

Portfolio Committee on Trade, Industry and Competition

Briefing by SABS on its 2024/25 Annual Report

11 November 2026

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LEGISLATIVE MANDATE

The SABS is the apex national standardisation institution in South Africa, established by the Standards Act, 1945 (Act 24 of 1945). The SABS exists as a public entity under the Standards Act, 2008 (Act 8 of 2008)

The objectives of SABS are as follows:

- Develop, promote, and maintain South African National Standards (SANS)
- Promote quality with respect to commodities, products, and services
- Render conformity assessment services and matters connected therewith

The SABS maintains over 8,000 South African National Standards (SANS), operates 26 testing laboratories and has one of the largest pool of technical experts and technical signatories in Southern Africa.

PRODUCTS AND SERVICES

- The SABS is a Schedule-3B Entity under the PFMA
- The SABS Commercial provides Conformity Assessment Services, which includes:
  - Certification of **product** and **management system** Certification
  - **Testing** services, and
  - **Consignment Inspection**

- Open competitive market for conformity assessment services
  - More than 35 Certification bodies accredited by SANAS,
  - Over 1,000 Testing Laboratories operating in South Africa, and
  - More than 200 Inspection Bodies.

- The SABS is an independent Third-party Certification Body and Testing House with its own laboratories



FY2024/25 AT A GLANCE

The SABS continued standards development and conformity-assessment services amid operational pressures as a result of the cybersecurity incident

284
Standards published
Target: 360

10 / 18
Corporate Plan targets met
56% achievement

R797.0m
Total income
+2.8% (FY24: R775.6m)

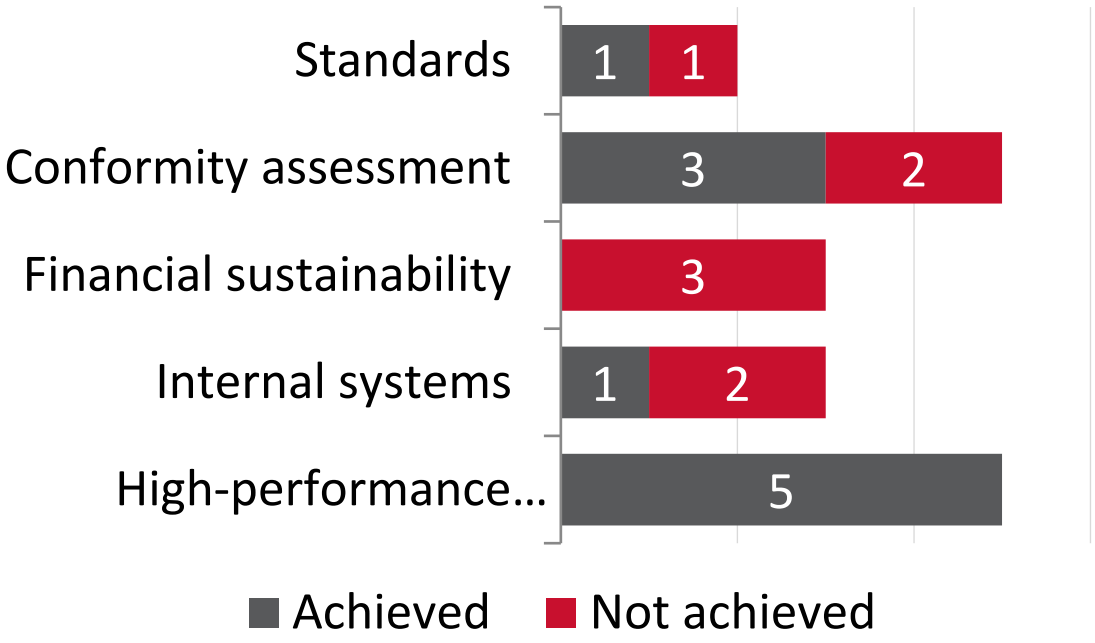
-R24.0m
Group net result
FY24: +R69.4m net profit

719
Permanent employees
+6.5% (FY24: 675)

Level 6
B-BBEE contributor
Improved from Level 8

- **Delivered one new certification scheme, four outreach initiatives and 20 customer-value case studies.**
- **Financial sustainability remained challenging: operating margin -4.8%; operating cash ratio -6.9%.**

PERFORMANCE SCORECARD: 10 OF 18 TARGETS ACHIEVED



56%

of targets achieved

2024/25 FY STRATEGIC OBJECTIVES AND INDICATORS

SABS

Develop, Promote, and Increase the Use of Standards

Outcome indicator	Target (FY2024/25)	Target (Q4)	Actual (Q4)
Published Standards	Publish three hundred and sixty (360) standards	Publish three hundred and sixty (360) standards	Published two hundred and eighty-four (284) standards
	Publish 80% of the standards aligned to the re-imagined priority sectors	Publish 80% of the standards aligned to the re-imagined priority sectors	Published 80% of the standards aligned to the re-imagined priority sectors

Target not achieved

Target achieved

2024/25 FY STRATEGIC OBJECTIVES AND INDICATORS

SABS

Provide Integrated Conformity Assessment Services Solutions

Outcome indicator	Target (FY2024/25)	Target (Q4)	Actual (Q4)
New products/schemes	Develop one (1) new Certification Scheme	Develop one (1) new Certification Scheme	Developed 1 Certification Scheme
Outreach projects to promote SABS products and services	Conduct four (4) outreach projects	Conduct four (4) outreach projects	Conducted four (4) outreach projects
Case studies on customer value	Conduct twenty (20) case studies on customer value	Conduct twenty (20) case studies on customer value	Conducted twenty (20) case studies on customer value
Productivity and Utilisation	Roll out Planning and Scheduling tool to 10 laboratories	Roll out Planning and Scheduling tool to 10 laboratories	Rolled out Planning and Scheduling tool to 0 laboratories
Accreditation Status	Maintain all Accreditations for Laboratory and Certification products and services	Maintain all Accreditations for Laboratory and Certification products and services	Partial suspension in Certification products. SANAS has accepted all responses provided by the SABS

Target not achieved

Target achieved

2024/25 FY STRATEGIC OBJECTIVES AND INDICATORS

Achieve and Maintain Financial Sustainability

Outcome indicator	Target (FY2024/25)	Target (Q4)	Actual (Q4)
Operating margin of the SABS Group	Achieve 5% operating margin of the SABS Group	Achieve 5% operating margin of the SABS Group	Attained -10.4% operating margin of the SABS Group
Net cash from operations/cash receipts ratio of the SABS Group	Attain 5% net cash from operations as a percentage of cash receipts of the SABS Group	Attain 5% net cash from operations as a percentage of cash receipts of the SABS Group	Attained -6.9% net cash from operations as a percentage of cash receipts of the SABS Group
Growth in Revenue of the SABS Group	Achieve 5% Year-on-Year growth in revenue of the SABS Group	Achieve 5% Year-on-Year growth in revenue of the SABS Group	Achieved 0.6% Year-on-Year growth in revenue of the SABS Group

Target not achieved

Target achieved

2024/25 FY STRATEGIC OBJECTIVES AND INDICATORS

SABS

Continuous Improvement in Internal Systems and Process

Outcome indicator	Target (FY2024/25)	Target (Q4)	Actual (Q4)
Process Optimisation	Map 80% of key business process	Map 80% of key business process	Mapped 0% of key business process
Physical and Laboratory Infrastructure upgrade	Implement 40% of approved Infrastructure Plan	Implement 40% of approved Infrastructure Plan	Implemented 50% of approved Infrastructure Plan
Digital Transformation	Implement 30% of the ICT Digital Transformation plan	Implement 30% of the ICT Digital Transformation plan	Implemented 28% of the ICT Digital Transformation plan

Target not achieved



Target achieved



2024/25 FY STRATEGIC OBJECTIVES AND INDICATORS

SABS

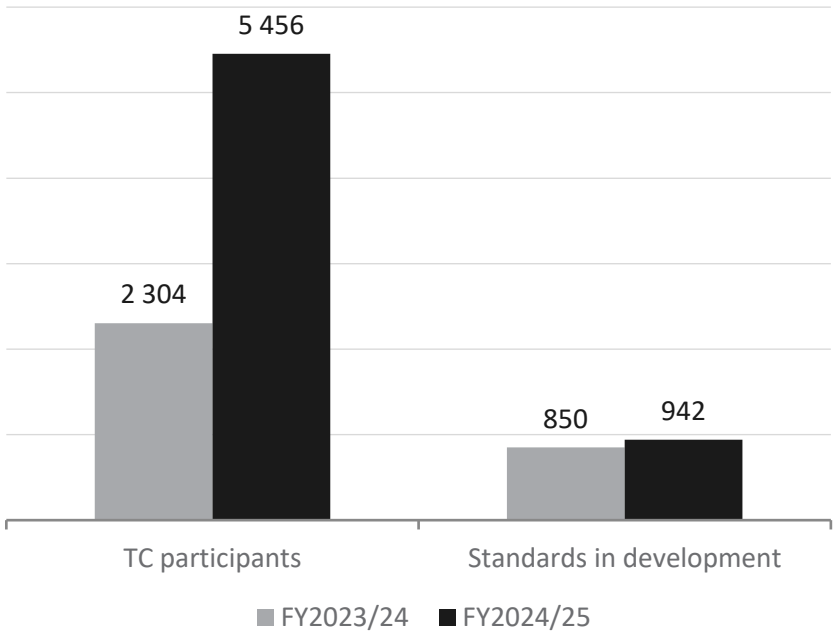
Creating and Maintaining a High-performance Culture

Outcome indicator	Target (FY2024/25)	Target (Q4)	Actual (Q4)
Talent Management	Approval of the Talent Management Framework	Approval of the Talent Management Framework	Talent Management Framework approved
	Approval by EXCO of the Succession Plan for key positions	Approval by EXCO of the Succession Plan for key positions	EXCO approved Succession Plan for key positions
Recruited sixty (60) Interns – for the Graduate Development programme and implemented 90% of the structured learning programme	Implement 80% of staff training budget	Implement 80% of staff training budget	Implemented 80% of staff training budget
	Recruit sixty (60) Interns – for the Graduate Development programme and implement 30% of the structured	Implement 30% of the structured learning programme	Recruited sixty (60) Interns – for the Graduate Development programme and implemented 90% of the structured learning programme
Culture Transformation	Implement at least 50% of approved Culture Change Plan	Implement at least 50% of approved Culture Change Plan	Implemented 50% of approved Culture Change Plan

Target not achieved

Target achieved

STANDARDS PERFORMANCE



284
Published
vs target of 360

R38.9m
External sales
FY24: R34.1m (+14%)

37
ARSO committees
Harmonisation work

10
Energy standards
New and revised

Turnaround to publish a standard remains long and interventions have been put in place to reduce the turnaround time through workflow review and XML publishing.

CONFORMITY ASSESSMENT PERFORMANCE

R123.4m
Lab external revenue
FY24: R110.3m (+11.9%)

R101m
Quotes accepted
FY24: R69m (+46%)

15
New test methods
Target exceeded

1
New certification scheme
Target met

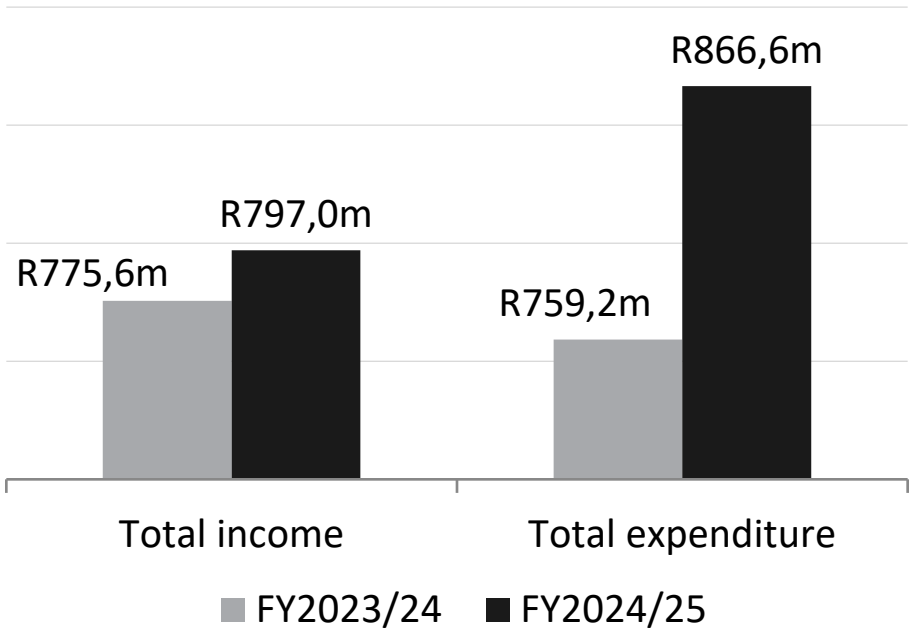
100%
LCV projects completed
Government submissions

-R20.0m
Lab operating result
FY24: -R16.4m (excl. grant)

Pressure points

- No certification management system, limiting visibility
- Delayed test reports and missed audits
- Partial accreditation suspension in certification
- Cyberattack disrupted systems; recovery ongoing
- Rising customer complaints; revenue target missed

COSTS AGAINST INCOME GROWTH

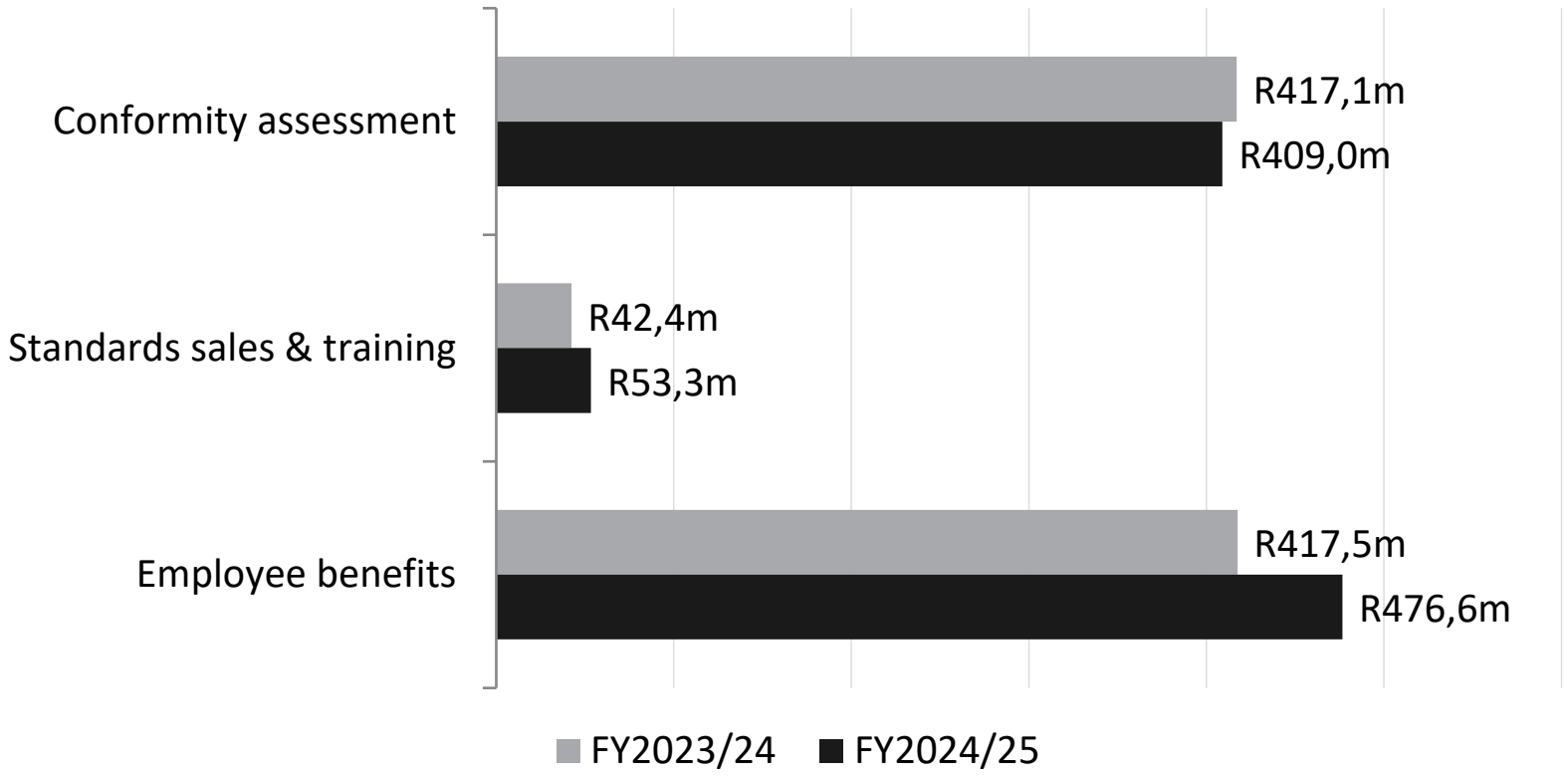


-R69.5m
Operating result
FY24: +R16.4m

+R51.6m
Net interest received
FY24: +R58.9m

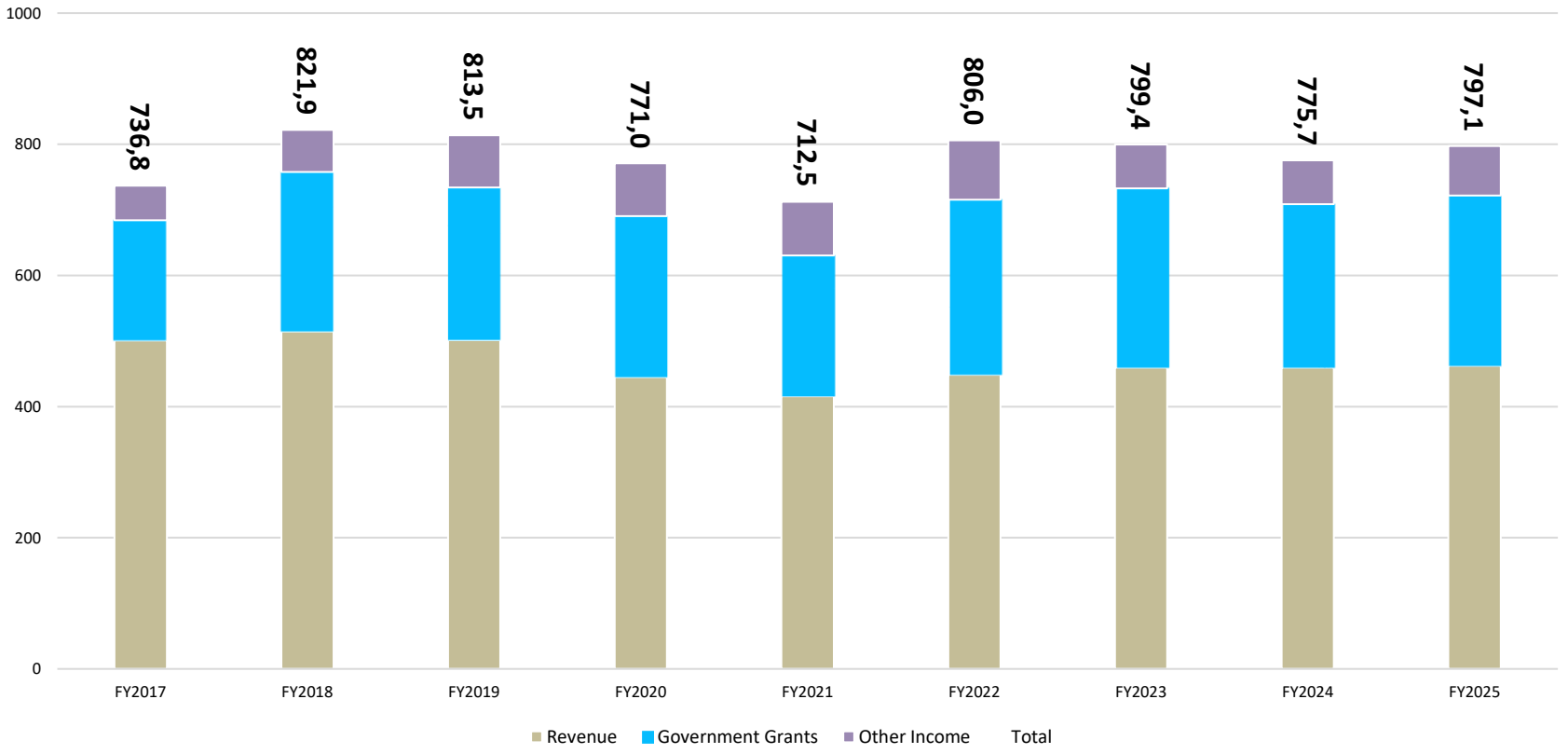
-R24.0m
Group net result
FY24: +R69.4m

FLAT COMMERCIAL REVENUE; EMPLOYEE COSTS DRIVE SPEND



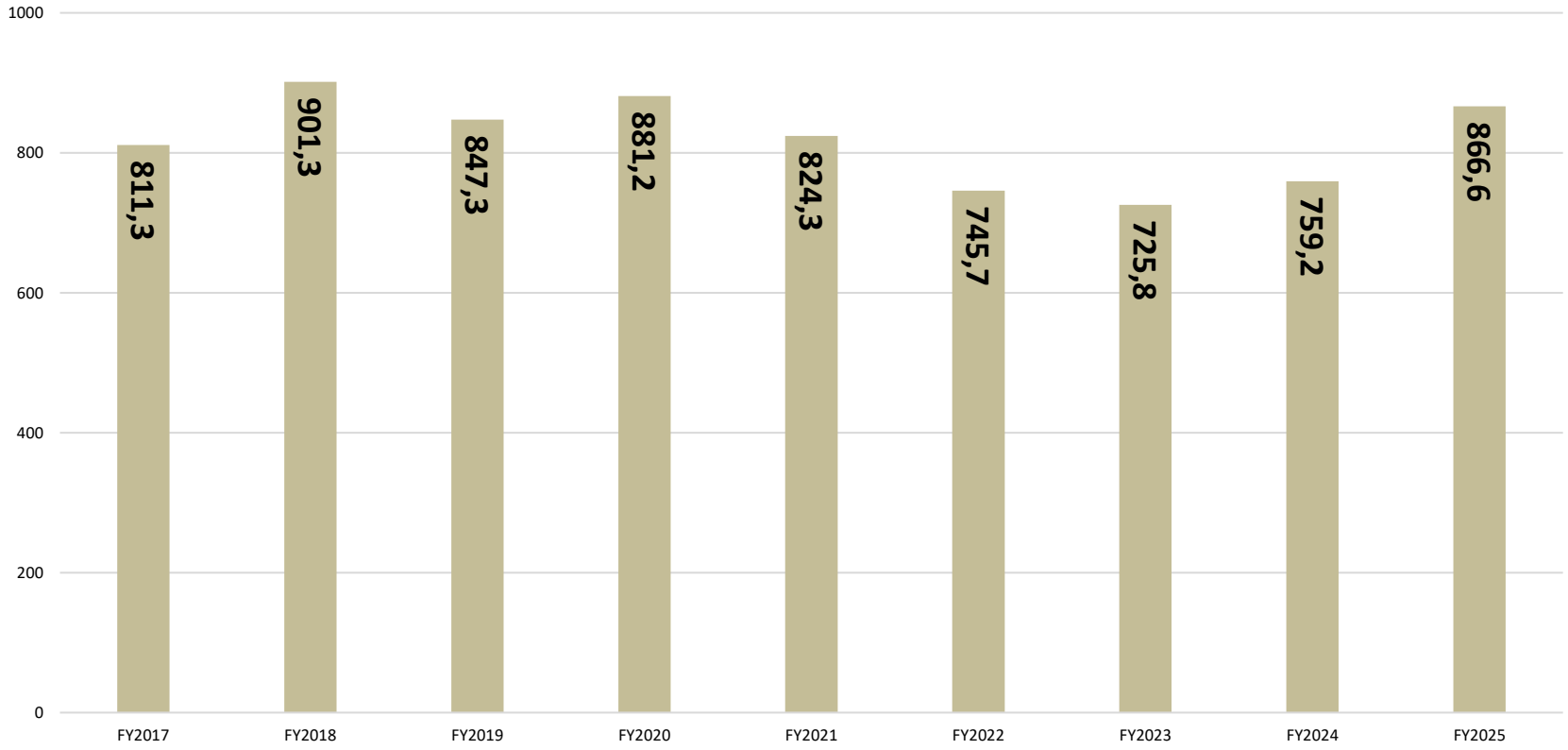
Financial Performance

Total Income



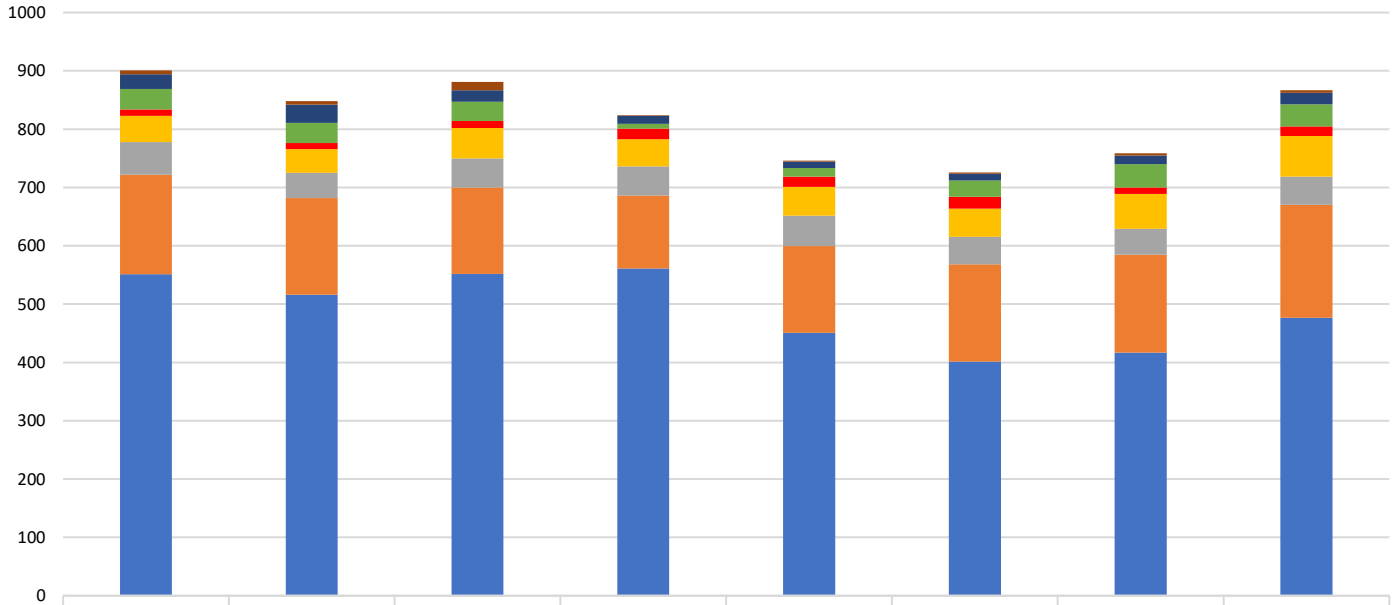
Operating Expenditure

Total Operating Expenditure



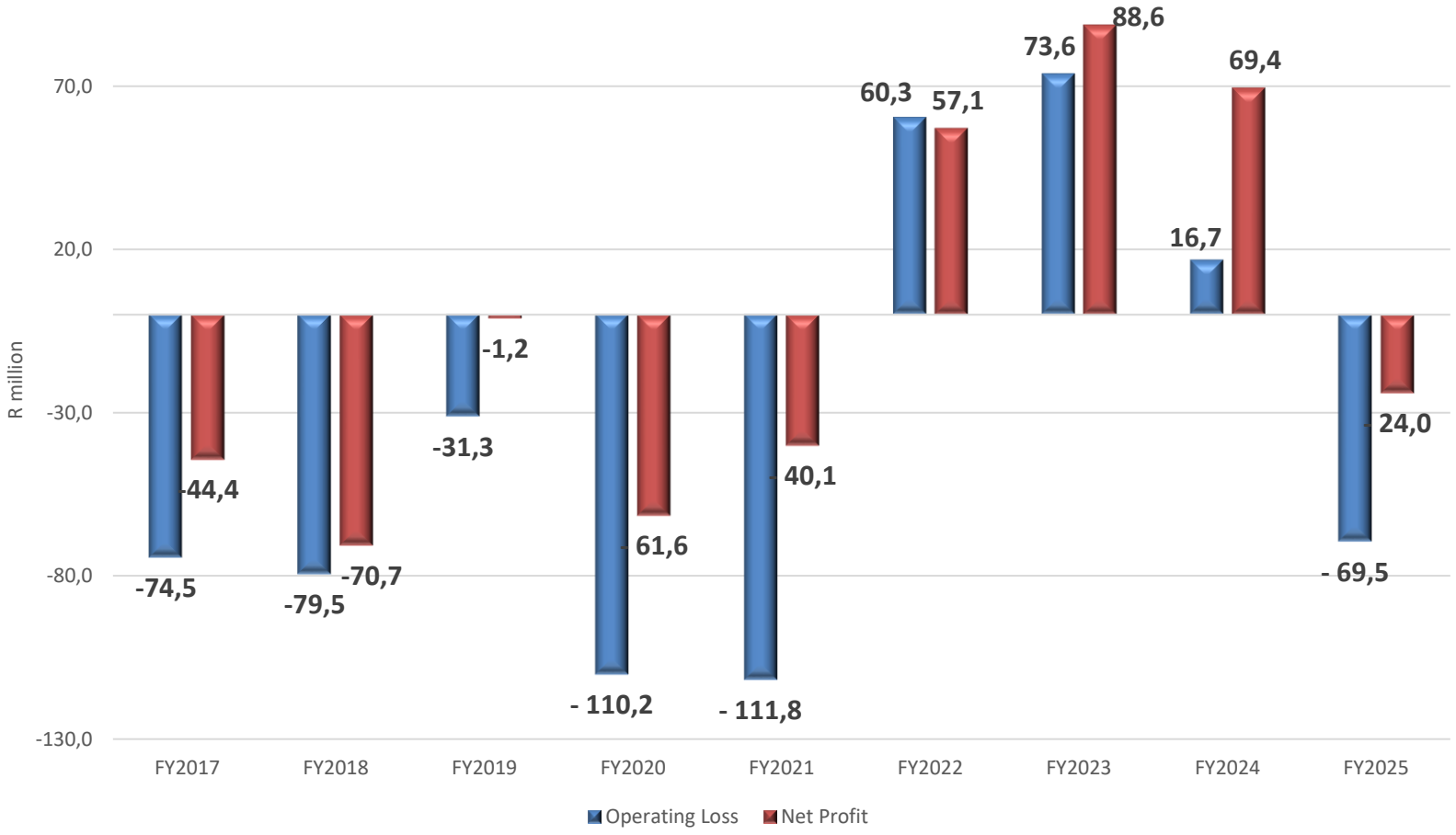
Operating Expenditure

Breakdown of Total Operating Expenditure



	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY 2024	FY 2025
Advertising	7	6	14	1	2	2	4	4
Consulting and Technical Fees	25	31	20	14	11	11	15	20
Travel Expenditure	35	35	33	8	14	28	40	38
Repairs and Maintenance	11	10	12	18	18	21	11	16
Contract Services	45	41	52	47	49	48	60	69
Depreciation and Amortisation	56	43	50	50	52	47	44	48
Other Expenditure	171	166	148	125	149	167	168	194
Employee Benefits	551	516	552	561	451	402	417	477

Operating Loss and Net Profit



Status of 2025/26 FY Audit

The 2025/26 Annual Financial Statements has been submitted to the Auditors on 31 October 2026.

SABS Cybersecurity Incident

On November 20th, 2024, the South African Bureau of Standards (SABS) was hit by a severe ransomware attack perpetrated by the Lynx group. The attack resulted in the complete encryption of all data, including business applications, data storage, backups, and the disaster recovery (DR) environment, leaving the organization without operational systems.

The Auditor-General reported that previously identified shortcomings in safeguarding and maintaining IT assets had been acknowledged by management but were not rectified timeously. The report linked the incident to non-compliance with PFMA section 51(1)(c), concerning adequate measures to safeguard the entity's assets. This is a governance and control lesson, not only a technology issue.

The State Security reported that the security posture of SABS' ICT network infrastructure was found to be inadequate due to unsupported operating systems and applications, unsecure open ports, identified and exploitable vulnerabilities.

1. Legacy systems

- Network segmentation and the firewall upgrade are complete, so unsupported legacy systems are now isolated from the rest of the network.
- The new ERP Payroll and HCM module is live.
- Replacement of the core ERP (JD Edwards) is in contracting, and the new LIMS is planned for its first laboratory in March 2027.
- Our managed security provider now carries out vulnerability assessments every quarter.
- Every new or upgraded system is penetration-tested before it goes live. The new corporate website, launched in August 2025, was the first to go through this.

2. Backups and audit evidence

Disaster recovery and backup services are working, and backed-up audit evidence is now kept in controlled repositories.

3. Audit logs and access monitoring

- Administrator activity on Active Directory, LIMS, SABSTAN and QS Admin is now reviewed manually on a regular basis. User activity logs are backed up and available to auditors.
- An automated access-review tool, already piloted, will be rolled out by March 2027.

4. Governance and capacity

- A Chief Technology and Digital Information Officer was appointed in July 2026, along with key ICT specialists. The ICT structure, including a dedicated cybersecurity role, is under review.

- EXCO reviewed the Cybersecurity Policy and Procedure in July 2026. The Cybersecurity Strategy will go to the Board for approval in Q3.

SABS

THANK YOU

