



## Natco Foods CSR Statement

For Natco Foods Ltd, contributing positively to sustainable human flourishing in societies across the globe is not just a fortunate side effect of operating a profitable business but is instead the primary purpose of its existence.

Natco's core business is the sourcing, processing and distributing of foodstuffs from around the world to consumers primarily in the UK. We recognise we have responsibilities to stakeholders at each stage of the supply chain, from the farm, through the factory to the kitchen.

Natco also donates very substantial proportions of its profits to charities in order to spread the benefits of its success to people not directly touched by its business operations but nonetheless sharing the same planet and humanity.

### PHILANTHROPY

Since 2011, Natco Foods has donated the majority of its profits to the Human Capability Foundation (HCF), a UK registered charity, and Natco Foods will continue this support indefinitely. The Human Capability Foundation funds organisations in the UK and India that support the rights of vulnerable and marginalised groups. The HCF aims to empower marginalised people to organise collectively to transform inequitable and oppressive power structures to advance social justice and freedom.

For more information, see [www.humancapabilityfoundation.com](http://www.humancapabilityfoundation.com).

Since 2014 Natco has been in partnership with [Find Your Feet](#), a UK charity that works in India, Nepal, Malawi and Zimbabwe on food security and empowerment. Natco has been match-funding the donations raised by Find Your Feet's [Curry For Change](#) fundraising campaign, and in 2017 Natco donated to them a total of £17,000.

### **Future Plans**

- Natco is committed to continuing to donate the majority of profits to charitable causes in 2018 and beyond.
- We plan to involve employees in more discussions around the causes supported by Natco's philanthropic endeavours.
- Natco will seek ways to integrate further the goals of its philanthropy with its core business activities, including leveraging its relationships with suppliers to encourage they adopt CSR policies that actively promote our ethical imperatives.
- We will explore ways of communicating our philanthropic activities to our customers.
- In 2018, Natco will continue to support Find Your Feet's Curry for Change initiative.

### ENVIRONMENT

Natco is committed to maximising the use of solar panels on its sites in order to increase the proportion of renewable energy used and reduce our carbon footprint.

In 2017, Natco completed a 750kW solar installation on our main factory roof in Buckingham. In 2016 Natco completed an installation of a 180kW array of solar panels on its Cash and Carry



roof in Hayes, London. On this site, 75% of our energy consumption in March 2017 was from solar-generated electricity, and we exported another 5% back to the grid.

Natco is implementing Total Waste Management, and recycles waste materials where possible, including all cardboard and plastic shrink-wrap. Very little of our food products are wasted during production, storage or distribution. Waste foodstuffs are used for birdfeed when this is safe.

Better usage of plant capacity, better maintenance of machinery and the installation of energy-saving LED lights have reduced our energy consumption per case sold significantly. Electricity consumption at our main site reduced from 1.06kWh per case sold in 2010 to 0.92kWh in 2012 due to this installation.

We have increased the fuel efficiency of our fleet of delivery vehicles and company cars. All new company cars are now using hybrid technology.

All our imports and exports use sea freight, which is far more energy efficient than air freight.

#### **Future Improvements**

- LED lighting will continue to replace more energy intensive fittings throughout the business.
- Improvements to our compressed air and steam boiler systems will increase energy and water efficiency. Planned recycling of warm air will reduce the amount of gas used to heat the factory.
- We will investigate ways to improve the sustainability of our packaging materials.
- We will investigate ways to work with suppliers to improve the environmental impact of their operations.

#### **CUSTOMERS**

Natco offers a wholesome range well-designed to enable consumers to cook healthy and affordable meals. Our core range of nuts, pulses, spices, flours and whole grains can form the basis of a balanced diet, offering flavour, fibre, complex carbohydrates and vegetable protein, less expensively and more environmentally sustainably than many other food products. Natco's ingredients support a vegetarian and vegan diet, increasingly important in this time of climate change and reducing natural resources.

We have a formal process for dealing with customer queries and complaints, investigating and rectifying where appropriate. Our sales force also brings consumer feedback to the attention of the company management.

The majority of Natco's sales are to independent high street shops. By building long-term, trusting relationships with our customers we are able to offer substantial interest-free credit to hundreds of small businesses, supporting them to be competitive with the major supermarket groups and preserve diversity in the grocery market

#### **Future Improvements**

- We plan to reduce the frequency of customer complaints.



- We aim to make more direct connections with the end consumers of our products in order to understand better their preferences and to spread the love of cooking to a multitude of diverse kitchens.

## **EMPLOYEES**

Natco Foods is committed to equal opportunities and a safe working environment. Internally and externally provided training is tailored to suit individual employees' needs and aspirations. We believe people should be paid fairly for the work they do and so Natco does not participate in government programs that make entitlement to job-seeking benefits dependent on taking unpaid work.

### **Future Improvements**

- Natco aims to convert more agency workers into permanent employees.
- Natco will monitor and aim to improve staff retention rates.
- Natco will monitor and aim to increase the proportion of women in managerial positions.
- Natco will organise staff committees to analyse issues concerning staff retention, job satisfaction, internal communications, skill upgrading, gender equity, equal opportunities and employee diversity. These committees will provide recommendations to the management.

## **SOURCING**

Natco Foods purchases hundreds of agricultural commodities from all over the world. The vast majority of our range consists of natural ingredients with no artificial additives. We vet suppliers on a number of criteria, including traceability and food safety, insisting that no child labour be used in production. Where possible we visit suppliers to inspect facilities ourselves. Suppliers of some of our most important products, such as chilli and turmeric, work directly with small farmers in India, helping them achieve a higher income from their crop by securing a premium for keeping their small farms free of prohibited pesticides. We have also joined the Sustainable Spice Initiative.

Depending on the risk assessment of each category of raw material, batches are tested independently by accredited laboratories prior to shipment to all the relevant microbiological and chemical standards. Further checks are conducted once we receive the material to ensure quality is maintained.

### **Future Improvements**

- We aim to visit more suppliers in person.
- We will review agricultural trade and development research in order to formulate strategies to work with suppliers more proactively to improve the social and environmental impacts of our sourcing.
- We will use our sourcing policies to encourage our suppliers to adopt better CSR policies, including around equal opportunities in the workplace to promote social equity around the world.



## **MANUFACTURING**

Food safety and the health and safety (H&S) of our employees are the twin imperatives that drive our manufacturing systems. Professionally accredited personnel risk-assess our operations to ensure H&S, documenting incidents to ensure we are able continuously to improve standards. Projects to alter existing or initiate new processes are designed with H&S foregrounded from the start, as we believe that H&S is not a burden but in fact helps make work processes more efficient and reliable, as well as more amenable to our employees.

We use HACCP (Hazard and Critical Control Point) principles put into practice by professionally qualified staff to ensure food safety. All employees are trained for Level 2 food hygiene and any new staff are provided training within 3 months of joining. Our manufacturing I.T. systems guarantee forward and backward traceability of our products. Our purpose-built, award-winning factory in Buckingham has been audited independently by the British Retail Consortium's Global Standard for Food Safety, most recently in December 2017 and was again awarded the Grade A status. Additionally, our site is regularly audited by technically demanding, market-leading blue-chip customers.