



NATIONAL FOODS LIMITED

ANNUAL REPORT 2020

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# NATIONAL FOODS LIMITED

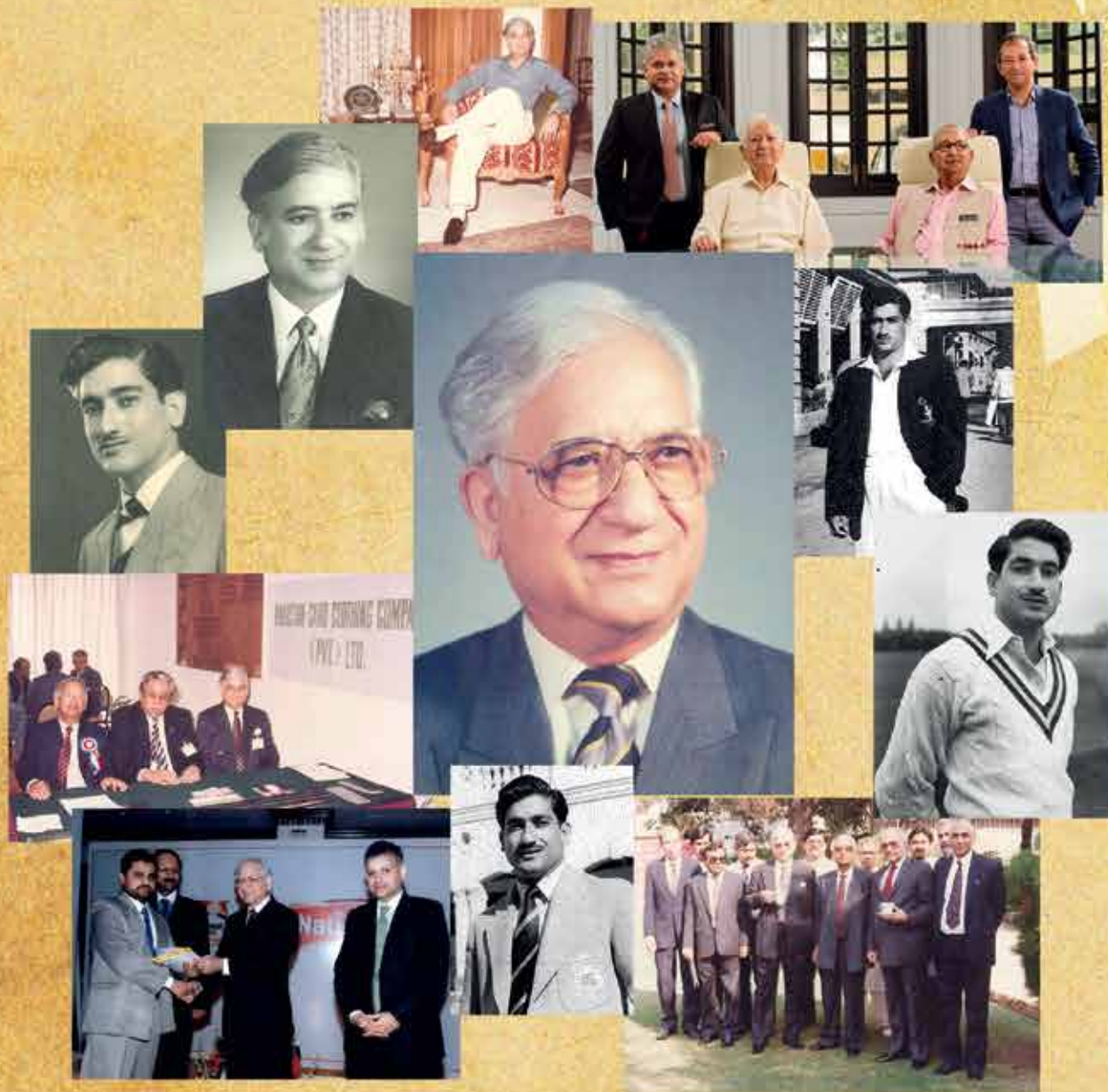
## ANNUAL REPORT 2020







**(1932-2020)**



إِنَّا لِلّٰهِ وَإِنَّا إِلَيْهِ رَاجِعُونَ

This year became a symbolically momentous one for National Foods for two major reasons. While we celebrate the company's 50th year, we sadly bid farewell to one of our founders, Mr. Waqar Hasan, as he departs this mortal plane to one of eternal rest.

Born in the Indian city of Amritsar on Sept 12, 1932, a visionary leader, he inspired many lives by his passion, ambition and a strong set of fundamentals and ethics, focusing on fair play and equal opportunity. He was well known among the cricketing and business communities. Mr. Hasan had a rich fourteen-year Cricketing career to his name.

He performed not only as an excellent test Cricketer for Pakistan since his debut in Lahore in 1948-1949 but also served in a variety of off-field administrative capacities for the Pakistan Cricket Board (PCB-formerly BCCP), one of them being Chairman of the Selection Committee.

His death was felt by every Pakistani, be it in any field of life. Former Pakistan opener Sadiq Mohammad described Waqar as a thorough gentleman and great philanthropist who always stood by the downtrodden.

In the tribute written by Qamar Ahmed, Mr. Hasan would always step into the ground in an impeccably neat playing attire. With a silken scarf under his collars and a tilted to the side white floppy hat, he could be easily spotted on the field no matter where he was fielding. As quoted in the Telegraph Obituaries (UK); 'Waqar Hasan was an attractive stroke-maker, he was dependable in a crisis, and on his team's first tour of England he met the Queen at Buckingham Palace.'

An irreparable loss, Mr. Waqar Hasan was the first CEO of National Foods in 1970 in partnership with Mr. Abdul Majeed and turned NFL from a sick unit (1970) to the thriving Pakistani Multinational that it is today. Under his leadership and guidance, the Company has become one of the leading food companies of Pakistan which provides food products of the highest quality, while also fulfilling its duties to the society at large.

His way of thinking is strongly embedded in our Founders' Philosophy and will always be a source of guiding light for all of us here at National Foods Limited.

Rest in peace Mr. Hasan. You are loved and will be forever missed.

یادِ رفتگان

وقار حسن صاحب کے نام کے ساتھ مرحوم لکھنے سے کلیجہ منہ کو آتا ہے۔ بقول شاعر

"یہ چار دن کا قصہ نہیں، یہ نصف صدی کی بات ہے، بلکہ چھ دہائیوں کی"

وقار صاحب کا تعلق اُس نسل سے تھا جنہوں نے پاکستان بننے دیکھا اور قیام پاکستان کے بعد پاکستان کو کمرہ ارض میں مقام دلانے کیلئے جدوجہد کی۔ پاکستان کی پہلی کرکٹ ٹیم (جس کے وقار صاحب رکن تھے) نے ایک درخشاں مثال قائم کی۔ اُس زمانہ میں انٹرنیشنل کرکٹر کے ساتھ Gentleman جڑا ہوتا تھا۔ میں نے طالب علمی کے زمانہ میں اُن کو کرکٹ کھیلتے دیکھا مگر ذاتی طور پر اُن سے شناسائی نہیں تھی۔ ۱۹۵۹ء میں وقار صاحب اور چند دوستوں نے مل کر ایک کمپنی کی بنیاد رکھی جنہوں نے ٹیکسٹائل مشینری کی انڈسٹری کا کام شروع کیا اور میں نے اس کمپنی میں اکتوبر ۱۹۶۰ء میں شمولیت اختیار کی۔ یہ میری اور اُن کی پہلی ملاقات تھی۔ ہم نے مل کر کاروبار کو بوڑھانے کے لیے بہت سے ادارے قائم کئے جن میں سے ایک انٹیشنل فوڈز بھی تھا۔ ہم نے متفقہ طور پر وقار صاحب کو نیشنل فوڈز کی سرپرستی دی۔ ہم نے تہیہ کیا تھا کہ ہم اس کمپنی کو ادارہ (Institution) بنائیں گے۔ Founder's philosophy اُس کا بین ثبوت ہے۔ وقار صاحب کی شخصیت اور کردار جس کی وجہ سے اُن کو کرکٹ میں شہرت ملی نے نیشنل فوڈز کو ایک مقام دلایا جس کا سہرا اُن کو جاتا ہے۔ وہ مقام کیا تھا؟ نیشنل فوڈز اپنی مصنوعات کے بارے میں جو کہتی ہے وہ سچ ہے اور آج تک یہ ہمارا طرہ امتیاز ہے۔ ہر انسان نے ایک دن اِس دُنیا فانی سے رخصت ہونا ہے۔ اُس کی یاد اُس کے فحائ کاموں اور کردار کی وجہ سے ہمیشہ قائم رہتی ہے۔ وقار صاحب خوش قسمت ہیں کہ وہ اپنے پیچھے ایک ایسا ادارہ چھوڑ گئے ہیں جس کا شمار پاکستان کے بہترین اداروں میں ہوتا ہے۔

یاد رہے کہ جب فیٹیل نوڈ نے اس کاروبار میں قدم رکھا تو اُس وقت خاتون خانہ، دوکاندار اپنی پروڈکٹس پر ناز کرتے تھے۔ اُس دور میں فیٹیل نوڈ کی مصنوعات کو دوکانوں پر رکھوانا اور انہیں معیاری مصنوعات کا مقام دلوانا۔ " کاردارد "

وقار صاحب کا طلسماتی عکس اور کرکٹ میں اُن کی ٹریننگ یعنی وکٹ پر قائم رہنا ہے اور ٹیم کو جتوانا ہے، ہر قدم پر کامیابی رہی۔ میری اُن سے حصہ داری تقریباً ساٹھ سال تک جاری رہی۔ اس لیے تنہائی کا احساس لازم ہے۔ اللہ تعالیٰ سے دُعا ہے کہ وہ اُن کو جو ارحمت میں جگہ عطا فرمائے۔ آمین

سوگوار

عبدالمجيد



# ABOUT THE REPORT

Our outstanding legacy that spans over 50 years sets the premise for the following report. We have incorporated the above-mentioned theme in our various mediums of communications over the year.

Our consumers' health & well-being, and endorsement of our products is what drives us to outperform year after year. We exist to provide the highest quality of products in every category and our commitment to the nation's health leads us to experiment and create recipes that serve the modern household. Society is constantly in a state of flux with ever-evolving social and cultural norms. We aim to diversify and innovate to become a driving force. The following report offers insights into our mission, vision and our incorporation of the message of evolution. We have also highlighted the way in which we have taken steps to further our brand message.



OUR ANNUAL REPORT 2020 IS A CLEAR INDICATION THAT WE ARE ON THE RIGHT TRACK. THE HARD WORK, DETERMINATION AND UNITY DISPLAYED BY OUR EMPLOYEES IS REAPING NATIONAL AND GLOBAL BENEFITS IN DRIVING AND ACHIEVING VARIOUS GOAL POSTS AND MILESTONES THAT LEAD US ON A PROSPEROUS AND FULFILLING JOURNEY.





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# OUR STORY

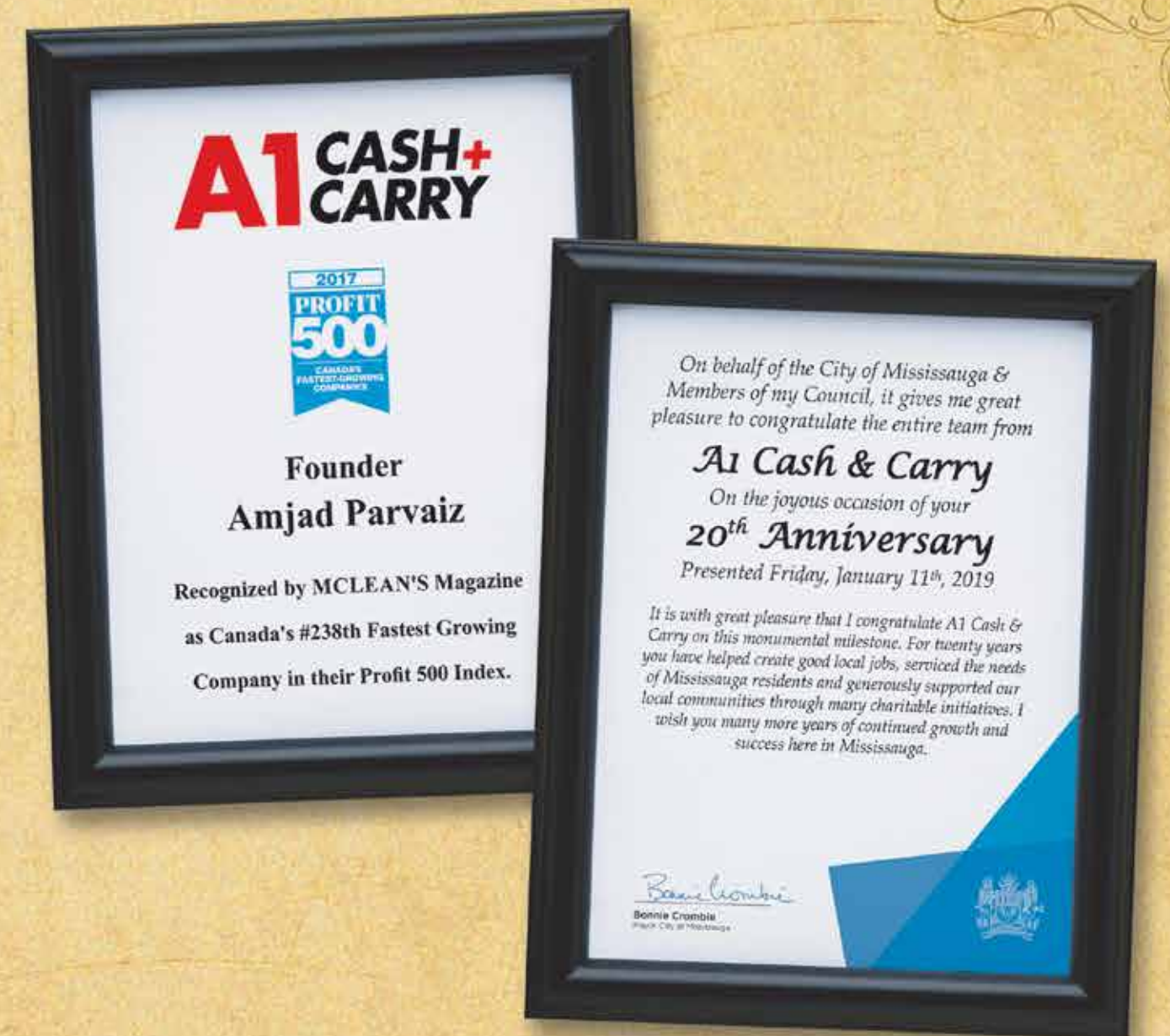
We are celebrating 50 years of Inspiring New Traditions and bringing families together with innovative food products. Traditions connect and expand the human spirit; at NFL, we pay our respects to the cultural heritage of Pakistan. Since inception in 1970, we have evolved into a leading multicategory food company that is a producer of 250 different products, across 13 categories. NFL holds ISO 9001, ISO 18001, ISO 22000 and HACCP Certifications coupled with SAP Business Technologies to ensure that its customers receive the highest quality of products. Our legacy spans over 50 years of innovation with an absolute resolve to serve the Pakistani nation. This is in line with our vision of becoming a Rs. 50 billion company, and to achieve this we constantly innovate our product portfolio according to changing social and cultural sphere to Inspire New Traditions in households and are on the journey to becoming a globally recognized brand. Currently we are renowned in 30 countries across 5 continents. We are committed to serving the nation and its households by keeping traditions alive. Since food plays an important role in defining our cultural heritage, we aim to provide our customers with new and inventive recipes to make everyday meals a treat for the taste buds.

At NFL, our intention is to improve the overall well-being of our society by providing recipes that enable modern households to be able to enjoy the same delicacies as they were accustomed to without having to go through difficult and time-consuming methods of cooking. We are also committed to our initiatives aimed at serving the society at large through our wide range of Corporate Social Responsibility programs.



# BUSINESS PROFILE

National Foods Limited has successfully established itself as a multinational food company with an independent subsidiary, National Foods DMCC in Dubai, in 2013, catering to the Middle Eastern market. This structure was further expanded with 2 more subsidiaries in Canada, (National Epicure Inc.) and United Kingdom, (National Foods Pakistan UK Limited) catering to the North American and European markets respectively. During 2017, National Epicure Inc. acquired 60% interest in A-1 Bags and Supplies Inc., a company based in Ontario, Canada, engaged in distribution of restaurant, industrial & retail supplies.





# GEOGRAPHICAL PRESENCE

- PAKISTAN
- CANADA
- DUBAI
- UNITED KINGDOM

04 OFFICES

05 CONTINENTS

40 COUNTRIES





# FOUNDERS' PHILOSOPHY

National Foods must focus on customers' needs and serve them with quality products at affordable prices. Our products must be pure and should conform to international standards. Our research must continuously produce new and adventurous products that are scientifically tested and hygienically wrapped in safe and attractive packaging.

We must create an environment in our offices and factories where talent is groomed and people have every opportunity to advance in their careers. We must provide ourselves to be good corporate citizens, support charitable causes and bear fair share of taxes.

Reserves must be built, new factories created, sound profits made and fair dividend should be paid to our stockholders. Through building a reliable brand, National Foods must get itself recognized as a leader in Pakistan and abroad.

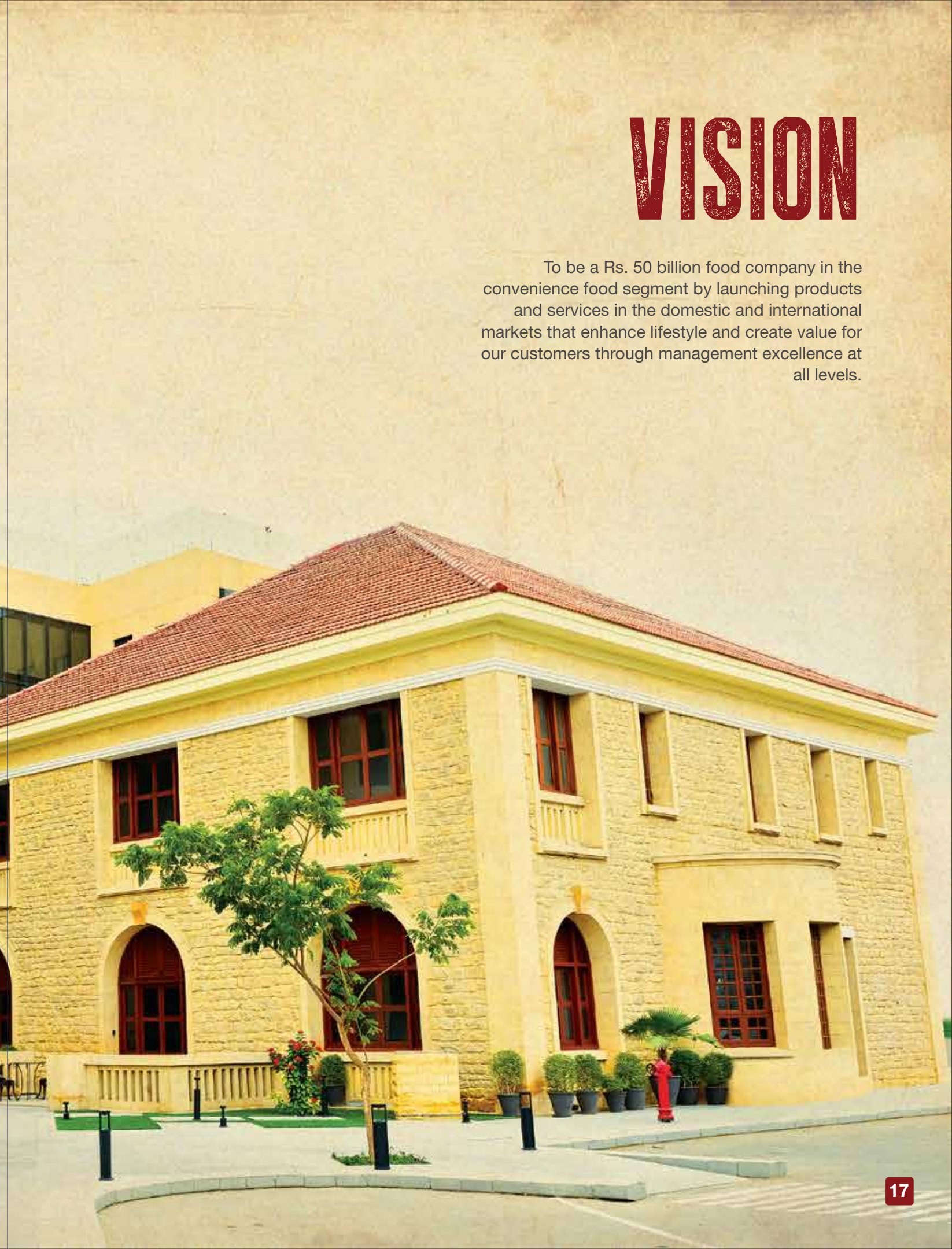
With the help of Almighty God, the company can achieve its targets in times to come.





# VISION

To be a Rs. 50 billion food company in the convenience food segment by launching products and services in the domestic and international markets that enhance lifestyle and create value for our customers through management excellence at all levels.





# CORE VALUES



## OWNERSHIP

Own it and deliver it

- We lead by example
- We are responsible for all our actions and decisions
- We empower ourselves and take initiatives to meet business needs
- We own our growth and development
- We are responsible for the safety and well-being of ourselves and our community



## TEAMWORK

Trust each other and achieve together

- We work collaboratively across organizational boundaries on common objectives
- We respect each other's ideas and opinions
- We give constructive and candid feedback
- We share knowledge and experiences to help each other develop
- We celebrate the wins together



## CUSTOMER CENTRIC

Prioritize customer experience (Internal & External)

- We continuously seek to understand and identify customer needs
- We focus on providing convenience and value to our customers
- We listen to our customers and treat them with respect
- We are clear and transparent in our communication
- We consider all customer touchpoints to offer the best possible solution



## EXCELLENCE IN EXECUTION

Lead, commit and deliver the best

- We set a clear direction for our deliverables
- We make decisions which result in increased productivity and efficiencies
- We develop proactive solutions to overcome current or potential challenges
- We work on continuous performance improvement and learning
- We strive to consistently add value to the business and the environment



## PASSION

Go above and beyond

- We love what we do
- We have the courage to question the status quo
- We think big and create new possibilities
- We bring positive energy to everything we do
- We are driven by new challenges and learning opportunities





# CODE OF ETHICS & BUSINESS PRACTICES

National Foods Limited believes in conducting its operations with strong ethical and moral standards. NFL's statement of Code of Conduct & Business Practices aims to provide guidance on carrying out its business-related decisions and activities. Any party entering any form of contract with NFL is bound to comply with the given guidelines. It has the following seven guidelines:

## **UNFAIR BEHAVIOR:**

We aim to operate in a manner that discourages discrimination, harassment and/or influence. Discrimination refers to favoritism based on a particular aspect of an individual's personality. Harassment includes gender harassment creating an intimidating, hostile or offensive work environment causing interference with work performance. influence could be an abuse of authority or the wish to alter personal beliefs.

## **HEALTH, SAFETY AND COMMUNITY RESPONSIBILITY:**

NFL is fully committed to safety, health, and responsibility towards environment and community. All activities of NFL must portray responsibility towards the community and nation as a whole. NFL seeks to employ procedures that are safe, healthy and environment-friendly.

## **UNFAIR MEANS:**

Any use of bribery, kickbacks or any form of payment in cash/kind to obtain any undue business related or otherwise gainful benefit for the company is strictly prohibited. Excessive business gifts and entertainment also hold the same meaning and NFL does not approve of such payments.

## **CONFIDENTIALITY:**

NFL believes in confidentiality of information related to company business activities. The company expects employees not to disclose or divulge by any means the confidential and commercially sensitive information except to the authoritative employee requiring it. Furthermore, they should use their best endeavors to prevent the disclosure of such information by other people. The obligation of confidentiality shall survive the expiration or the cessation of employment contracts with National Foods Limited and is equally applicable to intellectual property.

## **STATUTORY COMPLIANCE:**

NFL aims to comply with all the laws, rules and regulations laid down by governmental and regulatory bodies.

## **CONFLICT OF INTEREST:**

NFL prohibits actions that are in conflict with the company business interests. This may include but is not limited to:

- Providing assistance to the competition or holding ownership interests in a customer, supplier, distributor or competitor.
- Making personal gains at company expenses.

## **FINANCIAL INTEGRITY**

NFL believes in complete compliance with the accepted accounting rules and procedures. This includes but is not limited to:

### **Transparency:**

NFL discourages any illegal activity for the purpose of any benefit to the company or others. All information supplied to the stakeholders and/or auditors must be authentic & transparent.

### **Disclosure:**

All transactions must be fully disclosed and must be for the purpose stated.



# HISTORY IN MAKING

## 1970

The present management acquires a small company called 'National Food Laboratories Limited', with the idea of introducing branded and packaged spices. Although the spice industry is flourishing locally, it lacks a formal structure. National Foods makes its mark by bringing a revolution in the Pakistani food market by launching packaged spices. Red Chilli, Turmeric and many other spices are introduced in a clean, attractive package to the consumers.

## 1986

A new factory complex is inaugurated at Site for the manufacturing facilities to be based. National Foods launches its range of recipe mixes.



## 1992

National Foods as a committed and socially responsible organization joins hands with UNICEF to spread awareness about the use of iodized salt which helps fight against widespread iodine related deficiencies and diseases in Pakistan.

## 1997

National Foods adds ketchup to its product portfolio.



## 1971

National Foods moves its operations to Dinar Chambers West Wharf.



## 1988

National Foods becomes the certified vendor of McCormick, USA, as part of their Supplier Certification Program. The certification is awarded on the basis of excellent production and quality credentials. National Foods also becomes a Public Listed Company on the Stock Exchange within the same year.

## 1993

National Foods goes into Salt Plant Modernization.

## 1998

National Foods launches its Jam and Jelly range and also becomes an ISO Certified Company.

## 1978

National Foods expands by acquiring new spice mill and a packaging plant. National Foods launches its branded salt.



## 1991

With the aim of bringing constant value to our consumers, National Foods diversifies its product portfolio with the launch of the Pickle range.



## 1996

National Foods introduces its first Human Resources Department.

## 2000

National Foods launches its mainstream products in Australia to offer a taste of ethnic food to the Non-Asian consumers. The following year, National Foods crosses Rs.1 billion on its sales.

## 2001

National launches its line of instant desserts.



## 2010

National Foods celebrates its 40 years of success and introduces the instant drink category with the launch of "Fruitily".



## 2015

National Foods inaugurates Gujranwala Factory in line with its Vision. This plan focuses on streamlining the value chain of Kasuri Methi, along with providing support to National Recipe Masala's packaging processes.

NFL launches its first Solar Energy Project at Port Qasim in line with sustainable energy developments.

## 2019

Gender Diversity Award By CFA Pakistan Society.  
Nooriabad plant starts 24-Hour Operations.  
Launch of National Garlic Mayo.  
Perfect Store Launch and Bushfire Activity.  
Launch of DBRS (Demand Based Replenishment System).  
National Ketchup gets a new look!  
Partnership with Sopheon for CATALYST - Innovation Management.  
Launch of our most affordable National Salt SKU.  
British Retail Consortium (BRC) Audit conducted and Grade A awarded.

## 2006

National Foods celebrates the opening of its brand new production facility at Port Qasim. This new factory is equipped with state-of-the-art machinery and is spread over more than 10 acres.

## 2013

National Foods establishes its first international subsidiary, NF DMCC, in Dubai.

Aflatoxin free Red Chilli Crop project conducted successfully with progressive farmers.

"Building Excellence in People" program was initiated by HR.

## 2017

National Foods acquires 60% interest in A-1 Bags and Supplies Inc. through its subsidiary in Canada.

National Foods launches Mayonnaise to its product range.

Systems are switched to Office 365.

Launch of the 1<sup>st</sup> 360-degree campaign for International Markets.



## 2020

Joint Business Partnership between NFL and Google  
Availability of National Foods at Walmart USA  
Certification of Port Qasim Facility with BRC Global Standards  
Launch of Scene On in Top 21 Snack Towns  
Certification of Gujranwala, Port Qasim and SITE Plants with ISO 45001: 2018  
Launch of two new flavors of Scene On; Sriracha Mirchi Maza and Lemon Chilli Patakha  
Launch of Meat Tenderizer  
Addition of PET Jar to the Pickle Portfolio  
Launch of Iodized Pink Himalayan Salt  
Launch of first-ever Learning Management System (LMS) for employees  
Launch of a new range of Scene On XOXO  
Launch of National Pink Salt Variant  
Launch of Rozana Recipes Range  
Launch of Bombay Biryani Karachi Khaas

## 2009

National revitalizes passion with revamping of its logo and packaging of all products.

## 2014

National Foods establishes its subsidiary, National Epicure Inc., in Canada for trading of food products in North America.

National Foods launches its "Saaf Pani Sehatmand Zindagi" campaign.

National Foods also launches its first range of Halal frozen meals and traditional nimco snacks called National Authentic and National Masala Snax internationally.

## 2018

National Foods shifts to its new Corporate Office.

Inauguration of the Snacks productions at Port Qasim with launch of Scene On in the market.

Launch of Chana Chaat Masala and Fruit Chaat Masala.

Establishment of Demand Based Replenishment System (DBRS).

Launch of NFL's first-ever Sales Career Framework.





# AWARDS & CERTIFICATES

## BRITISH RETAIL CONSORTIUM (BRC) GLOBAL STANDARDS CERTIFICATION

This year, National Foods Port Qasim Facility was endowed with British Retail Consortium (BRC) Global Standards Certification. The BRC Audit was passed with an “A” Grade Certificate, which is a remarkable accomplishment for every member of the NFL Family. Over the past 12 months, our team has toiled relentlessly ensuring processes to be consistent with the BRC Standards, modifying practices to guarantee Food Defense and adding to our in-house auditing regimes. All the way through our commitment to be a Trusted Food Manufacturer, we closely monitored Food Safety Feedback by carrying out risk assessments ensuring we steadily receive the finest quality ingredients that adhere to BRC Standards. Furthermore, we redesigned our Pickle Protocol area for strong Pre-Requisite Programs Control ensuring Food Safety Culture at Port Qasim Facility.

Currently, BRC Global Standard for Food Safety has almost 16,000 certified sites in over 100 countries worldwide. This certification shall put us in the limelight of not just our current markets but will also open the gates to introduce our state-of-the-art products in countries never explored before.

## INTERNATIONAL MANAGEMENT SYSTEM STANDARD ON HEALTH & SAFETY - ISO 45001: 2018 CERTIFICATION

In our strife to become progressive, law abiding, quality oriented and an employee-friendly company, National Foods Limited's Port Qasim, Gujranwala and SITE plants became successfully certified with the globally renowned International Management System Standard on Occupational Health and Safety i.e. ISO 45001: 2018. This made NFL the first amongst the top-tier food companies in Pakistan to achieve this feat!

Strong legal compliance, process orientation, consultation, and structured & risk-based approach towards Safety are crucial elements of this Standard. This would not have been possible without the teamwork and cohesion among all the Functions, as Plant Operations, Human Resources, Industrial Relations, Procurement, Finance, Admin and Security, Quality and HSE, that worked hand in hand to realize this shared goal. Excellence in Quality and Safety is our paramount objective and every stride in this direction will bring us closer to our Vision!





# OUR PEOPLE

## ACQUIRING & RETAINING TOP TALENT

As part of strengthening the NFL's employer brand, 13 universities were targeted for nationwide recruitment outreach based on the organization's existing top talent. This was done by sharing the corporate documentary, educating students on corporate core values and the organization's culture. Finally, the sessions were concluded by inviting cross-functional employees to share testimonials about their unique experiences of working at National Foods Limited. To create more brand awareness, the upcoming flavors of Scene On were also distributed in all universities.



## Career Counseling & Resume Building

To bridge the gap between industry knowledge and academics, the HR Team organized one-on-one career counselling and resume building sessions in collaboration with each university. This intervention received appreciation as it was a unique proposition to interact with students on a personal level as well as navigating them on how to take charge of their careers and build effective resumes.



## Trailblazer Program 2020

In the spirit of continuous improvement, our Trailblazer Program 2020 has been revamped for developing the leaders of tomorrow. The program has currently been communicated internally, and externally through announcements, online promotions, and the recruitment drives. Being an equal opportunity employer, National Foods Limited has opened this program for all students across & beyond borders, receiving over **5000+** applicants from over **92** different universities. The testing of these students has been done through AI driven gamified assessments in collaboration with The Talent Games.





LEARNING & DEVELOPMENT

This year we kept our focus to leverage on the utilization of technology to enhance the quality of all people-related processes. As part of the major uplift, Value based Behaviors (HOW Part) were made part of the final performance rating to establish a high performing culture. Documented feedback from cross-functional peers was also made part of the performance review cycle to foster the ‘constructive feedback culture’ for discussions to turn into meaningful and objective performance dialogue. Company has taken further steps and has incorporated **Behavior Based Hiring & Employee Confirmation** as well. This not only helps to ensure that only those candidates are hired whose values are in line with the company’s values, but also gives us a systematic approach to evaluate behaviors of all new hires prior to their confirmations as well.



National’s House of Learning & Development (NHOLD)

In line with company’s vision to build the capabilities of employees, NFL has established National’s House of Learning & Development (NHOLD), a singular platform for all development related activities of employees such as learning and development and talent management.



We continued our focus on creating and living a culture in congruence with the Founders’ Philosophy. In order to facilitate the NFL family to live the NFL Core Values and cultivate the relevant behaviors in day to day routine transactions, “Care & Growth Model” was adopted as an intervention. This universal leadership thematic has been widely used across the globe for cultural transformation which is based on the premise that we exist to serve others and, in doing so, we actually serve the highest form of our own self-interest. A sum of **2,390** learning hours were invested through nationwide roadshows including “Theatres of Intent” & full day sessions on People Manager Toolkit for people managers.



In pursuit of keeping abreast with emerging trends in learning & development industry, NHOLD launched an in-house Learning Management System (LMS). In addition to the classroom sessions, now employees can learn & accelerate their functional and leadership development needs through an online library of 30+ courses and counting. In the first six months of launching the in-house Learning Management System, learners at NFL constituted a sum of **2,500+** E-learning hours and counting.





### Order Bookers Training

At NFL, we not only believe in building excellence in our people through continuous Learning & Development but we also take pride in diversified development of people who are working with us as our valued Business Partners. During the year 2019-2020, NHOLD has invested in the development of resources who are working with our business partners as Order Bookers. They constitute one of the largest distribution networks in Pakistan. In order to strengthen the current capability of our Order Bookers, NHOLD has invested a sum of **2,200** learning hours for improving the core competency in terms of a Sales Call.





# OUR MANUFACTURING EXCELLENCE

## GUJRANWALA PLANT

### Capacity Enhancement of Ketchup Plant

This year, one of the major projects of Gujranwala plant was the capacity enhancement of Ketchup line. Considering the current and future market demand of Ketchup, ISC management team decided to enhance Ketchup processing and Packing capacity at Gujranwala plant.

In pursuance of this goal, development was made in Ketchup cooking and filling process through induction of a **new cooking vessel** and a **pouch filling machine named Mespac**. This Mespac machine is one of the top leading European brands; equipped with all international safety, food safety, and hygiene safety standards. This installation has doubled the Ketchup plant's annual capacity from 10,000 MT to 20,000 MT.



### Deployment of Quality Management System ISO 9001:2015

Although Food Safety and Occupational Health and Safety Management systems are already deployed at Gujranwala plant, but this year Plant Operations team along with QA took another initiative to deploy Quality Management System at Gujranwala plant. This ISO 9001:2015 standard is an internally recognized quality standard which primarily focuses on quality improvement through process approach. This system has been successfully deployed and audited by URS which is a third-party certification body. URS has given their recommendation for certification.

## SITE PLANT

### Universal Pack Multilane Commissioning and Installation

National Foods has always appreciated efficient and better solutions to increase efficiency and productivity of Machines and Systems. The very own example is the installation and Commissioning of Universal Multilane Machine. It is a state-of-the-art machine from Italy with 0% leakage complaints and with a higher productivity as compared to local Sachet Machines.

Key Benefits of the Project include:

- Productivity has increased from 250 Sachet/minute to 540 Sachet/minute
- Weight variation has decreased from 1% to 0.2%
- Leakage and sealing complaints have been reduced to 0%
- Semi-finished Wastage has been decreased. In local machine, wastage was -11% and in Universal Multilane we are saving our product by 3% as there is no weight variation.



### Implementation of Autonomous Maintenance Kaizens on Mespac

Mespac is the first Machine of Site Plant which is qualified till Autonomous Maintenance Step 3. The main aim of this Project was to reduce changeover times, downtimes, and minor stops of the machine.

Key Benefits of the Project include:

- A Spray Ball mechanism to clean the machine hopper automatically without any human intervention which has reduced 50 mins of every CIP
- Spout Elevator to reduce minor stops from 80 to 10
- Installation of Semi-Automatic Change of Nitrogen gas cylinder which has reduced cylinder changing time from 90 mins/day to 15 mins/day.

### In-house Installation of Cold Room for Storing Liquid Eggs

As we moved from Powdered eggs to liquid eggs for Mayo, there was a requirement of Cold Room for the Bulk Storage of liquid eggs to smoothly run the Production of Mayo without any delay. Cold Storage Room has been made at Site Plant facility near Mayo Processing Plant.

- The capacity of storing liquid eggs is 2 Tons and a second room is in process which will increase the storing capacity to 4 Tons.





## PORT QASIM PLANT

### Culture Transformation:

To bring ownership of the floor staff in their respective area, 'My Area My Responsibility' activity was driven at all sections of PQ factory with an aim to make floor staff owner of maintaining GMP conditions of their respective areas. To bring this into action, Senior and Middle Management led this activity by example and demonstrated certain activities to floor staff by themselves. Doing so, floor staff conceived the idea of the drive and actively took part to make it successful.

### BRC Certification:

British Retail Consortium is an international Food Safety Management Systems standard and is one of the GFSI recognized certification schemes. It contains requirements for food processors to build an effective food safety management system. This year PQ plant achieved BRC certification with 'A' Grade! This certification has raised the bar for GMP, GHP, Food Safety/Security and will herald more avenues for export markets.

### Operational Excellence:

To maintain the legacy of continuous improvements, a number of initiatives were taken this year which include dust collector, roll up high speed doors, IP 65 rated fork lifter and automated sachet packing machines to name a few. These initiatives enhanced productivity & compliance of int'l safety standards.

### Cost Optimization:

This year special focus was given on optimizing MoH and wastages to improve P&L. Intensive brain storming exercise was conducted with cross-functional teams to identify opportunities. Those ideas went through different stages of scrutiny in which ease of implementation, CBA, ROI, and financial monitoring etc. were included. Upon final approvals from authorities, identified opportunities are being converted into projects for materialization. Approx. 97 million saving projects have been started which will ultimately give cost benefits in the years to come.

### INDUSTRIAL IoT (Internet of Things):

#### On Cloud Storage Monitoring of Oil Tanks:

Earlier oil inventory was being monitored physically by level gauges. Now, electronic level gauges have been placed on each tank linked with an internet device to store data on a cloud server directly on hourly basis. Server can be accessed from any location to check current stock and past trends. This process helps a lot in day to day accurate reporting of material utilization as well as stock count during audit.

#### Oil Filling Automation:

Previously oil was being transferred from main storage tank to production tank via manual operating pump. This process has now become fully automated with the help of ultrasonic sensors. These sensors activate pump on sensing the defined low level of oil and deactivate pump upon reaching the defined high level.

## NOORIABAD PLANT

### Salt Brine Tanks Online Cleaning and Charging

The Online Salt Brine Cleaning and Charging system installed at Salt Plant Nooriabad was a landmark achievement as it eliminated the Brine changeover time and completely overturned the previous processes followed at SITE Salt plant as well as providing provision to cater to the futuristic demands in the category of salt.

Key Benefits of the Project include:

- Zero downtime during brine tanks cleaning and charging activity
- 24 additional shifts available for production as compared to SITE plant
- 5760 tons of extra production capacity
- Excess revenue generation of Rs. 216 Mn
- Remove productivity loss (Approx. 20%) for 21 days of Brine making and cleaning
- Flexibility of taking any tank in Maintenance

### LPG System Implementation at Salt Plant

Previously salt plant furnace was running on diesel fuel and no alternate fuel was available to run it. Monthly fuel expense of Rs. 7.5 Mn was recorded in diesel fuel. The capacity and requirement of alternate fuel was evaluated, and a system was designed in accordance with Government legislations and requirements.

Key Benefits of the Project include:

- Monthly LPG consumption of Rs. 3 Mn
- Annual savings of Rs. 54 Mn
- Alternate fuel for diesel

### Office Block Construction

This year an initiative was taken to build the office block to eliminate the rental cost of Rs. 3.36 Mn annually for containers. The office block constructed is a state-of-the-art facility which has cubicles for the management and supervisory staff of Nooriabad Plant, pantry area, training room, meeting room, accommodation rooms and Gymnasium.

### Evaporation Pond

National Foods has been always committed to comply with the environmental rules and regulations. Keeping the same aim and vision, an Evaporation Pond was built for the solar evaporation of the Brine solution coming out from the salt plant. The project itself is a remarkable achievement which has nullified the liquid effluent discharge from the plant saving an annual cost of Rs. 1.34 Mn.





# OUR SUPPLY CHAIN

## System enhancement in SAP to reduce stock obsolescence:

Customer Service & Demand team has further worked towards enhancing the capabilities of our Order Processing system at SKU level through Material Determination (MD). MD is an automation in SAP that replaces the product from old to new based on pre-defined criteria for executing orders at plant level. The new enhancement supports in smooth transition of phase-in/phase-out to reduce wastage at FG level. It also reduces complexity and manual efforts in liquidating inventory by performing the activities automatically.

Material Determination process started in January and has contributed in liquidating almost Millions worth of stock.

## Streamline FOC Stock through Workflow:

To facilitate our commercial teams for their demand boosting goals, Customer Service & Demand Planning has revitalized the Free-of-Cost (FOC)

request process from manual to the workflow format with IT collaboration. The system eliminates the use of manual request via emails and provides a user-friendly format on workflow that ensures timely stock provisions, transparency of stock activities, cost utilization and accountability of stakeholders to help generate revenue. The system can track the FOC and provide reports on completed and Pending FOCs.

## Project LE (Export):

This has been a major milestone in accurate recording of Freight cost. Customer Service & Logistic teamwork for the process improvement & has gone live in SAP for export shipments. Earlier it was maintained through provision data but now all Freight & Forwarding Expenses are loaded in SAP on real time basis & all shipment costs are posted directly in SAP. This will help all key stakeholders to monitor & park the expenses on **as & when** basis. This will also create visibility about different shipping lanes and data analytics to bring efficiencies.





# BRANDS AND CAMPAIGNS





# PICKLES

## Chali Phir se Chatkharon Ki Chakachak- Thematic Campaign & On-ground Activation

The new thematic campaign 'Chatkharon ki Chakachak' was launched on Digital in August 2019. Engagement of consumers on this exciting platform was focused on establishing various consumption occasions as well as projecting the diverse range of SKUs and variants available in the portfolio. This helped strengthen and reinforce the brand's emotional and functional RTBs. The results reflected high brand uplift scores as compared to industrial benchmark, with total views exceeding 9 million! In-store visibility was also ensured by deploying campaign specific POSM across all trade channels. As part of the thematic post campaign amplification plan, an on-ground activation was executed at key locations in Karachi, such as Rabi Centre and Imtiaz. During the campaign, free kachoris were sampled with National Pickles and the event coverage was leveraged on Social Media. Additionally, a door-to-door sampling activity was carried out in the Sukkur region, targeting key cities such as Bahawalpur, Hyderabad, and Rahim Yar Khan, with the objective of generating trials and driving category penetration in the region. A special deal was designed where one Recipe Bombay Biryani sachet was given free on the purchase of two Pickle sachets. The results showed a trial ratio of 70%, and very promising sales achievement. The drive was successfully able to generate a good amount of trials for the pickle sachets.

## Pickles Documentary

To establish superiority over the unbranded/loose pickle segment and to further strengthen National's image of being a trustworthy brand, a documentary showcasing the safety and hygiene standards followed in the pickle preparation process was aired on Digital. It reflected the high-quality ingredients, processes and procedures deployed at every stage of the process.

## Pickle Consumer Promotion

To further drive consideration for Pickles, a Consumer Promotion on Mixed, Mango and Hyderabad Pickles was executed nationwide in October 2019. This was a price-off CP, in which a discount of Rs. 10 was given on the purchase of 1kg, and Rs. 5 on purchase of 400g. The offer was amplified on-ground through POSM and visibility support.

## Ramadan Limited Edition Packs

To celebrate the spirit of Ramadan, Limited Edition Packs with Ramadan greetings were launched for key Pickle flavors in March 2020. These special packs were introduced in Mixed and Mango flavors (400g & 1kg plastic jars, respectively) and were available in stores nationwide.

## Functional Copies

In line with the brand's objective of establishing flavour-range versatility, functional copies focusing on Mixed, Mango, Garlic and Chilli variants were aired on Digital in June 2020. The copies also highlighted various consumption occasions. These copies were aired on YouTube and promoted through in-stream ads and frequency builders. In addition, the ads were placed across multiple mainstream Food, Entertainment, and other media channels.

## NEW LAUNCHES

### Pickle PET Jars

Pickle PET jars were launched in November 2019 in Mixed and Mango 750g SKUs. These new jars were launched with the objective of upgrading National's brand image through the premium and clutter breaking proposition. The new transparent jars with induction foil sealing have properties of enhanced freshness, easy scoopability and a premium outlook which is the first of its kind in the category. To amplify visibility, On-ground Creative Displays (OCDs) in the shape of the new jar were deployed in key modern trade chains.

### New Flavours - Carrot & Garlic

Carrot Pickle 400g and Garlic Pickle 370g were launched in December 2019 to further strengthen National's flavour offerings and drive overall consumption of the category. The launch was supported by a visibility and POSM deployment drive executed across all channels.





# DESSERTS

To drive category trial and consideration of National Custard, two consumer cross promotions were implemented with popular brands: Nestle Milkpak and Canderel.

In the first offer, two packs of National Strawberry Custard 120g were bundled with one carton of Nestle MilkPak and launched in the top 2,500 modern trade stores nationwide. The offer helped National generate trial amongst the large consumer base of Nestle Milkpak.

The second offer paired National Mango Custard and Strawberry Custard with Canderel, an artificial sweetener brand. The idea behind this proposition was to encourage health conscious consumers or those with health issues, such as Diabetes, to prepare National custard using Canderel instead of regular sugar. This helped National tap into a relatively new market of health-conscious consumers on the lookout for sugar alternatives.

*Taisey  
dil  
chahey*



# CHINESE SAUCES

## TRIO PACK OF SOY SAUCE, VINEGAR AND CHILLI SAUCE

In the Chinese Sauces category, the new trio pack comprising of Soy Sauce, Vinegar and Chilli Sauce in 120ml bottles was launched as a penetrator SKU to generate trial of National's Chinese range. This new smart pack was positioned as an ideal table-top solution for consumers to enjoy with their Chinese cuisines. To create hype around this launch, a soup sampling activity was executed at all Carrefour stores across Pakistan in which consumers were encouraged to try the trio of sauces with soup in the core winter season. Furthermore, Soy and Chilli Sauce formulations were further improved, and launched in the market.

Complete Chinese Combo  
in **NEW** Smart Pack (120ml x 3)





# SCENE ON

This year has been an extremely exciting year for Scene On as the brand expanded its availability and reach from just Karachi to 21 key towns and cities across Pakistan to better serve consumers! To amplify the excitement of the availability of the Scene On portfolio and lead innovation in the Snacking Industry, Scene On successfully launched two new flavours in November: Lemon Chilli Patakha in Krunch and Sriracha Mirchi Maza in Hoops.

Moreover, the brand executed an on-ground sampling campaign from November to March in key cities like Karachi, Lahore, Islamabad, Multan etc. where sampling of the snacks was carried out across 400 schools. This was to strategically create

a relationship with consumers and engage them to not only build brand loyalty but also create brand awareness and generate trial of the snacks. To support the launch of new flavours and the distribution expansion, frequency builders of functional ads and adapts of the Scene On Anthem were leveraged across digital platforms, such as You Tube and Facebook.

In January, to further fuel innovation in the Snacks Category, Scene On proudly launched a new range "XOXO" which are savoury extruded snacks in X and O shapes that come in three delicious flavours. The range is targeted towards young children and will be supported by a holistic marketing campaign once the pandemic is over.





# RECIPE MIXES

The past year for Recipe Mixes has been monumental in driving the future of the category. Featuring key new product launches, regional attack plans, revitalizing the trade/team engagement and the right set of consumer engagement and communication activities that drove the commercial strategy.

The year started out with the Thematic communication that furthered the narrative of **"Nayi Soch Ke Naye Zaiqay"** – this time showcasing 'the joy of cooking together', depicting a more progressive side whereby both genders play an equal role in the household. We showcased different couples at different stages of life and the joy of them cooking together with National, put together with a heart-warming jingle.

The **Rozana Range** was launched to be a game-changer in the category by extending the Recipe Mixes category into everyday meals. Launched with three variants (Daal, Sabzi and Sabzi Gosht) that tap into the everyday meals of our consumers and drive category consumption to make Rozana ka khaana Khaas! A fully integrated commercial was launched with many exciting highlights such as the **first-for-NFL Real Lady Testimonial advertisements**, roadshows and team engagement activities, consumer and trade sampling to drive the excitement and secure incremental revenue for the category.

**Bombay Biryani Karachi Khaas** 360-degree Karachi Attack in the product that will turn Karachi, we launched the program with wet product that tapped



was launched along with the plan. With complete belief the tables for us in door-to-door sales sampling of the new into 450,000



households! With an overwhelming trial rate and a healthy repeat purchase, the Karachi attack plan along with the new product helped triple our share in Karachi. This was amplified via **National Ka Karachi Digital Campaign** and other consumer and trade engagement activities.

To Further our footprint in KPK, an Attack plan was laid down and launched with a DDS program in key geographies and the introduction of trade jirgas with distributors and traders to drive the engagement and expand our presence in the regions. The Bombay Biryani Karachi Khaas was also launched in KPK, with a great response from the market.

Additionally, the year was packed with exciting digital and PR activities with many firsts like achieving a position on the YouTube AsiaPacific Leaderboard, BBQ DIY Box campaign and year-round social media engagement around all initiatives. The Meat Tenderizer variant was also launched to complete the BBQ range, giving our consumers greater convenience.

## بريانی ہے خاص کفایت کے ساتھ!





# SALT

National Foods is considered to be the pioneer of Branded Salt and a choice of millions of households in Pakistan. It can be said that NFL is responsible for setting up the design aesthetic that is currently being followed throughout the category. It gives us immense pleasure to announce that we launched our new packaging this year which was designed to break through the clutter by following a new design approach whilst using our traditional colors. We also launched our Pink Salt variant which is readily available nationwide. We hope that consumers will like our new design, and it will help us in differentiating from other brands on the shelf. This also gives us an edge over mushroom and counterfeit products which tend to follow similar designs and use deceiving names and logos to trick our consumers.

To support this launch, we aired an informative ad to create awareness and educate our consumers about our new packaging and variant along with digital promotion. We carried out visibility drives across the modern trade channel nationwide to better our visibility and drive consumer purchase. We also used point of sale material to announce the same over General Trade channel.

پرکھانے کی چمک  
نیشنل نمک





# PLAIN SPICES

The plain spices category was supported throughout the year with communication on our social media platforms and Point of Sale Material nationwide. We aimed to educate our customers on the risks of using open and substandard spices while establishing our superiority in terms of quality and freshness.

معیاری اجزاء،  
خالص ذائقہ





# KETCHUP

## CONSUMER PROMOTION

Eid ul-Azha buying cycle was targeted with an attractive consumer offer of 'FREE Biryani recipe pack with 950g Ketchup pouch'. This initiative was backed by a seasonal media airing burst with a customized end tail and POSM to communicate the offer. Also, for the first time, we adapted our jingle and VO in regional Sindhi language to target and activate Sukkur Region. In addition to this, we identified and launched an attractive consumer promotion in winter season i.e. 'FREE Tikka Masala pack with 950g Ketchup pouch'. This promotion helped us generate additional volumetric sales of Tomato Ketchup & Chili Garlic Sauce. It was backed by a seasonal media airing burst with a customized end tail and POSM to communicate the offer.

## RAMZAN LIMITED EDITION PACKS:

To attract the potential consumers and retain current consumers during Ramadan, a price-off consumer promotion (Rs. 20 off on 950g TK / CG, Rs. 10 off on 475 TK / CG and Rs. 5 off on 235g TK / CG) was launched with Limited Edition Packs, featuring Ramadan elements and price-off flashers.



## DOOR TO DOOR SELLING

Harping upon the door to door activity that was done last year to gain share in competition savvy towns in Punjab (i.e. Faisalabad, Sargodha, Multan and Sahiwal), a new wave of door to door activation started in Sep'19 which continued till Dec'19, with an overall reach achievement of 202,000 HHs @ 45% productivity rate. This initiative was backed with wet sampling on top MTs in Faisalabad and Sargodha towns to target potential consumers belonging to upper SECs.

## SUKKUR CLUSTER ACTIVATION & FLOAT

For the first time, Sukkur region (Hyderabad, Sukkur, Larkana and Rahim Yar Khan) was activated using float and cluster activation to create excitement in the market, generate trial and reward customers through participation in lucky draws (40 mobile phones and 8 motor bikes). The campaign generated 140,000+ impressions and 14,000+ interceptions.

## FOOD PANDA COLLABORATION

To induce trials, a strategic collaboration was done with Foodpanda where 40g Tomato Ketchup, Chili Garlic Sauce and Classic Mayo sachets were sampled across Karachi, Lahore and Islamabad with the orders of fast food restaurants. This initiative helped us generate product trials before Ramadan season.

## DIY IFTAR KIT

Given lockdown situation and changing consumer behavior i.e. increased cooking / eating indoors during Covid-19, a unique and innovative campaign named "National Ketchup – D.I.Y. Iftar Kit" was launched in Ramadan by taking a third-party vendor on-board. The idea was to leverage upon vendor's frozen food delivery network to generate trials and enhance brand relevance of National Ketchup. The campaign was promoted online by 30+ Food Bloggers with decent fan following and engagement rates on Instagram.

*Buray mood se hogi doori*  
**NATIONAL  
 KETCHUP  
 ZARORI**





# MAYO

## NEW LAUNCHES:

To drive penetration and generate trials, National Mayo 40g LUP pack was launched in October 19. With the launch of this pack, consumers could enjoy their favorite condiment conveniently, on the go. Mix it, Dip it, Love It!

To increase shelf share, Garlic Mayo 1kg pack was introduced in July for consumers to enjoy the taste of everyday snacks like roll, shawarma, fried chicken and burger. More Packs, More Dipping!





# TECHNOLOGICAL DEVELOPMENTS

Automation contributes to the enhancement of productivity and efficiency which in turn enables businesses to elevate their responsiveness and acquire a strategic edge over competition. The IT function at NFL has been in continuous pursuit of being the core digital disrupter, transformer, and technology enabler, thus introducing business efficiencies and operational excellence in all functions across the company. From the management of the broadcast of Townhalls, to implementation of complex cross-functional business applications, IT has taken the lead to bring to reality the digital strategy roadmap for NFL. Demonstrating customer centricity towards process automation, the IT team has partnered closely with business to initiate and implement numerous automation projects, some of which are mentioned herein.

## Microsoft Teams:

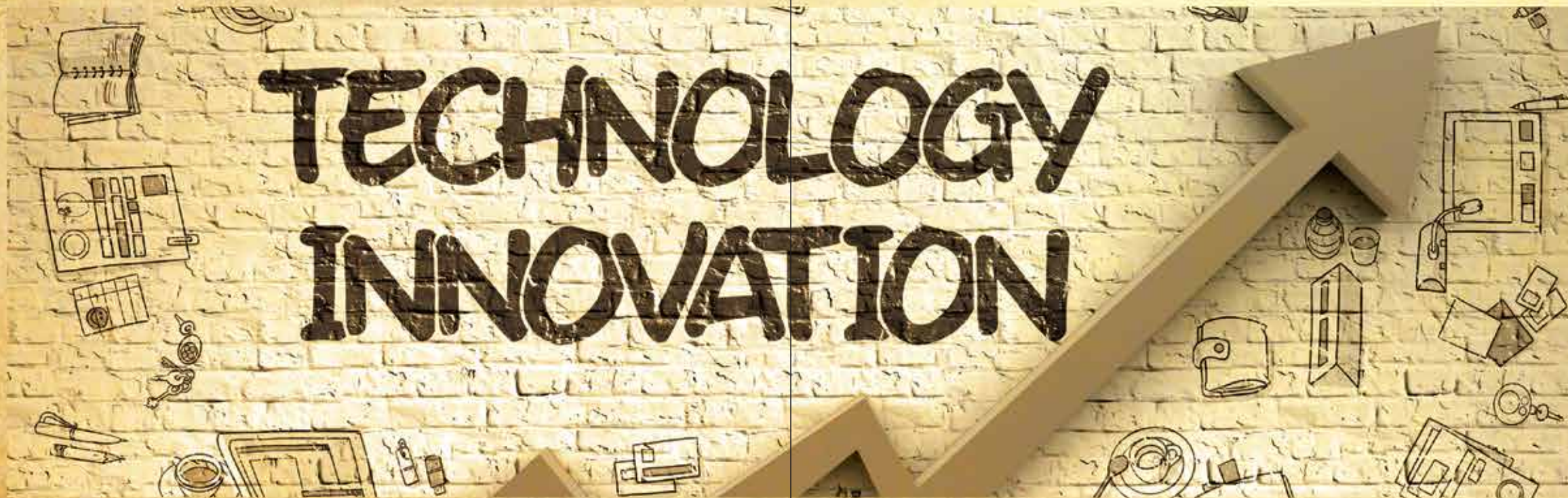
Skype for Business had limited features of online collaboration; hence it was sunset in November 2019 and all NFL user base migrated to MS Teams. This new online collaboration tool significantly enhanced productivity and allowed remote users to seamlessly interact through chat, voice and video. Some key benefits realized from MS Teams are 1:1 and group chat & instant messaging, Content Sharing, Record Meetings, Live Event Broadcast, File Sharing and Co-Authoring. The timing for roll-out was perfect in the WFH situation, and NFL users immensely benefited from the online collaboration, teamwork and meetings.

## Cybernet Hub at NFL Nooriabad:

Cybernet is our key technology partner as our core ISP at all NFL locations and also provides SAP hosting services. The NFL factory at Nooriabad is serving as Cybernet PoP, thus not only benefitting NFL itself, but also allowing Cybernet to serve its surrounding customers. Through this arrangement, Cybernet takes care of backup Genset, MPLS & Internet bandwidth, tower installation & maintenance.

## SAP FIORI:

In close partnership with the Quality team, IT automated the time consuming, manual data entry process (paper based Excel sheet) of the Pickle Quality Inspection Process, whereby, the Quality Inspection results are recorded directly into SAP through Tablets provided to the quality team. Through this automation, Inspection records are conveniently viewed at any time via SAP FIORI Reports. Captured images during inspection are also saved in SAP and tracking of historical data is much easier. This tool allows faster, efficient Quality inspection process, eliminates paper-based inspection recording, integrates directly with SAP, stores inspection pictures as evidence and enables various reports and dashboards for trend & differential analytics.





**Replacement of SAP Standard Russian Report:**

The standard Russian report, on execution, locks all the Material movement transactions (such as GI, GR, PGI, Transfer) and takes tremendous amount of time to extract results for any given point of date. This further increases if the back date is further away from the current date. NFL IT thus decided to create our own report and titled it Pakistan Stock Position report. The customized report significantly improved the data extraction time as shown in table:

	Stock Overview (SAP Standard Russian Report)	NFL Pakistan Stock Position Report (NFL IT Developed)
Execution Time	<p>Russian Report takes:</p> <ul style="list-style-type: none"><li>• 6+ hours if executed to get 01 month historical stock position.</li><li>• More than 48 hours if executed to get 1-2 months historical stock position.</li><li>• More than 72 hours if executed on single plant to get 2+ months historical stock position.</li></ul>	<p>NFL Pakistan Report takes:</p> <ul style="list-style-type: none"><li>• 01 minute if executed to get 01 month historical stock position.</li><li>• 01 to 02 minutes if executed to get 01 - 02 months historical stock position.</li><li>• Up to 05 minutes if executed at all plants to get 02+ months historical stock position.</li></ul>

**Sales & Distribution Solution on Cloud**

Keeping in view the ever-changing business dynamics, the need to upgrade the existing S&D system was inevitable. Automating Sales and Distribution ecosystem is crucial so as to follow the rapid growth of the dynamic market and satisfy customers at every step of the journey. NFL has partnered with SalesFlo to enable our sales force to experience cloud-based mobility solution which will empower both our sales and customers to execute & monitor tasks in the field in real-time. The new solution promises to improve field staff productivity, enhance and improve digital interactions with distributors/shopkeepers and reduce overall operational costs and end-to-end business process cycle.

**International Distributor Ordering Portal**

The International Distributor Ordering Portal aims to transform and turnaround our existing ways of working through centralized information management leading to improved decision making and enhanced customer service levels at the distributor’s end. The cloud-based portal allows convenience to distributors via automation, transparency, order placement, confirmation and claim processing through a one window online platform. The Ordering Portal, which includes complex workflow approval system and claims management has been launched with our strategic distributors in USA and UAE and will cover all International distributors by December 2020.

**Diligent Board Management**

Striving to simplify and optimize critical business meetings, NFL collaborated with Diligent to introduce a world-renowned solution called Diligent Boards. This is a digital platform for effective Board and Committee meetings and trouble-free documents handling, file sharing and collaboration, as well as ensuring security of corporate information. The Diligent software ensures fast and efficient preparations, execution of meetings and minutes circulation.

**Workflow and SharePoint System**

Workflow forms are designed to introduce an efficient and standard process to track and monitor all requests in an organized, timely and systematic manner. The following major strategic Workflows were introduced into NFL this year:

- Free of Cost stock (ensure timely stock provision, transparency of stock activities and cost utilization along with increased accountability of stakeholders).
- Distributor Final Settlement (customer resignation and final settlement – provide end to end visibility to all stakeholders).
- Road Trip Automation (track department cost and utilization of facility with better and timely service).
- HR forms (self-service forms to issue HR letters)

SharePoint is used as an integral part of O365 framework for document storage and management. Following 02 business processes have been designed as applications on SharePoint:

- **Management of Change (MoC)** - Best practice used to ensure that Food Safety, Health & Safety, and Environmental Risks & Hazards are properly controlled when an organization brings a change to their facilities, operations and products. This addresses three different types of change management: developmental, transitional and transformational.
- **Quality Complaints** – During interaction with customers, distributors and even shopkeepers, we may come across feedback about our products that need to be addressed by Quality Department. Hence this portal manages the issues wherein an automated log is maintained, the complaint is tracked and addressed timely for resolution.



# INNOVATIONS, RESEARCH & DEVELOPMENT

This year has been enthralling and progressive for Innovations, Research and Development Department as the function was relocated to a newly constructed facility, named as **National Center of Excellence**. It is a state-of-the-art innovation center with beautiful interior, spacious workstations, technology-embedded meeting rooms, well-equipped product & packaging development labs, and dedicated sensory analysis chambers. It also houses an executive kitchen, which is an



epitome of sleek and modernized design, where National's products are used to prepare flavorful cuisine. The facility also accommodates a pilot plant facility in which feasible and robust process designs are worked upon prior to full scale commercialization. With all the available resources under a single roof, the research teams will be able to perform even better with increased focus and attention.





### New Product Developments

The R&D team has worked extensively to develop a myriad of products this year across categories that serve consumer needs nationally as well as internationally.

#### Rozana Recipes

Consumers tend to use Recipe Mixes specially for preparing complex and festive dishes, like Biryani, Quorma, Nihari, etc., but rely on basic kitchen ingredients for their everyday meals. Therefore, National has launched Rozana Recipe range this year for making everyday meals flavorful and exciting along with provision of convenience. The enticing range includes 3 variants namely Mazedaar Daal, Chatkharaydaar Sabzi and Zaiqaydaar Sabzi Gosht, with each of them imparting a unique wow factor to all kinds of lentils, vegetables, and meat meals respectively.



#### Meat Tenderizer

We kick started the winter season with the launch of “Meat Tenderizer” – a special-purpose product designed to reduce the time required for preparation of meat, especially prior to barbecue. Meat Tenderizer not only softens the meat texture but also allows better absorption of spices; thereby, enhancing the flavor.



#### Pink Himalayan Salt

A new variant - Iodized Pink Himalayan Salt was added to the Salt category this year, in order to target the health conscious consumers who would prefer Pink Salt due to its potential and much discoursed health benefits owing to the presence of trace minerals.

#### Pickle in PET Jars:

National Foods pitched a premium packaging for two of its most popular pickle variants – Mango Pickle and Mixed Pickle in 750 g PET jars with foil induction seal. The innovative packaging is first of its kinds in the Pakistani market. The purpose of this proposition is to sustain the leadership position with a premium outlook on shelf space while delivering enhanced convenience to the consumers.



#### Scene On XOXO

Keeping in line with the strategy of consistent innovation, corn puffs in the shape of X & O with a mouth melting texture were launched nationwide as an expansion to the Scene On range. Scene On XOXO has three exciting flavors - Say Cheese, Ketchup Surf and Mirchi Punch, which the children found scrumptious.



#### Hot & Sweet Sauce:

Hot & Sweet Sauce was launched for Export Market that enhanced the existing sauce range. The product is a perfect mix of sweetness and heat that offers an appetizing dip solution for a variety of snacks.

#### Line Extensions

**Mayo Sachet:** For escalating market penetration, National Foods launched Classic Mayo in 40 g sachet as a single portion proposition.





**Rs. 20 Recipe Sachet:** Five recipe variants, namely Biryani, Bombay Biryani, Quorma, Karahi Gosht and Achar Gosht, were introduced in Rs. 20 sachets for added convenience.

**Ginger Garlic Paste for Export Market:** Ginger Paste, Garlic Paste and Ginger-Garlic Paste in 2 different SKUs of glass bottles were launched for the Middle Eastern market.

**Pickle New Variants:** Carrot pickle and Garlic Pickle were launched nationally in 400 g and 370 g plastic jar packaging, respectively.



**Chinese Sauces Small Bottles Triopack:** Chinese sauces i.e. Vinegar, Soy Sauce and Chilli Sauce were launched in smaller, 120 mL bottles, bundled as a triopack, just before the onset of winter season this year. It is a tabletop solution for added consumer convenience.

**Scene On - Line Extensions:** Krunch Lemon Chilli Patakha and Hoops Sriracha Mirchi Maza were enticing flavor extensions to the Scene On bucket to keep in accordance with the unique flavor experience.



### Product Improvements

In pursuit of delivering the best products to the consumers, R&D takes product improvement as a continuous endeavor.

### Bombay Biryani Karachi Khaas

One of the core recipe mixes, Bombay Biryani, was revamped to increase its serving size while delivering an enhanced experience which would particularly appeal to the taste palettes of Karachiites. The improved version offered a superior product that would compete and win in the complex Karachi market whose demands differ from other regions of the country. Launch was preceded by a thorough research to ensure that the product was fully validated before entering the market to ensure right consumer experience. This product has been especially formulated to offer a fiery and flavorsome experience that would satisfy the taste buds of Karachiites like never before.



### Other Recipe Mixes

Apart from a region-specific customization, R&D also aimed to improve the entire Recipe Mix Range in order to achieve consistent product superiority in the marketplace. These upgrades are thoroughly validated through extensive internal and external consumer testing before its implementation.

### Salt Packaging Revamp:

National Salt has always maintained its legacy by yielding benchmark changes. In this regard, design aesthetics of pillow pouches were transformed this year for fighting against counterfeits and reinforcing National brand with a differentiated standing in the market.



### Chinese Sauces:

The formulations of National Soy Sauce and Chilli Sauce have been modified to produce superior propositions. The improved version has a better consistency, color, and flavor; just as demanded by the consumers. The product acceptability was validated through consumer testing prior to changeover, and the results depicted significant improvement.

### Cost Transformation | Value Engineering

Cost transformation is an integral disciplinary pillar for yielding growth. It allows the resources to be optimally directed towards the innovation and brand enhancement process with an objective of rendering value for consumers. Therefore, R&D has worked extensively this year to optimize product cost through raw material substitution with equally potent ingredients, formulation rationalization, alternate source development and packaging material optimization. However, utmost priority was rested in upholding the product characteristics, quality, and consumer experience. Additionally, supply chain dependency on sole imports of some materials was also worked upon to simplify the model by converting the source to more feasible localized points for managing demands in a more efficient manner.



# HEALTH, SAFETY & ENVIRONMENT

HSE is deeply embedded in our business culture as the group continues to evolve in this important aspect. Every individual of the company has exceptionally contributed in fostering a positive HSE culture. Top Management's commitment, employee friendly HR policies, increased safety awareness amongst peers, timely reporting of hazards & incidents and non-punitive approach towards those who come forward with information on hazards/Incidents have been the cornerstones of the overall success in this domain.

## OCCUPATIONAL HEALTH & SAFETY

Excellence in Health & Safety is NFL's ultimate target and every small stride in this direction will bring us closer to our objective. It is a matter of immense pleasure and pride that our Port Qasim, Gujranwala and SITE plants have been certified against the **Globally renowned International Management System Standard on Occupational Health & Safety i.e. ISO 45001:2018** whereas our Nooriabad plant has been recommended for the same. **This makes NFL the first amongst the top food companies in Pakistan to attain this feat!** It is indeed an achievement to acquire an International certification against a Standard within a year or so of its global release.

## PROTECTION AGAINST COVID-19:

Also, in view of the **Global pandemic of COVID-19**, National Foods Limited was amongst the first few companies which took strong, evasive and protective measures. On 26 February 2020 when only 01 case of COVID-19 surfaced in the country, NFL wasted no time in establishing Health Desks at each of our plants for screening of employees against fever, chest congestion and flu like symptoms, social distancing was preached & practiced, COVID-19 SOPs developed/implemented and donning of face mask was declared mandatory for employees,



vendors, visitors entering our facilities (**Well before the realization and announcement of global health bodies like WHO, FDA and CDC**). Relevant awareness material was developed & displayed with pandemic specific trainings imparted to employees. Proactive measures taken by NFL in this regard has benefited as so far, no cases of large-scale local transmission have been reported at any of the NFL facilities.

## ENVIRONMENTAL PROTECTION

Strict Preventive Maintenance schedule is in place to ensure exhaust emission values meet the legal requirements. Environmental monitoring by independent labs is carried out on regular intervals to ensure compliance of all critical parameters i.e. ambient air, vehicle/exhaust emissions, noise, lux and drinking water. A proper waste management system is in place as hazardous and non-hazardous waste is managed as per legal requirement through EPA approved vendors.

While considering it as its sacred duty to environment and sustainability, NFL's Primary treatment plant worth Rs. 5.5 million at Nooriabad Factory is fully functional and its product water is being used for horticultural activities. Similarly, a project for the construction of state-of-the-art effluent Treatment Plant based on Membrane Bioreactor (MBR) technology is about to be commissioned in a few months.

## SAFETY TRAININGS

NFL HSE Professionals follow strict training schedule for the staff. Our trainings are predominantly performed in classroom and on-floor environment catering to both Management and Non-Management staff. This year NFL completed more than 2000 Training hours of Safety trainings against the planned 1500 Hours. Also, hazard hunting strategy helped fetch 5928 hazards across all the factories which has helped reduce a number of minor and major events. For employee engagement, we have fully established interactive forums of monthly D-level and quarterly B-level Meetings. Output from these forums along with Total Recordable Incident Rate (TRIR) mainly contribute towards assessment of HSE performance of each location/unit and based on HSE performance of each location, the top-most performing location is rewarded with the 'Safety Champions' award.

Work related diseases are also closely monitored and are taken care of, especially during Risk Assessment and Medical Assessment at induction and surveillance stages. Professional medical staff, dispensary and fully equipped ambulance (24/7) are deployed at all the plants.

Since, we believe in engineering controls rather than just relying on PPEs, therefore, our prime focus remains on risk elimination, reduction, isolation and control through provision of guards, interlocking devices and replacement with safer means.





# INTERNATIONAL DIVISION

In FY20 the focus of the International Division was towards driving demand generation across key focus markets such as USA, Canada & the UAE whilst strengthening the business fundamentals to build a solid foundation that would act as the bedrock for future growth and expansion.

Despite difficult circumstances in the second half of the year due to the onset of COVID-19 and resultant lockdown which affected supply chain sourcing & export processes, we managed to keep the growth momentum going across all focus countries & regions except for Afghanistan owing to frequent border closures throughout the year.



## FIXING THE DISTRIBUTION BASICS

Distributors were engaged to send monthly secondary sales and floor stocks data which enabled the team to measure performance on a monthly level. With this information, the ordering process also became efficient ensuring that the distributors are neither out of stock, nor carrying excessive inventory.

## DRIVING SUPPLY CHAIN EFFICIENCIES

The supply chain process was modified during the year through ProcessOne to drive overall efficiencies in the ordering to delivery times. To ensure better customer service, a weekly Sales and Operational Plan meeting is now conducted which is attended by the top management in addition to the sales and supply-chain representatives.

## INTERNATIONAL BUSINESS EXPANSION

Corrective measures were initiated across some core markets such as UK & UAE where, based on market potential, distributors were replaced with business partners that could further improve our visibility, coverage & ensure better in-market execution. In addition, listings were secured at new chains such as Walmart in the USA & Carrefour in Saudi Arabia which were huge breakthroughs that will fuel growth going forward.





### BRAND BUILDING & CONSUMER CONVERSIONS

To forge a stronger connect with our consumers, popular bloggers were engaged in North America to partake in the #100DaysOfNational digital campaign to create engaging content displaying uses of our portfolio in making delicious, creative, fusion recipes via National's Made Easy platform.

Aggressive trials and sampling were conducted in focus markets such as North America where we participated in Key Food Festivals & conducted instore trials to generate consumer conversion & drive demand. In the UAE we conducted our largest Shopper Conversion promotion to date, activating the brand across 76 Carrefour & Lulu outlets. This activity was well received and resulted in a 68% growth in tertiary sales vs the same period last year at the activated stores.



### PRODUCT & PORTFOLIO IMPROVEMENTS

The new Curry Masala developed specifically for the Saudi market was launched with a view to strengthen National's presence and gain share of this major segment in the category. This product was launched after achieving performance benchmarks through consumer validation. Packaging design was also updated for certain products and categories such as Salt and Ketchup.

Consumer product experience and shelf life augmentation initiatives were also rolled out for the Recipe Mixes, Plain Spices & Crystal Jello portfolios whereby the existing inner sachet was moved to Aluminum Foil. This material provides better protection to the product from light and moisture.





**CONSUMER OFFERS**

Aggressive consumer promotions were given in key seasons such as Ramadan to drive consumption and trial generation in focus markets via focusing on our core categories.



**RESEARCH**

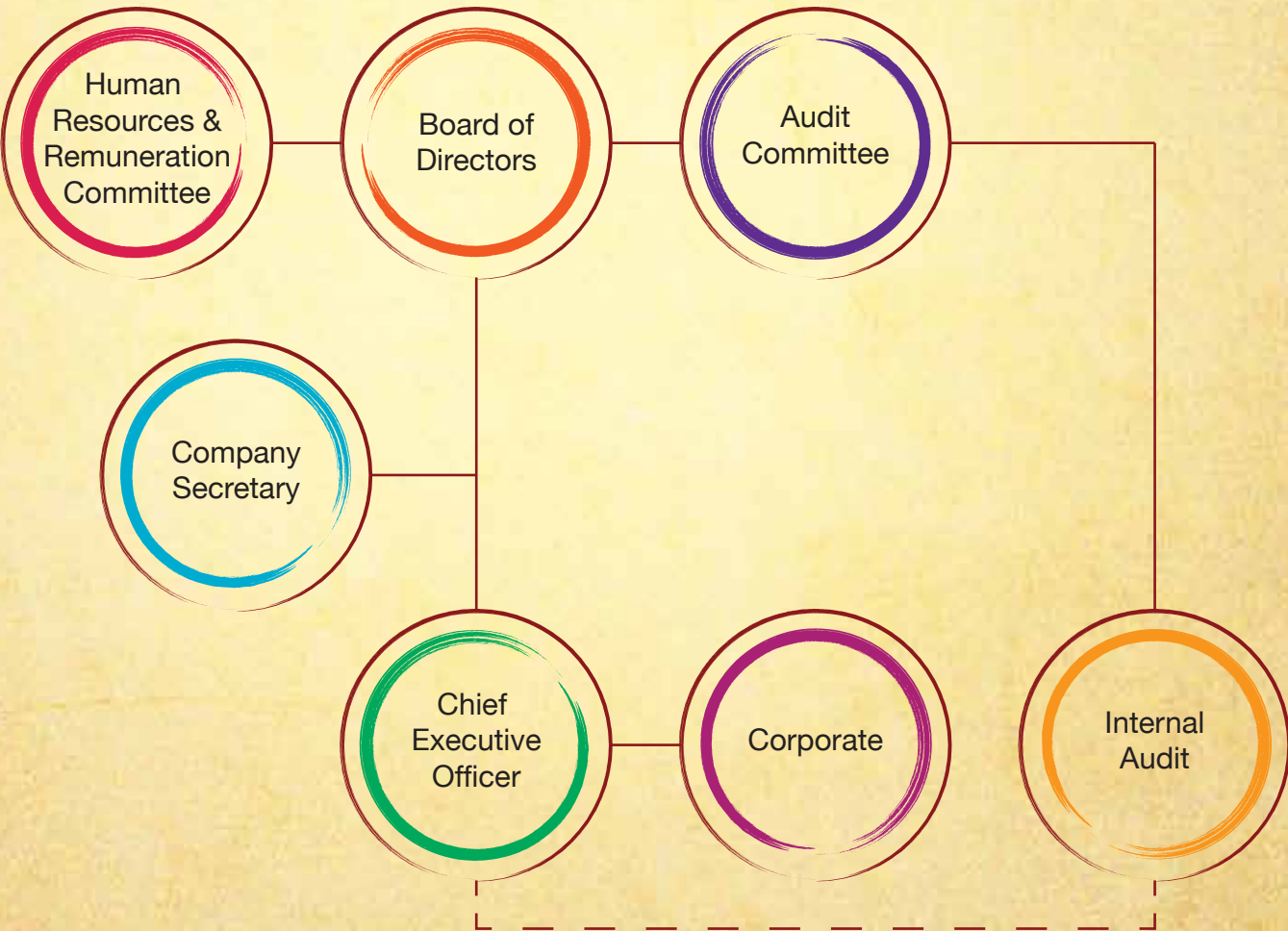
In line with our desire to better understand our consumers’ needs, we carried out a Triggers & Barriers study with the aim of identifying white spaces in the cooking routine of North American consumers & evaluate concepts for potential business expansion. The insights derived from the research have been applied to better communicate with our consumers whilst developing the future innovation pipeline for the International Division.

**EXHIBITIONS**

National Foods continued to engage customers by showcasing its presence at Gulfood 2020. The exhibition served as an opportunity to meet existing customers from different regions and explore potential new business opportunities, whilst also serving as an opportunity to learn about new food trends and technologies from around the world.

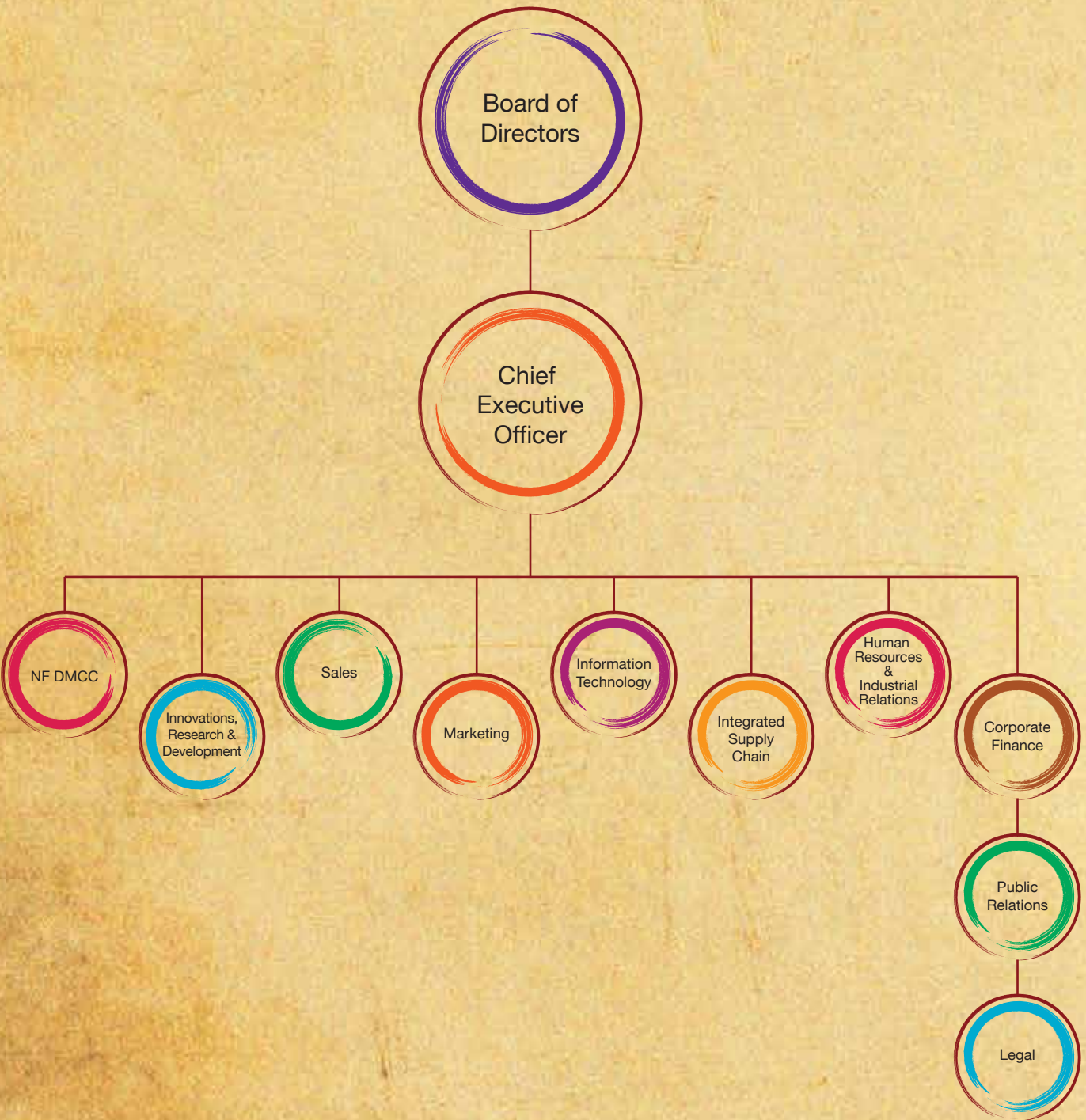
# ORGANIZATIONAL CHART

**CORPORATE ORGANIZATIONAL CHART**

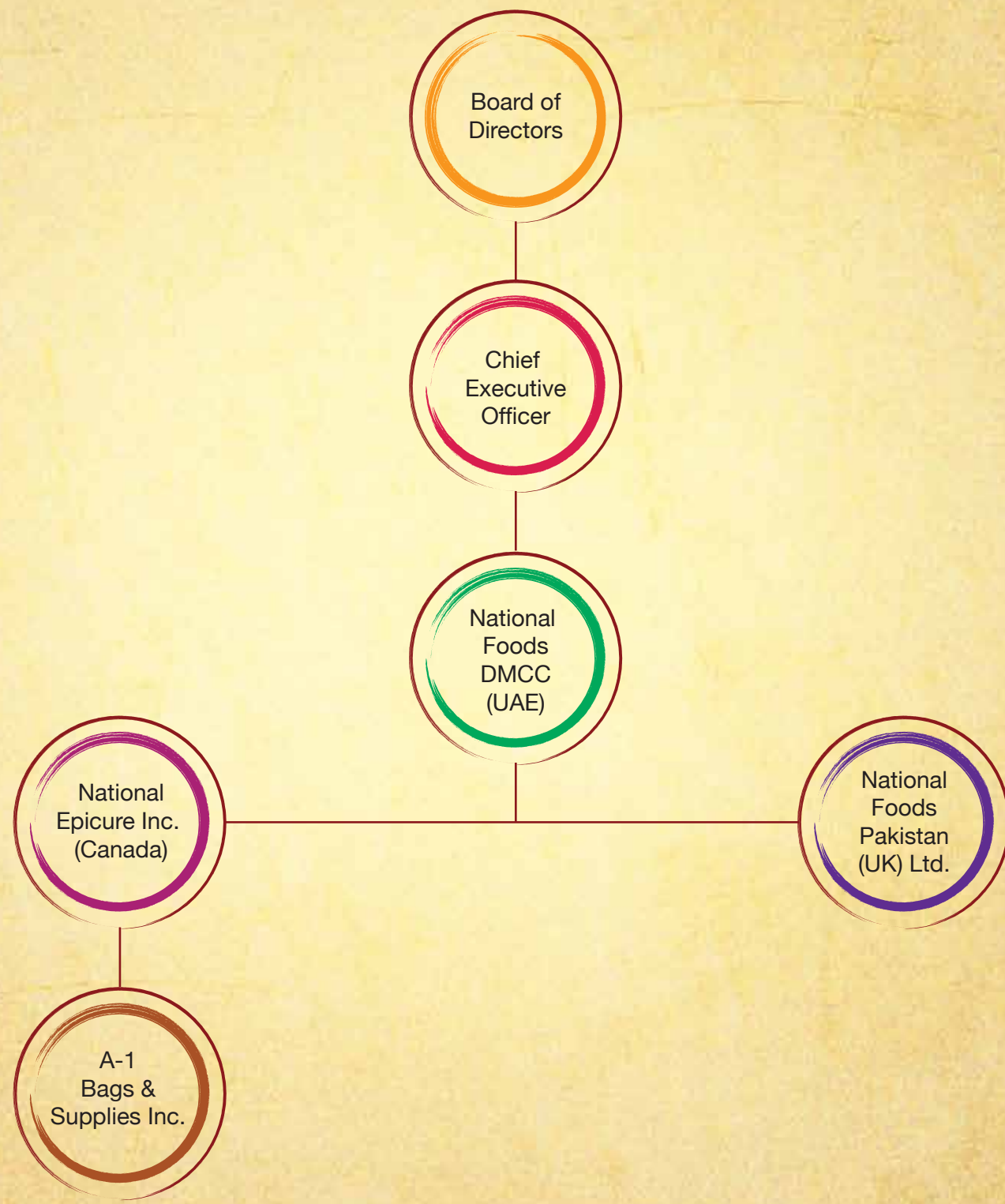




NFL ORGANIZATIONAL CHART



NFL SUBSIDIARIES ORGANIZATIONAL CHART





# COMPANY INFORMATION

## BOARD OF DIRECTORS

Mr. Abdul Majeed	Chairman
Mr. Abrar Hasan	Chief Executive Officer
Mr. Towfiq H. Chinoy	Director
Mr. Ehsan A. Malik	Director
Ms. Noreen Hasan	Director
Ms. Saadia Naveed	Director
Mr. Zahid Majeed	Director

## AUDIT COMMITTEE

Mr. Ehsan A. Malik	Chairman
Ms. Noreen Hasan	Member
Ms. Saadia Naveed	Member
Mr. Zahid Majeed	Member

## HUMAN RESOURCE AND REMUNERATION COMMITTEE

Mr. Towfiq H. Chinoy	Chairman
Mr. Abrar Hasan	Member
Mr. Ehsan A. Malik	Member
Mr. Zahid Majeed	Member
Ms. Saira A. Khan	Secretary to HR & RC

## DIRECTOR CORPORATE FINANCE / CHIEF FINANCIAL OFFICER

Mr. Syed Farhan Ali Rizvi

## COMPANY SECRETARY

Mr. Fazal ur Rehman Hajano

## HEAD OF INTERNAL AUDIT AND SECRETARY AUDIT COMMITTEE

Ms. Quratulain Mamsa

## INTERNAL AUDITORS

EY Ford Rhodes

## COMPANY MANAGEMENT

Mr. Abrar Hasan	Chief Executive Officer
Mr. Syed Farhan Ali Rizvi	Director Corporate Finance
Ms. Saira A. Khan	Director Human Resources & Industrial Relations
Mr. Shakaib Arif	Director Integrated Supply Chain
Mr. Aejaaz Abbas Basrai	Director Strategy & Marketing & Chief Operating Officer NF DMCC

Mr. Hasan Sarwat  
Dr. Fayyaz Ashraf  
Mr. Syed Zeeshan Ali

Director Sales  
Head of Innovations, Research & Development  
Head of Information Technology

## AUDITORS

Messrs. KPMG Taseer Hadi  
& Co. Chartered Accountants

Shaikh Sultan Trust Building No. 2  
Beaumont Road, Karachi.

## SHARE REGISTRATION OFFICE

Central Depository Company  
of Pakistan Limited:

CDC House, 99-B, Block B, S.M.C.H.S.,  
Main Shahrah-e-Faisal, Karachi-74400.  
Tel: (92-21) 111-111-500  
Fax: (92-21) 34326031

## COMPANY BANKS

Bank Al Habib Limited  
Bank Alfalah Limited  
(Islamic Banking Group)  
National Bank of Pakistan  
Habib Bank Limited  
Habib Metropolitan Bank Limited  
MCB Bank Limited

Meezan Bank Limited  
United Bank Limited  
Habib Bank AG Zurich  
MCB Dubai  
Toronto Dominion Canada Trust Bank  
Bank of Montreal  
Business Development Bank of Canada  
Allied Bank Limited

## REGISTERED OFFICE

12/CL-6 Claremont Road, Civil Lines, Karachi-75530  
Phone: (92-21) 38402022 & 36490029  
Fax: (92-21) 35670996

## SITE PLANT

F-160/C, F-133, S.I.T.E., Karachi.  
Phone: 021-3257-7707 – 10, Fax: 021-3257-2217  
Email Address: info@nfoods.com

## PORT QASIM PLANT

A-13, North Western Industrial Zone, Bin Qasim, Karachi.  
Phone: 021-3475-0373 – 7

## GUJRANWALA PLANT

53-KM G.T. Road, Chainwala Mord Amanabad,  
Gujranwala near Gujranwala Kamoki Tool Plaza.  
Phone: 055-3409560, 3409660

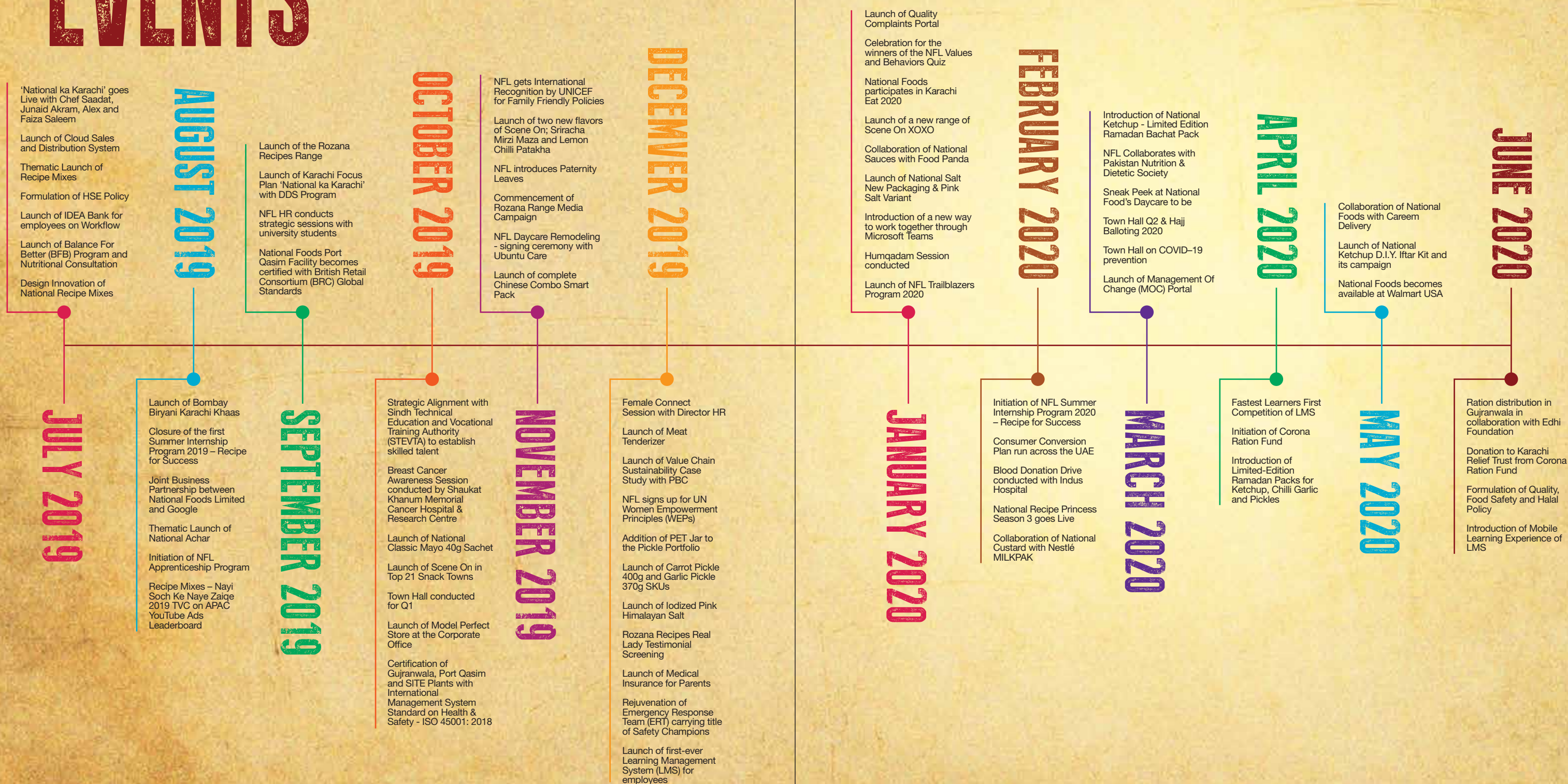
## NOORIABAD PLANT

A 393 Nooriabad Industrial Estate,  
Nooriabad, Karachi.  
Phone: 03000335287

Web Presence: Updated company information and the latest  
Annual Report can be accessed at: [www.nfoods.com](http://www.nfoods.com)



# CALENDAR OF EVENTS





# CEO'S MESSAGE

## DEAR SHAREHOLDERS,

It was surely one of the toughest years in global history. The whole world is faced with an unprecedented public-health crisis, endangering millions of lives. Preventive lockdowns during the latter part of the financial year 2019-2020 have paralyzed most of the industries, for an indefinite period. Since Pakistan was already struggling to overcome the economic setbacks faced over the past decade, this virus is threatening the very survival of many industries in the country.

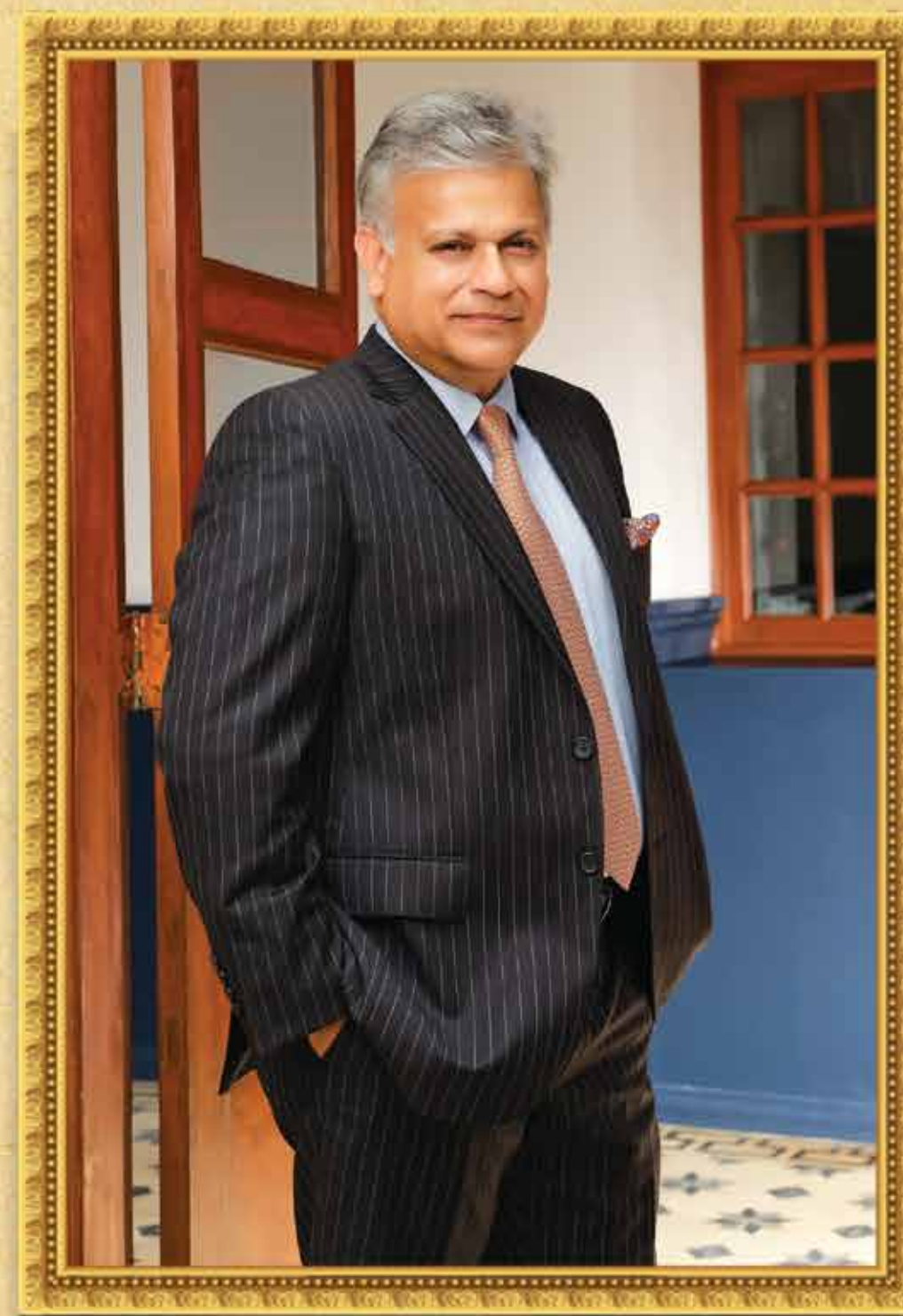
## HANDLING COVID-19 PANDEMIC

Since the beginning of fiscal year 2019-2020, Pakistan's economy presented diverse challenges like market-volatility, rising inflation, tax-reforms, uncertainty in foreign-exchange rates and other financial pressures. However, NFL has been able to achieve growth, while containing the increase in cost of doing business, to keep our prices within the consumers' range of affordability. We cooperate with the government in its efforts for documentation of the economy, with complete transparency and prudence.

Being a leading enterprise in the essential Food industry, product-safety has always been the top priority at NFL. Even before February 2020, when the first coronavirus case was diagnosed in Pakistan, we had proactively ensured strict compliance with precautionary measures and health-advisories from the local authorities and the World Health Organization (WHO). Thus, safeguarding all the consumers and stakeholders. NFL has taken all COVID-safety measures throughout our production facilities and supply-chain, to continue to provide high-quality products. At present, our primary strategy is to ensure hygiene, vigilant health-monitoring, social-distancing and minimum staff-deployment, while maintaining continuity of operations to fulfill our commitments.

This year, our Global Standards at NFL's Port Qasim Plant were certified by the prestigious British Retail Consortium (BRC). It reflects that best-practices and social-development are our hallmark, as we continue to play an active role in overcoming the national challenges.

Despite big challenges, the company has ensured complete job-security to all its employees. There have been no layoffs. In fact, the company has continued to hire for more positions, and has continued to add to its diverse and talented workforce by fully utilizing technology and digital on-boarding and orientations.





PERFORMANCE FOR THE OUTGOING YEAR

The company, by the Grace of Almighty, trust of the consumers and sheer perseverance of the management team once again came through with nothing short of formidable results – even in one of the most challenging years seen of, at least in the last decade:

	Group			Core Business			A1 Bags & Suppliers Inc.		
Amounts in PKR Million	FY20	FY19	Change	FY20	FY19	Change	FY20	FY19	Change
Net sales	28,713	24,254	18%	19,506	16,825	16%	9,208	7,429	24%
Gross profit	8,367	6,984	20%	6,354	5,541	15%	2,013	1,444	39%
Operating profit	2,552	1,872	36%	1,810	1,493	21%	742	379	96%
Net profit after tax	1,473	1,295	14%	1,258	1,185	6%	458	199	130%
% of Net Sales									
GP	29.1%	28.8%	0.3%	32.6%	32.9%	-0.4%	21.9%	19.4%	2.5%
OP	8.9%	7.7%	1.24%	9.3%	8.9%	0.4%	8.1%	5.1%	3.0%
PAT	5.1%	5.3%	-0.2%	6.4%	7.0%	-0.6%	5.0%	2.7%	2.3%
EPS (Rupees)	9.9	8.7	13.8%	8.4	7.9	6.3%			

Operating profit is net of Other income and Other charges  
Group PBT and PAT are adjusted for intercompany dividend and amortization adjustments

CORE (LOCAL & EXPORT BUSINESS)

A strong double-digit top line growth delivered – continued brand investments, trade spend re-channelization & investment in strong commercial team structure is paying off dividends. Not only did the team show agility in responding to statutory, economic and pandemic situations, rather also continued investment behind developing Rural channel, launching innovations in core categories, driving our new category launches of Mayonnaise and Scene On. Second half of the year provided momentum – thanks to the trust imparted by the valuable consumers in the brand to provide them healthy and safe products.

Export business largely benefited from the exchange devaluation and curtailed investments to preserve profitability as the world economic activities shrunk under the pandemic. The company however continued its agenda of optimization of distribution setups and is well on the way to fuel growth in the next year.

Overheads in the light of the pandemic were managed and optimized with no impact on the human resources structure – who proved to be the backbone throughout the situation.

A1 BAGS & SUPPLIERS INC

On behalf of the board, I would like to congratulate the CEO and the Team of A1 Bags & Suppliers on achieving excellent results for FY19-20.

The company has demonstrated great performance in terms of net sales and profitability in spite of the negative impact of COVID-19 on its customer base in the last quarter of the year. Furthermore, the company worked towards implementation of SAP, a new Warehouse Management System and a POS Management System. In fact, this is the first combination of such systems in all of North America.

Moreover, the company inventory and procurement management system coupled with working capital optimization was the driving force in the performance of the company. So once again, my heartiest congratulations on this fine achievement.

NEW CHANNELS OF GROWTH

I am proud to see that our highly committed and dedicated staff have responded to these big challenges very smartly. While keeping the organization secure from this pandemic, they have also achieved the realigned targets. The management has timely adapted innovative processes and technologies for more safety and higher quality in our operations, along with consistent productivity and performance.

NEW PRODUCT CHANNELS

Over the course of the year, we continued to enrich our product-line and services. National Foods has launched Rozana Recipe range this year for making everyday meals flavorful and exciting along with the provision of convenience. The enticing range includes 3 variants namely Mazedaar Daal, Chatkharaydaar Sabzi and Zaiqaydaar Sabzi Gosht. A new image of the National Recipe Mixes has been created, with inspirational media-messages and testimonial-screening of real housewives in the Rozana Recipes programme.

We came up with design innovation for the Recipe Mixes by extending the design over metalized margins to give the products a bigger, cleaner and a more prominent look. To fulfill the consumer wishes of healthy eating, we have introduced the ‘Iodized Pink Himalayan Salt’ which is rich in Trace Minerals. National Salt was also re-launched in a new packaging, along with its Pink-Salt Variant. To gain more visibility, the ‘Scene On’ brand of snacks was launched in the Top 21 Snack-Towns.

BRAND ENHANCEMENT

Seeking technology-driven growth, NFL entered a Joint Business Partnership with Google, to work in areas of Digital Innovation, Building Brand Love and above all, excelling in Consumer Insights! It also makes us the first local company in Pakistan to take such an initiative.

A Consumer-Conversion campaign was also conducted across the UAE, showing some great results in the Export Division. Simultaneously, we are also venturing into emerging markets and exploring more opportunities to export with the changes brought on by COVID-19 and the evolving consumer behavior. Keeping in mind the expansion and more opportunities to target the market, another feather in the cap was added through the availability of our products at Walmart in the USA. We have started with San Jose, California with an aim to cover 180 locations across USA.



The Company has also prepared a case-study on Value Chain Sustainability, in partnership with Pakistan Business Council (PBC). The same was launched this year and was disseminated to all member companies and is available on our website for stakeholders.

### **COST OPTIMIZATION**

NFL embarked on a new journey to adopt the international best-practices that ensure global competitiveness with more Productivity, Quality and Sustainability. In the face of challenging economic conditions, changing business environment and increased competition, we decided to engage a consultant with diverse global experience.

The consultant supported us in redefining our long-term strategy, building an organization capable of sustaining long term growth and optimizing our efficiencies to build a truly world-class organization. This valued collaboration promoted benchmarking against best practices of global companies, investing in strong career progressions and a conducive learning environment, ensuring that we are equipped with the right skill set for the upcoming challenges. The results of this exercise will be visible in FY 20-21.

### **CSR ACTIVITIES**

Gender-diversity and women-empowerment will remain a part of our intrinsic policies, as we encourage the female employees to compete for corporate leadership roles via a mentorship program called Humqadam. NFL has also started work towards remodeling the Daycare Centre at NFL, and I am excited to announce our partnership with Ubuntu Care – a specialist in Early Childhood Development (ECD), who will help us make real-time impact on better development of children not just for NFL employees but from other companies as well.

Family-Friendly policies of NFL were also recognized by UNICEF in November 2019 as we work to identify partners to further our cause. As we introduced the policy of Medical Insurance for Parents, and Paternity Leaves for our employees, we have gotten a step closer to our goal of Family Friendly Policies and better work-life balance. NFL has signed up for the United Nation's Women Empowerment Principles (WEPs), in December 2019, joining the league of member companies to improve our processes.

NFL is also contributing generously to support the government and reputed humanitarian initiatives in distributing food, essential supplies, and PPEs to the most vulnerable segments, including hospitals. A Corona Ration Fund has been established whereby the contributions by employees are being matched by the company. Distribution of ration has been done in Gujranwala with the help of Edhi Foundation and support is provided to Karachi Relief Trust with just over Rs. 5 Million for the development of HDU at Indus Hospital.

### **FUTURE OUTLOOK:**

The global economy going forward has certainly changed and performance in the new era will bring its own challenges. Governments across the world have introduced magnanimous economic revival packages with interest rates around zero to focus on demand creation for businesses to get back on their feet. This however will bring its own challenges on the cost of doing business in the long run.

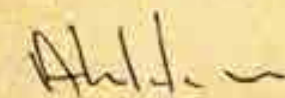
In Pakistan, while the interest rates have come down, they still hover around 6% which is far better than the high figure of 12.5% a year ago. This will certainly impact the demand going forward as we have started to see some industries positively respond. Revival of demand will certainly put cost pressures and push inflation in the longer run as governments will be seeking recovery over a longer period due to the massive incentives given. This however will be the global scenario.

Demand for the CPG industry has held steady during this period and will certainly sustain going forward as well. NFL is working actively to optimize its revenue generating channels and one such channel is e-commerce which has gained a lot of traction in Pakistan during the COVID-19 crises. The company is actively looking at starting this to add to their top line results for the future and will invest heavily on this front.

During this health pandemic the consumers across the world are focusing now on more healthy food products, specially products which boost human immunity and general well-being. The company's Research and Development function is now more focused on developing food products that meet this opportunity and work on innovation that will create better revenues and leadership opportunities.

The company has also transformed its sales structure in the last 3 years after making heavy investments in mapping the organization design to the opportunities prevailing in the market. This is now complete and one of the main reasons of solid performance during the lock down period. Going forward this will help us achieve accelerated results for better returns to our shareholders.

While the future cannot be accurately predicted, however the company has a rich history of producing excellent results during challenging times. I feel that the company stands at an excellent pivot point with all its resources available to capture the new and emerging opportunities from this crisis. NFL now needs a new vision as globally the marketplace has changed. It is important to realize that business will not be as usual. We will actively work on developing a long-term strategy that helps us recognize and prioritize these opportunities. As a company, we look forward to our leaders in the organization who will actively work on the transformation of the company considering the strategic vision that will be developed.



**Abrar Hasan**

Chief Executive Officer



# DIRECTORS' PROFILE



**MR. ABDUL MAJEED**  
Chairman

Mr. Abdul Majeed is Founder, Director and Chairman of National Foods Limited and Associated Textile Consultants (Pvt.) Ltd. He is also the Chairman of Nazaria-e-Pakistan Trust, Sindh – a chapter of its counterpart in Lahore.

Today, in addition to playing a vital role in the establishment of National Foods Limited as leading food company in Pakistan, he is also the Chancellor of Textile Institute of Pakistan and Member of the Board of Governors of National Textile University, Faisalabad.

Mr. Abdul Majeed has served as a member of the Federal Textile Board and the Engineering Development Board, Government of Pakistan.

His experiences have been diverse from the very beginning, adding to the depth of what he offers as a key leader at National Foods Limited. After graduating from the F.C. College, (a Chartered University) Lahore with a B.Sc. in Physics and Mathematics, he was selected by the British Council for Higher Studies in Textile Engineering and completed B.Sc. (Hons.) in Technology from Manchester University in 1959.

He is keenly interested in innovation and is pivotal in leading the R&D team at NFL. His other interests and affiliations range from serving in the Rotary District 3270 in different capacities as well as being active on social forums. He is the Vice President of Alumni Association of F.C. College, Lahore, (A Chartered University).

Mr. Abdul Majeed is a former Board Member of Pakistan Institute of Management, Karachi and the Society for the promotion of Arabic, Karachi.

He is a life member of the Arts Council, Karachi and a professional member of World Future Society, Bethesda, USA, along with being a Member of the International Geosynthetic Society, based in the USA. Mr. Abdul Majeed is a believer in cultural progression and community development.



**MR. ABRAR HASAN**  
Chief Executive Officer  
National Foods Limited (NFL)

Abrar Hasan is the Chief Executive Officer of National Foods Limited (NFL), the leading multi-category food company in Pakistan. He has actively pursued new market opportunities and delivered successful strategies to drive NFL's vision, focusing on continuous innovation, highest standards of quality and superior consumer value. Recognizing the vital role of information technology in business development, Mr. Hasan brought about an IT revolution in the Company by implementing SAP and its other value added modules like SUCESSFACTORS, which have brought about greater operational efficiency. Being a staunch supporter of

Corporate Social Responsibility, he assisted with the launch of the Aagahi Adult Literacy Programme (AALP) within National Foods Ltd. in collaboration with The Citizens Foundation (TCF), which aims to equip under privileged men and women with basic literacy skills.

In 2007, he spearheaded the development of a Sustainability Strategy of the company, which is today guiding all business functions across the board. Focus is laid on the value chain, particularly in the case of red chilies where farmers are given training to improve quality and increase per acre yield of the crop. This has resulted in collaborative work with Pakistan Agricultural Coalition, to institutionalize the supply chain for chilies, ultimately resulting in trading of Red Chilies on the Pakistan Mercantile Exchange (PMEX).

With a strong emphasis on UN SDG number 5 of Gender Equality, Mr. Hasan is an advocate of retaining top talent through Family Friendly Policies by ensuring female staff has options such as on-site Daycare and telecommuting. The business impact of such initiatives is monitored through IFC, a member of the World Bank Group, where a case study was published on National Foods.

As a visionary and marketing leader, Mr. Hasan has addressed audiences of a diverse section of marketing organizations, conferences and seminars, educational institutions, and various publications. He has appeared on several business TV talk shows discussing the business environment and economy in general. He has received numerous accolades, including Marketing Excellence Award 2008 from the Marketing Association of Pakistan (MAP), and the Best Work Place Award 2015. He is member of the Board of Directors of various strategic forums like the Associated Textile Consultants, Cherat Packaging Ltd, Pakistan Business Council, The Heath Foundation and Engro Friesland Campina.

Mr. Hasan currently resides in Karachi, Pakistan, and is a graduate of the Krannert School of Management at the Purdue University in Indiana, USA.





**MR. ZAHID MAJEED**  
Director

Mr. Zahid Majeed joined National Foods Limited in 1987 and pioneered its transformation from a small food enterprise into a leading food brand in Pakistan. Since then he has served in various capacities at NFL from heading the Corporate Marketing function to most recently establishing the International Business subsidiary, National Foods DMCC. He also introduced the concept of sustainability by establishing a Corporate Social Responsibility (CSR) platform at NFL. Mr. Zahid Majeed played a significant role in initiating a Public-Private Partnership with UNICEF to

launch the first Iodized Salt in the mid 1990's under the CSR umbrella along with various other education, health and nutrition initiatives with focused efforts to address women's empowerment.

He is the CEO of Associated Textile Consultants (Pvt.) Limited, the Group's Holding Company, and heads the Textile, Water Sustainability projects and other investments for the group.

Mr. Zahid Majeed studied Philosophy, Politics and Economics at Magdalen College, Oxford University and later acquired a Degree in Textile Technology at University of New South Wales, Australia. Mr. Zahid Majeed is also a certified Director from the Institute of Directors (IoD), London, an International Certification that proves his commitment to the highest standards of Corporate Governance.



**MR. TOWFIQ H. CHINYOY**  
Director

Towfiq H. Chinoy was Managing Director of International Industries Limited (IIL) for 37 years until 2011. He was founding Managing Director of International Steels Limited (ISL) and served for 8 years until 2015.

Towfiq Chinoy is serving as Chairman of ISL's board and as Advisor to IIL. Currently, he is also the non-executive Chairman of Packages Limited a Director of Standard Chartered Bank and of National Foods Limited. He is also a Trustee of the Mohatta Palace Gallery Trust and Habib University Foundation.

Amongst the positions he has previously held are Chairman of the Board of Governors at Indus Valley School of Art & Architecture for two terms, Chairman of Jubilee General Insurance Company Ltd for 23 years, Chairman of Pakistan Cables Ltd for 14 years and Chairman of PICIC Commercial Bank Ltd for 3 years. He has also been a Director of National Refinery Ltd., Linde Pakistan Ltd, Jubilee Life Insurance Co. Ltd and the Pakistan Centre for Philanthropy.

Towfiq Chinoy has also served on the Advisory Boards of the Ministry of Communications, Engineering Development Board and Port Qasim Authority – Government of Pakistan and has been a Vice-Chairman of the Pakistan Business Council.



**MRS. NOREEN HASAN**  
Director

Mrs. Noreen Hasan graduated in 1991 after completing her bachelor's Degree with HONS in "Medieval and Modern World History" from the University of Birmingham, UK during which she was awarded for her dissertation on "The Guatemalan Crisis of 1956 and Anglo-American Relations". Mrs. Hasan's experience is well focused on CSR and philanthropic activities. Her present involvement includes activities for the "Children's Cancer Foundation Pakistan Trust". She has actively organized and raised funds on a continuous basis for the Trust which is now affiliated with the Indus Hospital to increase sustainability and awareness. On a smaller scale, Mrs. Hasan has also been involved in

various other charity groups some of which include financially supporting the Education and Children's Health Organization (ECHO) Foundations in Ghara and sponsoring underprivileged children for a school in Rashidabad.



**MR. EHSAN ALI MALIK**  
Director

Ehsan Ali Malik is the Chief Executive Officer of Pakistan Business Council (PBC), a research-based business advocacy body representing the leading businesses in Pakistan, including 24 multinational companies from 12 countries. PBC's objective is to lobby for the transformation of policies and operating environment to achieve sustainable growth, employment and exports. Prior to joining PBC in January 2016, Ehsan was the Chief Executive Officer of Unilever Pakistan for nine years, a period in which the business quadrupled in size. In a 24 years' career with Unilever, Ehsan served as CEO of Unilever Sri Lanka, led the consolidation of Unilever's regional businesses in Egypt,

Lebanon, Jordan and Syria and spent several years in the head office in the UK. Before joining Unilever in 1991, Ehsan worked for a Pakistani conglomerate with interests in media, pharmaceuticals, hotels, tractor assembly and oil lubricants in partnership with Wyeth Laboratories, Intercontinental Hotel Corporation, Ford and Gulf Oil. Ehsan is Member of the Board of Directors of Abbott Laboratories Pakistan Limited, Gul Ahmed Textiles Limited and International Industries Limited. A fellow of the Institute of Chartered Accountants of England and Wales, Ehsan is alumni of the Wharton and Harvard Business School.





**MRS. SAADIA NAVEED**  
Director

Mrs. Saadia Naveed is the Deputy Managing Director of English Biscuit Manufacturers (Pvt.) Ltd. (EBM). She was also the President of the Management Association of Pakistan (MAP), the first ever female President, from June 2013 till March 2015. Mrs. Saadia Naveed after completing her graduation moved to the field of chartered accountancy and was associated with A.F. Ferguson & Co. for over four years, conducting and supervising audits as a senior in various national and multinational organizations. She joined EBM in the year 2002 and held the challenging position of Director Operations prior to

her appointment as Deputy Managing Director in 2008. Under her leadership, EBM has witnessed exponential growth from sales of 11,000 tons in 2001 to 115,000 tons in 2014. The company has also undergone numerous upgrades and expansions in its production capabilities as well as its technical and human resources. She is a true team leader who works closely with Departmental Heads to further improve organizational systems, processes and policies. It is her contribution and sound knowledge of finance that made EBM a self-sufficient and debt-free organization. As President of MAP she contributed significantly to raise the profile of what is already one of the most acclaimed management organizations in the country. She focused on creating greater awareness of good management practices and promoted the recognition of companies who actively engaged in them. Saadia is a great example of a dynamic leader and an inspiration for Pakistani women aspiring to take leadership roles. In 2012, she received Marketing Excellence and Wonder Women of the Year Award for her contributions to business excellence in Pakistan. Soft-spoken and deeply interested in uplifting the lives of those around her, she is a keen supporter of various philanthropic initiatives in addition to her professional role. She is also an active member of several professional organizations including Pakistan Business Council (PBC), Employers' Federation of Pakistan (EFP), Institute of Directors (IOD) London, National Academy of Performing Arts (NAPA), Korangi Association of Trade and Industry, Karachi Chamber of Commerce and Industry, Arts Council of Pakistan and Chairman, AKUH Cancer Society.

# BOARD COMMITTEES

## AUDIT COMMITTEE

The Committee assists the Board in the effective discharge of its responsibilities for corporate governance and financial reporting. The Audit Committee comprises of four members, one being independent and all others being Non-Executive Directors. The Chairman of the audit committee is an independent Director. The brief terms of reference of the audit committee are as follows:

- Review quarterly, half yearly and annual financial statements of the company prior to their approval by the Board of Directors;
- Review preliminary announcements of results prior to publication;
- Review and approve annual internal audit plan;
- Review the internal auditors' proposed audit scope and approach;
- At least once a year, meeting external auditors without Director Corporate Finance and Internal Auditors;
- At least once a year, meeting Internal Auditors without Director Corporate Finance and External Auditors;
- Recommend the appointment of external auditors to the Board of Directors and consider any questions of resignation or removal of external auditors, if any, audit fees and provision by external auditors of any service in addition to audit of financial statements;
- Review management letter issued by the external auditors and management response thereto;
- Determination of appropriate measures to safeguard the Company's assets;
- Consideration of any other issue or matter as may be assigned to the Committee by the Board of Directors;
- Review company's risk management approach including the identification of Corporate Risks and related mitigation/response plans and compliance reports; and
- Ensure the board is aware of matters that may significantly impact on the financial condition or affairs of the business.

## HUMAN RESOURCE AND REMUNERATION COMMITTEE

The committee consists of three Non-Executive Directors and one Executive Director. The committee is responsible for dealing with matters relating to human resource policies including training, remuneration, performance evaluation and succession planning. The brief terms of reference of the Human Resource and Remuneration Committee are as follows:

- Recommending Human Resources Management policies to the board;
- Recommending to the Board the selection, evaluation, compensation (including retirement benefits) and succession planning of the Chief Executive Officer;
- Sending the selection, evaluation and compensation (including retirement benefits) of Director Corporate Finance, Company Secretary and Head of Internal Audit to the Board for ratification of HRRC's review.