



Unilever European Works Council

UEWC

Press Release

Workers' representatives call for a change of course

Unilever's savings plan is drifting in the wrong direction
European Works Council repeats its demands on the sale of Spreads

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Following the averted takeover bid, Unilever announced it was aiming to increase profits by 20% by 2020. The works councils, Germany's Food, Beverages and Catering union (NGG) and the European trade union confederation EFFAT heavily criticised this decision in May. "This short-term economic thinking is geared purely towards shareholders, potential investors and analysts. The employees have been left to foot the bill," said the General Secretary of EFFAT Harald Wiedenhofer.

One of the decisions made in spring was to sell off the spreads business, which was one of the company's founding pillars and which will have a direct impact on well over 1000 employees in Europe.

Evidently the sale process is now entering the final stage. The UEWC expects details of the potential buyer to be revealed in the next few weeks. The workers' representatives have been kept regularly informed about the sale. They have not, however, been told who exactly has been involved in the discussions with Unilever.

"So as to discuss worker demands directly with potential buyers and Unilever, we would like to be involved in the discussions. Since, however, we have not been informed as to the buyers' names, we are choosing to go public", says Hermann Soggeberg, Chairman of Unilever's European Works Council.

The works councils expect the sales discussions to include the maintaining of jobs and working conditions, including company pensions, as key criteria when deciding on a successful bidder.

"It should not purely hinge on which of the interested parties is prepared to pay the highest price. We expect Unilever to ensure that this historic part of our business is handled with care. A buyer should have a business plan based on the sustainable growth of brands and it should also be in a position to offer employees good prospects," added Hermann Soggeberg.

Times are increasingly tough for Unilever's employees. The whole supply chain in food is in the process of being audited. The first to be affected was the soup and sausage factory in Oss, NL, which is being sold to the Zwanenberg Foods Group. The site in Norwich, UK, is also under scrutiny since the beverage manufacturer Britvic announced it was leaving the shared site. Back in the summer it was announced that the sites in Switzerland and Germany were to be audited. "We are trying to prevent site closures and protect jobs and working conditions in the event of any sales," said Maribel Navarro, Deputy Chairwoman of Unilever's European Works Council.

Furthermore, the heavy centralisation of services within the supply chain in recent years has added to the burden on the workforce. Coupled with the extreme savings plan that has been in place since the Kraft Heinz takeover bid in February 2017, supply bottlenecks have been emerging. Works councils have issued warnings about these possible consequences time and time again. Unfortunately these management decisions, which we consider to have been the wrong ones, ultimately affect the results of the production sites.

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The European Works Council takes the view that an urgent change of course is needed.

Trade unions and the European works council call upon Unilever to re-evaluate the decisions made in recent months and put them right.

Unilever's primary objective must be to provide people with good products, protect the environment and take on board the needs of employees throughout the whole value chain whilst keeping good and safe jobs in Europe.

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