



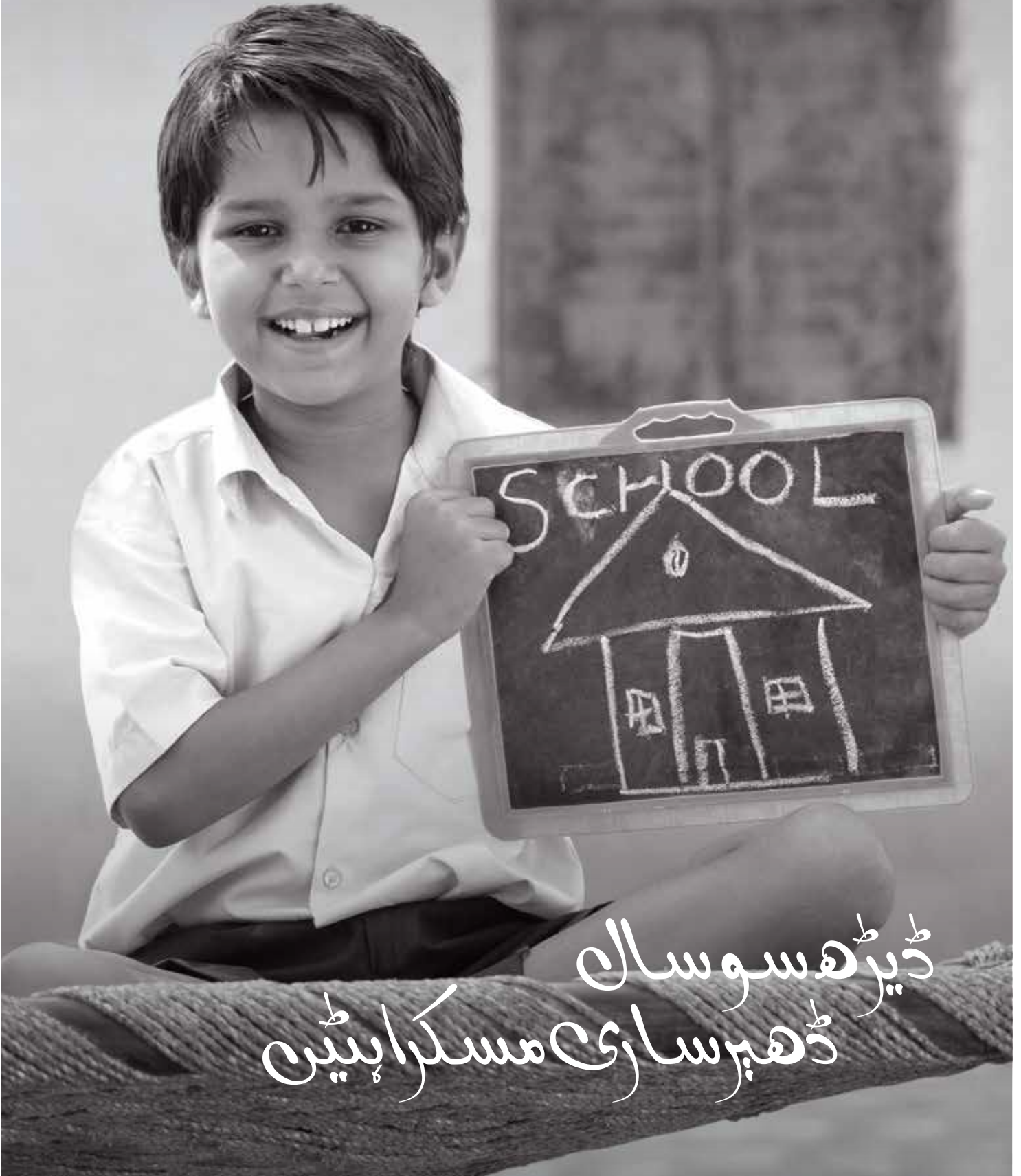
Nestlé

of Good Food, Good Life

150 Years

CSV Report 2015

Nestlé in society



ڈیڑھ سو سال
ڈھیر ساری مسکراہٹیں



For over two decades, we at Nestlé Pakistan, have strived to bring high quality products that have won the hearts of all Pakistanis. Our bedrock values of respect, trust, integrity and teamwork have helped us become the premier Nutrition, Health and Wellness Company.

We express our enduring belief of driving positive change and ensuring a better quality of life for the communities that we operate in. Guided by our renewed agenda for growth, we aim to seize greater opportunities that lie ahead, based on our idea of extending healthier food and beverage choices to all.

CSV Report 2015

Table of Contents

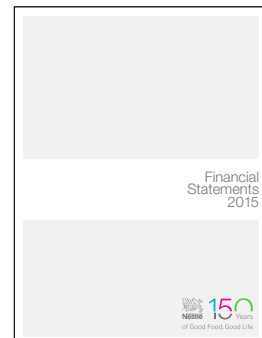
02	MD's Message
04	Our Focus Areas
05	Creating Shared Wealth
07	Creating Shared Value
09	Nutrition
15	Water
19	Environmental Sustainability
25	Rural Development
37	Our People

Accompanying reports

Management Report 2015



Financial Statements 2015



MD's Message

The average years of working at Nestlé at retirement is 26 years globally. This is quite exceptional and due to the fact that Nestlé has strong values, clear business principles and most importantly because at Nestlé we believe in our promise of Good Food, Good Life. We know that we are contributing to the society when we are improving the quality of life of people in the countries in which we operate. We do this by "Creating Shared Value" (CSV) because we believe healthy populations lead to healthy economies, which aid a healthy business performance.

Creating Shared Value is the way we do business. It is not about giving away money one year to good causes only to cut back when profits are down, but about working together over time on issues that matter and create shared value – for the communities we operate in as well as the shareholders – in the process.

Globally, Nestlé has linked our CSV agenda with broader development goals and focuses on: Nutrition, Water, Rural Development, Environmental Sustainability and Our People, as we believe that we are well positioned to create a meaningful impact in those areas. In Pakistan too, we focus on these areas and in 2015 we again made good progress. It is, therefore, a pleasure to share with you the achievements on our commitment in these areas in Pakistan.

Nutrition

We continued to expand our Nutrition programmes aimed at various age groups. Nestlé Healthy Women Programme – a local programme – that teaches young women about how what they eat today will impact the coming generation was taken to 6 universities in Karachi, Lahore, Islamabad and Peshawar. The reach of our global nutrition programme for children between 6 and 16 years of age – Nestlé Healthy Kids – was increased to 85,000 children. They have been taught about their nutritional needs and the

importance of maintaining a healthy lifestyle.

Water

The highlight of this year for Nestlé Pakistan was partnering with World Wildlife Fund (WWF-Pakistan) to implement the Alliance for Water Stewardship (AWS) standard at Nestlé's Sheikhpura Factory. The standard, being implemented in different parts of the world, promotes better management of site-specific water use and the water catchment areas to address shared water concerns related to quality, quantity and governance. The process was initiated in July 2015 and is expected to be completed in a year. The next site which the Pakistan market aims to certify is our Islamabad Water Factory. Furthermore, Nestlé Pakistan continued its strong tradition of Community Engagement. At the end of 2015, we have 8 clean drinking water facilities in Bhatti Dhilwan, Sheikhpura, Khanewal, Kabirwala, Allahabad, Muzaffargarh, and Kot Addu that provide clean drinking water to approximately 61,000 people every day.

Rural Development

In Rural Development, we launched an Entrepreneurship Development Programme at Institute of Business Administration, Karachi, with a focus on agriculture. It is a weekend certificate programme spread over 4 months. A batch of 40 students

will be trained each year for three years. The technical knowledge and skills that they acquire will enable them to make use of modern agricultural and business management practices comprising on-farm and off-farm value addition, innovation and growth. Two other Rural Development projects, which I am proud to share with you are our Chaunsa Project – under which we continued to implement Best Farm Practices in the Chaunsa Mango Sector – and our support for Driver Training Facility at the National Highways and Motorway Police (NH&MP) Training Institute in Karachi. This will be along the same lines as the NH&MP Training Institute in Sheikhpura, which we have been supporting for years.

Our People

I am also happy to share that our Kero Aitemaad Programme designed to attract career aspiring women has grown exponentially in 2015. Seven seminars have already been conducted. More than 850 girls were reached out to across 76 colleges and universities nationwide. The main achievement to me is that we have created opportunities for women in Sales and Technical.



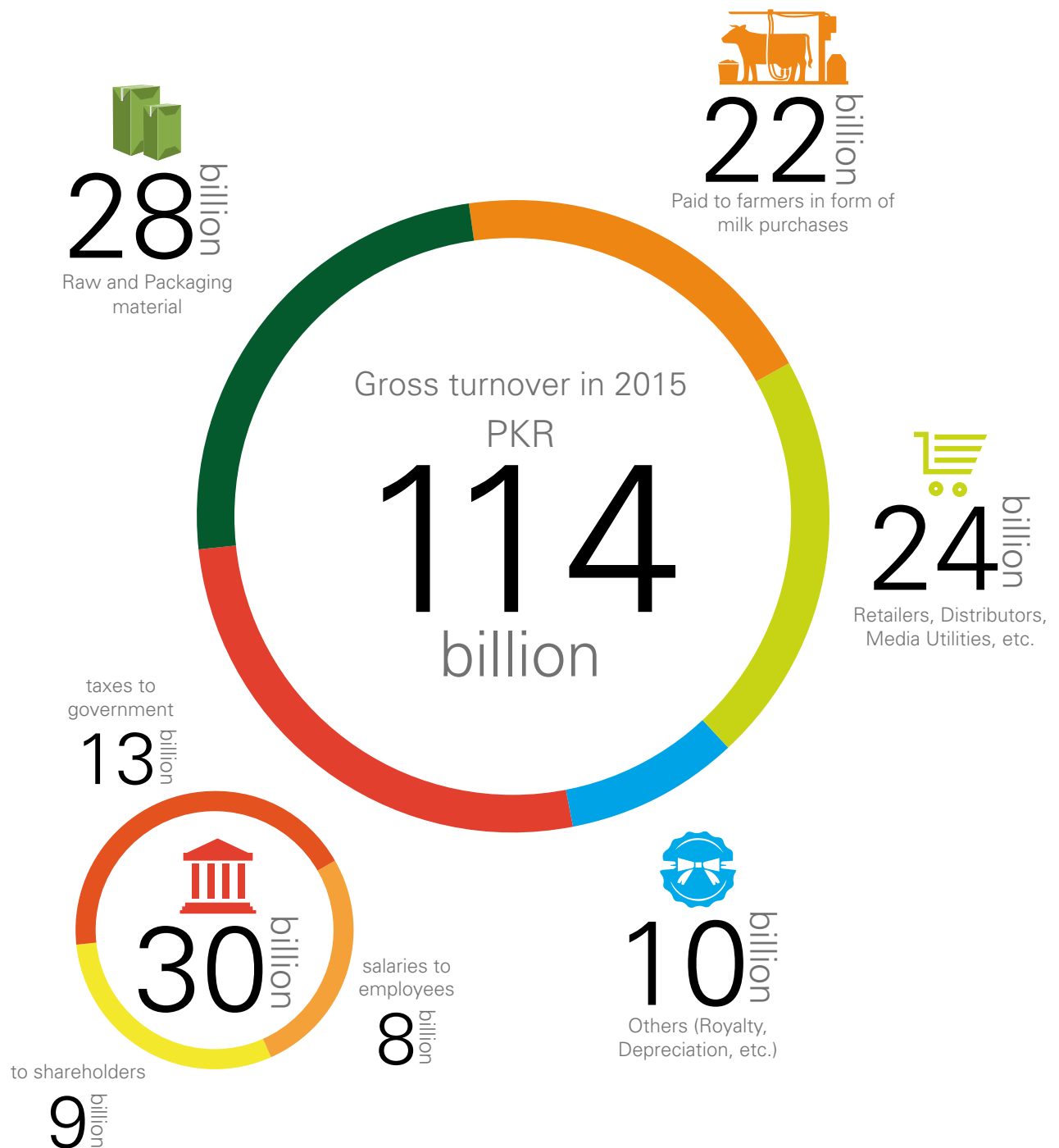
BRUNO BORIS OLIERHOEK
Managing Director



Our Focus Areas



Creating Shared Wealth







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 works and lives. Pakistan is a developing economy and 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 like Nestlé are adding real value for improving the quality of life for rural communities.

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 socio-economic development for the communities. 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. Nestlé Pakistan is also a signatory to the UN Global Compact for Ethical Business.

The key focus areas for Nestlé Pakistan's Creating Shared Value (CSV) programmes are as follows:

- Nutrition
- Water
- Environmental Sustainability
- Rural Development
- Our People





Nestlé

150 Years

of Good Food, Good Life





Nutrition



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 Nutrition, Health and Wellness and we build our nutrition credentials with continuous research and development. In this area we carry out the following activities:

1. 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.

2. Awareness to consumers through packaging

The Nestlé Nutritional Compass, appearing on 97% of Nestlé Packs worldwide (by NPS), encourages and empowers consumers to make informed food choices about their diet for a balanced and healthier lifestyle.

In addition to the Nutrition credentials of our products, the company also engages in community support projects such as the 'Nutrition Support Programme' for underprivileged schools and people, particularly children, women and the elderly whereby we provide milk to select schools and other welfare institutions.

Nutrition



Nestlé Healthy Kids Programme

Nestlé Healthy Kids (NHK) programme is a global initiative by the company which aims to enhance knowledge about nutrition and health among school going children, promote physical activity and highlight the importance of hygiene.

Keeping in view the added burden of malnutrition among the children in Pakistan, 'Nestlé Healthy Kids Programme' was developed by Nestlé Pakistan and kicked off in the local market in 2010. Initially targeting school kids in Punjab, Nestlé Healthy Kids is now a nationwide programme with new partners in Khyber Pakhtunkhwa



and Sindh. Nestlé Pakistan is now collaborating with 10 partners on this project. The programme has reached out to 85,000 children and trained 150 teachers so far. The training of mothers and teachers is also a continuous activity in the

programme. The curriculum consists of two books (in both English and Urdu) and targets different age groups, from 6 to 16. The programme is available online at www.nestlehealthykids.pk

Like all responsible mothers, Rubina Begum thought she knew everything there was to know about healthy food. She realised that the NHK Programme is changing their lives for the better when Seher started taking breakfast regularly, which she used to skip and demanded fruits and vegetables to be part of her diet.

"Regular breakfast not only keeps me energetic and fresh through the day but also keeps me motivated and increases my concentration through the lectures." says Seher Mushtaq.

She says she has become well aware of the importance of breakfast through the NHK programme at her



school, The Trust School in Aamir Town, Lahore. She has not only adopted healthy habits herself but has also started educating her family about nutritional requirements and the importance of healthy diet and physical activity.

"I help my Mom out in the kitchen almost every day for dinner now because I want to teach her what I learn about healthy and nutritious food in school and I want my family

to eat healthy." explained Seher.

"Seher has made positive changes to her eating habits, consuming less salt, sugar and oils, and eating a greater variety of vegetables and fruits which were merely part of her diet before." says Robina Begum who admits that she herself has learnt a lot while Seher was participating in various activities and school projects for the programme.



Nestlé Healthy Women

As the world's largest Nutrition, Health and Wellness company, with a 150-year long global nutrition heritage, Nestlé has nutrition knowledge to offer as part of our CSV initiatives. We believe that women can be truly empowered when they are healthy, thus enabling them to realise their full potential. Achieving better health and overall wellbeing requires a fundamental understanding of what constitutes good nutrition.

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. These children are prone to developing health problems in both short and long term, including impaired physical and cognitive abilities.

To address this issue, the Nestlé Healthy Women programme was introduced at universities in 2014 to raise awareness about how nutrition

impacts young women and their next generation.

For this endeavour, Nestlé Healthy Women has devised a campaign with multiple stages each with a reward for those who make it to the next stage. This programme includes Nutritional Awareness sessions, conventional quizzes, digital engagement, hands-on healthy cooking classes, poster presentations and engagement with the senior management at Nestlé. In addition, successful participants are offered an internship that encompasses extensive exposure to the organisation. Launched in 2014, the programme has reached 6 universities in Karachi, Lahore, Islamabad and Peshawar.



Nutrition

Nutrition Support Programme

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 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 organisation – capacity of the organisation, its outreach and resource availability – to ensure that the benefits of this programme



reach those who need and deserve them the most. The programme also supports organisations working with destitute women, old age homes, as

well as social welfare organisations for sports, culture, special children and the disabled.

Mashal School is an Islamabad-based charity school run by a local NGO, Mashal. Zeba Hussain, a resident of Islamabad, began the venture in 2008 to provide education to the street children of Nurpur Shahan. The school caters to 670 children from nursery to class 10.

Since a very young age, these children have been selling shopping bags, flowers and sweets and washing cars on the streets of Bari Imam. These children face hardship at home as well as at work. Through the assistance of Mashal School, they were able to overcome their inhibitions and eventually develop a sense of trust and dignity. Mashal School provides



them with basic education and extra-curricular activities for their healthy development. All classes cater to multi-aged children.

Mashal School provides nutritious meal to the children once a week. Communal eating gives the children a sense of community and shared experiences.

Nestlé Pakistan is providing regular nutritional support to the

underprivileged students of Mashal school.

"The children who study at Mashal School are unable to afford a healthy meal a day and Nestlé has helped, on regular basis, in providing milk to every student of this school and contributing in fulfilling the nutritional needs of these underprivileged children." says Zeba Hussain.



Humanitarian Assistance During Natural Disasters

Nestlé Pakistan has always been active in supporting and providing humanitarian assistance to communities affected by natural calamities by providing food products, where the Nestlé staff volunteers in delivering the relief goods. These product donations also include donations by Nestlé Pakistan employees, which are matched in monetary value by the company.

In 2015, Nestlé Pakistan donated 80,000 litres of water to the National Disaster Management Authority to be distributed at centres set up for heat stroke affectees in Karachi.





Water



Responsible water resource management is critical for all of us and to the future of our business. We respect the human right to water and sanitation and are helping to facilitate the sustainable management of water catchments where we source our raw materials, where our factories are located, and where our suppliers and consumers live.

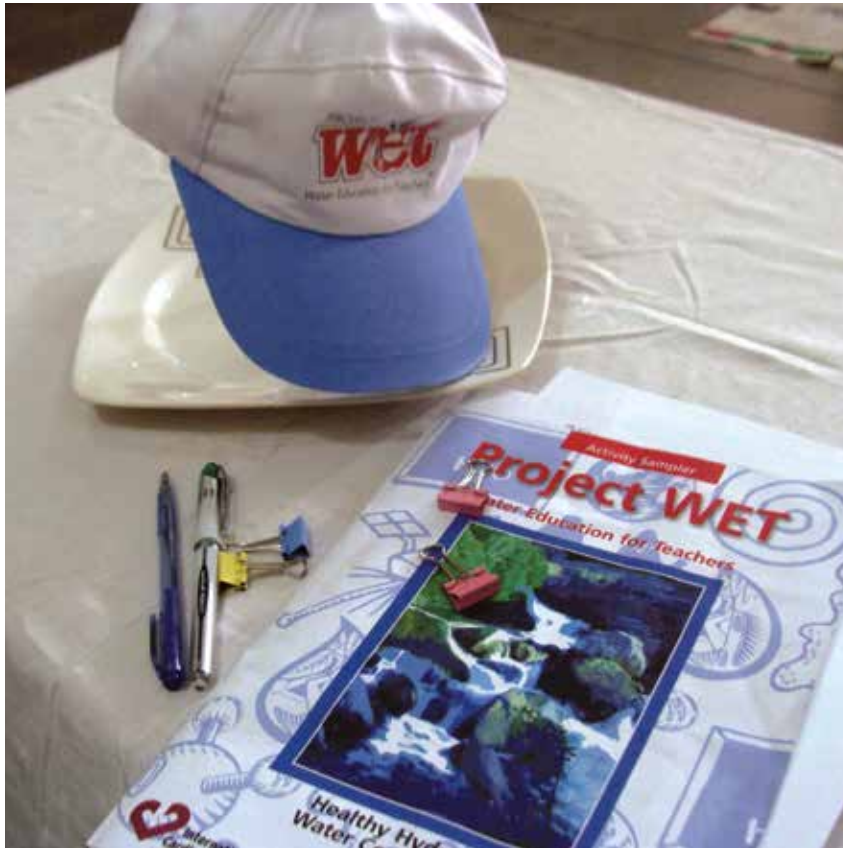


Alliance for Water Stewardship Standard implementation and training

Nestlé Pakistan has partnered with World Wildlife Fund (WWF-Pakistan) to implement the Alliance for Water Stewardship (AWS) standard at Nestlé's Sheikhpura Factory. The process was initiated in July 2015 and is expected to be completed in a year. Once completed, the factory will be the first Nestlé site worldwide to be certified by the AWS. Upon completion of the certification process for Sheikhpura, the next site which the Pakistan Market aims to certify is the Islamabad Factory.

Community Engagement Programme

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 a part of our Community Engagement Programme and to support local communities, Nestlé Pakistan has established 8 clean drinking water facilities. Located in Bhatti Dhilwan, Sheikhpura, Khanewal, Kabirwala, Allahabad, Muzaffargarh, and Kot Addu these facilities provide clean drinking water to approximately 61,000 people every day.



Project WET

Nestlé Pakistan launched Project WET (Water Education for Teachers) in August 2015, by organising training sessions for partner institutions in Islamabad. The participants in the sessions were provided with a WET guide and a training kit. Through exercises, they were taught how important water is for the human body and for the planet, among other information.

By the end of 2015, about 5,000 children and 100 teachers were educated on how to use water responsibly. This initiative by Nestlé Pakistan falls under the umbrella of its larger CSV efforts to promote water sustainability for future generations, and will utilise the already existing partnerships, which the Nestlé Healthy Kids Programme has with educational institutions across the country.

WASH Pledge

The WASH Pledge is an initiative of the World Business Council for Sustainable Development, of which Nestlé is a leading supporter. By signing the Pledge, Nestlé Pakistan commits to implanting access to safe water, sanitation and hygiene at the workplace at an appropriate standard for all employees, in all premises, under direct control within three years. The WASH Pledge self-assessment has been carried out at all four of our factories in the Market which were found meeting the WASH Pledge requirements.



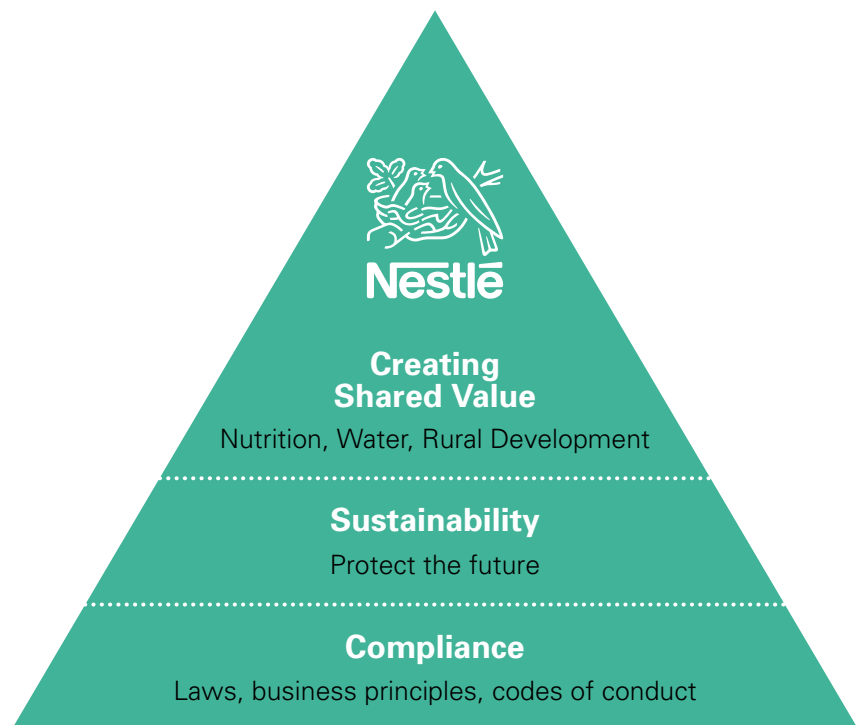




Environmental Sustainability

Nestlé realises that we exist in a world where water is increasingly scarce, natural resources are limited and biodiversity is declining. Moreover, climate change may exacerbate our planet's environmental challenges.

We recognise that we – a responsible corporate citizen – have to play our role in protecting the future by making the right choices. The sustainable and responsible use of natural resources is vital not just for feeding a growing world population but also for the future of our business.



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.

Environmental Sustainability

A few highlights of our environmental performance are appended below:

Energy Conserving Proficiency

Our energy consumption reduced by 14% per tonne of product since 2012. Energy consumption per tonne of the product was reduced in 2015 compared to 2014 by 6%.

Water Operational Efficiency

Between 2012 and 2015, total water consumption per tonne of product was reduced and water use efficiency improved by 10%.

Our water consumption per tonne of product was reduced by 7% in 2015 as compared to 2014.

Nestlé Pakistan is further aiming to reduce waste water by having pronounced water treatment systems, recycling and reusing practices.

Nestlé Pakistan's 2015 Environmental Performance



	Energy Consumption	Water Consumption
Reduction from 2012 till 2015	14%	10%
Reduction from 2014 till 2015	6%	7%
Positive Environmental Impact	↓	↓
Per tonne of production 2015	1.79 GJ	2.98 m ³
Targets for 2016 (reduction per tonne)	4.5%	4%

A few more of our environmental initiatives across the value chain are:

- Plantation of more than 10,000 trees as part of the tree plantation campaign
- Introduction of alfalfa & rhodes grass at 194 farms to reduce Carbon footprint by decreasing the number of sowings
- Training of 2,900 school students on responsible use of water
- Conducting more than 2,600 farmer help camps to train over 54,000 farmers to promote furrow irrigation to save water
- Promotion of DSR rice, which saves 50% water in rice crop and helps in food safety by reducing the Arsenic levels in rice
- In 2015, Nestlé Pakistan's solar energy units went up to 25 units, which are producing 137KW of energy



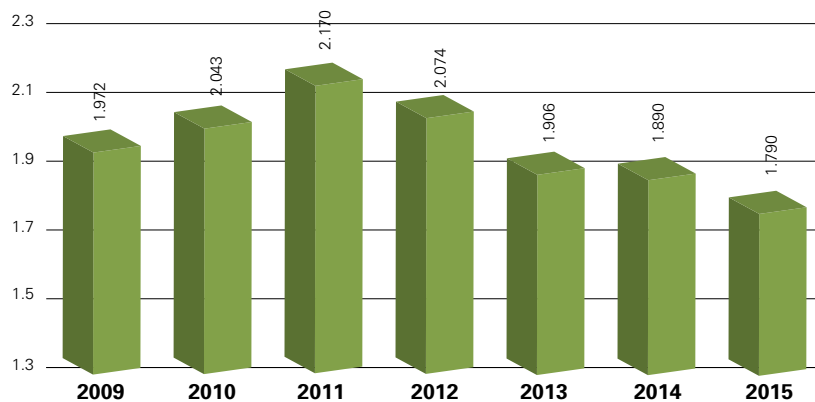
Nestlé Pakistan has saved
13,416,868 KWh
 of energy through various initiatives throughout 2015

Similarly, the volume of water saved throughout the year was
126,603 m³



Total On-Site Energy Consumption

GJ/tonne



Nestlé Pakistan is targeting reduction in energy consumption by

4.5%

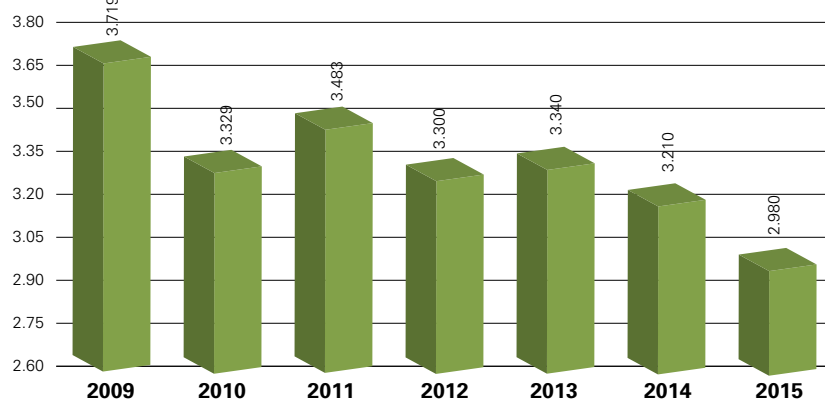
and reduction in water usage by

4% per tonne

of product manufacture.

Water Consumption

m³/ton



Environmental Sustainability

Reduction of waste at source

Packaging optimisation means creating the right balance between Quality, Cost and Environmental impact of the product packaging. The Packaging Development team is continuously working towards packaging optimisation by implementing innovative ideas with the coordination of all stakeholders. A few highlights of the recent achievements are as under:

1 Palletisation Improvement Project Milk Powders

Palletisation Improvement Project was initiated in February 2015 through a cross functional team.

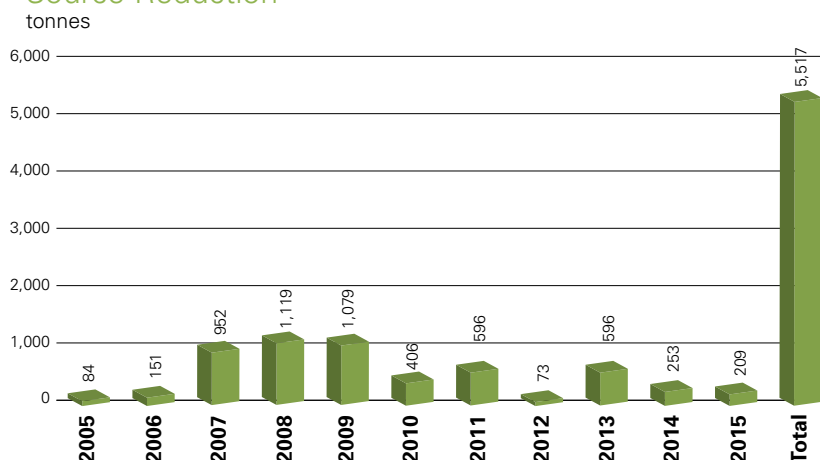
A few achievements of the project are as under:

a. Re-designing of Cases of Nestlé Bunyad 36x260g

Shipping Cases of Nestlé Bunyad 36x260g were re-designed in order to increase the number of cases per pallet and continue the journey of source reduction. The change was implemented in April 2015, which resulted in the following benefits:

- The number of cases per pallet increased from 28 to 35 (25% improvement)
- Improved Pallet Utilisation
- Improved Warehouse Utilisation
- Improved Transport Utilisation, resulting in a positive impact on the Carbon footprint due to 25% less trips required for product shifting

Source Reduction



- 14% reduction of corrugated weight due to reduction in case dimensions and removal of pallet sheets

aim to have a positive impact on environment through source reduction

The change was implemented at Sheikhpura and Port Qasim Factory in January 2015, which resulted in the following benefits:

- Reduction in the weight of 1.5-litre bottle from 25.9g to 24.9g
- Reduction in the weight of 0.5-litre bottle from 11g to 10g
- Positive impact on the environment by 155 tonne reduction of plastics in a year

b. Re-designing of Cases Nestlé Bunyad 96x130g

Shipping Cases of Nestlé Bunyad 96x130g were also re-designed. The change was implemented in October 2015, which resulted in the following benefits:

- The number of cases/ pallet increased from 32 to 40 (25% improvement)
- Improved Pallet Utilisation
- Improved Warehouse Utilisation
- Improved Transport Utilisation, which reduced the Carbon footprint as a result of 25% less trips required for product shifting

3 Discontinuation of PVC

Although PVC is not banned by local laws, but as per Nestlé's internal guidelines, the use of alternative materials is strongly recommended.

Nestlé Pakistan has recently completed the PVC phase out plan by replacing the material of neck sleeve in Nestlé Waters 5-gallon bottles from PVC to PET.

2 Nestlé Waters 0.5 and 1.5 Litre Packaging Optimisation (light weighting)

Another light weighting project was initiated by Nestlé Waters Port Qasim Factory with the



Green Supply Chain

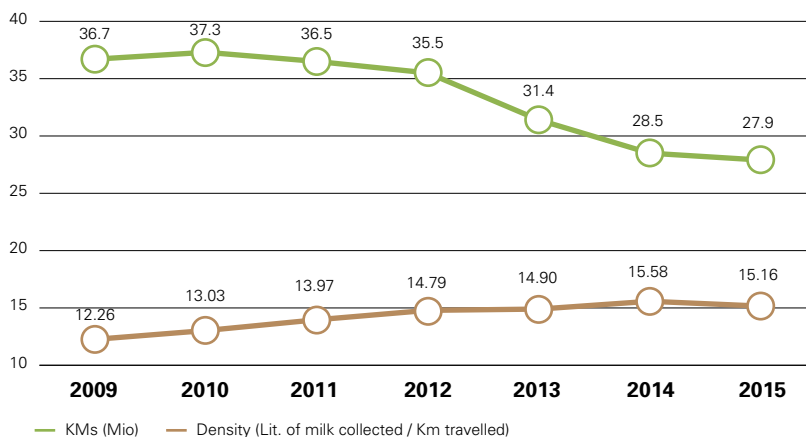
We are delivering more volume with less kilometres travelled.

We have taken the following steps to ensure environment friendly operations in Pakistan:

- Optimising vehicle capacity utilisation
- Induction of brand new vehicles
- Reduction in diesel consumption
- Induction of 9 new heavy capacity 50ft vehicles for internal shifting within factories (new 50ft, eco liners).
- With the decrease of 0.2% trucks in 2015, we delivered 5% extra volume in 2015 as compared to 2014.
- 90% fleet drivers trained through our partnership with National Highways and Motorway Police (NH&MP) to increase road safety / vehicle management awareness in Pakistani drivers.

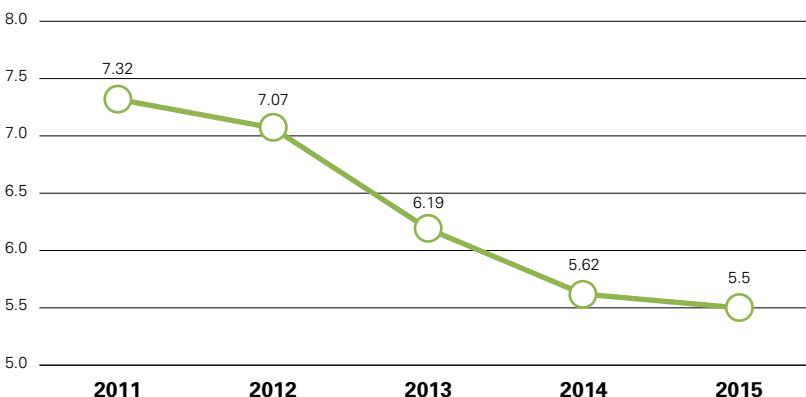
Lowest KM travelled

Adjusted for volume



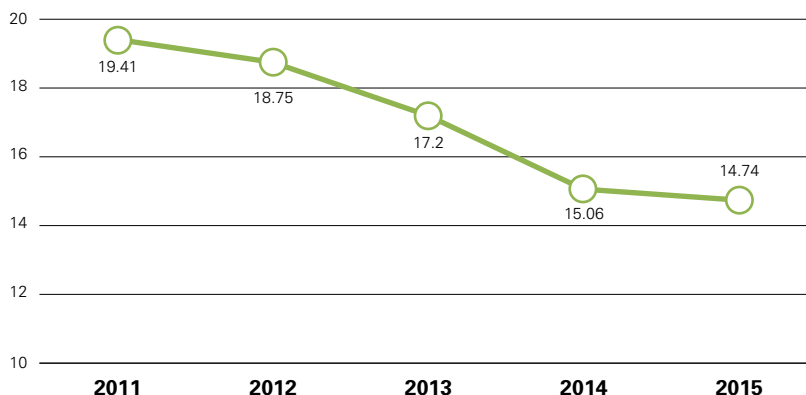
Litres Diesel

Million Litres



CO₂ Equivalent

Million Kg







Rural Development



Rural Development is our biggest area of focus. As part of our Rural Development programmes, we interact with communities, especially farmers, who are a part of our dairy value chain in Pakistan. Nestlé Pakistan is training dairy farmers and livestock workers to help them increase milk production and their income to ensure a better life.

Rural Development

1 Women Agri-preneurship in dairy sector:



Nestlé Pakistan is committed to invest in the lives of people associated with the rural dairy sector in Pakistan. Keeping in view the role of rural women in livestock management and the significance of their economic empowerment, Nestlé believes that capacity building trainings for rural women will help improve livestock, healthcare facilities for dairy farmers, create gender empowerment and boost income generation for rural communities.

Under this initiative in 2015, approximately 2,000 rural women were trained on adopting Best Farm Practices which include free access to water, appropriate feeding, awareness of best breeds and basic record keeping of a dairy farm etc. Moreover, 300 female milk suppliers were also made a part of Nestlé's milk collection value chain.

One of these women whose life has been transformed is Razia Mukhtar from Okara. Razia lives with her husband and two daughters. When she got married, her husband had two buffaloes and was working at a local dhaba (restaurant). He was earning Rs 4,000 per month, which was not enough to run a family. Razia started taking interest in dairy farming with an aim to sell buffalo milk to contribute to her family income.

In 2015, Razia met Nestlé's Dairy Development team in a female farmer training session. She invited the team to her home who convinced her to provide the animals with free access to water. Initially, her husband was reluctant but she persisted and he agreed. The Nestlé



team renovated her shed and untied the animals to allow free roaming within her shed. Razia experienced an improvement in milk yield.

In her feedback, Razia stated: "My buffalo's milk production increased from 7 litres to 8.5 litres per animal per day. Now I am getting an additional benefit of PKR 7,500 on average from improved milk sale. I have also saved on medical expenses of the animals as a result of their improved health and improved farm hygiene."

Commenting on the financial gain that Razia has experienced recently, she said, "Recently I have installed an electric water pump at my home that has enabled easy filling of the water trough. I have also upgraded the washroom by installing wash basin and water taps. My major saving is for the education of my daughters as I want to see them very successful in their lives."



2 Rural School Training:

Another initiative taken by the Dairy Development team in 2015, was the Rural School Training Programme. The objective is to educate and sensitise our rural youth on better farming practices, basic concepts on road safety, water conservation and also to channelise these messages to the household level through children. In 2015, approximately 2,900 students were trained through this initiative, which also helped expedite the process of decision making and enabled a behaviour change in farming communities.



3 Farmer Help Camps

Farmer Help Camps serve as a good platform to support and develop traditional dairy farmers in Pakistan.

Nestlé Pakistan has been conducting farmer help camps to support and improve farmer's livelihoods for the last five years. Farmer help camps are organised regularly near Village Milk Collection Centres and also to help farmers when they face natural disasters such as floods.

In 2015, approximately 3,111 help camps were conducted, where over 80,340 farmers were trained on good agriculture practices.

Rural Development

4 Local Training Farms

Nestlé selected five community-owned farms as Training Farms in 2015. These farms serve as success stories for small dairy farmers.



5 Enhancing Dairy Farm Efficiencies

One of the key initiatives in Dairy Development was to support dairy farmers to reduce the cost of production to ultimately increase their profit margins. A majority of dairy farmers have high cost of milk production due to poor herd planning, feeding patterns and the inability of managing feed resources around the year.

In 2015, Dairy Development selected 300 Commercial Farmers to gauge the situation and create success stories, so that the farmers can see how small changes in management practices can bring about a significant difference in farm economics. Feeding was taken as the top priority, as nearly 80% cost of production is contributed by the animal feed. Individual farmers were supported with a feeding calendar with day-to-day planning on feed purchases and awareness sessions were conducted on alternate feed resources with the support of the Nestlé Dairy Development Executives. The selected 300 farmers reduced the overall cost of milk production just by managing the cattle feed.





One such success story is of Sardar Khan Khichi, who is one of the commercial dairy farmers residing in a small village named Sher Gher near Mailsi, district Vehari. Sardar Khan Khichi is a progressive farmer but he was facing the issue of high cost of milk production which was squeezing his profit margins day-by-day.



Nestlé's Dairy Development team approached him and selected his farm to improve the situation and to present him as a success story for neighbouring farmers.

The major issue faced by Khichi at his farm was the use of unbalanced feed without proper planning of the herd's feeds requirement. The Dairy Development team supported him by developing a complete feeding calendar with proper planning of feed requirements for the herd. This resulted in improved yields and profit margins for Khichi's farm.

6 Water Conservation in Agriculture:

Availability of water per capita is decreasing drastically in Pakistan, with agriculture sector being the major consumer of water. Nestlé Pakistan is training farmers as part of good agricultural practices to enhance water productivity at their farms. About 1,100 farmers were introduced to low water requiring fodder varieties like 'Alfalfa' and 'Rhodes' grass.

Furrow irrigation (that saves around 20% water) was introduced for maize at Nestlé training farms for demonstration purposes. Drip irrigation was introduced at commercial dairy farms to promote water conservation. The trial of dry sowing of rice is being undertaken to save water and for reducing the arsenic content in rice grain.

7 High Quality Cattle Feed Development:

Aflatoxin is a serious threat to animal health. The main source of aflatoxin is the fungal contamination in cattle feed, which is developed mainly due to poor post-harvest practices. Nestlé Pakistan addressed the root cause by developing good quality cattle feed manufactures as well as their raw material suppliers by implementing good post-harvest practices at field level as well as good manufacturing practices at the cattle feed mills. More than 29 feed mills have been developed with the technical support of Nestlé Pakistan to supply high quality feed to dairy farmers. It improves the animal health as well as the milk quality.

8 Commercial Farm Development Project:

Nestlé Pakistan, in collaboration with International Finance Corporation (IFC), initiated a project with the aim to increase fresh milk volume with good quality at selected commercial dairy farms. IFC will develop 200 commercial farms by enhancing the skill level of farmers and Nestlé extension workers. The activities will include the customisation of dairy expansion guidelines, access to finance and training.

Rural Development

Partnership with Dairy and Rural Development Foundation

As part of its efforts to continue the development of Pakistan's rural communities, Nestlé is assisting the Dairy and Rural Development Foundation (DRDF), through its Dairy Project, in the training of dairy farmers and livestock workers for improved milk productivity.



Pakistan is one of the largest milk-producing countries in the world, but our dairy farming practices are old. Nearly 97 per cent of the milk comes from small dairy farmers who own three or less animals and the average milk yield per animal is very low. The overall contribution of the livestock sector to the national

GDP is approximately 11.8 per cent¹, making it the most significant agriculture subsector for the national economy with great potential for growth and poverty alleviation.

The Dairy Project aims to not only increase milk productivity, but also to generate employment opportunities

and address human resource gaps. Through its partnership with the DRDF, Nestlé Pakistan is determined to equip the next generation of dairy farmers with modern skills, and provide them with continued access to quality extension services and farm inputs.

Results and Achievements



The Farm Upgradation component of the Dairy Project has successfully upgraded 65 dairy farms in South Punjab on a cost-share basis. These upgraded farms have been serving as a demonstration site for farmers of surrounding villages on the implementation of best farm practices.



The project has trained 36,135 farmers and farm managers/commercial farmers, 73 per cent of whom have adopted best farm practices, leading to 11 per cent increase in average milk yield. These trainings aim to build the capacities of dairy farmers in best farming practices and introduce innovations resulting in an increase in their household incomes.



The Dairy Project's Women Livestock Extension Workers (WLEWs) component, has trained 6,267 women in basic animal husbandry and livestock management services. The trained WLEWs earn, on average, PKR 1,085 per month. This has provided rural women with a steady income, improved their stature in communities and contributed to the rural women's empowerment.

¹ Pakistan Economic Survey 2013-14



2,211 unemployed rural youth have been trained as certified Artificial Insemination Technicians (AITs), earning PKR 9,139 per month. These self-employed AITs ensure that through better breeding, farmers are able to increase their milk production and incomes.



More than 8,000 employment opportunities have been created, bringing about a socio-economic change in the lives of rural households.



The project's Mass Awareness Campaign ensures an effective dissemination of the project's key message among national as well as international stakeholders. It has raised awareness about the best farm practices among more than two million households across Pakistan.

Nestlé Pakistan's Dairy Project in collaboration with Dairy and Rural Development Foundation (DRDF) is providing extensive training programmes for dairy farmers. Chaudhry Aslam, now a progressive dairy farmer, is one example of over 30,000 Dairy Project-trained dairy farmers.

Aslam lives in the village of Sheen Maar, tehsil / district Vehari, Punjab, with his wife and two children. He heard about the Dairy Project and its trainings for dairy farmers through a public announcement message followed by the project team's visit to his village.

"Belonging to a family involved in the traditional methods of agriculture, I was never exposed to the modern dairy farm practices and techniques, such as, deworming, vaccination, balanced diet, calf rearing and silage feeding," says Aslam.



Aslam's income was stagnant and it was becoming difficult for him to fulfill the basic needs of his family. Learning the best dairy practices helped him increase his milk yield by two litres per animal.

In addition to the four-day training, he was selected for the opportunity to upgrade his dairy farm into a model farm on a 50 per cent cost-share support.

With the help of Nestlé Pakistan's Dairy Project, Aslam transformed from being a traditional farmer, barely able to make ends meet, to one with

a secure future. In the time ahead, he plans to purchase better breeds for improved productivity which will result in increased income.

"Nestlé Pakistan's Dairy Project encouraged me to adopt the 3-1-7 strategy, entailing 305 days of continuous milking, one new calf per year and 70 per cent lactating animals. I want to continue these practices to ensure that my animals are healthy and more productive," he says.

Rural Development



Chaunsa Project

Nestlé Pakistan, in 2014, partnered with the Australia-Pakistan Agriculture Sector Linkages Programme (ASLP) for a pilot initiative which will support mango farmers in southern Punjab. In the initial phase of the endeavor – titled Chaunsa Project – farmers in Multan and Khanewal are trained to help increase the yield and improve the quality of Chaunsa mangoes. Through the partnership, Nestlé and ASLP are carrying out training and capacity building in a number of areas, including pre and post harvest horticulture, plant propagation and varietal assessment. Nestlé Pakistan aims to make these Chaunsa Farmers a part of the company's juice value chain in the future.





Drivers Safety Training Programme

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 also catering for 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 Programme has trained more than 15,000 drivers including over 4,000 Nestlé drivers.

Apart from the professional and economic impact, the drivers' training programme 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 is in the process of replicating the existing initiatives in Karachi with NH&MP's collaboration. The new facility will focus on safe driving training for drivers in Sindh.

Rural Development

Agricultural Entrepreneurship Programmes

Lahore University of Management Sciences

Nestlé Pakistan in collaboration with Lahore University of Management Sciences (LUMS), launched, in 2013, an Executive Certificate programme aimed at creating a cadre of competent and skilled professionals in the agribusiness sector. The one-year Executive Certificate in Agribusiness Management curriculum includes courses on agri-economics, entrepreneurship, value chain and technology, finance and accounting among others, to equip participants with leading edge managerial skills and expertise.

Two batches of 56 participants – 25 of which were Nestlé employees – have successfully completed the one year programme and have gained a deeper understanding of the agribusiness sector and identified the opportunities that can be maximised to create value for their businesses and organisations. By educating students and farmers about modern methods of food production, Nestlé is developing human resource that not only meets the market requirements, but also works towards increased productivity.

Institute of Business Administration

In 2015, Nestlé Pakistan also entered into a partnership with the Institute of Business Administration (IBA) for the promotion of agricultural entrepreneurship in Karachi. The Entrepreneurship Development Programme was launched in October for those keen on developing their

skills in agricultural entrepreneurship and management. It comprises a weekend certificate programme which will be spread over 4 months. A batch of 40 students will be trained each year for three years. The technical knowledge and skills that they will acquire will enable them to make use of modern and innovative agricultural and business management practices comprising on-farm and off-farm value addition, innovation and growth.

Academic Support

Nestlé Pakistan is a pioneer in establishing industry-academia linkage by signing Memoranda of Understanding (MoUs) with University of Agriculture, Faisalabad and University of Veterinary & Animal Sciences, Lahore.

These MoUs were aimed at improving the existing research facilities at the laboratories of these universities along with their infrastructure. They were designed to motivate students to pursue higher studies by provision of scholarships to competent and needy students in B.Sc, M.Sc and Ph.D programmes. Nestlé Medals are awarded to high performing students.

Nestlé Pakistan also provides an internship programme to accommodate students from partner universities.

Apart from knowledge promotion and the enhancement of existing research facilities, the company has promoted research activities by patronising Research and Development (R&D) projects strengthening the concept of Public-Private partnership.









Our People



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.



Mashal-e-Rah

Mashal-e-Rah is Nestlé Pakistan's Employee Volunteer

Programme that provides employees the opportunity to engage and assist underprivileged communities. In 2015, it was extended to sites across the country after the successful pilot at the Head Office in Lahore the previous year.

The employees gave a very good response in 2015, as they participated in various activities. Nestlé teamed up with Green Force, a local environment group in Islamabad, to help clean up the banks of Korang River, Banigala with 200 participants.

Nestlé also collaborated with Fatimid Foundation to mark WHO World Blood Donor Day by arranging Blood Camps across all Nestlé Pakistan sites.

After the earthquake on the 26th of October, substantial monetary donations were made by the employees which were matched by the company and amounted to a sizeable sum of PKR 1.3 million. Arrangements were also made to collect donations of blankets and other useful items from employees at different Nestlé sites.



Kero Aitemaad

'Kero Aitemaad' which means 'Believe in Yourself' is a CSV

initiative taken by Nestlé Pakistan Corporate Recruitment for young, career aspiring women. The concept of Lean In Circles is the main inspiration behind this initiative.

The vision is to inspire young women by helping them:

- Understand different aspects of a working woman's life and learn through experienced female leaders at Nestlé Pakistan
- Break stereotypes within the labour market
- Learn about Nestlé Pakistan and how it supports female professionals
- Become Ambassadors and spread the message of 'Kero Aitemaad'

This initiative is driven through three strategic avenues:

1 Women Empowerment Seminars:

Seven 'Kero Aitemaad' seminars were conducted; two each in Lahore and Islamabad and one each in Karachi, Multan and Faisalabad.

As many as 850 girls from 76 institutions were reached out to. 5 participants won Internships through competitions and 2 participants were hired as permanent employees.

2 Focused Apprenticeships

In 2015, we introduced specific apprenticeships in Sales and Technical. With six rigorous assessment centres, 8 fresh graduates were hired as apprentices for Sales of which 2 were offered a permanent role in the organisation. Another 11 were hired as apprentices for Technical. In 2016, we hope to expand such apprenticeships to Supply Chain.

3 Female Alumni Network

We started engaging our Female Alumni Network in 2014.

In 2015, we continued the practice through a specific e-mail platform and sent them customised quarterly newsletters and job opportunities.

In 2016, we are introducing 'Returnships' to the alumni, through which we intend to provide temporary assignments to women who are willing to equip themselves with new tools and practices required for a smooth transition to work.



Nestlé Pakistan Limited
308 Upper Mall, Lahore Pakistan
Tel: +92 42 111 637 853
Fax: +92 42 35789303

Nestlé.pk