

In compliance with the Employment Equity Act, the AECI Group continues to use the two-tier consultation structure and process, where one representative from each business-specific committee attends and participates in the centralised, Group committee. As in the past, AECI's consolidated Employment Equity report was submitted to the Department of Labour.

Economic empowerment

Investigations into a transaction to facilitate a black ownership initiative in AECI's ordinary shares are at an advanced stage. Such a transaction would complement the Group's other, well established Broad-Based Black Economic Empowerment (BBBEE) strategies. One such long-standing strategy is to involve historically disadvantaged South Africans as equity partners in Group businesses, or as preferred suppliers to Group companies, to the extent that they are the true beneficiaries of such initiatives, without undue disadvantage to shareholders of the Company.

The BBBEE transaction under investigation comprises two elements, the first being the empowerment of permanent South African employees of the AECI Group through an employee share trust and the second being the creation of a perpetual community service trust promoting education and development in areas immediately adjacent to the factories and operations of the AECI Group in South Africa.

It is contemplated that the transaction will be finalised and implemented in 2009.

Employee well-being

Several years ago, AECI's executive committee took a strategic decision to encourage all employees to join AECI's Medical Aid Society. To facilitate this, a low-cost membership option was introduced and, as a result, the vast majority of Group employees and their dependants now have access to affordable medical aid cover. Membership of the medical aid is the first step in moving from a fragmented approach to employee well-being to a consolidated and holistic system.

It is intended that, ultimately, employee assistance programmes, occupational health initiatives, HIV/Aids and other chronic illness interventions, stress management and overall employee health and well-being will be integrated into an overall care system. This should have a positive effect on the cost of providing quality employee benefits and care in future years. In addition, costs associated with factors such as disability cover and employee absenteeism, and impacts on retirement funds, should reduce as a result.

Over and above Group-based initiatives, each AECI company has employee assistance programmes catering for its specific needs. Individual counselling is available for HIV/Aids, trauma, family-related matters, addiction, bereavement and stress-related issues in the workplace or at home.

HIV/Aids

HIV/Aids continues to ravage communities worldwide, with South Africa and Africa as a whole being among the most afflicted regions. AECI recognises that people are a crucial asset and as such the Company is committed to their health and safety. Minimising the effects of this pandemic is an important element of the Company's strategy.

Interventions are concentrated in three main areas:

- prevention against infection, with training and awareness-raising being the main components. A multi-faceted approach is employed, including seminars, newsletters, intranet-based quizzes and plays. Condoms are provided to employees at no cost to them;
- Voluntary Counselling and Testing is available to employees and they are encouraged to make use of the service. This provides an opportunity for one-on-one discussions, tailored to the needs of the individual; and
- treatment for HIV-positive employees. Most of the Company's employees and their dependants are members of medical aids and as such have access to the "Aid for AIDS" programme. The programme provides a practical, comprehensive and caring structure within which infected individuals can receive the best possible care.

A recent knowledge and perception survey showed that a significant stigma is still associated with being HIV-positive. As a result, infected individuals frequently put off testing and treatment until they are already seriously ill. Once this stage is reached, recovery to a reasonable level of health may take a substantial period of time, and is sometimes impossible.