

PHARMACEUTICAL SECTOR

SUBSTANTIVE AGREEMENT 2025

Between

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

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

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

**NATIONAL UNION OF METAL WORKERS
(NUMSA)**

**SOLIDARITY
(SOLIDARITY)**

(hereinafter referred to as the "Organised Labour or the Unions")

and

**PARTICIPATING EMPLOYERS IN THE LABOUR AFFAIRS
ASSOCIATION OF THE PHARMACEUTICAL INDUSTRY
(LAAPI Employers)
*(hereinafter referred to as "employers")***

M.D. and M.
V.A. G.S.T.
Page 1 of 2
Initials M.M. D.M. *[Signature]* *[Signature]*

1. SCOPE:

- 1.1 The Agreement applies to all employees who fall within existing recognized bargaining units and/or bargaining units as defined in any current Recognition Agreements/plant level agreement and/or any employee who earns less than the current earnings threshold
- 1.2 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.
- 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 2025 up to 30 June 2027. (24 months inclusive)
- 3.2 All conditions as agreed in previous Memorandum of Agreements on Wages and Substantive Conditions of Employment between CEPPWAWU, GIWUSA, NUMSA, Solidarity and SACWU and participating Employers remain unchanged with the exceptions as listed below.

4. SALARIES

All employees in the bargaining unit will receive an ATB increase as follows.



The employees monthly basic salary will increase as follows.

- Year 1 ATB increase of 5,5% as from 1 July 2025

A further 0,5% ATB increase on the already awarded increase as from 1 January 2026.

- Year 2 An ATB increase of 5,5% as from 1 July 2026

A further 0,5% ATB increase on the already awarded increase as from 1 January 2027.

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5. MINIMUM SALARY

The minimum salary which is currently R11398-80 will be increased by the ATB on the dates as set out above and shall be applied each year and will increase by the agreed upon ATB percentage as set out in clause 4 for the parties to the Collective Agreement and on the date as determined by the Minister of Employment and Labour for the non-parties to the Collective Agreement.

6. MATERNITY

Employees covered under the scope of this Agreement will be entitled to maternity leave of a maximum of 6 (six) months, during which leave a minimum of 75% of normal basic pay will be paid for the first 4 (four) months.

7. 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.

8. PEACE OBLIGATION:

8.1 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 matter to the Bargaining Council for the Chemical Industry for resolution in terms of the dispute resolution procedure of said Council.

The said prohibition on industrial action does not apply in respect of the specific provision applicable to the Scope of the Agreement, as referred to in Point 1 above.

8.2 For the purpose of this Agreement, "industrial action" means "strikes" and "lock-outs" as defined in the Labour Relations Act, 66 of 1995.

8.3 Any party who reneges on any of the provisions of this Agreement, and who does not comply with the conditions of this Agreement, shall be in breach thereof.

9. PARTIES TO PLEDGE THEIR COMMITMENT TOWARDS THE PROCESS OF EXTENDING THE SECTOR SUBSTANTIVE AGREEMENT TO NON-PARTIES

9.1 The parties commit to extend the Substantive Agreement to non-parties in the sector, ensuring consistent and fair labour standards across the sector.

By collaborating on this extension, parties can promote sector-wide stability, reduce disparities, and prevent potential disputes. this unified approach will benefit both workers and employers by fostering a more cohesive and productive workforce.

10. JUST TRANSITION (JT) AND THE 4th INDUSTRIAL REVOLUTION (4IR) AND THE TRANSITION TO LOW CARBON ECONOMY

The parties agree to discuss this matter and agree to the appointment of a task team.

The parties in the Pharmaceutical Sector including participating Employers, (CEPPWAWU, GIWUSA, Solidarity, NUMSA and SACWU), agree to the establishment of a task team on Path to Zero Harm and Just Transition.

1 Purpose

The purpose of the Task Team is to gain full understanding of Organised Labour's concerns, explore meaningful and practical solutions to address these concerns; and make recommendations on the way forward.

2 Powers

The Task Team is mandated to address and attempt to reach consensus on the guiding principles and framework to address the issues.

All recommendations will be tabled in the form of recommendations to the Parties for possible ratification and adoption.

In conducting its work, the Task Team may commission research, take cognizance of existing research and resource material, legislation and existing processes in the Pharmaceutical Sector member Companies;

co-opt additional members from the Parties, establish ad-hoc technical task teams to conduct specific work and obtain professional technical services from any of the Parties. Where any of the work may require funding, the Task Team will make a recommendation to the Parties as to the source of such funding.

The Task Team has no mandate to enter into any agreement that binds any of the Parties to the recommendations of the Task Team. Where the Task Team cannot reach consensus on the proposed solutions to address any of the identified issues, the Task Team will table a report to the Parties reflecting the differing views in respect of the identified issue(s).

The Task Team may table recommendations to the Parties as they arise, however, the Task Team must table final recommendations on dealing with the identified issues before the end of their tenure.

Once the Task Team has tabled its final recommendation to the parties, the Task Team will be dissolved and the plenary will be convened within one month after the final recommendation.

3 Tenure

The tenure of the Task Team shall be for a period of three (3) months commencing from the 1st of August, September and October 2025. Should the Task Team require more time to complete their work, such extension of tenure must be agreed to by the Parties.

4. Composition (*Only for illustrative purposes*)

The Task Team will be comprised of ten (10) representatives from Organised Labour and ten (10) representatives from the employers

Number of Representatives

CEPPWAWU	2 (1 alternate)
GIWUSA	2 (1 alternate)
NUMSA	2 (1 alternate)
Solidarity	2 (1 alternate)
SACWU	2 (1 alternate)
Pharmaceutical Employers	10 (5 alternates)


CONCLUSION:

This Agreement constitutes a full and final settlement of wages and other substantive conditions of employment and may not be varied upon unless agreed to by all parties concerned, which variation should be reduced to writing and signed by all parties to this Agreement.

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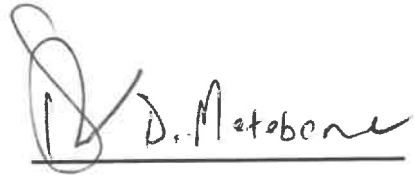
Signed at Johannesburg this 25th day of July 2025.

On behalf of:

 M. MAGAWULANA

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

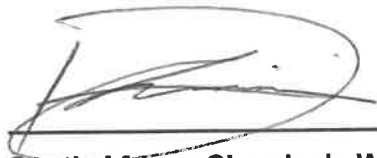


General Industries Workers Union
of South Africa (GIWUSA)

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



Witness

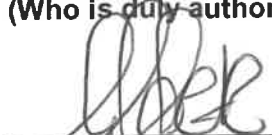


South African Chemicals Workers Union
(SACWU)

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



Witness



Solidarity

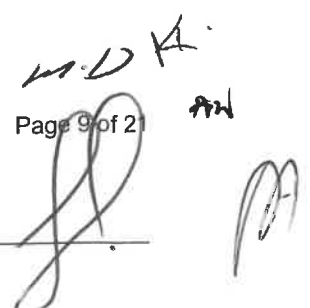
(Who is duly authorised to sign on behalf of the members of Solidarity)

Witness

Substantive Agreement 2025-2027

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V.J.
M.M. A.M.

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**National Union of Metal Workers
(NUMSA)**

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



Witness



V.S



ANNEXURE A

EXEMPTION PROCEDURE

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

- 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.

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;
- (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).
- (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.

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