



Briefing by the SABS on its Annual Report FY2022/23 & Performance Results for Quarter 2 FY2023/24

A presentation to the Parliamentary Portfolio Committee on Trade, Industry and Competition

21st November 2023

Dr Sadhvir Bissoon – CEO (Acting)



Opening Remarks - Board Chairperson



- The Board expresses its satisfaction on the unqualified audit opinion expressed by the Auditor General for the 2023 period.
- The recruitment process for the appointment of a permanent CEO is in progress.
- SABS has improved on its performance for 2023, achieving 73% of its Annual Performance Indicators.
- The organisation has concluded its comprehensive review of its operating model and transition to the new organizational structure as we look forward to further organizational stability and sustainable revenue growth.
- SABS continues to play a significant and influential role in regional and international standardisation bodies including ISO, IEC, ARSO and AFSEC
- The introduction of NT cost containment measures and the instruction to refund 10% of the baseline funding for 2023/24 will have an impact on SABS products and services
- The Board is mindful of the various programmes in the planning and implementation phases including the infrastructure upgrade and renewal of laboratory equipment that remains a driving factor for operational efficiencies and respond adequately to market demands
- The upcoming Board Strategy session on 25-26 November 2023 will provide further guidance and strategic direction towards the next iteration of the SABS Corporate plan to be tabled to the dtic in January 2024.
- Board remains committed to providing value-added governance and oversight duties to SABS



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SABS

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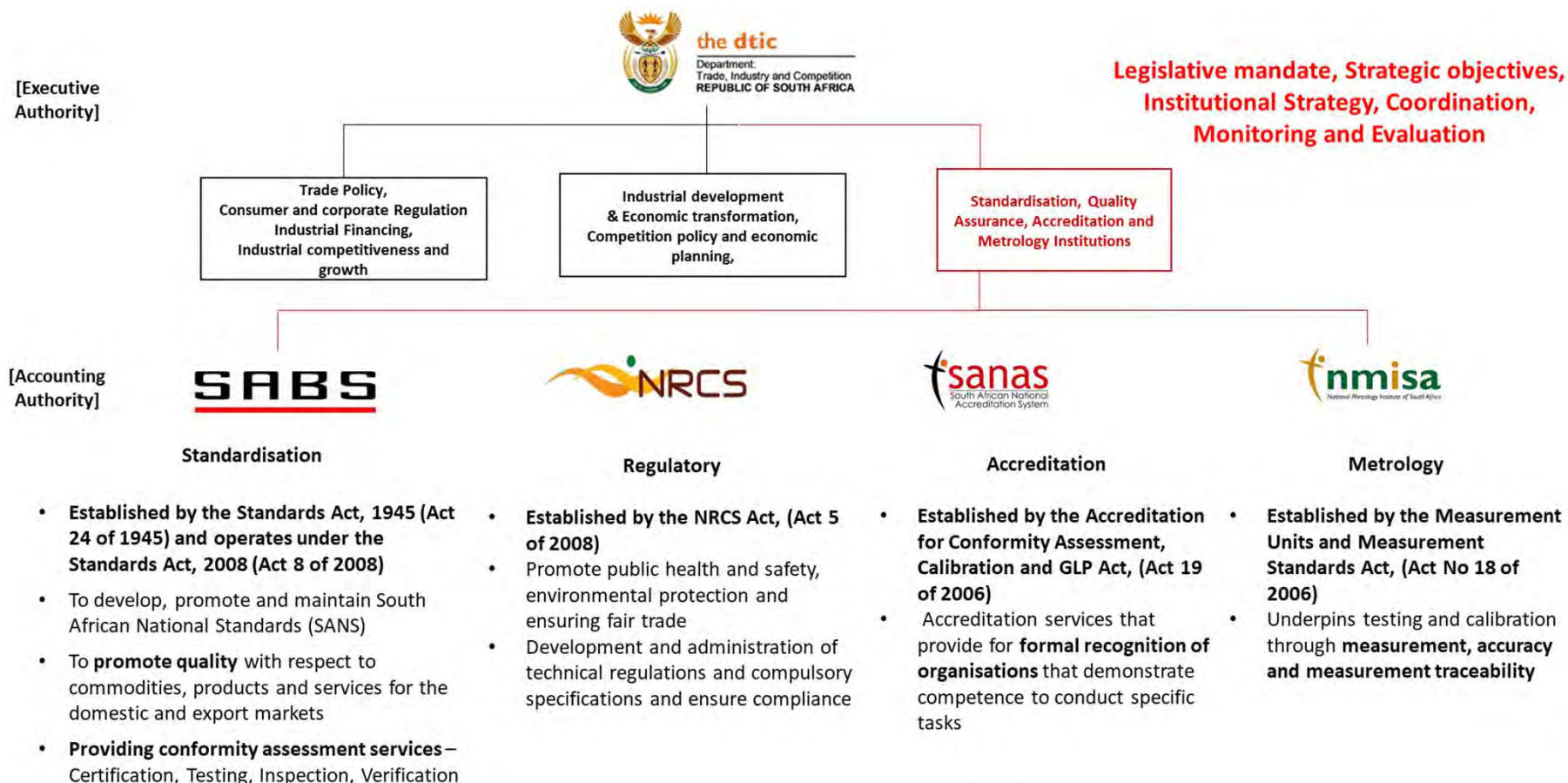
2. SABS Quarter 2 (two) Report

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Legislative mandate

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Organisational Overview

SABS

OUR MANDATE IS TO:



Develop, promote, and maintain South African National Standards (SANS)



Promote quality in connection to commodities, products and services



Render conformity assessment services and related matters

OUR VISION:



To be the trusted standardisation and quality assurance service provider of choice

OUR MISSION:



The SABS provides standards and conformity assessment services to contribute towards the efficient functioning of the economy

OUR VALUES ARE:

Day-to-day activities and business conduct are guided by the following values:

- Excellence
- Customer Centricity
- Accountability
- Integrity
- Innovation



Organisational Strategic Objectives

- Develop, promote, and increase the use of standards
- Provide integrated conformity assessment service solutions
- Achieve and maintain financial sustainability
- Continuous improvement in internal systems and process
- Creating and maintaining a high-performance culture



Products and Services

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- **SABS – Schedule 3B Entity under the PFMA**
- **SABS Commercial provides Conformity Assessment Services:**
 - Testing
 - Certification – Product and System Certification
 - Consignment Inspection
- **Open competitive market for conformity assessment services**
 - More than 35 Certification bodies
 - Over 1,000 Testing Labs
 - More than 200 Inspection Bodies
- **The SABS is an independent third-party Certification Body and Testing Laboratory**



Value-creating business model

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INPUTS



FINANCIAL CAPITAL

Our strong asset base and the grant received from the government allow us access to capital and equity growth. These funds are used to run the business and to finance both expansion and replacement of plant and equipment.

- Equity: R930.5-million (FY2022: R838.9-million)
- Grant: R273.1-million (FY2022: R267.1-million)
- Assets: R1 600.7-billion (FY2022: R1 494.2-billion)



HUMAN CAPITAL

Employees play a critical role in attaining the SABS' vision, delivering on our strategy, serving our clients and fulfilling our mandate.

- 672 permanent employees (FY2022: 738)
- R5.5-million spent on training and development (FY2022: R2.6-million)



SOCIAL & RELATIONSHIP CAPITAL

Our relationships with key stakeholders include clients, partners, regulators, technical committees, SOEs and government.

- 176 technical committees meeting held (FY2022: 302)
- Engaged with top 40 clients
- Engaged with 11 regulators, SOEs and government departments (FY2022: 10)



INTELLECTUAL CAPITAL

Our brand, reputation, knowledge and experience

- More than 78 years of standards development, conformity assessment and promoting quality products.



NATURAL CAPITAL

Our natural resources

- Investment in energy-efficiency technologies.



MANUFACTURING CAPITAL

Our business structure, regional footprint, processes and information technology (IT) systems enable us to render our services nationally.

- Ongoing reorganisation review and new operating model.



OUTCOMES



FINANCIAL CAPITAL

- Assets: R1 600.7-billion (FY2022: R1 494.2-billion)
- Group Net profit: R88.6-million (FY2022: R57.1-million)



HUMAN CAPITAL

- R401.6 million paid in salaries, wages, and benefits (FY2022: R450.9-million)
- 91.37% black employees (FY2022: 90%)
- 48.07% female employees (FY2022: 49.0%)



SOCIAL & RELATIONSHIP CAPITAL

- Assisted 26 SMMEs
- Level 8 B-BBEE contributor (FY2022: non-compliant)



INTELLECTUAL CAPITAL

- 44 women participated in the Women in Leadership Programme
- 474 employees participated in various training interventions



NATURAL CAPITAL

- Electricity consumption (MWh): 19.1(FY2022: 21.8)
- Water consumption (kilolitres): 166 192 (FY2022: 145 134)
- Fuel consumption (litres): (FY2022:47 993 litres)



MANUFACTURING CAPITAL

- Broad footprint through presence in five provinces
- Information technology (IT) infrastructure



Group Performance – FY2023



Key Performance Highlights

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Corporate Scorecard FY2023

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| Strategic objective | Outcome Indicator | FY2023 (Target) | FY2023 (Actual) |
|--|---|--|---|
| Develop, promote, and increase the use of standards | SANS supporting reimagined industrial priority sectors | 80% standardisation commitments | 80% standardisation commitments |
| | Government, SOE, regulatory and related public sector engagements | Ten (10) Stakeholder engagements | Eleven (11) Stakeholder engagements |
| | Report on support provided by the SABS on key identified developmental policy interventions or any other Ministerial directives | Four (4) Reports | Four (4) Reports |
| | Customer Satisfaction Rate | Not measured | Not measured |
| Provide integrated conformity assessment services solution | Net Promoter Score | 70% | 0% |
| | Number of new products, services, and solutions launched | <ul style="list-style-type: none"> Introduce 3x new online courses Launch 2x new certification scheme Introduce 2x new test methods | <ul style="list-style-type: none"> Introduced 3x new online courses Launched 2x new certification schemes Introduced 2x new test methods |
| | Net profit of SABS Group | Loss below R7.7-million | Profit of R88.6-million |
| Achieve and maintain financial sustainability | Cost-to-income-ratio | 104.0% | 90.3% |
| Continuous improvement in internal systems and process | Employee engagement rate | Rating of 3 out of 5 | Rating of 3 out of 5 |
| Creating and maintaining a high-performance culture | % of women supported | 48.0% | 48.1% |
| | % of youth supported | 25.0% | 19.5% |
| | % of persons with disabilities supported | 2.0% | 1.6% |



Standards Division



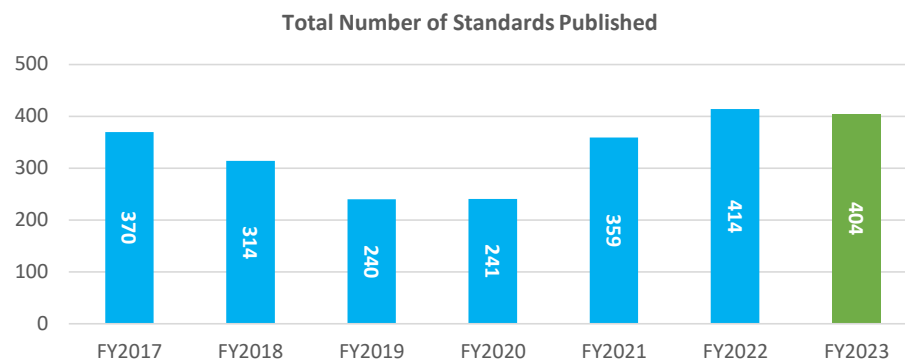
Products and services

- Develop and maintain South African National Standards (SANS), South African Technical Standards (SATS), South African Technical Reports (SATR) and other relevant publications.
- Represent South Africa and strategically participate and influence international and regional standards organisations such as ISO, IEC, ARSO, SADCSTAN, AFSEC and PASC.
- Marketing and distribution of standards and relevant publications through various channels and platforms.
- The SABS is the designated authority to the World Trade Organisation's "Technical Barriers-to-Trade" (WTO/TBT) national enquiry point in South Africa

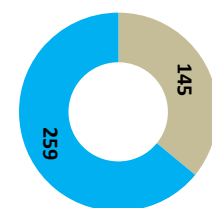
Performance highlights

The Standards Divisions:

- Published 404 standards of which 145 are homegrown and 259 are national adoptions of ISO, IEC and other International Standards
- 318 days turnaround time to publish a standard
- Exceeded revenue target for sales of standards by R4-million.

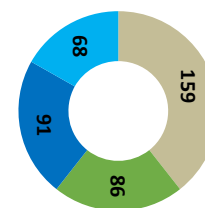


Homegrown vs Adopted National Standards



■ Homegrown ■ Adopted

Standards Published per segment



■ Electrotech ■ Engineering & Built
■ Natural Science ■ Systems & Services



Certification Division

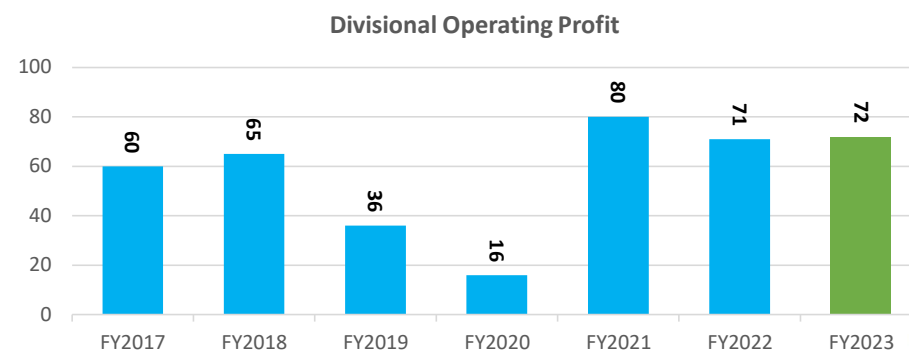
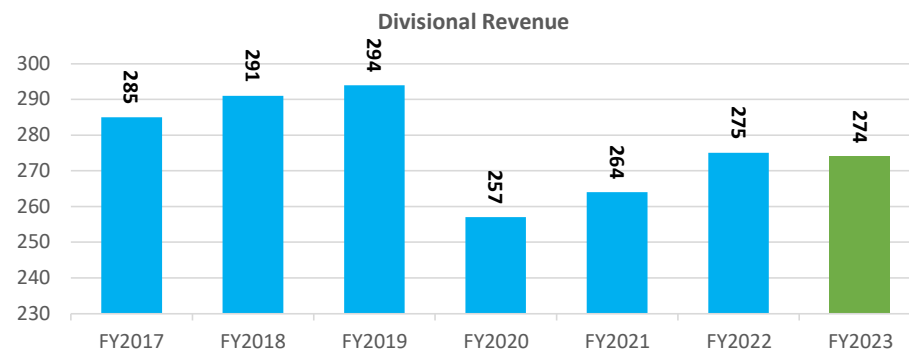
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Products and services

- Certification including quality management systems and product certification (Mark Scheme)
- Local content verification in terms of the implementation guidelines of the recently published Mining Charter as well as fulfilling the verification requirements of designated products and sectors for local procurement in line with the amended regulations to the Preferential Procurement Policy Framework Act (PPPFA)
- Consignment inspections services

Performance highlights

- Development and implementation of new schemes in the Electrotechnical sector
- Accreditation scope expansion in the food sector for both ISO 17021 and ISO 17020
- Maintenance of all its Accreditations (SANAS, RvA & FSSC)



Laboratory Services Division

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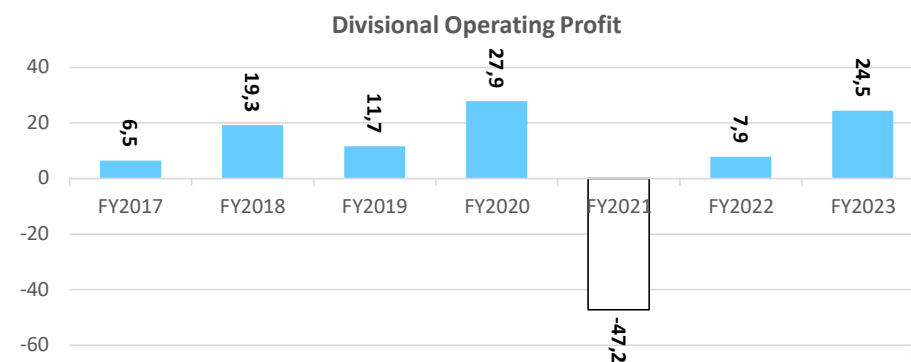
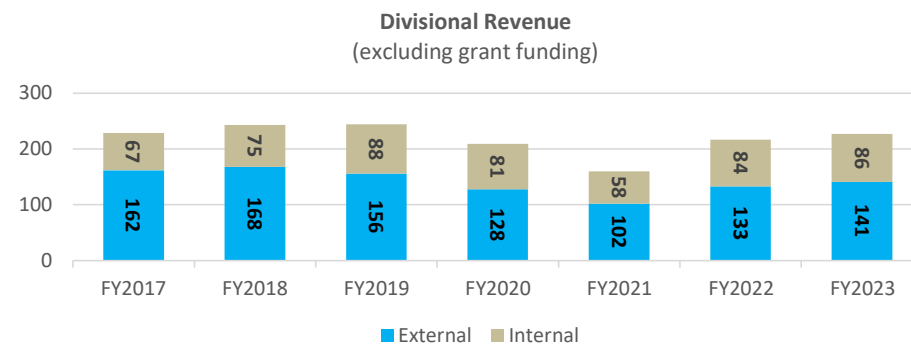
Products and services

- Sampling, testing and analysis
- Environmental monitoring services
- Proficiency Testing Schemes (PTS)
- Reference materials testing

Performance highlights

The Laboratory Services Division:

- Introduced two new test methods
- Achieved external revenue of R141.4-million against the target of R139.1-million
- Managed to maintain accreditation in all assessed laboratories



Customer Partnering

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Performance highlights

- Customer Partnering Satisfaction Index 80% - above target by 10%
- Customer Queries effective closure follow-up 90% - above target by 10%
- Phase 1 of 2 of the Sales Quotation automation process has been completed

| | | FY2023 | FY2022 |
|--------------------------------|-----------|--------|--------|
| Total Value of Quotes issued | R million | 128 | 125 |
| Total Value of Quotes accepted | R million | 47 | 56 |



External Audit FY2023



SABS Group Audit Outcome

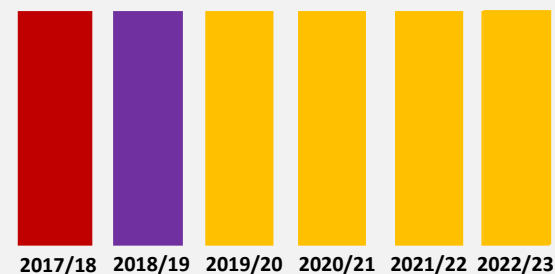


Audit outcome types

| | | | | |
|---|---|---|--|--|
| <p>Unqualified with no findings</p> <p>The financial statements are free from material misstatements (in other words, a financially unqualified audit opinion) and there are no material findings on reporting on performance objectives or non-compliance with legislation.</p> | <p>Unqualified with Findings</p> <p>The financial statements contain no material misstatements, but material findings have been raised on either reporting on predetermined objectives or non-compliance with legislation, or both these aspects. This is referred to as a financially unqualified audit opinion</p> | <p>Qualified with Findings</p> <p>The financial statements contain material misstatements in specific amounts, or there is insufficient evidence to conclude that specific amounts included in the financial statements are not materially misstated</p> | <p>Adverse with Findings</p> <p>The financial statements contain material misstatements that are not confined to specific amounts, or the misstatements represent a substantial portion of the financial statements</p> | <p>Disclaimer with findings</p> <p>Insufficient evidence was provided in the form of documentation on which to base an audit opinion. The lack of sufficient evidence is not confined to specific amounts, or represents a substantial portion of the information contained in the financial statements</p> |
|---|---|---|--|--|



The audit opinion has significantly improved from a disclaimer of opinion in 2017/18 to an unqualified opinion 2019/20 which was maintained until 2022/23. SABS seeks to achieve an unqualified audit with no findings for the period 2023/24



SABS Audit outcome



The AGSA conducted an audit for the 3 main areas, with the following outcome

| # | Area | Areas of Concern | Prior Year Comparison | Planned Future Improvements |
|---|------------------------------------|---|-----------------------|--|
| 1 | Financial Statements | No material findings on AFS, with important and administrative matters | Unchanged | Enhance internal controls |
| 2 | Annual Performance Plan and Report | No material findings on APPR, with important and administrative matters | Improvement | Enhance internal controls |
| 3 | Compliance with legislation | Late submission of AFS, material adjustments to AFS submitted, revenue management (collection) and fruitless and wasteful expenditure | Regressed | Full compliance, enhance internal controls and enhance policies, frameworks & guidelines |



Progress on External Audit findings

The table reflects various categories under which the auditors rated their findings:

- **Annexure A** - represents material findings impacting audit opinion – these are material non-compliances reported on the audit opinion and findings that resulted in material adjustments to the financial statements.
- **Annexure B** - represents other important matters – these are significant matters that are not of administrative nature but not material to impact audit opinion. Majority of findings were rated under this category.
- **Annexure C** - represents administrative matters - These matters are unlikely to result in material misstatements or material non-compliance.

| Category | Resolved | In Progress | Not Accepted | Partially resolved | Total |
|------------|----------|-------------|--------------|--------------------|-------|
| Annexure A | 3 | 6 | - | - | 9 |
| Annexure B | 25 | 28 | 5 | - | 58 |
| Annexure C | 15 | 6 | 1 | - | 22 |
| | 43 | 40 | 6 | | 89 |



SABS Audit Outcome – Material Findings

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| # | Area | Intervention |
|---|---|--|
| 1 | Late submission of AFS and APR | <ul style="list-style-type: none"> • Timelined Interim & Y/E Audit planning monitored from onset of Q4 • New disclosure requirements signed off by Q3 and updated into AFS preparation software • Pre-AFS submission audits concluded by mid-May, |
| 2 | Material misstatements leading to AFS and APR adjustments | <ul style="list-style-type: none"> • Implement strict month-end closure procedures throughout Q4 • Reconciliation of working papers to AFS notes, GL account balances and AFS preparation software • Sign-off new disclosure requirements by Q3 and updated into AFS preparation software • Resource capacitation of the financial accounting unit |
| 3 | Revenue management | <ul style="list-style-type: none"> • Accelerated debtors' collection strategy • Monthly monitoring of debtors' collection levels by EXCO • Stringent customer onboarding credit assessments • Strengthen credit management policies |
| 4 | Expenditure management (IFWE) | <ul style="list-style-type: none"> • Irregular and fruitless and wasteful policy popularization • Stricter consequence management protocols • Root cause analysis to enhance systems of control |



SABS Quarter 2 (two) Report (2023/24) Non-Financial Performance



Develop, promote, and increase the use of standards

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| Output and key performance area | Target (FY2023 / 24) | Target (Q2) | Actual (Q2) | Reason for deviation | Corrective action |
|---|----------------------------------|--|---|--|---|
| SANS supporting reimagined industrial priority sectors | 80% standardisation commitments | Eighty percent (80%) of 11 standards published | Eight (8) standards have been published | The consensus process in the relevant technical committees could not be finalised within the project timelines allocated for the project | Eight out of eleven standards or 73% for Q2 targets were achieved. The relevant technical committees have been engaged to fast track the progress of outstanding publication commitments for Q1 and Q2. It is worth noting that four (4) additional standards targeted for Q3 publication have been achieved. |
| Government, SOE, regulatory and related public sector engagements | Ten (10) Stakeholder engagements | Four (4) Stakeholder engagements | Five (5) Stakeholder engagements | Target met | None required |
| Report on support provided by the SABS on key identified developmental policy interventions or any other Ministerial directives | Four (4) Reports | Two (2) Reports | Two (2) Reports | Target met | None required |



Provide integrated conformity assessment solutions



| Output and key performance area | Target (FY2023 / 24) | Target (Q2) | Actual (Q2) | Reason for deviation | Corrective action |
|--|--|-------------------------|---|----------------------|--|
| Customer Satisfaction Survey | 75% CSS Rate | 65% CSS Rate | 79% CSS Rate | Target met | None required |
| Number of new products, services, solutions launched | Introduce four (4) new online | Two (2) new online | Two (2) new online courses have been achieved | Target met | None required |
| | Introduce one (1) new certification scheme | | | Annual Target | Training on Energy Performance Certification is in progress & appointment of Scheme Developer has been finalised. Target will be achieved in Q4. |
| | Introduce two (2) new tests methods | One (1) new test method | | Target Met | Four (4) are achieved year to date. |



Provide integrated conformity assessment solutions

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| Output and key performance area | Target (FY2023 / 24) | Target (Q2) | Actual (Q2) | Reason for deviation | Corrective action |
|--|--|--|---|---|--|
| Employee engagement rate | Rating of 3 out of 5 | | | Annual Target | Annual Target |
| Economic participation of women, youth, and people with disabilities | 48.0% of women supported | 48.0% of women supported | 48.6% of women supported | Target met | None required |
| | 23.0% of youth supported | 23.0% of youth supported | 19.71% of youth supported | The current process of staff placements into the new structure has been prioritised prior to external appointments being considered | In the new structure focus will be placed on ensuring the placement of women throughout the various levels In the new structure focus will be placed on ensuring the placement of women throughout the various levels |
| | 2.0% of people with disabilities supported | 2.0% of people with disabilities supported | 1.59% of people with disabilities supported | | |



Financial Performance - Q2FY2024



Achieve and maintain financial sustainability

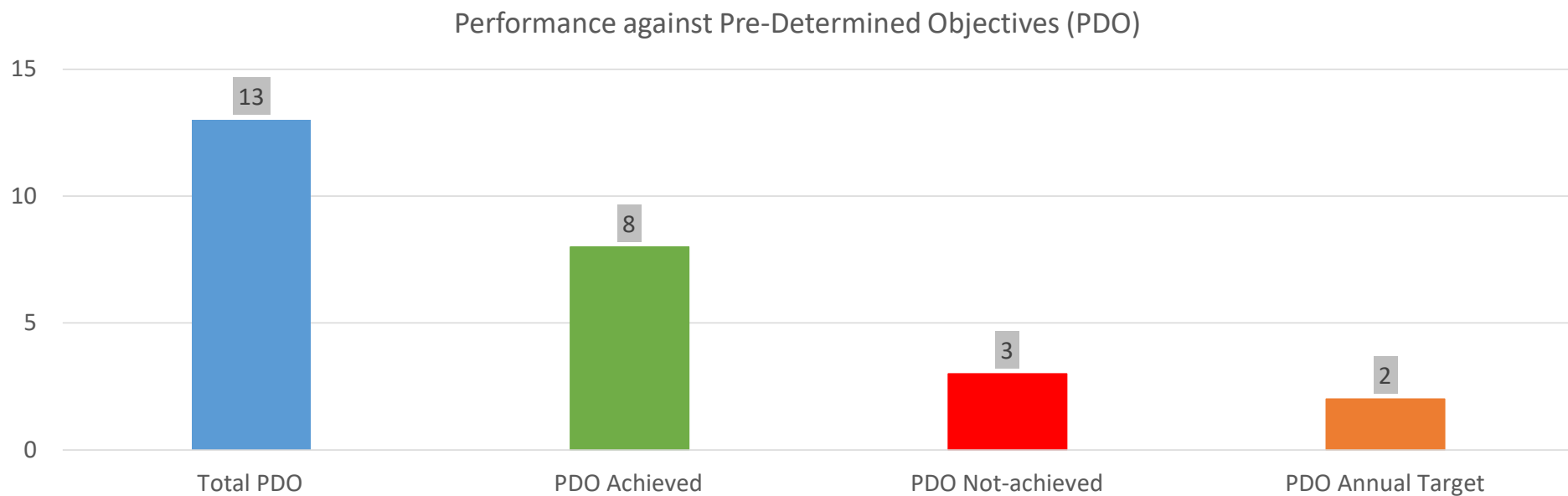


| Output and key performance area | Target (FY2023 / 24) | Target (Q2) | Actual (Q2) | Reason for deviation | Corrective action |
|------------------------------------|------------------------|------------------------|-------------------------|----------------------|-------------------|
| Net profit of SABS Group | Profit of R1.6 million | Profit of R1.1 million | Profit of R47.9 million | Target met | None required |
| Cost-to-income-ratio of SABS Group | 103.7% | 103.5% | 92.3% | Target met | None required |



Summary of Q2 Performance

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73% achievement of performance targets




Financial Performance Q2

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| SABS GROUP - SEPTEMBER 2023 | YTD | | | | |
|--|----------------|----------------|----------------|-------------------------|-----------------------------|
| | Actual | Budget | Prior year | Variance against budget | Variance against prior year |
| | Rm | Rm | Rm | Rm | |
| Commercial Revenue | 219.7 | 226.9 | 216.8 | (7.1) | 2.9 |
| Laboratory Services | 64.6 | 70.2 | 60.2 | (5.5) | 4.5 |
| SMME | 0.0 | 0.0 | 0.1 | 0.0 | (0.1) |
| Certificate of compliance | 3.4 | 7.0 | 6.0 | (3.6) | (2.5) |
| Business solutions and advisory services | 3.9 | 7.1 | 5.1 | (3.1) | (1.2) |
| Product and system certification | 132.2 | 128.3 | 127.8 | 3.9 | 4.4 |
| Sale of publications | 15.5 | 14.3 | 17.7 | 1.2 | (2.2) |
| Other Income | 13.8 | 23.7 | 17.6 | (9.9) | (3.8) |
| Rental Income | 6.1 | 6.4 | 9.4 | (0.4) | (3.3) |
| Other income recognised | 0.0 | 9.7 | 1.8 | (9.7) | (1.8) |
| Sundry Income | 7.7 | 7.6 | 6.4 | 0.1 | 1.3 |
| Government Grant | 148.0 | 148.0 | 127.0 | 0.0 | 21.0 |
| Government grants | 148.0 | 148.0 | 127.0 | 0.0 | 21.0 |
| Total income | 381.5 | 398.6 | 361.4 | (17.1) | 20.1 |
| Administrative and operating expenses | (324.7) | (376.7) | (307.9) | 52.0 | (16.8) |
| Employee benefits | (206.7) | (219.7) | (201.8) | 13.0 | (4.9) |
| Other Expenses | (118.1) | (157.0) | (106.1) | 39.0 | (11.9) |
| Profit/(Loss) from Operations | 56.8 | 21.9 | 53.5 | 34.9 | 3.3 |
| Depreciation | (23.5) | (30.7) | (25.3) | 7.2 | 1.8 |
| Government grants in respect of assets | 8.9 | 7.7 | 9.5 | 1.1 | (0.6) |
| Finance Income or Costs | 31.9 | 11.3 | 12.8 | 20.6 | 19.1 |
| Gains/Losses On Investments | 0.4 | 3.7 | (4.7) | (3.3) | 5.1 |
| Other Income -recovery | 1.0 | 0.0 | 3.9 | 1.0 | (2.8) |
| Other non-operating expenses | (17.7) | (12.8) | (14.1) | (4.9) | (3.6) |
| Profit/ (loss) before corporate charges and tax | 57.8 | 1.1 | 35.7 | 56.7 | 22.1 |
| Taxation | (10.0) | 0.0 | 0.0 | 0.0 | (10.0) |
| Net profit/ (loss) for the period | 47.9 | 1.1 | 35.7 | 56.7 | 12.2 |

| R219.7 million | |
|---|----------|
| Budget | Variance |
| R226.9 million | -R7.1 |
| Trend  | |
| Revenue | |


| R52 million | |
|---|----------------|
| Budget | Variance |
| R324.7 million | R376.7 million |
| Trend  | |
| Expenses | |


Certification
Standard Sales
Testing
BSAS
Certificate of
Compliance



- REM costs
- Contract Services
- Consumables
- Municipal services
- Building and Maintenance



| 92.3% | |
|---|----------|
| Budget | Variance |
| 103.5% | 11% |
| Trend  | |
| Cost-to-Income | |

| R47.9 million | |
|---|---------------|
| Budget | Variance |
| R1.1 million | R46.7 million |
| Trend  | |
| Net Profit | |



SABS contribution to the dtic group output targets - Q2FY2024



Contribution to the dtic output targets

SABS

| Outcome | Outputs | Output Indicators | FY2023/24 (Target) | Q2 Target | Q2 (Actual) |
|--|--|---|--|---|--|
| R40 bn additional local industrial output: in manufacturing and productive services output, measured on a gross basis, from projects that are championed by the dtic family or through social compacting; which will include three categories: actual increased output in the financial year, based on commitments and investments made in the current or prior years; and new projected increased output in the following five financial years, based on commitments secured in the current financial year | Local Content Verification (LCV) Audits | Percentage of LCV projects that are submitted by government entities to the SABS to be completed | 80% of LCV projects that are submitted by government entities to the SABS to be completed | Five (5) projects out twenty-five (25) projects completed | Five (5) projects or 20% of the annual total have been completed |
| | | Percentage of LCV projects tender value that are submitted by government entities to the SABS to be completed | 80% of LCV projects tender value that are submitted by Government entities to the SABS to be completed | - | 81% of LCV tender value that are submitted by Government entities to the SABS are completed |
| New jobs created through interventions a. 65 job opportunities (not permanent) | SABS Annual Internship Programme (Employment for a 12-month period only) | Number of non-permanent jobs created for an annual period only (12 months) through the SABS internship programme | Sixty-five (65) Interns employed for the 2023/24 period only (12-month period) | | 60 interns have been employed year to date |
| Invest in black industrialist (BIS) | Promotion of the SABS standardisation and quality assurance services to Black Industrialists | Host an open day for Black Industrialists to promote SABS standardisation and quality assurance services | Host the SABS Open Day for Black Industrialist | | the dtic will host the BIS Conference in November and SABS will subsequently host an open day there after |
| Support programmes in areas outside the 5 main metros | Outreach and advocacy initiatives on Standardisation and Conformity Assessments | Conduct 5 outreach initiatives to promote standardisation and quality assurance in specific districts outside of the 5 metros | Five (5) Outreach initiatives completed | | <ul style="list-style-type: none"> 1st outreach held in Ventersdorp 2nd outreach scheduled for Estcourt 5 Oct 23 |



Contribution to the dtic output targets

SABS

| Outcome | Outputs | Output Indicators | FY2023/24 (Target) | Q2 Target | Q2 (Actual) |
|---|--|---|--|---|---|
| Support programmes for SMMEs | SMME support on standardisation and conformity assessments | R2 million worth of certification/ inspection testing/ training/ advisory services provided to SMMEs | R2 million SABS services provided | | R1.6 million vouchers issued to qualifying SMME's |
| | SMME support through procurement spend | Rand value of annual procurement spend in support of SMMEs | R74.3 million procurement spend in support of SMMEs | | R41.7 million (year to date) or R23 million (for the quarter) procurement spend in support of SMMEs |
| Support programmes in labour absorbing sectors | Publication of standards to support the Agricultural and Mining Sector | Number of standards published in the Agricultural and Mining Sectors | Four (4) Standards published | | |
| | Conformity Assessment certificates/permits in the Mining sector | Number of certificates/permits issued in the LCV/ Energy Management/ Environmental Management/Product certification scheme in the Mining Sector | 10 certificates/ permits issued in the LCV/ Energy Management/ Environmental Management/ Product certification scheme in the Mining Sector | | Four (4) issued: three (3) certificates and one (1) permit issued |
| Market Inquiries | Management of the WTO Technical Barriers to Trade (TBT) Agreement | 48-Hour Turnaround time on the WTO/TBT enquiries enquiry point (e.g., Access to standards or regulations) | 48- Hour Turnaround time to respond to requests for information | 48- Hour Turnaround time to respond to requests for information | 48- Hour Turnaround time to respond to requests for information |



Contribution to the dtic output targets



| Outcome | Outputs | Output Indicators | FY2023/24 (Target) | Q2 Target | Q2 (Actual) |
|--|--|--|--|-----------|---|
| SEZs: 2 new SEZs designated | Collaboration with SEZs for the provision of standardisation/ conformity assessment services | Agreement (MoU) concluded between SABS and SEZs on the provision of standards/conformity assessment services | MoU concluded with one SEZ on the provision of standardisation/ conformity assessment services | | <ul style="list-style-type: none"> Meeting with Saldanha Freeport has taken place, MoUs with Tshwane Automotive SEZ, Bojanala SEZ & Dube Trade Port to be concluded in Q3 |
| Hosting of Black Industrialist Conference | Promotion of SABS Quality assurance and conformity assessment services to Black Industrialists | Participate in the Black Industrialist Conference through the SABS exhibition stand or other marketing/promotional opportunities | SABS exhibitions stand or other marketing/ promotional opportunities at the Black Industrialist Conference | | The event has been scheduled by the dtic to Nov 2023. SABS will participate in the event |
| Hosting of BRICS Ministerial meeting | Collaboration of BRICS national Standards Bodies on Standardisation and Conformity Assessment services | Hosting of the BRICS Heads of National Standards Body (NSB) Forum 2023 | Hosting of the BRICS Heads of NSB Forum | | Preliminary BRICS NSB Heads Meeting schedule for 19 Oct 2023 BRICS schedule for 29 Nov 2023 |
| | | Finalise the content of the BRICS MOU on Standardisation | Draft MOU on cooperation between the BRICS NSBs | | Draft MOU has been circulated to BRICS NSBs for discussion on 29 Nov 2023 meeting |



Contribution to the dtic output targets



| Outcome | Outputs | Output Indicators | FY2023/24 (Target) | Q2 Target | Q2 (Actual) |
|---|---|---|--|---|---|
| Hosting of AGOA Forum | Participate in the dtic coordinating committee/working group for hosting of the AGOA Forum 2023 | Convene a standardisation/ quality infrastructure event at the AGOA Forum 2023 | Convene a Standardisation/ quality infrastructure event at the AGOA Forum 2023 | | AGOA side event entitled <i>Partnership on Standards and Quality Assurance in support of increased intra-Africa trade with USA</i> will be hosted by the dtic & SABS on 4 Nov 2023 |
| Energy a. Establishment of Energy One-Stop Shop projects supported | Standardisation services in support of Energy Sector | Number of standards published annually within the scope of energy efficiency (new, revised standards). | Five (5) Standards published | | 3 Standard published <ul style="list-style-type: none"> • SANS 60335-2-115, • SANS 60335-2-113, & • SANS 60705. |
| Trade Agreements: TBA (UK, EU, SADC, AFCFTA) | Support the implementation of the AfCFTA agreement through active participation in regional standards bodies i.e., ARSO and AFSEC | Participation in ARSO Technical Harmonisation Committees to develop African Regional Standards and conformity assessment guidelines | Participation in 35 Technical Harmonisation Committees of ARSO | Participated in 29 Technical Harmonisation Committees of ARSO | Participated in 39 Technical Harmonisation Committees of ARSO |
| | | | | | Continuous participation in the ARSO Committees, including the Standards Management Committee (SMC) |



Contribution to the dtic output targets

SABS

| Outcome | Outputs | Output Indicators | FY2023/24 (Target) | Q2 Target | Q2 (Actual) |
|---|--|--|---|---|--|
| Climate initiatives: TBA (White Paper on EV, and Carbon tax border adjustment measures) | Support the EV industry through the publication of national standards & establish conformity assessment services within the scope of EVs | No of standards published on EVs and supporting technologies | 10 Standards published | - | <ul style="list-style-type: none"> Seven (7) draft standards are at the final stages, four (4) out for public enquiry and three (3) have been prepared for public enquiry. All these should be published by end of Q3 2023 |
| | | Establish testing/ certification/Inspection capabilities for EVs and supporting technologies | Complete a feasibility study on conformity assessment services on EVs | | Certification - 1st draft of the feasibility study is completed |
| | | Establishment of a Technical Committee and publish standards in support of Hydrogen Technology | Establish a technical committee on Hydrogen Technology and finalise the Standard Development Business Plan on Hydrogen Technology | Technical committee on Hydrogen Technology established and the Standard Development Business Plan on Hydrogen Technology finalised. | Technical Committee on Hydrogen Technology has been established, National Secretary & members appointed. Business Plan finalised. |



Contribution to the dtic output targets



| Outcome | Outputs | Output Indicators | FY2023/24 (Target) | Q2 Target | Q2 (Actual) |
|---|---|---|---|-----------|--|
| Red tape reduction interventions | Digital enablement of SABS operations | Implement digital solutions to improve operational efficiency | Implement 2 digital solutions to improve operational efficiency | | <ul style="list-style-type: none"> Board Information Management System implemented iPads issued to Board & SABS EXCO |
| | Improve the time for the development of standards | Average number of days to publish standards | 320 average days to publish standards | - | 286 average days to publish standards |
| Profiling of success stories impacted by SABS products/services on stakeholders | Case studies on success stories | Number of case studies | 20 case studies on success stories | 5 | <ul style="list-style-type: none"> Five (5) case studies completed Ten (10) case studies completed for the year |



Customer Case Studies



Customer Case Studies

SABS

SABS

Giving you the Quality edge!

DUNLOP

BELTING PRODUCTS (PTY) LTD

Dunlop Belting Products is South Africa's leading conveyor belt manufacturer. The company is majority Black-owned and is a SBBEE Level Contributor. Dunlop's world class 37,000sqm SABS ISO9001:2015 accredited production facility in Benoni, is the hub from which over 1000 kilometers of locally manufactured conveyor belts are produced per annum.

Essential Needs

Dunlop Belting Products operates in an industry where process efficiency and product compliance are paramount. Dunlop has obtained certifications for various conveyor belt types, namely: Steel cord Reinforced Construction Conveyor Belting – 1366:2013, General Purpose Textile Reinforced Conveyor Belting – 1173:2013, and Textile Reinforced Solid Woven Carcass Construction Conveyor Belting – 968:2013.

These certifications are critical to Dunlop's continued supply of certified locally manufactured conveyor belts – further emphasizing the importance of Dunlop's partnership with SABS. In addition to this, Dunlop's aim is to constantly refine its quality management system through SABS ISO 9001:2015 re-certification.

Of equal importance to Dunlop, is adherence to the Mining Charter (2018), specifically clause 2.2.3 concerning Broad-Based Socio-Economic Empowerment.



"Dunlop's partnership with SABS has not only streamlined our operations but also boosted our reputation and market standing."

— Mr. Mphahlele Mphahlele

Technical Services and Compliance Manager
Dunlop Belting Products (Pty) Ltd



Why the client chose

SABS

Existing Solutions

ISO 9001 • SANS 1366
SANS 1171 • SANS 968

Innovative Approach

To this end, Dunlop is proud to be the only conveyor manufacturer and supplier to achieve local content manufacturing certification from SABS.

The Department of Mineral Resources and Energy (DMRE) requires a minimum of 60% local content. Dunlop's conveyor belts achieve overall compliance as follows: Steel cord – 74%, Piled Fabric – 70% and Solid Woven – 66%.

Dunlop elected to collaborate with SABS for its ability to advance multiple facets of Dunlop's local business. SABS's expertise in process improvement and quality management systems are aligned with Dunlop's requirements for product and system certifications and the partnership has enabled Dunlop to attain critical industry standards. In addition to this, SABS's commitment to supporting local manufacturers resonates with Dunlop's local development philosophy and is consistent with Dunlop's own initiatives to empower South African suppliers.

Future Ahead

LCV • ISO 55001

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Final Remarks

Dunlop's partnership with SABS has been mutually beneficial and has extended beyond mere compliance but rather towards fostering a long-term strategic alliance that will be beneficial towards the continued development of the South African conveyor industry and the local suppliers across the broader conveyor value chain.

SABS is a strategic partner that complements Dunlop's long-term objectives.

Dunlop characterises the relationship with SABS as one that delivers mutual benefit, with both entities wholly committed to support the growth of local manufacturing.

Operationally, the partnership not only ensures compliance, but also 'continuous improvement' – a critical factor to Dunlop's sustainable growth.

Through the partnership with SABS, Dunlop has not only managed to achieve full compliance in product and system certifications, but also process improvements that have resulted in increased operational efficiencies.

Statistics

- Process improvement led to optimized workflow and reduced operational costs
- Elevated customer satisfaction contributes to sustainable sales growth and brand loyalty.
- Sales growth boosts profitability, allowing for expansion and market leadership.
- Enhanced competitiveness through certification sets the company apart in a crowded marketplace.
- Culture focused on continuous improvement propels innovation and employee morale.



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Customer Case Studies

SABS



Giving you the Quality edge!



Listed on multiple prestigious indices, Exxaro specialize in coal, notably running Grootevlei, a global leader in integrated mining and beneficiation. Recognizing the shifting landscape of fossil fuels, they are committed to adapt and redefine their focus into 2030. Exxaro aims to serve shareholders, employees, and society by driving sustainable development and value creation.



Why the client chose

RESULTS TO BUILD
A Winning Team.

Essential Needs

Exxaro faced significant challenges with a manual-intensive transfer process of SABS standards, prone to human error. The tedious system also incurred high costs.

After consultations with SABS, they transitioned to an electronic transfer system, yielding multiple benefits.

This modernization not only reduced the risk of error but also translated into approximately R1m in annual savings for Exxaro.

The company has successfully integrated its Information Management expertise into the new setup, making updates seamless and eliminating manual interventions. This digital shift has been a major operational success for Exxaro.

Existing Solutions

SANS 1313-1 • SANS 485/486

Innovative Approach

The client chose SABS for its comprehensive and rigorous SANS standards, which are instrumental for their engineering and technical teams.

These standards guide the design and construction of projects, aligning them with South African regulations.

Specifically, they have recently utilized SANS 485/486 for conveyor belts made of steel cord or fabric woven and SANS 1313-1 for conveyor idler design and dimensions.

These standards are also integral to the company's laboratory for ensuring quality control and assurance.

Their decision to collaborate with SABS demonstrates a strategic commitment to regulated quality, industry best practices, and a high level of performance.

Final Remarks

In the final analysis, Exxaro's collaboration with SABS has proven to be a resounding success. A key milestone was the transition to an electronic transfer process, which has yielded a cost-saving of approximately R1 million in annual fees for the company.

The newly implemented system functions seamlessly, reflecting the integration of Exxaro's Information Management expertise and eliminating manual interventions.

Additionally, Exxaro's projects are fully compliant with SANS standards, which serve as a valuable reference point during contractual disputes involving sub-standard work from service providers. These standards set the bar for the level of technical compliance expected in the engineering sector.

Above all, the SABS team has been commended for excellent service delivery, particularly in providing timely access, updates, and relevancy of the SANS/SABS standards.

This partnership underscores Exxaro's commitment to quality, efficiency, and industry best practices.

Statistics

- Significant cost savings realized with approximately R1 million in annual fees saved through electronic transfer processes.
- Seamless integration of Information Management systems has eradicated manual errors and streamlined operational efficiency.
- Enhanced quality control and assurance.
- Robust tool for resolving contractual disputes, setting a high bar for technical compliance.
- Exemplary service from the SABS team ensures timely updates, enhancing the relevance and accessibility of SANS/SABS standards.



"Exxaro's partnership with SABS has streamlined our processes, saved us around R1 million p/a. The SABS team's exceptional service is invaluable."

Exxaro's Project
Technical Lead
EXXARO

Future Ahead

LCV • ISO 55001

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Customer Case Studies

SABS

SABS
Giving you the Quality edge!

LASHER TOOLS

For over 90 years, Lasher Tools has been South Africa's leading brand and manufacturer of quality hand tools in sectors like gardening, DIY, and agriculture. As the only local manufacturer of over 1,000 hand tools, Lasher has a robust export network across Africa and beyond. Their ethos centers on innovation, craftsmanship, and reliability, upholding their title as the Metal Masters of Africa since 1929.

Essential Needs

Lasher Tools' primary needs center on maintaining its leadership in the hand tool manufacturing sector. The company requires a consistent production process to ensure high-quality, reliable tools, as its reputation hinges on product excellence.

Lasher is also focused on innovation and craftsmanship to keep up with evolving market demands and technological advancements. Export growth is another vital need, making supply chain efficiency and international quality certifications essential. Given its extensive product range, managing inventory and minimizing waste are also critical.

To meet these multifaceted requirements, Lasher seeks a comprehensive management system that integrates quality control, innovation, and operational efficiency while also supporting its ambitious export goals.



Why the client chose

SABS

Existing Solutions
SANS 9001- SABS MARK

Innovative Approach

Lasher Tools chose SABS Laboratory Services for its highly regarded testing against SANS standards.

By meeting these rigorous criteria, Lasher is authorized to use the SABS mark on its products.

This key certification enables Lasher to set itself apart from competitors offering inferior products.

The SABS mark not only serves as a symbol of quality and reliability but also gives Lasher a significant competitive advantage in the market.

The choice of SABS also aligns with Lasher's longstanding commitment to innovation, craftsmanship, and excellence.

It reinforces the company's mission to produce high-quality tools that consumers can trust, thereby enhancing its reputation and contributing to market leadership.

Final Remarks

In conclusion, Lasher Tools faces significant challenges in competing with cheaper, imported alternatives, yet finds a distinct advantage when tenders or industries mandate the use of "SABS Approved" products, especially in highly-regulated sectors like mining.

However, we've noted a concerning decline in the frequency of requests for SABS specifications and a decrease in consumer awareness about the importance of SABS certification.

To counter this trend, we strongly advocate for the establishment of a comprehensive, searchable directory of all SABS-approved products. Such a resource would be invaluable for procurement departments, individual buyers, and the consumer market at large. It would not only facilitate easy verification of SABS certification claims but also significantly enhance market transparency.

This directory would play a critical role in combating the risks of false advertising and would contribute to maintaining a high level of quality and safety across multiple industries.

Statistics

- Significant market share increase in the mining sector due to SABS-approved product mandates.
- Decline in requests for SABS specifications and approved products, highlighting a market awareness issue.
- Decrease in customer complaints attributable to consistent, high-quality SABS-certified products.
- Reduced risks of regulatory non-compliance, leading to fewer industry-related fines and sanctions.



"Choosing SABS for certification has been important for us. Their rigorous standards have elevated our product quality and given us a distinct edge in competitive markets."

Managing Director
Lasher Tools

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Customer Case Studies

SABS

SABS
Giving you the Quality edge!

SAFIC (PTY) LTD.

Founded in 1981, Safic is SA's top manufacturer and supplier of cleaning chemicals and water treatment tech through its ION Exchange Safic venture. As the first local chemical company to earn ISO 9001, 14001, and 45001 certifications, Safic is committed to quality, sustainability, and social impact. It boasts long-tenured staff and community programs like collaborating with police for safety, embodying its "Let's Care" motto.

Essential Needs

Safic's essential needs include adhering to industry-specific standards like SANS1853, SANS1828, and SANS490 to maintain product quality and regulatory compliance.

The company seeks a credible partner, such as SABS, for certification to validate its commitment to excellence. Given its focus on cleaning and disinfecting chemicals, maintaining customer trust through verified safety and effectiveness is paramount. In a competitive market, Safic also needs to sustain its reputation, both locally and internationally, making certifications a strategic asset.

Additionally, the company is committed to environmental responsibility and occupational safety, aligning with its ISO certifications. Overall, Safic requires rigorous, impartial auditing and certification to mitigate risks, enhance brand credibility, and ensure sustainable growth.

Why the client chose

SABS

Existing Solutions
SANS1853 • SANS1828 • SANS490

Innovative Approach

Safic chose the South African Bureau of Standards (SABS) for its unparalleled expertise in implementing vital industry standards like SANS1853, SANS1828, and SANS490.

Gaining SABS certification ensures that Safic remains compliant with rigorous regulatory requirements, giving the company a distinctive competitive advantage in both local and international markets. Because Safic specializes in cleaning and disinfecting chemicals, aligning with these specific standards is crucial for maintaining high product quality and earning customer trust. The rigorous SABS certification process also seamlessly complements Safic's existing ISO certifications in quality, environmental stewardship, and occupational safety.

Overall, partnering with SABS offers Safic a comprehensive, reliable solution for risk mitigation, brand credibility enhancement, and sustainable business growth.

RESULTS TO BUILD
A Winning Team.

Statistics

- SABS certification ensures compliance with industry standards, reducing risk and enhancing market credibility.
- Meeting SANS standards enabled new market entry, increasing Safic's market share and revenue.
- Certification bolsters Safic's reputation, leading to higher customer retention and referrals.
- SABS certification offers a distinct advantage, making Safic a preferred choice for clients.
- Aligning with SABS supports Safic's commitment to sustainability, attracting eco-conscious customers.

Final Remarks

In conclusion, Safic has successfully positioned itself as a leader in the field of cleaning and maintenance solutions, demonstrating a strong commitment to quality, safety, and sustainability.

Their proactive approach in seeking SABS certification for key industry standards like SANS1853, SANS1828, and SANS490 not only ensures regulatory compliance but also reinforces their brand's trustworthiness.

This allows them to competitively differentiate themselves in both the local and international markets.

The alignment with SABS, an authority in standardization, serves as a testament to Safic's dedication to continuous improvement and environmental stewardship. With a workforce marked by impressive tenure and an overarching corporate motto of "Let's Care," Safic genuinely embodies its pledge to responsible business practices.

Its strong emphasis on certifications and partnerships positions it well for future growth and cements its role as a trusted supplier in its industry.



"Safic's SABS certification was a game-changer for us. Their commitment to quality and sustainability has made them our go-to supplier for reliable, eco-friendly cleaning solutions".

Shane Thrusi
Technical and Services Manager
Safic (Pty) Ltd.

Future Ahead
LCV • ISO 27001 • ISO/FDIS 7101
ISO 55001

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Customer Case Studies

SABS

SABS

Giving you the Quality edge!

SYNTHECON SUTURES

MANUFACTURING SA

Synthecon Sutures Manufacturing SA produces sterile surgical sutures and ligatures used in top hospitals across South Africa and other African countries.

The company sought a certified independent auditor to review its quality management system, ensuring their products meet both local and international quality standards.

Essential Needs

Synthecon Sutures Manufacturing SA, a leading maker of surgical sutures and ligatures, identified a critical need for an external audit of its quality management system.

The company wanted to partner with a certified, independent, and professional auditing organization.

The aim was to rigorously assess whether the medical devices produced meet or exceed both international and local quality benchmarks.

This step was deemed essential not only for compliance with industry regulations but also for maintaining the trust and safety of healthcare providers and patients who rely on Synthecon's products in South Africa and other African nations.



"Compliance with SABS standards has been a catalyst for our growth, enhancing both product quality and market reach. It's a win-win for regulatory alignment and customer trust."

Wellington Kwaana

Quality Assurance Manager
Synthecon Sutures Manufacturing SA



Why the client chose

RESULTS TO BUILD
A Winning Team.

SABS

Existing Solutions

SANS 494-1:2011

Innovative Approach

Synthecon Sutures Manufacturing SA chose the South African Bureau of Standards (SABS) for its rigorous auditing services. SABS performs at least three in-depth on-site audits annually to verify Synthecon's compliance with ISO 13485:2016, a key quality management standard in the medical field.

Additionally, SABS randomly tests samples of Synthecon's sutures and ligatures to ensure they meet South African National Standards (SANS) 494-1:2011. This robust vetting ensures high product quality, safety, and reliability, thereby building trust among healthcare providers and patients.

The partnership with SABS not only assures regulatory compliance but also provides a competitive edge. Consistent audits and testing continually improve quality, minimize risks, and increase customer satisfaction.

SABS's accreditation further bolsters Synthecon's credibility in the market.

Future Ahead

LCV - ISO 27001 - ISO 39001
ISO 55001 - ISO 22301

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Final Remarks

In conclusion, Synthecon Sutures Manufacturing SA's strict adherence to the SANS 494-1:2011 standard has been a game-changer.

It has substantially elevated the quality of its surgical sutures and ligatures, carving out a reputation for Synthecon as an industry leader in this specialized field.

The quality compliance has translated into increased market share and has enabled Synthecon to expand its footprint both in local and international markets.

This has instilled a higher level of trust among healthcare providers and contributed to improved patient outcomes. We see this as an industry best practice and strongly urge other medical device manufacturers to seek engagement with the South African Bureau of Standards (SABS) for auditing their quality management systems and product certification.

Achieving such rigorous standards not only assures regulatory compliance but also provides a competitive edge, ensuring overall excellence and greater patient safety in healthcare.

Statistics

- Increased market share through SABS-certified quality management.
- Expanded international presence due to SABS compliance.
- Enhanced reputation as a leading high-quality manufacturer.
- Met all regulatory requirements, reducing compliance risks.
- Improved patient outcomes through superior product quality.



Stakeholder Engagements



Africa Energy Indaba

SABS

The Africa Energy Indaba Exhibition, took place alongside the annual Conference, provided SABS with an opportunity to present standardisation solutions to industry and regulators from the power and electricity industry in South Africa and the Africa region.



Institute of Ethiopian Standards (IEC) – Study Visit

SABS

Study Visit of the members of the National Standardization Council of Institute of Ethiopian Standards.

The visit shared standardisation best practices on standards development processes and conformity assessment practices.

IES Delegation had the opportunity to visit NMISA, SANAS and NRCS as part of the Quality Infrastructure Institutions of South Africa



Sponsorship of Lab Equipment – Nansindlela High School

SABS

SABS sponsored laboratory equipment to Nansindlela High School in Mpumalanga

This included lab coats, scientific equipment for chemistry and physics experiments



SABS Outreach Programme – North West

SABS

As part of SABS outreach programme we have hosted an event on 11th August 2023 at the **Matlosana Local Municipality** with an invitation to 300 SMME's.

SABS showcases its role in standards and quality assurance to support business on the importance of quality of products and service to gain market access.

SABS further issued vouchers in excess of R300K to support SMMEs to gain access to SABS testing and related services.



SABS Outreach Programme – KZN

SABS

As part of SABS outreach programme we have hosted an event at the **Ilangalibalele Local Municipality**.

SABS showcases its role in standards and quality assurance to support business on the importance of quality of products and service to gain market access.

SABS further issued vouchers in excess of R200K to support SMMEs to gain access to SABS testing and related services.



AGOA side event on Standards and Conformity Assessment

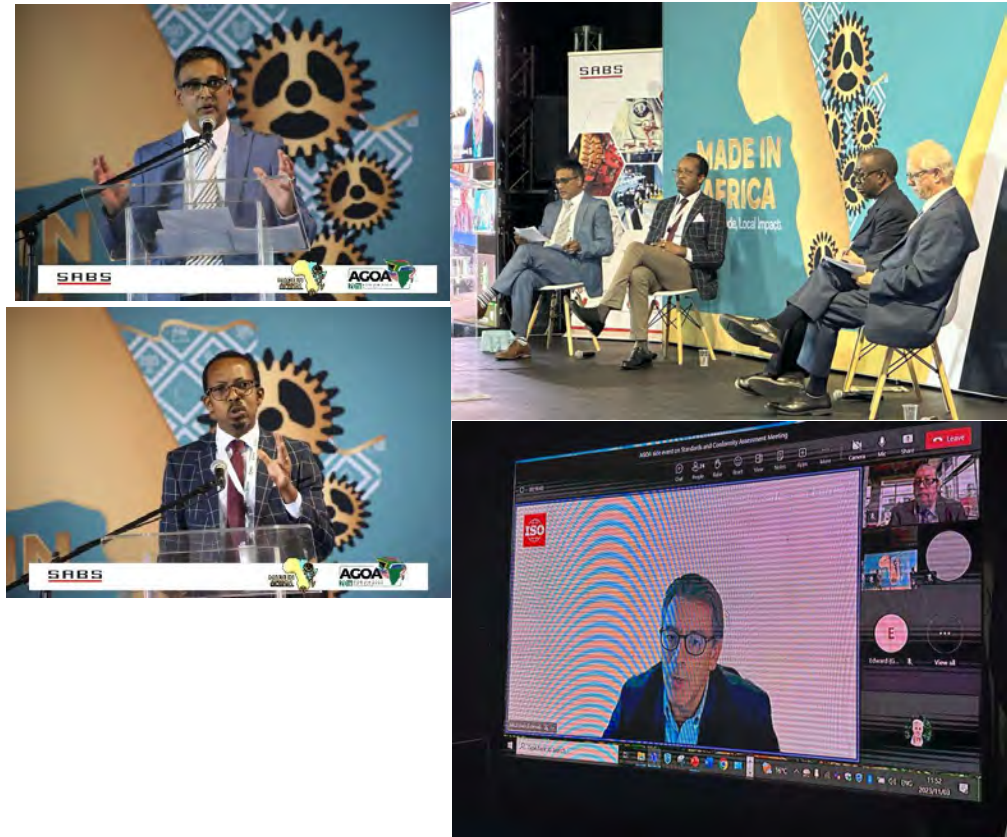
SABS



SABS side event at the AGOA forum “Partnerships in standards and Conformity Assessment in support of Intra-Africa trade and trade with the USA. Panelists included leaders in ISO, IEC, ARSO, AFSEC and ANSI.

A hybrid workshop that included African member national standards bodies.

Discussions included, harmonization of standards for trade, capacity building initiatives and global recognition of testing and certification tools underpinned by International standards.



Conclusion

SABS

- The 2023 Annual report reflects a steady progression of the organization towards enhancing its impact of delivering quality standardisation and conformity assessment services to the public and private sector.
- The organization requires further interventions to improve its operational efficiencies supported by prudent investment in digital systems, recapitalization of laboratory equipment, infrastructure upgrades and capacitation of staff with the requisite skills to meet the evolving needs of industry.
- SABS remains steadfast in our alignment and delivery of relevant standardisation products and services in support of the dtic reimagined industrial priority sectors.
- The 10% return of the grant funding for the current financial year will impact the budgeted expenditure and management is evaluating interventions that seek to mitigate any impediments on the delivery of our products and services to our clients.
- Appreciate the support of the Board and Shareholder in addressing strategic priorities and driving good corporate governance.



SABS

