

THINKING
DIFFERENTLY

To be the best we have to attract and retain people of the highest calibre. To achieve this we offer employees a wide range of training and development opportunities, ensure the vast majority of employees have access to a bonus or incentive scheme and have introduced policies that help encourage people to achieve a healthier work life balance.

Learning & development

One of the main focus areas for our learning and development team this year has been the roll out of our integrated business planning process which followed the reorganisation of our business into a single One Dairy Crest structure. The extensive training that has taken place, which will continue this year, focuses on the working processes and behaviours to achieve optimum performance from our new business model. Once fully implemented, integrated business planning will enhance forecasting and give employees more empowerment to deliver our overall strategy.



Our Eden engineering and technology apprenticeship programmes, run by MGTS and Reaseheath College respectively, continue to go from strength-to-strength. Launched in 2012 the engineering programme is a four year, full time academic and work based advanced apprenticeship. This provides participants with a comprehensive understanding of the dairy industry, a NVQ Level 3 in engineering systems and a BTEC Level 3 in operations and maintenance engineering. The technology programme, now in its fifth year, is helping us find and develop the technical and operational leaders of tomorrow, which is vital for the future of dairy processing in the UK. As part of the programme, students learn key science principles associated with dairy and process improvement techniques required to run an efficient modern dairy operation.

Investing in our front line management

Manufacturing sites have been running development programmes focusing on core management skills, and encouraging managers to learn together in teams. These programmes benefit from the active support and involvement of the site senior managers, providing the context and background to the programme and ensuring effective transfer of learning to achieve maximum business benefit.

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As well as providing our staff with face-to-face training we also continue to invest in our online development offering so that staff can enhance their skills and knowledge. Since 2010 1,570 of our people have registered on our online e-learning portal and made use of the extensive suite of courses on offer.

Looking to the future and developing the skills of young people, Dairy Crest provides expertise and support in a number of areas.

In response to a recognised shortage of people studying food science in the UK, we continue to sponsor A-Level and GCSE course places at Nottingham and Reading universities' Food Science summer schools. In 2013 we continued our support for the IGD's 'Feeding Britain's Future' programme which saw employees from across Dairy Crest support over 400 unemployed young people in their quest to get a job. Building on last year's events held at Davidstow and Nuneaton, this year we also held over 30 joint events with Sainsbury's, Asda and Marks & Spencer at their stores or in the local job centres.

Employee engagement

We strive to improve employee engagement as this delivers improved customer service and productivity. After a year of considerable change in the business there was, understandably, a slight decrease in our overall employee engagement score. Encouragingly, this does remain above the UK average and staff told us we had many of the attributes in place to be a high performing company, including, 'commitment to great customer service', 'high product quality' and 'continually looking for ways to improve'. As a result of the survey, local action plans have been put in place and progress will be regularly monitored by the Management Board.

One of the most important ways of enhancing engagement is by ensuring that staff know what is happening across the business in a timely fashion. To help accomplish this we have in place several staff communication channels including an intranet which can be accessed at work and at home, and weekly and bi-monthly staff briefings. In addition to this Dairy Crest also runs an annual strategy roadshow that all employees are invited to attend. Last year 177 sessions took place across our workplaces with 76% attendance (an increase on the previous year of over 10%). Finally, our CEO, Mark Allen, hosts employee lunches once a month at different workplaces where staff have the opportunity to hear business updates and ask the questions important to them.

Diversity

Our mission for diversity and inclusion at Dairy Crest is for all of our people to feel valued, listened to and able to reach their potential. We will attract, develop and retain from the widest pool of talent because we truly believe that it is key to our business success.

We recognise that diversity brings fresh ideas and innovations to improve our products, services and working practices, delivering commercial benefit and shareholder value.

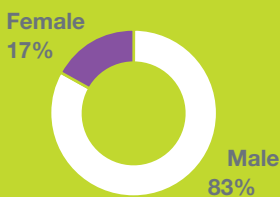
Employees are encouraged to reach their full potential regardless of their age, gender, marital status, disability, nationality, colour, ethnic origin, sexual orientation or religious affiliation. The Company will not tolerate discrimination or harassment on any of these grounds. In 2014 we will re-launch our Diversity Committee to reflect the One Dairy

Crest structure, having recently agreed membership and objectives to further drive our progress in this area.

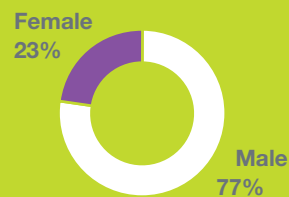
People who are able to balance their working life with their private life are not only happier but they are also more productive. To help make sure we achieve this at Dairy Crest we allow staff from all areas of the business to apply for flexible working hours. In addition, we offer employees the opportunity to take sabbaticals and to undertake voluntary work. Our maternity and paternity leave policies are significantly above the statutory minimum. All employees, regardless of their status, location or role should feel that they are treated flexibly in their ways of working according to business needs.

Gender profile

All employees



Senior management



Reward and recognition

We know that being valued and recognised at work is important. To this end, alongside a range of market leading benefits including pension and holiday entitlements above statutory levels, the vast majority of employees are members of a bonus or incentive scheme which is linked to either personal or site/company performance. To share further in the Company's success, all employees are invited on a regular basis to join a 'sharesave' scheme.

Pension auto-enrolment went live in April 2013 with over 90% of our workforce now participating in a workplace pension scheme that after a year's service offers an employers' contribution above that required by law. Recently we have launched a supporting, bespoke pensions and retirement infosite to encourage responsible retirement saving.

Finally, we're proud that we have in place a recognition scheme that means any member of staff can nominate another employee for an award that carries with it a financial reward. Last year 551 such awards were approved. As well as celebrating individual achievements we have a team of the year award recognising the great innovations that can be made when employees work well together.

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