

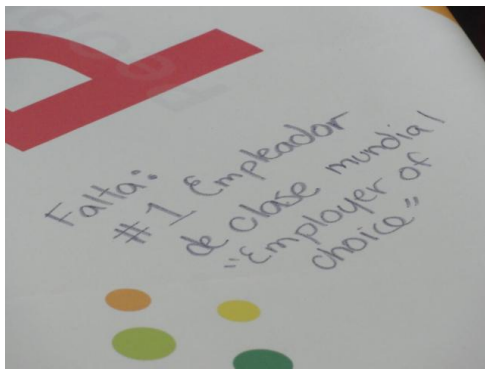
# Unilever Investor Seminary Istanbul 2011



# Doug Baillie

## Chief Human Resources Officer

### Driving towards a Performance Culture



# Unilever Organisation Journey



2009

**9 for 09**

- 1 Agree country & category strategies
- 2 Magnify innovations
- 3 Own market development
- 4 Improve sales fundamentals
- 5 Step change customer service
- 6 Win with winning customers
- 7 Win with local consumers through combined power of BB & BD
- 8 Drive up CASH and drive down COSTS
- 9 Simplify product / SKU range

'9 for 09' focus on markets by kick-starting volume and strengthening leadership

2010

**THE COMPASS**

WE ARE UNILEVER...

**WE WORK TO CREATE A BETTER FUTURE EVERY DAY**  
We help people feel good, look good and get more out of life with brands and services that are good for them and good for others.  
We will inspire people to take small everyday actions that can add up to a big difference for the world.  
We will develop new ways of doing business with the aim of doubling the size of our company while reducing our environmental impact.

**WE FOCUS ON CONSUMERS AND CUSTOMERS WITH A PLAN FOR ACTION**  
Our first priority is to our consumers, then customers, employees and communities. When we fulfil our responsibilities to them, our shareholders will be rewarded.  
We will win through a growth mentality and a positive approach to all our stakeholders, based on clear accountability and bias for action.

WHERE WE WILL WIN...

1 Win share and grow volume in every category and country  
2 Win globally in Deo, Ice Cream, Skin Care, Tea and Soups/Cooking Products  
3 Accelerate BB&C and harness our Western Europe

HOW WE WILL WIN...

1 Deliver superior products, design, branding and marketing  
2 Bigger, better, faster innovations  
3 Appeal to more consumers across needs and price points  
4 Lead market development  
5 Win with winning customers  
6 Be an execution powerhouse  
7 Lead, responsive and consumer led value chain  
8 Drive return on brand support  
9 Agile, cost competitive organisation  
10 Organisation and diverse talent pipeline ready to match our growth ambitions  
11 Performance culture which respects our values  
12 Leverage our operating framework for competitive advantage

Compass launched and establishing strong global functional structures

2011

**THE COMPASS**

WE ARE UNILEVER...

**TURBO CHARGE!**

201010

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Turbo Charging the Compass and clearer Strategic choices

2012

**Turbo-Charging The Organisation**

Creating a Unilever that is Simpler, Better Connected, Faster

(1.) Pre-2006  
200 x 20

(2.) 2007 - 2011 One Unilever  
24 x 10

(3.) 2012 & Beyond Turbo One  
8 x 4

New structure to match strategy and ambition



# Winning with People



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## THE COMPASS



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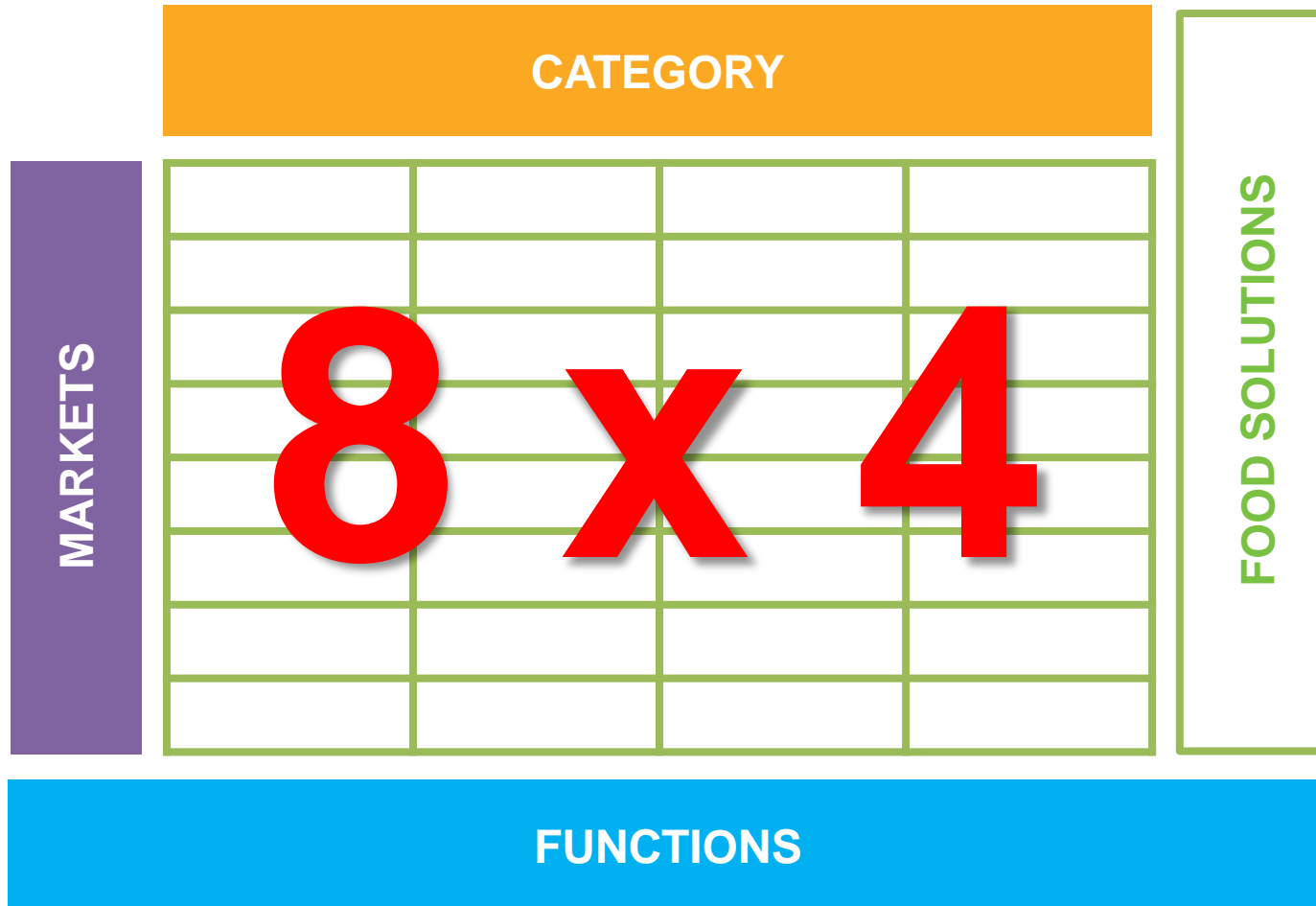
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# Turbo Charging the Organisation

Key Building Blocks - 8 x 4 matrix underpin by Global Function



# A new organisation – 4 categories



Personal Care



Home Care



Refreshment



Foods

From 11 to 4 categories – driving strategy and innovation and leveraging scale

# A new organisation – 8 clusters



North America



Europe



NAMET & RUB



North Asia



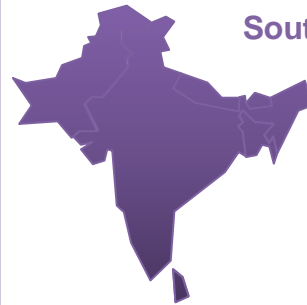
Latin America



Africa



South Asia



South East Asia & Australasia



From 22 MCO's to 8 clusters – focus around the consumer, faster and more cost effective



# Turbo Charging the Organisation Global Functions

## Best-in-Class Services & Cost



### Global Finance

virtuous circle of growth

### Global R&D

highest ever innovation rate

### Global HR

3+1s  
Performance Culture

### Global Supply Chain

Integrated supply chain

### Global Marketing

Strengthening our Brand Equities

IT and enterprise support

A Passion for Performance  
Enterprise Support

# Winning with People



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# Organisation and Diverse Talent for €80bn business



Understanding the **Talent and Skills** gap



Recruiting **Talent** for an €80bn business



Developing our **Leaders**

# Understanding the size of the gap

## The Talent & Organisation Readiness Framework



### The Talent & Organisation Readiness Framework

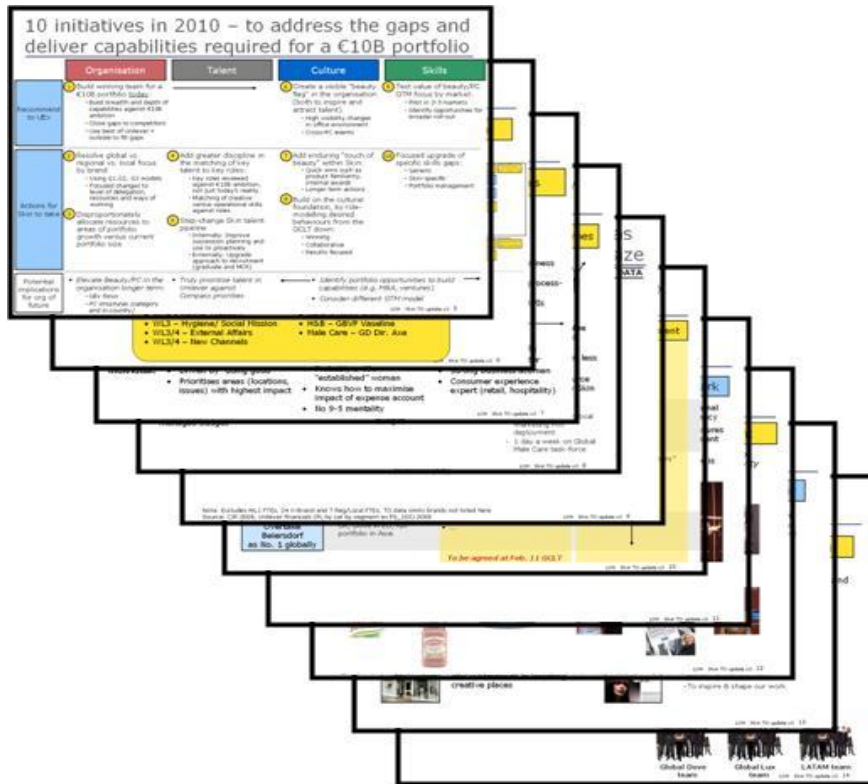


**Do we have the...**

- Talent ✓
- Skills ✓
- Organisation ✓
- Culture ✓

**...to match our growth ambition?**

# Talent and Organisation Action Plans everywhere



• By end 2011, we will have action plans in place and activated for :-

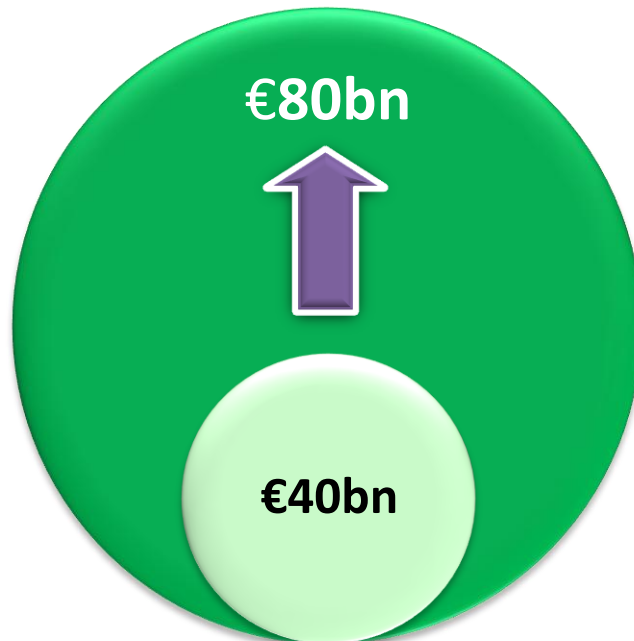
- all 22 MCOs
- global functions
- global categories

• Key themes of T&O booklet compiled for Unilever Executive market visits

# Building Talent and Leadership for an €80bn company requires a step change



## Talent Demand



## Talent Supply

- Management Trainees
- Mid-Career Recruits
- International Assignees
- Leadership Development

# "Great Place, Great People"

## Unilever Employer Ranking 2011



We continue to improve our employer brand rankings, especially in D&E markets:

### Number 1 FMCG employer in 14 countries



South Africa, Vietnam, Indonesia, Australia, Bangladesh, Pakistan, India




Sri Lanka, Argentina, Chile, Brazil, Netherlands, Russia, Turkey

# Gained good momentum with more to be done




Unilever sends students to Singapore for global exposure

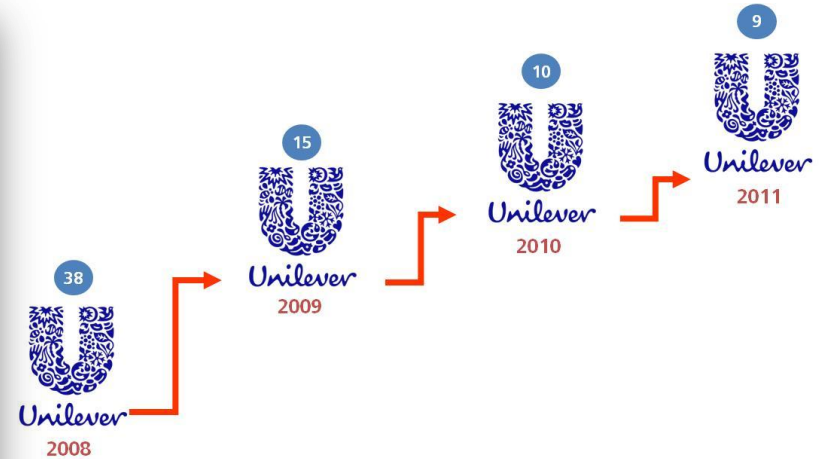


Colleen Leygonie from the Food Sciences Department wins Unilever's IBMC challenge trip to Singapore!

Kudos Colleen!!!



Log in to facebook page: unilever.com.ar for more details.



Unilever Argentina  
A Talent Powerhouse

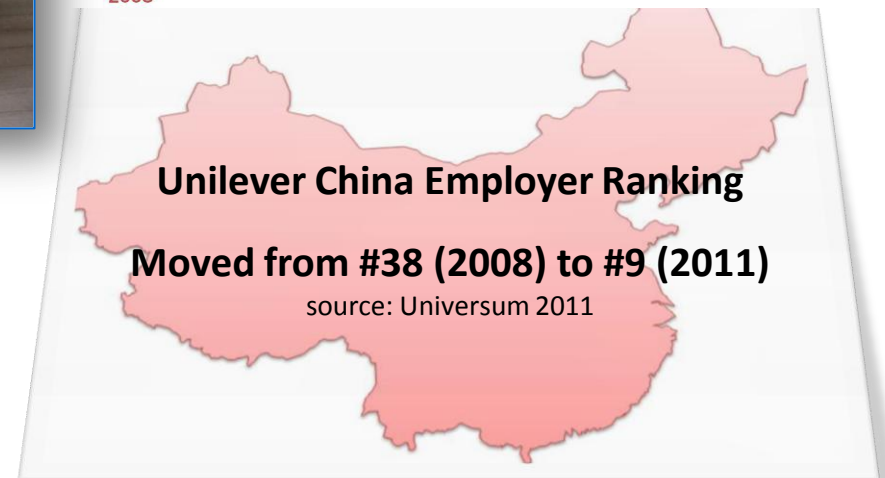
Best Place to Work

1<sup>st</sup> position as Best Employer (fourth consecutive year).  
Apertura Ranking  
Leading Business Magazine

Nº 1 en el Ranking de Mejor Empleador



Por cuarto año consecutivo logramos el 1º puesto en el Ranking de Apertura, en la categoría de empresas de más de 1000 personas.





# Unilever Leadership Development Programme (ULDP)



- A strong pipeline of leaders to fuel our growth ambition
- A team of leaders capable of operating in an increasingly uncertain world

- 100% of senior managers have been through the ULDP programme.
- They form the ULDP alumni who become the coach and mentors to the next level managers going through ULDP



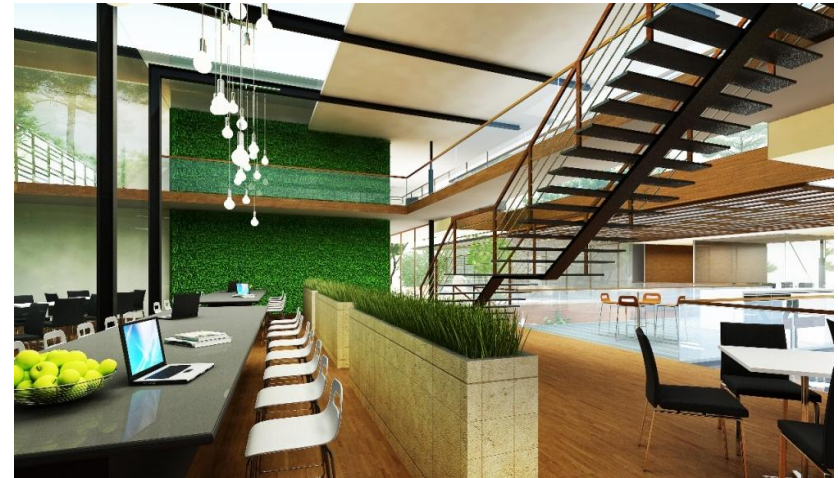
Let's hear from the ULDP Alumni



# Investing in Leadership Development in Asia



Four Acres  
Singapore



# Four Acres

Developing Leadership Talent for the Future



# Winning with People



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## THE COMPASS



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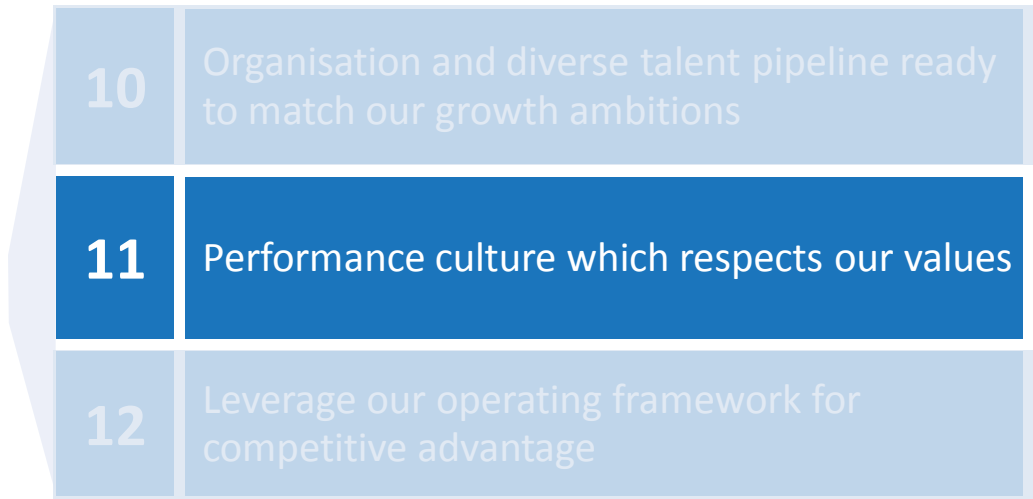
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# Building a Performance Culture in Unilever

- a broad-based systematic approach



# Goal Setting and 3+1s

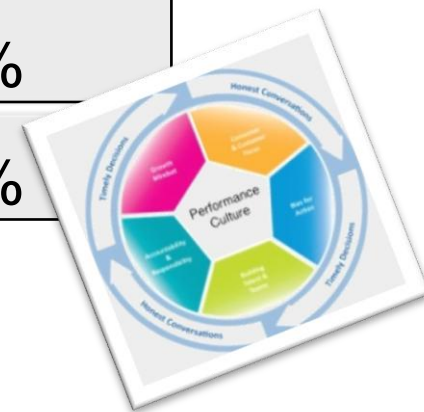


- Everyone in Unilever have 3 business goals and 1 development goal
- This is about aligning everyone's actions and getting things done
- Clear direction on key priorities
- KPIs and targets to focus employees' actions and assess results
- Year end performance rated on a 1 to 5 scale

# Differentiated Bonus by Performance Rating



Performance Rating	% Managers	Average award vs target bonus
1	5%	0%
2	10%	25 - 50%
3	60%	90 - 110%
4	20%	125 - 150%
5	5%	150 - 200%



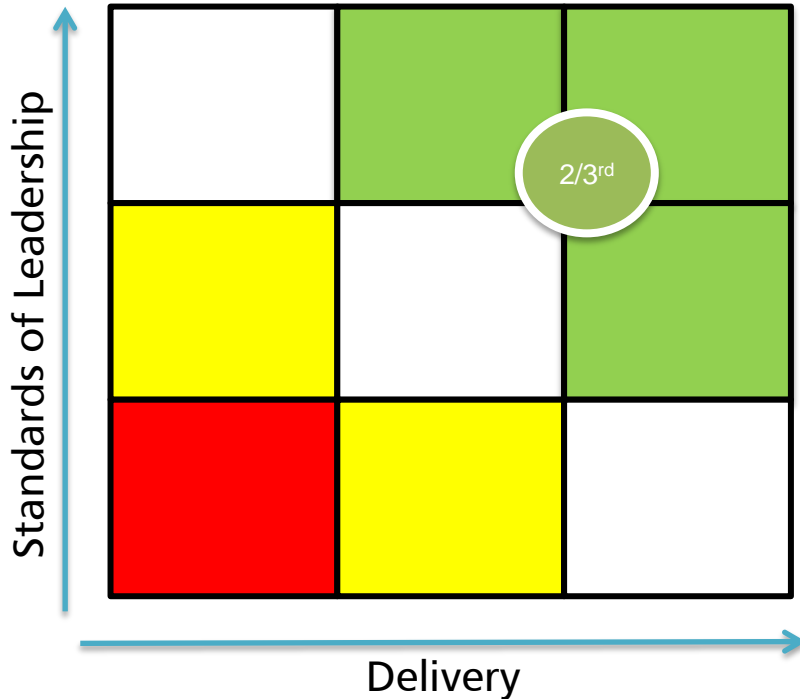


# Sharper in our differentiation



## Leadership Ranking

Before



2/3<sup>rd</sup> of senior management in the green box

Now



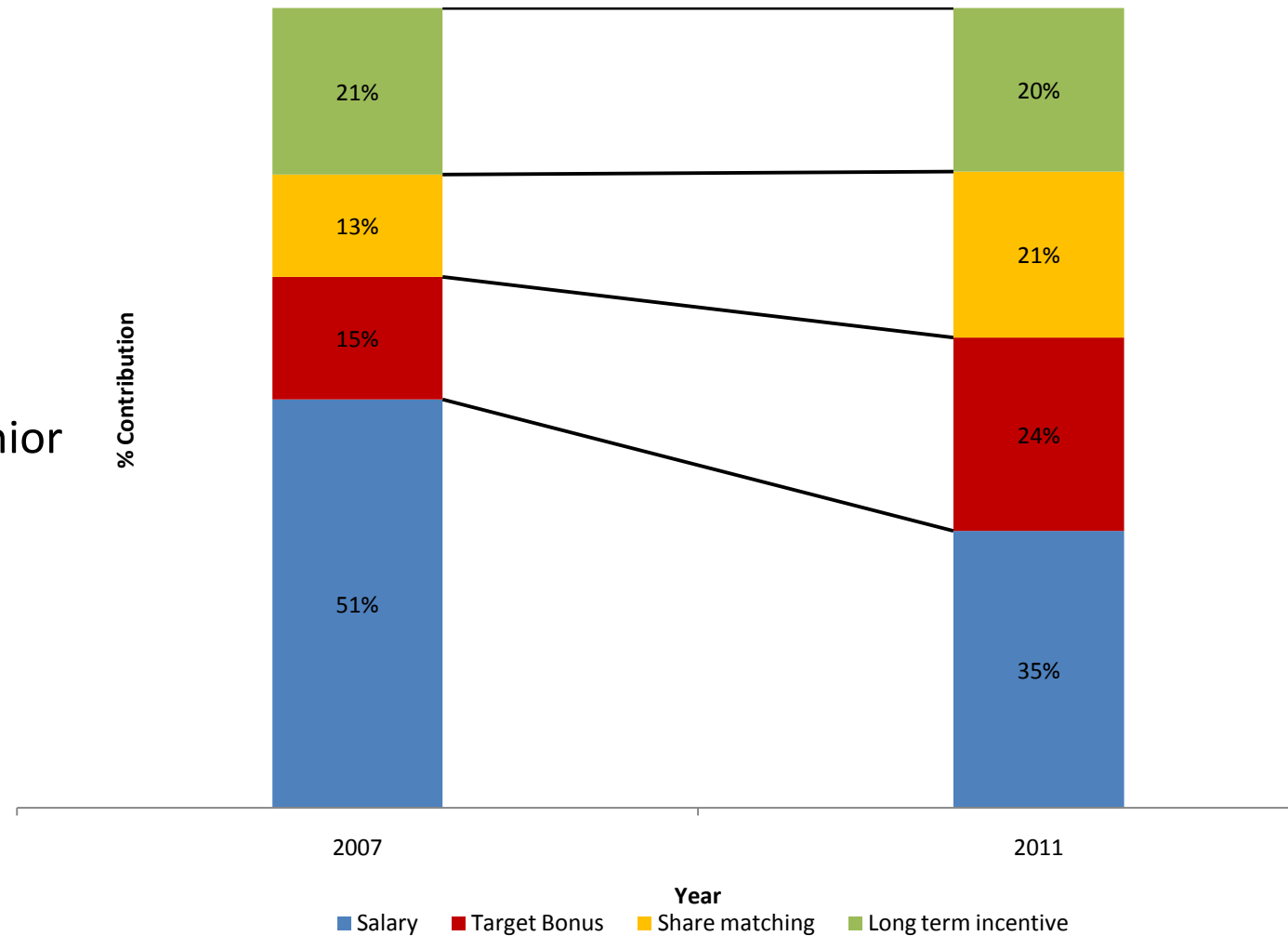
1/4<sup>th</sup> of senior management in the green box

# Reward linked to Performance

- Shift towards more variable basis



Reward linked to Performance is reflected in the changes to the composition of senior managers' reward package



# GPS Pulse 2011

Survey Conducted: September 2011

Population: WL2+ employees

Response rate: 13,037 (86%)

Pulse survey happens every 2 years, with full survey of all employees (GPS) in alternate years



GLOBAL  
PEOPLE  
SURVEY



Refine your actions and make a big difference

# Unilever Overall Performance Culture Index



## Performance Culture at Unilever - up 4% since 2010

My immediate manager regularly talks to me about the progress and quality of my work

+10

I have a clear understanding of how my performance is evaluated

+7

The leadership of my organisation deals effectively with poor employee performance

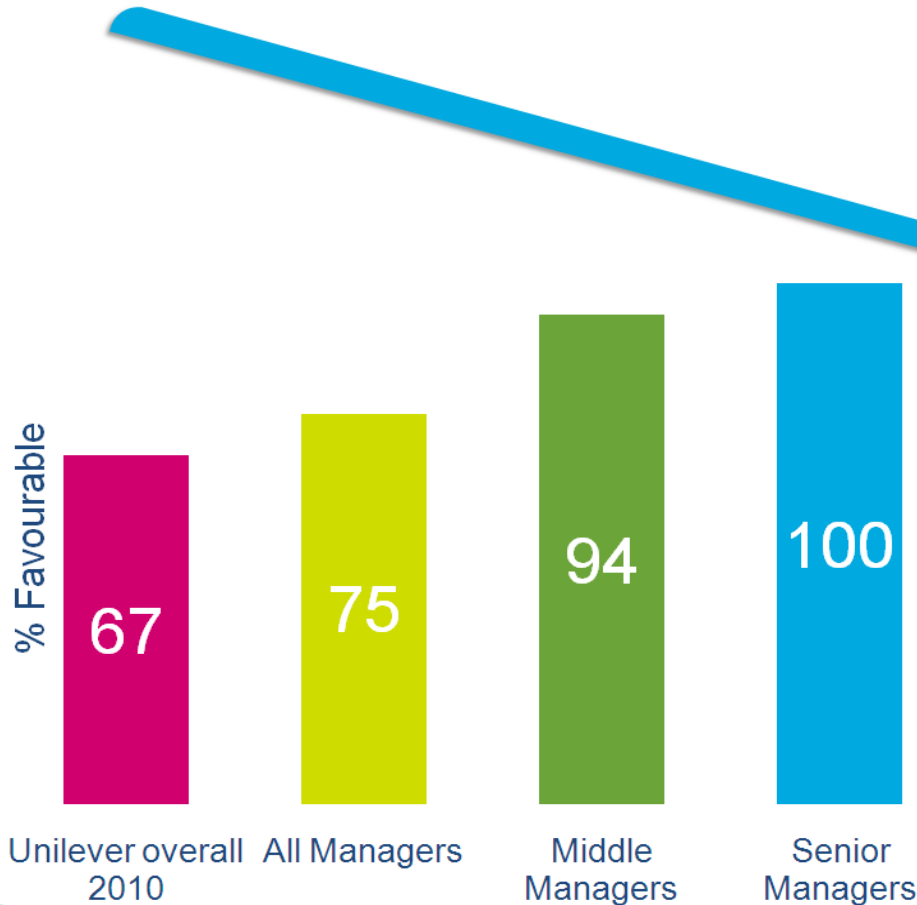
+6

Unilever has a performance culture

+5

# A Performance Culture that Respects Our Values

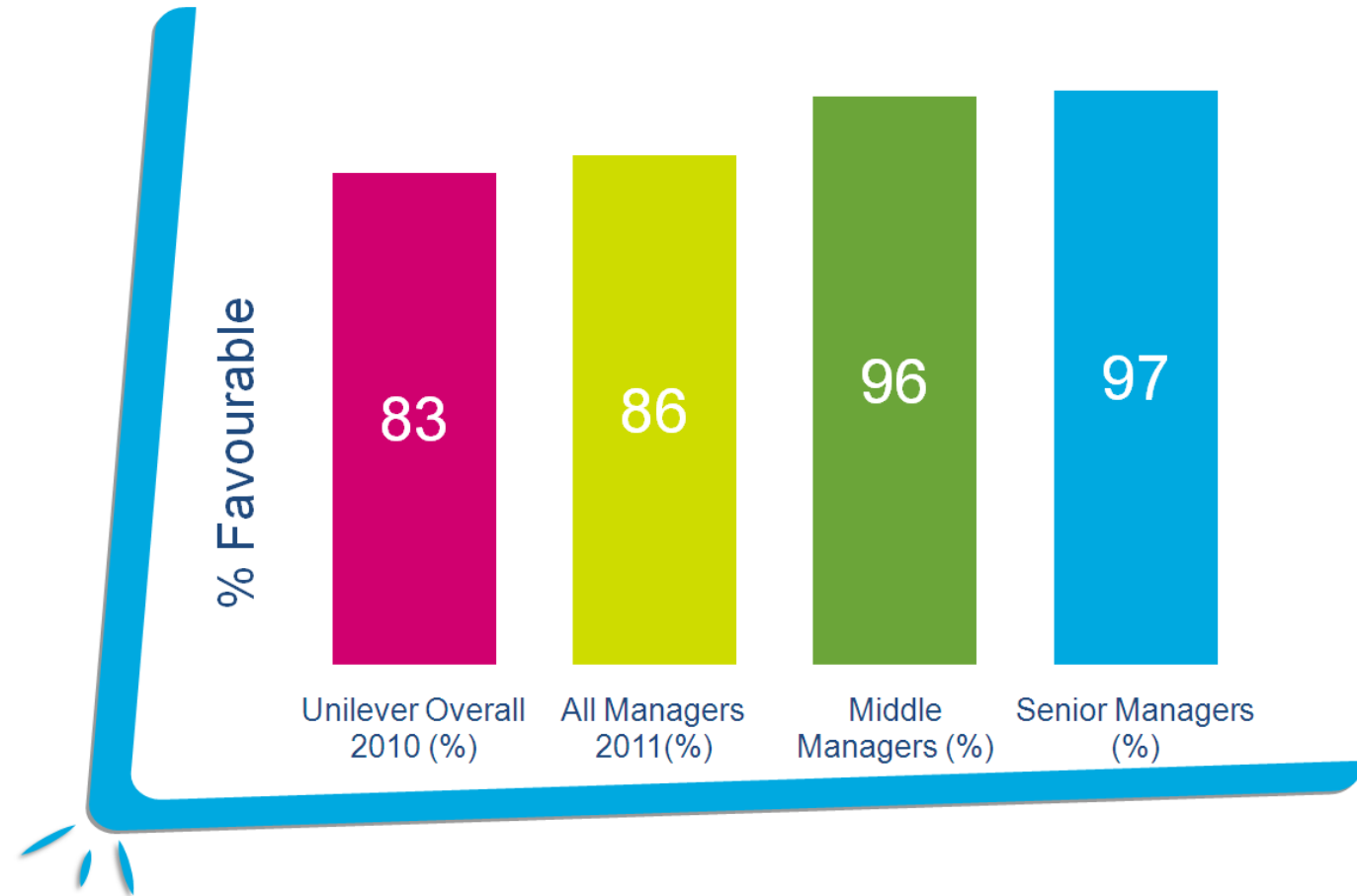
GLOBAL  
PEOPLE  
SURVEY



The people I  
work with  
treat me with  
respect and  
dignity

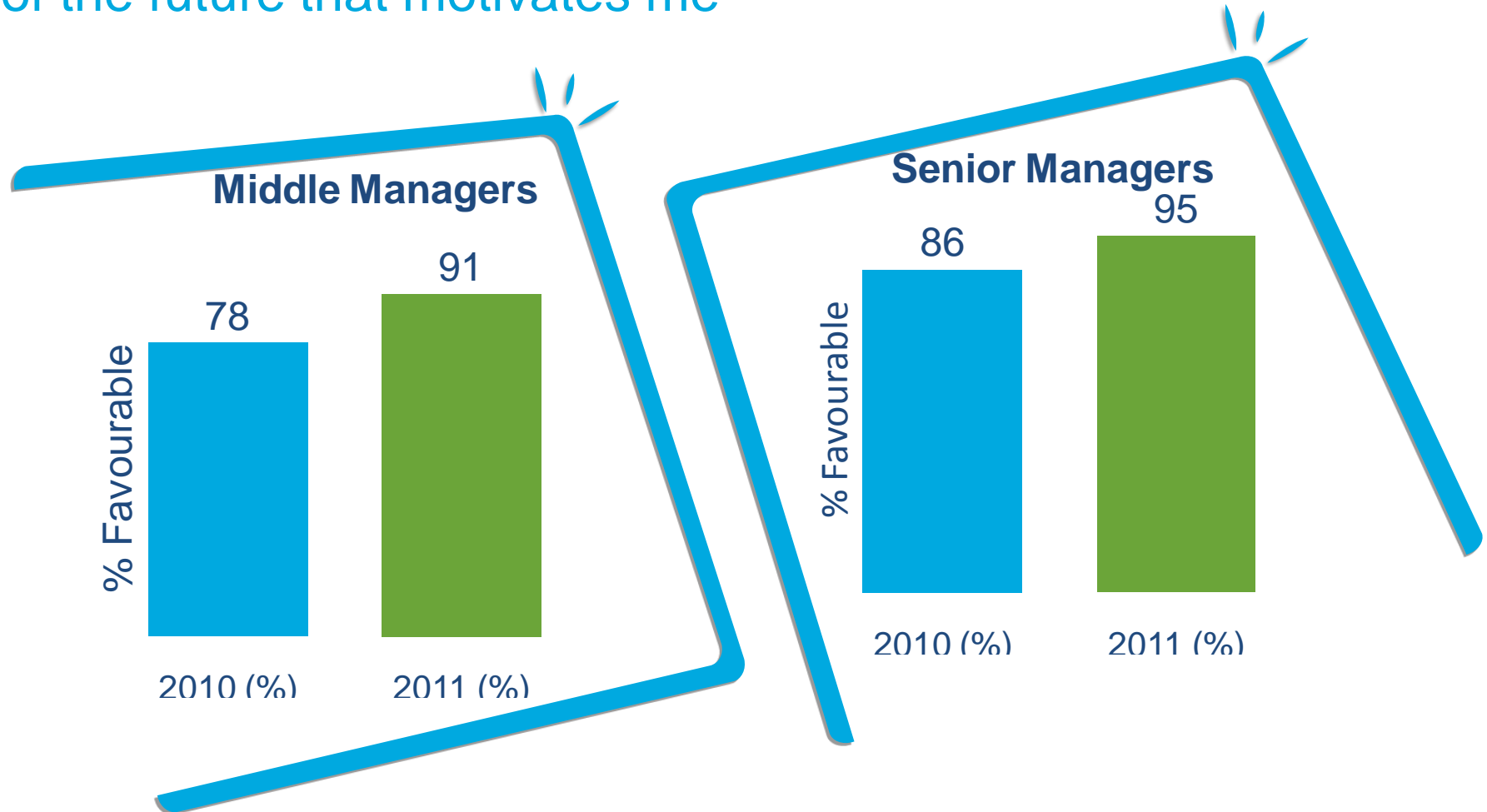
# Employee Engagement

I am proud  
to say  
I work for  
Unilever



# Leadership of Unilever

The senior leadership of Unilever has communicated a vision of the future that motivates me



# Closing: From Fit to Compete to Fit to Win





Thank you



**PEOPLE ARE AT THE HEART OF OUR BUSINESS**  
**THE YOU IN UNILEVER**

