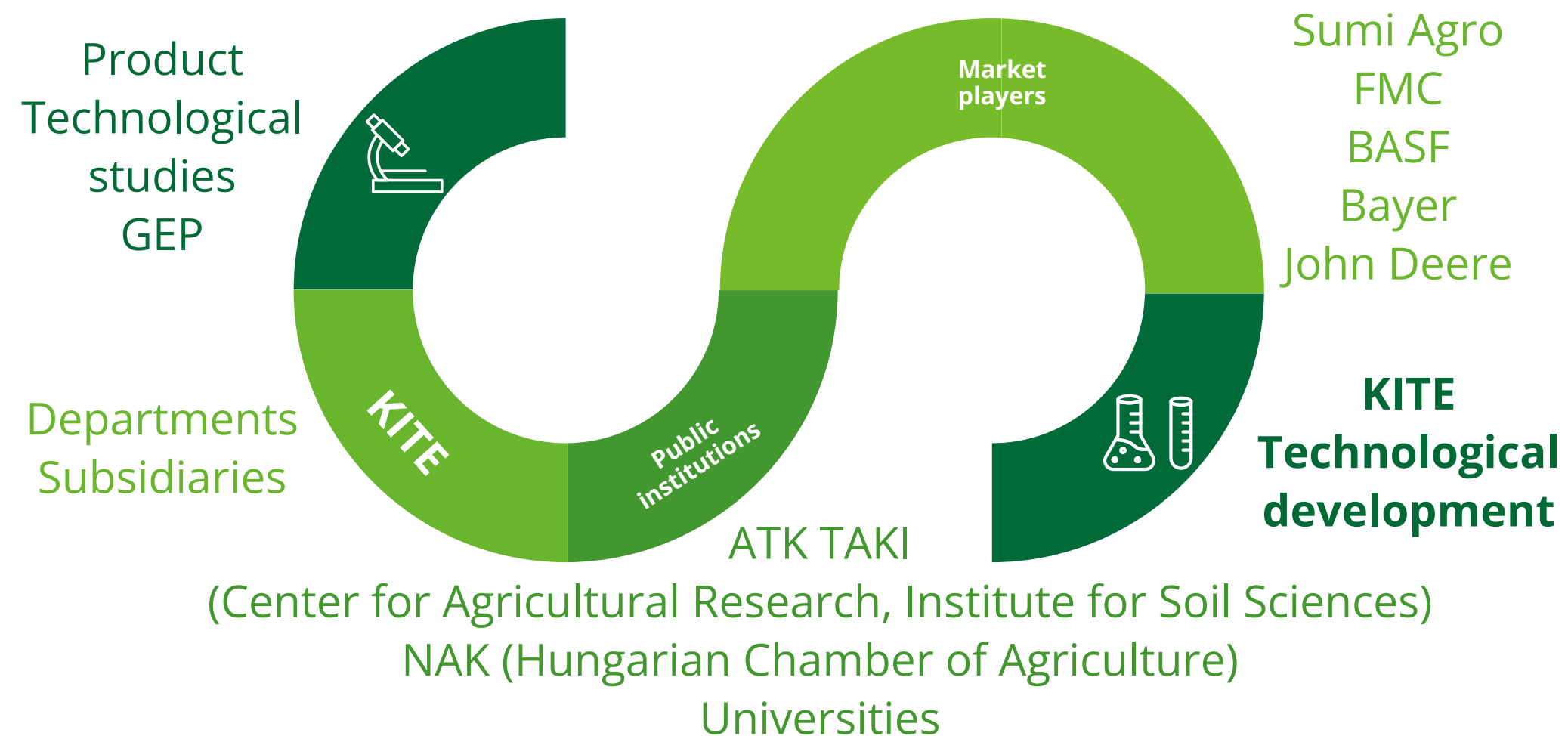
Our innovation achievements from 2020 to date

- Introduction of sorghum and soybean technology
- Introduction of chemical-free tomato and pepper production technology
- Introduction of forecast-based crop protection technology
- Development of drone technology
- Development of biological control technology (early potato cultivation technology – variety, testing of biostimulants, integration into technology)
- Integration of biodegradable mulch film into technology

We are proud to announce that, KITE Zrt. has been awarded the state-recognised GEP (Good Experimental Practice – Impact Studies for Authorisation Purposes) certification in the summer of 2020, which enables us to carry out pesticide authorisation studies for national and international partners in an officially recognised manner.

KITE Zrt. GEP certified testing site

Our customers



Sustainable products

KITE Zrt. and its subsidiaries are consciously expanding their activities and building their own production bases while maintaining commercial activities in the pursuit of sustainability. The production of sustainable products is a path that KITE has embarked on and has made significant progress continuously. The sustainability and quality attributes of our products are fairly presented in sales and product information, through fair and responsible marketing communications, transparently demonstrating the impacts of using the products.

Environmentally friendly plant protection products are a key element in achieving sustainable farming. Agro-Chemie Kft., our long-established pesticides manufacturing subsidiary, develops its products with sustainability in mind and sells them through the KITE network.

Detailed information on the characteristics of the products can be found under the following link: [🔗](#)

The use of modern materials in precision farming helps to maintain healthy soil biochemistry and keep yields at the expected levels. These factors combined guarantee food safety, which is important for sustainability. To promote sustainable farming, we continue our cooperation with our international partner companies, Hungarian and international research institutes and universities. An important element in achieving our goals is the education and training of our employees and our customers.

By introducing precision farming and using the latest materials, the risk of pesticide usage could be reduced by around 30 per cent by 2030.

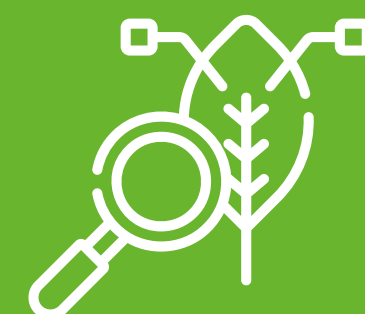


KITE Plant-protection Sales Department developments:

- Development of new biological plant protection solutions and their integration into technology (trichoderma, trichogramma)
- Use of beneficial organisms in horticultural and arable crops
- Use of beneficial organisms (predatory mites, predatory bugs, trichogramma) in an integrated plant protection approach
- Combining chemical and biological control technologies in an environmentally conscious way

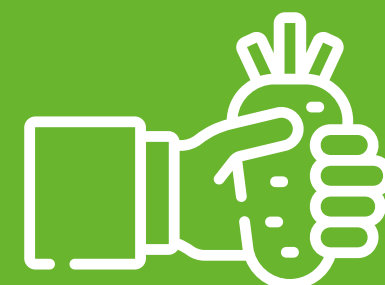
An important element of sustainable agriculture is the development of climate-resilient plants and the dissemination of their crops.

We are convinced that the needs of Hungarian agriculture can be best served by seeds developed and grown under domestic conditions, which is why we acquired and integrated AGROMAG Kft. into the KITE organization. **Detailed information about our subsidiary's products and services can be found under the following link:** [🔗](#)



KITE Seed Sales Department developments

- KITE brand licenced corn hybrids
- KITE brand licenced sunflower hybrids
- KITE brand licenced soy hybrid
- KITE brand licenced sorghum hybrids
- KITE brand licenced rapeseed hybrids
- KITE brand licenced cereal varieties



KITE Crop Trade Department

- Resistance trials against Fusarium strains
- Reducing toxins harmful to health, achieving better crop quality



KITE Horticulture Department

- Using autonomous technology in orchards
- Development and introduction of KITE's own soil disinfection technology
- Introduction of Natural Force™ fertilising products
- Introduction of Kimitec biostimulats products and fertilisers
- Integration of biodegradable foils into technology
- Exclusive supplier Ferm-O-Feed – introduction of organic manure pellets
- Bioline Agro Sciences Integration of beneficial organisms into technology

Energy consumptions

GRI 302, GRI 302-1, GRI 302-2, GRI 302-3, GRI 302-4, GRI 302-5

Evolution of energy use in total energy consumption of KITE Zrt. sites

In recent years, the total energy consumption of KITE Zrt. and with it its energy costs have increased. The energy crisis of 2022 was particularly significant, which put even more focus on rationalising consumption. Increasing the share of renewable energy is key to sustainable management and cost-effectiveness. In this spirit, KITE Zrt. has also taken significant steps to increase the share of renewable energy. In the year under review, our company carried out an Energy Audit, the content of which – its data, findings and recommendations – will guide energy planning and the implementation of the necessary measures in the future.

KITE Zrt.'s energy management has become relatively more favourable through the renewal of the relevant contracts and continuous optimisation. The contracts with the utility companies are concluded by KITE Zrt., and the operational tasks related to this, i.e. the management of invoices and certificates, are also the responsibility of the Centre's dedicated staff. As a single consumer, the company buys all the energy. Invoices are sent to the Nádudvar Centre and payments are made from there. With the exception of three rented properties (Aszód, Budaörs, Solt), the plants, machinery and vehicles are owned by KITE Zrt. Consequently, fleet management is also carried out at the Nádudvar centre, similar to energy contracting. Electricity and gas energy are purchased from regional suppliers.

Electricity, gas, tank gas and water consumption are recorded in aggregate, by site, and updated monthly. All our meters are certified.

Our fleet is refuelled at external service stations. Corporate and private use are separated according to our internal regulations.

KITE's gas consumption is mainly used to run forklifts and for heating purposes. Due to the specificities of the industry, gas consumption varies seasonally, making it challenging to monitor on a monthly or specific basis. The seasonality of the agricultural industry, such as seeding, crop protection and nutrient management periods, affects gas use, which may vary from year to year. Gas is purchased in phases and stored in temporary storage facilities. The data available is the monthly purchase value, which allows us to estimate the periodic distribution of consumption.

Our energy costs have been rising steadily in recent years. The largest share of the energy consumed by KITE Zrt. is accounted for by the consumption of fuels, including diesel oil. Diesel oil accounts for

nearly 2/3 of total energy consumption and petrol for more than 13%. We also have a significant share of natural gas consumption, which makes up 13.5% of total energy use.

The total energy consumption at KITE Zrt. has shown a steady increasing trend in the last years, but it has slightly decreased compared to 2022. Purchased electricity did not change significantly but decreased slightly. Fuel consumption increased significantly in the case of petrol, but our consumption of bottled gas decreased significantly compared to previous years.

Development of energy sources at KITE Zrt. in 2020-2023

Energy carrier	2020.	2021.	2022.	2023.
Electricity (kWh)	2,947,685	2,932,512	2,984,242	2,836,180
Natural gas (kWh)	4,547,943	5,351,782	5,182,425	4,391,995
Bottled gas (kWh)	510,302	501,274	315,289	61,819
Petrol (kWh)	1,821,040	3,023,989	3,762,389	4,358,697
Diesel oil (kWh)	18,918,950	20,237,049	22,358,979	20,669,459
LPG (kWh)	301,210	251,004	215,124	301,901
Total (kWh)	29,047,130	32,297,610	34,818,448	32,620,051

Annual energy costs (HUF thousand)

	2020.	2021.	2022.	2023.
	851,096	1,162,674	1,564,139	1,965,220

In recent years, KITE Zrt. has been forced to spend more and more on energy, the main reason for this being the continuous rise in world market prices.

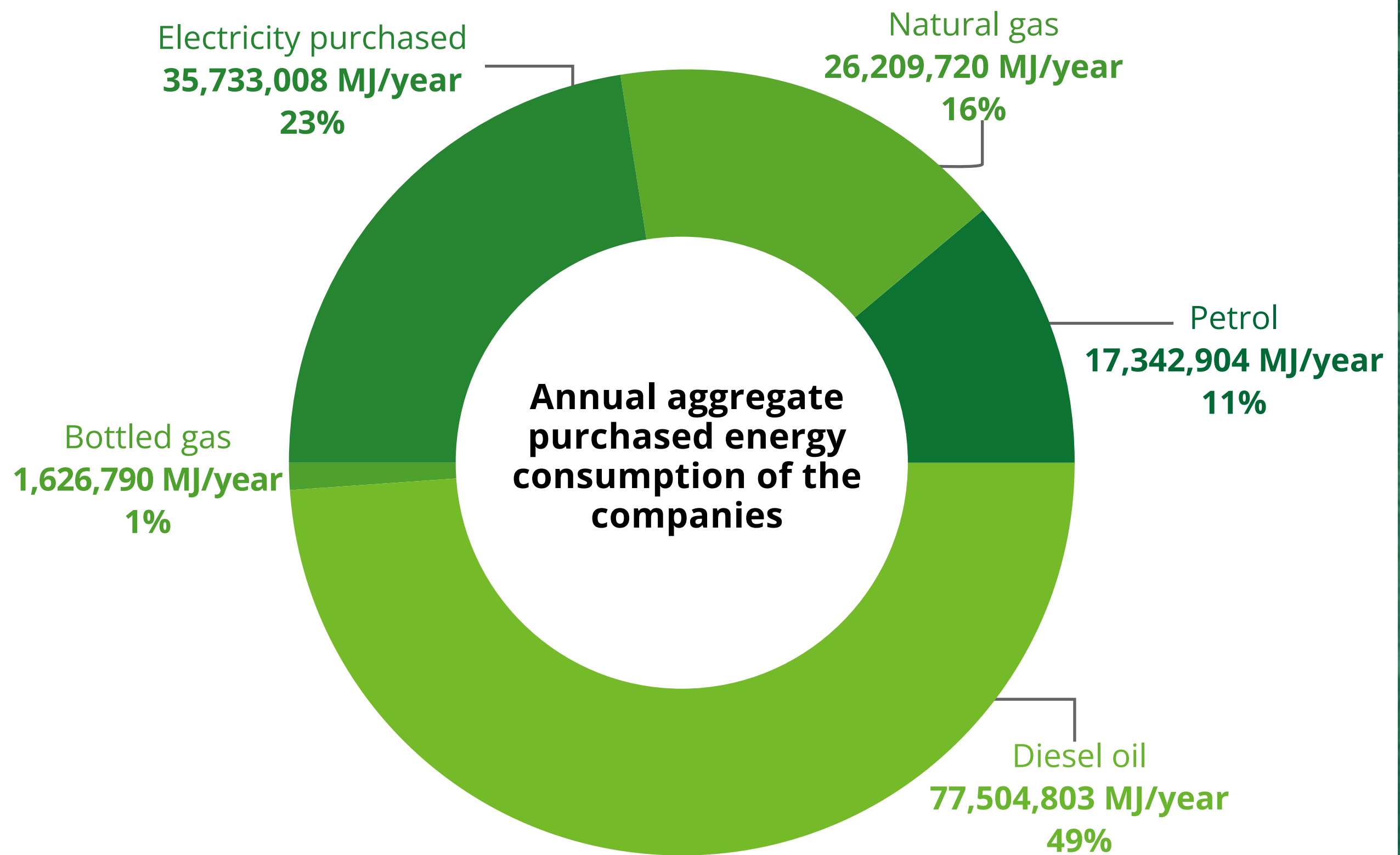
In 2023, the per capita energy consumption of KITE Zrt. was 18,172.73* kWh/person.

(*32,620,051 kWh/1795 persons = 18,172.73 kWh/person)

Evolution of energy use in KITE Zrt. and its subsidiaries (year 2023)

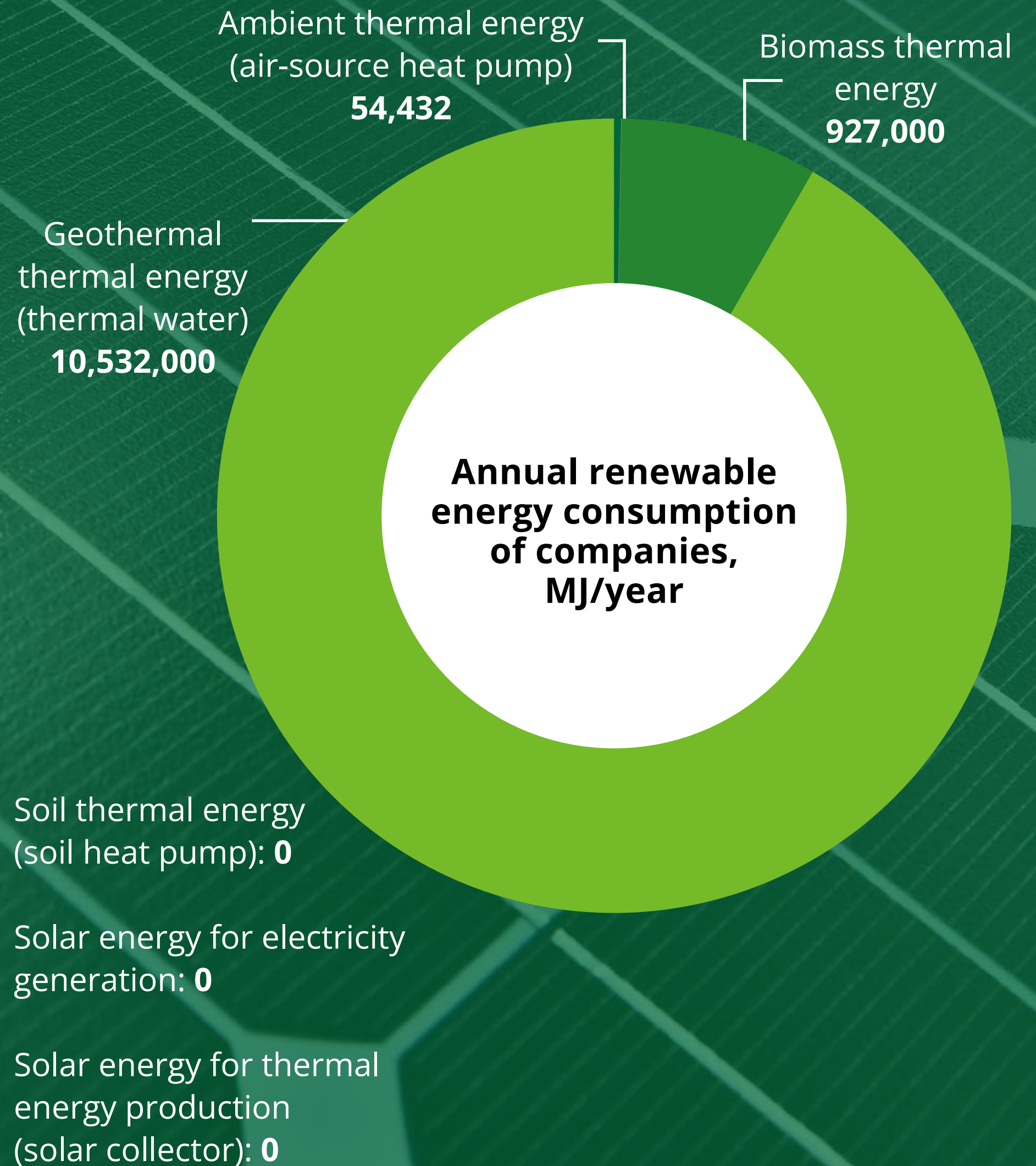
Aggregate purchased energy use of KITE entities	Unit of measurement	Total	KITE Zrt. sites combined	Agro-Chemie Group	AGROMAG Kft.	Alisca Agrárház 2010 Kft.	KITE-Plant Kft.	Ökoil Kft.
Electricity	kWh/year	9,925,836	2,836,180	1,013,627	825,808	62,221	0	5,188,000
	MJ/year	35,733,008	10,210,248	3,649,055	2,972,909	223,996	0	18,676,800
Natural gas (pipeline)	m3/year	759,702	413,675	296,069	46,058	0	3,900	0
	kWh/year	8,065,770	4,391,995	3,143,370	488,999	0	41,406	0
	MJ/year	26,209,720	14,271,788	10,214,381	1,589,001	0	134,550	0
Bottled gas (from tank for heating)	kg/year	4,838	4,838	0	0	0	0	0
	kWh/year	61,819	61,819	0	0	0	0	0
	MJ/year	222,548	222,548	0	0	0	0	0
Petrol	litres/year	536,932	485,799	2,672	12,641	27,933	100	7,787
	kWh/year	4,817,474	4,358,697	23,974	113,418	250,621	897	69,867
	MJ/year	17,342,904	15,691,308	86,306	408,304	902,236	3,230	251,520
Diesel oil	litres/year	2,201,841	2,113,922	11,635	50,338	10,977	0	14,969
	kWh/year	21,529,112	20,669,459	113,764	492,194	107,331	0	146,364
	MJ/year	77,504,803	74,410,054	409,552	1,771,898	386,390	0	526,909
LPG (LPG/bottled gas)	kg/year	30,527	23,627	0	0	1,500	5,400	0
	kWh/year	390,068	301,901	0	0	19,167	69,000	0
	MJ/year	1,404,242	1,086,842	0	0	69,000	248,400	0
Total	kWh/year	44,790,079	32,620,051	4,294,735	1,920,419	439,340	111,303	5,404,231
	MJ/year	158,417,225	115,892,788	14,359,294	6,742,112	1,581,622	386,180	19,455,229

As for the evolution of energy consumption of the subsidiaries in 2023, the consumption of natural gas was relatively significant for the Agro-Chemie group, while the consumption of electricity was dominated by Ökoil Kft. due to its activity.



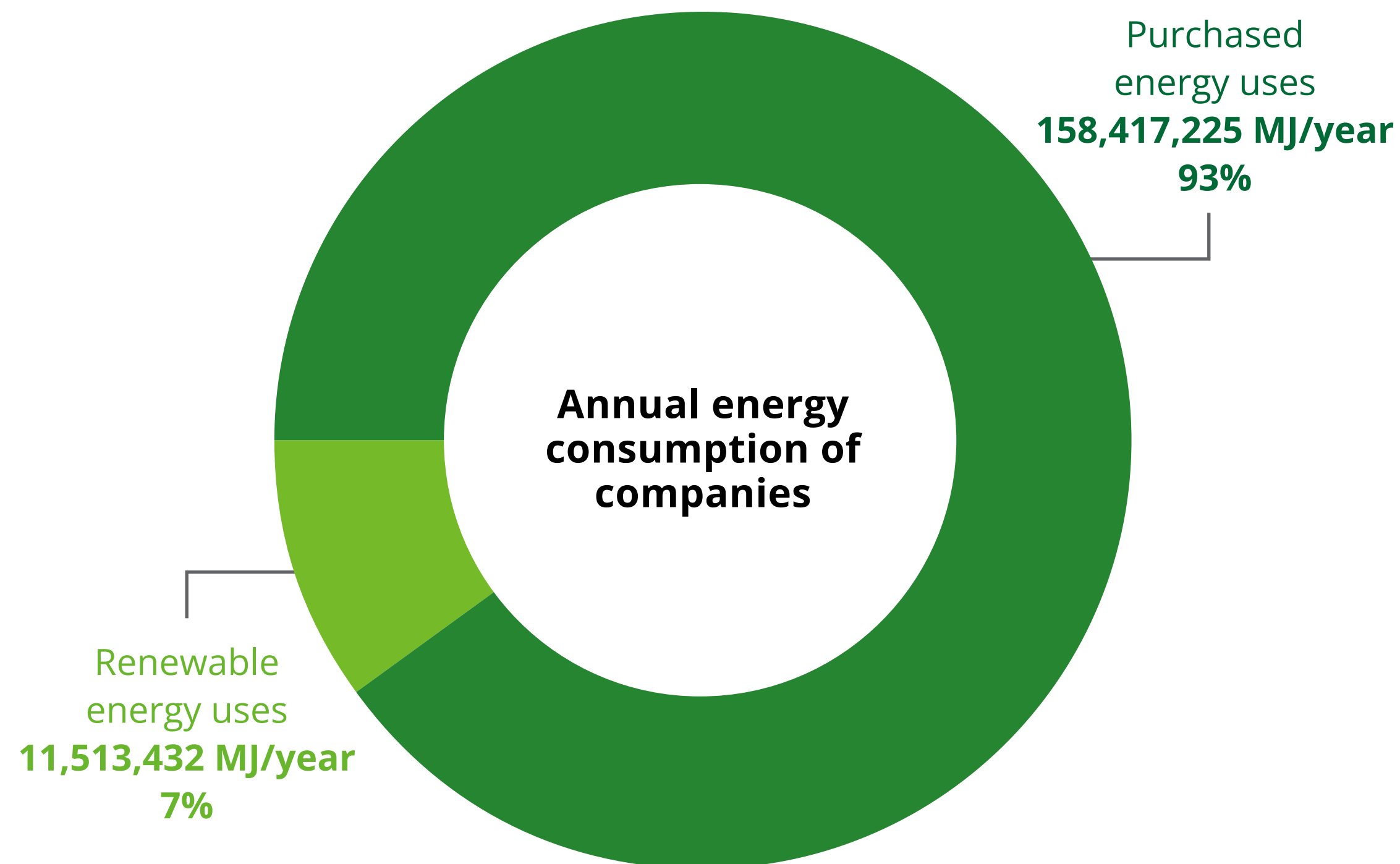
Like other sectors, agriculture is increasingly focusing on the use of renewable energy, which is becoming more and more important. KITE Zrt. and its subsidiaries are constantly looking for these solutions in the spirit of sustainability.

The group typically focuses on the use of geothermal (thermal water), biomass and ambient heat (air source heat pumps).



The use of renewable energy among the subsidiaries is significant at KITE-PLANT Kft. and Ökoil Kft. During the reporting period, KITE-PLANT Kft. used a remarkable amount of geothermal energy in its operations, totalling 10,532,000 MJ. Ökoil Kft. covers its energy consumption from renewable energy sources and the steam energy produced from biomass in the form of seed husks fully covers the heat demand of the site. In addition, **Alisca Agrárház 2010 Kft.** also uses renewable energy in its operations by using heat pumps to use ambient heat energy.

For KITE Zrt. and its subsidiaries, the share of renewable energy use in total energy consumption was 7.41% in 2023. The medium and long-term plans include the increase of this rate.



Fleet of vehicles- KITE Zrt.

The objective of KITE Zrt. is to reduce emissions in the operation of its own fleet of vehicles. We have an exemplary plan to continuously replace our diesel passenger car fleet with hybrid vehicles in cooperation with Toyota and we plan to expand our fleet in this manner in the coming years. Experience over the past years has confirmed the reliability and cost-of-ownership benefits of hybrids – from low consumption and service costs to outstanding value retention.

We have one of the largest fleets of hybrid vehicles in the country. From 1 January 2019, we put into operation only road vehicles with Euro 6 engines that comply with the strict regulations.

Conscious car use

KITE carries out regular maintenance on its vehicles to help prevent breakdowns and improve performance, thereby extending their life cycle. By reducing emissions, extending the lifespan of vehicles – and reducing our carbon footprint overall – we can make our sustainability approach work.

In recent years, we have introduced a number of measures to reduce the number of trips. By changing the way we used to hold our commercial meetings, we no longer have staff travelling to our headquarters in Nádudvar, but instead hold meetings at regional level or by video conference, reducing fuel consumption and the related emissions.

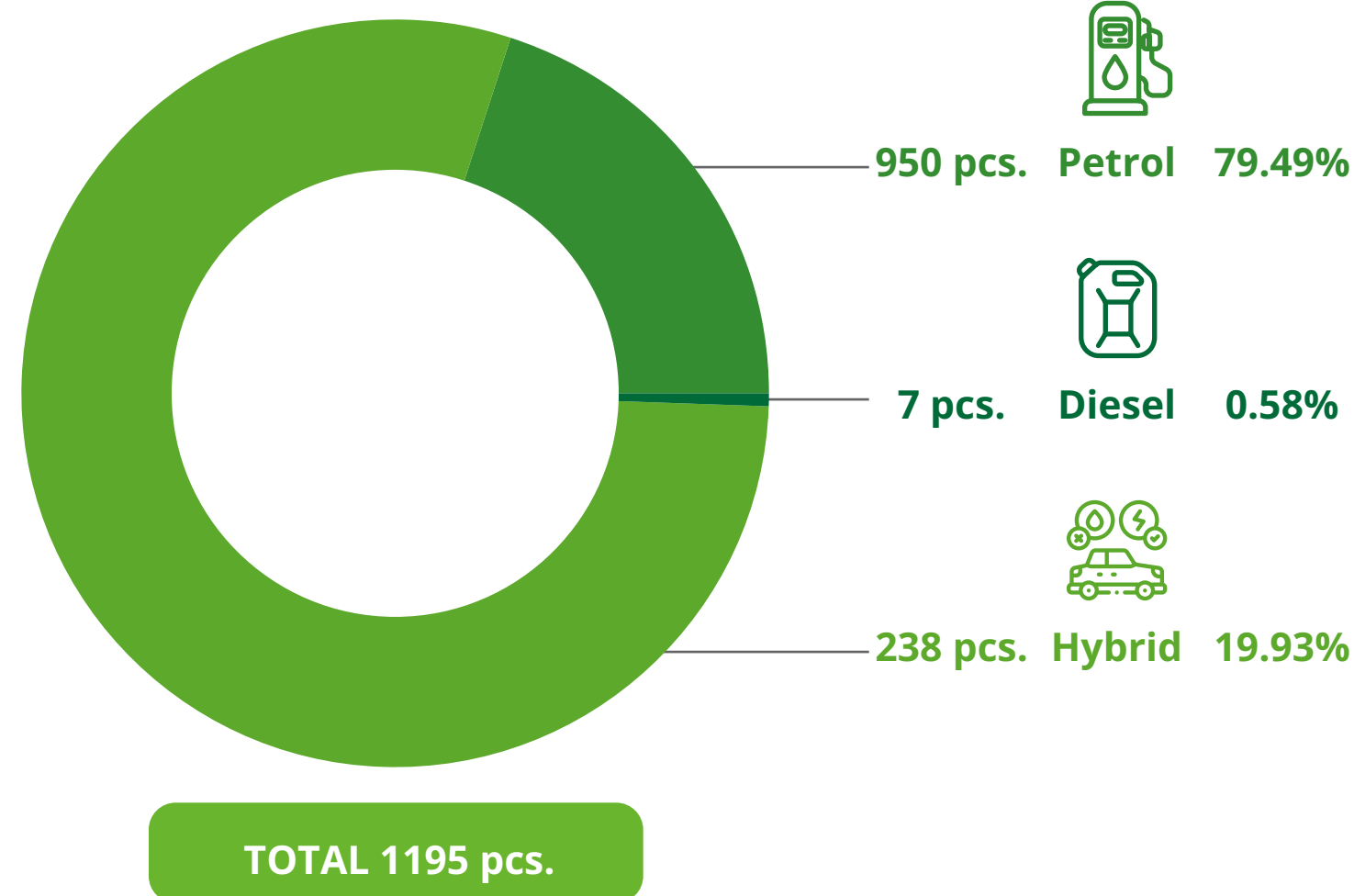
KITE Zrt. has 1,195 passenger cars and vans which are mainly used for service work

In terms of procurement, the aim is to buy vehicles with hybrid drive where possible. The total power of the drive system is 99,077 kW, 24.7% of which is already with modern drive. We have an internal policy that encourages employees to follow the norm. Professional drivers receive continuous training, including energy-efficient driving.

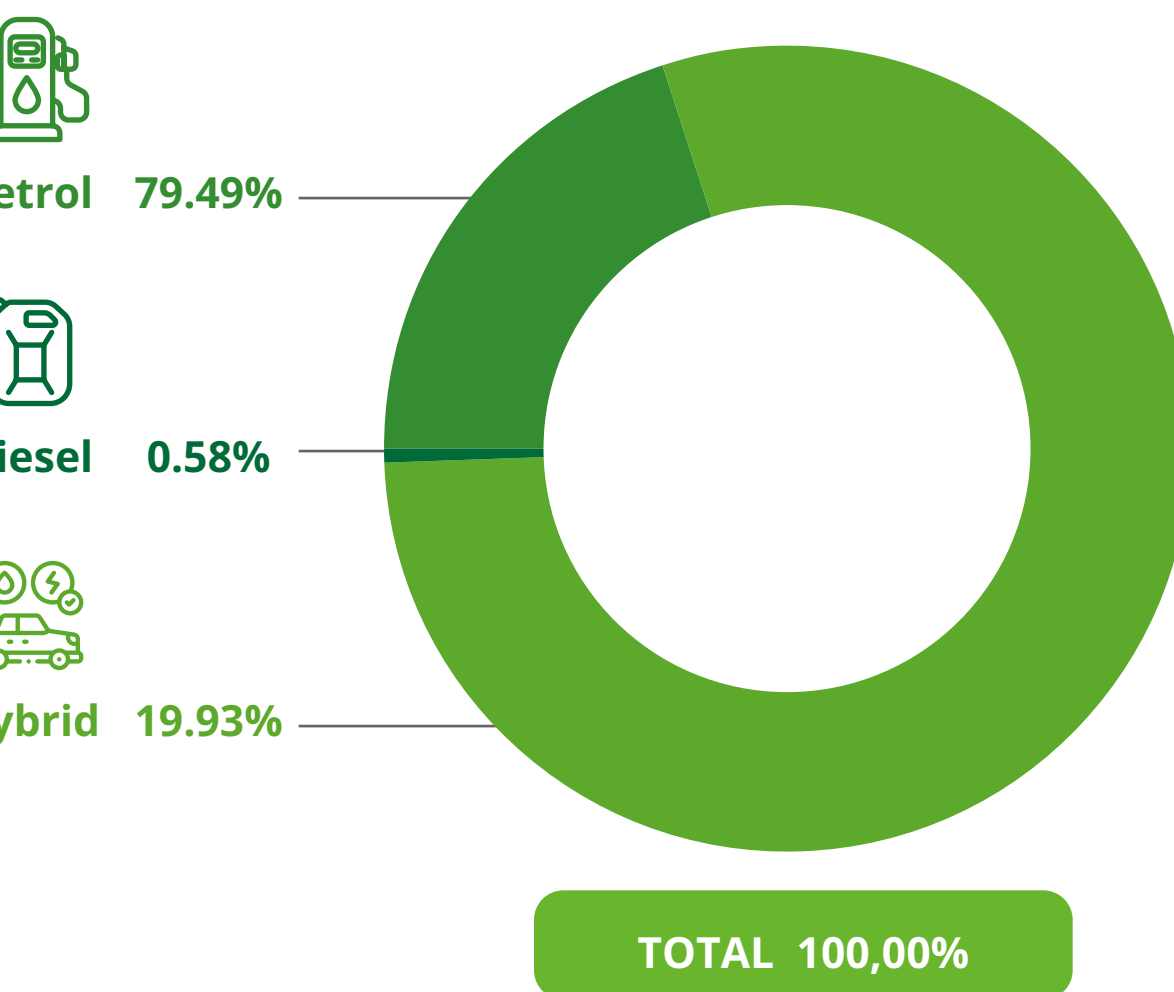
The average age of our vehicles is 6.9 years. The mileage limit is 250,000 km. The standard for hybrid vehicles is about 90% of that for conventional vehicles, which is an important consideration when making purchasing decisions.

Through its extensive logistics and operational activities, KITE Zrt. has a significant fleet of vehicles, which is essential for the daily business operations. The total fuel consumption of KITE Zrt.'s trucks, goods vehicles, vans and passenger cars in 2023 was 2,599,721.2 litres. Of this, 485,799.2 litres were petrol and 2,113,921.9 litres diesel. The total fuel costs for 2023 amounted to nearly HUF 1.5 billion.

Number of our vehicles by drive (2023.)



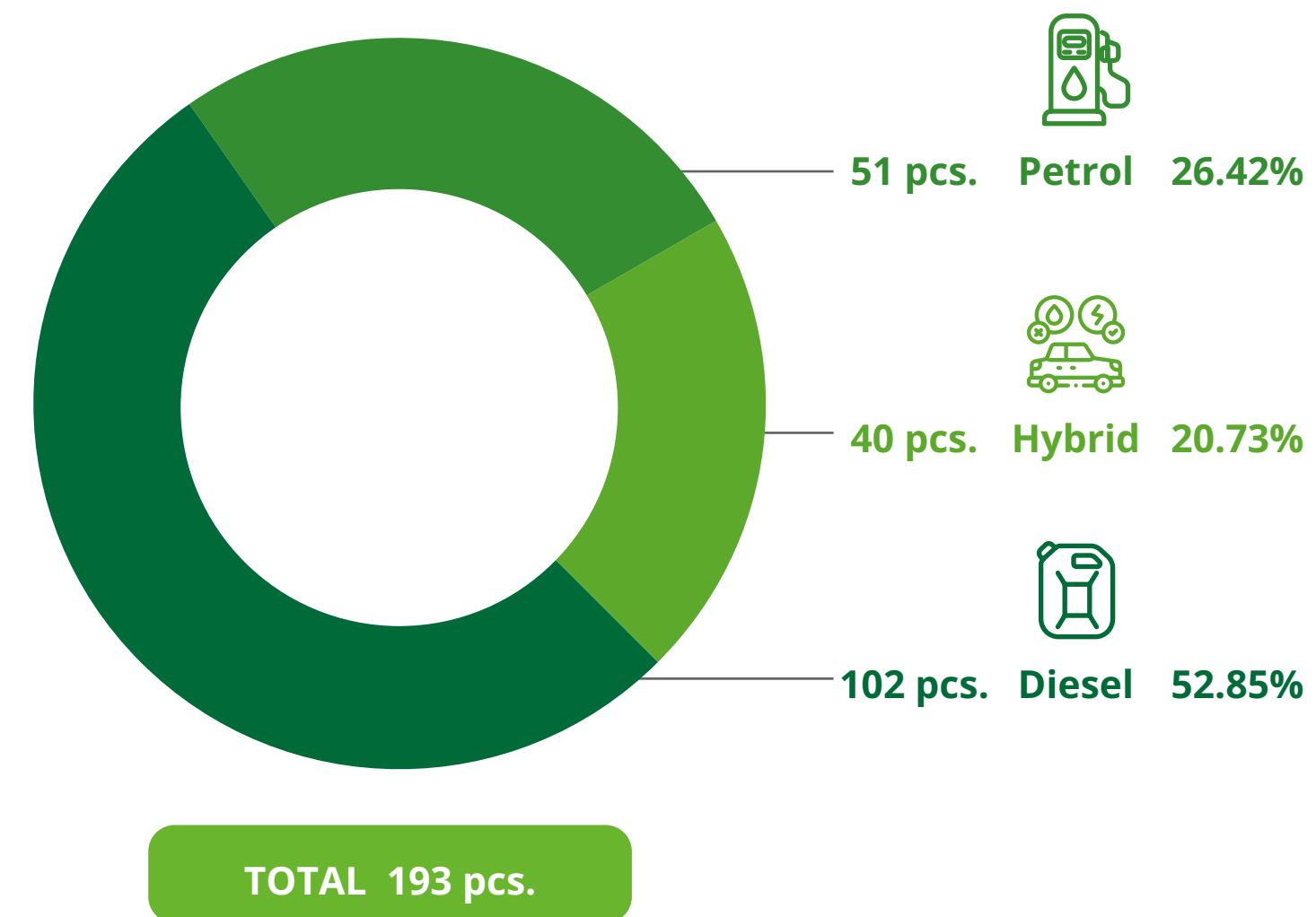
Distribution of our vehicles by type of drive (2023.)



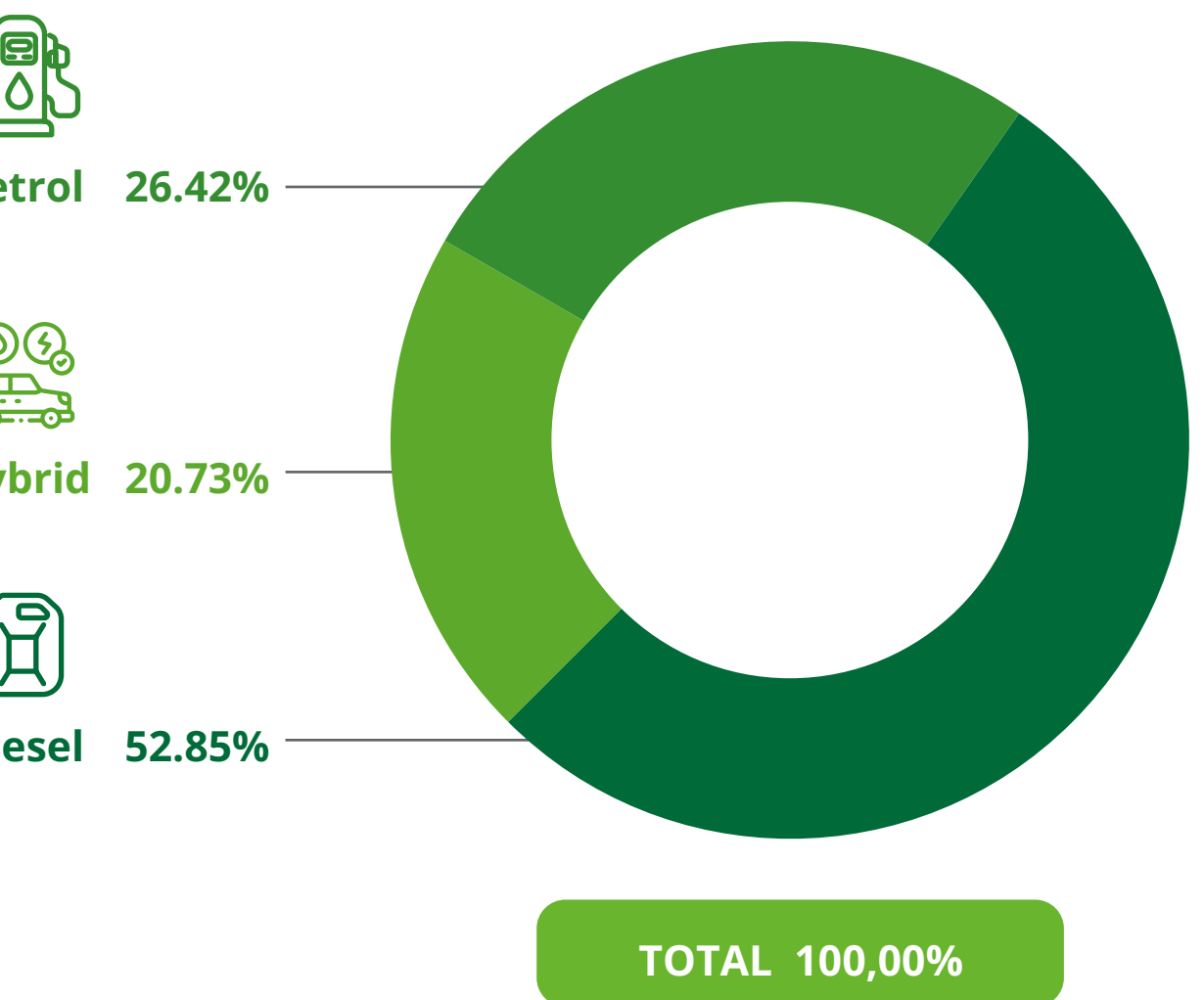
Forklifts and lifting equipment

KITE Zrt. owns most of the lifting equipment used and some are rented. The number of diesel forklifts is significant, with an average age of 12 years. The operating time of the forklift trucks is adapted to the current needs. The charging of batteries can be optimised, increasing the lifetime and usability of the vehicles. Driving optimisation is not feasible, so for electric forklift trucks, the purchase of chip batteries should also be considered. In this case, the daily load curve becomes easy to read and analyse, which can improve efficiency.

Number of forklift trucks and lifting equipment by type of drive (2023.)



Distribution of our forklift trucks and lifting equipment by type of drive (2023.)



The subsidiaries of KITE Zrt. have a total of 70 vehicles, the largest part of this fleet is owned by Alisca Kft. (27) and AGROMAG Kft. (30). All subsidiaries except KITE-Plant Kft. have a fleet of vehicles. At least half of the vehicles are Euro 6 and hybrid powered.

Building retrofits and energy efficiency measures in 2023

primary energy use and hence greenhouse gas emissions. New sites have also been handed over and modernised (e.g. Aszód, Kecskemét, Solt), and several buildings have been constructed at existing sites in the last 3 years. On new sites, where an existing building is used, the building structure, air conditioning and lighting have already been upgraded (e.g. Solt).

The building modernisation work of recent years continued, with the heating system at several sites renewed and boiler replacements almost completed. Lighting upgrades had been ongoing in

previous years and continued in 2023. Transport vehicles are becoming more modern, reducing the average age of the fleet and increasing the number of hybrid vehicles. An important investment was the construction of solar systems in Pellérd and Sárbogárd, so in addition to the existing solar collector system in Kaposvár, it can be said that renewable energy production has increased.

Our company spends around HUF 2 billion a year on building and replacement investments.

Modernisation projects of KITE Zrt. (building, energy) in 2023

Building modernisations completed	Heating upgrades completed	Lighting upgrades implemented	Other developments
Telekgerendás - the replacement of the doors and windows of the office building in the machinery yard	Telekgerendás - boiler replacement	Baja - modernisation of the lighting in the seed warehouse	Pellérd - 20 kWp solar PV system installed
	Pellérd - boiler replacement in the social block	Dabas - lighting upgrade in the office building, the horticultural and pesticide warehouses and the meeting rooms and office areas	Sárbogárd - 6 kWp solar PV system installed
	Nagykálló - boiler replacement in the office building of the horticultural site	Felsőzsolca - office building lighting upgrade	
	Herceghalom - boiler replacement in the sub-centre	Mezőtúr - lighting upgrade in the sub-centre - pesticide warehouse - outdoor lighting - in the office building and the showroom	
	Derecske - boiler replacement in the sub-centre	Nádudvar - headquarters lighting upgrade in the office building's sanitary facilities and warehouses	
		Pellérd - lighting upgrade in the sub-centre office building	
		Szászberek - lighting upgrade in the sub-centre and machinery yard in office buildings - outdoor lighting	
		Szigetvár II. Lighting upgrade in wooden structure hall and outdoor lighting modernization	
		Telekgerendás - lighting upgrade of 80% of the spare parts warehouse in machinery yard	

Opportunities for using renewable energy

- The sites have a relatively large number of luminaires and electrical consumers. The roof structure and orientation of buildings generally provide suitable conditions for the installation of solar PV systems, except for the units prohibited by the disaster management services.
- The structural characteristics of the office buildings/social blocks offer the possibility to install an additional solar hot water production unit with solar collectors, which could make the production of domestic hot water more economical.

A future planned and ongoing measure at KITE Zrt. is the **construction of a new solar system**, which will provide further significant energy savings. Its planned destinations are the Nádudvar centre and logistics centre, as well as 3 other sub-centres. This is calculated at 1,407,318 kWh/year, saving HUF 46,208,000/year in energy costs. The aim is to increase the share of renewable energy in total consumption in the coming years.

The implementation of ISO 50001 is also key to systematically optimising the energy performance of our operational processes and to manage energy more efficiently. It also contributes to reducing the environmental burden and improving the long-term competitiveness of the company. That is why the implementation of this is part of our short-term objectives.

Modernisation projects of subsidiaries (building, energy) in 2023

Subsidiary	2023.
Agro-Chemie Kft.	Solar farm and heat pump system (GINOP 3.2.1., HIPA/GYAR-2022-0222)
Agromag Kft.	Introduction of electronic optical sorting machines instead of mechanical machines, vehicle replacement, replacement of doors and windows in the mill offices
Alisca Kft.	Lighting modernisation, vehicle replacement, Use of VRV* system, design and licensing of solar PV system
KITE-Plant Kft.	Modernisation of horticultural facilities under project VP2-4.1.3-20**
Ökoil Kft.	Renewable energy production and energy efficiency, in the framework of the factory rescue programme, start of construction of a solar farm and oil tank farm

Agro-Chemie Kft. has implemented several projects to increase energy efficiency and promote sustainability. The core project is HIPA*/GYAR-2022-0222, which includes the planned decoupling of the common utilities on the site, including the installation of a dedicated 20 kV switching station and a new water connection. In addition, two projects were implemented in 2023, one to improve the adaptability of workers and companies, and the other to build a solar farm and heat pump system.

*HIPA – Hungarian Investment Promotion Agency

AGROMAG Kft.’s sustainability investments in 2023 were primarily aimed at improving energy efficiency, optimizing production processes and achieving cost-effectiveness. A substantial vehicle replacement programme has been carried out over the last two years for colleagues involved in production, replacing old, high-capacity, high-consumption vans with smaller, lower-consumption, off-road capable passenger cars. In addition, energy consumption was reduced by replacing the windows and doors. In 2023, the feasibility of future solar investment was also under consideration.

The main project of **Ökoil Kft.** in 2023 focused on the implementation of a solar panel and oil tank farm investment, which contributed to energy efficient and sustainable operations.

Among the activities of **Alisca Kft.** were, for example, the modernisation of the lighting of the office building, the replacement of the vehicle fleet with hybrid vehicles and the installation of a solar panel system, which will bring the total expected annual production to 51,430 kWh. The target is to implement an additional solar PV system in two phases, with an expected capacity of 30 kWp in 2024 and 20 kWp in 2025.

The modernisation of **KITE-PLANT Kft.’s** horticultural facilities was their main project in 2023, with the aim of increasing energy efficiency and improving productivity.

* VRV – Variable Refrigerant Volume

** VP2-4.1.3-20 – “Modernisation of horticultural holdings”, a call for proposals of the Government of Hungary to support investments for the development of the horticultural sector for farmers, certain groups of farmers and young farmers.

Emissions

GRI 305, GRI 305-1, GRI 305-2, GRI 305-5, GRI 305-7, GRI 13.1.

The year 2023 was a crucial year for KITE Zrt., as we assessed the greenhouse gas (GHG) emissions from our energy use with the help of external experts. Defining our corporate carbon footprint based on a base year of 2023 has made it possible to pinpoint our strategic commitments, allowing us to make planned reductions in future emissions.

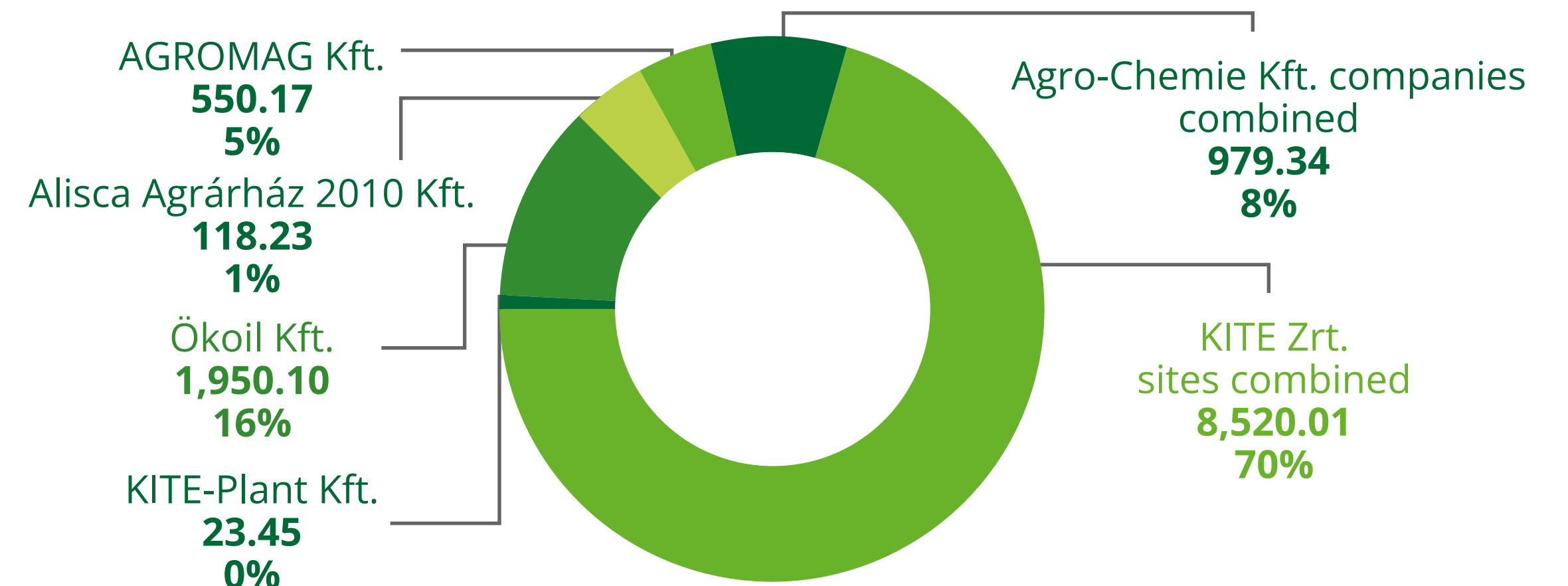
The carbon dioxide equivalent (CO₂e) of greenhouse gases includes the most common gases as defined in the Kyoto Protocol, such as carbon dioxide (CO₂), methane (CH₄) and nitrous oxide (N₂O). The calculation of the corporate carbon footprint requires the aggregation of CO₂ equivalents from different emission sources, which can be direct or indirect. Accordingly, emission sources have been categorised into Scope 1, 2 and 3 based on the following standards: The Greenhouse Gas Protocol, Corporate Accounting and Reporting Standard and ISO14064-1-2018: Greenhouse Gas. The Scope 1 category includes direct emissions from on-site emissions such as natural gas combustion, emissions from production technology, and fuel emissions from transport vehicles. Scope 2 includes indirect emissions from off-site indirect emissions, such as electricity, district heating and steam consumption, for which the company is indirectly responsible. Scope 3 is for non-controllable (indirect) emissions, such as waste processing, wastewater treatment, public transport, etc., but where we are responsible for their use.

The total GHG emissions of all KITE Zrt. subsidiaries in 2023 in Scope 1 category (consisting of natural gas, petrol, diesel and bottled gas) amounted to 8,518.36 tonnes of CO₂e. In the Scope 2 category, which comes from purchased electricity, emissions were 3,622.93 tonnes of CO₂e. In total, the GHG emissions of KITE Zrt. and its subsidiaries in 2023, measured in Scope 1 and Scope 2 categories, were 12,141.29 tonnes CO₂e/year.

Emissions of KITE Zrt. and its subsidiaries in 2023

Carbon dioxide emissions from energy consumption		Emission	Unit of measurement
Scope 1	Natural gas	1,470.39	tonnes of CO ₂ e
	Fuel petrol	1,201.93	tonnes of CO ₂ e
	Fuel diesel	5,743.38	tonnes of CO ₂ e
	Bottled gas	102.65	tonnes of CO ₂ e
Scope 2	Electricity	3,622.93	tonnes of CO ₂ e
	Scope 1 total	8,518.36	tonnes of CO₂ e
	Scope 2 total	3,622.93	tonnes of CO₂ e
	Scope 1+2 total	12,141.29	tonnes of CO₂ e
	GHG emissions per capita	5.78	tonnes of CO ₂ e

Annual aggregated Scope 1 and 2 emissions of the companies, t CO₂e/year



KITE Zrt. measured not only greenhouse gas (GHG) emissions, but also non-greenhouse gas emissions. Non-greenhouse gases include air pollutants that do not directly contribute to global warming but have significant environmental and health impacts. Examples include sulphur dioxide (SO₂), carbon monoxide (CO) and nitrogen oxides (NO_x). The only emission detected in our survey was nitrogen dioxide, which amounted to 9.61 kg.

	Pollutants	Unit of measurement	2023
GRI 305-7 Emissions	Sulphur dioxide	kg	0
	Nitrogen oxide	kg	9.61
	Solid material (non-toxic)	kg	0
	VOC	kg	0

Climate change adaptation and resilience

GRI 201-2, GRI 13.2

The negative impact of climate change does not, to our current knowledge, **pose a direct physical risk** to KITE. We do not have significant assets and we do not carry out production activities for which extreme weather events due to climate change would pose a greater than normal risk.

However, KITE cannot exempt itself from the **indirect effects of** climate change. As farmers are particularly exposed to extreme weather, they also increase the economic risk of KITE. Increasing climate resilience is an effective tool for tackling climate change. KITE sees this as its own defining role. The adaptation of agriculture to changing climatic conditions and weather phenomena can be facilitated by KITE’s technological solutions and the products it markets. In this sense, KITE sees climate change as an opportunity, but it is also fighting climate change and its negative impacts with all means available at its disposal. In this context, it sees its role as bringing solutions to producers that can mitigate these impacts.

Soil protection

GRI 13.5

Soil is one of our definitive natural resources and treasures that we need to manage sustainably and pay increasing attention to protecting. KITE Zrt., as a knowledge-based enterprise, strives to preserve and restore the condition and structure of soil and to increase the organic matter content to enhance productivity. In order to achieve this, the soil should be cultivated using well thought-out, optimal agro technology (e.g. soil sampling, self-propelled sprayers equipped with innovative weed detection systems, water management on arable lands, etc.).

KITE aims to develop and disseminate good practices that serve effective soil protection.

In terms of soil protection, our key focus is on preventing erosion and reducing soil degradation, especially when farming in sloping areas. For example, in September 2023, at a farmers’ field day called “Setting direction 2.0 - Practical solutions for farming on slopes above 12%”, KITE presented its specific practical solution for soil protection at a large-scale field demonstration, raising awareness on the need to ensure good agricultural and environmental condition. Our soil conservation strategy focuses on conservation tillage systems that provide a minimum of 30% remaining residue coverage, thus reducing erosion, which affects about 40% of Hungary’s cultivated area.

We support farmers in adapting sustainable farming solutions through our field demonstrations and technical presentations, using our spatial information developments and the practical experience gained. For example, the use of cultivation parallel to the contour lines, grassed drainage channels and erosion control strips along the contour lines contribute significantly to soil protection. The presentations also covered advanced precision solutions that increase farming efficiency, thus further reducing the risk of soil degradation. In the ESG report, we also provide an overview of our other soil protection measures and good practices in the Innovation and Sustainable Products chapters.

Waste management

GRI 306, GRI 306-1, GRI 306-2, GRI 306-3, GRI 306-4, GRI 306-5, GRI 13.8

Managing impacts related to waste

It is KITE Zrt.'s policy to protect our environment from unnecessary pollution, which means much more than reducing our waste emissions. We strive to use the natural resources available to us as efficiently as possible and only to the extent necessary. As the largest integrator of agriculture and a responsible company, we are even more committed to leading by example and protecting our environment.

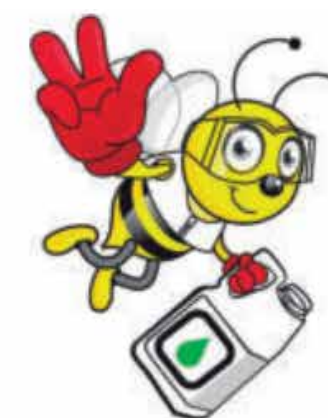
KITE Zrt. manages its waste in accordance with the applicable laws and its own regulatory framework. Most of the subsidiaries operate in this way, but some of them implement their own action plans based on a framework defined by the nature of the specific types of waste and the way they are treated. Act CLXXXV of 2012 on Waste Management and Government Decree 442/2012 (XII. 29.) on the detailed rules for packaging and packaging waste management stipulate the obligation for the marketer to take back packaging and the mandatory recovery rate. The company operates a workplace or plant collection point for the collection of waste generated in the course of its activities in accordance with Government Decree 246/2014 (IX. 29.) on the rules for the construction and operation of certain waste management facilities and the approved operating rules for hazardous waste collection points.

KITE Zrt., as a company committed to sustainability principles, includes among its wastemanagement priorities the reduction of waste generation, the recovery of more waste materials and the promotion of its use for energy production. Another key issue is minimising the amount of transported hazardous waste, which is in the environmental and economic interests of our company.

The type of waste is mainly communal, but there is also a significant share of packaging materials (e.g. packaging materials for pesticides) and paper waste generated in the organisation during administrative activities. In 2023, KITE Zrt. registered and contracted with MOHU (MOL Waste Management Kft.) for the collection and transportation of the collected waste.

It is important to mention our environmentally important cooperation with Cseber Nonprofit Kft., whose basic task is to organise and mediate the collection and disposal of as much of the pesticide-contaminated packaging materials as possible.

We continue to collect pesticide packaging materials



We will continue to collect pesticide packaging materials this year. You can drop off used pesticide packaging materials at KITE Zrt.'s sub-centres.

What we collect:

- triple-washed, free of pesticide residues:
- pesticide cans,
- seed bags treated with a seed treatment agent,
- packaging wastes in direct contact with the plant protection product, excluding their collective packaging (e.g. cardboard boxes),
- cans with foliar fertiliser

What we do not collect:

- fertiliser bags
- packaging materials containing pesticide residues

Please contact the sub-centre operations manager for precise details.



Hazardous waste is collected and stored in liquid-tight packaging materials and collection containers that are resistant to the chemical effects of the waste. We have developed a plan of action to reduce and eliminate the consequences of any malfunction or accident that may occur during collection and storage and endanger the environment. Hazardous waste is stored partly at the hazardous waste collection point and partly at source. Non-hazardous waste is collected and treated selectively, promoting recycling and reuse. Non-hazardous and hazardous waste generated at the site is disposed of under a contract with MOHU.

The shredding process is also part of the waste management system, ensuring that confidential information is handled responsibly and disposed of permanently. Shredding is done in an environmentally friendly way, either with our own equipment or with the help of external companies. Our company makes a serious effort to minimise waste and maximise its recovery, contributing to sustainable business practices and environmental protection.

Waste generated

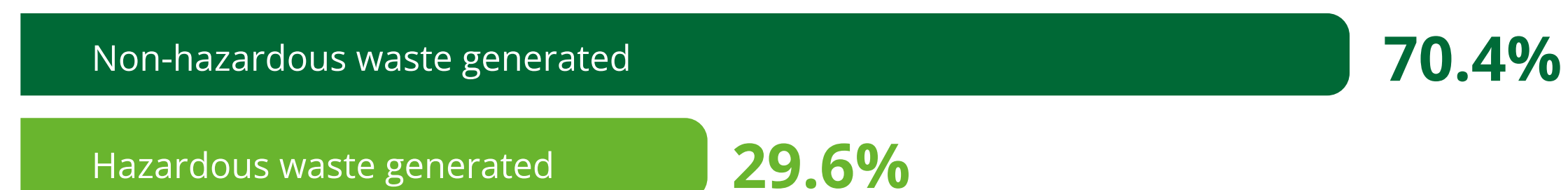
The waste generated in KITE Zrt. can basically be divided into two types: polypropylene and waste from disposal (iron waste, rubber waste, shredded seed waste, municipal solid and liquid waste), which were split 70:30 in 2023. The type of waste generated varies across the subsidiaries. Agro-Chemie Kft. produces mainly iron waste, waste of electrical and electronic equipment, while AGROMAG Kft. produces both communal and selective waste. In the case of the other subsidiaries, e.g. KITE-PLANT Kft. and Alisca Kft., the waste produced is typically communal. In addition to inorganic waste, iron and steel, insulating materials and plastics are the major types of non-hazardous waste at Ökoil Kft.

Annual waste at KITE Zrt. and its subsidiaries (2023)

Waste generated in 2023	KITE Zrt. ¹	Agro-Chemie Kft. companies together ²	AGROMAG Kft.	Alisca Agrárház 2010 Kft.	KITE-Plant Kft.	Ökoil Kft.	Total (tonnes)
Total weight of waste generated (tonnes)	766.6	222.761	359	42.067	7	15	1,412.428
Non-hazardous waste generated (tonnes)	724.2	207.807	8	36.29	7	11	994.297
Hazardous waste generated (tonnes)	42.4	14.954	351	5.777	0	4	418.131

In 2023, KITE Zrt. generated 766.6 tonnes of waste, while a total of 1,412.428 tonnes was generated together with its subsidiaries. Of this, 994.297 tonnes of non-hazardous waste and 418.131 tonnes of hazardous waste were generated during the reporting period for the Group as a whole.

Distribution of non-hazardous and hazardous waste generated annually by KITE Zrt. and its subsidiaries (2023)



Hazardous waste types include petroleum-based engine, gear and lubricating oils that do not contain chlorine compounds, waste oils, waste batteries, and waste pesticides. In addition, packaging waste containing or contaminated with hazardous substances is also generated (e.g. in the case of KITE Zrt. and Ökoil Kft.). The Group's activities also generate waste in the form of absorbents, filter media (including unspecified oil filters), wipes and protective clothing contaminated with hazardous substances.

Our partner for industrial textiles is Mewa Kft., which operates under a sustainable business model based on a contract between us. The two bins placed at each of our workshops (one for clean machine cloths and the other for used ones) are replaced on request, at regular intervals. The workshops also operate closed technology equipment for washing parts, which is operated by Pure Solve Hungary Kft.

Due to the activities of Agro-Chemie Kereskedő és Gyártó Kft., more than 90% of the waste generated is hazardous waste. Other non-hazardous waste is typically municipal solid waste, or metal, paper and wood waste. The amount of hazardous waste generated in the activities of Agro-Chemie Kft. is significantly influenced by the composition of the production and the number of products manufactured, which are handled with special attention to the compliance with the provisions of the Government Decree 225/2015 (VIII. 7.) on the rules of certain activities related to hazardous waste, and the applicable single environmental permit.

The sub-centres collect hazardous waste in collection containers with so-called HAK codes (Waste Identification Codes) and have it removed at least once a year by Kristály-99 Kft. or Design Kft., who are responsible for the pre-treatment, treatment, recovery or disposal of these materials in an authorised manner. A smaller amount of waste is delivered by the same companies, but on the basis of an order placed through the MOHU system.

A major step forward was the introduction of electronic invoicing in our partnerships in recent years. The paperless office has been based mainly on our daily decisions. With a little more attention, we can reduce the amount of paper and ink cartridges used.

¹ KITE Zrt. All sites together

² Agro-Chemie Kft.; Agro-Chemie Kereskedő és Gyártó Kft.; and Agro-Chemie Invest Kft together

Waste recovered and disposed

In 2023, the total amount of waste recovered was 224.5 tonnes. It can be seen that AGROMAG Kft. and Alisca Agrárház 2010 Kft. are the main waste recovery sites. The Group's recycled waste rate was 16% in 2023. By type, waste oil, office paper and plastic waste are typically recycled. Wastepaper is transported and recycled by Ladó-Rec Kft. on a case-by-case basis, by removing, sorting, shredding and baling the documents collected at the given site, after the order has been placed in the system. We are striving to increase the waste recovery rate of both KITE Zrt. and its subsidiaries in the coming years, in line with our sustainable thinking.

Annual recycled and disposed waste at KITE Zrt. and its subsidiaries (2023)

	KITE Zrt. ³	Agro-Chemie Kft. companies combined ⁴	AGROMAG Kft.	Alisca Agrárház 2010 Kft.	KITE-Plant Kft.	Ökoil Kft.	Total (tonnes)
Amount of waste recycled (tonnes)	220.5	0	0.46	4	0	0	224.46
Amount of waste sent for disposal (tonnes)	42.4	202.99	350	3	4	0	602.39

The total amount of waste sent for disposal in 2023 for the whole group was 602.39 tonnes – of which KITE Zrt.'s share was 42.4 tonnes. At Group level, the proportion of waste sent for disposal was 42.65% of the total waste generated.

Agro-Chemie Kft. and AGROMAG Kft. contribute more than 90% of the total amount of waste disposed.

In the case of Agro-Chemie Kft., the types of waste include waste pesticides, other acid waste, aqueous sludge from pesticide production, and waste paints and varnishes. Waste oil and packaging waste, as well as contaminated protective equipment, are also significant components of the waste stream. AGROMAG Kft. mainly disposes of packaging materials with discarded seed and seed treatment agent, as well as washing water liquid.

Waste declaration

We keep up-to-date records of all waste generated by our company group. We comply with waste reporting requirements according to regulations, helping authorities to monitor waste management, track waste information (quantity, composition, origin, recovery, etc.), reduce waste, achieve circular economy and sustainability goals.

³ KITE Zrt. All sites together

⁴ Agro-Chemie Kft.; Agro-Chemie Kereskedő és Gyártó Kft.; and Agro-Chemie Invest Kft together



Water management

GRI 303, GRI 303-1, GRI 303-3, GRI 303-5, GRI 13.7

While KITE considers water use to be an important issue for sustainable agriculture, the company group does not use significant amounts of water for its own operations and therefore it is not considered a priority issue for materiality.

Our water management focuses on preparing for the impacts of climate change and increasing the efficiency of irrigation. Based on the analysis of data from the past decades, we recognise that the productivity of arable land is declining, so we believe it is important to conserve soil water and increase the proportion of irrigated land. We also pay particular attention to minimising the environmental and economic impacts of inappropriate irrigation. We have established a national meteorological network to support local meteorological measurements and precision farming.

Our water management solutions include the **Irrigation Scheduling app**, available to our partners since 2023, which helps you determine optimal irrigation rounds and norms. It uses soil moisture measurements and a 7-day forecast to recommend the appropriate irrigation rounds and irrigation norm for a given field, crop species, variety or type of crop.

Through the KITE Irrigation Department, we have been actively developing new products and services in recent years, the most notable of which is the development of **drip irrigation technology for arable lands**. These innovations are in line with our sustainability goals and play an important role in integrating technology into our business.

Trends in water consumption and wastewater discharge of KITE Zrt. and its subsidiaries (2023)

	KITE Zrt. ⁵	Agro-Chemie Kft. companies combined ⁶	AGROMAG Kft.	Alisca Agrárház 2010 Kft.	KITE-Plant Kft.	Ökoil Kft.	Total (tonnes)
Total water consumption (litres)	13,190,000	21,768,300	705,000	200,000	23,000,000	21,369,000	80,232,300
Wastewater discharged to the sewerage system (litres)	743,000	21,339,929	250,000	200,000	own wastewater collection	own water clarifying plant	22,532,929

The most significant consumers of water are Agro-Chemie Kft., Ökoil Kft. and KITE-Plant Kft. – these three subsidiaries account for more than 80% of total consumption. KITE Zrt. has drilled wells in Derecske, Dabas, Nagykálló and Telekgerendás, and discharged a total of 743,000 litres of its total water consumption into its own wastewater collection system. Of the subsidiaries, Ökoil Kft. uses its own water clarifying system, while KITE-PLANT Kft. has its own drilled well in Derecske, and discharges 150,000 litres of its total water consumption into its own wastewater collection system.

Goals, commitments: In the year 2024, the unbundling of the utilities on the Agro-Chemie Kft. site will start, which are currently shared (due to the undivided common ownership of the site). The electrical unbundling will require the installation of a 20 kW substation and a new water connection to unbundle the water supply. Following the planning and utility provider approval phase, these investments are expected to be completed in 2024.

A significant water-related investment of KITE Zrt. and its subsidiaries was the installation of a recirculation water system and local water meters at the Agro-Chemie Kft. plant’s cooling water consumption points. As part of further measures, water consumption in each area is recorded on the basis of meters, and the distribution will be based on estimates. The energy commissioner employed is able to calculate the emission values on this basis and make recommendations. This method allows accurate monitoring of water use and more efficient operation.

⁵ KITE Zrt. All sites together

⁶ Agro-Chemie Kft.; Agro-Chemie Kereskedő és Gyártó Kft.; and Agro-Chemie Invest Kft together

Use of plant protection products

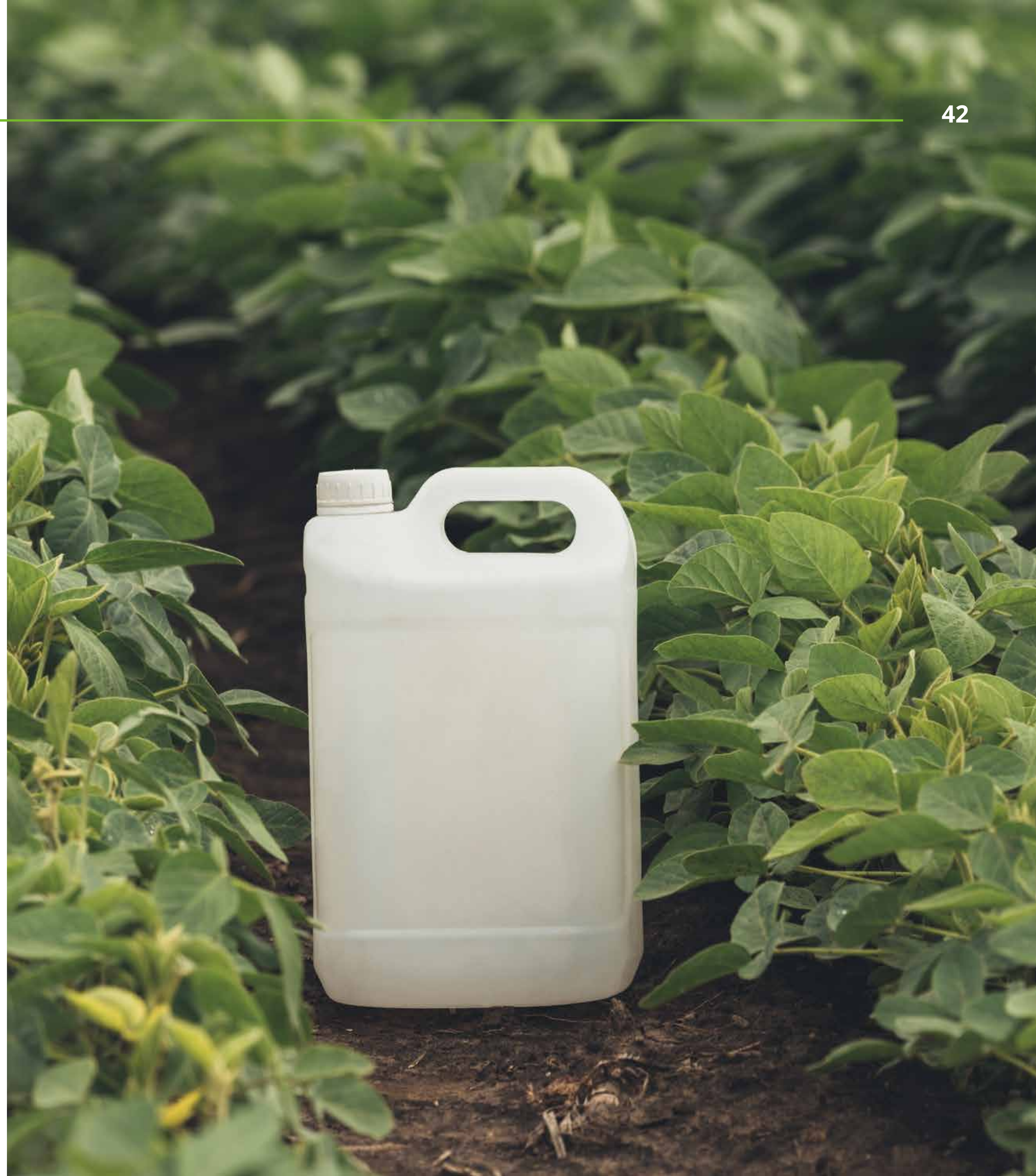
GRI 13.6.

The processes and innovative solutions of KITE Zrt. related to plant protection and pesticides are detailed in the Waste Management and Innovation chapters. KITE Zrt. offers a wide range of fungicides, insecticides and herbicides to effectively control a variety of pathogens, pests and weeds.

We are pioneers in the adaptation and widespread dissemination of sustainable, biological solutions in Hungary.

We pay special attention to the development of new biological control solutions, the adaptation of the latest microbiological products to Hungarian technologies and the extension of the use of biological control in arable land and horticultural crops. At the same time, we are developing environmentally conscious technologies by combining chemical and biological control methods to contribute to the spread of sustainable agricultural practices.

Due to the activities of KITE Zrt., it is not relevant to report the quantity and intensity of pesticides used according to toxicity hazard levels.



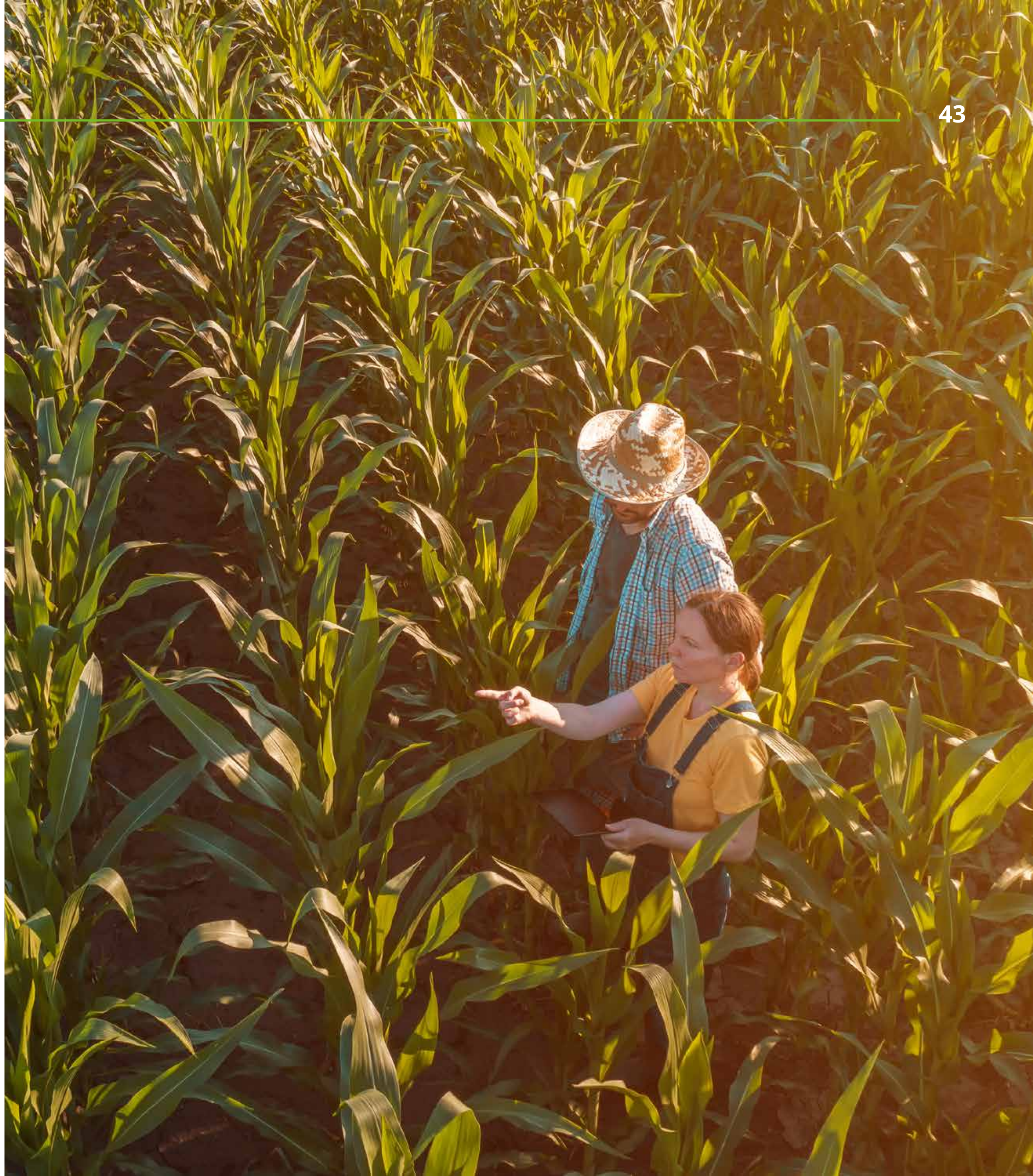
Food safety

GRI 13.10.

Sustainability, food safety and coexistence with the natural environment pose questions to agriculture in the 21st century that are beyond its means to answer only by using its own devices. The EU and Hungarian legal environment regulating agricultural activities is creating increasingly stringent conditions. One of the ways to comply with these is the development and use of precision technologies.

KITE recognised the opportunity behind this challenge for farmers and created its Precision Farming System (PGR) to address it, innovatively combining decades of practical experience with the tools of the present. The complex set of requirements for a Precision Farming System is to use technology not only to optimise yields, but also to make production processes more efficient and affordable, while taking into account all aspects of sustainability.

For this reason, KITE Zrt. pays special attention to the full compliance of food safety, environmental protection, occupational health, disaster prevention and occupational safety regulations, ensuring that all requirements of the safe supply chain are fully met by our employees, suppliers and subcontractors. Our company operates according to the MSZ EN ISO 9001:2015 quality management system, which guarantees outstanding quality. The GLOBAL G.A.P., GMP+ and ISCC certifications applied by KITE Zrt. contribute significantly to the commitment of Hungarian farmers to quality assurance, thus promoting the international competitiveness of their products. We strive to sell high quality products. This is covered in more detail in the Quality Management chapter.



Society

GRI 3-3

Our employees (work environment, employment)

Climate policy and sustainability goals are bringing about a major change in values, which are being consistently enforced on both the employer and employee sides. KITE is also taking conscious steps to ensure that the strategic objectives in this area are increasingly reflected in the life of the organisation. We are committed to our people because we know that they play a crucial role in achieving our success. Together with our HR organisation, we see it as crucial to create a sustainable, competitive workplace for them, both in human and professional terms.

Corporate culture

We believe in the role of corporate culture, which has become even more acute due to the marked emergence of ESG principles and can elevate our business above our competitors – especially thanks to the focus on human capital. Fundamentally, it is our people who are the key to bringing the company culture to life, but it affects every aspect of the business – from our people through our partners to the reputation of our company. In this respect, it is integrity, reliability, excellence, teamwork and high-quality customer experience and innovation that are the hallmarks of KITE.

The most important thing is that at KITE, despite the relatively large number of employees, which is growing by about 100 a year, we have maintained a very intimate, supportive and dialogue-based company culture.



Human policy strategy

GRI 13.20

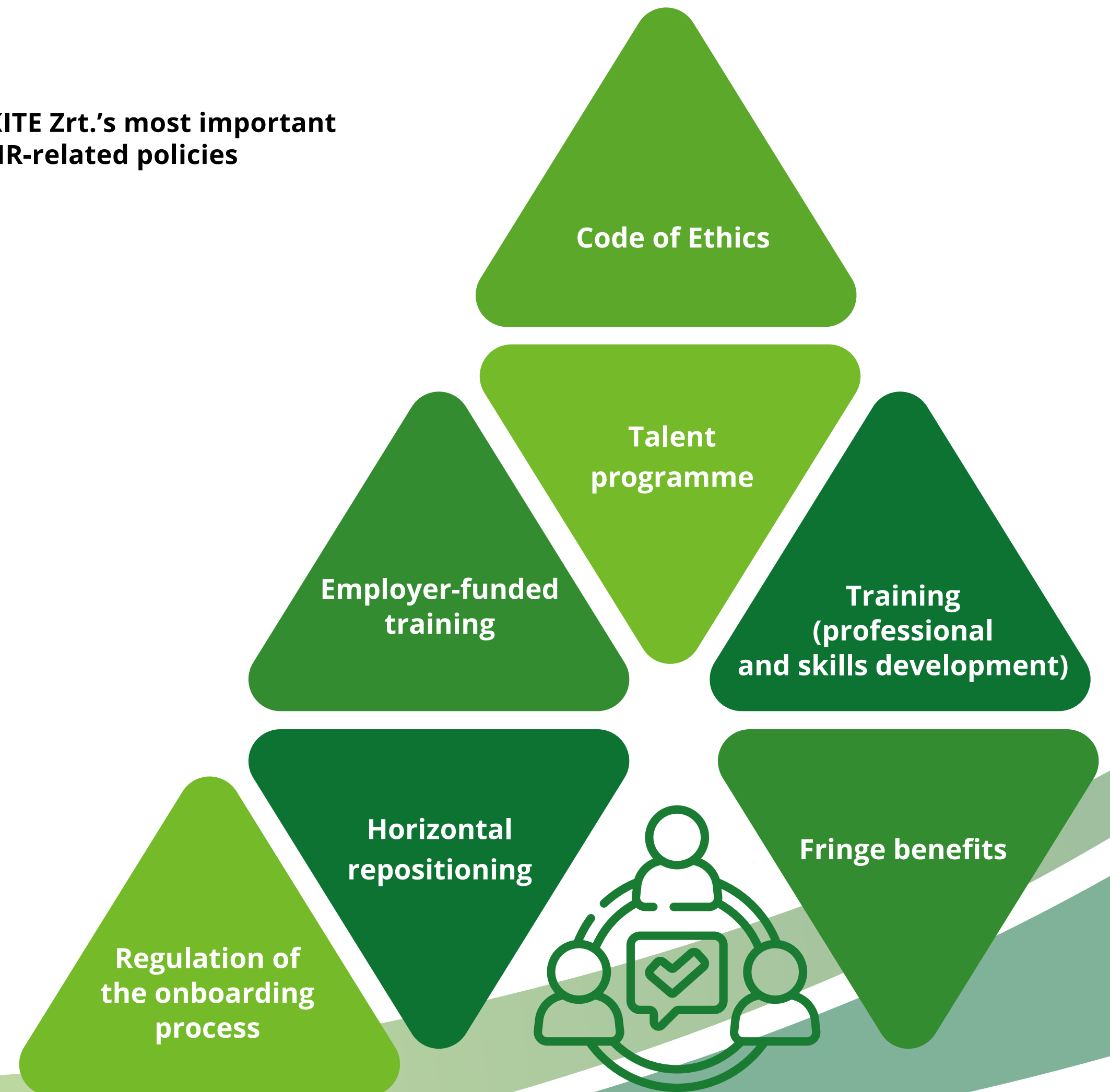
The basic principle of KITE Zrt.'s human resources strategy is to ensure that the company has the staff with the right skills, abilities and up-to-date knowledge at all times to carry out its activities and to fully satisfy its partners. Our guiding principles include sustainable thinking, which permeates the whole of our organisation's complex operations. This includes regulating such processes as workforce and pay planning, incentives, work time management, staff development, benefits systems, occupational health and onboarding.

To this end, we have a full team of well-trained HR professionals to support recruitment, selection, retention, training and other HR processes – in close cooperation with management and the individual departments.

Our HR processes are well thought-out, regulated and, in the spirit of transparency, the necessary policies are available to all our employees through the company's internal electronic channel.

To achieve our strategic objectives, we monitor the human resources situation, including the total workforce, twice a year. On this basis, we make decisions on justified upgrades, appointments and possibly replacements, as well as on horizontal and vertical career changes and training. In such cases, i.e. justified training needs that arise during the current human resources discussions, we will endeavour to implement them until the next status is agreed.

KITE Zrt.'s most important HR-related policies



Expert advice, knowledge transfer, sharing good practices

Our partners appreciate the complex advice we provide. In 2016, KITE launched a complex consultancy service, which provides a solution for the full exploitation of KITE's precision farming tools (e.g. precision farming consultancy, machinery operation consultancy and agronomic consultancy). We believe that one of the keys to our success is combining over 50 years of experience with ongoing training and inspiring business partnerships.

Selecting talented people

The selection of motivated and skilled staff plays an important role in the sustainable operation of KITE. One of the main sources of this is KITE Zrt.'s external career site, job search portals, but we also have a well thought-out, bonus-based referral programme.

The recruitment and selection process is managed by our HR Coordinators. If a new employee is to be recruited, they prepare the job advertisement, post it, manage the applications in the database, send out a pre-screening depending on the position, organise an AC (Assessment Centre - personality, professional or intelligence tests and interviews) and job interviews, and, if the application is successful, complete the process by on-boarding the new employee and doing the administration.

We welcome all new entrants with a welcome gift, and systematically prepare them on the basis of a defined training programme and topics, so that they can get to know our company and their own area of work as quickly as possible. To this end, for example, those in senior positions receive a week of onboarding training and annual training to learn about KITE Zrt.'s organisational structure and culture, as well as our values.

Going beyond the traditional fire and occupational safety training, in line with the ESG approach, KITE Zrt. also provides our new employees with basic knowledge in environmental protection, energy efficiency, quality management and data protection. Each colleague who does specific work is also required to acquire specific knowledge in their field of expertise once they start work. Training and passing exams are particularly important where our staff come into contact with dangerous substances and chemicals. As part of our talent Management programme, professional mentors help our young, and in many cases first job holders to learn their roles in depth.

At the end of the probationary period, we evaluate the new entrant's performance to that point and give them feedback.

Dual training and apprenticeships also play an important role in attracting talented young people. The details are explained in the Training and education chapter.

Thanks to our complex organisational structure, we offer a wide range of opportunities for continuous professional development and internal career advancement. Both vertical and horizontal job moves are possible within our organisation.



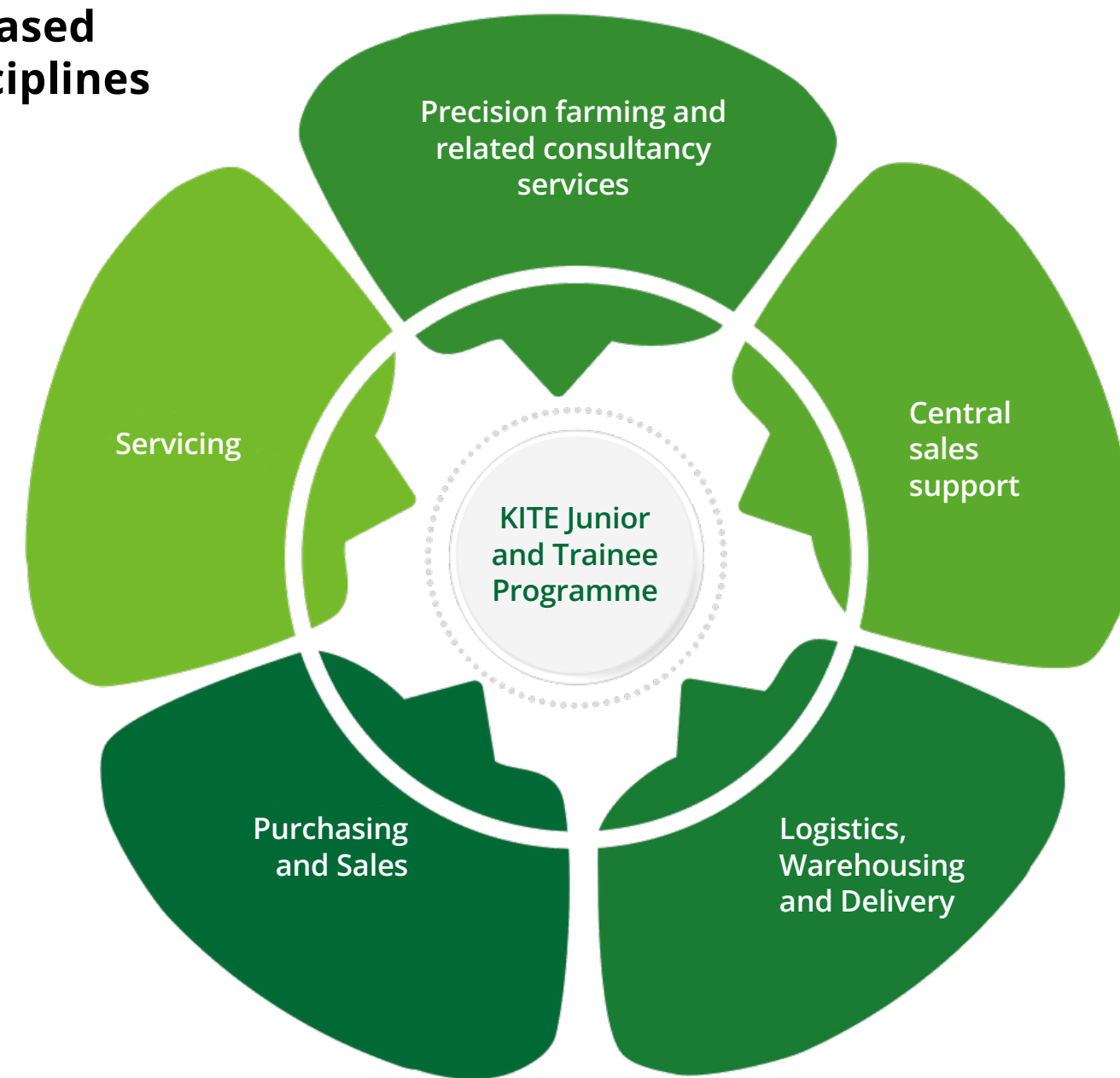
Training and education of employees

GRI 403, GRI 403-5, GRI 403-6, GRI 403-7, GRI 403-8, GRI 404, GRI 404-1, GRI 404-2, GRI 404-3

At KITE, building intellectual capital is as important as quantifiable performance. Thus, it is the declared aim of the management to ensure that possibly all employees find the most suitable position within the company and receive the necessary support to develop their skills.

Maintaining and growing knowledge is a key priority for both our corporate culture and our human resources policy. Maintaining and improving the quality of our services in a modern, knowledge-based society requires our people to keep pace with developments in the industry and the wider environment, to take a broad view of agriculture and to offer our partners forward-looking solutions.

We believe that our effectiveness is based on complex cooperation between disciplines



KITE Zrt.'s priority training programmes are



1 Junior programme for young graduates starting their careers



2 Higher education dual training for MSc – Master's students



3 Secondary school dual training for students of agricultural technician



4 Internships for students in secondary and higher education



1 Junior programme for young graduates starting their careers

Our one-year Junior programme gives career-starter graduates an insight into the workings of the company and the opportunity to learn the ins and outs of the profession from our top professionals, both theoretically and practically. And at the end of the programme, young colleagues can find a position in the company's organisation based on their interests and skills.

Click on the link for more details [↗](#)



2 Higher education dual training for MSc – Master's students

We offer practical training opportunities for 49 Master's students per year in our higher education dual programme, in cooperation with the following universities:

- University of Debrecen Faculty of Economics, Science and Technology
- University of Szeged, Faculty of Agriculture, Faculty of Engineering
- University of Nyíregyháza
- Hungarian University of Agricultural and Life Sciences Institute of Agronomy

Click on the link for more details [↗](#)



3 Secondary school dual training for students of agricultural technician

We offer dual secondary school training for students studying agricultural technician, with practical training at our 12 accredited sites and at our headquarters, under the guidance of our trained professionals.

Our partner schools:

- Gál Ferenc University, Technical School, Vocational School, Secondary grammar school and Student hostel – Békés
- Alföld ASzC – Bársony István Agricultural Technical School, Vocational School and Student hostel – Csongrád
- Kisalföld ASzC – Csukás Zoltán Agricultural Technical and Vocational School – Csorna
- Northern ASzC – Széchenyi István Agricultural and Food Technical School, Vocational School and Student hostel – Hajdúböszörmény
- Alföld ASzC – Agricultural Technical School, Vocational School and Student hostel of Kenderes – Kenderes
- Alföld ASzC – Dr. Pálfi György Agricultural Technical School, Vocational School and Student hostel – Kétegyháza
- Kétegyháza Agricultural Vocational School and Student hostel – Kétegyháza
- Karcag SZC Kunszentmárton Technical and Vocational School – Kunszentmárton
- Mezőkövesd Széchenyi István Catholic Technical School, Vocational School and Secondary School – Mezőkövesd
- Technical and Vocational School of the Reformed Student hostel of Pécs – Sellye
- Kisalföld ASzC Eötvös József Technical School, Vocational School and Student hostel – Seregélyes
- Kisalföld ASzC Vép Agricultural Technical School, Vocational School and Student hostel – Vép
- Kisalföld ASzC Batthyány Lajos Agricultural and Food Technical School, Vocational School and Student hostel – Pápa
- Southern ASzC Bereczki Máté Agricultural and Food Technology Technical School, Vocational School – Baja

[Click on the link for more details](#) 

4

Internships for students in secondary and higher education



During the internship, KITE Zrt. gives students studying at agricultural, technical or economic universities the opportunity to gain insight into the operation of a professional agricultural company, gain professional experience, receive support for the preparation of their thesis and, if the internship is successful, get a job as a fresh graduate.

Our partner institutions:

- University of Debrecen
- University of Nyíregyháza
- University of Szeged
- John von Neumann University
- Széchenyi István University
- Hungarian University of Agricultural and Life Sciences

[Click on the link for more details](#) 

Our training programmes are key to the life of our company, as dual training plays an important role in ensuring a smooth transition with young experts and the inclusion of young, well-prepared employees.

To sum up, we have an active relationship with all the agricultural universities, because we believe that our cooperation contributes to the improvement of the overall quality of education, which we consider an important mission in the field of education.

Developing the skills and knowledge of existing workers is just as important. We offer or make mandatory our in-house training at several levels to best serve the needs of our colleagues in individual jobs.

KITE runs more than 40 types of internal training every year.

We offer or make mandatory our in-house training at several levels to best serve the needs of our colleagues in individual jobs.

In addition to the training that is essential for the day-to-day running of our company, we also provide other professional training for colleagues, managers and staff on how our company operates. We also organise skills development courses (e.g. sales training, negotiation techniques, language training, communication training, etc.).

Below we present some of our key internal training courses. Most of these focus on occupational health and safety, as the employees concerned work with potentially harmful substances or in work processes where there is a risk of health damage. Some of the training will focus on environmental protection and sustainability, as well as ensuring legal compliance.

Among the subsidiaries, in addition to the mandatory trainings, Alisca Kft. provided its employees with a Communication course and an Emotional Intelligence (EQ) training.

In addition to the annual mandatory training, more than 600 of our employees received training in 2023.

KITE Zrt. and its subsidiaries spent more than HUF 86 million on education and training during the reporting period.

Some of KITE Zrt.'s training courses in 2023

<p>Alternatively Fuelled Vehicle Technician Training</p> <p>Service technicians</p>	<p>Training course for machine operators</p> <p>Service technicians, Technological machine operators, Machine operators</p>
<p>Knowledge of GMP+, ISCC, GlobalGap standard specifications</p> <p>Crop trade staff</p>	<p>Air conditioning technician training</p> <p>Service technicians</p>
<p>Hazardous chemical warehouse operator/ plant protection basic qualification</p> <p>Persons involved in the storage and application of pesticides</p>	<p>Education on financial, accounting and tax legislation</p> <p>Finance, accounting and tax staff</p>
<p>Precision farming skills</p> <p>Consultants and assistants</p>	<p>Soil sampling skills</p> <p>Consultants and assistants</p>
<p>Asset protection systems integrator training</p> <p>Service technicians</p>	<p>Electrical safety inspector qualification training</p> <p>Service technicians</p>

Training and Education (2023)

	White collar workers participating in training		Blue collar workers participating in training		Total		
KITE Zrt.	197	34	163	201	0	201	398
Agro-Chemie Group	21	8	13	35	5	30	56
Agromag Kft.	50	23	27	65	10	55	115
Alisca Kft.	28	14	14	7	0	7	35
KITE-Plant Kft.	0	0	0	0	0	0	0
Ökoil Kft.	10	2	8	50	2	48	60

Comment: The data in the table show a cumulative number of employees, which is explained by the fact that KITE Zrt. employees are also working in the subsidiaries under contract, thus the training is registered in several places. And in the case of KITE-PLANT Kft., because of the nature of its activities, employees only receive training in line with the legal requirements, which is not included in the table.

In 2023, the estimated number of training hours per person in the KITE company group exceeded 10 hours.

We are proud that KITE's professional staff have internationally recognised expertise in terms of education, which is shared with students at university level education. In particular, we would like to highlight the staff of the University of Debrecen, who have in-depth knowledge of the KITE Precision Farming System, for their role in the education of plant protection engineers and plant doctors. Special mention should be made of the **off-site department** of Agricultural Innovation and Precision Farming of the Faculty of Agriculture, Food Science and Environmental Management of the University of Debrecen, operating under the direction and in the premises of the Directorate General for Innovation.

The professional, highly qualified staff of KITE Zrt. has been a pillar of the training of plant protection engineers and plant doctors for 36 years, in a unique manner in Hungary.

It is also important to mention **our professional public activities**. Our Chief Innovation Officer is a board member of the Hungarian Precision Farming Association. The mission of the organisation is to promote the knowledge and acceptance of precision farming and digital agriculture, to spread its application and to share practical experience and new knowledge in Hungary. In addition to our close cooperation with the Institute of Agricultural Economics, we contribute to the preparation of policy decisions by carrying out studies.

We also frequently respond to requests to disseminate professional knowledge and participate in various conferences.

Our expert staff regularly appear on television, for example in the agricultural-specific programme **"Magyar Gazda"** on M1 channel, where they present current events in Hungarian agriculture, relevant policy decisions and provide useful information and advice to farmers on the use of traditional and innovative solutions. KITE is also frequently featured in János Aszódi's 30-minute programme **"New Agricultural Magazine"**, which shares news and interesting facts from the world of agriculture.

Customer satisfaction

The manufacturers of the products in our range appreciate the fact that we have our own national network, reliable after-sales service and reliable professional advice to support our activities. We adapt to the needs of our 14,000 or so qualified partners and provide development and consultancy services linked to commerce.

KITE's trade is essentially bi-directional, involving the marketing of inputs, equipment and services for production on the one hand, and the buying and selling of agricultural produce on the other. The crop trading business also provides secure bases for financing our partners' farming.

Our company's economic performance and market reputation is characterised by our long-standing and successful official dealer relationship with the world's largest manufacturer of agricultural machinery, Deere&Co., as well as with a number of other manufacturers who are leaders in their own product ranges. Our extensive international partnerships ensure up-to-date expertise and fast response times.

Employee satisfaction

The dedicated work of our employees is undoubtedly one of the key factors in the success of KITE Zrt. The opinions of our employees are important to management, so for two years now, every year, we have been conducting a wide survey of employee opinions and views on issues affecting the company. Based on the statistical analysis and summary of the results of the so-called annual employee satisfaction survey, we make decisions on a number of topics and incorporate the useful lessons learned from the feedback into our company processes.

We are proud of our open and honest communication and the results achieved so far, which are reflected in our high loyalty scores.

As for the methodology, we use the same set of questions once a year – for the sake of comparability and to show trends. Both scale and open-ended questions are asked to get a more nuanced picture of the status of the year and areas for improvement based on the quantitative and qualitative responses.

Following the evaluation and analysis, we provide a short, substantive summary as feedback to our staff and a more complex report to the managers. On the basis of continuous communication and suggestions, action plans and sets of measures are created, which will lay the foundation for the further effective operation of KITE Zrt.

It can be seen that the number of participants in the survey is rising nicely year-on-year. In 2023, more than 700 workers already shared their views and both the number of respondents, and the evaluation results show a marked improvement.

We are proud that in 2023, 88.8% of respondent employees are satisfied with KITE Zrt.

Overall, the results are similar to last year's, but there is a noticeable improvement, with an average improvement of 10-12% in the previously laggard topics.

On a scale of 1 to 5, corresponding to school grades, respondents **most emphasised collegiality (4.55), but also had a high score for positive perceptions of KITE:**

"I am confident that our company will be successful in the future." (4.52)

"I am proud to work for this company." (4.48)

"I feel a strong commitment to the company." (4.40)



Of course, there were also some issues that needed improvement and deserved more critical comments, with a medium rating. Among these, career development opportunities were mentioned most often (3.12), as well as the lack of adequate nuance in the performance monitoring system (3.35).

This type of feedback is extremely valuable, as the company will always look at areas for improvement in cooperation with HR and try to come up with satisfactory solutions to address the concerns raised within a reasonable timeframe. The human policy area has again analysed the responses received and drawn the necessary conclusions. For example, in the case of KITE Zrt.'s career programme, which is well structured and well thought out, feedback pointed to the need to strengthen communication in this area to provide stakeholders with more information about their career development opportunities.

This kind of dialogue and rapid response within the company is a good example of responsible thinking and ESG mindset contributing to our business success.

Among the subsidiaries included in the report, the **Agro-Chemie Group** conducted an employee satisfaction survey in the year under review, and **Ökoil Kft.** conducted a psychosocial survey among its employees, which examined the impulses and pressures that employees are exposed to, which may affect the well-being and performance of individuals. The aim is to ensure that the results are used as a basis for management to make justified and realistic changes to improve employee loyalty and well-being.

Internal communication

Employee information, consistency, well thought-out messages and the choice of horizontal and vertical channels are also beneficial for the corporate culture of KITE Zrt. Our company pay particular attention to involving both intellectual and physical workers in the flow of information, reinforcing a sense of belonging. Our mix of tools is designed to ensure that everyone can find the content that is relevant and important to them, whether they are a physical or mental worker, younger or older, or without an email address.

We try to reach every employee through multiple channels, so our messages are more likely to get through. For certain internal campaigns, we also give colleagues without an email address the opportunity to access content posted on the intranet. We have set up digital corners in sub-centres and designated central areas, where we placed a tablet or laptop for all our staff to access our intranet.

Internal communication tools and forums of KITE Zrt.

Online



- Intranet
- E-mails
- Video messages

Online and print



- Monthly internal newsletter
- Instructions and regulations
- Questionnaires
- Idea box

Personal



- Weekly / monthly meetings, discussions
- Annual internal staff training
- Management visits to sub-centres, meetings
- Employee team-building event once a year for the whole staff
- Christmas lunch (sub-central, central level)



It is worth mentioning the **KITE intranet interface**, which offers a wide range of functions. Its fast messaging and interactivity make it a popular platform for sharing professional and community news and are of great value. It also helps the company's operations by making it easy for employees to find contact details, policies, news about entering and exiting employees, etc., and to communicate with each other in the community section.

And the deservedly popular **"Garden Calendar"** makes the company's main profile put at the service of our staff where our tireless experts managing the platform, with agricultural, or more precisely horticultural knowledge, provide guidance and useful advice to colleagues on the most timely gardening tasks.

There is also a virtual **"Idea Box"** on the intranet of KITE Zrt., where our employees can make suggestions and comments. In all cases, our CEO or the relevant senior manager will respond and reply to these.

Performance evaluation

GRI 404-3

Performance evaluation is a key issue for companies and employees. There is no difference in the case of KITE Zrt. either, since the precise definition of expectations and the formulation of professional goals are mutually beneficial, indispensable and support the long-term, successful market presence and development of the company. At KITE Zrt. there is also an annual feedback process, which takes the form of individual interviews with managers, where the stakeholders jointly review and comment on the annual performance, the fulfilment of commitments, the positive and negative results of the current year. The evaluation concerns all our employees, both white collar and blue collar – regardless of their position.

We believe that this kind of regular feedback, discussing experiences and interactivity is the right forum to assess the situation, set directions, identify potential improvements and, of course, celebrate the achievements so far. Our main ambition is to ensure that individual goals are in line with KITE's strategic, sustainability objectives and vision.

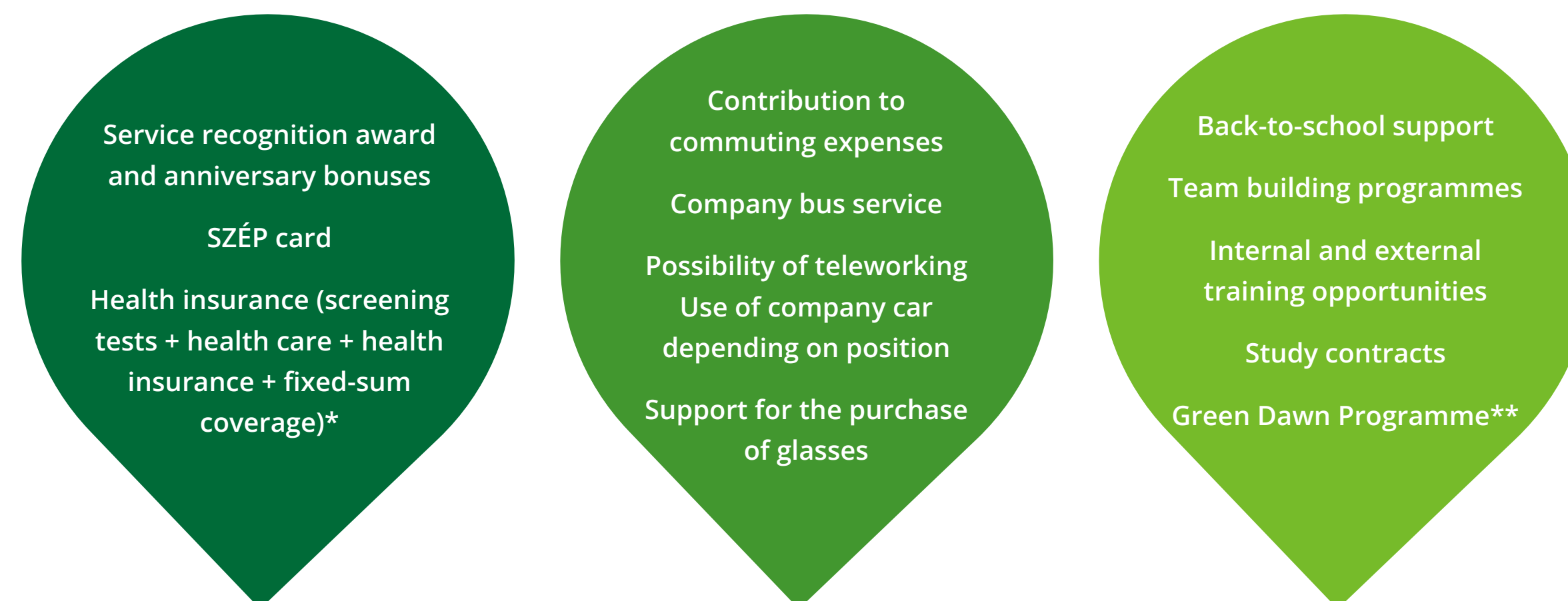
Salaries and benefits

GRI 401, GRI 401-2, GRI 403-6, GRI 404, GRI 404-3, GRI 13.20, GRI 13.21

Fair pay not only benefits workers, but also supports the long-term success of the company. We ensure equal opportunities and non-discrimination for our staff, both in terms of career development and salaries and benefits. The competitive income provided by KITE also contributes to raising the living standards of the local community.

In addition to the basic monthly salary, KITE Zrt. offers its employees a wide range of additional salary elements, depending on the position held, such as bonuses, commissions, 13th-month salary, various supplements, performance-related salary supplements.

The main elements of our fringe benefits package:



*Generali Company Care health insurance is available to our employees after their probationary period.

** Under the Green Dawn Programme, KITE employees can take advantage of discounted recreational and sporting opportunities under contracts with various service providers.

Well-being at work

GRI 403-6

Good health and well-being can be a key factor in employee engagement and organisational performance. It is also of paramount importance to KITE that our employees are well-balanced and can perform their duties in a mentally, physically and socially harmonious and safe environment. That's why we put a strong focus on building community, involving our employees, listening to their opinions and suggestions, so that we can rely on each other as active stakeholders in the company. Creating a safe working environment and protecting health are also key. We believe that the greatest wealth is health, but we also strive to create an attractive workplace well-being through our competitive fringe benefits package and by providing recreational (Green Dawn Programme) and other team-building opportunities, a community platform (KITE intranet), etc. To achieve this, we strive for an optimal work-life balance, and we also give our employees the chance to participate in professional training programmes, trade conferences and study trips.

Work-life balance

Due to the nature of our activities, our workload is characterised by seasonality and sometimes more intense workloads, but overall, we can ensure that our staff maintain a healthy work-life balance.

We give all our colleagues the opportunity to take their leave at a time that suits them best, of course, so that they can complete their current tasks in advance and be substituted during their absence. Based on our HR policy principles, we explicitly support several weeks of uninterrupted summer holidays, so that everyone has the opportunity to enjoy quality time off, rest and relaxation.

The majority of our employees are young, many of them are parents with young children, so we take extra care to ensure that they can take care of the youngest family members without stress.

Our Green Dawn programme offers a range of discounted recreational opportunities, sports facilities, accommodation with a KITE Zrt. discount, to go to museums, circus, concerts, etc.



Health and safety of employees

GRI 403, GRI 403-1, GRI 403-2, GRI 403-3, GRI 403-4, GRI 403-5, GRI 403-6, GRI 403-7, GRI 403-9, GRI 403-10, GRI 13.19

At KITE, sustainable and responsible thinking permeates everything we do, including our operations and strategy. It is vital for us that our employees work in safe and healthy conditions. We believe that achieving our business goals should not pose any risk to the physical and mental safety of our colleagues. We are constantly striving to improve and strengthen our health and safety culture. We operate our occupational safety and health system in an integrated way with other management systems and focus on prevention.

We pay particular attention to the full enforcement of food safety, environmental protection, occupational health, disaster management and occupational safety standards for our employees, suppliers and subcontractors, and we fully comply with safe supply chain requirements.

We therefore consider it vital to ensure maximum compliance with work rules and occupational health obligations. In order to prevent accidents, we provide our employees with up-to-date knowledge in training and education, in line with current national and EU requirements, as we are committed to minimising the risk of accidents, injuries and exposure to health hazards.

Occupational health and safety is also the focus of more than 40 internal training sessions of KITE Zrt. each year, as detailed in the Training and Education chapter. The transport, storage and handling of chemicals and pesticides is particularly important. Therefore, careful knowledge and application of the relevant regulations, especially with regard to the use of mandatory protective equipment, is a key element of our health and safety rules.

KITE Zrt.'s rules on occupational safety:

- Work safety rules
- Fire safety rules
- Environmental Policy
- Working in front of a screen policy

Our subsidiaries have similar rules on work safety, but these are supplemented by the following:

Agro-Chemie Group	Agromag Kft.	Ökoil Kft.
<ul style="list-style-type: none"> • ADR* Regulations + Public Safety Plan <p>*ADR - Agreement concerning the International Carriage of Dangerous Goods by Road</p>	<ul style="list-style-type: none"> • Working instructions – CC50 I for seed dressing machinery • Working instructions – CC50 III for seed dressing machinery • Working instructions – B 15 for seed dressing machinery • Specifications for visitors 	<ul style="list-style-type: none"> • Technological and operational instructions

Number of accidents among employees of KITE Zrt. and its subsidiaries in 2023

	KITE Zrt.	Agro-Chemie Group	Agromag Kft.	Alisca Kft.	KITE-Plant Kft.	Ökoil Kft.
Number of accidents at work	18	4	0	0	1	2
Number of fatal accidents	0	0	0	0	0	0

We strive for maximum safety at work through our training and active accident prevention activities. In 2023, there was a total of 25 accidents at work, none of which were fatal.

Staff and employees

GRI 401, GRI 401-3, GRI 404, GRI 404-2, GRI 2-7, GRI 2-8, GRI 13.20

In our report, we publish data on employees based on the headcount data as of the last day of the reporting period of 2023. In KITE's practice, employees are typically employed on open-ended contracts, less often on fixed-term contracts, and temporary workers are used only in exceptional cases. Our established practices reflect our responsibility towards our staff. As a responsible employer, we can offer our employees the greatest security through traditional forms of employment and thus ensure their well-being.

In our report, we present data on our employees as at 31 December 2023.

Our company employs 100% Hungarian workers, who largely come from the local community.

Total number of employees by gender in 2023 (persons)

KITE Zrt.	1,795	541	1,254
Agro-Chemie Group	57	15	42
Agromag Kft.	115	82	42
Alisca Kft.	35	14	21
KITE-Plant Kft.	33	14	19
ÖKOIL Kft.	64	5	59
Total	2,099	622	1,477

Overall development of the number of employees of KITE Zrt. and its subsidiaries by gender between 2021 and 2023 (persons)

2021.	1,919	549	1,370
2022.	1,960	527	1,433
2023.	2,099	622	1,477



Number of employees of KITE Zrt. and its subsidiaries by gender and type of employment contract in 2023

	Under permanent (open-ended) contracts	Gender		Under a fixed-term contract	Gender	
		Female	Male		Female	Male
KITE Zrt.	1,759	530	1229	36	11	25
Agro-Chemie Group	57	15	42	0	0	0
Agromag Kft.	110	32	78	5	1	4
Alisca Kft.	35	14	21	0	0	0
KITE-Plant Kft.	33	14	19	0	0	0
ÖKOIL Kft.	58	4	54	6	1	5

Number of active and inactive employees of KITE Zrt. and its subsidiaries by gender in 2023

	Number of active workers	Gender		Number of inactive workers	Gender	
		Female	Male		Female	Male
KITE Zrt.	1,729	476	1253	66	65	1
Agro-Chemie Group	56	14	42	1	1	0
Agromag Kft.	115	33	82	0	0	0
Alisca Kft.	34	13	21	1	1	0
KITE-Plant Kft.	32	13	19	1	1	0
ÖKOIL Kft.	63	4	59	1	1	0



Number of employees of KITE Zrt. and its subsidiaries by employment, by gender in 2023

	Full-time employees	Gender icons		Part-time employees	Gender icons	
		Female	Male		Female	Male
KITE Zrt.	1,755	506	1249	40	35	5
Agro-Chemie Group	57	14	42	1	1	0
Agromag Kft.	110	31	79	5	2	3
Alisca Kft.	35	14	21	0	0	0
KITE-Plant Kft.	33	14	19	0	0	0
ÖKOIL Kft.	64	5	59	0	0	0

We also worked with 11 main contractors who were not employed by the company.

The total number of workers returning to work after the end of parental leave in 2023 was 8.

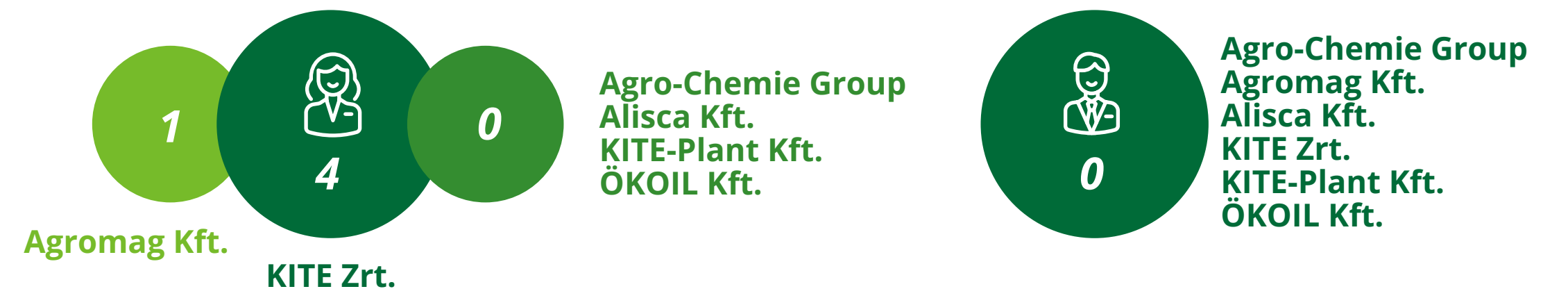
Total number of workers taking parental leave in 2023 (in number)



Number of workers returning to work after the end of parental leave in 2023 (persons)



Total number of workers returning to work after the end of parental leave and still employed 12 months after returning to work (persons)



The return-to-work rate in 2023 was 10.25%*.

*(8:78)x100=10,25%

In terms of having children, in 2023, a total of 78 members of staff were absent for long periods. The HR area supports the return of mothers with young children. Prior to the end of the maternity leave, consultations are held with the person in charge of the area concerned on how cooperation can be continued. It is in our mutual interest to ensure a smooth and mutually satisfactory return to work.

The main aim is to offer work in the same field as before, but sometimes there are other career paths within the company. In principle, our company does not exclude mothers with young children from working part-time for 4 or 6 hours, or hybrid (a combination of teleworking and office work), but this depends primarily on the job and is a decision based on individual assessment.

Based on the feedback, we consider the keeping in touch with mothers on childcare benefit (GYED) or childcare allowance (GYES) successful. We keep them updated about the developments at KITE Zrt. in the form of a printed newsletter. This not only keeps mothers in communication with their immediate colleagues, but also keeps them informed of important events at company level, thus preserving the threads of team bonding. We also pay attention to welcoming newborn babies and send a baby pack to the mother/father and the baby.

In terms of commuting to work, taking into account the distance to the place of residence, almost 60% of the employees of KITE Zrt. and its subsidiaries are within 25 km. Most of the employees of KITE-PLANT Kft. (93%) commute to work from the local community, i.e. from within 25 km. The situation is similar at Ökoil, where this rate is 86%.

Evolution of the number of employees of KITE Zrt. and its subsidiaries by distance between their place of residence and the workplace

	KITE Zrt.	Agro-Chemie Group	Agromag Kft.	Alisca Kft.	KITE-Plant Kft.	Ökoil Kft.
commuters from the local community (within 25 km) persons)	990	37	86	29	28	55
commuters from outside a 25 km radius (persons)	477	10	13	1	1	8
commuters from outside a 50 km radius (persons)	358	10	13	8	1	1
Total	1825	57	112	38	30	64

We also employ part-time workers, workers with disabilities and other atypical forms of employment (e.g. internship programme, teleworking, part-time work). KITE Zrt. had 35 employees in 2023 who were not in a legal relationship with the company but were with us in the form of dual and apprenticeship training - students, apprentices or employment contracts in vocational training.

Number of disabled workers by gender in 2023







	White collar workers		Blue collar workers		Total
KITE Zrt.	2	1	3	2	8
Agro-Chemie Group	0	0	0	0	0
Agromag Kft.	1	1	0	3	5
Alisca Kft.	0	0	0	0	0
KITE-Plant Kft.	0	0	0	2	2
ÖKOIL Kft.	0	0	0	1	1

At KITE, we are proud that many of our employees join the company immediately after graduation and may stay with us for decades. It's not uncommon for our employees to return to us after reaching retirement age and rely on their valuable experience to continue building the future with us.

We have a number of employees who have spent their entire working career with KITE Zrt. and retired from our company.

In 2023, we will have 33 employees who have been with KITE Zrt. for 35 years or more.

Evolution of the number of employees by years of service, by gender in 2023

	Have been with the company for at least 5 years		Have been with the company for at least 10 years		Have been with the company for at least 15 years	
						
KITE Zrt.	969	686	501	362	304	209
Agro-Chemie Group	17	13	4	4	1	0
Agromag Kft.	20	15	13	10	47	33
Alisca Kft.	10	5	12	9	0	0
KITE-Plant Kft.	5	4	1	1	7	4
ÖKOIL Kft.	19	18	12	11	6	5



Fluctuation





GRI 401-1

An ESG-oriented corporate culture is also attractive to employees, motivating them and increasing their engagement. In the long term, this is good for the success of both the individual and the business. KITE boasts a stable employee base with low turnover. Looking back over several years, fluctuation rates are typically low.

At Group level, the rate was 11% in 2023, up from 13% in the previous two years, which already includes retiring employees.

KITE strives to strengthen employee loyalty through the methods described in this report, including career development opportunities within the company (both vertically and horizontally) or even through measures based on useful feedback and opinions. The replacement of employees leaving the company is handled relatively smoothly.

Number and proportion of employees entering and leaving KITE Zrt. and its subsidiaries in 2023

	Number of staff entering			Total active staff	Share of entering labour force	Number of staff leaving			Total active staff	Share of exiting labour force
KITE Zrt.	206	62	144	1,729	11.91%	185	48	137	1,729	10.69%
Agro-Chemie Group	25	4	21	56	44.64%	10	1	9	56	17.85%
Agromag Kft.	15	4	1	115	13.04%	5	3	2	115	4.34%
Alisca Kft.	3	2	1	34	8.82%	4	4	0	34	11.76%
KITE-Plant Kft.	2	0	2	32	6.25%	8	5	3	32	25%
ÖKOIL Kft.	8	1	7	62	12.69%	11	0	11	63	17.46%



Team building

To strengthen collegial relations, we organise a team-building day every autumn with the participation of all our employees, where, in addition to presenting the company's main results and objectives, we offer a range of fun activities. Every five years, the "KITE Meet" expands into a family event for employees.

We also **offer fruit and vegetable tastings** at our autumn meetings, and pre-announced **fresh produce sales from Derecske**, which we can organise in our centre's classroom, which are very popular with our colleagues.

KITE Zrt. has a tradition of annually congratulating and rewarding its employees **who have been with the company for 15 and 25 years**, and **from 2023** we have extended the reward to those who have worked for KITE **for 35 years**.

The management holds a **farewell** ceremony **for retiring colleagues**. December is always a busy time, as in addition to the daily work and training sessions, there is also the **Santa Claus party** for the children of KITE staff and the **end-of-year Christmas dinners**.

Every two years, we organise a one-week **"Trip for the Young"** European tour for colleagues who are under 35, have a university degree and have been working for KITE for at least 2 years in a job requiring higher or secondary education.

In 2016, to establish a tradition, we launched an initiative where each year one lucky **KITE Kids Club** member will receive a free tractor ride and site visit for their birthday. Most recently, we provided the little birthday child with an unforgettable experience at our Kecskemét sub-centre, where he or she had the opportunity to try out a JD 6150 R and a 5100 M tractor, bringing a happy smile to the face of the little birthday child and his or her family.

Our adventurous staff also enjoy taking part in **our KITE rafting trips**, which offer an exciting activity for extreme sports enthusiasts in our community.

Colleagues with a common interest enjoy spending quality time together outside the workplace, occasionally going on a trip abroad, attending a cultural programme, or even going to a weekend cookout or sporting event.

In the year under review, the subsidiaries were also active in team building.

In the **Agro-Chemie Group**, there were two already traditional team-building programmes in spring and winter. Also, they organised bowling for team leaders and a cooking competition for office staff to strengthen social ties. The employees of **AGROMAG Kft.** took part in an excursion to Visegrád and spent valuable time together. In addition to the outing for all employees, **Alisca Agrárház 2010 Kft.** also provided a special opportunity for female employees only, which is a strong testimony to the embedding of ESG principles. They also had the opportunity to meet and chat informally over a shared Easter lunch and Christmas dinner.

These activities are a tangible contribution to increasing loyalty to KITE and are very well received by employees.



Diversity and equal opportunities

GRI 405, GRI 405-1, GRI 13.15

KITE's sustainable mindset is marked by the fact that human rights, diversity and equal opportunities belong to our core values that are clearly articulated in our Code of Ethics and are not only shared by our employees, but also across our entire value chain. We treat both our employees and our partners fairly and equally, respecting their age, colour, nationality, gender, cultural background, political beliefs, religion, sexual orientation and disability.

We ensure equal opportunities and conditions for all, whether it's recruiting and hiring new staff, promotions, management appointments, professional training or remuneration. We will also always assess job applications on the basis of professional criteria. Both our female and male colleagues have equal opportunities to develop and succeed in their career paths.

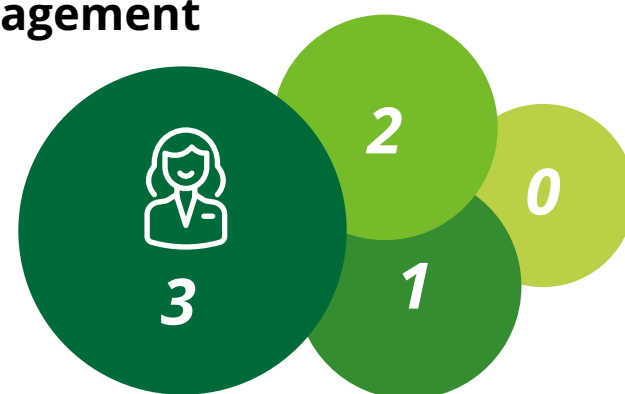
The number of employees by gender in 2023



The number of women in top and middle management in 2023

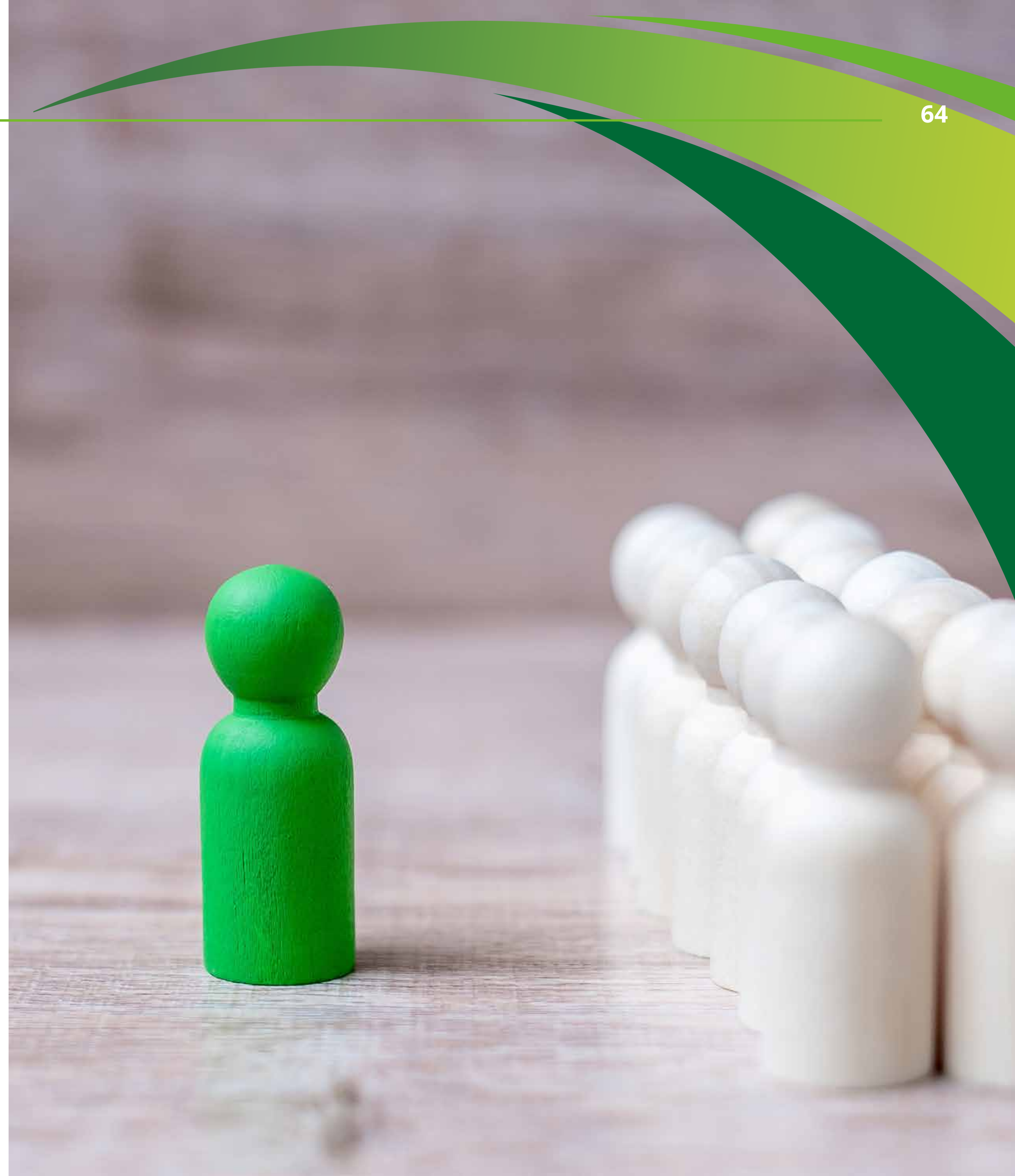
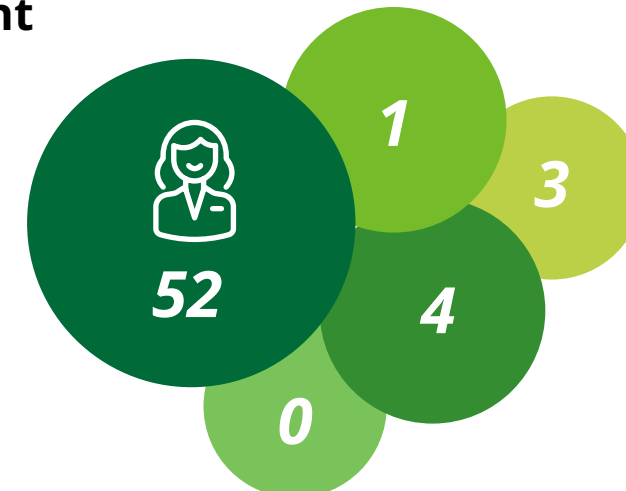
Number of female employees in top management

KITE Zrt.
Agromag Kft.
Agro-Chemie Group
Alisca Kft.
KITE-Plant Kft.
Ökoil Kft.









Number of women in middle management

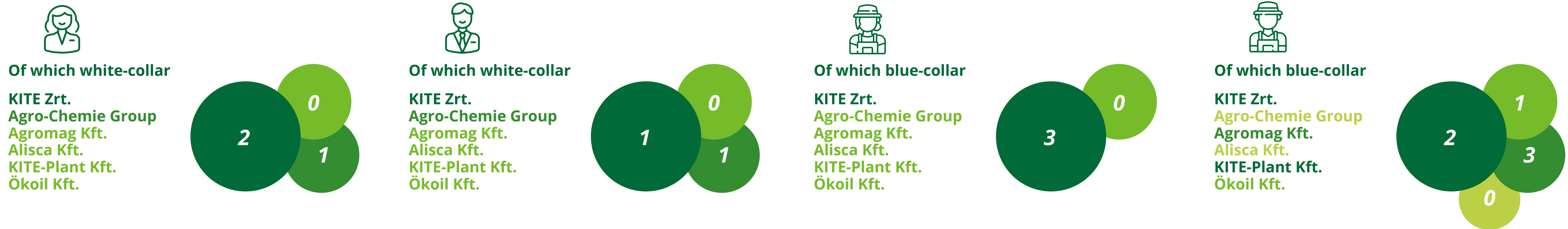
KITE Zrt.
Agromag Kft.
Agro-Chemie Group
Alisca Kft.
KITE-Plant Kft.
Ökoil Kft.



Number of employees by age in 2023

	Number of employees under 30		Number of employees aged 30-50		number of employees aged 50 and over				
									
KITE Zrt.	382	116	266	1,039	329	710	374	96	278
Agro-Chemie Group	16	5	11	33	5	28	8	4	4
Agromag Kft.	10	1	9	49	20	29	56	12	44
Alisca Kft.	6	2	4	15	8	7	14	4	10
KITE-Plant Kft.	2	1	1	14	5	9	16	7	9
ÖKOIL Kft.	12	0	12	33	4	29	19	1	18

Number of employees with disabilities in 2023



There were no cases of discrimination during the reporting period.

Corporate social responsibility and local communities

GRI 413, GRI 413-1, GRI 413-2, GRI 13.12

KITE is a major player in Hungarian agriculture and has a local impact on the lives of local communities. As a responsible company, we support municipalities and local organisations where KITE has sites. The support covers a wide range of activities, with the main focus on the three activities where KITE has sufficient competence and experience:

- Local education organisations
- Agricultural NGOs
- Charitable and sports organisations



Here are some of the organisations and programmes supported by KITE Zrt. in the form of donations in 2023

Veszprém County Farmers' Association

Objective and target group of the support:
Balatonfüred farmers' ball

Aid amount (HUF): **250,000 Ft.**

GWP Hungary Foundation

Objective and target group of the support:
Development of the Tiszaliget Water Memorial Park

Aid amount (HUF): **1,600,000 Ft.**

Foundation for the Culture and Sport of Nádudvar

Objective and target group of the support:
Support by the founder in 2021

Aid amount (HUF): **500,000 Ft.**

Nádudvar Municipality "Let's help each other"

Objective and target group of the support:
Helping families in need

Aid amount (HUF): **100,000 Ft.**

Consumer Protection and Interest Group Foundation

Objective and target group of the support:
Protecting the interests of small consumers

Aid amount (HUF): **120,000 Ft.**

Bread of Hungarians Programme

Objective and target group of the support:
For the implementation of the Bread of Hungarians Programme 2021 and the achievement of its long-term objectives

Aid amount (HUF): **300,000 Ft.**

NAK seed offer

Objective and target group of the support:
Helping farmers in Transcarpathia

Aid amount (HUF): **1,152,000 Ft.**

Hungarian Circle of Physical Practitioners (MTK) HUNGÁRIA Football Club

Objective and target group of the support:
To carry out the public benefit activities defined in the Statutes

Aid amount (HUF): **4,000,000 Ft.**

The fact that we have been operating the KITE Foundation for Employees since 2020 is a testimony to KITE Zrt.'s sustainable thinking, which is a true reflection of our intimate, supportive corporate culture.

KITE is the family where we never let go of their members' hands in times of trouble! Especially not if an unexpected tragedy or difficulty occurs in their lives. To our company, not just our active workers, but also our former inactive workers are important.

Our foundation operating throughout Hungary, aims to help and support primarily KITE Zrt.'s employees and retired employees in unexpected life situations, the consequences of which may seriously affect our employees or our retired employees and their families, and to patronize our disadvantaged colleagues and their families with the financial contribution necessary to improve their quality of life.

In order to achieve its objectives, the Foundation also carries out the following activities that do not constitute public benefit:

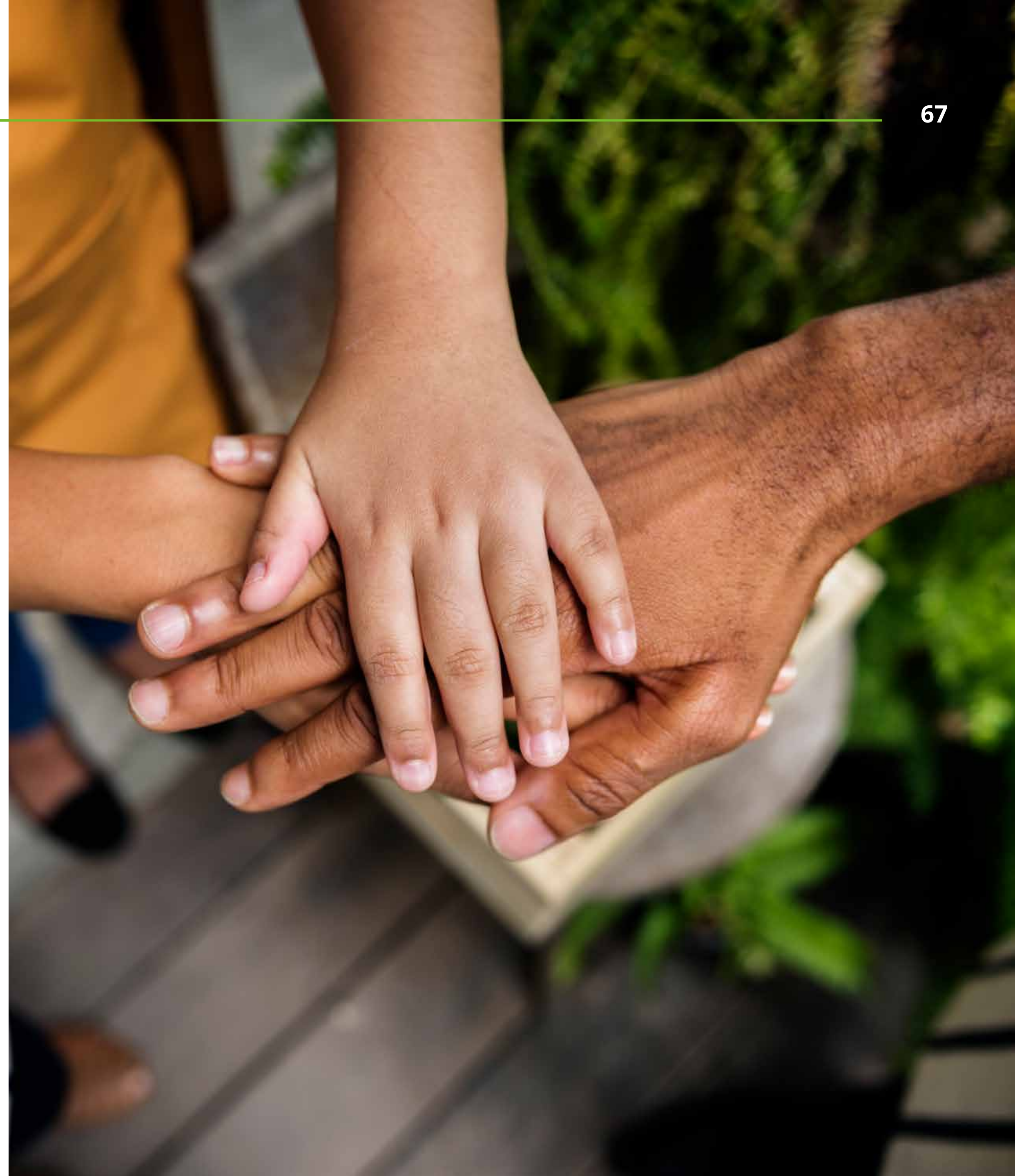
- **Helping our disadvantaged workers in difficult circumstances**
 - improve their quality of life by making a financial contribution
- **Helping in unexpected life situations during temporary absence from work**
 - in the event of serious illness
 - in the event of an accident

For more details about the Foundation, click on the link [KITE Foundation for Employees](#) 

In addition to charitable activities, KITE also supports sport, for example the Hungária Equestrian Sports Association. The aim of the organisation is to expand equestrian sport in Hungary, to ensure international competition for riders and to promote the love of horses.

Below is an example of the organisations and programmes that KITE Zrt. sponsored in 2023

<i>Supported organisation:</i> Hungária Equestrian Sports Association	<i>Purpose of the sponsorship, designation of the activity:</i> Promoting the traditions of polon	<i>Aid amount (HUF)</i> 1,000,000
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Corporate governance

GRI 3-3

Governance of KITE Zrt.

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

KITE is fully committed to responsible and transparent corporate governance and to fair and innovative business operations. Our organisational structure, our fair market practices and our control mechanisms are in line with this principle. We place a strong emphasis on legal and regulatory compliance, which is reflected in our comprehensive regulatory framework. We pay particular attention in our external and internal communication to inform our relevant partners in a transparent way about our full range of activities, as well as about our events and future plans for the Group.

Our aim is to create the image of a “responsible service provider KITE” alongside the “trader KITE” image.

This is why we would like to show our Group in our GRI standard ESG report.

KITE has a **Rules of Organisation and Operation (ROO)**, which define the basic guidelines and system of the corporate structure and operation, the relationship between the different departments, and the roles and responsibilities.

KITE Zrt. does not have a collective agreement.

The owners of KITE Zrt.:

Unity Asset Management Foundation: 90.54%
Bonafarm MRP Organisation 9.46%

Decision makers of KITE Zrt.:

Levente Szabó, PhD – CEO
Sándor Zsolt Guba – President of the Board of Directors

The main body of KITE is the **General Assembly**. The company’s Articles of Association regulate in detail the matters within the decision-making powers of the General Meeting, as well as the framework for its convening and proper functioning. The General Assembly elects the members of the four-member **Board of Directors**, who carry out the management tasks.

Members of the Board of Directors

Sándor Zsolt Guba – *President of the Board of Directors*
 Attila Csányi – *Vice President of the Board of Directors*
 Levente Szabó, PhD – *Member of the Board of Directors, CEO*
 Péter Ábrahám – *Member of the Board of Directors*

Members of the Supervisory Board

Mihály Baumstark – *President of the Supervisory Board*
 Gábor Udovecz, PhD – *Member of the Supervisory Board*
 Norbert Potori, PhD – *Member of the Supervisory Board*
 Mihály György Kotormán – *Member of the Supervisory Board*
 Róbert Áron Bozsér – *Member of the Supervisory Board*

The Chief Executive Officer is responsible for the operational management of KITE Zrt. and acts as an operational member of the **Board of Directors**. The owner is not involved in direct management. The 5-member Supervisory Board, elected for a five-year term, guarantees the regular and legal operation of the organisation. Two of its members are employees of KITE Zrt. and three are independent and delegated by the owner.

KITE Zrt. is **audited by** Ernst & Young Könyvvizsgáló Kft., which has a key role in the audit of the company’s financial statements.

The **Quality Assurance and Control Department** operates within KITE Zrt., under the authority of the President of the Board of Directors, independently of the operational management, and helps to identify and forecast business, financial, IT and operational problems and to manage the related risks in a transparent and efficient manner. Within KITE Zrt., this area of responsibility also includes Compliance, which is responsible for ensuring compliance with the guidelines and rules. As part of its complex quality management documentation system, it also manages and revises its policies as necessary.

At the end of 2023, we established the KITE 12-member **ESG Committee**. This body is responsible for reviewing sustainability-related activities within the company, ensuring transparency in ESG reporting, ensuring that targets are met, and demonstrating responsible behaviour in the implementation of the sustainable business framework internally, i.e. among employees, and externally, in particular with our customers and suppliers. The activities of the ESG Committee are overseen by the CEO. The rules of operation of the ESG Committee are being drafted.

Members of the ESG Committee

Levente Szabó, PhD - *CEO*

Mihály György Kotormán - *Deputy CEO for Finance and Accounting*

Attila Márvány - *Deputy CEO for Agronomical Sales*

Zsuzsanna Györfi - *Director of Strategy*

Zoltán Attila Dobó - *Chief Operational Director*

Ibolya Nyitrai - *Financial Director*

Judit Egyed-Kun - *Director of IT and Business Systems*

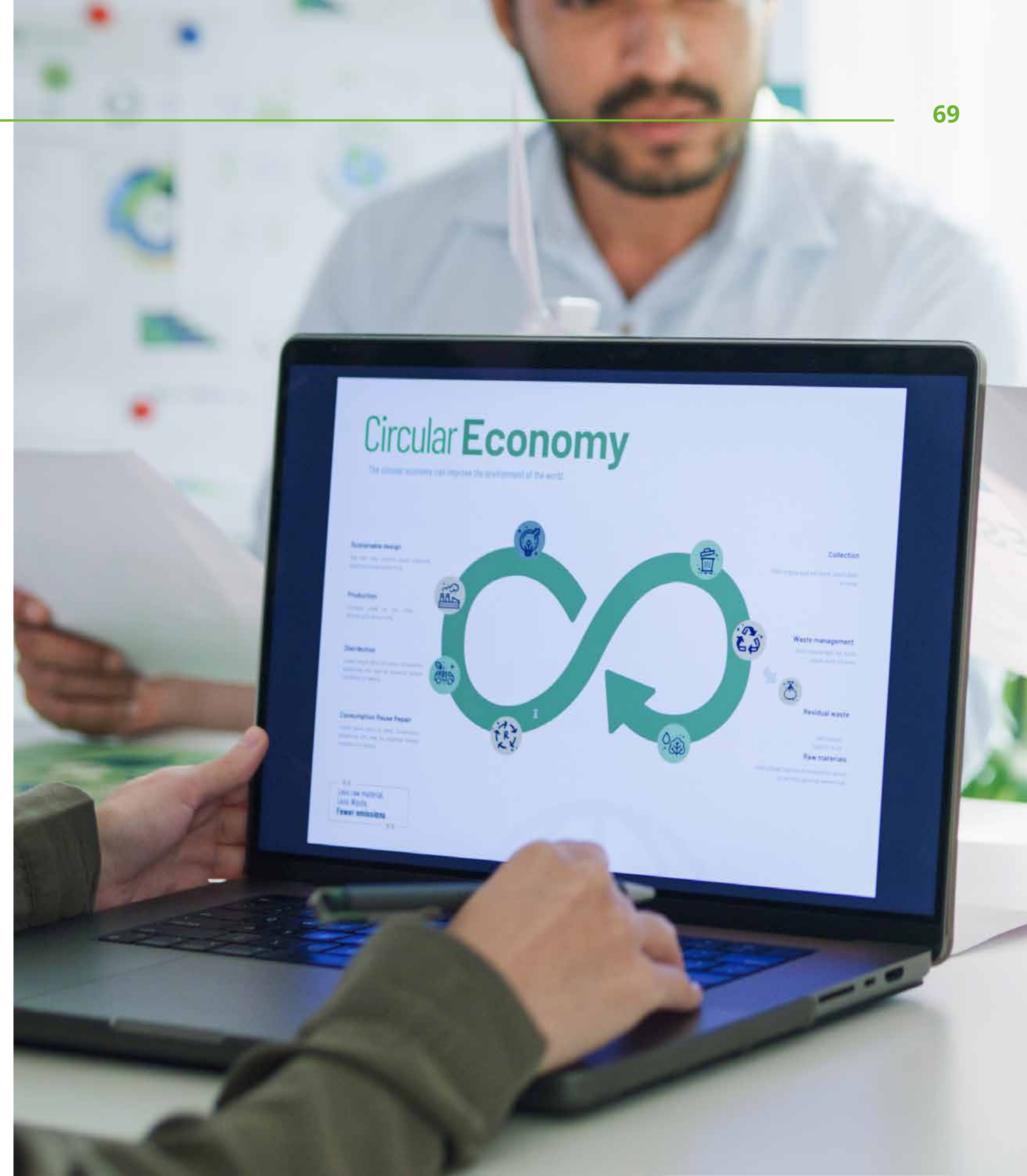
János Csányi - *Risk Management Director*

László Hadászi - *Chief Innovation Officer*

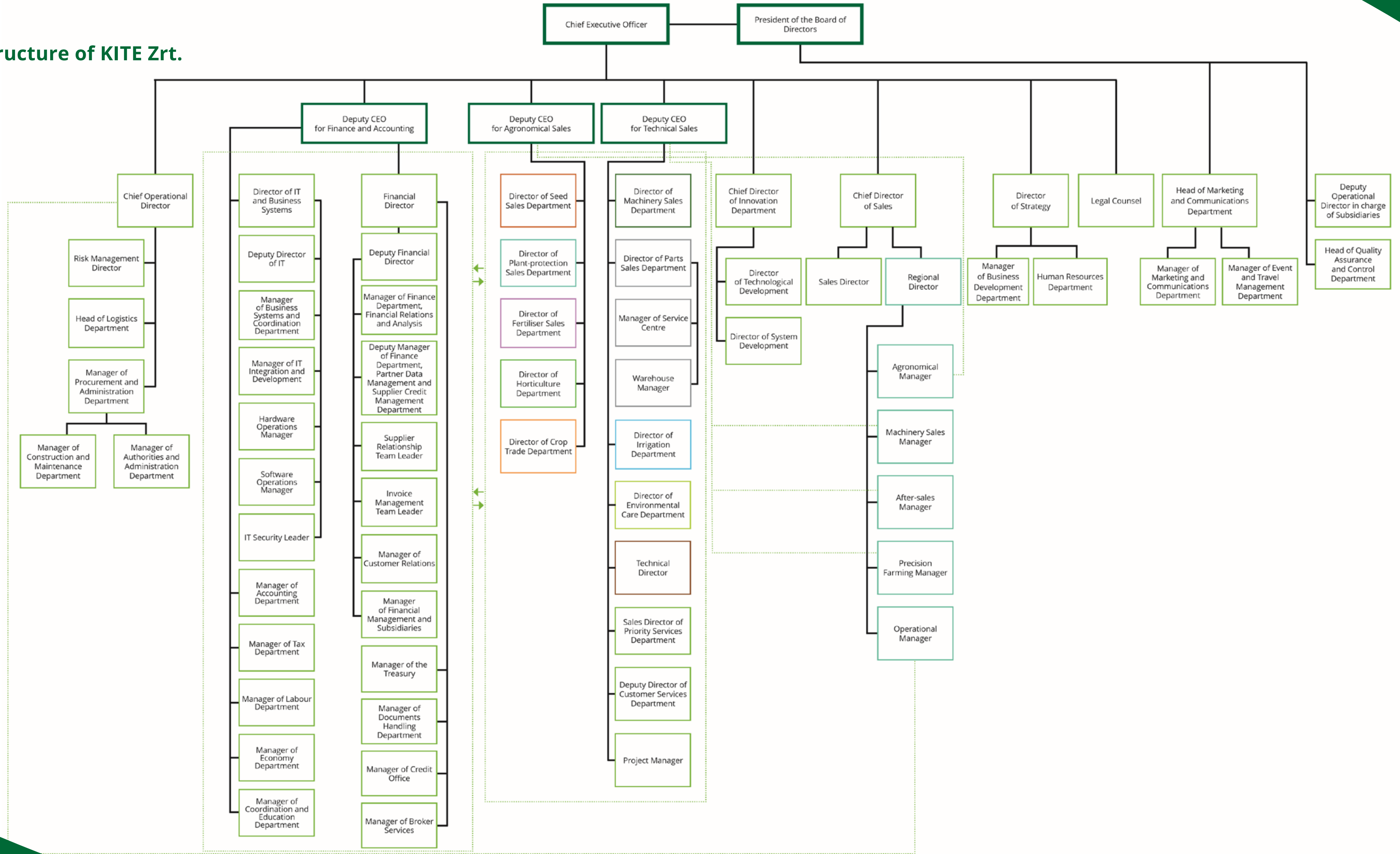
dr. Zsolt Erdélyi - *Head of Quality Assurance and Control Department*

Andrea Szabóné Dublinszki - *Head of Marketing and Communications Department*

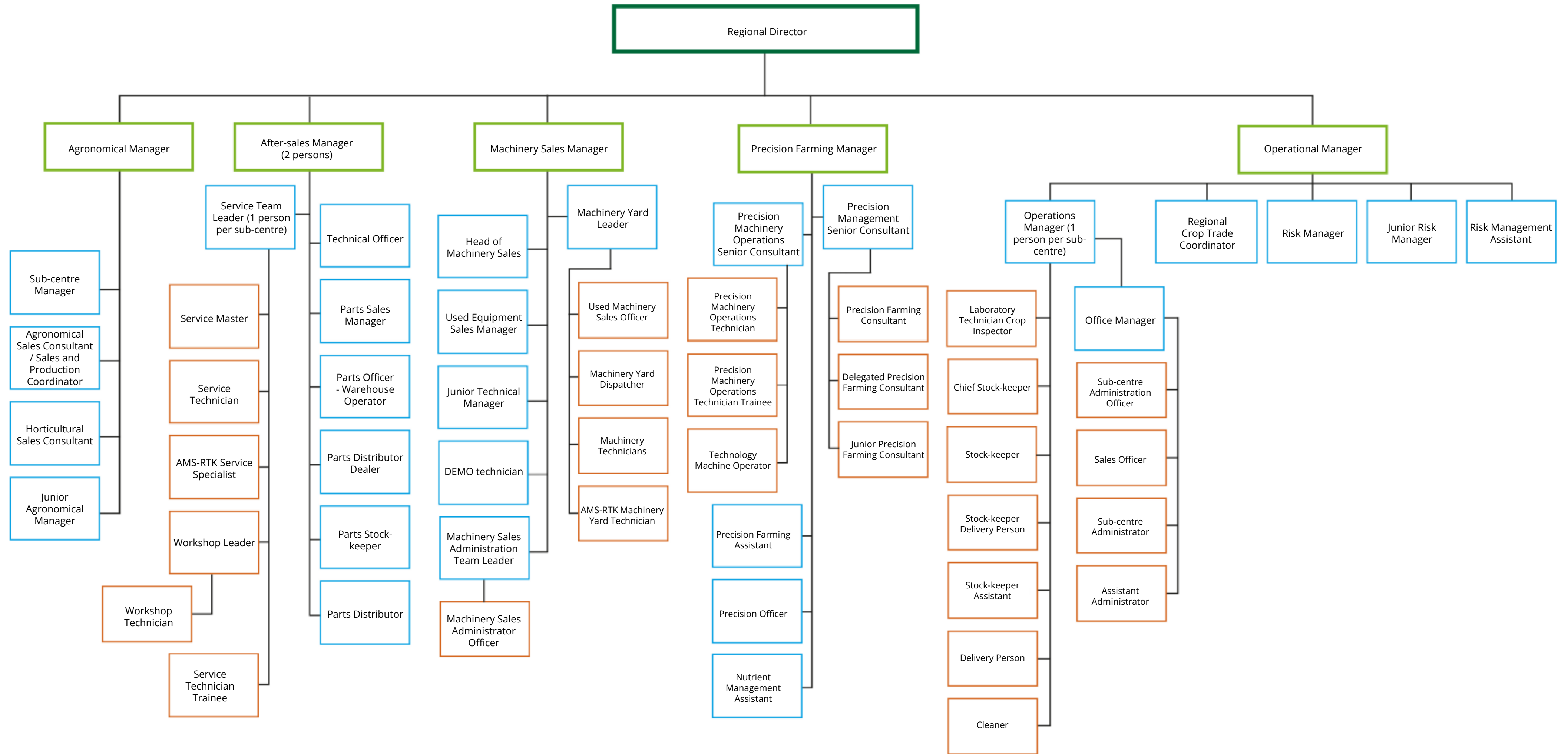
Andrea Fehér - *Head of Partner Data Management and Supplier Credit Management Department*



The organisational structure of KITE Zrt.



The regional organisational structure of KITE Zrt.



Management of subsidiaries

The operational management of the subsidiaries is in the hands of the managing directors of each company. The subsidiaries do not have a supervisory board, their management is elected by the general meeting of each company. Within KITE Zrt., a separate department oversees the operations of the subsidiaries, ensures the coordination of their activities and the integration of the subsidiaries' strategies into the Group's strategy.

Conflict of interest

GRI 2-15, GRI 13.18.

KITE expects its staff to avoid any position where a conflict of interest may arise. The same applies to our partners, so we expect them to avoid conflicts of interest. A conflict of interest exists when an employee has a private or personal interest that may affect his or her ability to make an objective decision in the performance of his or her duties. Our company make business decisions based on objectivity and fair consideration. Conflicts of interest can have a damaging impact on our company's reputation and its fair business practices. We draw attention to this fact in our Code of Ethics, but we also inform our employees of this fact when they join us, as part of their employment contract.

In the case of a conflict of interest, prior reporting to the line manager is mandatory in order to ensure that the case is investigated, and a fair resolution is reached, as set out in the Code of Ethics. Breaking this rule will result in a sanction.

Business Ethics and Compliance

GRI 2-23, GRI 2-24, GRI 2-26, GRI 13.16, GRI 13.17, GRI 13.18, GRI 13.20, GRI 13.25, GRI 13.26

The Code of Ethics of KITE Zrt. and its wholly owned affiliates is intended to provide guidance to employees and all stakeholders on the ethical conduct expected in a given situation. We believe that ethical behaviour means doing your work in compliance with external and internal rules and in respect of the company's values.

KITE will always act in accordance with applicable laws and general good business ethics.

Our Code of Ethics covers the following aspects:

- Anti-corruption
- Good reputation
- Fair competition
- Credible financial information
- Insider trading
- Conflict of interest
- Competitive offer
- Integrity
- Making a donation or grant
- Intellectual property
- Use of tools
- A safe and healthy working environment
- Equal treatment and equal opportunities, non-discrimination
- Legal, fair employment and remuneration

Among the elements listed, the essential elements are

KITE is committed to fair market practice and rejects all forms of corruption, supports anti-corruption measures and expects all its employees to follow this way of thinking. The **Anti-Corruption Principles** are embedded in KITE's overall corporate culture, compliance policy, internal processes and the entire value chain. The results of the materiality assessment also confirmed that ethical conduct is a priority for our stakeholders, in particular our external partners.

The company's management is committed to ensuring **free, fair and competitive market conditions**. We will refrain from any conduct that could result in restricting competition or abusing a dominant position in the market or lead to a merger of companies that would harm competition. Examples of such prohibitions include agreeing on prices, marketing information that affects competition, allocating markets or customers.

Our Group policies and rules are based on **equal opportunities**, and we will use all means to combat discrimination. We place great emphasis on ensuring that our stakeholders are not discriminated against because of their colour, gender, nationality, religious or philosophical beliefs, gender identity, ethnicity, disability, sexual orientation, political or other opinions and marital status. We prohibit all verbal and non-verbal expressions that offend human dignity.

KITE, both in its own practice and in its supplier qualification, takes into account and fully rejects the use of all forms of **slavery and forced labour**, the employment of children and minors in contravention of international employment guidelines (UN Convention on the Rights of the Child and relevant International Labour Organisation Conventions).

It is important to us that **employment is legal and fair**, while respecting the principles of labour law. Our company guarantees compliance with the legal minimum wage and working time regulations as well as the right to join a trade union or other representative body. We ensure a suitable working environment free from harassment, intimidation and discrimination.

All employees of KITE are required to familiarise themselves with the Code of Ethics upon commencing work. We also provide all our employees with annual e-learning to refresh and test their knowledge of the rules.

You can find our Code of Ethics on our website [↗](#)

The regular review of the Code of Ethics is carried out by the **Quality Assurance and Control Department**, reporting to the President of the Board of Directors. This was last done at the end of 2023.

Sanctions

Violations of the Code of Ethics constitute misconduct, which the company will address as set out in the law and internal policies.

Whistleblowing system

GRI 2-16, GRI 2-25, GRI 2-26

To facilitate the handling of potential business ethics-related incidents, we have been operating a multi-channel whistleblowing system since 2016, in the spirit of responsible corporate conduct – well ahead of the legal obligation. We also have a policy to investigate anonymous reports in all cases. We place a high priority on the protection of whistleblowers, with an emphasis on ensuring that whistleblowers are not disadvantaged as a result of reporting. The rules on whistleblowing are part of our Code of Ethics, subject to which the company sets out the rules in a separate procedure.

A description of the whistleblowing system is available on our website: [↗](#)

Regarding the whistleblowing system, the companies covered by our ESG report are AGROMAG Kft. and Ókoil Kft., as required by law. In their cases, the relevant rules have been drafted with the assistance of KITE and an external lawyer acting as the whistleblower protection officer. We have provided internal information about this to our staff and the contact details of the whistleblower protection lawyer are prominently displayed in the buildings.

Compliance

GRI 2-27

For KITE, compliance with legislation and ethical business practices is a key factor in our successful market presence. This is the approach that our management and all our staff strive to follow. Our Quality Assurance and Control Department contributes effectively to this by developing, publishing and enforcing the necessary policies.



Remuneration policy

GRI 2-18, 2-19, GRI 2-20, GRI 2-21, GRI 405, GRI 405-2, GRI 13.21

KITE's remuneration policy is guided by the principle of equal opportunities as defined in the Code of Ethics and does not discriminate between male and female employees. Salaries are determined on the basis of professional experience and the internal salary scales in force, while additional payment above the basic salary is determined and paid on the basis of performance.

The basic principle of remuneration for senior management is fair and performance-based incentives. Each year, the Supervisory Board evaluates the activities of the year and decides on the level of remuneration based on the achievement of the objectives set in the strategic and annual operational plans. This type of incentive system is consistent with and helps to achieve the company's long-term plans and sustainability, while also providing sufficient motivation for individuals.

The members of the Supervisory Board receive a fixed monthly fee in this capacity. The publication of figures and ratios relating to remuneration is considered a trade secret by our Company.

Fines

GRI 205-3

During the reporting period, there were no cases of corruption, and no legal proceedings were initiated either within KITE or its subsidiaries.



Quality management

GRI 13.6

Establishing a quality control programme is essential for a successful business. It aims to identify and correct problems with the quality of products or services in order to achieve customer satisfaction. As a responsible company, KITE also acts in this spirit. For example, our company is certified to the globally recognised ISO 9001 quality management standard, which helps us to improve our performance, meet the expectations of our business partners and demonstrate our commitment to quality. Annual audits confirm that processes are working according to the established rules.

KITE Zrt. and its subsidiaries hold the most important quality certificates

ISO 9001:2015

The scope of the quality management system covers the trade in agricultural inputs and outputs, agricultural, communal lawn and park maintaining equipment, irrigation solutions and agricultural machinery service activities. The territorial scope of the quality management system applies to the headquarters of KITE Zrt. and all its sites, except for the crop storage facilities.

Date of issue
13.12.2022

Validity
12.12.2025



ISCC EU*

This scheme includes the requirements of Directive 2009/28/EC for biomass and bioenergy production. The scope of the ISCC system covers all departments involved in KITE Zrt.'s crop purchasing process, including not only the employees of the Crop Trade Department, but also the heads of regions, sub-centres, consultants and administrative staff.

Date of issue
09.05.2023

Validity
08.05.2024



GLOBALG.A.P.

The GLOBALG.A.P. certification aims to verify “Good Agricultural Practice” along the entire primary production chain. GLOBALG.A.P. encompasses the general requirements of farming as well as the specific requirements of the crop and/or livestock production process. It is modular in design, so that it is always aligned with the actual activity. The module that is related to the actual activities of the given farm is implemented. The GLOBALG.A.P. food safety system is operated by KITE Zrt. during the sale of seedlings. The system used should track the seed used for the seedlings sold as well as the direct and indirect materials used in the growing process.

Date of issue
01.05.2023

Validity
12.05.2024



GMP+ **

To lay down measures governing production practices relating to the quality and safety of feed. A set of requirements, based on ISO 9000 and HACCP***, which contains the quality management system measures for the quality control of the production process and a set of product specifications to be applied in the field of activity. This regulation applies to the trading and storage of cereals within KITE Zrt. The system is designed to cover physical, chemical, biological and microbiological hazards.

Date of issue
25.05.2023

Validity
01.05.2026



Halal food certificate

A certificate showing that the production, packaging, storage and transport of food products comply with Islamic religious rules.

Date of issue
14.10.2023

Validity
13.10.2024

KOSHER certificate

It guarantees compliance with the rules for the production, packaging and sale of food and drink according to Jewish belief.

Date of issue
19.12.2023

Validity
28.12.2024

*ISCCU EU – International Sustainability and Carbon Certification, fully recognised by the European Commission since 2011, covering both environmental and society requirements.

**GMP+ – Good Manufacturing Practice

***HACCP – Hazard Analysis Critical Control Point

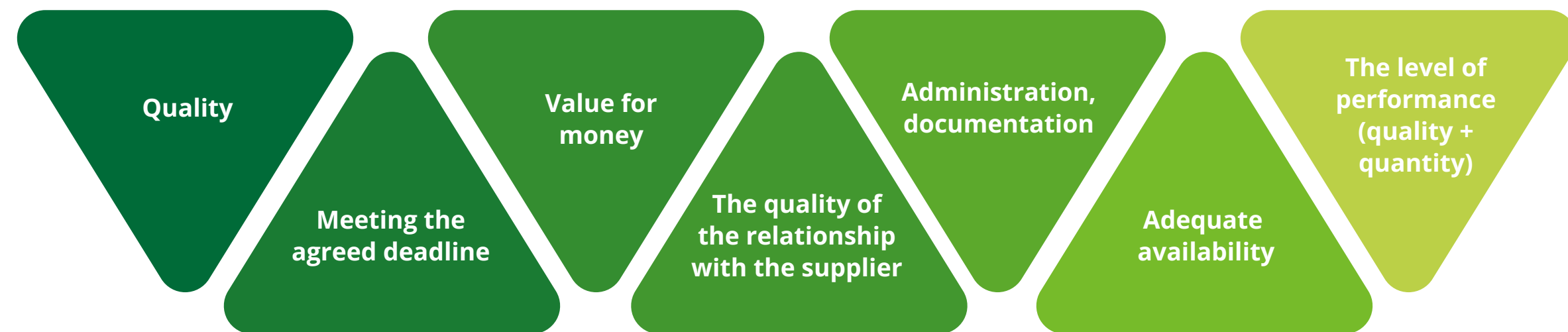
Some of the goods sold by KITE are classified as dangerous, partly pesticides and partly fertilisers or their ingredients. Special rules apply to their transport and storage. We pay attention to compliance with the relevant rules in our internal policies and procedures. KITE Zrt. employs a Dangerous Goods Transport Safety Advisor who has the corresponding qualifications and relevant experience in the field. **Detailed information is available on our website:** [🔗](#)

Purchasing practice

GRI 2-23, GRI 2-24, GRI 204, GRI 204-1, GRI 13.22, GRI 13.23

We responsibly select our suppliers to ensure the expected quality. Our purchasing policy is constantly evolving and developing, and in addition to efficiency and profitability, we have added sustainability to our approach from July 2020.

KITE's purchasing policy is directly linked to the Quality Management Policy and is an integral part thereof. The stable quality of the products we distribute is essential, so when selecting our supply partners, we place great emphasis on the existence and verification of their certificates. In particular, we require valid certification to ISO 9000 or other internationally recognised standards, which are not product-specific but rather management-specific. If a partner is not certified, KITE itself checks the quality of the products supplied and certifies the partner according to its predefined methodology. **For commercial products**, the criteria assessed are:



When buying in crops, the qualification and selection of **suppliers** (producers, traders, integrators) is special, as our feed material suppliers typically do not operate FSMS. FSMS (Feed Safety Management System) ensures that feed is safe and fit for its intended use. Therefore, their past experience and quality performance is a major factor when it comes to their annual evaluation.

In addition to goods suppliers, **other service providers** (carriers, forwarders, storage companies and storage operators, insect and rodent exterminators, testing laboratories, and service providers whose activities may have an impact on feed safety) are selected according to the requirements defined in the procurement specification. In this case, the existence of standards and certifications is crucial.

As part of our purchasing policy, specific rules apply to the **purchase of sustainably farmed produce**. Products checked according to the ISCC (International Sustainability Carbon Certification) scheme and supplied with the required sustainability statement are expected to be free from all persistent pollutants and to have been produced without the use of hazardous substances that are classified as such by the WHO (World Health Organization) nomenclature.

We pay particular attention to giving preference to local farmers when buying in produce. We have located our sites across the country to be as close as possible to agricultural land and motorways. In addition to the obvious economic benefits and risk mitigation benefits of proximity, it has now turned out that it is also important from a sustainability point of view if goods do not have to be transported over long distances, and that the presence of infrastructure is also socially beneficial for rural populations. An important value of our integrator activities is the customer-supplier relationship with farmers, which often goes back decades.

14,000
The number of our certified partners is more than 14,000

We have been operating our own **Partner Portal** since 2019, a practical and user-friendly platform for exchanging information with our partners without the use of paper.

KITE not only sets expectations for its suppliers, but also continuously seeks to learn from and adapt good practices in its own operations. We integrate the technological knowledge and modern, responsible use of materials, sustainability and environmental policies of our international supplier partners into our own operations, enriching our knowledge base. With a strong innovation mindset, we must always keep an eye on our partners' technological advances and synthesize the opportunities offered by new solutions.

Indirect economic impact

GRI 203, 203-1, 203-2

From a business management perspective, KITE's **introduction of SAP** in 2023 is a key milestone in putting our business on a comprehensive, user-friendly and sustainable footing. The size and complexity of the company group and the requirements of modern corporate governance made it necessary to modernise the previous software background, creating a more transparent and centralised IT environment. The direct financial cost of the implementation was more than HUF 2 billion. By implementing the project, we can streamline and optimise processes, thereby achieving significant efficiency gains.

Our Agrometeorology mobile app makes using weather station data more efficient, faster and easier, providing farmers with continuous and accurate agrometeorological data. In 2023, we increased the number of our agrometeorological stations in our proprietary agrometeorological network with nationwide coverage by 83 units, which resulted in an investment of HUF 46 million and brought the total number of stations to nearly 500. The expansion fits well with the overall strategy based on the Precision Farming System.

KITE's Precision Farming System is also making a major effort, in terms of both research and operation, to **curb biodiversity loss** and promote sustainable agricultural production.

KITE and Indigo Agriculture Europe GmbH have been working closely together since 2020 on product development and testing. As a result of this cooperation, **three microbiological products** – Biotrinsic™ i30 FP, Indigo 30 WD and Biotrinsic™ i280 FP – **marketed by KITE and developed by Indigo AG, were launched in 2023** under the Agro-Ecological Programme (AEP). These micro-organisms do a great deal to promote the healthy development of individual crops and protect them from yield loss due to environmental stress, thus contributing to increasing

yields in a sustainable and efficient way, without chemicals, in line with new environmental guidelines. The indirect economic impact of the project is therefore indisputable.

The indirect impact of our company's activities is strong in terms of **education**. On the one hand, in training young professionals in higher education, and on the other hand, in the form of professional training, preparation and knowledge transfer to the producer and partner network by highly qualified consultant colleagues.

KITE sees **its role as an agricultural integrator** as an indirect significant economic impact. Farmers who are active in the integration of KITE account for a significant share of Hungarian agricultural production. Around half of the domestic input material flows reach farmers through KITE. Between 20–25 per cent of the crops produced and purchased, mainly oilseeds, reach the user market through KITE. Overall, it can be said that KITE is one of the systemically important actors in domestic agricultural production.



Economic performance

GRI 201, 201-1, 201-2, 201-4

Economic performance 2023 (HUF thd)	KITE Zrt.	Agro-Chemie Kft.	Agro-Chemie Invest Kft.	Agro-Chemie Kereskedő és Gyártó Kft.	Agromag Kft.	Alisca Agrárház 2010 Kft.	KITE-Plant Kft.	Ökoil Kft.
Direct economic value generated (revenues)	485,729,038	3,620,069	123	403,476	5,169,962	25,446,212	769,842	27,047,527
Distributed economic value	479,653,165	3,445,226	279	397,034	4,732,195	25,186,347	651,819	26,532,942
Operating costs	442,439,334	3,117,834	279	104,602	3,557,565	24,529,941	445,897	25,532,112
Employee wages and benefits	21,988,085	268,514	0	242,653	953,422	460,903	178,019	677,979
Payments to capital investors	11,137,720	0	0	0	0	0	0	0
Payments to the national treasury	4,088,026	58,878	0	49,779	221,208	195,503	27,903	322,851
Retained economic value	6,075,873	174,843	-156	6,442	437,767	259,865	118,023	514,585

Financial support from the state in 2023 for KITE Zrt. and its subsidiaries (in HUF)

	KITE Zrt.	Agro-Chemie Group	Agromag Kft.	Alisca Agrárház 2010 Kft.	KITE-Plant Kft.	Ökoil Kft.	Összesen
Total monetary value of financial assistance received from the government during the reporting period	207,588,643	13,044,728	6,240,623	2,061,223	62,896,552	1,874,756	293,707,525
Relief and tax credits	207,588,643	6,070,278	5,790,094	2,061,223	5,327,512	1,874,756	228,712,506
Grants	0	6,974,450	450,529	0	0	0	7,424,979
Investment aid, research and development aid	0	0	0	0	51,804,926	0	51,804,926
Fees	0	0	0	0	0	0	0
Financial assistance from export credit agencies	0	0	0	0	0	0	0
Financial incentives	0	0	0	0	0	0	0
Other financial benefits received from any government	0	0	0	0	5,764,114	0	5,764,114
Information in 201-4-a by country	Hungary	Hungary	Hungary	Hungary	Hungary	Hungary	-
Is there and, if so, to what extent is the government involved in the shareholding structure	No	No	No	No	No	No	-

Risk management

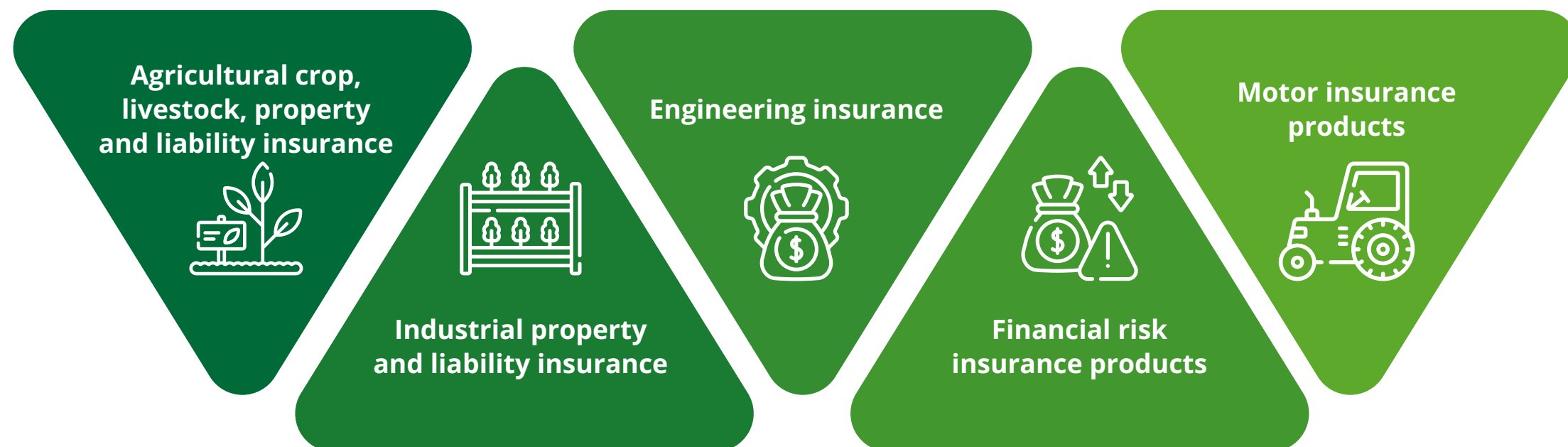
GRI 2-25, GRI 201, GRI 201-2

KITE’s risk management aims to identify, forecast and minimise existing and potential risks in order to ensure sustainable operations, to prepare the company to adapt as needed, and to optimise the results of the necessary business decisions.

Climate change has significant impacts on agriculture, which are crucial to ensure the sustainability of the sector. KITE is indirectly involved in climate risks, and for us the risk caused by climate change related weather events (drought, floods, inland water, storms) is a major issue due to the impacts on farmers in a primary way. As KITE is involved in both the input and output side of the agricultural supply chain, risk management is also a priority.

Our customers are also, to a large extent, our suppliers through the integrator activity, so their successes and difficulties have an impact on KITE. Modern agriculture operates in a complex and sophisticated environment. We assess and monitor our partners not only from a financial perspective, but also from a technological, scale efficiency and human resources perspective. In this context, we therefore consider and promote the insurance available for agriculture as a priority for risk management. This is one of the reasons why KITE entered the insurance brokerage market in 2016 and has become a leading player in the agricultural and industrial insurance brokerage market. We act on behalf of our clients and represent their interests as an independent insurance intermediary.

In the spirit of risk management, the main insurance products sold by KITE Zrt:



For more information on KITE Broker, click on the link [↗](#)

Main risks identified in the operation of KITE:

Risks arising from macroeconomic factors: the general macroeconomic situation and the support available to farmers have an impact on the operating environment of KITE, and thus indirectly on its financial situation.

Employment risks: KITE, as a group of companies that are essentially service providers, is heavily dependent on the state of the labour market and the skills of the available workforce.

Operational risks: we do not consider operational risks to be significant, but they are nonetheless not negligible, and management monitors this area as well on an ongoing basis.

Risks of adaptation: adaptation of agriculture to the changed production opportunities of climate change is a priority. The risks involved are also potential opportunities for KITE. The application of technological change creates opportunities for successful adaptation.

Supplier risks: some multinational companies play a central role among KITE’s suppliers. High-quality technological solutions – in terms of machinery, pesticides and seeds – are currently offered by only a few large foreign companies. Agriculture is globally dependent on these, and KITE is also concerned in this respect. On the crop buy-up side, the dependence on suppliers is not significant as the portfolio is well diversified.

Climate change-related, so-called climate risks: this is more of a spill-over effect for KITE. For us, it is important because of the farmers, as if they have a problem, we are affected too (for example, by a drought or a lot of rainfall), because agriculture is a complex market exposed to the climate.

In addition to assessing and managing the various risks, KITE also sees an opportunity to find innovative solutions to specific phenomena and problems.

Type of risk	Risk	Opportunity or how to mitigate the risk
Risks from macroeconomic factors	Developments in the geopolitical and economic situation, inflation, development of aid possibilities	Covering the whole vertical of agriculture, input and output side presence has a balancing effect on performance
Risks arising from employment	Labour market conditions (labour shortages, undertrained workforce), employee turnover	Becoming an attractive employer through an active human resources policy and forward-looking improvements. Cooperation with educational institutions to promote the fresh supply of the workforce.
Operational risks	Storage and logistics of partly hazardous substances,	Strict precautionary rules, continuous training of workers
Transition risks	"Obsolescence" and loss of market access of former processes, materials, plant varieties due to climate change	To be at the forefront of introducing new technologies, materials and crop varieties, and to remain a leading player in agriculture as a knowledge-based service provider
Supplier risks	Dependence on some large foreign suppliers Ageing of the farming population, concentration of production	Maintaining a good relationship with foreign partners, as an indispensable player in the domestic market, to maintain market position, expanding new supplier relationships, building stable relationships, maintaining market position by maintaining knowledge advantage
Climate change-related, so-called climate risks	Significant extremes in the productive capacity of agriculture	Adaptation, diversification, insurance protection for both farmers and KITE, and R&D

Data protection

GRI 418, GRI 418-1

Data protection and data security contribute to strengthening corporate governance, as compliance with the guidelines ensures ethical operations, increasing stakeholder confidence. We will therefore pay particular attention to managing this in a transparent way.

On our website you can find information about data protection. [↗](#)

- **personal data processed in the operation of the website** [↗](#)
- **the data of external persons** [↗](#)
- **on the protection and processing of personal data in the context of adult education.** [↗](#)
- **We carry out prudent data management when operating our Partner Portal** [↗](#)

The Partner Portal Privacy Policy is available in the following format:

- **Alisca Agrárház 2010 Kft.** [↗](#)
- **Agro-Chemie Kft.** [↗](#)
- **Agromag Kft.** [↗](#)
- **Ökoil Kft.** [↗](#)

In our activities, we comply to the maximum extent possible with the applicable legislation on data protection, data management and data processing, including the assignment of tasks and the training of participants in data management operations.

Our group of companies cooperates with the supervisory authority to ensure proper operation and full compliance with laws and regulations.

To protect your privacy, KITE uses ethical hacking (which has already taken place three times in recent years) to subject ourselves to a simulated cyber-attack and use the information thus gained to eliminate system vulnerabilities, strengthen security systems and protect sensitive data.

In 2023, there were no data breaches or data loss incidents requiring notification.



Glossary

AC (Assessment Center) – personality, work-related or intelligence tests and interviews

ADR (Accord européen relatif au transport international des marchandises dangereuses par route)
– Agreement concerning the International Carriage of Dangerous Goods by Road

AEP – Agro-Ecological Programme

Compliance – Compliance is a measure of an individual or organisation's ability to comply with the laws, rules, standards and ethical norms that apply to his or her or its activities.

CSR – Corporate Social Responsibility

Diversity – Variety

ERA (Environmental Respect Award) – Award for activities in favour of the protection of the natural environment

ESG – ESG is an acronym for Environment, Society and Governance.

EURO 6 classification – The EURO classification defines the maximum emission standard per kilometre. From September 2014, only vehicles meeting EURO 6 standards will be type-approved in the European Union.

FSMS – Feed Safety Management System. A third-party certifiable system, the standard holder is GMP+, aimed to design, implement, operate, maintain and upgrade processes that provide safe products and services for their intended use.

GEP – Good Experimental Practice. Its aim is to ensure that experiments are carried out according to uniform principles and in high quality. This is a prerequisite for the results of efficacy and phytotoxicity tests carried out in the field, in greenhouses, laboratories or in crop storage to be accepted by the authorisation authorities of other EU Member States, provided that the crop protection and agricultural conditions relevant for the use are compatible.

GHG – Greenhouse Gas

GLOBALG.A.P. – A series of international standards for certifying good agricultural practice (GAP Good Agricultural Practice). The standard series aims to minimise the adverse environmental impacts of agricultural operations, reduce the use of chemicals and ensure a responsible approach to worker health and safety and animal welfare.

GMP+ (Good Manufacturing Practice) – The GMP+ Feed Certification scheme (GMP+ FC) offers uniform international standards for the production of safe feed. Standards cover the entire feed chain, from production and trade, through transshipment and transport, to processing and storage.

GRI – Global Reporting Initiative

Halal food certificate – A certificate that shows that the production, packaging, storage and transport of food products comply with Islamic religious rules.

HACCP – Procedures based on the principles of Hazard Analysis and Critical Control Points. A self-monitoring system that identifies, assesses and controls food safety hazards.

ISCC – International Sustainability Carbon Certification. An independent, multi-stakeholder initiative and leading certification scheme that promotes sustainable, fully traceable, deforestation-free and climate-friendly supply chains.

ISCC EU – This certifiable scheme includes the requirements of Directive 2009/28/EC for biomass and bioenergy production.

ISO 9000 – This standard defines the basic concepts, principles and vocabulary for quality management systems (QMS) and provides a basis for other QMS standards. Part of the International Standard Series.

ISO 9001:2015 – The quality management system requirements of this standard complement the product and service requirements. Part of the International Standard Series.

Climate resilience – The capacity to withstand, mitigate and adapt to the impacts of climate change.

KOSHER certification – It guarantees compliance with the rules for the production, packaging and sale of food and drink according to Jewish belief.

LPG (Liquefied Petroleum Gas) – Car gas, a mixture of liquid hydrocarbon gases

MOHU – MOL Waste Management Kft.

MSCI – New York-based US financial company

Bottled gas – Propane butane gas

PGR – KITE Zrt.' own developed precision farming system

SAP (System Analytics Programentwicklung) – System Analytics and Program Development

SDGs – Sustainable Development Goals

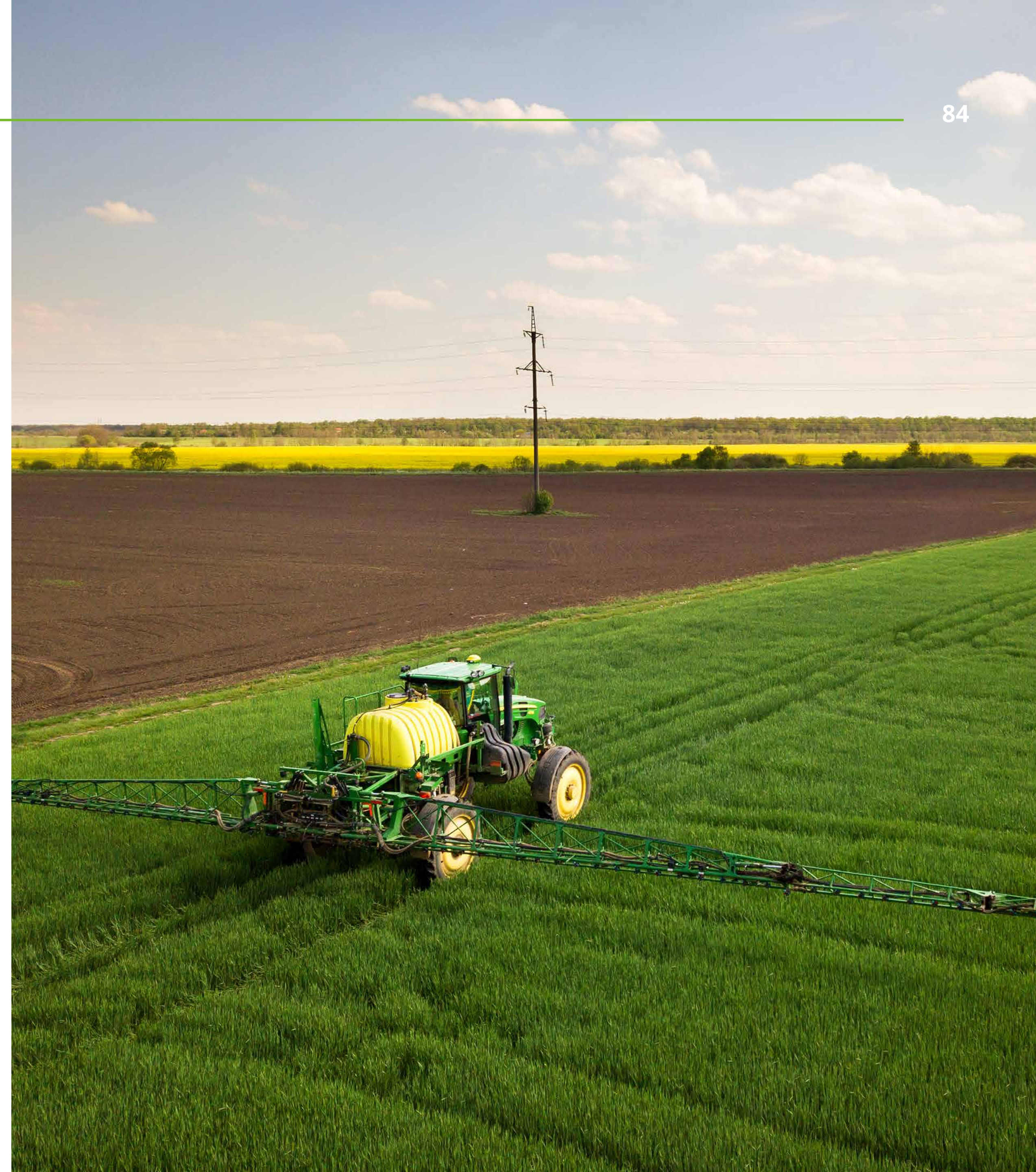
Scope 1 – scope of “direct” emissions means emissions from activities (fuel, natural gas) owned or controlled by the organisation.

Scope 2 – scope of “indirect” emissions means emissions from the purchase of electricity used by the organisation.

Scope 3 – This includes all other emissions that are not under the direct control of the company, such as employee travel or product disposal.

VRV – Variable Refrigerant Volume

WHO – World Health Organization



GRI Index

GRI Standard	Disclosure	Chapter name	Page number	Reason for omission / comment
GRI 2: General disclosure	GRI 2-1 Organisational details	About our report	5.	-
	GRI 2-2 Entities included in the organization's sustainability report	About our report	5.	-
	GRI 2-3 Reporting period, frequency and contact point	About our report	5.	-
	GRI 2-4 Restatements of information	About our report	-	KITE Zrt. has prepared its ESG report for the first time.
	GRI 2-5 External assurance	About our report	5.	-
	GRI 2-6 Activities, value chain and other business relationships	About KITE Zrt.	10.	-
	GRI 2-7 Employees	Staff and employees	57.	-
	GRI 2-8 Workers who are not employees	Staff and employees	57.	-
	GRI 2-9 Governance structure and composition	Governance of KITE Zrt.	68.	-
	GRI 2-10 Nomination and selection of the highest governance body	Governance of KITE Zrt.	68.	-

GRI Standard	Disclosure	Chapter name	Page number	Reason for omission / comment
	GRI 2-11 Chair of the highest governance body	Governance of KITE Zrt.	68.	-
	GRI 2-12 Role of the highest governance body in overseeing the management of impacts	Governance of KITE Zrt.	68.	-
	GRI 2-13 Delegation of responsibility for managing impacts	Governance of KITE Zrt.	68.	-
	GRI 2-14 Role of the highest governance body in sustainability reporting	About our report	5.	-
	GRI 2-15 Conflicts of interest	Conflicts of interest	72.	-
	GRI 2-16 Communication of critical concerns	Whistleblowing system	73.	-
	GRI 2-17 Collective knowledge of the highest governance body	Welcome	3.	-
	GRI 2-18 Evaluation of the performance of the highest governance body	Remuneration policy	74.	-
	GRI 2-19 Remuneration policies	Remuneration policy	74.	-
	GRI 2-20 Remuneration code of practice	Remuneration policy	74.	-

GRI Standard	Disclosure	Chapter name	Page number	Reason for omission / comment
	GRI 2-21 Annual total compensation ratio	Remuneration policy	74.	The presentation of numerical values and ratios relating to remuneration is a business secret in our company
	GRI 2-22 Statement on sustainable development strategy	Commitment to sustainability ESG strategy	15. 17.	-
	GRI 2-23 Policy commitments	Business Ethics and Compliance Purchasing practice	72. 76.	-
	GRI 2-24 Embedding policy commitments	Business Ethics and Compliance Purchasing practice	72. 76.	-
	GRI 2-25 Processes to remediate negative impacts	Whistleblowing system Risk management	73. 80.	-
	GRI 2-26 Mechanisms for seeking advice and raising concerns	Business Ethics and Compliance Whistleblowing system	72. 73.	-
	GRI 2-27 Compliance with laws and regulations	Compliance	73.	-
	GRI 2-28 Memberships	Major associations memberships	17.	-
	GRI 2-29 Approach to stakeholder engagement	Stakeholders	23.	-
	GRI 2-30 Collective agreement	Governance of KITE Zrt.	68.	KITE Zrt. does not have a collective agreement

GRI Standard	Disclosure	Chapter name	Page number	Reason for omission / comment
GRI 3: Material topics	GRI 3-1 Process to determine material topics	Materiality assessment	23.	-
	GRI 3-2 List of material topics	Materiality assessment	24.	-
	GRI 3-3 Management of material topics	Material topics Environmental protection Society Corporate governance	24. 25. 44. 68.	-
GRI 201: Economic performance	GRI 201-1 Direct economic value generated and distributed	Economic performance	78.	-
	GRI 201-2 Financial implications and other risks and opportunities due to climate change	Economic performance Risk management	78. 80.	-
	GRI 201-3 Defined benefit plan obligations and other retirement plans		-	Not relevant
	GRI 201-4 Financial assistance received from government	Economic performance	78.	-
GRI 203: Indirect Economic Impacts	GRI 203-1 Infrastructure investments and services supported	Indirect economic impact	77.	-
	GRI 203-2 Significant indirect economic impacts	Indirect economic impact	77.	-

GRI Standard	Disclosure	Chapter name	Page number	Reason for omission / comment
GRI 204: Procurement practices	GRI 204-1 Proportion of spending on local suppliers	Purchasing practice	76.	We are continuously improving our data and information collection
GRI 302: Energy	GRI 302-1 Energy consumption within the organization	Energy uses	29.	-
	GRI 302-2 Energy consumption outside of the organization	Energy uses	-	We are continuously improving our data and information collection
	GRI 302-3 Energy intensity	Energy uses	-	We are continuously improving our data and information collection
	GRI 302-4 Reduction of energy consumption	Energy uses	29.	
	GRI 302-5 Reductions in energy requirements of products and services	Energy uses	29.	
GRI 303: Water and Effluents	GRI 303-1 Interactions with water as a shared source	Water management	41.	
	GRI 303-2 Management of water-discharge related impacts	Water management	-	We are continuously improving our data and information collection

GRI Standard	Disclosure	Chapter name	Page number	Reason for omission / comment
	GRI 303-3 Water withdrawal	Water management	41.	-
	GRI 303-4 Water discharge	Water management	-	We are continuously improving our data and information collection
	GRI 303-5 Water consumption	Water management	41.	-
GRI 305: Emissions	GRI 305-1 Direct (Scope 1) GHG emissions	Emissions	36.	-
	GRI 305-2 Energy indirect (Scope 2) GHG emissions	Emissions	36.	-
	GRI 305-3 Other indirect (Scope 3) GHG emissions		-	We are continuously improving our data and information collection
	GRI 305-4 GHG emissions intensity		-	We are continuously improving our data and information collection
	GRI 305-5 Reduction of GHG emissions	Emissions	36.	-
	GRI 305-6 Emissions of ozone-depleting substances (ODS)		-	We are continuously improving our data and information collection
	GRI 305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	Emissions	36.	-

GRI Standard	Disclosure	Chapter name	Page number	Reason for omission / comment
GRI 306: Waste	GRI 306-1 Waste generation and significant waste-related impacts	Waste management	38.	-
	GRI 306-2 Management of significant waste-related impacts	Waste management	38.	-
	GRI 306-3 Waste generated	Waste management	38.	-
	GRI 306-4 Waste diverted from disposal	Waste management	38.	-
	GRI 306-5 Waste directed to disposal	Waste management	38.	-
GRI 401: Employment	GRI 401-1 New employee hires and employee turnover	Fluctuation	62.	-
	GRI 401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	Salaries and benefits	-	We are continuously improving our data and information collection
	GRI 401-3 Parental leave	Staff and employees	57.	-

GRI Standard	Disclosure	Chapter name	Page number	Reason for omission / comment	
GRI 403: Occupational Health and Safety	GRI 403-1 Occupational health and safety management system	Health and safety of employees	56.	-	
	GRI 403-2 Hazard identification, risk assessment, and incident investigation	Health and safety of employees	56.	-	
	GRI 403-3 Occupational health services	Health and safety of employees	56.	-	
	GRI 403-4 Worker participation, consultation, and communication on occupational health and safety	Health and safety of employees	56.	-	
	GRI 403-5 Worker training on occupational health and safety		Health and safety of employees	47.	-
			Training and education of employees	56.	
	GRI 403-6 Promotion of worker health		Training and education of employees	47.	-
			Salaries and benefits	54.	
			Well-being at work	55.	
GRI 403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships		Health and safety of employees	56.	-	
		Training and education of employees	47.		
GRI 403-8 Workers covered by an occupational health and safety management system		Training and education of employees	47.	-	
GRI 403-9 Work-related injuries		Health and safety of employees	56.	-	

GRI Standard	Disclosure	Chapter name	Page number	Reason for omission / comment
	GRI 403-10 Work-related ill health	Health and safety of employees	56.	-
GRI 404: Training and Education	GRI 404-1 Average hours of training per year per employee	Training and education of employees	47.	-
	GRI 404-2 Programs for upgrading employee skills and transition assistance programmes	Training and education of employees Staff and employees	47. 57.	-
	GRI 404-3 Percentage of employees receiving regular performance and career development reviews	Training and education of employees Performance assessment Salaries and benefits	47. 54.	-
GRI 405: Diversity and Equal Opportunity	GRI 405-1 Diversity of governance bodies and employees	Diversity and equal opportunity	64.	-
	GRI 405-2 Ratio of basic salary and remuneration of women to men	Remuneration policy	74.	We are continuously improving our data and information collection
GRI 413: Local Communities	GRI 413-1 Operations with local community engagement, impact assessments, and development programs	Corporate social responsibility and local communities	66.	-
	GRI 413-2 Operations with significant actual and potential negative impacts on local communities	Corporate social responsibility and local communities	66.	For KITE Zrt. and its subsidiaries, no negative impacts according to GRI 413-2 were identified

GRI Standard	Disclosure	Chapter name	Page number	Reason for omission / comment
GRI 418: Customer Privacy	GRI 418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	Data protection	82.	-
GRI 13: Agriculture, Aquaculture and Fishing Sectors Standard	GRI 13.1 Emissions	Emissions	36.	-
	GRI 13.2 Climate adaptation and resilience	Climate change adaptation and resilience	37.	-
	GRI 13.3 Biodiversity	Innovation, R&D, digitalisation	25.	For KITE Zrt. and its subsidiaries, the conservation of biodiversity is important and, especially in the case of PFS, an important focus of our activities.
	GRI 13.4 Natural ecosystem conversion	Innovation, R&D, digitalisation	25.	-
	GRI 13.5 Soil health	Soil protection	37.	-
	GRI 13.6 Pesticides use	Use of plant protection products Quality management	42. 75.	-
	GRI 13.7 Water and effluents	Water management	41.	-
	GRI 13.8 Waste	Waste management	38.	-

GRI Standard	Disclosure	Chapter name	Page number	Reason for omission / comment
	GRI 13.9 Food security	Innovation, R&D, digitalisation	25.	KITE Zrt. contributes to Food security according to GRI 13.9 through its sustainable agricultural practices
	GRI 13.10 Food safty	Food safty	43.	-
	GRI 13.11 Animal health and welfare		-	Not relevant
	GRI 13.12 Local communities	Corporate social responsibility and local communities	66.	-
	GRI 13.13 Land and resource rights		-	Not relevant
	GRI 13.14 Rights of indigenous peoples		-	Not relevant
	GRI 13.15 Non-discrimination and equal opportunity	Diversity and equal opportunity	64.	-
	GRI 13.16 Forced and compulsory labour	Business Ethics and Compliance	72.	-
	GRI 13.17 Child labour	Business Ethics and Compliance	72.	-
	GRI 13.18 Freedom of association and collective bargaining	Business Ethics and Compliance	72.	-

GRI Standard	Disclosure	Chapter name	Page number	Reason for omission / comment
	GRI 13.19 Occupational health and safety	Occupational health and safety	56.	-
	GRI 13.20 Employment practices	Human policy strategy Salaries and benefits Business Ethics and Compliance	45. 54. 57. 72.	-
	GRI 13.21 Living income and living wage	Salaries and benefits Remuneration policy	54. 74.	-
	GRI 13.22 Economic inclusion	Purchasing practice	76.	-
	GRI 13.23 Supply chain traceability	About KITE Zrt. Purchasing practice	10. 76.	-
	GRI 13.24 Public policy		-	Not relevant
	GRI 13.25 Anti-competitive behaviour	Business Ethics and Compliance	72.	-
	GRI 13.26 Anti-corruption	Business Ethics and Compliance	72.	-