

# رشته اعتباركا

Nestlé in Society

CSV REPORT  
2018



Good Food, Good Life

# رشته اعتبار کا

Nestlé with its more than 2,000 quality brands has positively impacted the lives of the people and has truly lived up to its promise of Good Food, Good Life all across the globe. As the foundation of every relationship relies on trust, we commit to our purpose of enhancing quality of life and contributing to a healthier future, by creating shared value for Individuals and Families, Communities and the Planet.



## ABOUT THE COVER

Nestlé Healthy Kids Program (NHK) is a global initiative to encourage parents and educators to foster healthier eating, drinking and lifestyle habits among school age children. Till 2018, we reached out to 180,000 children with 10 partners schools across Pakistan.

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# CEO'S MESSAGE

**Nestlé Pakistan believes in Creating Shared Value (CSV) for the communities in which it works and lives. The health of our company is intrinsically linked to the health and resilience of the society we operate in; this is why Nestlé's purpose is to enhance quality of life and contribute to a healthier future.**

Our global focus areas are firmly embedded in our purpose. Individuals and families, our communities and the planet as a whole are interconnected, and our efforts in each of these areas are supported through our 42 specific commitments. These commitments will, in turn, enable us to meet our global ambitions for 2030 in line with the timescale of the Sustainable Development Goals (SDGs).

By 2030, we focus on integrating SDGs into key partnerships and initiatives by helping 50 million children and families to lead healthier lives, improving 30 million livelihoods and striving for zero environmental impact of our operations.

In 2018, Nestlé Pakistan was awarded the 'Living the UN Global Compact Business (UNGC) Sustainability Award 2018' in the multinational category for the third time in a row. We were also declared the second runner up in Overseas Investors Chamber of Commerce & Industry (OICCI) Women Empowerment Awards 2018 among 40+ multinationals. These awards are a recognition of the best practices adopted by Nestlé in embracing SDGs.

## FOR INDIVIDUALS & FAMILIES

Nestlé prides itself on being the leading Nutrition, Health and Wellness (NHW) Company; we are committed to creating nutritional awareness among our consumers. This year, Nestlé Healthy Kids program reached out to more than 180,000 children in the rural, sub-urban and urban areas and have trained over 800 teachers on nutrition in 250 schools across the country.

With the goal to empower young women with basic nutrition knowledge so they make healthier nutrition choices and adopt healthy lifestyle, Nestlé Healthy Women Program has reached out to more than 6000 young women across 12 universities nationwide.

## FOR OUR COMMUNITIES

We believe in improving livelihoods and develop thriving communities. Nestlé Pakistan has been continuously facilitating its dairy farmer base through the provision of access to finances- both conventional and digital microfinance. In 2018, seven commercial banks partnered with us to finance farmers for their farm infrastructure improvement, cow purchase and farm mechanization. Loans worth PKR 634 million have been disbursed through this facility till 2018.

Knowing the contribution of rural women in the well-being of the family and communities, Nestlé Pakistan has been extending support in the lives of women associated with the rural dairy sector in Pakistan. In 2018, more than 3,000 rural women were trained on best farm practices through village meetings.

I am also very proud of Nestlé Pakistan's collaboration with Benazir Income Support Program (BISP) as it provides livelihood opportunities for BISP beneficiaries as part of our Rural Women Sales Program. To-date more than 450 beneficiaries have become Rural Sales Agents in Punjab and Sindh. Nestlé Pakistan also imparted nutritional knowledge to more than 1000 BISP beneficiaries through the Healthy Women Program.

## FOR THE PLANET

Nestlé Pakistan is taking steps and introducing various initiatives in its manufacturing units and beyond, to exhibit Respect for Future. We launched Caring for Water (C4W) initiative that undertakes collective approach to help protect shared knowledge and reduce water consumption inside and outside our fence. The initiative has three pillars; Factories, Communities and Agriculture.

Our Sheikhpura Factory is the first factory in Pakistan for having achieved the Alliance for Water Stewardship (AWS) certification. In 2018, our Islamabad Factory was also certified. We aim to have the rest of the sites in Karachi and Kabirwala factory certified by end 2019.

We also have a global commitment towards 100% recyclable or reusable plastic by 2025.

As we move into a new period in our Company's history, we will continue to evolve and strengthen our approach to Creating Shared Value. We will ensure that this approach continues to drive all our behaviours, policies and actions in the way we do business.



**Freda Yahan Duplan**

Chief Executive Officer

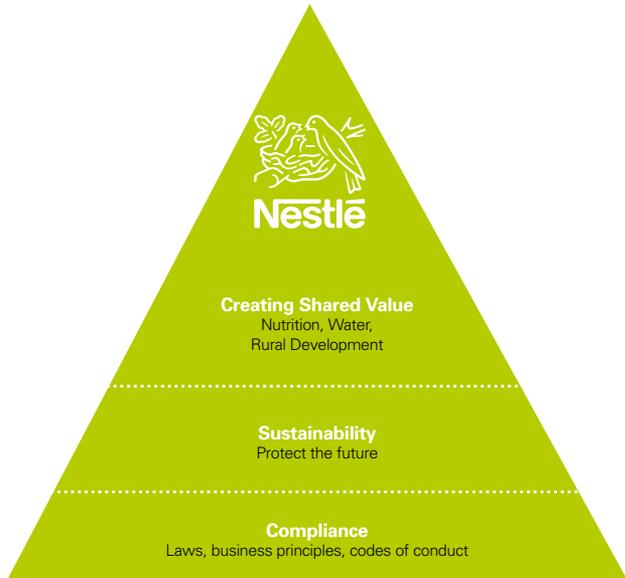
# CREATING SHARED VALUE

**At Nestlé, we believe in the philosophy of Creating Shared Value (CSV). It is our belief that for a company to be able to create value for its shareholders, it must also create value for society. Nestlé Pakistan, as part of its global and local obligations, believes in Creating Shared Value for the communities it works with. The health of our Company is intrinsically linked to the health and resilience of the society we operate in; this is why Nestlé's purpose is to enhance quality of life and contribute to a healthier future.**

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. Pakistan is a developing economy where more than 60% of the population lives in the rural areas. There is a huge potential for rural development, particularly in the livestock sector where companies such as Nestlé are adding real value for improving the quality of life for rural communities.

From offering quality products to consumers and providing a fair and diverse work environment for our employees; from capacity building and knowledge transfer to our partners and raw material providers, to implementing responsible sourcing models into our relationships; from supporting under privileged 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.

Our global focus areas are firmly embedded in our purpose. Individuals and families, our communities and the planet as a whole are interconnected, and our efforts in each of these areas are supported through our 42 specific commitments.



**Our goal is to provide products that are not only tastier and healthier, but also better for the environment. This gives our consumers yet another reason to trust Nestlé.**

These commitments will, in turn, enable us to meet our ambitions for 2030 in line with the United Nations Sustainable Development Goals (SDGs). Additionally, ethical business practices, transparency and consumer trust – based on high quality products with a focus on Nutrition, Health and Wellness – remains the hallmark of our core business. The company is committed to the stakeholders and the communities for mutual growth and sustainability. Based on the strong foundations of compliance and sustainable business practices, this is the Nestlé way of doing business.

As we move into a new period in our company's history, we will continue to evolve and strengthen our approach to Creating Shared Value as the way we do business ensuring that this approach continues to inform all our behaviors, policies and actions.

# CREATING SHARED WEALTH





# INDIVIDUALS AND FAMILIES

## 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 too. We want to help shape a better and healthier world. This was how we started more than 150 years ago when our founder Henri Nestlé created an infant cereal that saved the life of a child.

Nestlé is building, sharing and applying our nutritional knowledge, and contributing to a healthier future. We firmly believe that nutrition and hydration has a role to play in helping manage and treat diseases and we have teams of researchers focused on how to achieve this.

Nestlé prides itself on being the leading Nutrition, Health and Wellness (NHW) Company; we are committed to creating nutritional awareness among our consumers. Our products and brands are the flag bearers of NHW and we build our nutrition credentials with continuous research and development.



# HealthyKids

## NESTLÉ HEALTHY KIDS PROGRAM

Keeping in view the double burden of malnutrition among children in Pakistan, 'Nestlé Healthy Kids Program' was launched in Pakistan in 2010. The Nestlé Healthy Kids Program (NHK) program is a global initiative that empowers parents, caregivers and educators to foster healthier eating, drinking and lifestyle habits among school age children. The Program supports public health objectives and works to improve knowledge about nutrition. It promotes

healthy lifestyles among children through healthy eating, encouraging physical activity and other key health measures such as hygiene and hydration. In 2018, the program educated more than 180,000 children in rural, sub-urban and urban areas, and has trained over 800 teachers on nutrition in 250 schools.

The program has partnerships nationwide and covers schools across Punjab, The Federal Capital, Sindh and Khyber Pakhtunkhwa. The program works in collaboration with 10 educational partners from the development, private

 <p>Reaching out to <b>180,000</b> Students</p>	 <p>Covering <b>250</b> School Branches</p>	 <p>Involving <b>800</b> Teachers</p>	 <p>Involving <b>10</b> Partners</p>	 <p>Specially Developed <b>2</b> Books</p>
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and public sector, including Care Foundation, Trust for Education Development of Deserving Students (TEDDS), Zindagi Trust and The Federal Directorate of Education. NHK is a curriculum based program, comprising of two books (in both English and Urdu) which provide basic knowledge on nutrition and encourage physical activity and intake of balanced diet. The primary beneficiaries are school children between the ages of 6 to 16 years.

In Commitment with



## Testimonials

*"Encouraging children to eat a nutritious, balanced diet early is extremely important as it will help them grow and develop optimally. Educating kids on healthy eating during childhood will also help them make healthier choices as they become adults. We want to educate children and raise awareness of those who are around children and contribute to building a better and healthier society for our future generations" - Master Nutrition Trainer, Ms. Shireen Fiza.*

*"It is a great initiative which had a positive impact on my child's behavior who is implementing the information in his daily life by eating more fruits and vegetables which he used to avoid before. To my surprise my son has started avoiding junk food!" - Mrs. Aneesa Ahmad, Mother of a student at The Trust School, Lahore.*



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## HEALTHY WOMEN PROGRAM

Nestlé Healthy Women Program is a comprehensive nutrition program which was launched in 2014 with the belief that women play an integral role in ensuring the health and wellbeing of the entire family. Our goal is to empower young women with basic nutrition knowledge so they make smart nutrition choices and adopt a healthy lifestyle for themselves and their future generations.

Indicators show that malnutrition including both under nutrition and obesity among the rural as well as urban women of reproductive age in Pakistan is high. Malnourished women are more likely to have children with nutritional deficiencies. Achieving better health and overall wellbeing requires a fundamental understanding of what constitutes good nutrition.

To address this issue, the Nestlé Healthy Women Program was introduced in universities in 2014 and later in rural areas in 2018 to raise awareness on how nutrition impacts young women and their next generation. With this program Nestlé aspires not just to disseminate nutrition information but also positively impact lifestyles.

In universities, Nestlé Healthy Women has set a campaign with multiple stages each with a reward for those who make it to the next stage. These stages include nutritional awareness sessions, conventional quizzes, digital engagement, hands-on healthy cooking classes and poster presentations. In addition, successful participants are being offered internship opportunity that encompasses extensive exposure to the organization and possible future prospects. To date the program has reached out to more than 6000 young women across 12 universities nationwide.

Nestlé has upscaled the Healthy Women Program to rural areas in partnership with Benazir Income Support Program (BISP) for the health and wellbeing of rural communities. In 2018, we have reached out to more than 1000 BISP beneficiaries in rural areas of Punjab and Sindh.

Through continuous engagement we are making progress on improved nutrition outcomes. By 2021, Nestlé Healthy Women aims to reach out to more than 15,000 women through nutrition awareness sessions in urban and rural areas of Pakistan.



**6000**  
Urban Areas;  
young women



**1000**  
Rural Areas;  
women and  
adolescent girls



**12**  
Partner  
institutions



**50**  
Student  
internships



## NUTRITION SUPPORT PROGRAM

Nestlé annually provides nutritious products to approximately 20,000 children and underprivileged people who suffer from key micronutrient deficiencies. Nestlé Pakistan regularly provides company products, primarily milk, to selected schools in urban, semi-urban and rural areas. The children that attend the educational institutes we support are underprivileged and their parents cannot afford to fulfill their nutritional needs. The schools are selected after giving due consideration including, profile of the managing organization, capacity of the organization, its outreach and resource availability, to ensure that the benefits of this program reach those who need and deserve them the most. The program also supports organizations working with destitute women and old age homes, as well as social welfare organizations for sports, culture, special children and the disabled.

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## 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 2018, approximately 2.72 billion fortified servings were served across the country.



# OUR COMMUNITIES



## HELPING DEVELOP THRIVING, 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 still informs everything we do. We are part of the local communities where our factories and offices are based. But being part of a community brings responsibility too. It means respecting the rights of those who work for us and with us wherever we operate.

We believe in improving livelihoods and develop thriving communities. We do that by supporting women and girls to be economically and socially active, so they can be successful and independent. So we work particularly in rural areas, to support farmers and their families. We provide training for farmers, both men and women to help them build a brighter future.



Nurturing Women Empowerment

## NESTLÉ BISP RURAL WOMEN LIVELIHOOD PROGRAM

Nestlé Pakistan partnered with Benazir Income Support Program (BISP) in 2017 to provide livelihood opportunities to BISP beneficiaries. Launched in 2008, BISP is the largest social safety net program launched by the Government of Pakistan. The BISP Program is a targeted unconditional cash transfer program in Pakistan focusing on the underprivileged, excluded, marginalized and vulnerable women of Pakistan. The Rural Sales Program focuses on graduating BISP beneficiaries out-of-poverty. This transformative collaboration between Nestlé Pakistan & BISP has enabled BISP beneficiaries, often referred to as “poorest of the poor” women, to earn a livelihood for themselves and their families. This program is a successful Public Private Partnership model aiming to create a sustainable solution towards addressing some of the key issues like malnutrition,

financial exclusion, and lack of livelihood opportunities that rural women face in Pakistan. To date, more than 450 BISP beneficiaries have been enrolled as Rural Sales Agents across 12 districts of Punjab and Sindh.

Furthermore, we are empowering rural women through improving nutrition knowledge and practices. This is part of Nestlé Pakistan’s Healthy Women Program targeting rural women. The content of these nutrition sessions aims at improving nutrition and health through awareness on healthy diet at different stages of life, from adolescent girl to old woman focusing on;

- Nutrient requirement and their sources
- Importance of balanced and healthier diet
- Importance of hydration, hygiene and food safety

We reached out to more than 1000 BISP beneficiaries in 2018.

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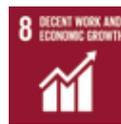


## CHAUNSA PROJECT

The Nestlé Chaunsa Project continued during 2018, in partnership with the Agriculture Department Punjab, with the aim to improve the livelihood of farmers within the Chaunsa Mango sector by strategic CSV intervention through implementation and replication of best farm practices, resulting in right quality pulp and improved harvest. 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 best farm practices. We procured a limited quantity of chaunsa mango from our project farmers as a pilot project thus reaching our goal of making these farmers a part of our supply chain as Chaunsa Mango suppliers in 2018. It is our commitment to continue the project in the coming years to enhance the quality of the Chaunsa Mango in Pakistan, resulting in the socio-economic uplift of the small and medium Mango farmers in the country.



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## 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 with the objective of ensuring the safety and well-being of the communities it operates in. The Nestlé-NH&MP Drivers Training Institute is a fully equipped facility that has been providing training under the supervision of experts, not just to the drivers of Nestlé Pakistan and NH&MP, but is also catering to the drivers' training needs of other public and corporate organisations of the country. The entire facility features a driving safety training track, two blocks comprising classrooms and also a high-tech driving simulator. Till date, the Drivers Safety Program has trained more than 23,500 drivers including over 5,100 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. The company has also replicated the existing initiatives in Karachi with NH&MP's collaboration with the development of another Drivers Training Facility which has trained more than 1800 drivers till date.



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## EMPLOYEE VOLUNTEER PROGRAM

Nestlé Pakistan Employee Volunteer Program (EVP) provides employees the opportunity to engage and assist underprivileged communities. All designed activities are in line with our CSV; for Individuals and Families, for our Communities, and for the Planet. Employee participation, while encouraged, is voluntary and remains an employee's decision. Each volunteer can spend one working day annually on volunteer activities. We planted more than 50,000 trees during the EVP tree plantation campaign during 2018.

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## COMMUNITY ENGAGEMENT

Nestlé Pakistan believes in maintaining a close relationship with the communities it works with. As a part of our Community Engagement Program and to have a better understanding of the challenges faced by the communities living around our factories, the company arranges meetings with key community elders and representatives on a regular basis. The inputs during these meetings help us understand community needs and expectations from the company. The company also jointly organizes and supports key social and cultural events around our operational sites. As part of our community engagement plan, the company has constructed new schools along with refurbishment of other government schools. The company has also constructed a Vocational Training Centre where the Punjab Vocational Training Council is providing sewing and stitching training to women.

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## AGRICULTURE SERVICES

Agriculture Services is one of the integral pillar of Nestlé Pakistan which is contributing towards improvement in socio-economic conditions and livelihood of the farmers. Nestlé provides a comprehensive solution on dairy and agriculture to farmers through its trained team of professionals, specialized in agriculture and dairy farming.



## DAIRY FARMS' TRANSFORMATION

Nestlé Pakistan is supporting small and medium sized farmers to improve their efficiencies by improving milk production and minimize losses from dairy farming operations. The ultimate objective of our dairy development activities is to make farms profitable and sustainable in Operations.

## HIGH EFFICIENT COWS

As part of Nestlé's continuous effort, to enhance farms profitability and quality of raw milk, our Agriculture Services has come out with various schemes, including import of superior cows and assisting farmers to install on farm milk chilling facilities. These initiatives paid off through induction of more than 9,000 cows with superior genetic potential contributing to significant growth in direct farm milk with marked improvement in milk quality and traceability.

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## CAPACITY BUILDING OF FARMERS

With a drive of transforming traditional dairy farmers into professionals, Nestlé has developed a comprehensive dairy farming extension program to implement advanced farming practices at supplier's dairy farms. Nestlé Pakistan conducted on farm trainings by local experts as well as international trainers in collaboration with International Finance Corporation (IFC). Nestlé together with IFC has jointly published a comprehensive guide on dairy farming. Nestlé Agriculture team also helped their farmers to improve managerial and entrepreneurial skills resulting in better farm operational efficiency. Based on success of modernised pilot farms which served as lighthouses of dairy farming, the model was replicated in other dairy farms which not only enhanced the entrepreneurial skills of dairy farmers but also improved profitability of their farms.

## FARM MECHANIZATION

Since its existence, Agriculture Services has played a dynamic role towards mechanization and adaptation of emerging trends in the industry. To support Nestlé's professional fresh milk suppliers, standard farm shed designs were developed with the consultation of international

experts. Acting as a light house for medium sized farms, Agriculture services installed digital heat detection & health management system for cows at Nestlé training farm with the purpose to educate progressive farmers on importance and benefits of technology in farming. Nestlé Agriculture team is also equipped with velocity meters and thermal imaging cameras to improve cow comfort through heat abatement in the shed.

## FARM DEVELOPMENT SCHEMES

In 2018, seven commercial banks partnered with us to finance farmers on market competitive interest rates for their farm infrastructure improvement, cow purchase and farm mechanization. Till 2018, PKR 634 million have been disbursed through this facility.

At Nestlé, we strive to provide our farmers with effective solutions to their financial needs. Under arrangements with various banks, farmers have availed financing of PKR 634 million out of which PKR 507 million for cow financing and PKR 127 million for farm infrastructure and running finance to build and upgrade their farms. This includes small digital loans availed through mobile wallet.



## WOMEN AGRIPRENEURSHIP

Knowing the contribution of rural women to the well-being of the family and communities, Nestlé Pakistan has been extending support in the lives of women associated with the rural dairy sector in Pakistan.

In 2018, approximately 3000 rural women were trained on Best Farm Practices through village meetings. Moreover, the program builds capacity to better support women entrepreneurs to start and grow their businesses. Some eleven women entrepreneurs were developed through this program. Moreover, 300 female milk suppliers were also made a part of Nestlé's milk collection value chain.

Along with agriculture activities they were also engaged in rural sales initiative to strengthen the network of entrepreneurship at village level.

Our cellular network based SMS advisory service continued providing information like weather changes, disease outbreak with additional farming related messages to farmers. Thousands of farmers, enrolled in our system, are

getting dairy knowledge to advance their farming skills and techniques that help them improve productivity, reduce costs, and increase income while also getting maximum benefits from mobile phone usage.

## SUSTAINABLE AGRICULTURE

**Nestlé Pakistan has been playing a pivotal role in contributing to agricultural economy through dairy development. Taking the same ambition to the next level, Nestlé Pakistan would further contribute to agriculture economy through developing professional suppliers for other agricultural raw materials such as fruits, cereals and vegetables.**

In Commitment with





Nestlé Pakistan has partnered with the Agriculture Department, Government of Punjab to encourage local farmers to take up drip irrigation. We have installed drip on 107 acres as of 2018 with an estimated water saving of 301 mio liters annually; these farms are located in various parts of Punjab. We aim to increase the drip acreage from 107 to 143 acres to save 400 mio liters in 2019.

## FRUITS, CEREALS AND VEGETABLES

Our Supplier Development team is developing Suppliers / farmers for local sourcing of fruits, vegetables and cereals. In 2018, we sourced mangoes, chillies, corriander and fenugreek leaves from farmers. Our Supplier development team having good technical skills and on farm knowledge. This includes farm management, extension services, day to day advices, financial and strategic planning, and capacity building of Agriculture farmers. Our Supplier development team interact with farming communities who are a part of our Agri value chain in Pakistan approaching farmers, caring for their orchards and farms, helping to increase their production and income to ensure a better life.

## GREENHOUSE GASES

Being an environment caring organization, Nestlé Pakistan is taking initiatives which help in reduction of Greenhouse Gases (GHG) emissions. Holistic approach is in place to minimize the reduction of GHG emissions by replacing low efficient cows with high efficient, improving manure management practices, and promoting perennial fodder crops, introducing biogas plants and solar system at farms.

## NESTLÉ NAATA

After its successful launch in previous year, Nestlé NAATA continued to connect with farmers to address their queries. This channel has become popular as the easiest way for new farmers to seek initial guidance on dairy farming.

Nestlé Pakistan is committed to continue its efforts to uplift rural economy with higher productivity and better income of local farmers.



**FOR THE PLANET**

## STEWARDING RESOURCES FOR THE FUTURE GENERATIONS

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

The UN estimates that by 2050, the world's population will grow to almost 9 billion people. In the next 15 years, almost half of the world's population will be living in areas that are running out of water. An estimated 60 percent more food will be needed to feed the world, and growing that food will put more stress on already fragile water supplies. Water, and the lack of it, is the biggest challenge the world faces going forward.

The UN believes that one of the keys to adapting to climate change is better water management. We believe this too! Businesses have a huge role to play in reducing water use. As the world's largest food and beverages company, all areas of our business use water. Farmers need it to grow the crops that we use to make the foods we produce. We also use water in our factories. Here we can take the lead by reducing our water use every year, and finding new ways of reusing it to ensure nothing is wasted by us or those we work with. We must do all we can to protect this precious resource.

Promoting good water management means working with all parts of the communities around our factories and in our supply chain to help people understand how to take care of the water that is available. We are at the forefront of water stewardship, working with many stakeholders on sustainable water management of river basins around our operations worldwide.

If we are to continue to grow sustainably, we must ensure we use the planet's resources wisely. We are working towards the day when, through efficiencies and new technologies, we can reduce our environmental impact to zero.



caring  
for  
water

Nestlé and its partners

**Being a food and beverage company, water is critical at each stage of our value chain. For more than 10 years, water has been a key focus of our CSV strategy. Following Nestlé’s global commitment to SDG–6 on Water and Sanitation, Nestlé Pakistan aims to be a responsible steward of water by working hard to improve water efficiency in our direct operations as well as throughout our value chain. Since water is a collective resource, it demands collective action.**

## PARTNERS



### WWF-Pakistan

WWF-Pakistan is the implementing partner of the Alliance for Water Stewardship (AWS) Standard in Islamabad, Sheikhpura and Kabirwala factories. We continue to work with them for the AWS Certification in Port Qasim Factory.



### Punjab Agriculture Department

We are working with the Agriculture Department to promote drip irrigation in order to encourage farmers to take up the high-efficiency irrigation technique.



### Lahore University of Management Sciences

The scope of our partnership with Center for Water Informatics and Technology (WIT), LUMS is to work on developing and scaling up technologies that can help save water in agriculture.



### Sustainable Development Policy Institute

We have partnered with the Sustainable Development Policy Institute (SDPI) with an aim to engage an array of stakeholders including parliamentarians, government officials, civil society and the academia in order to generate awareness and enhance the dialogue around water issues.



### Pakistan Agriculture Research Council

We have partnered with Pakistan Agriculture Research Council (PARC) in terms of installing High Efficiency Irrigation System (HEIS) on a 6-acre crop site.



### University of Veterinary and Animal Sciences Lahore

Our partnership with University of Veterinary and Animal Sciences (UVAS) also aims at promoting the use of drip irrigation among farmers by setting up a HEIS on a 6.91 acre site with citrus and guava crops that has the potential to help save about 14.87 million liters of water annually.



## SPHERES OF INFLUENCE

### FACTORIES

#### 1- In-house Efficiencies

Our program to improve efficiencies, recycle and reuse water have enabled us to reduce water consumption per ton of product by 21% between 2010 and 2018. Nestlé Pakistan is working on different innovative projects and technologies that enable us to increase the efficient usage of water in our factories. By doing so, we have saved 93.4 mio liters of water in 2018. Nestlé Pakistan also treats the wastewater resulting from our industrial processes and only discharges the treated water that meet the standards set by the environment authorities.

#### 2- Alliance for Water Stewardship Certification

The Alliance for Water Stewardship (AWS) Standard is an international standard, which guides companies and organizations on how to improve their water efficiency, not just onsite, but also offsite. Nestlé Pakistan's Sheikhpura Factory became the first Pakistani site with the partnership of WWF Pakistan and the first Nestlé site worldwide to be awarded the AWS Certification in 2017. Our Islamabad Factory was certified in 2018, followed by Kabirwala Factory being certified in early 2019. We aim to have the Port Qasim Factory certified by end 2019.

#### 3- WASH Pledge

Nestlé Pakistan has committed to undertaking the WASH (Water, Sanitation and Hygiene) Pledge as part of which companies commit to implementing access to safe water, sanitation and hygiene at the workplace at an appropriate level of standard for all employees in all premises under their control. All our four factories and other sites meet the WASH Pledge requirements, covering more than 4,200 employees.

### COMMUNITIES

#### Safe and Clean Drinking Water Facilities

We have established 6 Clean and Safe Drinking Water Facilities providing access to clean and safe water to more than 60,000 people every day. Nestlé has also taken the responsibility of maintaining these plants with strict quality controls and checks and balances in place. We aim to add another such facility by the end of 2019.

In Commitment with





## AGRICULTURE

### 1- Drip Irrigation

Nestlé Pakistan has partnered with the Agriculture Department, Government of Punjab to encourage local farmers to take up drip irrigation. We cover 40% of the farmer's cost of putting up the equipment for drip irrigation while the Punjab government covers the remaining 60% of the expense. We have installed drip on 107 acres with water savings of at least 301 million liters annually; these farms are located in various parts of Punjab. We aim to save 400 mio liters water by the end of 2019.

Nestlé Pakistan is also working with Pakistan Agriculture and Research Council (PARC) by showcasing High Efficiency Irrigation System (HEIS) on a 6-acre crop site. This site will show-case best farm practices. The site at PARC, established in 2017, is being used to demonstrate water saving technologies to students and farmers.

In a similar partnership with University of Veterinary and Animal Sciences, Lahore, Nestlé Pakistan has established a site that demonstrates best practices which enhances crop production with minimum use of water. The site will serve as a knowledge hub for students and farmers on scientifically proven irrigation management techniques, including drip systems

and a delivery line network on a 6.91 acre crop site having citrus and guava crops of 3.51 and 3.40 acres respectively. It has the potential to help save about 15 million liters of water annually.

### 2- Water Sense Project

Our team has developed smart soil moisture sensors that read the moisture level of the soil and send regular data updates to a cloud from where the farmer receives information about which areas he should irrigate and how much. Moreover, a software has been developed with the help of Center for Water Informatics and Technology (WIT), LUMS and Waziup (an organization based in Italy) that enables the farmers and the researchers to see the soil moisture level remotely on their computer screen. The smart sensors can help farmers to save up to 10%-12% water and increase crop productivity by 15%.

### 3- Water Efficient Fodder

To help save more water, fodder is being grown with furrows followed by drip irrigation. We are promoting perennial fodders amongst dairy farmers. These include Alfalfa and Rhodes Grass which are being grown on 2,600 acres. Once grown Alfalfa and Rhodes grass, it can be harvested up to three years by reducing energy usage and less water requirement. It is estimated to save more than 2 mio cubic meters water in three years' time.

## ENVIRONMENTAL SUSTAINABILITY IN 2018



**Reduction from 2010**

**19%**

**17%**

**18%**

**Reduction from 2014**

**12%**

**21%**

**14%**

**Positive Impact**



**Nestlé Pakistan is taking steps and introducing various initiatives in its manufacturing units and beyond, to exhibit Respect for Future. A brief of all these initiatives is described below.**

### ENERGY, WATER SAVINGS AND REDUCTION IN GREENHOUSE GAS EMISSION ACROSS OUR FACTORY OPERATIONS

Energy, water and Greenhouse gas emissions are the major environmental indicators for any manufacturing facility. Nestlé takes care of these indicators in its operations and keeps on improving its performance year on year.

#### ENERGY CONSERVING PROFICIENCY

In 2018, energy consumption has been reduced by 19% per ton of product since 2010 and 12% compared to 2014.

### GREENHOUSE GAS EMISSIONS

In 2018, Greenhouse Gas (GHG) emissions has been reduced by 17% per ton of product since 2010 and 21% compared to 2014.

Our focus is to reduce our greenhouse gas emissions, by investing in renewable electricity, improving energy efficiency and switching to cleaner fuels.

### WATER OPERATIONAL EFFICIENCY

Between 2010 and 2018, total water consumption per ton of product was reduced and water usage efficiency is improved by 18%. Our water consumption per ton of product is reduced by 14% as compared to the year 2014. Nestlé Pakistan is aiming at water factory discharge reduction by having pronounced water treatment systems, recycling and reusing practices.

## RENEWABLE ENERGY

Keeping in view the continued energy crisis and global warming caused through usage of fossil fuels to meet the growing energy demand of the country, the only way out of these challenges is through the cleaner alternatives of renewable energy.

Nestlé Pakistan has always been looking at the options to reduce the environmental footprint and for cleaner energy options. Continuing on this journey, we have installed solar energy systems in our factories and milk collection centers. In 2018, Nestlé Pakistan achieved a total capacity of 0.5 MW. The continuing effort of Nestlé Pakistan in Solar Energy is setting an example in dairy industry to make use of renewable energy solution for its sustainable business.

## ACTING ON CLIMATE CHANGE BY PLANTING TREES

Nestlé Pakistan has a great focus on climate change. We have planted more than 400,000 trees till 2018 and plan to plant more than 50,000 trees in 2019.

## REDUCTION OF WASTE AT SOURCE

In 2018, Nestlé Pakistan has promoted experimentation in packaging optimization. R&D in packaging has brought us fruitful changes resulting in tremendous material avoidance of 292 tons that shows decrease in packaging material consumption by 94% in comparison with 2017.

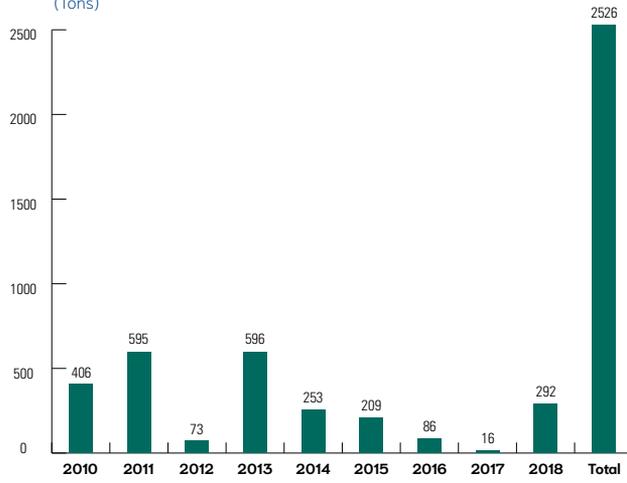
List of initiatives along with savings in respective material is tabulated:

Material Saved	Change Description	Material Saving (kg)
Laminate	Everyday 15g PE Layer (Laminate) Grammage change from 35gms to 30gms	<b>56,823</b>
	Bunyad 26g PE Layer (Laminate) Grammage Change from 35gsm to 30gsm	<b>22,651</b>
	Everyday 13g bag Length reduce by 5mm and Reel width by 2mm	<b>22,161</b>
Paper and Fibre Board	Removal of Fitment Sheet from Shipping Case Milkpak and Nesvita 12x1L	<b>108,359</b>
	Shipping Case material change from Kraft Liner to Test Liner	<b>79,098</b>
Shrink Film	Thickness reduction from 30 to 25 micron	<b>3,095</b>



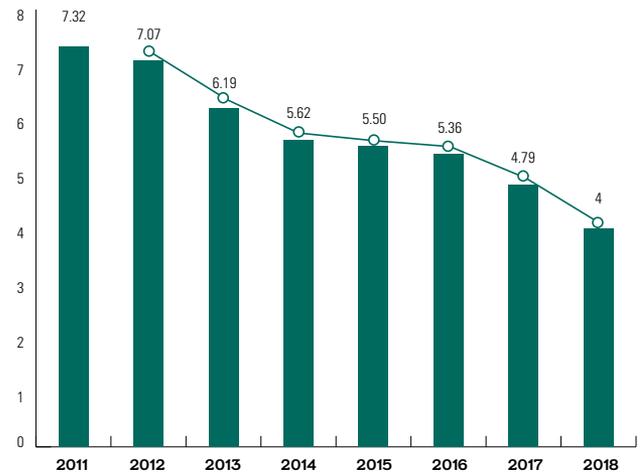
### Reduction in Packaging Material

(Tons)

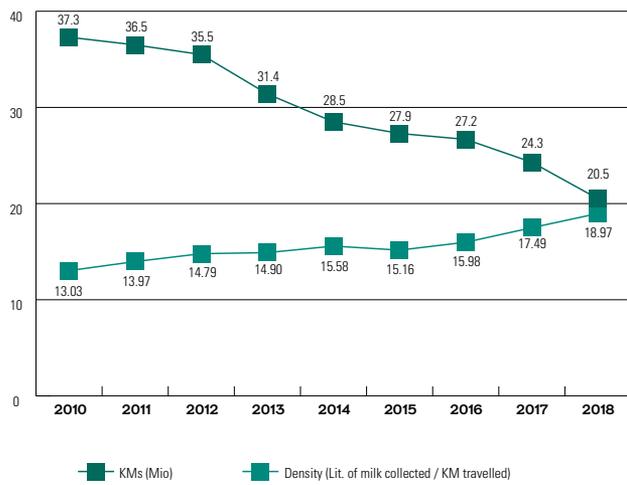


### Diesel Consumption

(Million Liters)

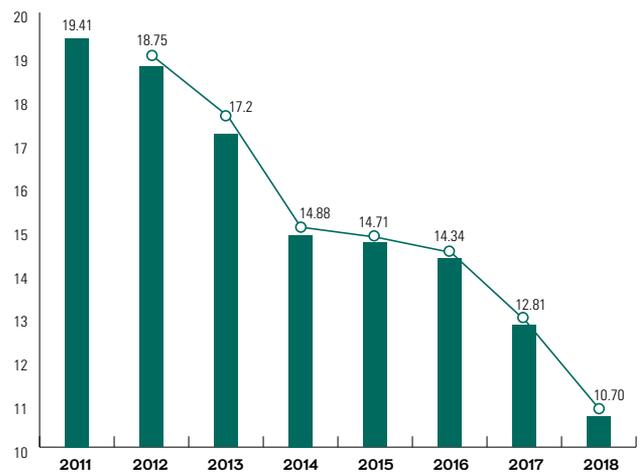


### Fresh Milk Transportation



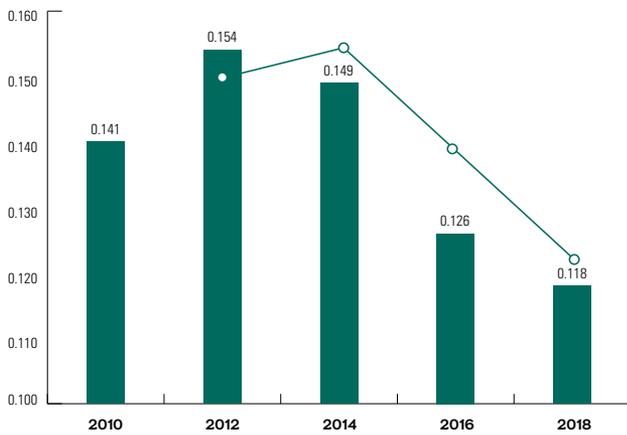
### CO2 Equivalent

(Million kg)

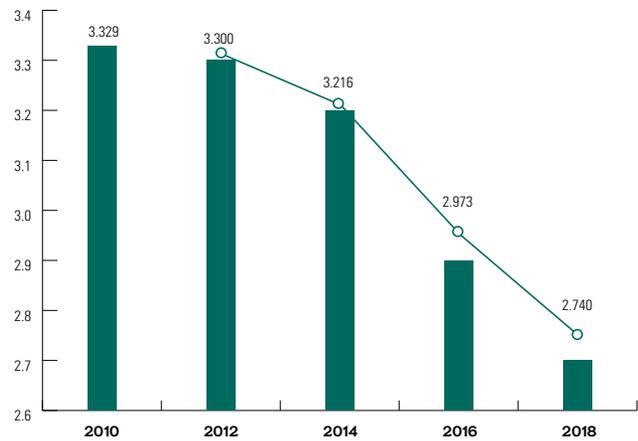




### Greenhouse Emissions (tons Co2 ton)



### Water Consumption (m<sup>3</sup>/ton)



#### In Factories:

Environmental KPIs are showing positive trends and both GHG and Water Withdrawal are reduced.



### FUTURE PLANS 2019

The journey of excellence in environmental performance continues as, Nestlé Pakistan is targeting 5% reduction of Green House Gas emissions per ton of product and 5% reduction in Water usage per ton of production.

# OUR PARTNERS

## FOR INDIVIDUALS AND FAMILIES



## FOR OUR COMMUNITIES



Dairy and Rural Development Foundation



## FOR THE PLANET





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