



JOINT STATEMENT BETWEEN RMG AND CWU

1. Introduction

The purpose of this Joint statement is to set out a process for talks between Royal Mail Group and CWU to resolve our current dispute, address the immediate operational and financial challenges facing the business and develop a mutual interest strategy to build a successful future for our customers, employees and the business.

For many years the business has been operating in a rapidly changing environment and the COVID19 pandemic has seen previously established trends of letter decline and parcel growth accelerate.

It is now essential that we move faster to ensure the business can respond and adapt efficiently to growing customer demands for parcels/e-commerce products and services. Making this change happen will be crucial to our ability to grow revenue and sustain long-term employment. Alongside this, Royal Mail and CWU are also committed to developing other new strategies for growth beyond parcels.

All the above issues are central to the talks that will now take place to secure our future.

2. Rebuilding Trust

The company and CWU are committed to rebuilding trust, confidence and relationships at all levels of our organisations and with employees, enabling a constructive environment for talks and joint activities to take place. A relationship based on trust and cooperation will give the business the best chance to thrive and result in the best outcomes for all stakeholders, including customers, employees and shareholders.

To demonstrate our commitment to rebuilding trust at all levels the following enablers are agreed: -

- Parcelforce has now been realigned to Royal Mail Group's UK business under a new CEO. This presents an opportunity to take a fresh look at the future of Parcelforce and how we optimise our parcel delivery networks in the UK. As a consequence of this change Royal Mail Group confirms there are no plans to TUPE Parcelforce employees into a separate company, either within or outside of the Royal Mail Group.
- The company and the CWU confirm they will work together constructively and at pace to develop, agree and deploy new local revision activity, operational change, and trials. The plan setting out what is covered in the above statement will be agreed by the national parties in the first 2 weeks of the talks. This will also take account of the ongoing impact of COVID19 and be delivered in accordance with the Industrial Relations Framework.



- Our agreements have served us well in balancing the needs of customers, employees and the business. As RMG and CWU jointly shape our future, we will build on our existing agreements. This includes the spirit and intent of the 2018 Agreement, its vision and its values. The timescales, funding and plans to implement this will be agreed through the process of these talks.
- As set out in the 2013 Agenda for Growth agreement, RMG also confirm their continuing support for the legally binding protections that cover the overall structure of the business. The outstanding national review of the protections will take place in the latter stage of the talks.
- The national parties will discuss and agree joint and separate communication protocols to keep people informed and maintain the integrity of the talks

3. Timeline and Scope of Talks

The scope of these talks will be all encompassing, with everything on the table and will include the following:

1. To discuss the financial position of the company
2. To agree (in accordance with the second bullet point under the heading 'Rebuilding Trust') a deployment plan for the local revision and deployment of change activity required to address the immediate operational and financial challenges facing the UK business.
3. To agree a pay settlement for April 2020.
4. To agree a resolution to our dispute, operational change and the future strategy of the RMG, including Parcelforce. This will include short, medium and long term operational changes and the use and deployment of technology
5. To develop a mutual interest's strategy for the future, the Royal Mail and CWU will now also explore the potential to better utilise the company's unrivalled infrastructure, including the following: -
 - Developing a joint strategy to maintain the USO as part of the social fabric of the UK, including exploring the potential for new USO products to support its long-term economic sustainability.
 - Exploring opportunities to minimise letter traffic decline.
 - Developing opportunities for diversification by focusing on an expanded and wider role for Royal Mail employees in supporting local communities, local and regional business growth and measures to assist the recovery of the UK economy.
 - Exploring how Royal Mail and its employees can play a significant role in supporting environmental change and the development of a green new deal in the UK.



It is anticipated that significant progress will be made at pace, with talks commencing immediately and intensively. All areas will be progressed with a view to reaching agreement by the end of July, with potential for extension in points 4 & 5 above.

The talks set out above will be overseen by the Royal Mail UK CEO and CWU DGS (P). The talks will be led by the UK COO, CWU DGS (P) and their respective teams, as appropriate.

There will be occasional oversight on the above from the Royal Mail Executive Chair and the CWU General Secretary. They will also be involved in leading any external discussions with Government and the Regulator, as appropriate.

Stuart Simpson
CEO
Royal Mail

Terry Pullinger
Deputy Secretary General (Postal)
CWU

Keith Williams
Executive Chair
Royal Mail

Dave Ward
General Secretary
CWU