

Date: June 2021

Dear GMB Member,

Once again we hope that you and yours continue to stay safe and well at present, especially with the impact of the new Delta variant.

2021 PAY SURVEY AND CLAIM

Thank you to all the members who completed the pay survey recently. It provided a very wide range of replies and quite detailed feedback on a number of issues that are clearly important to members. As with previous years we selected the most frequent responses and sought to identify a line of 'best fit' for a pay rise amount.

In our claim we noted the continued growth in earnings of Zoladex (up 13% to US\$ 938M), Pascal's pay and bonus rise and the strong UK operating profit of US\$ 824M in 2020.

That resulted in the following claim that was submitted to the Company:

- 5% wage rise;
- increased annual leave and overtime rates and;
- resolution to the outstanding holiday pay issue.

This year we determined not to pursue the bike scheme, as we believe that this is a benefit to the Company in seeking to reduce its carbon footprint and as it's virtually cost neutral, not something we should be negotiating over.

PAY TALKS AND COMPANY OFFERS

We held talks this week where your claim was submitted and discussed.

The talks were positive and your Reps in particular eloquently explained the frustration amongst members that it frequently feels like a one-way street, with the Company always expecting more, and members expectations always feeling dampened, especially around pay. They explained that members believed that they were more than a 'cost centre' and delivered huge value and profits to AZ through their hard work and dedication.

Toward the conclusion of the talks the Company submitted two offers for the consideration of members, one of which, the two-year offer, was their preferred offer.



COMPANY OFFERS

Offer 1: 2-year deal: 2.5% effective from 1 April 2021 and 2.5% effective from 1 April 2022; totalling 5% overall including flow through to related allowances (e.g. SDA);

OR

Offer 2: 1-year deal, 2.4% effective from 1 April 2021, including flow through to related allowances (e.g. SDA)

Both Offers include:

- Holiday Pay & Overtime - two years of backpay calculated as a payment of 8.33% on all overtime and on-call earnings in calendar years 2019 and 2020 and;
- Access to our Cycle to Work and the Electric Car Benefit Salary Sacrifice Schemes to all SA91 employees in support of our ambition to be carbon negative

REPS VIEW

The substantive initial offers were welcomed by Reps as a serious step in the right direction.

We responded that we had no mandate for a 2-year deal, and that given both overtime and enhanced leave were longstanding issues we would not be dropping them from our consideration despite the Company not including them in either offer.

With Holiday Pay we noted that we had been reassured for a number of years that the Company would do the right thing and that our expectation was that this would be a full back payment, though we noted that this could be achieved in stages.

Overall neither offer meets members aspirations and the Reps are conscious of the successful performance of Macclesfield and the Company overall.

We will be consulting members on the two offers for your feedback ahead of the next scheduled talks on the 14th July. Please ensure you take the chance to let your Rep know your thoughts.

Eamon O'Hearn

GMB National Officer

Previous Bulletins



2020 Bulletin

Date: 06/10/2020

Dear GMB Member,

We hope that you, friends and family are all keeping safe and well. Thank you for continuing to work through the pandemic and lockdown, your commitment has been remarkable.

2020 Pay Talks Commence

Thank you to members for your feedback on your pay claim below which was submitted to the Company:

1. Substantial pay increase across all rates;
2. Over time increased from 1.3 to 1.6 and premium rate to 1.6 to 2.0;*
3. Increase to Shift Disturbance Allowance values;*
4. Additional days holiday/increase holiday bonus ie 6 to 7 days or 2.4 to 2.8% if taken as cash;
5. Update on including average OT earnings as part of holiday pay;
6. SA91 included in cycle to work scheme as part of a health and environmental promotion.

(*Elements unresolved from previous claims.)

Given the inconsistent economic picture in the wider community, where some Companies are struggling and others are hiring, we have sought to focus on the performance of AZ Macclesfield as the most relevant to our negotiations, for example 2019 sales of Zoladex alone surpassing £600M.

Today in response the Company submitted an initial one year offer in response to your claim above:

1. 1.5%;
2. Rejected;
3. Rejected;
4. Rejected;
5. To be reported on later in the year as a UK-wide response and;
6. Parked.

In previous years your Reps have received very low initial offers 1.1% (2017), 1.7% (2018), but this year, given the circumstances with Covid and lockdown, we had hoped that the Company would recognise the commitment and success of the site with a strong opening offer.

However to say that your Reps were disappointed is a very polite understatement given the performance of AZ Macclesfield members over the past 12 months.

Since lockdown, almost every performance metric from the top of the Company down has been positive, from a global to local level. This is testament to the work and performance of members and we believe deserves recognition and respect.



In response we have cancelled the next day's talks to consult directly with members about the offer, because your Reps honestly believe that this is an insulting offer.

We have advised the Company we are going to seek members views, because we believe that if members share our view, it is vitally important that we send a very loud and clear message to the Company about valuing the essential staff who have worked throughout the lockdown and continue to deliver an exceptional level of profit to AZ.

Eamon O'Hearn

GMB National Officer

