



Natco Foods Ltd

Code of Conduct for Ethical Trade

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Natco Foods's Code of Conduct for Ethical Trade

1.1. Introduction

Natco Foods Ltd's core business is the sourcing, processing and distributing of foodstuffs from around the world to consumers primarily in the UK. We are committed to supporting the Universal Declaration of Human Rights and improving conditions in our supply chains. We recognise we have responsibilities to stakeholders at each stage of the supply chain, from the farm, through the factory to the kitchen. Our buyers search the world to find new sources of supply to satisfy the needs of our UK customers. About half of our goods are sold under our own brand name for which we lay down detailed technical specifications and monitor product quality and production facilities.

We seek to develop long-term partnerships with suppliers who share our values and who are prepared to commit themselves to our Code of Conduct for Ethical Trade which is consistent with internationally agreed conventions on workers' rights and the Ethical Trading Initiative (ETI) Base Code. Applying the Code to local circumstances takes time and requires sensitivity and understanding. Our desire is to see the Code adopted as a minimum standard and to see suppliers' performance improving continuously. Our Code also includes a declaration of our intention to do business on fair terms, to operate transparently and to support suppliers to work beyond our code.

1.2. Scope

The requirements outlined in this document are in addition to all applicable UK, EU and international legislation and industry best practice. Natco's suppliers must ensure that they meet all requirements laid down in law at the point of manufacture and where they are finally sold to the customer. While the requirements set out below are intended to help you supply products suitable for Natco, they do not absolve you of your responsibility to understand and comply with all the quality, legal and safety requirements for your products.

1.3. Our Principles

Our Ethical Policy aims to maintain and strengthen our position as the UK's leading responsible Supplier of food products and ingredients. Natco Foods Ltd Code of Conduct sets out the standards and our code is based on the Ethical Trading Initiative (ETI) Base Code which branches from international labour and human rights law.

We believe that everyone should be treated with respect and work in a safe environment. We are committed to ensuring good standards among our suppliers and engaging with our suppliers to bring about improvement. We will only work with reputable suppliers and manufacturers who are committed to working towards compliance with the standards set out in the Ethical Trading Code below.

A process of self-evaluation is in place to ensure that all of our suppliers meet acceptable standards and are working towards continuous improvement, and ultimately towards full compliance with the Ethical Trading Code. We endeavour to have independent third party auditing in place for the same in the future. This code is reviewed as required or on an

annual basis and it is the responsibility of the Managing Director to ensure suitable support is available to the businesses and monitor the performance.

1.4. Code of Conduct

1. Employment is freely chosen

- 1.1 There is no forced, bonded or involuntary prison labour.
- 1.2 Workers are not required to lodge "deposits" or their identity papers with their employer and are free to leave their employer after reasonable notice.

2. Freedom of Association and the right To Collective Bargaining are respected

- 2.1 Workers, without distinction, have the right to join or form trade unions of their own choosing and to bargain collectively.
- 2.2 The employer adopts an open attitude towards the activities of trade unions and their organisational activities.
- 2.3 Workers representatives are not discriminated against and have access to carry out their representative functions in the workplace.
- 2.4 Where the right to freedom of association and collective bargaining is restricted under law, the employer facilitates, and does not hinder, the development of parallel means for independent and free association and bargaining.

3. Working Conditions are Safe and Hygienic

- 3.1 A safe and hygienic working environment shall be provided, bearing in mind the prevailing knowledge of the industry and of any specific hazards. Adequate steps shall be taken to prevent accidents and injury to health arising out of, associated with, or occurring in the course of work, by minimising, so far as is reasonably practicable, the causes of hazards inherent in the working environment.
- 3.2. Workers shall receive regular and recorded health and safety training, and such training shall be repeated for new or reassigned workers.
- 3.3 Access to clean toilet facilities and to potable water, and, if appropriate, sanitary facilities for food storage shall be provided.
- 3.4 Accommodation, where provided, shall be clean, safe, and meet the basic needs of the workers.
- 3.5 A member of senior management shall assigned responsibility for health and safety.

4. Child Labour Shall Not Be Used

- 4.1 There shall be no new recruitment of child labour.
- 4.2 Where child labour is found, the employer shall develop or participate in and contribute to policies and programmes which provide for the transition of any child found to be performing child labour to enable her or him to attend and remain in quality education until no longer a child; "child" and "child labour" being defined below.
- 4.3 Children and young persons under 18 shall not be employed at night or in hazardous conditions.
- 4.4 The policies and procedures relating to the employment of children shall conform to the provisions of the relevant ILO standards.

5. Living Wages Are Paid

- 5.1 Wages and benefits paid for a standard working week meet, at a minimum, national legal standard or industry benchmark standards, whichever is higher. In any event

wages should always be enough to meet basic needs and to provide some discretionary income.

- 5.2 All workers shall be provided with written and understandable information about their employment conditions in respect to wages before they enter employment and about the particulars of their wages for the pay period concerned each time that they are paid.
- 5.3 Deductions from wages as a disciplinary measure shall not be permitted nor shall any deductions from wages not provided for by national law be permitted without the expressed permission of the worker concerned. All disciplinary measures should be recorded.

6. Working Hours Are Not Excessive

- 6.1 Working hours comply with national laws and benchmark industry standards, which ever affords greater protection.
- 6.2 In any event, workers shall not on a regular basis be required to work in excess of 48 hours per week and shall be provided with at least one day off for every 7-day period on average.
- 6.3 Overtime shall be voluntary, shall not exceed 12 hours per week, shall not be demanded on a regular basis and shall always be compensated at a premium rate.

7. No Discrimination is Practised

- 7.1 There is no discrimination in hiring, compensation, access to training, promotion, termination or retirement based on race, caste, national origin, religion, age, disability, gender, marital status, sexual orientation, union membership or political affiliation.
- 7.2 The policies of the company should promote equal opportunities, rather than just non-discrimination. Employers should demonstrate policies to remove barriers that directly or indirectly discriminate or hold back women and ethnic, religious or sexual minorities or marginalized groups in the local labour market. The employer should actively cultivate a culture of respect for difference within the workplace and seek to contribute to equal rights within society at large.

8. Regular Employment is provided

- 8.1 To every extent possible work performed must be on the basis of recognised employment relationship established through national law and practice.
- 8.2 Obligations to employees under labour or social security laws and regulations arising from the regular employment relationship shall not be avoided through the use of labour-only contracting, sub- contracting, or home-working arrangements, or through apprenticeship schemes where there is no real intent to impart skills or provide regular employment, nor shall any such obligations be avoided through the excessive use of fixed-term contracts of employment.

9. No Harsh or Inhumane Treatment is allowed

- 9.1 Physical abuse or discipline, the threat of physical abuse, sexual or other harassment and verbal abuse or other forms of intimidation shall be prohibited.
- 9.2 Employers should demonstrate policies for handling allegations of mistreatment in a fair manner. There should be procedures for investigating allegations of sexual misconduct. In India, employers should follow the detailed Supreme Court guidelines

on this. Whistle blowers should be protected so they do not face discrimination after exposing abuses or illegality by their employer or other staff.

10. Entitlement to Work

10.1 Only workers with a legal right to work in the country should be employed.

10.2 For both workers and agency workers, original documents should be reviewed and then returned to workers to verify right to work.

11. Labour agencies

11.1 Labour agencies should only supply workers registered with them

11.2 Relationships with labour agencies should be covered by a Service Level Agreement which meets all national legal requirements

11.3 Labour agencies should be audited on a regular basis to ensure compliance with national requirements

12. Environmental Impact is managed

12.1 Suppliers should measure and where appropriate, seek to reduce the environmental impacts of their business activities. In addition to complying with local laws, steps should be taken to optimise the use of energy and natural resources and reduce the generation of waste.

Definitions:

Child

Child is any person younger than 15 years of age, unless local minimum age law stipulates a higher age for work or mandatory schooling, in which case the higher age shall apply. If however, local minimum age law is set at 14 years of age in accordance with developing country exceptions under ILO Convention No. 138, the lower will apply.

Young person

Any worker over the age of a child as defined above and under the age of 18.

Child Labour

Any work by a child or young person younger than the age(s) specified in the above definitions which does not comply with the provisions of the relevant ILO standards, and any work that is likely to be hazardous or to interfere with the child's or young person's education, or to be harmful to the child's or young person's health or physical, mental, spiritual, moral or social development.

NATCO's Code of Conduct requirements are based on the ETI Base Code and our company values. (www.ethicaltrade.org).