MILK WITH 2020 YEAR 3 DIGHT TY REPORT UPDATE



Last year the Milk with Dignity Program published its first biennial report. The 65-page publication documented the Program's formation and structure, the conditions that led to its creation, and the transformational achievements of the Program's first two years. It told the story of how Milk with Dignity is bringing about "a new day for human rights in the dairy industry." This supplement to last year's report provides a small glimpse into how the Program has evolved in its third year.

The onset of the Coronavirus pandemic deeply impacted farmworkers, farm owners, the dairy industry, and the Program itself. Some activities were necessarily reduced, altered or postponed – such as in-person education sessions and farm audits – while overall Program communication with workers and farm owners drastically increased, as the Milk with Dignity Standards Council became an essential resource for public health information and safety measures.

Amidst the challenges of the pandemic, Milk with Dignity excelled in its core mission. With the participation of Ben & Jerry's as the first Participating Buyer, the Milk with Dignity Program has raised labor and housing standards and enforced human rights protections for hundreds of farmworkers. Three years in, this worker-driven program continues to transform the dairy industry. As one worker reflected: "I never imagined that this kind of support existed."

"...IN GOOD TIMES AND BAD"

Aguilar has worked on Vermont dairies for years. When he started on a farm enrolled in Milk with Dignity, he immediately felt the difference the Program makes.

"On my other farm, everything was falling apart and the boss was never around. We would ask him to fix things but he never did. We just had to make do. But when I started here, it was totally different. I got training off the bat and if you need something you just ask for it. You can work comfortably here."

Aguilar makes \$14.25 per hour (well above the industry average); he gets a day off each week, an hour paid lunch break during his shift, and paid sick days, vacation, and holidays - all rarities outside Milk with Dignity. After his first education session, he felt even better. "They told us about our rights and how to speak up. It was really interesting."

Yet even on the best of farms, incidents happen. While cleaning manure in the holding area, Aguilar lost his balance and fell into an industrial fan. His hand went through the gaps in the cage surrounding the fan and was cut to the bone by the fan blade. At the hospital, the doctor told him his injury would require surgery and months of recovery time.

When Aguilar returned from the hospital, his employer offered him two weeks' paid rest. Many business owners try to avoid filing workers' compensation claims, hoping to save themselves from paperwork and the potential

increase in insurance premiums. When Aguilar employer's heard his offer, he felt "sad and disappointed. I knew the money wasn't enough. I didn't respond, I just hoped the money would be enough to get me back to Mexico, where my family could care for me."

On a farm outside the Program, the story would have likely ended here: employer chooses an not to file a workers' compensation claim and the worker - unsure of their rights, unable to work, and without income - leaves

the farm and the country in despair. But because of Milk with Dignity, Aguilar's story turned out quite differently.

Following the accident, a worker called the Milk with Dignity Standards Council, which worked with Aguilar and the farm to file a workers' compensation claim. The MDSC helped navigate the process by translating documents, explaining paperwork, securing transportation and interpreter services, and ensuring that medical bills were covered by the insurer.

It took Aguilar 11 weeks to recover from his injury. The insurer covered all of his medical costs, sent a weekly payment covering two thirds of his lost wages, and provided a disability payout for the permanent damage to Aguilar's hand. Because of the Program's interventions, the insurer covered nearly \$45,000, twenty-five times more than the two weeks' wages initially offered by his employer.

"I never imagined that this kind of support existed. If you're not able to work, supposedly you're not going to get paid. This was totally new to me. At first I thought I would have to leave the farm, but once the Standards Council got involved, I knew they would help me. They supported me in good times and bad."

Aguilar continues to work at the same farm and has received a promotion and raise since returning to work. He recognizes the benefits that the Program brought not only for him, but for the farm: "Without Milk with Dignity, I would be in Mexico right now and the farm would have lost an experienced worker. Because of the Program, we've both benefited." And the fan that cut Aguilar's

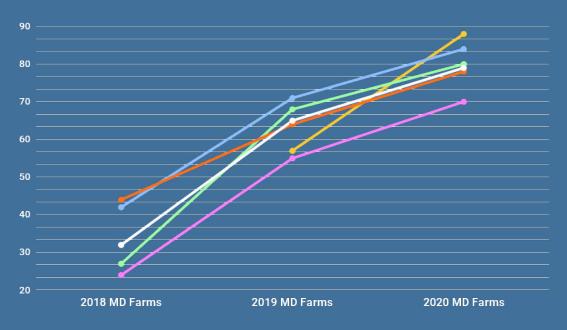
hand? "After I left the hospital, I walked through the barn. I saw that the farm had put a new mesh cage around the fan blades, stronger than what was there before. No one will be injured there again."



MILK WITH DIGNITY: BY THE NUMBERS

FIGURE 1: HEALTH AND SAFETY PROTECTIONS

The Milk with Dignity Program takes a comprehensive approach to workplace health and safety, by requiring steps to mitigate all of the most common and most dangerous potential hazards at the worksite and in worker housing. Improvements in a few of the most measurable health and safety outcomes include:



- Access to First Aid
- Protective Masks
- Eye Protection
- Workers with smoke detectors in their housing
- Workers with carbon monoxide detectors in their housing
- Workers with fire extinguishers in their housing



FIGURE 2: MINIMUM WAGE COMPLIANCE

Milk with Dignity continues to make rapid progress to ensure that Qualifying Workers receive at least the minimum wage. Due to the Program's interventions, workers' wages have increased significantly across the board.

	2014 Survey of pre-MD Vermont farms	2018 MD Farms	2019 MD Farms	2020 MD farms
Workers were paid at least the state minimum wage	60%	68%	73%	89%
Vermont state minimum	\$8.73	\$10.50	\$10.78	\$10.96
New York state minimum	\$8.00	\$10.40	\$11.10	\$11.80



FIGURE 3: ACCESS TO SICK LEAVE ON MD FARMS

Before Milk with Dignity, paid sick leave for farmworkers was virtually unheard of, but this changed sharply upon the MD Program launch in early 2018 and has continued to improve through the present, when nearly all farmworkers on MD farms have reliable and consistent access to paid sick leave.

MD Farms providing sick leave



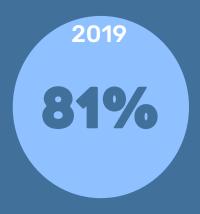
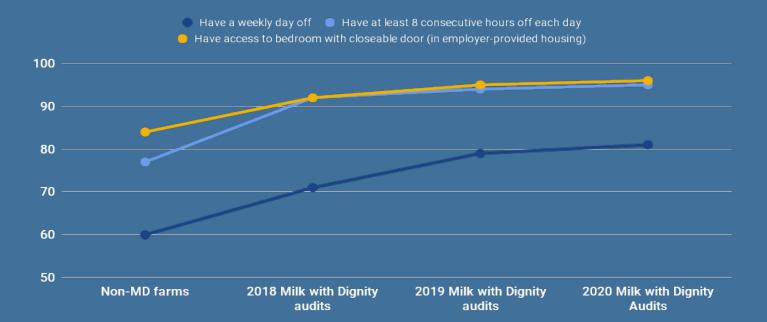




FIGURE 4: ACCESS TO REST AND PRIVACY



PROGRESS IN A PANDEMIC

PROGRAM ENROLLMENT

	2018	2019	2020
Number of qualifying workers	255	262	262
Total participating farms	71	64	62
"Active" farms (employ at least one qualifying worker)	54	51	52
"Inactive" farms (no non-family, non- managerial hired employees who milk or do other qualifying work)	17	13	10
Ben & Jerry's Northeast dairy purchases	100%+	100%+	100%+

WORKER EDUCATION

175 Program education sessions with797 worker and manager participants in first 3 years

OVER \$1.8 MILLION INVESTED IN FARMWORKER RIGHTS

3 year total

\$250,000 passed through directly as Program Bonus payments

\$900,000 in raises to meet the state minimum wage

\$400,000 in housing construction and improvements

\$150,000 in paid vacation, holidays, and sick leave (when not previously provided)

\$110,000 safety improvements, including newly-provided fire safety devices, first aid supplies and personal protective equipment

And more

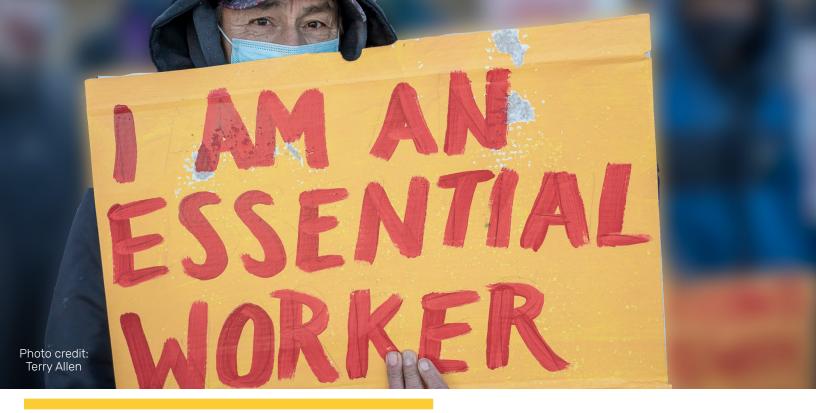
Plus additional premium funds retained by farms as economic relief

HUMAN RIGHTS MONITORING

During the course of the pandemic, Program communication with farmworkers has gone up, as worker calls to the Support Line have increased significantly. In-person farm visits, however, were reduced. Coupled with several farm closures and suspensions for non-compliance, this led to a reduction in 2020 audit numbers.

	2018	2019	2020
Total Support Line Inquiries	106	203	415
Complaints	98	144	315
Complaints with findings of Code violations	76	91	177
Resolutions of Code violation complaints*	72	81	150
Interpretation or referrals	7	56	83
Median days to resolution	7	6	2
Total Farm Audits	54	51	41
Farmworker interviews	221	221	185
Management interviews	78	77	59
Worksite inspections	58	61	47
Housing inspections	50	54	43

^{*}Remaining complaints still in progress, addressed through audit process, or on farms suspended for non-compliance.



MILK WITH DIGNITY DURING THE COVID-19 PANDEMIC

While Milk with Dignity was not created with a global pandemic in mind, the Program's successes in turning workers into frontline defenders of their own human rights – backed up by rigorous enforcement by the Milk with Dignity Standards Council and the market power of the participating buyer – vastly improved outcomes for farms and workers during the pandemic.

With the onset of the pandemic in the spring of 2020, the Milk with Dignity Standards Council sprung into action. The MDSC sent periodic public health updates to workers and farmers throughout the year, distributed over 1,800 cloth masks, and conducted hundreds individualized conversations with workers and farmers about best practices to reduce the risk of infection in the unique dairy farming context. The MDSC has supported farms to schedule Covid tests for workers, improve worksite ventilation, and adapt scheduling to allow for guarantining and paid sick leave.

On farms outside the Program, workers' lack of power and protection led to disastrous results: employers forced workers to continue working while symptomatic and infectious, leading to increased spread; workers who took time off lost wages; some workers were fired after presenting with symptoms; and the lack of protections and retaliation led others to choose not

to get tested or disclose symptoms, leading to further spread.

The case of dairy worker Freddy Morales is typical. His farm put in place no workplace protections because the boss did not "believe in the pandemic." When Freddy contracted Covid over the winter – with fever, weakness, fatigue, chills, and headaches – he took two days off to rest. Those two days were not paid, causing him to return to his 11 hour shifts, often working in subzero temperatures.

"They were very difficult days. We told them that we were sick, but they did not care," said Freddy, a worker outside the Milk with Dignity Program.

In sharp contrast, workers under Milk with Dignity availed themselves of the protections against retaliation and the Program's standards – such as improved housing conditions, paid sick leave, and provision of PPE – to protect and care for themselves. Workers experienced a reduced risk of infection due to improved conditions, and workers who did get sick were able to receive paid sick leave in order to recuperate and self-isolate, further reducing community spread. Not a single worker on a Milk with Dignity farm has shared Freddy's experience of losing pay or being forced to work while sick.





