

Jó étellel teljes az élet





#### Dear Reader,

Nestlé has been present in society for over 150 years and caring for future generations has been part of our DNA since the beginnings. We have been present in Hungary for 27 years, currently being the largest Swiss investor and employer. This comes with immense responsibility, which is also a result of the fact that you can find Nestlé brands in nine out of ten Hungarian households and our regional production capacity enabled us to export 15 times as many goods in volume in 2017 than we had imported. The strategic foundation of our operation is our Creating Shared Value approach.

As the largest global food and beverages company, our operation based on **excellent quality**, **safety and the latest nutrition science research** relies on our efforts to provide answers to current social challenges and to the continuously changing demands of our current and future consumers, partners, employees, suppliers and our environment. We believe that the key to our success and long term profitability is that we also ensure the welfare and wellness of those around us, in partnership with them.

The report you are reading presents both the global Creating Shared Value activity of Nestlé and the achievements of the employees of Nestlé Hungária Kft. in helping all those we interact with to have a better life and healthier future. Our Creating Shared Value summary does not only highlight our performance and achievements until now, but sets the next steps for us, as there are countless ways in Hungary we do work for for individuals and families, and the future of our communities and the planet.

I hope that after reading this summary report, you will also recognise that Nestlé is committed to staying in Hungary in the long run. We do our best to ensure that our employees, stakeholders, consumers and all those we meet in doing business benefit from our presence in Hungary. Thank you for your trust and the joint results we are so proud of.

Enjoy our summary report.

Budapest, 15 May 2018

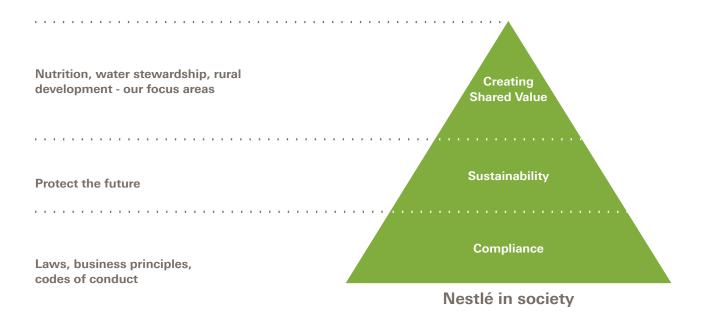
**Péter Noszek** Managing Director Nestlé Hungária Kft.

# Overview, or what is this publication about?

At Nestlé we believe that for our company to prosper in the long run, we must create value for not only our shareholders, but for the communities in which we operate and for society as a whole.

This approach that we call **Creating** 

Shared Value, governs our way of conducting business every day, and helps us fulfil our mission to enhance the quality of life and contribute to a healthier future for an increasing number of our consumers.



In addition to complying with the stringest legal and business requirements, we also would like to do something for the future, our broader environment and stakeholders.

We identified three key areas were we can have the greatest possible impact for our future through our business operations and social partnerships.



## For individuals and families

We enable a healthier and happier life, primarily by acting on our nutritional commitments, through our product developments, and the implementation of our research and education programmes and initiatives.



## For our communities

We promote the sustainable development of communities, including rural development and youth employment programmes, and our initiatives for our operating environment and our suppliers.



## For the planet

Stewarding resources for future generations. This includes our efforts aimed at water stewardship, environmental protection and in support of combating climate change.

We also set the following global ambitions to reach in these areas by 2030:

- Help 50 million children to lead healthier lives
- Improve 30 million livelihoods in communities directly connected to our business activities
- Strive for zero environmental impact in our operations.



This report presents you the details of our associated Hungarian and global initiatives as well as our objectives to **create value in the long run** for our present and future stakeholders.

The following chapters will not only present you our results until the end of 2017, but also an insight to our future ambitions. We hope you will enjoy reading about these efforts as we enjoy working every day to deliver our best to meet the highest expectations.

The themes discussed in the summary of our results in Hungary, the details of our achievements and our future objectives are available on our Hungarian website at www.nestle.hu and www.nestle.hu/csv.

Join our social media community and follow us on Facebook: www.facebook.com/nestleHU.

Our global results and commitments are available at length in our full online report "Nestlé in society – Creating Shared Value", and on our corporate website www.nestle.com under the "Nestlé in society" menu item (www.nestle.com/CSV).



### **Nutritional commitments**

At Nestlé Hungary, our primary ambition is to help individuals and families to lead healthier and happier lives. For this purpose, we made 10+1 nutritional commitments we focus on during our daily business.

#### 1. Reformulation



## 1. We reduce the salt content in our products

We reduced the salt content of MAGGI products between 2013 and 2016 by 8% on average, including soups, fixes and bouillons.

We launched 9 products with reduced salt content in Hungary for public catering by 2015.



## 3. We reduce the saturated and trans fatty acid content in our products

We eliminated the partially hydrogenated oils from our products by the end of 2016. The saturated fatty acid content of MAGGI bouillons decreased by 23% on average between 2014-2017.\*\*

\*\*The percentage reduction is calculated based on sales volumes for a given category.

## 2. We reduce the added sugar content of our products

Between 2013 and 2016 we reduced the sugar content of breakfast cereals for children by 23% and that of Fitness cereals by 24%. The reduced sugar Nesquik cocoa powder with over 50% less added sugar has been available in Hungary as well since 2016.\*

\*So the cocoa drink sugar content with the low-fat milk is min. 30% less than the average for cocoa beverages on the market for children



# 4. We increase the whole grain content, and optimise the minerals and vitamin composition of our products for children

Our cereals for children have **whole grain** as their main ingredient and is also enriched with **9 added vitamins and minerals**. Our Nesquik cocoa powder contains 5 added vitamins and minerals to provide a more balanced diet for children.

## 5. We continuously develop products for people with special nutritional and consumer needs

The range of our products in this category is continuously increasing, while we also continue to reformulate our existing portfolio.

- As a result of our 50 years of protein research, we introduced **the optimised Nestlé OPTIPRO**® protein with unique protein quality and quantity.
- The range of our healthcare nutrition food products is constantly expanding, for example, with OptiFibre, our dietary supplement.
- In 2015 we introduced gluten-free Cornflakes.
- By 2020 we aim to have familiar ingredients in the recipe of **our MAGGI range**, which are also available in the kitchen, to further decrease the salt in the products, and to completely eliminate artificial flavours in our cereals.

#### 2. Information



## 6. We display nutritional and portion guidance information on our product packaging to assist our consumers in making conscious decisions

On top of regulatory requirements, all of our relevant products feature **nutrition information labels**, **portion guidance and recommendations** that help consumers make informed choices.

#### 3. Responsible marketing and education



#### 7. Responsible marketing for children

All our products marketed to children under 12 satisfy the EU Pledge Nutrition Criteria White Paper, furthermore we do not pursue any activities that encourage children under 12 to consume sweets. In 2018, we further tighten our provisions for POS and media channels based on the Nestlé Marketing to Children Policy.



#### 8. We promote and encourage a balanced diet and physical activities

We have reached over 450,000 children through our NUTRIKID® school nutrition education programme within the framework of the Nestlé Healthy Kids Programme. The GYERE - Gyermekek Egészsége Program® (Children's Health Programme) led by the Hungarian Dietetic Association (MDOSZ) was launched in Szerencs in 2015, and 2,259 children participated in the programme until 2018. We are launching the GYERE programme in Diósgyőr in 2018 where we will reach 3,035 children under the professional leadership of MDOSZ. As part of our commitments, all of our employees attend nutrition training.







#### 9. Education on infant nutrition

We educate Hungarian paediatricians and nurses on the importance of the first 1,000 days of babies in our "Start healthy, stay healthy" training programme, and have built a knowledge base of some 120 articles for expectant mothers.



#### 2. Research



#### 10. We contribute to children's nutrition intake survey

In 2014, together with the Hungarian Dietetic Association, we conducted a nutrition intake research among children between 4-10.

We conducted a survey in partnership with other industry participants among 0-3 year olds in 2016.



#### 10+1 We conduct medical and biological research in the Nestlé Institute of Health Science

Besides continuously reformulating our core product portfolio, the medical and biology research conducted in the Nestlé Institute of Health Science gives the resources to develop products for special needs.

Our ambition is that by 2020 we develop more special products on the back of research focusing on healthy metabolism, the digestive system and the brain, healthy ageing and skin health. The range of our special food products – for healthcare and medical use – will be suitable to be integrated in ketogenic and cow's milk protein allergy (CMPA) diet, and also to be used in the case of metabolism disorders and dysphagia by 2020.



The details on how we fulfilled our commitments are available at www.nestle.hu.

## Nestlé Healthy Kids Programme



As a leading food company in Hungary, Nestlé Hungária is committed to improving the eating and lifestyle habits of the Hungarian population, particularly children in partnership with industry associations and healthcare organisations.

#### Study in children's lifestyle

The joint study of Nestlé and MDOSZ in 2014 revealed that the lifestyle of Hungarian children between 4-10 is characterised by unfavourable eating habits, early obesity, and the inadequate or the excessive intake of certain nutrients.

#### **NUTRIKID®** Programme

We launched **the NUTRIKID**® programme with the professional support of the Hungarian Dietetic Association (MDOSZ) in 2003. Our aim with our **health education programme** is to teach schoolchildren in a playful manner about healthy nutrition and appropriate physical activity, shape their awareness and behaviours with the involvement of their teachers.

#### **GYERE® Programme**

It was in 2015 that the GYERE – Gyermekek Egészsége Program® (Children's Health Programme) was launched in Szerencs, implemented under the professional leadership of MDOSZ and within EPODE, the largest network in the world seeking to prevent childhood obesity. We reached children both directly and by involving their schools, families and surroundings, creating an environment that supports families in leading a healthy lifestyle. All the town residents between 0-18, that is 2,259 children participated in the 3-year programme, where the participation of the education institutions, the district nurse network, the local public caterers and parents proved critical.

You can read further information about the GYERE® Programme on the MDOSZ website at **www.mdosz.hu**.

Nestlé schedules the launch of the GYERE® Programme in partnership with MDOSZ in Diósgyőr in 2018.

#### **Eatself programme for adolescents**

Eatself is a pilot programme that started in 2017 under the professional leadership of MDOSZ. In contrast to previous activities, this programme addressed adolescents between 15-17 and involved teachers in the education programme more intensively.

The curriculum covering 10 lessons reached some 1,000 secondary school students in Budapest during the 2017/18 school year. We registered significant improvement in several critical areas in their knowledge on balanced diet, such as the importance of breakfast and quality nutrients.

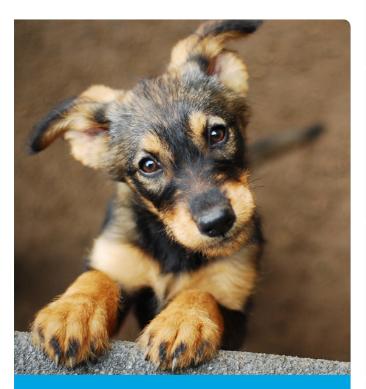


# **PURINA** in society



The Bük factory of Nestlé in Hungary produces PURINA pet food for pets in over 40 countries, and is one of the pet food production hubs in Europe.

The welfare of pets and responsible pet ownership is at the core of our activities at PURINA. We strive to enrich the days of pets and those who love and care for them. What does it actually mean?



#### Nestlé for shelter pets

Nestlé employees regularly participate in actions organised by animal shelters and raise awareness towards the situation of animals in shelters, encouraging their adoption.

## Favourable product ingredients for the balanced nutrition of pets

We offer a wide range of products to give the appropriate choice for pets with different nutritional and caring needs. Our aim, by way of our product ingredients, is to help pet owners in providing a **balanced and healthy diet** for their pets.

#### Therefore:

- 1.) we conduct research in cooperation with our partners focusing on the balanced nourishment, nutrition and health preservation of cats and dogs,
- 2.) we eliminate artificial colouring in our products.

## Gondos Gazdik Magazine (For Caring Owners)

in 2018 we **launched Gondos Gazdik Magazin** to promote and support responsible pet ownership. Our goal is to raise awareness extensively regarding responsible pet keeping, and provide professional advice, share stories and best practices with pet owners.

#### **PURINA** for animals

The animal shelter of HEROSZ in Budapest became a key partner of PURINA in 2011. By launching the joint program, our primary aim was to improve animal rescue work and support the animal shelter, and to use all possible means to draw attention to the importance of responsible pet ownership.

#### **PURINA Pets@Work**

In 2017 we launched PURINA **Pets@Work** initiative within Nestlé Hungária as well.

Our employees can bring their pets to the workplace. This does not only improve the quality of time people spend at work, but also benefits their pets, because they can spend their time together.

#### **Donations**

In 2017 we **donated 20 tons of pet food** to help caring for the animals at the HEROSZ shelters and their efforts in support of pet adoption.

We continue to support HEROSZ throughout 2018 the same way.

For further details, please, go to our website at www.PURINA.hu.



## Nestlé needs YOUth



Nestlé Hungária wishes to play an active role in keeping youth in Hungary and support them in their labour market integration, offering training, development and attractive career opportunities. This is why we launched the Nestlé Youth Employment Initiative in 2013.

We aim to support and assist young people in successfully facing the challenges in the labour market.

The Nestlé parent company promoted the originally European programme to be a global best practice and extended it worldwide at the end of 2016 to be a comprehensive initiative called Global Youth Initiative covering all parts of the world.



#### Alliance for Youth

As part of Nestlé's global initiative, the "Alliance for Youth" partnership programme was launched in Hungary in 2014 across businesses, government institutions and professional partners to provide youth with relevant knowledge and skills for the world of work.

Another 16 companies joined Nestlé, because efficient partnership is essential to achieve our common goals. We organise career orientation, practical skills development and jobseeking assistance programmes for young people. We have held a total of 16 partner workshops and 12 roundtable discussions with the participation of 9 stakeholder organisations, reaching more than 15 000 young people until now. By the end of 2016, Nestlé and its 16 partner companies together employed 613 trainees, providing them opportunities to gain real work experience.

#### **Student Agent Team initiative**

Our recruitment programme started in 2016 involving university and college students in the life of Nestlé. Nestlé gave internship opportunities to **264** students between 2013-2016.

We wish to provide further 180 interns opportunities to gain actual work experience between 2017 and 2020.

#### **Academic training**

We launched a course in partnership with Szent István University where we give an overview to students in food trading major about the operation of Nestlé and the particularities of the food processing industry.

#### **Vocational Education and Training**

The aim of the training we launched in partnership with two secondary education institutions in Diósgyőr to assist the employability of disadvantaged youth and ensure succession of our retiring professionals. The programme had 36 participants by the end of 2017, and we aim to engage 45 people by 2020 and extend the programme to other Nestlé facilities.

#### Our employees

Every third of our 2,400 employees in Hungary was under 30 in 2017. We aim to grant work opportunities to another 150 young people between 2017-2020.

#### Entrepreneurship, startups

We supported and mentored startup partnerships in the scope of **Nestlé's NOAH initiative** in 2017 to drive youth entrepreneurship.

We joined a new initiative in 2018 called **Team Up!** where we partner with the K&H Group and another 3 major Hungarian companies to give our joint professional support to the Hungarian startup landscape and the international success of 100 startups between 2018 and 2020.

#### **Recognitions and awards**

- Best Responsible Employment Solution (CSR MarketPlace, 2015)
- Responsible Best Practice Award of the CSR section of the Hungarian PR Association (2016)
- VET Award of the Hungarian Chamber of Industry and Commerce (MKIK) for vocational education and training at the "Responsible Employer of the Year" contest of the National Employment Fund (2016)

For our communities

# Our factories and local communities

We have over 2,400 employees in our three factories in Bük, Diósgyőr and Szerencs, our Budapest head office and our sales force in Hungary. Our approach is that local communities where we operate should profit from our presence as much as possible, and we contribute to the development of cities and regions, as well as to economic welfare.

#### **Szerencs**

#### The Szerencs factory

The factory has been part of Nestlé since 1991 – for almost 30 years – and this unit has been the Central European regional coffee and cocoa powder production and packaging plant of Nestlé for years. Among others, this is where we produce and export our Nesquik OptiStart to 20 countries. It was also here in 2002 that we developed the Nescafé 3in1 line for the European market, and we have been producing it here ever since.

#### **Ongoing investments**

We invested HUF 180 million in 2015 in a new production line resulting in 10% packaging capacity increase and 100 new workplaces.

#### **Employment**

We employ approximately 500 people in our Szerencs factory.

#### Products from Szerencs for the whole world

The factory produces over 30,000 tonnes of finished products every year of which some 80% are produced for export. Products from Szerencs are available in 24 countries around the world, including Canada, Trinidad and Tobago.

#### **Suppliers**

The majority of our suppliers are Hungarian, delivering nearly **HUF 6.5 billion worth** products and services to the Szerencs factory.



#### Diósgyőr

#### The Diósgyőr factory

The only factory of the Nestlé Group in the world specialised exclusively in the production of **hollow chocolate figures**.

#### **Ongoing investments**

We invested over **HUF 2 billion** in the Diósgyőr factory between 2011 and 2017.

#### Reformulation



Our products are made of purely **real chocolate and we seek to support a balanced diet of our customers**: we have harmonised the weight of single portion figures and introduced recommended portion guidance on chocolate mutipacks.

#### **Employment**

We employ over **600 people** in our factory. In partnership with a local company that employs people with disadvantages and reduced capacities, the factory provides packaging work for 100 people.

#### **Training**

By the end of 2017, **36** people participated in our dual vocational education and training programme we started in order to train the new generation of confectionery professionals and transfer the traditional methods to ensure succession of the retiring workforce, and promote the youth employment. We plan to increase the number of participants to 45 by 2020.

#### Products from Diósgyőr for the whole world

In 2017 a record of **4,300 tonnes of products were** made in the factory, 88% of which were exported to **19 countries**, including Canada and Singapore.

#### Bük

#### The Bük factory

Nestlé purchased the factory in 1998 which since has become a **European hub of pet food production** as the consequence of continuous investments and expansions. The Bük factory was the first to produce both dry and wet pet food in the same facility in Hungary.

#### **Employment**

The number of locally employed workforce tripled in the factor in the past 10 years, now exceeding 900 people.

#### **Ongoing investments**

The new hall of production that opened in 2017 was the largest investment in the history of Nestlé Hungary, exceeding HUF 20 billion. We completed several investments of almost HUF 50 billion in total in Bük between 2011 and 2017.

#### Products from Bük for the whole world

**90%** of the Bük factory's production is **made for export, thanks to the excellent Hungarian ingredients and high standards of production**. Pet food from Bük is available in over 40 countries, including Germany, Austria, Italy, the Ukraine, Romania, the Czech Republic and Poland.



**Budapest** 

#### Head office

The head office of Nestlé Hungary with more than 300 people working both full-time and part-time in marketing, sales, business and support functions is located in Budapest.

## We are present with 9 product categories in the Hungarian market

Our categories are pet food, confectionery, coffee and cocoa, infant nutrition, cereals, culinary, professional (HORECA) and special healthcare food products.





# Our suppliers, agricultural and rural development

At Nestlé Hungary, we are committed to Hungarian suppliers.

Besides the use of domestically sourced raw materials, our export operations also significantly contribute to the development of the Hungarian national economy and agriculture, and that of their competitiveness.



#### Raw materials sourced in Hungary

The majority of the sugar we use in our Szerencs factory, and that of corn, wheat, barley, rape and meat we use in our Bük factory is from audited Hungarian suppliers who thereby and through their excellent Hungarian agricultural commodities are also part of Nestle's European group of suppliers.

#### **Hungarian suppliers**

Almost 80% of our suppliers are Hungarian enterprises.

#### Thousands of tons of raw materials

Our Bük factory uses almost 140,000 tonnes of ingredients (meat products and grain) every year, 60% of which is sourced from Hungarian suppliers.

## Nestlé is a key player in the Hungarian grain market

Nestlé did not only create a domestic and foreign market for Hungarian grain through its purchases, but it also contributed to improving the foreign trade balance of Hungary.

#### **Hungarian** grain

We have used more than 900 000 tonnes of Hungarian grain in our plants in the past 10 years, 36% of which has been used our facilities abroad.

#### Sugar from Hungarian sugar beet

In our Szerencs factory we use sugar made from Hungarian sugar beet. Our domestic suppliers have delivered some 100 000 tonnes of bulk white granulated sugar to Szerencs since 2010. They also supply other Nestlé units outside Hungary.

# Partnership, donation

Nestlé has supported the civil sector through donations and voluntary work for years. We have entered strategic partnerships with several national NGOs whose professional competence guarantees that our donations go to the best places, where it can make the greatest difference. We are honoured to have the Hungarian Red Cross and the Hungarian Food Bank Association as our key strategic partners.

#### The Red Cross – Nestlé Fund

An open-ended charity fund was set up by Nestlé in strategic partnership with the Hungarian Red Cross in 2008 to subsidise the medical treatment costs of children and youngsters aged 0-18. Between 2009-2017 we have **supported 100 children with HUF 7.402 million** in total.

We also support the work of the Red Cross with minor product donations.

We advanced the success of events such as the World Red Cross Day Hungary, "Hétcsoda" (Seven Wonders) Adventure Camp, Lake Balaton First Aid Service and the National Higher Education Blood Donation Competition.

## Hungarian Food Bank and Nestlé partnership

On account of our core business, we want to assist organisations that work towards eliminating food shortage and providing appropriate quality and quantity of food to those in need. We have been the proud partners of the Hungarian Food Bank Association since 2008. Nestlé Hungary donated food to indigents in the value of HUF 88.581 million in 2016 and HUF 25.131 million in 2017 in total.

Similarly to previous years, we participated in the **Donation Convoy organised for the World Food Day** in 2017 by the Hungarian Food Bank Association and FAO (UN Food and Agriculture Organisation) to call attention to nutritional problems the majority of people around the world face.

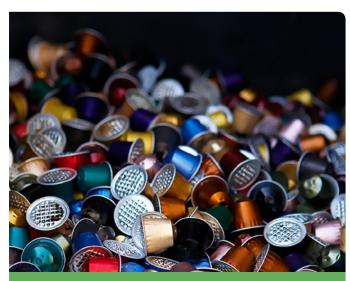


For our communities



# **Environmental** sustainability

Natural resources are becoming more constrained. Biodiversity decreases constantly, moreover climate change accelerates and exacerbates natural challenges the planet is facing. One third of the goods produced in the world every year becomes surplus or waste. At Nestlé Hungary we strive to use our planet's resources prudently. Leveraging our size and scale, we can spark positive changes and lead with example.



#### Recycling

Our ambition is to achieve 100% recyclable or reusable packaging by 2025. Therefore:

- 1) we stop using non-recyclable plastics,
- 2) urge the use of extensively recyclable materials,
- 3) eliminate or modify complex packaging materials of combined use.

#### Zero environmental impact

Our 2030 ambition is to strive for zero environmental impact in our operations and activities.

#### Product life cycle approach

We continuously monitor our environmental impact both in our own operations and along the broader value chain. For this we use the product life cycle approach using the **EcodEx ecodesign tool** developed by Nestlé for the assessment of products in the development process. When designing new products, we always take sustainability aspects into account and always carry out an environmental impact study in the first place.

## We constantly reduce GHG emissions in the whole value chain

Indirect CO<sub>2</sub> emission dropped significantly – altogether by 70% on average – in Nestlé's factories in Hungary in 2017 compared to the previous year, which is the result of switching to renewable energy resources.

#### Clean water is valuable

We continuously reduce water consumption in our factories and offices. In recent years, we have further **cut the amount of water required for producing 1 tonne of products in our factories**. This means that we use only 0.308 m³ of water for each tonne of goods produced in our Szerencs factory. Water consumption also decreased in our Bük (1.615 m³/t) and Diósgyőr (2.135 m³/t) facility. In addition to the above, another one of our key objectives is to reduce the amount of discharged water.

#### **Recycling Nespresso capsules**

We fully source the raw materials for our Nespresso capsules according to the new Aluminium Stewardship Initiative standard and reached 75% globally in recycling the capsule packaging. Currently there are 9 locations in Hungary where customers can return used capsules. In 2017 we introduced a unique service in Hungary: customers can return their used coffee capsules free of charge through a courier service.

PMR Kft., the recycling partner of Nespresso assists us in processing the collected used capsules.

A special processing unit developed by a Hungarian enterprise separates the aluminium capsules and the coffee grounds at the Debrecen site of the company. After separation aluminium enters the circulation of Hungarian aluminium production and resurfaces in the market in various forms.

Coffee grounds are used as a catalyst of the composting

Coffee grounds are used as a catalyst of the composting process in agriculture to improve soil quality.

Further information about capsules recycling is available at www.nespresso.com/hu.

# Sustainably sourced raw materials

Sustainability is also key for sourcing raw materials.

Committed to environmental protection and the protection of future generations, Nestlé gives priority to source the raw materials used for its products from responsible and sustainably operating suppliers. Raw materials are also delivered to our regional coffee and cocoa powder production and packaging factory in Szerencs in compliance with Nestlé's global commitments. What are these pledges exactly?



#### The Nescafé Plan

For individuals and families

The programme currently running in 17 countries makes Nestlé the largest buyer by volume of responsibly sourced coffee. Nescafé Plan fosters future coffee growing. We have used our FARMS (Farmer Advanced Management System) framework since 2017 to ensure transparency in sourcing with particular emphasis on interactions with farmers, their working conditions and labour rights.

#### Responsible supply chain

Parallel to the increasing demand for coffee the area of arable land shrinks. Therefore, it is key for Nestlé to secure the profitability of farmers and the productivity of coffee plants. We **uphold sustainability along the whole supply chain**, particularly with respect to the impacts on individuals, communities and the environment.

#### Nescafé from controlled sources

Our goal is to source 70% of coffee used for Nescafé products from certified sustainable sources by 2020 compared to today's 54%.

#### **Coffee plants for farmers**

We had distributed 30.9 million coffee plants among farmers by 2017 to ensure higher quality and sustainable productivity. Our goal is to reach 220 million coffee plantlets by 2020.

## Nespresso AAA Sustainable Quality™ Programme

We aim to source the highest quality coffee in line with the principles of environmental sustainability.

Nestlé spent some **HUF 10 billion** globally on coffee production, technical development and farmers' incentives globally in 2017 as part of the programme involving 70 000 farmers across 12 countries,

Nespresso has planted 2.5 million trees providing shade since 2014 within and around coffee farms to protect coffee plants from unfavourable climatic conditions.

#### The Positive Cup

Nestlé issued its first independent sustainability report called "The Positive Cup" regarding our Nespresso brand in 2017 emphasising our commitment to sustainable coffee growing.

Further information is available at www.nespresso.com/hu.



For more information on sustainable raw materials sourcing, please, go to our main Nestlé website at www.nestle.com/csv.



## UTZ certified cocoa powder drink from Szerencs

Nestlé is a committed member of UTZ, the world's largest programme to promote the sustainability of cocoa production and use. By supporting the programme and sourcing UTZ certified cocoa beans, we promote the long-term productivity of arable lands, and the improvement of the local farmers' living and working conditions, thereby eliminating child labour and forward gender equality.

Nestlé distributes Nesquik cocoa powder made in the Szerencs factory in nearly 20 countries using cocoa beans from UTZ certified farms. We use cocoa sourced from sustainable farms in the whole Nesquik product line. The products bear the Nestlé Cocoa Plan and the UTZ pledges.

Please, go to <a href="www.nestle.hu/tortenetek">www.nestle.hu/tortenetek</a> to read details about UTZ certified cocoa and hot it is used in Szerencs.

#### Cocoa Plan

The Cocoa Plan aims to relieve and find a solution to some of the main problems of cocoa producers, their families and communities by promoting the development of cocoa production. The plan seeks to improve farmers' profitability and quality of life, and enable their children to access education.

#### Sustainably sourced cocoa

Outperforming our original target, we sourced 186,358 tonnes of cocoa globally from sustainable and responsible sources through the Nestlé Cocoa Plan in 2017. We plan to reach 230,000 tonnes by 2020.

#### Nestlé against child labour

We closely cooperate with the International Cocoa Initiative (ICI) to eliminate child labour. We extended our own monitoring system in 2017 and are **now in touch with 65,486 farmers in Côte d'Ivoire and Ghana to prevent child labour**.

#### Nestlé against deforestation

We strive to eliminate all activities related to deforestation in our supply chain by 2020. In 2017 we signed the international Cocoa & Forest Initiative Framework of Action aimed at forestation in the largest cocoa producing countries (Côte d'Ivoire and Ghana) and the sustainable livelihood of locals.





























#### **Imprint**

Text: Anna Hőgyész, Fruzsina Gál

Published by: Nestlé Hungária Kft. Layout: Miklós Fekete

Printed by: e-print Magyarország Zrt.
Paper: Cyclus Offset (100% recycled)

Thanks to all colleagues at Nestlé who contributed to creating this publication.

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