

NORTHERN FOODS CORPORATION (NFC)
Validated 2018 Performance Scorecard

Component				Target	GOCC Submission		GCG Validation		Supporting Documents	Remarks																					
	Objective/Measure	Formula	Wt.	2018	Actual	Rating	Score	Rating																							
CUSTOMERS / STAKEHOLDER / SOCIO-ECONOMIC IMPACT	SO 1	Increased Market Share																													
	SM 1	Percent share of NFC sales to total tomato paste domestic supply	Total NFC sales (CY) divided by the total of NFC sales and non-NFC imports (28/30% grade) +30/32% and 36/38% grade) for the same year	15%	15.18%	22% <u>3,341 mtons</u> 15,536 mtons	15%	21.53% <u>3,341.51 mtons</u> 15,518.21 mtons	15%	<ul style="list-style-type: none">Market Share CY 2018Industry Commodity Experts (ICEs) Report Forms issued by Philippine Chamber of Commerce and Industry (PCCI)Sales Invoice and Delivery Receipts	NFC only supplies tomatoes with 28-30% Brix while the total domestic supply of tomato paste includes those with 28-30%, 30-32% and 36-38% categories.																				
	SO 2	Increase Participation of Farmers																													
	SM 2	No. of hectares devoted to tomatoes by participating farmers	Absolute number	10%	813 has	652 has	8%	651.38 has	8.01%	<ul style="list-style-type: none">Crop 2018 Farmers' Master List																					
	SO 3	Improve Stakeholders' Satisfaction																													
	SM 3	Percentage of Satisfied																													
		a. Customers	Number of respondents which gave at least a Satisfactory rating / Total	5%	90%	90%	5%	100%	5%	<ul style="list-style-type: none">Final 2018 Customer Satisfaction Survey Report	The breakdown for the result is as follows: <table><tr><td></td><td>n</td><td>%</td></tr><tr><td>VS</td><td>5</td><td>33.33%</td></tr><tr><td>S</td><td>10</td><td>66.67%</td></tr><tr><td>N</td><td>0</td><td>0%</td></tr><tr><td>D</td><td>0</td><td>0%</td></tr><tr><td>VD</td><td>0</td><td>0%</td></tr><tr><td>Total</td><td>15</td><td>100%</td></tr></table>			n	%	VS	5	33.33%	S	10	66.67%	N	0	0%	D	0	0%	VD	0	0%	Total
	n	%																													
VS	5	33.33%																													
S	10	66.67%																													
N	0	0%																													
D	0	0%																													
VD	0	0%																													
Total	15	100%																													

Component				Target	GOCC Submission		GCG Validation		Supporting Documents	Remarks																						
Objective/Measure		Formula	Wt.	2018	Actual	Rating	Score	Rating																								
		b. Farmers	number of respondents	5%	90%	90%	5%	89.98%	4.99%	• Research methodology Report • Accomplished Questionnaires	The breakdown of the result is as follows: <table><tr><td></td><td>n</td><td>%</td></tr><tr><td>VS</td><td>184</td><td>37.63%</td></tr><tr><td>S</td><td>256</td><td>52.35%</td></tr><tr><td>N</td><td>41</td><td>0</td></tr><tr><td>D</td><td>7</td><td>0</td></tr><tr><td>VD</td><td>1</td><td>0</td></tr><tr><td>Total</td><td>489</td><td>100%</td></tr></table>		n	%	VS	184	37.63%	S	256	52.35%	N	41	0	D	7	0	VD	1	0	Total	489	100%
		n	%																													
	VS	184	37.63%																													
S	256	52.35%																														
N	41	0																														
D	7	0																														
VD	1	0																														
Total	489	100%																														
Sub-total			35%			33%		33%																								
FINANCE	SO 4 Improve Profitability																															
	SM 4	EBITDA margin	Amount of EBITDA based on the Profit and Loss Statement	15%	₱2.421M	₱2.428M	15%	₱2.260M	14%	• COA-submitted Profit and Loss Statement (annualized using calendar year from fiscal year) • EBITDA schedule	<table><tr><td></td><td>2017</td><td>2018</td></tr><tr><td>Net Sales</td><td>169,959</td><td>176,346</td></tr><tr><td>-CoS</td><td>135,812</td><td>145,601</td></tr><tr><td>Gross Profit</td><td>33,967</td><td>30,745</td></tr><tr><td>Ope Exp*</td><td>22,383</td><td>(21,279)</td></tr><tr><td>Selling Exp*</td><td>6,422</td><td>(7,206)</td></tr><tr><td>EBITDA</td><td>5,162</td><td>2,260</td></tr></table>		2017	2018	Net Sales	169,959	176,346	-CoS	135,812	145,601	Gross Profit	33,967	30,745	Ope Exp*	22,383	(21,279)	Selling Exp*	6,422	(7,206)	EBITDA	5,162	2,260
		2017	2018																													
	Net Sales	169,959	176,346																													
-CoS	135,812	145,601																														
Gross Profit	33,967	30,745																														
Ope Exp*	22,383	(21,279)																														
Selling Exp*	6,422	(7,206)																														
EBITDA	5,162	2,260																														
Sub-total			15%			15%		14%																								
INTERNAL PROCESS	SO 5 Improve Plant Efficiency																															
	SM 5	Conversion rate (fruits-to-paste)	Net fruit processed divided by net paste produced	10%	6.74 <u>28,982 mtons</u> 4,300 mtons	6.86 <u>19,983 mtons</u> 2,912 mtons	9.8%	6.86 <u>19,983 mtons</u> 2,912 mtons	9.82%	• Production Operations Report for 2018 • Daily Production Report	In 2018, NFC's plant processed eleven (11) batch runs.																					

Component				Target	GOCC Submission		GCG Validation		Supporting Documents	Remarks
	Objective/Measure		Formula	Wt.	2018	Actual	Rating	Score		
INTERNAL PROCESS	SM 6	Plant downtime	Plant downtime hours (affecting plant rate) divided by total plant operating hours	10%	3.4% (50.8 hours / 1,494 hours)	2.3% (23.0 hours / 1,021 hours)	10%	2.3% (23.0 hours / 1,021 hours)	10%	<ul style="list-style-type: none">•Plant Processing Rate Matrix•2018 Production Downtime Report•2018 Equipment Downtime Summary <p>Total Plant Operating hours is the sum of processing hours and plant downtime</p> <p>Downtime – 23 hours</p> <p>Total Plant Processing Hours – 998 hours</p>
	SM 7	Product preservation:								
		a. Reprocessing	Tomato paste reprocessed over beginning inventory plus current production	7.5%	0.25% (12.95 mtons)	0.378% <u>14.7 mtons</u> 3,886 mtons	3.66%	0.378% <u>14.7 mtons</u> 3,886 mtons	3.66%	<ul style="list-style-type: none">•Production Operations Daily Report•Permits to Reprocess <p>The largest chunk of reprocessed paste could be traced back to weak sealing and cap failure. It was represented that the equipment used in sealing and capping is dated since NFC's inception, thus the wear and tear.</p>
		b. Spoilage	Tomato paste spoilage over beginning inventory plus current production	7.5%	0.15% (7.75 mtons)	0.378% <u>14.71 mtons</u> 3,886 mtons	0.00%	0.27% <u>10.43 mtons</u> 3,886 mtons	1.58%	<ul style="list-style-type: none">•Product Preservation: Spoilage 2018•Crop 2018 for Disposal Packs <p>Total spoilage excludes delivery to Zenith Corp. of 4.28 metric tons that was untimely returned to NFC after it was opened.</p>
		Sub-total			35%			23.5%	25.06%	

Component				Target	GOCC Submission		GCG Validation		Supporting Documents	Remarks	
	Objective/Measure	Formula	Wt.	2018	Actual	Rating	Score	Rating			
LEARNING AND GROWTH	SO 6	Enhance Competence and Professionalism in the Work Force									
	SM 8	Percentage of personnel with required competencies met	Milestone	2.5%	Improvement from baseline	NFC competency framework for approval by the BOD	0%	Established Baseline (34%)	2.5%	•Competency Assessment Result	26 out of 76 employees met their required competencies.
	SO 7	Maintain Food Safety and Quality Management Certifications									
	SM 9	Certifications:									
		a. ISO 9001 (Quality Mgt System)	Milestone	5%	ISO 9001:2015 certified	Passed Surveillance Audit	5%	Passed Surveillance Audit	5%	•Certification by Certification International	ISO 9001:2015 Certificate issued on 28 May 2018 to expire on 20 May 2019.
		b. ISO 22000 (Food Safety Mgt. System)	Milestone	5%	Passed Surveillance Audit	Passed Surveillance Audit	5%	Passed Surveillance Audit	5%	•Certification by Certification International	The NFC ISO 22000:2005 Certification issued on 19 Sept 2016 is set to expire on 18 Sept 2019.
		c. Halal (Product)	Milestone	2.5%	Passed IDCP yearly Audit	Halal Certified	2.5%	Passed IDCP yearly Audit	2.5%	•Certification by IDCP	Products are lawful for the consumption of Muslims, effective 16 March 2018 until 15 March 2019.
	Sub-total			15%			12.5%		15%		
	TOTAL			100%			84%		87.06%		