



Nestlé Good food, Good life

Nestlé in Society Report
2024



Together for
**HEALTHIER
GENERATIONS**



About the Cover

Nestlé for Healthier Kids (N4HK) program empowers parents, caregivers and educators to foster healthier eating, drinking and lifestyle habits among school-age children

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Nestlé

NESTLÉ PAKISTAN LTD
HEAD OFFICE

CEO'S MESSAGE

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

As the world's leading Nutrition, Health, and Wellness company, Nestlé's purpose is to unlock the power of food to enhance quality of life, today and for generations to come. Everything we do is driven by this purpose as we continue to be a force for good and remain committed to Creating Shared Value for the communities where we operate.

In 2024, we remained steadfast in our commitment to Creating Shared Value (CSV) and made progress on our Sustainability Agenda. These efforts are also aligned with the United Nations Sustainable Development Goals (SDGs) through our focus areas: helping to protect, renew, and restore natural resources, contributing to nutritious and sustainable diets, and strengthening communities.

For us at Nestlé, the greatest priority is contributing to nutritious and sustainable diets. In line with this, in 2024, our Nestlé for Healthier Kids (N4HK) Program expanded and increased its outreach of nutrition knowledge to new schools in different regions. It gives me great pleasure to share that we have now reached out to over 400,000 students and 2,600 teachers nationwide.

Besides creating awareness about nutrition, last year, we also served approximately 2 billion fortified servings of our value-added nutritious products to help address micronutrient deficiencies in Pakistan.

Nestlé is a company built on foundations of respect — for our employees, our partners, and communities. It is in this pursuit that we strive to empower communities to be financially independent. Our Nestlé BISP Rural Women Sales Program is a prime example of that. The program supports rural women in earning a livelihood by enrolling themselves as sales agents. Since its inception, the program has been continuously growing, and we have increased the number of enrolled women to over 3,500 across 29 districts of Pakistan.

When it comes to communities, access to clean drinking water is a crucial developmental challenge for Pakistan. Nestlé views this challenge as a responsibility and has developed nine clean and safe drinking water facilities in the communities where we operate, particularly in Sheikhpura, Kabirwala, Islamabad, Narowal, and Port Qasim, Karachi. These facilities enable 90,000 people to access clean drinking water every day.

While our communities are vital to us, we are also aware that the sustainability of the planet from which we source our ingredients is equally important. Nestlé is driving regenerative agriculture with local farmers to make their lands more sustainable and improve their livelihoods. These efforts help us advance our initiatives on regenerative agriculture, focusing on soil health, water security, biodiversity, and diverse cropping systems.

We also helped farmers install innovative technologies like drip irrigation and smart soil moisture sensors to reduce water wastage. By 2024, drip irrigation was operational across 214 acres in Sindh and 29 acres in Punjab and smart soil sensors were deployed across 724 acres.

We are accelerating efforts to reduce our carbon footprint in line with our commitment to reduce emissions by 20% (versus a 2018 baseline) by 2025, halve them by 2030, and reach Net Zero by 2050.

In our efforts to support farmers adapt to sustainable practices and reduce their carbon footprint, we have facilitated the import of over 10,000 high-yield cows for local dairy farmers to date. We also have supported the installation of solar systems and biogas plants at local farms, enabling farmers to switch to renewable energy.

Continuing our commitment to renewable energy, in 2024, we inaugurated a 2.6-megawatt solar power plant at our Sheikhpura Factory that will reduce 1,280 tCO₂e of greenhouse gas emissions every year. Another remarkable achievement this past year was the successful installation of the biomass boiler at our Kabirwala Factory, which caters to approximately 80,000 tons of steam consumption per year. This biomass boiler will result in a reduction of approximately 11,000 tCO₂ in greenhouse gas emissions.

Giving back to the planet is a value that the Nestlé family shares with us. That is why, under our global initiative of Nestlé Cares, we planted our first Urban Forest in Lahore with 50,000 trees. In efforts to achieve Net Zero by 2050, we have plans of expansion in other regions in the coming years.

At Nestlé, we understand that achieving our vision of a waste-free future will require collective effort. That is why our Clean Gilgit-Baltistan Project works in partnership with the Gilgit-Baltistan Waste Management Company (GBWMC) and Environment Protection Agency (EPA-GB). To date, we have installed three compressing and baling machines, one each in Gilgit, Hunza, and Skardu, which have facilitated the waste management of over 6,800 tons of plastic and paper packaging waste. In 2024, Nestlé Pakistan also provided a Waste Segregation Machine for Gilgit City. Furthermore, we have placed over 100 benches and waste bins made from recycled plastic at popular tourist locations in the region.

In a similar vein, our collaboration with the World Bank Group (WBG) and the Khyber Pakhtunkhwa (KP) tourism department through the Travel Responsibly for Experiencing Eco-tourism in Khyber Pakhtunkhwa (TREK) initiative is aimed at fostering a waste-free future by promoting new behaviors. This year, our joint efforts resulted in the training of nearly 500 professionals from the hospitality, academia, social, and development sectors at key tourist destinations in Khyber Pakhtunkhwa, including Galiyat, Abbottabad, Naran, Swat, Chitral, and Peshawar.

All this great work wouldn't have been possible without the Nestlé Pakistan team, stakeholders, and value chain partners. Giving back is a shared responsibility and cannot be accomplished in isolation. We are committed to Creating Shared Value and collaborating with our stakeholders to enhance our initiatives aimed at protecting, renewing, and restoring the planet, ensuring that food systems continue to provide nourishment for generations to come.



Joselito Jr Avanceña

Chief Executive Officer & Managing Director

CREATING SHARED VALUE

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



Contributing to Nutritious and Sustainable Diets



Strengthening Communities



Helping to Protect, Renew and Restore Natural Resources

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

Our inspiration is governed by the Nestlé Corporate Business Principles. A signatory to the UN Global Compact for Ethical Business, the company is committed to the stakeholders and the communities for mutual growth and sustainability. From offering quality products to consumers and providing a fair and diverse work environment for our employees; from our partners and raw material providers to implementing responsible sourcing models into our relationships; from supporting underprivileged



communities to working with small farmers; from enhancing sustainability and environmental friendliness of our operations to embedding ethical and transparent business practices, CSV is entrenched in the entire value chain of Nestlé.

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

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



Local farmer and his family at the Sarsabz farm.

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

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

As the largest Food and Beverage Company in Pakistan, we are taking steps and introducing various initiatives in our

manufacturing units and beyond, to exhibit this Respect for the Future. Nestlé Pakistan is striving towards zero environmental impact of our operations. This is both a local and global commitment.

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



CONTRIBUTING TO NUTRITIOUS AND SUSTAINABLE

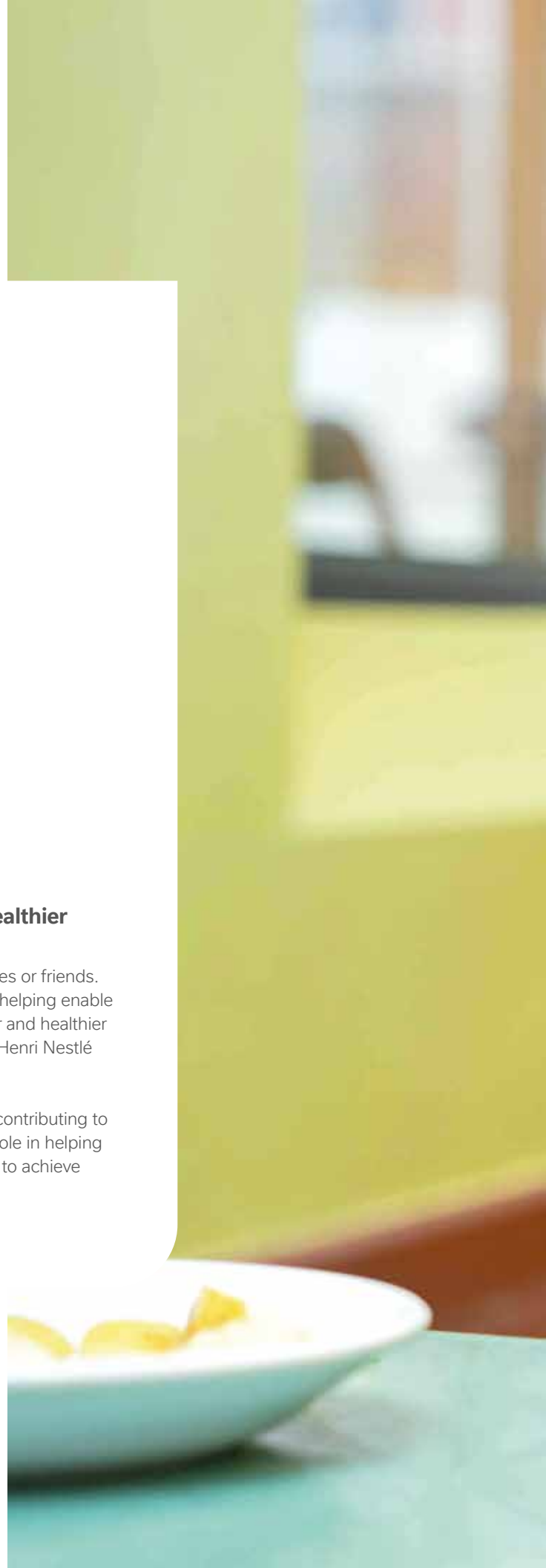
DIETS

Enabling healthier and happier lives

2030 Global Ambition: Help 50 million children lead healthier lives

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

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





NESTLÉ for HEALTHIER KIDS

Nestlé for Healthier Kids

Pakistan has one of the highest levels of child malnutrition compared to other developing countries, with significant implications for the health and development of future generations. Addressing this challenge requires a strong focus on improving the quality of diet and raising nutrition awareness to prevent issues like stunting, wasting and other forms of malnutrition.

Nestlé for Healthier Kids (N4HK) program was launched in Pakistan in 2010 as part of a global initiative aimed at empowering parents, caregivers and educators to foster healthier eating, drinking and lifestyle habits among school-age children. The program equips children with essential nutrition education, enabling them to make better nutrition decisions from an early age to promote a healthier future.

The program supports public health objectives and empowers schools to improve nutrition knowledge and foster healthy habits among children by teaching the importance of balancing good nutrition and healthy hydration with an active lifestyle. To date, the program has educated more than 400,000 children across rural, sub-urban and urban areas, and has trained more than 2,600 teachers on nutrition in 450 schools. These efforts are critical in building a foundation for healthier communities and a more informed generation.

N4HK collaborates with a wide network of partners to help address Pakistan's nutrition challenges, working towards a common goal of a healthier and happier future for children. The program has established nationwide partnerships with a strong presence in schools across Punjab, the Federal Capital, Sindh, Khyber Pakhtunkhwa, and Gilgit Baltistan, making a significant and lasting impact on the health and well-being of children across the country.

The program works in collaboration with 11 partners from the development, private, and public sectors, including Care Foundation, Punjab Workers Welfare Fund, Trust for Education and Development of Deserving Students (TEDDS), Zindagi Trust and the Government of Gilgit Baltistan, among others. Together, these partnerships amplify the program's reach and effectiveness in promoting better nutrition and healthier lifestyles across the country.

Nestlé for Healthier Kids is a curriculum-based program, comprising of a specially designed book, developed in collaboration with Oxford University Press in both English



and Urdu, which provides children with the knowledge needed to make better nutrition choices, while also promoting physical activity and the intake of a balanced diet. Through these efforts, N4HK is helping to create a future generation that understands the value of nutrition and is empowered to live healthier lives.

In collaboration with WWF-Pakistan, Nestlé for Healthier Kids launched the "A Sustainable World for Future Generations" training program to educate the younger generation on sustainable packaging and waste management practices. These trainings have been conducted in partner schools across Punjab, the Federal Capital and Gilgit Baltistan, reaching over 2,000 children to date. The program instills responsible behavior, empowering children to become proactive stewards of the planet.

Through these efforts, Nestlé is not only fostering a healthier future for children but also contributing to a more sustainable planet for them to inherit.

7 Habits for Healthy Kids



A student studying the N4HK book at the program's room at Government High School in Hunza

In Commitment with



Testimonial

Proper nutrition is essential for a child's growth, development, and overall quality of life. I commend the efforts of Nestlé for Healthier Kids, which has played a pivotal role in raising awareness about nutrition among teachers, parents, and students. The specialized nutrition trainings for teachers equips them with the knowledge needed to make informed dietary choices.

By fostering a culture of health and nutrition education, we are not only improving the well-being of our children but also building a healthier future for Gilgit-Baltistan. Together, we can ensure that our children grow up strong, healthy, and prepared to face the challenges of tomorrow.

Raja Nasir Ali Khan

Minister of Planning & Development Gilgit-Baltistan



Educated over 400,000 students



Trained over 2,600 teachers



Covered 450 school branches



Developed a special curriculum



Worked with 11 partners

Nutrition Support Program

Under the Nutrition Support Program, Nestlé Pakistan regularly provides milk to children and vulnerable communities who suffer from key micronutrient deficiencies in urban, semi-urban and rural areas. Children attending educational institutes supported by Nestlé hail from underprivileged backgrounds and face nutritional challenges. These schools are selected after careful consideration to ensure that the benefits of this program reach those who need it most. The program also supports organizations working with destitute women and differently-abled children.

Fortified Products

Nestlé is committed to playing its role to help reduce micronutrient deficiencies on a global scale, by fortifying products with essential micronutrients that combat the impact of such deficiencies on Pakistan's population. In 2024, approximately 1.99 billion fortified servings were served across the country.





Children drinking milk at the Mashal Model School in Islamabad

In Commitment with





STRENGTHENING COMMUNITIES

Helping develop thriving and resilient communities

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

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

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





Young girl learning stitching at Nestlé's Vocational Training Center in Kabirwala



Nestlé BISP Rural Women Sales Program

The Nestlé-BISP Rural Women Sales Program, launched in 2017, is a collaborative initiative between Nestlé Pakistan and the Benazir Income Support Program (BISP). This program aims to provide livelihood opportunities to BISP beneficiaries, who receive quarterly stipends through Pakistan government’s unconditional cash transfer program. The primary goal is to empower rural women by offering them a level playing field to achieve their potential.

Nestlé trains selected BISP beneficiaries in sales and record-keeping, providing them with Nestlé products at better margins. These women then work as retailers or micro-distributors, setting up shops or delivering stock to retailers and going door-to-door for sales. To date, 3,500 women have enrolled as Rural Sales Agents across 29 districts.

Nestlé has also partnered with Akhuwat Pakistan, the largest interest-free microfinance program, to improve access to finance by disbursing microloans to women looking to scale their businesses. Under the partnership with Akhuwat, PKR 4 million has been provided as a revolving loan amount, with 320 Rural Sales Agents taking PKR 9.6 million worth of loans to grow their businesses. This initiative has also promoted greater financial inclusion and women empowerment.

The program has had a significant impact. Beneficiaries have been able to support their families, send their children to school, and improve their living conditions. The economic upliftment facilitated by the program has led to wider social empowerment.

The program aligns with several Sustainable Development Goals (SDGs), including good health and sanitation, gender equality, decent work and economic growth, and partnerships for the goals.



Launched in 29 districts of Pakistan



Over 3,500 women enrolled as Sales Agents



Total Sales in 2023: PKR 224 Mio



Microloans of average PKR 10,000 – 20,000 disbursed



Average sales of PKR 5,000 – 10,000 each month



معيار کا انتخاب NESTLÉ کا انتخاب



Rifat Bibi, a Nestlé BISP Rural Women Sales Agent at her shop in Pindi Bhattian

In Commitment with

SUSTAINABLE DEVELOPMENT GOALS

- 3 GOOD HEALTH AND WELL-BEING
- 5 GENDER EQUALITY
- 8 DECENT WORK AND ECONOMIC GROWTH
- 17 PARTNERSHIPS FOR THE GOALS



In Commitment with

SUSTAINABLE DEVELOPMENT GOALS

8 DECENT WORK AND ECONOMIC GROWTH

17 PARTNERSHIPS FOR THE GOALS

Nestlé sources highest quality chaunsa mangoes from South Punjab



Nestlé Chaunsa Project

Mango has its own specific nutrition, value and taste among all fruits available in the summer season in Pakistan. That's why it is not only the national fruit of Pakistan but also the king of fruits. There is a growing demand for mango pulp, not just locally but worldwide for drinks and juices, especially Pakistan's Chaunsa variety. In Pakistan, most mango orchards are owned by small growers who do not possess adequate knowledge of modern techniques for cutting, pruning, insecticides and fertilizer application, and management practices.

The Nestlé Chaunsa Project improves the livelihood of farmers within the Chaunsa mango sector through strategic Creating Shared Value interventions. Through our Chaunsa Project, we train and build the capacity of Chaunsa mango farmers, with the support of our partners. The identified training areas include pre- and post-harvest horticulture, plant propagation and varietal assessment.

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

NESTLÉ FRUITA VITALS is the flagship brand within the Nestlé beverages range, made from highest quality fruits. The results of our endeavours have been quite fruitful, as the partner farms have shown considerable improvement both in the quality and quantity of Chaunsa mangoes as a result of the implementation of best farm practices. Juices constitute one of the growth areas of our company, and intervention within its highest volume variant would allow for Creating Shared Value.

Our mission is to provide our consumers with delicious and healthy refreshments. We use the best variant of Chaunsa mango as pulp raw material for our premium quality Nestlé Chaunsa juices. We have been procuring Chaunsa mangoes from our partners since 2018, making them a significant part of our value chain. Through responsible sourcing of mango pulp and the formation of linkages with Nestlé's value chain, small farmers now have better access to markets where they can sell their mangoes at competitive prices.



Female agripreneur feeding high yield imported cows at a farm in Dunyapur

Agriculture Services

Nestlé Pakistan actively explores opportunities for farmer livelihoods and minimizes climate change impact. We have been promoting alternate energy sources, particularly for dairy farmers. During 2021-2024, Nestlé facilitated dairy farmers to install solar systems at selected dairy farms to introduce renewable energy to reduce Greenhouse Gas (GHG) emissions and energy costs. If not handled properly, cow dung can increase GHG emissions. However, its proper treatment through bio-digester provides alternative energy as biogas and it is a good source of organic matter for the agricultural land, reducing the use of synthetic fertilizers. In 2021-2024, Nestlé supported the installation of biogas digesters at various suppliers' farms to pass on cost and environmental benefits to farmers.

Nestlé, together with its partners also developed low-cost soil moisture sensors that help farmers decide when to irrigate their crops, enabling them to save water and improve crop yield. By December 2024, Nestlé maintained 16 farms with soil moisture sensors at various locations across its agriculture value chain. These are not only helping farmers in saving irrigation but also serving as a lighthouse of an efficient irrigation system. Similarly, Nestlé Pakistan supported farmers in installing drip irrigation. By 2024, drip irrigation was operational across 214 acres in Sindh and 29 acres in Punjab and smart soil sensors were deployed across 724 acres.

Nestlé's Agri Services team is helping farmers get better yields and improve productivity. One of our major initiatives is supporting the import of high-efficiency cows. During 2021 - 2024, Nestlé Pakistan helped farmers import more than 10,000 cows, which reduce GHG, increase productivity and improve incomes of local farmers. While reducing the impact of greenhouse gases, we also explored ways for carbon sequestration, an important step to achieve net zero across our food value chain. We have initiated the implementation of regenerative agriculture practices on 150 farms which help farmers gain better yields with fewer GHG emissions.

Nestlé Pakistan also signed MoUs with the University of Agriculture-Faisalabad, Mian Nawaz Sharif University of Agriculture-Multan and University of Veterinary & Animal Sciences-Lahore to conduct various studies on regenerative agriculture practices and improvement cow breed improvement. While we continue to source fruit from Punjab, we are now sourcing high-quality fruit and working closely with farmers from Gilgit-Baltistan and Baluchistan. In addition to apples and mangoes, we source local peaches from Swat. These initiatives are helping to minimize the fruit wastage of local farmers by promoting local fruit sourcing.



In Commitment with



Student benefiting from clean drinking water from a Nestlé filtration plant in Sheikhpura

Community Engagement Program

Nestlé Pakistan has an active and effective Community Engagement Program for the communities where we operate, helping the company prioritize and plan services efficiently to meet community needs and aspirations. It also enables the company and the community to work together. This initiative gives communities an opportunity to contribute to and influence outcomes that directly impact their lives. Some of the key projects carried out under the Community Engagement Program include:



9 Clean & Safe drinking water facilities



Refurbishment and construction of schools



Vocational Training Centre for women



Support for public sector projects

Clean Drinking Water for Communities

Access to clean drinking water is a crucial developmental challenge for Pakistan. Beyond its role in basic hygiene, clean drinking water is essential for preserving health and well-being. As part of our Community Engagement Program, and to support local communities, Nestlé Pakistan has established nine clean and safe drinking water facilities around our manufacturing sites. These facilities provide over 90,000 people with access to clean drinking water every day.

In 2024, Nestlé Pakistan, in collaboration with the District Administration Narowal and Port Qasim Authority Karachi, inaugurated two clean and safe drinking water facilities in Narowal and Karachi respectively, benefiting over 20,000 people. These are Nestlé's eighth and ninth clean water initiatives, aligning with the United Nations Sustainable Development Goal 6.



Drivers training at the Driver Training Institute in Sheikhpura

Drivers Safety Training Program

The lack of proper knowledge and the absence of safe driving practices and procedures are among the major causes of accidents on highways. Nestlé Pakistan in collaboration with the National Highways and Motorway Police (NH&MP) established the first drivers’ training institute in Karachi aiming to ensure 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 trainings, under the supervision of experts, not just to Nestlé Pakistan’s service provider’s drivers and NH&MP, but also catering for the drivers’ training needs of other public and corporate organizations of the country. The facility features a driving safety training

track, classrooms and high-tech driving simulators. With a state-of-the-art driver training facility in Karachi, the Drivers Safety Training Program has trained more than 36,800 drivers including over 8,300 Nestlé drivers. Apart from the professional and economic impact, the program has also created a positive social impact not only on the drivers themselves, but also on their families and communities.



36,800 drivers including over 8,300 drivers from Nestlé service providers



HELPING TO PROTECT, RENEW AND RESTORE

NATURAL RESOURCES

Stewarding resources for the future generations

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

We strive for zero environmental impact across our manufacturing. We do so through special emphasis on reducing water withdrawals, increasing renewable energy use, innovating sustainable packaging solutions, and achieving zero waste to landfill. We are also working on implementing regenerative agriculture at scale and nature-based solutions such as improving soil health, protecting water resources and agroforestry.

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

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





SUSTAINABILITY



In Commitment with



Nestlé is on track towards regeneration in alignment with its numerous global commitments addressing issues such as climate, responsible sourcing, packaging, and water, among others. This enables us to go beyond just reducing our impact on resources by adopting a regenerative approach in collaboration with our partners. This enhanced sustainability strategy allows us to protect, renew, and restore the environment while also contributing to nutritious and sustainable diets, strengthening communities, and operating responsibly.

Our challenges are inherently interconnected, which has motivated us to develop our Net Zero Roadmap, emphasize the importance of nature-based solutions like regenerative agriculture, and renew our dedication to water regeneration through the Nestlé Waters Pledge.

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

We recognize that attaining net zero emissions requires us to reduce emissions as much as possible. Sourcing our ingredients through regenerative agriculture and from farms with low emissions factors will aid us in this effort, as will investing in sustainable packaging and efficiencies in manufacturing.

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



Climate Action

We are dedicated to reaching net zero emissions no later than 2050, even as our business continues to expand.

By 2025, we plan to lower absolute emissions by 20% from 2018 levels.

By 2030, we aim to achieve 50% reduction in absolute emissions compared to 2018.

We have committed to ensuring that all our sites operate on 100% renewable electricity by 2025.



Responsible Sourcing

Our goal is to ensure that 100% of the volume of 14 key ingredients is sourced responsibly by 2030.



Sustainable Packaging

We remain on course to cut our use of virgin plastic—newly produced plastic—by one-third by 2025.



Water

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



Nestlé's Sustainability Manager and local farmers inspecting innovative technology at the Salam Dairy Farm, Jamber, Punjab

Climate Action

Climate change is an undeniable fact that is increasingly affecting the farmers and communities we work with. The degradation of soil health, water sources, and forests threatens farmers' livelihoods, ultimately impacting the availability and affordability of high-quality food. Through our Net Zero Roadmap, we are taking decisive steps to manage these risks by promoting regenerative food systems on a larger scale.

A core aspect of our Net Zero Roadmap is focused on carbon removals. As a company with a substantial presence in dairy and agriculture, we are committed to making a meaningful impact on decarbonization by implementing natural climate solutions within our value chain. These "insetting" initiatives occur directly across our supply chain.

At the market level, several projects are currently underway, including:

Transforming farms to reduce emission factors

Nestlé Pakistan has established a network of farm input suppliers, providing access to high-quality feed, milking machines, cow importers, and farm infrastructure such as sheds. By connecting these suppliers with farmers, Nestlé is fostering successful business models and encouraging young farmers to view dairy farming as a viable and sustainable livelihood.

Import of high-yield cows

The profitability of dairy farms largely depends on cow productivity and feeding efficiency. However, the average daily milk yield of local cows remains relatively low. In contrast, certain non-native breeds can produce up to three times more milk than local cows. Incorporating these high-yield breeds into milk production not only reduces costs for farmers but also lowers the overall carbon footprint.

To support farmers, Nestlé Pakistan is providing incentives by facilitating the import of high-yield cows. To date 10,000 cows have been imported under this initiative. A dedicated team of Nestlé's Agriculture Services experts collaborates with farmers to develop more efficient dairy farms, increasing both milk production and farmers' incomes. This team also offers essential training and technical support to help farmers effectively manage these high-yield cows.

Additionally, Nestlé Pakistan has established a network of farm input suppliers, providing access to high-quality feed, milking machines, cow importers, and farm infrastructure such as sheds. By connecting these suppliers with farmers, Nestlé is fostering successful business models and encouraging young farmers to view dairy farming as a viable and sustainable livelihood.

Switching to renewable energy sources

Rising energy costs are not only impacting farmers' revenues but also contributing to environmental pollution. To support its farmers, Nestlé Pakistan is providing subsidies for renewable energy installations. So far, Nestlé has facilitated the setup of solar systems in 113 farm and the installation of 25 biogas plants, helping to lower greenhouse gas emissions while also easing the financial strain of high energy costs on farmers.

In 2024, we installed a 20 ton/hour biomass boiler plant at our Kabirwala factory, which is helping us reduce approximately 11,000 tons of CO₂e emissions per year. This has contributed to a 20% reduction in the factory's GHG emissions and accounts for 85% of the factory's thermal energy.

This initiative is part of the company's broader renewable energy strategy, with plans to introduce similar solar and biomass installations at manufacturing sites.

Responsible Sourcing

At the heart of good food is the quality of the ingredients, the soils, and ecosystems in which they are grown, and the people who produce them. Protecting environments ensures the long-term success of Nestlé's business. This requires that we know where our ingredients come from and are produced in a way that minimizes negative impacts and makes a positive contribution to the planet. Our approach to sustainable sourcing aims to help build the foundations to advance regenerative food systems at scale. Our Responsible Sourcing framework applies to several key ingredients including cereals, grains, and dairy.

Regenerative Agriculture

Nestlé Pakistan has initiated the implementation of regenerative agriculture on 150 farms (over 9,300 acres) for maize, alfalfa, oats, rice, wheat, and potatoes across Punjab. This initiative was the result of successful demonstration trials on over 30 farms for composting, intercropping, cover crops, agroforestry, minimum tillage and using natural crop residue as mulch.

Regenerative agriculture is an approach to farming that aims to conserve and restore farmland and its ecosystem, to improve soil health and fertility. We have established a road map and the measurement methodology to evaluate the impact of regenerative interventions in our agriculture



value chain. Nestlé Pakistan has partnered with the University of Agriculture Faisalabad to evaluate the impact of these interventions in selected crops on farmers' lands in the coming years.

Sustainable Packaging

Packaging is essential for ensuring the safe delivery of high-quality food and beverages to consumers while also minimizing food loss and waste. However, we recognize that meeting these needs should not come at the cost of the environment. That is why we are continuously innovating to develop more sustainable packaging and are committed to reducing packaging waste.

As the world's largest food and beverage company, Nestlé's actions have a significant impact, and we are dedicated to leveraging our scale for positive change. Nestlé's vision for packaging is ambitious: a future where none of our packaging, including plastics, ends up in landfills or as litter. We are working diligently to achieve this goal and contribute to a waste-free future.



In Commitment with



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

Our commitment to ‘designed for recycling’ for our packaging remains unchanged. In addition, we are on track to reduce the use of newly made plastic – or virgin plastic – by one third by 2025.

While introducing new solutions, we will never compromise consumer health and safety. Plastic packaging plays a crucial role in protecting food and beverages and preventing waste, so any alternatives must be carefully evaluated before implementation. The safety and quality of our products remain our top priority.

To transform our packaging, we will phase out non-recyclable materials, transition to paper-based options, and launch fit-for-purpose initiatives aimed at reducing the weight and size of packaging materials.

‘Designed for Recycling’ Packaging

As part of our journey to transform packaging, we have made significant progress in eliminating unnecessary packaging and discontinuing materials that are either non-recyclable or difficult to recycle. Additionally, we are increasing investments in the development of mono-material packaging and exploring alternative materials. By the end of 2024, 86% of Nestlé Pakistan’s packaging was designed to be recyclable in dedicated recycling facilities.

Waste-Free Future

To achieve our vision of a waste-free future, we have collaborated with external organizations to enhance the collection and recycling of packaging waste. Promoting behavioral change by raising awareness across society – including industries, consumers, packaging manufacturers, and government entities – is a key pillar of our sustainable packaging strategy.



Clean Gilgit-Baltistan Project

The issue of plastic waste in the environment is one of the most pressing challenges the world faces today. Over the years, Gilgit-Baltistan has become a popular attraction for local and foreign tourists, with millions visiting every year. This influx of tourists, on the one hand, has created income generation for the local communities but on the other hand has become a reason for increasing plastic waste in the province. The waste segregation and management system in the province is managed by Gilgit-Baltistan Waste Management Company (GBWMC). Among other factors of the increase in PET waste, tourists also bring a lot of plastic packaged food products from all over the country and eventually leave this waste after consumption.

Nestlé stepped up and launched 'Clean Gilgit-Baltistan Project' (CGBP) to facilitate waste segregation and its management in the Gilgit-Baltistan region. It's our vision to ensure that none of our packaging, including plastics, ends up in landfill or as litter. The project has focused on infrastructure development for a formal waste management system to be managed by GBWMC. We have donated three compressing and baling machines, one each in Gilgit, Hunza and Skardu, resulting in waste management of more than 6800 tons of plastic and paper packaging waste to date.

In 2024, Nestlé Pakistan donated a Waste Segregation Machine to GBWMC as a part of a tripartite partnership between Nestlé, GBWMC and Environment Protection Agency, Gilgit Baltistan for Gilgit City. The PET and plastic packaging through the project, are brought downstream for recycling through a third-party established recycler. This project will eventually lead in making the region waste-free and promote sustainable tourism in the region.

Under this project, we have also installed 122 benches and waste bins developed from recycled material at popular tourist locations in Gilgit, Hunza and Skardu. We have also donated a total of 20,000 reusable bags to date for distribution among the communities through GBWMC.

CGBP, which is the first of its kind at such a high-altitude residential location, will make a positive environmental impact at both local and national level. This project marks Nestlé Pakistan's efforts to reduce the environmental impact of packaging waste by improving its management and recycling, in line with UN Sustainable Development Goals 12 and 17 - Responsible Consumption & Production and Partnership for Goals.



Donation of 20,000 bags



Collected Over 3,100 tons of packaging waste in 2024





GBWMC workers managing compressed waste in Skardu

In Commitment with





Capacity building session for hospitality sector professionals in Naran, Khyber Pakhtunkhwa



Travel Responsibly for Experiencing Eco-Tourism in Khyber Pakhtunkhwa

‘Travel Responsibly for Experiencing Eco-Tourism in Khyber Pakhtunkhwa’ (TREK) is an initiative under the Khyber Pakhtunkhwa Integrated Tourism Development (KITE) project being implemented in partnership with the World Bank Group (WBG), Nestlé Pakistan and the Khyber Pakhtunkhwa Tourism Department. Apart from heritage preservation, tourism infrastructure development, TREK activities include awareness campaigns for tourists and training of local communities and hospitality businesses on waste management while adhering to the fundamentals of responsible tourism.

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

To date, nearly 500 participants have attended training workshops for hospitality professionals while our public service awareness campaigns have reached out to millions of people.

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



Convening on EPR to develop roadmap for plastic circularity held in Bhurban

In Commitment with



Aligned with our commitment to Sustainable Packaging, Nestlé Pakistan played a key role in establishing CoRe (Collect & Recycle), an alliance formed in collaboration with like-minded organizations that share our vision of a waste-free future. CoRe brings together Pakistan’s leading industry players, packaging companies, recyclers, and non-governmental organizations to drive impactful change. CoRe was created with the mission of eliminating packaging waste by promoting formal collection and recycling systems. Its vision is to build a circular economy by reducing packaging waste and fostering sustainable and innovative practices. This is achieved through plastic reduction, the development of alternative materials, exploration of more sustainable business models, policy advocacy, knowledge-sharing, and driving behavioral change.

CoRe has actively engaged with government bodies across various administrative regions in Pakistan to support the development of strong and standardized plastic management policies. By leveraging industry expertise, the alliance provides technical guidance to policymakers. Since

its inception, Nestlé Pakistan and other CoRe members have launched multiple initiatives aimed at promoting a circular economy and encouraging responsible waste management practices.

- Extended Producer Responsibility (EPR) Convening with diverse stakeholders to collectively develop an EPR roadmap for Pakistan to promote plastic circularity in 2024.
- Approval of Pakistan Standard on food contact material including plastic and food grade recycled plastic (rPET) by the PSQCA in 2022.
- Annual Stakeholder Convening with the Ministry of Climate Change on the shared challenges of packaging waste in 2021.
- Installation of 250 waste bins at Fatima Jinnah Park and Lake View Park in partnership with Capital Development Authority in 2021.



caring
for
water

Nestlé and its partners

Caring for Water - Pakistan

Water is fundamental to every aspect of our business as a food and beverage company. It is essential for farmers to cultivate crops that go into our products and is also a crucial resource in our factory operations.

As a responsible organization, we recognize the role businesses play in promoting water-use efficiency. For decades, water conservation has been a central focus of our sustainability initiatives across our entire value chain, making the protection of this vital resource an integral part of our legacy.

In 2017, we introduced Caring for Water-Pakistan (C4W-Pakistan), our flagship water stewardship initiative, positioning ourselves as a lighthouse market in Nestlé. Through this program, we foster collective action by bringing together diverse but relevant stakeholders to address Pakistan's water challenges. As part of this effort, we have implemented various initiatives under C4W-Pakistan's three key pillars: Factories, Communities, and Agriculture. Building on this foundation, we launched the Nestlé Waters Pledge in 2021. Through this commitment, our water business is dedicated to leading the regeneration of the water cycle, ensuring a positive water impact in all our operational areas by 2025.

Factories

Alliance for Water Stewardship (AWS) Certification

The Alliance for Water Stewardship (AWS) Standard is a globally recognized framework for managing groundwater resources. It provides organizations with guidelines to implement site-specific and catchment-relevant water management initiatives through inclusive stakeholder engagement.



In 2017, Nestlé Pakistan's Sheikhpura Factory became the first site in Pakistan-and the first Nestlé facility worldwide-to achieve AWS Certification. Following this milestone, our factories in Islamabad, Kabirwala, and Karachi earned certification in 2018, 2019, and 2020, respectively. Nestlé Pakistan is proud to be the first market within Nestlé globally to have all its sites certified under the AWS Standard.

In-House Efficiencies

Thanks to our continuous efforts to enhance in-house efficiencies, we successfully conserved over 57,000 m³ of water across our manufacturing facilities in 2024 through water recycling and reuse. Additionally, we ensure that all wastewater generated from our industrial processes is treated in full compliance with environmental regulations before being discharged.

WASH Pledge

We have committed to the WASH (Water, Sanitation, and Hygiene) Pledge, which ensures that companies provide access to safe water, sanitation, and hygiene facilities at appropriate levels for employees across all their controlled premises. All four of our factories and other operational sites fully comply with the WASH Pledge standards, benefiting over 3,300 employees.



Farmers using innovative irrigation practices at Saleem Raza Farms, Jamshoro in Sindh

Communities

Clean and Safe Drinking Water Facilities

We have set up nine Clean and Safe Drinking Water Facilities, ensuring access to clean and safe water for over 90,000 people daily. The operations and maintenance is conducted by a third party and funded by Nestlé. Strict quality controls, monitoring and compliance measures are implemented.

Water Education

In 2024, our Water Education Program engaged 40,000 children and 300 teachers in schools, promoting awareness and responsible water usage.

Agriculture

Agriculture is the most water-intensive sector in Pakistan, using over 90% of the country's water resources. Of this, over 50% is wasted due to mismanagement including through dependence on flood irrigation (FAO). Our biggest contribution to water regeneration comes from water savings in agriculture.

Drip Irrigation

In collaboration with the Agriculture Department, Government of Punjab, Nestlé Pakistan has been actively promoting drip irrigation among local farmers. As part of this initiative, we covered 40% of the equipment cost,

while the remaining amount was subsidized by the Punjab government through a World Bank-funded program.

Additionally, we are demonstrating the benefits of drip irrigation in partnership with the Pakistan Agriculture and Research Council (PARC). Another demonstration site has been established in collaboration with the University of Veterinary and Animal Sciences (UVAS) Lahore, providing a platform to showcase best farming practices to academia, as well as professionals from the public, private, and development sectors.

By 2024, drip irrigation was operational across 214 acres in Sindh and 29 acres in Punjab, resulting in an estimated water savings of over 377,500 m³.

Smart Soil Moisture Sensors

Nestlé Pakistan, in collaboration with the Centre for Water Informatics & Technology (WIT) at LUMS, has developed low-cost smart soil moisture sensors. These sensors monitor soil moisture levels and transmit real-time data to a cloud platform, enabling farmers to determine which areas need irrigation and in what quantity. Additionally, as part of this initiative, a software system has been created to allow both farmers and researchers to remotely access soil moisture data.

In 2024, these smart soil sensors were deployed across 724 acres, resulting in an estimated water savings of over 166,213 m³. The accuracy of these savings is currently being verified through an independent third-party study.



Nestlé Cares

At Nestlé, we deeply respect the rights of those we employ, conduct business with, or otherwise engage with. This respect forms the cornerstone of Nestlé's Corporate Business Principles and aligns with the UN Guiding Principles Reporting Framework. Nestlé Cares offers our employees the chance to support and aid underprivileged communities, both directly and indirectly. These activities primarily address the needs of local communities based on Nestlé's Creating Shared Value pillars. While employee participation is encouraged, it remains entirely voluntary.

In collaboration with various partners, the Nestlé Pakistan family planted over 50,000 trees during the Nestlé Cares Tree Plantation Campaign in 2024.

Nestlé Pakistan launched its first urban forest tree plantation activity in Lahore with 50,000 trees in partnership with Parks and Horticulture Authority (PHA), under its Nestlé Cares initiative to support endeavours to reduce carbon footprint in its ambition to achieve net zero by 2050. Additional tree plantation activities took place in District Khanewal and District Sheikhupura, in partnership with the respective District Environment Protection Agencies.





Tree Plantation activity in collaboration with Parks & Horticulture Authority (PHA) to plant Nestlé's first Urban Forest in Lahore with 50,000 trees

In Commitment with



ENVIRONMENT SUSTAINABILITY IN 2024

Respect for future generations

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

In 2024, we dedicated our efforts to identifying opportunities for energy optimization by continuing to invest in renewable energy sources across our operations, including Manufacturing Units and Agri Services. Notable projects include the installation of a 20 TPH biomass steam boiler in Kabirwala and a 2.6-megawatt Solar Power Plant in Sheikhpura. With a strong commitment to sustainability, we successfully executed several initiatives, resulting in the reduction of over 300,000 tCO₂e greenhouse gas emissions.

Water Operational Efficiency

Water savings for 2024 are 57,000 m³ across our manufacturing units. This water saving is based on our endless effort in finding and applying water-saving initiatives in our factories.

Reduction of waste at source

To achieve our global sustainability goals, we ensure that waste generated at our sites is handled in accordance with the principles of recycling, reusing, and reducing. In line with this commitment, we have implemented specific initiatives to minimize and recycle plastic waste originating from our production sites.

Planting Trees

In 2024, Nestlé Pakistan successfully planted a total of 50,000 indigenous trees.







**2.6MW SOLAR POWER PLANT INAUGURATION
 AT NESTLÉ SHEIKHPURA FACTORY**
 Inaugurated by
Mr. Angelo Giardini
 Regional Manager Zone AOA
Mr. Fabrice Cavallin
 Regional Manager AOA Nutrition
Mr. Jason Avanceña
 Chief Executive Officer - Nestlé Pakistan Ltd.
 9th January, 2024

Inauguration of the 2.6-megawatt solar power plant at Nestlé's Sheikhpura Factory

In Commitment with







OUR PARTNERS



Contributing to Nutritious and Sustainable Diets



Strengthening Communities



Helping to Protect, Renew and Restore Natural Resources





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The mark of
responsible forestry