



# Over 100 years of Making Quality & Building Trust



Nestlé India Limited • Annual Report 2015

### The Board of Directors of Nestlé India



(From left to right) A. Protonotarios (Director - Technical) AK Mahindra (Non Executive Director) Rajya Vardhan Kanoria (Non Executive Director) Swati A. Piramal (Non Executive Director)

Suresh Narayanan (Chairman & Managing Director) Ravinder Narain (Non Executive Director) Shobinder Duggal (Director - Finance & Control and CFO) B. Murli (SVP - Legal & Company Secretary)

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Nestlé has been in India for over a 100 years. Understanding people. Making Quality. Building Trust. Nurturing Relationships.

Nestlé's relationship with India began in 1912. It was then importing and selling its brands as finished products in the Indian market. After independence in 1947, India gave voice and defined its economic policies. Nestlé responded to India's aspiration for growth.

In 1961 Nestlé set up its first factory in Moga, Punjab. Over the years it has continued investing in India, setting up more factories and expanding existing ones.

Nestlé activities in India have facilitated direct and indirect employment and provides livelihood to lakhs of people including farmers, suppliers of packaged materials, services and other goods. Nestlé has all along followed stringent quality standards and has continuously transferred its expertise and technology to suppliers, to help them upgrade quality to meet these standards.



## **Dear Shareholders**

The year gone by has been extremely challenging for the Company. The impact of the MAGGI Noodles crisis was immense not only for the Company but also for the extensive eco-system that is dependent on it. It was a shock for every single employee because they take immense pride in the quality of the products that they manufacture. It was a shock to the suppliers because they know from experience that Nestlé takes quality and food safety very seriously all along the supply chain, and that every product has to pass very stringent quality standards before they can be released for the market. The reality is that MAGGI Noodles is amongst the safest foods available and trusted by all members of the family. At Nestlé we treasure this trust always and everytime.

The ability to guarantee quality and food safety requires immense hard work, expertise, and investments in infrastructure. Nestlé with its 150 years history globally is among the few companies that have been conscious of this and prides itself on the significant work that it has done to upgrade the quality of suppliers and stringent quality standards that it enforces for all its products.

Nestlé believes in integrity and honesty and has built strong relationships with those it has come in contact with. I am sincerely grateful that during the MAGGI Noodles crisis hundreds and thousands of employees, partners, suppliers, farmers, retailers and customers across the country supported Nestlé and did not compromise on the bonds of relationships built with us over the years and decades.

We are living in times of increasing environmental degradation and pollution where issues like global warming and depleting natural resources are almost constantly impacting the commodities and ingredients entering the supply chain. Nestlé has always maintained a very clear benchmark for quality. It will apply the local regulatory standard or the Nestlé standard, whichever is more stringent.

Let us now pull back a little bit. The Indian Economy is faced with serious problems of nutrition security. It is almost impossible to control it in the short term, but there are options that can help.

Food processing can play a very significant role and needs to be encouraged and supported. Food processors backed by R&D expertise have the potential to ensure science based nutrition, provide high quality products that meet safety standards, and reduce the immense wastages of perishable produce. Food processing companies can be game changers given the right support.

Like it or not, we are now operating in a highly volatile, unpredictable and changing environment. Social transformation, emerging technology, trends in communications, and polarizing opinions amongst others, require us to keep evolving in a manner that we do not lose sight of the objective. The role of a responsible and global Company like Nestlé is not just to its shareholders but to society at large by providing tasty, nutritious brands and reflecting contemporary lifestyle. Our core principles remain the same - Food & Beverage offerings that speak to the highest standards of Safety AND Quality and are underpinned by the bedrock of Science, Nutrition & Technology. At Nestlé our response is to stay Fast, Focused, and Flexible.

Suresh Narayanan Chairman & Managing Director Nestlé India

Nestlé India today has 8 factories across the country. Quality is the core value that unites them.

Each Nestlé factory is a symbol of Nestlé's values and commitment.

Nurturing Relationships. Transferring Technology. Sharing Best Practices. Encouraging and Assuring Quality. Investing in Resources. Understanding Responsibility. Connecting. Facilitating Progress. Building Trust.



66 At Nestlé, we believe that Quality = Trust.??







Tahliwal

Ponda



<sup>66</sup>Quality assurance at different stages of the manufacturing process ensures that only those products go out of the factories that are safe and of high quality. The Nestlé name is the Seal of Guarantee. <sup>99</sup>





Pantnagar



Bicholim



Choladi



Nanjangud



Samalkha

## Encouraging **Quality**. Building **Trust**. Nurturing **Relationships**.

To be able to provide high quality products we need high quality raw materials as well. This requires heavy and continuous investments.

Nestlé provides technology and best practices that help farmers and suppliers upgrade their product quality to international standards.

Extensive training to encourage sustainable coffee farming, work with milk farmers as well as other farmers and suppliers is ensuring high quality raw materials and prosperity. <sup>66</sup> Nestlé has taught me how to keep our cattle healthy and the milk clean, and how I can help my family live a better life. <sup>99</sup>

> Mrs. Daljit Kaur, Village Walipur Khurd



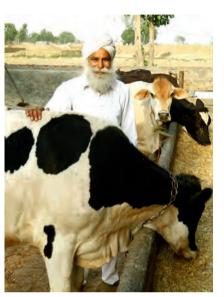


















## Assuring **Quality**. Building **Trust**.

Food safety is the highest priority at Nestlé. Nestlé India works with 11 internal and external laboratories to monitor and ensure food safety.

The Nestlé Quality Management System (NQMS) encompasses the entire value chain, ensuring that appropriate controls are in place at each step, starting from the sourcing of raw materials.

The Nestlé Quality Assurance Centre [NQAC] at Moga factory is of global standards and has NABL accreditation. It tests heavy metals, antibiotics and other contaminants with the capability of testing "Parts Per Billion".



Nestlé standards are stringent and there is no compromise.
The technical teams constantly work with us to improve our quality so that we are able to achieve these pre-set Quality standards.

## Making **Quality**. Building **Trust**.

At Nestlé Quality is never an accident.

Our factories have technology which is state of the art. Our raw materials follow stringent and rigorous standards of testing.

Our Quality Standards are globally defined and our people are rigorously trained.



<sup>66</sup>Quality is not an accident. It is a passion that meets stringent norms at every step and ensures safety.<sup>99</sup>