

Implementation Agreement

Parcels/Packets Automation

An Post

and

The Communications Workers' Union

March 2019

1. Introduction

Over the last few years, An Post has experienced fundamental changes in its Mails business, similar to those being experienced globally by other postal operators. While letter mail volumes continue to decline, parcels and packets volumes are increasing at a significant rate. In these circumstances, the Company requires to refocus its automated processing capabilities away from letter processing to parcels/packets processing, which essentially remains a manual process. The Company intends to carry out significant investment in the Dublin processing area (both in the DMC and DPH) and to introduce an automated processing line in each building. Both parties accept the need for the introduction of this new technology to ensure that An Post has the technical capability to continue to grow its parcels and packets business and to outperform the market in which An Post operates.

2. Existing agreements.

Following the consolidation of parcels processing within the remit of the Dublin Mails Centre in 2018, the parties previously agreed that the change agreement pertaining to the DMC would be the relevant agreement for all parcels/packets processing operations in Dublin.

In this context, the parties agree to address any staff impact issues arising from the implementation of the Company's parcels/packets automation plans through the utilisation of this agreement and the existing agreed IR procedures

3. Summary of Operational Changes

There are two main areas of change to the existing parcels operations. The first relates to transitional changes which are being implemented to facilitate the erection of the automated machinery within DPH in 2019. These are outlined at Appendix 1. Further transitional change will be required to facilitate implementation of new plant in the DMC in 2020. The Company will communicate these in detail 4 weeks before the work is due to commence.

The other main area of change relates to the introduction of parcels automation and the impact of same. This change is the main focus of this agreement.

4. Manpower Planning

The parties accept that there will be no upfront agreement in relation to the ongoing organisational baseline in the parcels area. The Company will however, develop proposals on the required staffing levels based on the following:

- Projected throughput of new machinery
- Forecast volumes
- Application of agreed relevant work standards
- Forecast arrival patterns
- Operational layout
- Manual work requirements

These staffing levels (subject to agreement) will form the basis for an interim organisational baseline for each location (i.e. DPH & DMC). The Company will revert to the CWU 3 months after 'go live' date for each automated plant with proposals on the ongoing organisational baseline, based on a review of the various factors outlined above. A joint working group will be established, to review data in relation to these areas on an ongoing basis, throughout the 12 week period.

5. MDN/Network

The parties recognise that there will be operational changes to the MDN Network arising from the changes. A joint working group will be established to examine the impact of these changes. This review will include the following areas:

- training requirements
- tachograph regulations
- OWT Impact
- transport legislation
- reserve driver requirements

The Company will also review remuneration arrangements in the MDN area.

6. Resourcing/Surplus Staffing

Implementation of automated machinery will impact on the staffing requirements as the move takes place from a manual to automated processing operation. The company will address these in the context of existing agreements with the CWU

7. Training Programme

The Company will develop and agree a training programme in relation to the new equipment with the CWU in advance of training commencing.

8. Parcels Management

The parties have previously agreed, under the auspices of the Monitoring Group, to an interim parcels management structure in DPH. The parties further agree that the 'end state' management structure will be implemented as part of the implementation of parcels automation and will be concluded no later than the 'user testing' phase of the second automated machinery which is planned to be introduced in autumn 2020.

9. Implementation process

The parties agree that the Parcels Joint Working group will oversee the implementation of this agreement. It is expected however that the majority of meetings will take place at a local level between the DMC Plant Manager and his team and the relevant CWU Branch. Any implementation issues which cannot be resolved at local level will be referred to the CSG and ultimately to the Monitoring Group, if necessary, using established procedures.

10. Merrywell

The Company has previously advised that the Merrywell site will close. While it has been kept open as a temporary processing site, pending the implementation of automation, the Company will formally close this facility during the implementation period and undertakes to address staff impact issues arising from this in the context set out at **4)** above

11. Union JCC Claim re Savings arising from Parcels/Packets Automation

The parties recognise that a claim has been tabled by the CWU at the JCC in relation to savings arising from the implementation of the parcels/packets strategy. The parties agree to progress this claim through agreed IR procedures.

12. Communications

Both parties acknowledge that there is a requirement for employees to be kept informed of ongoing implementation of change at the DMC/DPH. In this regard, following each local meeting a written communication signed by the Plant Manager and the appropriate Union representative will be compiled and shared with all employees.

13. Health & Safety

The parties agree that Health and Safety is paramount throughout this process. The Company commits that all H&S issues addressed in timely manner and in compliance with legislation. Any urgent issues should be referred by staff and/or their representatives in the usual manner. In addition, the existing H&S JWG may review any non-urgent items referred there by either party.

14. Agreement Sign-off

Agreement signed on behalf of: -

An Post

Mark Graham

HR Director, Mails

Communications Workers' Union

Seán McDonagh

Deputy General Secretary

Appendix 1

Transitional Arrangements

11th March 2019

From this date, Hino Harris site will become operational as a 'staging' site. Full details of this are as shared at meeting between parties on 4th March 2019. Further local meetings will take place between the Company and the relevant branches to finalise specific details (including staffing arrangements and any staff impact issues) of the operation. For approximately 5-6 weeks from this date, operation of the 'staging' site will be required to facilitate ongoing automation work in DPH.

April 2019

Throughout April, the main transition building will be prepared for full operation. This will facilitate the transfer of the full DPH operation to the transition site and replicate the existing DPH operation in the transition site.

15th April 2019 (Final Date to be confirmed)

The staging operation will migrate to the transitional site. This may include an option for sortation at this time, if required.

The Company will meet with the Union at JWG level to confirm and agree this change in advance and at local level to discuss specific operational arrangements in advance of the changes taking place.

End April/Early May (Date to be confirmed)

The conveyor lines and sorting overheads will be relocated to the transition site. At this stage the entire DPH operation will be relocated to the transition site. As advised previously, the Company will meet with the Union at JWG level to confirm and agree this change in advance and at local level to discuss specific operational arrangements in advance of the changes taking place

August 2019

Installation of machinery in DPH completed and full testing in progress.

September 2019

DPH Machine testing complete and available for full ramp up with effect from 30th September.

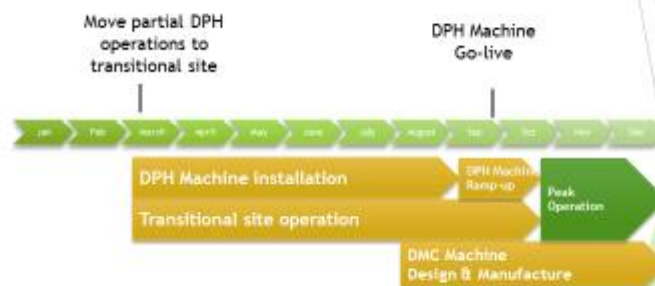
October 2019

Migrate DPH operation back to DPH from transition site. Retail transition site for staging of Peak DSU product.

Appendix 2

Automation Implementation Timelines

Automation Timeline 2019



Automation Timeline 2020

