

Lakeland Dairies Gender Pay Gap Report

2022



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Introduction to Lakeland Dairies Gender Pay Gap Reporting 2022



Gender Pay Gap

This report looks at the gender pay gap across the 656 employees at Lakeland Dairies as at the snapshot date of 30 June 2022

Lakeland Dairies has a heritage of success spanning over 125 years. The modern-day Lakeland Dairies Group was formed in 1990 through the merger of the then Killeshandra and Lough Egish Co-operatives, established in 1896 and 1902 respectively. Since then, through a process of organic and acquisitive growth, the co-operative has created a dynamic business as one of Ireland's top dairy processors.

Lakeland Dairies has a strategic focus on the creation of value and is intent on delivering this through the performance of the business, underpinned by a culture of collaboration which enables our skilled committed people working together to deliver results through research, innovation and an unparalleled commitment to quality, flexibility and reliability across all operations. In tandem with this, throughout the organisation and its operations, and across all of the practices and processes that it deploys, Lakeland Dairies has maximum respect for the protection and sustainability of the environment, engagement with our people and a commitment to their wellbeing and embracing their diversity.

This report reflects our obligations as an Irish employer based on the Gender Pay Gap Information Act 2021 which was signed into law in July 2021. This Act amends the Employment Equality Acts 1998 to 2015 in the form of the Employment Equality Act 1998 (Section 20A) (Gender Pay Gap Information) Regulations 2022 (the 'Regulations'). For 2022 the Regulations have placed new reporting and publication obligations on employers with 250 or more employees.

A gender pay gap is the difference in the pay and bonuses of male and female employees across an organisation. The gender pay gap is different to equal pay which means paying women and men the same pay for performing the same, similar or work of equal value. This report focuses only on gender pay gap reporting, as distinct from equal pay. The gender pay gap calculations do not account for differences in pay due to the nature of the role, grade or years of service. All of these variables impact the results.

Statement from Group Head of HR

At Lakeland Dairies, we believe in, and are committed to, being open about our pay gaps and the journey we are on as we seek to address existing gaps. As a co-operative organisation we embrace with passion the ethos of 'Together We are Stronger'. We are committed to creating an organisation culture where everyone can reach their full potential and be themselves. We will do this through being an organisation where Equality, Diversity and Inclusion are at the core of who we are.

An inclusive, diverse and equality based workplace is not just a 'nice to have' it is also a key enabler which will drive better outcomes for all our people, our customers, our farming families and our communities.

Having assessed our gender pay gaps for 2022, we have identified a Mean Gender Pay Gap of **14.2%** and a Median Gender Pay Gap of **9.1%**. Lakeland Dairies is committed to working to reduce this gap in the years ahead. Our plan for 2023 is to embed and progress our Gender Pay Gap Action Plan (GPGAP), enhancing our focus on representation of women and ensuring flexibility and inclusive leadership are key priorities. Continuing to apply a 'gender lens' to critical activities such as hiring, development of our People, reward process and allocation of work will also be important. We will take a data driven approach and hold ourselves accountable to build an inclusive culture where everyone feels they belong.

We remain confident that men and women in Lakeland Dairies are paid equally for doing equivalent jobs across our business.

Tadhg O'Halloran
Group Head of Human Resources



Should you have any queries on this report please contact:

Tadhg O'Halloran

Group Head of Human Resources

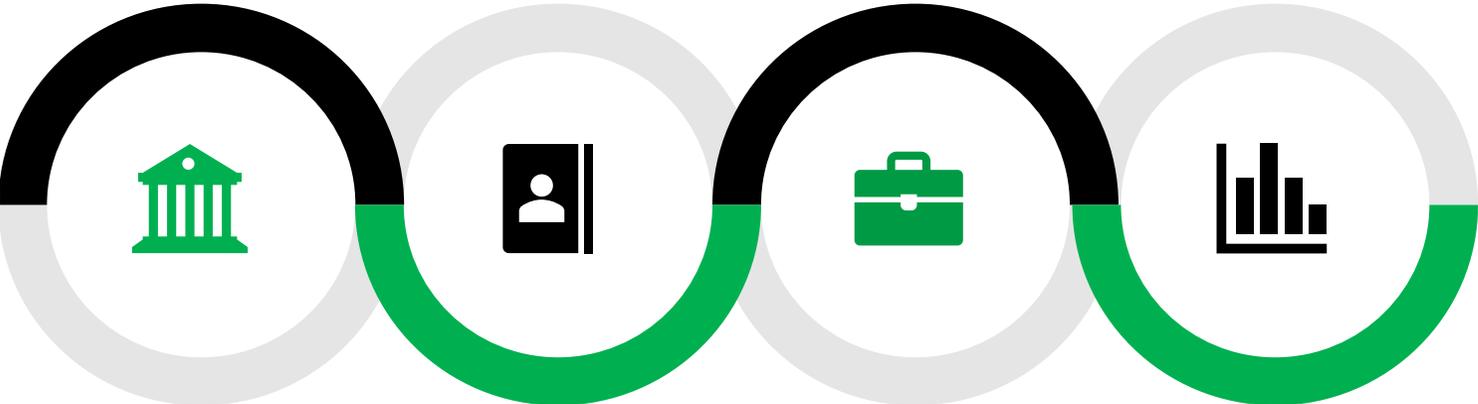
Lakeland Dairies

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What is gender pay gap reporting?

Overview of the reporting obligations

In Ireland, every employer with at least 250 employees on the chosen snapshot date in June 2022 must report its gender pay gap



Who

A “relevant employee” means an employee of a relevant employer on the relevant date and includes part-time and temporary employees

What

This report includes the statutory figures, analysis of same and our measures to address the gap

When

Based on Lakeland Dairies chosen snapshot date of 30 June 2022, the deadline for this year’s reporting is 30 December 2022. The findings are based on 12 months of data from 1 July 2021

Where

This report is published on our website (and kept online and publicly available for at least three years from the date of publication). There are plans for a centralised reporting portal to be created but this is not in place for 2022 reporting

Mean & Median

The gender pay gap shows the difference between the mean (average) and median (mid-point) pay of male and female employees, expressed as a percentage of male employees’ earnings

Proportion of males and females in each quartile band

The proportion of male and female employees in four quartile hourly pay bands ranked from lowest hourly rate to highest hourly rate. It is done by dividing the workforce into four equal parts

BIK

The proportion of male and female employees who received benefit in kind (BIK) which includes any non-cash benefit of an estimated monetary value

Bonus

The proportion of male and female employees who were paid an amount of bonus pay

Statutory Results (1/2)



On 30 June 2022, Lakeland Dairies employed 656 people in our ROI business with 74% of the workforce being men and 26% being women.

These calculations were based on 170 women and 486 men employed by Lakeland Dairies on the snapshot date. Gender pay gap calculations do not account for differences in pay due to the nature of the role, grade or years of service. All of these variables impact the findings below.

These findings are on the basis of pay over the requisite 12 month period.

Gender Pay Gap



14.1%

The mean gender pay gap covers the mean hourly pay gap of all relevant male and female employees during the relevant pay period.

Lakeland Dairies has a mean hourly pay gap of **14.1%** and a median hourly gap of **9.1%**.

When we remove shift and overtime pay the Mean Pay Gap is **-3.53%** and the Median Pay Gap is **-49.1%**

Temporary Employees

In Lakeland Dairies, among our temporary employees, there is a mean hourly pay gap of 7.4% and a median hourly pay gap of 2.9%. These included 39 females and 110 men.

7.4%



Part-Time Employees

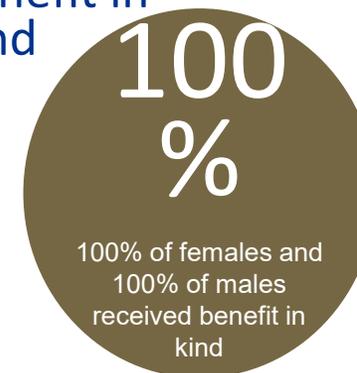
-19.5%



Among our part-time employees we have a mean hourly pay gap of -19.5% and a median hourly pay gap of 19.6%.

It is important to note that smaller populations will produce more volatile numbers i.e. the pay gap for part-time employees should be read with this in mind, as these calculations only included 12 females and 3 males.

Benefit in Kind



Lakeland Dairies' remuneration package provides all staff with various non-cash benefits e.g. Vouchers under Revenue approved scheme

Bonus Gap & Employees who received a bonus

31%



We have a mean bonus gap of 31% and a median bonus gap of -12.3%. 30.5% of males and 34.1% of females received bonus remuneration.

Statutory Results (2/2)

Percentage of males and females when divided into four quartiles ordered from lowest to highest pay



This quartile represents the lower middle quarter of earners. In this quartile 22.6% were female and 77.4% were male.

This quartile represents the upper quarter of earners. In this quartile 26.8% were female and 73.2% were male.

Lower Quartile

39% Female
61% Male

Lower Middle

22.6% Female
77.4% Male

Upper Middle

15.2% Female
84.8% Male

Upper Quartile

26.8% Female
73.2% Male

This quartile represents the lowest quarter of earners in the organisation. In this quartile 39% were female and 61% were male.

This quartile represents the upper middle quarter of earners. In this quartile 15.2% were female and 84.8% were male.

What these results mean

For 2022, our gender pay gap is **14.1% (Mean)** and **9.1% (Median)**

In Lakeland Dairies our employees work in a variety of roles including our Food Ingredients, Foodservice and Consumer Foods divisions – as well as the Agribusiness division that serves the needs of our farming communities. We have 8 processing sites across the north and south of the island of Ireland. In order to make changes within our business we believe it is critical to set out the reasons we believe we have a gender pay gap and the actions we are undertaking to improve.

Gender Representation within the Dairy Industry

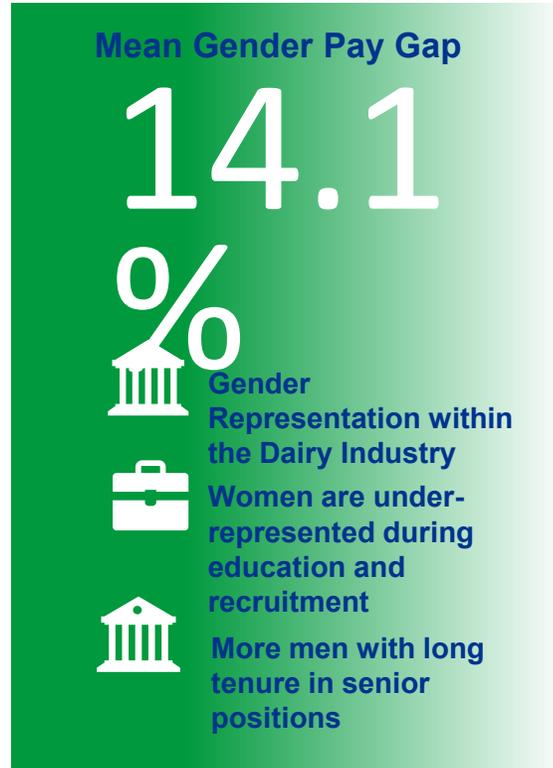
Uneven gender representation within certain roles in our business has a significant impact. The industry that we serve has for many years been predominately male. As one of the largest dairy processors in Ireland we recognise this is one of the central causes for our gender pay gap. This is something we have for many years been focusing on through our graduate and other talent acquisition programmes and various internal initiatives. The gender imbalance is most apparent in our processing sites. Traditionally, these types of on-site processing roles were very male dominated.

We are heavily linked with the farming communities across Ireland and as a result of this, traditionally there were many more males choosing a career with Lakeland Dairies.

Farming in Ireland has a high gender imbalance due to the nature of the work. Many of our processing site roles involve manual work and this has typically attracted more males. There is a general underrepresentation of women in this area but the Dairy industry is slowly making progress and we aim to be one of the driving factors for this change. We believe that our gender balance needs to align with the customers we serve and ensuring a more gender balance across our business would help us achieve this. We have been making steps towards achieving this through all of our recruitment projects and we envisage that the relaunch of our Graduate Programme for new intakes in 2023 will further support this objective. This programme offers female graduates the opportunity to experience many areas of the business during their training. When we examined the gender pay gap for this cohort we had a low gender pay gap of only 1.4%.



Explaining our gap



Women are under-represented in the Agri-food studies sector

There is a general under-representation of women studying Agri-food, Agri-science and engineering subjects during education which hinders gender representation in the organisation in a variety of roles. Agricultural studies in Ireland has been predominately male for many years. This trend is slowly changing thanks to increased investment and education around the opportunities available for female graduates. The gender imbalance during education has a knock-on impact on the market for the roles within our business. This is something we are committed to changing. One of the key ways we plan to address this gap in the market is through our new Graduate Programme, which we will be launching in Q1 of 2023. This programme provides a diverse group of both male and female graduates the opportunity to experience many areas within our business, providing female graduates with the opportunity to work in a multitude of roles within our business. In line with increasing awareness and a slow but steady increase in female Agricultural studies students, we expect to see the pool of female candidates for roles increase.

More men with long tenure in senior positions

We are proud to say we have relatively low staff turnover and many of our colleagues have life-long careers within Lakeland Dairies which has resulted in legacy issues of many men with longer tenure within the business. The market for some of our higher paid roles has historically been male dominated. Many of our management team are male with long tenure in the business. A more even gender split in each of the areas of the business would have a positive impact on the gender pay gap.

Having proportionately fewer women in senior levels impacts the gender pay gap. This imbalance in gender representation at the higher levels impacts the hourly mean and median pay gaps.

Actions we are taking

The nature of our industry continues to deliver specific challenges to us as we work to address the gender pay gap. Lakeland Dairies will continue to address these challenges and in doing so we embrace an inclusive culture, celebrating diversity and inclusion across all our business. In order to achieve our goals of improving the gender pay gap in our business we are focused on a range of initiatives and actions including the following:

01

External Diversity Consulting

We have partnered with the Irish Centre for Diversity to implement, commencing in Q1 2023, a structured framework to transform our culture from the ground up. This initiative is supported and sponsored by the Senior Leadership Team. The purpose of this is to reshape diversity practices within the organisation and obtain a Diversity EDI Mark. This is a public achievement letting all current and future colleagues know that we have made a commitment to improving diversity practices and will support all employees in progressing their careers within Lakeland Dairies. We believe this support will help us to further create a culture which supports female colleagues, address unconscious bias within the organisation and will ultimately impact our gender pay gap.

02

Updating Recruitment Policies

There is a general underrepresentation of women in certain areas of our business which have been historically more male, we want to change this trend and encourage more female recruitment in all areas of the business. We are undertaking a review of our recruitment policies to determine how best we can support future female colleagues. This includes conducting structured interviews with pre-set objective questions to reduce bias. We also commit to reviewing the language used in our job advertisements to ensure gender neutrality to encourage a more diverse intake of applicants.

03

Support Career Progression of Female Colleagues

One of the most notable areas we identified a gender pay gap was in the upper pay quartile of the organisation. Having more females in leadership roles will improve this. We have a strong representation of females at many other senior levels of the organisation including Finance, IT, HR and Site Leaderships. We wish to support these women through further leadership training to provide them with the supports to enhance their careers in all areas of Lakeland Dairies.

04

Enabling our People

We will continue to implement and build on our Talent Strategy ensuring that there is always a gender balance and inclusive mix of people participating in our development programmes. We are committed to enabling career progression based on individual's own merit and ability.

05

Retaining our People

We are very proud of our record of retaining people in our organisation but this is not something we take for granted. We will continue to ensure that we have a gender balanced and inclusive approach to how we support our people to enable an appropriate work life balance that facilitates them to continue working.

06

Talent Acquisition

Our focus will be to continually review our recruitment processes and language design, ensuring that from graduates to experienced hires and entry level roles we are open and attractive to all.



Lakeland Dairies employees attending Develop for Growth D4G programme.

D4G is part of the Lakeland Dairies Learning Academy catalogue of inclusive Talent Development programmes