

8. Environmental, Social & Governance (ESG)

8.10: FIRST GRADE INTERNATIONAL LIMITED: MODERN SLAVERY STATEMENT FOR FINANCIAL YEAR ENDED (2025) ISSUED PURSUANT TO SECTION 54 OF THE MODERN SLAVERY ACT 2015.

£ 88.4 million revenue in 2025	48 FTE employees in the UK	46 supplying sites	600+ customers supplied by us
Bulk Ingredients	301 Products sourced / supplied	16 sourcing countries	Retail Products

OUR BUSINESS, STRUCTURE AND SUPPLY CHAINS

It is required under the Modern Slavery Act (2015) that businesses state the actions they have taken during the financial year to ensure that modern slavery is not taking place in both their operations and supply chains. Here at First Grade International Ltd. we see slavery, forced labour and human trafficking as fundamentally unacceptable within our business. As a company we firmly support the movement for transparency and collaboration from businesses to eliminate this risk.

This statement reports the steps and actions taken during the financial year ending 31/12/2025.

First Grade International Ltd. was established in 2002 as a sales and marketing operation dedicated to the supply of high-quality food ingredients to UK and internationally based companies. FGI is owned by a Malaysian family but is directly managed by a UK General Manager, supported by a multi-discipline Senior Management Team. FGI is an agent/broker of dried fruits, unroasted nuts, vegetables, canned fruits, coconut-based ingredients, cocoa and chocolate related products, including arranging third party services including storage, distribution, repacking, export and importation. Subsequently the business has expanded to include a consumer-focused brand Koko, which manufactures and sells coconut based ‘free from’ products both in the UK, EU and internationally; and Free’d, which manufactures and sells dairy free alternative Barista milk products also in the UK, EU and Internationally.

FGI sources directly from 16 countries which are: Australia, Belgium, Chile, Germany, Greece, Indonesia, Republic of Ireland, Malaysia, Mexico, Philippines, South Africa, Spain, Sri Lanka, Turkey, United Kingdom and United States of America. In addition, FGI sources indirectly from an additional 16 countries which are: Afghanistan, Cameroon, Chile, Congo, Cote d’Ivoire, Ecuador, Equatorial Guinea, Ghana, Nigeria, Pakistan, Peru, Sierra Leone, Tajikistan, Tanzania, Uganda, Uzbekistan.

First Grade International Ltd.’s supply chain is both complex and extensive and is broadly divided into two main streams, one for bulk industrial products and the other for Koko/Free’d branded retail products. Our suppliers provide both raw materials and finished goods for manufacturing across our core product areas, which include supplying; coconut products, dried fruit, oil, nuts, chocolate, and cocoa powder as well as providing contracted manufacturing services for the supply of Koko/Free’d branded products. All areas of our supply chain are carefully monitored and audited by trained staff to make sure that the legislative requirements of both UK, EU and International Law are being met. See below for further details on our due diligence processes and risk assessments.

On 12th January 2021 the UK Government announced business measures that were to be put in place over Xinjiang human rights abuses. With this announcement First Grade International re-assessed their supply chain operators to ensure that materials, components, and sub-components used in our products were not sourced from Xinjiang province or other regions of China. In addition, FGI maintains a restricted sourcing list that is populated with any/all countries that specific customers do not source from, this list includes any country that is sanctioned by the UK/EU governments. This list is routinely reviewed and updated with any new announcements or customer policies. With this assessment it was found that there were no reported breaches of the Modern Slavery Act 2015 within First Grade International Ltd supply chain in 2025.

OUR POLICIES

First Grade International Ltd.’s Ethical Trade Policy: Key Principles

- Legal and Ethical Compliance
 - Suppliers must comply with all applicable labour, human rights, environmental and business laws, and align with internationally recognised standards including ILO conventions and the ETI Base Code.
- Freely Chosen Employment

Doc Ref. ESG 8.10	Version No. 1.0	1 st Issue Date: 23/01/2026
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- All work must be voluntary. Forced, bonded or involuntary labour is prohibited, and workers must not pay fees for employment or have identity documents retained.
- Fair Pay and Working Hours
 - Wages must meet at least legal minimums and working hours must comply with national law, with overtime voluntary and fairly compensated.
- Safe, Healthy and Respectful Workplaces
 - Suppliers must provide safe, clean and hygienic working conditions and ensure workers are treated with dignity, without harassment, abuse or discrimination.
- No Child Labour
 - Employment of underage workers is prohibited. Where child labour is identified, suppliers must cooperate on remediation and prevention measures.
- Freedom of Association
 - Workers have the right to form or join trade unions and to bargain collectively without interference or retaliation.
- Responsible Recruitment
 - Recruitment must be transparent and ethical, with workers fully informed of terms of employment in a language they understand and no use of deceptive or coercive practices.
- Environmental Responsibility
 - Suppliers should comply with environmental laws and take steps to reduce environmental impacts and protect local communities and ecosystems.
- Ethical Business Conduct
 - Corruption, bribery and extortion are prohibited. Suppliers must conduct business with integrity and transparency.
- Monitoring, Transparency and Continuous Improvement
 - Suppliers are expected to engage with SEDEX, complete self-assessments, participate in audits where required, and work collaboratively with FGI to address any non-compliances.
- Effective Grievance Mechanisms
 - Workers must have access to safe, confidential ways to raise concerns without fear of retaliation, and suppliers should support worker voice and dialogue.

First Grade International Ltd.’s Human Rights Statement Summary:

- First Grade International Ltd (FGI) commits to respecting internationally recognised human rights and environmental sustainability, including UN, ILO and the right to a clean, healthy and sustainable environment.
- FGI undertakes human rights and environmental due diligence (HREDD) across its operations and supply chains to avoid, prevent and mitigate adverse impacts.
- Key commitments include prohibiting forced labour, child labour and human trafficking; ensuring non-discrimination; supporting freedom of association; and promoting safe and respectful working conditions.
- Employees, suppliers and partners are expected to uphold these standards, supported by policies, training, grievance mechanisms and Fairtrade certification.
- FGI commits to collaboration with suppliers, social dialogue with workers, and progressing towards living incomes and wages within its supply chains.
- The commitment is overseen by the ESG Lead, communicated internally and externally, reviewed annually, and viewed as essential to long-term business resilience.

First Grade International Ltd.’s Child Labour & Remediation Policy Summary:

- FGI prohibits all child labour and follows ILO and UN human-rights standards.
- Suppliers must prevent, identify and remediate any child-labour risks.
- If child labour is found, the child is immediately removed safely and supported back into education or training.
- Suppliers must complete corrective actions, or FGI may terminate the relationship.
- FGI conducts due diligence, audits, training and maintains confidential reporting channels.

First Grade International Ltd.’s Recruitment Policy Summary:

- As a company we will endeavour, through appropriate training, to ensure that employees making selection and recruitment decisions will not discriminate, whether consciously or unconsciously. Job descriptions, where

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used, will be in line with the equal opportunities policies, with all new employees being subject to pre-employment checks to confirm their identity and right to work in the UK.

First Grade International Ltd.'s Terms and Conditions of Purchase Summary:

- We are committed to ensuring that all our suppliers adhere to the highest standard of ethics. Therefore, our suppliers are required to demonstrate that they provide safe working conditions, act ethically and within the law in their use of labour and treat workers with dignity and respect.
- Failure to comply with the Modern Slavery Act (2015) will result in the termination of the business relationship.

DUE DILIGENCE PROCESSES

First Grade International Ltd.'s contracted production sites are strongly encouraged by our company policy to be active members of SEDEX and to undertake an independent third-party ethical audit, (with SMETA being FGI's preferred route) in order to build trust and transparency throughout the supply chain. At the end of 2025 91% of our supply base were members of SEDEX with 31 supplying sites participating in SMETA 2 or 4 pillar audits. FGI works with suppliers in a collaborative manner to assist with closing out any non-conformances that are raised during audits.

In order to set an example to our suppliers First Grade International Ltd will be participating in a 2 pillar SMETA Audit by Q4 of 2026. Our suppliers are required to read and sign our 'Supplier Code of Practice' so that they understand what is required and expected of someone who is associated with First Grade International Ltd.

STEPS TO ASSESS AND MANAGE RISKS

All new and existing suppliers are risk assessed both for food safety and ethical risks at minimum annually but also following any updates to audits, changes at site, issues raised etc. For ethical risk assessment, FGI uses the SEDEX tools available including the country and sector risk assessment to determine the greatest risks across our supply chain. The highest direct sourcing risks come from sourcing from Indonesia as it scores high on almost all data points using the SEDEX risk assessment. To mitigate these risks, suppliers in Indonesia must be members of SEDEX and undertake SMETA audits at a minimum of every 3 years, however this is regularly every 2 years to meet customer requirements. Indonesia sites are also visited/audited by FGI regularly with all areas of a factory inspected and documentation reviewed. Whilst this is only a snapshot of the site and how it is operating, FGI has long standing relationships with these suppliers and is able to utilise its influence to develop standards and ensure they are maintained.

Turkey has been identified as a significant risk for modern slavery/child labour due to the high cost of living/high inflationary pressures. Due to this, FGI has been engaged with our supplier present within Turkey on a project of educating/upskilling farmers and labour contractors on their obligations towards pickers, wage requirements, PPE supply and ensuring any child workers are identified and remediation actions put in place immediately. This project has been led by the Fair Labour Association, however their sponsorship of this is due to end in 2026 and FGI will be setting up our own monitoring programme to ensure that the measures put in place from this project are maintained.

Where FGI is sourcing indirectly from high risk countries, our sourcing/contractor partners are required to perform due diligence on these sites/sources and ensure that FGI is not at risk through indirect ethical/modern slavery breaches. Where FGI can visit these indirect sources this is done so with on the ground visits and audits from both the technical and purchasing teams. Where FGI cannot visit these indirect sources due to travel restrictions/Foreign, Commonwealth & Development Office advice not to travel, our sourcing/contracted partners must visit/audit these sites to determine any risks and put in place mitigation measures. Currently FGI does not require indirect sourcing sites to be members of SEDEX, however this is in the process of being reviewed and is subject to change.

We are aware that the threat and the risk of modern slavery is extremely dynamic and can evolve quickly throughout the supply chain. As a result, we are regularly assessing and responding to risks in the countries of origin associated with our supply chain to help ensure that our processes and supply chain remain free from modern slavery practices. FGI has put in place a confidential reporting system for staff and a reporting system for our supply base. Both systems are confidential and anything raised is escalated to the senior management team for review and action.

All our staff, customers and other business partners are encouraged to report any incidence or suspicion of modern slavery at the earliest opportunity to:

- (a) If they are a member of staff, their line manager or through our confidential reporting system
- (b) If they are a supplier, the primary account manager or business contact within our company.

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This includes any circumstances that may give rise to an enhanced risk of slavery or human trafficking.

At First Grade International Ltd., any member of staff who is found breaching FGI’s policy on Modern Slavery will face disciplinary action and this could result in their dismissal for misconduct or gross misconduct.

If a breach of the Modern Slavery Act by one of our suppliers is reported, the relevant member of staff will report such a breach to the Senior Management Team. FGI may terminate its relationship with a supplier if it is found to be in breach of this policy and fails to take the required steps to remedy any breach.

TRAINING

At First Grade International Ltd 16 members of staff chosen across all departments have willingly taken part in training by an external provider covering modern slavery risks, ethical trade initiative base code, areas of watch out and key sustainability measures in order to help tackle challenging human rights issues including modern slavery.

We are continuing to develop targeted training for our employees who are most directly involved in making purchasing decisions that would reduce the risk of modern slavery within our business and its supply chain. We do also recognise that modern slavery is of a complex nature, and we have sought to develop both informative and accessible training for all our employees within the business to raise their personal awareness of the risks posed to our company and how they as individuals have a part to play in delivering our vision.

KPI SUMMARY

% of Suppliers registered on SEDEX	91%
% of those suppliers with an up to date SAQ	92%
% of those suppliers with a valid SMETA audit	80%
% of corrective actions closed within action window	51%
FGI Senior Management Training	71%
FGI Total Training coverage	33%

- Priority training has been provided to employees in procurement, technical and senior management roles. Wider awareness training will be rolled out in 2026.
- Non-conformances have had evidence uploaded within the action window however sign off by auditors has been delayed due to limited availability. All open corrective actions are tracked monthly and escalated to Senior Management where overdue.
- KPIs will be reviewed annually to assess the effectiveness of our approach and identify areas for improvement.

PRIORITIES FOR 2026

During the 2026 reporting period, FGI will continue to strengthen its approach to preventing modern slavery and protecting human rights across its operations and supply chains. Our key priorities include:

- *Improving supplier due diligence and audit coverage:*
 - FGI will work towards increasing the proportion of suppliers with valid and up-to-date SMETA audits, with particular focus on higher-risk sourcing countries and supply chains. FGI will continue to support its suppliers in closing corrective actions within agreed timescales.
- *Enhancing corrective action effectiveness:*
 - FGI recognises that timely remediation is critical and we will prioritise improving corrective action closure rates through closer engagement with suppliers and increased internal oversight of non-conformances.
- *Expanding training and internal awareness:*
 - FGI will increase modern slavery & ethical trade training coverage across the business, with targeted training for colleagues in key positions such as procurement, supplier management and customer facing roles.
- *Strengthening indirect supply chain oversight:*
 - FGI will review its approach to indirect sourcing, including consideration of increased transparency requirements and ethical data collection for indirect suppliers operating in higher-risk regions.
- *Maintaining focus on high-risk regions and commodities:*

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- FGI will continue enhanced monitoring and engagement in higher-risk sourcing areas, including Indonesia and Turkey, and will build on existing initiatives to promote responsible recruitment, fair wages, safe working conditions and effective remediation.
- *Governance and continuous improvement:*
 - Oversight of modern slavery risk will remain with the Senior Management Team, acting as the company’s highest governing body. Progress against these priorities will be reviewed throughout the year and reported transparently in the next Modern Slavery Statement.

This statement has been prepared by the Environment, Social & Governance Lead and approved by the Senior Management Team of First Grade International Ltd, acting as the company’s highest governing body, and is signed on its behalf by:

David Armstrong
General Manager



27/02/2026

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