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Colin Budd Esq
 Private Secretary to the
 Secretary of State for Foreign Affairs
 Foreign and Commonwealth Office
 Downing Street
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15 July 1986

Dear Colin,

SOUTH AFRICA: EC CODE OF CONDUCT: WHITE PAPER

As you will know, we decided to postpone publication of the White Paper in the face of the re-imposition of the State of Emergency in South Africa and the ensuing lively debate on sanctions, in case this should be regarded as our response to events and found wanting on that score. However, since then the Government have made quite clear their attitude towards further measures and my Secretary of State now sees advantage in publishing the White Paper before the end of the current session.

You are aware that we have revealed the existence of "informal guidance" to companies and I understand that Mr Frank Field asked for a copy when he saw Mrs Chalker on 10 July. Whether or not we withhold it, it should not prove too difficult for him to obtain it, perhaps through companies. The present draft has been carefully worked out by officials and UK business representatives and we should not welcome a further public debate on what our advice should be to companies on the revised Code and reporting format. Prompt publication seems the best way of forestalling this.

In addition, I believe that Mr Field raised a point about the inclusion of benefits provided free of charge by employers in determining whether companies have complied with the minimum pay requirements of the Code. The old UK reporting format stated that such benefits should be separately listed and Mr Field has

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indicated his view that to drop this stipulation would be to weaken the Code. We cannot now change the reporting format without re-opening discussions with our EC partners. But we can take care of the point by adding the enclosed paragraph to our explanatory guidance. As you will see, it draws upon a statement by Professor Nel which we have obtained permission to quote.

Time is very short if we are to present the White Paper to Parliament in decent time before the House rises. We aim to do this on 23 July and are accordingly sending the text to the printers forthwith. However, should you or any of the other recipients of this letter have objections, I should be grateful if you could let us know by Thursday 17 July at the latest, so that we could stop publication or make any necessary amendments.

The Department of Employment suggested that we should list more clearly in the Introduction to the White Paper the differences between the revised and former texts of the Code. Paragraph 6 of the Introduction in the attached text has therefore been amended.

I am copying this letter and enclosure to Charles Powell (No 10), Joan MacNaughton (Lord President's office), Tony Kuczys (Treasury), Andrew Lansley (Chancellor of the Duchy's office), John Turner (Employment) and Murdo Maclean (Chief Whip's office).

*Yours ever,
Michael*

MICHAEL GILBERTSON
Private Secretary

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CODE OF CONDUCT
FOR COMPANIES WITH INTERESTS
IN SOUTH AFRICA

Government Guidance to British Companies on the
Code of Conduct Adopted by the Governments of the
Twelve Member States of the European Community
on 19 November 1985

Presented to Parliament by the Secretary of State for Trade
and Industry in association with the
Secretaries of State for Foreign and Commonwealth Affairs and
Employment
by Command of Her Majesty
July 1986

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CODE OF CONDUCT FOR COMPANIES WITH INTERESTS IN SOUTH AFRICA

At their meeting in Luxembourg on 19 November 1985 the Foreign Ministers of the Ten Member States of the European Community approved the text of a revised Code of Conduct for companies with interests in South Africa. Its aim was to adapt and strengthen the provisions of the Code adopted by the Community in September 1977, in the light of developments since then. Spain and Portugal also subsequently subscribed to it. This revised text is at Annex 1 and now replaces that which was published by the Government in Command Paper No 7233 in May 1978.

2. The Code, which remains voluntary, is addressed to all companies in the member states of the EC who have interests in South African companies. It is hoped that all companies will use their links with South Africa to encourage wider observance of the principles and standards set out in the Code. But, as is made clear in the text of the revised Code, full, detailed reports are expected only from those British and other EC companies whose interests are represented by a controlling holding in a South African company, whatever form this takes (subsidiary, branch, joint venture etc).

3 The Government will accordingly continue to look for publication of detailed information and the submission of a full report to the Department of Trade and Industry in all cases where a British company holds 50 per cent or more of the equity of a South African company. As previously, UK companies with minority shareholdings will be expected to publish and submit to the Government as much information as possible on the policy and practices of their South African affiliates in respect of the areas covered by the Code. The Government recognises that provision of detailed reports would be inappropriate where the South African company employs fewer than 20 black Africans. But the UK parent is asked at least to state publicly, wherever possible, the number and whether their pay and conditions of employment are in line with the Code.

4. In South Africa, and elsewhere, it remains Her Majesty's Government's policy that United Kingdom companies and their affiliates should act in accordance with the laws of the countries within which they operate. In urging adoption of the policies and practices recommended in the Code at Annex 1, including those in Section 1, the Government is not asking companies to act contrary to South African law. These policies and practices are in many respects already incorporated and recommended in other international codes, for example, the OECD Guidelines for Multinational Enterprises, and the ILO Tripartite Declaration of Principles Concerning Multinational Enterprises and Social Policy.

5. There are a number of references in the Code to black African employers or workers. The intention is to ensure that the conditions and terms of employment of such employers satisfy the standards set out in the Code and not that similar benefits and treatment should be denied to workers of other races who feel similar problems, needs or circumstances.

6. The revised Code now makes specific mention of a number of areas which are of greater relevance and concern than in 1977. Greater emphasis has been given in the new text to the role of independent trade unions representing black African workers. Companies are asked to pay greater attention to education, training, black career development and wider community projects, areas where many British firms are already active. Other innovations are contained in the new Sections on the encouragement of black businesses and on Procedure. It is now intended that all EC companies should observe identical procedures and reporting requirements many of which will already be familiar to UK companies. In particular, company reports under the Code are to be based on uniform criteria. These and national summary reports are to be made public, in line with existing UK practice.

7. Companies to which the full reporting requirements apply are asked to provide reports relating to the new Code in the common, agreed format contained in Annex 3. The report should state the

facts as at 30 June each year and should give an account of progress over the previous twelve months. The report should be published and a copy sent to the Government not later than 30 September each year. The report need not form part of the United Kingdom parent company's Annual Report, but companies are asked to ensure that a reference to the public availability of such report is included in their Annual Report or Chairman's Statement.

CODE OF CONDUCT FOR COMPANIES FROM THE EC WITH SUBSIDIARIES, BRANCHES
OR REPRESENTATION IN SOUTH AFRICA

This Code is addressed to all companies from the European Community which have subsidiaries, branches or representatives in South Africa.

The aim of the Code is to make a contribution towards abolishing apartheid. None of the provisions of this Code should be interpreted as leading to discrimination between the various racial communities in South Africa. The dispositions concerning black employees have the sole objective of putting these on an equal footing with the other employees.

1. Relations within the undertaking

- (a) Companies should ensure that all their employees irrespective of racial or other distinction are allowed to choose freely and without any hindrance the type of organisation to represent them.
- (b) Companies should pay particular attention to black trade unions and be prepared to recognize them.
- (c) Companies should be prepared to sign recognition agreements with representative black trade unions within the company and allow collective bargaining, including the signing of collective agreements, in accordance with internationally accepted labour standards.
Employers should regularly and unequivocally inform their employees that consultations and collective bargaining with organisations which are freely elected and representative of employees are part of company policy.
- (d) Companies should do everything possible to inform their employees within the company of their social and trade union rights.
Employers should make every effort to ensure that black African employees are free to form or join the trade union of their choice. Steps should be taken as a matter of course to allow trade union officials to explain to employees the aims of trade unions and the advantages of membership, to distribute trade union documentation and display trade union notices on the company's premises, to have reasonable time off to carry out their union duties without loss of pay and to organize meetings. Employers should encourage trade union members to take part in trade union training programmes.

- (e) Companies should do everything to establish a climate of confidence in their relations with their employees and should in particular make available to them the text of the Code of Conduct of the European Communities and inform them, in an appropriate language and in places to which they normally have access, of what the company is doing to implement this Code.
- (f) In companies where works or liaison committees already operate, trade union officials should have representative status on these bodies if employees so wish. The existence of these types of committee should not prejudice the development or status of trade unions or of their representatives.

2. Migrant labour

- (a) The policy of apartheid leads to the use of migrant labour, which robs the individual of the basic freedom to seek and obtain the job of his choice. It also causes grave social and family problems.
- (b) Employers have the social responsibility to contribute towards ensuring freedom of movement for black African workers and giving them the opportunity to lead a family life.
- (c) Employers should endeavour to alleviate the effects of existing regulations, in particular by facilitating the regular renewal of contracts of employment and making it easier for the families of employees to settle near their companies.

3. Pay and wage structures

- (a) Companies should assume a special responsibility as regards the pay and conditions of employment of their black African employees. In this context, they should refer to the data of the University of South Africa (UNISA). They should formulate specific guidelines aimed at improving their terms of employment. Pay based on the "supplemented living level" for an average-sized family must be considered as the absolute minimum necessary.(*). Nevertheless companies should make every effort to exceed this level when fixing wages. In their reports they should supply the required explanations and, in particular, give an account of their wage scale and the possibilities for progress in this context.

(*) In this context, it is to be recalled that the previous text of the Code of Conduct mentioned that the minimum wage should exceed by at least 50 % the minimum level required to satisfy the basic needs of an employee and his family."

- (b) The principle of equal opportunities for all employees ought to be fully respected. The principle of "equal pay for equal work" means that all jobs should be open to any worker who possesses suitable qualifications, irrespective of racial or other distinction, and that wages should be based on a qualitative job evaluation. The same pay scales should be applied to the same jobs.

4. Training and promotion of black employees

- (a) The principle of equal pay would, however, be meaningless if black African employees were kept in inferior jobs. Employers should therefore draw up an appropriate range of training schemes of a suitable standard to provide training for their black African employees and reduce the dependence of their companies on immigrant white labour.
- (b) Companies should ensure that supervisory and management jobs and those requiring high technical qualifications are open to their black African employees.

Companies should, if possible, organize occupational training programmes for their black employees. Companies should, if possible, help their black employees to take advantage of other educational and occupational training programmes outside their places of work. Where required, companies should set up or use educational facilities to enable their black employees to benefit from more specialized training.

- (c) Companies should make every effort to eliminate in practice the de facto restrictions or based on custom on apprenticeships for black employees. They should ensure that employees of different racial groups can take part in training programmes without any form of segregation.

5. Fringe benefits

- (a) In view of their social responsibilities, companies should concern themselves with the living conditions of their employees and their families.
- (b) For this purpose, company funds could be set aside to provide benefits over and above those currently provided according to South African legislation :
- providing complete social protection schemes for employees and their families (health, accident and unemployment insurance and old age pensions);
 - ensuring that their employees and their families have the benefit of adequate medical care;
 - in the education of members of their families:

- involving the accommodation of black African staff and their families, in particular by helping them to buy their own housing;
- providing transport from home to work and back;
- providing their employees with assistance in problems they encounter with the authorities over their movement from one place to another, their choice of residence and their employment;
- providing leisure facilities.

(c) Companies should support projects which aim to improve the quality of life of the black communities from which they draw their staff.

6. Desegregation at places of work

- (a) Employers should do everything possible to abolish any practice of segregation, notably at the workplace, in canteens, in education and training and in sports activities. They should also ensure equal working conditions for all their staff.
- (b) Along with the advancement of their black employees, companies should directly support inter-staff contacts, and help employees from different racial groups to get to know each other better and integrate more fully.

Companies should encourage sporting activities in which employees from different racial groups take part as mixed teams in mixed competitions.

7. Encouragement of black businesses

As far as they are able, companies should, in the framework of their activities, encourage the setting up and expansion of black businesses by sub-contracting, providing assistance for their black employees to set up their own companies and preferential, priority treatment in customer-supplier relations.

P R O C E D U R E

1. Criteria for implementation

- (a) A detailed and fully documented report should be prepared by all companies which have a controlling interest in a South African company employing black workers.
- (b) In other companies where there are European interests, whether significant or not, the European shareholders should make every effort to ensure that the principles of this Code are implemented and that a report is produced.

2. Drafting of reports

- (a) Reports shall be drafted by companies according to the uniform criteria agreed by the European Community countries. These reports shall be sent either to Embassies in South Africa or directly to the national authorities of the country of origin and should be made public by the companies.
- (b) The reports shall cover the period from 1 July of the previous year to 30 June of the current year. They should be sent to the national authorities by the end of September. The authorities will then be responsible for drawing up national reports to be available by the end of March in the following year and submitted to the national parliaments. A summary report will be prepared by the Presidency in-Office of the countries of the Community and presented to the European Parliament and the Economic and Social Committee of the European Community before the summer recess. The national and joint reports will be public.

3. Coordinating implementation of the Code

The Member States will consult regularly on the implementation of this Code, in particular through their representatives in South Africa. To this effect, the latter will draw up an annual report which will be taken into account when the summary report is drafted. This annual report will also assess the impact of this Code of Conduct in the economic and social context of South Africa and in particular the views of the relevant trade union and employers' circles concerning its content and implementation.

ANNEX 2

EXPLANATORY GUIDANCE

Section 1: Relations within the undertaking

1. Section 1 of the Code does not ask companies to promote, set up, or do the job of trade unions. It does, however, ask companies to "ensure that their employees irrespective of racial or other distinction are allowed to choose freely and without any hindrance the type of organisation to represent them". To this end, the Code proposes that employers should make it known to their employees that consultations and collective bargaining with organisations which are freely chosen and representative of employees are part of company policy.

2. There is, of course, nothing in South African law which prohibits free choice of representation. A feature of the labour relations scene in recent years has been the involvement of black African workers in the statutory industrial relations system and the emergence and growing influence of independent trade unions representing black African employees. The Code states that companies should pay particular attention to such unions and be prepared to conclude recognition agreements with them. But this should not, of course, be at the expense of the employees' freedom of choice. Nor does it imply that unions in practice representing only black workers should be regarded as necessarily superior or preferable to those whose membership is multiracial.

3. Section 1(c) of the Code asks companies to allow collective bargaining "in accordance with internationally accepted labour standards". These are International Labour Conventions No.87 on freedom of association and No.98 on the right to collective bargaining. The suggestions made in Section 1(d) of the Code are examples of action which employers can take to ensure that black African employees can exercise the freedom of choice and of association described in these two Conventions. These examples

are based on International Labour Convention No.135 and International Labour Recommendation No.143. Other steps which employers can take include an undertaking that employees will not be victimised on account of trade union membership or for participation in trade union affairs. As far as workers' representatives are concerned, other practical measures include granting of reasonable time off without loss of pay or fringe benefits to allow representatives to carry out their representational functions, and to attend trade union meetings, training courses, seminars, congresses and conferences; co-operation in the collection of trade union dues; provision of access to the management of the undertaking; permission to enter workplaces (both for employees and for representatives of trade unions which have members working in them); co-operation in the collection of trade union dues; provision of information which is needed for meaningful negotiations on conditions of employment. The Code suggests (Section 1(f)) that, if employees so wish, their union officials should have representative status in already established works or liaison committees.

4. Companies are urged to ensure that their employees are aware of their trade union and other rights, in particular as set out in the Code, and of company policy in regard to implementation of the Code. Companies may consider it appropriate to convey such information through the freely chosen trade union or other representatives of the workforce. The main consideration should be, as indicated in the Code, to establish a climate of confidence with the workforce.

Section 2: Migrant Labour

5. Section 2 of the Code states that "employers should endeavour to alleviate the effects of existing regulations" on migrant workers. This term applies to black Africans who are temporarily absent from their homes in the Republic or neighbouring territories for the purpose of taking up wage-earning employment. It does not, of course, apply to daily commuting workers, wherever these reside. A number of companies have

provided advisory services for migrant workers, including those from neighbouring countries, to assist them when problems arise, eg over authority to move from one place to another within the Republic.

6. In addition to freedom of movement problems, the Code reflects concern at the disruption of family life which such workers are likely to face and urges employers to endeavour to facilitate the settlement of workers' families near their companies. Other forms of action may include allowing migrant workers, whose families have not accompanied or followed them to the district where they are employed, reasonable periods of paid leave at regular intervals and financial assistance to and from their homeland. Companies can also work within employers' associations for improved hostel accommodation for migrant workers. Procedures can be devised for family remittances and saving schemes.

7. The Code states that employers should try to facilitate the renewal of migrant workers' contracts where this is relevant. A company may, of course, have many considerations to weigh before offering or renewing contracts of employment, such as economic circumstances, the availability of jobs and the efficiency of the employee(s) in question. The Code's aim, however, is to alleviate or remove the disadvantages which migrant workers face in comparison with other black African employees. One device which facilitates the return of migrant workers to a company's employment is the "calling-in card", obtainable at Labour Bureaux, for migrants who have completed a period of approved employment. After a period in his home area, these enable a migrant worker to return to his former employer for a period of up to one year without passing through the normal recruitment process.

Section 3: Pay and Wage Structures

8. The improvement of wages of black African employees continues to be an important issue on which the parent company should formulate a positive policy. Special care is needed in

respect of minimum wages, ie the minimum rate in the lowest grades. It is stated clearly that the level of minimum wages advocated by the Code is the supplemented living level (SLL) for the district concerned, as calculated by the University of South Africa, for a family of average size. In practice, this currently means a family of five. SLL makes provision at current local prices for items considered by researchers to be essential to human needs in South Africa, additional to those costed in the minimum living level (MLL) (regarded as the minimum subsistence level in African conditions).

9. The Code stresses that pay based on SLL for an average-sized family should be regarded as an absolute minimum, and not as a target. It is recognised that the Code urges the recognition of Trade Unions where that is the wish of employees and that pay and conditions may therefore be subject to collective bargaining. Nevertheless employers should refer to the SLL and to the possibilities of exceeding this level when determining their pay scales.

10. Some companies may prefer to relate their wage rates to other indices. But however minimum wage rates are set, the SLL for a family of five must, as emphasised in the preceding paragraph, be regarded as the absolute minimum necessary. Companies should in any case regularly review the adequacy of their wage rates, especially for employees at the lower end of the scale, in the light of inflation and of the reports published by the various bodies producing statistical studies on living and wage levels at various locations.

11. A particular problem of concern to a number of firms is whether or not the monetary value of benefits provided free of charge to employees (for example, accommodation or food) may be included when comparison is made with SLLs. Questions of detail may be referred to Professor Nel at the Bureau of Market Research, University of South Africa (UNISA), PO Box 392, Pretoria, who is responsible for the SLL calculations and research. However UNISA have advised that "Any items allowed for the SLL, received free of

charge by employees from their employers, in accordance with the detailed make-up of the SLL, may be taken into account in determining whether or not the employee's remuneration is lower or higher than the employee's SLL". In providing full details of wage scales, in accordance with the common EC reporting format (Annex 3), companies are nevertheless asked to show separately the value of cash wages and of SLL items provided free of charge by the employer, in accordance with the practice established under the previous UK reporting format published in Cmnd 7233.

12. Section 3(b) of the Code draws attention to the principle of "equal pay for equal work" and urges that "all jobs should be open to any worker who possesses suitable qualifications, irrespective of racial or other distinction". Qualifications, in this context, may include not only formal, professional qualifications, but also, for example, experience and leadership qualities. Wages should, as stated in the Code, be based on a qualitative job evaluation. There may be scope within wage scales applying to particular jobs, to vary remuneration in accordance with the seniority or experience of individual employees. But race should never be a factor in determining rates of pay.

Section 4: Training and Promotion of Black Employees

13. As the Code states, the principle of equal pay would be meaningless if black African employees were kept in inferior jobs. It urges employers to make it possible for black Africans to be employed increasingly in higher grade posts, including those at managerial level, and to arrange more programmes designed to assist such advancement by black Africans.

14. As the Code emphasises, this will entail companies paying close attention to the training requirements of their black employees and the reduction of dependence on immigrant white labour. Companies should consider, for example, the development of in-plant training whenever the scale of operation permits, the use of external training courses and educational programmes. Companies should also consider providing assistance with basic

education wherever this is required before black African workers can take advantage of opportunities for technical and occupational training.

Section 5: Fringe Benefits

15. The Code stresses the importance of fringe benefits for employees and their families and gives examples of the kinds of benefits which could be provided. Many UK companies already provide an extensive range of such benefits. It is not suggested that all companies should provide all the benefits listed, or that the list of benefits in the Code is necessarily comprehensive. In deciding which benefits they can provide companies will doubtless wish to take account of the particular circumstances, needs and wishes of their employees and the adequacy and accessibility to their black employees of existing services, including transport and schemes outside the company. Companies need not report to the Department benefits which they are obliged to provide under South African legislation.

16. In the case of pension schemes, companies may wish to ensure that the benefits available to black African employees are comparable with those for white employees in similar employment, but suited to the needs of Africans including migrant workers. In cases of injury and death arising out of employment, and where black Africans become unemployed, employers should pay full and urgent attention to their responsibilities associated with claims to the appropriate social benefits.

17. In the case of education, companies could for example, further the education of their black African employees' families by providing financial assistance for literacy programmes or funding bursaries for university education.

18. In the case of housing, company help can take a variety of forms, for example, representations to local housing authorities,

or appropriate provision by the company of financial assistance to enable the employee to acquire his own home. Some companies have already devised schemes to assist home ownership.

19. In the case of assistance to employees encountering problems with the authorities over freedom of movement etc, the Code does not require companies to act in contravention of South African law or to assist in law breaking. They could, however, consider practical help to their black workers to overcome practical difficulties which they face as a result of particular restrictions and might also make representations and use their influence to secure changes in laws which discriminate against their employees on grounds of race.

20. In addition to the provision of benefits directly to their black workers, companies should support projects concerned with the welfare and advancement of the communities from which these workers are drawn. This could involve financial or practical and moral support and might for example take the form of direct contributions to particular communities and projects, working directly through existing private sector schemes, notably in education, or donations to institutions and organisations active in this field.

Section 6: Desegregation at Place of Work

21. Elimination of racial segregation at the work place is now common. Many employers have now introduced total desegregation in all company premises, facilities and activities. But there remains scope for some companies to do more. Those companies that have achieved full integration have generally done so without complaints or other repercussions. Where employers have experienced resistance within the workforce a tactful approach has often paid dividends. Sports and other activities as suggested in the Code, can promote inter staff contacts, breaking down antagonism and resistance to greater integration.

Section 7: Encouragement of Black Businesses

22. Economic development and the growth of black African prosperity are contributing towards the abolition of apartheid, which is also the aim of the Code. The expansion of the black African business sector is part of this process. The Code accordingly encourages companies, so far as they are able and within the framework of their own activities, to support the establishment and growth of black owned businesses. Companies are requested to give preference where they can to black sub-contractors, suppliers etc. But it is recognised that preference cannot be given irrespective of other considerations which, as a matter of sensible business practice, companies have to take into account, such as the quality or price of the goods or services to be supplied.

Sources of Further Guidance and Information

There are several organisations in South Africa, Governmental and non-Governmental, which can provide information and advice on a wide range of matters referred to in the Code. Addresses of these organisations and further guidance on the Code are available from the Department of Trade and Industry (Overseas Trade Division 4/3a: Enquiries telephone no 01-215 5276).

The First Secretary (Labour) at the British Embassy, 6 Hill Street, Arcadia, Pretoria 0002 (telephone 43-3121) is also available to provide information and, when requested, advice in general terms to United Kingdom companies or their South African affiliates. Enquiries may also be directed through the British Consulate-General in Johannesburg and the Consulates in Cape Town and Durban.

ANNEX 3

REPORTING FORMAT

Preamble

The intention of this common format is:

- A. To standardise the criteria according to which companies prepare their reports.
- B. To simplify the drafting of reports.
- C. To reflect the provisions and requirements of the Code.

Note: Companies are free to attach further written explanation, as part of their reports, should they feel that certain material would otherwise be omitted or that the form gives them insufficient scope to explain fully their position regarding the requirements of the Code.

Report for twelve months to 30 June

Report by (Name and Company)

of (Address)

Please provide name(s) and address(es) of South African Subsidiaries, Associates, Branches etc, showing percentage of equity held, the total workforce and breakdown to show the number of whites, coloureds, asians and black workers employed by each and their place and district of employment.

Section 1: Relations within the Undertaking

- 1.1 Please confirm that all employees, irrespective of racial or other distinctions are able to choose freely and without hindrance the type of organisation to represent them.
- 1.2 Please state progress made in implementing that policy including:
- a) whether recognition and collective bargaining agreements in accordance with internationally accepted labour standards have been signed with trade unions representing black workers;
 - b) or whether the company is prepared to conclude such agreements;
 - c) who are the parties to such agreements;
 - d) what other machinery (liaison committee, works council or similar body) is established to conclude collective agreements on pay and working conditions on behalf of black employees and whether there is trade union representation within it;
 - e) whether trade union officials have requested the facilities outlined in section 1(d) of the Code;
 - f) what was or would be the company's response to such an approach;
 - g) what measures the company has taken to inform its employees of their social and trade union rights, to promote the Code and to inform its employees of its policy on implementation.

Section 2: Migrant Labour

- 2.1 Please state whether migrant workers are employed and, if so, how many.
- 2.2 If the company is employing migrant workers, please explain its policy towards the use of such labour and what action it is taking to alleviate the effects of existing regulations on such employees and to help them to lead a family life. Indicate particular measures, including any to facilitate:
- a) the opportunity to lead a family life;
 - b) the regular renewal of contracts and;
 - c) any arrangements for making it easier for the families of employees to settle near their companies.

Section 3: Pay and Wage Structures

- 3.1 Please state company policy on pay of black employees and whether common pay scales for all employees, irrespective of race (ie. equal pay for equal work) are applied and whether wages are based on a qualitative job evaluation.
- 3.2 Please attach as much information as possible on wage scales for all grades, indicating the numbers of black workers employed at each level and the districts in which they are employed and the number of working hours per week. The information provided should be sufficient to answer the following questions. (Separate information is required for each affiliate):

- A The supplemented living level (SLL) for a family of five in the location of your subsidiary as assessed by the University of South Africa.
- B Excluding overtime and other bonuses, except where these are guaranteed and certain, are all black employees paid at or above the SLL for a family of five? If not, how many are paid below this level?
- C What are the wages of the lowest paid grades (rands per month)?
- D How many black workers are in the lowest paid grades?
- E What was the date, within the reporting period, when the company last revised wage scales, including those for the lowest paid workers?

3.3 If the wages of the lowest paid employees are below the minimum level laid down in the code, please describe the company's plans and any timetable for achieving this minimum.

3.4 Please indicate any plans the company has to upgrade the minimum wages to higher levels.

Training and Promotion of Black Employees

- 4.1 Please state (with details of the numbers involved) company policy for training and promoting black employees including:
- a) company policy and practice on employment and promotion of black employees in supervisory and management jobs and those requiring higher technical qualifications;
 - b) company training schemes for the advancement of black employees and examples of successes achieved;

- c) company assistance to black employees to take advantage of other educational and occupational training schemes outside their place of work;
- d) apprenticeship schemes and specialised training programmes (including preparatory programmes for apprenticeship), which the company operates or participates in, explaining whether these are open to all suitably qualified workers, irrespective of race and without any form of segregation.

4.2 Please state company policy on the employment of white immigrants and, if applicable, details of the numbers employed and plans to reduce dependence on such labour.

Section 5 FRINGE BENEFITS

- 5.1 Please describe fringe benefits provided or envisaged by the company, in particular for the purposes listed in section 5(b) of the Code which include medical, educational and assistance with accommodation.
- 5.2 Please also give details of any support for projects which aim to improve the quality of life in the black communities from which your company derives its workforce.

Section 6: Desegregation of Places of Work

- 6.1 Please state whether your company has done everything possible to abolish any practice of segregation, notably at the work place, in canteens, in education and training and in sports facilities.
- 6.2 Please indicate whether it is company policy to remove any remaining segregation at the earliest possible opportunity.
- 6.3 Please indicate measures taken to promote inter-staff contacts from different racial groups.

Section 7: Encouragement of Black Business

Please state company policy towards the encouragement of black businesses, indicating whether the company has helped to develop small black-owned businesses, or has sub-contracted or has regularly placed orders with such companies.

Publication of company reports

Please state whether this report will be made publicly available by the company.

