
Redundancy Policy

Introduction and Policy Statement

At McKesson UK we aim to create a great and sustainable place to work. This Policy aims to ensure fair and equitable practice in situations where it is necessary to discontinue employment, or where there may be a need to reduce staffing levels in certain areas of the business.

We recognise and appreciate the importance of job security for all of our colleagues and a decision to end employment is always rigorously considered. In situations where redundancy is unavoidable, every effort will be made to find alternative employment or to support colleagues moving on to their next job.

Who is this policy for?

This policy applies to all colleagues employed on a permanent, fixed term or temporary basis within McKesson UK regardless of role, location, or length of service, except for AAH colleagues who should refer to the AAH Handbook and Redundancy Policy. It does not apply to agency workers or self-employed contractors.

This policy does not form part of your terms and conditions of employment and is provided as a general framework which may be amended from time to time.

Roles and Responsibilities

Colleagues are responsible for familiarising themselves and understanding this policy.

Line Managers are responsible for ensuring that this policy is provided to colleagues and any questions are answered. Any queries on the application or interpretation of this policy must be discussed with the Employee Relations (ER) team prior to any action being taken. Where a manager identifies a need to reduce staffing levels and ultimately a role is at potential risk of redundancy, he/she must discuss the circumstances with the ER team.

Employee Relations team are responsible for ensuring the maintenance, regular review and updating of this policy. Additionally, the ER team are responsible for providing support and advice to line managers where needed.

Communication/Proposal

In any situation where potential job losses have been identified, the relevant line manager in conjunction with ER team will prepare a detailed communication explaining:

- the reason for the proposed redundancies and what impact this reduction will have on the potential working procedures of other colleagues
- the number of colleagues potentially effected
- where applicable the proposed method of selection and the time-scales involved
- options and alternative employment opportunities available to avoid compulsory redundancies
- reasoning for selecting a pool of colleagues if applicable

Approval

The communication, and therefore the proposal for potential redundancies, must be approved by the relevant senior manager after discussion with the appropriate ER team member.



Collective Consultation Procedures

Where it is proposed that 20 or more colleagues may be placed at risk of redundancy within a 90-day period, a process of collective consultation will be undertaken. This process will include:

- Where colleagues who are, or are likely to be affected, are represented by a recognised Trade Union (TU), the communication plan will be presented to the recognised TU representative(s) for the business area concerned at the start of the consultation process. Where appropriate, the relevant full-time official will be present.
- Where the colleagues concerned are not represented by a recognised TU, an elected body of colleague representatives, covering all the categories of colleagues who are potentially affected, will be presented with the communication plan at the start of the consultation process. This elected body of colleague representatives may be formed in advance of any redundancy situations arising and may be consulted by the Company on other general matters of interest to colleagues as part of the Company's normal consultation and communication process. (See Appendix I).
- The role of elected colleague representatives is to liaise with the Company on the proposed redundancies. This includes:
 - sharing information with the wider workforce
 - collecting feedback and questions from the wider workforce and discussing with the Company
 - discussing and presenting alternative solutions to avoid potential redundancies with the Company
- Collective Consultation must take place regarding all colleagues who are affected by the proposed redundancy.

Where it is proposed to make the roles of less than 20 colleagues redundant, then there is no requirement to undertake collective consultation.

Timescale

There's no time limit for how long the period of Collective Consultation should be, but the minimum is:

- 20 to 99 redundancies - the consultation period must start at least 30 days before any notice of dismissal by reason of redundancy is given
- 100 or more redundancies - the consultation must start at least 45 days before any notice of dismissal by reason of redundancy is given

Individual Consultation

Regardless of the number of jobs at risk of redundancy, you will be consulted with individually regarding the reason(s) for redundancy, potential opportunities for redeployment and how redundancy may be avoided.

There are no set rules around the number of individual consultation meetings we will have in any redundancy process, but it will usually be no less than two. These consultation meetings allow us to discuss potential redundancies with you and to explore potential alternative roles where available. Where there is a requirement for Selection (see section on Selection) this will also be explained and discussed with colleagues along with any outcome of any such process. You can always discuss your personal circumstances and any recommendations you may have for ways to avoid potential redundancy. All individual consultation meetings are formal, and notes will be taken.

At the final individual consultation meeting, we will discuss and confirm final arrangements. This may include confirming that your role is being served with notice of redundancy, extending the consultation period, confirming a trial period into an alternative role, or removing you from being 'at risk' of redundancy. If your role is confirmed as being served with notice of redundancy, we will explain next steps and discuss any redundancy payments due to you.

If you are genuinely unable to attend any meeting (e.g. through illness or pre-booked leave), a reasonable alternative date will be offered to you. If your representative can't attend (please see "Role of Companion"), you should propose another date and time which should be no more than five days later than the original date. If the subsequent meeting is missed without good reason, the procedure may continue in your absence.

Colleague Companion

The person chosen by you to act as your Companion may be either a fellow McKesson UK colleague (including an elected representative) or an accredited Trade Union official. Only where you may have a difficulty with communications (e.g. hearing or speech impairment) or where your first



language is not English, to ensure equality and fairness, may an appropriate translator from outside the Company act as a Companion, and only after efforts to secure an internal resource have been exhausted. You are not entitled to be accompanied by a legal representation or family member. The ER team must be consulted about any queries or concerns over any particular Companion.

If you want to bring a Companion to a meeting under this policy you must notify the ER team (employeerelations@mckesosn.uk) of the Companion's identity prior to the meeting so that arrangements can be made for them to be allowed a suitable amount of time off to attend. If the companion is unavailable and as a result, the meeting is delayed for more than five calendar days, we may ask you to choose someone else or opt to hold the meeting in the companion's absence

The Companion is permitted to ask questions, take notes and proffer an opinion, but may not answer questions on your behalf.

Selection

Pool for Selection

In situations where it becomes necessary to reduce the total number of colleagues doing the same or similar work, the Company will identify the group of colleagues (i.e. the pool) from which the selection will be made. The pool for selection is the group of colleagues to whom the selection criteria will be applied, in order to determine who may be made redundant.

Careful attention will be paid to determining the pool, which may be - but will not necessarily be limited to, those colleagues doing the same or similar work. For example, consideration will be given to including in the pool those colleagues whose work is interchangeable, regardless of job title or department.

Selection Criteria

The following selection criteria may be used:

- where a unique role or single post ceases to exist, the job holder will potentially be the redundant colleague;
- where a number of jobs are potentially redundant or where it is proposed to reduce the number of colleagues (i.e. fewer colleagues are needed) in a function where several people carry out the same or similar jobs, then the colleagues whom it is proposed to make redundant will be identified by way of a selection process, based on specified criteria.

Before any assessment is made, colleagues within the selection pool will be notified of the situation and the proposals for selection. A meeting will be held with the colleagues placed in the selection pool to explain the situation and provide forewarning of the possibility of redundancy. The selection of colleagues for redundancy may take account of such factors as (in no order):

- Work performance
- Attendance (authorised/unauthorised)
- Competence
- Adaptability
- Length of service
- Possibilities for re-training
- Willingness to relocate
- Existing skills or aptitudes
- Disciplinary and/or absence record
- Similarity of work
- Qualifications
- Potential for future development

The precise selection criteria to be applied in any situation involving collective redundancies will be discussed with the relevant Trade Union representatives/elected colleague representatives, as appropriate. Assessments should be conducted independently by at least 2 individuals who then compare their marks for each colleague, retaining a copy of each colleague's provisional score. On completion of provisional assessments, the colleagues provisionally selected for redundancy will be notified.

Alternative Employment

We will make every effort to avoid compulsory redundancy through:

- usual labour turnover
- re-training and/or redeployment



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- reduced usage of agency staff and temporary colleagues (unless they are necessary prior to a closure situation or for special projects where specific skills or continuity are required)
 - Where appropriate, we may offer a voluntary redundancy, however we reserve the right to refuse an application for voluntary redundancy

Suitable Alternative Employment

We may offer you 'suitable alternative employment' within the Company. This will depend on:

- how similar the work is to your current role
- the terms of the role being offered
- your skills, abilities and circumstances in relation to the role
- the pay (including benefits), status, hours and location

Pregnancy and statutory leave

If a colleague is selected for redundancy while pregnant (having informed the business that they are pregnant) and/or on statutory leave (maternity/adoption/shared parental leave) the colleague is entitled to be offered a suitable alternative vacancy (where one is available) to start immediately after their existing contract ends within any McKesson UK company. This means that the colleague should not have to be assessed against other colleagues who are not pregnant or on statutory leave.

Trial periods

If you accept suitable alternative employment you will be given a trial period for up to four weeks. This trial period is for both you and the Company to determine if the alternative role is suitable and the trial period can be extended if deemed necessary.

You can tell us at any point during the trial period if you don't think this the new role is suitable. We will talk to you about your reasons and if we agree that the role isn't suitable, you will still be entitled to any Statutory Redundancy Pay due to you. It is important to remember that you will lose your right to any redundancy pay if you do not give notice within the 4 week trial period.

Refusing an Offer

You may lose your right to Statutory Redundancy Pay if you unreasonably turn down suitable alternative employment.

Appeal

If your role is selected for redundancy you have the right to appeal, in writing, within 7 calendar days of receiving the written outcome. The appeal must be sent to the Employee Relations team (employeerelations@mckesson.uk) and clearly state the grounds of your appeal. Grounds for appeal cannot be that you simply don't agree with the decision and should be based on:

- The correct process wasn't followed
- You believe your role has been unfairly selected for redundancy
- You do not believe the consultation process has been meaningful
- The removal of your role is not a genuine redundancy

An impartial McKesson manager, at the same level or more senior to the redundancy consultation manager, will be allocated to your appeal and an appeal hearing will be arranged. You will have the same rights as the redundancy consultation meetings and the invitation process works in the same way. The appeal manager is authorised to make a different decision if they feel it is appropriate. They can:

- Uphold your appeal and reinstate you to your original role
- Not uphold your appeal and agree that your role will be terminated by reason of redundancy

The decision of the manager hearing the appeal will be final, as this is the final stage of the Company's appeals procedure.

The outcome of the appeal will be confirmed to you in writing as soon as possible, but usually within 5 working days of the appeal hearing.



Facilities for Redundant Colleagues

If you have been given formal written notice of redundancy and you have two years' service by the date your notice period ends, you are allowed reasonable time off, subject to prior agreement by your line manager, to:

- Look for work
- Attend interviews
- Arrange for re-training
- Write your CV

How long you can take will depend on your circumstances. No matter how much time you take off to look for another job, we will pay you 40% of one week's pay. If you are allocated a Company car as part of your role, you can retain your car during your notice period or until you find alternative employment, if this is sooner.

Redundancy Payments

If you have been placed at risk of redundancy, or where Voluntary Redundancy is an option, during consultation you will be provided details of the redundancy/severance payments due to you.

If you leave before your agreed termination date you will not receive a redundancy payment unless it is authorised by the ER Team.

Redundancy Pay

Unless specifically detailed differently in your terms and conditions of employment, you will receive a statutory redundancy payment if you meet the qualifying criteria. Redundancy payments that are less than £30,000 in total are not subject to normal deductions for tax and National Insurance contributions.

All other normal contractual payments, which are subject to normal deductions for tax and National Insurance contributions, will be paid in the normal manner.

Notice

In any redundancy situation, notice will be given in line with your terms and conditions and in writing. Notice will normally be worked (and paid as normal) or depending on the circumstances the business may at its discretion consider making a payment in lieu of notice for all or part of the notice period. The notice period will be the greater of either the contractual or the statutory rights applicable.

Accrued Annual Leave

On termination of your employment, payment in lieu of any unused accrued annual leave will also be made to you. Any such payment will be subject to normal deductions for tax and National Insurance contributions.

Related Material

- Grievance Policy
- Unauthorised Absence Policy
- Redeployment Policy
- Sickness Absence Policy
- Code of Conduct
- iCare Values
- Disciplinary Policy



Policy Information

Version Number	Date of change	Summary of change
V2019/1	1 April 2020	New Policy
V2020/2	1 June 2020	Amended scope to include AAH
V2020/3	15 July 2020	Amended title and corrected typos
V2020/4	11 th September 2020	Inclusion of maternity rights and clarification of notice clause. Removing AAH from scope of policy



Inform

This is an online document. Saved copies and printed versions are only valid on the day they are saved or printed. It is the responsibility of the individual to check they are using the most recent policy by viewing the 'Our People Policies – Version Control Log' available on The Hive, or through the ER Team.

Policy Owner

McKesson UK Colleague Relations Team

Telephone: 02476 432100 option 3, option 1

Email: colleaguerelations@mckesson.uk



Appendix I - Collective Redundancy Consultation with Elected Colleague Representatives

For the purposes of consultation where 20 or more colleagues are potentially at risk of redundancy (and in the absence of recognised Trade Union representation), representatives will be elected by a fair and secret ballot to represent those colleagues who will be potentially affected by redundancies.

- Representatives will be elected to represent all colleagues affected by the potential redundancies; this includes both those who will be potentially made redundant and those who remain.
- The primary duty of the elected representative is to represent those colleagues that they have been elected to represent.
- Representatives must be given enough access to the colleagues they represent so that they can effectively represent them, i.e. facilities for meetings, communications, etc. The extent of such facilities will depend upon the circumstances.
- This will include a reasonable amount of time during working hours to hold meetings to gain the affected colleagues' views and to feedback information from the Company.
- The representatives are allowed reasonable time off with pay to exercise their duties.
- If consultation is to be meaningful it is essential that the deliberations of meetings be reported back to colleagues as soon as possible.
- Representatives must fairly and accurately represent the views of the colleagues to the Company and vice-versa.
- The aim of the consultation process is to reach agreement about the actions that are to be taken, i.e. the numbers and descriptions of colleagues proposed to be dismissed, the proposed selection criteria, timing, etc., with an aim to reduce the impact of actions.
- Consultation should be a free exchange of views and ideas affecting the interests of the colleagues and the Company.
- If consultation is to be effective it is essential that it does not dwell on irrelevant matters, however it must be recognised that what may appear to be trivial to one person may be very important to others. Notwithstanding this, minor grievances or disagreements should not be allowed to stand in the way of the overall aims of the process.
- The employer has a duty to consider the representations and respond to any suggestions made in relation to such aims.
- Consultation does not mean that the representatives' views always must be acted on since there may be good practical or financial reasons for not doing so. However, whenever such views are rejected the reasons for doing so should be carefully explained. Equally, where the views and ideas of colleagues help to improve a decision due credit and recognition should be given.
- Representatives are protected from dismissal and from being placed at a detriment for exercising their rights or duties in relation to colleague representation.

