

Social Responsibility Report
For Unity Incorporation

Year to 30 September 1994

Labour Research Service
23rd November 1994

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A feature of the social responsibility research carried out by the Labour Research Service during the year to September 1994 has been an increased emphasis on the monitoring of companies previously assessed by the board of Unity Inc. This trend is expected to continue as the Community Growth Fund expands and more companies are approved.

The CGF is held in high regard by most of the senior company executives that the Labour Research Service has met while carrying out the company assessments. Of the forty two companies that the Labour Research Service has had direct contact with over the past year only management from Fraser Alexander have actually refused to co-operate.

Trade unions are also recognising their investment power through the Community Growth Fund. In June this year, for example, the rejection of Berzack Brothers, one of the first rejections by Unity, was reversed. Major changes at the company resulted directly from pressure by the union together with the intervention of the CGF.

The past year has been a watershed year for the country. The April elections brought about a new democracy and a chance to reverse the massive social problems inherited from the apartheid policies of the previous government. It has, however, not been an easy year to carry out the social responsibility research. Many trade unionists were directly involved in the election campaign and therefore extremely busy. As a result, for the first five months of 1994 the Labour Research Service was practically unable to complete its research programme. Despite this a record number of reports were presented to the board of Unity Inc.

Approvals

Unity has approved twelve companies over the past year. Of these, SAB is the most significant and because of its size and

diversity the largest investigation yet carried out by the Labour Research Service.

Here is an account of the SAB and other important aspects of the Labour Research Service research programme during 1993/4.

The SAB investigation

In all five face-to-face meetings have been held with SAB's management. These meetings were preceded in each case by correspondence setting out the information required for the assessment, numerous telephone calls to establish a suitable appointment and often followed up by further correspondence at the request of Unity.

Fifteen separate meetings were held with shop steward committees, national and local organisers and in some cases the general secretary of the union concerned. Four unions participated in the research: Food & Allied Workers' Union; South African Catering, Commercial & Allied Workers' Union; Paper Printing & Allied Workers' Union; and Southern African Clothing & Textile Workers' Union. In most cases these required several telephone calls and follow up correspondence.

The SAB investigation began in 1992. At first management refused to see the Labour Research Service and referred the Labour Research Service to the company's annual report and provided a copy of SAB's code of employment conduct. It took a lengthy telephone conversation with a senior executive to get the company to agree to a meeting. This meeting was followed by a further meeting with SAB's deputy chairman and other senior executives. This meeting was also attended by Monde Mthembu, the Transport & General Workers' Union's representative on Unity. This was a highly productive meeting and SAB agreed to facilitate access to information and management personnel.

Detailed information on the social criteria required by Unity was provided by a number of SAB-owned companies. Follow up meetings were held with the management of OK Bazaars and Southern Sun. The management of Edgars and ABI, both subsidiaries of SAB, have also been interviewed, although these were part of separate company assessments. While both OK Bazaars and Southern Sun have had a particularly poor industrial relations record, there have been dramatic improvements over the past two years.

A detailed assessment of SAB was prepared for Unity in June of this year. Unity requested the Labour Research Service to continue its investigation and in particular to assess Afcol, South Africa's largest furniture manufacturer, and Da Gama Textiles. This included direct interviews with management and union representatives at the two companies. Finally, in September Unity approved SAB after considering the Labour Research Service's assessment of both Afcol and Da Gama.

SAB is far from perfect. There are a number of problems which shop stewards have identified. These have been reported to

management and Unity has requested that company progress on these matters be watched. But a number of SAB subsidiaries have made significant progress over the past two years and this is what ultimately led to the company's approval.

Irvin & Johnson approved

Another company to be approved by Unity after a lengthy series of meetings with management and union representatives was Irvin & Johnson. The general secretary of the Food & Allied Workers' Union attended one of these meetings where he was able to present the union's perspective on affirmative action and training. Management have reported that these meetings were extremely useful and have encouraged them to have greater participation by workers in decision making.

Other companies approved

The full list of companies approved by Unity during the past year are:

- ABI
- African Life
- Berzack Brothers
- Cadbury Schweppes
- Clicks
- Engen
- Eskom
- FNB
- Irvin & Johnson
- Metropolitan Life
- Palabora Mining
- SAB

A total of thirty five companies have now been approved by Unity for the CGF. Bonds issued by Eskom, RSA government and Umgeni Water have also been approved. The full list of approved companies is attached to this report.

Rejections

Four companies were rejected by Unity during the past year. All of these rejections have received considerable press coverage and with one exception have resulted in follow-up meetings with the relevant union and management.

Sasol rejected

The first to be rejected was Sasol, one of the world's largest petro-chemical companies. Soon after the rejection was announced a meeting was requested by top management. In March this year

a meeting was arranged for Sacwu and Cwiu to meet with Sasol management. This meeting was also attended by Unity's chairman, Tommy Oliphant. A frank exchange of views at the meeting enabled Sacwu and Unity to present the reasons for Sasol's rejection (Cwiu did not attend the meeting).

The company arranged a further visit by the Labour Research Service to its plants in Sasolburg and Secunda. A number of union representatives attended both of these visits. After a report to the Unity board in September it was felt that sufficient progress had not been made by the company to reverse the rejection. It was agreed that the Labour Research Service should communicate this to both Sacwu and Cwiu.

SA's biggest bank rejected

In May ABSA, South Africa's largest banking group, was rejected by Unity. The biggest problem at ABSA is affirmative action. Less than 4% of management positions are held by black employees and the bank has not created many opportunities for black staff to advance. Although ABSA has slowly begun the process of change, it still retains a negative political profile.

Following the rejection of ABSA a meeting was held with the chief executive and human resources director of the bank. This meeting was attended by Tommy Oliphant. ABSA was clearly disappointed by Unity's rejection. Management, however, acknowledged the problems raised by Unity but noted that they were committed to change. A subsequent meeting has been held with the South African Society of Bank Officials' general secretary. Sasbo represents nearly 20 000 of ABSA's employees. The union has pointed out that the practices of the bank are very mixed. The Labour Research Service has recommended that the bank be monitored and any fundamental improvements be reported to Unity.

Water supplier rejected

Rand Water, the largest public water supplier in South Africa, was rejected by Unity in June. Serious accusations were levelled at the utility by the South African Municipal Workers' Union. As part of the investigation of Rand Water the Labour Research Service carried out an on-site investigation of the conditions of employment on a farm owned and operated by Rand Water. A number of farm labourers were interviewed and they complained of poor treatment by the farm management and low wages. This was brought to the attention of senior management at Rand Water.

In September the Labour Research Service, together with Tommy Oliphant, met with Rand Water's chief executive and members of management. Management pointed out a number of new initiatives that they are involved in which should greatly improve the relationship with Samwu, in particular. Although Samwu was invited to this meeting, at the last minute they were unable to attend. The discussion with management has been communicated to

Samwu. It is clear that the public disclosure of the Labour Research Service's findings has forced management at Rand Water to undertake a serious examination of its practices. The report on Rand Water by the Labour Research Service has also received the attention of the Minister of Water Affairs, who as a consequence has put further pressure on Rand Water to improve the utility's employment practices.

Monitoring

A large number of companies were monitored during the year as part of the Labour Research Service's on-going social responsibility research of CGF companies. As the list of companies assessed for Unity grows this is likely to become more important.

New project launched

A relatively new project agreed to by the board of Unity will enable unions and their members to make their voices heard at company annual general meetings. To facilitate this the Labour Research Service has arranged a procedure with Standard Trust, CGF's trustees, to provide unions with proxy votes which will enable them to attend company AGMs. The National Union of Mineworkers was the first union to take up this opportunity when it attended Southvaal's 1994 annual general meeting. At this meeting the union was able to raise a number of important issues which the directors of the mine have probably never heard before. This included workers' deep-seated opposition to the hoisting procedures on the mines. It is interesting to note that in the last couple of months these procedures were thoroughly reviewed by mine management after negotiations with the NUM. Shaft stewards report that the new procedures are much improved.

Western Deep Levels visited

In May the Labour Research Service and the NUM's Thabo Makgoba visited Western Deep Levels. Western Deep was the first company to be removed from the approved list after it became clear that little progress had been made to safety at the mine. The mine's senior management arranged for a full-day briefing and underground visit. The visit was preceded by consultations with an NUM safety consultant.

Western Deep has the worst safety record of any gold mine in South Africa. The problem is, however, primarily technical as the mine is the deepest in South Africa and is located in a geographically unstable area. In fact, while the research team was at the stope face an earth tremor was recorded resulting in injuries to a number of mineworkers. Who said researchers had grey jobs?

HLH closely monitored

Another company which has been closely monitored is HLH. The general secretary of FAWU has used this as an opportunity to get the company's agreement to establish a sugar forum. Although HLH has not yet been approved much progress has been made by the company. One problem which remains are conditions of employment at the company's forest plantations. PPWAWU is keeping the Labour Research Service informed on developments here.

Lending practices investigated

A report on the lending practices of the major commercial banks was recently completed. Interviews were held with the senior executives of each of these banks, trade union officials and representatives of civic and other community organisations. This report was prepared at the request of Unity.

Executives interviewed by the Labour Research Service included the managing director of First National Bank, general manager of retail banking at Standard Bank, and the chief executive of ABSA. A number of these meetings were attended by Unity representatives. Unions interviewed included Sasbo, Fiwu and Saccawu. Representatives of Sanco were also interviewed.

The findings of the report showed that the mortgages advanced by the banks are not just skewed by race but also by the income level of the mortgage holders. This is because the banks have developed a highly sophisticated banking system to meet the needs of a relatively small number of South Africans. Their products are tailored to the demands of high-income clients. Now they are being challenged to provide banking services to relatively low-income clients.

Mining houses under investigation

The Labour Research Service recently embarked on a major review of the practices of the large mining houses. Meetings have been held with the general secretary of the NUM and a report prepared for NUM's National Executive Committee. Interviews have been held with the branch committees of a number of mines. It is expected that a report on JCI and Gencor will be presented to Unity before the end of the year. Final reports on the other mining houses are likely to be completed in 1995.

Other reports presented to Unity

During the past year a number of completed company assessments were presented to Unity but were 'B' listed for further investigation. These companies are listed below.

HLH
Grinaker

Suncrush
Cash Build
Ellerines
Trencor

Companies under investigation

During the past year a large number of companies were presented to the Labour Research Service for investigation by Syfrets.

Final assessments on a number of companies are likely to be presented to the board of Unity Inc. before the end of the calendar year. The list includes Gencor, Wooltru, Haggie, Hartebeesfontein, JCI and Sentrachem.

A summary of the progress at companies for which investigations have begun but are not complete follows:

Amgold - the investigation has commenced. The general secretary of the NUM says the union is unlikely to accept approval of any Anglo American managed mines. He says there has been a major change for the worse in their industrial relations policy.

Bidvest - a report on Bidvest has been presented to Unity. The company was B listed. Follow up interviews have been held with union representatives and this shows there has been little progress to warrant further action at present.

Cashbuild - a report on Cashbuild has been presented to Unity. The company has been B listed. Attempts to track down the relevant SACCAWU organiser have been practically impossible. The company has very few union members and this is a concern to Unity.

CNA - both management and union representatives have been interviewed. The company has been B listed by Unity. Follow up interviews have been held with the workers and the union. The union is not happy with the introduction of a new worker participation plan as this has not received input from the union. We are waiting for a meeting between the union and management to determine whether the deadlock can be overcome. The union says it would not be happy if CNA was approved before this problem was adequately dealt with.

Didata - a number of letters have been written to the company and the LRS has attempted to secure a meeting.

Ellerines - the company was B listed by Unity. LRS has been asked to re-assess in 1995.

Gencor - the company was B listed in 1993. A follow up assessment is nearing completion.

Grinaker - the problem is the company's involvement in military contracts. As its turnover from military contracts represent more than 5% Unity has not been able to approve the company.

HLH - the company has been B listed.

ICS - the company assessment is still to be presented to Unity. A number of union interviews have been held with shop stewards which suggest the company will not be approved by Unity.

Iscor - interviews have been held with the NUM. The LRS is still attempting to secure an interview with management. Management has agreed, however, to provide detailed information as requested.

JCI - the company assessment is near completion.

Liberty Life - in early 1993 the company was B listed by Unity. It is not likely to be approved.

Metkor - the company was B listed by Unity in 1993 after a detailed investigation. NUMSA reports little progress at the company.

Nu-World Holdings - this has been put on hold at the request of Syfrets.

Pep Stores - a thorough investigation of the company has been completed and reported to Unity. Unity B-listed Pep. Management is now conducting a thorough review of its social practices, partly as a result of the LRS assessment. The LRS is in touch with management and will report to Unity once the company's review is complete.

PP Rust - management and the NUM have been interviewed. It is unlikely Unity will approve the platinum mine.

SA Druggists - industrial relations practices at the company are not good. Attempts have been made to interview management with little progress.

Sentrachem - the investigation is progressing well. The final assessment should be presented to Unity before the end of the year.

Speciality - the investigation is slow as it has been difficult to secure interviews with the union. The union's head office has been requested to assist.

Spur - management and the union have been interviewed. It is unlikely that the company will be approved by Unity.

Trencor - the Transport & General Workers' Union is not happy with Trencor. A report prepared for Unity in 1993

resulted in the company being B listed.

Uniserv - management have been difficult. The union does not like the company, particularly Sun Couriers.

Vaal Reefs - the LRS has received mixed reports on the mine. The NUM is not happy about certain aspects of Anglo's recent dealings with the union.

Waltons - progress on this assessment is slow. The LRS is still attempting to secure co-operation from management and the union.

Wooltru - a final report should be ready for Unity before the end of the year.

Resources

The Labour Research Service directly applies the skills of a senior researcher and two junior researchers to the social responsibility research programme. In addition, administrative and management services are available to the programme.

The research staff all have post-graduate qualifications in economics, and the team leader, Mark Anderson, is also a chartered accountant.

The current cost of the programme is estimated to be R13 765 per month. Income from the service fee, however, is still below this.

It is estimated that the research programme will have covered its costs by November 1996, provided the CGF grows at the targeted rate, and provided the current fee of 0,1% per annum is maintained until then.

After November 1996 consideration can be given to reducing the fee.

In 1993/4, the Labour Research Service recovered R102 995 from the Community Growth Management Company. The cost of the programme was R161 403 earning a deficit of R58 408. The total deficit since the formation of the fund until September 1994 is R183 809.

If the fund grows faster than target, the deficit will be eliminated sooner, and the fee accordingly revised sooner too. It is suggested that this be monitored and reviewed annually.

The future

The social responsibility research programme has been placed on

a firm footing. Almost three years of experience have been gained, enabling the Labour Research Service to refine and develop its methods.

The financing of the programme is now also close to break-even, which will enable the programme to be properly resourced.

One internal problem at the Labour Research Service is the difficulty of recruiting and retaining the skilled economists required to provide Unity with high quality research, due to the low salaries that of necessity are currently paid. The Labour Research Service will be seeking improvements in its service conditions in the coming year to ensure that its qualified staff are retained and developed.

The Labour Research Service needs staff who have the ability to interact both at shop steward level and chief executive level. This capacity is rarely found.

A number of documents have been attached to give a sense of the activities involved in the social responsibility research programme. These include correspondence between the Labour Research Service and companies. It also includes the minutes of a meeting held with the MD of Berzack Brothers and union representatives following the announcement of the company's rejection by Unity.

Company Assessments Presented to Unity Inc.
For the year to 30 September 1994

	<u>Company</u>	<u>Rating</u>
1	ABI	A
2	ABSA	C
3	African Life	A
4	Berzack Brothers	A
5	Cadbury Schweppes	A
6	Cash Build	B
7	Clicks	A
8	Ellerines	B
9	Engen	A
10	Eskom	A
11	FNB	A
12	Fraser Alexander	C
13	Grinaker	B
14	HLH	B
15	Irvin & Johnson	A
16	Metropolitan Life	A
17	Palabora Mining	A
18	Rand Water	C
19	SAB	A
20	Sasol	C
21	Suncrush	B
22	Trencor	B

A - Approved.

B - Unity requires further investigation as the company needs to improve certain aspects of its practices. The weaknesses do not, however, merit rejection.

C - Rejection.

**Other Research Reports Prepared For Unity Inc.
For the year to September 1994**

An Investigation into the Lending Practices of the Major Banks, August 1994

Social Responsibility Report, Unity Report, six months to 31 December 1993

Unity successfully backs economic empowerment, Unity Report, six months to 30 June 1994

Site visits in 1993/4

The following is a list of visits made by the Labour Research Service to gain insight into the company's operations. This does not include the countless meetings with company representatives and union shop stewards at their places of work as part of a company assesement.

Palabora Mine, Phalaborwa - This visit included an inspection of the living conditions of mine workers, a review of the operations of the mine, various community projects funded by the mine, briefings by the human resources director and safety officer and a meeting with the full-time shop stewards.

Western Deep Levels - The visit is described in the report.

Hartebeesfontein Gold Mine, Klerksdorp - A meeting with the union's full branch committee, visit to the training centre, a separate meeting with the NUM's regional secretary, a meeting with the human resource director.

Sasol, Sasolburg and Secunda - The visit is described in the report.

Freegold, Welkom - A meeting with the general manager of the mine together with members of the NUM's branch committee (this was the first time the branch committee had met the general manager), a visit to some of the community projects funded by the mine, a meeting with the mine's environmental officer.

Rand Water, Alberton - The visit is described in the report.

Full 'A' list of companies approved for CGF

<u>Sector</u>	<u>Company</u>
Beverages	ABI
Insurance	African Life
Engineering	Berzack Brothers
Food	Cadbury Schweppes
Hotels	City Lodge
Stores	Clicks
Diamonds	De Beers
Electronics	Delta
Stores	Edgars
Engineering	EL Bateman
Chemicals	Engen
Bonds	Eskom
Banks	First National Bank
Food	Foodcorp
Stores	Foschini
Gold	Freegold
Engineering	Hudaco
Food	Irvin & Johnson
Industrial	Lenco
Building	LTA
Industrial	Malbak
Insurance	Metropolitan
Industrial	Murray & Roberts
Banks	Nedcor
Copper	Palamin
Stores	Pick 'n Pay
Food	Premier
Bonds	RSA bonds
Industrial	SAB
Industrial	Safren
Manganese	Samancor
Stores	Smart Centre
Insurance	Southern Life
Gold	Southvaal
Banks	Stanbic
Coal	Trans Natal
Bonds	Umgeni Water
Transport	Unitrans

Full 'C' list of companies rejected by Unity

ABSA
Clinic
Driefontein
Fraser Alexander
Harties
Kersaf
Kloof
Rand Water
Rembrandt
Richemont
Safcor
United Tobacco
Sasol
Western Deep Levels

Selection of correspondence

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THE SOUTH AFRICAN BREWERIES LIMITED

Reg No 69/16025/06

2 Jan Smuts Avenue PO Box 1099 Johannesburg 2000 Telephone (011) 339-4711 Telex 42 2482 SA Fax (011) 339-1830 Telegrams "Yeast"

Public Relations Officer?
Bucknall

6 August 1992

Mr N M Anderson
Labour Research Service
P O Box 376
SALT RIVER
7925

Dear Mr Anderson

THE COMMUNITY GROWTH FUND

Thank you for your letter of 24 July 1992 in which you drew my attention to the above Fund and invited SAB to consider participation by way of an investment.

We welcome the establishment of the Community Growth Fund as a very worthwhile initiative and we are flattered by your approach to us on the subject.

It is, however, extremely difficult to respond to your assessment proposals, in view of the highly diversified nature of our Group, which operates on a basis of advanced decentralisation, with substantial autonomy accorded our subsidiaries. All this means that we do not centralise or "bulk up" statistics and data in a manner that would make it remotely possible to aggregate answers to your questionnaire. We are, therefore, unable to furnish you with data beyond the Group information which appears on the relevant pages of our latest Annual Report and our Code of Conduct. Copies of both publications are enclosed. We believe these provide reviews and information on our performance which are sufficiently comprehensive to be of relevance to all the stakeholders of the SAB Group.

Yours sincerely


JM Kahn
EXECUTIVE CHAIRMAN

**THE SOUTH AFRICAN BREWERIES LIMITED**

2 Jan Smuts Avenue PO Box 1099 Johannesburg 2000 Telephone (011) 407-1700 or (011) 339-4711
Telefax (011) 339-1830 Telegrams "Yeast" Reg No. 69/16025/06

16 March 1994

BY TELEFAX
(021) 47-9244

Mr Mark Anderson
Labour Research Service
P O Box 376
SALT RIVER
7924

Dear Mark

At the outset please accept my apologise for the delay in responding to your letter of 9 December 1993.

I am presently collating the information that has been provided by three of our subsidiary companies and will shortly be in a position to compile and submit this report to you.

Yours sincerely

JABU MABUZA
GROUP ADVANCEMENT MANAGER

CHEMICAL WORKERS INDUSTRIAL UNION

HEAD OFFICE



1st Floor
5 Eaton Road
Congella
4001 DURBAN
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DALBRIDGE
4014
SOUTH AFRICA
Fax: (031) 256680

22 March 1994

Chairman
Unity Incorporation
P.O. Box 376
Salt River
7924

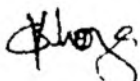
Dear Tommy Olifant,

RR: SASOL

Thank you for your letter of 15/2/94 concerning your wish for a meeting.

We should draw to your attention that the NEF Liquid Fuels Task Force is currently discussing a restructuring of that industry. There is considerable support for the view that Sasol's level of subsidy should be reduced. Since most of Sasol's profits are attributable to its subsidy. We think that you should reconsider your investment intentions.

Yours sincerely



Rod Crompton
General Secretary

55 MARSHALL STREET,
JOHANNESBURG,
2001.

a:CLS19.38/PLM

14th February 1994

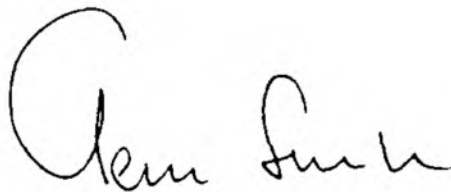
Mr M. Anderson
Labour Research Service
P.O. Box 376
SALT RIVER
7924

Dear Mr Anderson,

Thank you for your letter of 1st February.

I have passed it on to Mr Jim McLuskie, who is the Regional General Manager in charge of both Western Deep Levels and Elandsrand gold mines. He will write to you and describe all the ways that we have endeavoured to improve both our safety practices and standards. I am sure that if you wish to visit the mine to see its efforts at first hand, he will welcome it.

Yours faithfully,



CLEM SUNTER

Unity Incorporation

Ref: a871rw

Mr. JvA Kohl
Rand Water
PO Box 1127
JOHANNESBURG
2000

FAX	TO: <u>MR J KOHL</u>
FAX NO: _____	PAGE: <u>1</u> OF: <u>6</u>
ATTENTION OF: <u>THE ADDITIONAL PAGES</u>	
FROM: <u>AS REQUESTED</u>	DATE: _____
COMPANY: _____	
FAX NO: _____	Post-It Notes from 3M

21 June 1994

Dear Mr. Kohl,

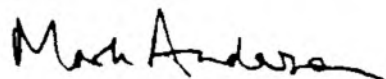
I have been asked to write to you on behalf of Unity Incorporation, which represents the trade unions which participate in the Community Growth Fund. The board of Unity has not been able to approve Rand Water as an investment by the Community Growth Fund.

Unity is encouraged by management's policy to target training and education as a key area for attention. But this has been clouded by a number of concerns of the board of Unity. These are listed below.

1. Worker participation appears to be a fundamental problem. Management has identified the need for joint decision making but a top down approach has been selected for this purpose. This is indicated by the company's reluctance to involve the unions in the training programmes, the affirmative action programme and health and safety. Unity believes that trade unions have much to offer in the development and implementation of such programmes. At the moment many other South African companies, and in particular public utilities, are welcoming such participation.
2. Unity believes that such an approach has negatively affected industrial relations at Rand Water. The recent strike at the company is an indication of this.
3. The South African Municipal Workers' Union has in particular raised a problem with safety practices. They have indicated that a number of work related accidents have resulted in fatalities.
4. Very few women or black employees are represented in management positions. Unity recommends that this be addressed by an effective affirmative action programme with employee and union representation in its planning and implementation. Rand Water has a policy on affirmative action, but to date this does not appear to have been acted upon.
5. Rand Water operates a farm near Alberton. Unity is concerned about the conditions of the employees on this farm, in particular the wages paid to the farmworkers.

The Labour Research Service and Unity would welcome an opportunity to discuss the assessment in more detail with Rand Water and the trade unions. We would also welcome hearing from you should you believe that any of the above matters raised by the board of Unity to have been satisfactorily addressed by the company.

Yours sincerely,

A handwritten signature in black ink that reads "Mark Anderson". The signature is written in a cursive style with a long horizontal flourish at the end.

Mark Anderson



Palabora Mining Company Limited

Registered in the Republic of South Africa No. 56/02134/06

Telephone 01524-802911
 Telegrams: "Palamine"
 Telex: 331827 PALMI
 Facsimile: (01524) 2448

P.O. Box 65
 Phalaborwa
 1390
 South Africa

Our Ref.: **MHR\97\93**

Your Ref.:

11 June 1993

Mr Mark Anderson
 Labour Research Service
 PO Box 376
 SALT RIVER
 7926

Dear Mr Anderson

COMMUNITY GROWTH FUND

Your letter on your intended visit to Phalaborwa to assess the Company for investment by the Community Growth Fund, refers.

We would be happy to receive you and we have asked our Public Relations Officer, Mrs Ronel Treurnich, to make the necessary arrangements for your visit. She will liaise directly with you in this regard.

Looking forward to meeting you.

Yours faithfully,



C.I. BARKHUIZEN

MANAGER HUMAN RESOURCES

/ss

c.c Public Relations Officer - Mrs Ronel Treurnich

Directors

A. J. Leroy (Chairman), F. Fenwick (Managing Director), B. R. Atkin, D. C. Barney, T. N. Chapman, J. A. Davis, J. B. Ouzo, J. C. Pretorius, A. D. Deuchars, J. Lightness, N. J. Keys, A. L. D. G. K. Fish, Z. W. Nkuku, N. R. Shute, D. R. Vorster, A. K. L. Krogma, P. H. E. Wierstra

**Labour
Research
Service**

Ref: a034cgf

Chris Lloyd
NUMSA
9th Floor, York House
Kerk Street
JOHANNESBURG
2001

By Fax

15 September 1994


Dear Chris,

The Labour Research Service is conducting an investigation of Haggie Rand and Iscor for the Community Growth Fund. We are particularly interested in their industrial relations practices, training programmes for workers and conditions of employment. But the unions involved in the Community Growth Fund also require us to investigate other aspects of the company's practices including health & safety practices, affirmative action programme and job creation.

We have received information from Mr. Dave Thompson of Haggie Rand. We have not yet approached Iscor. Once we have completed an investigation a report is prepared. We will send a copy of this to you.

I would be most grateful if I could meet you to discuss our investigation of both companies. I will be in Johannesburg on the 21st September and 22nd September. Would either of these dates suit you?

Yours sincerely,



Mark Anderson



Construction And Allied Workers Union

⇒ WITH 27
⇒ UNITY WORKS

"An Injury To One Is An Injury To All"
Reg.No. 2/16/2/437

HEAD OFFICE
10th FLOOR PHILADELPHIA CORNER
89 VON WEILLIGH STREET
JOHANNESBURG, 2001
P.O. BOX 1962, JHB. 2000
Tel. (011) 29 4321/2/3
Fax: 337-1578

1992 December 09

The Chairman
Board of Unity
P.O. Box 376
Cape Town

Dear Sir

Investment: Murray and Roberts

1. Cawu has no principle rejection for the CGF to invest in Murray and Roberts. At the moment, the Union is still organising and recruiting members from Murray and Roberts.
2. We would however, propose that the Board should from time to time review the decision to invest. We would like to see M & R as a giant in the Construction Industry, taking seriously the issue of job creation and retrenchment in the Industry. The activities of M & R around these matters must therefore be monitored.
3. Finally, Cawu agrees that the CGF should invest in M & R.

Yours Sincerely

P.P. Oliver

MATHEWS OLIPHANT
GENERAL SECRETARY

REGIONS

S.TVL P.O. BOX 1962 Johannesburg 2000 TEL. 337-7895 FAX 337-6367	N.TVL P.O. BOX 5322 PRETORIA, 0002 TE. 218-662 FAX 285-400	NATAL 3RD BIDGEN HSE 505-507 Smith Str. Durban, 4001 TE. 307-5022 FAX 304-1822	W. CAPE P.O. BOX 5239 SALT RIVER 7925 Tel. 448-1045 Fax. 448-4192	E. CAPE P.O. BOX 2278 King Williamstown 5600 Tel. 25-477 Fax. 24-945	OPS/N. CAPE P.O. BOX 2278 BLOEMFONTEIN 9300 TEL. 480-691
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28

Hunt Leuchars & Hepburn Holdings Limited

Registration No. 02/01164/06

Postal Address:
P.O. Box 47, Johannesburg, 2000

Telephone (D11) 883-4120
International +2711 883-4120
Fax (011) 883-4267 Telex 4-24188 SA
Telegrams 'Vang'

Delivery Address:
4th Floor, First National Bank House
Corner Fredman Drive and West Street
Oxford Park, Sandown, Sandton, 2196

RWC/uw
17 January 1994

Mr M Anderson
Labour Research Service
P O Box 376
SALT RIVER
7924

Dear Mr Anderson

I acknowledge, with thanks, receipt of your letter of 09 December 1993. Naturally I feel disappointed that you were unable to categorise our Group in the A category and will be passing your letter on to the Managers concerned in our various operating companies in order to obtain a detailed response to the concerns raised in your letter.

As soon as I have management's response to those issues, I will compile a response document to forward to you at which time we would welcome a visit by you and any delegates that you care to nominate, e.g. representatives of the Unions, who would like to join me on a visit to whichever area of our operations that you care to nominate so that we can discuss the concerns directly, demonstrate our commitment to the opening up of a broader participation of all employees and to obtain the input and advice from yourselves relative to an ongoing development programme.

I would, at the same time, like to record my thanks for the constructive way in which your interactions have been conducted and look forward to meeting with you again in due course.

Yours sincerely

ROB COX

Labour
Research
Service

Ref: a809f

General Secretary
FAWU
PO Box 234
SALT RIVER
7924

7 May 1994

Dear Mandla,

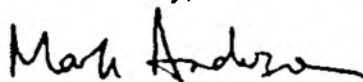
This is to follow up our discussion on Irvin & Johnson. We have investigated the company for the Community Growth Fund. Unity Incorporation, which represents the unions in the CGF, has not approved Irvin & Johnson. They have asked the Labour Research Service to arrange a meeting between management and the union to enable the union to put forward its views on the company's practices. I have put this to management and they have agreed to such a meeting.

You indicated that you would be available to meet the company during the week beginning the 23rd May. You also asked me to inform William Thomas.

I shall now try and find a suitable date and time for this meeting. I would suggest that the agenda for the meeting be kept open with the following matters to be discussed.

1. The CGF company assessment
2. Union concerns:
 - centralised bargaining
 - the fishing forum
 - any other matters
3. Irvin & Johnson responds
4. Discussion
5. Close

Yours sincerely,



Mark Anderson

cc. William Thomas

STANDARD BANK CENTRE
HEERENGRACHT
CAPE TOWN/KAAPSTAD
SOUTH AFRICA/SUID AFRIKA
P O BOX/POSBUS 1628
CAPE TOWN/KAAPSTAD 8000



A MEMBER OF THE ANGLOVAAL GROUP
LID VAN DIE ANGLOVAAL GROEP

TEL ADD WFOOD CAPE TOWN
FAX: (021) 21-7258
21-7291
21-7292
TELEX 5-27268
TEL: (021) 21-6400

IRVIN & JOHNSON LIMITED

Reg. No. 52/01693/06

RM/alt/nov

8 November 1994

Mr M Anderson
Labour Research Services
41 Salt River Road
SALT RIVER
7925

Dear Mark

As you are aware, the Labour Research Services evaluation of I&J for the Community Growth Fund took place over a nine month period. We would like to record our thanks for the time you put into completing this.

The process was conducted in a professional, objective and thorough manner which led to both constructive interaction and action. The assessment has been both valuable and enlightening and has without doubt led to higher degrees of consultation and transparency in the running of our business.

For this and for the hours of work you put into this, we are grateful.

Yours sincerely
IRVIN & JOHNSON LIMITED

TREVOR BRODRICK
GROUP MANAGER PERSONNEL & IR

RICHARD MORKEL
CORPORATE AFFAIRS MANAGER

Labour
Research
Service

The Chief Executive
Engen Ltd
P.O. Box 35
Cape Town
8000

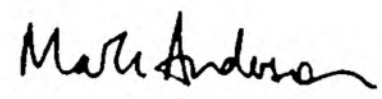
19 September 1994

Dear Mr. Angel,

Engen has been acquired for the Community Growth Fund. All companies in the Community Growth Fund portfolio are constantly monitored against the social responsibility criteria set by the fund.

Engen is currently planning to shut down some of its petrol stations. This matter is obviously of concern to the trade unions in the Community Growth Fund. We would, therefore, appreciate any details of this programme of rationalisation that you could provide to us.

Yours sincerely



Mark Anderson

B029LENG

CC Mr. M. Palmer

Labour Research Service

P.O. Box 376,
Salt River, 7924
South Africa.

Telephone: (021) 47-1677
Fax: (021) 47-9244

7 Community House,
41 Salt River Road,
Cape Town.

Mr D Mostert
Chief Executive
Dorbyl Ltd
4th Floor Dorbyl Park
Skeen Boulevard
Bedfordview
2008

9 June 1993

Dear Mr Mostert,

Community Growth Fund

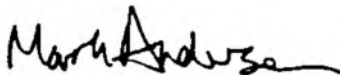
The Labour Research Service has been asked to carry out an assessment of Dorbyl for investment by the Community Growth Fund. The Community Growth Fund is a socially responsible unit trust managed by Syfrets and a number of trade unions.

Syfrets selects investments for the fund, in terms of their normal investment criteria. But before Syfrets can go ahead with the investment it must be approved by the participating trade unions.

The unions have adopted seventeen social criteria. The Labour Research Service, on behalf of the unions, assesses each company selected for investment against the social criteria.

I have attached (annexure one) the information we require in order to carry out our assessment.

Yours faithfully,



Mark Anderson

ANNEXURE ONE

Information required by the Labour Research Service to carry out the assessment of Dorbyl.

1. Employment

Total employment of the company and if appropriate broken down for each division.

The number of black employees and women represented in each of the following positions. Supervisors, junior management, middle management and senior management.

2. Training

The company's total training budget for the current financial year?

Details of the company's training programmes: courses offered and the number of participants.

The level of participation of black employees on the company's training programmes.

3. Affirmative action

Does the company have an affirmative action programme? If yes, could you tell us how long the programme has been in place and provide details of the programme.

4. Social responsibility spending

Does the company have a social responsibility spending programme? If yes, could you tell us how much the company has budgeted for the programme and the major areas of spending.

5. Environmental policy

Does the company have an environmental policy?

Has the company had an external environmental audit?

6. Health and safety

If the company is a member of NOSA could we have details of the star rating and the company's safety record. Who is responsible for health and safety in the company?

7. Collective bargaining

Does the company negotiate with representative trade unions?

Does the company have a wage policy?

Does the company have an industrial relations policy?

If the company has operations in the border areas/homelands are conditions here the same as those applied in the rest of South Africa?

8. Employment expansion

The unions are in particular interested in the company's plans for expansion which could potentially lead to employment growth.

a40ldorb



TOWN LODGE

Our Ref: g255u-anderson

20 January 1993

Labour Research Service
P O Box 376
Salt River
7924

Attention: Mr N.M. Anderson

Dear Mr Anderson

Thank you very much for your letter which we have received and for the feedback received by the Labour Research Service following the assessment of various City Lodges.

The two points of concern which have been identified are the separate toilet and canteen facilities. At City Lodge Hotels, we believe that we are an equal opportunity employer, which practices no segregation regarding race, colour or religious beliefs. We do however distinguish between junior and senior / administrative staff, position differentiation and terms and conditions of service of the various job categories.

Our facilities within our hotels are very limited due to the selected service nature of our hotel concept. The one major point of difference is that we do not provide meals for our staff, as our services are limited to breakfast only, and therefore the staff bring their own provisions for meals. An area has however been demarcated as a "canteen" where the junior staff may take their meals. These breaks are taken at various intervals due to the staggered times of arrival at work of the staff and the limited space available. The senior staff are permitted to use the "lounge" area for their meal breaks, the majority of which are administrative staff which need to be close to the reception desk in case they are called if it gets busy. There are various positions within the senior staff category which have black staff members working in these positions and they have just as much right to use the "lounge" area for meals as the whites. The majority however choose to use the designated staff canteen. There is definitely no separate eating areas for blacks or whites.

2/....

CITY LODGE HOTELS LIMITED

2 Pybus Road Wierda Valley Ext 1 Sandton
PO Box 782630 Sandton 2146 South Africa
Telephone (011) 884 5327 Fax (011) 883 3640
Directors: G B Dickason (Chairman), H A Enderle (Managing) (Swiss), A J Rotes M J Cullabine, W M Dickson (Brit), Y Matthews, C Ross Registration No 8602864/06


The toilet facilities are similarly not segregated through the need for separate black and white toilets but again are differentiated on the position held within the staffing structure. The same policy therefore is used with regard to the toilet facilities. As there appears to be a misunderstanding in some of our units with regard to the policy, which you have so kindly brought to our attention, the company will formalise, during the forthcoming negotiation meetings, the matter so as to avoid any further misunderstanding.

The Shop Stewards have raised both the above points, in all our hotels, at the monthly Shop Steward meetings as well as at national negotiations and have always received the same reply as outlined above. This policy was adopted at the inception of our group in 1985 and has never changed and can not change due to the structural parameters of the building not being able to accommodate any other combinations.

As for a commitment from City Lodge to the Unions, with regard to the above matters, City Lodge does not practice separation of toilet and canteen facilities due to any reasons other than those outlined above.

Thank you for your interest in City Lodge Hotels.

Yours sincerely



HANS R ENDERLE
MANAGING DIRECTOR

CNA Gallo Limited Reg. No. 05 98061-06. 10th Floor, The Atrium, 41 Stanley Avenue, Milpark 2092, Johannesburg. P.O. Box 9380, Johannesburg 2000. Tel. (011) 482-2600. Fax (011) 726-1374.

7th July 1993

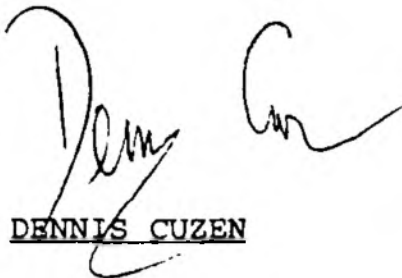
Mr Mark Anderson
Labour Research Service
P.O. Box 376
Salt River
7924

Dear Mark

Thank you for your letter dated 22nd June 1993 in respect of the Community Growth Fund.

The Six Point Plan is progressing very well and when ready for implementation, it will be a pleasure to make a presentation to the Labour Research Service and to SACCAWU.

Yours sincerely



DENNIS CUZEN

Copy: Alan Cherry
Freda Lowe

Cadbury Schweppes



**Cadbury Schweppes
(South Africa) Limited**

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INTERNAT: +2711616-1920

Co. Reg. No. 04/00415/06

ASTRON ROAD
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JOHANNESBURG
2094

CADSH FAX: (011)616-2642
TEL.AD.: CADSWEP BEDFORDVIEW

POSTAL ADDRESS/POSADRES:
P.O. BOX/POSBUS 75199
GARDEN VIEW, 2047
REPUBLIC OF SOUTH AFRICA
REPUBLIEK VAN SUID-AFRIKA

30 August 1993

Mr. M. Anderson,
Labour Research Service,
P. O. Box 376,
SALT RIVER
7924

Dear Mr. Anderson,

I refer to your letter of 6 August 1993 which Mr.A.J.L.Clark has passed on to me for reply.

I would be very happy to meet with you to discuss the assessment of our company and in the interim shall collate all the information you need. Once I have the detail I shall contact you to arrange the meeting.

Kind regards,

P. M. BESTER



MEETING WITH BERZACK BROTHERS (HOLDINGS) LTD AND MEWUSA

Date: 11 February 1993

Present: Zit Cindi (MEWUSA)
 Thami Makwenazi (MEWUSA)
 Jones Moloi (MEWUSA shop steward, Elcentre
 Doornfontein)
 M Anderson (LRS)
 M Berzack (Managing Director, Berzack Bros.)

This meeting was requested by Berzack Brothers managing director, Mr Myron Berzack.

SACCAWU did not attend the meeting as we were unable to get clearance from the branch manager for a shop steward (Super Sales, Penrose) to have time-off to attend the meeting. Berzack clarified the company's position at the start of the meeting and said that he had not had enough time to instruct his manager to give the shop steward time-off to attend the meeting.

Berzack provided background to the company. BBH's core business was in the manufacturing of electrical cables. The electrical distribution outlets held by Elcentre were acquired in February 1992 (in a share swap between the Mowszowski family and the Berzack group, valued at about R145m). It was noted that MEWUSA's members were primarily located in these distribution outlets.

The group's 13 production plants (manufacturing division) are covered by the Iron and Steel industrial council. Wages and other benefits are set at each of the group's 76 distribution outlets. The production outlets employ approximately 1 800 employees, of these 1 250 are weekly paid. BBH employs approximately 4 000 people in total.

TRAINING IN THE MANUFACTURING DIVISION

There are currently 3 employees dedicated to training in the manufacturing division. They report to S. Illman, the director of this division. The company intends to employ a further 2 employees to develop the division's training activities.

The training of machine operators and assemblers is carried out on-the-job. In a memorandum to BBH's directors (MC Berzack and SH Illman), dated 10 February 1993, N Ackerman (manager responsible for training in the manufacturing division) reported that "training in the company is not non-existing, we do make use of external as well as internal training however, I believe we will need a more formal approach for future training".

Existing training in the division includes:

- MIC (the new computer system)
- Chamdor (supervisory/driver training)
- HR training - machine operators and drivers
- ICTI - supervisory/mgt/teletiquette/mkting/stores
- NOSA - safety training

PC support
Industrial relations

Future training activities will include the establishment of a training centre. This centre will be responsible (with line management) to give introduction, refresher and advanced training in the following:

Wire drawing, bunching & stranding, extrusion, coiling, assembly, warehouse control, injection moulding and safety.

The union pointed out to BBH's managing director that when it had raised the issue of black advancement and training, and it had done this on numerous occasions, they had not had a favourable response. In particular they had found that trainee managers were appointed and worked along side black employees in various departments and were then promoted to management positions. Black employees had not been given such opportunities.

The company's position on black advancement was clarified.

"In the event of a vacancy occurring, and after recommendation from line management and respective training the employee will be put in the position for a trial period, and if successful, we will confirm the transfer and reward him accordingly". (Memorandum from N Ackerman, 10 February 1993).

With regard to training for women:

"With regards to female training there is no exception to the rule, the nature of our operations and shift work requirements does not make it favourable for female employees. Female employees are mainly used in assembly work performed by semi-automated machines". (Memorandum from N Ackerman, 10 February 1993).

Berzack stated that about 30% of shift supervisors are black. Two out of 20 departmental managers are black. He also pointed out that a number of personnel in the finance department and security are black.

The company has adopted a very high safety standard reported Berzack. This is evidenced by the following NOSA awards:

1 factory five star
4 factories four star
6 factories had obtained the SABS 0157 and ISO9000 standard

TRAINING IN THE DISTRIBUTION OUTLETS

Berzack agreed that employees in the distribution outlets had not received adequate training but that these outlets had been recently acquired (February 1992). The company was rectifying this. A memorandum from F Holtshausen, 11 February 1993, to Mr M Berzack made reference to this. The memorandum states that:

"During negotiations on substantive issues with MEWUSA - we as management agreed to a Trade Union Proposal that a special committee be set up to discuss training and promotion. The first meeting takes place on the 16 February 1993 at Head Office with Thami Makwenazi from MEWUSA."

The memorandum states further that:

"As far as other training is concerned in the Votex Group - normal "on the job" skills training takes place on an ongoing basis. Sales training and product knowledge training takes place in many parts of the Group, some of this training conducted by outside training agencies and other by our own staff. In certain cases, employees are sent on specialised outside training, ie Warehouse Management and Driver Training".

MEWUSA (T Makwenazi) has subsequently reported that the meeting with management was held on 16 February at which the union was able to put forward its proposals on training. Management has agreed to respond to these proposals on 15 March 1993.

OTHER MATTERS

MEWUSA (Z Cindi) put forward the unions position on a more practical bargaining arrangement for the distribution outlets. There are 76 distribution outlets. The union is required to bargain at each of these outlets separately. At some outlets there are only 5 employees in the bargaining unit. This is obviously impractical and not effective - for both the company, the union and employees. The union has discussed this in the past with management, but no agreement could be reached on the best way to address this.

Berzack agreed that the union has a point and that this would be discussed by management.

A235BERZ

Unity Incorporation

Ref: a908ab

Mr. Z. Mncube
Corporate Communications
ABSA Bank Limited
PO Box 7735
JOHANNESBURG
2000

30 June 1994

Dear Mr. Mncube,

The board of Unity Incorporation has requested me to inform you that ABSA has not been approved for investment by the Community Growth Fund. Unity Incorporation represents the trade unions participating in the Community Growth Fund.

Unity recognises that the bank has gone through a major transition, and this is never easy. The implementation of uniform and modern industrial relations practices throughout the group is, therefore, a major achievement.

A number of concerns were, however, raised.

1. Despite the adoption of sound industrial relations practices the bank is still reliant on their implementation by management. There is still a layer of management who are openly hostile to the involvement of trade unions.
2. Perhaps the greatest problem at ABSA is the extremely low number of black staff. Black employees represent only 16% of total staff and 3,5% of managerial staff. Although the company has started to tackle this, Unity believes a lot more attention should be given to this.
3. ABSA's affirmative action plan states, for example, that "no special in-house training or programs will be made exclusively for any group of people".
4. A combination of factors have given ABSA a poor political profile. These include the low number of black staff, the involvement of some staff in illegal gun-running, fraud by senior management and accusations of telephone tapping by senior ABSA personnel.

Yours faithfully,

Mark Anderson

INCORPORATED ASSOCIATION NOT FOR GAIN
Registration number 86/02993/08
Committee members: N M Anderson, R G Young

Telephone (021) 471 677 Fax (021) 479 244

PO Box 376, Salt River 7924
7 Community House 41 Salt River Road
Salt River Cape Town

ID/1

07030

CLASS/1

Social Security

CLASS/2

Responsibility

Social Responsibility Report for Unity Incorporation Year to 30
September 1994