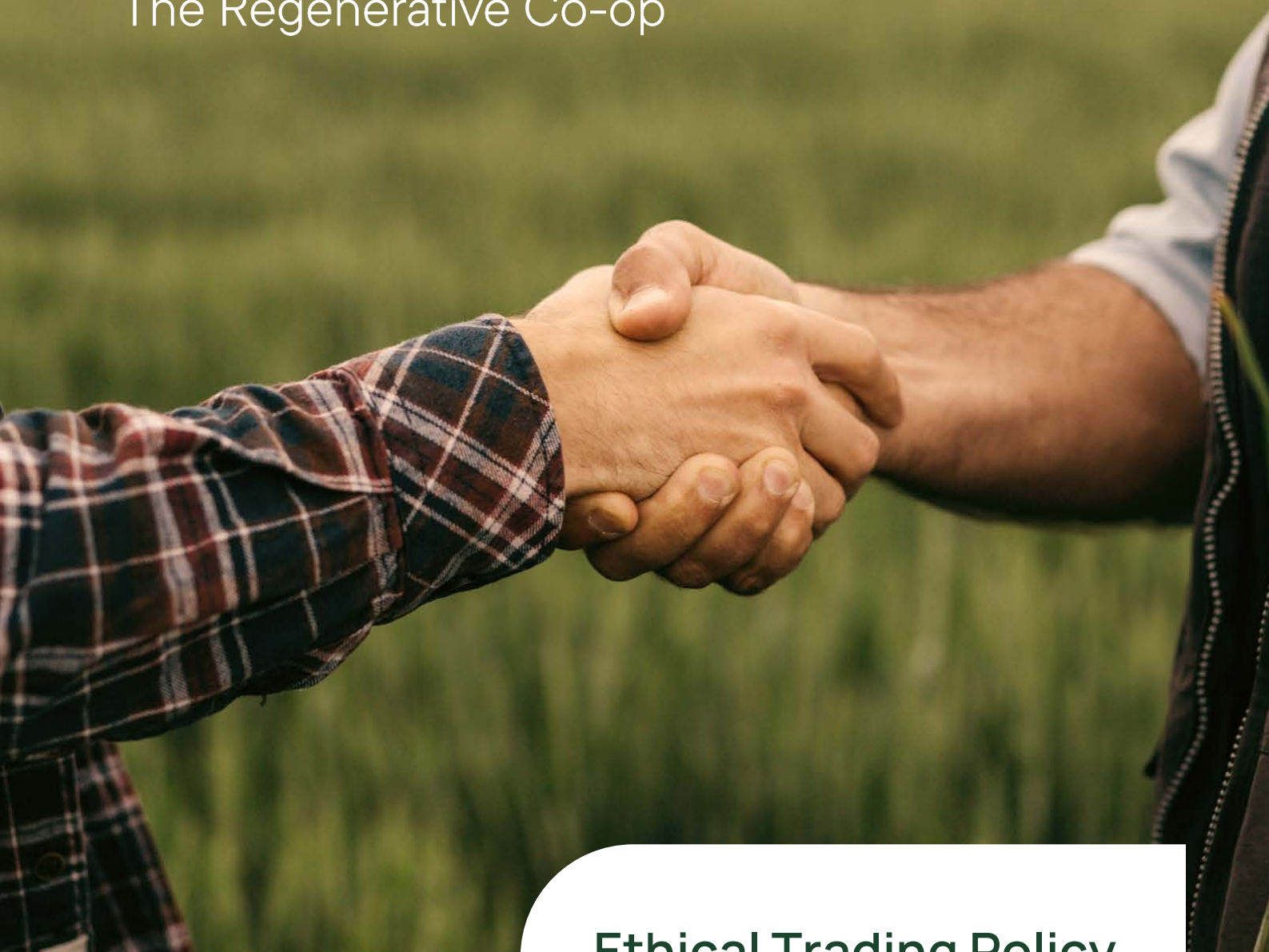


# first milk™



The Regenerative Co-op



## Ethical Trading Policy

### Introduction

First Milk is committed to acting ethically in every aspect of our business. This policy sets out the different ways in which we aim to meet that commitment.

In many cases, ethical behaviour is reinforced by legal requirements, and where appropriate, relevant legislation and other First Milk policies and documents are referenced in this Policy.

## Scope

This Policy covers the following areas:

- People
- Products
- Health & Safety
- Anti-bribery & corruption
- Modern slavery
- Competition
- Privacy
- Sustainability
- Suppliers and partners in First Milk's supply chain

## Approach

### People

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First Milk will treat employees fairly and with respect and will provide a safe and supportive working environment.

We will follow the labour practices set out in the Appendix, which are derived from the Ethical Trading Initiative Base Code (2018 edition), which in turn is based on the conventions of the International Labour Organisation.

We expect our suppliers to ensure working conditions meet or exceed these labour practices. The Head of HR is responsible for setting and implementing policies and practices related to both our own employees and for Labour providers, fixed term contracted employees and sub contracted labour.

### Products

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First Milk will ensure that its products, including ingredients sourced externally, meet or exceed industry standards for food hygiene, integrity and safety and are free from genetically modified ingredients. We will also seek to ensure that our supply chain is safe from the use of pesticides.

First Milk is a registered member of the Supplier Ethical Database Exchange (SEDEX) and will maintain this registration as part of its ethical trading practice.

The Group Technical Director is responsible for setting policies and standards related to food safety and integrity and supplier assurance management.

## Health & Safety

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First Milk is committed to ensuring the health and safety of our employees, contractors, customers and the public by conducting our business in a safe manner.

Reference is made to First Milk's SHE (Safety, Health and Environment) Policy Statement, which sets out how we will achieve this.

The Group Technical Director is responsible for setting policies and standards related to health and safety and environmental performance at First Milk's sites. The Membership Director is responsible for the sourcing of milk in an environmentally sustainable manner.

## Anti-bribery & corruption

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First Milk takes a zero tolerance approach to bribery and corruption. We are committed to complying with the Bribery Act 2010 to prevent and prohibit bribery and corruption in all areas in which we do business, or where business is done on our behalf.

Reference is made to First Milk's Ant-Bribery and Corruption (ABC) Policy.

The company secretary is responsible for the operation of the ABC Policy.

## Modern slavery

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Modern slavery is an abuse of human rights and a crime. First Milk takes a zero tolerance approach to modern slavery and is committed to taking all reasonable steps to ensure that no employee nor anyone else working in our supply chain is being exploited.

Reference is made to First Milk's Modern Slavery Statement.

The company secretary is responsible for the operation of the Modern Slavery Statement.

## Competition

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First Milk is committed to competing fairly and complying with applicable competition laws.

Reference is made to First Milk's Competition Law Compliance Policy and related Guidance.

The company secretary is responsible for the operation of the Competition Law Compliance Policy.

## Privacy

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First Milk is committed to keeping personal information that we hold about anyone whose data we hold safe and secure and to process this information in accordance with data protection laws.

Reference is made to First Milk's Privacy Policy.

The company secretary is responsible for the operation of the Privacy Policy.

## Sustainability

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First Milk is committed to acting sustainably and to engage along our supply chain to protect and enhance the environment while looking after the welfare of animals in our care.

As a co-operative business, we are also committed to building social capital with our members, employees and customers.

We will meet these commitments by undertaking a range of initiatives in the areas of:

- People
- Animals
- Earth

We also operate our First4Milk responsible sourcing programme that contains a range of commitments to be met by 2025. This includes the First4Milk Pledge in which members are asked to make a range of commitments in the areas of animal welfare and the environment.

The membership Director and the Technical Director are responsible for First Milk's sustainability agenda.

Reference is made to:

- First Milk's SHE Policy Statement
- the Sustainability Report in the First Milk Annual Report and Financial Statements 2020

## Suppliers (other than farmer members) and other partners in First Milk's supply chain

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We are committed to operating fair credit payment terms in relation to our suppliers and business partners.

The Chief Operating Officer and the Commercial Director are responsible for ensuring that First Milk meets this commitment.

## Organisation

We will:

- a) Monitor the operation of the initiatives, policies and processes specified in this Policy to identify and address ethical trading issues;
- b) Inform and train employees, to the extent that their role demands it, in relation to the ethical trading the initiatives, policies and processes specified in this Policy, and
- c) Work with our suppliers and business partners in operating ethical working practices and seek to continually improve ethical practices and standards.

## Seeking guidance and raising concerns

All employees are required to avoid any unethical activity. Should employees become aware of any breach of this policy or any of the policies referenced in it, they should do one of the following:

- Inform their line manager;
- Inform the company secretary; or
- Or use the procedures set out in First Milk's Whistleblowing Policy, a copy of which can be found on the intranet.

## Review

The company secretary, in conjunction with the named executives with responsibility for each area of this Policy, will be responsible for reviewing this Policy regularly to ensure that it continues to meet legal requirements and reflects best practice.

## Appendix

### Labour practices

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#### **1. EMPLOYMENT IS FREELY CHOSEN**

- 1.1. First Milk does not operate a regime of forced, bonded or involuntary prison Labour and prohibits its suppliers and Labour providers accordingly.
- 1.2. Staff will not be required to lodge "deposits" or their identity papers with us as their employer and are free to leave employment after a reasonable notice period.
- 1.3. Companies who help provide labour to work within our business will be required to abide by our policies regarding freedom of employment.

#### **2. FREEDOM OF ASSOCIATION AND THE RIGHT TO COLLECTIVE BARGAINING**

- 2.1. First Milk employees, without distinction, have the right to join trade unions of their own choosing
- 2.2. The company adopts an open attitude towards the activities of trade unions and their organisational activities.
- 2.3. Employees' representatives are not discriminated against and have access to carry out their representatives functions in the workplace.

#### **3. WORKING CONDITIONS**

- 3.1. We are committed to providing a safe and hygienic working environment and shall take all necessary steps 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 in the working environment.
- 3.2. Staff shall receive regular and ongoing, recorded health and safety training.
- 3.3. First Milk will provide access to clean toilet facilities, potable water, and, where appropriate, sanitary facilities for food storage
- 3.4. First Milk, in seeking to meet its obligations, has assigned responsibility for health and safety to a senior management representative.

#### **4. CHILD LABOUR**

- 4.1. First Milk prohibits the recruitment of child labour within the company and its suppliers
- 4.2. Children and young persons under 18 are prohibited from employment at night or in hazardous conditions.

## 5. REMUNERATION

- 5.1. First Milk's staff pay rate will comply with minimum national legal standards or industry benchmark standards, and we are committed to ensuring that staff employed through Labour provider agreements also are paid the minimum national legal standard.
- 5.2. All First Milk staff, including staff employed through Labour provider agreements, 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. First Milk prohibits deductions from wages as a disciplinary measure and does not permit any deductions from wages not provided for by national law be permitted without the expressed permission of the worker concerned.
- 5.4. Sub contracting and fixed term contracts are not used as a method of avoiding obligations under labour or social security laws

## 6. WORKING HOURS

- 6.1. Working hours must comply with national laws, collective agreements and the provisions of 6.2 to 6.6 below, whichever affords the greater protection for workers.
- 6.2. Working hours, excluding overtime, shall be defined by contract and
- 6.3. All overtime shall be voluntary. Overtime shall be used responsibly, taking into account all the following: the extent, frequency and hours worked by individual workers and the workplace as a whole. It shall not be used to replace regular employment. Overtime shall always be compensated at a premium rate.
- 6.4. The total hours worked in any seven day period shall not exceed 60 hours, except where covered by clause 6.5 below.
- 6.5. Working hours may exceed 60 hours in any seven day period only in exceptional circumstances where all of the following are met:
  - This is allowed by national law;
  - This is allowed by a collective agreement freely negotiated with a workers' organisation representing a significant portion of the workforce;
  - Appropriate safeguards are taken to protect the workers' health and safety; and
  - The employer can demonstrate that exceptional circumstances apply such as unexpected production peaks, accidents or emergencies.
- 6.6 Workers shall be provided with at least one day off in every seven day period or, where allowed by national law, two days off in every 14 day period.

## 7. DISCRIMINATION

- 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.

## 8. **REGULAR EMPLOYMENT**

- 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. **HARSH OR INHUMANE TREATMENT**

- 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