

## TRAINING AND EDUCATION

Reunert's focus on building and developing people is a core value and incorporates our own employees and extends to the group's corporate social investment programme.

### Reunert College

The shortage of suitably qualified students who passed secondary school Mathematics and Science remains a serious concern for the future of South Africa. It is unlikely that this problem will be adequately addressed in the short term, since there are too few talented teachers in these subjects. We remain hopeful that urgent attention will be given to the looming crisis, as a shortage of critical skills will have serious consequences for job creation and for ensuring a stable and successful society.

The Reunert College was established in 1993 to ensure that the growing demand for technical skills from previously disadvantaged people could be satisfied enabling us to compete effectively in local and overseas markets. The college provides a solution-based education process whereby successful participants will secure employment in either Reunert or one of the other sponsors of the college. This approach has evolved over many years and is characterised by a number of key interventions:

- ⇒ Specialised tuition to students from previously disadvantaged communities to improve their matriculation results for Mathematics, Science, English and Accounting. To date close to 800 students have attended this one-year programme.
- ⇒ On completing this guidance year, bursaries are awarded to former college students opening the doors to tertiary education. By December 2009 more than 450 individual bursaries will have been awarded.
- ⇒ To assist the students the Reunert College staff has invested their own time in a service/training intervention named WeGo that is held on a monthly basis at the college. Teachers from surrounding townships are invited to participate in training sessions in Mathematics, Science, English and Accounting. During 2009, 164 teachers attended these sessions.
- ⇒ The principals in surrounding township schools participate in a principal's forum, which is held quarterly at the Reunert College. Altogether 19 township schools take part in this initiative. Strong cooperation exists among participants. We believe this intervention is a crucial prerequisite for improving the schooling system in the shortest possible period of time.
- ⇒ The lifeskills programme and ongoing mentoring and coaching, even after the students leave the college, are important interventions to shape attitude and values for entering the business world.

- ⇒ Control mechanisms are in place to ensure that students are not only employed, but keep their jobs. For this reason, students are drawn close to their prospective employer from an early stage. This creates loyalty which together with a reasonable understanding of how to manage a career has made it possible to reduce labour turnover considerably.

The students who received bursaries have subsequently performed exceptionally well. Since 2005 they have been averaging a mark of 65% for Mathematics at tertiary level. Most of these students are currently employed as engineers, technicians, accountants and marketing executives.

An alumni society was introduced in 2008 and has proved to be successful. Regular contact between former students has been established and a second function was held this year, which was attended by 100 or more previous students who are all employed, many in senior positions. The society has put a number of strategies in place, ranging from assistance to township students, to plans aimed at expanding and replicating the college model.

The Reunert Sales Academy was introduced in 2007 to help those who were unable to receive a bursary from the college, but have the aptitude and profile for successfully entering the sales environment. A number of tests were developed to identify these individuals. Nashua Mobile and Panasonic Business Systems currently employ 37 students who have successfully completed their training at the Reunert Sales Academy. It is expected that this programme will continue in 2010.

The ongoing support of our BEE partner, Peotona, has stood the college in good stead. Their commitment to the college and sound understanding of the college methodology and underlying values, has enabled Peotona to attract a number of sponsors who are currently sponsoring students at the college. This year, Standard Bank sponsored 40 students, following their sponsorship of a similar number of students in 2008. It is anticipated that the bank, together with Reunert, will provide bursary facilities for deserving students who will complete their studies at the college in 2009. The JSE sponsored five students this year and we are hopeful that their sponsorship will continue during 2010. An agreement was concluded with the Zenex Foundation which has agreed to sponsor 15 students for three years, commencing in 2009. We are anticipating that the collaboration with the Zenex Foundation will continue for many years to come.



As from 2009, Reunert College students will write their Mathematics, Science and Accounting exams in accordance with the syllabus and standards of the Independent Examination Board (IEB), which is an internationally recognised standard. The portfolios which students have to prepare prior to and as part of the examination process, were of such a high standard that the IEB did not require them to be validated at national level.

Apart from playing an important role in the Reunert employment equity programme, college staff is required to control, implement and monitor skills in the group. A high standard of skills development and training has been maintained throughout the group, with the college principal serving as the group human resources development manager and coordinator of the group training and development forum.

### Coaching and mentorship

The Reunert Coaching and Mentorship Programme was introduced in 2003 to enable staff to benefit from the structured coaching from experienced employees.

The programme is aimed at the retention and development of high-performing staff – particularly from previously disadvantaged communities. The programme assists in integrating new employees and is instrumental in the development and promotion of existing employees. To date, 363 staff has participated in the programme, of which a significant number has attended follow-up sessions.

The Reunert Core Coaches initiative was launched in 2008, producing 31 coaches, who have been deployed in a number of Reunert companies. They were trained to qualify to a stage one international qualification. This programme is enabling the group to accelerate the mentoring and coaching programme and will also ensure that regular follow-up takes place. As part of a scientific and integrated approach, both mentors and protégés attend an initial training programme which provides the framework for future career and personal development. Not only does the programme assist employees to focus on career goals, but also to understand themselves and their relationships with others. This process causes employees to become more effective in the business environment simultaneously assisting them to improve the enjoyment of their personal lives.

As many of the staff members are being developed in terms of BEE programmes, significant emphasis is given to the understanding of business norms including the correlation between output and remuneration. Staff achievement of those who attended the programme continues to be most encouraging.

### Other training activities

During 2009, all Reunert companies submitted their training reports and workplace skills plans to the relevant sector education and training authorities.

Training courses conducted during the review period spanned the following levels in the group:

Occupational level	Total trained
Managers	129
Professionals	481
Technicians and associated professionals	318
Clerks	551
Services and sales	432
Skilled workers	60
Plant operators	112
Elementary occupations	72
Apprentices/trainees	84
<b>Total number of employees trained: 2009</b>	<b>2 239</b>

Telecom Cables continued with their rejuvenation and upskilling programme which commenced in 2006 at their Brits plant. Since then, a number of well-educated, but unemployed, black youths were employed as operators. These individuals are earmarked for development and promotion into technical, managerial and administrative positions. At least 150 of these operators were, since the programme started, enrolled in specific training courses to give effect to the company's strategy. At least 14 operators were promoted in 2009 and are enrolled for further tertiary studies through the company's education assistance programme. As part of the company's ongoing assessment programme, 25 employees who are currently employed as part of the rejuvenation programme, are being trained and developed as junior, middle and ultimately senior managers.

In conjunction with the company's recognised trade union, the National Union of Metal Workers of South Africa, a pool of 80 previously unemployed youths was trained to participate in a flexible employment practice programme. These youths are deployed from time to time to assist when production peaks occur. It is anticipated that this pool of trained individuals could in future be considered for permanent employment once an upswing in the economy occurs.

Three black graduate engineers completed a two-year internship with CBI-electric: low voltage this year and were offered permanent positions within the commercial division. One of the employees holds an MSc in Electrical Engineering and the other two BSc Electrical Engineering qualifications.

RRS is a major contributor to the University of Stellenbosch's Sunstep initiative. The Sunstep programme provides equipment and training to 25 science educators in 25 new schools over a three-day period on an annual basis. Since inception, an estimated 9 000 learners across all nine provinces were reached through this project. The course focuses on the assembling and understanding of electronic kits, soldering skills and preparing science teachers to understand the electronics module that was added to the new Science curriculum in the country. Teachers are also taught how to set up their own test and exam papers by using the material provided by Sunstep. In addition, the educators are taught how to set up circuits by using crocodile clips. Commencing in 2009, the educators are able to order electronic kits and to independently conduct workshops with learners as well as to transfer skills and knowledge to the learners. The company has contributed R153 000 to this project since inception.

RRS strongly supports the Technology and Human Resources for Industry Programme (THRIP) which support research and technology development as an initiative to stimulate South African industry. This brings together the best of South African researchers, academics and industry leaders in funding partnerships that enable participants to improve the quality of their products, services and people.

RRS supports an initiative undertaken by the University of Stellenbosch engineering faculty to address the critical shortage of engineers that hail from previously disadvantaged communities. During 2009 the university identified 45 grade 12 students with an average score of 70% in Mathematics and Science. RRS sponsored a workshop for these students and their parents during which they were exposed to the various engineering disciplines. The result of this intervention is that 14 of the 45 students have applied to study engineering at Stellenbosch University.

The rapid expansion of Nashua Mobile's distribution system has necessitated the introduction of a fast, high-quality and standardised training system to ensure that customer service is maintained at the highest possible level. The company has successfully introduced the learning management system which will standardise training activities throughout the distribution system. The system is expected to improve the company's ability to market its products and services, to speed up training delivery and to enable real-time assessment of improvements achieved. In addition, it will enable the company to reduce the training time required for new entrants and to simplify the training process throughout the Nashua Mobile group. The company has

introduced a structured management development programme and career pathing for its entire staff, which will assist in attracting and retaining key skills.

### **Bursaries**

In addition to bursaries granted by the Reunert College, many Reunert companies have their own established bursary schemes, for both employees' children and disadvantaged youths.

Telecom Cables provided 56 bursaries for the children of employees from previously disadvantaged communities during 2009. A number of former bursars are currently employed by the company.

CBI-electric: african cables has offered a bursary scheme for employees since 1982. Since inception 330 bursaries have been awarded and in the 2009 academic year, 95% of the available bursaries were awarded to previously disadvantaged individuals. In 2009, 26 bursaries to the children of employees were awarded with a total value of R341 000.

## TRANSFORMATION

### **Employment equity**

All training operations in Reunert maintain an employment equity plan in terms of the Employment Equity Act of 1998. Those plans were formulated and are managed in conjunction with employer representatives of business units. The Reunert College serves as a primary source of employees from previously disadvantaged communities. More than 60 former students are currently employed on either a permanent or temporary basis in the group.

The group's approach to employment equity is part of an integrated plan to ensure a constant stream of entrants to the college and the retention of skills through the Reunert mentorship and coaching programme. These activities emphasise the development of young people from previously disadvantaged communities and all interventions, including the level of funds contributed by group companies, are monitored monthly.

The demographics of the Reunert group have changed significantly since employment equity programmes were first introduced in 1992/3. We are confident that the programmes of the Reunert College, including our mentorship and coaching programme, will stand us in good stead.

## Employee profile as at September 2009 ➔

Total number of employees in South Africa

Occupational levels	Male				Female				Total 2009
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top management	5	—	3	47	4	—	—	2	61
Senior management	9	4	6	106	5	1	3	24	158
Professionally qualified, experienced specialists and middle management	18	17	25	335	11	3	7	77	493
Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents	409	118	102	666	167	80	69	425	2 036
Semi-skilled and discretionary decision-making	682	73	59	134	227	65	50	160	1 450
Unskilled and defined decision-making	331	13	3	6	829	22	2	4	1 210
<b>Total permanent</b>	<b>1 454</b>	<b>225</b>	<b>198</b>	<b>1 294</b>	<b>1 243</b>	<b>171</b>	<b>131</b>	<b>692</b>	<b>5 408</b>
Contract workers	91	63	12	95	112	200	12	59	644
Temporary workers	61	5	1	17	19	11	—	9	123
Trainees	19	1	—	1	8	1	—	—	30
<b>Total non-permanent</b>	<b>171</b>	<b>69</b>	<b>13</b>	<b>113</b>	<b>139</b>	<b>212</b>	<b>12</b>	<b>68</b>	<b>797</b>
<b>Total</b>	<b>1 625</b>	<b>294</b>	<b>211</b>	<b>1 407</b>	<b>1 382</b>	<b>383</b>	<b>143</b>	<b>760</b>	<b>6 205</b>
<b>Total number of employees in foreign countries</b>									
<b>Occupational levels</b>									
Top management									1
Senior management									3
Professionally qualified, experienced specialists and middle management									20
Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents									52
Semi-skilled and discretionary decision-making									2
Unskilled and defined decision-making									26
<b>Total permanent</b>									<b>104</b>
Contract workers									10
Temporary workers									2
<b>Total non-permanent</b>									<b>12</b>
<b>Total</b>									<b>116</b>
<b>Total number of employees in the group (South Africa and those employed in foreign countries)</b>									<b>6 321</b>

## **Broad-based black economic empowerment**

Following the conclusion of an empowerment transaction with members of Peotona in 2007, a rating agency has confirmed that the effective BBEE shareholding in Reunert Limited is 23,1%. Reunert was credited with bonus points as 70% of the shares applicable to the BBEE transaction were allocated to a trust established to further the educational and training needs of previously disadvantaged children.

A total of 42 Nashua Mobile franchises are currently partially or fully owned by previously disadvantaged individuals. During the year, Nashua Mobile provided assistance of approximately R7 million.

Following the publication of the BBEE codes in 2007, most companies in the Reunert group have submitted their BEE credentials to a rating agency for assessment. However, rating agencies remain swamped by the demand to complete the rating process of many South African entities and the process is taking much longer than anticipated. An overall rating of Reunert Limited will, therefore, only be possible once all subsidiaries have been evaluated.

## **Outsourcing, procurement and assistance to small- and medium-sized enterprises**

During the period October 2007 to September 2009, Nashua Mobile has established 42 BEE-owned or partially owned franchises. The company gives financial support to these franchises in respect of rental, shopfitting and ad hoc miscellaneous items.

Nashua Mobile established the Permaculture food garden at the Reagile Primary School in Winnie Mandela Park in April 2008. The Permaculture food garden is managed by nine mothers whose children attend the Reagile Primary School. Aside from preparing meals for more than 400 children every day as part of a feeding scheme, the mothers of the school children have started to generate additional income from surplus garden produce which they sell to the local community. In this manner, fresh fruit, herbs and vegetables are made available to the community.

The small- and medium-sized enterprises and one micro-enterprise established by CBI-electric: african cables have been running successfully for many years. Bogabane Engineering cc, established in January 2002, produces turning work for the

company as well as for a number of small engineering companies in the Vaal Triangle. The company conducts maintenance work and engraves embossing wheels. Atlehang Ma Africa specialises in batting the company's cable drums and continues to grow. Doocks Construction, which has been in business for many years, rewinds galvanised wire used in the company's production process and Xylo, which is responsible for the recovery of scrap metal generated during the company's production process, had another successful year. A micro-enterprise established in 1999 is also starting to prosper. Initially, a former employee started a car-wash enterprise on the company's premises. She has since expanded into another company in Vereeniging.

Reutech Solutions has entered into an enterprise development venture with M World Business Solutions, a small enterprise, by supporting their business with on-site training, quality management, supply of fire-displacing equipment and site construction equipment. The value of this project is R150 000. This company is assisting Tsala Electrical Services (Pty) Limited with preferential payment and procurement terms.

## **Aids**

All group companies have introduced an Aids policy based on a guideline issued by Reunert. It is group policy not to discriminate against anyone who may be HIV positive and all employees who have tested positive are counselled. The strategy is aimed at educating employees about the importance of preventing this potentially fatal medical condition.

A number of subsidiaries have reported specific interventions during the review period. Since 2007 employees at Telecom Cables have participated in a voluntary Aids-testing programme. Those identified as HIV positive are supported by their medical-aid schemes or through programmes provided by the Department of Health.

RRS makes use of communications through a live intraweb which provides monthly information to members of staff about all issues relating to the Aids pandemic. On an annual basis the company has an HIV/Aids awareness week aimed at educating and counselling employees on prevention and management of the condition.



Since October 2006, Nashua Mobile has contracted with a consulting company to provide an HIV/Aids assistance programme. By 2008, approximately 93 education and awareness workshops were conducted across the country. A large number of staff elected to undergo voluntary testing and those who tested positive are on a management programme to help them cope with the disease. This year HIV/Aids assistance was provided as part of an employee wellness programme, in which most members of staff participated.

In the medium term, it is not anticipated that the disease will have an effect on the performance of Reunert companies. Nevertheless, ongoing efforts are being made to reduce and, where possible, prevent the spread of the disease.

**Support to community projects**

Although the group mainly focuses its social investment on educating children, many Reunert companies also contribute meaningfully to a variety of organisations, especially those that provide food and shelter, education and training and assistance to victims of the Aids pandemic. A summary of some of these social interventions is set out below:

Reunert subsidiary	Beneficiary	Nature of investment
Nashua Mobile	Reagile Primary School in Midrand	Fully equipped classrooms built at the school in 2008, over 350 000 meals served over four years. A fully equipped kitchen was donated to the school, including cooking utensils and cleaning equipment. A soccer field was erected including a pavilion with seating for 750 spectators. A soccer league was launched in the Winnie Mandela Community in April 2009. Transportation is provided as well as sports equipment.
	The Ark Foundation	A new initiative launched with the Ark Foundation to facilitate improvement of grade 10 to 12 pupils' command of Mathematics, Science and English through a Saturday school. 180 pupils from Diepsloot were selected for the initiative. The company contributes towards transport and provides food for the attendees.
	The Soweto Hospice	Support for terminally ill children, mostly HIV/Aids sufferers. The company has adopted a paediatric palliative care ward in Soweto Hospice and has pledged R200 000 of support in the financial year.
Telecom Cables	Damonsville Hospice	Money, food and clothing are donated as part of an Aids awareness programme.
	Community Policing Forum	Company Managers Crime Prevention Forum in the Industrial Area
	Centre of Excellence: Optical Communications at the University of Johannesburg	Joint project with Telkom creates a centre of excellence at this South African University.
	Paul Ntinunye Bursary Fund	Annual sponsorship of R100 000.
	Ennis Thabong Farm School	Upliftment of PDI learners in Mpumalanga.

Reunert subsidiary	Beneficiary	Nature of investment
Telecom Cables (continued)	Raboni School Jumbolani School Laerskool Vorentoe Meerhof School for Disabled Children Various projects for the previously disadvantaged.	Donations for erection of facilities, assessment of learners and bursaries for tertiary education.
CBI-electric: african cables	Various projects to provide vacation work and learnerships to previously disadvantaged individuals.	Annual spend: R2 million.
Reutech group	Abangani e Nkosini Fountain of Love Mini Care Centre Nomonde's Orphanage Tembisa Crisis Centre	
Nashua Office Automation		Education, infrastructure and sustainable living. Total annual spend of R802 000.

## THE ENVIRONMENT

The nature of the Reunert businesses is such that they are unlikely to pose any significant environmental risk.

A number of interventions, aimed at improving working conditions, have been implemented.

CBI-electric: african cables complies with the ISO 14001 environment management system. As part of an annual environmental assessment, objectives and targets are set and monitored regularly. The company has a system in place to reduce, recover and recycle waste material. In 2008, a full report on environmental risks and physical stresses was commissioned at the company's Vereeniging factory. The potential risk areas which were assessed included exposure to lead, the presence of hazardous chemical substances, gas and vapours, possible physical stress caused by illumination, noise and heat and the presence of dust and stack emissions. The report showed that the exposure to these potential hazards was generally within acceptable levels. To the extent that certain areas or activities did not comply with acceptable standards, steps have been taken to eliminate all potential hazards.

In 2008, CBI-electric: african cables engaged consultants to do an ergonomics assessment and a survey evaluation of equipment design and the layout of the workplace, with the view to maximising productivity, reducing potential injury and eliminating potential operator fatigue and discomfort. The assessment included the evaluation of spaces which may be confined, conditions that may be too hot or humid, the handling of heavy materials and spinal stress, which could be caused by lack of back support or vibrations in the workplace. The report has resulted in the implementation of a large number of interventions, which are all aimed at improving working conditions.

CBI-electric: low voltage has a comprehensive environmental policy in place to regulate the receiving of hazardous material, the storage and use of hazardous material, the use of personal protective equipment and the disposal and control of hazardous material. In addition, a full-time occupational health sister is on site, working in conjunction with appointed first-aiders. Emergency showers and material safety data sheets are available in the clinic and in all departments handling hazardous material.



Biological monitoring of employees who come into contact with hazardous material is conducted on a regular basis. An industrial effluent analysis report is conducted by the Ekurhuleni Municipality on a monthly basis and any deficiencies which may be reported by the municipality, are corrected immediately.

Telecom Cables has an integrated risk system that encompasses quality, environment, health and safety and all other risk factors. The company is ISO 9000:2000 listed and has embarked on a process to list as an ISO 14001 company. All environmental factors are reviewed by the company on a regular basis.

Telecom Cables conducts a comprehensive safety, health and environmental review every second year. The last survey extended to potential noise pollution, illumination, ventilation and heat stress, dust and volatile organic compounds. In addition, surveys were conducted on the potential presence of copper dust and thinners in certain areas. The result of the survey showed that the exposure to hazardous material was within the relevant occupational limits and, where minor problems were identified, these have been attended to.

During the year Reutech Communications purchased a unit for the extraction of colophony fumes generated by soldering of PC boards in production.

Reutech Fuchs Electronics has a comprehensive system in place to deal with potential environmental hazards:

- All chemical wastes and hazardous materials or metals are disposed through registered disposal companies who are required to issue a post-disposal certificate;
- Fluorescent tubes are disposed of in a safe manner;
- The pH level of the effluent plant is monitored three times daily. In addition, daily monitoring and monthly inspections are undertaken by the city council;
- Non-biodegradable materials are disposed of by registered disposal companies, which are required to issue certificates of proper disposal.

The batteries which are distributed through Pansolutions comply with global IEC standards and are therefore mercury- and lead-free. All air-conditioners distributed by this company are chlorine-free and use the latest HFC refrigerant, to avoid depletion of the ozone layer. The latest air-conditioners are equipped with energy-saving performance features, which reduce electricity consumption and CO<sub>2</sub> emissions.

Office automation products distributed by Pansolutions have earned an energy efficiency star rating. The power usage of broadcast systems has been reduced and has decreased the cost of broadcasting.

Nashua Mobile launched a programme in 2007 to donate R10 to the environmental Foods and Trees for Africa programme, with every subscriber requesting electronic billing rather than receiving paper-based monthly statements. In the current financial year the company's total contribution was R286 000 which brings the total contribution since inception to R458 000. A further initiative is currently under way which will focus particularly on the areas around the stadiums that will be used for the FIFA 2010 football world cup.

## HEALTH AND SAFETY

All group companies comply with relevant legal requirements in respect of health and safety matters.

The following progress was made in 2009:

- Telecom Cables has implemented ISO 14001 which includes health, safety and the environment as well as security and quality. Safety matters are addressed through a well established safety system and an independent audit that took place in 2009 did not identify any fire, safety or security risks.
- CBI-electric: low voltage has a five-star rating for health and safety standards. An independent safety grading audit is conducted annually and occupational health and safety training takes place on an ongoing basis, including training of employee elected representatives.
- CBI-electric: african cables maintained an OHSAS 18001 certification. The company was awarded a four-star grading in an IRCA Safety and Health Audit.
- RRS conducts a series of risk-controlled audits annually. Electrical infrared inspections are conducted on all electrical installations. In addition, a physical audit is performed annually by an independent expert. The company has maintained a five-star rating for several years.