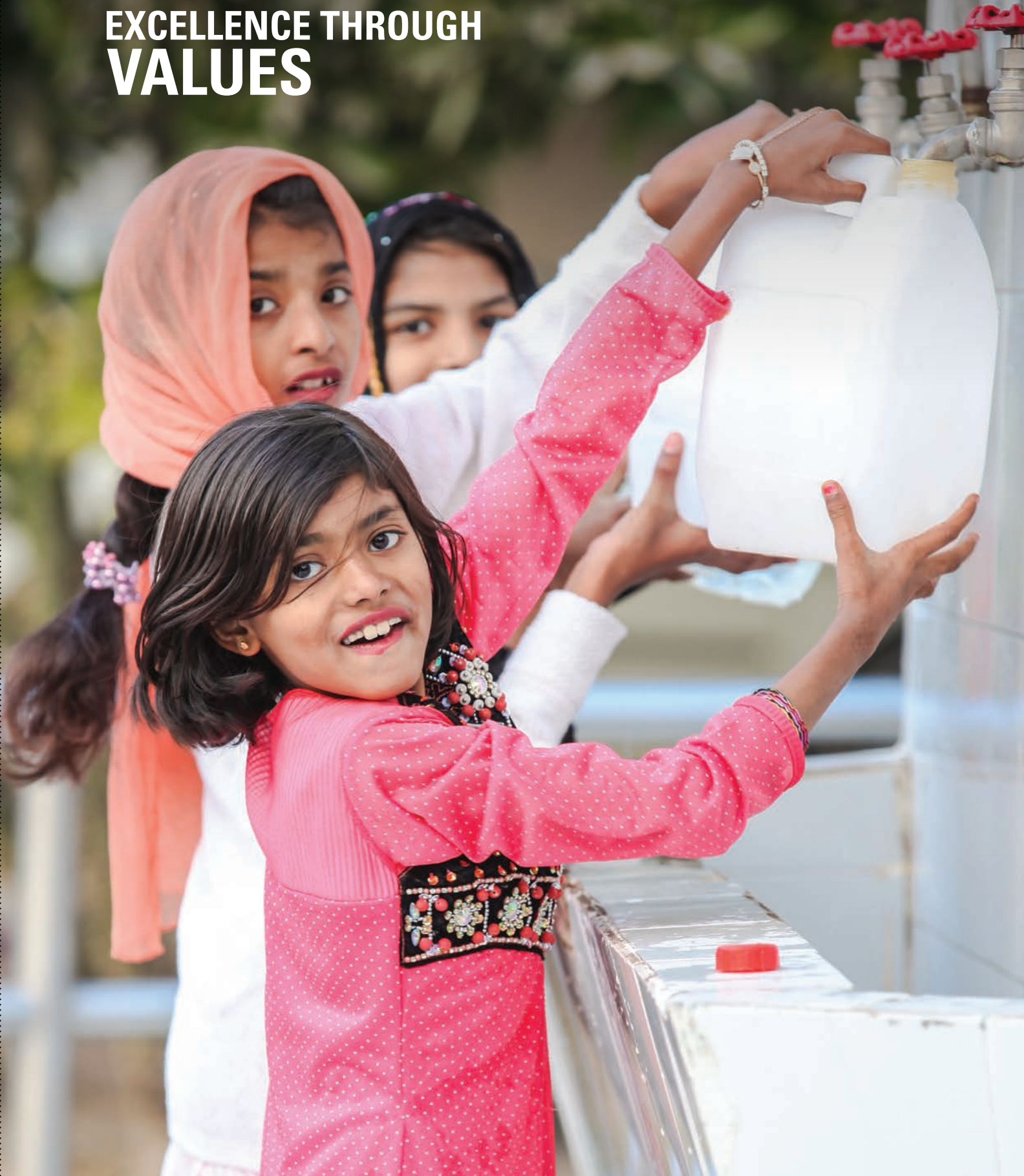


CSV Report 2016  
Nestlé in Society



# EXCELLENCE THROUGH VALUES



# EXCELLENCE THROUGH VALUES

Nearly three decades ago, Nestlé Pakistan made a promise with the nation to enrich the lives of individuals and families everyday. That promise is reflected today in our world-class operational standards and exceptional Creating Shared Value (CSV) Initiatives that continue to uplift lives in our communities.

With our CSV Report this year, we are proud to feature the basis of what makes Nestlé Pakistan an outstanding organisation – the drive to deliver the absolute best to our dear friends, the citizens of Pakistan.

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## MD's **MESSAGE**

The year 2016 saw Nestlé celebrating 150 years of Nutrition, Health and Wellness. For us, every individual, family and the community – whether or not they are a part of our value chain – are important.

I am pleased to share our 2016 *Nestlé in Society: Creating Shared Value (CSV) report*. I truly hope that through this report, you will get to know what we are doing as a responsible company to ensure a better and healthier future for all Pakistanis.

Creating Shared Value is the intrinsic way in which Nestlé does business. Our CSV priority areas – Nutrition, Water, Rural Development, Environmental Sustainability and Our People – are the junctures where our business and the society intersect the most; that offer us the potential to make a positive difference for society while ensuring sustainable business practices.

Nestlé's CSV initiatives are in line with the Sustainable Development Goals (SDGs) of the United Nations. We believe that the private sector has a major role to play in implementing the development goals, especially when it comes to ending poverty, gender inequality, hunger and ensuring clean water and sanitation while protecting the Earth's natural resources. In order to add value to the lives of people all over the world, Nestlé believes in adopting a multiple stakeholder approach, working with various partners to make life better for everyone. We do this by actively participating in a number of forums - conferences, industry associations, public private partnerships - and by offering technical assistance and strategic policy inputs to government and other private initiatives.

In 2016, Nestlé Pakistan was awarded the first prize for "Living the Global Compact Business Excellence 2014-15", in the multinational category at the 10th Anniversary of the Global Compact Network Pakistan. Nestlé Pakistan has won the award because SDGs lie at the core of its CSV initiatives, vision, values, and strategy.

## NUTRITION

Nestlé is committed to playing its role to help reduce micronutrient deficiencies, by fortifying its products with essential micronutrients. In 2016, 4.5 billion fortified servings were served across the country.

Our biggest achievement, to me, during 2016 was launching the United For Healthier Kids movement in collaboration with other partners, which include the government and other private sector partners from academia

and businesses. It is a behaviour change movement that will help parents instill healthy habits in children from age 3.

Another success for Nestlé is the Nestlé Healthy Kids Programme – aimed at educating children between 6-16 years about nutritional needs and a healthy lifestyle – which saw exponential growth in 2016. We reached out to 100,000 children all over Pakistan and have trained more than 400 teachers in urban and suburban areas of Pakistan. The Nestlé Healthy Kids day was celebrated where all partner schools participated and the children showcased their knowledge of nutrition and healthy living. The two curriculum books on nutrition were also re-printed in collaboration with Oxford University Press.

The Nestlé Healthy Woman Programme – aimed at educating young women about health and nutrition – has reached out to more than 2,500 young women in 11 partner universities all over Pakistan.

## WATER

Under our Water Community initiatives, Nestlé has set up water facilities in our operational areas, which are providing clean drinking water to more than 60,000 people every day.

We are the first company in Pakistan which has partnered with the World Wildlife Fund (WWF-Pakistan) to implement the Alliance for Water Stewardship (AWS) Standard for improved water efficiency both inside and outside the fence. The first site where the Standard has been implemented is our Sheikhpura Factory.

I am really proud of the initiatives we undertook to increase water use efficiency in agriculture – since 90% of water in Pakistan is used for agriculture. The initiatives vary from educating farmers to providing alternative solutions for irrigation. The introduction of drip irrigation has shown water savings up to 60% for the farmers who have taken it up. We hope to exponentially expand the project in 2017.

## RURAL DEVELOPMENT

Agriculture is an important segment of the national economy and it is important that farmers be provided the necessary incentives.

More than half of the population of Pakistan lives in rural areas which is also a source of our primary raw materials.

In 2016, company initiatives positively impacted the lives of small dairy farmers by imparting training to around 77,000 farmers through farmer help camps. We paid our dairy farmers PKR 22 billion in the form of milk purchases. Nestlé Pakistan helped disburse loans of more than PKR 100 million among dairy farmers under the PM's Youth Loan Scheme. These farmers have seen positive impacts on their livelihoods already with more to come. We also started the Kisan Club in 2016 to support our dairy farmers.

The Nestlé Chaunsa Project, which aims to improve the livelihood of small and medium sized farmers in the Mango sector through strategic interventions for improved harvesting, is a project that we are very proud of. It is our commitment to continue the project in the coming years to increase the yield and enhance the quality of Chaunsa Mango in Pakistan and make Mango farmers a part of Nestlé's value chain.

## OUR PEOPLE

Our Kero Aitemad Programme to attract aspiring career women and motivate them has grown and extended its outreach considerably in 2016.

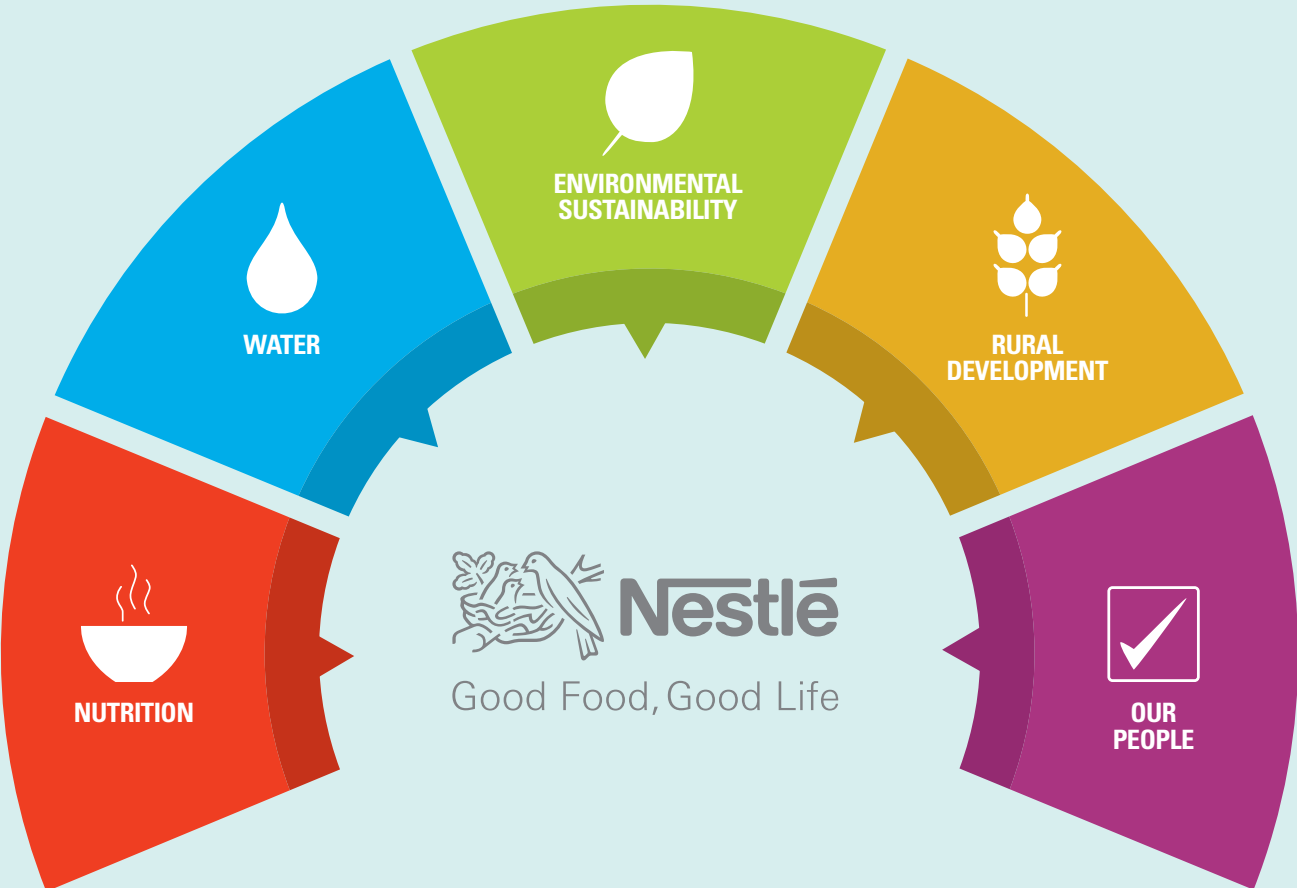
Nestlé Pakistan and Descon Technical Institute (DTI) marked the successful completion of the first Vocational Training for women. Successful women candidates are now working as Kero Aitemad trainees in the company.

We are proud at Nestlé for honouring our commitments that are contributing to communities, by Creating Shared Value for both our shareholders and for society at large.

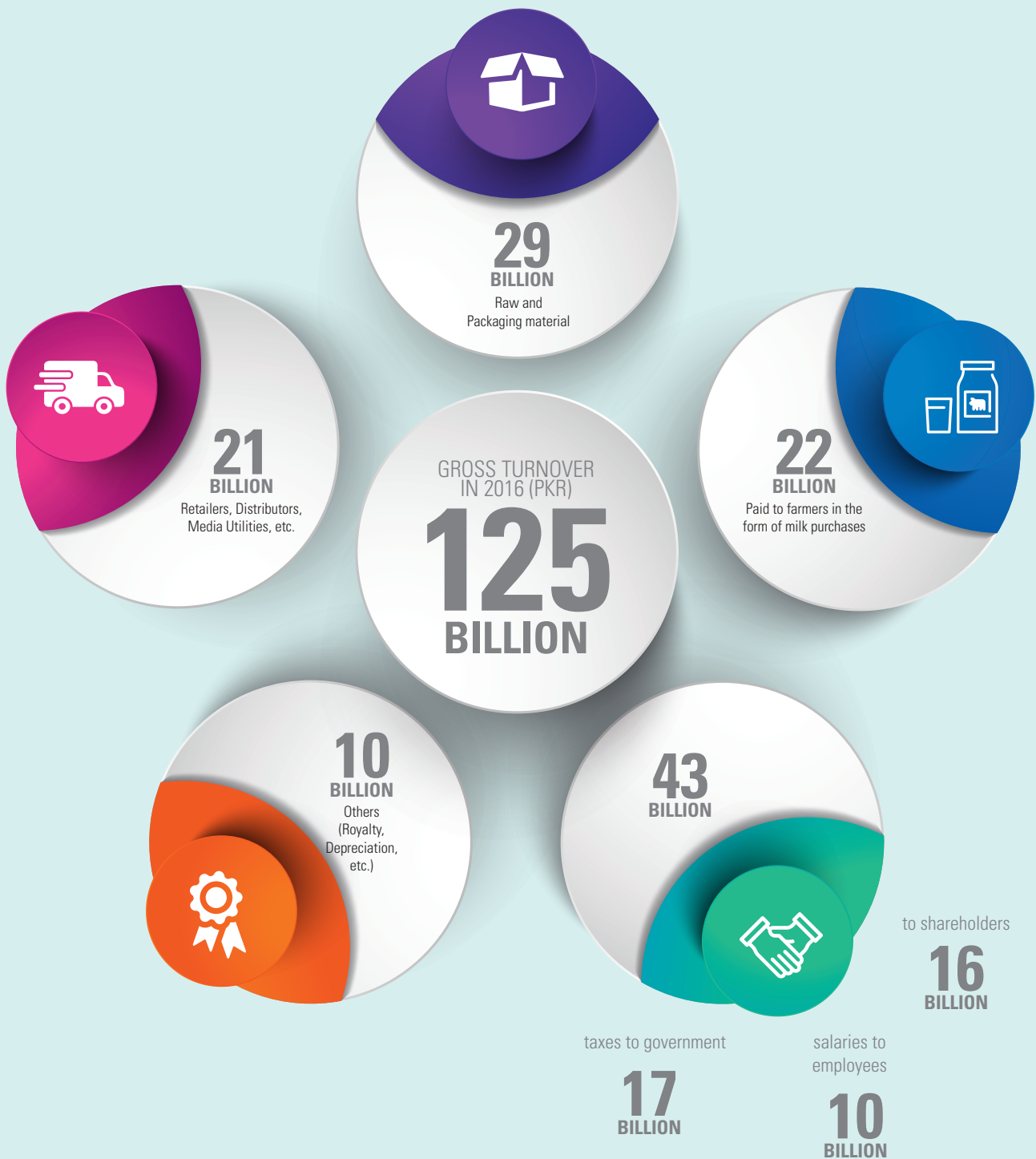


**BRUNO BORIS OLIERHOEK**  
Managing Director

# 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 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 (CSV) for the communities in which it works and operates.

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. Additionally, ethical business practices, transparency and consumer trust – based on high quality products with a focus on Nutrition, Health and Wellness – remain the hallmark of our core business.

Our inspiration is governed by the Nestlé Corporate Business Principles. A signatory to the UN Global Compact for Ethical Business, the Company is committed to the stakeholders and the communities for mutual growth and sustainability.

This year, Nestlé Pakistan was awarded with the first prize for “Living the Global Compact Business Excellence” at the United Nations Global Compact (UNGC) Pakistan awards. Nestlé won in the multinational category for

‘Engaging Private Sector in Implementing the Decent Work Agenda & United Nation Sustainable Development Goals’. Nestlé Pakistan has won this award due to its key positioning in its Creating Shared Value focus areas of Nutrition, Water, Environmental Sustainability, Rural Development, and Our People.

From offering quality products to consumers and providing a fair and diverse work environment for our employees; from



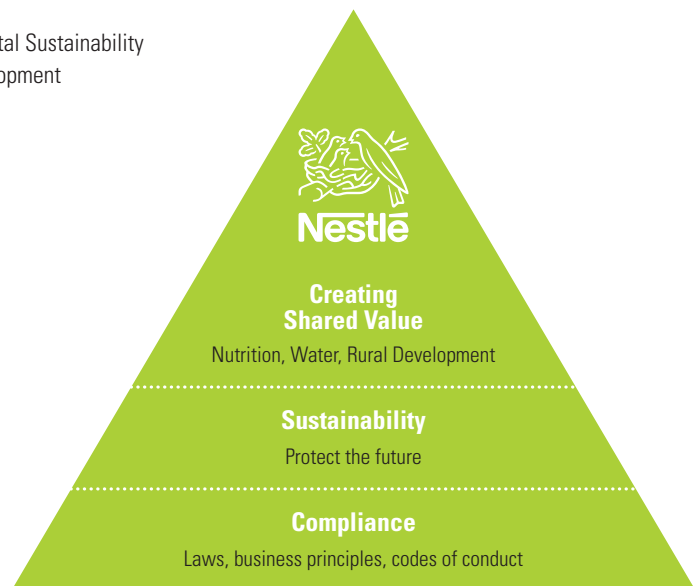


capacity building and knowledge transfer to our partners and raw material providers, to implementing responsible sourcing models into our relationships; from supporting under privileged communities to working with small farmers; from enhancing sustainability and environmental friendliness of our operations to embedding ethical and transparent business practices, CSV is entrenched in the entire value chain of Nestlé.

In 2016, the company started the “Seeing is Believing” initiative to showcase our dairy value chain from Grass to Glass to create advocates among our stakeholders and to make them aware of the quality and safety standards that we adhere to.

The key focus areas for Nestlé Pakistan’s Creating Shared Value (CSV) Programmes remain:

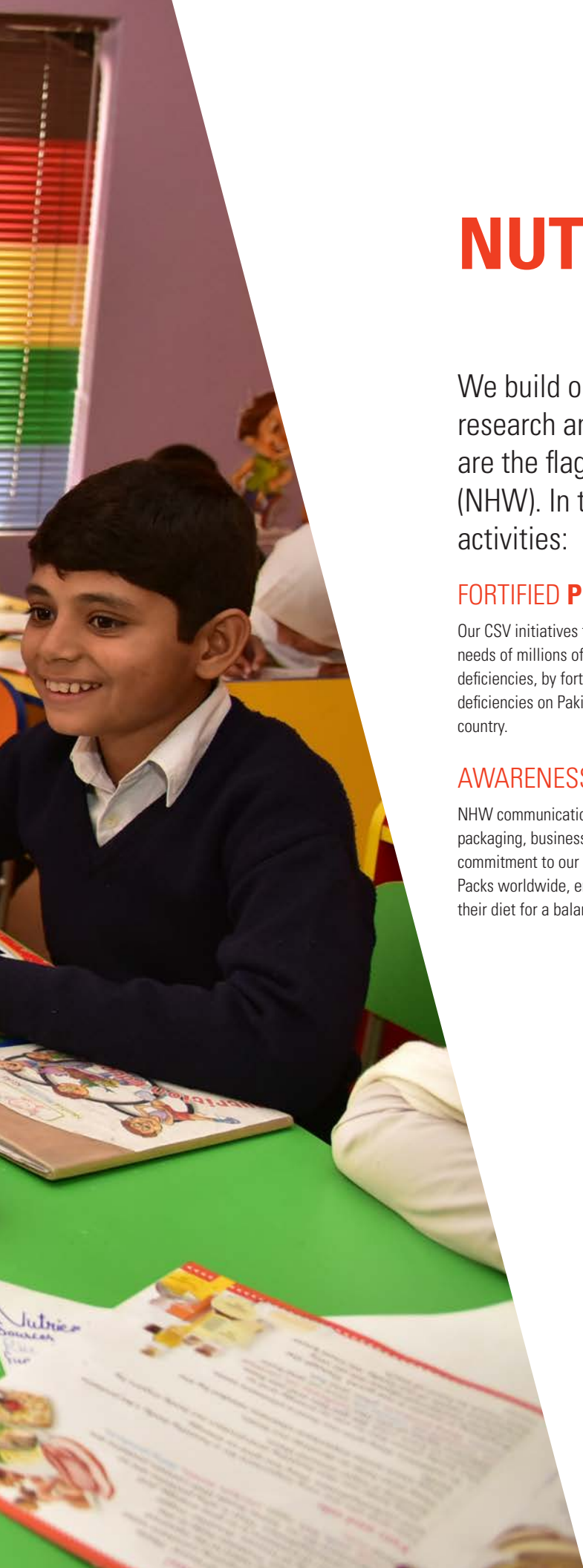
- Nutrition
- Water
- Environmental Sustainability
- Rural Development
- Our People



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.







# NUTRITION



We build our nutrition credentials with continuous research and development. Our products and brands are the flagbearers of Nutrition, Health and Wellness (NHW). In this area, we carry out the following activities:

## FORTIFIED PRODUCTS

Our CSV initiatives through business engagements include fortified products addressing the needs of millions of consumers. Nestlé is committed to play its role to help reduce micronutrient deficiencies, by fortifying products with essential micronutrients that combat the impact of such deficiencies on Pakistan's population. In 2016, 4.5 billion fortified servings were served across the country.

## AWARENESS TO CONSUMERS THROUGH PACKAGING

NHW communication to internal and external stakeholders and awareness to consumers through packaging, business communication and personal interaction is an integral part of our strong commitment to our NHW values. The Nestlé Nutritional Compass, appearing on 97% of Nestlé Packs worldwide, encourages and empowers consumers to make informed food choices about their diet for a balanced and healthier lifestyle.





## NESTLÉ HEALTHY KIDS PROGRAMME

Nestlé Healthy Kids (NHK) Programme is a global initiative by Nestlé which aims to enhance knowledge about nutrition and health among school-going children. The programme also promotes physical activity and highlights the importance of hygiene. The curriculum-based programme, which is completely non-branded, covers topics of healthy eating, nutrition, hygiene and physical activity.

Keeping in view the double burden of malnutrition (National Nutrition Survey 2011) among children in Pakistan, Nestlé Healthy Kids Programme was developed by Nestlé Pakistan and kicked off in the local market in 2010. It is now a nationwide programme with presence in the Federal Capital, Punjab, Sindh and Khyber Pakhtunkhwa. Nestlé Pakistan is collaborating with 10 educational partners on this project.

The Nestlé Healthy Kids Programme is part of Nestlé's global commitment of ensuring that children understand the value of nutrition and physical activity and continue leading healthy lives as they grow older. Since its launch in 2010, the programme has reached out to more than 100,000 children in the rural, suburban and urban areas of the country, having trained more than 400 teachers (of both primary and secondary schools) as master trainers. The training of mothers and teachers is 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 years.

The Nestlé Healthy Kids Programme has been widely successful in Pakistan. Nestlé Healthy Kids day was celebrated in 2012, 2014 and 2016. The Nestlé Healthy Kids Day's activities included an art exhibition based on nutrition and hygiene by students from all partner schools, tableaus, quizzes and speech competitions. Children and teachers from all partner institutes participated enthusiastically and all the activities showcased the children's knowledge about nutrition, healthy eating and an active lifestyle.





## NESTLÉ HEALTHY WOMEN



A significant part of nutrition challenge is ensuring a widespread awareness of the importance of good nutrition and translating that awareness into healthy lifestyle. As the world's largest Nutrition, Health and Wellness organisation, with a 150-year long global nutrition heritage, Nestlé has nutrition knowledge to offer as part of our CSV initiatives.

The Healthy Women Programme was launched on 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 healthier and smart nutrition choices and adopt a healthy lifestyle.

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 Programme was introduced at universities in 2014 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.

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, poster presentations and engagement with senior management at Nestlé. In addition, successful participants are being offered an internship program that encompasses extensive exposure to the organisation.

To date, the programme has reached out to more than 3000 young women across 11 universities nationwide. In 2017, the scope of the programme will be increased to include both urban as well as rural areas to ensure improved nutrition outcomes.





## UNITED FOR HEALTHIER KIDS



United For Healthier Kids is a behaviour change movement to help parents raise healthier kids between the ages of 3 to 12 years of age. The three behaviours on which we are focusing are:

- Move More Sit Less
- Choose To Drink Water
- Choose Nutritious & Varied Options

We have joined hands with the government, academia and private sector to bring about a positive change in our children so that they can have a brighter and healthier future. The Ministry of Planning Development and Reform of Pakistan, LGS Landmark Schools and Servis Shoes are some of our partners. The message of the movement is being communicated through a 360-degree communication campaign comprising of TV, Radio, Digital and on-ground activations in schools and Servis stores. We are confident that together with the help of our partners, we can inculcate healthier eating, drinking and lifestyle habits in children which will help them achieve their goals in life.





## NUTRITION SUPPORT PROGRAMME

Under the Nutrition Support Programme, Nestlé Pakistan regularly provides milk, to approximately 20,000 children and underprivileged people who suffer from key micronutrient deficiencies in urban, semi-urban and rural areas. The children that attend the educational institutes we support are poor and their parents cannot afford to fulfill their nutritional needs. The schools are selected after giving due consideration of the profile of the managing organisation to ensure that the benefits of this programme reach those who need it the most, the outreach capacity of the company and availability of resources. The programme also supports organisations working with destitute women, as well as social welfare organisations for sports, culture, special children and the disabled.

پانی ایک قیمتی نعمت ہے اسے ضائع نہ کیجیے  
جوئوں کی کتاب ہے شہزادہ شہناز بی بی پر لکھی







# WATER



Nestlé continues to support initiatives aimed at addressing concerns about water 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. We respect the human right to water and sanitation, and are helping to facilitate the sustainable management of water catchments in areas 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 factories in the country. Sheikhpura Factory is the first site where the Standard was implemented. It will be going through an external audit in 2017 before it is certified. Once completed, the factory will be the first Nestlé site worldwide to be certified. The other two sites where the AWS Standard will be implemented in 2017 are the Islamabad and Kabirwala factories.

## CLEAN DRINKING WATER FOR COMMUNITIES

Access to clean drinking water is a key development challenge for Pakistan. In addition to basic hygiene, clean drinking water is a key ingredient in safeguarding one's health and wellness. As a part of our Community Engagement Programme and to support local communities, Nestlé Pakistan has established clean drinking water facilities. Located around our operational areas, these facilities provide clean drinking water to more than 60,000 people every day.



## DRIP IRRIGATION

Under the Water Resource Management Project, Nestlé partnered with the Water Management Wing of the Agriculture Department (Government of Punjab) for a program which offers a 60% subsidy to farmers who employ High Efficiency Irrigation Systems (drip irrigation) and other water conservation techniques, technologies and practices. Nestlé bears 40% of the share that the farmer owes. The pilot project is spread over 10 acres, located around the Sheikhpura district. The company wants to extend it to 50 acres by the end of 2017.



## PROJECT WET

Nestlé Pakistan organised Project WET (Water Education for Teachers) training sessions for partner educational institutions in 2016. The participants 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. This initiative by Nestlé Pakistan falls under the umbrella of its larger Creating Shared Value (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

Nestlé is a leading supporter for the WASH Pledge, an initiative of the World Business Council for Sustainable Development. As a signatory of the pledge, Nestlé Pakistan has committed to implanting access to safe water, sanitation and hygiene at the workplace at an appropriate standard for all employees, in all premises. 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



At Nestlé, we believe that success over long term comes through creating shared value for our shareholders and society. Compliance to all applicable laws and standards is at the core of this, but we also need to ensure that the principle of sustainable development is embedded in our activities, brands and products.

We work very hard to delight our consumers and give them another reason to trust Nestlé, and live up to the expectations of all stakeholders about our environmental responsibility and practices.

Caring for the future is reflected in Nestlé Pakistan's mission to provide "A better and healthier future for all Pakistanis" ہمارا عزم ہر پاکستانی کیلئے ایک بہتر اور صحت مند مستقبل

Nestlé Pakistan is taking steps and introducing various initiatives in its manufacturing units and beyond to exhibit this care. A brief of all these initiatives is described below.



Energy consumption per ton of production reduced by 8% in 2016 as compared to 2015

Water consumption per ton of production reduced by 0.5% in 2016 as compared to 2015

## ENERGY AND WATER SAVINGS IN OUR FACTORY OPERATIONS:

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

### ENERGY CONSERVING PROFICIENCY:

Our energy consumption has reduced by 20% per ton of product since 2012. Energy consumption per ton of the product was reduced by 8% in 2016 compared to 2015. 1.66 GJ energy was consumed per ton of the production in the year 2016.

### WATER OPERATIONAL EFFICIENCY:

Between 2012 and 2016, the total water consumption per ton of product was reduced and water use efficiency improved by 10%. Our water consumption per ton of product was reduced by 0.5% in 2016 compared to 2015. Nestlé Pakistan is aiming at waste water reduction by having pronounced water treatment systems, recycling and reusing practices.

## NESTLÉ PAKISTAN'S 2016 ENVIRONMENTAL PERFORMANCE

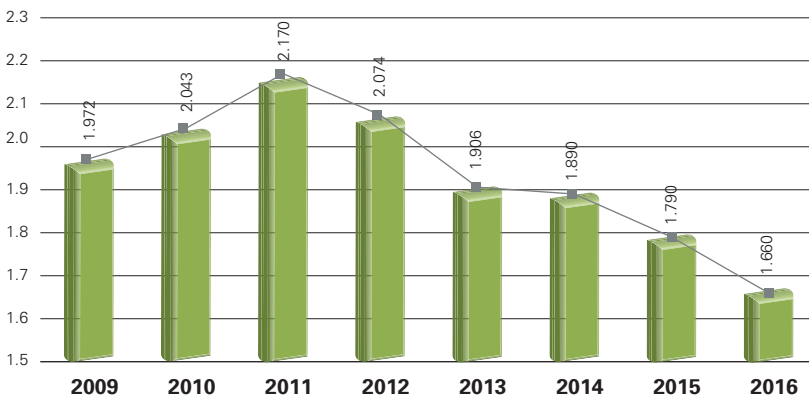


	Energy Consumption	Water Consumption
Reduction from 2012 till 2016	20%	10%
Reduction from 2015 till 2016	8%	0.5%
Positive Environmental Impact	↓	↓
Per tonne of production 2016	1.66 GJ	2.97 m <sup>3</sup>
Targets for 2017 (reduction per tonne)	4%	3.5%



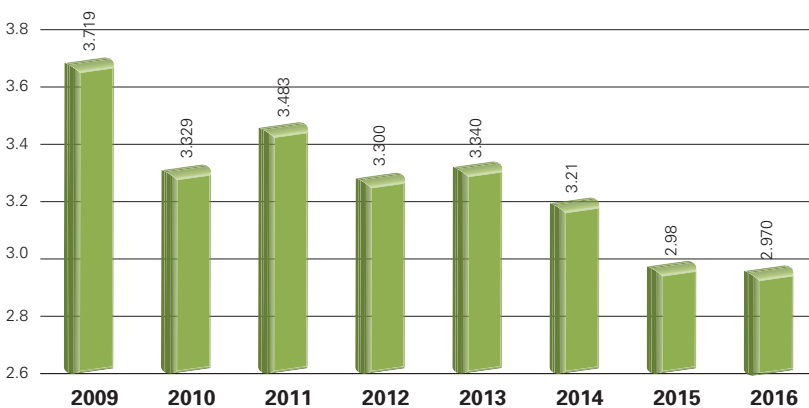


### Total On-Site Energy Consumption GJ/ton

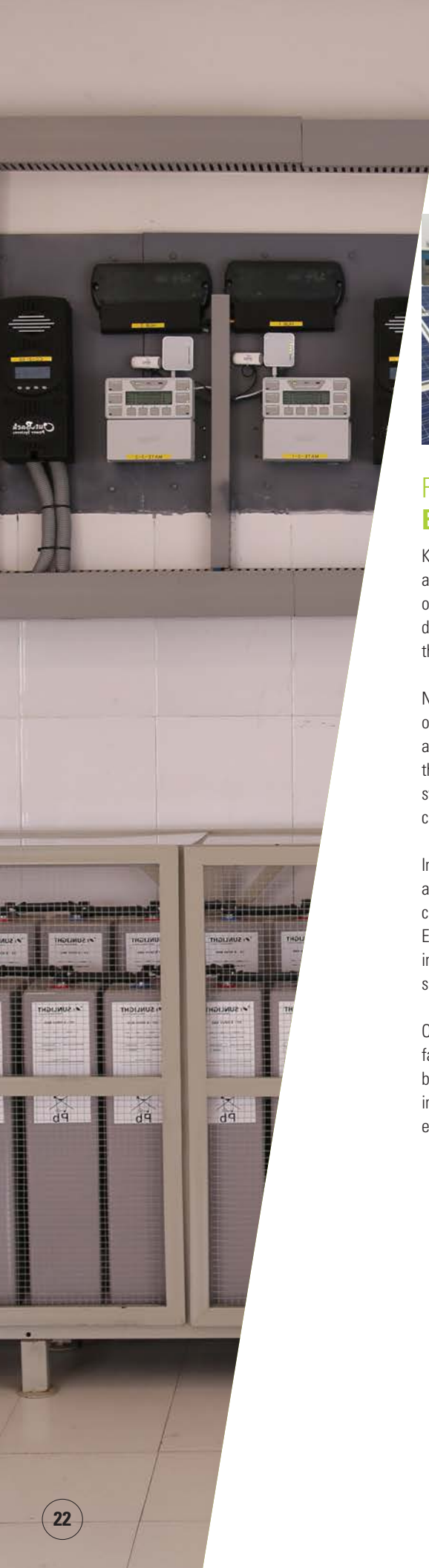


Energy Savings:  
44,053,800 KWH of Annual  
Savings have been achieved

### Water Consumption



Water Savings:  
16,810,450 Liters of Annual  
Savings have been achieved



## 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 is through cleaner alternatives of energy.

Nestlé Pakistan has always been looking at options to reduce the environmental footprint and for cleaner energy options. Continuing on this journey, we have installed solar energy systems at our factories and milk collection centres.

In 2016, Nestlé Pakistan added 23 units achieving a total capacity of 181KW. The continuing effort of Nestlé Pakistan in Solar Energy will set an example for the dairy industry of making use of renewable energy solutions for its sustainable business.

One such initiative was taken at our Karachi factory, where the newly constructed social block runs 100% on solar energy. This initiative helped in reducing 51 tons of CO<sub>2</sub> emissions, producing 65,700 KWH annually.

## ENVIRONMENTAL INITIATIVES IN AGRICULTURE SERVICES:

In Pakistan, 90% of the total water usage is in agriculture. Nestlé, being a responsible corporate citizen is fully aware of its responsibility towards the community where it operates. A number of initiatives to increase water use efficiency in agriculture have been taken, starting from educating the farmers to providing solutions for irrigation. A few of the glimpses are:

- Increased the farming of Rhodes and Alfalfa to 1,788 acres of land, resulting in reduction in number of sowings, less usage of energy and water and increased crop yield.
- Introduction of Hose Reel irrigation system at Nestlé training farm in collaboration with Government of the Punjab.

System gives following crop benefits:

- Water saving 40 – 70%
- Less use of fertilizers
- Increase in crop yield
- Training of school students on responsible use of water
- Farmer help camps to train over 74,000 farmers
- Promoting drip irrigation among farmers to save water



## REDUCTION OF WASTE AT SOURCE:

Packaging optimization means reducing the environmental impact of the product packaging without compromising the quality. Our packaging development team is continuously working to ensure packaging optimization by implementing innovative ideas with the coordination of all stakeholders.

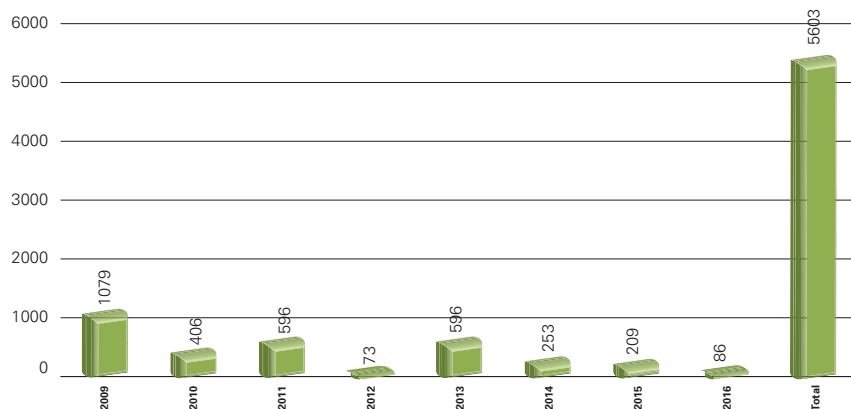
A few highlights of the recent achievements are as under:

1. Reduction in weight of EVERYDAY and BUNYAD shipping case.
2. Reduction in EVERYDAY pack length.
3. Reduction in reel width of the plastic shrink film.

The overall impact of all the above initiatives is 85.8 tons of packaging usage.

## SOURCE REDUCTION TONS

m<sup>3</sup>/ton



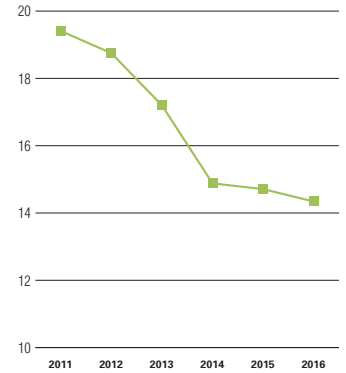
## GREEN SUPPLY CHAIN:

Nestlé takes care of its environmental responsibilities in all areas of its operations, and this is reflected in its initiatives in supply chain operations as well. We are optimizing the distance travelled per ton of the product delivered.

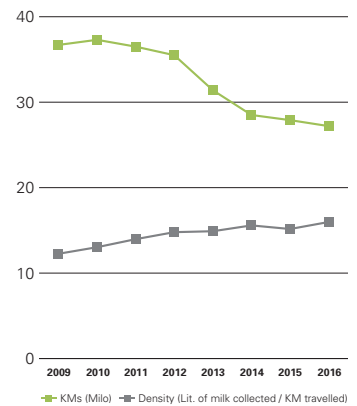
We have taken the following steps to ensure environment friendly operation in Pakistan:

- Induction of brand new vehicles
- Less diesel consumption
- Introduction of 50 feet vehicles (Eco liners) in finished goods transport
- 100% of the south zone and 13% of the north zone is shifted to these eco liners resulting in reduction of carbon foot print
- Ongoing training of drivers through National Highways & Motorways Police not only on safe driving but also on optimum driving for less fuel usage, thus resulting in less carbon emissions

## CO<sub>2</sub> EQUIVALENT (Million Kg)

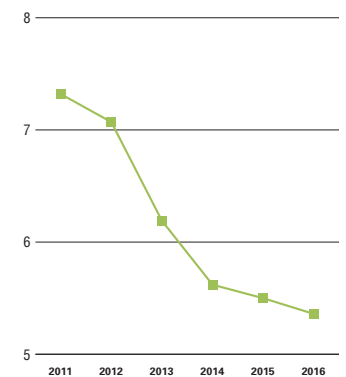


## FRESH MILK TRANSPORTATION:



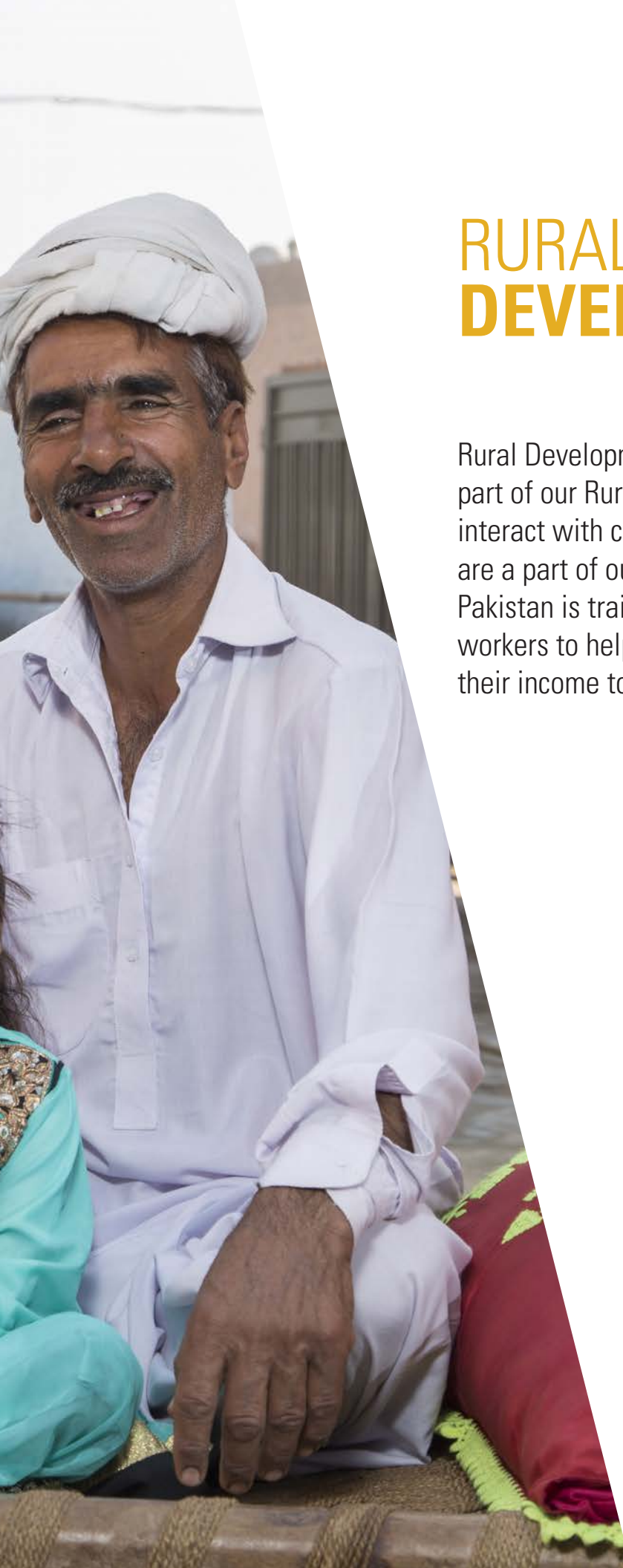
## LITRES DIESEL (million Litres)

(million Litres)









# 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.



## KISAN CLUB

Livestock sector plays an important role in the agri-based economy of Pakistan and contributes over 11% to the national GDP. Dairy Farming is highly labour intensive and involves above 70% of the rural population of the country. The dairy farmers in Pakistan are not developed at a rapid pace owing to a number of key challenges such as high cost of milk production, limited access to farm inputs supplies and lack of knowledge about dairy farming.

To cope with these challenges, Nestlé Pakistan has introduced Kisan Club. The transformative approach of Kisan Club aims for major improvements in dairy farm sustainability by helping farmers decrease farm input cost and increase productivity resulting in better economic returns. Kisan Club helps achieve that by providing access to subsidised farm supplies, financial support and technical services to farming communities.

The whole activity has created benefits worth over Rs 224 million in 2016 for emerging agripreneurs through a collaborative approach. Some of the activities are:

- Cow subsidy
- Health, Breeding & Advisory Services
- Baled Silage, Harvester Rents & Farm Machinery
- Financing through Milk Advances & Bank Loans
- Farmers Training

## SILAGE MAKING

Forage preservation is a key component of high input dairy systems. It has allowed producers to intensify the productivity of the land and the productivity of the cows. In 2016, the Dairy Development team was able to put more than 21,000 acre silage in 1,000 farms which helped to sustain milk production in fodder shortage periods during the year.

## TRAINING FARMS

Nestlé Pakistan is conducting farmer trainings through training farms. Farmer training support has had a direct impact on farm operations including animal nutrition, health breeding and overall livestock management. As many as 2,900 farmers have been trained by Nestlé in 2016.

## FARMER HELP CAMPS

Farmer Help Camps are a huge farmer training platform where Nestlé supports and develops traditional dairy farmers. Nestlé Pakistan has been conducting Farmer Help Camps to support and improve the livelihoods of farmers. These Camps help farmers when they face natural disasters such as floods. In 2016, approximately 2,900 help camps were conducted, where over 71,000 farmers were trained on good agriculture practices.





## WOMEN AGRIPRENEURSHIP

In 2016, approximately 4,000 rural women were trained on Best Farm Practices through village gatherings. Moreover, the programme builds capacity to better support women entrepreneurs to start and grow their businesses. 22 entrepreneurs were developed through this programme, while 125 female milk suppliers were also made a part of Nestlé’s milk collection value chain. Women capacity building through training, non-formal education providing opportunities to access will enable them to attain self-reliance and sustainability by setting up profitable micro-businesses to generate income for their families.



**MISBAH HUSSAIN**  
**MILK SOURCING AGENT**

22 year old Misbah Hussain is one of the female entrepreneurs working as Milk Sourcing Agent for the past one year. Misbah is the eldest among her siblings.

She said, “When I passed my matriculation exam, I wished to support my father to run the family. My brother being the youngest among us; my aim was to prove myself as my father’s eldest son.”

She had visited a Nestlé Milk Collection Centre in a nearby village and was inspired by the collection system and our women agripreneurs team. She started milk collection at her home.

She says, “I strongly believe that there is no difference between men and women. By the grace of God, and the support of my parents & my village fellows, I was encouraged and motivated to start this business.”

Along with milk collection, she has also started selling Nestlé product sachets. She also supplies concentrate to few farms and is collectively earning about Rs 20,000 per month.

She says, “I am proud that I am working with Nestlé and earning a respectable income.”



## DAIRY PROJECT

Dairy Project is a partnership between Nestlé Pakistan and Dairy and Rural Development Foundation (DRDF). Nestlé, through its Dairy Project has set a benchmark for the development of the rural community. As part of its efforts towards ensuring corporate social responsibility and Creating Shared Values (CSV), it aims to develop communities, alleviate poverty, and generate income and employment. It has benefited generations of dairy farmers equipped with modern skills, access to quality extension services and affordable farm inputs. Nestlé is proud to create shared value for society through its support to Dairy Project's skills-based training programmes, socio-economic empowerment of the rural farming communities, gender mainstreaming and employment opportunities for rural youth.

Nestlé would continue Dairy Project's efforts to create self-sustainable dairy clusters with the blanket availability of farming inputs and conducting farmer trainings on the project upgraded farms. These efforts will make great strides towards maximizing Pakistan's dairy and livestock output.

## SUSTAINABLE DEVELOPMENT

Dairy Project's sustainable dairy model centres on commercially tradable products and extension services. Every intervention adds value in the chain and generates further income for small farmers and jobs for rural men and women.

## COMMUNITY DEVELOPMENT

Dairy Project aims to develop non-conventional avenues to find solutions

to Pakistan's prevalent energy crisis. The biogas plant built at Bahadurnagar farm is a testament to Nestlé's commitment and the Government of Punjab's vision of energy solutions.

## EMPLOYMENT OPPORTUNITIES

Nestlé's holistic approach in addressing the issue of gender equality in rural settings serves the long term goals of women empowerment, establishing them as credible entrepreneurs in rural areas. Dairy Project has created over 9,000 new job opportunities for young unemployed rural youth, including women, who are now providing cost-efficient and timely services to the rural farming community, thereby improving livelihoods.





## RESULTS AND OBJECTIVES

- Trained 48,600 dairy farmers and 500 commercial farmers and farm managers on best dairy farm management practices
- Trained and established 2,450 Artificial Insemination Technicians (AITs) as self-employed entrepreneurs earning on average, PKR 12,000 per month
- Trained and established 7,000 Women Livestock Extension Workers (WLEWs) as entrepreneurs serving farmers in 10,000 villages in South Punjab earning, on average, PKR 2,100 per month
- Street theater and mass awareness campaign reached approximately three million dairy households to increase knowledge of best dairy farm practices
- Upgraded 118 local farms to model farms to meet rural communities' requirements and now serving as service and supply hubs for small farmers.
- Built capacity of the local implementing partner - Dairy and Rural Development Foundation (DRDF) – which achieved financial sustainability a year ahead of the target date and successfully operating supply chain for the AITs and WLEWs.
- Successfully piloted 50 cubic meter biogas unit for a dairy cooperative milk chiller in the district of Vehari.
- Constructed the first commercial grade 375 cubic meter biogas plant based on plug-flow technology, in collaboration with the Punjab Livestock and Dairy Development Department at Bahadurnagar Farm, Okara.

Nestlé Pakistan is committed to social and economic equity for the dairy farming community, especially a holistic empowerment approach for Pakistani village-based women to become socio-economically empowered. These interventions will help alleviate poverty, create job opportunities, and enable rural dairy communities to contribute towards the development of Pakistan's dairy and livestock sector. It will continue to address society's most critical challenges through collaboration and collective action.

## 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 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 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 18,000 drivers including over 4,400 Nestlé drivers.

Apart from the professional and economic impact, the 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 SCHOOL TRAINING

The Rural School Training Programme was initiated in 2015 to educate and sensitise rural youth on better farming practices. The training included food safety, road safety, personal hygiene and responsible use of water. In 2016, approximately 3,700 students were trained through this initiative, which also helped expedite the process of decision making and enabled a behaviour change in farming communities.







## AGRICULTURAL ENTREPRENEURSHIP PROGRAMMES

### **LAHORE UNIVERSITY OF MANAGEMENT SCIENCES (LUMS)**

Lahore University of Management Sciences (LUMS), in collaboration with Nestlé Pakistan, launched 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. The

participants including Nestlé employees, who have successfully completed the Programme, now 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 (IBA)**

Nestlé Pakistan has entered into a partnership with the Institute of Business Administration (IBA) for the promotion of agricultural entrepreneurship in Karachi.

The Entrepreneurship Development Programme has been launched 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 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.





## CHAUNSA PROJECT

The Nestlé Chaunsa Project aims to improve 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 (pre and post). The ultimate objective of the Chaunsa Project is to link these mango growers with our pulp suppliers, thus making them an integral part of the Nestlé value chain. The results of our endeavors have been quite fruitful as the 8 partner farms for our pilot phase have shown considerable improvement both in quality and quantity of Chaunsa Mango due to the implementation of Best Farm Practices. Nestlé Pakistan has recently signed a MoU with the Agriculture Department Punjab under which both the organisations shall jointly work for the implementation of Best Farm Practices in the Chaunsa farming sector in Punjab. 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.



## COMMUNITY ENGAGEMENT PROGRAMME

Nestlé Pakistan believes in maintaining a close relationship with the communities it works with. As a part of our Community Engagement Programme 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 meeting help us understand community needs and expectations from the company. The company also jointly organises 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 Centre shall provide sewing and stitching training to women.







# 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. All designed activities are in line with our CSV focus areas of Nutrition, Water and Rural Development. Employee participation, while encouraged, is voluntary and remains an employee decision. Each volunteer can spend one working day annually on volunteer activities.





## KERO AITEMAAD

Kero Aitemaad is an initiative that strives to create shared value by focusing on young women aspiring to have a flourishing career. The Kero Aitemaad Programme marked the closing of 2016 on a high note in Sahiwal in December. It was a well-attended event with over 150 girls from more than 20 businesses, engineering, medical universities and colleges in and around Sahiwal.

With this, we have reached out to more than 1,700 women from 272 institutions across 11 cities (Metro & Non-Metro) in Pakistan in two years. Achieved conversion from these events led to 45 Kero Aitemaad Associates, 17 Kero Aitemaad Interns and 1 Management Trainee in various functions, including Sales, Engineering and Supply Chain up till now.

Every seminar begins with gender facts and figures expounded by Market Gender Champion Abdullah Jawaid. Our Role Models, who inspire the audience through their stories on how they broke gender stereotypes include female employees from all grades and functions that results in an interesting connect with young aspiring, ambitious students.

Every event concludes with a Q&A session, tips on how to explore opportunities at Nestlé and finally a bustling career counseling session by the Talent Acquisition team and Kero Aitemaad Ambassador certificates distribution.







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