

Everyday sustainability

Sustainable development was and remains for us a harmonious balance of economic efficiency, social responsibility and our efforts to protect the environment and we ensure this by innovative thinking, maintaining our values and traditions, as well as by our ethical conduct towards all our stakeholders.

During the 2018/2019 business year we again focused on the nine essential areas defined by our sustainability strategy, concentrating in particular on the appreciation and motivation of our employees and environmental protection.

The headcount has not changed since the previous year; occasional higher demands of manpower due to increased market demand were met by hiring people for a definite period. The Company makes its employees aware of our appreciation of their work in many forms. Employees with an outstanding performance are traditionally singled out by the General Manager. Furthermore within the framework of our fidelity bonus system, colleagues working with us for at least 10 years receive a fidelity bonus after every 5th year.



One of the fundamental principles of our Company is that our employees should receive a fair salary which ensures their decent standard of living, and which is in proportion to their performance. We paid attention to labour market changes and also maintained the balance between lower wages and higher ones. The new measures implemented in the previous year were popular among our colleagues, so we continued the policy for our non-manual workers to work from home, while the manual workers in the factories get a hot meal free of charge once a week. For the summer vacation of 2018, with the help of some teachers from the Molnár Ferenc Primary School, we organized two summer camps for our employees' children and 34 children participated in the two camps. This was a real experience and joy for the children, and at the same time a considerable help to the parents. Every year we offer our employees 2-3 health screening programs. Last year, besides lung screening, they could also have laboratory blood tests and melanoma check. On average, 37% of our colleagues took advantage of these opportunities.

Professional training and development of our employees is important for the Company. In the 2018/2019 business year we organized an exceptional training campaign for the staff in the factories. The campaign was operational from September till March with various educational tropes (e-learning, posters, games) covering many themes, so that our colleagues received practical knowledge which they could use not only at work, but also in their daily life in the field of environmental protection, hygiene, food safety and energy saving. At the close of the campaign employees were asked to fill in a questionnaire and the colleague who came up with the best answers received a reward HUF 100 000. Furthermore, our colleagues attended methodical and presentational training courses, and our trade representatives received an internal motivational training, as well as a communication training to support product introduction.

Strengthening group cohesion is important for us, so besides the yearly trade conference, to which colleagues of other departments (purchasing, logistics) are also invited, the staff of the production and technical directorate could also attend a few-days trip to Croatia. Common experiences and events improve and shape the community, and last year our colleagues could also attend the summer-farewell party, our internal October Fest and Carnival.

Internal communication needs continuous attention and improvement. A monitor is displayed in the restaurant of the Dunaharaszti factory so that colleagues can be quickly and correctly informed about the most important events and news, while the monitor can be used for educational purposes, as well. To benefit from the potentials of social media we created a closed group, so that all the colleagues who joined it could be easily informed about activities of interest.

In the field of social and cultural responsibility we actively support the strengthening of local communities, including the development of children and the protection of their health, as well as acknowledging outstanding achievements in the field of culture or sport. Thus, the Molnár Ferenc Primary School, which has achieved significant results in the differentiated development and talent management of children, was supported by us again in order to ensure continuity of the Complex Instruction Program

(CIP) implemented by the school. The main aim of the program is to help social integration of underprivileged children, and to help them overcome their disadvantages. Our cooperation with the Children's Clinic in Tűzoltó street also dates back many years, and last year the Clinic received a 4 million HUF donation from us. We also gave financial support to the Hospital School Foundation and the Heim Pál Foundation.

Our Company is committed to support volunteering and employee initiatives: thus we provide our employees with various initiatives and programs they can join: within the framework of the "Christmas of 100 children" campaign of the Horizont Foundation we raised 252 500 HUF to support a worthy cause. In 2018 Sandor Zwack, Chairman of the Board of our Company, became Hungarian ambassador of UNICEF, to which our colleagues also contributed: they organized a cake fair and the entire proceeds were given to UNICEF. We also joined the "Dress in Red" campaign of the Light of My Eye Foundation. Further, donations received within the framework of the "Köszí Kávé" program were given to the children's hospice, the Dóri-House in Pécs.

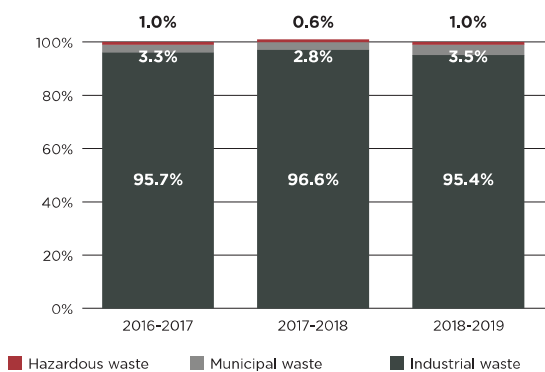
Zwack Unicum Plc., as the market leader, considers the task of popularising the notion of responsible and moderate alcohol consumption a top priority. Within the framework of various projects accomplished in collaboration with other member companies of the Moderate Alcohol Consumption Department (MACD) of the Hungarian Spirit Association during the 2018/2019 business year we also promoted the basic tenets of the campaign at the most popular festivals targeting young people. During our promotions we devoted a lot of energy and attention to spreading the principles of moderate alcohol consumption and the prevention of underage drinking. As a common practice the catchy slogan "Zwack quality, but in moderation" is prominent on all our communication tools and our marketing activities respect the basic principles set by the Marketing Codex.

Ethical business conduct remained one of our basic values. In the 2018/2019 business year no suspicion of misuse arose in the fields examined by our internal audit, remarks were made only on process development. We continuously strive to ensure compliance with legal regulations. The authorities held 5 on-site inspections in areas closely related to our manufacturing activities and held 14 product examinations to check their compliance with legal requirements based on samples taken from trade. No infringements whatsoever were discovered.

2019 is an important year as regards environmental protection: our certified environmental management system will celebrate its 20th anniversary with a campaign full of interesting programs throughout the year.

The areas most affected by the Company's manufacturing activities remained waste management and the increase of energy efficiency.

The proportion of generated waste by type (%)



The amount of waste generated has increased by 20% as compared to the previous year. A slight change can be noticed in waste structure, and its influence is shown in the rate of waste utilisation: in the 2018/2019 business year it was 95%, which is slightly below its usual rate.

Energy consumption is another important field for us. Our Company had its energy management system (EIR) certified according to ISO 50001 standard, thus committing itself to continuously measuring, evaluating and developing its energy performance. In the 2018/2019 business year the Company's energy consumption (gas and electricity) dropped by 10% from the previous year. Besides the investments currently under way (e.g. lighting modernization) we strive to continually decrease our energy consumption with our medium- and long-term projects. The various indicators were controlled within the framework of EIR.

The Annual Report gives a detailed assessment of the business performance. The non-financial information briefly shared here underlines not only the financial data, but also the long-term responsible operation of the Company. In 2020 we will appear with a detailed report in the next edition of our Sustainability Report.