

Creating the best welcome for Sainsbury's colleagues

Frequently Asked Questions

V6.0 November 2015

REMEMBER: Your contractual terms and conditions are preserved under TUPE and therefore will remain the same post-transfer.

1. Organisation Structure

1.1 What does the structure of LloydsPharmacy stores look like?

The in-store structure varies from branch to branch dependant on operational needs. Typically the branch will be managed by a pharmacy manager who is supported by a supervisor or is managed by a non-pharmacist pharmacy manager who will be supported by a permanent responsible pharmacist. Under TUPE transferring team roles are preserved. It is intended that the current structure will be retained in stores and in hospitals. For stores, this will be managed as a separate region within the Lloyds Pharmacy network and led by Area Managers supported by Integration Coaches.

1.2 If there is more than one LloydsPharmacy in a certain area, then would they consider closing the site?

One of Celesio UK's 5 priorities is to "encourage a growth mindset" and pharmacy remains a core element of the customer proposition for Sainsbury's and we are delighted to be developing and growing our partnership in the lead up to and following transition. As such both parties will be looking to maintain and grow the existing businesses in stores. Subject to CMA review, we always ensure we have exhausted all possible alternatives to maintaining the profitability of branches before any consideration is given to closure.

1.3 Will LloydsPharmacy area manager positions be available for Sainsbury's colleagues?

Yes, Celesio UK is constantly looking for talent and Sainsbury's colleagues are welcome to apply for any vacancies within Celesio UK. Vacancies can be found at www.celesiocareers.co.uk. Colleagues wishing to be considered specifically for Area Manager or Integration Coach roles within the proposed integration field structure were asked to express their interest by 9th October and the selection process is now underway.

1.4 What does the structure of LloydsPharmacy business look like?

The LloydsPharmacy network is split into 7 Regions. Each region has a Head of Region, Area Managers and Pharmacy Managers. All are supported by a network of dispensing colleagues and healthcare assistants.

1.5 If we are offered a different role with Lloyds and sign a new contract do the terms of TUPE still apply?

If, following the transfer, you decide to apply for a different role within the LloydsPharmacy network and you are successful, you would move onto LloydsPharmacy terms and conditions of employment. If you are in training before the transfer and qualify during the 12 months following transfer meaning you change role within Pharmacy, we will preserve your terms and conditions.

1.6 If I apply for a new role within Lloyds, following the transfer, will my length of service still be honoured as under TUPE?

Under TUPE your continuity of service is preserved even if you change role.

1.7 Will the sites operate under Celesio or LloydsPharmacy?

The sites will operate under the LloydsPharmacy brand.

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1.8 How many standalone Lloyds store are there in a region?

LloydsPharmacy has over 1500 stores split over 7 regions.

1.9 How many hospital outpatients do Lloyds have?

Our network of 39 Out Patient Dispensing sites across 23 Trusts is the largest in the country and as such we have a dedicated team to oversee the management of our contracts.

1.10 Do Lloyd's recognise the team leader role?

If the team leader role is part of the current Sainsbury's pharmacy structure and if it is in scope to transfer then it will transfer to Lloyds in accordance with TUPE.

1.11 What will happen to term time student colleagues?

All colleagues in scope will transfer to Lloyds in accordance with TUPE and we are working with Sainsbury's to understand this detail.

1.12 Would the integration coach role end when the integration period ends?

It is envisaged at this time that the integration coach role will be a secondment for a minimum of 12 months.

1.13 What would be the effect on terms and conditions of accepting an integration coach secondment – would this mean forfeiting TUPE protection?

As this would be a secondment your substantive role is preserved under TUPE.

1.14 Our pharmacist contracts state that location is flexible but in reality we are static – will this change?

If your contract currently states that you may be required to work flexibly then this term will transfer. At this time it is not our intention to change colleagues' place of work and we would always discuss and potential changes with the individuals concerned.

1.15 Looking at the role profile of a POM and an Area Manager, the skill and experience required looks very similar. With this in mind why does the role not map across?

In our view, there is a clear difference in that the Area Manager role in the proposed post transfer structure has line management accountability for commercial and people performance and this is being discussed as part of consultation. We would like to encourage applications for roles within the proposed structure from any Sainsbury's colleagues in scope to transfer.

1.16 If I move from part time to full time, will I have to move to a LloydsPharmacy contract or remain protected under Sainsbury's?

Where there is a change in hours your terms and conditions are preserved under TUPE.

1.17 JS have a post transitional structure to manage the ongoing partnership and explore new opportunities-do Lloyds have a similar structure in mind? If so can you provide any details?

It is proposed that Sainsbury's pharmacies will form a separate region within our existing structure. There will be a team of 11 Area Managers each supported by an Integration Coach to aid a smooth transition. These roles are critical to the successful integration and ongoing partnership and therefore it is our goal to have completed recruitment for these roles by 1st January. Centrally we have a project governance structure to manage the integration and, over time, this may create new opportunities which will be filled in line with our usual recruitment processes.

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1.18 JS pharmacies will be incorporated into a new region within the Lloyds structure. Will you be recruiting for a Head of Region and Regional Quality Manager in line with your existing regional structure? If so can you provide the role profiles and confirm they will be offered as potential opportunities?

William Jennings, Programme Lead, will continue as our Head of Region for the Sainsbury's branches. We are currently recruiting for an additional Regional Quality Manager and the role profile is available to interested candidates.

1.19 There are roles on Lloyds website currently that would be a good fit to my skills - Can I apply for these now or am I excluded because my start date with Lloyds isn't until March 2016? If I cannot apply now, then when might Lloyds reasonably expect me to look at opportunities?

Celesio UK is constantly looking for talent and, although it is correct that transferring employees will not transfer until March 2016, Sainsbury's colleagues are welcome to apply for any vacancies within Celesio UK. Vacancies can be found at www.celesiocareers.co.uk.

1.20 If a colleague starts a qualification which takes longer than 12 months to complete, e.g. the technicians' course, will they miss out on the TUPE arrangements?

No, skills payments are contractual and therefore preserved under TUPE. However in order to ensure the right outcome for individuals such cases will be discussed on a 121 basis at the time of qualification.

2 Reward and Benefits

2.1 What do LloydsPharmacy pay bands look like? Will Sainsbury's colleagues be red circled following transfer?

We are in the process of understanding our pay strategy and framework as part of our ongoing Reward strategy development for Celesio UK. We do have a number of pay bands and structures in place across Celesio UK and LloydsPharmacy however these are currently not visible to colleagues. We intend to align these as part of our Reward strategy given our history of acquisition and change. We do not envisage any red circling implications for transferring colleagues from Sainsbury's based on pay band differentials. All current contractual terms and conditions in relation to salary are preserved under TUPE.

2.2 What is LloydsPharmacy bonus structure and the eligibility criteria in detail? Can LloydsPharmacy provide details of bonus payments that colleagues and management have received over the last few years?

Please see separate details of our current scheme rules. The Inspire Bonus weighting and cappings are as follows:

- NHS Items (number of NHS items dispensed in a LloydsPharmacy) – 30% - uncapped
- Retail OTC (anything we sell which is processed through our till system) – 20% - uncapped
- Professional Services Income – 20% - uncapped
- Mystery Shopper – 10% - uncapped
- Deal of the Week – 5% - capped at 5%
- Mixed Transactions – 5% - capped at 5%
- OTC availability – 5% - capped at 5%
- Dispensary Availability – 5% - capped at 5%

Colleagues can earn up to £900 a year and Pharmacist & Pharmacy Managers can earn £900 plus an additional 5% of their salary. 5% overachievement is calculated at the end of the year.

2.3 What will be the bonus arrangements for Sainsbury's colleagues following transfer?

Transferring colleagues will be able to participate in a bonus scheme with the same bonus opportunity as they have with Sainsbury's during year one. Performance will be assessed against LloydsPharmacy's objectives and metrics. We have provided more specific details regarding the proposed bonus schemes for stores colleague groups in scope to transfer as part of

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consultation and will provide an equivalent document for Central and Hospitals colleagues prior to our next consultation meeting. For any colleagues in scope to transfer who may currently be on a bonus with an element paid in shares, we will look to understand how this element will be paid post transfer as part of integration planning – it is likely this will be an equivalent cash payment.

2.4 What are the other LloydsPharmacy benefits that they will offer colleagues?

Details of LloydsPharmacy benefits are outlined in full in the welcome pack.

2.5 When do LloydsPharmacy colleagues and management receive a pay review? What type of pay reviews have colleagues and management received over the last few years?

The Celesio UK pay review takes place annually. The pay review for 2013 was 2% and 2014 1%. The pay review for 2015 has not yet been confirmed.

This applies to all grades including managers and is currently not based on individual performance.

2.6 Can LloydsPharmacy clarify their holiday buying offer?

With line manager approval, Pharmacy Managers and Pharmacists have the opportunity to purchase up to 5 days extra holiday. This opportunity will first be available to transferring colleagues for the holiday year commencing on 1 April 2016. Details on this and how to apply for it are communicated at the beginning of the holiday year to all eligible colleagues.

Once approved, holiday buy gives colleagues an extra 5 days leave and is added to their current holiday entitlement.

Payroll adjustments for holiday buy are made from gross pay over 12 equal monthly instalments, starting April and ending March of the following year.

The cost is calculated as follows:

- Annual Salary / 260 (no. of working days in the year) = Holiday Buy Day Rate
- Holiday Buy Day Rate x no. of days purchased = annual cost
- Annual Cost / 12 = Monthly cost

Holiday Buy deductions will be taken from gross pay (i.e. Income Tax and National Insurance contributions will be deducted on the reduced salary).

2.7 There is a 3 week lapse between the end of Sainsbury's holiday year and the beginning of LloydsPharmacy holiday year. What will this mean for us?

We will ensure that you do not lose any holiday entitlement as a result of the transfer and will honour any remaining holiday entitlement for this period in accordance with the Sainsbury's holiday calculation. This means that in year 1 you will receive an additional 3/52 of your annual entitlement to be taken between transfer and the end of March 2017.

2.8 What pensions do LloydsPharmacy offer their colleagues and management?

LloydsPharmacy's pension provider is Legal and General. Contribution rates for transferring colleagues will be maintained. Our contribution rates for existing and new colleagues are set at 2% Employee and 1% Employer. Colleagues may wish to increase their contributions rates and can do so by completing a simple form.

2.9 How will pensions be managed after we transfer over to LloydsPharmacy and is there a fee for transferring our pension?

Pension rights in relation to occupational pension schemes (e.g. the Sainsbury's Retirement Savings Plan) do not transfer under TUPE. However, LloydsPharmacy have committed to provide pension contributions and death-in-service benefits to all transferring colleagues, which are identical to those currently provided by Sainsbury's. We share the same pension provider with

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Sainsbury's, Legal & General, and therefore we do not envisage any change to how your pension is managed. As part of the transfer we will manage the administration of the transfer.

2.10 Will a colleague receive a skills payment if they complete their qualification after transferring to LloydsPharmacy?

Our current understanding is that skills payments are contractual and therefore they will be preserved in accordance with TUPE. For clarity, if this understanding is correct, this means that if qualifications are completed successfully after transfer colleagues will receive any associated skills payment in line with their terms and conditions.

2.11 Is there going to be some offer for colleagues involved by the loss of Sharesave benefits?

LloydsPharmacy does not operate Sharesave schemes nor share purchase plans. We are in the process of reviewing our Best Welcome Transition package for colleagues who transfer across as part of consultation in line with our goal of creating the best welcome for our new colleagues.

2.12 Colleague discount card – will a financial settlement be made to compensate for the loss of discount as displayed on the individual reward statement?

LloydsPharmacy cannot offer colleagues a Sainsbury's discount card. We are in the process of reviewing our Best Welcome Transition package for colleagues who transfer across as part of consultation in line with our goal of creating the best welcome for our new colleagues.

2.13 Company car loan balances, do they have to be repaid on transfer?

For those employees who are in scope to transfer and who are entitled to a company car with Sainsbury's they will also be entitled to a company car under the LloydsPharmacy car policy (or alternatively they will be entitled to receive a car allowance). Celesio UK does not currently operate loan arrangements but we will work with Sainsbury's to honour the existing arrangements that are in place for any colleagues at the point of transfer.

2.14 For colleagues that have private healthcare through Sainsbury's, please define what the terms will be through Lloyds?

LloydsPharmacy have committed to providing private health care following the transfer for colleagues who are currently eligible to receive this benefit. We are working with Sainsbury's to understand your current provider and cover and once this has been established we will be able to confirm whether cover will continue with your existing provider or whether alternative arrangements need to be made with a different provider who can continue cover on the same or similar basis.

2.15 Does Lloyds offer any loans to colleagues?

Celesio UK does not currently operate loan arrangements but we will work with Sainsbury's to honour the existing arrangements that are in place for any colleagues at the point of transfer.

2.16 Which professional fees will Lloyds be paying?

LloydsPharmacy are fully committed to the ongoing professional development of our colleagues and for existing colleagues we pay GPhC registration fees for all pharmacists and technicians, RPS fees for all pharmacists in the PSO and BOPA membership for all OPD pharmacists. These fees will also be paid for transferring colleagues. Additionally, contractual terms are preserved under TUPE and therefore fees which are explicitly provided for within your contract will continue to be reimbursed.

2.17 What holiday entitlement are LloydsPharmacy colleagues entitled to? Does the amount vary according to years of service?

The holiday entitlement for transferring colleagues will be preserved by TUPE and will remain the same following the transfer.

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For information only: Support Centre colleagues, pharmacist pharmacy managers and pharmacists are entitled to 5 weeks plus bank holidays.

Network colleagues' entitlement increases with length of service:

less than 2 years = 4 weeks

over 2 years but <5 years = 4.2 weeks (4 weeks and 1 day)

over 5 years but <10 years 4.4 weeks (4 weeks and 2 days)

over 10 years = 4.6 weeks (4 weeks and 3 days)

Plus bank holidays

All entitlements are prorated for part time colleagues.

2.18 What are Lloyds' terms for maternity?

LloydsPharmacy colleagues are entitled to statutory leave and pay for maternity, paternity and Shared Parental Leave. Any applicable enhanced terms under Sainsbury's policies will be honoured for colleagues who transfer for a period of at least 12 months after the transfer; this includes colleagues who begin their maternity leave post-transfer. Beyond 12 months, we will look to understand how Sainsbury's policies best align with the policies in place for Lloyds Pharmacy and the rest of Celesio UK.

2.19 What is the sick pay entitlement offered by Lloyds?

For Lloydspharmacy network colleagues, including pharmacy managers, sick pay entitlement increases with length of service.

0-6 months = SSP only

6 months but less than 5 years = 3 weeks

5 years but less than 7 years = 6 weeks

7 years but less than 9 years = 7 weeks

9 years but less than 11 years = 9 weeks

11 years or over = 11 weeks.

Payment of any company sick pay is discretionary.

2.20 Will Lloyds pay fuel allowances for those who travel more than 25 miles from their home to work?

Any allowances which are contractual will be preserved in accordance with TUPE otherwise the Sainsbury's expenses policy will apply for any fuel claims for a period of at least 12 months after the transfer.

2.21 Will Lloyds honour all 2016-17 holidays pre booked before the transfer?

Holidays booked prior to transfer in line with the conditions of Sainsbury's current holiday booking policy will be honoured. All holidays should be booked in good time and holiday requests will be authorised on a first come first served basis in line with business need.

2.22 Will Lloyds or Sainsbury's compensate for any loss of bonus in P13?

Sainsbury's will be paying for a full performance year therefore there will be no gap in bonus. The bonus will be paid in May via LloydsPharmacys' payroll.

2.23 What will happen to my cycle to work salary sacrifice arrangement?

LloydsPharmacy do not currently operate cycle to work salary sacrifice arrangements but we will work with Sainsbury's to honour the existing arrangements that are in place for any colleagues at the point of transfer.

2.24 Why is the deadline for expressing our interest in the transitional roles the 9th October 2015?

Ideally we would like to have the transitional structure in place by 1st January so we can ensure we have the right people in place to work effectively in full partnership with Sainsbury's to best support the transition and be ready for transfer day.

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2.25 Bonus vouchers: which companies will these vouchers apply to and will colleagues receive a discount or a total value?

Bonus vouchers are issued via our OurCare online reward platform. We are in the process of putting together more information about this which we will share with you shortly.

2.26 I am a pre-1988 colleague, therefore I had to work 12 months in arrears for my holiday entitlement for it to be paid up on leaving the company - Please clarify who will pay this and how it will be paid.

We have been informed by Sainsbury's that this will be paid up in colleagues' final Sainsbury's pay.

2.27 Even if my role doesn't transfer into Lloyds structure, I assume that I will still receive the Sainsbury's vouchers as compensation for the loss of my discount card. Please confirm if this is the case.

As part of the Best Welcome Package vouchers will be available to all colleagues who are eligible to receive a discount card at the point of transfer.

2.28 The bonus information provided to date is very general and provides no specifics relating to the bonuses available to different grades. When will such specifics become available?

Details of the bonus schemes for stores colleagues were shared during consultation. We have worked through the various bonus schemes available to Support Centre and Hospitals colleagues and details are laid out at the end of the FAQ document.

2.29 What will happen to my childcare vouchers as I qualify under the pre-2011 scheme?

Upon transfer your entitlement will continue in line with your current scheme.

2.30 How will holiday pay be managed post-transfer?

From what we understand RGS bonus holiday hours are calculated based on the number of single rate overtime hours a part-time RGS colleague has worked between period 8 (week 1) and period 7 (week 4). Each hour of single rate overtime worked will be multiplied by 0.08 of an hour (approximately five minutes). Upon transfer, your holiday pay will be processed in line with the current LloydsPharmacy arrangements. LloydsPharmacy colleagues' holiday payments include overtime hours based on a 12 week reference period before holiday is taken.

2.31 Who provides your car lease scheme?

The car lease scheme is provided by Lex AutoLease and is available to Pharmacists and Pharmacy Managers. Colleagues wishing to take advantage of this benefit submit an application to Lex via the Reward Team, Lex will then liaise directly with the colleague to provide quotes and fulfil the benefit.

3. Ways of working**3.1 Can colleagues and management work for LloydsPharmacy and locum for other companies?**

Yes, you will still be able to locum whilst working for LloydsPharmacy providing this complies with Working Time Regulations. We would also encourage you to explore overtime opportunities that may be available within your Area, Region or wider branch Network.

3.2 What is the process for locum management? Can we keep venloc?

Locums are currently booked through an in house rota management service aligned to our regional structure. We are keen to keep our options open and learn more about alternative ways of working and we have met with Venloc to explore their proposition and we are now entering into negotiations with them. Above all our priority is to ensure that we deliver continuity of pharmacy service to your existing and new patients.

3.3 Do LloydsPharmacy have a flexible working policy? How flexible will LloydsPharmacy be around flexibility of working hours for pharmacy colleagues and managers?

We understand how flexible working helps colleagues to balance working and home life and creates an environment that allows colleagues to fully contribute to our Company.

Our flexible working policy covers ALL LloydsPharmacy colleagues. Formal applications to work flexibly can be made by colleagues who have more than 26 weeks' service.

We are aware of Sainsbury's commitment to flexible working and will honour existing contractual commitments to work flexibly (such as part time working, job sharing, term time working, shift swapping and permanent changes to start and finish times).

From the transfer date any requests to work flexibly will be managed through the Celesio Flexible Working Policy.

Outside the formal policy we encourage our local leadership to make the right decisions orientated to the needs of our people within the constraints of maintaining excellent patient care. Remote working is something that happens across Celesio UK balancing the needs of the individual with the needs of the role.

3.4 If a colleague wants to have a dual store contract with Sainsbury's and LloydsPharmacy, can they work for Sainsbury's on less than a 12 hour contract?

We are happy for colleagues to take a second contract with Sainsbury's providing this complies with Working Time Regulations.

3.5 With Lloyds' Pharmacies being in a separate region, if we need support from other stores would we be able to utilise other LloydsPharmacy colleagues?

Yes, we encourage inter-regional co-operation. It is hoped that overlapping areas and regions will build close working relationships. We are proposing to set up a separate region initially to reflect the difference in the customer proposition and trading environment.

3.6 What does the first aid structure look like for pharmacies? Will colleagues who are currently first aiders receive compensation for the potential loss of their first aid payments?

We are currently exploring how first aiders transferring can continue in this role as part of the wider store community. We are fortunate to have a healthcare professional on every site. We are With regards to first aid payments, we understand these are not contractual and therefore will not be preserved under TUPE.

3.7 Contracted hours for centrally based colleagues are currently 37.5 over 5 days - what will the arrangement be at Lloyds?

In accordance with TUPE, your existing contractual hours will remain the same.

3.8 Where current Sainsbury's roles require particular tools for the job (laptop, phone etc.), will Lloyds replicate these?

Where equipment is required to fulfil your role this will be provided.

3.9 Will Locum pay stay the same?

We recognise the important role that locums play in helping us to deliver a professional service to our customers. We have existing arrangements with agencies for the supply of locums to our pharmacies and these arrangements are working well across the LloydsPharmacy business. The locums we use are paid at a competitive rate. From the transfer date we will use our current

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agency partners to provide locums across all our pharmacy network, including those in Sainsbury's stores. Our agencies will be open to registrations from locums who currently provide an in-store service to Sainsbury's.

3.10 What is the Lloyds dress code for those colleagues not based in store?

The dress code for non-store based colleagues is business dress. The dress code for Pharmacy Managers is also business dress and a uniform will be provided for store colleagues.

3.11 Will our financial year change?

Celesio UK's financial year is April to March.

3.12 LloydsPharmacy do not recognise any trade unions but Sainsbury's do. What does that mean going forward?

We are currently going through a process of reviewing the union arrangements and considering how any relationship might be structured going forward.

3.13 What will be the base location for field based colleagues?

These details will need to be worked through as part of our transition planning and can be discussed individually during our joint 121s which are taking place with those colleagues who are potentially at risk of redundancy post-transfer.

3.14 I want to spend a period of time with existing colleagues who perform the roles that are available to understand the day to day.

We are looking to hold engagement events closer to transfer and we are currently working on putting these events together and will be communicating further details as they are confirmed.

3.15 Our drivers collect prescriptions from 15 different surgeries. They are Sainsbury's employee and will stay with Sainsbury's as they are not contracted for our pharmacy. Would the nearby Lloyds driver collect for us from the 1st of March as we still need somebody to go around the surgeries?

These details are being worked through as part of the operational work streams and further details will be confirmed closer to transfer date.

3.16 Is there an upper age limit for colleagues?

LloydsPharmacy does not operate a fixed retirement age; colleagues may continue to work for as long as they are fit and able to do so.

3.17 Is there a minimum hours requirement for contracts, Sainsbury's do not issue contracts for fewer than 12 hours.

There is no set minimum contracted hours for LloydsPharmacy. Recruitment requirements will be assessed on a store by store basis by the pharmacy and area managers. Under TUPE your terms and conditions are preserved and therefore you will transfer on your existing contractual hours.

3.18 If a colleague leaves pharmacy prior to transfer and wants to re-join following the transfer date what is the process?

The colleague would be able to apply for a vacancy in pharmacy when one becomes available and, if successful, they would be recruited on standard LloydsPharmacy terms and conditions.

3.19 If there are vacancies at the point of transfer what support will we get to recruit?

Up until the point of transfer you should continue to recruit as normal as the pharmacy is still owned by Sainsbury's. Post-transfer we will work with you to understand the resourcing requirement in each branch and what recruitment opportunities are available. We are currently working through what the post-transfer recruitment process will look like as part of our transition planning.

3.20 Is there a carer's leave policy?

It is our intention to "lift and shift" all policies for the first twelve months post-transfer. Currently within LloydsPharmacy there is no separate carer's leave policy and this would be managed by our Attendance Management and Flexible Working Policies. Colleagues with caring responsibilities are encouraged to discuss this with their line manager so that they can offer the appropriate support.

3.21 Will locum bookings made for March be honoured?

You should continue to book locums as usual up until transfer. It is our understanding that you currently book up to 12 weeks in advance and we will honour agreed arrangements for this period post-transfer.

3.22 Who will be responsible for changing our smartcards?

This detail is currently being worked through and instructions will be communicated in due course.

3.23 How do I order my uniform and what will my uniform consist of?

These details are currently being worked through as part of the transition planning and will be communicated to all colleagues prior to transfer.

3.24 Do Lloyds only do standard sizes of uniforms?

LloydsPharmacy uniforms are available in sizes up to size 24. Where necessary, to meet specific individual circumstances, we can arrange made to measure uniforms.

4 Consultation and Measures

4.1 When are we going to get our final offer on the measures that LloydsPharmacy will be implementing?

The measures letter we have provided to Sainsbury's details the measures we envisage based on the information we have so far. The measures may change as we receive further information. There are some details such as the final employee schedule confirming all colleagues in scope to transfer and their associated terms, conditions and benefits which we may not receive until 28 days prior to transfer. This may impact on our proposed measures and any updates of changes to measures will be discussed in full as part of consultation ahead of the transfer.

4.2 If we are seen as a separate region and entity then would this mean that if a consultation happened then only ex JS colleagues be targeted?

Former Sainsbury's colleagues are unique only in that they have terms and conditions preserved under TUPE. In all other respects they will be seen as part of the wider LloydsPharmacy community following the transfer.

4.3 Please outline the Lloyds policy for severance/redundancy and describe how this compares to Sainsbury's?

LloydsPharmacy redundancy policy states that where redundancy payments are applicable they will be made in line with statutory requirements. The company will also provide contractual or statutory notice (whichever is greater) and will require colleagues to work their notice in the majority of situations. Under TUPE you will transfer to Lloyds on your current terms and conditions,

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including any contractual redundancy terms. For absolute clarity, this means if you are made redundant, the redundancy terms will be Sainsbury's terms.

4.4 What job would we Tupe across to?

All employees in scope will transfer to LloydsPharmacy on their existing terms and conditions of employment in accordance with TUPE. This means for the vast majority of colleagues, there will be no change to the role you do now.

With regards to Store Support Centre roles, LloydsPharmacy's head office is based in Coventry and we understand a number of Store Support Centre colleagues are based in Holborn. We do not propose retaining a separate support centre operation in Holborn. This will potentially lead to a proposed redundancy situation arising upon the transfer date and this is being discussed as part of the Store Support Centre and Hospitals consultation. Based on the information currently available to us we do not anticipate that any Store Support Centre roles will be matched across to our proposed structure post transfer with the exception of the Hospital Operations Manager.

4.5 Is there a length of time that Lloyds have to honour the contracts before changes can be made?

There is no set period under law but as explained, all employees in scope will transfer to LloydsPharmacy on their existing terms and conditions of employment in accordance with TUPE. Where we envisage taking any proposed measures, these are being discussed as part of consultation with elected representatives. If LloydsPharmacy proposes any changes which impact colleagues following the transfer, these proposals will be consulted upon in full.

4.6 Will we have individual 121 consultation meetings and who will these be held with?

All employees in scope will transfer to Lloyds on their existing terms and conditions of employment in accordance with TUPE. This means for the vast majority of colleagues, there will be no change to the role you do now and so there is no requirement for individual consultation meetings.

For Store Support Centre colleagues for whom we envisage a proposed redundancy situation arising upon transfer, we would like to work with you to understand your skills and aspirations and where possible look at potential opportunities within our organisation. We cannot begin formal redundancy consultation until we become your employer (i.e. after the transfer date) however we are very happy to meet with individual employees, together with Sainsbury's, in advance of the transfer date to ensure that employees are fully communicated with and as part of this we can share any relevant supporting information.

4.7 Will LloydsPharmacy consult with us on measures that are only contractual?

We are working with Sainsbury's as part of the TUPE consultation to provide you with information and to consult on the measures that we anticipate taking. We have been invited to be involved in the consultation process and we are fully willing to discuss all of our proposed measures that we envisage taking following the transfer. The measures that we anticipate taking are based on the information that we have been provided with to date.

4.8 What will happen to transferring colleagues who are 'at risk' of redundancy on day one of the transfer?

Affected colleagues will continue to be based at their existing location supporting the transition whilst formal individual consultation meetings are conducted in a timely manner.

For those colleagues who are served notice, they will either be put on garden leave or paid in lieu of notice dependent on their contractual terms.

4.9 Will colleagues whose roles are 'at risk' of redundancy be given priority over other candidates?

For those colleagues who are potentially 'at risk' due to location or roles not mapping, if they apply for any of the proposed Area Manager or Integration Coach roles and have the necessary skills and capabilities they will be given priority over those candidates who are not displaced.

4.10 Will colleagues taking redundancy and with company cars (both status and market needs versions) have the use of it during the whole of the notice period. When will it require returning?

These details will need to be worked through in conjunction with Sainsbury's and can be discussed during our joint 121s.

4.11 We would like to see a step-by-step process for transition depending upon whether your role maps across, your role doesn't map across but you're interested in other roles with Lloyds or your role doesn't map and you're happy to take redundancy. When will such steps be available?

We have committed to joint informal individual 121s for Store Support Centre colleagues and we can discuss the proposed process further during these meetings. Our proposal for day one and formal individual consultation are being worked through based on the outputs of these meetings and interconnecting work streams and will be shared closer to transfer.

4.12 Does the period of consultation extend through to 1-to-1's?

We are committed to engaging with the consultation process throughout the period leading up to transfer.

4.13 Please define, in detail, how both Lloyds and Sainsbury's intend to abide to the TUPE laws, and how both companies are ensuring that Sainsbury's colleagues are inclusive of those laws.

LloydsPharmacy is fully committed to abiding by TUPE which is why we are so keen to engage in the consultation exercise. Both Sainsbury's and LloydsPharmacy are aware of their respective obligations under TUPE. As part of this process, we have provided a measures letter to Sainsbury's to be shared with employee representatives. Our proposed measures will continue to be updated as further details are received and these will be shared with colleagues.

4.14 For those colleagues who may be at risk post-transfer why does the pool not include existing roles within Lloyd's, for example, Sainsbury's have a Superintendent and Lloyds' have a Superintendent?

All assigned central and hospital colleagues will transfer to LloydsPharmacy under TUPE if they wish to. However, as we have explained in our measures letter, our understanding is that the assigned colleagues who work in Support Centre roles are contractually based in Holborn and that this is their place of work. LloydsPharmacy's head office is based in Coventry and we do not propose to retain a separate support centre operation in Holborn. This will potentially lead to a proposed place of work redundancy situation for those people who are based in Holborn. This is being discussed as part of the Store Support Centre and Hospitals consultation.

With regards to assigned colleagues who carry out the field based roles, these roles do not exist within the LloydsPharmacy's structure. Consequently this will potentially lead to a proposed redundancy situation upon the transfer date. As these roles do not exist in our current structure, pooling would not apply as these are unique roles that we do not have. This is being discussed as part of the Store Support Centre and Hospitals consultation. We are, however, keen to work with the support centre colleagues to identify alternative roles, where possible, for them in the wider Lloyds Pharmacy structure.

4.15 Sainsbury's colleagues are currently paid for 13 x 4 weekly periods during any given year. What will the pay date with Lloyds and how what payment do colleagues receive?

LloydsPharmacy colleagues are paid on the 26th of each month, this payment is for their contracted hours for the month and overtime payments are paid through payroll 1 month in arrears. Salaried colleagues will receive one twelfth of their annual salary. Payroll cut off is the 3rd of each month.

4.16 On a role by role basis what is the specific Economic, Technical or Organisation reason(s) for each of the central (Holborn) and field based roles?

As we have previously explained, all assigned central and field based colleagues will transfer to Lloyds under TUPE. However, we believe that assigned colleagues who work in Support Centre roles are contractually based in Holborn and that this is their place of work. As previously explained, our head office is based in Coventry and we do not propose to retain a separate support centre operation in Holborn. This will potentially lead to a proposed place of work redundancy situation for those people who are based in Holborn. This is a clear ETO reason under TUPE (as it is an organisational reason).

With regards to assigned colleagues who carry out the field based roles, our view is that these roles do not exist within our existing structure and so this will potentially lead to a proposed redundancy situation upon the transfer date. As these unique roles do not exist in our current structure, this would also represent an ETO reason under TUPE (also being an organisational reason). That said we very much hope that affected colleagues can be redeployed into alternative roles.

This is being discussed as part of the Store Support Centre and Hospitals consultation. As we have made clear, we remain keen to work with all support centre colleagues to identify alternative roles, where possible, for them in the wider Lloyds Pharmacy structure as we wish to minimise the number of redundancies.

4.17 We have compared the LloydsPharmacy role profile and compared it with Sainsbury’s Pharmacy Operations Manager role and we believe it should map across directly into Lloyds and would like Lloyds to reconsider their position accordingly.

As you know, the Sainsbury’s pharmacies will form a separate region within Lloyds’ existing structure. We propose to put in place a team of 11 Area managers to support this separate region. Based on the information available we have compared the Pharmacy Operations Manager role against our Area Manager and have concluded that the job description and the skills required for the Area Manager role is such that Sainsbury’s Pharmacy Operations managers should not automatically be slotted into the role of an Area Manager. The key differences are that Area Managers within LloydsPharmacy have responsibility for up to 25 stores as opposed to 200 and have direct line management responsibility for approximately 200 colleagues; additionally Area Managers are responsible for profit and loss across the area. This is why we are proposing that field based colleagues should apply for the role of an Area Manager and be assessed through our Area Manager assessment centre which all Area Managers within LloydsPharmacy go through. We are very hopeful that those Sainsbury’s colleagues who do apply for the role of an Area Manager will be successfully redeployed into this role.

4.18 A number of roles have been advertised on the Lloyds website that are a match to a Sainsbury’s equivalent role that Lloyds is making redundant. Can Lloyds confirm if they will be approaching Sainsbury’s to discuss these roles with affected colleagues and so limit redundancies?

Whilst we are keen to minimise the number of redundancies, we do not believe that each of the roles currently performed by Sainsbury’s field based colleagues are equivalent to those roles that have been advertised. This is why we have invited Sainsbury’s colleagues to express their interest in those roles that appeal to them. We can confirm that we are happy to continue our discussions with Sainsbury’s in relation to this.

4.19 Could you please clarify when colleagues will be paid and by who?

As we understand it the pay arrangements from February to March will be as follows:

| Pay date | Who will be paying | What for | Impact for colleagues |
|---------------------------|--------------------|---|--|
| 19 th February | Sainsbury’s | 17 th Jan – 13 th Feb | Full 4 weeks’ pay received |
| 18 th March | Sainsbury’s | 14 th – 29 th Feb | 16 days’ pay only (approx. half of normal pay) |
| 25 th March | Lloyds | March calendar month | Full calendar month pay first to last day of |

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| | | | |
|------------|--------|----------------------|--|
| | | | the current month |
| 26th April | Lloyds | April calendar month | Full calendar month pay first to last day of the current month |

4.20 Will transition loans be available to colleagues?

Yes LloydsPharmacy will offer transition loans to those colleagues who require support during the transition period; the details of how this will be administered are currently being worked through and will be communicated prior to transfer.

4.21 When will decisions be made on applications for the Area Manager roles and when will colleagues commence these roles?

As a number of applicants were unable to attend the assessment centre on 20th October we are running a second assessment centre on the 5th of November. Decisions will be made following this assessment centre and candidates will be informed of the outcome week commencing 9th November. As colleagues will be required to fulfil their existing role with Sainsbury's until the point of transfer, the role will commence from 1st March. A start date for those successful colleagues within the existing Lloyds population will be agreed with their line manager.

4.22 Are LloydsPharmacy looking to create more roles that the "at risk" group will be able to apply for? Can we see a full and updated list of vacancies and will colleagues need to apply for these roles?

Whilst roles will not be created specifically for this group, new opportunities may arise as a result of the changing business needs and the day to day changes which occur in the business. We have committed to be proactive in sharing these vacancies with at risk colleagues and to support them in the application process. We hope that through our informal 121 meetings we can learn more about each colleague and their personal aspirations so that we can understand which vacancies may be of interest. Colleagues who wish to apply for a vacancy will need to do so via the normal process and applicants will be subject to the same assessment as all other candidates. Going forwards a regular vacancy list will be shared directly with at risk colleagues, however all vacancies can be found on our recruitment website www.celesiocareers.co.uk.

4.23 What is meant by a trial period?

A 4 week trial period will be made available to colleagues at risk of redundancy who accept an alternative role within LloydsPharmacy. The 4 week trial period is a chance for you to try out the alternative role. If during this period you decide that the role is not for you then you may opt to take your redundancy package.

4.24 If a colleague is successful in applying for a role with LloydsPharmacy will they be required to sign a new LloydsPharmacy contract and will their length of service be preserved?

Successful colleagues will be offered the role on LloydsPharmacy terms and conditions, and these terms will be discussed individually when the offer is made. As the start date for these contracts will be 1st March 2016, colleagues will transfer under TUPE and then take up their new role; as a result continuity of service will be preserved.

4.25 Can colleagues who have a company car retain this benefit throughout any notice period if they are served notice of redundancy following the post-transfer redundancy consultations?

This will be dependent upon individual contract terms however it is likely that a payment in lieu of this benefit will be made.

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