

# SHOPRITE

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A report for the Shoprite Shop Stewards' Alliance

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Labour Research Service  
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## Introduction

This report on Shoprite Holdings comes in the light of the signing of a Global Framework Agreement between Shoprite Checkers and UNI Global Union in early 2010. The agreement stresses the commitment of both parties to the basic employment rights expressed in the ILO Declaration on Fundamental Principles and Rights at Work; workers right to organise and to bargain collectively. It emphasizes that “employment equity and the social upliftment of staff is a central factor within the group’s business philosophy”.<sup>1</sup> The agreement therefore signifies great progress on the part of UNI in engaging this multinational towards decent work for a decent life for all workers.

However, in December 2009, the day before the draft report was agreed, workers in Lilongwe, Malawi, striking for a better wage increment were fired by the company before being reinstated on the intervention of the minister of labour<sup>2</sup>. In Zimbabwe, shop stewards report that work continues in unhygienic, poorly ventilated conditions for unsustainable wages where workers feel disempowered by an uncooperative local management<sup>3</sup>.

Recognition agreements, collective bargaining agreements and indeed global framework agreements therefore signify not the end but the beginning of the next phase of struggle towards decent work, and focus will now be put on implementing and utilizing these agreements to improve living and working conditions for all workers through unity in action.

This report title therefore draws on the title of the Shoprite 2008 Annual Report “Reasons to be proud” as this remains a question in an engagement where some gains have been made but there remains plenty of work to be done.

## Background

A workshop hosted by UNI Africa in March 2007 saw the establishment of the Shoprite Shop Steward Alliance comprised of 12 unions in Africa aimed at building solidarity between unions in the region so as to engage with the company to bring about progressive changes in the manner the company operates. The workshop also saw the beginning of research focusing on the state of the unions in selected countries where Shoprite operates, their issues and perceptions of the company. The outcomes of the questionnaires and interviews highlighted key issues that needed to be taken forward in order to strengthen solidarity between the alliance unions and assist them to engage with the company.

What emerged from this initial research is that for any network of shop stewards to be effective in engaging with the company it needed to have information and analysis to inform the actions of the alliance.

“To ensure that the alliance can engage Shoprite on a strategic level it is important for the unions to have a more detailed overview of the company itself – what some in the labour movement call strategic research – because it helps to build a united strategy among the unions. The research should provide the shop steward alliance with an analysis of ownership and control, the form of corporate governance, the company finances, its specific operations and specific geographical spread, its suppliers and consumers and how the company is located in the retail sector. It is important that the unions have this analysis to ground the alliance in preparation for changing the company in a manner that incorporates workers’ voices and is to their direct benefit. With this analysis unions will also be more confident to form broader alliances with civil society to put further pressure on the company to conform to the international campaign for decent work for decent life”<sup>4</sup>.

This led to the second phase of the research which the LRS (Labour Research Service) was asked to implement. It aims to produce a relevant and useful company analysis of Shoprite and its dealings with workers which will begin to provide a resource base for the alliance to engage strategically with Shoprite.

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<sup>1</sup> GFA agreement page 4 (See Appendix 1)

<sup>2</sup> Africa News, 3 December 2009

<sup>3</sup> See Appendix 2 for full letter dated 23 September 2009

<sup>4</sup> Patel, S (2007) The Sting in the Tail, 88

This analysis is based on a literature review of studies, Shoprite documents and of existing agreements and reports of negotiations as sourced and submitted by Shoprite Shop Steward Alliance country representatives.

## Methodology

Company information includes information from the Shoprite accounts and other corporate publications, newspaper clippings concerning company activity, and research articles on the company covering growth, finances, corporate governance and corporate social responsibility. In this regard interviews were requested with Shoprite head office and managers at operations. These were however turned down in the light of the then ongoing Global Framework Agreement negotiations<sup>5</sup>. Publically available documents have therefore been used with no direct input from Shoprite Checkers head office. However, following the signing of the GFA, it is hoped that more open communications with the head office may become possible.

A questionnaire and document request were drafted and sent to 15 participating unions<sup>6</sup>. They included requests for updated information on membership numbers and union contacts as well as new requests for agreements, reports on negotiations, company regulation documentation and national labour laws which the alliance members may have access to. Once again FES (Friedrich Ebert Stiftung) used their extensive infrastructure to facilitate contact with unions, assist in completion of the questionnaires and submission of the documents.

The submission rate and extent of completion revealed that many of the unions do not have ready access to the documents requested either because Shoprite does not make them available or because union archive systems have not got capacity to store or retrieve the necessary documents. Going forward it is clear that a resource for continual collecting and storage of these various documents for sharing among alliance members is critical to the success of any united action.

The report is divided into three parts. The first two consider the documents gathered: a brief analysis of key themes in published studies, an analysis of company documents and publications, newspapers and research articles gathered by LRS, and an analysis of the questionnaires completed and documents submitted by participating alliance members concerning the agreements, contracts and union issues. Taking both these sources into consideration the final section suggests strategic ways forward for the alliance in engaging with the company given the current and emerging context.

## Studies

Studies on Shoprite, its growth, strategies and impact on host countries and the region have been conducted by various academic, union and NGO concerns. They highlight initial perceptions of South African multinationals in host countries as spreading wealth and the South African dream throughout Africa and how these perceptions have been undermined by the actual working conditions in South African multinational operations<sup>7</sup>. Two key themes emerge:

Given the difference between the initial perceptions of how working for a South African operation would be and the actual conditions most workers have experienced, the idea remains that workers in the home country, South Africa, have somehow achieved far better conditions for themselves through the strength of their unions and that these conditions can and should be standardised across the company to all operations<sup>8</sup>. This ideal exists despite the fact that workers in South Africa face their own increasingly difficult conditions, particularly with the growing use of casual workers in operations. Where gains have been made for permanent workers in South Africa, these apply to an 'eroding core' of permanent workers who themselves feel increasingly more vulnerable<sup>9</sup>.

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<sup>5</sup> see Appendix 3 for full letter dated 6 May 2009

<sup>6</sup> The questionnaire pack is included in a summarised form in Appendix 8.

<sup>7</sup> See Miller, D (2001) and (2005) and Bench Marks (2009)

<sup>8</sup> Miller, D. (2001), p. 3

<sup>9</sup> Miller, D. (2005), p. 16

A second recurring theme that emerges is the frustrations of workers in dealing with Shoprite at a regional level due to the highly centralised control structure of the company<sup>10</sup>. In their dealings with regional management unions find time and again that local management has no power and all decisions must be passed through head office in South Africa. Negotiations are therefore hampered as unions are continually told that all decisions must be referred to head office.

The call for standard conditions of employment across Shoprite operations and the existing perception of a highly centralised company structure, while currently seen as challenges for unions in Shoprite could open a strategy for engagement, particularly following signing of a Global Framework Agreement (GFA) between UNI and Shoprite. For while the GFA explicitly states that national laws and national collective bargaining arrangements shall not be superseded by the GFA, the opportunity for unions affiliated to UNI to deal directly with the centralised control structure of Shoprite has been opened up and if unions seize this opportunity they can make those very conditions that are seen as endangering their working conditions become a strength. As one alliance member stated, at least with Shoprite it is clear where the power lies.

## Analysis of Shoprite Company Documents

### Company Overview

Shoprite Holdings Limited is a South African investment holdings company whose combined subsidiaries constitute the largest fast moving consumer goods (FMCG) retailers operation on the African continent.

The Company's head quarters are in the Cape Town, South Africa. At the year ended June 2009 it operated 1068 corporate and 275 franchise outlets in 17 countries across Africa, the Indian Ocean Islands and southern Asia, with a reported turnover of \$6. 554 billion (R59. 319 billion) for the financial year. It employed just over 80,000 people (excluding casuals and other temporary staff) across 9 trading and 7 operational divisions.

### Business Divisions of Shoprite



Source: Shoprite Annual Report 2009

<sup>10</sup> Miller, D. (2001), p. 84

The **Shoprite Checkers Property Division**, in its capacity as the Shoprite Group's property arm, is tasked with the supermarket expansion program as its main goal, either by identifying and leasing new supermarket premises or developing new shopping centres to accommodate a supermarket.

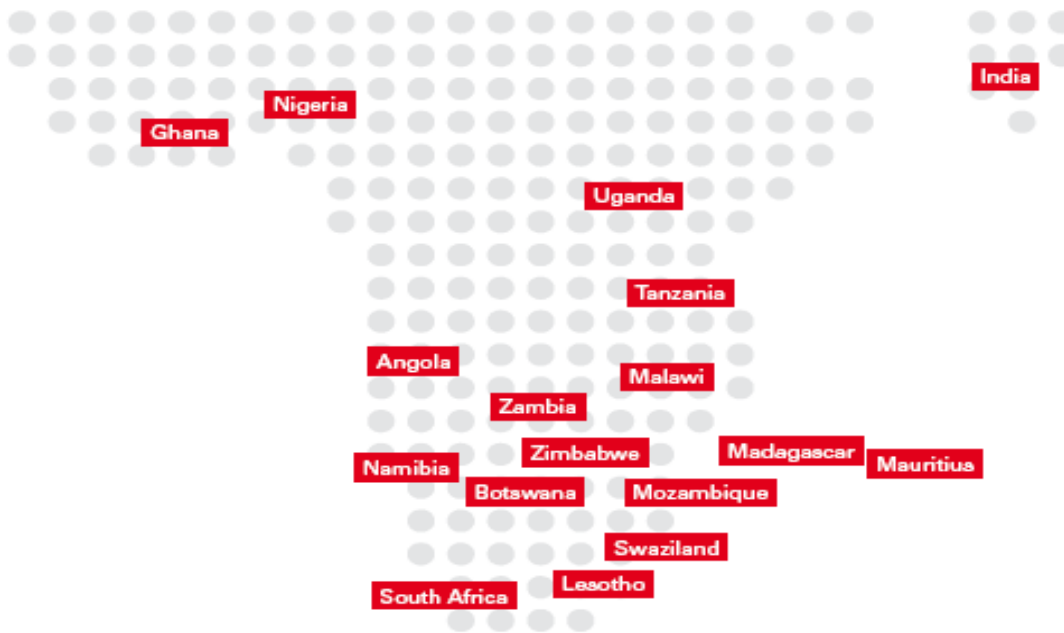
**Principle Competitors:**

**South Africa:** Pick 'n Pay, Woolworths (also has a presence in Uganda), Spar, Massmart, Metcash

**Africa:** Massmart (South Africa), Carrefour (France), Metro Group (Germany), Nakumatt Holdings (Kenya)

**Growth**

**Geographic spread: Locations of the Shoprite operations in 2009**



Source: Shoprite Holdings Annual Report 2009

Shoprite continues to be the largest food retailer on the African continent. Its strategy for fast growth has seen its geographic spread increase exponentially over the first decade of this century. There have been both successes and failures in its growth strategy. Mixed news reports have indicated that conditions for growth have proved more difficult than envisaged. However, performance outlooks published by the company show that its appetite for growth within the African continent has not slackened. In 2008 Africa accounted for 12.3% of revenue, up from 11% in 2007. In 2009 it is reported at 13.6% of total revenue. The aim is for revenue from outside of South Africa eventually to reach 50% of the total depending on how quickly infrastructure can be developed to support this.

Shoprite pulled out of Egypt in 2006 after suffering losses of R91m, sighting bureaucratic restrictions on free trade inhibiting its opportunities. A similar situation exists in India where trading has not taken off as hoped and no new stores are planned<sup>11</sup>.

Following the publication of the quarterly results in February 2010, it has been noted that the issues of finding trading sites outside of South Africa may be set to improve thanks to the willingness of South African banks to finance property development. Shoprite

<sup>11</sup> Latest news reports that this single store operating in Mumbai has now closed and that the JV deal with the Indian real estate developer, Nirmal Lifestyle Group, has been called off (Retail Angle, 4 February 2010)



CEO Whitey Basson has said SA banks were increasingly offering loans at affordable rates to property developers in some of the group's investment destinations. It is now preparing to open six new stores in places like Nigeria, Angola and Mozambique<sup>12</sup>.

Shoprite is focussed on further expansion in Africa, particularly in the oil-driven west coast including Nigeria. With a population of 148 million, as its biggest growth opportunity, Shoprite has "committed" to an additional 12 stores there by financial year 2010. It currently has only one store in Lagos.

The 2008 Annual Report notes the intention to commence construction of two shopping centres in the Democratic Republic of Congo, the one in the capital, Kinshasa and the other in Lubumbashi in the south, to house new supermarkets, both scheduled to open in 2010. Despite analysts' scepticism, Shoprite reports that it remains optimistic about the DRC and plans to start trading there by early 2011<sup>13</sup>. The Annual Report of 2009 states that construction of the new shopping centres has not yet commenced. In a recent interview the CEO of Shoprite confirmed the strategy of Shoprite as growing in "areas on the west coast that are oil driven, like Nigeria, Angola and a few of the countries out there that would probably outstrip the growth of the central African countries"<sup>14</sup>.

The expansion is partly driven by a view that the South African market is considered saturated. Despite this, evidence over the past year shows that the majority of store openings remain in South Africa with 14 new stores opening in South Africa and only four in all other countries combined in the 2009 financial year. Likewise stores have closed in many countries. In Tanzania an October 2009 report notes that "Shoprite Holdings Ltd of South Africa wants to expand its business in Tanzania despite closing some of its shops in the country due to unprofitability". The closing stores obviously raise the question of worker retrenchments and the report notes that [w]ith the fate of their employment unclear, workers ... have now presented a case of unwarranted retrenchment to the Tanzania Union of Industrial and Commercial Workers (TUICO)...A senior TUICO official said they were negotiating the fate of workers with the Shoprite management, which had initially agreed to pay them salaries until the dispute is settled"<sup>15</sup>. More recently, in late January 2010 it was reported that Shoprite has called off its franchisee deal in India with real estate developer, Nirmal Lifestyle Group. Kishore Biyani led Future Group is now buying out Shoprite's single hypermarket in Mumbai with its existing employees to set up a food store which will be rebranded as Food Republic. According to the report, Shoprite, which also has a cash and carry operation in India, may consider the option of tying up with an existing Indian retailer to scale up operations in the country<sup>16</sup>.

From Swaziland comes the further evidence of the problems of rapid expansion and the impact this has on workers. A March 2010 report in the Times of Swaziland notes that a new shop for which a lease agreement had been signed and workers hired has had to send the workers home because Shoprite had failed to obtain a licence for the store. The report quotes one worker as saying " We left everything in the shop. We were told that when all had been sorted out we would be called. However, it has been three months now and still, we have heard nothing from them. We were all happy that we had found jobs but our joy was short lived."<sup>17</sup> While the delay may be frustrating to Shoprite's head office, it is far more serious for the 20 workers who are now without work and pay.

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<sup>12</sup> Fin24, Banks aid Shoprite growth, 24 February 2010 <http://www.fastmoving.co.za/news-archive/retailer-news/sa-banks-aid-shoprite-growth>

<sup>13</sup> De Vries, F, (6 October 2009) Web Exclusive: Shoprite DRC move met with scepticism, Business Report, <http://www.br.co.za/index.php?fSectionId=552&fArticleId=5192347>

<sup>14</sup> Interview with Bruce Whitfield, Business Africa, 20 July 2009. <http://business.africa.com/transcripts/915745.htm>

<sup>15</sup> Mande, M (26 October 2009) "Tanzania: SA Group Closes More Shops, But Won't Quit Local Market Yet" <http://allafrica.com/stories/printable/200910261138.html>

<sup>16</sup> Food Biz Daily, 5 February 2010 <http://foodbizdaily.com/archive/2010/02/05/96304-shoprite-holdings-skeptical-about-their-future-in-india-south.aspx>

<sup>17</sup> The Times of Swaziland, 2 March 2010, "Shoprite's E2 million stock rots".

## Corporate outlets 2009

	Shoprite	Checkers	Checkers Hyper	Usave	OK Furniture	OK Express	House & Home	Hungry Lion	OK Franchise
South Africa	310	130	24	129	180	13	44	103	213
Angola	3			5				1	
Botswana	5				6			7	6
Ghana	1			1					
India	1								
Lesotho	4			3	4	1		2	1
Madagascar	7								
Malawi	2			3					
Mauritius	1								
Mozambique	5				2				
Namibia	13	4		11	10		2	4	44
Nigeria	1								
Swaziland	6			2	2			1	4
Tanzania	4								
Uganda	2								
Zambia	17							7	
Zimbabwe	1								
<b>Total</b>	<b>383</b>	<b>134</b>	<b>24</b>	<b>154</b>	<b>204</b>	<b>14</b>	<b>46</b>	<b>125</b>	<b>268</b>

Source: Shoprite Holdings Annual Report 2009

See Appendix 7 for the store openings and closings that have occurred in the latest financial year.

## Summary from Supermarket operating review outside of South Africa 2009 – Outlook in Africa

ANGOLA	Work started on two new shopping centres expected to be completed towards the end of the financial year 2010.
BOTSWANA	A sixth supermarket is planned for 2010...the intention is to open 12 Usave outlets throughout Botswana in the next two years.
GHANA	A second supermarket will open its doors in the first half of the new financial year. A further four new Shoprite supermarkets are envisaged in the long term
INDIA	Until the government frees up retail in India and the Group is able to open outlets in Mumbai and elsewhere to achieve economies of scale, its business in India cannot achieve break-even results
LESOTHO	Two supermarkets envisaged depending on proposed property development projects; a fourth Usave will be added.
MADAGASCAR	No plans for expanding at present.
MALAWI	The addition of a third supermarket is being investigated.
MAURITIUS	No plans for expanding at present
MOZAMBIQUE	A Usave, the first in the country, will be opened by the end of 2009. Further outlets are being considered and the outlook for the new financial year remains positive.
NIGERIA	The Group is continuing with its plans to open a number of outlets in the country...In the light of the continuing unrest and high volatility in the oil-rich Niger delta in the south, the group has decided to abandon its plans to expand its operations to Port Harcourt for the foreseeable future.
SWAZILAND	Two more Usave outlets are scheduled to open before the end of the 2009 calendar year.
TANZANIA	No plans for expanding at present
UGANDA	The Group is now readying itself for further expansion. Opportunities in two other towns are being investigated.
ZAMBIA	The Group expects to open a new store in Livingstone in December 2009. The shortage of investment capital experienced by developers is slowing down the Group's expansion in this country.
ZIMBABWE	The infrastructure is available to grow the number of outlets once the economy becomes more stable.

Source: Shoprite Holdings Annual Report 2009

## Service growth

Apart from geographical growth, Shoprite is also looking to expand its services beyond the current offerings into banking. Currently Shoprite offers other services such as Computicket, MediRite and Money Market. In a news report of late February 2010<sup>18</sup> the CEO, Whitey Basson, confirmed while a banking service is under investigation it is still possibly years away from implementation.

## Financials

Indicators reveal a positive trend in Shoprite finances, particularly with profit increasing by nearly 50 percent year-on-year from 2007 to 2008. While 2009 has shown a slight downturn in profitability, this remains an optimistic return particularly in a time of global economic downturn. Revenue likewise continues on a long trend of positive growth.

One of the issues raised in studies is that these profits are almost fully repatriated to South Africa and this needs to be addressed by governments with engagement by unions. If Shoprite, as it states, "is inextricably linked to Africa, contributes to the nurturing of stable economies and the social upliftment of its people", some of the money earned in host countries should remain there.

## Revenue and profit at Shoprite from 2006 to 2009

Year	Revenue (USD million)	Revenue (ZAR million)	Profit Before Tax (USD million)	Profit Before Tax (ZAR million)	Change in Revenue	Change in PBT
2005	4,775.59	29,704.20	161.24	1002.90	-	-
2006	5,211.71	33,511.30	223.11	1434.60	13%	43%
2007	5,387.25	38,949.80	236.25	1708.10	16%	19%
2008	6,518.67	47,651.50	336.70	2461.30	22%	44%
2009	6,554.54	59,318.60	333.49	3018.10	24%	23%

Source: Shoprite Annual Report 2006, 2008, 2009

Note that while figures have been converted to USD for reporting purposes, percentage changes have been calculated based on ZAR figures to avoid exchange rate fluctuation impacts. (See exchange rate table at the end of this report)

## Performance highlights from Shoprite Holdings Annual Report 2009

Despite a weaker second half of the financial year when the disposable income of consumers came under severe pressure, turnover was 24, 5% higher than the previous year at R59, 319bn ...All the divisions, with the exception of the furniture division, reported strong turnover growth, particularly the group's non-RSA supermarket operation which posted turnover growth of 39,9% and contributed 13,6% to total supermarket turnover. "We have overcome a number of the difficulties and frustrations of doing business on the continent to the extent where we are making major inroads into food retailing in a number of countries. While infrastructure is still bad and red tape restraining we are proud that *we were instrumental in lighting the flame of a better way of living on the continent.*"

Looking at the year ahead [the CEO] said he anticipated trading conditions to become more difficult and that job losses will increase as more small businesses will exit the market due to reduced consumer spending, higher electricity tariffs and local government taxes which increase the costs of many businesses to unaffordable levels. "The Shoprite Group is, however, better placed than most – and also employs the best people – to weather the storm and we are confident that we will prevail to the benefit of all our colleagues and stakeholders."

The success of Shoprite in Africa has been attributed by analysts to its sourcing of a high proportion of goods from overseas very quickly. These imports were often more competitive than locally sourced products<sup>19</sup>. If this is the growth and profit strategy of Shoprite it must be compared to their commitment to using local suppliers as a way of uplifting all the communities into which they spread.

<sup>18</sup> Business Times, 28 February 2010, "Shoprite could spread its wings into banking"

<sup>19</sup> Business Times, 28 February 2010, "Shoprite could spread its wings into banking"

### Latest Press Release February 2010

Shoprite posted sales figures for the six months to end-December in early February 2010, reporting an 11.9% turnover growth to R33bn - below market expectations but still strong growth in recessionary times. While local sales were 14.6% up, turnover in operations outside South Africa were negatively affected by a strong South African currency, resulting in a 4.3% decline in rand terms. The results however did increase Shoprite's market share by 1.2% in December to 31.1%. The CEO, Whitey Basson said two factors impacted negatively on sales in the group's 106 supermarkets outside of South Africa. "Firstly, consumers on the continent were increasingly feeling the cumulative effects of the global recession due to the continent's dependence on commodity exports and, secondly, the strengthening of the rand against most currencies increased the price of goods imported from South Africa. Not all price increases could be passed on to consumers, thus gross margin was sacrificed to assist them. The second point again highlights that while local suppliers are apparently engaged by Shoprite (see below), the majority of goods are still sourced and distributed from South Africa.

While Shoprite may call for restraint from workers given the market conditions, it should not be forgotten by unions that the coming year or so of a less positive outlook should be seen in the light of many years of positive growth, growth that should have translated into investment in the company and its workers and growth that has seen the management benefit enormously in their pay packets. When a worker in Zimbabwe notes that the company claims not to have the money to fix the air conditioning these kinds of claims must be challenged against the continuing profit-making and high director rewards. There should also be further challenges on the repatriation of profits from host countries to South Africa.

### Employment

The 2009 Annual Report states that "At the end of the reporting period the Group provided permanent employment to 83 866 people in the 17 countries where it does business. An additional 10 493 people were employed in a time when thousands of people were made redundant. Of the total number of people employed, 61 050 are black, 15 861 coloured, 2 950 Indian and 4 005 white. Women represented 65.4% of staff". The number of casual and other labour employed is not noted in the report. The February trading update states that the total employee figure is now 89 000.

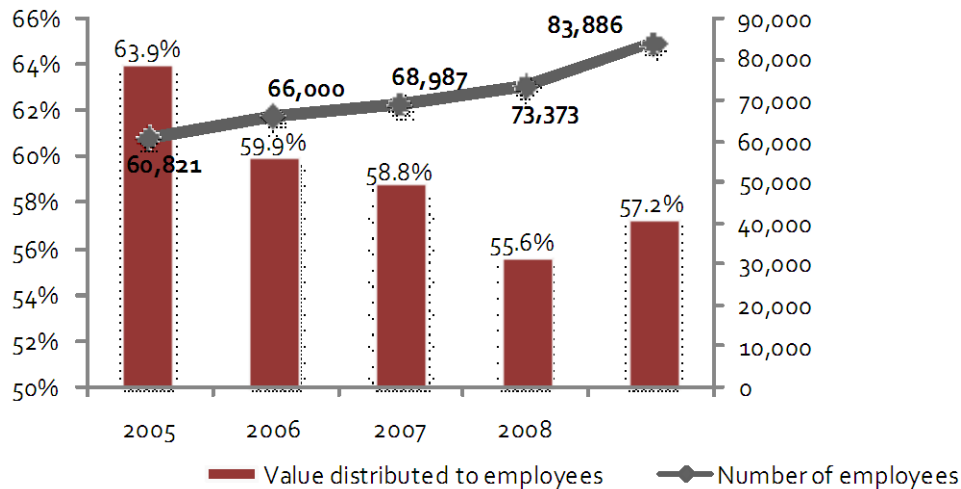
### Average permanent employment at Shoprite 2009

Total (30 June 2009)	South Africa	Outside SA (local nationals)
83, 866	69, 032	14, 834

Source: Shoprite Annual Report 2009 and website

The value added statement shows how much wealth (value added) has been created by the collective effort of capital, employees, and others and how it has been allocated for a financial period. The value added statement in the 2009 report shows that the portion of wealth that is distributed to employees in 2009 has increased by just over 1.5 percent on the 2008 number. This is a small reverse on the trend in decreasing wealth being distributed to employees as well an increase in the number of employees.

## Value-added: Number of employees compared to percentage value-added distributed to employees since 2005



## Ownership and control

Shoprite Holdings Ltd is a public company listed on the JSE Limited, with secondary listings on both the Namibian and Zambian Stock Exchanges. It is therefore “owned” by approximately 5, 000 shareholders<sup>20</sup>. Actual control of the company though rests centrally in the hands of the CEO and the Chairman, James (Whitey) Basson and Christo Wiese.

As of June 2009 directors and their associates held 17.1 percent of the beneficial shares in the company. The CEO held 4 925 511 shares (with a further 10 000 000 under option) or one percent of the total shares and the non-executive chairman held 82 352 472 shares or 15 percent of total. This does not include 277m “deferred” shares that the chairman holds which apparently have no value but which give him extra votes. A Financial Mail report of April 2009 notes that this effectively gives him 44% of the votes at Shoprite and the power to block any moves he does not favour<sup>21</sup>. In 2006 a private equity buy-out was attempted. It was ultimately blocked but it is widely known that both Wiese and Basson supported the deal to move far more of the control and value into their own hands. Wiese notes of the deal “I have been listed and I’ve been unlisted. Believe me, unlisted is better. You don’t have people who have never fought their way out of a paper bag telling you what to do<sup>22</sup>”.

## “Everything is done there”

Shoprite Holdings, from its governance to supply chain and ordering is a highly centralised structure with all decisions made through the head office in Cape Town, South Africa. A BenchMark report notes that “Branch managers [do] not have any decision making power and they are expected to report everything to Cape Town. They could not decide even to employ or fire an employee as headquarters did this. All the managers, including country managers, wait for headquarters to tell them what to do and the way forward for Shoprite<sup>23</sup>. White South African nationals are the top managers in the Zambian operations and in South Africa and most of the goods come from South Africa. ...The payment of wages is organised in South Africa, whether student or permanent, everything is done there<sup>24</sup>.

This is evidenced in Nigeria where there is concern about the partial implementation of a collective bargaining agreement. NUDSE approached local executives with their concern in an attempt to form a relationship with the local management. The written Shoprite response to the grievances again makes reference to the problem of responding the worker issues in good time because “of the fact that we report to the head office...” In response the union appeal is one that could be echoed around Shoprite Africa

<sup>20</sup> See Appendix 6 for beneficial shareholdings over one percent.

<sup>21</sup> Financial Mail, April 2009, Cover Story – Mr Rite - <http://secure.financialmail.co.za/09/0403/cover/coverstory.htm>

<sup>22</sup> Ibid.

<sup>23</sup> Bench Marks Foundation Report, 2009. p. 15

<sup>24</sup> Miller, D (2001) p. 12 - 13

operations “that the company should understand the peculiarities of the country they are trading in” (Nigeria, minutes of negotiations between NUDSE and Local management, April 2009). This is all the more difficult when those in the host country have no authority.

## Governance

### Board Structure

- At the 2009 year end the directorship of the company consisted of six executive directors and five non-executive directors. This is not in accordance with King II Report on Corporate Governance for South Africa 2002 recommendations where the board should be weighted to have more non-executive directors. The non-executive directors of the group, excluding the chairman, are considered independent by management. The lack of independence of the chairman is contrary to King II recommendations on company corporate governance.
- The entire Shoprite board is male and nine of the eleven are white males. King II notes that: “An obvious consideration for South African companies would be to consider the demographics in relation to the composition of the board.”
- The board is chaired by a non-executive director, Dr CH Wiese, who has no executive functions. The roles of chairman and chief executive are separate, with each having set responsibilities. Wiese is also chairman of the Remuneration and Nomination Committees.
- The remuneration committee comprises three non-executives and two executives. It is chaired by the board chairman who is not confirmed as independent. The committee includes the CEO and the finance director. King II recommends that the remuneration committee be made up mainly or entirely of independent non-executive directors and that the chairman of the committee must be independent.

In many respects therefore the board of Shoprite Holdings is not in compliance with King II recommendations.

### Board Remuneration - to 30 June 2009

#### Management board remuneration at Shoprite Holdings (excluding alternate directors)

Year	Executive director total (USD)	Executive director average (USD)	Executive director total (ZAR)	Executive director average (ZAR)	Percentage increase
2007	4,642,324	663,209	33,564,000	4,795,000	-
2008	5,395,896	770,862	39,444,000	5,635,000	18%
2009	4,929,282	758,343	44,610,000	6,863,000	22%

Source: Shoprite Annual Report 2007, 2008, 2009

These figures do not include the value of share options cashed in by executive directors which totalled \$7, 971, 823 (R72, 145, 000) in 2009 (2008:\$2, 506, 109 / R18, 319, 660).

The CEO, Mr James (Whitey) Basson, earned a salary of \$2, 133, 149 (R19, 305, 000) in 2009, a 47% increase (2008: \$1, 800, 000 / R13, 158, 000) which already made him one of the top five remunerated CEOs in the South Africa; once benefits and pension contributions are added the total increases to \$2, 666, 077 (R24, 128, 000) (2008: \$2, 276, 334 / R16, 640, 000). He received no performance bonus in the year nor did he cash in any share options so that all of the income for 2009 (as for 2008) was guaranteed. The annual report states that ...[a] substantial portion of remuneration of all managerial staff, especially senior management, is linked to the performance of their respective business units and of the Group as a whole (Annual Report 2008). This would imply that performance pay for the CEO is included in salary rather than into a structured bonus plan where the criteria and performance could be monitored independently. Of the CEO pay packet, the Chairman says, “What do you pay someone who has grown a R1m

investment into a R30bn business?”<sup>25</sup> One might ask what the workers, who are essential components of that growth, deserve to be paid.

**In December 2009 Shoprite CEO, Whitey Basson, sold 28% of his available share options for around R275 million (\$33 million). He still owns around 10.7 million shares worth around R702 million (\$85 million) which means that when he is paid his dividend as a shareholder he can expect to receive at least R21 million (\$2.5 million) tax-free in the next financial year.**

### Non-executive director remuneration at Shoprite Holdings

Year	Non-executive director total (USD)	Non-executive director average (USD)	Non-executive director total (ZAR)	Non-executive director average (ZAR)	Percentage increase
2007	91,010	15,214	658,000	110,000	-
2008	90,014	15,048	658,000	110,000	0%
2009	72,265	14,629	654,000	132,396	20%

Source: Shoprite Annual Report 2007, 2008, 2009

### Corporate Social Responsibility

Company documents state an overall social goal for the business as to “provide all communities in Africa with food and household items in a first-world shopping environment, at the lowest prices. At the same time the Group, inextricably linked to Africa, contributes to the nurturing of stable economies and the social upliftment of its people...The Group takes a long-term approach in managing and developing its business in a way that will provide shareholders with a continued competitive return on their investment. To achieve that, the Group must serve the interests of not only shareholders, but all its stakeholders – and in particular, customers, suppliers, staff and the communities in which it does business. In considering the wellbeing of such communities it has to pay special attention to the environment in which they live by operating in a way that will not merely maintain the status quo but in fact enhance what has become a very fragile world. Although as a business it exists to generate a profit, the Group is careful not to pursue profit at the expense of the community or the environment”. (Annual Report 2009)

### Environment

The environment report covers property development, packaging, waste management, supply chain management and energy management noting principles, policies and systems in place. The report notes cooperation with government legislation in this regard and that compliance to legislation is corporate policy. It emphasizes that in relation to property development the environmentally sensitive approach “applies wherever the Group develops outside the borders of the country even if requirements are far less stringent”, and therefore goes beyond national laws in this regard. The 2009 report adds that “The Group will introduce and set specific targets and objectives to be published and tracked in its annual reports, for specific key environmental sustainability indicators such as energy use, waste production and recycling, and transport emissions” (Annual Report 2009, 33). It will therefore be important to check both the 2010 Annual Report and evidence on the ground for progress with regard to this commitment.

<sup>25</sup> Financial Mail, April 2009, Cover Story – Mr Rite - <http://secure.financialmail.co.za/09/0403/cover/coverstory.htm>

## Community

These activities are focussed mainly on South Africa. The Annual Report notes that while involvement in the well-being of communities wherever it operates will increase as the operation grows, charity begins at home. Since Shoprite has now been established beyond South African borders for 15 years now, it may be challenged as to when its community involvement will extend to those communities where it has now been operating for over a decade. Further, the alliance may want to question whether community involvement should really be seen as charity, an add on to Shoprite's core business, rather than a commitment to the communities in which it operates and on which it depends both for its workforce and its customers.

Apart from awards such as Woman of the year and Strokes of genius, the report highlights Shoprite's involvement in Soup Trucks as well as more long-term projects including The Shoprite Community Network, Cuppa for Cansa mornings and the RSG / KKNK Book Collection annual community drive supported by the Group's two major brands.

## Human Resources

### Health and Safety

Very little detail on processes and systems is included in the report. It states that the board of directors has ultimate responsibility to all its employees and customers for compliance with occupational health and safety standards. These are monitored at divisional level and the findings of regular inspections of all locations is reported to and reviewed by senior management.

### HIV/AIDS

The HIV/AIDS programme takes the form of education and counselling. From the annual report: "The comprehensive educational programme developed in 2005, based on input of a national in-house Aids Committee consisting of representatives of the trade union as well as of non-unionised staff, was further extended in the light of regular needs analyses. The Group continues to train and capacitate peer educators of whom there are currently in excess of 1500. Brochures, DVDs and other educational material are made available to all branches to support the work of peer educators. A confidential helpline remains available at all times for those employees who wish to make use of it. AIDS is incurable and treatment can only postpone its onset. Once infected, employers can do little more than create a sympathetic work environment that allows no discrimination against those who live with HIV+/Aids but provides them with all the support and understanding possible." Whether this is carried out in practice must be gauged by local unions. Further, it could be questioned as to whether a sympathetic work environment is in fact all that can be done when there are questions of enabling access to treatment and time-off to receive this treatment.

### Gender

No specific comment on gender policies is made except that equal opportunities in the workplace involve the physically disadvantaged and the advancement of women in management positions. The Group is proud that up to now it has taken great strides in achieving its equity objectives without in any way compromising the effective running of the business. As noted above however that the board remains 100 percent male.

## Supply Chain

The group views itself as a force for good as it "assists and nurtures smaller suppliers, especially from a disadvantaged background, to achieve the required production standards...much of its business strategy is aimed at helping to correct the social imbalances of the past... local industry and small-scale farmers in particular are supported to advance the economies of the countries in which it operates". The Global Framework Agreement signed in 2010 states that "Shoprite Checkers will strive, in its dealings with suppliers, to engage with those that share its commitment to the principles of good governance".<sup>26</sup>

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<sup>26</sup> GFA, clause 8.6, page 7.



## Shoprite Shop Steward Alliance Submissions

*...we must always investigate South African companies operating in Africa. Exploitation of workers knows no borders or colour.”  
(COSATU in Sunday Post of Zambia 2009)*

### Unions included and responses

The questionnaire and document request was sent out to 15 unions in 15 countries in August 2009. The two host countries excluded from the work were India and Angola.

Eleven document packs at various stages of completion and one letter have been received which indicates a response rate of 80%. Reasons for non-completion included internal union issues and the extent of the work required within the time frame. The reasons for non-completion will be taken into account when further research is implemented.

Unions that completed the document submission	
Country	Organisation
Ghana	Union of Industry, Commerce and Finance Workers
Lesotho	National Union of Retail and Allied Workers (NURAW)
Madagascar	Confederation Generale Des Syndicats Des Travailleurs De Madagascar (Workers General Trade Union Federation of Madagascar) (FI SE MA) Trade and Food Workers Unions Federation / General Confederation of Madagascar Workers Unions - S.V.P.T / FI.SE.MA
Malawi	Commercial Industrial and Allied Workers Union (CIAWU)
Mauritius	Clerical, Administrative, Financial, Technical Employees Union (CAFTEU)
Namibia	Namibian Food and Allied Workers Union (NAFAU)
Nigeria	National Union of Shop and Distributive Employees (NUSDE)
South Africa	South Africa Commercial, Catering and Allied Workers Union (SACCAWU)
Tanzania	Tanzanian Union of Industrial and Commercial Workers (TUICO)
Uganda	Uganda Hotel, Food, Tourism & Allied Workers Union (UHFTAWU)
Zambia	National Union of Commercial and Industrial Workers (NUCIWU)
Zimbabwe	Commercial Workers Union of Zimbabwe (CWUZ)

### Documents submitted

#### Agreements and Employment

As a strategy for solidarity it has been noted that the content of agreements from across the operations of the company - both recognition agreements and collective bargaining agreements - needs to be analysed and shared to explore the possibilities of standardising them to improve bargaining arrangements for all unions.

#### Recognition Agreements

Of the document packs received, five unions, Ghana, South Africa, Zambia, Tanzania, Uganda and Namibia have a recognition agreement although Tanzania's, Zambia's and Ghana's were not included in the pack. Unions from Lesotho, Nigeria and Mauritius indicated that recognition agreements were currently being negotiated to some degree. Madagascar does not require a recognition agreement under national law. Malawi and Zimbabwe noted no recognition agreement though documentation from Malawi suggests that negotiations for this may be underway. While it cannot be foreseen how negotiations will go, it is nonetheless encouraging that since the last phase of research Uganda has achieved a signed recognition agreement and the three countries mentioned above are actively pursuing one.

Country	Union	Recognition Agreement	Bargains with Company
Ghana	UNICOF	YES	YES
Lesotho	NURAW	IN PROGRESS	IN PROGRESS
Madagascar	FI SE MA	NOT REQUIRED	YES – though note on submission that there is no collective bargaining for the moment
Malawi	CIAWU	NO	YES – Evidence of bargaining on wages
Mauritius	CAFTEU	IN PROGRESS	
Namibia	NAFAU	YES – 1999	YES
Nigeria	NUSDE	IN PROGRESS	YES
South Africa	SACCAWU	YES	YES
Tanzania	TUICO	YES	YES
Uganda	UHFTAWU	YES – 2008	YES
Zambia	NUCIW	YES –1996	YES
Zimbabwe	CWUZ	NO	YES (No CBA)

Where recognition agreements have been submitted some variation is evident. See Appendix 4 for breakdown of terms in Recognition Agreements received.

Although the broad terms and layout are similar, when compared to the Namibian example, the first recognition agreement from Uganda covers far fewer issues. It does not for example discuss the rights and obligations of shop stewards, dispute settlement, nor, importantly, the process of industrial action.

In the case of Namibia the recognition agreement has been in place since 1999 although it is understood that the company has not been negotiating with NAFAU and has been promoting a rival union. It is also been noted that neither of these unions currently represent sufficient majority and the company is introducing salary increases without negotiations. Perhaps as a result of this NAFAU is seeking amendments to some of the restrictive terms of that agreement including the definition of the bargaining unit and the class of workers this excludes. The definition of management on the other hand is very broad and thus can easily exclude workers who would otherwise join a union from the bargaining unit. In the case of industrial action broad categories are also excluded from legally participating. All of these are being queried by the union (see Negotiations – below).

A South African 2008 Memorandum of Understanding includes a revisiting of issues including parental rights, newly opened stores, the phasing out of flexi-timers, divisional meetings, uniforms and late trading transport. An interim agreement signed in October 2009 covers the number of shop stewards permitted at Shoprite operations as well as the time-off they are permitted to have for union business. The submission notes that negotiations on a number of other issues to be covered in the new agreement are still underway while an agreement on parental rights and family responsibility leave was signed in October 2009.

The comparisons highlight the importance of being able to compare the content of agreements before they are signed to ensure that there is some standardization towards best practice of terms and conditions for union organisation.

### **Collective Bargaining Agreements (CBA) and conditions of employment**

Collective bargaining agreements were received from Uganda, Nigeria, Namibia, South Africa, Ghana and Zambia, although that from Namibia only covers wages, but also includes clauses on casual workers' wages. Although Tanzania has a CBA, this was not

included in the pack. This is a first CBA for NUSDE in Nigeria. Except for Namibia, all the agreements are multi-year agreements of at least two years. However, documents from Ghana indicate that as per the original agreement, wages were renegotiated in June 2009, before the end of the agreement.

As mentioned above, in Lesotho the union entered into negotiations on substantive issues and also for a recognition agreement in May 2009. At the time of this report these negotiations are still underway. As with the recognition agreement, Malawi's and Mauritius' negotiations on CBA appear to be in progress whereas in Uganda and Nigeria the first CBA agreements were signed in 2008. Despite the lack of CBA, CIAWU in Malawi does have a memorandum of understanding concerning pension benefits of the staff and has undertaken wage negotiations as of November 2008. SACCAWU in South Africa are currently negotiating a new CBA.

While there are many standard clauses in the agreements concerning the conditions of salary increases, overtime, uniform, IT security and consultation in the case of redundancy, there is variation in both the substance of similar conditions and in allowances and conditions that are included. A breakdown of differences in conditions is included in Appendix 5. Details for Malawi have been obtained from a contract of employment rather than a CBA; some of the Zambian conditions have likewise been drawn from a contract of employment.

Where collective bargaining agreements do not cover all the conditions of employment that impact on workers lives it is difficult to guess what these may be. While this may imply that the status quo is maintained from other agreements, unions are encouraged to revisit all conditions at the time of negotiations and include these in the final written agreement so that there can be a reference point for the future and an unbroken line of evidence.

### **"Shoprite Company Rules"**

Beyond contracts and agreements, Malawi and Nigeria also submitted copies of the Shoprite Company Rules which appear to be standard across operations. The Madagascan submission notes that these regulations are stuck up in each store but that shop stewards are neither informed nor consulted on the terms.

### **Negotiations and engagement**

Various negotiations between the unions and the company are noted in the documents.

- Namibia is currently in dispute concerning the definition of the bargaining unit and management in the Recognition Agreement of 1999. The exclusions in the original bargaining unit make reaching a majority in the operations far more difficult and results in the union being able to represent far fewer workers in negotiations. The union is attempting to have the definitions changed to broaden the bargaining unit to exclude only management and security personnel. It currently excludes casual/student/temporary/part-time/fixed term contract / management / security personnel / secretaries / senior clerks / expatriate personnel / furniture sales staff and carpet estimators. Likewise the definition of management is so wide so as to include anyone who has any supervisory authority in the company. The union is seeking to narrow this definition to include only "any person appointed in the managerial position". This will again broaden the group of workers who can seek union membership and be a part of the bargaining unit. NAFAU is likewise challenging the exclusion of even some members of the bargaining unit in legal strike action. It is requesting that excluded employees be limited to managerial and security personnel. A letter dated 14 November 2007 notes the union's proposal to amend the Recognition Agreement as per its terms. A letter from Shoprite management two weeks later acknowledges receipt of the letter but claims that timing is inconvenient for negotiations on this matter. As of now this negotiation appears to be ongoing, two and a half years later.
- The Nigerian submission shows evidence of the wage agreement signed in January 2009 being only partially implemented including hours of work leave allowance and medical support. Negotiations were therefore held in April 2009. Central to the unions concern is that the agreement should cover all workers at Shoprite, including new entrants and fixed-term contractors as they are all seen as permanent staff besides casuals. Included in the negotiations are issues of recognition where the company is emphasizing the requirement for the recognition agreement to govern the relationship between the union and the company while the union emphasizes that the RA is not a legal document.

- Documents from Ghana indicate that the union and management have a standing joint committee composed of three union and three management representatives which is tasked with all negotiations concerning co-operation between Shoprite and the union and all matters concerning employment. Current negotiations concern salary structure and placement, clothing and uniform laundering, transport medicals for dependents and shift allowances. Other negotiations included a review of wages, time off for shop stewards and workers education and a review of the grievance procedure.

Three unions, in Zimbabwe, Madagascar and Zambia noted that management was reluctant to supply any information on job titles and grades.

### Trade Union Density

As before, in many cases completed questionnaires show that union information systems have not fully captured information on casual, unionised and non-unionised workers.

### Totals – Casual and full-time staff

Country	Union	Number of Workers at Shoprite			Number of Shoprite workers belonging to union			Percentage of Shoprite workers belonging to union		
		Men	Women	Total	Men	Women	Total	Men	Women	Total
Ghana	UNICOF	118	85	203	55	83	110	47	98	54%
Madagascar	FI SE MA	227	178	405	32	39	71	14.1	21.9	17.5%
Malawi	CIAWU	113	177	290	50	60	110	44	34	38%
Mauritius	CAFTEU	128	177	305	128	177	305	100	100	100%
Namibia	NAFAU			505			505			100%
Nigeria	NUDSE	96	80	176	70	80	150	72.9	100	85.2%
South Africa	SACCAWU			67 383			24 173			36%
Tanzania	TUICO	170	182	352	117	120	237	69	66	67%
Uganda	UHFTAWU	138	119	257	60	44	104	43.5	37	40.4%
Zambia	NUCIW			2058			1000			48.6%
Zimbabwe	CWUZ	11	10	21	11	10	21	100	100	100%

A breakdown of the numbers shows that there is still a low level of union organisation of casual workers with only South Africa, Mauritius and Ghana showing union organisation of casual or non-full-time workers.

The total number of workers in Madagascar has risen as has the number of union members and union density has increased by over 10 percent since the previous survey, while both union numbers and percentage membership has dropped by nearly 20% in South Africa with 49% (2007 – 75%) of full time workers organised and 30% (2007 - 42%) of part-time workers in the union as at February 2010. Namibian numbers seem to indicate that both full-time and causal staff are fully unionised. In their letter of submission NURAW of Lesotho notes that it has just completed organising in the company this year and now considers itself 95 percent organised in the company.

Turning to shop steward numbers, the figures submitted show the average number of workers per shop steward in each country where these figures were given.

#### Average number of union members per shop steward

Country	Union	Number of workers per shop steward
Ghana	UNICOF	Not completed
Madagascar	FI SE MA	7
Malawi	CIAWU	9
Mauritius	CAFTEU	Not completed
Namibia	NAFAU	11
Nigeria	NUDSE	Not completed
South Africa	SACCAWU	6
Tanzania	TUICO	Not completed
Uganda	UHFTAWU	17
Zambia	NUCIW	6
Zimbabwe	CWUZ	4

### Trade Union Issues

*Thoko Mchunu, Saccawu National Negotiations co-ordinator of SACCAWU said of Shoprite management, "I can't say the relationship has been healthy. The management style is of old conservatives. They are dictatorial, they don't seek joint solutions and they've not created a climate where workers are heard." (Financial Mail, April 2009)*

The issues raised directly by the alliance members in their responses focus on the central themes of casualisation, pay and the problems of engaging on a regional level with the centralised organisational structure of Shoprite.

- Casualisation – While Shoprite claims to be creating jobs, eleven thousand in the 2009 financial year alone, concern has been expressed by national unions as most of these workers are being employed on a part, “key” or flexi-time basis with a massive replacement of permanent employees with labour brokers. In Lesotho, Malawi, Zambia and Nigeria the issue of casualisation is highlighted. Although no details are included, the Lesotho submission notes that the issue of casualisation is pending resolution. The union considers the company to be massively exploiting workers though no details are included and will have to be further explored. The Nigeria submission notes that casual workers do not get a fair deal. It is noted also in Namibia that a consumer boycott of Shoprite was called for by the National Union of Namibian Workers (NUNW) to which NAFAU is affiliated citing the continued rise in the in-formalisation and casualisation of labour especially by companies of foreign origin such as Shoprite. (See Industrial Action below) While Shoprite denies that it uses casual workers and that all workers at Shoprite have signed Shoprite contracts, in Zambia the matter has been brought before parliament where it has been noted that three-quarters of Shoprite employees were casuals who had worked for three years in that capacity. The government is now seeking to impose a prison sentence on those involved in casualisation and is in talks with Shoprite on this matter<sup>27</sup>. In Malawi, during industrial action for increased wages, the issue of long-term casualisation was also raised. (See below)
- Pay - Both Nigeria and Zimbabwe note that pay-slips are received late. In the case of Zimbabwe no pay-slips were received between April and July 2009.
- Centralised structure - A letter from the union in Zimbabwe notes ...“In Zimbabwe, Shoprite Checkers employees are the least paid, why, because even if we negotiate at Company level, Management will always tell us that the decision is made in Cape Town”. The issue of all negotiations being referred back to head office is likewise highlighted by the union in Nigeria.
- On the issue of health and safety, the union in Zimbabwe notes that working conditions in the operation are very unhealthy and that complaints are met with the reply that fixing air-conditioning that has been broken since 2006 is too expensive.

<sup>27</sup> The Post, Zambia, 4 March 2010, “Casualisation will now be punishable by imprisonment”

## Industrial Action

Industrial action has been reported by unions in Malawi, Zambia and Namibia.

**Malawi:** In October of 2009 workers at the operation in Blantyre downed tools demanding better working conditions and protesting against racist remarks made by management against local workers. The Malawi Shoprite Workers Union demanded that 'white' managers change their attitude towards local employees and stop calling them 'kaffirs', 'monkeys' and other racist names. The Union chairperson Lawrence Dzumani said apart from name-calling the union was against the idea of upgrading casual labourers to 'part time employees' after working for many years. He said the proposal would compromise the number of years the workers had worked with the retail shop. It took the inter-vention of the Minister of Labour Yunus Mussa to bring the workers back to work. The Minister also asked management to change its attitude towards employees. "It is actually against the country's laws to employ someone on a temporary basis for over a year," he said<sup>28</sup>.

In December 2009, workers at Lilongwe main Shoprite store went on strike demanding 50% annual increment from management due to 'souring commodity, educational and rental prices'. The development followed an official signing of a Memorandum of Understanding (MoU) that settled on a 15% increment. A news article reports that the new MoU also introduced a pension scheme, and turned casual workers into full time workers who will be covered by medical scheme including maternal leave, casual leave and other benefits. The striking workers were subsequently fired for 'staging an illegal strike' by management only to be reinstated on the intervention of Malawi's Labour Minister, Yunus Mussa. Mussa backed the management and said the workers staged an illegal strike because their wages were within the set standards of the Malawi government<sup>29</sup>.

**Zambia:** Workers went on strike in August 2009 for a second time in four weeks demanding a pension scheme and a pay rise. In July the first strike was for a better wage increase. The Zambia Daily Mail reported a unionised worker as saying that "Managers at Shoprite are so arrogant. They have been telling us that the Zambian labour laws are very weak. And that even if we are to report them anywhere nothing will happen".<sup>30</sup> Of the pension scheme, the GS of NUCIW stated that "The workers feel Shoprite management is not responding fast enough to their demands for a pension scheme. The workers have since gone on strike to compel management to act fast." Representatives of NUCIW are quoted as saying that management had defied the Government's directive to increase the pension scheme which they had promised would be introduced by June 2009. Pension negotiations had begun four years previously. Following a meeting between the labour minister and Shoprite CEO, Whitey Basson, the parties and signed a Memorandum of Understanding based on the workers demands<sup>31</sup>.

**Namibia:** In February 2010 a consumer boycott of Shoprite was called for by the National Union of Namibian Workers (NUNW) to which NAFAU is affiliated. The secretary general of NUNW, Evalistas Kaaronda stated that "Given the continued rise in the informalisation and casualisation of labour especially by companies of foreign origin such as Shoprite and the likes, the NUNW resolved to instruct all its structures to mobilise workers across the country so as to gear them up for a national consumer boycott. This boycott was aimed at forcing companies to employ our members on a permanent basis and to pay them salaries commensurate with the market trends," Kaaronda said. Shoprite denies that it uses casual workers and that all workers at Shoprite have signed Shoprite contracts<sup>32</sup>. It is unclear when this boycott will take place.

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<sup>28</sup> Southern Times, October 2009, "Malawi Shoprite workers strike over racist taunts"

<sup>29</sup> Africa News, 3 December 2009, "Labour Minister bails out workers, backs Shoprite management"

<sup>30</sup> Zambia Daily Mail, 25 July 2009 "Shoprite workers stage country-wide sit-in."

<sup>31</sup> The Post, 13 August 2009, "Shoprite management agrees to give workers pension scheme".

<sup>32</sup> New Era, 4 February 2010, "Shoprite dismisses NUNW claims"

## The Global Framework Agreement 2010

In November 2008 a press release from Shoprite noted that “in a further progressive initiative the Company and UNI (Union Network International) Global union to which SACCAWU is affiliated have started talks with the intention of concluding a Global Framework Agreement incorporating ILO conventions and international good practice”. On 23 February 2010 that agreement was signed at the head office of Shoprite in Brackenfell, Cape Town.

### ***The Road to the Agreement:***

*The first meeting of the Shoprite Checkers Union Alliance took place in Port Elizabeth South Africa, in 2003 where 9 African countries were represented, at the initiative of South African based Shoprite Checkers shop stewards council and SACCAWU. The Alliance met 4 times since this inaugural meeting and currently comprises of all 16 African Countries where Shoprite Checkers has operations. As part of strengthening and benefiting the union alliance at global level, unions are in a process of establishing national shop stewards councils to coordinate the work at a national level. South Africa, Zambia and Tanzania have already established such National Shop Stewards Councils.*

*The Shoprite Checkers Union Alliance was launched in partnership with the Friederich Ebert Stiftung (FES), whose support was valuable in establishing contacts with the various unions that are organizing Shoprite Checkers employees across the African Continent.*

*The first draft global agreement was first introduced to Shoprite Checkers in 2007 when Philip Jennings, UNI Global Union General Secretary; and Philip Bowyer, Deputy General Secretary, together with a delegation from SACCAWU, met with management representatives from Shoprite Checkers. At this meeting the Company expressed their commitment to global social dialogue and to uphold good industrial relations with unions where they have operations.*

*At the subsequent meetings with the Company it became clear that there was not an absolute willingness to commit to a written agreement as they seemed viewing so as a recipe for conflict, given that Parties might allegedly hold each other to ransom using the written text. Representatives from the Company raised all sorts of concerns with clauses that were contained in the UNI draft proposal. The concerns included reluctance or objections to include any specific reference to ILO conventions in the agreement; and that there should be no financial obligations placed on the company.*

*The Global Agreement was eventually signed in February 2010, following protracted negotiations. The agreement enshrines basic principles of corporate social responsibility that includes the right of all workers to unionize and bargain collectively. Through this agreement UNI Global Union and Shoprite declare to adhere to the ILO's quest to promote decent work.*

- ***Bones Skulu, President UNI Africa & SACCAWU General Secretary and Keith Jacobs, UNI Africa Campaigns and***

### **23 February 2010 – the signing of the agreement**

The Global Framework Agreement was signed at the head office of Shoprite Checkers in Brackenfell, Cape Town, South Africa on 23 February 2010. This is the first Global Agreement with an African retailer and may turn out to be precedent setting in the sector and the continent.

Present at the signing of the Global Agreement: UNI: Philip Jennings (GS), Bones Skulu (President UNI Africa), Keith Jacobs (UNI Africa), Zakari Koudougou (Regional Secretary) and Jakob Thiemann; SACCAWU: Mike Tau, Zuzile Ramcwana; SHOPRITE: Callie Burger (Director, Human Resources), Zakhele Sibiyi, Graham Farnell.

*From the UNI Press Release:*

The agreement ensures core labour standards, including collective bargaining rights, are respected everywhere the company does business. "This is an important breakthrough for UNI Africa because the company is present throughout the continent," said UNI General Secretary Philip Jennings. "This is a good day for Shoprite Checkers, the workers and their unions." This is the first Global Agreement signed with an African company in the commerce sector and it is the result of almost three years of negotiations. Besides the right to organise and bargain collectively, the agreement also includes other core labour standards, including prohibitions against forced labour, child labour and discrimination.

Jennings congratulated the South African Commercial and Catering Workers Union (SACCAWU), which has bargaining rights in South Africa, for their support and the active engagement of shop stewards in the process from South Africa and many African countries. Unions in 15 African countries where Shoprite operates formed an alliance to push for the Global Agreement. "This agreement was inspired by the grassroots membership," Jennings said. "UNI Global Union looks forward to building a dialogue with the company."

### **Synopsis of the GFA**

The GFA is a document in principle. It does not discuss practice and practical implementation.

1. The GFA is set up as a facility for social dialogue. It is an agreement on principles to guide future actions.
2. All agreements in the document are superseded by any national agreements and national laws.
3. Principles contained in the document only apply to work places that have UNI global alliance affiliate members.
4. The central principles in the agreement concern the ILO's declaration on Fundamental Principles and Rights at Work. These cover the elimination of forced labour, the prohibition of child labour, the elimination of discrimination in respect of employment and occupation and centrally freedom of occupation (to which a sub clause has been added since the draft of the agreement which covers "the effective recognition of the right to collective bargaining".)
5. The document confirms that Shoprite will subscribe to the labour laws and terms and conditions of each country in which it operates, including collective bargaining and organisational rights of trade unions.
6. The document emphasises that the business – from each operation to the whole company, must remain sustainable, this is a term of the agreement (clause 4.3 and 4.4)
7. Meetings between UNI and Shoprite are to be held once a year in South Africa. It is here that operational matters can be discussed including industrial relations, CSR and geographical spread. The meeting must be prepared for with written questions submitted by UNI 30 days prior to the meeting.
8. New clauses since the December draft cover industrial action and union access.
  - a. Should there be a strike by any affiliate UNI is required, if approached by Shoprite, to take steps to normalize the situation.
  - b. UNI may only have access to workers with written approval and where meetings must be non-disruptive.
9. Shoprite and UNI are to work together to resolve disputes regarding implementation of the agreement, with each appointing a contact person for this role.
10. In another change from the December 2009 draft which stated that "Shoprite will ensure its managers support the rights set out in this agreement" the signed document now states that "Shoprite accepts responsibility for communication of this agreement to its management".
11. UNI is required to take proactive steps to ensure that affiliated unions are supportive of the local Shoprite operations and "work at all times within the letter and spirit of the agreement and any local agreement and laws"
12. Shoprite will strive, in its dealings with suppliers, to engage with those that share its commitment to the principles of good governance (clause 8.6)
13. The GFA is now in place and can be terminated by either party with 60 days warning.



As stated above, the GFA is an agreement in principle.. It is therefore on the members to take the agreement and to make it active in improving the lives of workers by calling the company to account in adhering to country laws and ILO labour declarations, and on working with good suppliers. These are the spaces that the union has to work.

## **The way forward for the Shoprite Shop Stewards' Alliance**

Taking into consideration the above analysis as well as a view of the current economic context some useful strategies for unions present themselves and are suggested.

### **The economic context**

Any strategies that are to be useful must take into account not only the position of the company and workers but also the global and regional economic context in which they operate.

The International Monetary Fund's latest report on the outlook for Africa expresses cautious optimism for Sub-Saharan Africa in 2010 despite the one percent economic growth in 2009. However, given the impact of the last two years, "[i]n all SSA countries...the crisis will likely slow, if not reverse, progress on poverty reduction. Unemployment and under-employment, already endemic, have likely risen across the region. But playing-off the global economic recovery, we expect growth in sub-Saharan Africa to rise to 4 percent in 2010 and 5 percent in 2011<sup>33</sup>." Despite the positive figures for Shoprite, in his own forecast the CEO of Shoprite notes that the global recession has not left ... Africa unscathed [and] he expected a challenging trading period for the rest of the financial year to June 2010.

Global surveys of the retail sector "show some optimism: 70 percent of the executives said they expect business conditions to improve in 2010, with 68 percent expecting stronger revenue and 66 percent expecting improved profitability. However, after seeing some more of the survey findings, "cautiously hopeful" might be a more apt description of how retail executives are feeling about the future<sup>34</sup>"

While the forecast is cautious, Shoprite is well placed to recover better than other retailers for two reasons. Shoprite deals in fast-moving consumer goods, which has shown greater resilience than other consumer goods such as furniture and other durables. Also, as its main operations in South Africa service the lower-middle income group and they are well positioned to catch any middle income earners who have lost spending power and be entering this broadening consumer group. In the rest of Africa however, where the resources to shop at a supermarket is reserved for a smaller group of income earners, the position might be more precarious.

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<sup>33</sup> IMF, (October 2009) Regional Economic Outlook: Sub-Saharan Africa [http:// www.imf.org](http://www.imf.org)

<sup>34</sup> Retailsales.com, (2009) Retail Outlook: Retail Execs Show "Guarded Optimism", <http://retailsails.com/2009/08/20/retail-outlook-retail-execs-show-guardid-optimism/>

## ***Recommendations around organising strategies at Shoprite***

### **1. New stores / operations**

Shoprite has an aggressive growth policy. The growth of the company is also an opportunity to extend the alliance to include more workers and unions, thus bolstering the bargaining position of the alliance in general and national unions in particular. National unions need to watch the growth of Shoprite into new regions and track the construction and preparation of new stores. In this way the workers at those stores may be organised even during the training phase before the store opens. An expanding alliance provides opportunities but it also requires that the unions be active to ensure that where and as Shoprite grows it adheres to the clauses of its own and the GFA policy.

A further challenge of working for a company that favours speedy growth is that it risks a higher rate of store closures where growth has not proved profitable. As has been witnessed in Tanzania recently and in the closure of stores around Africa, the position of workers under an aggressive growth policy can be precarious as risks are taken in opening stores and stores are closed when profits are not shown. There is therefore all the more reason for unions to both organise the workers early and to ensure that the contracts for those workers make proper provision for workers that may face sudden store closures.

### **2. Organising all forms of employment**

At both new and established Shoprite operations unions should be aiming for one union per country for Shoprite Checkers and that that union should be a UNI affiliate to further strengthen the alliance and the reach of the GFA. In many of the countries in which Shoprite operates two or more unions are competing for the same workers which weakens the worker position in engaging with the company. Unions in both Namibia and Swaziland report that with two unions competing for membership Shoprite can now claim that since no union has a majority, it can unilaterally decide on wage increases without negotiations. National unions must aim to change this situation and to create single strong unions that can properly engage with the company.

This means that the union must aim to organise a wide group of grades. Responses indicate that nowhere have unions managed to increase membership from the levels of management, noting that managers do not see any benefit for them in joining the union and that those promoted to management leave the union. Unions must begin contesting the managerial terrain. The apparent company strategy of promoting shop stewards to management in order to draw them out of the union could be turned around by those members who are now in a position to recruit from the management levels.

The recommendation also implies that all forms of work including flexi-, part- and full-time workers should find a home in the union with policies and demands that speak to their needs and improve their conditions.

Finally it means organising all types of work in the operation in the one union. It does the workers no good if the baker, the shelf-packer and the cashier are all in different unions.

### **3. Know your members**

The process of document collection has highlighted the need for alliance members to take a more active role in collection, storing and analysing their own documents including details of members. In order to know how best to organise workers, unions must know who those members are and the particular needs that might be peculiar to their gender, age or form of employment.

Knowing these details will make the union more of a home for current and potential members. All members should complete a standardised membership form which is updated should any of the details change. Current membership forms can be compared across the alliance to find the best practice which can then be improved on and standardised to include vital details for organising including gender, age, form of employment and contact details – cell phones, email addresses.

These forms should be analysed on at least an annual basis nationally and detailed in a standardised membership report so that the shape and make-up of the union is constantly up to date and understood. With each union completing and circulating these reports around the alliance a picture of the alliance, trends in its growth and make up can be shared. Updated cell phone details available to shop stewards locally, the organisers nationally and the alliance continentally would be particularly useful for updating members on issues, negotiations, campaigns and industrial action.

#### 4. National Shop Stewards Councils

The election of a National Shop Stewards' Council is already established or underway in some countries. These councils, made up of shop stewards who are elected by members in regularised elections is central to organising in a particular country and further in aiming to deepen the regional network as these elected representatives will finally be on the Continental Shop Stewards Council. Moving to a national council is therefore an important step in moving beyond the alliance to a fully elected and representative council of Shoprite Checkers shop stewards for Africa and in time perhaps beyond.

### **Recommendations around collective bargaining strategies to improve employment policies and practices at Shoprite, including demands for improving conditions of work and wages**

#### 1. Raising the Bar in non-SACU countries.

All wages and conditions are to be brought in line with those in SACU. Unions should therefore put examples of best practice agreements on the table in local negotiations and demand a standardisation of wages and conditions for all Shoprite Checkers employees. Best practice agreements must therefore be made available to all unions in the alliance for this purpose. Notes of the process and outcomes of these negotiations should form part of the input to the annual GFA discussion forum concerning why wages and conditions across one company should vary so widely.

Raising the bar goes beyond wages and benefits to the working conditions of the employees. Shoprite needs to be held to its own company announcements and where it is not in line it must be held to account. For example, the Company's Annual Report states that "the board of directors has ultimate responsibility to all its employees and customers for compliance with occupational health and safety standards. These are monitored at divisional level and the findings of regular inspections of all locations is reported to and reviewed by senior management". This compares with a report from shop stewards in the Bulawayo, Zimbabwe<sup>35</sup> operation where:

*The staff in Shoprite Bulawayo is working under an unhealthy, unhygienic, poor and bad environment where there is absolutely no ventilation.*  
*-The air-condition is not at all working with no single window.*  
*-I stopped working in year 2006, everytime we raise this issue to the Management, they will ~~see~~ tell us that it is too expensive to fix the air-con.*

#### 2. Casualisation, outsourcing and labour broking

Given the strong reactions in both Malawi and Namibia it is clear this is an issue that the affiliates are prepared to take on. While the national laws still allow for this kind of labour, unions should strongly discourage them through policy and also through collective bargaining practice. National unions should insist that all possible contracts be discussed with unions which should also have the right to look at the conditions of employment of all labour brokered and casual workers. Further, union negotiators should demand that the conditions of employment of labour brokers are to match those of workers employed directly by Shoprite, thereby improving the conditions of all workers and making it far less profitable for Shoprite to use agency workers. A strict limit on the length of time a worker can be considered casual before they must be hired as a permanent employee should also become a bargaining demand.

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<sup>35</sup> See Appendix 2 for full letter

### **3. Corporate Social Responsibility**

From company and other research reports it is clear that the focus of the CSR is charitable works in South Africa and the company should be encouraged to extend this work to other operations particularly where it has reached a certain size and level of establishment in a host country. However, reports from recent research also indicates that workers would like to see CSR as less a charity add-on to the business and more as part of the business plan of the company when they strategise for new and in existing operations. While more research from unions is needed in this regard, there are possible strategies that may be adopted. Unions could interrogate the role of Shoprite as a socially responsible corporate citizen in the countries in which it operates. This does not require it to perform charitable works in host countries but would require a change in its business behaviour. Issues highlighted would include the repatriation of profits out of the country in which they are made back to South Africa. Shoprite should be pressed into keeping a proportion of those profits in the country in which they are made. If Shoprite Checkers is really "inextricably linked to Africa...the nurturing of stable economies and the social upliftment of its people" as stated in their reports, then keeping some of the money made in a country in that country would be a sign of this.

This kind of socially responsible engagement would also press Shoprite to use more local producers in stocking its stores rather than importing so many of its goods. There is a disjuncture between Shoprite's claim that "assists and nurtures small suppliers...local industry and small-scale farmers" being supported, and analysts assessment that Shoprite's success lies in the high number of cheap imports it uses to stock its shelves more competitively and quickly. It may be argued that local suppliers are not always up to standards required in its stores, to which unions may counter that while this may be true, some of the profits kept in country, rather than repatriated, could be used to train and assist those suppliers to reach the required standards for supplying the stores. Clearly this is a longer term project and some research would have to be done around the processes but such a campaign would have further benefits of a possible broadening of the alliance to include producers and suppliers.

### **4. National / Continental Collective Bargaining**

Beyond standardising the content of collective agreements, worker strength could be increased by standardising the collective bargaining process. Collective bargaining is a process which covers many activities and issues from mandating to industrial action. This process must be planned and issues anticipated from the start to ensure that the negotiators come out with the best possible deal for workers. To improve the strategy best practices in each country should therefore be shared so that unions have a national collective bargaining process followed by all union negotiators. Beyond that a best practice across the alliance could become standard for all affiliates, barring country particularities. By formulating a strategy and imposing that on the process local unions and the alliance take back control of a process that has for too long been run by management with negotiators playing along to their structures and plans. It could also make it easier for new shop stewards and negotiators to become part of and contribute to a clear, well defined process.

### ***Recommendations around cross-border relations with each other***

In many respects this goal has been achieved through the shop stewards' alliance. This alliance needs to be deepened and strengthened through building the national shop stewards' councils in each country and finally the continental shop stewards' council as referred to above. However, the relationship is ongoing and can be nurtured through:

#### **1. Sharing of skills**

Capacity building on company financials, wages and conditions, the process of collective bargaining as noted above and reporting skills so that there is a common and clear understanding across the alliance. In the case of reporting, shop stewards work will be both enhanced and eased by learning standard reports on membership, negotiations, issues arising, disputes and industrial action and outcomes which can be shared among union members and more easily by the alliance.

## **2. Communication**

Noted above in connection with members of the union but equally among the alliance, communication depends on up to date contact information in a format which can be most usefully employed for ad hoc communications, solidarity, etc. It begins with local unions knowing their members and sharing this information alliance-wide.

The value of sharing information about the company is evident. However alliance building is an ongoing process and benefits from more frequent communication than research reports from company documents. Information about the company in the form of news comes in an almost continual stream from around its operations and it is recommended that alliance members track the news about Shoprite in their country and share it in emails through the alliance. This builds solidarity and keeps alliance members constantly aware of the Shoprite's operations within and beyond their own borders, highlighting where perhaps other members require solidarity in difficult times and instances where alliance members have succeeded in achieving better conditions. As a further, more regularised form of communication to keep shop stewards updated on developments and strategies, a newsletter to inform and build solidarity for all shop stewards, sharing ideas and frustrations, strategies and policies should be developed.

## ***Recommendations around strategy for negotiations with Shoprite that includes the above as well as a GFA***

### **1. Preparing for the first annual GFA "discussion forum".**

Apart from the above strategies which all feed into preparations for the first meeting the focus must be on preparation. The first step is to understand the global framework agreement and the opportunities it offers as well as its limitations. Given this understanding by national affiliates, objectives for this meeting should be set 6 months prior to the meeting so that they can be met through activities and campaigns in the intervening time. These may include national activities, negotiations nationally with new demands put on the table and industrial action. It is essential that there is a momentum around this first meeting so that real work is done in the engagement.

## **Conclusions and challenges**

The Global Framework Agreement is an opportunity to engage with the management of Shoprite Checkers in more open communications than have thus far been possible. This will only bear fruits if unions in the alliance are strong; weak unions will have no chance of proper engagement with a powerful corporation. Part of this strength comes through being properly prepared with analysis on the company and on conditions throughout operations. It is therefore essential that company information is kept up to date, that unions share information in time for analysis and that key areas of strategising are agreed beforehand. This report begins the process of disseminating this information.

## Average Exchange Rate Table USD: ZAR – June 30 year end

Year end 30 June	Exchange rate
2005	6.22
2006	6.43
2007	7.23
2008	7.31
2009	9.05

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- UNI Global Union - <http://www.uniglobalunion.org/Apps/iportal.nsf/pages/homeEn>

**Appendices:**

**Appendix 1: Global Framework Agreement 2010 between SHOPRITE CHECKERS (PTY) LIMITED ("Shoprite Checkers") and UNI Global Union ("UNI")**

**GLOBAL FRAMEWORK AGREEMENT**

**between**

**SHOPRITE INTERNATIONAL LTD**

**and**

**SHOPRITE CHECKERS (PTY) LIMITED**

**("Shoprite Checkers")**

**and**

**UNI Global Union**

**("UNI")**

The image shows several handwritten signatures and initials. On the left, there are initials 'ST' and a signature. In the center, there is a signature and a circular stamp containing the letters 'SI'. To the right, there is a signature, a signature with the initials 'BLS' below it, and another signature.

**1. INTRODUCTION**

- 1.1 Shoprite Checkers is a multinational retail group.
- 1.2 Union Network International (UNI) is a global union representing workers in the Commerce (Wholesale & Retail) and services sectors, incorporating over 900 different unions and 20 million members.
- 1.3 Shoprite Checkers and UNI Global Union confirm their mutual interest in the development and sustainability of the Retail and Wholesale Sectors, and in the promotion and implementation of sound industrial relations.
- 1.4 Shoprite Checkers and UNI Global Union agree to enter into this agreement to create a forum to facilitate global social dialogue between Shoprite Checkers and UNI Global Union.

**2. APPLICATION**

- 2.1 Shoprite Checkers and UNI Global Union unequivocally accept and agree that this relationship agreement does not supersede, vary, replace or otherwise affect any existing or future workplace and/or national agreements concluded by Shoprite Checkers.
- 2.2 Shoprite Checkers and UNI Global Union recognise that different countries have different laws governing employment. Both Shoprite Checkers and UNI Global Union undertake to operate within the framework and jurisdiction of the applicable laws.
- 2.3 The principles set out in this global agreement will apply to all Shoprite Checkers operations and its subsidiaries where Shoprite Checkers formally recognises Uni Global Union alliance members.



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**3. FUNDAMENTAL LABOUR AND HUMAN RIGHTS IN THE WORKPLACE**

Shoprite Checkers and UNI Global Union subscribe to basic employment rights in the workplace as contemplated under the ILO's Declaration on Fundamental Principles and Rights at Work, namely:

- 3.1 freedom of association and the effective recognition of the right to collective bargaining;
- 3.2 the elimination of forced labour;
- 3.3 the prohibition of child labour;
- 3.4 the elimination of discrimination in respect of employment and occupation.

**4. EMPLOYMENT TERMS AND CONDITIONS AND ORGANISATIONAL RIGHTS**

- 4.1 Terms and conditions of employment for each country in which Shoprite Checkers operates, will be in compliance with the legal minimum standards set out in each country for working hours, pay, health & safety, training and holidays.
- 4.2 Collective bargaining, including organisational rights will be effected in terms of agreements concluded with representative trade unions, in accordance with relevant local laws.
- 4.3 Shoprite Checkers and UNI Global Union recognise that every business unit/store must be sustainable in its own right over the long term.

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4.4 The parties aim to ensure that Shoprite Checkers remains a leading retailer, where employment equity and the social upliftment of staff is a central factor within the group's business philosophy.

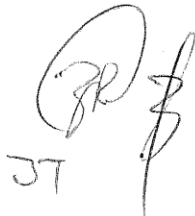
**5. DISCUSSION FORUM**

Shoprite Checkers and UNI Global Union will meet for the purposes of sharing relevant information about Shoprite Checkers' business subject to the following:

- a) Shoprite Checkers and a UNI Global Union delegation will meet on not more than one occasion each year. These meetings will be held in Cape Town, South Africa, or at any other mutually acceptable venue.
- b) A meeting will last as long as necessary, but not more than a day, unless otherwise agreed.
- c) At the joint meeting Shoprite Checkers management will communicate general information regarding Shoprite Checkers' activities and prospects and their impact on employees' interests. The information may include the following:
  - (i) Operational issues relating to Shoprite Checkers at global level;
  - (ii) Current retail activities, focusing on the most significant geographical areas;
  - (iii) Overview of the group's industrial relations in different countries where it operates;
  - (iv) Activities and programmes concerning social responsibility;

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- (v) Health and safety at the workplace.
- d) Shoprite Checkers shall not be obliged to disclose any information which is confidential, proprietary, secret or strategically or commercially sensitive.
- e) UNI Global Union may submit a written request to Shoprite Checkers setting out specific questions that they wish to raise with respect to the items listed in clauses 5 c)(i) to (v) above. Such a request must be received by Shoprite Checkers at least 30 days prior to the proposed meeting.
- f) The meeting will be conducted in English. All written documentation provided by either party will be in that language.
- g) UNI Global Union will bear its own costs arising out of this agreement. These costs include the required travel costs, accommodation and other consequential expenses of UNI officials, representatives, employees, delegates, and affiliate officials. However, if meetings take place on Shoprite Checkers premises, Shoprite Checkers will provide the meeting facilities free of charge. Shoprite Checkers will only be responsible for its own costs.
- h) UNI Global Union delegates who are Shoprite Checkers employees will be given leave to attend the meeting, in line with local arrangements. Employees who form part of the UNI Global Union delegation will be limited to a maximum of two (2) employee delegates per country where an affiliated trade union is recognised.
- i) Any meeting held in terms of this clause does not in any way supersede or replace existing and/or future local and national meetings and existing and/or future agreements.



10.7

**6. INDUSTRIAL ACTION**

In the event that members of a UNI affiliated union engage in any form of strike or other unprotected and/or unlawful industrial action, and if requested by Shoprite Checkers to do so, UNI will take active, appropriate steps to normalize the situation.

**7. UNION ACCESS**

7.1 Uni Global Union agrees that its officials, members and or representatives may only attend on Shoprite Checkers premises with the prior written approval of the relevant country manager.

7.2 Both Parties agree that meetings with workers will be held at a mutually agreed time and place and conducted in a non-disruptive manner.

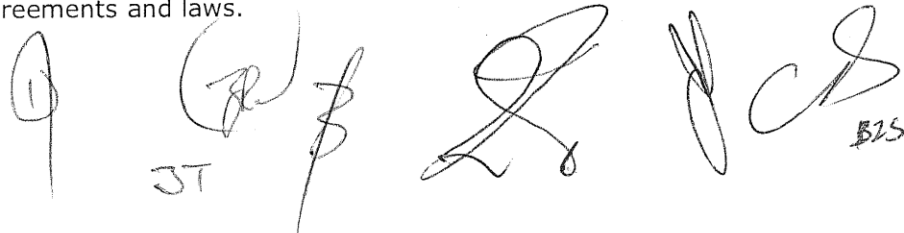
**8. IMPLEMENTATION**

8.1 Shoprite Checkers and UNI Global Union will work together to resolve any disagreement regarding the effective implementation of the principles of this Global Agreement.

8.2 Shoprite Checkers and UNI Global Union will each appoint a contact person.

8.3 Shoprite Checkers accepts responsibility for communication of this agreement to its management.

8.4 UNI Global Union likewise will take proactive steps to ensure that affiliated unions are supportive of local Shoprite operations and work at all times within the letter and spirit of this agreement and any local agreements and laws.



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8.5 Shoprite Checkers and UNI Global Union may translate this agreement into the relevant local languages.

8.6 Shoprite Checkers will strive, in its dealings with suppliers, to engage with those that share its commitment to the principles of good governance.

**9. COMPANY PROCEDURES**

UNI and its affiliates undertake to abide by Shoprite Checkers' procedures, including security procedures, should they attend on Shoprite Checkers premises for any reason. UNI agrees that its officials, members and/or representatives may only attend on such premises with the prior written approval of the relevant Country Manager.

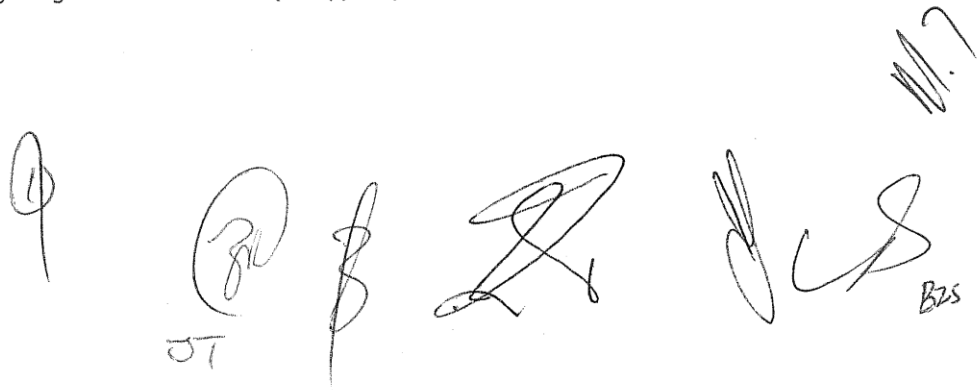
**10. AFFILIATION**

The Unions, set out in the attached schedule, are currently UNI Global Union alliance members and are recognised in Shoprite Checkers' businesses. UNI Global Union herewith undertakes to update this list at the beginning of January each year.

**11. DURATION AND TERMINATION**

11.1 This agreement shall become effective as from the date on which all the parties sign it.

11.2 This agreement may be terminated at any time by the one party giving to the other 60 (sixty) days written notice of termination.



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## 12. SERVICE


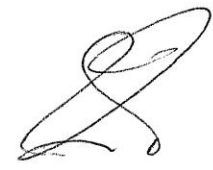

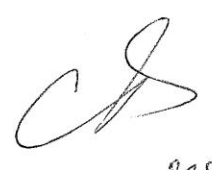
The parties choose as their *domicilia citandi et executandi* for all the purposes under this agreement and any written communication between the parties, the following addresses:

### Shoprite Checkers:

- a. Physical Address: cnr of Old Paarl & William Dabs  
Brackenfell, 7560
- b. Postal Address: PO Box 215, Brackenfell, 7561
- c. Contact Person: Mr Gerhard Oosthuizen
- d. Telephone Number: 012 6212206
- e. Cell Number: 082 3311242
- f. Fax Number: 012 621 2329
- g. Email Address: geosthuizen@shoprite.co.za

### The Union:


- a. Physical Address: 8-10 Av. Reverdil 1260 Nyon Switzerland /  
11 Leyds Street, Braamfontein, 2017
- b. Postal Address: 8-10 Av. Reverdil 1260 Nyon Switzerland
- c. Contact Person: Keith Jacobs 
- d. Telephone Number: 011 403 9839 

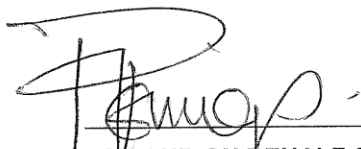
     
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- e. Cell Number: 082 650 6210
- f. Fax Number: 011 403 9836
- g. Email Address: keith.jacobs@uniglobalunion.org

Either party may change its *domicilia citandi et executandi* to another physical address within the Republic of South Africa provided it gives the other party at least fourteen (14) days written notice thereof by prepaid registered post.


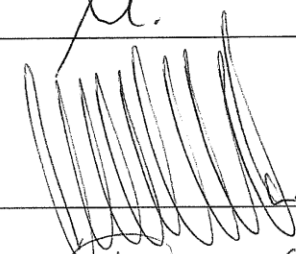


AGREED AND SIGNED at Brackell this 23<sup>rd</sup> day of February ~~2009~~ 2010

  
\_\_\_\_\_  
FOR AND ON BEHALF OF  
SHOPRITE CHECKERS

  
\_\_\_\_\_  
FOR AND ON BEHALF OF  
UNI GLOBAL UNION

As Witnesses:

  
\_\_\_\_\_  
  
\_\_\_\_\_

  
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\_\_\_\_\_

## Appendix 2: Letter from Shop Steward at Shoprite Bulawayo

SHOPRITE BULAWAYO (ZIMBABWE)

Shoprite Checkers  
Box 1095  
Bulawayo

23 September 2009

Re: COMMENTS

Shoprite Bulawayo/Zimbabwe is operating with twenty one members of Staff, after having a closure for (about) five months, i.e. closed 16 November 2008 and opened on 2 April 2009.

1. We have not been getting payslip for three months; only got them end of August 2009.
2. The Staff in Shoprite Bulawayo is working under an unhealthy, unhygienic, poor and bad environment where there is absolutely no ventilation.
  - The air-condition is not at all working with no single window.
  - It stopped working in year 2006, everytime we raise this issue to the Management, they will ~~say~~ tell us that it is too expensive to fix the air-con.
3. The monthly salary for Shoprite Bulawayo Staff is getting smaller and useless every month-end because they cross-rate it i.e. the least paid person is \$ 150.00 US dollar, when we go to the bank they tell us that has reduced our salary to R 1200.00 per each person.
  - No one is getting paid anything above R 1500.00.
4. In Zimbabwe, Shoprite Checkers employees are the least paid, why, because even if we negotiate at Company level, Management will always tell us that the decision is made in Cape Town.



## Appendix 3: Response from Shoprite Holdings Head Office on request for interviews

MAY 07 2009 14:16 0219804881

PERSONNEL

#0065 P.001 /001



REG. NO. 1929/001817/07(PTY)LTD

6 May 2009

Labour Research Service  
7 Community House  
41 Salt River Road  
SALT RIVER  
7925

**PER TELEFAX: 021 447 9244**

**Attention: Ms Michelle Taal**

Dear Sirs

### RESEARCH REQUEST

We refer to your letter of 30 April 2009, addressed to Mr Basson. Your letter and the attachment have been referred to the writer for his attention and reply.

We note that you are engaged in a research project on behalf of Union Network International and SACCAWU.

Although we are currently engaging with Union Network International, we at present do not have a formal relationship with them. We have agreed with SACCAWU that we will not progress anything on the Uni relationship until such time as we have executive approval to enter into an agreement with them, and the terms of such agreement have been approved and an agreement concluded. We do not have at this stage consensus on the terms of possible engagement, and matters are accordingly at quite a delicate stage. In addition, it is not our policy to facilitate or allow broad unspecified interviews with any employees on the basis proposed.

Under the circumstances, we regret that we are not in a position to entertain your request.

Yours faithfully

A handwritten signature in black ink, appearing to be "C J C Burger", written over a printed name.

**C J C BURGER**  
Human Resources Director



CNR WILLIAM DABS & OLD PAARL ROADS, PO BOX 215, BRACKENFELL, 7561, SOUTH AFRICA  
TEL: 27 (0) 21 980-4000, FAX: 27 (0) 21 980-4050, [www.shoprite.co.za](http://www.shoprite.co.za)

DIRECTORS: J W BASSON (CEO), C G GOOSEN, G J ACKERMANN, J M ALBERTS, M BOSMAN, S B BRAUDE, C J C DE W BURGER, A J DE SWARTD, D L P DIEMONT,  
P C ENGELBRECHT, J FOURIE, G FRITZ, A B GARDENER, A GOUWS, D HALLALE, B HARISUNKER, A JANSE VAN RENSBURG, A E KARP, G G KRIEL, P J MALAN,  
G M P MENTZ, E L NEL, S SCHIFF, P TZELLOS, P B VAN DER MERWE, J G VAN DEVENTER, H J VAN ROOYEN, S M VISSER, A C VOSLOO, B R WEYERS, J J ZWENNIS

## Appendix 4: Comparison of clauses in Recognition Agreements

	Namibia	South Africa	Uganda
<b>definition: Employee</b>	...person who works under a full term permanent contract with the company, but excludes managers, assistant manager, trainee managers, and any employee performing managerial functions.		...person with a contract of service with the company
<b>definition: Management</b>	...accredited representatives of Management as well as a person appointed to represent the Company from time to time and shall mean anyone employed by the company who has authority to give instructions to other employees, or, if he has responsibility to ensure that these instructions are carried out, who has the authority to take or initiate disciplinary action and shall include supervisors, controllers and/or trainee managers and "manager" shall have meaning consistent with this definition.		...accredited representatives of Management as well as a person appointed to represent the Company from time to time and shall mean anyone employed by the company who has authority to give instructions to other employees, or, if he has responsibility to ensure that these instructions are carried out, who has the authority to take or initiate disciplinary action and shall include supervisors, controllers and/or trainee managers and "manager" shall have meaning consistent with this definition.
<b>definition: Bargaining Unit</b>	Recognition agreement: ...those not in any of the following occupations, capacities or categories: casual/student/temporary/part-time/fixed term contract / management / security personnel / secretaries / senior clerks / expatriate personnel / furniture sales staff and carpet estimators Union proposal 2007: BU to exclude only managerial positions and security personnel	Under negotiation	Those excluded: casual, part-timers, flexi-timers, temporary, special fixed contract, management, security, ex-pat on fixed term, commission earners, senior positions including: Administrative Supervisor, operations supervisor, buyer clerk, creditors clerk, payroll clerk, financial managers assistant.
<b>Recognition</b>	Fifty-percent plus one / the company retains the right to negotiate with representatives of other employees or acting independent of the union		Membership of not less than 50% of the bargaining unit
<b>Organisational rights</b>	20-25 eligible members - 2 shop stewards / 51 - 100 eligible members - 3 shop stewards / 101+ eligible members - 4 shop stewards	1 for at least 10 members in store, 2 for up to 50 members in store, 1 for each additional 50 members with maximum of 7 per store.	1 shop steward for 15 members per store to a maximum of 3
<b>Company levy on union fees</b>	5%		5%
<b>Negotiating procedures and structures</b>	Once a year, notice 2 months in advance, 5 shop stewards and 1 union official		Once a year, unions to negotiate jointly, proposals 8 weeks prior to expiry, 2 union representatives and 4 shop stewards
<b>Disciplinary</b>	Standard and included in appendix		Standard and included in appendix
<b>Grievance</b>	Standard and included in appendix		Standard and included in appendix
<b>Termination of agreement</b>	2 month notice by either party		2 month notice by either party
<b>Time-off for shop steward</b>	where there are 2 shop stewards - 4 days in total per annum, 6 days for 3 shop stewards, 8 days for 4 shop stewards - paid.	Shop steward 6 days per annum paid for union business, more if the shop steward holds other union positions.	
<b>Other</b>	Shop steward elections / shop steward rights and obligations / shop steward and management meetings / dispute settlement procedure / Peace obligation / Industrial action /		

## Appendix 5: Conditions of employment in Collective Bargaining Agreements

Condition	Sick leave	Annual leave	Overtime pay	Hours of work	Probation	Bargaining Unit covered	Type of agreement	Date of Agreement
Ghana	36 working days in a 3 year cycle	15 working days	During 5 day week : 1.33 Rest days: 2 Public holidays: 2	40 hours per week	3 months	Employees covered by Collective Bargaining Certificate	Multi-year	July 2008 – June 2010
Malawi - from contract of work		18 working days including Saturdays		48 hours per week, Monday to Sunday	3 months	NA	NA	NA
Namibia - from contract of work		18 working days including Saturdays		45 hours per week, Monday to Saturday	3 months	NA	NA	NA
Nigeria		Supervisors -22 working days, others - 20 working days Contract for new entrant: 18 working days including Saturdays	Normal overtime: 1.5 Sundays: 2 Public holidays: 2	45 hours per week		Full-time permanent employees employed at the time of the agreement	Multi-year	December 2008 – June 2011
South Africa	Under negotiation			Variable – 40 – 45 hours per week		Members of the union who are full-time permanent employees, part-timers, flexi-timers.	Multi-year	May 2006 – April 2009
Uganda	In accordance with The Employment Act of 2006	18 working days	Normal overtime: 1.5 Rest days: 2 Public holidays: 2	48 hours per week		Full-time employees in the Bargaining Unit	Multi-year	September 2008 – June 2010
Zambia (CBA and Contract)	90 working days on full pay and 90 on half pay for permanent employees.	24 consecutive days pa in accordance with the Employment Act. Accumulates at 2 days per month from 6 months of service.	During week : 1.5 Rest days: 2 Public holidays: 2	45 hours per week	3 months	All Union members who are full-time employees at the time of signing	Multi-year	July 2007 – June 2009

Condition	Paternity leave	Maternity benefits	Maternity leave	Compassionate leave
Ghana	Not covered	One hour leave per day to nurse for one year	12 weeks on full pay in addition to any period of annual leave entitled to after this period.	3 days per annum for death of immediate family member.
Malawi - from contract of work				
Namibia - from contract of work				
Nigeria				
South Africa	Not discussed.	Alternate suitable work may be provided for up to 6 months after birth. / Day off with pay to ante natal clinic for last 4 months and post natal clinic for the first 6 months and once a month if certificate until child is 12 month.	6 consecutive months, 6 weeks must be taken after the birth or a miscarriage. Maternity leave pay is dependent on continuous service. Up to 33.3% of monthly basic salary paid to full-time workers for the first three months of leave where they have 12 months continuous service. / Adoption leave included	
Uganda	4 working days per annum		60 days on full wages at least 4 weeks of which must be after birth	3 days per annum for death of immediate family member.
Zambia (CBA and Contract)	2 days per annum if spouse is registered with the company	Mother's day - one day leave per month without requiring a medical certificate.	120 days paid leave after 2 years of service	6 days pa (3 days paid) after 6 months of service / female employees granted leave to nurse sick children in hospital.

Condition	Transport	Night Shift Allowance	Lunch Allowance	Termination of employment	Health and safety
Ghana	None – management indicates that this is not standard in Ghana	Under negotiation for workers who work short of the full night shift hours.	Under negotiations - management indicates that most retail outfits in Ghana do not offer lunch.	1 month notice or paying one month's salary in lieu.	Committee to be elected in each store, may include a union member. Company to cover medical assistance for injuries at work.
Malawi - from contract of work					
Namibia - from contract of work					
Nigeria	Allowance paid to full-time permanent employees /	10% basic hourly salary for full time permanent employees only			Company to cover medical assistance for injuries at work. / Committee to look into National Health Insurance Scheme /
South Africa					
Uganda	Provided for shifts ending after 10pm	Not applicable	Not applicable	As per Employment Act 2006	Committee to be elected in each store, may include a union member. Company to cover medical assistance for injuries at work.
Zambia (CBA and Contract)	Allowance for transport when working late (after 9pm) - this applies only from the third month of a new or re-opened store.	Not discussed	Not discussed		Contract states that prospective employees are required to undergo a medical examination and submitting a medical certificate. If the company deems the prospective employee's health to be unsatisfactory the offer of employment may be withdrawn. / Employee must submit to medical examination at any time the company deems it necessary.

Condition	Other	Retirement age	Union Stewards	Uniforms	Staff discount	Lodging and subsistence
Ghana		60 years	1 per 20 members per store in BU, not more than one per department. 3 days per annum off on full pay for union activities	Provided by the company - negotiations indicate that employees are expected to cover laundering costs, this is being challenged by the union. Contract states that employees may be required to purchase uniform and badge from the company	No – 5% discount to be rolled out	To be covered by company if employee required to work away from store of normal working.
Malawi - from contract of work				Contract states that employees may be required to purchase uniform and badge from the company		
Namibia - from contract of work				Contract states that employees may be required to purchase uniform and badge from the company		
Nigeria	Housing allowance for full-time employees / Leave allowance for full-time permanent employees / End of service gratuity / Redundancy /	10% basic hourly salary for full time permanent employees only	10% basic hourly salary for full time permanent employees only	Contract states that employees may be required to purchase uniform and badge from the company	No	
South Africa	Funeral transport allowance for part-timers subject to 1 year service: Company to pay 50% Funeral Scheme for part-timers: Company to pay 50% of the benefit for members with 1 year service; 50% for members and dependents with 2 years' service.		1 for at least 10 members in store, 2 for up to 50 members in store, 1 for each additional 50 members with maximum of 7 per store.	Under negotiation	Yes	
Uganda	Funeral benefit, Social Security Fund, Severance payment, stock take allowance, long-service awards, medical assistance committee to be established	55 years	1 shop steward for 15 members per store to a maximum of 3	Provided by company	No	To be covered by company if employee required to work away from store of normal working.
Zambia (CBA and Contract)	Transfer allowance / Loans and advances / Funeral & Death benefit / Early medical discharge / Medical regulation / Repatriation / Stock take allowance / Christmas Bonus / Long Service Awards /	55 years		CBA states these are provided by the employer / Contract states that employees may be required to purchase uniform and badge from the company	No	Set allowance to be paid per night away.

## Appendix 6: Changes in Shoprite operations in Africa since 2008 – Store openings and closings

	Shoprite	Checkers	Checkers Hyper	Usave	OK Furniture	OK Express	House & Home	Hungry Lion	OK Franchises
South Africa	+1	+2	-	+5	+5	-	-	-	3 open / 15 close
Angola	-			+1				-	
Botswana	+1	-1			-			-	-
Ghana	-			-					
India	-								
Lesotho	-			-	-	-		-	
Madagascar	-								
Malawi	-			-					
Mauritius	-								
Mozambique	-				-				
Namibia	-	+1		-	-		-	-	1 open
Nigeria	-								
Swaziland	-			-	-			-	
Tanzania	-								
Uganda	-								
Zambia	+1							-	
Zimbabwe	-								
<b>Total</b>	<b>+3</b>	<b>+2</b>	<b>-</b>	<b>+6</b>	<b>+5</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-11</b>

## Appendix 7: Beneficial shareholders of Shoprite holding of one percent or more

Name of shareholder	Number of shares	Percentage of shareholding
Public Investment Corporation	73 139 556	13,46
Titan Nominees (Pty) Ltd	48 813 334	8,98
Shoprite Checkers (Pty) Ltd	35 653 533	6,53
Thibault Square Financial Services (Pty) Ltd	32 000 000	5,89
Sanlam	27 323 731	5,03
Liberty Group	15 315 330	2,82
State Sreet Bank for the Ben of Legacy lbt Wst	12 848 860	2,6
Allan Gray Equity Fund	12 262 746	2,26
Allan Gray Balanced Fund	11 956 895	2,20
Namibian Government Institutions Pension Fund	11 446 477	2,11
Nedbank Rainmaker Equity Fund	10 885 000	2,00
Old Mutual Life Assurance Company SA	10 761 316	1,98
Allan Gray Global Balanced Portfolio	5 773 474	1,06
Le Roux, JF (Rotrust (Pty) Ltd)	5 465 705	1,01

Source: Shoprite Holdings website

## Appendix 8: Document request pack to unions

### (3) DOCUMENT PACK

1. Fill out your contact details where indicated (FORM C -FES, D - Union delegate and E - Shop steward)
2. File the collected documents in number order behind the cover sheets in this pack and complete details on the cover sheet including initialling.
3. Union delegate and FES to complete relevant checklist (FORM F - FES and G -Union delegate)

#### Contact Details:

**Gerd Botterweck**  
Resident Director  
Friedrich-Ebert-Stiftung  
Zambia Office  
Tel. +260 1 295615/6  
Fax: +260 1 293557

**Saliem Patel / Michelle Taal**  
Labour Research Service  
7 Community House,  
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PO Box 376  
Woodstock  
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South Africa

Tel: +27214471677  
Fax: +27214479244  
Mobile: +27728955894  
Email: [michelle@lrs.org.za](mailto:michelle@lrs.org.za)

**Keith Jacobs**  
UNI Africa  
Email: [keith@union.org.za](mailto:keith@union.org.za)



**FORM C: FES STAFF MEMBER INFORMATION**

<b>COUNTRY:</b>
-----------------

<b>Name of FES Staff Member working on this project:</b>
--

<b>Address:</b>

<b>Email address (1):</b>
<b>Email address (2):</b>

<b>Telephone:</b>
Work:
Mobile:

**FORM D: TRADE UNION DELEGATE CONTACT INFORMATION**

<b>Name of Trade Unionist working on this project:</b>
--

<b>Name of Trade Union</b>
----------------------------

<b>Address:</b>
<b>Email address (1):</b>
<b>Email address (2):</b>

<b>Telephone:</b>
Work:
Mobile:

**FORM E: SHOP STEWARD CONTACT INFORMATION**

<b>Name of Alliance Shop steward working on this project:</b>
---

<b>Name of Trade Union</b>
----------------------------

<b>Address:</b>
<b>Email address (1):</b>
<b>Email address (2):</b>

<b>Telephone:</b>
Work:
Mobile:

**FORM F: DOCUMENT CHECKLIST - TO BE COMPLETED BY FES STAFF MEMBER and TU REPRESENTATIVE**

LIST OF DOCUMENTS	PERSON RESPONSIBLE FOR COLLECTION	COMPLETED	PARTLY COMPLETED	NOT AVAILABLE
<b>1. Agreements and employment contracts -</b>				
1.1. current recognition agreement				
1.2. previous recognition agreements				
1.3. current collective bargaining agreement				
1.4. previous collective bargaining agreements				
1.5. written proposals for the amendment of recognition or collective bargaining agreements				
1.6. minutes/reports of negotiations				
1.7. Information on job grades and job titles				
1.8. employment contracts and pay slips				
<b>2. Employment regulations and research articles</b>				
2.1. Employment				
2.1.1. company regulations on workers' wages and conditions				
2.1.2. national laws and regulations on conditions and wages				
2.2. Research / articles				
2.2.1. research papers on the retail sector in the country				
2.2.2. newspaper articles on the retail sector in the country				
2.2.3. written analysis of the retail sector in the country				
<b>3. Union membership / activity</b>				
3.1. Union membership				
3.1.1. updated union membership breakdown at Shoprite				
3.1.2. number of Shoprite stores with at least one shop steward				
3.1.3. number of shop stewards at Shoprite stores / operations				
3.1.4. updated number of unions organising at Shoprite				
3.1.3 information on other unions organizing at Shoprite				
3.1.4 recognition agreements for other unions				
3.1.5 Collective bargaining agreements for other unions				
3.2. Union activity				
3.2.1. TU written reports of industrial action by unions or workers at Shoprite in the past three years				
3.2.2. press coverage of this industrial action				
<b>4. Contact details to be completed</b>				
4.1. contact details for two other shop stewards				
4.2. contact details of trade union members that are managers				
4.3. contact details of other unions organising at Shoprite				
<b>5. Any other documentation</b>				

\_\_\_\_\_  
SIGNATURE

\_\_\_\_\_  
PRINT NAME

\_\_\_\_\_  
DATE

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**1. Recognition and collective bargaining agreements/employment contracts -**

**1.1. current recognition agreements that have been signed**

1.1.1. Date of agreement: \_\_\_\_\_

**1.2. any previous recognition agreement available**

1.2.1. Date of agreement: \_\_\_\_\_

**TICK BELOW AS APPLICABLE**

QUESTION		YES	NO
1	Has there been a recognition agreement before this one?		
2	Is this the only recognition agreement?		
3	No recognition agreement exists		

**1.3. current collective bargaining agreement**

1.3.1. Date of agreement: \_\_\_\_\_

1.3.2. End date of agreement: \_\_\_\_\_

**TICK BELOW AS APPLICABLE**

QUESTION		YES	NO
1	No signed agreement exists		
2	Attached agreement is first with Shoprite		
3	There have been previous agreements (if yes, see 1.4)		

**1.4. two previous collective bargaining agreements**

**1.4.1. Agreement 1**

1.4.1.1. Date of agreement: \_\_\_\_\_

1.4.1.2. End date of agreement: \_\_\_\_\_

**1.4.2. Agreement 2**

1.4.2.1. Date of agreement: \_\_\_\_\_

1.4.2.2. End date of agreement: \_\_\_\_\_

**1.5. any written proposals by the union for the amendment of recognition or collective bargaining agreements**

1.5.1. Please complete the table below for proposals included:

NATURE OF PROPOSAL	DATE ACCEPTED BY SHOPRITE	DATE REFUSED BY SHOPRITE	STILL IN PROGRESS	NOT YET SUBMITTED TO SHOPRITE
1				
2				
3				
4				

**1.6. minutes/reports of negotiations available in the union and from shop stewards participating in the a negotiations**

1.6.1. Please complete the table below for minutes/ reports included:

DOCUMENT TITLE	DATE OF REPORT / MINUTE
1	
2	
3	

**1.7. information on job grades and job titles on Shoprite in your country**

1.7.1. Documents included:

1.7.1.1. \_\_\_\_\_

1.7.1.2. \_\_\_\_\_

**1.8. employment contracts and pay slips for workers:**

- 1.8.1. where there are various contracts for different grades or functions one example of each contract should be included
- 1.8.2. Where there are part-time and full-time workers in the same position please include a contract or pay slip for each type of work

**PLEASE COMPLETE THE TABLE BELOW DESCRIBING THE DOCUMENTS INCLUDED**

	GRADE	FUNCTION	FULL-TIME	PART-TIME	OUTSOURCED	PAYSLIP or CONTRACT INCLUDED
1						
2						
3						

**2. Employment regulations and research articles -**

**2.1. Employment**

**2.1.1. documentation of company regulations applying to workers wages and conditions**

2.1.1.1. Regulation applicable 1: \_\_\_\_\_

2.1.1.2. Document date 1: \_\_\_\_\_

2.1.1.3. Regulation applicable 2: \_\_\_\_\_

2.1.1.4. Document date 2: \_\_\_\_\_

(Add further items if applicable)

**2.1.2. documentation of national laws and regulations applicable to conditions of employment and wages**

2.1.2.1. Applicable law / regulation included 1: \_\_\_\_\_

2.1.2.2. Applicable law / regulation included 2: \_\_\_\_\_

2.1.2.3. Applicable law / regulation included 3: \_\_\_\_\_

2.1.2.4. Applicable law / regulation included 4: \_\_\_\_\_

2.1.2.5. Applicable law / regulation included 5: \_\_\_\_\_

(Add further items if applicable)

**2.2. Research / articles**

**2.2.1. relevant research papers on the retail sector in the country (last 3 years)**

2.2.1.1. Date of paper 1: \_\_\_\_\_

2.2.1.2. Title of paper 1: \_\_\_\_\_

2.2.1.3. Source of paper 1: \_\_\_\_\_

2.2.1.4. Date of paper 2: \_\_\_\_\_

2.2.1.5. Title of paper 2: \_\_\_\_\_

2.2.1.6. Source of paper 2: \_\_\_\_\_

(Add further items if applicable)

**2.2.2. relevant newspaper articles on the retail sector in the country (last 3 years)**

2.2.2.1. Source of article 1: \_\_\_\_\_

2.2.2.2. Date of article 1: \_\_\_\_\_

2.2.2.3. Title of article 1: \_\_\_\_\_

2.2.2.4. Source of article 2: \_\_\_\_\_

2.2.2.5. Date of article 2: \_\_\_\_\_

2.2.2.6. Title of article 2: \_\_\_\_\_

**2.2.3. any written analysis of the retail sector in the country (last 3 years)**

- 2.2.3.1. Date of paper 1: \_\_\_\_\_
- 2.2.3.2. Source of paper 1: \_\_\_\_\_
- 2.2.3.3. Title of paper 1: \_\_\_\_\_
- 2.2.3.4. Date of paper 2: \_\_\_\_\_
- 2.2.3.5. Source of paper 2: \_\_\_\_\_
- 2.2.3.6. Title of paper 2: \_\_\_\_\_

(Add further items if applicable)

**3. Union membership / activity**

**3.1. Union membership**

**3.1.1. updated union membership breakdown at Shoprite (use the form provided)**

- 3.1.1.1. Forms completed: Yes / No
- 3.1.2. **number of Shoprite stores / operations with at least one shop steward**
  - 3.1.2.1. Forms completed: Yes / No
- 3.1.3. **number of shop stewards at Shoprite stores / operations**
  - 3.1.3.1. Forms completed: Yes / No
- 3.1.4. **updated number of unions organising at Shoprite operations (use the form provided)**
  - 3.1.4.1. Forms completed: Yes / No
- 3.1.5. **Information on other unions organizing at Shoprite**
  - 3.1.5.1. Forms completed Yes / No
- 3.1.6. **Recognition agreements for other unions organising at Shoprite**
  - 3.1.6.1. Name of other union 1: \_\_\_\_\_
  - 3.1.6.2. Date of recognition agreement 1: \_\_\_\_\_
  - 3.1.6.3. Name of other union 2: \_\_\_\_\_
  - 3.1.6.4. Date of recognition agreement 2: \_\_\_\_\_
- 3.1.7. **Collective bargaining agreements for other unions organising at Shoprite**
  - 3.1.7.1. Name of other union 1: \_\_\_\_\_
  - 3.1.7.2. Date of collective bargaining agreement 1: \_\_\_\_\_
  - 3.1.7.3. Name of other union 2: \_\_\_\_\_
  - 3.1.7.4. Date of collective bargaining agreement 2: \_\_\_\_\_

**3.1 UNION MEMBERSHIP FORMS FOR COMPLETION**

**3.1 Union membership**

**3.1.1 updated union membership breakdown at Shoprite**

Please provide the number of all Shoprite employees, members of union that is a UNI affiliate and or belonging to other unions. (If gender breakdown is not available just fill in the totals)

	Number of Workers at Shoprite			Number of Shoprite workers belonging to UNI Affiliate		
	Men	Women	Total	Men	Women	Total
Full-Time						
Casual / Temporary	-					
<b>Total</b>						

**3.1.2 Number of shop stewards at each brand of Shoprite store/ operation (note down the total number of shop stewards at each brand of store / operation)**

Shoprite	Checkers	Checkers Hyper	Usave	OK Furniture	Power Express	House & Home
Hungry Lion	OK Foods	OK Grocer	OK MiniMark	Sentra and Value	Megsave	SupaSave

**3.1.3 Number of Shoprite stores /operations with at least one shop steward (note down the number of each kind of store at which the union has a shop steward)**

Shoprite	Checkers	Checkers Hyper	Usave	OK Furniture	Power Express	House & Home
Hungry Lion	OK Foods	OK Grocer	OK MiniMark	Sentra and Value	Megsave	SupaSave

**3.1.4 Updated number of unions organising at Shoprite operations**

Which Unions organise in the Shoprite Group in your country?

Name of Union/s involved in bargaining	UNI Member (Y/N)	Contact Details
		General Secretary: Address:

If there is more than one union organising in the Shoprite Group, are all recognised by the Shoprite management?  
(please provide copies of recognition agreements if available)

If there is more than one union, which ones participate in collective bargaining?

Unions That Take Part In Collective Bargaining	Unions That Do Not Take Part In Collective Bargaining

**(please provide latest collective bargaining agreements)**

Unions with a recognition agreement	Unions with no recognition from Shoprite

If there is more than one union organising in the Shoprite Group do the unions cooperate?

If yes, how do you describe the level 

YES	NO
-----	----

 of cooperation?

No Cooperation	Weak	Effective
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If yes, which unions cooperate with each other during collective bargaining with Shoprite?

If there is another union organising at Shoprite, please provide information in the table on the right.

	Number of Shoprite workers belonging to Union		
	Men	Women	Total
Full-Time			
Casual / Temporary			
Total			

Name of Union 1:

**3.2. Union activity**

**3.2.1. any union written reports of industrial action by unions or workers at Shoprite in the past three years**

- 3.2.1.1. Date of report 1: \_\_\_\_\_
- 3.2.1.2. Date of report 2: \_\_\_\_\_
- 3.2.1.3. Date of report 3: \_\_\_\_\_
- 3.2.1.4. Date of report 4: \_\_\_\_\_
- 3.2.1.5. Date of report 5: \_\_\_\_\_

**3.2.2. any press coverage of this industrial action in the past three years**

- 3.2.2.1. Date of article 1: \_\_\_\_\_
- 3.2.2.2. Source of article 1: \_\_\_\_\_
- 3.2.2.3. Title of article 1: \_\_\_\_\_
- 3.2.2.4. Date of article 2: \_\_\_\_\_
- 3.2.2.5. Source of article 2: \_\_\_\_\_
- 3.2.2.6. Title of article 2: \_\_\_\_\_
- 3.2.2.7. Date of article 3: \_\_\_\_\_
- 3.2.2.8. Source of article 3: \_\_\_\_\_
- 3.2.2.9. Title of article 3: \_\_\_\_\_
- 3.2.2.10. Date of article 4: \_\_\_\_\_
- 3.2.2.11. Source of article 4: \_\_\_\_\_
- 3.2.2.12. Title of article 4: \_\_\_\_\_

**4. Contact details to be completed (use the forms provided)**

**4.1. contact details for two other shop stewards in Shoprite**

- 4.1.1. Form completed: Yes / No

**4.2. contact details of trade union members that are managers if any (maximum of three)**

- 4.2.1. Form completed: Yes / No

**4.3. contact details of other unions operating at Shoprite in country**

- 4.3.1. Form completed: Yes / No



**4 CONTACT DETAILS**

**4.1 CONTACT DETAILS FOR TWO OTHER SHOP STEWARDS**

**4.1.1**

<b>Name of shop steward 1:</b>
<b>Job title at store / operation</b>
<b>Name of store / operation :</b>
<b>Location of store/ operation :</b>
<b>Address:</b>
<b>Email address 1:</b>
<b>Email address 2:</b>
<b>Telephone:</b>
<b>Work:</b>
<b>Mobile 1:</b>
<b>Mobile 2:</b>

**4.2 CONTACT DETAILS FOR TRADE UNION MEMBERS THAT ARE MANAGERS**

**4.2.1**

<b>Name of MANAGER:</b>	<b>Name of MANAGER:</b>	<b>Name of MANAGER:</b>
<b>Job title at store / operation</b>	<b>Job title at store / operation</b>	<b>Job title at store / operation</b>
<b>Name of store / operation :</b>	<b>Name of store / operation :</b>	<b>Name of store / operation :</b>
<b>Location of store/ operation :</b>	<b>Location of store/ operation :</b>	<b>Location of store/ operation :</b>
<b>Address:</b>	<b>Address:</b>	<b>Address:</b>
<b>Email address 1:</b>	<b>Email address 1:</b>	<b>Email address 1:</b>
<b>Email address 2:</b>	<b>Email address 2:</b>	<b>Email address 2:</b>
<b>Work telephone:</b>	<b>Work telephone:</b>	<b>Work telephone:</b>
<b>Mobile 1:</b>	<b>Mobile 1:</b>	<b>Mobile 1:</b>
<b>Mobile 2:</b>	<b>Mobile 2:</b>	<b>Mobile 2:</b>

4.3 CONTACT DETAILS OF OTHER UNIONS OPERATING AT SHOPRITE IN THE COUNTRY

4.3.1

<b>Name of UNION:</b>
<b>Name of General Secretary</b>
<b>Name of union organiser / official responsible for Shoprite operations in the country</b>

<b>Address:</b>
<b>Email address 1:</b>
<b>Email address 2:</b>

<b>Telephone:</b>
<b>Work:</b>
<b>Mobile 1:</b>
<b>Mobile 2:</b>

5. Any other relevant information provided

- 5.1. Source of document 1: \_\_\_\_\_
- 5.2. Date of document 1: \_\_\_\_\_
- 5.3. Source of document 2: \_\_\_\_\_
- 5.4. Date of document 2: \_\_\_\_\_
- 5.5. Source of document 3: \_\_\_\_\_
- 5.6. Date of document 3: \_\_\_\_\_

# Never sitting still

Shoprite's trail to top market share

