



Nestlé Good food, Good life

Creating Shared Value Summary 2021



We unlock the power of food to enhance quality of life for everyone, today and for generations to come

Welcome

Dear Reader,



Nestlé Hungária arrived at a major milestone in 2021: we celebrated our 30th anniversary.

Our 30th anniversary year was hallmarked by important initiatives, donations and developments. You can read about their details in the 2021 Creating Shared Value Summary report.

We are proud to have launched another major investment project in our Bük pet food factory creating 120 new jobs and increasing our annual production capacity by 50,000 tonnes. We transferred the ownership of the Szerencsi cocoa powder trademark, a favourite for many Hungarian households to the town of Szerencs. We also expanded our representative survey, originally completed seven years ago, to the whole country to assess the eating habits of children aged 4-10, accelerated our sustainability ambitions introducing new packaging developments to bring us closer to a circular economy, and announced a renewable food production and supply system in partnership with our suppliers. All this was achieved in the second year of the global pandemic that continued to impact our daily lives and buying habits.

We are aware that as the largest food company in the world we have enormous responsibility in preserving natural resources and creating a healthier future. To this end we shall rely on previous years’ achievements and aspire in 2022 to enhance the quality of life for all in Hungary through our product and packaging innovations, sustainability strategy and social responsibility actions.

Although this report is created to present the results of 2021, I cannot turn a blind eye to the ongoing events in Ukraine that continue to escalate at the time of this publication. The situation changes and evolves every day, and we at Nestlé focus on doing our best to protect our 5,800 employees and their families in Ukraine. We send emergency care packages of essential products and provide advance payment of salaries, and also assist those who fled or are planning to flee the country. The commitment and efforts of our Ukrainian team enabled us to restart limited operations in parts of the country where it is safe, helping to replenish the supplies in supermarkets. In parallel, we continue to donate essential food products, such as infant food, soups and pastas to the people of Ukraine. We are going to continue our donations as long as the conflict persists.

I would like to thank you on behalf of all Nestlé Hungária employees for your support and customer choices that confirm our commitment to create value for both our shareholders and the whole of society.

I hope you will enjoy our summary report.

Péter Noszek
Managing director
Nestlé Hungária Kft.



regeneration

Creating shared value, and responsibility for society and the environment are our key core values at Nestlé. We committed ourselves to achieving net zero greenhouse gas (GHG) emissions throughout our value chain by 2050. As the largest food company in the world, it is not enough to merely reduce our emissions, but must go even further. **As part of this ambition, we are reforming our complete food production and supply chain to not only balance our environmental impact, but make an expressly positive difference to the planet, environmental resources and society.**

Regenerative agriculture – the key to our future
Nestlé sources raw materials from 500,000 growers it works with directly and another 4.5 million farmers it engages through suppliers all over the world. We buy

wheat, corn and other cereal products, sugar and animal-delivered raw materials directly from Hungarian farmers and companies. We purchase 50% of the raw materials for our Bük pet food factory from Hungarian suppliers. We transform agricultural practices in partnership with our suppliers to reduce GHG emissions from agricultural activities. Intensive cultivation methods are replaced by regenerative agricultural practices for the benefit of nature and ensuring a decent farmer income.

Our aim is to source 20% of our core ingredients from farmers pursuing regenerative agricultural practices and increase this rate to 50% by 2030.

In addition, Nestlé focuses on healthy soils, net zero dairy farms and sustainably sourced cocoa and coffee.

Our nutrition commitments and product innovations

Our ambition is to provide affordable products that suit a balanced diet even as the population increases, while protecting and renewing natural resources to make them available for generations to come.



Product developments driven by health awareness
Our innovative solutions seek to apply health awareness and sustainability preferences in the development process of new products as well as the reformulation of existing brands. We produce more and more dairy and gluten-free foods, but our range also includes organic and plant-based choices as well as products with higher fibre content.

Committed to Nutri-Score labelling
We apply Nutri-Score labels that provide simple and transparent information on the nutritional value of our products to help health conscious choices. The internationally recognised science-based criteria developed by an independent expert organisation facilitates simple comparison of food products of the same product group. The system aims to help consumers in making conscious choices and guide them in including various food in a balanced diet.



Gluten-free and reduced-sugar products
We reduced the sugar content of NESQUIK® Extra Choco Instant cocoa powder by 13%.
Seasonal, solid KITKAT® figures, the KITKAT® advent calendar, and SMARTIES® Festive Friends filled milk chocolate are all gluten-free. In addition to the above chocolate varieties, we also introduced a gluten-free Corn

Flakes cereal bar with 30% less sugar than other cereal bars available in the Hungarian market.
Natural ingredients in select MAGGI® products
Maggi® bases and seasonings are made with dried ingredients, this ensures the shelf lives of the products and eliminates the need for any added preservatives.





The Garden Gourmet® line contributes to the appropriate quality and quantity of protein intake, and offer diversified main meals for vegans, vegetarians and flexitarians alike



Introducing the vegan KITKAT® in Hungary
KITKAT® V is the result of extensive research and experiment for consumers to enjoy the plant-based version of smooth chocolate and crispy wafer. The experts at Nestlé R&D centre developed the new vegan KITKAT® V to fully meet changing expectations.

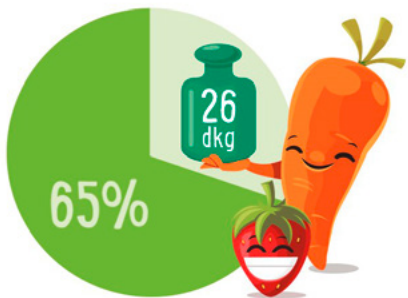
New vegan and vegetarian products in our portfolio
Nestlé also introduced the plant-based Garden Gourmet® product range in Hungary: the delicious, frozen plant-based portfolio was first available in the out-of-home segment, then in 2022 made its way into supermarkets to offer vegan consumer choices.

Nestlé for Healthier Kids

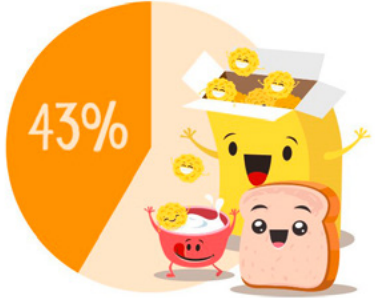
Our Nestlé for Healthier Kids programme brings together all our efforts to support parents and caregivers in helping their children develop healthier eating habits, eat more fruits and vegetables, and ensure that what they eat is not only delicious, but also nutritious. We aim to reach 50 million children globally by 2030 and make their lives healthier through research, product developments and nutrition education.

We conducted a niche survey on children's nutrition
Last year we extended our representative niche survey conducted seven years ago to the whole country to

examine the eating habits and physical activities of children aged 4-10. The survey conducted in partnership with the Hungarian Dietetic Association (MDOSZ) revealed that children's diets are less healthy than in 2014. Their vegetables, fruit, dairy and whole grain intake is less than recommended, while their diet includes more fat and salt than necessary. We first presented the findings of the survey to our stakeholders at the 5th Food4Talk online conference. We also attended several domestic and international conferences engaging over 400 experts in the dialogue on the survey results.

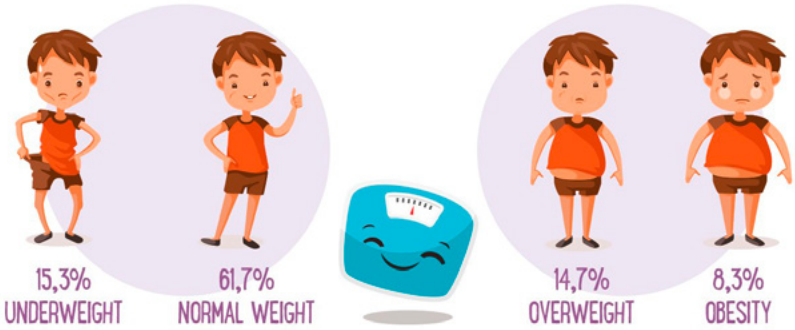


Fruit and vegetable consumption is **65%** of the recommended daily amount



43% of children eat whole grain food

BMI CATEGORIES OF THE CHILDREN:





Nestlé Smart Snack cards reached 4,455 children
Nestlé Hungária launched Smart Snack card education programme using smart cards to deliver information to children on balanced nutrition and healthy living. We seek to reach as many school-aged children as possible in the coming years through our after-school sessions



Nestlé Family Run at SPAR Marathon

The 1000 metres discipline is so popular that over a thousand runners enter the event to fulfil the challenge. This is the first running event for many children that can be a special experience at the most popular grassroots sport event in Hungary.

Exploring the challenges of modern time child raising

The Parenting Index Survey commissioned by Nestlé is the first-of-its-kind study focusing on the environmental,

social, and economic factors that make parenting more difficult or easier.

The global analysis gathered views from 8,000 mums and dads across 16 markets, which we complemented with a local survey to get an insight on the challenges Hungarian parents face. The study identifies pressure as the single biggest problem faced by parents worldwide. Understanding their dilemmas helps us to support them more efficiently on their way along the parenting journey.



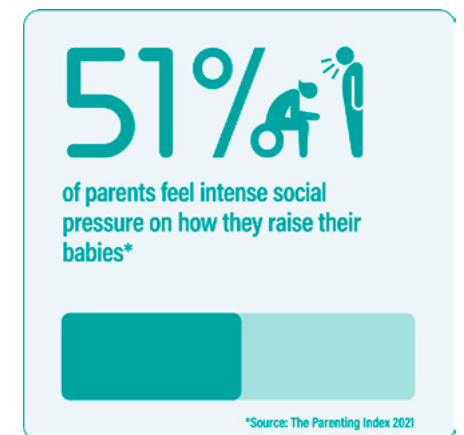
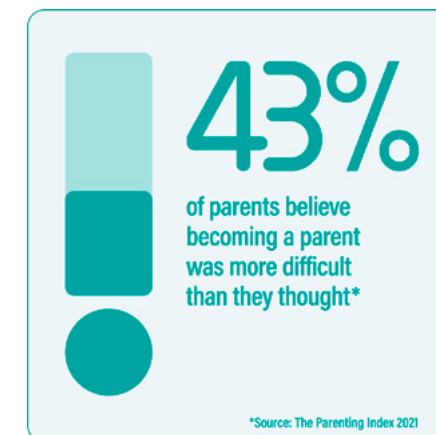
Sugar-free muffins can be delicious

We created a video series entitled “Second Servings” to draw attention to the importance of cooking together and how these common activities help children try and like healthier ingredients. The videos also show how the right preparation and cooking processes can further reduce salt, sugar and fat, while increasing fibre intake. Children sample their favourites in the short videos – such as spaghetti bolognese, muffins and schnitzel – prepared both in the traditional and in a more health conscious way. The short videos also reveal that children preferred the dishes that were made the healthy way, which proves that sometimes it is worth having them try new dishes and approaches.

At the end of the “kids’ talk” videos our nutritionist expert shares some good advice for parents who can find further tips at www.igyteljesazelet.hu.

Feed Your Mind health education programme launched

Nestlé Hungária launched the pilot of its Feed Your Mind (Etesd az Eszed) health education programme in partnership with Okos Doboz online education portal in the elementary schools of five villages around Bük. The initiative provides children information on healthy and sustainable living in fun online and offline sessions. The programme stretches a school term full of eventful activities, contests and competitions, and a health day organised for the whole school community. The pilots are conducted in the elementary schools in Bő, Bük, Csepreg, Répcelak and Zsira.



Nestlé needs YOUth



We play an active role in the labour market integration of youth, offering training development and attractive career opportunities. We aim to support and assist career starters in successfully living up to the challenges in the labour market.

- Last year
- we employed almost 400 young people (under 30);
 - 16 students participated in our dual education program;
 - 54 interns helped our business.

The Hungarian mentoring programme of Nestlé’s Alliance 4YOUth supported 33 talented career starters

The COVID pandemic had a devastating impact on the employability of career starters. In response we launched a unique talent management programme in the scope of Nestlé Alliance 4YOUth to prepare young people for the challenges of the labour market. Students submitted their applications for the mentoring programme were submitted to [zyntern.com](https://www.zyntern.com) job portal and spent 5 months learning the tricks of the trade from 17 managers of 9 companies.

Partnership with the Hungarian University of Agriculture and Life Sciences

Our six years of partnership with the Hungarian University of Agriculture and Life Sciences (previously Szent István University) is a key success factor for us. Nestlé courses continued to support those interested in the food industry in 2021 in a hybrid solution of virtual and offline sessions on account of the pandemic.

Dual education in Bük

We provide dual education at our Bük factory in partnership with Nádasdy Tamás Secondary Technical School, Vocational School and College, and Barabás György Technical School and Vocational School. The programme began in September 2021 with two

programmes: electrician and electronics technician training. An adult training course has been introduced in electronics technician training recently that fills our workshop in the afternoons, too.

Inclusion and diversity

We support our people with children

Nestlé Hungária provides special parenting support to all mothers and fathers. We support the flexible work schedule of parents and create a work environment that facilitates breast feeding. Young fathers are also granted an additional 15 days of leave over the statutory period, which they can request within 12 months of their child’s birth.



Pet welfare



A joint campaign by Purina Hungary and Kifli.hu for HÉROSZ Budapest Animal Shelter
Nestlé Hungária launched a joint campaign with Kifli.hu for HÉROSZ Budapest Animal Shelter attached to the World Animal Day. We donated HUF 100 to HÉROSZ for each PURINA® product purchased via Kifli.hu during the one week campaign run, totalling HUF 506,200

We are committed to understanding the nutritional, behavioural and social needs of pets. We know about the benefits of human-animal bonds, hence we seek tangible solutions to help pets and their loving owners have a fuller life together.

Better health, more loving owners
The new development track of HÉROSZ Animal Shelter sponsored by PURINA for temporary dwellers facilitates the adoption of dogs at the shelter. People who adopt shelter dogs often choose their new best friend based on physical condition, mental fitness and their willingness to

cooperate. The HUF 5 million project increases the appeal factor of shelter animals that will hopefully help them find a place in a caring home faster.

Most Hungarian cat owners claim to be good
Our nationwide representative survey for the International Cat Day revealed that over 75% of Hungarian cat owners consider their pets a member of the family and select food for their cats with as much care as for themselves. All animals – like their owners – need custom nutrition, and selecting the appropriate pet food can grant a long and full life to them.

Our factories

The success of Nestlé Hungária is also driven by the excellent performance of our factories as the majority of our revenues come from exports. We deliver Nestlé products from Hungary to over 40 countries all around world with 90% of our products are made exclusively for export.

A new major investment in the Bük PURINA® pet food factory of Nestlé
Following the announcement of HUF 50 billion development last year, we began another substantial investment project in our Bük production plant. The HUF 35 billion facility extension involves the

installation of state-of-the-art technology creating 120 new jobs and increasing our annual production capacity by 50,000 tonnes. This investment further strengthens the position of the Vas county town and the whole region in Hungarian national economy.

Innovative environmentally friendly technologies
Similarly to the development phase commenced last year, the current project also focuses on innovation and environmentally friendly solutions. In line with our global ambitions, the factory has used renewable electricity since 2017, and industrial waste is either recycled or utilised for heat generation.



Bük Purina factor has evolved into the Central Eastern European hub of Nestlé’s pet food production in the past 20 years

The Bük factory in numbers

50%-a	of raw materials sourced from Hungarian farmers
Over HUF 450 billion	worth of pet food exported in the past 10 years
85%	of our products are exported
50+	another 50 robots to start operation on the production line upon the completion of the new expansion



The Diósgyőr factory is Nestlé’s only facility specialised solely in the production of hollow chocolate figures, delivering Easter and Christmas products to over 20 countries. Almost 300 types of hollow chocolate figures – only from genuine chocolate – are made in the factory celebrating its 60th anniversary in 2022.

We reduced the amount of plastic packaging
Our Diósgyőr factory used a total of 82 tonnes less packaging materials, including nearly 40 tonnes of plastics in 2021. 80% of the trays in the logistics of seasonal chocolate products were recycled plastics, cutting our virgin plastic consumption. Plastic packaging was completely replaced by paper for our SMARTIES brand, and partly for other brands.



The Diósgyőr factory in numbers	
~4000 tonnes	available capacity annually
400	employees
25	countries are supplied with hollow figures
88%	of the total factory output are for export
2,5 billion	investment since 2011



The Szerencs facility has become Nestlé’s Central European regional coffee and cocoa production and packaging hub by now, also producing NESQUIK® Optistart and NESQUIK® All Natural. We also developed NESCAFÉ® 3in1 for the European market in Szerencs in 2002. Nestlé effected a total of HUF 9 billion investment in the region in the past years of which 76% was appropriated for the Szerencs facility.

Szerencsi cocoa trademark transferred to the town of Szerencs
Nestlé donated the proprietary rights of the Szerencsi cocoa powder trademark, a favourite for many Hungarian households to the town of Szerencs. According to the agreement, Szerencsi Bonbon Kft. has the right to produce and distribute Szerencsi co-cocoa powder with the white kitten logo as of 2022, preserving the all its values Hungarian consumers love about it. We are pleased to contribute to the reputation of the town through Szerencsi chocolate and cocoa powder.



The Szerencs factory in numbers	
~40 000 tonnes	of product output per year
30	countries supplied with products from Szerencs
~ 500	employees
84%	of the total factory output are for export
52 300 m²	floor space



Hungarian farmers and suppliers

Our key ambition is to include Hungarian enterprises in Nestlé's European group of suppliers. Developing the international relations of Hungarian suppliers may increase their competitiveness and efficiency.

We source 50% of the raw materials (wheat, corn and other cereal products, and frozen meat feedstock) for our Bük pet food factory from Hungarian suppliers, and enterprises in the border area also supply a large amount of ingredients. Hungarian raw materials supplied are

worth almost HUF 6 billion.

We use sugar made 85% from Hungarian sugar beet in our Szerencs factory, and our Hungarian partner is also a permanent supplier of our global network.

Together for the development of Hungarian agriculture

We aim to introduce regenerative agricultural practices as of 2022 in the majority of arable lands in line with our global commitments in close cooperation with Hungarian farmers.

For our communities

The history of Nestlé has been intertwined with the daily lives of the communities where we sell our products, operate our factories and our employees live. The pandemic situation proved that we depend on each other, therefore, it is a moral imperative for us to help wherever we can.

HUF 20 million for the renewal of the rehabilitation ward at the Children's Health Centre

In 2020, Nestlé Hungária announced a HUF 20 million support for the reconstruction of the Children's Rehabilitation Ward at the Children's Health Centre of the Borsod-Abaúj-Zemplén County Central Hospitals and University Teaching Hospital. The contribution covered the renovation of the rooms and community areas, and the establishment of accessible spaces to improve children's comfort and further their quick recovery.

Buying for yourself may feed those in need

Last year, as we had done in previous years, we launched our joint campaign with Tesco stores to raise funds for the Hungarian Food Bank Association. We donated 1% of the value of select products purchased in Tesco stores across Hungary to the Food Bank. Tesco doubled the funds collected. Over HUF 10 million was raised, which the Food

Bank spent mainly on logistics sending 108,000 packages of saved good food to those in need.

Donation to the needy and Hungarian Red Cross volunteers

In 2021 Nestlé Hungária donated 2,562 tonnes of products in total worth HUF 29 million to our strategic partners, the Hungarian Food Bank Association and the Hungarian Red Cross. We primarily contributed to supplying communities heavily in need due to the COVID situation, but we also sent breakfast cereals, instant soups and chocolate to ensure the high energy levels of the youth on duty at the Balaton First Aid Service, and also sent some surprise BALATON® bars to the volunteers of the Hungarian Red Cross answering people's calls in the National Ambulance Service operations centre who registered for COVID testing.

Employee volunteer programme

We launched the Nestlé CARES employee volunteer programme announcing initiatives for half-day events to collect litter around our factories and help the Hungarian Food Bank staff to label saved food. Our people were energised by not only the noble cause, but also the chance to spend time together after months in home office.



Environmental sustainability



We announced our global action plan addressing climate change with our pledge to reach net zero emissions by 2050 without purchasing any carbon credits. Our ambition is to - minimise our greenhouse gas (GHG) emissions across the entire value chain - from raw material production to the path to consumers. We establish a renewable food production and supply system using advanced agricultural practices supported by net zero emission logistics and corporate operations. We compensate for our remaining emissions by high quality natural climate solutions that benefit both the people and the planet.

On the way to greening

We accelerate our efforts on production processes, packaging and carbon neutral brands. We invest CHF 3.2 billion on the whole value chain by 2025 to reach our goals. CHF 1.2 billion of this is earmarked for the introduction of regenerative agriculture programmes.

Key milestones

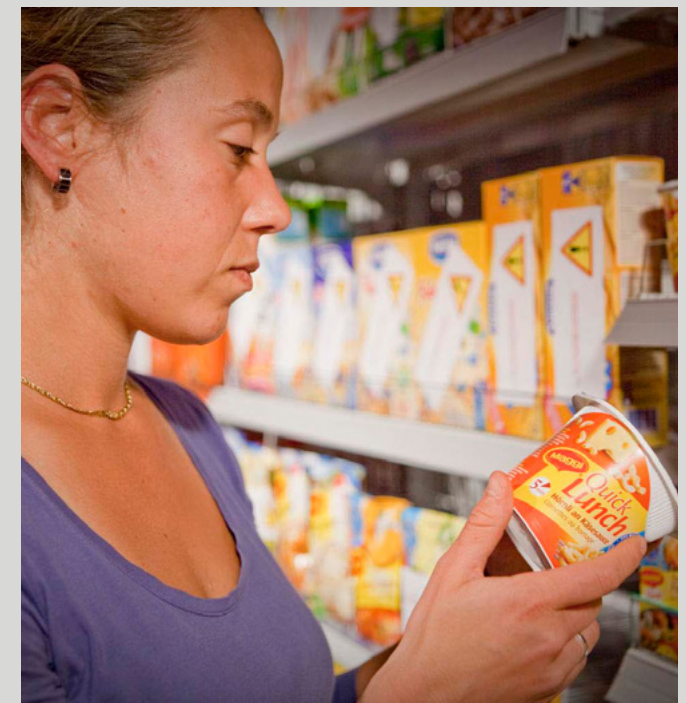
- 100% deforestation-free raw materials by 2022 (97.2% achieved by the end of 2021)
- 20 million trees planted per year
- 100% sustainably sourced palm oil by 2023
- Made from 100% certified sustainable coffee and cocoa by 2025
- Cut virgin plastic use by a third by 2025
- 100% renewable electricity in all our production facilities by 2025
- Source 20% of our key raw materials from sources using regenerative practices by 2025

Innovative, environmentally friendly packaging

As the world's largest food company we are committed to addition to size, scale and power to tackle the issue of packaging waste. We pursue our vision that none of our packaging ends up in a landfill or in the environment, but achieve a circular solution. We also committed to 100% recyclable or reusable packaging by 2025.

Hungarian consumers lack awareness of recycling symbols

We conducted a nationwide representative survey with NRC market research company to assess the recycling awareness and attitude of Hungarian people. The study found that Hungarian consumers also seek to buy sustainably produced and packed food and beverages, however, they are not or are barely aware of specific product markings that convey information on whether packaging is recyclable or the contents are sustainably sourced. As a leading global food company it is a priority task to communicate this information responsibly and transparently to help consumers make the right choices.

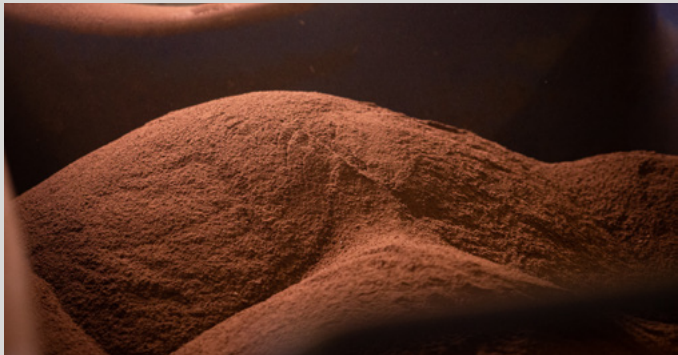


Nestlé pilots NESCAFÉ® 3in1 Classic paper packaging version in Hungary

We launched a limited series of NESCAFÉ® 3in1 Classic instant coffee speciality, one of our most popular products, in paper packaging for the first time ever. The new paper packaging can be collected selectively with other paper waste and it is widely recyclable if the required infrastructure is available. The project also won us an Effekt 2030 award that goes to exemplary company initiatives that make measurable and demonstrable positive difference on society and the environment.

SMARTIES® switched to recyclable packaging

In 2021 Nestlé announced to change most packaging of its popular SMARTIES® brand to recyclable paper packaging. This involves 90% of the SMARTIES® range including among others SMARTIES® buttons well-known in Hungary and SMARTIES® sharing blocks popular in the UK. The new paper packaging is from certified sustainable sources. Product packaging can also be collected selectively and recycled for many uses in Hungary. The paper packaging also features useful information on appropriate selective waste collection to increase consumer awareness. We also completely abandon plastics from the packaging of the SMARTIES® range produced in our Diósgyőr factor.



Coffee grounds from used NESPRESSO® capsules recycled on the lavender fields of the Pannonhalma Abbey

NESPRESSO® developed a circular solution to use coffee grounds from used capsules collected in Hungary as growing medium with the permission of the National Food Chain Safety Office (NÉBIH) for improving the soil quality of the lavender lands in Pannonhalma. This is a fully local initiative: capsules are from Hungarian consumers, and both processing, i.e. the separation of aluminium and coffee grounds, and compost production are done in Hungary. NESPRESSO® employees and the people from the Pannonhalma Abbey herb garden spread the coffee grounds based growing medium in the lavender field at the beginning of October, so that visitors can enjoy the product of this cooperation during the summer blooming season.

Collection and recycling of NESCAFÉ® Dolce Gusto® capsules started

We launched a new capsule collection and recycling scheme for NESCAFÉ® Dolce Gusto® capsules making a significant step with our consumers to achieve circular economy. We collected and recycled over 5,000 kg of capsules in the course of nine months. Initially there were only 5 collection points, then expanded and now all MediaMarkt stores in Hungary receive used capsules returned in the dedicated recyclable collection bags. From the collection points capsules travel to a Hungarian processing plant to be ground and recycled to become seasonal plastic products, such as gardening tools, crates and storage bins, while coffee grounds are used as compost in the fields.



Training material for primary schools on environmentally aware lifestyle developed
 Nestlé Hungária and SPAR Hungary launched an interactive education programme for elementary school children. We used our *'How to be an environmentally conscious consumer?'* guide to compile a colourful and playful educational material for children that makes waste separation by types child's play, and promotes mindful and moderate consumption from very early on. The first hundred classes to enter the Recycling Hero Challenge received a useful education kit to enhance their knowledge of sustainability and selective waste collection. Then we encouraged classes to give account of their knowledge in writing. Despite the spreading coronavirus pandemic, the initiative was successful: we received over 100 submissions.

Innovative recycling of factory waste
 We implement the winner idea from the employee Innovation Challenge to collect the bigbags from our factories to collect waste. In this context we donated bigbags to the Upper Tisza PET Cup and Bodrog PET Cup for their waste collection challenges.



Responsible sourcing

In line with Nestlé's global commitments, we focus on the responsible and sustainable sourcing of raw materials for our products, with increased priority to efficient, fair and sustainable cocoa and coffee growing.

Nestlé Cocoa Plan
 We are committed members of UTZ, the world's largest programme pursuing the sustainability of cocoa production and use, which has been a part of Rainforest Alliance since 2018. By sourcing UTZ - certified cocoa beans, we promote the long-term productivity of arable lands, the improvement of the local farmers' living and working conditions, thereby eliminating child labour and forward gender equality. Through the Nestlé Cocoa Plan we work to improve the lives, mitigate and solve the key problems of farmers, their families and communities with the intention to improve farmers' incomes and livelihood, and facilitate their children's education by promoting the development of cocoa growing and ensuring fundamental human rights. Our 2025 ambition is to use cocoa from sustainable sources only in Nestlé Confectionery – this is nearly 300,000 tonnes of raw materials.

Coffee from controlled sources: NESCAFÉ® Plan reports on 10 years of achievements
 Under the NESCAFÉ® Plan we have helped train more than 700,000 coffee farmers globally since 2010 in producing healthier, more resilient and higher quality crops. We have distributed 235 million coffee plants among our farmers until now to advance sustainable coffee growing. This does not only help renovate coffee farms worldwide, but is also an important part of our initiative to shift to regenerative food systems through improving soil health and carbon capture.

More information: nescafe.hu





NESPRESSO® demonstrates landmark sustainability progress with the publication of The Positive Cup
 As part of its 2014-2020 Positive Cup sustainability strategy, NESPRESSO® has invested CHF 585 millions in advancing the sustainability of its operations, from sustainable and certified coffee sourcing, to carbon reduction and capsule recycling. More than 93% of its permanent coffee is now sourced sustainably through its AAA Sustainable Quality™ Program, up from 84% in 2014. The brands works closely with over 122,000 farmers on AAA farms in 15 countries to increase coffee quality, consequently generating higher income for farmers and introducing sustainable practices on the coffee lands. The goal of NESPRESSO® Reviving Origins program is to revive coffee growing in threatened farming regions where coffee cultivation seemed lost due to civil wars, economic problems or natural disasters. The program has revived coffee farming in 7 countries and supported around 8,000 farmers.



Energy efficiency projects



Increasing renewable energy in our production operations is critical for achieving net zero emission. All three Hungarian factories have been using 100% green electricity since 2017 completely eliminating our carbon footprint from electricity. We also continuously explore opportunities for using other renewable sources - e.g. geothermal energy - in the production processes.

Energy saving project in Bük
 The energy saving project in the Bük factory reduced the gas consumption and CO₂ emission of the facility corresponding to that of 55 family houses in 2021 compared to the previous year.

Waste management
 We ensure that no waste from our factories ends in landfills. Waste from our three factories is recycled or utilised for heat generation.