

# Competency descriptions



# Competency Description: Passion for a coop Arla

## THIS COMPETENCY IS ABOUT:

Displaying true engagement and positive mindset when engaging with stakeholders, fellow farmers and others in discussions on the future of Arla Foods.

Understanding the mechanisms of being a farmer-owned company – balancing the short-term views as a supplier to the company with the long-term views as a forward-looking member of the Board.



## COMPETENCY LEVEL

## APPLICATION OF SKILLS

### I

#### BASIC APPRECIATION

Understands the basic mechanisms of being a cooperative company, enabling him/her to balance owner interests with the role as a board member. This translates into a clear understanding of the importance for showing Arla coop passion in presentations and meetings.

AND

### II

#### WORKING KNOWLEDGE

Understands and is able to engage passionately in discussions, with a mindset that deliberately takes into consideration the sometimes opposing views of owner interest versus BoD member responsibilities towards the company as a whole. However, in situations where the opposition towards the person becomes tough, the passion might get lost – and will not be perceived as genuine.

AND

### III

#### FULLY OPERATIONAL

Has the ability to display the passion him/herself in all situations where he/she represents Arla Foods. Participates very actively in discussions with a mindset that deliberately takes into consideration the sometimes opposing views of owner interest versus BoD member responsibilities towards the company as a whole. Even in tough discussions where arguments on opposing views are tough, he/she stands firm and shows engagement and passion for Arla Foods.

AND

### IV

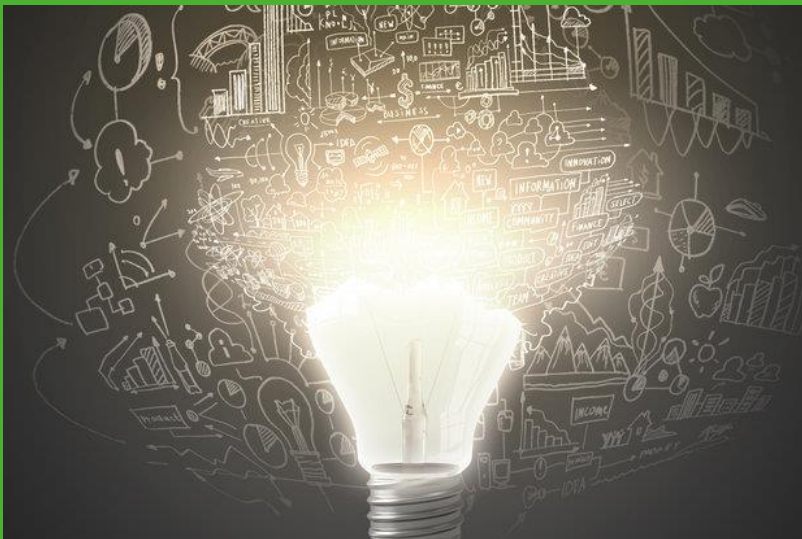
#### LEADING EDGE

Has the full authority and credibility to help relevant stakeholders and fellow-BoD members drive discussions, with a mindset that deliberately takes into consideration the sometimes opposing views of owner interest versus BoD member responsibilities towards the company as a whole. Is fully capable of passionately explaining the corporate context of decisions to other owners outside of the BoD. He/she is a role model for others and can even train colleagues on how to build skills around 'Passion for Arla'.

## Competency Description: Business Acumen

### THIS COMPETENCY IS ABOUT:

Assessing business situations in Arla Foods and evaluating the risks and opportunities associated with them. This includes a deep understanding of Arla Foods, in order to support, challenge and provide insights to the EMT. Embracing change and innovation and seeing the value from it, while also while also being the devils advocate is another important component of Business Acumen.



### COMPETENCY LEVEL

### APPLICATION OF SKILLS

# I

#### BASIC APPRECIATION

Understands the fundamental macro-economic trends and industry performance drivers and how these affect the company. Looks for guidance from others when tough strategic decisions are to be made”.

AND

# II

#### WORKING KNOWLEDGE

Understands the macro-economic trends and industry performance drivers that affect the company. He/she is able to evaluate risks and opportunities within this context and ask constructive critical questions to the EMT. Based on own research. participates in the strategic process with solid input and own opinions based on a peripheral macro and industry knowledge

AND

# III

#### FULLY OPERATIONAL

Proactively searches for the latest indications of macro-economic trends and industry performance drivers that affect the company. He/she is able to analyse and evaluate risks and opportunities within this context and ask constructive critical questions to the EMT. Thus, he/she participates very actively in the strategic process with solid input and own opinions.

AND

# IV

#### LEADING EDGE

Proactively utilises his/hers vast experience with macro-economic analysis and industry knowledge to drive challenging interactions with the EMT on strategic matters. Has the ability to lift the collective business acumen skills of the entire board, by sharing of his/hers vast business experience.

## Competency Description: Clear Communication

## THIS COMPETENCY IS ABOUT:

Delivering messages - in English language - in a clear and convincing way so everybody understands. Presenting with authority and impact in both small and large groups. Influencing discussions, balancing when to listen and when to create direction.



## COMPETENCY LEVEL

## APPLICATION OF SKILLS

## I BASIC APPRECIATION

Understands the importance

Understands the importance of communicating in clear and simple language, but lacks the ability to take the stage and deliver strong and impactful presentations verbally. Written communication is at a standard that is neither superb nor under average.

**AND**

## II WORKING KNOWLEDGE

Has the ability to communicate in a clear and simple language, written as well as verbally. Can go on stage and make a solid presentation, however it is a skill that he/she needs to continuously train in order to make the communication impactful.

**AND,**

### III FULLY OPERATIONAL

Has as natural talent for co

Has as natural talent for communicating clearly and simple in writing as well as verbally. Has the talent to take the stage at any given occasion and be very clear in the points made – and take into consideration feedback and input on the fly.

**AND**

## IV LEADING EDGE

He/she is the person who everyone admires for his/hers communicative skills. Has the ability to always be sharp in the points made, with an ability to communicate complex matters in a tone and voice that is understandable to very different stakeholders.



# Competency Description: International Mindset

## THIS COMPETENCY IS ABOUT:

Understanding international consumer markets and macro trends by staying curious and gathering information from experts, competitors and other companies, stakeholder groups, etc.



## COMPETENCY LEVEL

## APPLICATION OF SKILLS

I

### BASIC APPRECIATION

Understands how the trends and behaviours in international customer and consumer markets affect the company. He/she also understands the need for the company to be very proactive in uncovering and responding to these trends.

AND

II

### WORKING KNOWLEDGE

Is curious and knowledgeable about the trends and behaviours in international customer and consumer markets. He/she has the ability to ask simple probing questions to the EMT and to engage with BoD colleagues in discussions within this area.

AND

III

### FULLY OPERATIONAL

Has a profound knowledge about the trends and behaviours in international customer and consumer markets. Is a strong voice in the board, when challenging the EMT within this area, and he/she is proactively suggesting new ways of globalising the company, accommodating to the needs of various consumer groups and customer segments.

AND

IV

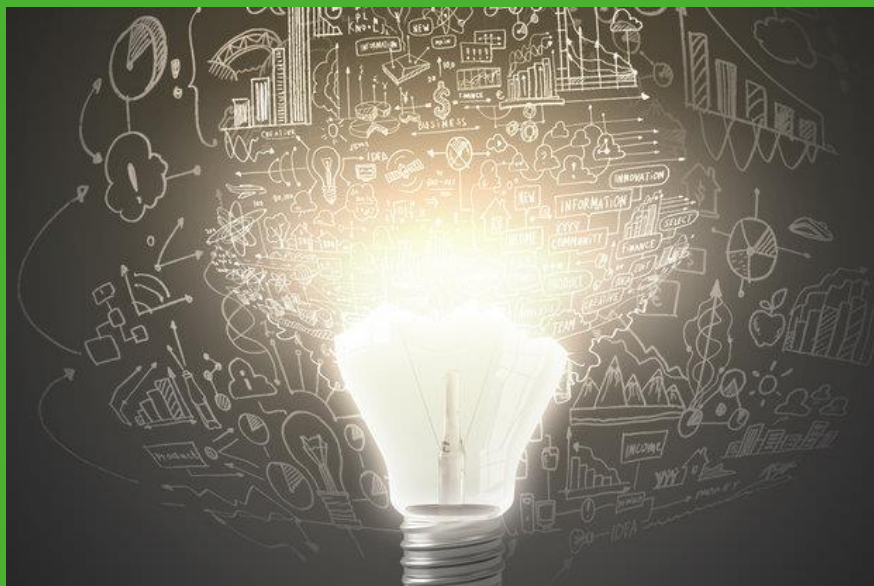
### LEADING EDGE

Has a very strong international network of experts that are knowledgeable about future consumer and customer trends. He/she leads the discussions inside and outside the boardroom, and is a strong sparring partner for the EMT on this topic.

# Competency Description: Brand Awareness

THIS COMPETENCY IS ABOUT:

Displaying a deep understanding, experience and strategic importance of building brands in a global marketplace.



COMPETENCY LEVEL

APPLICATION OF SKILLS

I

## BASIC APPRECIATION

Understands the basics of the added value to business performance that branded products generate.

AND

II

## WORKING KNOWLEDGE

Understands the complexity of building/developing global brands, and what is needed to ensure the added value to business performance that branded products generate.

AND

III

## FULLY OPERATIONAL

Has experience from research and intensive interactions with relevant stakeholders and experts on brand development. Is able to challenge the EMT at a strategic level within this area.

AND

IV

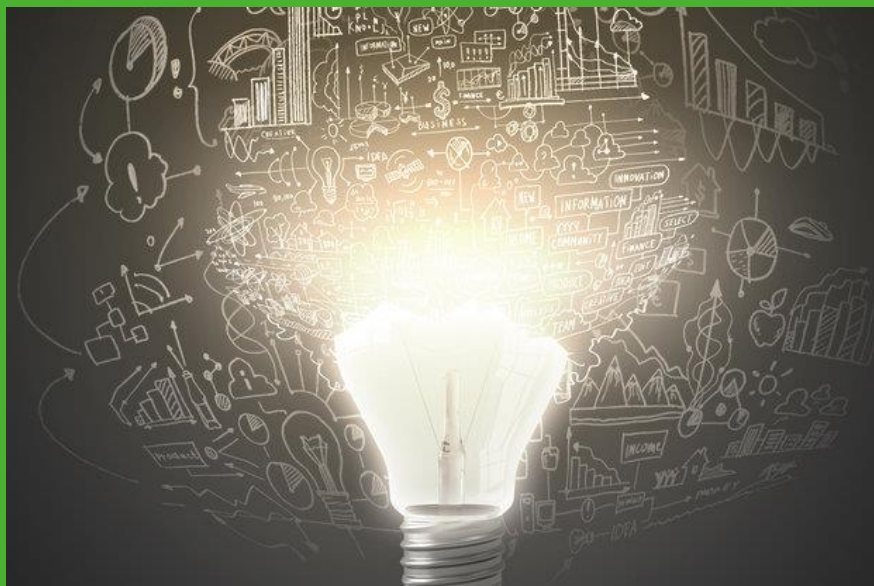
## LEADING EDGE

Has vast experience with building international brands within the FMCG industry. Thus, having the ability to challenge the EMT on high level strategy, as well as very granular issues. Additionally, he/she is able to help colleagues engage more proactively in brand development discussions.

# Competency Description: Digitalisation

## THIS COMPETENCY IS ABOUT:

Displaying a deep understanding of how technology shapes and changes the industry that Arla Foods is a part of and surrounded by.



## COMPETENCY LEVEL

## APPLICATION OF SKILLS

### I

#### BASIC APPRECIATION

Understands the basics of how digitalisation can impact the company and the sometimes radical decisions that need to be considered, in order to transform the company to become more digitally savvy.

AND

### II

#### WORKING KNOWLEDGE

Has limited working experience with digitalisation, however due to a deep personal interest, he/she is able to ask relevant questions to the EMT on how they are preparing the company for the increased demands to digitalisation from customers, consumers and employees.

AND

### III

#### FULLY OPERATIONAL

Has working experience with digitalisation from positions in other boards combined with participation in digital networks. He/she is able to proactively bring in new perspectives and not only challenge existing ideas and perspectives from the EMT.

AND

### IV

#### LEADING EDGE

Has extensive working experience with digitalisation as well as from a more scientific view. Has a deep insight into how other FMCG companies have transformed their entire value chain to meet the demands for more digitalised solutions. Has the ability to challenge the EMT on this subject, and be a very valuable sparring partner for the administration within this area.

## Competency Description: Leadership

## THIS COMPETENCY IS ABOUT:

Displaying self awareness and sensitivity to the other persons position, while taking lead through exercising diplomatic and political expertise in dealing with conflict within and outside the boardroom. Listening carefully, building relations and constructively challenging stakeholders, the Executive Management Team and colleagues on the Board is how the competency is lived.



## COMPETENCY LEVEL

## APPLICATION OF SKILLS

## I BASIC APPRECIATION

Understands what it means to take lead and appreciates when others show leadership. Understands the importance of feeling what another person is experiencing from within their frame of reference. However, he/she is often not willing to change his/hers own perception.

**AND**

## II WORKING KNOWLEDGE

Can take lead in discussions if encouraged by other or if very passionate around the topic at hand. Is normally very reflective before engaging and therefore willing to go into a constructive dialogue and be convinced that there are alternative solutions to an issue.

**AND**

**III FULLY OPERATIONAL**  
Typically takes lead in dis

Typically takes lead in discussions through a “first listen and understand, then engage approach”. Typically, he/she is a strong relationship builder with the EMT and other board members, however it does not cloud his/hers judgement if tough leadership decisions are to be made. He/she also has a very strong ability to learn from past experiences and use that learning to show true leadership..

**AND**

## IV LEADING EDGE

**Proactive driver or the tough, but necessary discussions within the board room and outside of the board room. He/she is viewed as a strong informal leader with the capacity to listen, reflect and speak up with a strong authority that creates natural respect. Has the ability to always include multiple perspectives and is therefore never biased in his/her views.**



# Competency Description: Risk Awareness

## THIS COMPETENCY IS ABOUT:

Identifying and managing all forms of risk whether financial, operational or reputational. Consistently being aware of potential risks and ‘thinking the unthinkable’.



## COMPETENCY LEVEL

## APPLICATION OF SKILLS

### I

#### BASIC APPRECIATION

Understands the multitude of internal and external risk factors that can have a severe impact on the company and its performance.

AND

### II

#### WORKING KNOWLEDGE

Has the ability to ask the right and intelligent probing questions in the board room that can help uncover the most significant and evident multitude of internal and external risk factors that can have a severe impact on the company and its performance.

AND

### III

#### FULLY OPERATIONAL

Based on a very solid knowledge of internal and external risk factors, he/she is able to “think the unthinkable” and ask challenging probing questions inside and outside of the board on risk factors that are not evident to others.

AND

### IV

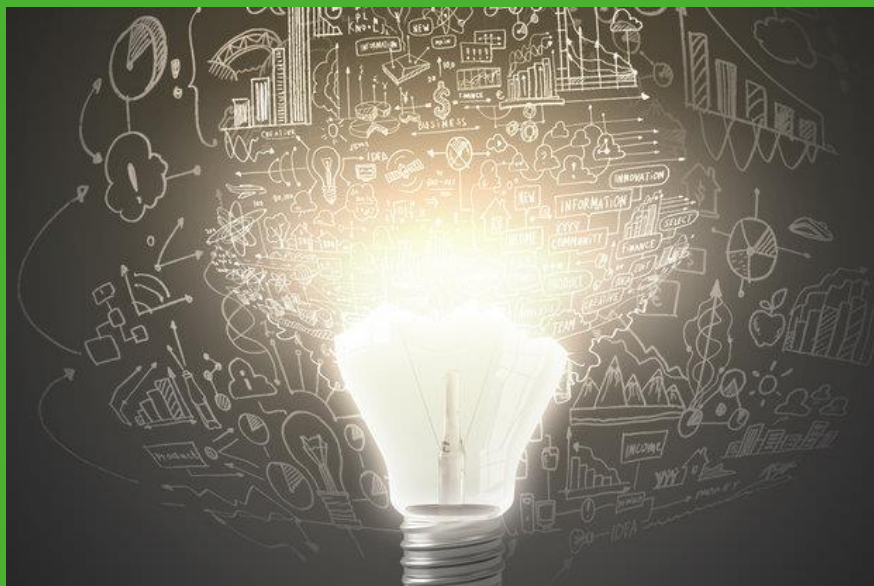
#### LEADING EDGE

Regarded as the Devil’s Advocate among colleagues on the Board. Extremely knowledgeable about macro trends affecting the risk situation of the company. Besides, he/she has a deep understanding of the company’s position on the most important risk factors, and can thus ask tough challenging questions.

# Competency Description: Financial Literacy

THIS COMPETENCY IS ABOUT:

Demonstrating financial and economic literacy skills which are crucial to making effective boardroom business decisions.



COMPETENCY LEVEL

APPLICATION OF SKILLS

I

## BASIC APPRECIATION

Understands the basics of the financial statements presented to the board at board meetings. Has limited knowledge on specific accounting methods and/or ways of budgeting

AND

II

## WORKING KNOWLEDGE

Has the ability to go into more details of the relevant financial statements, and ask simple probing questions to the EMT and discuss more details with colleagues on the board.

AND

III

## FULLY OPERATIONAL

Has solid working experience with financial matters, and is able to challenge financial business cases presented to the board with insights and analysis.

AND

IV

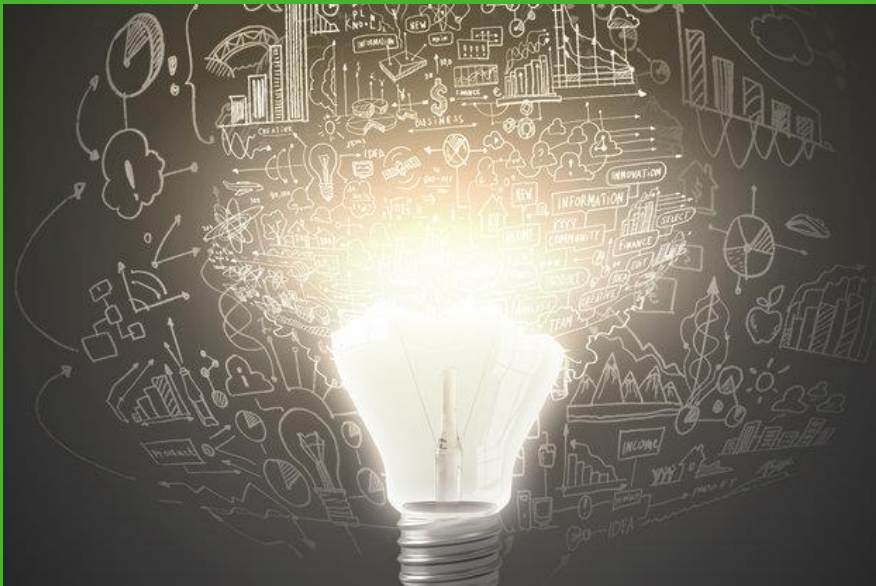
## LEADING EDGE

Regarded as a financial expert with a background in Finance and/or accounting. Has the ability to challenge the EMT in financial discussions inside and outside of the boardroom. Is the natural leader within the board, when it comes to financial discussions.

Competency Description: Integrity and Judgement (Difficult to describe in levels – either you have it or you don't.)

THIS COMPETENCY IS ABOUT:

Maintaining consistent and independent views and high ethical standards inside and outside of the Board. Earning trust through demonstrating integrity and judgement.



COMPETENCY LEVEL

APPLICATION OF SKILLS

I BASIC APPRECIATION

AND

II WORKING KNOWLEDGE

AND

III FULLY OPERATIONAL

AND

IV LEADING EDGE

