

**PHARMACEUTICAL SECTOR**

**SUBSTANTIVE AGREEMENT FOR 2023-2025**

**between**

**CHEMICAL, ENERGY, PAPER, PRINTING, WOOD AND ALLIED  
WORKERS' UNION  
(CEPPWAWU)**

**GENERAL INDUSTRIES WORKERS UNION OF SOUTH AFRICA  
(GIWUSA)**

**SOLIDARITY  
(SOLIDARITY)**

**SOUTH AFRICAN CHEMICAL WORKERS' UNION  
(SACWU)**

*(hereinafter referred to as the "Unions")*

**and**

**PARTICIPATING EMPLOYERS IN THE LABOUR AFFAIRS  
ASSOCIATION OF THE PHARMACEUTICAL INDUSTRY  
(LAAPI Employers)**

*(hereinafter referred to as the "Employers")*

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**1. SCOPE:**

- 1.1 The Agreement applies to all employees who fall within existing recognized bargaining units and/or bargaining units as defined in current Recognition Agreements or other Agreements in place at the individual employers listed below, and in the event of dispute regarding the latter (i.e. "other agreements negotiated at plant level") parties reserve their rights in terms of the LRA.
- 1.2 The parties agreed that any further issues regarding scope may be referred to a task team in order to make recommendations for any future wage negotiations, such negotiations to occur and be applicable to the period after the expiry of this agreement. Such task team to have its first sitting within a period of sixty days.
- 1.3 All other terms and conditions of employment not reflected or mentioned in this Agreement shall remain unchanged for the duration of this agreement and will not be impacted by any increase or improvement as set out in this agreement.

**2. PARTICIPATING EMPLOYERS:**

- Adcock Ingram Healthcare (Pty) Ltd. – Clayville Plant, Wadeville Plant, Midrand, Durban, Bloemfontein, Port Elizabeth and Cape Town.
- Adcock Ingram Critical Care (Pty) Ltd. – Aeroton Plant.
- Allied Drug Company (Pty) Ltd.

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- CoMed Health (Pty) Ltd.
- DSV Healthcare
- Fresenius-Kabi Manufacturing SA (Pty) Ltd.
- Glaxo-SmithKline Consumer HealthCare (Pty) Ltd
- Johnson and Johnson (Pty) Ltd– Cape Town
- Mirren (Pty) Ltd.
- Ranbaxy Pharmaceuticals (Pty) Ltd - a SUN PHARMA company
- Pfizer South Africa
- Pharma Q (Pty) Ltd.
- Kiara Health (Pty) Ltd.
- Pharmacare Limited t/a Aspen Pharmacare
- Aspen SA Operations Pty (Ltd) – (Port Elizabeth and East London)

**3. PERIOD OF AGREEMENT:**

- 3.1 This two-year agreement will be for the period 1 July 2023 up to 30 June 2025. (24 months inclusive)
- 3.2 All conditions as agreed in previous Memorandum of Agreements on Wages and Substantive Conditions of Employment between CEPPWAWU, GIWUSA, Solidarity and SACWU and participating Employers remain unchanged with the exceptions as listed below.

**4. WAGES:**

- 4.1 In year one (1 July 2023 to 30 June 2024) an increase of 7% across the board (ATB) will be implemented effective as from 1 July 2023.

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In year two (1 July 2024 to 30 June 2025) an increase of 7% across the board (ATB) will be implemented effective as from 1 July 2024.

The minimum wage of R9 956.15 will increase by the ATB for year one and year two, such ATB being set out above.

- 4.2 The issue of Path to zero harm, the Just Transition (JT) Relating to the Fourth Industrial Revolution (4IR) and the Transition to allow Carbon Economy as well as load shedding short time issues are deemed as plant level issues and will be discussed and negotiated at plant level.

**5. EXEMPTION PROCEDURE:**

Any participating company seeking exemption from any of the conditions of this agreement and/or any conditions agreed to previously through centralised bargaining between the parties, should do so according to the Council's exemptions procedure. (See Annexure "A")

At the time of drafting this agreement none of the participating companies had indicated that they would be seeking exemption from the terms of this agreement.

**6. PEACE OBLIGATION:**

- 6.1 Neither party to this Agreement shall engage in any form of industrial action against the other party regarding any disagreement on wages and other substantive conditions of employment during the entire period of this Agreement, unless disagreement arises out of the implementation and/or interpretation of this Agreement, in which case any party may refer the

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Chemical, Energy, Paper Printing,  
Wood and Allied Workers Union (CEPPWAWU)  
(Who is duly authorised to sign on behalf of the members of CEPPWAWU)

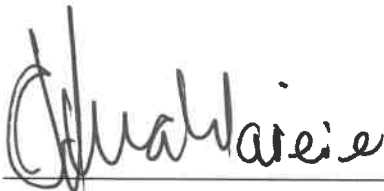
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General Industries Workers Union  
of South Africa (GIWUSA)  
(Who is duly authorised to sign on behalf of the members of GIWUSA)



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South African Chemicals Workers Union  
(SACWU)  
(Who is duly authorised to sign on behalf of the members of SACWU)

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## ANNEXURE A

### EXEMPTION PROCEDURE

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#### 1. INTRODUCTION:

In terms of a Part of the Substantive Agreement, companies seeking exemption from the conditions of this agreement and/or any conditions agreed to previously through centralized bargaining between the parties, should do so according to this procedure.

Applications and procedure for exemptions are regulated by clause 16 of the Constitution.

Where appropriate, provisions of Section 32(3) of the Labour Relations Act (The Act) as amended shall be considered.

The relevant primary objectives of the Act within the context of the advancement of economic development, social justice, labour peace and democratization of the workplace, are found in section 1(d) of the LRA which reads: -

- (i) orderly collective bargaining;
- (ii) collective bargaining at sectoral level;
- (iii) employee participation in decision making in the workplace, and
- (iv) the effective resolution of labour disputes.

#### 2. PRE & POST COUNCIL PROCEDURE:

##### 2.1 CONSULTATION:

2.1.1 Any application for exemption must be preceded by consultations between the relevant employers and employees potentially affected by the exemption at which:-

- a) the merits and any exemption to have been applied for have been considered; and

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b) there has been full disclosure to each other on all information relevant to the consideration of exemption.

2.1.2 The following provisions apply regarding consultations: -

- i. Each employer must hold such consultations with the trade union representative(s) of the affected employees.
- ii. If an employer reasonably believes that the affected employees are not trade union members, or where the relevant trade union representatives do not avail themselves for such consultations within a reasonable time, the employer must consult the affected employees themselves.
- iii. The affected employees, or groups of such employees, may act through a nominated representative that they have elected to represent them. Once they have informed the employer of such representative the employer must, regarding such employees, consult such representative in preference to the trade union to which they belong.

2.1.3 The applicant company must, commencing at least immediately before the application is made to the General Secretary display a copy of the application in a conspicuous place in the workplace(s) where the affected employees normally report for service and ensure that it remains displayed until the exemption license has been granted in terms of these procedures, the application has been withdrawn or the application has been dismissed by the National Exemptions Committee.

## 2.2 CONCILIATION & ARBITRATION PROCEDURES:

2.2.1 The employer if it so wishes to pursue its application for exemption, must within the 30 day period apply to the General Secretary of the council for third party intervention whereupon the Council will provide for a 30 day period for a facilitation/conciliation process to convene.

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- 2.2.2 If the parties can still not reach agreement within a further period of 30 days, the panellist will issue a certificate to the effect that the matter cannot be resolved.
- 2.2.3 The matter shall then be referred to the National Exemption Committee within a period of 60 days for arbitration.
- 2.2.4 The parties to exemption hearing must hold a pre-exemption trial in dealing with the matters referred to in Rule 20, (2) of the rules in conducting the proceedings before the National Bargaining Council for the Chemical Industry.
- 2.2.5 The employer will be required to produce evidence of compliance with Clause 1 of this procedure i.e. "Steps preceding an application for exemption."
- 2.2.6 The evidence required will also include: -

Clear evidence of the financial difficulties facing the employer including: -

- The most recent set of annual financial statements and auditor's report signed by the auditors (or accounting officer in the case of CC's).
  - Management accounts for the period from the date of the financial statements to two months prior to the date of the application.
  - An application may refuse to be accepted by the General Secretary until the requirements of Clause 5 have been complied with.
- 2.2.7 The National Exemptions Committee must consider the application and make the following determination: -
- (a) Whether a refusal to grant an exemption will result in undue financial hardship to the company make the application;
  - (b) The nature and size of the business in respect of which the application is made;
  - (c) Any representations made by the employees likely to be affected by the application;

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- (d) The circumstances prevailing in the Chemical Industry as a whole or the sectors likely to be affected by the application, and
- (e) Whether the granting of the exemption will prejudice the objectives of the Council.

2.2.8 Subject to normal review procedures, the decision of the National Exemptions Committee will be final and binding.

2.2.9 The chairperson or another member of the National Exemptions Committee, acting on the decision of that Committee, shall inform the General Secretary in writing of any decision made by the Committee and its brief reasons.

2.2.10 Once the General Secretary has received the decision of the National Exemptions Committee in terms of this procedure, he/she shall: -

- Issue an exemption award or vary an award already issued; or
- Transmit any other decision of the National Exemptions Committee to the parties to the exemptions dispute as directed by the National Exemptions Committee.
- The National Exemptions Committee would be expected to make its decision within 14 days of having concluded the matter.

### 3. HOW TO FILE AN APPLICATION FOR EXEMPTION WITH THE COUNCIL:

3.1 All applications must, in the first instance, be submitted in writing to the specific sub-sectors co-ordinator or secretariat.

- (i) The sector co-ordinator or secretary must, within 10 working days of the date of the last party signing this agreement, forward copies of the applications received from the participating member company to the General Secretary of the National Bargaining Council for the Chemical Industry as well as to the relevant union(s).

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- (ii) The date of the collective agreement in question is taken from the date on which the last signature of a party to the agreement is recorded.
  - (iii) All applications must specify provisions of the agreement in respect of which the exemption is sought and the reasons why it is sought, and details of the employees in respect of when exemption is sought either by name or by way of a clear description of the category of employees and an introduction of how many employees fall within the category.
- 3.2 All applications for exemption will be dealt with in terms of this procedure.

**PHARMACEUTICAL SECTOR**  
**SUMMARY OF SUBSTANTIVE CONDITIONS OF EMPLOYMENT**  
**PART A: NEGOTIATED ISSUES**

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**1. MINIMUM WAGE**

The minimum wage will increase by the ATB for year one and year two, such ATB being set out in this agreement.

**2. SCOPE**

Any further issues pertaining to the scope of future agreements will be referred to a task team who will assist the parties in attempting to find an amicable solution to the issue of the scope of future wage agreements. The first meeting of the task team to be held within 60 days of signing of this agreement.

It is recorded that each individual employer/workplace will have different parameters and criteria which may decide what the scope of any agreements reached may be.

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The employers are committed to having this issue resolved expeditiously and the employers shall use their best endeavours to expedite the forming of the task team, the agreement pertaining to the parameters/terms of reference of such task team and LAAPI on behalf of its members shall use their best efforts to have the issue of the scope of future agreements finalised on an accelerated basis by the said task team.

The task team will meet within 60 days of signing of this agreement, at a venue to be agreed, to agree the scope, objectives and responsibilities of the task team. This meeting will be conducted in accordance with Council procedures and guidelines.

The first meeting will consist of a maximum 2 delegates per trade union from organised labour and eight delegates from LAAPI and the possible appointment of a facilitator/mediator.

The schedule for further meetings will also be discussed.

The decision of the task team will serve as a recommendation for the next wage negotiations in 2025 and not as a directive.

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## PART B: STATUS QUO ISSUES

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### 1. ANNUAL BONUS

- 1.1 Guaranteed 4.333 times basic weekly wage or 13<sup>th</sup> cheque for monthly paid employees. Paid pro rata for completed months of service in first year.
- 1.2 Pro rata bonus will be paid on termination of service during the year except if the termination is as a result of misconduct/behavioural issues.

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**2. LEAVE:**

**2.1 Annual Leave**

Minimum 15 days for a 5-day week and 18 days for a 6-day week. After 5 years (6<sup>th</sup> leave cycle) increase to 20 and 24 respectfully.

**2.2 Maternity Leave**

2.2.1 Maximum of 6 (six) months paid at 45% of normal basic salary for first 4 (four) months.

2.2.2 An employee who has a miscarriage during the third trimester of pregnancy, or who bears a still-born child, shall be entitled to 6 (six) weeks special maternity leave during which period 45% of basic salary shall be paid and an additional 2 (two) weeks leave may be given on submission of a valid doctor's note.

2.2.3 A pregnant employee shall be entitled to apply for 1 (one) days' paid special leave per month for ante and post natal clinic visits for a maximum of 3 (three) months prior to, and 3 (three) months post birth.

**2.3 Paternity Leave**

A minimum standard of 5 (five) days paternity leave per occasion shall apply. Proof of registration of birth reflecting paternity to be produced within 5 (five) days of the employee returning to work.

**2.4 Child Care Leave**

Maximum of 3 (three) days paid leave during each leave cycle when the employee's child is sick provided employee has been in employment for at least 4 (four) months.

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Reasonable proof of sickness will be required.

Entitlement lapses at the end of the annual leave cycle in which it accrues.

Part of the 3 (three) day's entitlement may be used for calling on the child's school.

## 2.5 Compassionate Leave

Up to 5 (five) days per occasion will be granted in the event of death of employee's spouse, parent, adoptive parent, grandparent, child and adopted child, grandchild or sibling.

## 2.6 Sick Leave

When sick leave entitlement according to the BCEA is exhausted, a maximum of 6 (six) days additional sick leave will be granted subject to the following:

- 2.6.1 Additional entitlement will only be paid to an employee who is an in-patient in a registered hospital.
- 2.6.2 Employees will not be paid this additional sick leave unless a certificate is produced by a registered Medical practitioner confirming the hospitalisation.
- 2.6.3 The 6 (six) days of sick leave applicable in respect of hospital admission will be able to be accrued over the 3 year cycle.

## 2.7 Study Leave

Minimum of 1 (one) day per subject studied plus 1 (one) day per examination written.

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E.S.R. J.M. M.G. V.H.C.M.  
M.A. I.R. N.M.

## 2.8 Shop Steward Leave

Shop stewards attending centralised wage negotiations arranged by the Council will be granted business time off.

## 2.9 Disaster Leave:

Time off will be granted in respect of disasters on a "goodwill basis".

## 3. ALLOWANCES:

### 3.1 Shift Allowance

3.1.1 Minimum of 10% not pensionable. This allowance will remain unchanged for the duration of this agreement.

3.1.2 Night Shift (as defined at plant level) minimum of 12%. This allowance will remain unchanged for the duration of this agreement.

### 3.2 Transport Shift Workers

Employers undertake to ensure that transportation is available between the employee's place of residence and the workplace, at the commencement and conclusion of the employee's shift.

## 4. HOURS OF WORK

Maximum normal working hours of 40 hours per week.

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**5. JOB SECURITY, LABOUR BROKERS AND CONTRACT WORKERS**

Issues of job security and terms and conditions of employment of contract workers, including those employed by Labour Brokers, will be dealt with at plant/company level subject to the proviso that either party may exercise their legal right in law and subject to the proviso that the Unions may exercise their rights to table proposals relating to contract employees in future substantive negotiations.

**6. MEDICAL CERTIFICATES**

For the purpose of granting sick leave, Employers shall accept medical certificates issued and signed by traditional healers on the proviso such traditional healers are registered through an Association which has been formally approved by the National Health Department.

**7. RETIREMENT FUNDS**

As a principle, membership of a retirement fund shall be a condition of employment in respect of employees covered by this Agreement.

**8. OVERTIME MEALS**

8.1 Provided that no employer-provided canteen alternative exists, or that no food is provided by the employer:

A minimum of R5.50 (five rand fifty cents) shall be paid to each employee for food when overtime of not less than 5 (five) hours is worked on Saturdays, Sundays or Public Holidays.

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**9. LONG SERVICE AWARDS**

On completion of:

- 5 years' service R 450.00
- 10 years' service R 675.00
- 15 years' service R1 225.00
- 20 years' service R1 775.00
- 25 years' service R2 325.00
- 30 years' service R2 875.00
- 35 years' service R3 425.00
- 40 years' service R3 975.00
- 45 years' service R4 525.00
- 50 years' service R5 075.00

**10. PLANT LEVEL ISSUES:**

The parties agreed that the following matters have been referred to plant level for negotiations and the parties reserve their rights if there are no agreements.

- 10.1 Maternity leave
- 10.2 Annual Leave
- 10.3 Medical Aid Subsidy

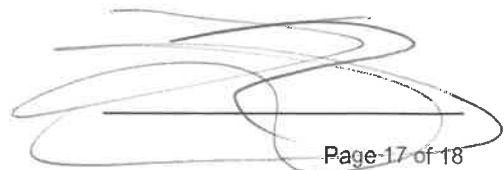
Signed at Johannesburg this 27<sup>th</sup> day of June 2023.

On behalf of:



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Substantive Agreement 2023-2025



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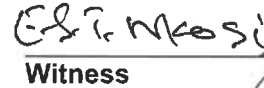
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M.A. N.M.  
IR

For LABOUR AFFAIRS ASSOCIATION  
OF THE PHARMACEUTICAL INDUSTRY (LAAPI)  
(Who is duly authorised to sign on behalf of the members of LAAPI)

Witness



Chemical, Energy, Paper Printing,  
Wood and Allied Workers Union (CEPPWAWU)  
(Who is duly authorised to sign on behalf of the members of CEPPWAWU)

  
Witness



General Industries Workers Union  
of South Africa (GIWUSA)  
(Who is duly authorised to sign on behalf of the members of GIWUSA)

  
Witness



South African Chemicals Workers Union  
(SACWU)  
(Who is duly authorised to sign on behalf of the members of SACWU)

Witness



Solidarity  
(Who is duly authorised to sign on behalf of the members of Solidarity)

Witness

Initials M.M.

