

SABS



ANNUAL PERFORMANCE PLAN

2026/27

Acronyms

ARSO	African Organisation for Standardisation
BSAS	Business Solutions & Advisory Services
CIMS	Certification Information Management System
CRM	Customer Relationship Management
DLS	Digital Learning System
ERP	Enterprise Resource Planning
ERRP	Economic Reconstruction and Recovery Plan
EXCO	Executive Committee
FSSC	Food Safety System Certification
ICASA	Independent Communications Authority of South Africa
ICT	Information and Communications Technology
IEC	International Electrotechnical Commission
ISO	International Organization for Standardization
LIMS	Laboratory Information Management Systems
MSME	Micro, Small and Medium Enterprises
MTDP	Medium Term Development Plan
MTEF	Medium Term Expenditure Framework
NDP	National Development Plan
NIPF	National Industrial Policy Framework
NRCS	National Regulator for Compulsory Specifications
NSB	National Standards Body
OECD GLP	Organisation for Economic Co-operation and Development Good Laboratory Practice
RvA	Raad voor Accreditatie (Dutch Accreditation Authority)
SAHPRA	South African Health Products Regulatory Authority
SABS	South African Bureau of Standards
SADC	Southern African Development Community
SANS	South African National Standards
SCM	Supply Chain Management
SOE	State-Owned Enterprise
TBT	Technical Barriers to Trade
the dtic	The Department of Trade, Industry and Competition
WTO	World Trade Organisation

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STATEMENT BY THE MINISTER OF TRADE, INDUSTRY AND COMPETITION



Honourable Minister Parks Tau - Minister of Trade, Industry and Competition

The South African Bureau of Standards (SABS) has crafted this Annual Performance Plan (APP) in line with the Medium-Term Development Plan (MTDP) aimed at advancing the country toward the National Development Plan (NDP) Vision 2030.

It is essential to acknowledge the significant role that the SABS plays in the South African economy as well as in the broader continental context. The SABS's technical and leadership roles in the Southern African Development Community Cooperation in Standardization (SADCSTAN), African Organisation for Standardisation (ARSO) and in the International Standards Organisation (ISO) ensure that South Africa's and African interests are prominent in global standardisation, quality assurance and sustainable development, so that ultimately, the African Continental Free Trade Agreement (AfCFTA) become a reality.

The role of the SABS has been made even more prominent in light of the shifts in the global geopolitical landscape that is characterised by the destabilisation of global trade patterns, including the imposition of new tariffs and renegotiation of new trade agreements. For South Africa, these disruptions necessitate a standards and quality framework to support this volatile environment and protect domestic industries while maintaining export competitiveness.

There is also greater emphasis in this Plan on tangible outcomes, meaningful impact as well as greater coordination and collaboration across departments and entities. To this end, not only does this Plan reflect greater effort in publishing standards in new and priority sectors, but it also recognises the importance of raising awareness about standards, especially across government and regulators.

The delivery of the priorities highlighted in this Plan will also transform the SABS into a more customer-centric and technologically enabled entity that executes on its mandate fully. I am enthusiastic about the work ahead and are looking forward to working with the board, management and staff team at the SABS.

A handwritten signature in black ink, appearing to be 'P. Tau', written in a cursive style.

Mr Parks Tau, MP
Minister of Trade, Industry and Competition

STATEMENT BY THE DEPUTY MINISTER OF TRADE, INDUSTRY AND COMPETITION



Ms Alexandra Lilian Amelia Abrahams, Deputy Minister of Trade, Industry and Competition

The Industrial Policy that **the dtic** develops and the implementation of related Master Plans provide a coordinated framework to drive industrialisation, align public and private sector investment, strengthen local value chains, support inclusive economic growth and create jobs across priority sectors. These programmes are to a large extent dependent on the contribution of national standards and quality assurance.

This plan, therefore, highlights the role of the SABS that extends beyond standards development. It underscores the organisation's critical function in providing reliable conformity assessment services, testing, certification, and technical support that enable industries to meet both domestic and export requirements. As shareholder, **the dtic** is committed to ensuring that the SABS is sustainable, well-governed, and responsive to the evolving needs of the economy. This includes strengthening oversight, improving financial viability, and ensuring alignment with national industrial priorities.

Central to this effort is the improvement of the effectiveness and efficiency of the SABS as a technical entity. Enhancing operational performance, reducing turnaround times, and rebuilding stakeholder confidence are essential to restoring the credibility and reliability of its services. In addition, focused efforts to recapitalise and modernise laboratory infrastructure are critical to ensuring that the SABS remains fit-for-purpose. Revitalising conformity assessment capabilities will enable the organisation to reclaim its position as a trusted provider of quality assurance services.

Importantly, the SABS also plays a pivotal role in supporting government and regulators to improve quality across the economy. The SABS must continue to actively enable regulatory authorities to enforce compliance, protect consumers, and ensure the safety and reliability of products and services.

I wish to extend my sincere appreciation to the Board and employees of the SABS for their dedication and commitment to building a strong and impactful organisation in service of the country.

A handwritten signature in black ink, appearing to read 'A. Abrahams', written in a cursive style.

Ms Alexandra Lilian Amelia Abrahams
Deputy Minister: Department of Trade, Industry and Competition

STATEMENT BY THE CHAIRPERSON OF THE SABS BOARD



Professor Bismark Tyobeka, Chairperson of the SABS Board

South Africa's economic outlook for 2026 presents a complex tapestry of challenges and opportunities. While confronting headwinds, including global economic volatility, domestic infrastructure limitations and threats related to illicit and counterfeit trade, our nation exhibits promising indicators of resilience and incremental progress.

The role that the South African Bureau of Standards play in the economy is increasing getting important. Standards enable trade, protect consumers and support economic growth and increase in innovation. It is against this background that we have crafted this path for the South African Bureau of Standards. The plan represents a bold and comprehensive approach to addressing the multifaceted challenges and opportunities facing South Africa's economy.

This plan aligns with key national initiatives such as the National Development Plan Vision 2030 and the Medium-Term Development Plan, whose aim is to tackle socio-economic challenges through three key priorities: promoting inclusive growth and employment, alleviating poverty, and reducing the cost of living, while fostering a capable, ethical, and developmental state.

In the next three years, the SABS will prioritise the development and promotion of standards in strategic sectors that demonstrate high growth potential, job creation, and export opportunities, in alignment with industrial policy, market and public demands. Key focus areas as detailed in the plan also include the acceleration of the laboratory recapitalization program, expansion testing capabilities for emerging and future products as well the completion of the digitalisation programme of core business processes. Achieving financial sustainability and operational efficiency will be crucial to the plan's success, alongside fostering a high-performance organisational culture. By addressing these priorities, SABS will strengthen its capacity to fulfil its mandate and ensure long-term sustainability.

The SABS continues to demonstrate steady progress toward its goals of sustainable growth and as the Board, we remain fully committed to working with the executive team to equip the organisation to meet its mandate. Deep appreciation to our shareholder, **the dtic** for unwavering and exemplary support over the last year and lastly, our sincere gratitude to the executives, management and the rest of the teams at the SABS for their unmatched commitment to the organisation and whose efforts have greatly enabled the successes of the SABS so far.

A handwritten signature in black ink, appearing to be 'B. Tyobeka', with a long horizontal stroke extending to the right.

Professor Bismark Tyobeka
Chairperson of the Board

STATEMENT BY THE CHIEF EXECUTIVE OFFICER



Mr Blake Mosley-Lefatola, Acting Chief Executive Officer

The South African Bureau of Standards plays a vital role in the economy, particularly as government pursues re-industrialization and job creation amid shifting global trade dynamics.

As a technical infrastructure entity within the Department of Trade, Industry and Competition, the SABS must demonstrate both utility and operational excellence to fulfil its standardization mandate effectively. This Annual Performance Plan for 2026/27 – 2028/29 positions the SABS to sustain its relevance in quality assurance, safeguard consumers against unsafe products and practices, and enhance the global competitiveness of South African manufacturers and exporters.

Our work advances key government priorities and national imperatives articulated in the Medium-Term Development Plan (MTDP) 2025-2030, which aligns with the National Development Plan (NDP) Vision 2030. The MTDP's primary objectives are to foster inclusive economic growth, reduce poverty and inequality, and build a competent, ethical, and developmental state. Central to this plan is a coordinated whole-of-government approach, featuring strategic initiatives including substantial infrastructure investment, energy security, enhanced digital capability, and mobilization of private sector capital.

The SABS's mandate has become increasingly critical in the current economic climate, and the imperative to restore the organization to peak performance cannot be overstated. In rebuilding the SABS, we commit ourselves over the next three years to the following strategic objectives:

To achieve the development, promotion, maintenance and the increased use of the South African National Standards that respond to industrial policy, public and market needs

The SABS will use expertise in standards development to drive economic growth through developing and actively promoting standards that:

- Are aligned to industrial policy and that prioritise strategic sectors with high growth potential, including those in energy, manufacturing, agriculture, mining and construction;
- Are more focused on enabling SMMEs to meaningfully participate in the economy, compete and grow exports;
- Address quality issues related to illicit and counterfeit trade; and
- Are developed in collaboration with regulators and national departments to address challenges highlighted in the MTDP, including issues in education, health, safety, security as well as process challenges related to red tape, for example.

Through an extensive, strategic communication plan, and following a “whole-of-government approach”, the SABS will elevate the use of national standards and will ensure standardisation is core to strategic government programmes as highlighted in the MTDP.

To provide integrated conformity assessment solutions that respond to industrial policy, public and market needs

The SABS will use its extensive collection of national and international standards to increase the use of certification, testing and advisory services to impact economic transformation and growth. In the next three years, the organisation will:

- Increase testing capabilities to conduct product testing on current and future products in high growth sectors;
- Retain Mark Scheme permit holders through a targeted customer partnering process;
- Establish and build strategic partnerships, for example, with the Consumer Commission, in light of increased counterfeiting in the economy, to increase the adoption of the SABS Mark by manufacturers as a symbol of compliance to national standards;
- Develop new and promote existing training programmes that address immediate pain points in the economy, for example counterfeiting, food safety;
- Increase auditing capabilities in management certification to facilitate the development of a capable and ethical state through programmes with COGTA, Salga and similar entities; and
- Improve access to conformity assessment services and standards to Black Industrialists and SMMEs through effective and strategic partnerships with funders, industrial parks, special economic zones as well national and regional development agencies.

To address these priorities, the SABS will ensure current certification schemes are maintained and that carefully selected new schemes that support national goals are developed.

To achieve and maintain sustainability

At the base of our plan is the imperative to achieve and maintain the sustainability of the business. We will achieve this through an increased effort to drive revenue growth, optimised operating margins and well-maintained liquidity for the long-term stability of our organisation. Strategic initiatives to contain costs, reduce waste and maximise asset utilisation such as our real estate are already underway.

We furthermore commit to carrying out our mandate in an ethical way by considering environment and social impacts as well as by ensuring that we fulfil our legal and regulatory requirements.

To create and maintain a high-performance and good governance culture

This plan recognises the critical role of human capital in achieving its objectives, emphasising talent development, leadership skills, and cultural transformation across the organisation. The SABS is executing these strategies to create a high-performance environment that can adapt to the demands of a modern industrial economy. In the next three years, focus is on:

- Ensuring that critical positions that are aligned to the delivery of our strategic objectives remain prioritised;
- Complete the implementation of the culture transformation programme that will facilitate transition into a service and client-centric, good governance culture;
- Executing on a training and development programme that ensure our workforce is fit for purpose and is aligned to digitalisation and efficiency initiatives; and

- Developing an employee value proposition and an employer brand to attract and retain the best skills in the market.

To leverage innovation and technology to enhance information security, efficiency and effectiveness to meet market demands

The successful execution of this plan will require SABS to strengthen its own capabilities and accelerate its digital transformation to improve efficiencies and improve customer-centricity. In the next three years, focus will be on:

- Upgrading the ICT network to ensure reliable connectivity and improve systems and technologies to address cyber security risks;
- Modernising our information technology, including customer management, laboratory information management and learning management systems to support more efficient testing, certification and advisory processes
- Developing a research and development competency to support innovation and relevance of our standardisation processes in the rapidly changing operating environment.

In summary, this plan repositions the organization as a more prominent and proactive entity amongst those that spearhead economic transformation.

The scale of work required to transform the SABS into an admired organisation, one that employees are proud to be associated with, is considerable. On behalf of the SABS leadership and employees, I express our deep appreciation for the unwavering support from our shareholder, **the dtic**, and from our Board members thus far. I am confident that together we will navigate this journey of shared purpose and collective impact.

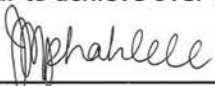


Blake Mosley-Lefatola
Acting Chief Executive Officer

OFFICIAL SIGN-OFF

It is hereby certified that this Annual Performance Plan:

- Was developed by the management of the South African Bureau of Standards under the guidance of the dtic;
- Takes into account all relevant policies, legislation and other mandates for which the South African Bureau of Standards is responsible; and
- Accurately reflects the outcomes and outputs which the South African Bureau of Standards will endeavour to achieve over the period 2026/27.

Signature:  _____

Ms. Itumeleng Mphahlele

Head: Strategy, Stakeholder and media Relations

Signature:  _____

Ms. Patricia Tomotomo

Acting Chief Corporate Services Officer

Signature:  _____

Mr. Thabo Sepuru

Acting Chief Operations Officer

Signature:  _____

Ms. Kholofelo Masoga

Chief Financial Officer

Signature:  _____

Mr. Blake Mosley-Lefatola

Acting Chief Executive Officer

Signature:  _____

Professor Bismark Tobyeka

Chairperson of the Board

Signature:  _____

Honourable Minister Parks Tau, MP

Department of Trade, Industry and Competition

PART A: OVERVIEW OF THE SABS

1. SABS legislative mandate

The South African Bureau of Standards (SABS) is a statutory body that was established in terms of the Standards Act, 1945 (Act No. 24 of 1945) and continues to operate in terms of the latest edition of the Standards Act, 2008 (Act No. 8 of 2008) as the national standardisation institution in South Africa, mandated to:

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

Updates that will impact this plan:

- No updates to the relevant legislative and policy mandates.
- No update to the Corporate Strategy 2025-2030 that was approved by the Accounting Authority in January 2025
- No updates to relevant court rulings.

2. Principal activities

The SABS services include the following:

Standards

The SABS provides the governance framework, coordinate, and leads stakeholder engagements that underpin the development, promotion, maintenance, and dissemination of National Standards. Standards provide solutions, knowledge and information that support national industrial objectives, socio-economic and environmental priorities, contributing to sustainable growth, thereby improving the lives of South African citizens.

Certification

The SABS provides independent third-party product and system certification services aligned to international conformity assessment standards. Our Product Certification Mark has a long and distinguished history as the premium quality assurance symbol in domestic, regional, and international markets. The SABS Mark, is in addition, utilised by numerous regulators to achieve their specific regulatory objectives whereby the SABS Mark demonstrates proof of conformity to products and services e.g., Road Traffic Act requirements on the production of number plates.

Consignment inspection

The SABS consignment inspection services assist bulk purchasers of products on product quality by conducting routine inspections of batch samples as per predefined standards and requirements. These services are offered to public and private sector entities in the market.

Local content verification

The Department of Trade, Industry and Competition (**the dtic**), the Department of Mineral Resources and Energy (DMRE), and the Department of Public Enterprises (DPE), appointed the SABS as the local content verification agency to fulfil the requirements of the amended regulations to the Procurement Bill and which became effective in December 2011.

Furthermore, the SABS has developed and launched a new local content grading scheme intended at providing proactive verification to all Original Equipment Manufacturers (OEMs) tendering under the Preferential Procurement Policy Framework Act (PPPFA) requirement together with those supplying the mining houses. This scheme does not only enable OEMs to have market access, but it also creates a strategic lever for the policy makers and gauges the levels of development as far as local and production is concerned.

Laboratory services

The SABS hosts a wide array of testing facilities that perform testing, calibration and related services thereby providing assurance test reports on compliance to South African National Standards (SANS) and regulatory requirements, where relevant. The SABS' testing services provide quality assurance support to:

- Regulators to enforce specific regulations.
- Manufacturers and importers to ensure that products meet applicable SANS.
- Government supply chain management activities to ensure that goods procured for the public meet set quality requirements.

The testing infrastructure is spread across the country with most laboratories located in Pretoria, and certain specialist laboratories strategically located across the country. The SABS also support regulators to ensure compliance to their scheduled requirements, such as Compliance Certificates for the Independent Communications Authority of South Africa (ICASA).

Business Solutions and Advisory Services (BSAS)

The SABS BSAS is a critical part of the value chain of the SABS services that seek to enhance the skills of industry and government professionals to understand and implement SANS. This department currently offers a diverse portfolio of training courses, focusing mainly on management system standards.

Our expanded advisory services provide technical support to SMMEs, entrepreneurs and other stakeholders on standardisation solutions. These services aim to capacitate companies to meet specific standards and technical requirements thereby improving product and service quality that meets market requirements.

PART B: OUR STRATEGIC FOCUS

3. External Environment

3.1. PESTEL

PESTLE(+S) analysis is a strategic framework used to evaluate the external factors influencing our operations. It examines six key dimensions: Political (Public policy and stability), Economic (economic conditions and trends), Social (cultural and demographic influences), Technological (technological advancements), Legal (legislation and regulations), and Environmental (ecological and sustainability factors). This comprehensive analysis aids the SABS in understanding our external environment, anticipates challenges, and makes informed decisions for our sustainable growth and competitiveness.

Political

The global geopolitical landscape for 2024-2027 is characterized by unprecedented volatility, with escalating tensions among major powers, particularly the U.S., China, and Russia. Recent months have witnessed a significant destabilisation of global trade patterns, primarily driven by U.S. trade policy shifts. This has resulted in amongst others, imposition of new tariffs, the renegotiation of trade agreements, and unpredictable bilateral trade tensions.

These developments represent a fundamental shift in the international trade architecture that demands immediate strategic recalibration. The dynamics profoundly impact global trade flows with far-reaching consequences for international relations, economic stability, and supply chain resilience. For South Africa, these disruptions necessitate a reimagining of our trade strategy and standards framework to navigate this environment and protect domestic industries while maintaining export competitiveness.

The role of BRICS (Brazil, Russia, India, China, South Africa, Saudi Arabia, United Arab Emirates, Egypt, Iran and Ethiopia) is poised to gain prominence, directly in response to this shift. As an economic bloc representing emerging markets, BRICS nations may seek to leverage their collective influence to counterbalance Western-dominated global institutions and reshape the international order. Their actions could potentially alter trade patterns, financial systems, and diplomatic alignments, adding another layer of complexity to the global geopolitical chessboard.

Domestically, political instability, social unrest, and public sector governance issues pose substantial risks to the country's development. The government's weaknesses in infrastructure development, resource allocation, and corruption have led to widespread discontent. This failure to provide essential services like water, electricity, and sanitation has exacerbated poverty and inequality, particularly in rural areas. The risks posed by these issues include social unrest, economic stagnation, and a decline in investor confidence. Addressing these challenges requires a comprehensive approach that involves increased accountability, improved governance, and targeted investments in infrastructure; and the MTDP is a good start.

The role of standards and conformity assessments as tools for building trust, facilitating cooperation, and navigating the challenges of globalization, sustainability, and technological change is increasing. They provide a common ground in an increasingly fragmented world,

helping to maintain economic stability and promote sustainable development despite geopolitical tensions.

Economic

Economic growth in South Africa is projected to remain modest, with annual growth rates expected between 1.5% and 2.5%. This reflects ongoing structural challenges, and a sluggish rebound from the impact of the pandemic. Key factors influencing growth include domestic policy reforms, global commodity prices, and investment in infrastructure. The country's overall economic performance will also depend on improvements in governance and addressing corruption.

The African Continental Free Trade Area (AfCFTA) presents opportunities for intra-regional trade, and the South African Bureau of Standards (SABS) has a critical role in harmonising regional standards. However, inadequate GDP growth impacts public sector funding and private sector investments, which are critical for industrialisation. This slowdown hinders sectors that typically rely on standards and conformity assessments to ensure the quality and safety of products, especially in manufacturing and infrastructure development.

Additionally, the expanded BRICS group offers another avenue for collaboration in standardisation. Engaging with other BRICS countries could foster the development of global and regional standards that align with international requirements, potentially opening up new markets for South African products and services.

Social

South Africa currently grapples with a range of pressing social issues, including concerns over public safety, inadequate security provision, challenges in delivering universal healthcare, weakened local government structures, and shortcomings in the education system. These critical matters are at the forefront of the 7th administration's agenda. To address these challenges comprehensively, the administration has introduced the Medium-Term Development Plan (MTDP) and aims to tackle these societal issues systematically through a "whole government" approach.

In the current socio-political landscape, there is a growing demand for increased transparency, driven by evolving consumer expectations. The digital era has further amplified these expectations, particularly regarding how products and services are consumed and delivered. The South African Bureau of Standards (SABS) must remain cognisant of these trends, adapting its approach to standardisation and conformity assessment to meet these changing demands.

Concurrently, there is a heightened societal commitment to hold State-Owned Entities (SOEs) and all spheres of government accountable for their use of public funds. This includes demanding adherence to good corporate governance practices and compliance with all applicable laws. The MTDP emphasizes this and the SABS, as a key state institution, faces the crucial task of looking to address these concerns through robust standardisation and conformity assessment solutions.

The role of the SABS in supporting the 7th administration's objectives of enhancing public services, strengthening social security, and fostering a safer, healthier, and more educated society is crucial.

Technology

The rapid growth of digital infrastructures and the integration of digital technologies with traditional systems are transforming how people live and work globally. This transformation is accelerated by advances in generative Artificial Intelligence (AI). Along with that trend is the rising risk of cyber-attacks and this necessitates robust measures to safeguard data. National standards bodies like the SABS play a pivotal role in this technological landscape. By developing and enforcing standards, they ensure the safe and effective integration of new technologies into society.

The SABS must also harness digital technologies to improve its value chain and agility. This includes adopting integrated digital technologies to streamline processes and enhance service delivery. Additionally, the rapid evolution of generative AI presents opportunities for the SABS to innovate and improve its productivity.

National standards bodies like the SABS are essential in guiding these changes, ensuring that technological advancements are safe, effective, and beneficial for all. By staying ahead of digital trends and prioritising cybersecurity, the SABS can support a safer, more efficient, and innovative society.

Legal

The South African Bureau of Standards (SABS) operates under a legal framework that has undergone significant changes, particularly with the passing of the *Standards Act No. 8 of 2008*. This law replaced the previous *Standards Act of 1993* and introduced a modernised regulatory framework for standardisation activities in the country. Essentially the change effectively removed the regulatory function of the SABS and along with that, was the “R999 repeal” that had a significant impact on the SABS Mark Scheme.

The SABS must continue to minimise the impact of the change in the legislation, while continuing to raise this and emerging regulatory challenges with **the dtic**. The evolving regulatory and compliance environment requires SABS to be agile to regulatory and policy impacts.

International laws concerning trade, intellectual property, and data protection significantly influence the SABS’s ability to engage in cross-border collaborations, secure partnerships, and protect proprietary information.

Internally, the SABS is committed to maintaining a compliance universe, continuously assessing the impact of national and international legislation and regulations on its operations. This ongoing evaluation ensures that the SABS remains compliant and responsive to legal requirements, thereby supporting its mission to uphold high standards and contribute to the country’s socio-economic development.

Environment

As global temperatures rise and extreme weather events become more frequent, the world is increasingly heeding the call to integrate environmental considerations into business processes. Climate change presents risks that include damage to infrastructure from flooding and storms, disruptions to supply chains, drought and reduced agricultural yields.

To mitigate climate risks, the regulatory environment is changing at a faster rate. Policy changes include regulations that relate to carbon pricing, emission regulations and waste management which can impact operational costs and market dynamics, especially as these regulations are not applied uniformly across geographies.

Other key considerations include:

- Availability and cost of water, energy, and raw materials. As global demand increases and climate change affects resource availability, organizations face potential supply chain disruptions and price volatility for essential inputs. Companies need to develop strategies for resource efficiency, alternative sourcing, and innovation in materials to mitigate risks associated with scarcity.
- Increasing pressure to adopt circular economy principles. There is growing emphasis on reducing waste throughout the product lifecycle, from design to disposal. Organizations are expected to implement recycling programs, design products for reuse or easy disassembly, and find innovative ways to repurpose waste streams into valuable resources.

Standards organizations need to work closely with regulatory bodies to ensure alignment between voluntary standards and mandatory regulations. This collaboration can help create more cohesive and effective environmental management frameworks across different jurisdictions. The need to develop standards for recyclability, repairability, and design for disassembly. Standards organizations may need to create new frameworks for measuring and reporting on circularity performance.

Standards development must focus on creating metrics and guidelines for resource efficiency, sustainable sourcing, and alternative materials.

Science

The convergence of biotechnology and genomics is driving significant advancements in personalised medicine, where treatments are customised based on an individual's genetic profile. This approach enables more precise therapies, improving patient outcomes and contributing to more efficient healthcare systems. By tailoring treatments to genetic variations, healthcare providers can enhance the effectiveness of interventions, reduce adverse reactions, and ultimately lower healthcare costs. These developments are also accelerating innovation in drug discovery, allowing for the creation of more targeted and effective therapies. The potential to streamline drug development processes is reducing both time and costs associated with bringing new treatments to market.

Moreover, the integration of technologies such as artificial intelligence (AI) and machine learning with biotechnology is revolutionising the research and development landscape. AI and machine learning facilitate the analysis of vast amounts of data, accelerating the discovery of new drugs and therapies. This not only speeds up research processes but also enhances the predictive modelling of disease outbreaks and the optimisation of agricultural yields. AI-driven algorithms can identify patterns in genetic and biological data, improving the accuracy of diagnoses and treatment options.

standardisation bodies must adapt to these technological advancements by developing new standards that address the ethical, regulatory, and technical challenges posed by genomics, biotechnology, and AI. These efforts will ensure that innovation occurs within a framework that protects public interest and promotes global healthcare improvement.

3.2. Key Shift – US Trade relations

South Africa is facing a 30% unilateral tariff imposed by the United States that will affect key export sectors including automotive components, citrus, steel, and aluminium. The tariff is disproportionate given that South Africa represents only 0.25% of total US imports and poses no trade threat to American industry South African Government. This tariff will further reduce South Africa's economic growth and will result in job losses estimated at over 35,000. South Africa continues diplomatic engagement seeking a mutually beneficial trade agreement whilst simultaneously pursuing market diversification strategies.

The SABS, as one of the technical infrastructure entities under **the dtic** has an important role to play in lessening the impact of the new tariffs. The SABS advances South Africa's technical capabilities through the development of National Standards and through providing conformity assessment services designed to facilitate industry access to international markets, whilst simultaneously strengthening export competitiveness. This is accomplished through the systematic adoption of internationally recognised standards, particularly those developed by the International Organization for Standardization (ISO) and the International Electrotechnical Commission (IEC), which are integrated into South African National Standards. By aligning domestic standards with these global benchmarks, SABS ensures that South African industries possess the requisite framework to compete effectively in international markets.

In anticipation of the new tariff, the SABS will:

- Actively participate with other technical infrastructure entities of **the dtic** to accelerate the *Agreement for Mutual Acceptance of Conformity Assessment Results* within the African Continental Free Trade Area (AfCFTA), specifically Appendix to Annex 6 concerning Technical Barriers to Trade. This Mutual Recognition Agreement (MRA) will acknowledge conformity assessment results conducted by recognised Conformity Assessment Bodies (CABs) operating under national accreditation bodies, as well as relevant MRAs established by the African Accreditation Cooperation (AFRAC) and the International Laboratory Accreditation Cooperation (ILAC).
- Accelerate the adoption and implementation of ARSO Product Certification schemes, including Dual Marking and the ARSO Eco Mark, to provide robust quality assurance that facilitates product exports throughout the African continent; and
- Leverage standardisation cooperation within BRICS countries, particularly focusing on renewable energy and digital technologies at the Memorandum of Understanding level. The SABS will expedite implementation plans for existing bilateral MOUs on standardisation with Russia and Saudi Arabia, thereby strengthening South Africa's position in these emerging technological sectors.

3.3. SWOT

A SWOT analyses was conducted in the course of the strategic planning process and the table below presents its outcomes.

Strengths	Weaknesses
<ul style="list-style-type: none"> • Brand Recognition and Reputation • Comprehensive Service Offering • Government Support • Collaborations and Partnerships • Unique Capabilities and Assets • Skilled Workforce and Expertise 	<ul style="list-style-type: none"> • Corporate Culture • Market and product intelligence • Business processes and automation

Opportunities	Threats
<ul style="list-style-type: none"> • Growth in new industries • Increased need for services in the economy for greater impact • New regional and international trading blocs • Standards promotion as a huge area of growth and improvement • Maximise current regulatory environment for greater impact 	<ul style="list-style-type: none"> • Intense competition from international and niche SA laboratories • Abuse of the Mark Scheme • Inadequate legislation that is not aligned to the needs of the country

Table 1:SWOT Analysis

4. Internal environment analysis

The SABS delivers a wide array of services aimed at advancing national industrial goals and enhancing the quality of life for the country. These services encompass the formulation and upkeep of National Standards, the provision of independent certification for products and systems, as well as consignment inspections for large-scale buyers.

The SABS Mark is recognised as a prestigious symbol of quality assurance both domestically and internationally. As the designated local content verification authority, SABS ensures compliance with the Preferential Procurement Policy Framework Act and supports Original Equipment Manufacturers.

Through a network of national testing laboratories, SABS offers essential quality assurance services to regulators, manufacturers, and government procurement bodies. Moreover, SABS extends Business Solutions and Advisory Services, delivering training on management system standards and providing technical assistance to SMMEs and entrepreneurs.

In support of these key activities, the SABS must implement initiatives and programmes to strengthen business operations and optimise the delivery of the mandate. The following key operational priorities will be of focus in the three-year Annual Performance Plan:

Financial Sustainability:

Revenue generation underpins the financial sustainability of the SABS and initiatives to be undertaken includes the protection of existing revenue sources, deepen sales drive to enhance on selling and upselling opportunities whilst launching new products and services that address market needs. Prudent cost containment measures will be implemented to ensure efficient delivery of products and services as per our mandate, considering the realities of operating as a Commercial entity.

Customer Centricity

Execution of the integrated Customer Partnering portfolio to drive enhanced customer experience through leadership in marketing, communications, customer engagement, and proactive sales and business development.

Rollout of the Digitalization Transformation Strategy which includes the following systems:

- Enterprise Resource Management System
- Certification Information Management System (CIMS) which will allow the division to digitise the end-to-end process of auditing and certification.
- Laboratory Information management System (LIMS) which will improve testing turnaround times and demand planning for the testing division.
- Automation of the Learning Management System for BSAS.
- Standards Division to implement enhanced digital tools for the development of standards and transitioning to the delivery of SMART standards including publication tools as well as improved e-commerce functionalities.

Infrastructure Renewal

The SABS Board has approved a comprehensive 5-year infrastructure renewal programme in 2023. This programme will continue into the 2024-2027 Corporate plan execution underpinned by rigorous project prioritization based on return on investment, including adherence to regulatory and compliance requirements.

Operational Efficiency

Investment in requisite infrastructure and systems are an important precursor to enhancing operations and delivering products, solutions and services in a timely manner. The review and enhancement of processes, including adequate operational controls and effective decision-making processes will be an important focus area. Effective setting of turnaround times for key deliverables including monitoring and evaluation of key performance indicators are expected to create a SABS environment that transcends customer expectations.

Talent Management and Learning

Our staff are invaluable in delivering products and services of excellence to all our stakeholder. This requires of us to constantly review our talent, skills and resources to ensure that SABS is fully capable and capacitated to create value for our customers. Our Human Capital department together with operations will deliver adequate initiatives, incentives and programmes that will enable SABS to be recognised as an employer of choice.

The SABS Corporate Culture

The organisation has embarked on a culture change journey, to align its corporate culture with the strategic goals. This process includes the culture definition, identification of core values, and the development of the culture change implementation plan, which will be embedded in the next 3-years.

5. Aligning to National and other priorities

5.1. Supporting National Development Plan

As an organ of state and reporting to the Department of Trade, Industry and Competition, it is important that the activities of the SABS are closely aligned in support of the Government’s National Development Plan (NDP), Medium Term Development Plan and industrialisation effort.

NDP Outcome	Role of the SABS
An inclusive and integrated rural economy	●
Building a capable and developmental state	●
Building safer communities	●
Create an economy that will create more jobs	●
Environmentally resilience & transition to sustainable growth	●
Fighting corruption	●
Improving the quality of education, training and innovation	●
Investing in economic infrastructure	●
Quality healthcare for all	●
Social protection	●
South Africa in the region and the world	●
Transforming human settlement	●
Transforming society and uniting the country	●

Figure 1: The role of the SABS in supporting the NDP objectives

- Direct through the provision of various conformity assessment services as well as targeted intervention programmes including the SMME support programme and support to the Black Industrialist Programme.
- Indirect through the development and promotion of standards as well as training. The SABS currently manages more than 7 400 SANS.

5.2. National Medium Term Development Plan (MTDP) Strategic Priorities

The Medium-Term Strategic Framework (MTSF) has been renamed the Medium Term Development Plan (MTDP) to align with international practices and reinforce its role as the implementation plan for the National Development Plan (NDP). While maintaining its alignment with the NDP and Programme of Priorities, the MTDP will now prioritize development outcomes and be framed primarily as an economic plan to address socio-economic challenges. To enhance its focus, the MTDP will streamline its interventions and establish a clear results framework for the 7th Administration Government.

<p>Driving inclusive growth and job creation</p>	<p>The government will focus on stimulating inclusive economic growth as a top priority. This involves removing barriers to growth, supporting black South Africans and women, and empowering all marginalised groups. Key actions include investing in infrastructure, supporting small and medium-sized enterprises, and simplifying regulations to attract businesses and create jobs. Special attention will be given to rural areas and municipalities to ensure that growth is widespread and impactful.</p>
<p>Reducing poverty and tackling the high cost of living</p>	<p>Addressing poverty and the cost of living will involve expanding support mechanisms for the most vulnerable, such as increasing access to essential goods and reviewing price controls. Emphasis will be placed on job creation, asset provision (e.g., title deeds), and improving access to quality education and healthcare. Initiatives like the National Health Insurance and expanded vocational training will support these goals.</p>
<p>Building a capable, ethical and developmental state</p>	<p>The government aims to enhance the effectiveness of the public sector by professionalizing the public service, fighting corruption, and improving governance of state-owned enterprises. Efforts will include modernizing law enforcement, using technology for crime prevention, and tackling priority crimes. A focus will be on creating a sovereign wealth fund through improved management of state assets.</p>

<https://www.gov.za/PresidentRamaphosaOPA2024>

5.3. Alignment to the Medium-Term Development Plan

The Medium-Term Development Plan (MTDP) for 2024-29 outlines three main strategic priorities: promoting inclusive growth and job creation, reducing poverty and addressing the high cost of living, and building a capable, ethical, and developmental state. The foremost priority, considered the apex priority, is inclusive growth and job creation, which will guide all levels of government, clusters, and sectors to focus on economic interventions that foster widespread economic participation and employment opportunities. These strategic priorities are interconnected and mutually reinforcing.

The table below illustrates the role of the SABS in supporting the MTDP objectives.

MDTP Strategic Priorities	MDTP Outcomes	Strategic MTDP Interventions	SABS Role	SABS Strategic Objectives in support of the MDTP	SABS Initiatives
MTDP Strategic Priority 1: Inclusive growth and job creation	Re-industrialisation, localisation and beneficiation	Drive growth in labour-intensive sectors such as services, agriculture, manufacturing, mining and tourism, including the finalisation & implementation of master plans.	●	<p>Objective 1: To achieve the development, promotion, maintenance and the increased use of the South African National Standards that respond to industrial policy, public and market needs</p> <p>Objective 2: To provide integrated conformity assessment solutions that respond to industrial policy, public and market needs</p>	<ul style="list-style-type: none"> Published standards aligned to industrial policy, public and market needs Increased efficiency in the standards development process (turnaround times) Access, distribution and uptake of standards Strategic collaboration and leadership in regional and international standardisation fora Gender and youth-responsive standards and increased participation of PDI's and young people in the development of standards Certification, testing and advisory services that are aligned to industrial policy, public and market needs Maintain and grow current portfolio of accredited (schemes)
	Science, technology and innovation for growth	Prioritize to Grow and transform SA's science, technology and innovation capabilities, human resources and research infrastructure.	●	Objective 5: To leverage innovation and technology to enhance information security, efficiency and effectiveness to meet market demands	<ul style="list-style-type: none"> Accelerated digital transformation Upgraded and Modernised laboratory technology Invest in Research and Innovation
	Increased investment, trade and tourism	Prioritise the implementation of the African Continental Free Trade Area to increase our	●	Objective 1: To achieve the development, promotion, maintenance and the increased use of the South African National Standards	<ul style="list-style-type: none"> Strategic collaboration and leadership in regional and international standardisation fora

		exports to the rest of the continent. Strengthen economic diplomacy with our largest trading partners and potential trading partners.		that respond to industrial policy, public and market needs	<ul style="list-style-type: none"> • Prioritise harmonization of standards to align to AfCFTA and BRICS priorities
MTDP Strategic Priority 3: Build a capable, ethical and developmental state	A capable and professional public service Improve governance and performance of public entities	Develop and implement a roadmap for digital transformation of public services.	D	Objective 5: To leverage innovation and technology to enhance information security, efficiency and effectiveness to meet market demands	<ul style="list-style-type: none"> • Accelerated digital transformation • Upgraded and Modernised laboratory technology
		Improve efficiency and productivity of the public sector by mainstreaming red tape reduction across departments and entities.		Objective 3: To achieve and maintain sustainability	<ul style="list-style-type: none"> • The organisation-wide business process review and re-engineering; • Attain average 16% annual revenue growth per annum by 2029/30 • Attain 5% of operating margin
		Strengthen the public procurement system, in line with the Public Procurement Act, for efficiencies and effectiveness and to stimulate demand.	D	Objective 2: To provide integrated conformity assessment solutions that respond to industrial policy, public and market needs	<ul style="list-style-type: none"> ▪ Improved the execution of Local Content Verification to deliver on this service consistently.
		Conduct Institutional Reviews and Skills Audit to ensure that state institutions are execution driven in line with mandates and public value.	D	Objective 4: To create and maintain a high-performance and good governance culture	Executing on a training and development programme aligned to commitments in the MTDP as well as to digitalisation and efficiency initiatives;

Table 2: SABS Alignment to the MTDP

5.4. Supporting the New Industrial Policy

To foster industrial growth and transformation in South Africa, the updated Industrial Policy prioritises three key areas: decarbonisation, digitalisation, and diversification. This strategic approach aims to equip the country to effectively navigate global economic shifts while seizing emerging opportunities for sustainable development and competitiveness.

Digitalisation

The industrial policy aims to accelerate the digitalisation of South Africa's economy, recognising its potential to drive economic growth, enhance competitiveness, and develop critical skills. Digitalisation contributes to industrial advancement through increased internet connectivity, the establishment of data centres, the expansion of cloud computing services, and the adoption of artificial intelligence. These technological advancements not only support economic expansion but also create opportunities for innovation. To fully harness the benefits of digitalisation, the government must implement regulatory reforms, provide targeted incentives, and foster a supportive environment for start-ups and emerging digital industries.

Diversification

Diversifying the economy is essential to reduce reliance on mineral exports and build resilience in the industrial sector. The strategy should focus on identifying and expanding a range of high-value products with strong global demand while promoting the manufacturing and assembly of key industrial components. To achieve this, South Africa needs to introduce incentives, attract investment, reform regulations, and establish strategic partnerships. By shifting towards value addition in local industries, the country can stimulate economic growth, create jobs, and strengthen its industrial base.

Decarbonisation

South Africa's transition to a low-carbon economy is central to its industrial policy, with climate change mitigation and green industrial development taking priority. The country possesses vast reserves of critical minerals essential for renewable energy technologies, including wind turbines, solar panels, batteries, and fuel cells. With the global minerals industry projected to grow significantly, South Africa must capitalise on its rich resources such as Manganese, Platinum, and Chrome to advance sustainable development. Beneficiation of these minerals will not only support the energy transition but also contribute to technological progress and economic growth.

The focus of Industrial Policy in South Africa

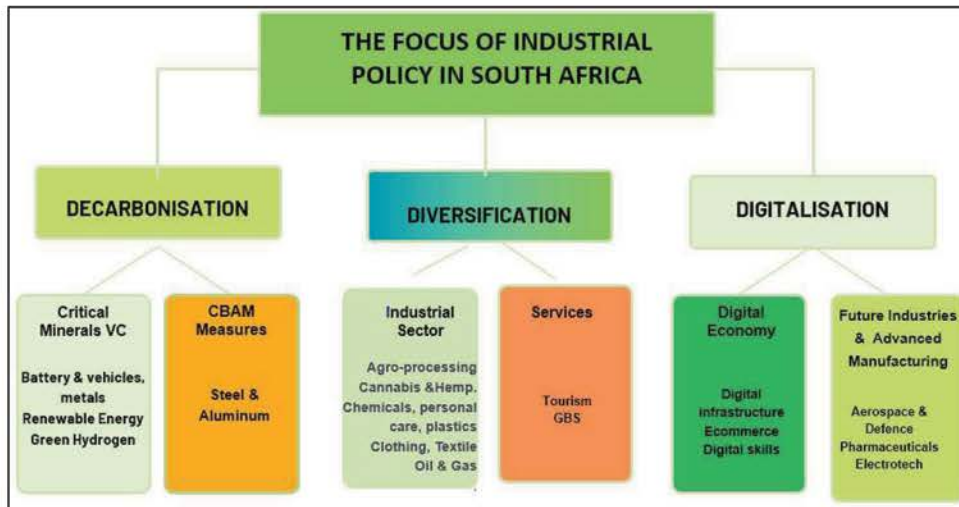


Figure 2: Focus of Industrial Policy

The table below illustrates the role of the SABS in supporting Industrial Policy

Industrial Policy Focus Area	SABS Role	SABS Strategic Objectives in support of Industrial Policy	SABS Initiatives
Decarbonisation Diversification	●	<p>Objective 1: To achieve the development, promotion, maintenance and the increased use of the South African National Standards that respond to industrial policy, public and market needs</p> <p>Objective 2: To provide integrated conformity assessment solutions that respond to industrial policy, public and market needs</p>	<ul style="list-style-type: none"> ● Alignment of the Standards Development, Testing and Certification Work Plan to Decarbonisation and Diversification priorities; Including: <ul style="list-style-type: none"> ○ Publish standards on EVs ○ Publish standards on Energy Efficiency ○ Completion of Feasibility studies in Green Hydrogen and Green Steel ○ Feasibility studies on new Test Methods. ● Maintain and grow the current portfolio of accredited schemes in line with the Decarbonisation and Diversification priorities ● Alignment of the Innovation and Research scope and output
Digitalisation	●	<p>Objective 5: To leverage innovation and technology to enhance information security, efficiency and effectiveness to meet market demands</p>	<ul style="list-style-type: none"> ● Internally: <ul style="list-style-type: none"> ○ Accelerated digital transformation ○ Upgraded and Modernised laboratory technology

Table 3: SABS Alignment to the Industrial Policy

5.5. Supporting the Black Industrialists Programme

The objective objective of the Black Industrialist programme of **the dtic** is to drive significant involvement of black-owned businesses in the primary economic sectors in line with Industrial Policy. Through the services provided by the SABS, black industrialist stand to benefit from:

- Implementing management systems such as ISO9001 to improve operational efficiency and effectiveness; and demonstrate credibility;
- Product testing that reduces technical barriers to trade and increase export opportunities; and
- Delivery of consistent product quality, thereby increasing customer satisfaction and trust.

Focus in the next three years is on increasing standardisation services to Black Industrialists through:

- Evaluating specific requirements of new and existing companies on the Black Industrialist Programme to determine their individual needs;
- In parallel, finalising the sources of funding for standardisation services offered through the SABS; and
- Delivery of a minimum of R1 million worth of service each year.

5.6. Broad-Based Black Economic Empowerment (B-BBEE)

The SABS remains steadfast in its commitment to national transformation through the B-BBEE framework. Currently rated at a B-BBEE Contribution Level 6, the SABS aims to achieve Level 1 status by 2027. To reach this ambitious goal, the organization has outlined specific FY2026/27 initiatives focusing on Skills Development, Supplier and Enterprise Development, and Socio-Economic Development. By executing these initiatives effectively, the SABS anticipates moving to a Level 3 contribution by the end of FY2026/27 and to Level 1 by end of FY2027/28.

6. Corporate Strategy

Set against the backdrop of the global and local economy, shifting competitive dynamics, government and shareholder priorities, historical performance, and operational obstacles, the following outlines the strategy of the SABS in the next five years.

“We will achieve a self-sustaining revenue by 2029/2030 by taking our position as an indispensable, quality expert to our strategic partners; and our further commitment to them, over the period, is an execution excellence that will deliver an average of 80% improvement on turnaround times across the board.”

Self-sustaining revenue

Average 16% per annum growth to achieve R960m by 2030, excluding the parliamentary grant

Strategic Partners

Carefully selected partners that have quality and standards as a key success factor – all spheres of government, regulators SQAM entities and developmental SMMEs. Move away from being “everything to everyone” and spreading thin.

80% improvement on turnaround times

We carefully select and build systems or deliver projects that will directly impact our turnaround times. We will carefully select the processes that have the biggest impact on the turnaround time, target these and closely monitor them.

Figure 3: Strategic Aspiration to 2030

6.1. Laboratory Services

The SABS’ laboratory (or testing) activities provide an extensive array of testing, calibration, inspection, and evaluation capabilities across a diverse range of technologies. The SABS testing capability is the most extensive and comprehensive service of its kind in Southern Africa.

The SABS’ laboratory services have in recent years been challenged by aging infrastructure and equipment, process, and productivity challenges as well as difficult trading conditions. Furthermore, ever increasing competition in the commercial testing space and difficulties associated with skills retention have left many laboratories at a point of marginal capability to operate. These challenges have had a negative impact on the Certification business.

In the next three years, Laboratory Services will execute the approved laboratory turnaround plan and will:

- Implementing people, process and technology initiatives to reduce turnaround times across all test methods;
- Consolidating testing activities to optimize customer requirements/commitments and turnaround times;
- Capitalise on unique offerings and make them more refined and competitive;
- Develop new test methods to support the re-industrialisation priority of the MTDP and ensure that the new test offerings are supported by sound business cases with a clear path to profitability; or through a defined self-sustaining mechanism for “good of the nation” services;
- Take on only new customers that can be served to the highest level of customer service; and
- Maintain laboratories that support the Mark Scheme and other schemes designed to support key partners (and supported by a sound business case)

In 2026/27 progress will be measured through:

- Revenue from testing – R148.6m
- Average reduction in turnaround time per annum: 20% from the 2025/26 baseline
- Customer Satisfaction index = 75% by 2029/30

6.2. Certification

SABS provides independent third-party certification services that assures that products, systems, and services comply with pre-defined standards and specifications.

Certification schemes are voluntary, however, regulators can make the SABS Mark compulsory under various considerations, for example, in public interest, to protect life, for environmental safety, prevention of unfair trade practices, national security, etc. For such products, the regulators including government departments directs mandatory use of SABS Mark under a licence arrangement.

The dtic, the Department of Mineral Resources and Energy (DMRE), and the Department of Public Enterprises (DPE), appointed the SABS as the local content verification agency to fulfil the requirements of the amended regulations to the Procurement Bill and which became effective in December 2011. The SABS has built the requisite capacity to conduct local content verification (LCV) to support the developmental agenda of the country, this is for both public and private sector.

In the next 3 years, the SABS will grow Certification revenue significantly through:

- Retaining Mark Scheme and permit holders (vehicle testing, number plates, etc.) through a targeted customer partnering process;
- Strategic partnering, for example with Consumer Commission, in light of increased counterfeiting in the economy, by an increased adoption of the SABS Mark by manufacturers to demonstrate compliance to national standards; and
- Improved the execution of Local Content Verification to deliver on this service consistently.

New opportunities in Certification will come from:

- Development of new certification schemes aligned to new industries, including Medical Devices and Asset Management schemes;
- Greater partnerships with MSME Development Agencies and Enterprise/Supplier Development Consultants for growth and quality support;
- Greater partnerships with all spheres of government to certify key processes in management systems; and
- Implementation of existing schemes such as the Energy Performance Certificate Scheme (SANS 1544 with SANS500001) as well as other existing schemes.

Focus in 2026/27 will also be on implementing a mechanism to build auditor competencies for current and future sectors aligned with MTDP and industrial policy priorities. In the initial stages of strategy execution, focus will also be on implementing a technology solution (CIMS) to drive efficiency.

Progress in 2026/27 will be measured through:

- Annual revenue from Certification – R383.2m in 2026/27
- Number of new Certification Schemes developed = 3
- Average reduction in turnaround time in key processes: 20% from the 2025/26 baseline
- Customer Satisfaction index = 75%

6.3. Standards

The SABS has the mandate to develop and maintain of relevant National Standards that address market needs, enable the country to meet socio-economic and environmental objectives, facilitate the execution of industrial policy, innovation and competitiveness.

The standards development process of the SABS must be efficient, credible, inclusive, and must be underpinned by international standardisation principles and digital enablement. This means that the SABS must acquire, develop, and retain skills to drive strategic and thought leadership amongst the pool of professional that drive the standards development process that meets the changing needs of society.

This strategy recognises that:

- The most significant opportunity for the SABS is not in the sale of Standards;
- The SABS has a mandate to develop South African national standards, but in addition, the mandate includes the development of "...related normative publications serving the standardization needs of the South African community";
- Our standards development process and the capabilities in managing technical committees should benefit the South African community in more ways;
- The opportunity exists to get closer to the government (as a regulator) to help drive the priorities of the MTDP – for the development of Norms and for supporting their enforcement in most pressing needs; and
- Our access to over 20 000 ISO standards must benefit our South African community more by harmonizing standards and developing related conformity assessments in conjunction with Certification.

In 2026/27, SABS will:

- Continue to deliver standards development in the traditional sectors and markets;
- Advance the workplan to serve the needs of new industries and technologies in:
 - Energy efficiency; electric vehicles, cannabis, Green Hydrogen, waste in line with industrial development;
 - The circular economy, including recyclability, repairability, disassemblies, etc.; and
 - Cybersecurity, artificial intelligence (AI), machine learning, biotech, genomics, etc.
- Prioritise harmonization of standards to align to AfCFTA and BRICS priorities; and
- Improve and refine the technical committee process, including composition, competence recognition and new work plans
- Increase focus in the development of standards and supporting documents to impact development and growth for developmental MSMEs as well as all spheres of government, including national, regional and local municipalities; SOEs, academic institutions, etc.

Standard Development Organisations (SDOs)

Where private and public sector have existing standards/norms:

- In 2026/27 investigate the opportunity to recognize them as SDO's and increase impact through promotion of quality; and
- Work in partnership with these SDO's to do conformity assessments.
- Use the same platforms to also promote SANS, for example SANS 10248-1 and SANS 452 in healthcare.

Progress in 2026/27 will be measured through:

- Annual revenue from Standards sales – R47.5 million
- Number of days to develop standards <= 315
- Number of standards/normative or supporting publications to support gov regulatory or development activities = 12

6.4. Business Solutions and Advisory

The SABS BSAS is a critical part of the value chain of the SABS services that seek to enhance the skills of industry and government professionals to understand and implement SANS. This department currently offers a diverse portfolio of training courses, focusing mainly on management system standards.

The expanded advisory services provide technical support to MSMEs, entrepreneurs and other key stakeholders on standardisation solutions. These services aim to capacitate companies to meet specific standards and technical requirements thereby improving product and service quality that meets market requirements. For government and regulators, the services capacitate the regulatory responsibilities to improve service delivery and enforcement.

Custom standardization solutions for MSME's, regulators or ministries fall within the scope of Business Solutions and Advisory Service. BSAS, through Training execution, will also be used as a mechanism to promote standards.

The advisory services of BSAS must lead as an "anchor unit" and will need to be fully capacitated:

- To lead engagements with strategic partners to develop solutions that cut across all standardization services;
- Co-ordinate execution of solutions with Standards, Training, Certification or LSD in line with the proposal; and
- To research partner needs and develop compelling proposals for solutions. For example, National Department of Health may have developed Regulation 638 (R638), but municipalities lack capacity to conduct conformity assessments against this regulation.

In 2026/27, BSAS will:

- Develop and execute solutions for new partners (especially public sector and MSMEs) to support the MTDP priorities
- Maintain current training customers and significantly grow revenue through:
 - Addition of new training courses that address immediate pain points in the economy, for example counterfeiting, food safety; and
 - Increased promotion of existing training courses amongst key partners such as government and regulators.
- Support the automation of training to improve reach and drive efficiency in training delivery

Progress in 2026/27 will be measured through:

- Annual revenue from BSAS – R17.7m;
- Number of custom quality and standardisation solutions developed and implemented per annum by 2029/30: 12;
- Number of new training material developed 6;

- Customer Satisfaction index = 75% by 2029/30; and
- Average reduction in turnaround time per annum: 20% from the 2025/26 baseline.

6.5. Key Enablers

Extensive promotion of standards

Promoting standards is not only a core mandate of the SABS but also essential for driving growth and impact. The goal is to encourage widespread adoption of South African national standards by enhancing public understanding of their value and the importance of related conformity assessments.

The promotion of quality overall as well as advocacy for a more extensive use of standards in the economy is one of the key areas of focus and growth for the SABS. This strategy underscores the necessity for standards and standard development to assume a more prominent role in addressing the country's development challenges. To that end, the SABS will in 2026/27 develop and roll out a strategic communication and advocacy plan that:

- Is aligned to industrial policy and that prioritise strategic sectors with high growth potential, including those in energy, manufacturing, agriculture, mining and construction as well as in the new and circular economies;
- Drives partnerships with regulators and national departments to address challenges highlighted in the MTDP, including issues in education, health, safety, security as well as process challenges related to red tape;
- Reflects the MSME sector as a key market to drive growth and exports through standardisation; and
- Position SABS as a quality partner for government and all its entities.

Accreditation

Accreditation is one of the most important core functions of the SABS in that it is the mechanism that provides most operations licence to operate. The main objective of Accreditation services is to interpret accreditation requirements, define accreditation rules for the organisation, monitor compliance through internal audits and liaise with accreditation bodies for external audits.

The most important accreditation that the SABS must maintain include:

- In Laboratory services: SANAS (ISO17025, ISO17043 , OECD GLP) and SAHPRA
- In Certification: SANAS, FSSC, FSC & RVA

In 2026/27, the SABS will maintain accreditation in line with laboratory turnaround plan an in support of growth in Certification through:

- The development and execution of an internal audit process with an effective close-out mechanism;
- Maintaining a robust succession plan for technical signatories;
- Effective management of the Approvals Board process; and
- Effective training and calibration of auditors for management on Systems certification schemes.

Skilled and engaged employees

The success of the strategy of the SABS depends significantly on skilled resources to ensure that the organisation is fully capable and capacitated to drive the change as well as to create value. The organisation is underway with the execution of a culture change journey programme and is completing the appointment of employees into critical positions.

In the next 5 years, the human capital strategy will deliver an enhanced employee value proposition that will:

- Develop a competency framework (including leadership competency) for all skill types to ensure that the organisation has the right capability and capacity to execute the strategy;
- Complete the implementation of the culture transformation programme that will facilitate transition into a service and client-centric, good governance culture;
- Develop and implement an integrated talent management strategy that incorporates performance management and an organisation-wide learning strategy, fully aligned to strategic objectives; and
- Develop and implement a fit-for-purpose remuneration and Reward philosophy and Framework.

In 2026/27 performance will be measured through:

- A 60% reduction of identified competency gaps across all positions;
- Maintaining an average vacancy rate of $\leq 10\%$ annually;
- Achieving average retention rate of $\geq 90\%$ annually; and
- Improvement in the Employee Culture Score to $\geq 58\%$.

Technology

Technology is a key enabler as it is used to drive automation, provide efficiency gains and improve customer centricity. The improvement of turnaround times across the organisation hinges on the success of the execution of the strategy including:

The ICT strategy will deliver key programme that include:

- The upgrade systems to address and maintain low cyber security risks;
- The organisation-wide business process review and re-engineering;
- Operationalise of updated business processes; and
- The rollout of the ICT Digitalization Transformation Plan which includes the following business systems:
 - Enterprise Resource Management System;
 - Certification Information Management System (CIMS) which will allow the division to digitise the end-to-end process of auditing and certification;
 - Laboratory Information management System (LIMS) which will improve testing turnaround times and demand planning for the testing division;
 - Automation of the Digital Learning Management System for BSAS; and
 - Standards Division to implement enhanced digital tools for the development of standards and transitioning to the delivery of SMART standards including publication tools as well as improved e-commerce functionalities.

In 2026/27, progress will be measured through:

- Progress against the implementation of the overall ICT Strategy that includes the Digital Transformation Plan = 100% by 2028/29; and
- Implementation operational systems including CIMS, LIMS, Training DLS and the SMART Standards development tools by 2027/28.

Infrastructure

The SABS is challenged by ageing infrastructure and equipment that affects laboratory services the most. Without maintaining laboratory conditions that are required to run credible tests, productivity in the laboratories is severely reduced and the revenue is impacted. testing output is severely reduced.

The approved infrastructure plan must be managed efficiently as it has direct impact on:

- The Improvement in turnaround times in the laboratories; and
- The organisation's ability to improve service delivery.

Progress in 2026/27 will be measured through:

- Progress against the implementation of the approved annual infrastructure plan = 100%; and
- Improvement in turnaround times = 20% per annum.

Research and Innovation

One of the key findings of the IPSOS market research was that stakeholders perceive the SABS as responding too slowly to innovation and emerging technologies. Stakeholders recommended that SABS should take the lead in issues of quality and must provide leadership on matters related to standardisation.

The key objective of research and innovation is to enable the SABS to take its rightful leadership role in standardisation for re-industrialisation, development and quality for the South African economy. This will be achieved through:

- Developing a research & innovation capacity and capability, including an innovation ecosystem made of academic and other research partners;
- Supporting partnership activities with the research that will enable the delivery of meaningful and relevant advisory services to key partners and customers; and
- Facilitating the development of a Standards, Testing and Certification work plan that is supported by market/partner requirements, socio-economic impact as well as health and safety requirements of the economy, and of the region.

Progress in the next five years will be measured through:

- Number of projects delivered under the innovation programme and aligned to the MTDP = 3

7. Other Strategic Projects

7.1. Mechanisms to combat Illicit and Counterfeit Trade

South Africa faces a mounting economic and public health crisis driven by the proliferation of illicit and counterfeit products. The magnitude of this problem is staggering - South Africa is estimated to have lost

R100 billion from illicit and counterfeit trading last year through lost business and tax revenue¹. This represents not merely an economic drain, but a fundamental threat to the integrity of the country's commercial ecosystem, consumer safety, and fiscal stability.

Counterfeit and illicit products have penetrated critical sectors including pharmaceuticals, alcohol, tobacco, and food products, creating a web of interconnected risks that threaten both individual consumers and the broader economy.

South Africa has a comprehensive legal framework in place to address the problem of counterfeit goods, however, the main challenge lies in consistent and effective enforcement. The legal framework, includes, amongst others *Counterfeit Goods Act, 1997 (Act No. 37 of 1997)*, *Medicines and Related Substances Act 101 of 1965*, *Consumer Protection Act (CPA) of South Africa* and *Section 113A of the Customs and Excise Act of 1964* that authorises the South African Revenue Service (SARS) to detain goods at the border to verify their authenticity.

The real solution to the counterfeit and illicit trade problem lies in supply chain visibility of products through improved traceability and transparency across the entire supply chain.

The SABS, as a national standards body, has a responsibility to play a significant role, within its mandate of standards development and conformity assessments, to help combat illicit and counterfeit trade.

In 2026/27, the SABS will:

- Lead the process to develop national standards to guide product traceability mechanisms across supply chains and will publish at least 1 standard; and
- Investigate conformity mechanisms that will support high risk products that are subjected to counterfeiting.

7.2. Pre-export Verification of Conformity Assessments

The South African Bureau of Standards (SABS) is establishing a Pre-Shipment Verification of Conformity (PVoC) programme in response to increasing importation of substandard, unsafe, or non-compliant goods from international markets. The PVoC programme is designed to protect South African consumers, safeguard national standards, ensure compliance, and reduce customs burdens by verifying conformity at source.

The PVoC agreement aims to:

- Ensure goods imported from other countries conform to South African regulatory and quality standards before shipping; and
- Mitigate the risk of non-compliant imports at South African ports of entry.

In 2026/27, the SABS will implement the China PVoC that will ensure that all imported regulated products from China, Hong Kong, Taiwan, and Macao conform to South African national standards before shipment and entry into the local market, thereby strengthening local regulatory enforcement mechanisms.

The specific mechanisms include:

¹ <https://dailyinvestor.com/finance/88952/one-crime-cost-south-africa-r100-billion-in-2024/>

- The end-to-end digital verification of Certificates of Conformity (CoCs) between China CCIC (China Certification and Inspection Group) and SABS, with border enforcement by SARS; and
- The development of the SABS operational capability (people, process, systems) to support the governance of the PVOC model.

In 2026/27, the SABS will subject a minimum selected imports from China to the PVOC process and will deliver at least 25 Certificates of Compliance through this project.

8. Competitive Advantages

The SABS Mark Scheme

The SABS Mark Scheme is a product certification offering that provides a third-party assurance of product quality, safety and reliability for product manufacturers. It is a voluntary quality mark that confirms to consumers that a product has been tested, and the manufacturing processes have been assessed to meet the requirements of South African National Standards. After many decades in the market, the SABS Mark scheme remains a symbol of quality for many products and in South Africa and can be found in a wide range of products including bottled water, condoms, safety shoes, etc. The SABS Mark has been used by exporters and has a presence in more than thirty countries.

The SABS will defend this competitive advantage through:

- Operationalise the IP Strategy to show greater enforcement as far as the SABS Mark Scheme abuse is concerned. This will protect the value of the brand and provide a good value proposition to more manufacturers;
- Work closely with regulators such as the Consumer Commission, in light of increased product counterfeiting in the economy, to increase adoption of the SABS Mark by manufacturers to demonstrate compliance to national standards; and
- Use the SABS Mark to demonstrate leadership in quality promotion for the economy in line with its Standards mandate.

Progress in 2026/27 will be measured through:

- Closure of 80% of reported Mark Scheme transgression cases annually
- Year-on-year growth in the number of valid SABS Mark permits Of 5%

Local Content Verification

The dtic, the Department of Mineral Resources and Energy (DMRE), and the Department of Public Enterprises (DPE) designated the SABS as the local content verification agency to comply with the amended regulations of the Procurement Bill, which came into effect in December 2011.

The SABS has introduced a new local content grading scheme aimed at providing proactive verification for Original Equipment Manufacturers (OEMs) participating in tenders under the Preferential Procurement Policy Framework Act (PPPFA) requirements, as well as those supplying the mining sector. This scheme not only facilitates market access for OEMs but also serves as a strategic tool for policymakers, enabling them to monitor and assess the progress of local production and development initiatives.

This offering is more unique to the SABS and this competitive advantage must be fully taken advantage of and protected. In 2026/27, the SABS will:

- Increase promotion of Local Content Verification services to position it as a voluntary impact measure for companies that are not necessarily submitting tenders;
- Use the success of Local Content Verification to drive regulators to consider a similar mechanism by other regulators; and
- Improve audit processes to increase turnaround time and increase the level of service offered to customers.

PART C: MEASURING PERFORMANCE

9. Institutional Programme Information

9.1. Programme 1: Standards Development and Promotion

Purpose: To achieve the development, promotion, maintenance and the increased use of the South African National Standards (SANS) that respond to industrial policy, public and market needs

Outcomes, outputs, performance indicators and targets

Impact	Outcome	Link to GAIN, MTP and Industrial Policy	Outputs	Output Indicators	Actual		Estimated 2025/26	Estimated over MTDP Period		
					2022/23	2023/24		2026/27	2027/28	2028/29
A re-industrialised economy driven by strong local industries	Growth and development of New Industries	MTDP Priority 1: Re-industrialisation, localisation and beneficiation GAIN: Industrial Policy Reform	Growth in standards in New industries	Number of Standards developed for selected priority sectors in the Industrial Policy	New indicator	New indicator	33 Standards developed for selected priority sectors in the Industrial Policy	12 Standards developed for selected priority sectors in the Industrial Policy	18 Standards developed for selected priority sectors in the Industrial Policy	26 Standards developed for selected priority sectors in the Industrial Policy
A safer society protected from unsafe products, services and infrastructure	Increased use of standards in regulations	GAIN: Regulatory environment	Standards to address illicit and counterfeit trade	Number of national standards developed to combat illicit and counterfeit trade	New indicator	New indicator	0 National standards developed to combat illicit and counterfeit trade	4 National standards developed to combat illicit and counterfeit trade	2 National standards developed to combat illicit and counterfeit trade	2 National standards developed to combat illicit and counterfeit trade

Output indicators: annual and quarterly targets

Output Indicator	2026/27 Target				2026/27 Quarterly Targets			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Number of Standards developed for selected priority sectors in the Industrial Policy	2 Standards developed for selected priority sectors in the Industrial Policy	5 Standards developed for selected priority sectors in the Industrial Policy	8 Standards developed for selected priority sectors in the Industrial Policy	12 Standards developed for selected priority sectors in the Industrial Policy	2 Standards developed for selected priority sectors in the Industrial Policy	5 Standards developed for selected priority sectors in the Industrial Policy	8 Standards developed for selected priority sectors in the Industrial Policy	12 Standards developed for selected priority sectors in the Industrial Policy
Number of national standards developed to combat illicit and counterfeit trade	3 National standards developed to combat illicit and counterfeit trade	3 National standards developed to combat illicit and counterfeit trade	3 National standards developed to combat illicit and counterfeit trade	4 National standards developed to combat illicit and counterfeit trade	3 National standards developed to combat illicit and counterfeit trade	3 National standards developed to combat illicit and counterfeit trade	3 National standards developed to combat illicit and counterfeit trade	4 National standards developed to combat illicit and counterfeit trade

9.2. Programme 2: Integrated Conformity Assessments

Purpose: To provide integrated conformity assessment solutions that respond to industrial policy, public and market needs Programme: Integrated Conformity Assessments

Impact: A safer society protected from unsafe products, services and infrastructure
A re-industrialised economy driven by strong local industries

Outcomes, outputs, performance indicators and targets

Impact	Outcome	Link to GAIN, MTP and Industrial Policy	Outputs	Output Indicators	Actual		Estimated 2025/26	Estimated over MTPD Period		
					2022/23	2023/24		2026/27	2027/28	2028/29
A safer society protected from unsafe products, services and infrastructure	Enforcement of regulations and services that protect society	GAIN: Regulatory environment	Enforcement conducted on high-risk products	% Compliance to compulsory specification of cement sold by SABS-Certified Clients	New indicator	New indicator	New indicator	100% Compliance to compulsory specification of cement sold by SABS-Certified Clients	100% Compliance to compulsory specification of cement sold by SABS-Certified Clients	100% Compliance to compulsory specification of cement sold by SABS-Certified Clients
				% of SABS Mark permits that have expired	New indicator	New indicator	5% expired SABS Mark permits	2.0% Expired SABS Mark permits	2.0% Expired SABS Mark permits	
				% Increase in certificates issued	New indicator	New indicator	3% Increase in certificates issued	5% Increase in certificates issued	9% Increase in certificates issued	
A re-industrialised economy driven by strong local industries	Increased access to market for MSMEs	GAIN: Trade and exports	Subject high-risk products to Pre-export Verification of Conformity	Number of Certificates of Conformity produced through the Pre-export Verification of Conformity	New indicator	New indicator	New indicator	25 Certificates of Conformity produced through the Pre-export Verification of Conformity	40 Certificates of Conformity produced through the Pre-export Verification of Conformity	60 Certificates of Conformity produced through the Pre-export Verification of Conformity
				Number of micro-enterprises whose market access increased through standardisation services offered	New indicator	New indicator	New indicator	20 Micro-enterprises whose market access increased through standardisation services offered	30 Micro-enterprises whose market access increased through standardisation services offered	50 Micro-enterprises whose market access increased through standardisation services offered
				Number of indirect jobs created from	New indicator	New indicator	New indicator	30 Indirect jobs created from standardisation services offered	60 Indirect jobs created from standardisation services offered	90 Indirect jobs created from standardisation services offered

Impact	Outcome	Link to GAIN, MTP and Industrial Policy	Outputs	Output Indicators	Actual		Estimated 2025/26	Estimated over MTPD Period		
					2022/23	2023/24		2026/27	2027/28	2028/29
		Inclusive growth and job creation		standardisation services offered						

Output indicators: annual and quarterly targets

Output Indicator	2026/27 Quarterly Targets				
	2026/27 Target	Q1	Q2	Q3	Q4
% Compliance to compulsory specification of Cement sold by SABS-Certified Clients	100% Compliance to specification of cement sold by SABS-Certified Clients	=>80% Compliance to specification of cement sold by SABS-Certified Clients	=>85% Compliance to specification of cement sold by SABS-Certified Clients	=>90% Compliance to specification of cement sold by SABS-Certified Clients	100% Compliance to specification of cement sold by SABS-Certified Clients
% of SABS Mark permits that have expired	2.0% Expired SABS Mark permits	5.0% Expired SABS Mark permits	4.0% Expired SABS Mark permits	3.0% Expired SABS Mark permits	2.0% Expired SABS Mark permits
% increase in certificates issued	5% increase in certificates issued	1% increase in certificates issued	2% increase in certificates issued	3% increase in certificates issued	5% increase in certificates issued
Number of Certificates of Conformity produced through the Pre-export Verification of Conformity	25 Certificates of Conformity produced through the Pre-export Verification of Conformity	0 Certificates of Conformity produced through the Pre-export Verification of Conformity	0 Certificates of Conformity produced through the Pre-export Verification of Conformity	15 Certificates of Conformity produced through the Pre-export Verification of Conformity	25 Certificates of Conformity produced through the Pre-export Verification of Conformity
Number of micro-enterprises whose market access increased through standardisation services offered	20 Micro-enterprises whose market access increased through standardisation services offered	0 Micro-enterprises whose market access increased through standardisation services offered	0 Micro-enterprises whose market access increased through standardisation services offered	0 Micro-enterprises whose market access increased through standardisation services offered	20 Micro-enterprises whose market access increased through standardisation services offered
Number of indirect jobs created from standardisation services offered	30 indirect jobs created from standardisation services offered	0 indirect jobs created from standardisation services offered	0 indirect jobs created from standardisation services offered	0 indirect jobs created from standardisation services offered	30 indirect jobs created from standardisation services offered

9.3. Programme 3: Sustainability

Purpose: To achieve and maintain sustainability

Outcomes, outputs, performance indicators and targets

Impact	Outcome	Link to MTP and Industrial Policy	Output	Output Indicator	Actual			Planned			
					2022/23	2023/24	2024/25	Est. 2025/26	2026/27	2027/28	2028/29
A more capable SABS that delivers its mandate consistently	A sustainable SABS with a more secure future	GAIN: Transformation	Execution of the Business Case to turnaround the SABS into a significant, self-sustaining entity aligned with global best-in-class benchmarks	% implementation of the approved plan to execute the turnaround business case	New indicator	New indicator	New indicator	New indicator	100% implementation of the 2026/27 Plan to execute the turnaround business case	100% implementation of the 2027/28 Plan to execute the turnaround business case	100% implementation of the 2028/29 Plan to execute the turnaround business case
					R459.5m Revenue generated from products and services	R459.6m Revenue generated from products and services	R462m Revenue generated from products and services	R494m Revenue generated from products and services	R606m Revenue generated from products and services	R715.8m Revenue generated from products and services	R851.1m Revenue generated from products and services
		MTDP Priority 3	Growth in revenue	Revenue generated from products and services	New indicator	New indicator	New indicator	New indicator	7% Cash retained from revenue generated	7% Cash retained from revenue generated	7% Cash retained from revenue generated
		Outcome: Improve governance and performance of public entities	Cash reserved from operating activities	Cash retained from revenue generated (%)	Un-qualified	Un-qualified	Un-qualified	New indicator	Not targeted	Achieve clean Audit for the 2026/27 performance year	Achieve clean Audit for 2027/28 performance year
			Adherence to key compliance and governance requirements	External audit outcome	Un-qualified	Un-qualified	Un-qualified	Not started	Not completed	Achieve clean Audit for the 2026/27 performance year	Achieve clean Audit for 2027/28 performance year

*Stretch targets: 3 Performance: R606m (23% growth) 4 Performance: R652m (32% growth) 5 Performance: R699 (42% growth)

Output indicators: annual and quarterly targets

Output Indicator	2026/27 Quarterly Targets				
	2026/27 Target	Q1	Q2	Q3	Q4
% implementation of the approved plan to execute the turnaround business case	100% Implementation of the 2026/27 Plan to execute the turnaround business case	-	Approval of the Business Case and Implementation Plan for the Turnaround	30% implementation of the 2026/27 Plan to execute the turnaround business case	100% implementation of the 2026/27 Plan to execute the turnaround business case
Revenue generated from products and services (R m)	R606m Revenue generated from products and services	R80m Revenue generated from products and services	R240m Revenue generated from products and services	R440m Revenue generated from products and services	R606m Revenue generated from products and services
Cash retained from revenue generated	7% Cash retained from revenue generated	7% Cash retained from revenue generated	7% Cash retained from revenue generated	7% Cash retained from revenue generated	7% Cash retained from revenue generated
External audit outcome	Not targeted in 2026/27				

9.4. Programme 4: High performance and good governance culture

Purpose: To create and maintain a high-performance and good governance culture

Outcomes, outputs, performance indicators and targets

Impact	Outcome	Link to MTP Industrial Policy	GAIN: Transformation	Outputs	Output Indicators	Actual			Estimated over MTDP Period			
						2022/23	2023/24	2024/25	Est. 2025/26	2026/27	2027/28	2028/29
A more capable SABS that delivers its mandate consistently	An efficient and effective organisation to execute our mandate			Improvement in Turnaround time on selected key processes in HC, Facilities and SCM	Turnaround Time to Recruit	New indicator	New indicator	New indicator	>100 Days	45 Days to recruit	45 Days to recruit	45 Days to recruit
						New indicator	New indicator	New indicator	>120 Days to conclude Request for Proposals	90 Days to conclude Request for Proposals	90 Days to conclude Request for Proposals	90 Days to conclude Request for Proposals
				Compliance with Turnaround Times in the facilities service standard charter	Compliance with Turnaround Times in the facilities service standard charter	New indicator	New indicator	New indicator	New indicator	100% Compliance with Turnaround Times in the facilities service standard charter	100% Compliance with Turnaround Times in the facilities service standard charter	100% Compliance with Turnaround Times in the facilities service standard charter
						Level 8	Level 6	Level 6	Level 7	Not targeted	Achieve Level 2 (for 26/27)	Achieve Level 1 (for 27/28)
			MTDP Priority Outcome 3 outcome: A capable and	A capable organisation that complies with	BBBEE audit outcome	Level 8	Level 6	Level 6	Level 7	Not targeted	Achieve Level 2 (for 26/27)	Achieve Level 1 (for 27/28)

Impact	Outcome	Link to MTP Industrial Policy	GAIN, and Policy	Outputs	Output Indicators	Actual				Est. 2025/26	Estimated over MTDP Period		
						2022/23	2023/24	2024/25	2026/27		2027/28	2028/29	
		professional public service	key legislation	Increased employment opportunities	Number of new jobs created Number of young people on the 2-year graduate programme	New indicator New indicator	New indicator New indicator	New indicator 60 Young people on the 2-year graduate programme	New indicator No intake	No intake	6 New jobs created 60 Young people on the 2-year graduate programme	8 New jobs created No intake	10 New jobs created 60 Young people on the 2-year graduate programme

Output indicators: annual and quarterly targets

Output Indicator	2026/27 Target				2026/27 Quarterly Targets			
	Q1	Q2	Q3	Q4				
Turnaround Time to Recruit (days)	75 Days to recruit	55 Days to recruit	50 Days to recruit	45 Days to recruit				
Turnaround Time to complete an RFPs (days)	120 Days to conclude Request for Proposals	110 Days to conclude Request for Proposals	100 Days to conclude Request for Proposals	90 Days to conclude Request for Proposals				
Compliance with Turnaround Times in the facilities service standard charter	100% Compliance with Turnaround Times in the facilities service standard charter	100% Compliance with Turnaround Times in the facilities service standard charter	100% Compliance with Turnaround Times in the facilities service standard charter	100% Compliance with Turnaround Times in the facilities service standard charter				
BBBEE audit outcome	Not targeted							
Number of jobs created	0 Jobs created	0 Jobs created	3 Jobs created	6 Jobs created				
Number of young people recruited onto the 2-year graduate programme	30 Young people recruited onto the 2-year graduate programme	40 Young people recruited onto the 2-year graduate programme	50 Young people recruited onto the 2-year graduate programme	60 Young people recruited onto the 2-year graduate programme				

9.5. Programme 5: Innovation and Technology

Purpose: To leverage innovation and technology to enhance information security, efficiency and effectiveness in developing and promoting national standards, deliver conformity assessment and other services to meet market demands

Outcomes, outputs, performance indicators and targets

Impact	Outcome	Link to GAIN, MTP and Industrial Policy	Outputs	Output Indicators	Actual			Estimated over MTDP Period			
					2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29
A more capable SABS that delivers its mandate consistently	A modernised, digitally enabled organisation	GAIN: Public service reform MTDP Priority 3 Outcome: A capable and professional public service	Execution of digital transformation strategy to improve service delivery	Minimum % Implementation of the approved Annual Digital Transformation Plan	New Indicator	New Indicator	New Indicator	Minimum 85% Implementation of the approved 2025/26 Digital Transformation Plan	Minimum 85% Implementation of the approved 2026/27 Digital Transformation Plan	Minimum 85% Implementation of the approved 2027/28 Digital Transformation Plan	Minimum 85% Implementation of the approved 2028/29 Digital Transformation Plan
			Execution of the infrastructure upgrade plan to improve service delivery	% implementation of the approved Annual Infrastructure Transformation Plan	New Indicator	New Indicator	New Indicator	Minimum 70% Implementation of the approved 2025/26 Infrastructure Transformation Plan	Minimum 70% Implementation of the approved 2026/27 Infrastructure Transformation Plan	Minimum 70% Implementation of the approved 2027/28 Infrastructure Transformation Plan	Minimum 70% Implementation of the approved 2028/29 Infrastructure Transformation Plan
			Improvement in the customer satisfaction Index	Customer satisfaction index achieved	80%	69%	Not targeted	=>75% Customer satisfaction index achieved	=>85% Customer satisfaction index achieved	=>85% Customer satisfaction index achieved	=>85% Customer satisfaction index achieved

Output indicators: annual and quarterly targets

Output Indicator	2026/27 Quarterly Targets				
	2026/27 Target	Q1	Q2	Q3	Q4
% implementation of the approved Annual Digital Transformation Plan	Minimum 85% Implementation of the approved 2026/27 Digital Transformation Plan	Minimum 15% Implementation of the approved 2026/27 Digital Transformation Plan	Minimum 25% Implementation of the approved 2026/27 Digital Transformation Plan	Minimum 55% Implementation of the approved 2026/27 Digital Transformation Plan	Minimum 85% Implementation of the approved 2026/27 Digital Transformation Plan
% implementation of the approved Annual Infrastructure Transformation Plan	Minimum 85% Implementation of the approved 2026/27 Infrastructure Transformation Plan	Minimum 15% Implementation of the approved 2026/27 Infrastructure Transformation Plan	Minimum 25% Implementation of the approved 2026/27 Infrastructure Transformation Plan	Minimum 55% Implementation of the approved 2026/27 Infrastructure Transformation Plan	Minimum 85% Implementation of the approved 2026/27 Infrastructure Transformation Plan
Customer satisfaction index achieved	=>75% Customer satisfaction index achieved	-	=>65% Customer satisfaction index achieved	=>70% Customer satisfaction index achieved	=>85% Customer satisfaction index achieved

10. Programme Resource Considerations

Budget allocation

In line with the Framework for Managing Programme Performance Information (FMPPi), the SABS has linked the organisation's strategic objectives and budget to outcomes, as reflected in the table below. It should be noted that certain activities form part of day-to-day activities of the SABS employees and are executed across the organisation. Funding or budget allocation of these activities will in some instances thus form part of the broader budget line items.

Programme	Budget Areas	2026/27		2027/28		2028/29	
		Income R '000	Expenses R '000	Income R '000	Expenses R '000	Income R '000	Expenses R '000
Standards Development and Promotion	Standards, BSAS and Customer Partnering	76 316	(87 475)	86 237	(91 320)	99 353	(95 376)
Integrated Conformity Assessments	Certification, LSD, Accreditation, Customer Partnering and 50% PMO	597 180	(434 353)	673 190	(453 291)	796 898	(473 689)
Sustainability	Finance, CFO, Strategy, Facilities and CCSO	379 533	(225 045)	381 526	(265 220)	396 176	(343 431)
High Performance and good governance culture	HC, Internal Audit, Risk and Legal, Company Secretariat and Security	378	(172 357)	394	(177 210)	412	(209 096)
Innovation and Technology	ICT and 50% PMO	2 500	(136 330)	2 609	(142 274)	2 726	(148 656)
Total		1 055 906	(1 055 561)	1 143 956	(1 129 316)	1 295 565	(1 270 248)

11. Risk Management

The SABS adheres to the risk policies and processes aligned to the King Code of corporate governance. The Audit and Risk Committee (ARC) of the Board provides responsibility for risk management oversight. The organisation has adopted an enterprise-wide risk management (ERM) approach to the management of risks impacting the strategic and operational objectives of the organisation.

11.1. Risk Management Process

The risk and compliance department headed by the Head of Compliance, Risk and Legal Services is responsible for the ERM portfolio and is tasked to implement effective and efficient systems of risk, ethics, and compliance management in the SABS in line with the PFMA and relevant prescripts. The risk management portfolio includes:

- Risk management
- Strategic risk management
- Operational risk management
- Project risk management
- Anti-corruption, fraud prevention and awareness
- Business continuity management
- Compliance management
- Ethics management

SABS Risk Management Framework

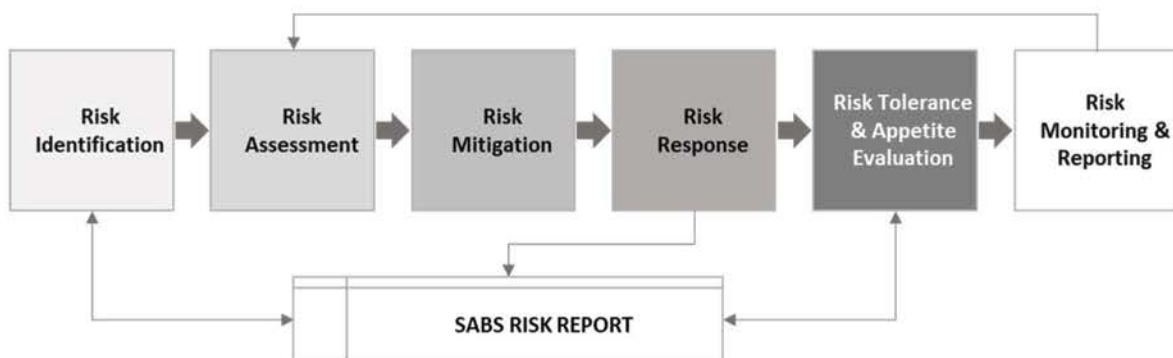


Figure 4: SABS' risk reporting approach

Below is the Risk Management Plan that is being followed, and which is aligned to the framework within which risks are identified, assessed, and effectively managed.

Operational objective	Activity	Outcomes / outputs
Effective management of organisational risks through implementation of effective and transparent system of Enterprise Risk Management (ERM)	Develop and implement effective system of Enterprise Risk Management (ERM) Programme	Implementation of Risk Management that provides informed decision making and improved opportunities of achieving the SABS objectives
Implement systems to prevent, detect and respond to fraud and corruption	Develop and drive the implementation of the Anti-Corruption and Fraud Prevention Programme	Proactive management of Fraud and Corruption through improved Governance
Improve organisational ethics	Develop and Implement Ethics Management Programme	Implementation of Ethics Management plan that supports the desired ethical culture and values
Ensure risk management capacity enhancement	Develop risk management competencies through training and awareness	Enhanced risk management capacity
Entrench the compliance control environment	Develop and drive the implementation of the Compliance Management Programme	Proactive compliance management environment
Ensure effective implementation of Business Continuity Plans (BCPS)	Develop and Implement Business Continuity Management Programme	Proactive management of Business Interruption events and incidents

Figure 5: Risk Management Plan

11.2. Programme Key Risks

Strategic risks affect the company’s long-term positioning, performance, and achievement of strategic objectives. The following strategic risk themes have been identified by the SABS management, and if not managed effectively, may hinder the attainment of the Strategic Plan targets.

Outcome	Key Risk	Mitigation Plans
Failure to develop, promote, maintain, and increase use of South African National Standards	<ul style="list-style-type: none"> Ineffective technical committees No thought leadership and insufficient research and 	<ul style="list-style-type: none"> Execution of a performance management framework for technical committees Establishment of Research capacity

Outcome	Key Risk	Mitigation Plans
	<p>development to guide standards development</p> <ul style="list-style-type: none"> Capacity constraints in standard development 	<ul style="list-style-type: none"> Increased focus on development for standards writers Ensuring vacancy rate is below 5% for standards writers
Failure to provide integrated conformity assessment solutions	<ul style="list-style-type: none"> Lack /inadequate resource capacity and capability (human capital) Inadequate laboratory equipment and infrastructure Poor customer service and inadequate management customer processes for Mark holders Poor enforcement of the abuse of the SABS mark and Standards IP 	<ul style="list-style-type: none"> Ensure all prioritised vacancies are filled – and maintain vacancy rate is below 5% Increased focus on competency development and succession planning for laboratory employees and technical signatories Regular engagement between laboratory services and certification to ensure end to end sample management and testing outputs for product certification Build enforcement capacity to protect the Mark
'Failure to maintain sustainable liquidity ratios	<ul style="list-style-type: none"> Ineffective credit management Inadequate management of available cash Misaligned investment decisions Poor expenditure and contract management. Late and Ineffective implementation of Certification cancellation procedures Continued engagement of customers while cancellation and collection legal steps have been initiated Collusion with suppliers Composite increase in labour cost and escalating fixed overhead costs. 	<ul style="list-style-type: none"> Onboarding credit assessment Financial management budgeting Revenue collection policy incl legal collection Monthly monitoring and evaluation of debtors with reports submitted to the board. Credit alert from external service provider (good & adverse information about customers) Diversification of investment portfolios across multiple asset managers / financial institutions Monitoring of long and short-term investments performance through monthly and quarterly reporting to EXCO and Board Managing the liquidity of investments by investing in portfolios that yield both higher returns and quick availability funds
Inability to acquire, build, and retain fit-for-purpose human capital	<ul style="list-style-type: none"> Disabling organisational culture Inadequate recruitment processes Poor performance management processes 	<ul style="list-style-type: none"> Execution of a change programme to drive the organisation towards and enabling cultural environment Development of an Employee value proposition that speaks to employer rebranding Effective enforcement of performance management policies

Outcome	Key Risk	Mitigation Plans
Inability to execute the digital transformation strategy	<ul style="list-style-type: none"> • Inadequate resource capacity • Lack of preparedness for cyber threats and an inadequate IT security system • Poor planning and budgeting 	<ul style="list-style-type: none"> • Expedite the implementation plan of digital transformation strategy to ensure that it is aligned with the resource plan • Improve the specification process to enable the implementation of the digital transformation • Implementation of the ICT governance framework • Revise and execute backup and disaster recovery plans to align with leading practice
Threat of Cyber Security Attacks.	<ul style="list-style-type: none"> • Unauthorised access to SABS data and systems (breaches and data loss) • Inadequate IT security controls and system • Lack of awareness and training on cyber threats • Inadequate ICT governance structure • Inadequate scalable security frameworks and policies • Inadequate cybersecurity skills and expertise within ICT 	<ul style="list-style-type: none"> • IT & Security Policy • Information Security Tools • Adequate backup plan • ICT disaster recovery plan in place • Business Continuity plan in place • Digital transformation plan in place • Cyber security operations centre (SOC) • Incident response plan. • Firewall
Dysfunctional organizational culture	<ul style="list-style-type: none"> • Non adherence to organisational values and norms • KPI of employees not inclusive of behavioural aspects 	<ul style="list-style-type: none"> • Approved culture plan • Building workplace relationship programme • Employee engagement programme • Code of Conduct • Whistle blowing hotline

PART D : TECHNICAL INDICATOR DESCRIPTIONS

Programme 1: Standards Development and Promotion

Indicator title	Number of Standards developed for selected priority sectors in the Industrial Policy	Number of standards developed to combat illicit and counterfeit trade
Definition	Publish and make accessible on SABS Webstore standards aligned to the priority sectors within the 2026/27 financial period.	Publish and make accessible on SABS Webstore standards developed to help combat illicit and counterfeit trade
Purpose / importance	To publish South African standards that are aligned to priority sectors in the dtic Industrial Policy	To publish South African standards that are aligned to priority sectors in the dtic Industrial Policy
Source of data	SABSTAN Report on approval of publications SABS Webstore Report	SABSTAN Report on approval of publications SABS Webstore Report
Method of calculation/ assessment	Count the number of South African Standards published in the following areas: Cannabis/Hemp, Electric Vehicles, Renewable Energy, Green Economy, Circular Economy, Artificial Intelligence	Count the number of South African Standards published within the scope of illicit and counterfeit trade and supply chain management
Means of verification	Standards must be accessible on Webstore and must be published within 2026/27. The standards must cover some or all of the listed sectors – there is no min or max per sector.	Standards must be accessible on Webstore and must be published within 2026/27. The standards must cover some or all of the scope
Assumptions	None.	None.
Disaggregation of beneficiaries (where applicable)	Target for women: N/A Target for youth: N/A Target for people with disabilities: N/A	Target for women: N/A Target for youth: N/A Target for people with disabilities: N/A
Spatial transformation (where applicable)	Reflect on contribution to spatial transformation priorities: N/A Reflect on the spatial impact areas: N/A	Reflect on contribution to spatial transformation priorities: N/A Reflect on the spatial impact areas: N/A
Calculation type	Cumulative over the quarters. Non-cumulative across the years.	Cumulative over the quarters. Non-cumulative across the years.
New indicator	No	Yes
Reporting cycle	Quarterly to Board and to the dtic	Quarterly to Board and to the dtic
Target	12 standards in 2026/27	4 standard in 2026/27
Desired performance	Higher performance than targeted performance is desirable	Higher performance than targeted performance is desirable
Indicator responsibility	Chief Operations Officer	Chief Operations Officer

Programme 2: Integrated Conformity Assessments

Indicator title	% Compliance to compulsory specification of Cement sold by SABS-Certified Clients	% of SABS Mark permits that have expired
Definition	The cement that bears the SABS Mark sold through retailers must comply with the compulsory specification. The SABS will source retail products randomly for testing.	% of SABS Mark permits whose expiry date have passed and have not been renewed
Purpose / importance	To rid the market of cement that is not compliant and that may negatively impact safety of consumers.	Customers that use the SABS Mark against an expired permit are doing so against the rules of the scheme. A large number of expired permits indicates an inefficiency in managing the permit renewal process.
Source of data	List of randomly sourced cement bearing the SABS Mark.	QSAdmin (Certification System)
Method of calculation/ assessment	The SABS will source random samples across all customers as follows:- minimum 4 samples a month, sourced across all provinces. The % compliance will be computed for each quarter (i.e. out of a minimum of 12 samples)	The calculation is a ratio of expired permits as a percentage of total permits. i.e. Number of permits that are expired divided by the total number of permits (incl. expired permits).
Means of verification	The SABS Mark holder must have a valid permit	QSAdmin report (or certification system) that reflects permits and certificates with unique numbers and status. A baseline of permits as a 01 April 2026 will need to be determined. The count is for valid permits, will include expired permit but will exclude cancelled permits.
Assumptions	The sampling will be random.	A baseline of permits as a 01 April 2026 will need to be determined.
Disaggregation of beneficiaries (where applicable)	Target for women: N/A Target for youth: N/A Target for people with disabilities: N/A	Target for women: N/A Target for youth: N/A Target for people with disabilities: N/A
Spatial transformation (where applicable)	Reflect on contribution to spatial transformation priorities: N/A Reflect on the spatial impact areas: N/A	Reflect on contribution to spatial transformation priorities: N/A Reflect on the spatial impact areas: N/A
Calculation type	Non-cumulative over the quarters. Non-cumulative across the years.	Cumulative over the quarters. Non-cumulative across the years.
New indicator	Yes	Yes
Reporting cycle	Quarterly to Board and to the dtic	Quarterly to Board and to the dtic
Target	100% of tested samples in 2026/27	<=2% in 2026/27
Desired performance	Higher performance than targeted performance is desirable	Lower performance is desired (the lower the value, the better)
Indicator responsibility	Chief Operations Officer	Chief Operations Officer

Indicator title	% increase in Certificates and SABS Mark permits	Number of COCs produced through PVOC
Definition	Growth in number of permits and certificates issued from previous year.	Number of COCs produced for products imported into South Africa that are subjected to PVOC
Purpose / importance	Demonstrates growth in SABS Mark permits and certification in the market and signifies the impact of SABS in the economy	The purpose of PVOC is to reduce the number of unsafe products that are imported into the country. The PVOC is pre-export verification of conformance and its objective is to enforce quality for products within its scope.
Source of data	QSAdmin (Certification System)	PVOC system that shows shipments whose conformity has been completed
Method of calculation/ assessment	% growth in the number of permits and certificates from previous report. The count includes expired permits and excludes cancelled permits.	The calculation is the COC produced for shipments – not product types. It may also be a COC for shipment of product.
Means of verification	QSAdmin report (or certification system) that reflects permits and certificates with unique numbers.	Confirmation that goods were imported into the country.
Assumptions	A baseline of permits as a 01 April 2026 will need to be determined. The count will include expired permit but will exclude cancelled permits.	<ul style="list-style-type: none"> • The legal framework would have been finalised. • The systems to track the shipments would be available to SABS team
Disaggregation of beneficiaries (where applicable)	Target for women: N/A Target for youth: N/A Target for people with disabilities: N/A	Target for women: N/A Target for youth: N/A Target for people with disabilities: N/A
Spatial transformation (where applicable)	Reflect on contribution to spatial transformation priorities: N/A Reflect on the spatial impact areas: N/A	Reflect on contribution to spatial transformation priorities: N/A Reflect on the spatial impact areas: N/A
Calculation type	Cumulative over the quarters. Non-cumulative across the years.	Cumulative over the quarters. Non-cumulative across the years.
New indicator	Yes	Yes
Reporting cycle	Quarterly to Board and to the dtic	Quarterly to Board and to the dtic
Target	5% growth in 2026/27	25 categories in 2026/27
Desired performance	Higher performance is desired (the larger value the better)	Higher performance than targeted performance is desirable
Indicator responsibility	Chief Operations Officer	Chief Operations Officer

Indicator title	Number of micro-enterprises whose market access increased through standardisation services	Number of indirect jobs created from standardisation services offered
Definition	Number of micro-enterprises whose market access increased through standardisation services offered by the SABS.	Estimated number of jobs created that are attributable to the adoption and application of standardisation services provided by the SABS
Purpose / importance	Demonstrates the impact of standardisation on building strong local industries by providing micro-enterprises with opportunities to grow.	This KPI measures the economic impact of standardisation activities beyond standards and conformity assessment. It specifically measures their contribution to employment creation.
Source of data	Micro enterprises to provide their company demographic details, turnover details, customers and markets.	Employment data self-reported by selected companies receiving standardisation services, collected through structured baseline and follow-up surveys. Companies will be requested to provide proof of claims they make.
Method of calculation/ assessment	Testimonials from micro enterprises reflecting an increase in market access through the uptake of SABS standardisation services: Number of micro-enterprises with access to new markets. Access to new market includes:- Access to different types of customers not previously served (e.g. retailers/ wholesalers/ Corporates, etc), platforms (e.g. takealot, Amazon), growth to new areas/regions	Indirect jobs created are calculated as the net change in jobs among the companies receiving standardisation services. Indirect Jobs Created = Jobs created by the company After Intervention – Jobs existing in the company Before Intervention. Jobs can be full-time or part-time.
Means of verification	Proof of services offered by SABS in 2026/27 Proof that micro-enterprise has turnover of <R1 million Baseline of customers, markets etc. at the time of application	Evidence submitted by MSMEs to support reported employment figures such as payroll records, employee registers, proof of payment of salaries/wages, employment contracts
Assumptions	<ul style="list-style-type: none"> Services must have been offered by the SABS: testing, certification, LCV and training Micro-enterprise are those with turnover of < R1 million 	Services must have been offered by the SABS: testing, certification, LCV and training
Disaggregation of beneficiaries (where applicable)	N/A	N/A
Spatial transformation	N/A	N/A
Calculation type	Cumulative over the quarters. Non-cumulative across the years.	Cumulative over the quarters. Non-cumulative across the years.
New indicator	Yes	Yes
Reporting cycle	Quarterly to Board and to the dtic	Quarterly to Board and to the dtic
Target	20 MSMEs in 2026/27	30 indirect jobs in 2026/27
Desired performance	Higher performance is desired	Higher performance is desired
Indicator responsibility	Chief Operations Officer	Chief Operations Officer

Programme 3: Sustainability

Title Indicator	% implementation of the approved plan to execute the turnaround business case	Revenue generated from products and services
Definition	The percentage of planned initiatives, projects, or milestones in the approved 2026/27 plan that executes the Turnaround Business Case.	Total revenue from core offerings, including testing, training, standard sales and certification that SABS receives for rendering standardisation services
Purpose / importance	The Business Case is designed not merely to stabilise the organisation, but to restore it to a position of sector leadership and credibility, transform it into a significant, self-sustaining entity and align its operations, services, and capabilities with global best-in-class benchmarks. This KPI tracks execution of high-impact strategic interventions.	Improve the financial sustainability of the SABS through increased revenue generation
Source of data	Data will be sourced from: <ul style="list-style-type: none"> Approved Business Case and execution or milestone plan 	SABS Financial Accounting System
Method of calculation / assessment	$\% \text{ implementation} = (\text{number of milestones or activities or deliverables completed}) \div (\text{Total number of milestones or activities or deliverables approved}) \times 100.$ <p>Alternatively, weight all deliverables in the plan and assign their relative size in %</p>	Revenue from products and services calculated using accounting policies for preparation of SABS financial statements in accordance with GAAP/IFRS. Total revenue from core offerings, including testing, training, standard sales, local content verification and certification that SABS receives for rendering standardisation services.
Means of verification	<ul style="list-style-type: none"> Approved Business Case and execution plan Progress reports and dashboards Evidence of implemented interventions (systems, processes, outputs) 	Quarterly Management Accounts Reports prepared in accordance with the SABS Financial Management Policies
Assumptions	Business case will formally be adopted first before implementation Initiatives are clearly defined, measurable, and time-bound	No Limitations
Disaggregation of beneficiaries	N/A	N/A
Spatial transformation	N/A	N/A
Calculation type	Non-cumulative i.e. re-starts every performance year	Cumulative over the quarters. Non-cumulative across the years
New indicator	Yes	No
Reporting cycle	Quarterly to Board and to the dtic	Monthly to Exco, Quarterly to Board and to the dtic
Target	Delivery of 100% of the 2025/2026 Plan to execute the business case	R606.3 m in 2026/27
Desired performance	100%	Higher revenue is desirable
Indicator responsibility	Chief Operations Officer	Chief Financial Officer

Title Indicator	Cash retained from revenue generated	External Audit Outcome
Definition	This KPI measures the organisation's ability to retain a portion of cash generated from revenue to use for reserves accumulation, financing and investing activities	The audit opinion issued by the Auditor-General of South Africa on the organisation's annual financial statements, performance information, and compliance with applicable legislation, reflecting the quality of financial management, governance, and internal controls.
Purpose / importance	This translates into financial sustainability and long-term capability building, rather than getting cash to be fully absorbed by operating costs. The KPI reduces reliance on the grant, builds reserves required for future capital investments, improves financial resilience and liquidity and encourages cost discipline.	Achieving a clean audit outcome demonstrates strong governance, transparency, and accountability in the management of public resources.
Source of data	SABS Financial Accounting System	Auditor-General of South Africa Final Audit Report / Audit Opinion
Method of calculation / assessment	Cash retention % = Net cash generated from operations / Total Revenue	The indicator is assessed based on the audit opinion issued by the AGSA after the completion of the 2026/27 annual external audit.
Means of verification	Quarterly Management Accounts Reports prepared in accordance with the SABS Financial Management Policies	AGSA Audit Outcome Report
Assumptions	None	The audit outcomes for 2026/27 will be concluded during the 2027/28 performance year
Disaggregation of beneficiaries (where applicable)	Target for women: N/A Target for youth: N/A Target for people with disabilities: N/A	N/A
Spatial transformation (where applicable)	Reflect on contribution to spatial transformation priorities: N/A Reflect on the spatial impact areas: N/A	N/A
Calculation type	Cumulative over the quarters. Non-cumulative across the years	Non-cumulative / Qualitative. The KPI is measured based on the audit opinion received at the end of the financial year.
New indicator	Yes	No
Reporting cycle	Quarterly to Board and to the dtic	Annual – after the conclusion of external audit
Target	7% in 2026/27	External Audit outcome not measured in 2026/27 2026/27 outcome = Clean Audit - measured in 2027/28 2027/28 outcome = Clean Audit – measured in 2028/29
Desired performance	Higher performance is desired (the larger value the more SABS is able to build required reserves for long-term sustainability)	Clean Audit
Indicator responsibility	Chief Financial Officer	Chief Financial Officer

Programme 4: High Performance and Good Governance Culture

Title Indicator	Turnaround Time to Recruit	Turnaround Time to complete RFPs
Definition	This KPI measures the average number of days it takes to recruit employees into the SABS.	This KPI measures the average number of days it takes to complete Request for Proposals (RFPs) used to purchase products and services in the SABS
Purpose / importance	Slow turnaround time to recruit negatively impact efficiency and where position remain unfilled for long, employee morale is impacted.	Slow turnaround time to source products and services negatively impact efficiency, especially in core functions, and eventually customer centricity is compromised.
Source of data	SABS Human Resources System. If data not available, source data as indicated below (method of calculation) can be used.	ERP system but if system not available, source data as indicated below (method of calculation) can be used.
Method of calculation / assessment	<p>The average number of days it takes to fill a vacancy from the day the position becomes vacant up to the day an offer is made.</p> <p>Where positions are new or were frozen, the number of days is calculate from the day the employee requisition is signed by all signatories</p>	<p>The average number of days is calculated from the day the needs memo is signed by all signatories up to the day the award is made. Cancellations are excluded.</p> <p>Where an RFP process has to restart, the calculation starts from the day the cancellation is confirmed.</p>
Means of verification	<p>For vacancies as a result of resignations – the off-boarding documents will be used.</p> <p>For offers made – proof that the offer was sent to prospective employee.</p> <p>For declined offers, the turnaround time resets from the day the offer is declined.</p>	<ul style="list-style-type: none"> • Signed Needs Memos • For sourcing through BAC, verification will also be through BAC documents such as submissions and minutes • Award letters
Assumptions	No Limitations	No Limitations
Disaggregation of beneficiaries	N/A	N/A
Spatial transformation	N/A	N/A
Calculation type	Cumulative over the quarters. Non-cumulative across the years	Cumulative over the quarters. Non-cumulative across the years
New indicator	Yes	Yes
Reporting cycle	Quarterly to Board and to the dtic	Quarterly to Board and to the dtic
Target	Average 45 days or less	Average 90 days or less
Desired performance	Lower number of days is desirable	Lower number of days is desirable
Indicator responsibility	Chief Corporate Services Officer	Chief Financial Officer

Title Indicator	Compliance with Turnaround Times in the Facilities Service Standard Charter
Definition	This KPI measures the extent of compliance to the Turnaround Times in the Facilities Service Standard Charter
Purpose / importance	Slow turnaround time to resolve facilities tickets negatively impacts efficiency, especially in core functions, and eventually customer centricity is compromised.
Source of data	Ticket Data from facilities that shows the day tickets are opened and closed. Signed-off Facilities Service Charter that features service level agreements and turnaround times
Method of calculation / assessment	Each listed component of the Facilities Service Charter is going to be measured
Means of verification	<ul style="list-style-type: none"> • Service tickets that with all required signatories • Turnaround Times and SLA
Assumptions	No Limitations
Disaggregation of beneficiaries (where applicable)	Target for women: N/A Target for youth: N/A Target for people with disabilities: N/A
Spatial transformation (where applicable)	Reflect on contribution to spatial transformation priorities: N/A Reflect on the spatial impact areas: N/A
Calculation type	Cumulative over the quarters. Non-cumulative across the years
New indicator	Yes
Reporting cycle	Monthly to Exco, Quarterly to Board and to the dtic
Target	100% compliance to signed off Turnaround Times in the charter
Desired performance	100% compliance to signed off Turnaround Times in the charter
Indicator responsibility	Chief Corporate Services Officer

Title Indicator	BBBEE Audit Outcome	Number of new jobs created
Definition	The Broad-Based Black Economic Empowerment (BBBEE) verification level achieved against the applicable BBBEE Codes of Good Practice.	Number of new jobs created and filled during the course of the financial year
Purpose / importance	Achieving and maintaining a strong BBBEE level demonstrates the organisation's commitment to equitable participation in the economy.	This indicator measures the organisation's contribution to employment creation including employment for young professionals.
Source of data	BBBEE Scorecard issued by the verification agency	Human resources offer letters. Job descriptions for newly created positions must exist. The Organisational structure that shows the new position in the establishment must also exist.
Method of calculation / assessment	The total score for assessment elements such as skills development, management control, ESD and SED determine the BBBEE status level achieved.	For newly created positions, the approval of the new structure by the Chief Corporate Services Officer must exist. If appointment is for an employee that was on a graduate programme (or similar temporary structure) then the graduate can be appointed into an existing vacant position (absorption).
Means of verification	The certificate must be issued by a SANAS-accredited verification agency	Absorbed graduates can only be counted once .
Assumptions	The audit outcome will be for the 2026/27 performance year and will be reported in 2027/28.	Budget exist or will be made available.
Disaggregation of beneficiaries (where applicable)	N/A	N/A
Spatial transformation (where applicable)	N/A	N/A
Calculation type	Non-cumulative / Qualitative and measured based on the BBBEE level achieved through external verification.	Cumulative over the quarters. Non-cumulative across the years
New indicator	Yes	Yes
Reporting cycle	Annual upon completion of the BBBEE verification process and issuance of the BBBEE certificate.	Quarterly to Board and to the dtic
Target	BBBEE Audit outcome not targeted in 2026/27 2026/27 outcome = Level 2 – to be measured in 2027/28 2027/28 outcome = Level 1 – to be measured in 2028/29	6 for the 2026/27 performance year
Desired performance	Level 1	Equal to or greater than 10
Indicator responsibility	Head: Strategy, Stakeholder and Media	Chief Corporate Services Executive

Title Indicator	Number of Young People Recruited onto the 2-Year Graduate/Internship Programme
Definition	The total number of young people recruited or formally enrolled into the organisation's graduate and internship programmes
Purpose / importance	Graduate and internship programmes are key mechanisms for addressing youth unemployment, developing a pipeline of future skills and talent and for supporting transformation and inclusion objectives.
Source of data	HR recruitment and onboarding records Graduate and internship programme registers Employment contracts or appointment letters
Method of calculation / assessment	Count of all eligible individuals enrolled in graduate and internship programme
Means of verification	Signed contracts or offer letters Payroll or stipend records
Assumptions	Graduate and internship programmes are formally approved "Young people" refers to individuals within a defined age range 18–35 years Eligibility criteria (including age definition) are clearly defined
Disaggregation of beneficiaries	N/A
Spatial transformation	N/A
Calculation type	Cumulative over the quarters. Non-cumulative over the years.
New indicator	No
Reporting cycle	Quarterly to Board and to the dtic
Target	60
Desired performance	=>60
Indicator responsibility	Chief Corporate Services Executive

Programme 5: Innovation and Technology

Indicator title	% implementation of the approved Annual Digital Transformation Plan	% implementation of the approved Annual Infrastructure Transformation Plan
Definition	The percentage of planned initiatives, projects, or milestones in the approved 2026/27 Annual Digital Transformation Plan that are completed	The percentage of planned initiatives, projects, or milestones in the approved 2026/27 Annual Infrastructure Plan that are completed
Purpose / importance	This KPI drives the execution of the organisation's digital transformation agenda, supports automation and digitisation of key processes, enhances turnaround times, data availability, and decision-making as well as improve customer experience	This KPI drives the execution of infrastructure modernisation and upgrade initiatives, supports improved turnaround times and service capacity and enhances reliability, safety, and compliance of facilities and equipment
Source of data	Approved 2026/27 Digital Transformation Plan Project plans and milestone trackers System deployment and change logs	Approved 2026/27 Infrastructure Transformation Plan Project plans and milestone trackers Facilities and asset management systems Maintenance and upgrade records
Method of calculation/ assessment	% implementation = (number of milestones or activities or deliverables completed) ÷ (Total number of milestones or activities or deliverables approved) X100. Alternatively, weight all deliverables in the plan and assign their relative size in %	% implementation = (number of milestones or activities or deliverables completed) ÷ (Total number of milestones or activities or deliverables approved) X100. Alternatively, weight all deliverables in the plan and assign their relative size in %
Means of verification	Approved Digital Transformation Plan Project status reports and dashboards System deployment records and logs User acceptance testing (UAT) sign-off Contracts and deliverables from service providers	Approved Infrastructure Transformation Plan Project progress reports and milestone trackers Completion certificates and commissioning reports Contractor reports and invoices
Assumptions	The Digital Transformation Plan 2026/27 is formally approved before implementation Initiatives are clearly defined, measurable, and time-bound Project governance and tracking mechanisms are in place	The Digital Transformation Plan 2026/27 is formally approved before implementation Initiatives are clearly defined, measurable, and time-bound Project governance and tracking mechanisms are in place
Disaggregation of beneficiaries	N/A	N/A
Spatial transformation (where applicable)	N/A	N/A
Calculation type	Non-cumulative i.e. re-starts every performance year on a new annual plan	Non-cumulative i.e. re-starts every performance year on a new annual plan
New indicator	No	No
Reporting cycle	Quarterly to Board and to the dtic	Quarterly to Board and to the dtic
Target	Delivery of 85% of the 2025/2026 Plan of the Digital Transformation Programme	Delivery of 85% of the approved 2025/2026 Infrastructure Plan
Desired performance	Higher performance than targeted performance is desirable	Higher performance than targeted performance is desirable
Indicator responsibility	Chief Operations Officer	Corporate Services Executive

Indicator title	Customer Satisfaction Index
Definition	Level of satisfaction of customers as measured by the customer satisfaction survey
Purpose / importance	Drive customer centricity and provides opportunity to restore customer service after customer interactions.
Source of data	Reports from the customer satisfaction survey application
Method of calculation/ assessment	Average score attained from all customer surveys recorded. Each survey to be scored from 0 to 100% (worst to best)
Means of verification	Customers must exist and their interaction with the SABS must be traceable
Assumptions	Application to solicit feedback from customers through the survey exists.
Disaggregation of beneficiaries (where applicable)	Reflect on contribution to spatial transformation priorities: N/A Reflect on the spatial impact areas: N/A
Spatial transformation (where applicable)	Reflect on contribution to spatial transformation priorities: N/A Reflect on the spatial impact areas: N/A
Calculation type	Non-cumulative i.e. re-starts every performance year
New indicator	No
Reporting cycle	Quarterly to Board and to the dtic
Target	75% in 2026/27
Desired performance	Higher performance than targeted performance is desirable
Indicator responsibility	Chief Operations Officer

ANNEXURES

ANNEXURE A - DISCLOSURE REQUIREMENTS: PRACTICE NOTE 4 OF 2009/10

The following table presents the disclosure requirements in terms of the National Treasury Practice Note 4 of 2009/10 for national business enterprises.

No	Description	Reference
1	Strategy	Section 6
2	Key performance indicators	Section 9
3	Governance structure	Annexure B
	<ul style="list-style-type: none"> Governance structures and roles/responsibilities 	
	<ul style="list-style-type: none"> Structure of Board of committees Structure of Executive management 	
4	Financial plan (covering the next three years) including	Annexure D
	<ul style="list-style-type: none"> Projects income statement 	
	<ul style="list-style-type: none"> Projects balance sheet Projects cash flow statement 	
5	Dividend policy	Annexure G
6	Capital expenditure plan (covering the next three years)	Annexure D.4
7	Borrowing programme (covering the next three years)	Annexure F
8	Risk management plan	Section 11
	<ul style="list-style-type: none"> Description of risk management process Key operational risks 	
9	Fraud prevention plan	Annexure C
10	Materiality and significance framework	Annexure E
11	Other supporting frameworks/plans	
	<ul style="list-style-type: none"> Financial projections for SABS Commercial SOC Limited 	Annexure D.5

ANNEXURE B – GOVERNANCE STRUCTURES

Introduction

The SABS exists as a public entity in terms of the Standards Act, No. 8 of 2008 (the Act), under the Executive Authority of the Department of Trade, Industry and Competition. In accordance with the Act, the Executive Authority (the Minister of Trade, Industry and Competition) is responsible for the appointment of the SABS Board.

The Act also makes provision for the appointment of the Chief Executive Officer as well as the employees of the SABS. To achieve its objectives, the SABS may perform, as far as it is consistent with the provisions of any Act of Parliament, such functions as the Minister of Trade, Industry and Competition may assign to the SABS.

The SABS has established SABS Commercial SOC Ltd, which is a wholly-owned subsidiary of the SABS and houses the SABS' conformity assessment services business and is funded through own revenue derived from services to customers. This Annual Performance Plan includes activities of both the SABS and the SABS Commercial SOC Ltd.

In terms of Treasury Regulations, the SABS as a Schedule 3B Public Entity, must conclude an annual Shareholder's Performance Compact Agreement with its Executive Authority to document the mandated key performance objectives, measures, and indicators to be attained by the SABS as agreed between the two parties.

The Shareholder's Compact promotes good governance practices in the SABS by clarifying the roles and responsibilities of the Board and the Executive Authority, as well as ensuring agreement on the mandate and key objectives of the SABS.

Good corporate governance is critical to the success of any entity and the SABS fully subscribes to good corporate governance principles set out in the relevant legislative and policy prescripts.

Composition of the Board

The composition of the Board is prescribed by section 6 (2) of the Standards Act, 2008 which requires a minimum of seven (7) and a maximum of nine (9) members appointed by the Minister of whom, one is the CEO of the SABS by virtue of his/her office. Members hold office for a period not exceeding five (5) years, and they are eligible for reappointment; however, they may not serve for more than two (2) consecutive terms.

Name	Age	Gender	Race	Qualifications	Areas of experience
Professor Bismark Tyobeka	51	M	A	<ul style="list-style-type: none"> Ph.D. in Nuclear Engineering 	
Mr Garfield Bergstedt	56	M	W	<ul style="list-style-type: none"> Bachelor of Science (Industrial Microbiology & Genetics), 2006 University of Stellenbosch Senior Management Development Program (NQF Level 7), 2014 University of Stellenbosch Business School 	
Ms Deidre Penfold	62	F	W	<ul style="list-style-type: none"> Certificate for Advanced Principles of Public Relations, Public Relations Institute of South Africa (PRISA), November 1987 Bachelor of Commerce (Honours) (Economics), University of South Africa, 1987 Bachelor of Commerce (Honours) (Economics), University of Pretoria, 1985 Bachelor of Commerce (Economics), University of Pretoria, 1984 	Research & Innovation; Stakeholder Engagement; SHEQ; and Strategic Planning & Performance
Mr Mavela Dlamini	72	M	A	<ul style="list-style-type: none"> 	
Dr Reabetswe Kgoroadira	45	F	A	<ul style="list-style-type: none"> PhD Economics (2014), Cranfield University, England MBA (2009), University of Kent, England PgDiploma Strategy and Corporate Governance (2006), University of South Africa BSc Electrical Engineering (2004), University of the Witwatersrand, South Africa 	
Mr Griffith Zabala	63	M	A	<ul style="list-style-type: none"> Master's Degree in the Human Resources) BA Social Work Diploma in Social Development Certificate in the Promotion of SMMEs in Developing Countries 	Turnaround Strategy; Strategy Formulation; Organisational Leadership; Performance Planning & Management; Monitoring & Evaluation; Research & Development; and

Name	Age	Gender	Race	Qualifications	Areas of experience
					Entrepreneurship Development
Ms Kgotatso Mohulatsi	37	F	A	<ul style="list-style-type: none"> MDP: B-BBEE (with distinction) 2020, University of South Africa (UNISA) BA (Hons) Business Studies 2010, University of Greenwich 	

Table 4: Summarised profile of the Board

The following Board committees have been established:

Audit and Risk Committee (ARC)

The Audit and Risk Committee's primary purpose is to oversee internal controls and financial assurances and ensure that the organisation complies with statutory duties and responsibilities outlined in the Public Finance Management Act, the Companies Act and the King Code.

In terms of section 77(b) of the PFMA, an audit and risk committee must meet at least twice a year.

Statutory duties of the ARC include but are not limited to:

- Audit (internal and external) oversight
- Enterprise risk management and oversight to ensure effective internal controls
- Combined assurance
- Financial reporting
- Compliance

Name	Age	Gender	Race	Qualifications	Area of expertise
Ms Diedre Penfold (Chairperson)	62	F	W	<ul style="list-style-type: none"> BCom (Honours) (Economics) 	Research & Innovation Stakeholder Engagement; SHEQ; and Strategic Planning & Performance

Name	Age	Gender	Race	Qualifications	Area of expertise
Mr Griffith Zabala	63	M	A	<ul style="list-style-type: none"> • Master's Degree in the Human Resources) • BA Social Work • Diploma in Social Development • Certificate in the Promotion of SMMEs in Developing Countries 	
Mr Garfield Bergstedt	56	M	W	•	
Ms Kgotatso Mohulatsi	37	F	A	•	

Table 5: Summarised profile of the Audit and Risk Committee members

Human Capital, Social & Ethics Committee (HCSEC)

The Committee has both statutory and non-statutory mandates which include among others to:

- Ensure labour and employment matters specifically in relation to the organisations' standing on the International Labour Organisation's protocol on decent work and working conditions
- Monitor safety, health, and environment specifically in relation to the impact of activities on social and economic development
- Monitor the Employment Equity Act, and the Broad-Based Black Economic Empowerment Act
- Recommend the Ethics Management Framework and Ethics Strategy
- Provided guidance and advice on all sustainability matters
- Monitor customer and stakeholder relationships
- Implementation of the current King Report and Code on Corporate Governance
- Oversee and monitor the norms dealing with conflict of interest, remunerative work, gifts, and sponsorships for staff members of the SABS
- Ensure good corporate citizenship

Name	Age	Gender	Race	Qualifications	Area of expertise
Mr Griffith Zabala (Chairperson)	63	M	A	<ul style="list-style-type: none"> • Master's Degree in the Human Resources) • BA Social Work • Diploma in Social Development • Certificate in the Promotion of SMMEs in Developing Countries 	
Ms Diedre Penfold	62	F	W	<ul style="list-style-type: none"> • BCom (Honours) (Economics) 	Research & Innovation Stakeholder Engagement;

Name	Age	Gender	Race	Qualifications	Area of expertise
					SHEQ; and Strategic Planning & Performance
Mr. Garfield Bergstedt	56	M	W	•	
Ms Kgotatso Mohulatsi	37	F	A	•	

Table 6: Summarised profile of the Human Capital, Social and Ethics Committee members

Finance and Investment Committee (FISCOM)

The Committee's mandate include among others:

- budgeting and strategic financial modelling & allocations
- Institutional performance monitoring & evaluation (quarterly reports, annual reports)
- Strategic investment decisions

Name	Age	Gender	Race	Qualifications	Areas of experience
Dr. Reabetswe Kgoroadira (Chairperson)	47	F	A		
Mr. Garfield Bergstedt	56	M	W	•	
Ms. Kgotatso Mohulatsi	37	F	A	•	
Mr. Mavela Dlamini	72	M	A	•	

Table 7: Summarised profile of the Finance and Investment Committee members

Technical Committee (TechCom)

The TechCom was established to exercise strategic oversight over core related areas e.g. Standards, Certification, Testing, Business Solutions and Advisory Services. TechCom also exercises strategic oversight over ICT and Infrastructure Projects.

Name	Age	Gender	Race	Qualifications	Areas of experience
Dr. Reabetswe Kgoroadira (Chairperson)	47	F	A		
Mr. Garfield Bergstedt	56	M	W	•	
Ms. Kgotatso Mohulatsi	37	F	A	•	
Mr. Mavela Dlamini	72	M	A	•	

Table 8: Summarised profile of the Technical Committee members

The Executive Committee

The Board has delegated a wide range of matters to the Executive Committee, including governance, financial, operational, risk and functional issues. The Executive Committee comprises of four decision-making members as represented below with support from the relevant operational Heads of Divisions as defined in the Exco terms of reference.

It ensures that the relevant legislation, policy, and regulations are adhered to and adequate internal financial control systems are in place to provide reasonable certainty in respect of the completeness and accuracy of the accounting records, integrity and the reliability of financial statements and the safeguarding of assets.

The performance of members of the Executive Committee are evaluated against their agreed performance contracts which are aligned to the Organisational Scorecard, and which is annually approval by the Accounting Authority.





	<p>BLAKE MOSLEY-LEFATOLA (63) Acting Chief Executive Officer (ACEO) Date appointed as Acting CEO: 09 July 2025 Date appointed to the SABS: 09 July 2025 Qualification: Bachelor of Arts in African Political Studies and Industrial Sociology, Bachelor of Arts Honours in Industrial Sociology</p>
	<p>KHOLOFELO MASOGA (47) Chief Financial Officer (CFO) Date appointed as CFO: 03 July 2023 Date appointed to the SABS: 03 July 2023 Qualification: CA(SA), Cert.Dir®, MBA, EDP & IBLMP</p>
	<p>THABO SEPURU (51) Acting Chief Operations Officer (COO) Date appointed as COO: 26 July 2025 Date appointed to the SABS: 01 May 2003 Qualification: BSc: Chemistry and Physics, Bachelor of Science (BSc) Honours in Engineering and Technology Management, MSc: Applied Radiation Science and Technology, EDP</p>
	<p>PATRICIA TOMOTOMO (53) Acting Chief Corporate Services Officer (ACCSO) Date appointed as ACCSO: 26 July 2025 Date appointed to SABS: 01 March 2025 Qualification: Masters in Public Administration, EDP, ALDP, Ethics Officer (EO 1300)</p>

Table 9: The Executive Committee

Organisational structure

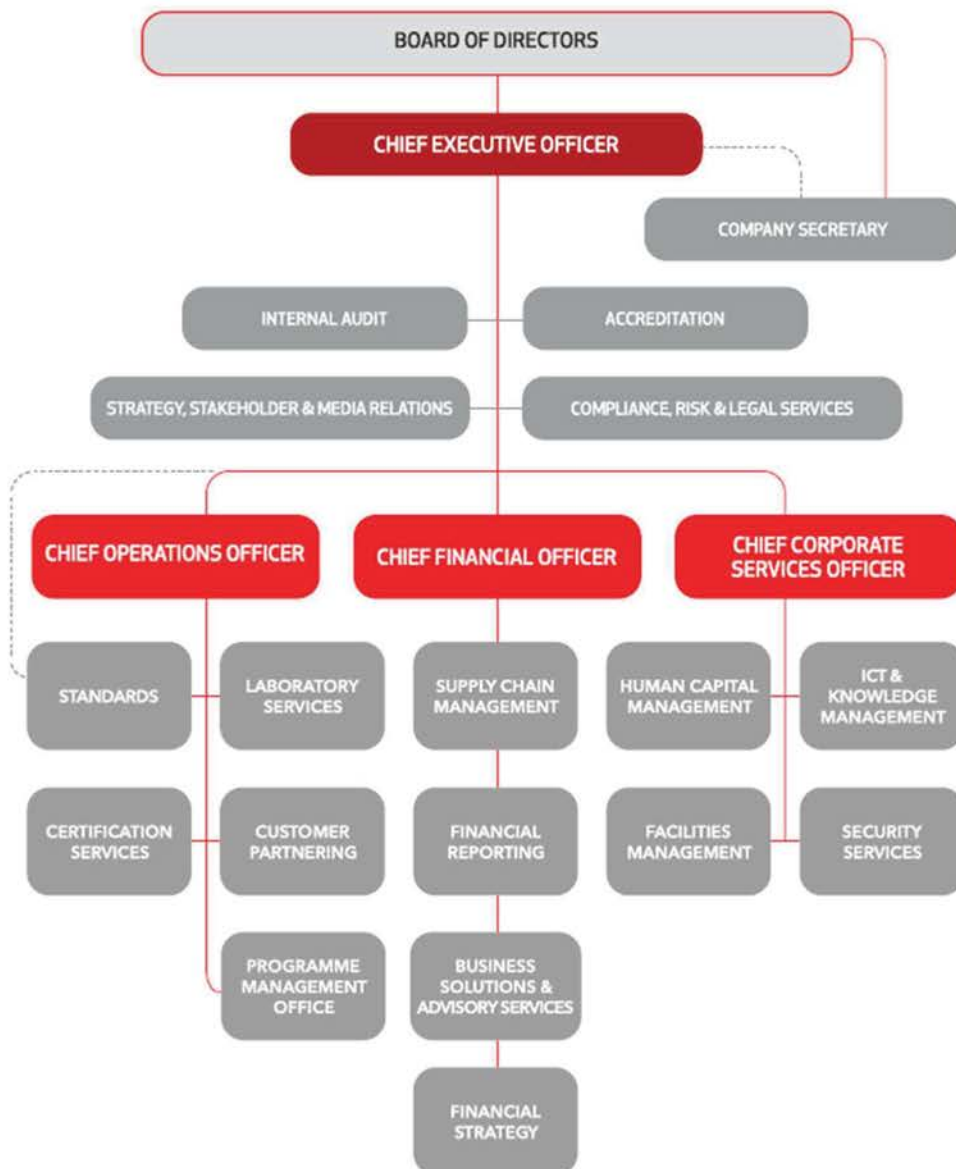


Figure 6: Organisational Structure

ANNEXURE C – FRAUD MANAGEMENT

The SABS is committed to “zero tolerance” of any fraudulent behaviour. An Anti-Corruption and Fraud Prevention Policy and Strategy (as depicted below) has been implemented considering the following legislation, amongst others:

- Public Sector Risk Management Framework
- Public Finance Management Act, No. 1 of 1999 (PFMA)
- Prevention of Organised Crime Act, No. 121 of 1998 (POCA)
- Prevention and Combating of Corrupt Activities Act, No. 12 of 2004 (PCCA)
- Promotion of Administrative Justice Act, No. 3 of 2000 (PAJA)
- Protected Disclosures Act, No. 26 of 2000
- King Code of Governance (King IV of 2016)



Figure 8: Elements of the Corruption and Fraud Management Strategy

All reasonable suspicions of fraud, corruption and maladministration are investigated and then verified, and legal recourse is taken against perpetrators to the full extent of the law, including but not limited to:

- Disciplinary action
- Institution of criminal proceedings
- Civil litigation
- Recovery of losses

Whistleblowing

The SABS Internal Audit has been mandated to coordinate the SABS Whistle-Blowing hotline. The hotline is managed by an independent service provider, Deloitte. On receipt of a whistle-blowing report from Deloitte, the Internal Audit Services department reviews the reports and classifies the reports according to the nature of the allegations, i.e., customer complaint, the SABS copyright infringement (Mark abuse) or unethical or unlawful conduct.

Classification of whistle-blowing cases assists the Internal Audit Services to either investigate the allegations or disseminate the cases to relevant SABS department to be addressed. The statistical information on calls from the hotline is analysed and outcomes are used to improve controls in the organisation to mitigate against fraud incidents.

Key focus areas of the fraud prevention plan are summarised below.

Control Focus	Control area		
	Prevention Controls	Detection & Investigation Controls	Resolutions & Recoveries
Code of conduct			
Corruption risk assessment & ethics management			
Custodianship			
Disciplinary action			
Fraud & corruption register/database			
Fraud/corruption prevention policy/strategy			
Implementation plan			
Information security			
Internal controls			
Investigations			
Leadership commitment			
Management action			

Managing conflicts of interest	[Grey shaded cell]		
Physical security controls			
Recruitment checks			
Resolution (Referring to law enforcement agencies and recovery)			[Grey shaded cell]
Review and reporting			

Figure 7: SABS Integrated Anti-Corruption and Fraud Prevention Plan

ANNEXURE D – FINANCIAL PLAN

The SABS corporate strategy is anchored on achieving sustainable revenue and at minimum break-even. This requires administrative and operating costs to be capped in line with revenue generation levels. The 2026/27 budget has therefore been prepared against the backdrop of high expected costs while recognising that total income is not sufficient to cover the full requirements of each business.

To ensure financial sustainability, the following key assumptions have been applied:

The budget has been crafted within a challenging economic environment marked by sluggish GDP growth, high unemployment, poverty, and structural reform constraints. Despite these conditions, SABS assumes that it will maintain current revenue levels, supported by the turnaround strategy.

The revenue trajectory is aligned to the corporate strategy 2029/30. The 2024/25 administration and operating expenditure base has been rebased and adjusted for annual increases under the MTEF guidelines. Additional ICT-related costs have been included to support digitalisation and operational resilience. Business units are expected to prioritise expenditure in line with available budgets, addressing core commitments first.

Key considerations that shaped the 2026/27 budget include:

- **Revenue assumptions** aligned to the Corporate Strategy 2029/30 trajectory.
- **2024/25 administration and operating expenditure** was used as the base year, adjusted for annual increases per the MTEF guideline (4.80% in FY2025/26 and 4.14% in FY2026/27).
- **ICT cost provisions**, reflecting digitisation priorities and essential contractual obligations.
- **Business prioritisation**, with available budget allocations directed first to statutory, compliance and strategic commitments.

In addition, the SABS has factored in **operational grant allocations of R276.9 million (FY2026/27), R289.9 million (FY2027/28) and R300.5 million (FY2028/29)** (excl. VAT). An additional **R30 million over the MTEF (R10 million per year, excl. VAT)** has been allocated to support the Local Content Verification programme.

Based on these assumptions, SABS projects a **net profit in FY2026/27 of R0.35 million, while expecting to achieve a net profit of R14.6 million in FY2027/28, and R25.3 million in FY2028/29.**

The dtic has invested funds in the SABS Group to help support the turnaround strategy by providing investment in infrastructure and this will assist in achieving financial sustainability in the long term. The remaining funds have been allocated to projects, which some of the projects are underway while other projects are yet to start.

D.1 Statement of group financial performance

SABS GROUP	Actual	Actual	Budget	Preliminary	Final Budget	Budget	Budget	Budget
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
	2022/23	2023/24	2024/25	2024/25	2025/26	2026/27	2027/28	2028/29
Revenue	459 516	459 243	534 104	462 250	525 399	606 304	715 832	851 147
Laboratory Services	129 156	129 279	165 331	110 372	147 734	150 593	160 138	167 562
SMME	179	-	-	-	-	-	-	-
Certificate of compliance	12 288	9 063	-	-	-	-	-	-
Business Solutions & Advisory	9 195	8 346	15 279	14 403	12 165	19 027	25 370	34 883
Product & System Certification	274 073	278 470	313 539	298 619	320 539	386 683	477 063	592 180
Sale of publications	34 625	34 086	39 956	38 856	44 960	50 000	53 261	56 522
Other Income	32 140	27 626	26 071	16 226	30 187	33 454	34 913	36 480
Rental Income	17 749	13 838	15 692	16 226	18 127	20 354	21 241	22 195
Sundry income	14 391	13 788	10 379	-	12 060	13 100	13 671	14 285
Government Grant	283 619	261 034	279 458	267 170	287 746	333 973	307 454	318 330
Core Funding-Baseline	273 099	248 847	259 376	259 376	267 824	276 929	289 940	300 478
Other income	10 520	12 160	15 160	7 795	15 000	47 200	17 514	17 851
Other income Recognised	-	27	4 922	-	4 922	9 845	-	-
Total income	775 275	747 903	839 633	745 646	843 332	973 732	1 058 198	1 205 957
Administrative and operating expenses	(628 757)	(671 643)	(816 293)	(765 870)	(879 063)	(967 895)	(1 012 217)	(1 120 801)
Employee benefits	(394 373)	(407 652)	(508 894)	(461 541)	(532 921)	(575 220)	(600 300)	(627 253)
Contract Services	(63 255)	(76 689)	(65 414)	(88 811)	(79 251)	(108 229)	(112 094)	(136 960)
Premises costs	673	(2 094)	(3 726)	(171)	(2 504)	(2 077)	(2 167)	(2 264)
Marketing & Communication	(1 617)	(2 569)	(6 627)	(2 531)	(10 247)	(7 392)	(9 720)	(10 156)
Consulting & Technical Fees	(5 685)	(10 174)	(15 996)	(13 742)	(28 243)	(21 708)	(17 211)	(45 352)
Consumables	(11 163)	(11 606)	(17 798)	(25 136)	(16 843)	(17 334)	(18 090)	(18 930)
Travel foreign	(4 538)	(16 025)	(15 638)	(14 022)	(20 950)	(19 118)	(24 952)	(26 034)
Travel local	(23 108)	(24 173)	(20 782)	(23 654)	(24 440)	(21 110)	(24 031)	(25 082)
Municipal services	(66 278)	(67 761)	(81 896)	(74 480)	(83 084)	(87 143)	(90 942)	(95 026)
Other operating expenses	(59 413)	(52 900)	(79 522)	(61 782)	(80 580)	(108 564)	(112 711)	(133 771)
Profit/(loss) from operations	146 518	76 260	23 340	(20 224)	(35 731)	5 836	45 981	85 156
Depreciation	(52 545)	(44 181)	(54 459)	(48 846)	(43 924)	(52 178)	(54 453)	(56 895)
Government grants in respect of assets	16 961	18 090	17 243	20 702	19 537	22 228	23 197	24 238
Profit/(loss) before other income/expenses, interest and tax	110 934	50 169	(13 876)	(48 367)	(60 117)	(24 114)	14 725	52 500
Other income	6 426	9 167	6 948	32 667	13 780	20 650	21 550	22 518
Foreign exchange gains	2 932	1 870	-	3 046	-	-	-	-
Gains/Losses On Investments	3 203	7 427	6 648	18 600	8 541	20 650	21 550	22 518
Disposal Of Prop,Plant & Equip	(66)	(130)	-	(82)	-	-	-	-
Sundry income	-	-	-	11 102	5 239	-	-	-
Inter Co Dividend	357	-	300	-	-	-	-	-
Other non-operating expenses	(43 708)	(42 985)	(24 166)	(33 941)	(16 061)	(18 008)	(18 793)	(19 636)
Profit/ (loss) before interest, corporate charges and tax	73 652	16 351	(31 093)	(49 641)	(62 397)	(21 471)	17 483	55 381
Finance Income or Costs	33 319	58 916	34 277	50 983	65 584	39 297	41 010	42 852
Profit/ (loss) before tax	106 971	75 267	3 184	1 342	3 187	17 825	58 493	98 233
Taxation	(18 352)	(5 893)	-	(11 215)	-	(17 480)	(43 853)	(72 916)
Net profit/ (loss) for the period	88 619	69 374	3 184	(9 873)	3 187	345	14 640	25 317

Table 10: Statement of Group Financial Performance

Commercial Revenue

Revenue for FY2026/27 is projected at R606.3 million, up 15.4% compared to the FY2025/26 budget of R525.4 million. Revenue growth is expected to continue through the planning horizon, reaching R715.8 million in FY2027/28, and R851.1 million in FY2028/29.

The revenue outlook takes into account SABS's business recovery initiatives aimed at strengthening the conformity assessment portfolio. These include targeted programmes to revitalise laboratory capacity, expand certification services (particularly through the Local Content Verification scheme), and grow demand for training and consulting under Business Solutions & Advisory Services (BSAS). While these initiatives are expected to build a stronger revenue base, their benefits will materialise mainly over the

medium to long term rather than providing immediate short-term gains. Revenue streams comprise Certification, Laboratory Services, Standards Sales, and BSAS (training, SMME support, and consulting services).

Certification revenue remains the largest contributor, projected at R386.7 million in FY2026/27 (63.8% of total revenue). Growth in this stream is supported by the product and system certification services, which are expected to strengthen certification income over the medium term. Certification revenue is forecast to increase further to R477.0 million in FY2027/28, reaching R592.2 in FY2028/29 consolidating its position as the highest of SABS's revenue base.

Laboratory Services (LSD) revenue is projected at R150.6 million in FY2026/27 (24.8% of total revenue). While recent performance has been impacted by infrastructure challenges, revenue recovery is anticipated through targeted CAPEX spending to upgrade laboratory facilities and testing equipment. These investments are expected to reduce turnaround times, improve operational efficiencies, and restore customer confidence. As a result, LSD revenue is expected to rise to R160.1 million in FY2027/28, with further improvements dependent on the scale and timing of capital investment.

Sale of Publications is projected at R50 million in FY2026/27, increasing to R53.3 million in FY2027/28 and further to R56.5 million in FY2028/29. The Customer Partnering Department will play a central role in driving this growth through enhanced industry engagement and targeted sales strategies.

Business Solutions and Advisory Services (BSAS) are projected at R19 million in FY2026/27, with revenue expected to grow to R25.4 million in FY2027/28 and R34.9 million in FY2028/29. Growth will be underpinned by an emphasis on training and consulting services, supported by increased demand from industry and SMMEs.

Other income

Other income comprises of rental income and sundry income. Rental income is generated primarily from the leasing of vacant premises at the Groenkloof SABS Campus. Sundry income arises from the sale of dosimeters and number plate stickers managed through Certification Services as well as recovery of supplementary services offered to the tenant such as security, gardening, cleaning services amongst others. Looking ahead, SABS will continue to explore opportunities to unlock additional value from its real estate portfolio and ancillary services to support long-term financial sustainability.

Government grant

The MTEF government grant funding allocation, inclusive of Local Content, is projected at R286.9 million in FY2026/27. The allocation is expected to grow by around 3.0% per annum over the MTEF period, increasing from R299.9 million in FY2027/28 and R310.5 million in FY2028/29. The dtic confirms the grant allocation on an annual basis, providing a stable and predictable baseline to support SABS's operational sustainability.

Administrative and operating expenses

Administrative and operating expenses for the review period (FY2026/27) are projected at R967.9 million, compared to budgeted R879.1 million in FY2025/26. This reflects a significant increase driven primarily by employee benefits, which account for R575.2 million or approximately 59.4% of the total. Other major contributors include contracted services (R108.2 million), municipal services (R87.1 million), and consulting and technical fees (R21.7 million).

Employee benefit expenses are projected to increase from budgeted R532.9 million in FY2025/26 to R575.2 million in FY2026/27 and further to R600.3 million in FY2027/28. The employee benefits budget for 2026/27 takes into account annual salary adjustment as well as vacancies.

Contract Services expenditure is budgeted at R108.2 million in FY2026/27, up from FY2024/25 budget of R79.3 million in FY2025/26. The significant increase is largely driven by new and ongoing contracts required to support SABS's strategic objectives across both corporate and commercial divisions. A significant portion of the budget relates to ICT services. This includes cloud hosting, cybersecurity, disaster recovery, ERP/CRM/SCM system development, as well as support for core applications such as JDE and Labware LIMS. Other area that incurs significant contract costs is facilities and security.

On the commercial side, Laboratory Services requires contract for outsourcing specific tests while Certification Services allocate contract services mainly for external auditors.

Overall, the sharp increase in contract services reflects a deliberate focus on outsourcing specialised requirements, particularly in ICT and technical services. These contracts are considered critical enablers of operational resilience, modernisation, and the achievement of SABS's medium-term strategic priorities.

Marketing and communications costs are projected at R7.4 million in FY2026/27, reflecting the planned stakeholder engagements and proactive marketing activities that SABS will implement. This budget is strategically important given SABS's mandate and the competitive environment. Marketing the SABS brand and product offerings is critical to the turnaround strategy, as it re-establishes the organisation's position as the custodian of quality standards and builds awareness at both customer and consumer levels, particularly through the use of digital platforms.

The increase is also linked to lower spending in the prior year, with the allocation informed by historical expenditure patterns and rebasing adjustments. The budget will support targeted campaigns, stakeholder engagement programmes, and brand repositioning initiatives designed to strengthen SABS's visibility and impact in the market.

Consulting and technical fees are budgeted at R21.7 million in FY2026/27. The allocation remains strategically important as it provides for critical specialist support across the group. Key areas include ICT resources and service desk consultants, accreditation services for Certification and Laboratories, financial reporting expertise, asset verification and property management, as well as compliance, risk, and internal audit activities.

These consulting services are not recurring overheads but targeted interventions to support efficiency improvements, governance maturity, and the group's digitalisation programme. The budget therefore ensures that SABS has access to technical expertise in areas where skills are either scarce or not available in-house, while aligning spend to the organisation's turnaround priorities.

Consumables expenditure is budgeted at R17.3 million in FY2026/27, increase from R16.8 million in the FY2025/26 budget following rebasing adjustments. The largest component of this category relates to Laboratory Services, where consumables are the primary input cost in testing operations. These costs are recovered from test revenue and are treated as direct variable costs.

Within Corporate Services, the consumables budget provides for fuel used in regional facilities, safety wear for plant room employees, and general cleaning materials. It also includes ICT-related hardware and accessories such as technician toolsets, laptop batteries, chargers, and RAM upgrades, as well as HCM's

protective equipment and cleaning materials. The budget also provides for Occupational Health and Safety materials, including thermal jackets, laboratory jackets, boots, and food testing samples.

In Finance, consumables largely cover catering linked to face-to-face Business Solutions and Advisory Services (BSAS) training sessions, which are cost-recovered from participants. For Standards, the allocation covers catering for Technical Committee meetings and working group sessions, as well as personal protective equipment (PPE).

Overall, the allocation for FY2026/27 ensures that critical operational requirements across Laboratories, Corporate Services, Finance, Standards, and executive functions are adequately supported.

The **foreign travel budget** for FY2026/27 is projected at R19.1 million, with the largest share allocated to Certification Services for international and regional client audits, followed by Standards for participation in international standards body and technical committee meetings, and the Office of the CEO for international relations engagements. Other revenue generating areas and some support areas received foreign travel allocation based on their respective needs, ensuring that travel supports both revenue-generating activities and SABS's representation in global platforms.

Concerted cost containment measures are ongoing and will continue over the three-year planning cycle. A cost containment plan in line with the National Treasury Instruction No. 02 of 2016/2017 is being implemented.

Profitability

Profitability is projected to remain weak in the near term, with the group recording a net profit of R0.35 million in FY2026/27. From FY2027/28, the group is expected to return to surplus, achieving a net profit of R14.6 million, followed by a stronger recovery to R25.3 million in FY2028/29 and further growth thereafter.

D.2 Statement of group financial position

SABS GROUP	Actual	Actuals	Forecast	Forecast	Budget	Budget	Budget
	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29
	R'000	R'000	R'000	R'000	R'000	R'000	R'000
ASSETS							
Non-current assets	925 043	966 812	980 041	1 123 465	1 496 931	1 543 510	1 499 029
Fixed Assets	732 674	726 724	736 548	834 544	1 106 370	1 133 534	1 158 997
Right of use assets	12 870	40 174	26 748	15 070	4 772	3 094	3 255
Intangible assets	8 348	12 673	10 905	68 010	159 299	158 841	66 217
Investments at FV through P&L	137 531	144 958	163 558	163 558	184 208	205 758	228 276
Deferred tax	33 620	42 283	42 283	42 283	42 283	42 283	42 283
Current assets	675 637	766 886	840 921	478 128	231 806	229 783	403 746
Trade and Other receivables	190 558	186 323	267 785	46 984	75 856	70 833	84 095
Inventory	4 322	2 865	4 374	4 374	4 374	4 374	4 374
VAT receivables			38 460				
Cash and cash equivalents	480 757	577 698	530 302	426 770	151 576	154 576	315 277
Total assets	1 600 680	1 733 698	1 820 962	1 601 593	1 728 737	1 773 293	1 902 775
EQUITY AND LIABILITIES							
Equity and reserves	930 453	995 901	999 517	999 517	1 000 917	1 067 224	1 160 159
Share capital		-	-	-	-	-	-
Accumulated profit/(loss)	840 241	904 231	907 847	907 847	909 247	975 554	1 068 489
Capital and Reserves	90 212	91 670	91 670	91 670	91 670	91 670	91 670
LIABILITIES							
Non-current liabilities	455 498	496 139	518 339	508 666	520 704	535 674	550 815
Employment benefit obligations	66 657	64 118	64 019	48 650	42 904	37 501	32 456
Deferred income	388 045	406 524	444 907	446 608	462 665	477 802	491 949
Loans from Group companies			-				
Lease liability	796	25 497	9 413	13 408	15 135	20 371	26 409
Current liabilities	214 729	241 658	303 107	100 613	207 116	170 394	191 802
Trade and Other payables	180 299	197 459	254 470	53 977	158 922	117 121	132 636
Employment benefit obligations	8 806	8 910	8 910	8 585	7 571	6 618	5 728
Loans from Group companies		-	-				
Tax Payable		-	-				
Lease liability	8 279	15 410	19 847	13 408	15 135	20 371	26 409
VAT Payable			-				
Provisions	1 566	1 567	1 137	1 137	1 137	1 137	1 137
Deferred income	15 779	18 312	18 743	23 506	24 351	25 147	25 892
Total equity and liabilities	1 600 680	1 733 698	1 820 963	1 608 796	1 728 737	1 773 293	1 902 775

Table 11: Statement of Group Financial Position

SABS anticipates total assets to grow to R1.8 billion by FY2028/29, up from R1.6 billion in FY2026/27. Growth will be driven primarily by increases in fixed assets, which are projected to reach R1.8 billion by the end of the MTEF period. This reflects the organisation's capital investment programme, which focuses on the digitisation strategy, infrastructure upgrades, and laboratory expansion to improve efficiency and service delivery capacity.

The capital programme is to be funded through a combination of grant allocations from the fiscus, and internal resources earmarked for reinvestment. Non-current assets are expected to stabilise at around R1.6 billion, supported by sustained infrastructure investment, while cash and cash equivalents are projected to strengthen significantly in the outer years, improving overall liquidity.

D.3 Statement of group Cash flows

	Actual		Preliminary		Budget	Budget	Budget	Budget
	2022/23	2023/24	Actuals	Forecast				
	R'000	R'000	R'000	R'000				
SABS GROUP								
Cash inflow from operating activities	95 406	89 918	(26 792)	51 413	87 904	33 580	99 534	127 829
Cash received from customers	470 755	500 249	384 641	756 337	773 664	754 414	876 440	1 034 482
Cash received from Government	273 099	248 847	269 376	259 376	286 929	299 940	310 478	316 510
Cash paid to suppliers and employees	- 653 577	(694 398)	(723 595)	(1 041 093)	(1 015 503)	(1 065 455)	(1 134 071)	(1 271 946)
Cash generated from/(utilised by) operations	90 277	54 698	(69 578)	(25 381)	45 090	(11 101)	52 847	79 047
Tax paid	(27 469)	(23 695)	(6 669)	(11 971)	-	-	-	-
Net finance income	32 598	58 915	49 455	88 765	42 814	44 680	46 687	48 783
Cash (outflow)/ inflow from investing activities	(14 744)	17 435	(7 033)	(124 365)	(332 518)	0	91 747	0
Purchase of PPE	(35 869)	(20 745)	(46 163)	(163 495)	(371 648)	(39 130)	52 616	(39 130)
Purchase of intangible assets	(614)	(950)						
Purchase of available for sale investments								
Proceeds on disposal of PPE	-							
Infrastructure grant funding received	21 739	39 130	39 130	39 130	39 130	39 130	39 130	39 130
Cash inflow/(outflow) from financing activities	(6 095)	(10 412)	(13 571)	(30 580)	(30 580)	(30 580)	(30 580)	(30 580)
Repayment of loan from group companies	-	-						
Lease liability payment	(6 095)	(10 412)	(13 571)	(30 580)	(30 580)	(30 580)	(30 580)	(30 580)
Increase in cash and cash equivalents	74 567	96 941	(47 396)	(103 532)	(275 194)	3 000	160 701	97 250
Cash and cash equivalents at beginning of year	406 190	480 757	577 698	530 302	426 770	151 575	154 575	315 276
Cash and cash equivalents at end of year	480 757	577 698	530 302	426 770	151 575	154 575	315 276	412 526

D.4 Group Capital Expenditure

Details	2025/26 R'000	2026/27 R'000	2027/28 R'000	2028/29 R'000
Opening Balance	292 262.0	207 279.0	(99 687.8)	(128 587.8)
DTIC funding and interest earned	59 173.0	52 130.0	47 630.0	45 936.0
Financial; Year CAPEX Grant	39 130.0	39 130.0	39 130.0	39 130.0
Interest on infrastructure Fund - Expected to March 2025	20 043.0	13 000.0	8 500.0	6 806.0
Other potential fundings	45 000.0	80 000.0	-	-
Funding from investment		80 000		
Transfer from Reserve for ERP	45 000			
Current commitments	(59 714.6)	-	-	-
March 2025 Commitment	(59 714.6)			
2025 GRV	(31 776.2)	-	-	-
March 2025 GRV	(31 776.2)			
Total available funds at the end of the FY	304 944.2	339 409.0	(52 057.8)	(82 651.8)
Forecasted spent	(97 665.2)	(439 096.8)	(76 530.0)	(39 130.0)
Facilities 202627 Budget Carryover			-	
Facilities Allocated Budget	93 416.0	-	-	-
Facilities Forecasted Spend	(43 331.0)	(161 785.0)	-	-
Laboratories 202627 Budget Carryover		74 809.2	-	
Laboratories Allocated Available Budget	110 988.4	39 130.0	39 130.0	39 130.0
Projects Prior 2025/26	71 858.4			
2025/26 Projects	39 130.0			
Laboratories forecasted Spend	(36 179.2)	(113 939.2)	(39 130.0)	(39 130.0)
ICT 202526 Budget Carryover		68 328.4	-	
ICT Allocated Available Budget	83 338.4	74 344.2	37 400.0	-
ICT forecasted Spend	(15 010.0)	(142 672.6)	(37 400.0)	-
Other 202526 Budget Carryover		17 000.0	-	
Other Allocated Available Budget	20 145.0			
Other forecasted 202526 Spend and outer years	(3 145.0)	(20 700.0)		
Infrastructure funds balance	207 279.0	(99 687.8)	(128 587.8)	(121 781.8)

Table 12: Group Capital Expenditure FY2025/26-2027/28

There is a projected funding allocation shortfall of R121.8 million over the 2026/27 MTEF period for CAPEX as depicted below.

The infrastructure fund is expected to reach at a minimum R290.1 million after having taken into account the opening balance of R251.0 million and the R39.1 million infrastructure grant allocation from the dtic for 2025/26 financial year. Furthermore, the infrastructure fund is expected to increase driven by the interest earned from the remaining balance. In addition, the infrastructure fund is expected to increase by a minimum of R39.1 million annually through the infrastructure grant allocation from the dtic.

If all projects with allocations are implemented, there is an indicative budget deficit of R121.8 million. However, the projects will be prioritized for implementation based on available funding. Thus, until SABS can raise more funds from the operations or shareholder or external funders, no new CAPEX projects will be allocated funds. The projects can, however, be reprioritized with the infrastructure funds limit.

D.5 Statement of SABS Commercial financial performance

SABS COMMERCIAL SOC LTD	Actual	Actual	Budget	Preliminary	Budget	Budget	Budget	Budget
	R'000 2022/23	R'000 2023/24	R'000 2024/25	R'000 2024/25	R'000 2025/26	R'000 2026/27	R'000 2027/28	R'000 2028/29
Revenue	426 223	418 453	481 952	408 883	472 284	537 097	637 013	759 546
Inter Co Sales (Trade)	1 333	1 308	3 083	1 271	4 010	(180)	(188)	(196)
Tests & Services	129 156	129 279	165 331	110 372	147 734	150 593	160 138	167 562
Certificate of compliance	12 288	9 063	-	-686	-	-	-	-
Business Solutions and Advisory Services (BSAS)	9 195	-	-	-8	-	-	-	-
Product and system certification	274 073	278 803	313 539	298 619	320 539	386 683	477 063	592 180
Other income	4 734	7 903	7 000	-	12 060	13 100	13 671	14 285
Sundry income	4 734	7 903	7 000	-	12 060	13 100	13 671	14 285
Government Grant	10 520	5 702	10 000	1 804	15 000	40 000	10 000	10 000
Other income	10 520	5 702	10 000	1 804	15 000	40 000	10 000	10 000
Total income	441 478	432 058	498 952	410 687	499 344	590 197	660 684	783 831
Administrative and operating expenses	(303 831)	(323 526)	(416 282)	(367 414)	(439 041)	(427 053)	(455 715)	(476 110)
Employee benefits	(227 259)	(236 795)	(287 080)	(265 918)	(302 810)	(289 804)	(302 474)	(316 055)
Contract Services	(19 715)	(22 263)	(16 623)	(26 838)	(17 417)	(23 101)	(25 108)	(26 236)
Premises costs	393	(1 560)	(45 348)	(2 383)	(45 479)	(47 377)	(49 443)	(51 663)
Marketing & Communication	(14)	(2 031)	(4 661)	(1 721)	(6 169)	(4 445)	(6 645)	(6 943)
Consulting & Technical Fees	(2 402)	(2 995)	(6 669)	(2 775)	(5 980)	(5 887)	(6 144)	(6 420)
Consumables	(9 499)	(7 169)	(11 320)	(20 143)	(10 642)	(11 893)	(12 412)	(12 969)
Travel foreign	(2 468)	(12 225)	(11 961)	(10 625)	(12 314)	(12 805)	(18 364)	(19 150)
Travel local	(22 883)	(21 299)	(17 474)	(20 039)	(20 276)	(18 735)	(21 553)	(22 493)
Municipal services	(1 809)	(851)	-	(1 512)	-	-	-	-
Other operating expenses	(18 175)	(16 338)	(15 145)	(15 461)	(17 954)	(13 005)	(13 573)	(14 182)
Rental costs - equipment	(661)	(311)	(1 482)	(107)	-	(0)	(0)	(0)
Telephone & Comms Costs	(1 749)	(1 708)	(2 643)	(1 425)	(1 971)	(2 140)	(2 234)	(2 334)
Training & Workshops	(26)	-	(417)	(18)	-	-	-	-
Repairs & Maintenance	(9 585)	(7 057)	(6 717)	(8 771)	(7 426)	(7 220)	(7 535)	(7 873)
Bank Charges	(570)	(306)	(285)	(292)	(211)	(263)	(275)	(287)
Computer Software & Licences	(61)	-	(212)	(83)	-	(125)	(131)	(137)
Corporate social investment	-	-	-	-	-	-	-	-
Entertainment Exp	(128)	(5)	(111)	(12)	-	-	-	-
Inter Co Purchases (Trade)	-	-	-	-	-	-	-	-
Insurance	(31)	-	-	-	-	-	-	-
Legal costs	-	(550)	-	-	-	-	-	-
Membership fees	(1 237)	(1 821)	(1 740)	(435)	(2 864)	(1 716)	(1 791)	(1 872)
Postal services	(2 812)	(2 441)	(497)	(3 221)	(4 197)	(436)	(455)	(475)
Purchase of standards	-	-	-	-	-	-	-	-
SAQI grant	-	-	-	-	-	-	-	-
Di Specialized Training	-	-	-	-	-	-	-	-
Recruitment services	(2)	(5)	-	(74)	-	-	-	-
Printing & Stationery	(1 314)	(2 134)	(1 041)	(1 022)	(1 286)	(1 104)	(1 152)	(1 204)
Profit/(loss) from operations	137 646	108 532	82 670	43 273	60 302	163 144	204 969	307 721
Depreciation	(53 756)	(45 986)	(23 792)	(43 378)	(20 926)	(47 259)	(49 319)	(51 534)
Government grants in respect of assets	7 795	7 934	7 930	8 327	13 416	12 325	12 863	13 440
Profit/(loss) before other income/expenses, interest and tax	91 685	70 481	66 809	8 222	52 792	128 210	168 513	269 627
Other income	2 436	605	-	5 780	-	-	-	-
Other non-operating expenses	(26 253)	(30 007)	-	(16 858)	(5 844)	(6 925)	(7 227)	(7 552)
Profit/ (loss) before interest, corporate charges and tax	67 869	41 079	66 809	(2 857)	46 948	121 285	161 286	262 076
Finance income or Costs	(8 764)	8 697	10 645	17 620	17 789	17 123	17 869	18 672
Profit/ (loss) before corporate charges and tax	59 105	49 776	77 454	14 763	64 736	138 408	179 155	280 747
Corporate services	-	-	-	-	-	(54 241)	(56 102)	(64 944)
Group service recoveries	-	-	-	-	-	(54 241)	(56 102)	(64 944)
Group service costs	-	-	-	-	-	-	-	-
Profit/ (loss) before tax	59 105	49 776	77 454	14 763	64 736	84 167	123 053	215 803
Taxation	(18 352)	(5 893)	-	(11 215)	-	(17 480)	(43 853)	(72 916)
Net profit/ (loss) for the period	40 753	43 883	77 454	3 548	64 736	66 687	79 200	142 887

D.6 Statement of SABS Commercial financial position

	Actual 2022/23	Actuals 2023/24	Forecast 2024/25	Forecast 2025/26	Budget 2026/27	Budget 2027/28	Budget 2028/29
SABS COMMERCIAL	R'000	R'000	R'000	R'000	R'000	R'000	R'000
ASSETS							
Non-current assets	216 641	185 313	167 897.71	201 850.31	311 738.78	341 550.28	369 146.57
Fixed Assets	121 738	112 220	122 068.96	139 662.36	237 557.75	256 595.68	274 718.94
Right of use assets	61 283	29 657	2 924.55	10 186.12	22 447.69	33 499.86	43 252.27
Intangible assets		1 152	621.97	9 718.83	9 451.12	9 171.74	8 892.36
Deferred tax	33 620	42 283	42 282.23	42 283.00	42 282.23	42 283.00	42 283.00
Current assets	264 134	383 106	293 328.20	285 580.23	210 560.23	366 477.99	558 858.06
Trade and Other receivables	159 833	152 129	147 040.44	41 446.19	63 990.54	60 618.98	72 299.31
Inventory			-	-			
VAT receivables							
Cash and cash equivalents	104 301	230 977	146 287.75	244 134.04	146 569.69	305 859.01	486 558.75
Total assets	480 775	568 418	461 225.91	487 430.53	522 299.01	708 028.27	928 004.63
EQUITY AND LIABILITIES							
Equity and reserves	198 067	238 198	257 612.36	294 930.08	325 734.43	451 665.07	654 370.65
Share capital	100 000	100 000	100 000.00	100 000.00	100 000.00	100 000.00	100 000.00
Accumulated profit/(loss)	84 014	122 505	141 919.76	179 237.48	210 041.83	335 972.48	538 678.05
Capital and Reserves	14 053	15 693	15 692.60	15 692.60	15 692.60	15 692.60	15 692.60
LIABILITIES							
Non-current liabilities	121 585	90 815	109 291.92	102 593.94	129 070.71	155 280.48	181 198.61
Employment benefit obligations	29 071	28 290	29 696	26 839	26 864	27 050	27 403
Deferred income	53 094	59 286	78 766	74 836	100 300	125 255	149 660
Loans from Group companies	(0)	-					
Lease liability	39 420	3 239	830	919	1 906	2 976	4 136
Current liabilities	161 123	239 405	94 322.0	89 906.5	67 493.9	101 082.7	92 435.4
Trade and Other payables	96 631	186 563	80 619	80 619	56 204	87 733	76 966
Employment benefit obligations	3 174	3 138	3 138.00	4 736	4 741	4 774	4 836
Loans from Group companies	1 677	-					
Tax Payable	7 287	-					
Lease liability	45 741	41 547	2 408.30	613	1 271	1 984	2 757
VAT Payable							
Provisions	-	-	-	-	-	-	-
Deferred income	6 613	8 157	8 157.16	3 939	5 279	6 592	7 877
Total equity and liabilities	480 775	568 418	461 226.31	487 430.53	522 299.01	708 028.27	928 004.63

D.7 Statement of SABS Commercial Cash flow statement

	Actual	Actual	Preliminary	Forecast	Budget	Budget	Budget
	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29
SABS COMMERCIAL	R'000	R'000	R'000	R'000	R'000	R'000	R'000
Cash inflow from operating activities	106 203	125 889	(41 861)	146 442	18 791	200 836	222 246
Cash received from customers	411 923	452 765	419 509	504 953	654 457	644 703	753 225
Cash received from Government	-	-	-	-	10 000	10 000	10 000
Cash paid to suppliers and employees operations	(282 389)	(311 879)	(471 193)	(388 113)	(665 980)	(475 067)	(563 131)
Tax paid	(27 469)	(7 843)	(6 669)	-	-	-	-
Net finance income	4 138	(7 154)	16 493	29 603	20 314	21 200	22 151
Cash (outflow)/ inflow from investing activities	(24 536)	32 785	(1 282)	(7 049)	(74 809)	0	0
Purchase of PPE	(23 923)	(10 694)	(29 062)	(46 179)	(113 939)	(39 130)	(39 130)
Purchase of intangible assets	(613)	-	-	-	-	-	-
Purchase of available for sale investments	-	-	-	-	-	-	-
Proceeds on disposal of PPE	-	-	-	-	-	-	-
Infrastructure grant funding received	-	43 479	27 780	39 130	39 130	39 130	39 130
Cash inflow/(outflow) from financing activities	(86 662)	(31 997)	(41 547)	(41 547)	(41 547)	(41 547)	(41 547)
Repayment of loan from group companies	(82 359)	(1 677)	-	-	-	-	-
Lease liability payment	(4 303)	(30 320)	(41 547)	(41 547)	(41 547)	(41 547)	(41 547)
Increase in cash and cash equivalents	(4 995)	126 677	(84 690)	97 846	(97 564)	159 289	180 700
Cash and cash equivalents at beginning of year	109 296	104 301	230 978	146 288	244 134	146 570	305 859
Cash and cash equivalents at end of year	104 301	230 978	146 288	244 134	146 570	305 859	486 559

ANNEXURE E – MATERIALITY SIGNIFICANCE FRAMEWORK

In accordance with the Public Finance Management Act, the SABS has agreed to a framework of acceptable levels of materiality and significance with our executive authority, the **dtic**. In terms of Treasury Regulations 28.1.5 issued in terms of the Public Management Finance Act, 1999 (Act 1 of 1999), the accounting authority of the SABS must develop and agree a framework of acceptable levels of materiality and significance with the relevant executive authority in consultation with the external auditors. This is the materiality framework for the SABS Consolidated Group Financial Statements.

Section	Requirement	SABS framework
Section 50(1) The accounting authority for a public entity must:	a) Exercise the duty of utmost care to ensure reasonable protection of the assets and records of the public entity. b) Act with fidelity, honesty, integrity and in the best interest of the public entity in managing the financial affairs of the public entity. c) On request, disclose to the executive authority responsible for that public entity or the legislature to which the public entity is accountable, all material facts, including those reasonably discoverable, which in any way influence the decision or actions of the executive authority or that legislature; and d) Seek, within the sphere of influence of that accounting authority, to prevent any prejudice to the financial interest of the state.	The SABS is committed to have an open and transparent culture and to disclose any relevant information to its stakeholders. Materiality can only be determined if the nature of the information is known.
Section 55(2) The annual report and financial statements referred to by PFMA Subsection 55 (1)(d) must:	a) Fairly present the state-of-affairs of the public entity, its business, its financial results, its performance against pre-determined objectives and its financial position as at the end of the financial year concerned	Qualitative: Any such matter that the Board believes it will influence the users of the statements. Quantitative: As per guideline issued by National Treasury, materiality is calculated at 0.75% of total income: R5.8 million (based on 2023/24 total income of R775.7 million as per annual financial statements)
	b) Include particulars of – <ul style="list-style-type: none"> (i) Any material losses through criminal conduct and any irregular expenditure and fruitless and wasteful expenditure that occurred during the financial year (ii) Any criminal or disciplinary steps taken because of such losses or irregular expenditure or fruitless and wasteful expenditure (iii) Any losses recovered or written off (iv) Any financial assistance received from the state and commitments made by the state on its behalf (v) Any other matters that may be prescribed 	Disclose as prescribed Disclose as prescribed Disclose as prescribed Grants are agreed with the executive authority and declared in full Disclose as prescribed
	c) Include the financial statements of any subsidiaries.	All subsidiaries are consolidated
	Section 54(2) Before a public entity concludes any of the following transactions, the accounting authority for the public entity must promptly	a) Establishment of participation in the establishment of a company b) Participation in a significant partnership, trust, unincorporated joint venture, or similar arrangement

Section	Requirement	SABS framework
<p>and in writing inform the relevant treasury of the transaction and submit relevant particulars of the transaction to its executive authority for approval of the transaction.</p>	<p>c) Acquisition or disposal of a significant shareholding in a company</p>	<p>R1 733.7 million as per annual financial statements)</p> <ul style="list-style-type: none"> Any transaction where ownership control is affected Where the SABS has the right to pass or block as special resolution is affected Change in ownership of at least 20.0% <p>For an acquisition, any transaction that results in a shareholding of at least 20.0% in a company</p>
	<p>d) Acquisition or disposal of a significant asset</p>	<p>All asset acquired or disposed, other than:</p> <ul style="list-style-type: none"> Those mention in 54(2)(a) and (b) above or Assets classified at current assets according to generally accepted accounting practise: <ul style="list-style-type: none"> Materiality is calculated at 1.5% of total assets R26.0 million (based on 2023/24 total assets of R1 733.7 million as per annual financial statements)
	<p>e) Commencement or cessation of a significant business activity; and</p>	<ul style="list-style-type: none"> A business activity that falls within the SABS core business, including standards development and the provision of conformity assessment services, do not require approval A business activity that falls outside the SABS core business: A business activity that falls outside the SABS core business: <ul style="list-style-type: none"> materiality is calculated at 1.5% of total assets: R26.0 million (based on 2023/43 total assets of R1 733.7 million as per annual financial statements) <p>Qualitative (both core and non-core): Consider whether the cessation of business activity will likely result in large-scale retrenchments</p>
	<p>a) A significant change in the nature or extent of its interest in a significant partnership, trust, unincorporated joint venture, or similar arrangement.</p>	<p>Only be considered if the participation in the partnership, trust, unincorporated joint venture, or similar arrangement was originally regarded as significant per 54(2)(b) above. The following is considered significant:</p> <ul style="list-style-type: none"> calculated at 1.5% of total assets: R26.0 million (based on 2023/24 total assets of R1 733.7 million as per annual financial statements) Any change in the nature of the vehicle (partnership, trust, unincorporated joint venture, or similar arrangement) Any transaction that results in a cumulative interest of at least 20% in the vehicle Any subsequent transaction that results in an increase of the cumulative interest by at least 10% in the vehicle
<p>Section 66(1)</p>	<ul style="list-style-type: none"> An institution to which this Act applies may not borrow money or issue a guarantee, indemnity, or security, or enter into any other transaction that binds or may bind that institution or the Revenue Fund to any future financial commitment, unless such borrowing, guarantee, indemnity, security, or other transaction- <ul style="list-style-type: none"> Is authorised by this Act; and 	<p>Section 66(1)</p>

Section	Requirement	SABS framework
	<ul style="list-style-type: none"> • In the case of public entities, is also authorized by other legislation not in conflict with this Act; and • In the case of loans by a province or a provincial Government business enterprise under the ownership control of a provincial executive, is within the limits as set in terms of the Borrowing Powers of Provincial Governments Act, 1996 (Act 48 of 1996). 	

Table 13: Materiality Framework

ANNEXURE F – BORROWING PROGRAMME

SABS currently does not have a borrowing programme.

ANNEXURE G – DIVIDEND POLICY

SABS does not currently pay dividends and has no dividend policy.