



DISCLOSURE MATERIALS

Certified B Corporations must complete a Disclosure Questionnaire to identify potentially sensitive issues related to the company (e.g. historical fines, sanctions, material litigation, or sensitive industry practices).

This component does not affect the company's score on the B Impact Assessment. If the company answers affirmatively to any items in the Disclosure Questionnaire and B Lab deems them to be material, the company must:

- 1) Be transparent about the disclosure issues identified on the company's public B Impact Report
- 2) Describe how the company has addressed this issue.
- 3) Demonstrate that management systems are in place to avoid similar issues from arising in the future.

In all cases, the Standards Advisory council reserves the right to refuse certification if the company is ultimately deemed not to uphold the spirit of the community.

In addition to the voluntary indication of sensitive issues in the Disclosure Questionnaire, companies pursuing Certification also are subject to background checks by B Lab staff. Background checks include a review of public records, news sources, and search engines for company names, brands, executives/founders, and other relevant topics.

Sensitive issues identified through background checks may or may not be within the scope of questions in the Disclosure Questionnaire, but undergo the same review process and are subject to the same possible review by the Standards Advisory Council, including ineligibility for B Corp Certification, required remediation, or disclosure.

This document contains a copy of the company's completed Disclosure Questionnaire and related disclosure documentation provided by the company.



DISCLOSURE QUESTIONNAIRE

Company Name: First Milk
Date Submitted: 07/12/2022

| Industries & Products | Yes | No |
|---|-----|----|
| Please indicate if the company is involved in production of or trade in any the following. Select Yes for all options that apply. | | |
| Animal Products or Services | √ | |
| Biodiversity Impacts | √ | |
| Chemicals | | √ |
| Company Explanation Of Disclosure Item Flags | | √ |
| Disclosure Alcohol | | √ |
| Disclosure Firearms Weapons | | √ |
| Disclosure Mining | | √ |
| Disclosure Pornography | | √ |
| Disclosure Tobacco | | √ |
| Energy and Emissions Intensive Industries | √ | |
| Fossil fuels | | √ |
| Gambling | | √ |
| Genetically Modified Organisms | | √ |
| Illegal Products or Subject to Phase Out | | √ |
| Industries at Risk of Human Rights Violations | | √ |
| Monoculture Agriculture | √ | |
| Nuclear Power or Hazardous Materials | | √ |
| Payday, Short Term, or High Interest Lending | | √ |
| Water Intensive Industries | √ | |
| Tax Advisory Services | | √ |

| Supply Chain Disclosures | Yes | No |
|---|-----|----|
| Please indicate if any of the following statements are true regarding your company's significant suppliers. | | |
| Business in Conflict Zones | | √ |
| Child or Forced Labor | | √ |
| Negative Environmental Impact | | √ |
| Negative Social Impact | | √ |
| Other | | √ |

| Outcomes & Penalties | True | False |
|---|------|-------|
| Please indicate if the company has had any formal complaint to a regulatory agency or been assessed any fine or sanction in the past five years for any of the following practices or policies. Check all that apply. | | |
| Anti-Competitive Behavior | | √ |
| Breaches of Confidential Information | | √ |
| Bribery, Fraud, or Corruption | | √ |
| Company Explanation Of Disclosure Item Flags | | √ |
| Company has filed for bankruptcy | | √ |
| Consumer Protection | | √ |
| Financial Reporting, Taxes, Investments, or Loans | | √ |
| Hazardous Discharges Into Air/Land/Water (Past 5 Yrs) | √ | |
| Labor Issues | | √ |
| Large Scale Land Conversion, Acquisition, or Relocation | | √ |
| Litigation or Arbitration | | √ |
| On-Site Fatality | | √ |
| Penalties Assessed For Environmental Issues | | √ |
| Political Contributions or International Affairs | | √ |
| Recalls | | √ |
| Significant Layoffs | | √ |
| Violation of Indigenous Peoples Rights | | √ |
| Other | | √ |

| Practices | True | False |
|--|------|-------|
| Please indicate if the following statements are true regarding whether or not the company engages in the following practices. Check all that apply. If the statement is true, select "Yes." If false, select "No." | | |
| Animal Testing | | √ |
| Company/Suppliers Employ Under Age 15 (Or Other ILO Minimum Age) | | √ |
| Company Explanation Of Disclosure Item Flags | | √ |
| Company prohibits freedom of association/collective bargaining | | √ |
| Company workers are prisoners | | √ |
| Conduct Business in Conflict Zones | | √ |
| Confirmation of Right to Work | | √ |
| Does not transparently report corporate financials to government | | √ |
| Employs Individuals on Zero-Hour Contracts | | √ |
| Facilities located in sensitive ecosystems | | √ |
| ID Cards Withheld or Penalties for Resignation | | √ |
| No formal Registration Under Domestic Regulations | | √ |
| No signed employment contracts for all workers | | √ |
| Overtime For Hourly Workers Is Compulsory | | √ |
| Payslips not provided to show wage calculation and deductions | | √ |
| Sale of Data | | √ |
| Tax Reduction Through Corporate Shells | | √ |
| Workers cannot leave site during non-working hours | | √ |
| Workers not Provided Clean Drinking Water or Toilets | | √ |
| Workers paid below minimum wage | | √ |
| Workers Under Bond | | √ |
| Other | | √ |



B Corp Certification - Disclosure Questionnaire Documentation

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First Milk

UPDATED AS OF:

07/12/2022

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| DISCLOSURE QUESTIONNAIRE CATEGORY | Animal Products and Services |
| TOPIC | Company operates an animal farm and has direct control over the treatment of animals in its care. |
| SUMMARY OF ISSUE | First Milk is a co-operative whose member farms produce milk on a grass based system. The farms are family owned with an average of just 170 cows per herd. The farms are extensive with an average of 370 acres per farm |
| SIZE/SCOPE OF ISSUE (e.g. \$ financial implication, # of individuals affected) | 170 cows per farm across 370 acres (2.17 acres per cow) |
| IMPACT ON STAKEHOLDERS | First Milk introduced a Pledge in 2020 which included a commitment to allow all cows to have pasture access for a minimum of 120 days per year. We record and monitor welfare outcomes that includes data on lameness, body condition score, hair loss and lesions and also cow cleanliness. |
| IMPLEMENTED MGT PRACTICES | <p>"95% of First Milk members have signed our Pledge which commits to 120 days of pasture access for all cows, that an annual Animal Health and Welfare plan is in place (co-developed with the farmer's vet), that no euthanasia is carried out on farm of healthy animals and that antibiotic purchase data is shared directly from the farm's vet. First Milk has a lower somatic cell count than national GB average (142,000/ml v 162,000/ml).(Somatic Cell counts are a measure of infection in the cows udder).</p> <p>In 2022 we introduced every collection testing of milk, which provides members with additional information about somatic cell counts, helping them more rapidly target mastitis issues. This delivers improved milk quality and faster identification and treatment of any underlying infections in the herd. We also worked with National Milk Records to trial and launch innovative new 'Genocells' technology , this uses genomic data from cows to enable bulk milk testing for somatic cell count to be conducted but individual cows to be identified, enabling more rapid identification and treatment of infection and providing an opportunity to reduce antibiotic use further through targeted selective dry cow therapy. We have also continued as a project partner in an Innovate UK project along with Scotland's Rural University College and the University of Strathclyde to identify the best cow sensor technology to use to deliver a verifiable automated health and welfare index on farm. 26 farms have participated in this project, with sensors measuring positive welfare outcomes such as rumination and lying times, in combination with Qualitative Behavioural Assessment to tie such automated measures to indicators of animal welfare."</p> |



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| DISCLOSURE QUESTIONNAIRE CATEGORY | Environmentally Intensive Industries |
| TOPIC | Biodiversity Impact/Monoculture |
| SUMMARY OF ISSUE | As a dairy company, First Milk Limited operates in an industry in which biodiversity impact is a material environmental issue. |
| SIZE/SCOPE OF ISSUE (e.g. \$ financial implication, # of individuals affected) | Approximately 100% of the company's revenue comes directly from dairy industry. 64% of the company's supplier expenses are with animal farms. |
| IMPACT ON STAKEHOLDERS | Animal agriculture poses a risk to local ecosystems of flora and fauna as well as the potential degradation of farmed land. |
| IMPLEMENTED MGT PRACTICES | First Milk Limited launched in 2022 their regenerative farming programme. To assist their suppliers, they have developed a mapping tool to enable suppliers to record cropping and regenerative actions data. This programme sees each supplier complete a field-level plan for their farm, including crop type for each field and the regenerative interventions that they intend to complete. This data allows First Milk Limited to monitor progress and establish improvement goals. The company claims to encourage suppliers to consider the five principles of regenerative farming when managing their land, being them: Livestock integration, minimization of soil disturbance, protection of soil surface, encouragement of plant diversity and maintainance of living roots. |
| REPORT | 2022 Sustainability Report |

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| DISCLOSURE QUESTIONNAIRE CATEGORY | Environmentally Intensive Industries |
| TOPIC | Water Intensive Industries |
| SUMMARY OF ISSUE | As a dairy company, Milk First Limited operates in an industry that is water intensive. Water intensive processes are used to meet hygiene standards that are required for food safety, and the need for routine, regular, effective cleaning processes. The industry is also dependent on animal farms, which are also considered a water intensive industry. |
| SIZE/SCOPE OF ISSUE (e.g. \$ financial implication, # of individuals affected) | <p>Approximately 100% of the company's revenue comes directly from dairy industry.</p> <p>64% of the company's supplier expenses are with animal farms.</p> <p>At the company's processing sites, the water consumption for the fiscal year of 2022 was of 0.95 m3 per tonne of milk produced.</p> |
| IMPACT ON STAKEHOLDERS | <p>As a water intensive industry, animal agriculture and food manufacturing poses risks such as water stress or depletion of local water sources if water use is not appropriately managed.</p> <p>The company uses water from three sources - public mains supply, borehole and water recovered from production processes utilising membrane technology (i.e. water that was originally a constituent part of the incoming raw material milk). The company claims that neither of their creamery's are located in areas of water stress.</p> |
| IMPLEMENTED MGT PRACTICES | <p>The company has 2 main approaches to minimising water consumption and the impact of water use:</p> <p>Optimisation of cleaning - the majority of cleaning is completed through "Cleaning In Place" (CIP) systems, enabling the recovery and reuse of water and detergents to reduce consumption. CIP systems are also routinely reviewed to optimise and where feasible reduce rinse times (without compromising cleaning/hygiene standards) to reduce the amount of water used in the process.</p> <p>Water recovery - a significant proportion of the water that is a constituent part of the incoming raw material milk ends up in the by product of the cheese process - whey. Whey is further processed to generate whey concentrate and whey protein powders. A significant stage of the concentration process involves removal of water through the use of membranes. By increasing the scale and improving the quality of the membrane processes, a significant quantity of water can be recovered at a quality suitable for use, directly substituting mains or borehole water. This has been increased continually at both creameries in recent years, with a total of 30% of water consumed in the business in FY22 coming from this recovered source (enabling a 30% reduction in mains or borehole water that would otherwise have been required for process and cleaning).</p> |



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| DISCLOSURE QUESTIONNAIRE CATEGORY | Environmentally Intensive Industries Cont |
| TOPIC | Water Intensive Industries Cont. |
| MANAGEMENT COMMENTS | <p>"First Milk's farms are located in high rainfall areas and therefore do not use irrigate land to produce food for their cows. Therefore the production of milk is supported by green water (rainfall) and only 8 litres of drinking water is used to produce 1 litre of milk. This is drinking water for cows and for cleaning plant and equipment in the parlour and dairy. By comparison 158 litres of water is used to produce 1 litre of almond milk.</p> <p>First Milk has a target to increase annual CO2e sequestration by 100,000 tonnes pa by 2025. The carbon stock per hectare is 104 T C/ha (382 T CO2e/ha). Therefore across the 101,724 hectares the carbon stock is 38,858,568 T CO2e and achieving the 100,000 T CO2e would equate to an increase of 0.26% of Soil carbon. This target translates to 0.44% increase in Soil Organic Matter which in turn would mean an increase in water holding capacity of 155,000 litres/ha.</p> <p>Andy Neal at Rothamsted Research states that for a silty-clay loam 'every 1% increase in soil organic carbon equates to a water holding capacity increase of 354,000 litres a hectare to a depth of 30cm'. https://www.nfuonline.com/updates-and-information/soil-organic-matter-and-increased-water-holding-capacity/"</p> |



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| DISCLOSURE QUESTIONNAIRE CATEGORY | Environmentally Intensive Industries |
| TOPIC | Energy and Emissions Intensive Industries |
| SUMMARY OF ISSUE | As a dairy company, First Milk Limited operates in an industry in which energy and carbon emissions is a material environmental issue. Cheese/dairy processing is an energy intensive industry. The energy intensity comes from the need to heat and cool large quantities of ingredients and processes in the manufacture of cheese and other dairy products. |
| SIZE/SCOPE OF ISSUE (e.g. \$ financial implication, # of individuals affected) | 100% of the company's revenue comes directly from dairy industry. 64% of the company's supplier expenses are with animal farms. Total Scope 1, 2 and 3 GHG emissions in FY22 was 869,089 tonnes CO2. |
| IMPACT ON STAKEHOLDERS | Animal agriculture is a major contributor to global carbon emissions. |
| IMPLEMENTED MGT PRACTICES | <p>We have a commitment to net zero carbon emissions by 2040 at the latest, with a target to reduce carbon footprint at farm level by 50% by 2030 and achieve net zero in milk transport and processing by 2035.</p> <ul style="list-style-type: none"> • A target to sequester 100,000 tonnes of CO2 per annum on members' farms by 2025. • A target to increase milk from forage by 10 per cent by 2025 to reduce members' reliance on imported feeds. • The aim for all transport and processing activity to be using renewable fuel sources by 2030. • The intention to reduce antibiotic use by a further 10 per cent by 2025 |
| MANAGEMENT COMMENTS | We have been measuring energy efficiency since 2008 and have seen constant improvements. These have come about through consistent investments throughout the years in technology such as installing combined heat and power plants, improving insulation, reducing waste and building an anaerobic digestion plant to turn the waste output into energy. We report on these measures in our annual accounts and the carbon reporting is independently assessed by SLR consulting. |



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| DISCLOSURE QUESTIONNAIRE CATEGORY | Hazardous Discharges Into Air/Land/Water |
| ISSUE DATE | August and September, 2021 |
| TOPIC | Accidental discharge of washwater from production facilities |
| SUMMARY OF ISSUE | <p>First Milk Limited experienced an accidental discharge of washwater. The main effluent pipe connecting the creamery to the effluent treatment plant suffered a leakage underground. Untreated effluent (washwater) from the creamery passed through the ground from the damaged pipe and into the nearby brook.</p> <p>A month after the first incident, a similar discharge was detected and traced to creamery drains.</p> |
| SIZE/SCOPE OF ISSUE (e.g. \$ financial implication, # of individuals affected) | The cause was a damaged effluent pipe, so a small proportion of the site effluent would have been leaking into the ground, it is difficult to be accurate but we estimate less than 5% of the effluent volume per day at the time of the incidents. The root cause was identified within 24 hours and the discharge stopped. Further investigation identified a second small leak from some damaged drains again this repair was actioned within hours of it being identified. |
| IMPACT ON STAKEHOLDERS | Both discharges had potential for environmental impact. Investigations are still being conducted by Natural Resource Wales. |
| RESOLUTION | Investigations are ongoing. |
| IMPLEMENTED MGT PRACTICES | First Milk Limited claims to two cases were investigated and any damaged drainage identified in their investigation was repaired immediately. The company is also committed to conduct CCTV surveys of drains at regular intervals (~3 years) and repair any irregularities identified. Periodic inspections of the brook have also been introduced. |