

Nestlé in Hungary

Sustainability and Creating Shared Value Short Report

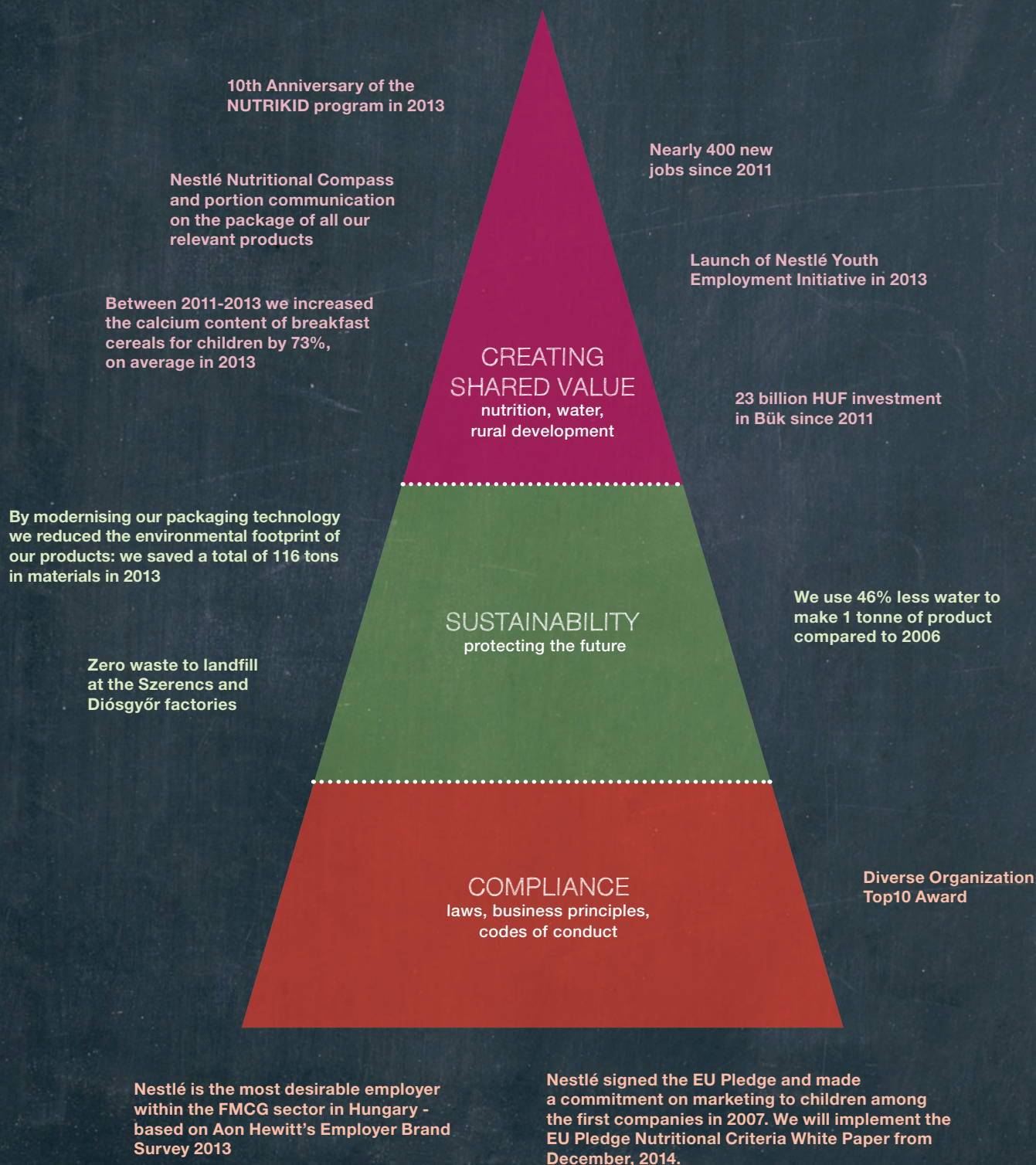
2012/2013



Good Food, Good Life



Major achievements



Welcome

It is my pleasure to introduce the Nestlé Hungary 2012/2013 Creating Shared Value Short Report.



Nestlé was founded nearly 150 years ago by Henri Nestlé who invented an infant formula product to address the high infant mortality in Switzerland. Since that time Nestlé has grown into the largest food company in the world built on the principles high quality, safe and nutritious food with innovations adapting to the changing needs and lifestyle of consumers.

In recent years as global population and economic activity have grown, the world has faced new and important challenges. How to ensure adequate income, balanced nutrition and clean water for the growing global population whilst at the same time avoiding the over exploitation of the earth's finite resources.

These are complex issues and everyone has a role to play in addressing them; governments, civil society and companies need to work together in the interests of the future of all. This report shares

with you the Nestlé approach to doing business which we call Creating Shared Value. We believe that we can only be successful today and during the next 150 years if we operate as a part of thriving, sustainable communities. Consequently the future long term success for our shareholders depends on the future long term success of the societies in which we operate.

This report aims to share with you our Creating Shared Value approach to doing business. Over and above the taxes we pay, the capital investments we make and the employment provided, we build our business on compliant operations, always striving to responsibly manage our impact on the environment and we leverage our know how to help make a difference to society in our focus areas of nutrition, water, rural development and youth employment.

It is our aim in this report to present our progress across all dimensions of our business and our commitments in a transparent way. With particular focus on Hungary I draw your attention to our 10 nutritional commitments and our recently launched Nestlé Youth Employment Initiative. We believe we can make important contributions to the key issues of healthy living and youth employment respectively.

I trust that by reading this report you will see how our company, our brands, our products and our people both here in Hungary and globally have, and continue to enhance the lives of our consumers through high quality, tasty and nutritious choices whilst operating this with a Creating Shared Value approach.

Michael Nixon
Managing Director

Our commitments

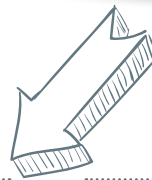
At a global level Nestlé has made 35 commitments in areas of corporate responsibility, such as nutrition, water, rural development, sustainability and compliance. The company aims to meet the commitments by 2020 or earlier.

The goals Nestlé aims to achieve include: leading the industry in nutrition and health research through internal programmes and external collaborations with top institutions; and providing nutritionally sound products designed for children.

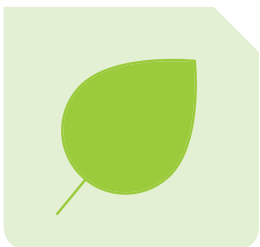
„We believe that Nestlé’s 2013 Creating Shared Value report (www.nestle.com/csv) represents a significant step towards implementing open communication. These forward looking commitments covering every part of our business, in order to provide a clear sense of the strategic direction we are heading in and the standards to which we hold ourselves accountable. They are real, they are credible, and we will do everything in our power to make sure they are deliverable. But we know that there will be challenges along the way, and these too we will share with you.” – Paul Bulcke, CEO, Nestlé S.A.

You can read in great detail about our 35 global commitments here: www.nestle.com/csv.

Nestlé’s Hungarian entities and factories actively contribute to the achievement of the global targets as well. In this report we highlighted those commitments which are the most relevant for the Hungarian market. You can read more about our commitments in the “full” version of our Sustainability and Creating Shared Value Report.



SUSTAINABILITY



WATER



NUTRITION



HUMAN RIGHTS AND LEGAL COMPLIANCE



RURAL DEVELOPMENT AND RESPONSIBLE SOURCING



The Baseline Of Our Operations: Meet The Highest Expectations



Creating Shared Value requires compliance with the highest standards of business practice, including international codes and standards as well as our own Code of Business Conduct, Corporate Business Principles, and Management and Leadership Principles.

Food Safety and Quality

The safety, health and wellbeing of our consumers across the world is our top priority and we are committed to providing them with food and beverages that are safe, compliant with all relevant laws and standards, and of the highest quality. Quality assurance and product safety are so important to us that they make up one of our 10 Corporate Business Principles, which form the basis of everything we do. As part of this pillar, we've made a commitment to never compromise on the safety of any product.

Suppliers, Contractors, Commodities

Nestlé's sourcing policy in Hungary is regulated by the local application of Nestlé Group's Code of Ethics and Business Conduct and Nestlé's Business Principles. Nestlé is committed to improve environmental and social performance not only in its own offices and production plants, but also in those of its suppliers.

To support this, in December 2013 we renewed our Supplier Code effective from July 2008 (www.nestle.com/suppliers).

The Code is binding upon all suppliers; its enforcement is verified by self-checks carried out by suppliers and third-party audits.

Responsible Marketing Communication

Responsible communication with consumers has been a part of Nestlé's business principles since 1999. Consumer Communication Principles:

- support moderate, healthy eating habits and physical exercise, and, in case of children, support the protection of the parents' authority and avoid creating unrealistic expectations of popularity or success;
- the observation of these principles is compulsory for all employees working in the areas of marketing and advertising and all agencies that work for Nestlé;
- these cover responsible communication and advertising aimed at children: on the one hand forbid advertising aimed at children

under the age of 6; and on the other hand limit marketing activity aimed at children aged 6-12 to products in the NF category – these contribute to a balanced diet, and comply with clear sugar, salt and fat intake limits. To find out more about Nestlé's Consumer Communication Principles please visit: <http://www.nestle.hu/taplalkozasegeszsegeletmod/felelosmarketing>.

Environmental Protection

Our fundamental principles relating to the environment are set out in Nestlé's Environmental Sustainability Policy. The company's environmental performance is assured by the Nestlé Environmental Policy, and by the "Nestlé Quality Management System" (NQMS). In 2009, our factories as well as our Budapest office obtained ISO 14001 certification for their environmental management systems.

Equal Opportunities, Equitable Treatment and Safety at Work

It is one of our core principles to provide every one of our employees with the necessary opportunities and support to foster the development of their abilities, in a secure and fair workplace where workers are involved in the life of the company, and where respect is shown for equal opportunity.

- For 2012-13 we set ourselves the target of strengthening the family friendly character of the workplace. We formed three task forces to explore realistic ways of making it easier for mothers returning to the world of labour from maternity leave and for parents of young children in general to find a better work and life
- The Nestlé Occupational Health and Safety Management System (an OHSAS 18001 compliant system) supports our work culture, which is committed to the "zero accident" policy. A behaviour-based work safety programme - the system of so-called safety talks (SUSA) - contributes greatly to the prevention of accidents, is up and running in all our production units.

You can read about our Corporate Business Principles here: www.nestle.hu/rolunk/uzletialapelvek

Our activities to protect the environment

Environmental sustainability means protecting the future by making the right choices in an environment where water is increasingly scarce and biodiversity is declining, and where climate change may exacerbate these challenges. Our everyday choices have become very significant. We are committed that Nestlé products will be not only tastier and healthier but also better for the environment along their value chain.

WATER CONSUMPTION

NESTLÉ'S GLOBAL OBJECTIVE

By 2015 we will reduce our water consumption per product ton by 40%.
(Benchmarked against consumption in 2005, taken as the average of the aggregate performance of our factories.)

OUR LOCAL PERFORMANCE (2013)

Szerencs	68% reduction
Diósgyőr	25% reduction
Bük	12% reduction
Kékkút	21% reduction



Our factories use 46% less water in total to make 1 ton of produce than in 2006, so in 2013 we saved enough water to fill approx. 174 Olympic-size swimming pools.

Nestlé also took part in the Water Summit held between 8 and 11 October, 2013. The world summit for water which was hosted by the Hungarian government in cooperation with United Nations organisations and the World Water Council was one of the most prominent events held that year about water and hygiene. During the four days of the Summit governments (of both highly developed and developing countries), international organisations, financial institutions, business enterprises, representatives of the private sector and academics all met in Budapest to debate the most pressing challenges associated with water and hygiene. Nestlé was also represented among exhibitors, with the intention of drawing attention to the importance

of water resources. Visitors to our booth set up in the Millenium Park could find out more about our role in protecting water resources at global level, and what steps we have been taking at local level for implementing responsible water management practices. Herbert Oberhänsli, Nestlé S.A.'s Vice President was a keynote speaker at the World Summit, and his speech was entitled: „Water shortage as a global food safety risk factor – why we need efficient water management”.

ENERGY EFFICIENCY

NESTLÉ'S GLOBAL OBJECTIVE

By 2015 we will reduce our energy consumption per product ton by 25%.
(Benchmarked against consumption in 2005, taken as the average of the aggregate performance of our factories.)

OUR LOCAL PERFORMANCE (2013)

Szerencs	34% reduction
Diósgyőr	27% reduction
Bük	7% reduction
Kékkút	11% reduction



Our Szerencs factory now uses 34% less energy to make 1 ton of produce than in 2006, so in 2013 resulting energy savings amounted to the equivalent of the annual gas consumption of approx. 1,090 households.

On 8 July 2011, the plant producing aluminium packed portions was opened at the Bük factory site. The opening of the new, water-intensive production unit has had a significant impact on the environmental footprint of the Bük factory, rendering it incomparable with historical figures for previous years, therefore we will review the performance of the Bük factory against a set of new targets determined in 2012. We have been gathering GRI based data at the Szerencs and Diósgyőr factories since 2006, and at our Kékkút production plant since 2009. In the case of these three factories, performance is measured against the earliest available GRI data.



CO₂ EMISSIONS

NESTLÉ'S GLOBAL OBJECTIVE

By 2015 we will reduce our CO₂ emissions per product ton by 35%. (Benchmarked against consumption in 2005, taken as the average of the aggregate performance of our factories.)

OUR LOCAL PERFORMANCE (2013)

Szerencs	21% reduction
Diósgyőr	28% reduction
Bük	2% increase
Kékkút	22% reduction

Nowadays we are using approximately 3,000 tons less PET than in 2004. The introduction of lighter PET technology in 2009 has gone a long way to facilitate the reduction in PET intensity, making it possible to make 15 new, lighter PET bottles from the same amount of plastic that used to be enough for 12 traditional PET bottles on average.



WASTE

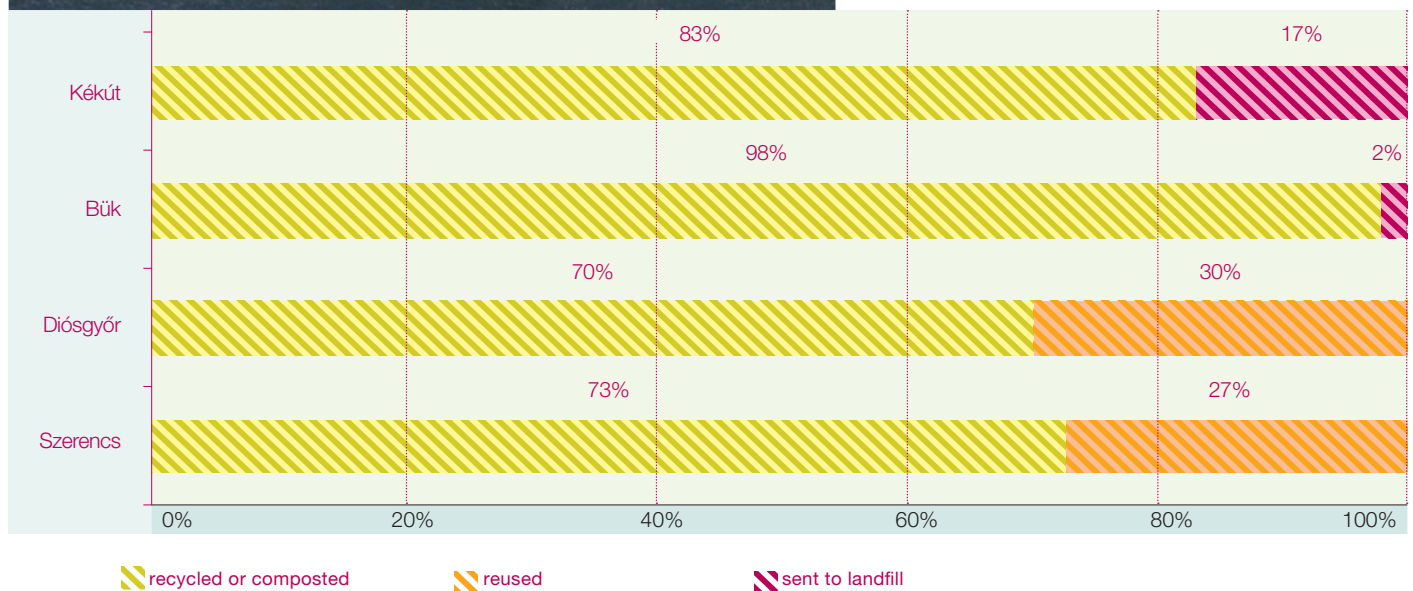
NESTLÉ'S GLOBAL OBJECTIVE

By 2020 we will reduce our production waste sent to landfill to zero at every European Nestlé factory.

OUR LOCAL PERFORMANCE (2013)

Szerencs	there is no waste sent to landfill
Diósgyőr	there is no waste sent to landfill
Bük	8% reduction
Kékkút	40% reduction

WASTE STREAMS IN BREAKDOWN BY TREATMENT METHOD (IN 2013, TONS)



By 2020 Nestlé factories will treat their waste that was previously sent to landfill either by recycling it as raw material or by incineration to generate thermal energy. In 25 out of 150 European factories, among them the Szerencs and Diósgyőr Nestlé facilities, this commitment has already been fulfilled, in other words the amount of waste sent to landfill has been reduced to zero. Since 2006 waste is being selectively collected both at the Szerencs instant coffee and cocoa, and at the Diósgyőr chocolate figurine production plants, and so

more than 70% of that waste can be recycled. Since 2012 the non-recyclable waste of the Nestlé factories operating in Borsod county are used to produce thermal energy with the involvement of an accredited incineration partner. Thanks to the new measures 100% of waste previously sent to landfill is now recycled at the Szerencs and Diósgyőr factories.



Creating Shared Value

Nutrition, Health and Wellness

We are endeavouring to learn more about the vital role nutrition plays at every stage of life. It is also recognised that nutrition plays a role in reducing the risk of diseases, allergies and obesity, and in the treatment of specific health conditions. In line with our ambition to be recognised as the world’s leading nutrition, health and wellness Company, we are committed to improving the nutrition – and therefore the health and wellness – of people around the world through the foods, beverages and services we provide, applying the research we carry out and the informed choices we promote.

Product Development

We put all our products through nutritional profiling based on a complex set of criteria called the Nestlé Nutritional Foundation criteria („NF”). These criteria are based on nutrition science and public health dietary recommendations, such as those of the World Health Organization and other global or local authorities. Our products are evaluated against these criteria, using the Nestlé Nutritional Profiling System, which

determines their nutritional value and whether they achieve the Nestlé Nutritional Foundation. You can read more about the „NF” criteria in the full version of our Sustainability and Creating Shared Value Report, and on our website: <http://www.nestle.com/asset-library/documents/creating%20shared%20value/nutrition/nestle-research-nutritional-profiling-system-dec2010.pdf>

1. MICRONUTRIENT FORTIFICATION

Through further fortification we help consumers in the adequate intake of certain micronutrients in the light of the results of the up to date dietary surveys.

OUR PROGRESS TILL 2013

- In 2013 we provided over 200 million servings of fortified foods and beverages with a special focus on children products, such as Nesquik cocoa drink and Nestlé breakfast cereals for children.
- Between 2011-2013 the amount of calcium increased by an average of 73% in our breakfast cereals for children.
- In 2013 we provided over 9 million servings of fortified infant products, such as fortified growing up milks, infant cereals and baby desserts for children above the age of 6 months. The mineral and vitamin composition as well as the added probiotics have been developed according to the needs of the infants.

2014 AND BEYOND

- In 2014 a Nesquik recipe (OptiStart) has been launched with a new vitamin and mineral composition, including Vitamin D and iron.
- By the end of 2014 all our breakfast cereals for children will be fortified with Vitamin D as well.
- By the end of 2014, as a result of the additional fortification, our kids breakfast cereal portfolio will be altogether fortified with 9, while our Nesquik cocoa drink powder with 6 vitamins and minerals.
- By the end of 2015 a nutritional benefit upgrade will be performed for the total infant cereal portfolio.



2. REFORMULATION OF CHILDREN PRODUCTS

We further develop our children products between the age of 3 and 12 in order to help them achieve a balanced diet.

OUR PROGRESS TILL 2013

- Between 2011-2013 we reduced the amount of sugar in kids breakfast cereals by 22% on average, while increasing their whole grain content. There is more whole grain than any other ingredient in our breakfast cereals, with a minimal content of 30% to contribute to the adequate consumption of whole grains.
- We use only natural flavours in our confectionary products for children.

2014 AND BEYOND

- We further ensure that our breakfast cereals for children will have less than 9 g sugar/1 serving of cereal. In order to fulfil the special needs of our consumers we are going to offer a gluten free cereal option in our assortment.
- By the end of 2014 we implement portion communication on pack on all our multi-serve children seasonal products and in parallel we will also perform weight reduction on some of these products. As a result one recommended portion of confectionary product, designed for children, will contain no more than 120 calories and 11 g added sugar.
- We have reduced the added sugar content of Nesquik cocoa powder to meet the Nestlé Nutritional Foundation added sugar criteria for children, which is based on the WHO daily recommendation, consumed as core of meal. We endeavour to make further reduction to help consumers achieve the total daily added sugar recommendation.

3. SODIUM/SALT REDUCTION

We continue reducing the amount of salt in our products to help consumers gradually achieve target daily salt intake corresponding to recommendations from the World Health Organization (WHO) and other leading international and national authorities.

OUR PROGRESS TILL 2013

- Between 2011-2013 the sodium content of our breakfast cereals for children decreased by 8% on average.

2014 AND BEYOND

- Due to the development process, started at the end of 2013 we have reduced the salt content of our fixes category (including the recommended additional salting) by more, than 30% on average, while the salt content of our cook up soup category by an average of 5%. We will continue the gradual salt reduction in the following years across our culinary portfolio.
- In 2014 Nestlé Professional will launch a new culinary product range with reduced salt content (no added NaCl).
- By the end of 2015 15 new, salt reduced culinary products will be provided to public caterers.

4. SATURATED FAT & TFA REDUCTION

We remove the trans fats originating from partially hydrogenated oils in our products. We continue reducing the amount of saturated fats in our products to help consumers gradually achieve target daily SFA intake corresponding to recommendations from the WHO and other leading international and national authorities.

OUR PROGRESS TILL 2013

- 100% of children's products meet the Nestlé Nutritional Foundation saturated fats criteria.
- Before the introduction of the national TFA regulation we were in line with its limits – all our products met the requirement of no more than 2g TFA/100g total fat (as a general principle).

2014 AND BEYOND

- We will remove trans-fat originating from partially hydrogenated oils from all food and beverage products by the end of 2016
- By the end of 2015 more than 90% of our relevant product portfolio (by turnover) will meet the Nestlé Nutritional Foundation for SFA as defined in the Nestlé Nutrition Profiling System.
- We will further reduce the saturated fat content in the remaining products that do not meet the Nestlé Nutritional Foundation criteria for saturated fat.

Information

Due to the increasing percentage of obese people and the insufficient intake of certain basic nutrients, the appropriate portion size and the frequency of consumption are increasingly important dietary considerations. We have been actively researching and solving these problems for years. One of the main drivers

behind the establishment and application (currently displayed on all of our relevant products) of the Nestlé Nutritional Compass is the desire to advocate healthy portions to consumers. You can read more about the Nestlé Nutritional Compass in the full version of our Sustainability and Creating Shared Value Report.

5. PORTION COMMUNICATION

By providing portion communication we help our consumers in achieving a balanced diet.

OUR PROGRESS TILL 2013

- In 2013 we had portion communication on 100% of our relevant* all year products.
- * all year products with the exception of cooking or baking aids (e.g.: cake coating and decoration compounds)

2014 AND BEYOND

- By the end of 2014 all our relevant products, including seasonals, will have portion communication in form of pack concept or practical description of proper portion.
- Our culinary fixes offer portion guidance for the whole meal, recommending vegetables as part of each meal. This way we would like to help consumers eat 5 portions of vegetables per day.

6. COMPREHENSIVE NUTRITION INFORMATION

We provide comprehensive nutritional information on labels.

OUR PROGRESS TILL 2013

- In 2013 100% of our relevant* all year products has the Nestlé Nutritional Compass with nutritional table and Good to talk box.
- * All year products excluding cooking and baking aids (e.g.: decorating compound)

2014 AND BEYOND

- By the end of 2016, beyond the regulation on mandatory nutrition declaration, we will give the reference intake value of energy and macronutrients for 100g/100ml product as well as for one portion on back of pack, while we will also feature the reference intake value for energy on front of pack for one portion by all our all year products, where there is sufficient pack surface.**
- Furthermore we provide nutritional information and recommendations in our Good to know or Extra tip boxes to help our consumers achieve a balanced diet, where we have sufficient pack surface.
- By the end of 2015 we will have additional labelling evolution through QR code (in volumes) on 40% of our confectionary products, while almost 100% of our coffee (pure, mixtures and capsules) and 70% of our Nesquik category.

** Exceptions: Foods which are exempted from the requirement of the mandatory nutrition declaration (1169/2011/EU), listed in Annex V., furthermore products which are designed for and used by caterers, for gifting purposes as well as products for special dietary uses tailored to specific needs of a consumer group.

7. MARKETING TO CHILDREN

We promote our products with responsibility according to the EU Pledge criteria and Nestlé Marketing Communication to Children Policy.

OUR PROGRESS TILL 2013

- Nestlé Principles concerning appropriate communication with consumers have been a part of the Nestlé Corporate Business Principles since they were first published in 1999. These undergo periodic review, and a more complete and detailed set of Principles was released in 2002. They were further strengthened in regard to children in 2004, 2007 and most recently in September 2011.
- Nestlé signed the EU Pledge on marketing to children among the first companies in 2007.
- The implementation of EU Pledge commitments are monitored by independent bodies. The provisions of the EU Pledge are consistent with Nestlé's own global Policy on Marketing to Children.

2014 AND BEYOND

- We will implement the EU Pledge Nutritional Criteria White Paper from December, 2014.
- All products advertised in programmes with an audience of 35% or more of children under 12 will need to comply with the EU Pledge Common Nutritional Criteria
- According to the EU Pledge White Paper we are committed not to advertise confectionery products to children under 12 years of age.

8. START HEALTHY, STAY HEALTHY

The WHO recommends exclusive breastfeeding for the first six months of life and at Nestlé we fully support this. Based on Nestlé's continuously collected scientific knowledge about the unique and long term health benefits of breastfeeding, our aim is to develop infant products to provide effects the closest possible to Breastfeeding with clinically proven efficiency for those babies whose mother unable to breastfeed.

As a key platform of Nestlé Start Healthy, Stay Healthy we aim to educate all stakeholders on the understanding of the nutrition a baby gets in the first 1000 days, sets the foundation for better health in later life in compliance with the WHO Code.

OUR PROGRESS TILL 2013

- Within Start Healthy, Stay Healthy program we have educated the main stakeholders: mothers, midwives and pediatricians about infant nutrition during the last 3 years. We helped mothers through online and offline channels, involving health care professionals in the information sharing. We also developed a training book about infant nutrition together with the Hungarian Association of Midwives to help the education of midwives and started the regular visits of nurses in 2013. Nestlé Hungary regularly hold scientific seminars where we educate pediatricians on general infant nutrition topics as well as State-approved Credit point seminars for educational purposes next to the everyday visiting activity.
- From 2011, Nestlé has been included in the FTSE4Good index.

2014 AND BEYOND

- We continue the non-branded Start Healthy, Stay Healthy educational program based on the current learnings in all possible channels where both professionals and consumers are receptive to these topics.
- We plan to broaden the platform towards pregnant mothers in order to support their knowledge at an early stage about the importance of the first 1000 days feeding of the baby which starts at conception. Importance of breastfeeding and early prevention of long term health consequences of malnutrition are the most emphasised topics to educate them.
- In addition we continue the cooperation with Hungarian Pediatric Association regarding the education of pediatric society in terms of scientific evidences on the field of infant feeding.
- We aim to keep our index in FTSE4Good.

NUTRIKID® Education Program

Education can be an effective way of making children understand that eating a balanced diet and taking exercise are vital components of growing up as physically and mentally healthy adults. The Nestlé Healthy Kids Programme aims to promote healthy lifestyle choices among school children all over the world. In line with the principle of joint partnership

the programmes are being implemented with the help of and in collaboration with local health authorities, institutions and nutrition experts. By the end of 2015 the Nestlé Healthy Kids Programme will have been rolled out in 80 countries whereas today it runs in 68 countries, in conjunction with the youth athletics program of the International Athletics Federation (IAAF).



9. PROMOTE HEALTHY DIET AND PHYSICAL ACTIVITY

We continue promoting healthy diets and lifestyles, physical activity through our nation-wide education programme.

OUR PROGRESS TILL 2013

- The NUTRIKID non-branded education programme was launched in 2003 with the partnership of the Hungarian Dietetic Association.
- Since the beginning 85% of Hungarian primary schools (3100) with 420 000 children joined the programme.
- As the effect of NUTRIKID, children are more aware and conscious about correct nutrition and physical activities. As a result of the programme, nine out of ten primary school pupils consider regular meals important*.
- NUTRIKID is part of a greater commitment, the Nestlé Healthy Kids Programme.

* Nestlé Hungária Kft. NUTRIKID survey conducted among 10-12 year olds, 2011 by Hoffmann Research

2014 AND BEYOND

- In the following years we will continue the NUTRIKID programme to promote healthy diet.
- Nestlé Healthy Kids initiative will put further focus on the promotion of physical activity as part of a healthy and balanced lifestyle.
- Within the promotion of healthy nutrition we will highlight the importance of every day breakfast consumption and the ideal composition of a balanced breakfast.

10. NUTRITION EDUCATION AMONG OUR EMPLOYEES

We continue providing theoretical and practical nutrition education and healthy lifestyle education programmes to our employees.

OUR PROGRESS TILL 2013

- In order to ensure, that the internal culture is built upon continuous nutrition training, Nestlé established the Nutrition Quotient (NQ) training. The aim of the training programme is to ensure everyone at Nestlé has a good nutrition understanding and empower them to apply NQ learnings in their professional activities and day-to-day lives.
- In 2012 NQ training was provided in form of posters, reaching the employees of head office and factories.

2014 AND BEYOND

- By the end of 2015 all Nestlé employees will receive updated NQ training in form of poster and handout series, workshop, e-learning or presentation.
- In 2014 we launch our internal engagement programme, consisting of 4 pillars: nutrition education, nutrition practice, mental & physical activity education/prevention and practice. The multilevel programme will be adapted to the different needs of knowledge of our employees, focusing on practical solutions.

Our Factories in Hungary



Factories in Szerencs and Diósgyőr

On 11 April 1991, Nestlé acquired the Szerencs and Diósgyőr plants, and subsequently founded Nestlé Hungária Kft. As a result of production developments, the factory in Szerencs became Nestlé's European centre for the production and packaging of powdered beverages. This is the place where the well-known *Nesquik* and *Nescafé 3in1* products are manufactured. In 2013 30,154 tons of powdered beverages rolled off the conveyor belt of our Szerencs production plant, from which more than 80% is exported. The volume of production has been continuously rising in the past 3 years at Nestlé's only manufacturing unit specialised solely in chocolate figurines, namely the Diósgyőr factory. As a result in 2013 52 percent more premium quality chocolate figurines were manufactured at this chocolate factory (68 million pieces in total) compared to 2010. 88% of produce manufactured at the Diósgyőr facility is exported: hollow chocolate figures made here travel to 24 countries of the world. In 2013 we installed a new automated packaging line, with a built in capacity to package 600 tons of produce per annum. Nearly 100 permanent jobs were created at the same time and so starting from the end of the same year 400 Nestlé employees and 200 seasonal workers are involved in manning the production process.

The Bük Pet Food Factory

In 1998, Nestlé acquired Jupiter Állateledel Gyártó Kft., a pet food factory along with its facilities in Bük, as well as the rights to use the DARLING brand name. Following this acquisition, an additional pet food factory was established in the town, by an investment of nearly 6 billion HUF – the very first facility in Hungary to produce both dry and wet (canned) pet food. In the last 3 years and after a 23 billion HUF investment our Bük pet food factory complex has become one of the largest pet food production facilities in Europe. This expansion created 400 more new jobs at the Bük factory, and by the end of 2013 the number of its workforce increased to 836 people. As a result of the investment factory floor space increased by 15,000 m² to 55,000 m² in total, 4 new automated production lines were installed to double the plant's production capacity of Nestlé *Purina* aluminium foil packed pet foods such as *Felix*, *Gourmet* or *Friskies*.

Kékkúti Ásványvíz Zrt.

Kékkúti Ásványvíz Zrt. is one of Hungary's oldest and largest companies bottling and distributing mineral water, and was acquired 100% by Nestlé Waters in 2003. Kékkúti bottles the *Theodora Kerekí*, *Theodora Kékkúti*, *Nestlé Aquarel* mineral waters for the Hungarian market, and it is the importer and distributor of the *Perrier*, *Acqua Panna*, *San Pellegrino* and *Nestlé Vera* brands. 2013 was the international Year of Water Cooperation, and so we paid special attention to and focused even more of our efforts on creating awareness about the importance of water management and water saving practices. Like in previous years, we invited school children from the Káli-basin to learn about the vital role of water through a range of entertaining challenges created by the Project WET program.

In these last two years we continued the work we had started earlier to reduce our environmental footprint and to protect our mineral water bases: from 2004 to 2012 we saved more than 481,000 m³ of water as a result of the technological developments carried out. The same quantity would be enough to fill 213 Olympic size swimming pools. We are continuously reducing the weight of our packaging materials, as a result we have used 3000 tons less PET raw material in the past 9 years. This amount we have saved since 2004 equals a whole year's raw material demand.

700 employees

2 year,
0 accidents
in Szerencs

The production output of the Diósgyőr factory is 68 million figurines per annum. In comparison this means that after giving the entire population of France a chocolate figure each, there would still be a couple of left over.

During 3 years

+15 000 m²
factory floor space

+4 new production lines

+400 jobs

Project WET (Water Education for Teachers) is the name of an interactive education program package, which has been used since 1984 to teach pupils about environmental awareness and the importance of protecting our water resources. Hungary was the first country in Europe to launch the education program package initially called „One droplet of knowledge about water” with Kékkúti Ásványvíz Zrt.'s sponsorship.

Nestlé Youth Employment Initiative

The rate of youth unemployment among under 25 year olds is 24% in Europe, compared to 27% in Hungary. Youth unemployment is a major issue in Europe, with one in four young Europeans – about 5.6 million people – affected. Nestlé is growing in Europe and needs to prepare the next generation. Attracting and retaining the best talent is critical for gaining competitive advantage in a slowly recovering economy, and Nestlé will offer 20000 jobs, traineeships and apprenticeships to under-30s by 2016. The roles will be across the business and at all levels – from operators on the factory floor to sales assistants and business managers. We will capture our progress against all markets' objectives with regular monitoring across all European operations.



Nestlé's European commitment:

By 2016 Nestlé will hire 10 000

young people and 10 000 trainees or apprentices below 30 years of age in Europe.



Get support

„Ready for work” career advice service for secondary pupils and further education students (CV writing, job interview training, career advice).

We are so far the only company to join the career advice roadshow launched as part of the Hungarian government's New Generation Programme, a series of complex programmes for young people studying in the state education system which was launched to guide them in their career decisions and their smooth integration into the labour market.



Get Skilled

Our aim is to increase the number of apprenticeships available at our 4 Hungarian factories and at our Budapest Head Office by at least 50% over the next 3 years.

We are going to provide at least 180 apprentices with the chance to gain work experience



Get More Opportunities: Alliance for Youth

Quite a few of our 4,000 Hungarian suppliers have already joined the initiative. We are certain that by thinking together and acting in unison we can multiply the effectiveness of the Youth Initiative several times.

June 23, 2014 in Lisbon Nestlé Europe CEO Laurent Freixe and Nestlé's business partners signed up to the European Commission's „European Alliance for Apprenticeships”.



Get Hired

We employ 2,000 staff in Hungary, and it is our aim to help as many young people as possible to find employment and or work experience at our 5 production facilities in Hungary whether in production, administration, marketing, sales, communication, technology or research and development.

In Europe during the first 6 months 4,000 young people under the age of 30 have benefited from 'Nestlé needs YOUth':

- Almost 1,500 have been found regular full-time jobs.
- A further 1,500 have been given apprenticeships or enrolled in training programmes, and more than 1,100 have received temporary contracts from Nestlé.

To date we provided 143 young people with the opportunity to gain work experience.



Creating Shared Value

Nutrition | Water | Rural Development



Nestlé

You can download our Sustainability and Creating Shared Value reports from here: www.nestle.hu/csv.

We are looking forward to your feedbacks, comments. Please let us know what kind of topics we should go into the details in our next report.

Contact:

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