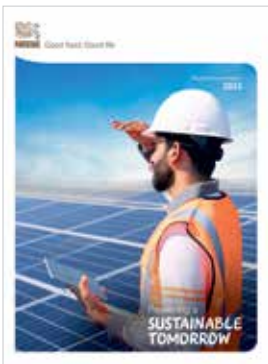




**Nestlé** Good food, Good life

Nestlé in Society Report  
**2023**

Powering a  
**SUSTAINABLE  
TOMORROW**



## About the Cover

Nestlé Pakistan is paving the way for a sustainable tomorrow for our future generations!

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# CEO'S MESSAGE

Our global focus areas are firmly embedded in our purpose of unlocking the power of food to enhance the quality of life for everyone, today and for generations to come.





At Nestlé, everything we do is driven by our purpose of unlocking the power of food to enhance quality of life, today and for generations to come. And as the years pass, we remain committed to be a force for good throughout our value chain.

The year 2023 made us build on our strong foundation in Creating Shared Value (CSV) and Sustainability Agenda in line with the United Nations Sustainable Development Goals (SDGs). We did so through our focus areas – helping to protect, renew, and restore natural resources, contributing to nutritious and sustainable diets and strengthening communities.

We are accelerating efforts to reduce our carbon footprint in line with our commitment to reduce emissions by 20% (versus a 2018 baseline) by 2025, halve them by 2030 and reach Net Zero by 2050. Continuing our efforts, we committed the investment of PKR 2 billion towards renewable energy. We inaugurated a 2.5-megawatt solar power plant completed with an investment of PKR 480 million at our Kabirwala Factory that will reduce 1,800 tCO<sub>2</sub>e of greenhouse gas emissions every year. This is part of our larger renewable energy strategy with plans to introduce additional solar power plants and biomass boilers at our other manufacturing sites in Pakistan.

Moving closer to a sustainable tomorrow, we also help dairy farmers shift to high-yield cows. Till date, we have facilitated the import of over 8,500 high-yield cows for local farmers. We have supported the installation of 67 solar systems and 21 biogas plants at local farms, that not only reduce greenhouse gas emissions but also increase cost efficiency for farmers.

Preserving water resources and regeneration is part of our legacy. We understand that innovation in agriculture can help reduce water mismanagement and practice regenerative agriculture. We are working closely with partners and farmers to install innovative technologies like drip irrigation and smart soil moisture sensors to reduce water wastage. In 2023, drip irrigation was operational across 128 acres in Punjab and 183 acres in Sindh and smart soil sensors were operational on 548 acres. With these efforts, Nestlé is advancing regenerative agriculture across its value chain, with a focus on soil health, water security, biodiversity, and diverse cropping systems.

We also understand that access to clean and safe drinking water is important for communities. Our clean and safe drinking water facilities near our manufacturing sites in Sheikhpura, Kabirwala and now in Islamabad as well, which was inaugurated last year, have the capacity to provide access to clean drinking water to 70,000 people daily.

Collective action is a prerequisite for sustainable social impact and that is why I'm truly proud of our work in Clean Gilgit-Baltistan Project (CGBP) with Gilgit-Baltistan Waste Management Company (GBWMC). So far, we have installed three compressing and baling machines, one each in Gilgit, Hunza and Skardu. We have also installed 48 benches and waste bins made of recycled plastic at popular tourist spots in the region and donated 15,000 reusable bags for distribution among the communities. In 2023, our efforts facilitated waste management of over 2,600 tons of plastic packaging in the region, making a positive environmental impact.

Similarly, our partnership with the World Bank Group (WBG) and Khyber Pakhtunkhwa (KP) tourism department for our collaborative initiative, Travel Responsibly for Experiencing Eco-tourism in Khyber Pakhtunkhwa (TREK) is working towards a waste-free future by driving new behavior. This year, our collective efforts led to the training of 250 professionals from the hospitality, academia, social and development sectors at prominent tourist destinations in Khyber Pakhtunkhwa including Galiyat, Abbottabad, Naran, Swat, Chitral and Peshawar raising the total number of trainees to 400.

Besides all these efforts, we are also working towards ensuring that 100% of our packaging is designed for recycling, with a commitment to reach 95% by 2025. We continue to be the only company in Pakistan to offer paper straws across our ready to drink range in our efforts to reduce the use of virgin plastics.

As a food and beverage company, our contribution to nutritious and sustainable diets is one of our key priorities. In 2023, our Nestlé for Healthier Kids (N4HK) Program expanded and increased its outreach of nutrition knowledge to over 500 teachers and educated an additional 40,000 children, bringing the total to 2,300 teachers and 360,000 children. New N4HK rooms were developed at schools in Sahukimalian near Sheikhpura, Gilgit, Skardu, Rawalpindi and Narowal.

Besides creating awareness about nutrition, last year, we served 2.23 billion fortified servings of our value-added nutritious products to help address micronutrient deficiencies in Pakistan.

At Nestlé, we put communities at the heart of all our efforts, which are a result of our partnerships. That is why our partnership with the Benazir Income Support Program (BISP) and collaboration with Akhuwat Foundation on the Nestlé BISP Rural Women Sales Program gives me great pride. The program supports rural women to achieve financial empowerment to earn a livelihood. Since its inception, the program has been continuously growing and we have increased the number of enrolled BISP beneficiaries as sales agents to over 3,000 across 28 districts and 3,000 villages in Pakistan.

While our creating shared value programs are important for communities, we also believe in extending institutional support to social welfare and relief efforts. That is why, under our global initiative of Nestlé Cares, we extended corporate contribution of PKR 15 million to multiple organizations including SOS Children's Villages of Pakistan, Pakistan Red Crescent Society (PRCS) and Akhuwat Foundation. Under Nestlé Cares, we not only give back to communities but also the planet. The Nestlé family planted 38,000 trees in 2023 and 25,000 in the year before with an ambition to increase the number as the years go by.

Accomplishing these achievements wasn't easy as 2023 came with its fair share of challenges but facing those challenges only strengthened our resolve. We adapted to change by accelerating our localization drive and met over 90% of our raw and packaging requirements locally. We sourced 420 million liters of milk, over 7,500 metric tons of wheat and rice and 50,000 tons of local fruits including mangoes, apples, peaches, guavas, lime, kinnow, oranges, and soon red grapes, enhancing local farmers' livelihoods.

In 2023, we completed 35 years of business operations in Pakistan and through all these years our employees, value chain partners, consumers, and communities have stood with us through good and trying times. I want to take this opportunity to appreciate all our stakeholders across the business value chain. Our achievements are a result of their hard work, our team's dedication, strong commitment, and unwavering trust in our larger vision. As we step into 2024, let us remember that meeting our sustainability commitments require collective action and adopting new behaviors to pave the way for a sustainable tomorrow for our future generations!



**Joselito Jr Avanceña**

Chief Executive Officer & Managing Director

# OUR ESG COMMITMENTS AND PROGRESS

Nestlé's purpose is to unlock the power of food to enhance quality of life for everyone, today and for generations to come. As Pakistan's leading food and beverage company, we are committed to be a force for good throughout our value chain by Creating Shared Value (CSV) for communities and delivering on our sustainability agenda. Being cognizant of the impact of our business operations on the communities where we operate, we focus on our sustainability initiatives including climate action, sustainable packaging, and water. In 2023, we were able to deliver our key commitments. Here is a snapshot of our progress against those commitments, which have been reviewed by KPMG.

Sr. No	Commitment	Key Performance Indicator (KPI)	2023
1	We aim to reduce our greenhouse gas (GHG) emissions by 20% by 2025 and 50% by 2030 from 2018 levels, on the road to net zero by 2050 at the latest	Million metric tonnes of CO2e (%) reductions compared with business-as-usual scenario versus our 2018 baseline	-17%
2	We aim to replace grid electricity in our manufacturing operations with 100% renewable electricity	Electricity sourced from renewable sources (%)	96%
3	Nestlé's Waters Business has pledged to lead the regeneration of the water cycle to create a positive water impact everywhere it operates by 2025	Water regenerated (%)	71%
4	Reduce water used in our operations by 54,000 m <sup>3</sup> in 2023	Water use reduction in factories (m <sup>3</sup> )	56,000 m <sup>3</sup>
5	By 2025, we aim to design above 95% of our plastic packaging for recycling and continue to work toward 100% being recyclable	Plastic packaging designed for recycling versus our 2018 baseline (%)	82%
6	By 2025, we aim to reduce virgin plastics by one third, versus our 2018 baseline	Virgin plastic reduction versus our 2018 baseline (%)	-33%

Note: Figures on the table rounded off to the nearest decimal  
The KPMG limited assurance report and conclusion can be found at the end of this report.



# CREATING SHARED VALUE

**Nestlé Pakistan, as part of its global and local obligations, believes in Creating Shared Value (CSV) for the communities in which it operates. It is our belief that for a company to be able to create value for its shareholders, it must also create value for society. We are contributing positively to society by improving lives and livelihoods and ensuring sustainable business practices that are based on respect for our planet's natural resources. Through our CSV initiatives, we are delivering on shareholder expectations while helping to address global societal challenges, including sustainability.**

At Nestlé, social responsibility does not end with a few philanthropic activities. Instead, CSV is embedded in our business model; where direct engagement and support to communities is extended across the value chain. This adds value to the business and supports socioeconomic development for the communities.

Our inspiration is governed by the Nestlé Corporate Business Principles. A signatory to the UN Global Compact for Ethical Business, the company is committed to the stakeholders and the communities for mutual growth and sustainability. From offering quality products to consumers and providing a fair and diverse work environment for our employees; from our partners and raw material providers to implementing responsible sourcing models into our relationships; from supporting underprivileged communities to working with small farmers; from enhancing sustainability and environmental friendliness of our operations to embedding ethical and transparent business practices, CSV is entrenched in the entire value chain of Nestlé.

The company regularly conducts "Seeing is Believing" visits to showcase our value chain build advocates and inform them of our quality and safety standards.

Our global focus areas are firmly embedded in our purpose. Contributing to nutritious and sustainable diets, strengthening communities and helping to protect, renew and restore natural resources, are interconnected and our efforts in each of these areas are supported through our specific commitments. These commitments will, in turn,



## Contributing to Nutritious and Sustainable Diets

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## Strengthening Communities

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## Helping to Protect, Renew and Restore Natural Resources

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enable us to meet our ambitions for 2030 in line with the Sustainable Development Goals (SDGs). Additionally, ethical business practices, transparency and consumer trust – based on high quality products with a focus on Nutrition, Health & Wellness – remain the hallmark of our core business.

We at Nestlé touch billions of lives worldwide; from the farmers we work with, to the individuals and families who enjoy our products, the communities where we live and work, and the natural environment upon which we all depend. Their challenges are our challenges. Their success is success which we all share.

As the largest Food and Beverage Company in Pakistan, we are taking steps and introducing various initiatives in our manufacturing units and beyond, to exhibit this Respect for the Future. Nestlé Pakistan is striving towards zero environmental impact of our operations. This is both a local and global commitment.

Nestlé is committed to creating value, mutual growth and sustainability, both for its stakeholders and the communities. Based on the strong foundations of compliance and sustainable business practices, this is the Nestlé way of doing business. As we complete 35 years of operations in Pakistan and move into a new period in our company's history, we will continue to evolve and strengthen our approach to Creating Shared Value and ensure that it continues to inform all our behaviors, policies, and actions.





Nosheen Malik, a dairy farmer and agriprenuer in PakPattan at her farm with her son



# CONTRIBUTING TO NUTRITIOUS AND SUSTAINABLE DIETS

## Enabling healthier and happier lives

### **2030 Global Ambition: Help 50 million children lead healthier lives**

Food is not just a source of nutrition, it also brings us together as families or friends. The United Nations believes the food industry has a vital role to play in helping enable healthier lives. At Nestlé, we believe this and aim to help shape a better and healthier world. This was how we started over 150 years ago when our founder Henri Nestlé created an infant cereal that saved a child's life.

Nestlé is building, sharing and applying its nutritional knowledge, and contributing to a healthier future. We firmly believe that nutrition and hydration play a role in helping manage and treat diseases. We have a research team focused on how to achieve this.









## Nestlé for Healthier Kids

Pakistan has been reported to have one of the highest levels of prevalence of child malnutrition compared to other developing countries. There is a dire need for a focus on diet quality and nutrition awareness to prevent stunting, wasting and other forms of malnutrition.

Nestlé for Healthier Kids (N4HK) is a global initiative which empowers parents, caregivers, and educators to foster healthier eating, drinking and lifestyle habits among school-age children. Launched in Pakistan in 2010, it equips children with nutrition education to enable them to make better nutrition decisions from an early age to promote a healthier future.

N4HK supports public health objectives and empowers schools to impart nutrition knowledge and promote healthy habits among children through teaching importance of balancing good nutrition and healthy hydration with an active lifestyle. Till date, the program has educated more than 360,000 children in rural, suburban and urban areas, and has trained over 2,300 teachers on nutrition in 410 schools.

N4HK is making a collective effort with its partners to help address and overcome the nutrition challenge to give the children a happier and healthier future. The program has partnerships nationwide with presence in schools across Punjab, The Federal Capital, Sindh, Khyber Pakhtunkhwa and more recently in Gilgit-Baltistan. N4HK works in collaboration with 11 educational partners from the development, private and public sector, including Care Foundation, Punjab Workers Welfare Fund, Trust for Education and Development of Deserving Students (TEDDS), Zindagi Trust and the Government of Gilgit-Baltistan to name a few.



A curriculum-based program, N4HK comprises of book designed by Oxford University Press (in both English and Urdu), which provides the basic knowledge on nutrition and encourages physical activity and the intake of a balanced diet.

N4HK also launched Sustainability Training for Kids in partnership with the World Wildlife Fund (WWF) in 2022 to help teach the younger generation a more sustainable approach to packaging waste. The trainings have been held in partner schools across Punjab, Islamabad and Gilgit-Baltistan, training more than 1,000 children to date to instill responsible behavior and enable children to become better stewards of our planet.

Through N4HK Nestlé is not only working towards a healthy future for these children but also a sustainable planet for them!





Nestlé for Healthier Kids Room inaugurated at the Government Boys High School Narowal

In Commitment with



## Testimonial

"We are grateful that Nestlé Pakistan has extended the reach of its N4HK initiative to district Narowal. We are confident that the awareness imparted on nutrition to teachers and students alike will play a very important role in promoting healthy habits and a better nourished future generation."

### Mr. Ahsan Iqbal

Member of National Assembly & Federal Minister



Reached out to  
360,000 students



Trained over 2,300 teachers



Covered 410 school  
branches



Developed a special curriculum



Worked with 11  
partners

## Nutrition Support Program

Under the Nutrition Support Program, Nestlé Pakistan regularly provides milk, to approximately 20,000 children and underprivileged people who suffer from key micronutrient deficiencies in urban, semi-urban and rural areas. The children that attend the educational institutes we support are poor and their parents cannot afford to fulfill their nutritional needs. The schools are selected after giving due consideration to the profile of the managing organization to ensure that the benefits of this program reach those who need it most, the outreach capacity of the company and availability of resources. The initiative is geared to support school going children whose parents are unable to provide them with a serving of milk to fulfill their nutritional needs. The program also supports organizations working with destitute women as well as social welfare organizations for sports, culture and differently abled.

## Fortified Products

Nestlé is committed to play its role to help reduce micronutrient deficiencies on a global scale, by fortifying products with essential micronutrients that combat the impact of such deficiencies on Pakistan's population. In 2023, approximately 2.23 billion fortified servings were served across the country.







Children drinking milk at the Mashal Model School in Islamabad

In Commitment with





# STRENGTHENING COMMUNITIES

## Helping develop thriving and resilient communities

**2030 Global Ambition: Help to improve 30 million livelihoods in communities directly connected to our business activities.**

Nestlé began as a family business in a small town over 150 years ago. This local approach informs everything we do. We are part of the local communities where we operate from. Being part of a community brings great responsibility towards it too, the greatest being respecting the rights of those who work with us.

We believe in improving livelihoods and developing thriving communities. We do this by supporting women to be economically and socially active, enabling them to be independent. We work, particularly in rural areas, to support farmers by training them, enabling both men and women to contribute to the workforce and build a brighter future for themselves and their families.







Young girls learning stitching at Nestlé's Vocational Training Institute in Kabirwala






## Nestlé BISP Rural Women Sales Program

Realizing the role that rural women can play as change agents in uplifting communities, Nestlé Pakistan partnered with Benazir Income Support Programme (BISP) to empower BISP beneficiaries by providing livelihood opportunities.

The Nestlé-BISP Rural Women Sales Program, launched in 2017, encourages BISP beneficiaries to become a part of the workforce by learning skills and applying them through self-employment, with the ultimate aim of graduating out of poverty. The chosen beneficiaries undergo training and end up as microentrepreneurs – as sales agents, door-to-door retailers, or micro-distributors – selling products to their communities. This enables economic wellbeing of not just the rural women themselves but also their families. To date, this program has enrolled more than 3,000 BISP beneficiaries in as many villages across 28 districts.

To enable the beneficiaries to unlock long-term prosperity, Nestlé Pakistan partnered with Akhuwat Pakistan (the largest interest-free microfinance program), giving them PKR 4 million to be used as revolving credit for women looking to scale their businesses. This has improved access to finance and as a result, beneficiaries of this program have been able to open independent shops in their villages or expand their set up.

This program shows that it is possible to move from social protection to economic and social empowerment, enabling rural women to improve their quality of life as well as access to education and health for the entire family.

-  Launched in 28 districts of Pakistan
-  Over 3,000 BISP beneficiaries enrolled as Sales Agents
-  Total Sales in 2023: PKR 224 Mio
-  Micro loans of average PKR 10,000 – 20,000 disbursed
-  Average sales of PKR 5,000 – 10,000 each month







Kauser, a Nestlé BISP Rural Women Sales Agent in Renala at her shop

In Commitment with







## Nestlé Chaunsa Project

Mango has its own specific nutrition, value and taste among all fruits available in summer season in Pakistan. That's why it is not only the national fruit of Pakistan but also the king of fruits. There is a growing demand for mango pulp, not just locally but worldwide for drinks and juices, especially Pakistan's Chaunsa variety.

In Pakistan, most mango orchards are owned by small growers who do not possess adequate knowledge of modern techniques for cutting, pruning, insecticides and fertilizer application, and management practices.

The Nestlé Chaunsa Project aims to improve the livelihood of farmers within the Chaunsa mango value chain by strategic CSV intervention through implementation and replication of Best Farm Practices, resulting in right quality pulp and improved pre and post harvest. The project addresses limited access and opportunities for mango farmers' integration into our business value chain.

The results of our endeavors have been quite fruitful, as the partner farms have shown considerable improvement

both in quality and quantity of Chaunsa mangoes due to the implementation of these best farm practices.

Juices constitute one of the growth areas of our company, and intervention within its highest volume variant would allow for Creating Shared Value. NESTLÉ FRUITA VITALS is the flagship brand within the Nestlé beverages range, made from highest quality fruits sourced from around the world. Our mission is to provide our consumers with delicious and healthy refreshment. We use the best variant of Chaunsa mango as pulp raw material for our premium quality Nestlé Chaunsa juices.

Since the past five years, we have been procuring good quality Chaunsa mangoes for pulp to be used for our premium juices from these farmers. It is our commitment to continue the project in the coming years to enhance the quality of the Chaunsa mango in Pakistan, thereby uplifting the socio-economic conditions of small and medium mango farmers in the country.





## Agriculture Services

Pakistan is amongst the countries that face adversities of climate change. Nestlé Pakistan is taking this challenge seriously and has been exploring opportunities to minimize the impact of climate change. We have been promoting alternate energy sources, particularly amongst dairy farmers to provide socio-economic benefits to the farmers. Nestlé facilitated the installation of solar systems at selected dairy farms to introduce renewable energy to reduce Greenhouse Gas (GHG) emissions and energy costs.

If not handled properly, cow dung can increase GHG emissions. However, proper treatment of cow dung through bio-digester not only provides alternate energy as biogas but also provides a good source of organic matter for the agricultural land, reducing use of synthetic fertilizers. During 2023, we helped farmers install 8 biogas digesters at various suppliers' farms. With cost and environmental benefits, farms with solar and biogas installations are also serving as lighthouse, in their respective areas.

Nestlé, together with its partners, developed a low-cost soil moisture sensor that helps farmers decide when to irrigate their crops. Our initial field estimates have shown considerable water saving in irrigation with crop yield improvement.

Nestlé Pakistan has been supporting farmers to reduce water mismanagement with the installation of drip irrigation. In 2023, drip irrigation was operational across 128 acres in Punjab and 183 acres in Sindh. This allowed us to save over 223,223 m<sup>3</sup> water. Smart soil sensors were operational on 548 acres, allowing water savings of over 310,000 m<sup>3</sup> according to our estimate.

Our Agri Services team is helping farmers get better yield and improve productivity. One of our major initiatives is supporting the import of high efficiency cows. Till date, Nestlé Pakistan helped farmers import more than 8,500 cows, which helped in reducing GHG, increasing productivity and improving the incomes of local farmers.

Nestlé is committed towards a net zero carbon journey. To further bring efficiencies in the farm ecosystems, we have also developed local machine solutions such as Total Mixed Ration (TMR) wagon and manure dewatering machine.

While we continue to source fruit from Punjab, we are now working closely with farmers from Gilgit-Baltistan, Khyber Pakhtunkhwa and Balochistan to source high quality fruit including apples, peaches and red grapes. These initiatives are not only helping to improve the income of local farmers but also helping the country in saving precious foreign exchange.



In Commitment with



## Community Engagement Program

Nestlé Pakistan has an active and effective Community Engagement Program for the communities living around our operational sites, which helps the company prioritize and plan services efficiently to meet community needs and aspirations. It enables the company and the community to work together to make balanced decisions. The initiative thus offers opportunities for the communities to contribute to and influence outcomes which directly impact their lives. Some of the key projects carried out under the Community Engagement Plan include:



7 Clean & Safe drinking water facilities



Refurbishment and construction of schools



Vocational Training Centre for women



Support for public sector projects

## Clean Drinking Water for Communities

Access to clean drinking water is a key development challenge for Pakistan. In addition to basic hygiene, clean drinking water is a key ingredient in safeguarding one's health and wellness. As part of our Community Engagement Program and to support local communities, Nestlé Pakistan has established 7 clean and safe drinking water facilities around our manufacturing sites. These facilities provide access to clean drinking water to over 70,000 people every day.

In 2023, Nestlé Pakistan, in collaboration with the Capital Development Authority (CDA), inaugurated a clean water facility in Islamabad's Sector I-10/4, benefiting over 10,000 people. This is Nestlé's seventh clean water facility initiated, aligning with United Nations Sustainable Development Goal 6.





Drivers training at the Driver Training Institute in Sheikhpura

In Commitment with



## Drivers Safety Training Program

The lack of proper knowledge and the absence of safe driving practices and procedures are among the major causes of accidents on highways. Nestlé Pakistan in collaboration with the National Highways and Motorway Police (NH&MP) established the first drivers' training institute near Sheikhpura to ensure the safety and well-being of the communities it operates in. The company developed the second driver training facility for the drivers in South at Karachi. The Nestlé-NH&MP Drivers Training Institutes are fully equipped facilities that have been providing trainings, under the supervision of experts, not just to the drivers of Nestlé Pakistan and National Highway and Motorway Police (NH&MP), but also catering to the

training needs of the drivers of other public and corporate organizations in the country. The facilities feature driving safety training track, blocks comprising of classrooms and high-tech driving simulators. With state-of-the-art driver training facilities in Sheikhpura and Karachi, the Drivers Safety Program has trained more than 34,800 drivers including over 7,900 Nestlé drivers. Apart from the professional and economic impact, the program has also created a positive social impact not only on the drivers themselves, but also on their families and the communities that they live in.



35,800 drivers including over  
7,900 drivers from Nestlé service providers



## HELPING TO PROTECT, RENEW AND RESTORE

# NATURAL RESOURCES

### Stewarding resources for the future generations

#### **2030 Global Ambition: Striving for zero environmental impact in our operations**

We rely on raw materials to make our products. To continue with our business, we realize that we must use raw materials responsibly. This will allow us to safeguard shared resources for our future generations.

Through our 2030 ambition, we strive for zero environmental impact across our operations. We do so by giving special emphasis on reducing water withdrawals, increasing renewable energy use, innovating sustainable packaging solutions, and achieving zero waste to landfill. We are also working on implementing regenerative agriculture at scale and nature-based solutions such as agroforestry and land restoration.

In addition to our 2030 operational ambition, we launched our Net Zero Roadmap in December 2020. Under the Roadmap, we announced our intention to reduce our absolute emissions by 50% by 2030 vs our 2018 baseline and bring them to net zero by 2050.

We will need to address emissions throughout our value chain to achieve our ambition. The roadmap will transform the way we operate, helping us to inspire change and deliver impact.







# SUSTAINABILITY



Nestlé has embarked on a journey towards regeneration in line with its various global commitments on issues like climate, responsible sourcing, packaging, and water, among others. This is helping us move beyond just minimizing our impact on resources by taking a regenerative approach with the help of our partners. This evolved approach to sustainability is enabling us to protect, renew and restore the environment while contributing to nutritious and sustainable diets, strengthen communities and operate responsibly.

Our challenges are interconnected in nature, which has inspired us to develop our Net Zero Roadmap, highlight the importance of nature-based solutions like regenerative agriculture and renew our commitment to water regeneration with the Nestlé Waters Pledge.

In 2020, we launched our Science Based Targets initiative (SBTi)-aligned Net Zero Roadmap. This is a science-based plan that expands on our climate ambitions, enabling us to achieve net zero greenhouse gas emissions by 2050, even as our business continues to grow.

We understand that achieving net zero emissions will mean we need to reduce emissions by as much as possible. Sourcing our ingredients from regenerative agriculture will help us do so, as will investing in sustainable packaging and manufacturing.

We have identified four sustainability pillars to have clear roadmaps for our commitments: Climate Action, Responsible Sourcing, Sustainable Packaging, and Caring for Water.

## Climate Action



We will reach net zero by 2050 at the latest, even as our business continues to grow.

By 2025, we will reduce absolute emissions by 20% compared to 2018 levels.

By 2030, we will reduce absolute emissions by 50% compared to 2018 levels.

We have also committed that by 2025, all our sites will transition to 100% renewable electricity.

## Responsible Sourcing



We aim for 100% of 14 key ingredients volumes to be responsibly sourced by 2030.

## Sustainable Packaging



More than 95% of our packaging will be designed for recycling by 2025 with a commitment to achieve 100%.

We are on track to reducing the use of virgin plastic i.e., newly made plastic by one third by 2025.

## Water



Nestlé Waters will advance the regeneration of the water cycle to help create a positive water impact everywhere it operates by 2025.





## Climate Action

Climate change has become an undeniable reality and is increasingly impacting the farmers and communities we work with. Degradation of forests, land soil and waterways all adversely impact farmers' livelihoods and, in turn, the availability and affordability of quality food. Our Net Zero Roadmap is allowing us to take action to help address these threats by advancing regenerative food systems at scale.

A major focus of our Net Zero Roadmap is on carbon removals. As a company with a large dairy and agriculture footprint, we aim to make a significant contribution to decarbonization through natural climate solutions projects in our value chain. These 'insetting' projects take place within our supply chain.

Some projects that are being implemented at the market level include:

### Import of high-yield cows

The profitability of dairy farms is primarily dependent upon cow yield and feeding efficiency, along with some other factors. The average daily milk production volume by local cows, however, is quite low. Compared to our local cows, there are other breeds in the world, which produce up to three times more milk. Using these high-yield cows to

produce milk results in lower cost for the farmers as well as a lower carbon footprint.

Nestlé Pakistan is incentivizing farmers by facilitating the import of high-yield cows. A team of Nestlé's Agriculture Services experts works closely with farmers to develop efficient dairy farms that increase both farmers' incomes and aids them in producing more milk. The Agriculture Services team provides required training and technical assistance to manage the herds of these high-yield cows.

Nestlé Pakistan has also developed farm input suppliers for high-quality feed/fodder, milking machines, cow importers, farm sheds, etc. and has connected them with farmers to fulfill farm requirements. This is helping us to develop successful business models and attract young farmers to adopt dairy farming as a sustainable business.

### Switching to renewable energy sources

Increasing energy costs are damaging farmer revenues in addition to contaminating the environment. Nestlé Pakistan is subsidizing its farmers on renewable energy installations. Nestlé has supported installations of solar systems at 67 farms and 21 biogas plants which reduced greenhouse gas emissions as well as the burden of high energy bills on farmers.



In 2023, we inaugurated a 2.5-megawatt solar power plant at our Kabirwala Factory that aims to reduce 1,800 tCO<sub>2</sub>e of greenhouse gas emissions per year. This is part of Nestlé Pakistan's accelerated efforts on its renewable energy strategy with future plans to introduce similar solar plants at other manufacturing sites. Two biomass boilers will also be installed at the Kabirwala Factory.

### Responsible Sourcing

At the heart of good food is the quality of the ingredients, the soils, and ecosystems in which they are grown, and the people who produce them. Protecting environments ensures the long-term success of Nestlé's business.

This requires that we know where our ingredients come from and that they are produced in a way that minimizes negative impacts and makes a positive contribution to the planet. Our approach to sustainable sourcing aims to help build the foundations to advance regenerative food systems at scale. Our Responsible Sourcing framework applies to several key ingredients including cereals, grains, and dairy.

### Regenerative Agriculture

Nestlé Pakistan has initiated the implementation of regenerative agriculture – an approach to farming that aims to conserve and restore farmland and its ecosystem, to improve soil health and fertility. It delivers benefits to farmer by helping increase crop yields with lower agriculture inputs. It also protects and restores natural resources, primarily soil, and lowers greenhouse gas emissions, while conserving water and promoting biodiversity.

Demonstration trials of composting, intercropping, cover crops, agroforestry, minimum tillage and using natural crop residue as mulch instead of burning have proven to reduce the use of chemical fertilizers giving better yields. Nestlé Pakistan has partnered with the University of Agriculture Faisalabad to evaluate the impact of these interventions in selected crops on farmers' lands.



## Sustainable Packaging

Packaging plays an important role in safely delivering high-quality food and drinks to consumers, and in reducing food loss and waste. However, we realize that these essential requirements should not come at the expense of the planet. That's why we are continually developing more sustainable packaging and are committed to reducing waste from packaging.

As the largest food and beverage company, our actions matter, and we are committed to putting our size and scale to work. Nestlé's vision for packaging is ambitious: a world in which none of our packaging, including plastics, ends up in landfill or as litter. We are working hard to deliver on it and help achieve a waste-free future.



In particular, we are doing our best to reduce our plastic waste by reducing our use of new plastic by shifting to paper or alternative materials, and helping create circular systems that make it easier to collect, recycle and reuse these products.

We remain committed to designing 100% of our plastic packaging for recycling. By 2025, we expect that more than 95% of it will be. We are also on track to reduce the use of newly made plastic - or virgin plastic - by one third by 2025.

As we deploy new solutions, we will never compromise the health of our consumers. Plastic packaging plays an important role in safely delivering food and drinks to consumers and reducing food loss and waste, so we need to carefully consider alternatives before making changes. The safety and quality of our foods and beverages are non-negotiable.

We will transform our packaging by phasing out packaging that is non-recyclable, shifting to paper, and initiating fit for purpose projects that reduce the weight and size of packaging materials.

## 'Designed for Recycling' Packaging

As part of our packaging transformation journey, we have made major inroads in eliminating unnecessary packaging and phasing out materials that are not recyclable or are hard to recycle. We are also investing more in the development of mono-material packaging, as well as alternative materials. As of end of 2023, 82% of Nestlé Pakistan's packaging is designed for recycling in dedicated recycling facilities.

## Waste-Free Future

To realize our vision for a waste-free future, we have partnered with external organizations to increase the volume of packaging waste that can be collected and recycled. Driving new behaviors by creating awareness amongst society – from industry to consumers and packaging manufacturers to the government – is an essential pillar in our sustainable packaging journey.





## Clean Gilgit-Baltistan Project

Gilgit-Baltistan is a popular attraction for local and foreign tourists. Every year, over 1 million tourists visit this region creating income generation for local communities. This has also become a reason for increasing plastic waste in the region.

Gilgit-Baltistan Waste Management Company (GBWMC), with the support of the respective District Councils, manages the waste segregation and management system in the region. Among other factors of increase, the tourists also bring a lot of packaged goods and eventually leave this waste after consumption.

In line with our global vision for a waste-free future, Nestlé Pakistan partnered with the Gilgit-Baltistan Waste Management Company (GBWMC) to launch the "Clean Gilgit-Baltistan Project" (CGBP). The initiative is being supported by our leading brands; NESTLÉ FRUITA VITALS and NESTLÉ PURE LIFE.

The Clean Gilgit-Baltistan Project focuses on waste segregation and recycling systems for Gilgit-Baltistan region. We have installed three compressing and baling machines, one each in Gilgit, Hunza and Skardu. In 2023, this has resulted in waste management of over 2,600 tons of plastic and paper packaging waste, eventually leading the way to make the region waste-free and promoting sustainable tourism.

Under this project, we have also installed 48 benches and waste bins at popular tourist locations in Gilgit, Hunza and Skardu. We have also donated 15,000 reusable bags for distribution among the communities during 2023. The project, which is the first of its kind at such a high-altitude tourist location, will make a positive environmental impact at both local and national level.

This project marks Nestlé Pakistan's efforts to reduce the environmental impact of packaging waste by improving its management and recycling, in line with UN Sustainable Development Goals 12 and 17 - Responsible Consumption & Production and Partnership for Goals.



Donation of 15,000 bags



Collected Over 2,600 tons of packaging waste in 2023





Waste segregation and management in Gilgit-Baltistan

In Commitment with







WORLD BANK GROUP



KITE

KHYBER PAKHTUNKHWA  
INTEGRATED  
TOURISM  
DEVELOPMENT  
PROJECT

## Travel Responsibly for Experiencing Eco-Tourism in Khyber Pakhtunkhwa

‘Travel Responsibility for Experiencing Eco-Tourism in Khyber Pakhtunkhwa’ (TREK) is an initiative under the Khyber Pakhtunkhwa Integrated Tourism Development (KITE) project implemented in partnership with the World Bank Group (WBG) and the Khyber Pakhtunkhwa Tourism Department. Its activities emphasize heritage preservation, tourism infrastructure development, and destination management while adhering to the fundamentals of responsible tourism. The partnership aims to protect the ecosystem through solid waste management, waste recycling and discouraging single-use plastics in the services industry across Khyber Pakhtunkhwa.

TREK activities include awareness campaigns for tourists and training of local communities and hospitality businesses on waste management. Till date, more than 400 participants in Peshawar, Galiyat, Abbottabad, Naran, Swat and Chitral, from the local government, communities, academia and private sector have been trained on solid waste minimization and management (SWM), hygienic practices in hospitality industry, nutrition and waste audits.

As part of awareness sessions, TREK also launched a two-day “TREK for Healthier Kids” training program for teachers in collaboration with Nestlé for Healthier Kids (N4HK), where 4,000 reusable bags and 2,300 N4HK books were distributed among school children to enlighten them to reuse materials, reduce waste and learn about healthy habits. The 75 teachers who were training participants hailed from approximately 10 schools, each with a 200-300 children capacity.

The TREK partnership reflects the role of tourism in job creation and Khyber Pakhtunkhwa’s efforts to facilitate tourists by improving accessibility through roads, rescue services, and planning of tourism zones. As part of Nestlé’s vision for a waste-free future, our partnership with WBG and the Government of Khyber Pakhtunkhwa is a step in that direction. Nestlé is driving new behavior and enhancing the public’s understanding through community engagement, cleanup activities, trainings, and connecting waste recycling companies to the local administration.



## CoRe Alliance

In line with our commitments on Sustainable Packaging, Nestlé Pakistan played an instrumental role in establishing an alliance called CoRe (Collect & Recycle). We joined hands with other like-minded organizations that share our vision of a waste-free future. CoRe comprises Pakistan's leading industry players, packaging companies, recyclers, and non-governmental organizations.

CoRe is an alliance created with the mission to eliminate packaging waste by enabling formal collection and recycling. It envisions the creation of a circular economy by reducing the packaging footprint and encouraging sustainable and innovative practices. This vision is driven by reduction in plastics, innovation of new materials, exploration of new and more sustainable business models, policy advocacy, knowledge exchange and behavioral change.

CoRe has been working with the governments of several administrative units across Pakistan to advocate for robust and standardized plastics management policies for their respective regions, by sharing technical expertise from the industry. In the years since its formation, Nestlé Pakistan and other members have executed several projects that promote a circular economy and responsible behavior.



**Approval of Pakistan Standard** on food contact material including plastic and food grade recycled plastic (rPET) by the PSQCA in 2022



**Annual Stakeholder convening with the Ministry of Climate Change** on the shared challenges of packaging waste



**Installation of 250 waste bins** at Fatima Jinnah Park and Lake View Park with the Capital Development Authority in 2021



**Buzz Session** to develop a calendar for public facing activities on sustainable packaging, circular economy and plastic related policies





caring  
for  
water

Nestlé and its partners

## Caring for Water - Pakistan

Water is essential for all areas of our business as we are a food and beverage company. Farmers use it to grow crops, allowing us to make our products. Water is also used in our factory operations.

As a responsible company, we are cognizant of the part businesses can play in water-use efficiency. For decades, water has been a major focus of our sustainability efforts throughout our entire value chain. Preserving this natural resource is now part of our legacy.

In 2017, we launched our flagship project on water stewardship - Caring for Water-Pakistan (C4W-Pakistan) becoming a lighthouse market. Through C4W-Pakistan, we encourage collective action and bring diverse but relevant stakeholders together to deliberate on and find solutions for Pakistan's existing water challenges. As a result of this, we have undertaken several activities under the three overarching pillars for C4W-Pakistan: Factories, Communities, and Agriculture.

Building on this heritage, we launched the Nestlé Waters Pledge in 2021. Under this commitment, our waters business aims to lead the regeneration of the water cycle to help create a positive water impact everywhere it operates by 2025.

## Factories

### Alliance for Water Stewardship (AWS) Certification

The Alliance for Water Stewardship (AWS) Standard is an international standard for freshwater resources that guides organizations to manage water by taking site and catchment relevant initiatives through stakeholder inclusive processes.



In 2017, Nestlé Pakistan's Sheikhpura Factory became the first site in Pakistan and the first Nestlé site worldwide to be awarded the AWS Certification. Our factories in Islamabad, Kabirwala, and Karachi were certified in 2018, 2019, and 2020 respectively. We are the first market in the Nestlé world to have all our sites certified by the AWS standard.

## In-House Efficiencies

Owing to our unwavering efforts to improve in-house efficiencies allowed us to save more than 56,000 m<sup>3</sup> of water in 2023 across our manufacturing units by recycling and reusing water. Moreover, we only discharge wastewater resulting from our industrial processes after treating it in compliance with the standards set by the environmental authorities.

## WASH Pledge

We have undertaken the WASH (Water, Sanitation and Hygiene) Pledge, as part of which companies commit to implement access to safe water, sanitation, and hygiene at the workplace at appropriate levels for employees in all premises under their control. All of our four factories and other sites meet the WASH Pledge requirements, covering more than 3,600 employees.



In Commitment with



## Communities

### Clean and Safe Drinking Water Facilities

We have established 7 Clean and Safe Drinking Water Facilities providing access to clean and safe water to more than 70,000 people every day. Nestlé has also taken the responsibility of maintaining these facilities through our third-party service provider with strict quality controls, checks and balances in place.

### Water Education

Through our Water Education Program, we have reached out to 40,000 children and 550 teachers in schools in 2023.

## Agriculture

### Drip Irrigation

Working together with the Agriculture Department, Government of Punjab, Nestlé Pakistan has encouraged local farmers to take up drip irrigation. Under this initiative, we covered 40% of the farmer's cost of putting up the equipment for drip irrigation, with the remaining amount being covered by the Punjab government through a World Bank-funded program.

In addition, we are showcasing drip irrigation in collaboration with the Pakistan Agriculture and Research Council (PARC). We have also established another demonstration site in a similar partnership with the University of Veterinary and Animal Sciences (UVAS) Lahore. These sites showcase best farm practices to academia, as well as public, private and development sector practitioners.

In 2023, drip irrigation was operational across 128 acres in Punjab and 183 acres in Sindh. This allowed us to save over 223,000 m<sup>3</sup> water, according to our estimate.

### Smart Soil Moisture Sensors

Nestlé Pakistan and the Centre for Water Informatics & Technology (WIT) at the Lahore University of Management Sciences (LUMS) have developed low-cost smart soil moisture sensors. These sensors read the moisture level of the soil and send regular data updates to a cloud from where the farmer receives information about which areas they should irrigate and how much. In addition, as part of the initiative, a software has been developed which allows farmers and researchers to access soil moisture level remotely.

In 2023, smart soil sensors were operational on 548 acres, allowing water savings of over 310,000 m<sup>3</sup> according to our estimate. Our water savings are in the process of being validated through a third-party study.





## Nestlé Cares

Respect for the rights of the people we employ, do business with or otherwise interact with is the fundamental way that Nestlé operates. This respect is at the core of Nestlé's Corporate Business Principles and is aligned with the UN Guiding Principles Reporting Framework. Nestlé Cares provides our employees the opportunity to engage and assist underprivileged communities through their direct and indirect participation. The activities primarily support and address the needs of local communities based on Nestlé Creating Shared Value pillars. Employee participation, while encouraged, is voluntary and remains an employee decision.

In partnership with various partners, the Nestlé Pakistan family planted more than 38,000 trees during the Nestlé Cares Tree plantation campaign in 2023. Nestlé launched the drive with a plantation activity at Jilani Park Lahore which was organized in partnership with Parks and Horticulture Authority (PHA). Multiple tree plantation activities were organized in District Khanewal and District Sheikhupura in partnership with respective District Environment Protection Agencies. In Islamabad, a tree plantation drive was launched with the collaboration and support of the Capital Development Authority and the federal Environment Agency.







Tree Plantation Activity in collaboration with Parks & Horticulture Authority (PHA) at Jilani Park, Lahore

In Commitment with





# ENVIRONMENT SUSTAINABILITY IN 2023

## Respect for future generation

One of Nestlé Pakistan's key priorities is to reduce the number of greenhouse gas emissions. By 2025, our ambition is to reduce 20% of greenhouse emissions as compared to 2018. Water conservation, energy optimization, controlling greenhouse gas emissions, reduction in waste at source, reduction in packaging material and proper disposal of waste are the key environmental indicators for any manufacturing facility. Nestlé takes care of these indicators in its operations and is committed to improve its performance every year.

In 2023, we invested our time and efforts in identifying opportunities for energy optimization by leveraging renewable energy sources across operations (including Manufacturing Units, Packaging and Agri Services). Despite various challenges, we successfully executed several projects and saved above 80,000 tCO<sub>2</sub>e greenhouse gas emissions with those initiatives.

## Water Operational Efficiency

Water savings for 2023 are 56,000 m<sup>3</sup> across our manufacturing units. This water saving is based on initiatives taken under Alliance for Water Stewardship Standard.

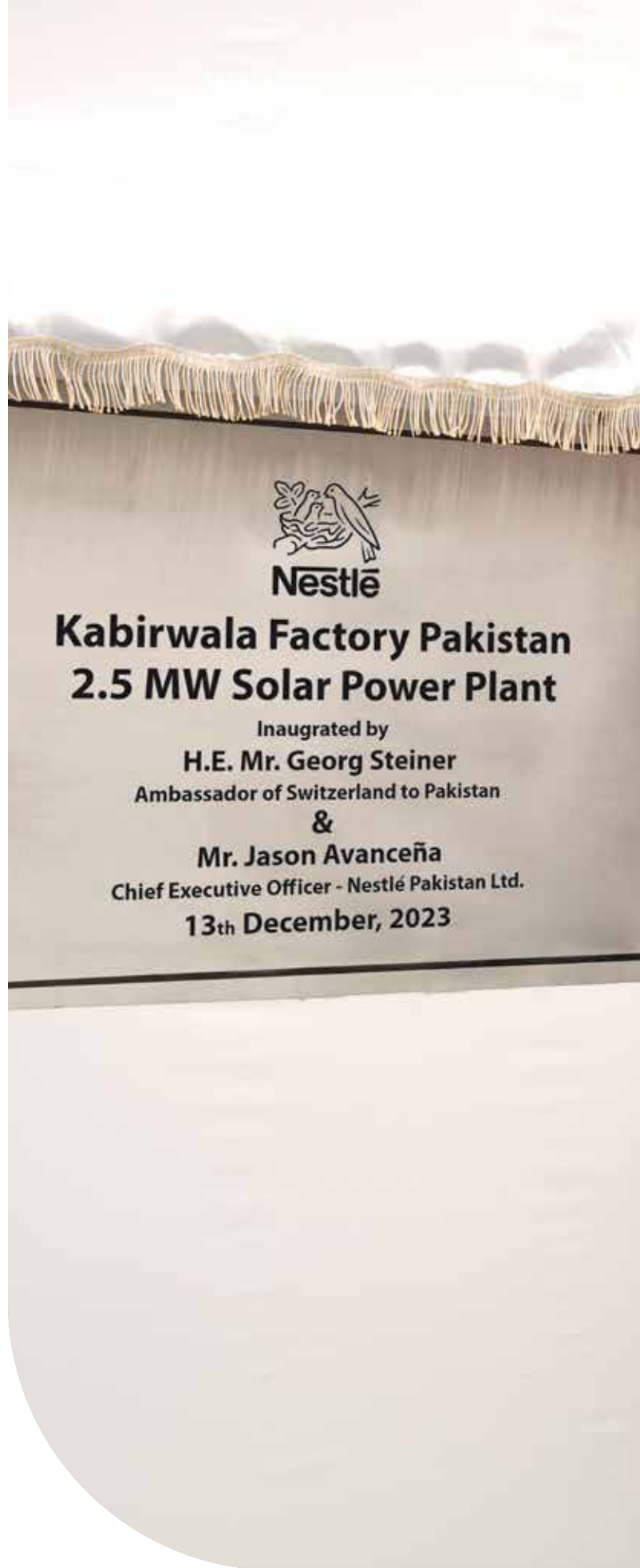
## Reduction of waste at source

We make sure that waste generated from our sites is managed in accordance with the principles of recycling, reusing, and reducing.

In support of our global sustainability goals, we have implemented initiatives aimed at reducing and recycling plastic waste generated from our production sites.

## Planting Trees

In 2023, Nestlé Pakistan successfully planted a total of 38,000 indigenous trees in the vicinity of our operational sites





In Commitment with







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# TO THE MANAGEMENT OF THE NESTLÉ PAKISTAN LIMITED

## To the management of the Nestlé Pakistan Limited

### Independent Limited Assurance Report to Nestlé Pakistan Limited

We, KPMG Taseer Hadi & Co. (KPMG in Pakistan, we, us, our), were engaged by the Management of Nestlé Pakistan Limited [Nestlé Pakistan, the Company] to provide limited assurance under International Standard on Assurance Engagements (ISAE) 3000 "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information" on the Sustainability commitments and associated Key Performance Indicators (KPIs) related to Climate Change, Water, and Plastic projects for the year ended 31 December 2023, of the Company.

Our scope of review is restricted only to evaluating the associated Key Performance Indicators (KPIs) related to Climate Change, Water, and Plastic projects listed in "Appendix 1" (Selection of consolidated Sustainability Commitments, Projects, and Indicators ("KPIs")) as outlined within the Company's Creating Shared Value (CSV), vis-à-vis Sustainability commitments, in accordance with the Applicable Criteria.

### Applicable Criteria

Nestlé Pakistan Limited defined Applicable Criteria ("Applicable Criteria") as; Nestlé Pakistan Limited's Sustainability commitments for specific areas and projects relating to climate change, water and plastic provided on page 4 in the Creating Shared Value Report.

### Management's Responsibilities

Management is responsible for the preparation, presentation and selecting of the Sustainability Commitments and Key Performance Indicators (KPIs); in all material respects, the disclosed KPIs in accordance with the Applicable Criteria and the information and assertions contained within it; and for establishing and maintaining appropriate performance management and internal control systems from which the reported performance information is derived.

Management is also responsible for preventing and detecting fraud and for identifying and ensuring that the Company complies with laws and regulations applicable to its activities through its internal due diligence mechanisms and framework. Management is additionally responsible for ensuring that staff involved with preparing and presenting the Sustainability Commitments and Key Performance Indicators (KPIs) are adequately trained, and that any changes in the Sustainability Commitments and KPIs encompass all significant business units.

### Our Independence and Quality Management

We have complied with the Code of Ethics for Professional Accountants issued by the Institute of Chartered Accountants of Pakistan (ICAP), which includes independence and other requirements on the fundamental principles of integrity, objectivity, professional competence, due care, confidentiality, and professional behaviour. The firm applies the applicable standards on quality management and accordingly maintains a comprehensive system of quality control, including documented policies and procedures regarding compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements.

KPMG Taseer Hadi & Co., a Partnership firm registered in Pakistan and a member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee.



KPMG Taseer Hadi & Co.

## Our Responsibilities

Our responsibility is to review the above-mentioned KPIs based on the evidence we have obtained. KPMG Sustainability Assurance Manual (KSAM) guides us in examining these metrics on sustainability and we design our review procedures accordingly i.e., performed in accordance with the International Standard on Assurance Engagements ISAE 3000 [Revised] "Assurance Engagements Other than Audits or Reviews of Historical Financial Information" [ISAE 3000] as issued by the International Auditing and Assurance Standards Board [IAASB]. This standard requires that we comply with independence requirements and plan and perform the engagement to obtain limited assurance on the selected KPIs.

## Procedures Performed

A Limited Assurance engagement on sustainability commitments and KPIs consists of making inquiries, primarily of persons responsible for the preparation of information presented in the Report, and applying analytical and other evidence-gathering procedures, as appropriate. These procedures included:

- Assessment of the suitability of the Applicable Criteria in terms of their relevance, reliability, understandability and their consistent application;
- Interviewed the selected key personnel of the Company to understand the current processes in place for capturing performance data, the Company's sustainability commitments, the progress made during the reporting period, the data capture and compilation methods, as well as internal controls to the extent relevant for the Limited Assurance engagement;
- Interviewed the relevant staff responsible for providing the information in the Report;
- Inspection of the relevant documentation of the systems and processes for compiling, analyzing, and aggregating data and examining such documentation on a sample basis;
- Performance of analytical procedures and inspection of documents on a sample basis with respect to the KPIs compilation;
- Execution of site visits conducted in Lahore, Sheikhpura, and Muridke in Punjab, Pakistan, to carry out inquiries of personnel responsible for internal non-financial reporting and inspection of documents on a sample basis at the sites visited;
- Critical review of the Report regarding plausibility and consistency of qualitative and quantitative information related to the Sustainability Commitments and KPIs;
- The procedures performed in a limited assurance engagement vary in nature and timing and are very less in extent than for a reasonable assurance engagement. Consequently, the level of assurance obtained in a Limited Assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

## Inherent Limitations

The procedures performed in a limited assurance engagement vary in nature and timing and are less in extent than for a reasonable assurance engagement. Consequently, the level of assurance obtained in a Limited Assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

Due to the inherent limitations of any internal control structure, it is possible that errors or irregularities in the information may occur and may not be detected. Our engagement is not designed to detect all weaknesses in the internal controls over the preparation and presentation of the Sustainability commitments and KPIs, as the engagement has not been performed continuously throughout the period, and the procedures performed were undertaken on a test basis.

The Greenhouse Gas (GHG) quantification process is subject to scientific uncertainty, which arises because of incomplete scientific knowledge about the measurement of GHGs. Moreover, GHG procedures are subject to estimation (or measurement) uncertainty resulting from the measurement and calculation processes used to quantify emissions within the bounds of existing scientific knowledge.





KPMG Taseer Hadi & Co.

Additionally, the outcomes of commitments related to water conservation and regeneration are susceptible to uncertainty owing to the diverse geospatial coverage and locations involved, leading to variations in soil composition and climatic conditions which may not remain constant.

The figures concerning reductions in virgin plastic usage and the recyclability of plastic materials are subject to uncertainty due to the reliance on the Nestlé globe system for extracting comprehensive data, which is integral to performing accurate calculations. We have relied on system-generated information and our limited scope excludes the review of the system and its statistical and scientific estimation formulae and mechanisms.

## Limitations

Our Limited Assurance scope excludes:

- reviewing, verifying, recalculating, or ensuring the accuracy and validity of the report's contents or disclosed data and information other than the selected KPIs as provided in Appendix 1 to our report;
- the Company's statements that describe the expression of opinion, belief, aspiration, expectation, aim or future intention and national or global socio-economic, sustainability, and environmental aspects;
- the completeness and basis of adopting the commitments and the nature and impact of the projects adopted to achieve those KPIs;
- Data and information on the economic and financial performance of the Company, which, we are informed, are from the Company's audited financial records and/or statements;
- Any project and information related to Regenerative Agriculture.

## Conclusion

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusions.

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the selected KPIs as mentioned in "Appendix 1" have not been calculated and presented, in all material respects, in accordance with the Applicable Criteria.

In accordance with the terms of our engagement, this independent Limited Assurance report has been prepared for Nestlé Pakistan Limited in connection with reporting to Nestlé Pakistan Limited and for no other purpose or in any other context.

## Restriction of Use of Our Report

Our report is released to Nestlé Pakistan Limited on the basis that it shall not be copied, referred to or disclosed, in whole (save for Nestlé Pakistan Limited's own internal purposes) or in part or without our prior written consent.

Our report should not be regarded as suitable to be used or relied on by any party wishing to acquire rights against us other than Nestlé Pakistan Limited, for any purpose or in any other context. Any party other than Nestlé Pakistan Limited who obtains access to our report or a copy thereof and chooses to rely on our report (or any part thereof) will do so at its own risk. To the fullest extent permitted by law, we accept or assume no responsibility and deny any liability to any party other than Nestlé Pakistan Limited for our work, for this independent Limited Assurance report, or for the conclusions we have reached.

KPMG Taseer Hadi & Co.  
Chartered Accountants  
16 March 2024

Appendix 1: Selection of consolidated Sustainability Commitments, Projects, and Indicators ("KPIs"):

Sr. No	Commitment	Key Performance Indicator (KPI)	Reported Values for 2023
<b>Climate Change</b>			
1	We aim to reduce our Greenhouse Gas (GHG) emissions by 20% by 2025 and 50% by 2030 from 2018 levels, on the road to net zero by 2050 at the latest <sup>1</sup>	Million Metric tonnes of CO <sub>2</sub> e (%) reductions compared with business-as-usual scenario versus our 2018 baseline	-17%
2	We aim to replace grid electricity in our manufacturing operations with 100% renewable electricity <sup>2</sup>	Electricity sourced from renewable sources (%)	96%
<b>Water</b>			
3	Nestlé's Waters Business has pledged to lead the regeneration of the water cycle to create a positive water impact everywhere it operates by 2025 <sup>3</sup>	Water regenerated (%)	71%
4	Reduce water used in our operations by 54,000 m <sup>3</sup> in 2023 <sup>4</sup>	Water use reduction in factories (m <sup>3</sup> )	56,000 m <sup>3</sup>
<b>Plastic and Packaging</b>			
5	By 2025, we aim to design above 95% of our plastic packaging for recycling and continue to work toward 100% being recyclable <sup>5</sup>	Plastic packaging designed for recycling versus our 2018 baseline	82%
6	By 2025, we aim to reduce virgin plastics by one-third, versus our 2018 baseline <sup>6</sup>	Virgin plastic reduction versus our 2018 baseline	-33%



# OUR PARTNERS



## Contributing to Nutritious and Sustainable Diets



## Strengthening Communities



Nurturing Women Empowerment



## Helping to Protect, Renew and Restore Natural Resources









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