

# ARLA FOODS UK GENDER PAY GAP REPORT 2023



**STRONGER PEOPLE  
STRONGER PLANET**



# FOREWARD



**PAULINE HOGG**  
HR Director, Arla Foods UK

We're the farmer-owned dairy cooperative behind global brands Arla®, Lurpak® and Castello® and our 19,000-strong team of passionate people have helped us become the fifth largest dairy company in the world and the largest producer of organic dairy products.

We are a large local employer and our roots are firmly based within the communities in which we do business. We employ people across England and Scotland in manufacturing sites, distribution depots and offices, as well as having significant national sales and marketing teams.

This report, which details our gender pay gap data for the period April 2022 – April 2023 continues to show that women working at Arla Foods UK were paid more, on average, than men, on both a mean and a median basis.

In contrast to many industries, our results may seem to favour female pay. However, it is important to note that our supply chain has a high proportion of male employees in lower quartile rates per hour roles which influences our overall picture. Our partly-outsourced distribution operation also contributes to this.

Last year, our figures were showing favourable rates on female pay ((minus) –12.7 mean and –0.7% median).

**This year, Arla's mean gap is (minus) –19% and median is –7.1%** continuing that trend but showing the gap is getting wider in favour of women, who tend to be better represented in roles further up the organisation.



## WHAT DOES OUR DATA TELL US?

A backdrop of economic change, with the cost-of-living crisis attracting higher than average pay awards and the timing of negotiated and non-negotiated pay awards, have meant a shift in our numbers, making the gap look wider this year. Our frontline workers, who are disproportionately male, received a higher pay award vs our 'white collar' workers. The frontline increases are not included in the snapshot period for the GPG calculations as they were paid in the month afterwards.

Our business performed well post-Covid and hence our bonus pay outs have been higher this year and we are seeing amounts similar to pre-Covid. Proportionately, more women (23%) received bonus vs 7% of men. The award paid to the men eligible was slightly higher, resulting in a median bonus pay gap of 5.63%.

Arla Foods pay gap is still significantly below the national median GPG of 14.3%, according to the Office of National Statistics (ONS). We are proud of the work we have been doing in many areas to focus on gender equality.

# THE MAKE-UP OF OUR BUSINESS



Across our business, we have some different patterns in terms of representation. In the UK we have a slightly higher proportion of women than men in our commercial teams (e.g. sales, marketing and finance), around 57%. Across our production sites we have a high proportion of men, more than 80%.

Having said this, the distribution of women across the business has shifted positively. The April 2023 figure shows that we have improved representation in all quartiles except lower middle. This demonstrates that where we have focused our efforts this has paid off, albeit at a slower rate than we would have liked.

We are committed to creating a pipeline of future talent to progress through the business and, whilst we have addressed some of our pipeline challenges, our upper quartile levels are below where we want them to be.

The table below shows the percentage of women in each quartile across the business. When we use our internal grading structure our numbers look much healthier (see later under Senior Managers at Arla) with the senior manager population comprising 42% women.

QUARTILES	% FEMALE	% MALE	TOTAL
Lower hourly pay quartile	20.0%	80.0%	100.0%
Lower middle hourly pay quartile	15.0%	85.0%	100.0%
Upper middle hourly pay quartile	16.0%	84.0%	100.0%
Upper hourly pay quartile	26.0%	74.0%	100.0%

A legacy of male dominated manufacturing, farming and FMCG sector traits means that in some parts of our business women are underrepresented and this is something we are working to change, as you will see from our highlights below.

Creating a positive gender balance is a key driver of our success. Since our last report, we have continued to develop our efforts to improve gender diversity.

We have a strong strategy for growing our business, and one for developing our colleagues. Championing inclusion and diversity is one of our strategic priorities; we want to leverage the broadest range of backgrounds and skills to create a fully inclusive, high-performing culture. Diversity and inclusion are part of our Employee Promise “Win with our People” people strategy and our business strategy.

# WIN WITH OUR PEOPLE STRATEGY

As testament to our Employee Promise of Arla being “a great place to work and grow,” our engagement results this year have continued to rise with an uplift in practically all categories, including our overall score of 82%.

Women respondents scored particularly highly, with an overall 86% engagement score and scores in the upper quartile against global benchmarks for questions around Empowerment, Growth and Development, Culture, Leadership, Wellbeing and Inclusion.

We know we have more to do, not just on gender, but all aspects of diversity and inclusion, but we are proud of what we have done so far. We have a high performing culture with cooperative values, and we have great ambitions.



## ENGAGEMENT SURVEY COMMENTS:

**“I AM PROUD TO WORK FOR A COMPANY THAT PUTS PEOPLE FIRST. THE DIVERSITY AND INCLUSION AGENDA AT ARLA IS JUST ONE EXAMPLE OF ARLA LEADING AT THE FRONT VS. OTHER FMCG BUSINESSES.”**

**“REAL PROGRESS HAS BEEN MADE ON DIVERSITY AND INCLUSION IN THE LAST 2 YEARS AND THE CONTINUED ADOPTION OF FLEXIBLE WORKING HAS MADE ME EVEN MORE PROUD TO WORK IN A MODERN ENVIRONMENT.”**

Our organisation is constructed of a wide range of roles, from commercial sales and marketing to manufacturing and logistics.

# SENIOR MANAGEMENT AT ARLA FOODS

The majority of our roles are in manufacturing and logistics which is a traditionally male environment.

We are aware that we are under-represented from a gender perspective overall, however, 46% of all manager and director roles are held by women across the business. Women hold 42% of all senior manager roles and 49% of middle manager roles, giving us a healthy pipeline to bolster our director population. In the supply chain, our vice president for production is a woman, and two of our nine site directors are women, so we certainly have role models to lead the way.

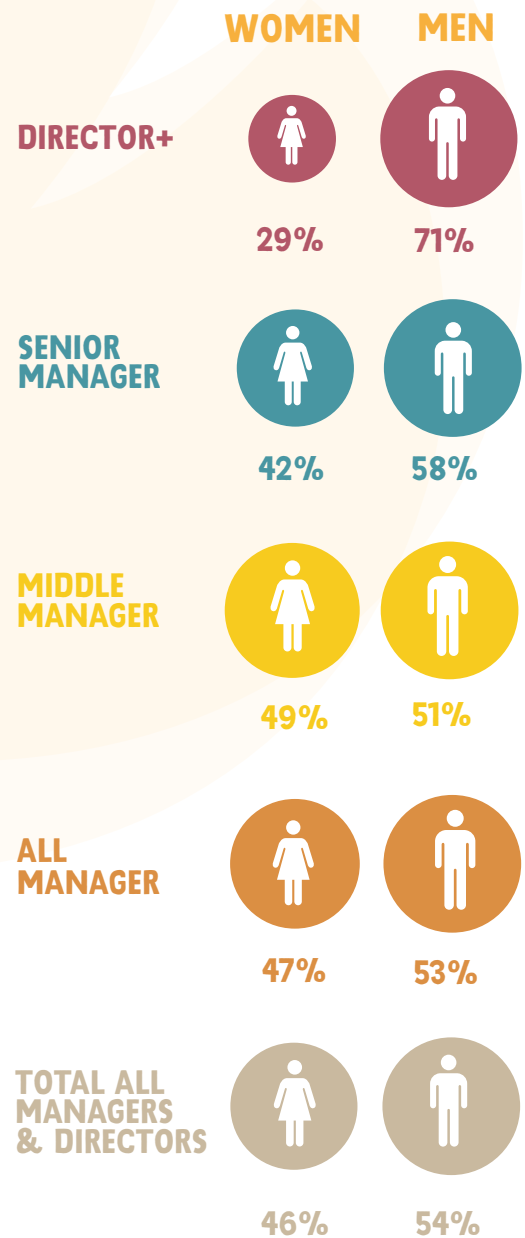
As you can see, at an overall management level across the business, we have a fairly even split. We have a Talent Programme to create a pipeline of future leaders and currently this is comprised of 38% women.

Whilst only 26% of the upper pay quartile were women at the April snapshot this year, we are determined to change this. Achieving this ambition requires sustained effort and clear targets. We have set ourselves an ambition globally for over 30% of our leadership team to be women in Year 1 and 2, (2023/24) and 40% in Years 3 and 4 (2025/6).

As this year has progressed, evidence suggests we are on the right path to deliver this ambition in the UK — women represent 30% of the UK leadership team and we have a healthy pipeline of managers and senior leaders to deliver this ambition.

Our figures show we need to do more work to create gender balanced teams and unlock opportunities for women across the business, and we will be using our gender strategy (see below) to leverage this.

# THE GENDER GAP AT ARLA FOODS



# REPORTING OF ARLA FOODS UK DATA

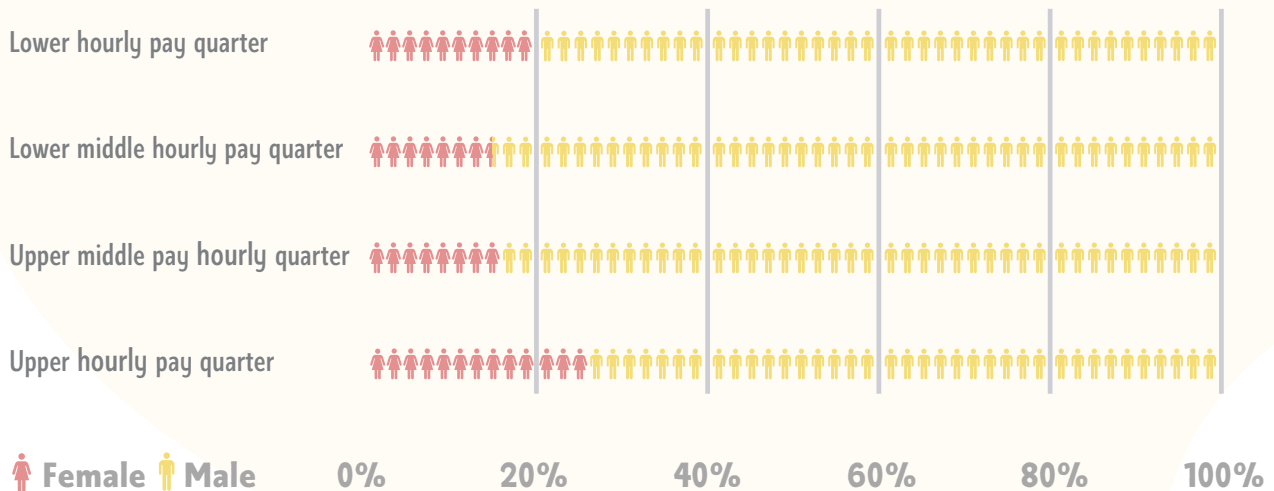
## GENDER PAY GAP



## BONUS PAY GAP



## PROPORTION OF MALES & FEMALES IN EACH QUARTILE



Our figures show we need to do more work to create gender balanced teams and unlock opportunities for women across the business and we plan to review our shift working practices and embracing other ways of working.

## SUMMARY

At -7.1%, our gender pay gap (using the median figure) is well below the national gender pay gap for all colleagues, both full time and part time, which currently sits at 14.3% according to the Office for National Statistics.

Nevertheless, it is also clear that our gender balance is not where it should be. We are determined to make stronger and more sustained progress, and we remain committed to achieving overall gender parity and to taking the necessary actions to improve the diversity of our business.

Measurement and accountability are crucial in driving this progress. We have committed to our 6 year Gender Strategy to create an environment in which women can thrive, recognising that some roles, such as the manufacturing roles in our supply chain teams, are traditionally less likely to be filled by women and greater focus will therefore be required to increase female representation.

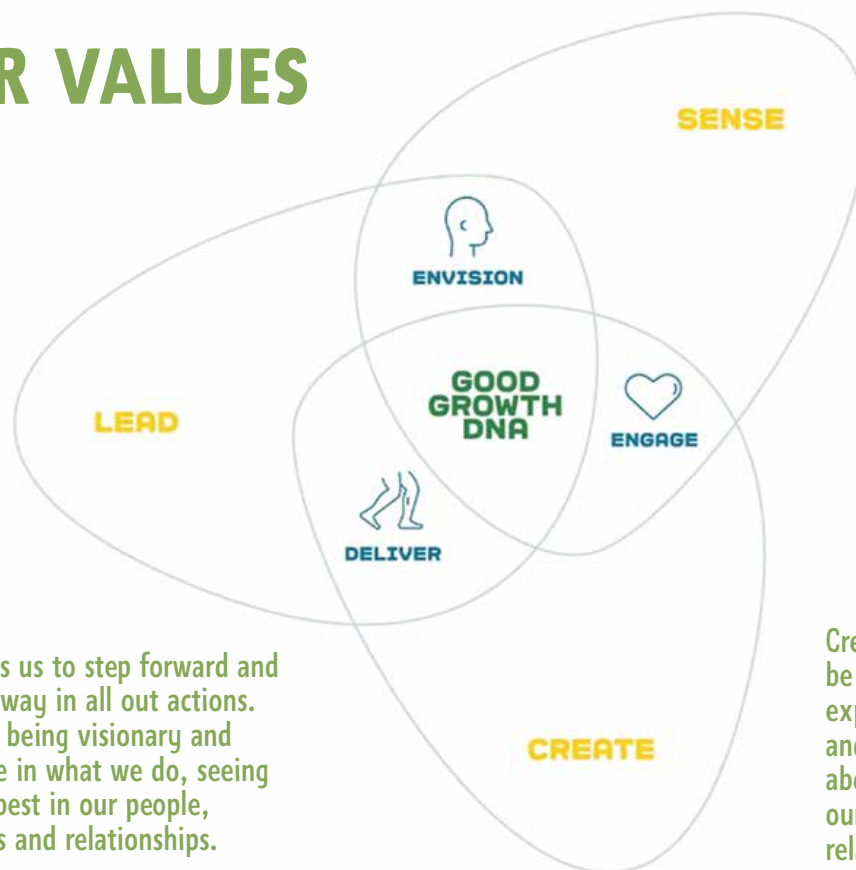
# LOOKING TO THE FUTURE

Throughout 2023 we have gone from strength to strength on our inclusion journey, as you will see from the highlights below, but progress is still slow. This is why our key areas of focus remain to: increase representation across our supply chain; increase representation in our most senior roles and ensure we create an inclusive culture.

The commitment to achieve gender equality is part of our Strategy<sup>26</sup>, and we now have a dedicated gender strategy for our supply chain business. We understand that this is an on-going journey. We have a clear plan focusing on gender representation, inclusion and continuing to raise awareness.

We recognise that we have more work to do but, through working together, we know that we can bring about real and meaningful change. We also want to make sure that the progress we make is sustained for the long term. That's why we want to continue to invest in our talent to help achieve gender balance in those we identify as our future leaders, and to ensure that they are being given the support they need to achieve their potential.

## OUR VALUES



Sense asks us to care about each other, our customers and the world around us. It's about being curious and open-minded, seeing opportunities and potential in our people, businesses and relationships.

Lead urges us to step forward and show the way in all our actions. It's about being visionary and passionate in what we do, seeing the very best in our people, businesses and relationships.

Create spurs us on to develop and be innovative in building expertise, competencies, products and market relationships. It's about inspiring and motivating our people, businesses and relationships.

## DECLARATION:

We confirm that the data and information reported is accurate and in line with the UK government's Equality Act 2010 Regulations 2017.

**Pauline Hogg**  
HR Director, Arla Foods UK

# SUPPORTING INFORMATION

## SUPPLY CHAIN GENDER STRATEGY



We are conscious that we have a gender imbalance in our production and logistics business which impacts our Gender Pay Gap. We are committed to creating an environment which enables everyone to feel valued and that they belong. We have developed a gender strategy with dedicated work streams around Attraction, Development and Retention. Each workstream has aspirational targets.

We have joined a Women in Supply Chain network group to work with similar organisations in order to share best practice on working environments, shift patterns and other issues.

We have also held focus groups with over 100 of our women in supply chain roles this year, gathering their insight to help us create robust action plans.

Some of these plans include quicker wins, such as better uniforms, introducing sustainable, free sanitary products into all our sites, and partnering with Grace and Green to raise awareness of Period Poverty and menstrual health.

Other targets are longer term and, as mentioned above, we have workstreams as part of our strategy to deliver these.

**READ ON FOR MORE GREAT PROGRESS IN 2023!**

## ENHANCED MATERNITY PAY

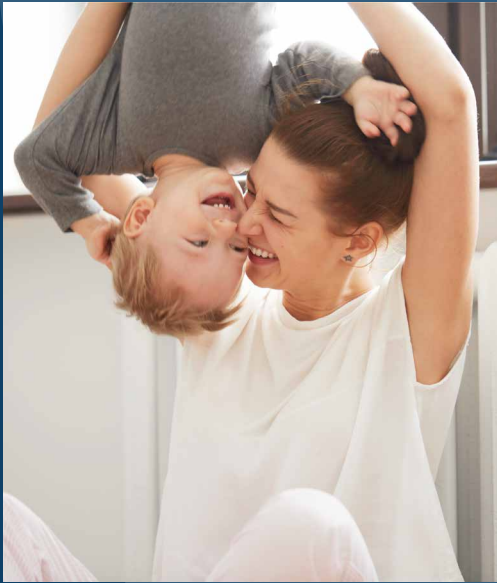
As part of our commitment to creating an inclusive culture, we committed to reviewing our family friendly policies. We listened to the feedback from our colleagues, established a focus group from around the business, and interviewed a number of maternity returners. This year, we increased our maternity, adoption and shared parental leave to 26 weeks full pay, which has been well received by our colleagues. We also created a Maternity Toolkit for managers and colleagues, to help them navigate the experience.

As part of our cooperative values, we aim to enable our colleagues to be able to have the best time with their families and feel supported in their careers. This enhanced maternity/parental pay is commensurate with our 'Win With Our People' strategy to deliver our Employee Promise of creating a great place to work and grow. It also supports our gender strategy and global KPIs, regarding retaining and progressing female talent and improving the engagement of working parents. This leading-edge approach to maternity and parental pay means better overall wellbeing and, in particular, financial wellbeing for colleagues.



# SUPPORT FOR PARENTS

## THE *maternity* COACH



We value all our colleagues; we want to retain our existing talent and support them through their transition to parenthood, we also want to attract new talent into our business. To help us make Arla a great place to work and grow for parents, we have partnered with a third party *The Maternity Coach*

Parental coaching is available to all parents who have taken six months leave or more away from work. It provides support for women in particular, in terms of a safe, non-judgemental space in which they can share how they are feeling, look at their situation from different perspectives, challenge any self-limiting beliefs and, crucially, help them learn to thrive in their new normal as they re-engage with their career at Arla. This goes hand-in-hand with our cooperative and supportive culture and demonstrates both how much we value our colleagues and our commitment to the gender strategy. Parents have welcomed the offer of support to help them reconcile the demands of a career with a young family.

## PARENTAL COACHING

“Becoming a new parent is incredibly exciting but also a huge transition to navigate, both personally and professionally. Knowing that the emotions you’re experiencing are totally normal is a great reassurance and having a space to talk to someone about this can be really helpful. More practically I believe coaching can help colleagues navigate more everyday aspects of maternity leave, e.g. handover, return to work plan, keeping in touch days and more. I believe having a parental coach will offer women in Arla invaluable support and tools to thrive and succeed following maternity leave and beyond.”

**Sian Morgan,**  
Lead Category Manager

“I have just had my initial meeting with my coach, in which we agreed a goal and a plan for our sessions. This has already made me feel more in control of the transition into maternity leave. Our first objective is to ensure I have a clear career development plan for when I return, which I will align with my managers before I go on maternity leave.

This will make me feel more confident about being away from work for a year and give my managers better clarity too.”

**Anita Gouland,**  
e-Commerce Controller

# TALENT ATTRACTION



We are aware we need to work to ensure that we continue to identify and recruit female talent and to understand any barriers to progression that may exist across the business.

We are trialling different job boards, we have committed to reviewing our flexible working approach this year and we are looking at launching a fertility policy later this year.

## SUPPORTING STEM CAREERS

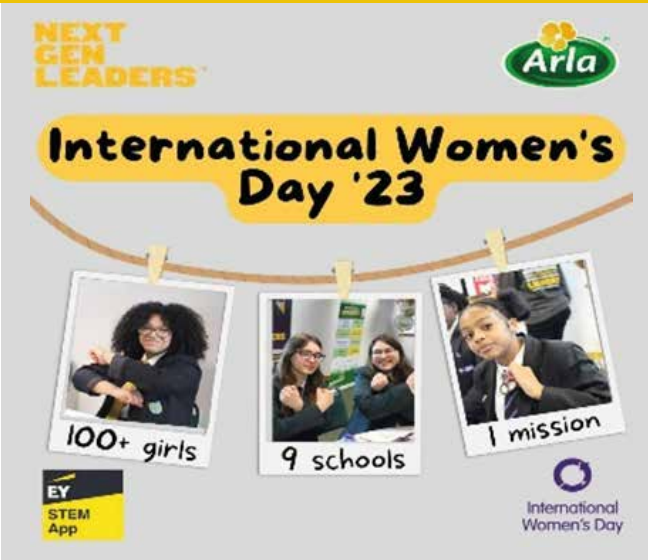
In March 2023, we partnered with ITN to feature in a programme called Global Game Changers. The programme showcased companies, organisations and individuals across business and industry, sports and the arts that are actively advancing gender equality. Arla Foods was proud to have been approached to be part of this and the programme received lots of coverage. It featured one of our farmers, Kate Hoare, Fran Ball, Vice President UK Production and Maria Chacon Cubo, Site Director at Taw Valley. The objective of the film was to raise awareness of the great careers for women in the supply chain at Arla.



We recognise that gender imbalance across organisations reflects both external and internal factors, such as the under-representation of women working in manufacturing, logistics and STEM (science, technology, engineering and maths) industries. Only 11% of engineers and 15% of engineering graduates are female. To ensure we play a meaningful role in changing this, we have a number of apprentice programmes and we attend STEM events for women.

We need to do more to attract women into some of our key roles, such as drivers and frontline production, by making our shift patterns more appealing; we are working on this as part of our Gender Strategy. We want to do more to tap into talent pipelines, working with schools and colleges and leveraging our relationship with ENACTUS and Next Generation Leaders. Going forward, we will be taking a proactive approach to encourage more women to join and commit to the industry. It is an exciting time for production with digital transformation and new technologies.

# INTERNATIONAL WOMEN'S DAY



Also in March, as part of our International Women's Day celebrations, we hosted a STEM event as part of our partnership with Next Gen Leaders. 100 girls from 9 schools over West Yorkshire came together to learn more about STEM careers at Arla. Women from Arla, working in engineering, science, technology and accountancy, shared their journeys with the girls. Fran Ball, Vice President Production UK, talked about her experience and shared her top tips for progressing.



We're an Age-friendly Employer

## Join us in supporting the older workforce



# MENTORING

Reverse Mentoring  
Inclusion and Diversity

Programme guide from IGD



## REVERSE MENTORING

For the second year running we have participated in two reverse mentoring programmes.



Within the Psalt mentoring programme, colleagues from Arla have been working to mentor young Black talent and support them in understanding more about transitioning into the world of work.



Mentoring Programme - 2023

# MENTOR

The IGD reverse mentoring programme aims to create a safe and collaborative space for leaders to hear the lived experiences of those from underrepresented groups. This aims to help leaders to build knowledge and understanding of what great inclusion looks like and to adopt a growth mindset. The programme also creates the opportunity for colleagues from underrepresented groups to share their views on inclusion and build a senior network.



At

**DIVERSITY  
& INCLUSION  
IN GROCERY**

**DIVERSITY  
IN GROCERY**



In October for the second year running we were invited to present at the Diversity in Grocery conference in London. The event is attended by 1600 colleagues from the grocery industry.

We shared our approach both to health and wellbeing and to empowering our network of champions to drive the agenda forward in the business.

We continue to be one of the highest attending companies at the DIG Live Labs each month where we learn from other organisations about their approach to various aspects of diversity and inclusion.

# WORLD MENOPAUSE DAY 18TH OCTOBER



We are continuing our menopause journey with monthly focus groups and training for managers. On World Menopause Day, we had a one-day collaboration session with one of our customers, learning together about menopause, health, nutrition and the importance of physical exercise and self-care.



Several sites had their own Menopause Cafés throughout the year to raise awareness amongst all colleagues about menopause generally and the support that Arla offers, as well as signposting to professional organisations.



## Menopause Cafe

Drop in Session coming soon to  
Oswestry Site all welcome  
(watch this space)....

- A drop in session (with cake obviously!) for everyone, those experiencing it to share stories and colleagues/allies to learn more about how to support their colleagues going through this transition.
- Enables colleagues to learn about menopause over a coffee/tea/cake
- Empowers colleagues to learn from each other by sharing questions, stories or tips.
- It is an accessible, respectful and confidential space.
- It is OPEN TO EVERYONE – anyone who wants to learn more – wants to help you support partners, family and friends as well as colleagues, who may be experiencing menopause and related symptoms.



So, grab a cuppa and come and join us to help support your colleagues, friends and families.

- See Lyn Neilson or Jacqui Lincoln



# INCLUSION WORKSHOPS



## “Inclusion Starts with I”

Last year we ran a workshop called Inclusion Starts with I focusing on understanding ourselves and what inclusion means to us as individuals. Most of our UK-based commercial colleagues have completed this, and we are piloting sessions in the supply chain.

Colleagues wanted to learn more about inclusion and so we created a second workshop as part of our framework, called Inclusive Culture Starts with Us. This focuses on allyship, psychological safety and the way that we create an inclusive culture through adopting a growth mindset and being curious. Over 120 colleagues have completed this 3-hour workshop to date.

As part of our commitment to creating an inclusive culture, we have also run some bitesize learning sessions on Unconscious Bias, Thinking Styles, Microaggressions and Banter.



### SKILLS & CULTURAL AGENDA - THE HOW

#### Caring for ME

I understand that I need to lead myself and work with my mindset and behaviour

#### Caring for US

People feel they can be themselves at work, feel permitted to challenge and ideas are incorporated

### BUSINESS CASE & SOCIETY - THE WHY

#### Caring for BUSINESS

Solid Business case for D&I (innovation/decisions/€ etc.) We reflect the demographic of our customers and consumers

#### Caring for SOCIETY

We believe business has a major role to play in society, encouraging our communities to come together and increasing social equality

# SOME OF OUR INSPIRING WOMEN



**ANNA SHARP**  
Sales Director

I started at Arla in 2005 as a graduate, working in the sales team as a business executive. My career to date has predominately been in sales, I've always enjoyed the thrill of the chase and the relationships that are created internally and externally.

After several business manager roles and over 7 years at Arla, I returned from maternity leave as a senior shopper marketing manager, working 4 days a week. I had a phased return, working 3 days a week for several months. After I had had my second child, I returned on 4 days a week in a senior customer development role, working with both Sainsburys and Tesco.

I've always loved the Arla business; the values resonate with me and I feel totally supported and empowered to do my job. When my second child was about to turn two, I took on the role as business unit director. This is a role that I could only have ever dreamed of, when I joined the business as a graduate in 2005! It was everything I had ever wanted; I was delighted to take the role, lead the team and support them to deliver for our customers. I continued to work 4 days until September 2023, when I increased to 4.5 days as my daughter started school, this has enabled me to pick the children up from school 2 days a week and be involved in all their after-school activities.

To be able to do my job and be the parent I want to be is a win-win situation for me and for our family. I love my job and I love my children and I therefore feel I have the best of both worlds.



**SOPHIE MORBITZER**  
M&E Project Lead

I joined Arla at the age of 19 as a student and I have been with the company for 9 years.

I started my career as an EDEN student (dairy technology) working in various departments. Upon completing my degree, I transitioned into a production technician role. During this period, I was seconded to Environment, Health and Safety Inbound, where I contributed to enhancing the safety culture. Following this, I joined the Line Centric Organisation Production team as part of its newly established team. I was seconded, this time to an EHS coordinator role.

It was during this period that the COVID-19 pandemic struck and I had the chance to assist with implementing safety measures at Oakthorpe. This experience sparked my interest in people and project management, leading me to become an operations team leader in Intake. Currently, I am working as a maintenance and engineering project leader, and I have been in this role for just over a year.

Throughout my journey, I have consistently been presented with opportunities to develop my skills and excel in my field. My journey has been filled with numerous opportunities for personal and professional growth. Looking ahead, I am excited about the many exciting things on the horizon at Arla.





**CAMILLA RIDDIFORD**  
Senior Sustainability Manager

I joined Arla in 2022 after moving over from New Zealand. I was aware of Arla's strong commitment to climate through its science-based targets and regenerative agriculture pilots. I wanted to keep on growing my knowledge in sustainability. I also wanted to gain international experience and understand how the rest of the world is tackling the sustainability challenge.

When I started, I was a customer sustainability manager and, after six months, I was promoted to senior sustainability manager. It's been a wild ride of learning and growing.

In my new role I'm learning lots about strategic thinking, but the biggest learning has been the importance of simplifying sustainability and clearly communicating so everyone knows how they can take action.

My proudest achievement is still a new one – supporting the formation of the UK commercial sustainability team. I'm really proud of the team that we have in the UK and, although we are a new team, I'm excited about what we will deliver over the next few years.



**CAITLIN NIGHTINGALE**  
Category Executive

I joined Arla back in 2017 on the Eden apprenticeship programme at our Stourton dairy, spending 3 years studying and working towards my foundation degree in dairy science. During this time, I covered the process technician role running pasteurisers and raw milk intake. I was then promoted to an operations team leader and spent just over 2 years split between managing process and creamery production.

This experience has given me a wealth of knowledge within the dairy sector and Arla; from understanding what products we make within the business, to how we produce them.

My biggest achievement within Arla is taking the leap to move from factory over to head office into the category team, which I did in April this year.

My advice to anyone wanting to get into a new area or learn a new skillset is to just believe in yourself and have the confidence to take the risk, speak to new people and set yourself up for success in a new area.







**SANDRA VAZ**  
QEHS Team Leader, Aylesbury

I joined Arla Foods Aylesbury in 2016 as a technical team leader focusing on Quality/Food Safety compliance. I was responsible for implementing all customer standards across site and I had to deal with and influence different stakeholders. From day one, I fell in love with the company due to the friendly and welcoming environment.

I was selected for the Arla Talent Programme in 2020 which was an opportunity for self-reflection, developing my skills and building my network. In 2021, I was given the opportunity to complete a secondment as a key account manager. This role gave me the opportunity to develop my strategic thinking, manage customers' accounts and took me right out of my comfort zone!

In 2022, I was asked to mentor laboratory technicians, who had the ambition to develop to team leader. This has been an amazing experience. In June 2023, I further developed my team management skills leading the hygiene team from Aylesbury. This has been a challenging experience which has accelerated my development.

I feel very proud and grateful to work for a business that helps people to develop their skills and that has gender diversity in the leadership team and across site. Everyone is treated with respect and equality.



**AMELIA ELLUL**  
Senior Operational  
Support Manager

I started my Arla career in 2013 on the commercial graduate programme and spent 7 years working in the commercial team, predominantly as a business manager on the Tesco account.

I moved functions to logistics at the beginning of 2021 as head of customer logistics, managing the claims and central administration teams. I returned from maternity leave in November 2023 and began a 12-month secondment in a logistics senior operational development role.

I love working at Arla. The culture and the people are amazing — I am a member of the D&I ambassadors' group and it's great to work with like-minded people to continue to drive a more inclusive culture.

During my 10 years at Arla, I have had amazing line managers who have supported my career development and encouraged me to move functions from commercial to logistics. I have also felt well supported coming back to work after a year on maternity leave, and have had the opportunity to come back to a new role within logistics.

There are always opportunities to progress, whether it be upwards within a function, or to gain different experiences from moving to a different function.





# G

## The Grocer Gold Awards 2023

### FINALIST

Employer of the Year



### BEST L&D INITIATIVE IN THE PRIVATE SECTOR



# WE'RE BEING RECOGNISED FOR OUR ACHIEVEMENTS

## THE GROCER GOLD AWARDS 2022

### FINALIST

Employer of the Year



JO TAYLOR  
Ayesbury Dairy

## THE GROCER GOLD AWARDS 2020

### WINNER

Factory Manager of the Year



# STRONGER TOGETHER, COLLABORATION IS THE KEY