



*Together
we care*

Nestlé in society



Nestlé

Good Food, Good Life

Contents

| | | |
|----|---|------------------------------|
| 01 | | MD's Message |
| 02 | | Our Focus Areas |
| 03 | | Creating Shared Wealth |
| 04 | | Creating Shared Value |
| 06 |  | Nutrition |
| 12 |  | Water |
| 16 |  | Environmental Sustainability |
| 24 |  | Rural Development |
| 34 |  | Our People |

MD's Message



In last year's report, I was very proud to share with you our Creating Shared Value (CSV) philosophy together with a few examples of ongoing projects.

This year, I am equally proud to share with you that we have achieved and in some cases, exceeded what we had set as targets for 2014.

The Nestlé Healthy Kids Programme has nearly doubled in size. We also launched the Healthy Women Programme successfully, designed to raise awareness on how nutrition impacts young women and their next generation.

We assisted more than 100 commercial dairy farmers and developed the capacity of 27 animal feed manufacturers in Punjab. We have also trained more than 12,000 farmers.

We have trained more than 600 new drivers on "Safe Driving", bringing the total to 15,000 drivers amongst which 4,000 are Nestlé drivers. We

have also replicated the Sheikhpura National Highways and Motorways Police Training School in Karachi.

The first batch (36 students) of the "Executive Certificate in Agribusiness Management" has graduated from Lahore University of Management Sciences and the second batch has started early 2015.

As you can see, 2014 was a successful year for CSV but we have not stopped there; we have introduced two major additional initiatives:

Water Stewardship

- We have partnered with World Wide Fund For Nature - Pakistan to support an improvement in the sustainability of production and consumption practices of water usage
- We have established 7 clean drinking water facilities located throughout Punjab providing free access to clean drinking water to 35,000 people everyday

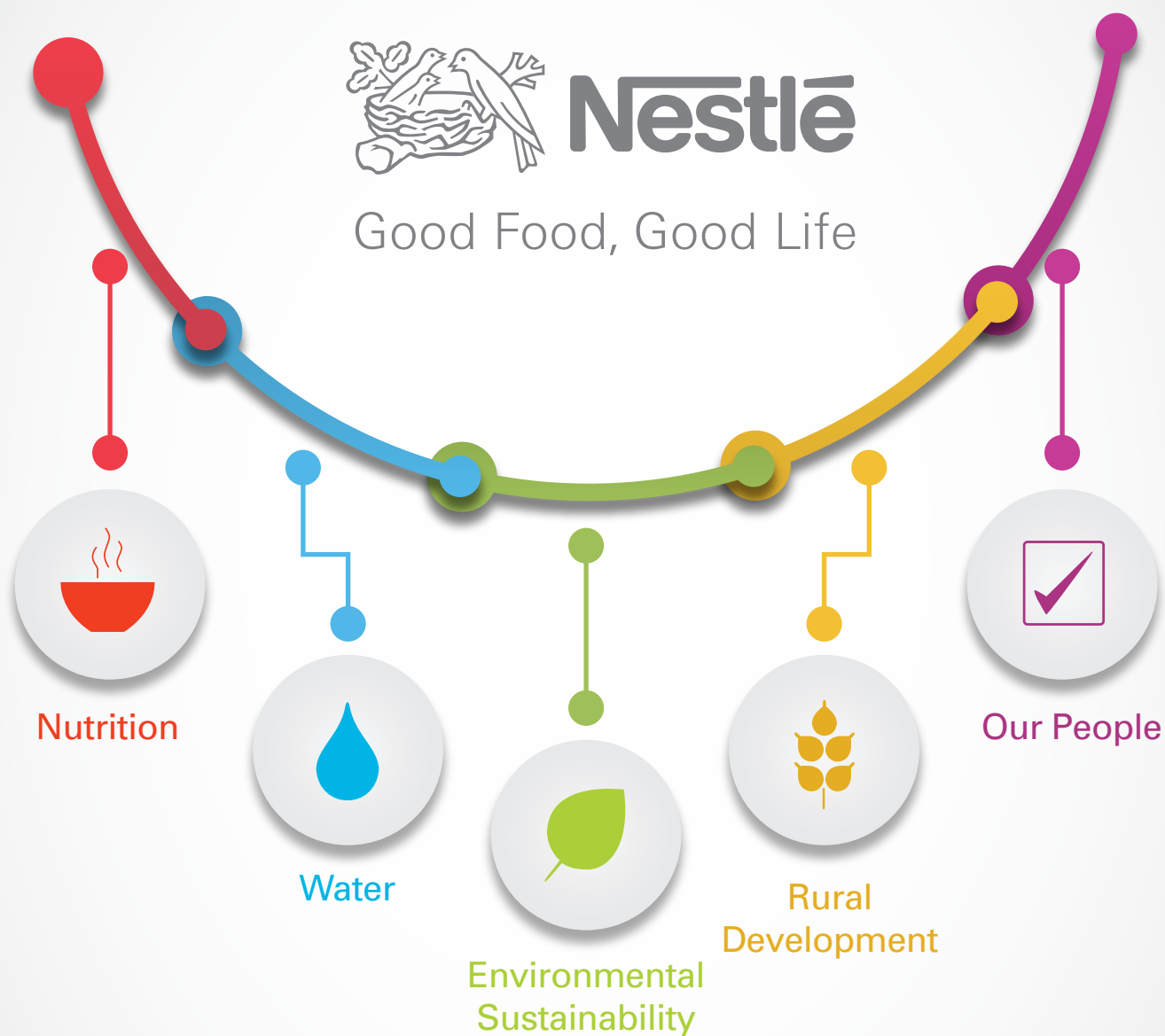
Kero Aitemaad

Kero Aitemaad "Believe in Yourself" is a forum designed to develop and empower career aspiring young women. We have covered Karachi, Lahore and Islamabad so far and had a fantastic turnout of approximately 300 females.

2014 was a very successful year for our business, as you will witness through our Annual Report and also for CSV. The more we create value for the people and the economy of this country, the more we can share this value created with the society at large. This is at the core of our business philosophy and part of our DNA.

Magdi Batato
Managing Director

Our Focus Areas



Creating Shared Wealth



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 successful over time and create value for its shareholders, it must also create value for society.

Given the nature of our activities and our ambition to be the world's leading Nutrition, Health and Wellness (NHW) Company, Nestlé has identified focus areas where it can optimise the creation of shared value. In line with this global vision of caring and sharing and "Enhancing the Quality of Life of the People of Pakistan", Nestlé Pakistan continues to engage with farmers as well as rural and underprivileged communities in its areas of operations.

Our inspiration is governed by the Nestlé Corporate Business Principles. Being 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 the consumers to 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. Based on strong foundations of compliance and sustainable business practices, this is our way of doing business.

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

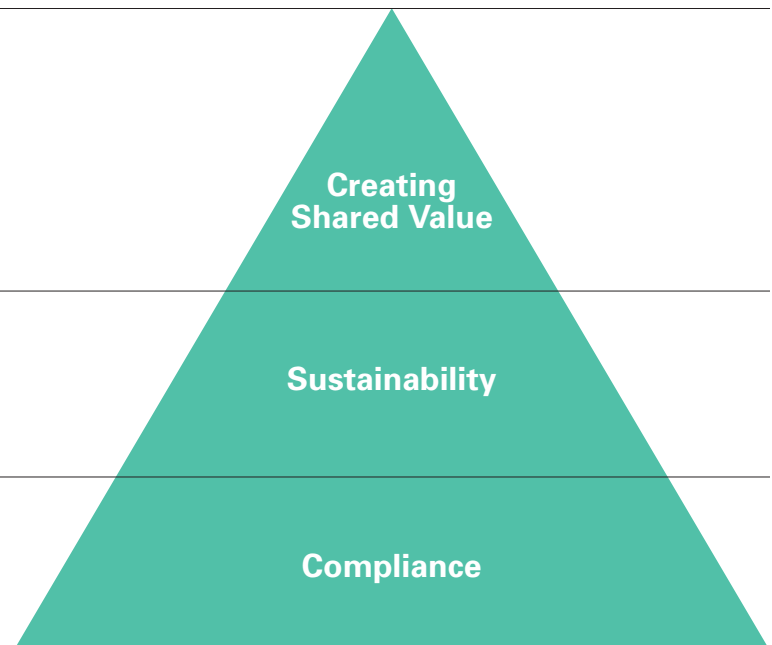
- Nutrition
- Water
- Environmental Sustainability
- Rural Development
- Our People

We see this value creation as a basic requirement for successful business, but it doesn't stop there. Being a global leader brings not only a duty to operate responsibly, but also an opportunity to create long-term positive value for society. We call this Creating Shared Value and we embed it firmly in our holistic management thinking across all parts of our business.

Our focus areas: Nutrition, Water, Environmental Sustainability, Rural Development, Our People

Protect the future

Laws, business principles, codes of conduct






Nutrition

We build our nutrition credentials with continuous research and development; our products and brands are the flag bearers of Nutrition, Health and Wellness (NHW).

Our CSV initiatives through business engagements include fortified products addressing the needs of millions of consumers. Furthermore, NHW communication to internal and external stakeholders and awareness to consumers through packaging, business communication and personal interaction are also an integral part of our strong commitment to our NHW values.

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- ✓ In 2014, 20,000 children were educated as part of Nestlé Healthy Kids Programme about their nutritional needs and provided an understanding of the available resources
 - ✓ Nestlé donated nutritious fortified products to approximately 25,000 children and underprivileged people who suffer from key micronutrient deficiencies

Nutrition Support Programme



Nestlé Pakistan regularly provides Company products, primarily milk, to selected schools in urban, peri-urban and rural areas. The schools are selected after giving due consideration to the profile of the managing organisation (to ensure that the benefits of this programme reach those who need it most), the outreach capacity of the Company and the 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 fulfil their nutritional needs. The programme also supports organisations working with destitute women as well as social welfare organisations for sports, culture, special children and the disabled.

Mountain School Changla Gali

The children who study at Mountain School Changla Gali are unable to afford a healthy meal a day. It was to address this concern that the Mountain School sought Nestlé's help. The Company now provides each student with a daily serving of milk.

Ms. Irum Abbasi, a local resident, took the initiative in 2007 as a one room school inside her house at a small village, Batnara in Changla Gali – Galliat. At that time, there was no public school for the children of the area which could provide basic education to them. The brainchild of Ms. Irum Abbasi that started out with 60 kids now caters to the educational needs of 150 children, all from the surrounding communities. Although the school cannot provide them with a meal, the administration says that regular intake of milk provides children some of the nourishment they need.



Nutrition Support for the Under-privileged



The commitment of Nestlé Pakistan to help the under-privileged people through nutritional support cannot be better explained than its assistance to Marie Adelaide Leprosy Hospital (MALC), Karachi. The partnership started in 2012 and has strengthened over the period of time. Nestlé Pakistan pledges to deliver a daily serving of milk to patients admitted in an 80-bed hospital which caters mainly to patients affected by leprosy. Majority of leprosy patients come from a low socio-economic strata and suffer from malnutrition. The regular consumption of milk, not only fulfills the dietary requirement of the patients, but also speeds up their recovery process.



Nestlé Healthy Kids Programme



The Nestlé Healthy Kids Programme (NHK) in Pakistan aims to create awareness about the importance of good nutrition for school-going children. To date, we have trained more than 120 teachers and reached out to 50,000 children in more than 50 schools, who were taught about their nutritional needs and given an understanding of the available resources to cater to those nutritional requirements.

The NHK Programme was launched in Pakistan in 2010. Our first partner was CARE Foundation after

which Silver Oaks – a Rawalpindi-based school system – came on board. In 2014, we extended the outreach of the programme with a new partner, Trust for Education and Development of Deserving Students, Lahore. The training of mothers and teachers is a continuous activity.

During 2014, we also organised the first Annual Nestlé Healthy Kids Day. All our partners participated in the one-day event. Children from our partner schools presented tableaux and also participated in the speech and quiz competitions. The programme also launched its website www.nestlehealthykids.pk.



In the near future, we plan to extend our outreach by taking the programme to Sindh, Balochistan and Khyber Pakhtunkhwa with the support of our new partner schools.

Changing Lives with Nutrition Awareness

When Rubia Ibrar first learned about the Nestlé Healthy Kids' Programme at the Silver Oaks School, Rawalpindi, she wasn't sure how it would help her and her children. Like all responsible mothers, she thought she knew everything there was to know about eating three meals a day. It was only when her two children – Meerab and Abdul Wasay – altered their eating habits and started educating Rubia about the importance of a healthy diet that she realised the Nestlé Healthy Kids Programme was changing their lives for the better.

For Meerab, the most important thing the siblings learned during the course of the programme was their nutritional requirements. In addition,

the two of them received books that told them why it was essential to eat balanced meals and what constitutes such meals.

"My brother and I help Mama out in the kitchen every day now because we can teach her what we learn about healthy and nutritious food in school", explained Meerab.

"We love the colorful books too..." added Abdul Wasay.

"My children now prefer home cooked food and lunch", says Rubia, who admits that she herself has learnt a lot while her children were working on school projects for the programme.



Thanks to the children's participation in the Nestlé Healthy Kids Programme, the family is now mindful of their meals and prefers hot, fresh and thoroughly cooked food instead of cold, stale and over or under cooked meals.

Healthy Women



Indicators show that malnutrition 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. This may also lay the foundation for the development of metabolic disorders, including obesity and non-communicable diseases like diabetes and cardiovascular diseases later in life.

Launched in 2014, Healthy Women is designed to raise awareness on how nutrition impacts young women and their future generation. With this programme, Nestlé aspires not just to disseminate nutrition information but also to positively impact lifestyles. For this endeavour, 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, poster presentations and engagement with the senior management at Nestlé. In addition, successful participants are offered an internship programme at the Company.

"Good nutrition has always been discussed at my home. However, this training increased my knowledge by leaps and bounds. Who would have thought what we eat will have such an impact on our lives today and on that of our children years from now? I am glad I was a part of this Programme."


Anook Kureshi, Healthy Women Intern from Forman Christian College, Lahore

Healthy Women has been rolled out in Forman Christian College and Kinnaird College for Women in its first year. While continuing to engage with these universities, it will be taken to universities in other cities of Pakistan in 2015.



Water

Water is an area which every corporate citizen and individual must pay attention to. Nestlé continues to support initiatives aimed at addressing this concern at business and community levels. Nestlé considers itself a water steward and is leading several endeavours which place it amongst the most responsible users of this scarce resource.

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- ✓ Partnership with World Wide Fund For Nature - Pakistan to improve the water usage within Nestlé operations and supply chain and to implement Alliance of Water Stewardship Standards
 - ✓ 07 operational clean drinking water facilities, provide drinking water to approximately 35,000 people every day
 - ✓ Water resource studies in the Sheikhpura Region

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 7 clean drinking water facilities. Located in Muzzaffargarh, Kot Addu, Khanewal, Kabirwala, Sheikhpura and Bhatti Dhilwan, these facilities provide clean drinking water to approximately 35,000 people every day.

The Company continuously endeavours to improve its processes and systems to reduce its water footprint and carbon footprint and also engages with the community and external institutions to support water and environmental initiatives.

Water Stewardship



Nestlé has partnered with World Wide Fund For Nature (WWF) - Pakistan to implement two projects aimed at positioning Nestlé as a water steward. The partnership began with the signing of a Memorandum of Understanding (MoU). The purpose of this MoU is to create and maintain an amicable working relationship between WWF-Pakistan and Nestlé Pakistan on water stewardship at the Indus basin level and develop a city-wide partnership for sustainable water use and water stewardship in the entire region. This MoU assures


cooperation of both parties to support an improvement in the sustainability of production and consumption practices, with a particular focus on water use and water management in Nestlé plants and production units. As part of its commitment to water stewardship, WWF-Pakistan will launch different projects in partnership with Nestlé Pakistan to improve the water usage of Nestlé (within the premises and supply chain) such as water footprint management, implementation of Alliance of Water Stewardship Standards etc.

Nestlé Pakistan has also completed a Water Resource Review in a 10-kilometre radius around our Sheikhpura Factory. This study has been conducted by NESPAK.



Environmental Sustainability

At Nestlé, the recognised world's leading Nutrition, Health and Wellness Company, we believe that to be successful over the long-term we need to create value for our shareholders and for society as a whole. As an essential prerequisite for CSV, we not only have to comply with all applicable legal requirements and The Nestlé Corporate Business Principles but also ensure that the principle of sustainable development is embedded in our activities, brands and products.

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- ✓ Water consumption per tonne of production further reduced by 4% in 2014 as compared to 2013
 - ✓ Energy Consumption per tonne of production further reduced by 3% in 2014 as compared to 2013
 - ✓ Installation of a 400 m³ Bio-Gas plant at Sarsabz Farm
 - ✓ 08 solar energy systems installed at Milk Collection Centres

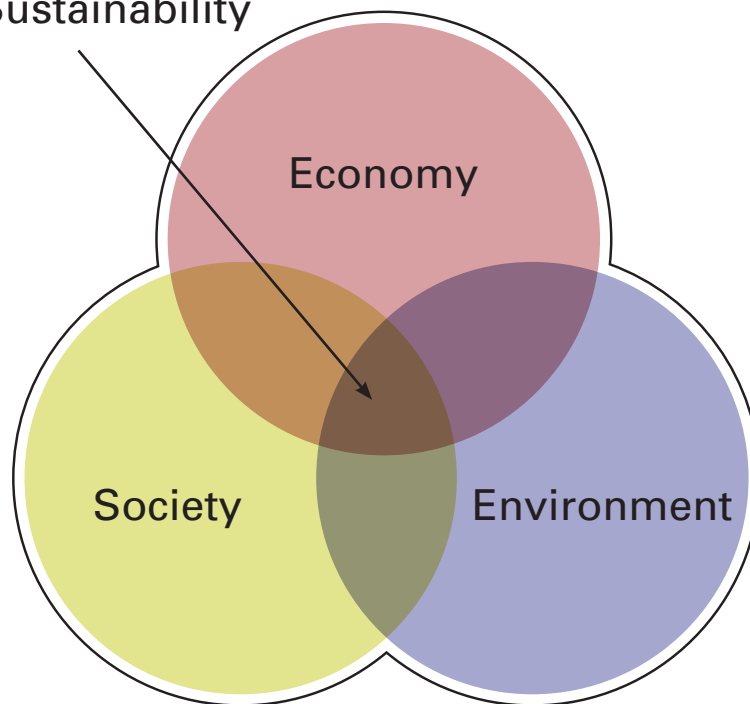
Energy Conserving Proficiency

Our energy consumption has been reduced by 8% per tonne of product since 2012. Energy consumption per tonne of product improved by 3% in 2014 compared to the year 2013.




Water Operational Efficiency

Between 2009 and 2013, total water consumption per tonne of product was reduced and water use efficiency improved by 22%. Our water consumption per tonne of product was further reduced by 4% in 2014 compared to the year 2013. Nestlé Pakistan is aiming at utilising the treated water by having pronounced water treatment systems and recycling.

Sustainability



Nestlé Pakistan's 2014 Environmental Performance

| |  Energy Consumption |  Water Consumption |  Waste To Environment |
|-------------------------------|--|---|--|
| Reduction from 2012 till 2014 | 8% | 3% | 62% |
| Reduction from 2013 till 2014 | 3% | 4% | |

Targets for the year were met i.e. 3% energy and 4% reduction in water

| | | | |
|--|----|----|----|
| Targets for 2015 (reduction per tonne) | 3% | 4% | 5% |
|--|----|----|----|

Solar and Bio-Gas Energy



Bio-Gas

Identifying the potential and use of alternate sources of energy has become an important need of the commercial and industrial sector. Shortfall of electrical power has created an urgent need to use alternate energy resources like solar and Bio-Gas energy. Nestlé Pakistan has always been taking the lead from the front. After a pilot project for Bio-Gas plant of capacity 200 m³ at Sukheki Farm, Nestlé Pakistan

installed another Bio-Gas plant with a capacity of 400 m³ at Sarsabz Farm in 2014. Using four tonnes of cow's dung, this plant produces an average of 158 m³ gas per day from its four digesters. Most of the Bio-Gas produced is used in power generation where it saves 50% of diesel fuel (60 Litre/Diesel per day) equivalent to reduction of 58,000 kg CO₂. Green energy has therefore resulted in reduced carbon footprint.

Solar Energy

The success story of the pilot project encouraged the Company to install two more solar energy projects for its 1,000-litre chiller in the Collection Center at Pull Mangni sub-center and the Dallan area in 2013. The economical and reliable operation of the solar energy system would define how to go for further investment in the coming years. Nestlé Pakistan installed 8 solar energy systems at its Milk Collection centers in 2014 with foreseeable savings of 37,000 KWh per annum and foresees hopes to install 15 to 20 solar energy units of 5-6 KW each, thus extending the solar energy installation to 100KW in 2015. The continuing effort of Nestlé Pakistan in solar energy would set an example in the dairy industry to make use of a renewable energy solution for sustainable business.



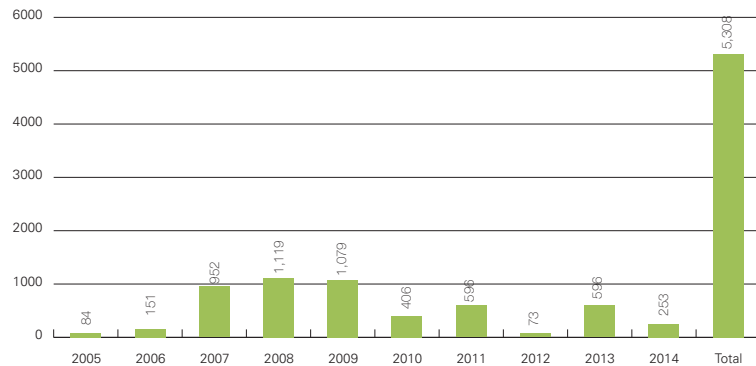
Packaging Achievements

Being aware of the environmental impact and in order to reduce the waste at the source, Nestlé continues to work on reducing and improving its packaging materials. This not only helps in the reduction of our environmental footprint but also helps to improve cost-effectiveness in product pricing, resulting in benefits for the consumers.

- **Paper and Board:**

22 tonnes of paper and board was saved by the optimisation of corrugated cases. It was achieved through re-designing the cases for dimensions and material combination without any compromise on the

Packaging Resource Reduction (tons)



functionality of packaging or the quality of product.

- **Plastic Laminates:**

As much as 231 tonnes of plastics, mainly polyethylene, was saved by optimising the structure of laminates for milk

powders and cereals. The biggest initiative in this regard was the optimisation of the sealing layer of the laminates. Many trials and studies were conducted to ensure that this optimisation should not have any negative impact on the final quality of our products.

Green Supply Chain

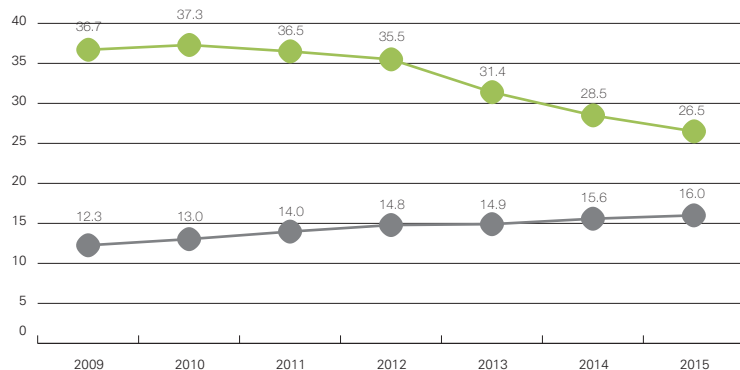
We are delivering more volume with less kilometres travelled.

We have taken the following steps to ensure environment friendly operations throughout Pakistan.

- Optimising vehicle capacity
- Utilisation by increasing dispatch of North zone through cross dock model
- Induction of new heavy capacity vehicles (50ft, DD Eco liners)
- By introducing HUB model in South, having positive impact on vehicles utilisation and less diesel consumption

Lowest KM travelled

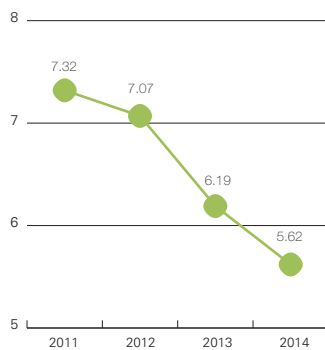
Adjusted for volume



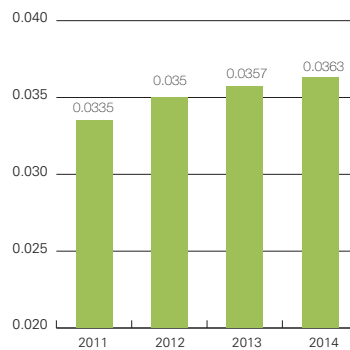
- By increasing road safety/ vehicle management awareness in Pakistani drivers through NH&MP training sessions.

**Highest ever density: 16
Litre of milk collected /
KM of vehicle travelled**

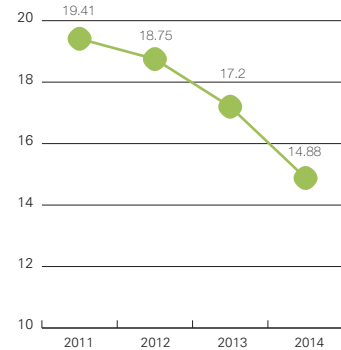
Litres Diesel
(Million Litres)



KG CO₂ Equivalent / litres of milk collected



CO₂ Equivalent
(Million kg)



Training and Awareness

Trainings

To make all employees of Nestlé Pakistan aware of their responsibilities regarding environmental conservation the following trainings were conducted: Importance of water, safe use and conservation, Nestlé Environmental Requirements, Nestlé Environmental Management System, Nestlé Integrated Management System; Energy Management, Aspect and Impact Identification; Safety, Health and Environment Compliance Understandings; Solid Waste Management (Good Housekeeping, 5S, Recycling); Water Awareness (Water Importance and Scarcity Effects); Environmental Compliance; Environmental Laws and Compliance.

World Water and Environment Day

We held the following in-house competitions on World Water and

Environment Day: Best Idea on water and energy conservation; Painting for the importance of water (on site); Quiz on environment awareness and Green Economy; Video on water; Best slogans; Post title on 3 pictures; Best videos etc.

Awareness:

To increase awareness of the importance of water and a sustainable environment we organised the following activities at our sites: Road Shows; 5-minute talk on water and energy in Daily Operational Reviews; Poster and banners displays; Awareness session with kids; Skit on water awareness; Special speech on water awareness. Audit of factory environmental requirements with environment specialists; Prize distribution ceremony for encouragement.

Water Savings: 260,634 m³ has been saved in 2014

Energy Savings: More than 7 Million Kwh has been saved in 2014

Tree Plantation and Donation

Extensive tree plantation was done in and outside our factories to show our commitment towards the environment.

Some projects completed in 2014:

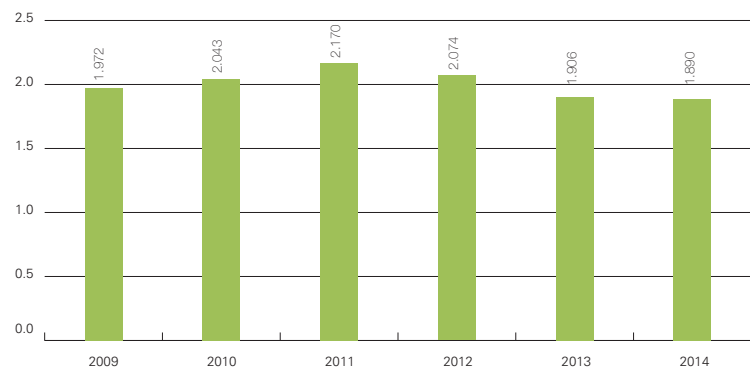
| Energy Savings | | |
|----------------|--|-------------|
| 1 | <ul style="list-style-type: none"> Optimization and reduction of pressure in compressed air system Optimization of AHU fan speed Chilled water system improvement | 533592 KWh |
| 2 | <ul style="list-style-type: none"> Insulation Duct and Leaks EGRON 1 Optimization of Steam trap operations and cross validation Reduction of final rinse soft water in Chilled dairy CIP Temperature reduction of acid cleaning Evap 1 and 2 Reduction of final and intermediate rinse RW in Tetra filler CIP Reduction of final rinse AIC RW in Tetra filler CIP AHU optimization by controlling Enthalpy of outside air Reduction of final RW in STD 1 | 1311794 KWh |
| 3 | <ul style="list-style-type: none"> Reduction in energy consumption in factory cooling towers Improve efficiency of AHU Boiler Operations Optimization and Fuel consumption reduction Reduction in Compressed Air Leakages at milk powder plant Optimizing use of Waste Heat Recovery Boiler Reduction in energy by increasing steam recoverable condensate Reduction in Compressed Air consumption at STD Reduction in Steam Consumption at powder plant | 5007456 KWh |
| 4 | <ul style="list-style-type: none"> Replace fluorescent light with LED to save energy and go green Improved the RO recovery Install a VFD on final rinsing water pump Stopped the Per Acetic Heaters Optimised the flushing time of well pump DMAIC on Ozone stoppages reduction by 50 % Underground tank filling line replace with higher diameter for fast filling and saving water from drain idle | 180,556 KWh |

| Water Saving | | |
|--------------|---|------------------------------|
| 1 | <ul style="list-style-type: none"> Tetra Filler recovery project (on top of IOPL) Optimization of Steam trap operations and cross validation Reduction of final rinse soft water in Chilled dairy CIP Reduction of final and intermediate rinse RW in Tetra filler CIP Reduction of final rinse AIC RW in Tetra filler CIP Reduction of final RW in STD 1 Reduce and Reuse of RO Sealing water at Egron-1 Evaporative hall | 72,601 m ³ /year |
| 2 | <ul style="list-style-type: none"> Reduction in raw water by utilizing treated water, canal water for gardening Use of RO Reject water for tanker washing Use of RO rejected water at factory social block Use of cow water for drum washing activity | 64,240 m ³ /year |
| 3 | <ul style="list-style-type: none"> Under ground tank filling line replace with higher diameter for fast filling and saving water from drain idle Tumbler Modification Rinsing Over flow shift to External washer tank RO recovery from 79% to 83% DMAIC reduction on water losses at filler | 5,143 m ³ /year |
| 4 | <ul style="list-style-type: none"> Reduction in usage of water during CIPs Re-use of RO Flush water Reduction in overflows Optimization of backwash sequence Installation of 2 x 110 m³/hr, 10 micron skid to avoid water losses during filter change | 118,650 m ³ /year |

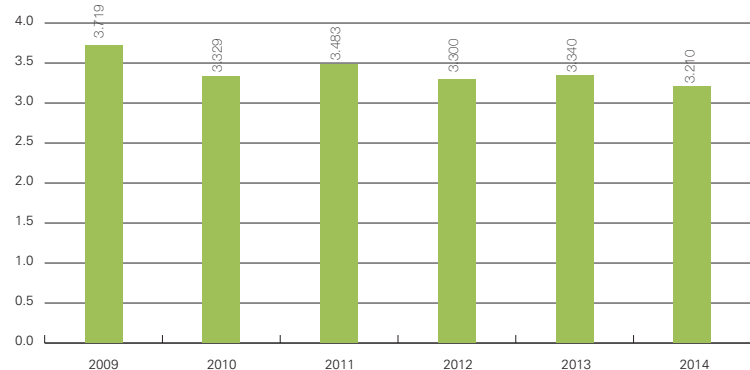
Future Plans

Nestlé Pakistan is targeting 3% energy saving per tonne of production and 4% water saving per tonne of production in 2015. After the successful installation of solar energy systems at its milk collection centres we foresee savings of 59,000 KWh per annum.

Total On-site Energy Consumption
(GJ/ton)



Water Consumption
(m³/ton)





Rural Development

Our commitment to Rural Development is our biggest area of focus. We collect milk from 190,000 dairy farmers with 3,500 milk collection and 3,300 chilling centres. As part of our Rural Development programmes we interact with communities, particularly farmers, who are part of our dairy value chain in Pakistan. Nestlé Pakistan is training dairy farmers and livestock workers to help them increase milk production, income and to ensure a better life.

Nestlé Pakistan has been extending support to improve existing academic facilities for research and development, student support programmes, refurbishment of schools, establishment of drivers' training institutes, training of mango growers to help increase the yield and the quality of the Chaunsa mango and an Executive Certificate Programme for skilled professionals in the agri-business sector.

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- ✓ Organised 3,300 Farmers' Help Camps, imparting training to around 66,000 farmers
 - ✓ More than 1,800 small and commercial farmers trained at Sarsabz and Sukheki farms
 - ✓ In 2014, 1,000 drivers trained as part of the Drivers' Safety Training Programme
 - ✓ Executive Certificate in Agribusiness Management in collaboration with Lahore University of Management Sciences – First Batch of 36 Graduated
 - ✓ Nestlé donated water among the survivors of natural calamities. This product donation included donations by Nestlé Pakistan employees which were matched by the Company

Milk Collection and Dairy Development

Milk Collection and Dairy Development's (MCDD) commitment to the journey of continuous improvement took a leap forward in 2014.

It started as a challenging year to supply best quality milk with sustainable sourcing at a competitive price. The team's commitment and passion made it possible. Our focus on milk quality enabled us to deliver the lowest microbial level, minimal Mycotoxin level (toxin produced due to fungus in animal feed) and reduce total milk rejections by 20% against 2013. A clear demonstration of it was the internal acknowledgment our



Mycotoxin Control Team received in the shape of "STAR Team Award" given by Nestlé Pakistan for best performance in improving a Key Performance Indicator.

In 2014, the Dairy Development team assisted more than 100 commercial dairy farmers and demonstrated how to make silages on 4,500 acres. It helped our dairy farmers to minimise their fodder shortages and supply milk to Nestlé.

MCDD teams also developed the capacity of 27 animal feed manufacturers in Punjab to produce cost effective, nutritious and compliant cattle-feed solutions



in shape of feed concentrate and cotton seed pellets. During 2014, more than 540,000 compliant concentrate feed bags were delivered at the farmers' doorstep.

The Back-to-Base Initiative was implemented to increase our focus on small farmers. With the help of our agri-services and Dairy Hub team, we were able to engage more farmers of small and medium capacities to help them through the implementation of best farm practices and support their businesses.

Transition of milk collection transport agreements resulted in cost efficiencies directly impacting the bottom line. Vehicle monitoring through tracking devices ensured timely delivery of milk to factories. Another project has been initiated to further save time at the sub-centre level, which will be completed in 2015.



Partnership with Dairy and Rural Development Foundation

Nestlé, through its support to Dairy and Rural Development Foundation (DRDF), is committed to provide best possible support and guidance for rural dairy farming communities in Pakistan. To ensure capacity building and socio-economic growth at both household and community level, DRDF through its Dairy Project, is focused on promoting skill development, livestock business promotion, economic growth and rural women empowerment through livestock extension services programmes. As a part of its efforts towards ensuring corporate social responsibility and Creating Shared Value (CSV), Nestlé believes that trainings and demonstrations of best practices will ultimately alleviate poverty and enable trained farmers to contribute towards dairy industry's demand for



quality milk. Furthermore, Nestlé aims to increase incomes, profitable business yields and ensure better quality of life for all those associated with the rural dairy farming sector.

Results and objectives

During the last three years DRDF-Dairy Project, through Nestlé Pakistan's support in the form of experts and kind, achieved the following results:

- Up-graded 3 local farms and further aims to upgrade 97 local farms to model dairy farms on 50% cost share basis, which will serve as training and service hubs for small dairy holders.
- After successfully installing a 50 cubic meter Bio-Gas plant for milk chilling unit, the project aims to run 10 existing tube wells on bio gas with farm produced manure. The bio gas slurry produced is bio-degradable and a natural fertiliser for crops. This will improve the fertility of land





as an additional benefit for farmers.

- Over 9,000 farmers and 418 farm managers are trained thorough different training programmes and the Dairy Project further aims to train 40,000 farmers in the next two years.
- To date, over 2,000 Artificial Insemination Technicians (AITs) have been trained as independent entrepreneurs and they are now providing breed improvement services to farmers in around 20,000 villages across Pakistan, with an average income of PKR 7,027/- (\$70 approx.). Another 1,000 AITs will be trained in the near future. These 3,000 trained AITs will help boost improved breeding patterns in Pakistan.
- Over 5,000 women have been trained in basic animal husbandry and livestock management to provide extension services in more than 3,000 villages with an

estimated earning of PKR 1,524/- (\$15) per month. In the coming year, 1,000 trained WLEWs will be provided refresher/advance training, while 1,000 unemployed, educated rural women will be provided new training on basic animal healthcare and livestock management.

- Dairy Project's print and electronic media campaigns have not only promoted the usage of best dairy farming practices among around two million dairy households spread over 20,000 villages across Pakistan, but are also creating awareness amongst Pakistan's general public which includes government institutions, universities and other stakeholders. The project further aims to reach out approximately one million dairy farmers across 10,000 villages of Punjab.
- Dairy Project is focused on organising all the project trained beneficiaries in clusters to work

jointly as a part of Supply Chain Network. This will ultimately reduce their input cost and will improve output price.

During its extension phase (2014-2016), Dairy Project plans to expand the selection process of its beneficiaries, reaching out to extensive areas of districts Multan, Vehari, Lodhran, Muzaffargarh and Bahawalpur in South Punjab. Our new targets include training 2,000 Women Livestock Extension Workers (WLEWs), 1,000 Artificial Insemination Technicians (AITs), 37,900 Farmers and implementing farm up-gradation for 97 farms. These up-graded farms will further serve as training and service hubs for project-trained AITs, WLEWs and farmers at village levels, where they can link with dairy input suppliers, milk collectors, processors, animal buyers and sellers.

Support to Academia



Nestlé Pakistan is continuously extending support to improve existing academic facilities for research and development in the dairy sector and for the student support programme. The Company, through its CSV Education Support Programme, provides support to agriculture universities, veterinary universities and business schools for research, laboratories and merit-cum-need scholarships in food, nutrition, agriculture and animal husbandry.



Drivers Safety Training Programme

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 Motorways Police (NH&MP) established the first drivers' training institute near Sheikhpura with the objective of safety and well-being of the communities it operates in.

The training facility allows participants to acquire specialised driving practices and curb accident rates on the roads.



More than 600 drivers from the Company were trained at the institute during 2014. This brings the total number of drivers trained under the Drivers Safety Programme to more than 15,000 drivers, which include around 4,000 Nestlé drivers.

It is heartening to see the positive impact of the Nestlé's Drivers Training Programme at various levels. The multifaceted impact of the programme extends beyond its envisaged scope and target audience, given that more organisations including the

government agencies are engaging with the institute and benefitting from it.

The Company is in the process of replicating the existing initiative in Karachi in partnership with NH&MP which will focus on safe driving trainings for drivers in the south. The new training facility will impart safe driving trainings by the trained staff of NH&MP for the public and corporate sector in Sindh and Balochistan.

Executive Certificate in Agribusiness Management



In 2014, Executive Certificate in Agribusiness Management (ECAM) – a programme offered by Lahore University of Management Sciences (LUMS) in collaboration with Nestlé Pakistan - marked the completion of a successful first year.

The first batch of 36 participants, including 15 Nestlé participants, of the year-long modular certificate programme included executives from industries including dairy, fertilizers, livestock, exports and processing as well as farmers.

According to a World Bank report, national average yields of major crops like wheat and rice in Pakistan are only 55% of progressive farmer yields, the highest achievable yields in the country. ECAM is an

endeavour which was launched to provide impetus in the agricultural sector pivotal for economic growth, development and alleviation of poverty in Pakistan

LUMS and Nestlé Pakistan will continue their collaboration for ECAM during 2015.

"Agriculture, if utilised to its full potential, can go a long way in helping alleviate poverty. There is tremendous opportunity for us to improve the skills at farm level by teaching the farmer. There is so much to learn and there is enough of knowledge available. The sky is the limit."

Syed Babar Ali, Pro-Chancellor LUMS and Member Board of Directors Nestlé Pakistan

"I am quite proud of this collaboration since it is aimed at bridging the gap between business knowledge and farming techniques, equipping people with a complete toolkit for success. Trained professionals will ensure Pakistan can compete with other agricultural economies of the world."

Magdi Batato, Managing Director Nestlé Pakistan

"ECAM is a natural conglomeration of ideas, bringing professionalism, best management practices and high technology to the agriculture sector."

Dr. Sohail Naqvi, Vice Chancellor LUMS

Chaunsa Project



Our Chaunsa Project is a relatively new venture for which we have partnered with Australia-Pakistan Agriculture Sector Linkages Programme (ASLP) to train and build the capacity of Chaunsa mango farmers.

In 2014, we expanded the reach of the initiative by including farmers from Muzaffargarh and Rahim Yar Khan in addition to Multan and Khanewal. The identified training areas include pre- and post-harvest horticulture, plant propagation and varietal assessment. Small farmers

are equipped with skills required so they can take advantage of new opportunities in the mango farming sector, including canning, pulping and exporting. These best farm practices will help increase the yield and improve the quality of Chaunsa mangoes.

The ultimate goal of the Chaunsa Project is to make these small farmers a part of Nestlé Pakistan's value chain in the coming years. This will mean a win-win situation for both the parties. Our Company will enable responsible sourcing of

mango pulp and the small farmers will have better access to markets where they can sell their mangoes at competitive prices.

In 2015, we plan on expanding the Programme further by taking other stakeholders on board.



Our People

Kero Aitemaad “Believe in Yourself” is a ground-breaking Creating Shared Value (CSV) Initiative for career aspiring women. It has been designed to develop and empower young women with trust and belief in their talents, by confronting and breaking stereotypical barriers that hinder their entry into the job market. The Kero Aitemaad platform has created three strategic initiatives, which include nationwide women empowerment seminars for female graduates, focused internships and an alumni network of former female employees of Nestlé.

Employee Volunteer Programme  is providing opportunities to our employees to voluntarily engage and participate in social activity for the improvement of the community.

✓ Launch of Kero Aitemaad

✓ Employee Volunteer Programme 

Kero Aitemaad



Kero Aitemaad – “Believe in Yourself” is a ground-breaking Creating Shared Value initiative taken by Nestlé Pakistan – Corporate Recruitment team for career aspiring women, currently outside the organisation, to help them in:

- Understanding different aspects of a working woman's professional life and how to navigate by learning through experienced leaders at Nestlé Pakistan
- Break stereotypes within the labour markets
- Learn about Nestlé Pakistan and how it supports female professionals
- Become ambassadors and spread the message of Kero Aitemaad

As an organisation which believes that Gender Diversity is a critical business case for our success, we recognised an opportunity that upcoming female talent pool of the country is facing a lot of barriers in forms of personal hesitations, culture and gender stereotypes,



causing hindrance in realising their career goals along with their responsibilities as a “family woman”.

So, as the name Kero Aitemaad – “Believe in Yourself” suggests, this forum has been designed to develop and empower career aspiring young women with trust and belief in their talents, by confronting and breaking stereotypical barriers that hinder their entry into the job market or prevent them from taking up roles that are typically labeled as being “male only”.

The Kero Aitemaad – “Believe in Yourself” platform will drive three strategic initiatives focused on career-oriented females only.

1. The first initiative is a nationwide, regular series of Kero Aitemaad Circle - Women Empowerment Seminars

dedicated specifically for upcoming female university graduates. Through such seminars, we empower and inspire the young female talent by making them meet with successful female professionals at Nestlé Pakistan who broke the barriers of gender career stereotyping and achieved professional success, along with maintaining a healthy family life. The stories of their struggle, the seemingly insurmountable challenges that life presented them with and their remarkable resilience in the face of such challenges inspire awe amongst the participants and leave them with a greater sense of self-belief. The participants of these seminars become the Ambassadors of the Kero Aitemaad – “Believe in Yourself” and are engaged

to spread the message into their circles by creating a Kero Aitemaad Circle of their own!

Three seminars have been conducted so far; one in Lahore where 72 girls from 14 universities participated; the second one was held in Karachi which was attended by 60 girls from 11 universities; and the third in Islamabad where 135 girls from 11 institutions participated. The response from participants has been overwhelming and they have been actively spreading the message. The events have been getting massive coverage across leading newspapers highlighting Nestlé Pakistan's initiative as "trailblazing" in supporting the plight for women

in a nation where economic participation of this workforce is significantly low.

2. The second initiative under the same programme will be Kero-Aitemaad Apprenticeship / Internship Programme.

With focused and dedicated apprenticeships / internships in functions which are usually avoided by the female talent pool due to flawed perceptions that those roles are suitable only for men. The pilot project in 2015 will be in Sales and then move on to rest of the functions.

3. The third initiative under the Kero Aitemaad – "Believe in Yourself" is to stay connected

with Alumni Network of former female employees of Nestlé. We aim to make this platform as a "back to work" forum for females, who want to stay abreast with the career opportunities, on-job trends and career building tips to return to work when the time is right.

With initiatives under Kero Aitemaad – "Believe in Yourself", Nestlé is furthering its credentials as a responsible employer by not just providing equal opportunities to females but also encouraging them to confront and overcome stereotypes that have prevented women from realising their true potential and demonstrating their talent.



Employee Volunteer Programme



Mashal-e-Rah is the Employee Volunteer Programme by Nestlé Pakistan.

It provides the employees with the opportunity to engage and assist the local communities. Employee participation, while encouraged, is voluntary and remains an employee decision. Each volunteer can spend one working day annually on volunteer activities.

The pilot was launched in Lahore for all offices in 2014. Two activities were held during the year.

In the first activity, orphans from Bali Memorial Trust were taken to Sukheki Model Farm and educated about 'Safe Milk'. They also got a

chance to participate in recreational activities.

The second activity was to promote cleanliness and hygiene in the community around Nestlé's Head Office. Volunteers, managers from different departments including a NIM member and MD, cleaned a selected area and also educated the residents by telling them the importance of cleanliness and hygiene.



Mashal-Rah will be taken to new sites in 2015.

"If you believe in spreading goodness as well then Masahal-e-Rah is the train you want to take."

Usman Ejaz, Market Lean Manager, Nestlé Pakistan



Together We Care



Good Food, Good Life

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