

2. QUALITY POLICY

SUCCESS IS BUILT ON QUALITY

Quality is the cornerstone of our success. Every day, millions of people all over the world show their confidence in us by choosing Nestlé products. This confidence is based on our quality image and a reputation for high standards that has been built up over many years.

Every product on the shelf, every service and every customer contact helps to shape this image. A Nestlé brand name on a product is a promise to the customer that it is safe to consume, that it complies with all regulations and that it meets high standards of quality. Customers expect us to keep this promise every time.

Under no circumstances will we compromise on the safety of a product and every effort must be made to avoid hazards to health. Likewise, compliance with all relevant laws and regulations is a must and is not negotiable. People, equipment and instruments are made available to ensure safety and conformity of Nestlé products at all times.

The effort is worth it. Companies with high quality standards make fewer mistakes, waste less time and money and are more productive. They also make higher profits.

Quality is our most successful product. It is the key to our success, today and tomorrow.

THE CUSTOMER COMES FIRST

We want to win and keep customers: distributors, supermarkets, hotels, shopkeepers and the final consumers. They have very different requirements. Trade customers expect excellent service, correct information and timely delivery. Consumers consider taste, appearance and price when they make their choice. Our task is to understand what customers want and respond to their expectations rapidly and effectively.

We serve various groups of consumers and there is demand for products at different levels of perceived quality and price. All customers, however, expect value for their money - good quality at a reasonable price.

When offering quality to customers we also mean environmental quality. Nestlé shares society's concern for the environment and is committed to environmentally sound business practices throughout the world.

Customers are central to our business and we must always respect their needs and preferences.

QUALITY IS A COMPETITIVE ADVANTAGE

We live in a competitive world and must never forget that our customers have a choice. If they are not satisfied with a Nestlé product, they will switch to another brand. Our goal, therefore, is to provide superior value in every product category and market sector in which we compete.

The pursuit of highest quality at any price is no guarantee for success, nor is a single-minded cost-cutting approach. Lasting competitive advantage is gained from a balanced search for optimal value to customers, by simultaneous improvement of quality and reduction of cost.

Success can never be taken for granted. We must watch and learn from our competitors. If they do something better, we must improve our own performance. We can achieve competitive advantage through Quality.

QUALITY IS A JOINT EFFORT

Operating companies are fully responsible for maintaining agreed quality standards. Not only Production units, but also Marketing, Purchasing, Distribution and Sales have a vital role to play in providing quality to customers. This implies a thorough knowledge of the products and services we offer.

Quality units at different levels of the organization provide specific support, promote quality awareness, assume guardianship and audit the system. Quality departments monitor operations against agreed standards and must intervene in case of non-conformity.

Quality policy and principles, the mandatory standards and the recommended tools for implementation are laid down in the Nestlé Quality System which is applicable throughout the group. Further directions are given through instructions, norms and guidelines, often specific to a product.

Our business partners, such as raw material producers, packaging suppliers, contract manufacturers and distributors are expected to share our concern for Quality. They too must set up an adequate quality system, so as to meet our requirements consistently.

The quality efforts must be shared by every function and department in the company as well as our business partners.

QUALITY IS MADE BY PEOPLE

Adequate equipment, procedures and systems are needed to make Quality; so are involved and dedicated people. Each and every Nestlé employee must do his best to provide quality products and services.

Training and teamwork are crucial to the successful implementation of high quality standards. Continuous training ensures that everyone understands his tasks and has the necessary skills to carry them out. Teamwork allows us to achieve results that are greater than the sum of individual efforts.

We motivate employees by demonstrating management commitment to Quality, by setting challenging goals and by giving them responsibility and recognition. It is through employee involvement that goals and targets can be achieved in the shortest time.

Quality must be a way of life for everyone in the company.

QUALITY IS ACTION

Quality is the result of deliberate action. It is the responsibility of senior managers to communicate the quality objectives and to provide the resources necessary for their implementation. It is then up to all employees to make Quality happen throughout the company.

Progress is followed by listening to our customers and by measuring our performance. Shortcomings and mistakes must be analyzed and corrected. Problems must be anticipated and prevented before they occur. We also must identify and take advantage of opportunities.

To stand still is to fall behind. So we must strive for continuous improvement in every area. It is through many small improvements as well as through major breakthroughs that we will achieve excellence.

At Nestlé, Quality is our first priority. Let us practise it every day.

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