



**16th December 2021**

UNISON is pleased to confirm significant developments in respect of pay for 2022 because of our negotiations with the company.

We will be issuing further information regarding the arrangements for our ballot and the schedule of TEAMS meetings for members.

Please see below the joint Statement from the TUs and E.ON in respect of the pay award for 2022.

### **JOINT STATEMENT**

#### **CONFIRMATION OF COMPANY PAY OFFER FOR 2022**

The company and trade unions have held extensive and wide-ranging discussions regarding the pay offer for 2022. The talks took place on a single table basis with trade union representatives from Unison, Unite, Prospect and GMB, across the collective agreements outlined below:

Energy Solutions Agreement  
Generation Agreement  
Field Agreement  
EC&R CHP Agreement  
E.ON IT Agreement  
EC&R Generation Agreement  
CHP Agreement  
ECT Energy Solutions Agreement  
E.ON Next  
Npower Metering Agreement (E.ON)\*  
Npower Retail Agreement (E.ON)\*

\*those who have transferred to E.ON under a TUPE transfer

#### **Business context**

The UK energy market remains incredibly tough, with wholesale prices soaring to record levels and unprecedented energy market challenges. With the ongoing

market turbulence, our focus is now on managing the potential risks associated, to ensure any financial implications are limited as far as is possible.

We've continued to transform our business whilst responding to these challenges and have made significant progress. However, the turnaround is not complete, we're still consuming more cash than we generate and there's still more to do to return to a sustainable Ebit and Cash position.

At the same time, the company wishes to acknowledge that the rising cost of living is having a very real impact on personal finances. This offer represents a significant base pay increase, reflecting the business challenges and the contribution of colleagues in the progress made to date in turning our business around and returning the UK business to a sustainable position.

**PAY PROGRESSION WITHIN GRADE:** Pay progression within grade under the mechanisms set out within the collective agreements listed above will resume from 1 April 2022. As previously agreed, the 'best' annual performance rating awarded from 2019, 2020 or 2021 will be used as the basis for any progression pay adjustment effective from 1 April 2022 providing the annual rating for 2021 is a minimum rating of 'Achieved/Meets Expectations'.

The detail of the offer is outlined below and is subject to a positive ballot outcome.

## **ALL FOUR TRADE UNIONS ARE FULLY RECOMMENDING ACCEPTANCE OF THE OFFER**

### **1. BASE SALARY AND ASSOCIATED ALLOWANCES:**

A 4% increase to the current salary rates and associated allowances effective from 1 April 2022, set out in/alongside the collective agreements listed in the section above.

The next pay review will be 1 April 2023.

### **2. SELECTIVE VOLUNTARY SEVERANCE TERMS (SVS)**

SVS TERMS: The company has agreed to extend its commitment to the current discretionary, non-contractual SVS terms until 31 December 2026.

### **3. ADDITIONAL RECOGNITION BONUS**

ADDITIONAL RECOGNITION BONUS: As part of the MTP gap discussions in 2019/20 an additional recognition bonus was agreed to recognise the contribution made by colleagues in helping the company through difficult times.

As part of the 2022 pay negotiations some enhancements to the profit-sharing arrangements have been agreed.

These include:

- Payment of the recognition bonus will now be made in two parts. The first payment will be an advanced, partial payment of the recognition bonus. Any second and final part of the payment will be made as planned in December 2022.
- The advanced payment is based on a forecasted position and will be made to all eligible employees as soon as is practically possible after the trade unions notify the company of the acceptance of the company's offer. Depending on ballot outcomes, this could be as soon as February 2022. We currently anticipate the payment an individual will receive to be around £500, subject to normal tax and NI deductions.
- To be eligible collective employees must have been permanently employed between 1st April 2021 and the 31st January 2022 and have not resigned. Good Leavers under notice will be eligible for the advanced payment. Those still employed on 1st January 2022 will be eligible for the advanced instalment of the profit share.
- The second and final balance part of the additional recognition payment will be made to eligible employees as planned in December 2022, based on the November 2022 UK Operational EBIT position as agreed in the previous MTP gap discussions. There is no change to the eligibility criteria for the December payment
- Both payments will be a common flat rate value (no pro-rata for hours worked/no differential by grade). Bringing forward part of the payment will not affect the overall amount that would have been paid to an individual had we not brought the advanced payment forward.

#### **4. NEXT STEPS**

The trade unions will now ballot members on the company's offer between 10th and 28th January 2022

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