



PARENTAL LEAVE POLICY

1. INTRODUCTION

1.1 Purpose

The Arla Group runs a global business, and this policy outlines its commitment to support a **minimum** parental leave for all colleagues around the world. By ensuring a minimum parental leave, the Arla Group sets out to foster a supportive environment for its employees and their families, and to support equal opportunities for all.

The policy embraces the key principle set out by the ILO (International Labour Organization) Maternity Protection Convention (Convention 183), which specifically promotes five pillars:

1. Maternity protection
2. Employment protection and non-discrimination
3. Healthy work environment
4. Flexible work arrangements
5. Conducive work environment to breastfeed

1.2 Implementation

Responsibility for the implementation of this policy lies with the line organisation/nearest manager. The policy establishes minimum standards that must be implemented at the Arla Group workplaces across the world by end of 2021.

1.3 Responsibilities

People managers must inform employees about this policy upon notification of pregnancy, adoption, childbirth, or becoming a foster parent, and ensure communication to Payroll.

2. SCOPE and DEFINITIONS

2.1 Scope

This policy applies to Arla Foods amba and any entity directly or indirectly controlled by Arla Foods amba (the "Arla Group") and their respective permanent employees.

2.2 Definitions

The policy states common minimum standards for parental leave and is intended to supplement or exceed existing local legislative conditions. Where local laws and customs apply, the procedure most beneficial to the employee should be implemented.

3. PRINCIPLES

Parental leave ambitions and key principles

The Arla Group is committed to ensure a workplace, which promotes flexible working arrangements and equal opportunities for all.

The Arla Group ensures that any gap between local authorities' compensation and full compensation is paid during 14 weeks of parental leave to primary caregiver and 2 weeks to secondary caregiver.

Parents are collectively entitled to parental leave, and the policy will be applied based on caregiver status. A primary caregiver is defined as someone who has primary responsibility for the care of a child immediately following childbirth or adoption, including male employees, adoptive and foster parents.

The Arla Group offers the following minimum parental leave:

1. A minimum of 14 weeks paid leave to the primary caregiver, of which a minimum of 6 weeks should be postnatal leave, and the right to extend the leave up to a total of six months.
2. The prenatal portion of the leave shall be extended by any period elapsing between the presumed date of childbirth and the actual date of childbirth, without reduction in any compulsory portion of postnatal leave.
3. Any leave beyond the minimum paid 14 weeks shall be remunerated in accordance with local legislation and/or local practices.

The policy further includes employment protection, flexible working arrangements and guaranteed access to breastfeeding rooms during working hours in head offices and sites with more than 50 female employees.

Summarised paid and unpaid leave respectively:

	Paid leave	Unpaid leave
Primary caregiver	14 weeks	Up to 6 months (additional 12 weeks)
Secondary caregiver	2 weeks (to be taken within 6 months of the childbirth)	Up to 4 weeks (additional 2 weeks)

Prior to delivery: The pregnant woman is entitled to leave prior to expected delivery. She is entitled to use 4 of the above 14 weeks paid leave before the expected date of childbirth.

After delivery: The new mother/primary caregiver is entitled to paid leave for up to 14 weeks after the actual date of delivery (depending on whether 4 weeks were used prior to delivery). And further entitled to unpaid leave up to a total of 6 months.

Employment protection and non-discrimination:

- All colleagues have the right to return to the same or equivalent job after parental leave.
- Parental leave must not be a source of discrimination in employment including access to employment.

Health protection in the workplace:

Pregnant or nursing women shall not perform work that is prejudicial¹ to their health or that of their child.

Conducive work environment to breastfeed:

In addition to the minimum standards mentioned above, the following good practices provide additional actions that further reinforce the Arla Group's support to exclusive breastfeeding for the first six months of life.

- Female colleagues are entitled to reasonable daily breaks or a daily reduction of work hours to breastfeed, this to be determined by local law and/or practices. These breaks or reduction of daily work hours shall be counted as working time and remunerated accordingly.
- Breastfeeding rooms will enable lactating mothers who choose so, to either breastfeed or express milk during working hours in a secure and relaxing environment. Breastfeeding rooms should be designated in head offices and in sites with more than 50 female employees.

Flexible working arrangements:

Colleagues will be allowed the option of flexible working arrangements (for example, job-sharing, part-time employment etc.) according to local conditions and legislation.

Related documents: *ILO (International Labour Organization) Maternity Protection Convention (Convention 183)*

Approved by:

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¹Prejudicial refers to work that is potentially dangerous to the health of the mother, the foetus or the baby, and exposes the male or female worker of reproductive age to substances or particles potentially harmful to their reproductive functions.