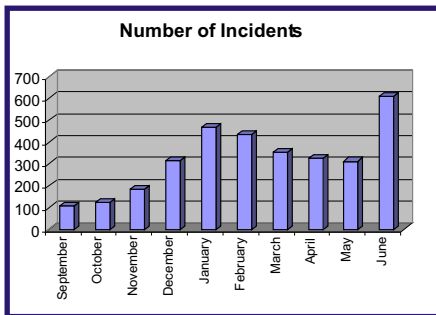


Bulletin

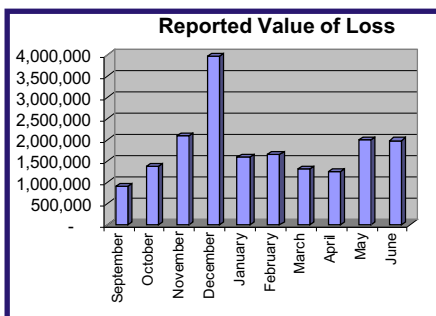
ECR Crime Prevention

June 2003

The two graphs for this month continue to show our major problem: We are still not receiving anywhere near the full quantum of incidents that occur in our members' operations. The major jump in number of incidents for June is mainly the number of shoplifting incidents reported from 275 in May to 595 in June.



As can be seen by the next graph, this does not have a significant impact on the financial losses.



However, informal research among member companies confirms our estimate that Losses due to Crime are between 2.5 and 3% of the Industry's turnover. If we accept that Shrinkage (Unknown Stock Loss discovered at stock take) is 65% of the losses, and approximately one third of losses occur in the 4th Quarter of the year, then the total Value of Loss for the first 6 months of this year for our membership base should be in the order of R245 million. We have just over R18 million recorded.

The challenge to readers of this bulletin is therefore to ensure that your company is reporting all incidents. If you have any doubts, please do not hesitate to call the Crime Office (0861 101 726) and request a detailed schedule of incidents that have been reported for your company or branch.

2. Employers Reference Site

The expansion of the number of users is continuing. We now have 66 of the companies listed at the end of this bulletin actively participating. This of course begs the question as to why the balance, having agreed to participate have not yet got their house in order, and started listing their terminations, and made the ERS enquiry part of the pre-employment screening process; especially when the value of pre-employment screening has proved itself repeatedly.

The ratio of positive matches was 16% for June, with the overall results still running in the order of 10%. The significance of this percentage is that it shows the increasing value of using the

ERS as a pre-screening tool.

If at this early stage we are able to confirm a candidate's work history (or only a part thereof) in one out of ten cases, then it is self evident that the more companies participate, the more the participants will benefit.

3. Security Companies

The level of interest we are receiving from this industry, in participating and co-operating with the FMCG industry continues to please. The sub-committees are working apace on developing "Best practices" in their various focus areas, with some very positive outcomes looming. The ECR Crime Prevention Programme is also participating in the Security Industry Alliance (as an interested party) in developing a response to the proposed new regulations in the private Security Industry legislation.

4. Instant Alerts

The SMS system has now been established. We have listed most of the Store managers' cell phone numbers, and some messages have already gone out.

The potential value of this Initiative should not be underestimated. The old saying forewarned is forearmed is exactly what we are achieving with these messages.

This information obviously needs to get to the Crime Office as soon as possible after such an incident, and therefore we appeal to all Managers of Stores, Warehouses, DCs, etc. to phone these incidents through to the Crime Office as soon as the Police and or Armed Response have been summoned.

The Crime Office staff have been provided with a template of the information required (which is very brief), and will guide the caller through the process. We also have staff on duty after hours.

To ensure the relevant people from your company have been included in this system, please call the Crime Office (0861 101 726).

5. Association of Sales and Merchandising Companies

The ASMC has proposed and agreed the implementation of a standardised form of identification for Merchandisers and other of their staff. The intention of this process is to facilitate entry into the stores, while also providing an additional security measure. Implementation of what is a huge task (taking into account the wide spread nature of this sector) will be getting underway once a number of HR/IR and practical issues have been ironed out.

The expansion of this "Passport" into other sectors of Third Party Service Providers and in-house Floor Staff is under discussion.

6. Logistics SA

The issues that affect the distribution industry form the agenda for this group. A number of issues have been agreed as the initial focus of this group. A plea went out (again) to all companies to provide the Crime Office with their incidents especially Hi-Jackings. The SAPS Operation Road

Runner (anti-hi-jacking) is still active, and we are in need of this information in order to instigate more focused investigations/operations.

7. Industry Participation

The following companies have agreed to participate in the Crime Prevention Program:

- 1 3D Marketing
- 2 Accantia
- 3 ADT Security
- 4 Agfa
- 5 Aluvin
- 6 Anglovaal Industries
- 7 BAT
- 8 Bic
- 9 Bokomo
- 10 Chandel Security
- 11 Chep
- 12 Chubb
- 13 CMR
- 14 Coin Security
- 15 Cold Chain
- 16 Cordiner's
- 17 Daymon International
- 18 Energizer
- 19 Federal Marine
- 20 Fidelity Security
- 21 Firth Brothers
- 22 GP Retail
- 23 Geoff Dakin
- 24 Gillette
- 25 Group 4 Falck
- 26 Imperial Cons. Logistics
- 27 Irvin & Johnson
- 28 Johnson & Johnson
- 29 Kimberly Clark
- 30 Knightwatch Security
- 31 Kodak
- 32 Kraft Foods
- 33 LA Sales
- 34 Lever Ponds
- 35 Lodge Security
- 36 Massguard
- 37 Massmart
- 38 Meridian Sales
- 39 Metro Cash & Carry
- 40 Nampak Tissue
- 41 National Brands
- 42 National Safe
- 43 Nestlé
- 44 Network Field Marketing
- 45 New Clicks
- 46 Nola
- 47 Nutritional Foods
- 48 Pack 'n Stack
- 49 Parmalat
- 50 Pick 'n Pay Group
- 51 Pro Asset Management
- 52 Procter & Gamble
- 53 Quiver Group
- 54 Reef & Rural
- 55 Revert Security
- 56 RFF Foods
- 57 Roche
- 58 Rowlands Pearce
- 59 Shoprite Checkers
- 60 Smollan Holdings
- 61 Southern Sales
- 62 Spar
- 63 Stallion Security
- 64 Strategic S & M
- 65 Supergroup
- 66 Supply Chain Services
- 67 TFD
- 68 Tibbett & Britten
- 69 Tiger Brands
- 70 UBR Foods
- 71 Ullmann Brothers
- 72 Vector Logistics
- 73 Vital Health Foods
- 74 Vital Merchandising
- 75 Widespread
- 76 Wolf Security
- 77 Wolf & Johnstone
- 78 Woolworths