



Board workforce engagement policy

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Board workforce engagement policy

Effective: 20 July 2023

Introduction

[Unilever's Board](#) is committed to engaging with our people, consisting of all employees (permanent, part-time and fixed term) globally. In addition, where possible, the Board will strive for opportunities to seek feedback from individuals who are engaged via third party organisations providing services to Unilever.

Rationale

At the heart of the [Unilever Compass](#) is a belief that sustainable and purposeful business drives superior long-term performance. Our growth creates value through a multi-stakeholder model. Our people are stakeholders critical to our success and a strategic asset for our business. We care about our people and the positive impact they have on our brands, our business and our purpose. Our people have first-hand knowledge of our business and direct contact with other stakeholders, such as customers and suppliers. They have a vested interest in the long-term success of Unilever. As a result, our people are well positioned to give valuable insights and feedback on our business, which can contribute to strategic decision making by the Board and make Unilever a better performing company over the long-term.

Workforce engagement is an opportunity for our employees to be listened to, their views to be valued and have direct access to members of the Board.

Workforce engagement ensures Non-Executive Directors (“NEDs”) are equipped with knowledge of employee views to have an insightful discussion with Executive Directors and Unilever Leadership Executive on employee sentiment within Unilever. We believe that taking into account feedback from our workforce widens the diversity of our Board’s views when making business decisions.

At Unilever we strive to ensure engagement with our people is strategic and meaningful, which means workforce engagement activities:

- are planned in advance for the year to align with the agenda for Board meetings;

- cover the entire workforce demographic in terms of geography, division, length of service, diversity, work level/seniority, supply chain, customer development and office staff;
- use a variety of methods including face to face sessions, employee representatives, surveys and townhall meetings;
- focus on Unilever's strategic priorities (i.e. sustainability, living wage, flexible employment models, skills training and diversity goals); and
- are an opportunity for our people to raise matters that are relevant to them.

Method of engagement

Given Unilever's global footprint and extensive scope of operations, the Board is committed to sharing the responsibility of engaging with employees among all NEDs, rather than focusing responsibility on a designated NED or employee director. This method of workforce engagement is effective for Unilever and our people to ensure a wide range of employee views are shared with the whole Board.

We regard engaging with our people as an integral part of the role of a NED on Unilever's Board. As such, each NED takes an active part in workforce engagement.

Unilever has a pre-existing and well-established network of formal employee representative structures worldwide. Therefore, Unilever decided not to establish an advisory panel in addition.

This policy sets out our approach to engaging with our people. The Board believes this policy enables comprehensive two-way engagement with our people to improve decision making and we are satisfied this is an effective alternative to the workforce engagement options set out in Provision 5 of the [UK Corporate Governance Code](#). The method of engagement was chosen by the Board as a matter of governance, but we continually seek feedback from employees on engagement and make adjustments where appropriate.

Evaluation of effectiveness

The Board continues to assess the effectiveness of its engagement with the workforce and how such engagement informs the decisions it takes. Our people are given an opportunity to feedback on the effectiveness of engagement.

Unilever may make changes to this policy from time to time as a result of evaluating effectiveness of workforce engagement and feedback from our people.

Reporting

Workforce engagement activities are reported regularly at Board meetings, which includes the engagement activities undertaken by each NED, key topics discussed and actions/outcomes. Summaries of these engagement activities are made available to the Board and the Board receives an update of engagement activities bi-annually. This feedback can then be factored into decision making where appropriate.

A summary of Unilever's workforce engagement activities each year is set out in our Annual Report, which is publicly available to all stakeholders, including employees.

Engagement activities

To maximise effectiveness of workforce engagement we leverage a variety of types of engagement activity. This helps us reach a wider employee audience and receive meaningful feedback. For example, a small group of our people are able to provide detailed feedback to NEDs on a particular topic, whereas an all-employee survey provides for anonymous feedback on a wide range of topics. Examples of workforce engagement activities are set out in Annex A.

The Board conducts an annual review of the effectiveness of workforce engagement and this includes reviewing key themes across the various types of engagement activity.

Annex A: Type of engagement activities

Engagement sessions

Conducted by:	NEDs
Workforce covered:	Groups of employees
Frequency:	At least six per year

The NEDs will conduct at least six workforce engagement events per year. Each NED will attend at least one sessions per year and each session can have more than one NED present.

These sessions can either be face to face or virtual and each session will be focused on a particular topic that is aligned with the Board's agenda and Unilever's strategic priorities, as well as any other topics that may arise during the year. Employees will also be given an opportunity to provide feedback on any other topic of interest to them. The focus of engagement sessions is on qualitative feedback and the sessions are intended to be informal so employees feel at ease to share their views freely.

Engagement sessions create two-way dialogue. This means NEDs have an opportunity to update employees on Unilever's strategic priorities and employees have direct access to NEDs to share their views and feedback.

The engagement session may be via a townhall meeting with a larger group of employees (i.e. a site or country) or a smaller group of approximately 4-5 employees. These sessions may be held as part of other events, such as training programmes, employee resource groups or visits to Unilever sites.

The sessions will be attended by a diverse range of the workforce from factory staff and new joiners through to head office staff and employees with 20+ years in the Company. For smaller group sessions attendees will be selected based on:

- Representation across work levels 1-3
- Representation across different parts of the business i.e. divisions and office/supply chain/customer development
- No management relationship between attendees
- Excluding those whose remit is the topic itself

It is important to Unilever that attendees are not selected to mimic a company line or simply say what they think the NEDs want to hear. We want attendees to be able to share their own thoughts and experiences on the topic freely.

Engagement sessions will be facilitated by a Unilever HR representative. Their role is to ensure NEDs and participating employees have clear rules of engagement, so all participants are aware of the following:

- the aim is to encourage meaningful dialogue between NEDs and workforce members and employees should have scope to speak freely and ask questions;
- the role of the NED is to offer perspective from the Board and factor employee feedback into Board level decision-making where relevant and appropriate. Any issues or escalations arising in the meeting context should be addressed attentively but neutrally and brought to the attention of executive management for follow-up.

The HR representative will capture and summarise the key points discussed and any follow-up actions, whether for NEDs or local management. A summary of each employee engagement session will be made available for the rest of the Board to review. Feedback from employees during the session will not be attributed to individual employees. In addition, a request will be sent to attendees after the engagement session to gain their feedback on how Unilever operates workforce engagement. This feedback will be taken into account when reviewing the effectiveness of workforce engagement as part of the annual board evaluation.

Session with employee representatives

Conducted by:	NEDs
Workforce covered:	Represented workforce
Frequency:	Annual

Unilever has a number of well-established, pre-existing formal employee representative structures worldwide. These include Unions, Works Councils and the European Works Council. Employee representatives form a valuable partnership with Unilever and our people. Therefore, we strive to make the most of these partners to facilitate engagement on matters impacting our people.

Employee representatives cover approximately 55% of Unilever's total workforce and around 82% of manufacturing workforce. Therefore, employee representatives do not constitute an advisory panel and we leverage additional engagement methods to reach all our people.

Unilever respects the role of employee representatives in formal information, consultation and collective bargaining of employment terms, which operates in parallel to employee engagement.

The Board receives a full report on discussions within Unilever's employee representative structures on an annual basis, including resulting action plans and how any issues are responded to. This feedback is taken into account by the Board when making business decisions as appropriate.

In addition, we will strive to hold an annual engagement meeting with an employee representative forum on a topical matter.

82% of

Unilever's manufacturing workforce is covered by employee representatives (2022)

Townhall meetings

Conducted by:	Members of the Board
Workforce covered:	Global workforce
Frequency:	Regularly throughout the year

Unilever's CEO hosts townhall meetings on a regular basis. These townhall meetings may be with the entire workforce or certain markets or functions. NEDs and other members of senior management may be invited to co-host the townhall meetings alongside the CEO too. As such, we aim to have a NED host at least one townhall meeting per year alongside the CEO. Townhall meetings are an opportunity for the CEO to brief employees on strategic business issues and employees all around the world to ask questions of the CEO and provide comments and feedback.

Questions can be submitted by employees (including on an anonymous basis) in advance and during the townhall meetings. All attendees can vote on the questions submitted and the most popular questions are escalated to the top of the list. Employees can also post comments. The hosts review questions and comments submitted in advance of the townhall meetings and where possible

answer questions during the session. These questions and comments allow members of the Board to gauge the sentiment of employees and highlights the issues of most importance to them, which can be factored into business decision making by the Board where appropriate.

Townhall meetings are usually recorded and made available for those who could not attend the call live.

Site visits

Conducted by:	NEDs
Workforce covered:	Groups of employees
Frequency:	Periodically

When travel permits NEDs may make optional visits to Unilever sites. During these site visits NEDs will take the opportunity to meet with our people and seek their feedback. This may be as a formal townhall meeting, a select group of employees working in a particular area/project, lunchtime meeting or meet and greet while walking around the site.

Feedback from site visits will be captured in minutes and shared with the rest of the Board at the next Board meeting and any resulting action noted in the Board minutes.

Code of Business Principles

Conducted by:	Business Integrity
Workforce covered:	Global workforce
Frequency:	Annual

Unilever has a [Code of Business Principles](#), which is the guidebook for putting our values into practice. The Code sets out a clear standard of conduct to ensure that Unilever always makes the right choice, providing a framework of simple “musts” and “must nots”.

All employees are expected to comply with the Code and encouraged to speak up if they are concerned about a potential violation. Employees can raise any concerns online or via telephone anywhere in the world 24/7 (including anonymously). Such concerns will be investigated and any necessary action taken as a result.

Unilever regularly reviews speak up concerns and outcomes of investigations to identify any trends, employee feedback, areas of improvement and training needs etc, which are shared with the Board's Corporate Responsibility Committee.

Unilever will also publish highlights of the concerns raised and resulting actions in its Annual Report.

Surveys

Conducted by:	HR
Workforce covered:	Global employees
Frequency:	Annual and quarterly

Unilever operates two types of employee engagement surveys. An annual survey of all employees called UniVoice and a regular quarterly survey targeted to a smaller group of employees called UniPulse.

Surveys provide a valuable insight into the sentiment of our people that is supplemented by other engagement methods.

The surveys provide a snapshot of employee views and feedback on various topics that is collated into quantitative data. This data drives actions plans aimed at improving employee experience based on their feedback from the surveys.

The Board may suggest themes for the annual UniVoice survey, in order to gain insights from our people on particular topics.

The results of UniVoice, along with a question-by-question summary of the survey data, is provided to the Board on an annual basis. The Board receives a summary of the feedback and resulting action plans from UniVoice to assess results and how any issues are responded to, which can be factored into business decision making where appropriate.

Unilever will also publish highlights of the UniVoice survey results and action plans in its Annual Report.