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# SABS

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## Final Corporate Plan

FY2024/25 to FY2026/27



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## ACRONYMS AND ABBREVIATIONS

ARSO	African Organisation for Standardisation
BSAS	Business Solutions & Advisory Services
CRM	Customer Relationship Management
ERP	Enterprise Resource Planning
ERRP	Economic Reconstruction and Recovery Plan
EXCO	Executive Committee
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
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
SABS	South African Bureau of Standards
SADC	Southern African Development Community
SANS	South African National Standards
SCM	Supply Chain Management
SMME	Small, Micro and Medium Enterprises
SOE	State-Owned Enterprise
<b>the dtic</b>	The Department of Trade, Industry and Competition
WTO	World Trade Organisation

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## **PREFACE**

It is hereby certified that the Corporate Plan was:

- developed by the management of the South African Bureau of Standards (SABS) under the guidance of its Board,
- that it considers all the relevant policies, legislation, and other mandates for which the SABS is responsible, and
- has accurately reflected the performance targets that management will endeavour to achieve, given the resources available, over the FY2024/25 to FY2026/27 period.



Kholofelo Masoga

**Chief Financial Officer**

South African Bureau of Standards

30 October 2024



Lizo Makele

**Acting Chief Executive Officer**

South African Bureau of Standards

30 October 2024



Dr Ron Josias

**Acting Chairperson of the Board**

30 October 2024

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**DISCLOSURE REQUIREMENTS IN TERMS OF PRACTICE NOTE 4 OF 2009/10**

No	Description	Reference
1	Strategy	Section 4
2	Key performance indicators	Section 5
3	Governance structure	Section 2
	• Governance structures and roles/responsibilities	
	• Structure of Board of committees	
	• Structure of Executive management	
4	Financial plan (covering the next three years) including	Section 12
	• Projects income statement	
	• Projects balance sheet	
	• Projects cash flow statement	
5	Dividend policy	Section 12.4
6	Capital expenditure plan (covering the next three years)	Section 12.4
7	Borrowing programme (covering the next three years)	Section 12.4
8	Risk management plan	Section 13
	• Description of risk management process	
	• Key operational risks	
9	Fraud prevention plan	Section 13.3
10	Materiality and significance framework	Annexure B
11	Other supporting frameworks/plans	
	• Financial projections for SABS Commercial SOC Limited	Annexure A

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## FOREWORD BY THE MINISTER



*Mr Parks Tau - Minister of Trade, Industry and Competition*

The 2024/25 Corporate Plan of the South African Bureau of Standards 9SABSO reflects the continued efforts of **the dtic** Group to align its activities around a common purpose; grounded in efforts to support industrialisation that promotes rising incomes jobs, drive Transformation to build an inclusive economy, and build a Capable State to ensure improved impact of public policies. The SABS Corporate Plan also identifies output indicators and targets that **the dtic** Group aims to achieve in the 2024/25 financial year. The Corporate Plan includes the output targets which were introduced in 2023/24, to which the SABS makes a critical contribution. These include supporting jobs, mobilising investment, supporting manufacturing exports, and enabling Black Industrialists to create jobs and contributing towards industrial transformation.

The Executive Authority is responsible for providing direction on the development and implementation of policies and strategic priorities of the SABS in line with its mandate, and to ensure that the Corporate Plan is aligned to the government's priorities.

In the year ahead, the SABS will focus on enhancing its delivery model of standardisation and quality assurance services that meet its stakeholders, customers, and market expectation, whilst maintaining trust and confidence. The SABS will also continue to be a custodian of best practices with regards to knowledge and tools that underpin quality, safety and innovation in South Africa.

The 2024/25 Corporate Plan is hereby submitted in accordance with the Revised Framework on Strategic and Annual Performance Plans.

A handwritten signature in black ink, appearing to read 'P. Tau', written over a light blue horizontal line.

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



**Core Outputs for to support the dtic's 5,4% Growth Plan**

Core Outputs	2024/25	2025-2030
4 million jobs created	40	200
255 000 SMME Supported	220	1000
15 million int. tourist arrival	60	500
2.1 million work experience	60	180
441 000 Subsistence Farmers	0	200
200 Ind Parks & DDM transformation	0	10
1 trillion exports	0	R25 million
Red Tape Reduction processes	1	2 Processes
Payment of suppliers on time (20) days	30 days	20 days
Improvement in the turnaround times	<ul style="list-style-type: none"> <li>• 320 to publish a standard</li> <li>• 48 hours turnaround time on WTO enquiries</li> </ul>	<ul style="list-style-type: none"> <li>• 320 to publish a standard</li> <li>• 48 hours turnaround time on WTO enquiries</li> </ul>
Procurement from B-BEEE Compliance Suppliers (100%)	90% (excluding sole sourcing or OEM procurement)	100% (excluding sole sourcing or OEM procurement)
Measures to encourage energy efficiency through Standards	Publish 7 standards in energy efficiency	Publish 15 standards in energy efficiency
Investment in the industrialisation of renewable energy components	0	Develop 4 new test methods in support of industrialisation in renewable energy

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## FOREWORD BY THE CHAIRPERSON



As we reflect on the first year of our tenure as members of the SABS Board, it is with extreme pleasure that we note the steady progress of the SABS as it continues to steer along a path of sustainable growth whilst meeting its legislative mandate and objectives.

The current global megatrends including rapid urbanization, rise of technology, climate change and shift in global economic power continue to have an impact on the aspirations of the African region as well as South Africa as a country. These trends require a concerted effort of cooperation and collaboration at the global stage of standardisation to mitigate the dire consequences of minimal and isolated actions of a few nations. Global solutions in the form of international Standards are increasingly in demand as it provides relevant solutions to support public policy whilst delivering knowledge and innovation to enhance industrial growth and economic prosperity underpinned by sustainability factors.

As a country, South Africa faces increasing pressure to adequately address the energy crisis, infrastructure investment, enhanced and digital industrialization whilst improving the socio-economic status of majority of its citizens. Our imperatives to address high unemployment, poverty and inequality is underpinned by our Economic Reconstruction and Recovery Plan (ERRP), which includes a significant focus on green energy, the pursuit of green industrialisation and a green future in order to be able to deliver sustainable solutions to our climate vulnerability whilst driving economic competitiveness. As the peak National Standards body of the country with membership to the WTO recognised global standardisation bodies, ISO and IEC, the SABS remains the go-to institution for the provision of best practice standardisation tools and innovative solutions in the form of standards and conformity assessment services.

As we enter 2024 the SABS will be required to enhance its delivery model of standardisation services that meet our customer and market expectation whilst maintaining the trust and confidence of a reputable standardisation organisation. Our strategy is aligned to the **dtic's** industrial sector master plans that are key instruments towards driving domestic production, improving industrial capabilities, and sophistication, focussing more on export-orientation, and regaining domestic market space lost to imports. We are also mindful of the reduction in grant funding from **the dtic** for the 2024-2027 period which requires further evaluation of our expenses and subsequent impacts on the delivery of specific programmes.

This rolling corporate plan presents the various programmes that are aligned to the legislative mandate of the organisation, while supporting policy initiatives as well as the output targets as defined by our shareholder, **the dtic**. Financial sustainability remains an important pillar of the organisation, and this will be dependent on the effective rollout of critical organisational programmes and projects. These include the ICT and digitalization roadmap, prioritized infrastructure investment including laboratory upgrade and replenishment of critical equipment. Further, we look forward to implementation by management of a comprehensive stakeholder engagement framework, enhanced operational excellence supported by requisite skills and competencies of our staff, whilst enabling the AfCFTA through thought leadership and active participation in regional and international standardisation programmes.

The Board remains focused and dedicated at providing strategic oversight and effective governance as we continue working with the SABS management team to pave a sustainable trajectory for the organisation aligned to its legislative mandate, its support for **dtic's** industrialisation and related policies and embark on a journey that seeks to position SABS as the trusted standardisation and quality assurance organisation of choice.

A stylized, handwritten signature in dark ink, appearing to be 'R Josias'.

**Dr Ron Josias**

Acting Chairperson of the Board

30 October 2024

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## OVERVIEW BY THE ACTING CHIEF EXECUTIVE OFFICER



As we embark on a pivotal year in the journey of the South African Bureau of Standards (SABS), I am both honoured and excited to introduce our revised corporate plan for the FY2024/25 and extending over the Medium-Term Expenditure Framework (MTEF) period. The plan includes our strategic vision, focusing on core pillars that have defined our mission for decades, namely, the development and maintenance of National Standards, and the provision of conformity assessment services.

The SABS is a key quality infrastructure institution that performs a critical role in developing quality solutions and tools and subsequently delivering quality assurance products and services to companies and public sector entities. The standardisation portfolio of services support industries to access local, regional, and international markets whilst providing relevant solutions to enable public policy.

South African National Standards published by the SABS and ongoing projects are state of the art, most of which are aligned to international best practices which provide technical solutions to the multiplicity of challenges and opportunities as presented in the South African Economic Reconstruction and Recovery plan.

SABS continues to be a steadfast guardian of best practice knowledge and tools that underpin quality, safety, and innovation in South Africa. Our dedication to these principles has enabled us to serve as a catalyst for greater national industrialisation, the protector of consumer interests, and a driver of technological advancement. In this foreword, I will elaborate on our commitments in these key areas and explore the additional challenges posed by climate change that will shape our journey in 2024 and beyond.

### **National Standards Development**

At the heart of our mission lies the development and maintenance of National Standards that form the bedrock of quality, safety, and innovation in South Africa. As we look ahead to 2024, we reiterate our unwavering commitment to this crucial task. The world is evolving at an unprecedented pace, and so must our standards development processes and our deliverables that meet our customer needs.

In partnership with stakeholders from diverse sectors – including government, industry, academia, and civil society – we will continue to develop and update standards that are not only robust and internationally competitive but also adaptive to the changing needs of society and a dynamic economy. These standards serve as the blueprint for industries across South Africa, providing knowledge, tools and solutions upon which businesses can build and innovate and compete in regional and international markets.

In light of the pressing challenges posed by climate change and resource scarcity, the SABS is acutely aware of its role in promoting sustainable practices and delivering solutions that are aligned to the United Nations Sustainable Development Goals (UNSDGs). We will place a renewed emphasis on developing standards that prioritize environmental responsibility, energy efficiency, and the principles of a circular economy. These standards will be instrumental in steering our nation toward a more sustainable and resilient future.

### **Conformity Assessment Services**

The assurance of product and service quality is paramount in today's globalised and competitive marketplace. The SABS has long been a trusted partner to industry, providing a comprehensive suite of conformity assessment services. In 2024, we commit to improving operational efficiencies while enhancing and expanding these services to meet the evolving needs of our customers.

Our commitment to offering comprehensive and efficient conformity assessment services extends across a wide spectrum of sectors, from manufacturing and construction to healthcare and information technology. We recognise the importance of streamlining assessment procedures and embracing emerging technologies to ensure our services remain at the vanguard of the industry.

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Moreover, our goal is to enable South African businesses to access regional and global markets with ease by providing the necessary conformity assessments and certifications that meet relevant standards. Our services not only facilitate trade but also instil confidence in consumers that the products and services they encounter from South Africa meet or exceed the required standards. This is especially crucial as we navigate the complexities of a changing international trade environment in a post-pandemic world.

The SABS has earned a distinguished reputation for its diverse testing capabilities and its support for our product certification services recognised by the SABS Mark Scheme. Our commitment to precision, reliability, and innovation in testing remains unwavering. In 2024, we will continue to invest in and enhance our testing capabilities to meet the growing demands of industry and ensure the highest levels of quality and safety.

Our laboratories will strive to remain at the forefront of technological advancements, allowing us to continue offering a wide range of testing services to support industry. Whether it is product performance testing, safety evaluations, or environmental assessments, our laboratories are committed to providing customers with the confidence that their products meet or exceed the required standards, thereby instilling trust in the marketplace.

In recognition of the dynamic nature of industry and technology, our laboratories we will be expected to contribute to research and development initiatives to support industry and this will be undertaken through partnerships and collaborations with relevant research organisations and other stakeholders. We aim to address emerging challenges in areas such as renewable energy, healthcare and infrastructure, thus positioning ourselves not just as a service provider but as a driver of progress for South African industries.

### **Sustainability challenges**

We cannot ignore the profound challenges presented by climate change and its impact on natural resources. These issues are not just global concerns; they are deeply intertwined with South Africa's future. Climate change has already manifested in the form of extreme weather events, rising temperatures, and shifting rainfall patterns.

For a nation that relies heavily on agriculture and faces ongoing water scarcity, these challenges demand immediate attention. The SABS recognises its role in addressing these issues by developing standards that encourage sustainable practices in agriculture, water management, and environmental conservation.

We are committed to aligning our standards and conformity assessment services with international efforts to mitigate climate change, reduce greenhouse gas emissions, and adapt to its impacts. Furthermore, we will actively engage with stakeholders to promote water-efficient technologies, responsible resource management, and resilience in the face of water scarcity. All of these endeavours are aimed at helping the nation effort to meet the demands of the United Nations Sustainable Development Goals (UNSDGs).

In conclusion, as we look ahead to the year 2024, the South African Bureau of Standards stands resolute in its mission to serve South Africa as the apex standard development and conformity assessment body in South Africa. We are dedicated to advancing the use of National Standards, providing efficient and cutting-edge conformity assessment services, all of which will contribute to the development of the national quality agenda.

Our active participation, as the National Standards body (NSB), in international and regional standard bodies reinforces our commitment to global excellence. It will be in these environments where the SABS and our national subject matter experts, who serve on South African technical committees, will be able to contribute influence the global standardisation agenda.

On behalf of the management of the SABS, I wish to express my profound gratitude to the Minister of Trade, Industry & Competition, Honourable Parks Tau, the esteemed Board of Directors, partners and SABS employees for their steadfast support of our initiatives aimed at enhancing the role of the SABS in contributing to the governments' development objectives.



**Lizo Makele**

Acting Chief Executive Officer

30 October 2024

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## **PART A:**

# **SABS OVERVIEW AND GOVERNANCE**

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## **1. SABS OVERVIEW**

### **1.1 Legislative mandate**

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

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

### **1.2 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

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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.

## 2. GOVERNANCE STRUCTURE

### 2.1 Introduction

The SABS exists as a public entity in terms of the Standards Act, 2008 (Act 8 of 2008), under the Executive Authority of the Department of Trade, Industry and Competition. In accordance with this Act, the Executive Authority (the Minister of Trade, Industry and Competition) is responsible for the appointment of the SABS Board.

This 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 Commercial SOC Ltd is a wholly owned subsidiary of the SABS which houses the SABS' conformity assessment services business and is funded through own revenue derived from services to customers. This Corporate 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.

### 2.2 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 Shareholder 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
Dr Ron Josias (Acting Chairperson)	57	M	C	<ul style="list-style-type: none"><li>NHD Mechanical Engineering</li><li>MBA</li><li>MPhil: International Business Management</li><li>PhD: Public Administration</li></ul>	Strategy & Development Research; Business Development; Regional Integration and World Trade
Dr Rudzani Nemutudi	54	M	A	<ul style="list-style-type: none"><li>BSc (Honours)</li><li>MSc (Physics)</li><li>PhD (Physics)</li><li>Certificate - Management Development</li></ul>	Strategic Planning; Technical Infrastructure Development; Performance Monitoring; International Relations; Research Development; and Institutional Sustainability
Ms Deidre Penfold	60	F	W	<ul style="list-style-type: none"><li>BCom (Honours) (Economics)</li></ul>	Research & Innovation. Stakeholder Engagement; SHEQ; and Strategic Planning & Performance
Dr Nandipha Madiba	60	F	A	<ul style="list-style-type: none"><li>DBA</li></ul>	Corporate Governance; Combined Assurance; Financial Reporting; Financial



Name	Age	Gender	Race	Qualifications	Areas of experience
				<ul style="list-style-type: none"> <li>PhD (Business Leadership and Management)</li> <li>MBA</li> </ul>	Management; and Strategy and Human Capital
Dr Tebogo Makhube	52	M	A	<ul style="list-style-type: none"> <li>B. Admin (Hons)</li> <li>LLB</li> <li>MPhil Economic Policy</li> <li>MSc Energy Economics</li> <li>LLM: Public Procurement Law</li> <li>PhD Energy Studies</li> <li>Advocate of the High Court of South Africa</li> </ul>	Public procurement policy and law, Policy and Strategy Development, Fiscal and Industrial Policies; and Regulatory economics
Dr Mukondeleli Grace Kanakana-Katumba	47	F	A	<ul style="list-style-type: none"> <li>B-Tech (Industrial Engineering)</li> <li>MBA</li> <li>D-Phil (Engineering Management)</li> </ul>	Turnaround Strategy; Strategy Formulation; Organisational Leadership; Performance Planning & Management; Monitoring & Evaluation; Research & Development; and Entrepreneurship Development

Table 1: 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 they comply with statutory duties and responsibilities outlined in the Public Finance Management Act, the Companies Act and the King Code IV.

In terms of section 77(b) of the PFMA, an audit and risk committee must meet at least twice a year. The Committee met six times during the financial year that ended on 31 March 2023.

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
- Oversight of ICT and Digital Transformation (including ICT governance)
- Financial reporting
- Compliance

Name	Age	Gender	Race	Qualifications	Area of expertise
Ms Diedre Penfold (Chairperson)	60	F	W	<ul style="list-style-type: none"> <li>BCom (Honours) (Economics)</li> </ul>	Research & Innovation Stakeholder Engagement;

Name	Age	Gender	Race	Qualifications	Area of expertise
					SHEQ; and Strategic Planning & Performance
Dr Rudzani Nemutudi	54	M	A	<ul style="list-style-type: none"> <li>BSc (Honours)</li> <li>MSc (Physics)</li> <li>PhD (Physics)</li> <li>Management Development Certificate</li> </ul>	Strategic Planning; Technical Infrastructure Development; Performance Monitoring; International Relations; Research Development; and Institutional Sustainability
Dr Nandipha Madiba	60	F	A	<ul style="list-style-type: none"> <li>DBA</li> <li>PhD (Business Leadership and Management)</li> <li>MBA</li> </ul>	Corporate Governance; Combined Assurance; Financial Reporting; Financial Management; and Strategy and Human Capital

Table 2: 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
Dr Nandi Madiba (Chairperson)	60	F	A	<ul style="list-style-type: none"> <li>DBA</li> <li>PhD (Business Leadership and Management)</li> <li>MBA</li> </ul>	Corporate Governance; Combined Assurance; Financial Reporting; Financial Management; and Strategy & Human Capital
Ms Diedre Penfold	60	F	W	<ul style="list-style-type: none"> <li>BCom (Honours) (Economics)</li> </ul>	Research & Innovation Stakeholder Engagement; SHEQ; and Strategic Planning & Performance
Dr Rudzani Nemutudi	54	M	A	<ul style="list-style-type: none"> <li>BSc (Honours)</li> <li>MSc (Physics)</li> <li>PhD (Physics)</li> <li>Management Development Certificate</li> </ul>	Strategic Planning; Technical Infrastructure Development; Performance Monitoring; International Relations; Research Development;

Name	Age	Gender	Race	Qualifications	Area of expertise
					and Institutional Sustainability

Table 3: Summarised profile of the Human Capital, Social and Ethics Committee members

**Finance, Investment and Strategy Committee (FISCOM)**

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

- Strategic planning (strategic plans, annual corporate plans including budgeting and strategic financial modelling & allocations)
- Institutional performance monitoring & evaluation (quarterly reports, annual reports)
- Strategic oversight over core related areas e.g., Standards, Certification, Testing, Business Solutions and Advisory Services
- Strategic oversight over project management
- Strategic investment decisions

Name	Age	Gender	Race	Qualifications	Areas of experience
Dr Mukondeleli Grace Kanakana-Katumba (Chairperson)	47	F	A	<ul style="list-style-type: none"> <li>• B-Tech (Industrial Engineering)</li> <li>• MBA</li> <li>• D-Phil (Engineering Management)</li> </ul>	Turnaround Strategy; Strategy Formulation; Organisational Leadership; Performance Planning & Management; Monitoring & Evaluation; Research & Development; and Entrepreneurship Development
Dr Rudzani Nemutudi	54	M	A	<ul style="list-style-type: none"> <li>• BSc (Honours)</li> <li>• MSc (Physics)</li> <li>• PhD (Physics)</li> <li>• Management Development Certificate</li> </ul>	Strategic Planning; Technical Infrastructure Development; Performance Monitoring; International Relations; Research Development; and Institutional Sustainability
Dr Tebogo Makhube	52	M	A	<ul style="list-style-type: none"> <li>• B. Admin (Hons)</li> <li>• LLB</li> <li>• MPhil Economic Policy</li> <li>• MSc Energy Economics</li> <li>• LLM: Public Procurement Law</li> <li>• PhD Energy Studies</li> <li>• Advocate of the High Court of South Africa</li> </ul>	Public procurement policy and law, Policy and Strategy Development, Fiscal and Industrial Policies; and Regulatory economics

Table 4: Summarised profile of the Finance, Investment and Strategy Committee members

### 2.3 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><b>LIZO MAKELE (54)</b>  <b>Acting Chief Executive Officer (ACEO)</b></p> <p><b>Date appointed as Acting CEO:</b> 01 August 2024  <b>Date appointed to the SABS:</b> 01 July 2018  <b>Qualification:</b> MBA, BTech: HR Management &amp; MDP National Diploma in HR Management</p>
	<p><b>KHOLOFELO MASOGA (46)</b>  <b>Chief Financial Officer (CFO)</b></p> <p><b>Date appointed as CFO:</b> 03 July 2023  <b>Date appointed to the SABS:</b> 03 July 2023  <b>Qualification:</b> CA(SA), Cert.Dir<sup>®</sup>, MBA, EDP &amp; IBLMP</p>
	<p><b>LUNGELA NOTOBONGWANA (46)</b>  <b>Chief Operations Officer (COO)</b></p> <p><b>Date appointed as COO:</b> 20 January 2024  <b>Date appointed to the SABS:</b> 10 August 2017  <b>Qualification:</b> MBA, BTech: Electrical Engineering &amp; Diploma: Electrical Engineering: Electronics</p>
	<p><b>Dr THAMI BATYASE (50)</b>  <b>Acting Chief Corporate Services Officer (ACCSO)</b></p> <p><b>Date appointed as ACCSO:</b> 01 August 2024  <b>Date appointed to SABS:</b> 1 November 2021  <b>Qualification:</b> PhD in Informatics, Masters (Information Technology), MBL, BTech Information Management (Cum Laude),</p>

Table 5: The Executive Committee

## 2.4 Organisation structure

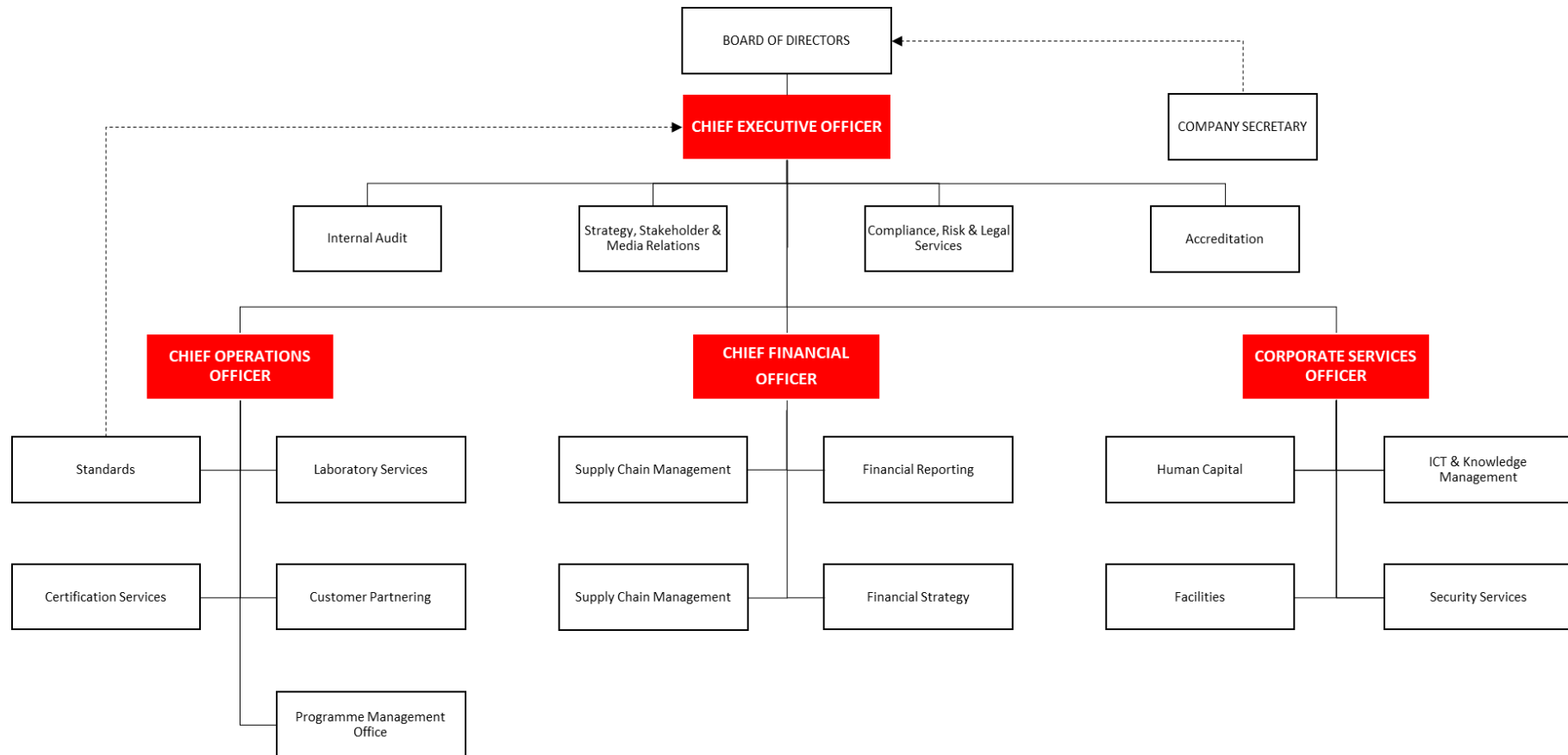


Figure 1: SABS Organisational Structure

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## **PART B: SITUATIONAL ANALYSIS**

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### 3 SITUATIONAL ANALYSIS

The SABS is an entity operating under a legislative and government policy mandate. The operational environment of the SABS is influenced by a wide range of internal and external factors, some of which are set out below.

#### 3.1 External environmental

PESTLE analysis is a strategic framework used by the SABS 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 external political environment including the current geopolitical context plays a pivotal role in shaping South Africa's activities and prospects in the global trading system.
- South Africa as a signatory to the UNSDGs has a global commitment to achieve our national UNSDG targets in contributing to the global sustainability agenda.
- BRICS nations and the inclusion of 6 additional economies to the BRICS forum has the potential to create uncertainty in the global political ecosystem.
- Government policies, regulations, and political stability directly impact the society's operations. Changes in trade agreements, and environmental policies can either support or hinder the society's mission of promoting investment and business endeavours.
- Political stability ensures a conducive environment for the SABS to provide critical standardisation services without disruptions.
- Internationally, multi-lateral and bi-lateral trade agreements including diplomatic relations influence the SABS' ability to attract international participants, investors, and donors.
- Changes in WTO policies on trade may impact South Africa and indirectly impact the SABS in delivering its services.
- Impact on trade disputes emanating from non-tariff barriers to trade will require SABS to strategically play a role as the WTO/TBT enquiry point for South Africa.
- Standards and related conformity assessment tools are becoming increasingly important in providing relevant solutions to the UNSDGs.

##### *Economic*

- The evolution of the international trading system and its impacts on the global economy remain fragile and uncertain.
- Even as the concepts of globalization and multilateralism are increasingly challenged, the interdependence of global supply chains remains strong and essential.
- This context makes it difficult for organisations to predict their long-term development, as access to global markets for their products and services may be impacted.
- Impact of COVID-19 remains pervasive in the marketplace.
- AfCFTA presents opportunities for intraregional trade and SABS influence on the harmonisation of regional standards is of key importance.
- Changes resulting from economic and trade uncertainty may affect the demand for, and relevance of, International Standards & conformity assessment services.
- Inadequate GDP growth impacts the public sector funding as well as private sector investment, which may hinder industrialization ambitions, thereby reduce the uptake of conformity assessment services.
- Expanded BRICS group of economies may present many opportunities for collaboration in standardisation.

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## **Social**

- Public and civil society role players request for higher levels of transparency and collaboration and expect their concerns to be heard and addressed.
- Increasing requirement for organisations to be more inclusive, responsible and accountable to the citizens of our country.
- Proactive stakeholder engagements allow for effective decision-making processes with a high degree of support.
- Highly evolving consumer expectations on how products and services are consumed in a digital world and the SABS needs to be aware of these trends.
- Society committed to hold State-Owned Entities (SOEs) accountable for the use of public funds and expects implementation of good corporate government and adherence to all laws.
- Impact on SABS to ensure gender equality, inclusivity and good governance in the development of National Standards.
- Enhanced enquiries on conformity assessment services and SABS ability to provide services in a wide range of sectors.

## **Technology**

- The growth of digital infrastructures and the integration of digital technologies with other more traditional technologies are rapidly and significantly changing the way people live and work around the world.
- Rapid evolution of generative Artificial Intelligence (AI) having a significant impact on consumers business to which the SABS needs to respond and can be a useful productivity tool for the SABS
- For organisations, advancements in digital technology can help boost efficiency and productivity, create competitive advantage and promote innovation.
- It is, however, important to analyse which technologies have real value and relevance, not least from a social perspective, and where investments should be made.
- International Standards can help society and businesses make the most of digitalisation and foster the spread of new technologies in a sustainable way.
- The SABS must also harness the power of digital technologies to improve its own value chain and agility
- The rising risk of cyber-attacks and cyber security will place a larger responsibility on the SABS to safeguard its own and customer data. The organisation must also conduct regular ICT security checks to prevent external penetration of the SABS firewall.

## **Legal**

- Evolving regulatory and compliance environment requires SABS to be agile to regulatory and policy impacts.
- Compliance with labour laws and occupational health and safety regulations ensures the well-being of staff and various stakeholders.
- The recognition of a compliance and regulatory framework applicable to the SABS ensures effective adherence and compliance to legislation.
- Adoption of International Standards plays a key role in supporting policy and regulatory entities in achieving government objectives.
- The public and private sector should maintain rigorous adherence to standards to uphold its reputation, credibility as well as meet legislative requirements.
- International laws related to trade, intellectual property, and data protection influence the SABS's ability to engage in cross-border collaborations, secure partnerships and protect proprietary information.
- By staying informed about and compliant with the diverse legal framework within which it operates, the SABS can foster a secure and ethically responsible environment for its activities, bolster stakeholder trust, and establish a foundation for sustained growth.
- The SABS is enjoined to maintain a compliance universe, and determine what pieces of legislation, regulations, both national and international, impacts our business and how does the SABS rate in terms of compliance on a continuous basis.



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## Environment

- The world faces major threats to the environment if it fails to adequately address risks such as climate change, biodiversity loss, water resources and pollution.
- These and other issues cut across national borders and cannot be solved in isolation and requires the cooperation and collaboration of various stakeholders both in the public and private sector
- International cooperation is required, with a view to achieving sustainability rather than short-term solutions.
- The SABS has a key role to play here as National Standards can be important tools to support the shift towards a more sustainable future and help deepen green industrialisation.
- The SABS will be required to provide relevant conformity assessment services that mitigate the impacts of climate change. These include Renewable energy, energy efficiency, low carbon, no carbon technologies.

### 3.2 Internal environment

The Executive Authority appointed the new board on 1<sup>st</sup> December 2022. The Board and the Executive Management team are required to collaborate and chart a sustainable path for the SABS. Management has concluded the placement of all staff members into the new organisational structure which has created a heightened sense of stability and a platform for executing operational excellence whilst establishing models for the effective management of productivity and delivery of value-added services to our stakeholders.

The following key organisational priorities will be of focus in the three-year Corporate 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.

#### **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 Resources department together with operations will deliver adequate initiatives, incentives and programmes that will enable SABS to be recognised as an employer of choice.

#### **Rollout of the ICT and Digitalization 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,
- 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.

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### **Infrastructure Renewal**

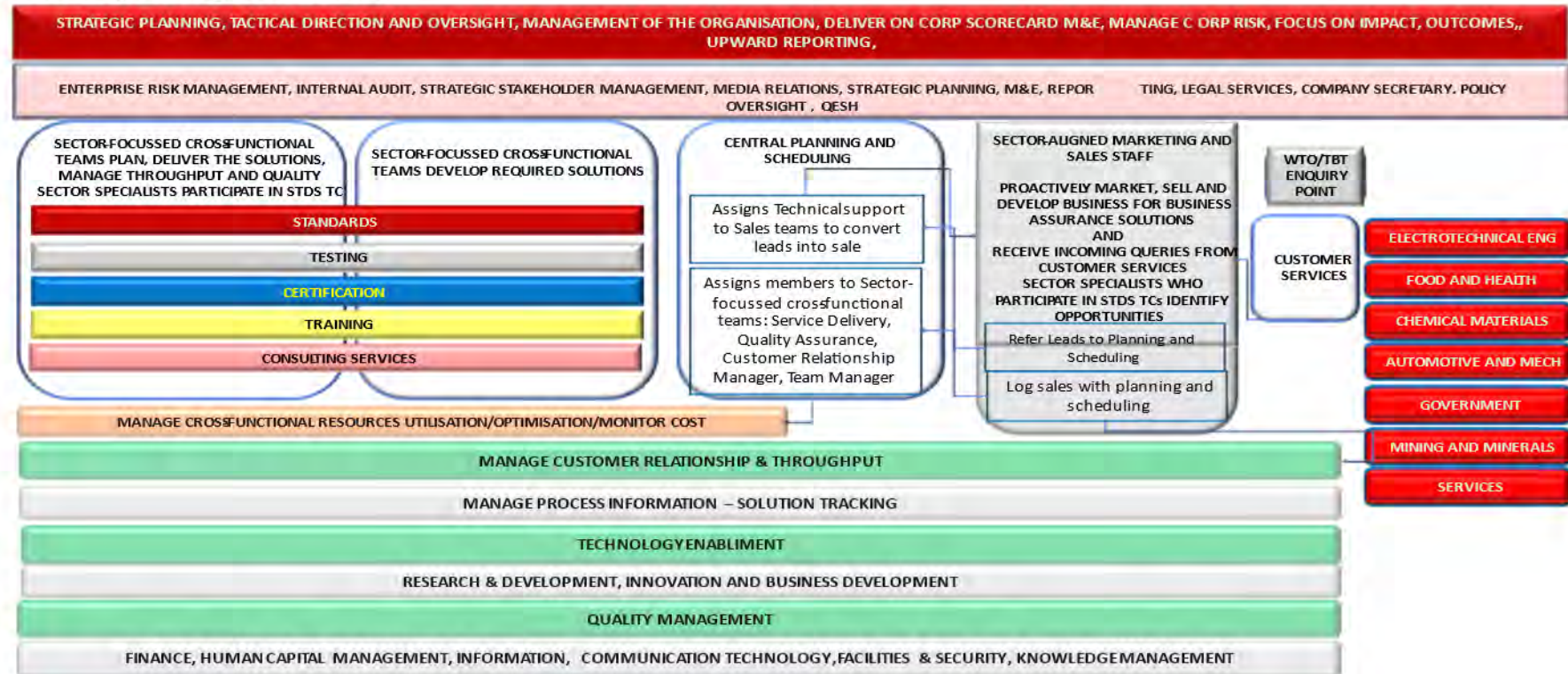
The SABS Board has approved a comprehensive 5-year infrastructure renewal programme in 2023. This programme will continue into the 2024-2027 Corporate plan execution underpinned by rigorous project prioritization based on return on investment, including adherence to regulatory and compliance requirements.

### **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.

Figure 2: SABS Operating Model

### SABS Operating Model: 2020



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## **PART C: STRATEGIC FOCUS**

## 4 Strategy

### 4.1. Core Aspirational Description and Analysis

A business' core values are those highest aspirational values that guide a firm's actions, unite its employees, and define its brand

VISION				
We are the trusted standardisation and business assurance solution provider of choice				
CORE VALUES				
<b>Excellence</b> <ul style="list-style-type: none"> <li>Continuously improve how we deliver on our expected outputs</li> <li>Be the best at what we do</li> <li>Always pay attention to detail</li> <li>Do it right the first time, every time</li> </ul>	<b>Customer Centricity</b> <ul style="list-style-type: none"> <li>Exceed the expectations of our customers</li> <li>Respond timeously to our customers</li> <li>Always look for the best solutions for our customers</li> <li>Keep our customers informed at all times</li> <li>Always put the customer first</li> </ul>	<b>Accountability</b> <ul style="list-style-type: none"> <li>Own up to our actions and commitments</li> <li>Hold our colleagues answerable to their actions and commitments</li> <li>Take timeous decisions</li> <li>Admit when we are wrong and self-correct</li> </ul>	<b>Integrity</b> <ul style="list-style-type: none"> <li>Honour our word</li> <li>Perform in the best interest of SABS and other stakeholders</li> <li>Do the right thing even when no one is looking</li> <li>Respect, maintain, and observe the confidentiality of information</li> <li>Walk the talk</li> <li>Treat everyone fairly</li> <li>Be consistent in the application of policies and procedures</li> </ul>	<b>Innovation</b> <ul style="list-style-type: none"> <li>Continuously seek new opportunities and solutions</li> <li>Lead change</li> <li>Be agile and lead self</li> <li>Continuously learn new ways of doing things and embrace technology</li> </ul>
Strategic Objectives			SABS Value Proposition	
<ul style="list-style-type: none"> <li>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</li> <li>To provide integrated conformity assessment solutions that respond to industrial policy, public and market needs</li> <li>To achieve and maintain sustainability</li> <li>To create and maintain a high-performance and good governance culture</li> <li>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</li> </ul>			<p>The SABS maintains over <b>7,400 South African National Standards (SANS)</b>, we have the <b>largest pool of accredited management system auditors</b> in Southern Africa, we <b>have 33 testing laboratories</b> with technical experts and technical signatories operating to SANS including adoptions of <b>ISO and IEC International Standards</b> and all laboratories are <b>accredited by the SA National Accreditation System (SANAS)</b>, who in turn, is a member of the <b>International Accreditation Forum (IAF)</b> and International <b>Laboratory Accreditation Cooperation (ILAC)</b></p>	

Table 6: Core Aspirational Analysis

#### 4.2. SABS portfolio of services

The SABS provides services across the standards development and conformity assessment services value chain. The diagram below illustrates the assorted services as well as key sectors supported.



Figure 3: The SABS value chain

#### 4.3. Supporting National Industrial 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 4: 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.



#### 4.4. 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 diagram 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.		Objective 1: 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	<ul style="list-style-type: none"> <li>Published standards aligned to industrial policy, public and market needs</li> <li>Increased efficiency in the standards development process (turnaround times)</li> <li>Access, distribution and uptake of standards</li> <li>Strategic collaboration and leadership in regional and international standardisation fora</li> <li>Gender and youth-responsive standards and increased participation of PDI's and young people in the development of standards</li> </ul>
				Objective 2: To provide integrated conformity assessment solutions that respond to industrial policy, public and market needs	<ul style="list-style-type: none"> <li>Certification, testing and advisory services that is aligned to industrial policy, public and market needs</li> <li>Maintain and grow current portfolio of accredited (schemes)</li> </ul>



	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 in developing and promoting national standards, deliver conformity assessment and other services to meet market demands	<ul style="list-style-type: none"> <li>Accelerated digital transformation</li> <li>Upgraded and Modernised laboratory technology</li> </ul> Invest in Research and Innovation
	Increased investment, trade and tourism	Prioritize the implementation of the African Continental Free Trade Area to increase our exports to the rest of the continent. Strengthen economic diplomacy with our largest trading partners and potential trading partners.	◐	Objective 1: 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	Strategic collaboration and leadership in regional and international standardisation fora
<b>MTDP Strategic Priority 3: Build a capable, ethical and developmental state</b>	A capable and professional public service	Strengthen the public procurement system, in line with the Public Procurement Act, for efficiency and effectiveness and to stimulate demand.	◐	Objective 2: To provide integrated conformity assessment solutions that respond to industrial policy, public and market needs	Certification, testing and advisory services that is aligned to industrial policy, public and market needs – Local Content Verification Services
	Improve governance and performance of public entities	Conduct Institutional Reviews and Skills Audit to ensure that state institutions are execution driven in line with mandates and public value.	◐	Objective 4: To create and maintain a culture of high-performance and good governance	<ul style="list-style-type: none"> <li>Strengthen leadership, management and technical development</li> <li>Positioning the SABS as the Employer of Choice / Top Employer</li> <li>Inculcate an enabling organisational culture</li> </ul>
				Objective 3: To achieve and maintain sustainability	<ul style="list-style-type: none"> <li>Attain 5% annual revenue growth</li> <li>Attain 5% of operating margin</li> <li>Retain 5% of cash generated from operations</li> </ul>

Figure 5: SABS Alignment to the MTDP

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#### 4.5. Supporting the National Industrial Policy

One of the key documents related to industrial policy in South Africa is the Re-Imagined Industrial Strategy. The Re-Imagined Industrial Strategy re-emphasises the role of the state in changing the growth trajectory of the South African economy through supporting improved industrial performance, dynamism and competitiveness. A key component of the Re-Imagined Industrial Strategy is the development of Master plans and central to these Master plans is the strong social compact between government, industry and organised labour, where each social partner commits to implement concrete interventions to transform and build the economy. The **dtic** strategic objectives are set to be achieved through three outcomes:

- Industrialization to create jobs and rising incomes,
- Transformation to create an inclusive economy and a,
- Capable state to ensure improved impact of achieved public policies.

##### **Outcome 1: Industrialisation to promote jobs and rising incomes**

In this area the goal is to contribute to building dynamic firms in the South African economy through a combination of efforts in partnership with the private sector, focusing on growth opportunities in the domestic market (through localisation, sector partnerships, beneficiation, promoting the green economy and fostering higher levels of investment) and building a wider export market (particularly in Africa) to assist with scale; and combining demand-creation with supply-side reforms at economy, sector and firm level to build industrial competitiveness and support job-creation.

The Industrialisation outcome consists of five focus/priority areas:

1. Sector partnerships and social compact through master plans and firm/sector level initiatives
2. Localisation, beneficiation and COVID industrial production initiatives
3. Increased and diversified exports with other African countries and to other global markets
4. Green economy initiatives to shift to a less carbon-intensive industry
5. Investment initiatives to increase the level of investment

##### **Outcome 2: Transformation to build an inclusive economy**

In this area the goal is to build economic inclusion through transformation programmes in three broad areas: Addressing structural challenges to growth through active competition policies, particularly where concentration levels in the market limit new entrants and small and medium businesses; Policies that promote spatial transformation, enabling more balanced growth between rural and urban and between provinces; and Strengthening inclusivity/transformation in the quality of growth, including broadening ownership and more inclusive corporate governance models.

The Transformation outcome thus contains the three focus/priority areas:

1. Ownership transformation: Promoting a greater spread of ownership in the economy (black industrialists, women and youth) and worker empowerment – including through review of the impact of current policy.
2. Structural transformation: Addressing economic concentration and supporting SMMEs.
3. Spatial transformation: Promoting equitable spatial development through District Model Reporting and integration of work into 52 spatial units; and developing a new model for district spatial industrial initiatives (including SEZs and Industrial parks model) and promoting the township economy.

##### **Outcome 3: Capable State to ensure improved impact of public policies**

In this area the goal is to build greater capacity so that national objectives are achieved through a new culture of partnership in the economy, characterised by greater responsiveness and nimbleness by the department and its 17 entities, which includes promoting smart regulation (through cutting red-tape, ensuring fit-for purpose and effective regulation and reviewing internal processes and legislation/regulations) and working closely with other parts of the state to forge a social compact with business and labour.

The Capable State outcome contains the five focus/priority areas:

1. Department: Building strong capacity in **the dtic** and streamlining its work.

- 
2. Entities: Building the entity staffing, governance capacity, quick response; developing shared services; and rationalisation of functions and integration of work between entities and with the department.
  3. Smart regulation: Address red tape and compliance in internal processes and in legislation and regulations; enable fit-for-purpose regulations.
  4. Coordination within the state: Ensuring effective support functions from other public entities to achieve APP outcomes.
  5. Contribute to social compacts with other social partners.

Government's industrial strategy will seek to unlock private investment and secure a collaborative agreement with the private sector and labour to boost economic growth and inclusion. This is an essential part of building investor confidence and the platform for job-creation. The strategy will prioritise the following industrial sectors identified in **the dtic's** Master Plans:

- Automotives
- Poultry
- Sugar
- Furniture
- Steel & Metal Fabrication
- Clothing & Textiles sectors

The SABS will also focus on other priority sectors including:

- Agriculture and Agro processing
- Electrotechnical
- Chemicals, Cosmetics, Plastics and
- Pharmaceuticals
- Capital and Rail Transport Equipment
- Construction
- Energy efficiency and renewable energy

The SABS will be expected to contribute to the Master Plans by providing standardisation services aligned to the industrial priority sectors.

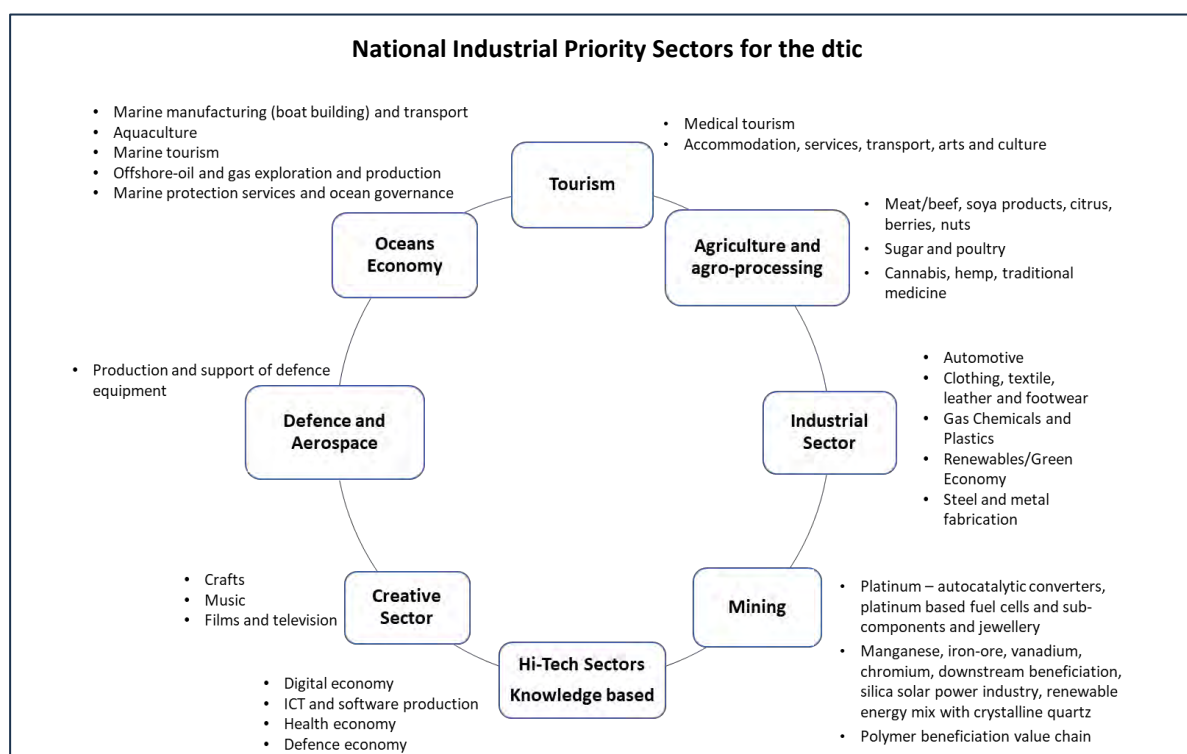


Figure 6: National Industrial Policy Sectors

The Standards Division has aligned its standards development work to support the reimagined industrial priority sectors thereby developing relevant South African National Standards through governance of SABS technical committees and enabling effective stakeholder engagement processes aligned to international best practices.

The below figure represents the catalogue of Standards deliverables published and SABS technical committees that publish technical solutions aligned to the priority sectors.

Industrial Priority Sector	Standards published	SABS Technical Committees
Digital Economy	2,360	44
Construction	805	30
Gas Chemicals, Rubber and Plastics	675	36
Textiles, Clothing Footwear and Leather	545	12
Health Economy	512	18
Steel and Metal Fabrication	372	3
Agriculture and Agro processing	279	19
Automotive	200	10
Green Economy	159	13
Tourism	99	8
Other Manufacturing	83	0
Oceans Economy	79	2
Mining – Minerals and Beneficiation	71	6

Table 7: Catalogue of Standards & SABS technical committees

#### 4.6. Delivering the Sustainable Development Goals

Following on from the Millennium Development Goals (MDGs), the United Nations adopted 17 Sustainable Development Goals (SDGs) to shape a new development agenda up to 2030. SABS commits to develop relevant technical solutions and conformity assessment products and services aligned to the UNSDGs, some of which are highlighted below.

SDG outcome	Examples of standard adopted in South Africa
 <p>End poverty in all its forms everywhere</p>	<ul style="list-style-type: none"> <li>• SANS/ISO 9001 – Quality management systems</li> <li>• SANS/ISO 14000 family of standards for environmental management</li> <li>• SANS/ISO 37001 - Anti-bribery management systems</li> </ul>
 <p>End hunger, achieve food security and improved nutrition and promote sustainable agriculture</p>	<ul style="list-style-type: none"> <li>• SANS/ISO 22000 – Food safety management</li> <li>• SANS/ISO 26000 - Social responsibility</li> <li>• SANS 10049 &amp; SANS 10330- Food Safety Management systems</li> </ul>
 <p>Ensure healthy lives and promote well-being for all at all ages</p>	<ul style="list-style-type: none"> <li>• SANS/ISO 13485 – Medical devices</li> <li>• SANS/ISO 11137 series for the sterilisation of healthcare products by radiation</li> </ul>
 <p>Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all</p>	<ul style="list-style-type: none"> <li>• SANS/ISO 21001 – Educational Organisations – Management Systems for Educational Organisations</li> <li>• SANS/ISO 14000 family of standards for environmental management</li> <li>• SANS/ISO – Quality management systems</li> </ul>
 <p>Achieve gender equality and empower all women and girls</p>	<ul style="list-style-type: none"> <li>• SANS/ISO 26000 - Social responsibility</li> </ul>
 <p>Ensure availability and sustainable management of water and sanitation for all</p>	<ul style="list-style-type: none"> <li>• SANS/ISO 14000 family of standards for environmental management</li> <li>• SANS/ISO 5667 – Water quality</li> <li>• SANS/ISO 24521 – Guidelines for management of basic domestic wastewater services</li> <li>• SANS/ISO 30500 - Guidelines for safety performance requirements for Non-Sewered Sanitation Systems</li> </ul>
 <p>Ensure access to affordable, reliable, sustainable, and modern energy for all</p>	<ul style="list-style-type: none"> <li>• SANS/ISO 50001 – Energy management systems</li> </ul>
 <p>Promote sustained, inclusive, and sustainable economic growth, full and productive employment, and decent work for all</p>	<ul style="list-style-type: none"> <li>• SANS/ISO 45001 - Occupational health and safety management systems</li> </ul>
<p>Build resilient infrastructure, promote inclusive and sustainable</p>	<ul style="list-style-type: none"> <li>• SANS/ISO 9001 – Quality management systems</li> <li>• SANS/ISO 10002 – Customer satisfaction</li> </ul>

SDG outcome		Examples of standard adopted in South Africa
	industrialisation and foster innovation	<ul style="list-style-type: none"> <li>SANS/ISO 14000 family of standards for environmental management</li> <li>SANS/ISO 55001 – Asset Management Systems</li> <li>SANS/ISO 19011 -Auditing management systems</li> <li>SANS/ISO 28000 - Security management systems for the supply chain</li> </ul>
	Reduce inequality within and among countries	<ul style="list-style-type: none"> <li>SANS/ISO 26000 - Social responsibility</li> <li>SANS/ISO 9001 – Quality management systems</li> </ul>
	Make cities and human settlements inclusive, safe, resilient, and sustainable	<ul style="list-style-type: none"> <li>SANS/ISO 5667 – Water quality</li> <li>SANS/ISO 55001 – Asset Management Systems</li> <li>SANS 1752 – Strategic Facilities Management Systems</li> <li>SANS/ISO 37001 - Anti-bribery management systems</li> </ul>
	Ensure sustainable consumption and production patterns	<ul style="list-style-type: none"> <li>SANS/ISO 14020 – Environmental labelling</li> <li>SANS/ISO 9001 – Quality management systems</li> <li>SANS/ISO 14000 family of standards for environmental management</li> </ul>
	Take urgent action to combat climate change and its impacts	<ul style="list-style-type: none"> <li>SANS/ISO 14000 family of standards for environmental management</li> <li>SANS/ISO 18606 - Packaging and the environment: organic recycling</li> </ul>
	Conserve and sustainably use the oceans, seas, and marine resources for sustainable development	<ul style="list-style-type: none"> <li>SANS/ISO 9001 – Quality management systems</li> <li>SANS/ISO 26000 - Social responsibility</li> <li>SANS/ISO 14020 – Environmental labelling</li> </ul>
	Protect, restore, and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation	<ul style="list-style-type: none"> <li>SANS/ISO 14000 family of standards for environmental management</li> <li>SANS/ISO 5667 – Water quality</li> </ul>
	Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable, and inclusive institutions	<ul style="list-style-type: none"> <li>SANS/ISO 31000 – Risk management</li> <li>SANS/ISO 45001 - Occupational health and safety management systems</li> <li>SANS/ISO 37001 - Anti-bribery management systems</li> </ul>
	Strengthen the means of implementation and revitalise the Global Partnership for Sustainable Development	The SABS recognises the importance of partnerships. SANS are developed with the collaboration and consensus of a wide range of stakeholder including representatives from Government and industry

Source: ISO website (<https://www.iso.org/sdg01.html>)

Figure 7: Standards adopted in South Africa to support the various SDG goals

#### 4.7. Organisational Success Factors

Critical Success Factors	Origin of Critical Success Factors	Key Industry Requirements
<b>Active participation of diverse stakeholder representation in SABS Technical Committees for the development of South African National Standards</b>	Standards Division	<ul style="list-style-type: none"> <li>Ability to participate and represent the interests of the country in regional and international fora thereby delivering technical solutions (SANS) and related deliverables aligned to national priorities and industrialization opportunities.</li> <li>Openness, Transparency, and consensus during the standards development process in SABS Technical Committees</li> <li>Responsiveness to develop standards in new work area including sustainability projects, i.e., new energy vehicles, green hydrogen, circular economy, battery technology etc.</li> </ul>
<b>Skilled Workforce</b>	Human Capital	<ul style="list-style-type: none"> <li>Skilled and competent staff with deep operational and industry knowledge</li> <li>Certification auditors who are accredited against various industry sectors codes within the management system or product certification schemes</li> <li>Qualified and experienced test officers to deliver timely testing and subsequent reporting</li> </ul>
<b>High Technology Laboratories</b>	Laboratories Services	<ul style="list-style-type: none"> <li>State of the art testing equipment which are calibrated and maintained</li> <li>Operational efficiencies through automation of processes</li> <li>Interfacing of equipment with Operational Technology to enable effective data management</li> <li>Develop new testing methodologies to stay current with new technologies</li> </ul>
<b>Efficient operations</b>	Laboratories Services	<ul style="list-style-type: none"> <li>Quick testing turn-around times</li> <li>High levels of accuracy when testing</li> <li>Automation of equipment &amp; systems</li> <li>Remote digital sensors for product auditing</li> <li>Energy efficiency and waste management control</li> </ul>
<b>Customer Experience (CX)</b>	Customer Services and Marketing	<ul style="list-style-type: none"> <li>Rising customer expectations for a single channel to deliver SABS services</li> <li>Effective and timely communication and query resolution</li> </ul>
<b>Industry leadership</b>	Certification, Standards and Laboratory Services	<ul style="list-style-type: none"> <li>Certification, Standards and Laboratory Services that are leading in technological developments, understanding the components of 4IR and can communicate these through thought leadership, colloquiums, white papers, etc.</li> </ul>



#### 4.8. Stakeholder management

The South African Bureau of Standards (SABS) adopts a comprehensive stakeholder engagement plan. We prioritise open communication and collaboration with a wide array of parties, including industry experts, governmental bodies, and the public. This inclusive approach ensures that standards are developed with a broad consensus, fostering transparency and trust.

The SABS values the input and perspectives of stakeholders, recognising their vital role in shaping effective and relevant standards. By incorporating diverse viewpoints, the SABS aims to create robust standards that meet industry requirements and contribute positively to societal, economic and environmental sustainability.

#### 4.9. Stakeholder Needs Analysis

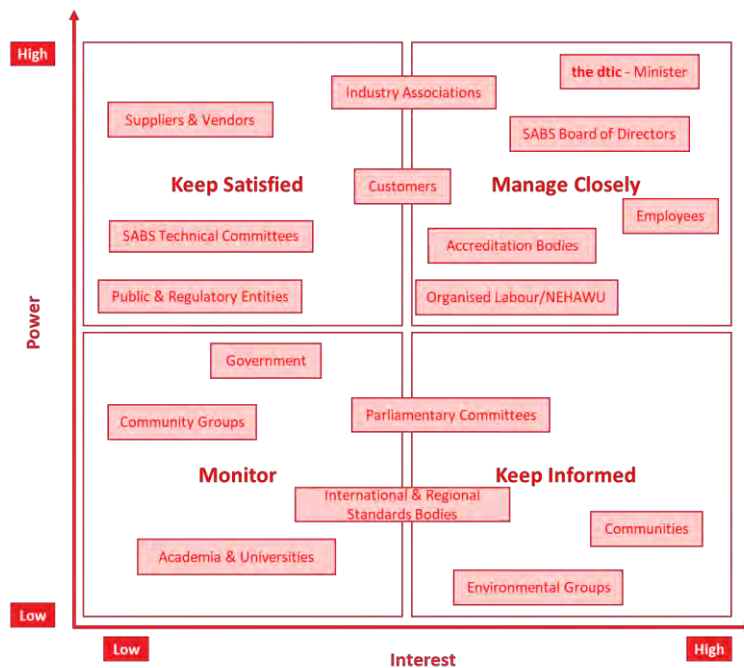


Figure 8: SABS Stakeholder mapping

##### 4.8.1 Understanding the Stakeholder Matrix

The stakeholder profile informs the level and type of engagement and management of the relationship required:

**a. Manage Closely - High power, interested stakeholders**

Stakeholders that must be fully engaged and the greatest effort must be made to satisfy them.

**b. Keep Satisfied - High power, less interested stakeholders**

Put enough work in with the group to keep them satisfied, but not so much that they become disinterested by the messaging.

**c. Keep Informed - Low power, interested stakeholders**

Keep the group adequately informed and talk to them to ensure that there are no major issues arising. This group is often very helpful.

**d. Monitor - Low power, less interested stakeholders**

The group must be monitored but not create disinterest with communication

##### 4.8.2 The objectives of Stakeholder engagements are to:

- build lasting, stable and mutually beneficial relationships with all the Bureau's internal and external stakeholders,
- identify opportunities and threats arising from stakeholders' engagements,
- improve the quality of relationships between SABS and its stakeholders,
- continuously monitor, review and improve engagement activities,
- Establish mechanisms on value creation for SABS and its stakeholders
- ensure purpose driven engagements for internal alignment, support and collaboration on key strategic objectives,



- build a positive image of the organization in close collaboration with stakeholders,
- assist the SABS to be more proactive in dealing with stakeholder issues, and
- assist with sustainable decision-making and improve two-way communication with the identified stakeholders.

#### 4.8.3 The outcomes of our Stakeholder engagements will allow the SABS to:

- Improve the level of **trust** in the SABS as the national standard body for South Africa,
- **Position** the SABS as the apex organization, which is responsible for driving the national quality agenda,
- **Increase awareness and trust amongst all community** in South Africa as the apex Certification, Training and Testing body,
- Increase the **continental and regional conformity assessment capabilities**,
- Help drive regional harmonization in standards, conformity assessment and testing,
- Improved **customer satisfaction ratings** for the SABS,
- Enhance the **SABS corporate culture of creating excellence** in stakeholder engagements

#### 4.10. Stakeholder Expectations

The SABS legislated mandate encourages the SABS to ensure that we operate in an environment of inclusive stakeholder engagements. The SABS stakeholder engagement plan defines our key stakeholder categories, our mode of engagement and our value proposition as depicted in the below table.

Category	How we engage	Their needs and expectations	How we create value
<b>Customers and Business Partners</b>	<ul style="list-style-type: none"> <li>• Focussed meetings and key account sessions</li> <li>• Marketing and Promotional events</li> <li>• Social media messaging and promotions</li> </ul>	<ul style="list-style-type: none"> <li>• Effective communication and competitive pricing</li> <li>• Provision of services that are Accredited by a relevant authority i.e., SANAS</li> <li>• Efficient delivery of SABS products and services and meeting expected turnaround times</li> </ul>	<ul style="list-style-type: none"> <li>• Development of National Standards through diverse stakeholder engagements aligned to international best practice principles of openness, transparency, consensus, relevance, &amp; coherence.</li> <li>• Provision of trusted, independent, 3rd-party quality assurance services that meet customer expectations.</li> </ul>
<b>Shareholder</b>	<ul style="list-style-type: none"> <li>• Engagements are underpinned by the SABS Corporate Plan and the Shareholder Compact</li> <li>• Quarterly reporting to the technical infrastructure directorate</li> <li>• Convening of meetings by the Minister/DG with CEOs of <b>the dtic</b> entities</li> <li>• <b>the dtic</b> sector desks and other relevant entities of <b>the dtic</b></li> </ul>	<ul style="list-style-type: none"> <li>• Implementation of the Corporate plan and attainment of organisational objectives and performance targets.</li> <li>• Execute good corporate governance aligned to legislative prescripts.</li> <li>• Effective and timeous reporting within governance and legislated timelines.</li> <li>• Adequate investment in resources to provide quality services to industry.</li> <li>• Support the attainment of the dtic output target.</li> </ul>	<ul style="list-style-type: none"> <li>• The SABS to maintain good governance and compliance with all applicable legislation and policy directives.</li> <li>• Support the attainment of the dtic output targets.</li> <li>• Active engagement and reporting to the dtic on national, regional and international standardisation matters.</li> <li>• Demonstrate the impact of standardisation in the market.</li> </ul>
<b>Board of Directors</b>	<ul style="list-style-type: none"> <li>• Engagements are underpinned by the Board Charter.</li> <li>• Establishment of Board committees and convening of Committee and Board meetings aligned to the annual</li> </ul>	<ul style="list-style-type: none"> <li>• Executive management to ensure effective implementation of the Corporate Plan and attainment of organisational objective and performance targets.</li> <li>• Implementation of good corporate governance</li> </ul>	<ul style="list-style-type: none"> <li>• Effective execution of the SABS Corporate plan and attainment of our performance objectives as aligned to our legislated mandate.</li> <li>• Rigorous implementation of good governance,</li> </ul>

Category	How we engage	Their needs and expectations	How we create value
	<p>workplan (at least 4 meetings per year).</p> <ul style="list-style-type: none"> <li>Convening of strategic workshops.</li> </ul>	<p>aligned to legislative prescripts.</p> <ul style="list-style-type: none"> <li>Effective and timeous reporting of strategic programmes and project.</li> <li>Ensure adequate investment in resources to attain organisational goals.</li> <li>Support the attainment of the dtic output targets.</li> </ul>	<p>compliance and regulatory prescripts.</p> <ul style="list-style-type: none"> <li>Operational efficiencies on all matters related to the effective execution of Boards mandate.</li> <li>Open, transparent and effective discussions and resolutions at Board committees and Board meetings.</li> </ul>
<b>Employees</b>	<ul style="list-style-type: none"> <li>Regular staff meetings on performance, output and targets</li> <li>Management forums</li> <li>Staff address by the CEO</li> <li>Planned events on specific programmes i.e. Wellness, Women's Month, Health and Safety etc.</li> <li>Corporate communications</li> </ul>	<ul style="list-style-type: none"> <li>Development of requisite skills and competencies to execute their roles.</li> <li>Recognition and reward on performance</li> <li>Effective communication</li> <li>Management support and mentoring to ensure continuous development.</li> </ul>	<ul style="list-style-type: none"> <li>Provision of bursaries for further studies and attainment of requisite qualifications.</li> <li>Focused leadership development programmes.</li> <li>Effective corporate communications</li> <li>Implementation of individual development plans and performance management system to enhance organisational performance.</li> </ul>
<b>Government, SOEs and Regulators</b>	<ul style="list-style-type: none"> <li>Focused strategic stakeholder engagements on the value of standardisation to the public sector.</li> <li>Participation in SABS technical committees on the development of National Standards.</li> <li>Implementation of MOUs &amp; MOAs (provision of conformity assessment services) on behalf of government &amp; regulators.</li> <li>Partnering on various programmes aligned to the quality agenda.</li> </ul>	<ul style="list-style-type: none"> <li>Provision of relevant standards that will support policy and regulatory objectives.</li> <li>Adequate capacity to provide testing &amp; certification services on product assurance in the marketplace.</li> <li>Effective promotion of standards and quality assurance to all stakeholders.</li> <li>Provide relevant knowledge &amp; tools on standardisation to drive government programmes &amp; support industrialisation</li> </ul>	<ul style="list-style-type: none"> <li>Publish relevant standards that provide technical solutions to policy makers and regulators to enable policy objectives.</li> <li>Provide conformity assessment services and training on standards that support the quality of products and services in the marketplace.</li> <li>Be the thought leader on standardisation matters related to national, regional and international trade.</li> </ul>
<b>Communities and Environmental Groups</b>	<ul style="list-style-type: none"> <li>Promotion of SABS products and services through various social media platforms including newsletters</li> <li>SABS community outreach programmes to promote standardisation.</li> <li>Co-hosting of marketing events and participation in workshops and conferences.</li> <li>Advocate for the participation of technical experts in SABS technical committees.</li> </ul>	<ul style="list-style-type: none"> <li>Access to South African National Standards</li> <li>Technical support for the implementation of National Standards</li> <li>Participation in relevant SABS technical committees for the development of National Standards</li> </ul>	<ul style="list-style-type: none"> <li>Effective promotion and communication of SABS value proposition.</li> <li>Regular stakeholder meetings on standardisation.</li> <li>Incentivise the uptake of SABS testing, training and certification services.</li> <li>Provide tailor-made standardisation solutions that address climate change</li> </ul>

Table 8: Stakeholder needs

#### 4.11. Customer needs analysis

Segment Description	Current Customer Needs	Future Customer Needs
<b>National Government</b>	<ul style="list-style-type: none"> <li>Promulgates safety legislation and regulations</li> <li>Authorises the establishment of professional or industry bodies</li> <li>Effects supply side policies</li> <li>Issues SCM and tender rules</li> <li>Requires third party testing or consignment inspections</li> </ul>	<ul style="list-style-type: none"> <li>Actively market conformity assessment services with national bodies</li> <li>Provision of outsourced conformity assessment services for national authorities</li> <li>Work with customs authorities to offer inspection services for import and export of goods</li> </ul>
<b>Local Government</b>	<ul style="list-style-type: none"> <li>Promulgates safety and health bylaws and regulations</li> <li>SCM and tender rules</li> <li>Anti-bribery standard and training</li> </ul>	<ul style="list-style-type: none"> <li>The request for specific scheme requirements</li> <li>Require National Standards that help ensure quality in their supply chain processes</li> <li>Can use National Standards when promulgating by-laws</li> </ul>
<b>Regulators</b>	<ul style="list-style-type: none"> <li>Establishes industry rules and pricing</li> <li>Develops industry norms</li> </ul>	<ul style="list-style-type: none"> <li>The introduction of globally accepted standards</li> </ul>
<b>Wholesalers &amp; Retailers</b>	<ul style="list-style-type: none"> <li>Comply to government safety standards</li> <li>Third party testing or consignment inspections</li> </ul>	<ul style="list-style-type: none"> <li>Remote audits and quality assurance models</li> <li>Access the information in real-time</li> </ul>
<b>Certification Bodies</b>	<ul style="list-style-type: none"> <li>Require partnerships with the SABS so that one party does consulting, and other party does the certification</li> <li>Opportunity for medium sized global CBs to outsource certification services to SABS</li> </ul>	<ul style="list-style-type: none"> <li>Possible partnerships on resources in certification and testing portfolios</li> <li>SABS digital platform that integrates with their technology</li> </ul>
<b>Customers</b>	<ul style="list-style-type: none"> <li>Safe products with recognisable SABS Mark of Approval</li> </ul>	<ul style="list-style-type: none"> <li>On-demand and virtual verification of SABS Approved products</li> <li>Market surveillance of products with the SABS Mark</li> </ul>
<b>Industry Associations</b>	<ul style="list-style-type: none"> <li>Require standards development for industry specific purposes</li> <li>SABS should be able to test to international Standards for which there is no SANS in their industry vertical</li> </ul>	<ul style="list-style-type: none"> <li>SABS to be at the cutting edge of international Standards development and to play a leading role</li> <li>Highly efficient WTO/TBT early warning system</li> </ul>
<b>Export Councils</b>	<ul style="list-style-type: none"> <li>Rely on the SABS for WTO TBT notification of new standard being introduced by other countries</li> </ul>	<ul style="list-style-type: none"> <li>Highly efficient WTO TBT early warning system</li> <li>Conformity assessment services that assist with market access and mutual recognition of certifications</li> </ul>

Table 9: Customer needs analysis

#### 4.12. Strategic Programme Delivery

Critical Issue	What must we achieve in the next year	What must we achieve in the next 3 years
<b>Operationalise the new structure</b>	<ul style="list-style-type: none"> <li>Operationalise the SABS structure and operating model</li> <li>Map and optimise detailed processes</li> <li>Develop and implement Human Capital plan</li> <li>Implement the outcomes of the skills audit</li> <li>Fill critical vacant positions</li> <li>Implement the culture change programme</li> <li>Introduce and implement an organisation-wide change management framework</li> <li>Mature the performance management system</li> </ul>	<ul style="list-style-type: none"> <li>An enabling organisational culture</li> <li>Competent workforce</li> <li>Optimised operational processes</li> <li>Integrated work mode</li> </ul>
<b>Improve customer engagement process</b>	<ul style="list-style-type: none"> <li>Implement the CRM system</li> <li>Conduct training and capacitation</li> <li>Conduct interventions to increase customer retention</li> <li>Implement recommendations from the Customer Experience project</li> </ul>	<ul style="list-style-type: none"> <li>A customer centric SABS</li> <li>Customer satisfaction targets achieved</li> </ul>
<b>Information &amp; Communication Technology</b>	<ul style="list-style-type: none"> <li>Conduct risk assessment on operational software and systems</li> <li>Review ICT strategy to ensure alignment with SABS strategy</li> <li>Implementation of a new ERP system</li> <li>Renew critical system licences and conduct updates</li> <li>Implement the Enterprise Customer Portal</li> <li>Enhance finance and resource planning</li> <li>Rollout and integrate key operational systems</li> <li>Execution of all strategic projects in line with the digital strategy</li> </ul>	<ul style="list-style-type: none"> <li>Integrate all operational systems</li> <li>Introduce new technologies for process improvements</li> <li>Complete the implementation of the Enterprise Resourcing Plan programme</li> </ul>
<b>Facilities</b>	<ul style="list-style-type: none"> <li>Develop medium and long-term facilities management strategy</li> <li>Implement energy efficient solutions</li> <li>Develop medium to long term property strategy</li> <li>Conduct mission critical maintenance on the facilities as well as laboratory equipment</li> </ul>	<ul style="list-style-type: none"> <li>Save on energy consumption</li> <li>Fund and monitor maintenance programme</li> </ul>
<b>Knowledge management</b>	<ul style="list-style-type: none"> <li>Develop and implement Knowledge management strategy</li> <li>Develop a plan to manage the institutional knowledge of the SABS</li> <li>Implement a knowledge database</li> <li>Records management</li> <li>Increase participation in industry gatherings</li> </ul>	<ul style="list-style-type: none"> <li>Knowledge management processes working effectively</li> <li>Increased contribution of SABS to the sector (SA and global)</li> </ul>

Critical Issue	What must we achieve in the next year	What must we achieve in the next 3 years
<b>New areas of Standardisation</b>	<ul style="list-style-type: none"> <li>Establish technical committees in new areas of standardisation i.e., Artificial Intelligence, Big data, Internet of things, Cybersecurity</li> <li>Alignment of programme of work with ISO and IEC.</li> </ul>	<ul style="list-style-type: none"> <li>Implement tools to develop SMART standards</li> <li>Expand the access of standards to customers through improved digital platforms</li> </ul>

Figure 9: Strategic project delivery

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## **PART D: MEASURING PERFORMANCE**

## 5 Measuring impact and outcomes

Impact statement	SABS Strategic Objective	Outcome	Outcome Indicator	Baseline FY2024	Target FY2025
Driving organisational sustainability underpinned by innovation, support for domestic and international trade, improved organisational competitiveness through operational efficiencies whilst delivering value to all stakeholders	Strategic Objective 3: To achieve and maintain sustainability	Operating margin of the SABS Group	Achieve 5% Operating Margin of the SABS Group	No baseline	Achieve 5% Operating Margin of the SABS Group
		Net cash from operations/cash receipts ratio of the SABS Group	Attain 5% Net Cash from Operations as a percentage of cash receipts of the SABS Group	No baseline	Attain 5% Net Cash from Operations as a percentage of cash receipts of the SABS Group
		Growth in Revenue of the SABS Group	Year-on-Year 5% Growth in revenue of the SABS	No baseline	Achieve 5% Year-on-Year Growth in revenue of the SABS Group
	Strategic Objective 1: 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	Published Standards	Publish 360 standards	Published 340 Standards	Publish 360 Standards
			Publish 80% of standards aligned to the re-imagined priority sectors	80% of standards aligned to re-imagined priority sectors published	Publish 80% of standards aligned to the re-imagined priority sectors
	Strategic Objective 2: To provide integrated conformity assessment solutions that respond to industrial policy, public and market needs	New products/schemes	Develop one (1) new Certification Scheme	<ul style="list-style-type: none"> <li>Introduced three (3) new online courses</li> <li>Introduced one (1) new certification scheme</li> <li>Introduced four (4) new tests methods</li> </ul>	Develop one (1) new Certification Scheme
		Outreach projects to promote SABS products and services	Conduct Four (4) outreach projects	Four (4) Outreach Initiatives	Conduct Four (4) outreach projects
		Case studies on customer value	Conduct twenty (20) case studies on customer value	Fifteen (15) case studies	Conduct twenty (20) case studies on customer value
	Strategic Objective 5: 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	Productivity and Utilisation	Roll out a Planning and Scheduling tool to at least 10 laboratories	No baseline	Roll out Planning and Scheduling tool to 10 laboratories
		Accreditation Status	Maintain all Accreditations for Laboratory and Certification products and services	All accreditations maintained	Maintain all Accreditations for Laboratory and Certification products and services
		Process Optimisation	Process mapping of 80% of key business process	No baseline	Map 80% of key business process

Impact statement	SABS Strategic Objective	Outcome	Outcome Indicator	Baseline FY2024	Target FY2025
	Strategic Objective 4: To create and maintain a high-performance and good governance culture				
	Strategic Objective 5: 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	Physical and Laboratory Infrastructure upgrade	Implementation of 40% of approved Infrastructure Plan	No baseline	Implement 40% of approved Infrastructure Plan
		Digital Transformation	Implement 30% of the ICT Digital Transformation plans	No baseline	Implement 30% of the ICT Digital Transformation plan
	Strategic Objective 4: To create and maintain a high-performance and good governance culture	Talent Management	Approved Talent Management Framework	No baseline	Approved Talent Management Framework
			Approved Succession Plan for key positions	No baseline	Approved Succession Plan for key positions
		Skills Development	Implement at least 80% of the staff training budget	No baseline	Implement 80% of the staff training budget
			Acquire Sixty (60) Interns - Graduate Development programme; and implement 30% of the structured learning programme	60 Interns	Recruit Sixty (60) Interns – for the Graduate Development programme; and Implement 30% of the structured learning programme
		Culture Transformation	Implement at least 50% of the approved Culture Change Plan	No baseline	Implement at least 50% of the approved Culture Change Plan

Table 10: Measuring impact and outcomes

It should be noted that the activities of the SABS may indirectly contribute to impact or outcomes such as job creation, GDP and/or export growth or safeguarding of natural assets, to name a few. Growth, as an example, is dependent on many various factors working together. SABS would not be able to reliably make claim to its contribution to broad impact indicators.



## 5.1 Annual performance plan for FY2024/25 to FY2026/27

Outcome	Outcome indicator	Actual		MTEF Period		
		FY2022/23	YTD FY2023/24	FY2024/25	FY2025/26	FY2026/27
Operating margin of the SABS Group	Achieve 5% Operating Margin of the SABS Group	No baseline	No baseline	Achieve 5% Operating Margin of the SABS Group	Achieve 5.5% Operating Margin of the SABS Group	Achieve 6% Operating Margin of the SABS Group
Net cash from operations/cash receipts ratio of the SABS Group	Attain 5% Net Cash from operations as a percentage of cash receipts of the SABS Group	No baseline	No baseline	Attain 5% Net Cash from Operations as a percentage of cash receipts of the SABS Group	Attain 6% Net Cash from Operations as a percentage of cash receipts of the SABS Group	Attain 7% Net Cash from Operations as a percentage of cash receipts of the SABS Group
Growth in Revenue of the SABS Group	Year-on-Year 5% Growth in revenue of the SABS Group	No baseline	No baseline	Achieve 5% Year-on-Year Growth in revenue of the SABS Group	Achieve 6% Year-on-Year Growth in revenue of the SABS Group	Achieve 7% Year-on-Year Growth in revenue of the SABS Group
Published Standards	Publish 360 Standards	404 Published	340 Published standards	Publish 360 standards	Publish 370 standards	Publish 380 standards
	Publish 80% of standards aligned to the re-imagined priority sectors	79% of standards aligned to the re-imagined industrial priority sectors published	52% of standards aligned to the re-imagined industrial priority sectors published	Publish 80% of standards aligned to the re-imagined priority sectors	Publish 80% of standards aligned to the re-imagined priority sectors	Publish 80% of standards aligned to the re-imagined priority sectors
New products/schemes	Develop one new certification Scheme	<ul style="list-style-type: none"> <li>Introduced five (5) new online courses</li> <li>Launched two (2) new certification scheme</li> <li>Introduced six (6) new tests methods</li> </ul>	<ul style="list-style-type: none"> <li>Introduced three (3) new online courses</li> <li>Launched one (1) new certification scheme</li> <li>Introduced four (4) new tests methods</li> </ul>	Develop one (1) new Certification Scheme	Develop two (2) new Certification Scheme	Develop three (3) new Certification Scheme
SMME support on standardisation and conformity assessments	Conduct Four (4) outreach projects	No baseline	Conducted four (4) Outreach Initiatives	Conduct four (4) outreach projects	80 SMME's supported	100 SMME's supported
Case studies on customer value	Conduct Twenty (20) case studies on customer value	No baseline	Conducted Fifteen (15) case studies on customer value	Conduct twenty (20) case studies on customer value	Conduct thirty (30) case studies on customer value	Conduct Forty (40) case studies on customer value

Outcome	Outcome indicator	Actual		MTEF Period		
		FY2022/23	YTD FY2023/24	FY2024/25	FY2025/26	FY2026/27
Productivity and Utilisation	Roll out a planning and scheduling tool to at least 10 laboratories	No baseline	No baseline	Roll out Planning and Scheduling tool to 10 laboratories	Roll out Planning and Scheduling tool to 10 laboratories	Roll out Planning and Scheduling tool rolled to 10 laboratories
Accreditation Status	Maintain all Accreditations for Laboratory and Certifications products and services	All Accreditations for Laboratory and Certification products and services maintained	All Accreditations for Laboratory and Certification products and services maintained	Maintain all Accreditations for Laboratory and Certification products and services	Maintain all Accreditations for Laboratory and Certification products and services	Maintain all Accreditations for Laboratory and Certification products and services
Process Optimisation to reduce internal red tape	Process mapping of 80% of key business process	No baseline	No baseline	Map 80% of key business process	Map 100% of key business process	Map Review and update of key business
Physical and Laboratory Infrastructure upgrade	Implement 40% of approved infrastructure plan	No baseline	No baseline	Implement 40% of approved Infrastructure Plan	Implement 60% of approved Infrastructure Plan	Implement 80% of approved Infrastructure Plan
Digital Transformation	Implement 30% of the ICT Digital Transformation plans	No baseline	No baseline	Implement 30% of the ICT Digital Transformation plan	Implement 50% of the ICT Digital Transformation plan	Implement 70% of the ICT Digital Transformation plan
Talent Management	Approved Talent Management Framework	No baseline	No baseline	Approval of Talent Management Framework	Implement 50% of Talent management Framework	Implement 70% of Talent Management Framework
	Approved Succession plan for key positions	No baseline	No baseline	Approval of Succession Plan for key positions	Implement 50% of succession plan for key positions	Implement 60% of succession plan for key positions
Skills Development	Implement at least 80% of staff training budget	85.6%	No baseline	Implement 80% of staff training budget	Implement 85% of staff training budget	Implement 90% of staff training budget
Work Experience	Recruit 60 interns - Graduate Development programme; and implement 30% of the structured learning programme	55	60 Interns	Recruit sixty (60) Interns – for the Graduate Development programme; and Implement 30% of the structured learning programme	-	Recruit sixty (60) Interns –for the Graduate Development programme
Culture Transformation	Implement at least 50% of approved Culture Change Plan	No baseline	No baseline	Implement 50% of Culture Change Plan	Implement 65% of Culture Change Plan	Implement 80% of Culture Change Plan

Table 11: Annual performance plan over the MTEF

## 5.2 Quarterly performance targets FY2024/25

Outcome indicator	Target FY2025	Quarterly target			
		Quarter 1	Quarter 2	Quarter 3	Quarter 4
Operating margin of the SABs Group	Achieve 5% operating margin of the SABs Group	Achieve 1.9 operating margin of the SABs Group	Achieve 2.5% operating margin of the SABs Group	Achieve 3.5% operating margin of the SABs Group	Achieve 5% operating margin of the SABs Group
Net cash from operations/cash receipts ratio of the SABs Group	Attain 5% net cash from operations as a percentage of cash receipts of the SABs Group	Attain 1.3% net cash from operations as a percentage of cash receipts of the SABs Group	Attain 2.5% net cash from operations as a percentage of cash receipts of the SABs Group	Attain 3.8% net cash from operations as a percentage of cash receipts of the SABs Group	Attain 5% net cash from operations as a percentage of cash receipts of the SABs Group
Growth in Revenue of the SABs Group	Achieve 5% Year-on-Year growth in revenue of the SABs Group	Achieve 1% Year-on-Year Growth in revenue of the SABs Group	Achieve 3% Year-on-Year Growth in revenue of the SABs Group	Achieve 5% Year-on-Year Growth in revenue of the SABs Group	Achieve 5% Year-on-Year Growth in revenue of the SABs Group
Published Standards	Publish three hundred and sixty (360) standards	Publish eighty (80) standards	Publish one hundred and fifty (150) standards	Publish two hundred and fifty (250) standards	Publish three hundred and sixty (360) standards
	Publish 80% of the standards aligned to the re-imagined priority sectors	Publish 5% of standards aligned to the re-imagined priority sectors	Publish 30% of standards aligned to the re-imagined priority sectors	Publish 50% of standards aligned to the re-imagined priority sectors	Publish 80% of standards aligned to the re-imagined priority sectors
New products/schemes	Develop one (1) new Certification Scheme	Development and approval (COO level) of a project plan for the new scheme	Framework of the new scheme	Identify and provide training related to the new scheme	Develop one (1) new Certification Scheme
Outreach projects to promote SABs products and services	Conduct four (4) outreach projects	Development and approval of a project plan for outreach programmes	Achieve one (1) outreach project	Achieve two (2) outreach projects	Achieve four (4) outreach projects
Case studies on customer value	Conduct twenty (20) case studies on customer value	Conduct five (5) case studies on customer value	Conduct ten (10) case studies on customer value	Conduct fifteen (15) case studies on customer value	Conduct twenty (20) case studies on customer value
Productivity and Utilisation	Roll out Planning and Scheduling tool to 10 laboratories	Roll out Planning and Scheduling tool to 2 labs	Roll out Planning and Scheduling tool to 5 labs	Roll out Planning and Scheduling tool to 8 labs	Roll out Planning and Scheduling tool to 10 labs
Accreditation Status	Maintain all Accreditations for Laboratory and Certification products and services	Maintain all Accreditations for Laboratory and Certification products and services	Maintain all Accreditations for Laboratory and Certification products and services	Maintain all Accreditations for Laboratory and Certification products and services	Maintain all Accreditations for Laboratory and Certification products and services
Process Optimisation	Map 80% of key business process	Map 5% of key business process	Map 25% of key business process	Map 50% of key business process	Map 80% of key business process

Outcome indicator	Target FY2025	Quarterly target			
		Quarter 1	Quarter 2	Quarter 3	Quarter 4
Physical and Laboratory Infrastructure upgrade	Implement 40% of approved Infrastructure Plan	Implement 10% of approved Infrastructure Plan	Implement 25% of approved Infrastructure Plan	Implement 30% of approved Infrastructure Plan	Implement 40% of approved Infrastructure Plan
Digital Transformation	Implement 30% of the ICT Digital Transformation plan	Implement 10% of the ICT Digital Transformation plan	Implement 20% of the ICT Digital Transformation plan	Implement 25% of the ICT Digital Transformation plan	Implement 30% of the ICT Digital Transformation plan
Talent Management	Approval of the Talent Management Framework by EXCO	Develop a draft Talent Management Framework	Conduct consultations with the relevant stakeholders on the proposed Talent Management Framework	Review by EXCO of the Talent Management Framework	Approval of the talent management framework by EXCO
	Approval by EXCO of the Succession Plan for key positions	Develop the criteria for identification of key roles	Conduct consultations with the relevant stakeholders on the criteria for the identification of critical positions	Identification of the talent pool (successors) for the key positions and identifying development gaps	Approval by EXCO of the Succession Plan for key positions
Skills Development	Implement 80% of staff training budget	Implement 20% of staff training budget	Implement 45% of staff training budget	Implement 65% of staff training budget	Implement 80% of staff training budget
	Recruit sixty (60) Interns – for the Graduate Development programme; and implement 30% of the structured learning programme	Recruit Sixty (60) Interns – for the Graduate Development programme	Onboarding of the 60 interns that are recruited and implement 10% of the structured learning programme	Implement 20% of the structured learning programme	Recruit 60 interns and Implement 30% of the structured learning programme
Culture Transformation	Implement at least 50% of approved Culture Change Plan	Review and obtain EXCO approval of Culture Change Plan and Implementation plan	Launch the Culture Change Plan and implementation of phase 1 of Culture Change programme	Implementation of Phase 2 of Culture Change Plan which includes promoting 2 values monthly. Approval of recognition framework for living the values	Implement at least 50% of approved culture change plan

Table 12: Quarterly performance targets - FY2024/25

## 6 Output Targets - the dtic

The following **dtic** output targets set out areas of focus that the SABS will report on from the third quarter of 2024/2025 through to 2025/2030. These are priority areas of the SABS that will contribute to the achievement to the overall outcomes of **the dtic**.

### Preamble:

The SABS has a legislated mandate enacted through the Standard Act, No. 8 of 2008, with the objectives to develop, promote and maintain South African National Standards; promote quality in connection with commodities, products and services; and render conformity assessment services and matters connected therewith. The SABS aims to support the attainment of **the dtic** outcomes as presented, however, SABS's contribution and definition of its output and output indicators may not directly impact the numerical output as shown in the Core Outputs.

Core Outputs	2024/25	2025-2030	Assumptions/Narrative
4 million jobs created	40	200	Jobs created in the normal course of business. IN addition, opportunity for job creation to be created through reviving the Energy Performance Certificate Programme.
255 000 SMME Supported	220	1000	SMMEs supported through agreements with the NEF, SEDA, Land Bank, Provincial Development Agencies etc.
15 million int. tourist arrival	60	500	Tourist arriving from the hosting of regional and international conferences, seminars, workshops etc.
2.1 million work experience	60	180	Work experience from the graduate/internship programme
441 000 Subsistence Farmers	0	200	SMMEs supported through agreements with Land Bank, agricultural agencies, etc.-
200 Ind Parks & DDM transformation	0	10	Develop partnerships with Special Economic Zones for Conformity Assessment services
1 trillion exports	0	25 million	Exports on the back of SABS Mark holding who will gain access to the export market
Red Tape Reduction processes	1	2	1- internal – customer engagement process 2-Type 3 certification 3 - Roll out of advisory and training services to Municipalities s and SOEs on specific ISO standards e.g. ISO37001.
Payment of suppliers on time (20) days	30 days	20 days	Focus on aligning current payment terms on existing contracts to this new requirement.
Improvement in the turnaround times	<ul style="list-style-type: none"> <li>320 to publish a standard</li> <li>48 hours turnaround time on WTO enquiries</li> </ul>	<ul style="list-style-type: none"> <li>320 to publish a standard</li> <li>48 hours turnaround time on WTO enquiries</li> </ul>	Increased focus on process efficiency to achieve this target.

<b>Procurement from B-BEEE Compliance Suppliers (100%)</b>	90% (excluding where its sole sourcing or OEM)	100% (excluding where its sole sourcing or OEM)	Focus on phasing off a few existing contracts. Focus on 100% compliant suppliers, excluding sole sourcing.
<b>Measures to encourage energy efficiency through Standards</b>	Publish 7 standards in energy efficiency	Publish 15 standards in energy efficiency	-
<b>Investment in the industrialisation of renewable energy components</b>	0	4 new test methods developed	Test methods to be developed in support of industrialisation of renewable energy components

Table 13: Joint Performance Indicators - **the dtic**

### 6.1 Output Indicators: Annual targets 2025 to 2030

MTDP Outcome	the dtic 5.4% core Outputs	Output Indicator	Actual		MTDP Period		
			FY2023/24	YTD FY2024/25	FY2024/25	FY2025/26	FY2026/27
Increased employment opportunities	4 million jobs created	Number of jobs created from standardisation services	-	-	40	40	40
Skills for the economy	2.1 million work experience	Number of graduates recruited (24-month programme)	60	53	60	60	
Enabling the environment for investment and improved competitiveness through structural reforms	255 000 SMME supported	Number of SMMEs supported	179	182	220	250	300
	441 000 Subsistence farmers supported	Number of subsistence farmers supported	-	-	0	50	60
Increased investment, trade and tourism	15 million international national tourist arrival	Number of business tourists arrived for standardisation activities	-	-	60	120	
	2 trillion exports	Rand value of exports attributable to standardisation services were offered	-	-	-	R6 million	R7 million
Re-industrialization, localization and beneficiation	200 Industrial Parks & DDM Transformation	Number of industrial parks and DDMs where standardisation services are offered	-	-	0	3	4
A capable and professional public service	Red Tape reduction	Number of internal and external processes whose red tape was educed	-	-	Internal – customer engagement process and delegations	-	-
					Finalise the planning with SALGA and COGTA to roll out interventions to prioritised Municipalities	Roll-out solutions to 30% prioritised municipalities	Roll-out solutions to 60% prioritised municipalities
			-	-	-	Implement and roll out the first type 3 certification	20% Year-on-year increase on the number of Type 3

MTDP Outcome	the dtic 5.4% core Outputs	Output Indicator	Actual		MTDP Period		
			FY2023/24	YTD FY2024/25	FY2024/25	FY2025/26	FY2026/27
							Certificates issues
A capable and professional public service	Payment of suppliers on time (20) days at most	Payment of suppliers within 20 days of receiving invoice	30 days	30 days	30 days	20 days	20 days
A capable and professional public service	Improvement in turnaround times	Average number of days to publish standards	301 days	360 days	320 days	320 days	320 days
Increased investment, trade and tourism	Improvement in turnaround times	48-Hour Turnaround time on the WTO/TBT enquiries enquiry point (e.g., Access to standards or regulation)	48-Hour Turnaround time	48-Hour Turnaround time	48-Hour Turnaround time	48-Hour Turnaround time	48-Hour Turnaround time
Increased employment opportunities	Procurement from B-BBEE Compliance Suppliers (100%)	Procurement Spent from B-BBEE Compliance Suppliers (100%)	91% (excluding where its sole sourcing and OEM)	86% (excluding where its sole sourcing and OEM)	90% (excluding where its sole sourcing and OEM)	100% (excluding where its sole sourcing and OEM)	100% (excluding where its sole sourcing and OEM)
A capable and professional public service	Measures to encourage energy efficiency through Standards	Publish standards in energy efficiency	6 standards published in the energy efficiency sector	7 standards in energy efficiency published	7 standards in energy efficiency published	10 standards in energy efficiency published	15 standards in energy efficiency published
A capable and professional public service	Investment in the industrialisation of renewable energy components	Number of test methods developed in support of renewable energy industrialisation	-	-	0	3	4

Table 14: Quarterly performance targets – Joint Performance Indicators FY2024/25



## 6.2 Output Indicators: Quarterly targets 2024/25

MTDP Outcome	the dtic 5.4% core Outputs	Output Indicator	Annual Target FY2025	Quarterly Targets			
				Q1	Q2	Q3	Q4
Increased employment opportunities	4 million jobs created	Number of jobs created from standardisation services	40	-	-	20	40
Skills for the economy	2.1 million work experience	Number of graduates recruited (24-month programme)	60	-	-	30	60
Enabling the environment for investment and improved competitiveness through structural reforms	255 000 SMME supported	Number of SMMEs supported	220			180	220
	441 000 Subsistence farmers supported	Number of subsistence farmers supported	-	-	-	-	-
Increased investment, trade and tourism	15 million international national tourist arrival	Number of business tourists arrived for standardisation activities	60	-	-	20	60
	2 trillion exports	Rand value of exports attributable to standardisation services were offered	-	-	-	-	-
Re-industrialization, localization and beneficiation	200 Industrial Parks & DDM Transformation	Number of industrial parks and DDMs where standardisation services are offered	-	-	-	-	-
A capable and professional public service	Red Tape reduction	Number of internal and external processes whose red tape was educed	Implement 1 process within the SABS to reduce red tape	-	-	-	Implement 1 process within the SABS to reduce red tape
A capable and professional public service	Payment of suppliers on time (20) days at most	Payment of suppliers within 20 days of receiving invoice	30 days	-	-	30 days	30 days

MTDP Outcome	the dtic 5.4% core Outputs	Output Indicator	Annual Target FY2025	Quarterly Targets			
				Q1	Q2	Q3	Q4
A capable and professional public service	Improvement in turnaround times	Average number of days to publish standards	320 days	-	-	340 days	320 days
Increased investment, trade and tourism	Improvement in turnaround times	48-Hour Turnaround time on the WTO/TBT enquiries enquiry point (e.g., Access to standards or regulation)	48-Hour Turnaround time	-	-	48-Hour Turnaround time	48-Hour Turnaround time
Increased employment opportunities	Procurement from B-BBEE Compliance Suppliers (100%)	Procurement Spent from B-BBEE Compliance Suppliers (100%)	90% (excluding sole suppliers)	-	-	90% (excluding sole suppliers)	90% (excluding sole suppliers)
A capable and professional public service	Measures to encourage energy efficiency through Standards	Number of standards published	7	-	-	4	7
A capable and professional public service	Investment in the industrialisation of renewable energy components	Number of test methods developed in support of renewable energy industrialisation	-	-	-	-	0

Table 15: Joint Performance Indicators: **the dtic** – Quarterly Targets

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## **PART E: OPERATING DIVISIONS**

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## 7 STANDARDS DEVELOPMENT

Developing, maintaining, promoting and the dissemination of South African National Standards (SANS) and other publications is the primary function of the SABS Standards Division which is the designated National Standards Body of South Africa.

National 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.

National Standards further catalyse economic activity by providing technical tools to support local industries access domestic, regional, and global markets. National, regional, and international collaboration of a diverse stakeholder representation provides the foundation for the development of state-of-the-art technical solutions that support the United National Sustainable Development goals, the National Development Plan and Re-imagined Industrial Strategy.

The key objectives of the National Standards Body include the development and maintain of relevant National Standards that address market needs, support, and enable socio-economic and environmental objectives, industrial policy, innovative and competitive industries.

- **Inclusive and efficient standards development system**

Maintain a credible, inclusive, and efficient National Standards development system and processes underpinned by international standardisation principles and digital enablement.

- **Stakeholder Diversity**

Acquire, develop, and retain skills to drive strategic and thought leadership, achieve stakeholder diversity amongst the pool of professional standardisers and meet the changing needs of society.

- **Promotion and impact of National Standards**

Promote the widespread use of SANS through enhancing the public understanding of the value of SANS and related conformity assessments and demonstrate the benefits and positive impacts to the public and private sector.

- **Regional and International Collaboration**

Strategic collaboration and leadership in regional and international standardisation forums; active participation in the harmonisation of standards and conformity assessment tools to support the implementation of the AfCFTA.

- **Dissemination of National Standards**

Enhance the access, distribution, and uptake of National Standards by all stakeholders.

- **Process and Systems**

The governance and process integrity of the development of South African National Standards including the adoption of international best practice principles are importance for the development and publishing of standards. These principles include openness, transparency, consensus, coherence, stakeholder engagement and due process. The Standards Act expressed the requirements of standards setting processes in Part 4, Section 23 and 24 of the Act which underpins process integrity.

- Section 23 - National Norm for setting and amending of South African National Standards  
*23. (1) The SABS must, through a national consensus-building process, develop and maintain a National Norm for the development of South African National Standards.*
- Section 24 – Issuing of South African National Standards – notice in the Government Gazette  
*(3) In setting, issuing, approving, and amending a South African National Standard in terms of subsection (1), the SABS must ensure as far as possible that the processes detailed in the Norm contemplated in section 23(1) is complied with.*

In meeting the Process and Systems requirements of the Standards Act the National Standards body has implemented a quality management system aligned to the principles of SANS/ISO 9001 to provide international best practices whilst adopting ISO and IEC good standardisation guidelines.

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The National Standards body continues to enhance its processes and systems to ensure continuous improvement and meet customer expectations. Projects that are underway include the review of the end-to-end process maps; review of the quality management system including policies, procedures, and templates; review of the SABS Norm and the rules for the structure and drafting of National Standards.

### **7.1 Technology**

Embracing digital technologies is a fundamental pillar for the effective and efficient development of National Standards and its distribution to the market. The National Standards body has implemented digital collaboration tools within the SABS technical committees that enables the process of developing National Standards through a diverse and inclusive stakeholder engagement process.

The continuous assessment of these technologies is important in ensuring that we meet our stakeholder expectations whilst enhancing operational efficiencies.

The access of standards through e-commerce platforms (webstores) is a further digitization initiative of the National Standards body. Our customer base requires the option of electronic versions of standards as opposed to hard copy standards and this model of access to standards has been recently implemented and presenting evidence enhanced uptake of digital solutions.

The focus of digital enhancement projects includes the exploration of XML tools for the development of smart standard deliverables, the enhancement of the recently commissioned e-commerce tool for the sales of standards to our customers including the upgrading of functionalities of the standards development collaboration tool.

### **7.2 People**

A key factor that drives the development of National Standards is the acquisition, development, and retention of skills to drive strategic and thought leadership in the organisation. In addition, our stakeholders participating in the development of National Standards need to be capacitated and trained on the rules and processes for the development of national, regional, and international Standards.

In addition, gender equity continues to be a focus of the National Standards body as we aim to enhance the participation of women in the development of National Standards through improving the gender representation in our technical committees.

We are also mindful of the aging group representation in our technical committees and the need to expand our stakeholder diversity which include the next generation of standardisers.

The following initiatives will continue to be implemented to ensure that the National Standards body is capacitated with staff and stakeholders that have the requisite skills and competencies to achieve the divisional objectives:

- continuous development of skills and qualifications through a variety of internal and external courses,
- implementation of capacity building activities to equip stakeholders to actively participate in our technical committee,
- design and implement a programme on the next generation of standardisers, and
- continued activities on the implementation of the gender responsible standards and standards development project.

### 7.3 Key Industry Economic Features

Economic Features	Score	Industry Characteristics	Implication for the SABS
Legislated mandate as per the Standards Act	High	The SABS is the only body legislated to develop, maintain, publish, and distribute SANS in South Africa	<ul style="list-style-type: none"> <li>The promotion and marketing of SANS provides access to technical solutions to industry and government in support socio-economic and environmental priorities.</li> </ul>
Industry Life Cycle	Medium	Standards are live documents and undergo a 5-yearly review process	Ensure that SANS remains relevant and meet market and stakeholder requirements
Competitive Rivalry	Low	Ensure that SANS remains relevant and meet market and stakeholder requirements	Establish efficient processes and systems to engage stakeholders and timely publication of National Standards
Opportunities for Partnerships	High	The SABS has concluded several bi-lateral agreements that underpin various standardisation and training opportunities	<ul style="list-style-type: none"> <li>Capacity building opportunities</li> <li>Access to relevant publications for adoption</li> <li>Establish new distribution channels for access to publications</li> </ul>
Oversupply or Undersupply	Medium	Efficient access to SANS and related publications	Access to standards through digital and e-commerce platforms
Entry/Exit Barrier	Low	Limited barriers to entry as all SANS are developed by stakeholders that require and implement the technical publications	<ul style="list-style-type: none"> <li>Effective marketing and promotions of SANS</li> <li>Effective stakeholder engagements</li> </ul>
Product Standardisation	High	Adoption of standards published by ISO, IEC, ARSO, AFSEC in compliance to the WTO/TBT agreement and the AfCFTA agreement	Active participation in regional and international Standards development forums to influence and adopt state of the art technical solutions

#### 7.4 Priority project for implementation over the next 3-year period

Item	FY2024	FY2025	FY2026
<b>People</b>	Develop systems/ framework for the assessment of the competency of standards professional	Assess the competency of 10% of the standards writers	Assess 30% of the standards writers for competence against the framework
<b>Process</b>	<ul style="list-style-type: none"> <li>Review of standards workflows</li> <li>Contribute to the roadmap and 60% implementation of business review project plan</li> </ul>	<ul style="list-style-type: none"> <li>Re-alignment of the National Norm</li> <li>Contribute to the roadmap and 90% implementation of business review project plan</li> </ul>	<ul style="list-style-type: none"> <li>Update the Standards QMS in alignment with the latest ISO 9001</li> <li>Contribute to the roadmap and 100% implementation of business review project plan</li> </ul>
<b>Product</b>	Explore opportunities for the creation of new sector specific standards collections	Compile 2 sector specific standards collections	Compile 3 sector specific standards collections
<b>Technology</b>	Introduction of the XML as a publishing tool	Introduction of the XML as a publishing tool	Publication of standards by XML

Table 16: Priority projects for the next 3-Year - Standards Division

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## 8 CERTIFICATION SERVICES

Certification is the provision of assessment services, by an independent body of written assurance (or a certificate), that the product, service, or system in question meets specific standard requirements of a scheme. Certification can be a useful tool to adding quality and credibility, by demonstrating that a product or service meets companies' expectations. For some industries, certification is a legal or contractual requirement. The SABS Certification, a division of the SABS, provides independent third-party certification services, assuring that products, systems, and services comply with pre-defined standards and customer specifications.

Although certification scheme is voluntary by nature, however, for several products compliances to SABS Mark is made compulsory by the regulators under various considerations viz. public interest, protection of human, animal or plant health, safety of environment, prevention of unfair trade practices and national security. For such products, the regulators including government departments directs mandatory use of SABS Mark of Approval, under a Licence arrangement.

Operating in an environment dominated by large multinational certification bodies, the Certification division will continue to focus its efforts on enhancing customer value, underpinned by several strategic initiatives. Core to this strategy is aligning the division with **the dtic's** industrialisation agenda and unlocking the opportunities of operational excellence through optimisation of processes and digital transformation of the business which will continue into the new fiscal year.

Procurement of locally manufactured products is one of the key demand side industrial policy levers identified by Government to support industrial development in South Africa. The objective is for local manufacturers, including black-owned companies and black industrialists to benefit from a substantial share of public sector procurement.

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. The division provides its services across all 39 European Accreditation Codes (EA Codes) whilst the SABS Mark Scheme has a presence in thirty-three countries.

### 8.1 Certification – System Certification

The purpose of a quality management system is to ensure that every time a process is performed, the same information, methods, skills, and controls are used and applied in a consistent manner. Where there are process issues or opportunities, this is then fed into the quality management system to ensure continuous improvement.

Management systems standards can be used by any organization, regardless of size or type. The following are some of the critical management systems schemes offered by SABS Certification:

- ISO 50001: Energy management systems are requirements with guidance for use, is a strategic tool that helps organizations put in place an energy management system and use their energy more efficiently and effectively.
- ISO 22000: Food safety management systems are requirements for any organization in the food chain, sets out the requirements for a food safety management system. It defines what an organization must do to demonstrate its ability to control food safety hazards and ensure that food is safe for consumption.
- ISO 45001 is applicable to all organizations, regardless of size, industry or nature of business. It is designed to be integrated into an organization's existing management processes. This will help them manage their OH&S risks and improve their OH&S performance by developing and implementing effective policies and objectives.

### 8.2 Certification - Product Certification

Product certification is a *'procedure by which a third party, such as the SABS, gives written assurance that a product, process or service conforms to specified requirements'*. In the case of the SABS product certification, referred to as the *SABS Approved* mark scheme, it mostly entails the certification against a South African National Standard although the Bureau, in certain instances, is accredited to test a product against a different standard or product scheme.



### 8.3 Local Content Verification

Local content verification in terms of the implementation guidelines of the recently published Mining Charter as well as fulfil the verification requirements of designated products and sectors for local procurement in line with the amended regulations to the Preferential Procurement Policy Framework Act (PPPFA)

### 8.4 Consignment Inspection

Inspection is a form of conformity assessment that has a long history, which covers the following aspects

- inspection in line with testing activities
- inspections associated with certification activities (product certification)
- inspection as an independent activity with no relation to testing or certification

The SABS Consignment Inspection services provide inspection of commodities before consignment to the purchaser as per the requirements of SANS 17020.

### 8.5 Process and Systems

The Certification division has identified the need to source a fit-for-purpose digital platform that will provide a robust and effective management of its operational activities.

Critical to the system will be to ensure ease of doing business with customers, while enhancing efficiency and collaboration between audit administration and customer management activities during a life cycle of permits and certificates issued to customers.

This realisation will culminate to faster innovation, higher quality with improved reliability and ensure the reduction of quality costs while improving a quality control.

### 8.6 People

The Certification division has adopted a hybrid system for the onboarding of auditors. This implies that internally there is a team of permanent employees who forms part of the critical mass to ensure business continuity, while complemented by a panel of external contractors who will be ready to be deployed as a when required.

This presents the division with the opportunity to maximise its capacity and broaden competencies in critical sectors while continuing to have access to a wider talent pool of external resources.

This arrangement has a potential of unlocking new areas of revenue growth while simultaneously advancing capacity building where there is internal shortage of competencies.

### 8.7 Priority project for implementation over the next 3-year period

Item	FY2024	FY2025	FY2026
People	Identify gaps and expand Auditor Competency by 10%	Expand Auditor Competency by 50% on identified gaps	Expand Auditor Competency by 100% on identified gaps
Process	Contribute to the process mapping roadmap 80% implementation of business review project plan	Contribute to the process mapping roadmap 90% implementation of business review project plan	Contribute to the process mapping roadmap 100% implementation of business review project plan
Product	Provide input to the IP Framework in relation to SABS Mark Abuse	Finalise strategy and kick start the operationalisation of the IP Strategy insofar as SABS Mark is concerned	Operationalisation of the IP Strategy insofar as SABS Mark Scheme is concerned
Technology	Contribute to the digital road map and business requirements for the certification system	Implement 80% of the acquired certification system	Implement 100% of the acquired certification system

Table 17: Priority projects for the next 3-Year - Certification

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## **9 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.

Priority is given to the accreditation of test laboratories. The most widely implemented accreditation is by SANAS in terms of SANS/ISO/IEC 17025 (General requirements for the competence of testing and calibration laboratories). Some of the laboratories are accredited to SANS/ISO 17043 for the proficiency testing activities. Other laboratories are also recognised for good laboratory practice (OECDGLP) compliance.

In many cases, specific activities are approved testing and/or inspection authorities for the Department of Labour, Department of Health, South African Pharmaceutical and Health Authority as well as the National Nuclear Regulator. Operations are split across five business clusters: electrotechnical, automotive and mechanical, mining and minerals, food, and health, as well as chemicals and materials.

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, eventually rendering several operating at a loss. Backlogs have also had a negative impact on our certification business.

The financial sustainability of most Laboratory Services business units has been impacted negatively by Covid-19 pandemic. Slow economic activities in various sectors and industries have resulted in low sample volumes submitted to SABS for testing. The division will in the medium to long term focus on four areas as part of the turnaround initiatives namely, Process and Systems, people, technology, and external factors.

### **9.1 Process and Systems**

The LSD division is embarking on initiatives to improve the efficiency of its laboratories. There are key initiatives that are already established in this regard, which include but not limited to LIMS systems upgrade, process mapping, planning, and scheduling and internal drive to establish service level agreements with internal stakeholders.

There are other projects that are initiated by different division within SABS which will positively impact the operations which include but not limited to data management and review of Operations Technology.

### **9.2 Technology**

In response to the ageing equipment and infrastructure, the division is undertaking an operational technology assessment that is aimed at assessing the vulnerability of the testing equipment, associated software & hardware and improvement of equipment reliability and availability. The division is investing on replacement of the key equipment in the laboratories which will results in efficiency improvement and improved turnaround times.

The division is also working with internal departments, to streamline the process for calibration and maintenance of the equipment, which will also improve the equipment availability and prolong lifespan of the equipment.

### **9.3 People**

The LSD division plans to augment capacitation of employees in all critical roles to increase technical depth and management capabilities. This will be done through partnership with manufactures, universities, and other relevant stakeholders. The LSD division will also be embarking on a drive to encourage multi-skilling in the laboratories, to increase capacity and effect succession planning.

### **9.4 External factors**

The LSD division is impacted by the external factors such as low sales and an increase in the number of competitors. The division has implemented initiatives with internal departments to minimise the impact of the external factors. The initiatives include but not limited to customer engagements and creating awareness about customer specific requirements (CSR) testing (partial testing).

The customer engagements give the division the opportunity to understand the customer pain points which provides the division with insights to improve its operation and the customer experience.

## 9.5 Priority project for implementation over the next 3-year period

Item	FY2024	FY2025	FY2026
<b>People</b>	<ul style="list-style-type: none"> <li>Identify training needs for newly appointed personnel and 40% implementation</li> <li>Develop a framework to address one person laboratory risks and 40%</li> </ul>	<ul style="list-style-type: none"> <li>Implementation of 80% of prioritised training for newly appointed personnel</li> <li>Implementation of 80% of the plan in line with the framework</li> </ul>	<ul style="list-style-type: none"> <li>Implementation of 100% of prioritised training for newly appointed personnel</li> <li>Implementation of 100% of the plan in line with the framework</li> </ul>
<b>Process</b>	Contribute to the process roadmap and 80% implementation of business review project plan	Contribute to the process roadmap and 90% implementation of business review project plan	Contribute to the process roadmap and 100% implementation of business review project plan
<b>Product</b>	<ul style="list-style-type: none"> <li>Conduct feasibility study so insourcing of testing of cosmetics</li> <li>Finalisation of the feasibility study for Testing of Electric Vehicles and 40% implementation</li> </ul>	<ul style="list-style-type: none"> <li>Implementation of 80% of the recommendation from the study</li> <li>Implementation of 60% of Testing of Electric Vehicles in line with the outcome of the feasibility study</li> </ul>	<ul style="list-style-type: none"> <li>Implementation of 100% of the recommendations from the study</li> <li>Implementation of 100% of Testing of Electric Vehicles in line with the outcome of the feasibility study</li> </ul>
<b>Technology</b>	Contribute to the technology road map and business requirements for the Laboratory system	Implement 80% of the acquired Laboratory Services system	Implement 100% of the acquired Laboratory Services system

Table 18: Priority projects for the next 3-Year - Laboratory Services

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## **10 CUSTOMER PARTNERING**

Customer Partnering consists of the Marketing and Communications (Marcoms), Sales and Business Development, and the Customer Engagement departments and seeks to create an awareness of the SABS products and solutions, to improve the customer experience, and to enhance the financial sustainability of the Bureau through customers retention and acquisition. The SABS turnaround strategy is underpinned by effective execution of customer retention and acquisition plans.

### **10.1 Customer Engagement**

Develop and implement customer engagement plans to improve the customer experience (for both new and existing customers) and to drive operational excellence. Areas to be prioritised in FY2024 are:

- State-Owned Entities and Government departments.
- Collaboration with universities and other educational institutions.
- Collaboration with existing customers.
- Local Content Scheme (new and existing customers).
- Engagements with key industry associations and participation in strategic events.
- Engagement with industry thought leaders (sector focused) to improve value proposition
- Other areas prioritised by Certifications, Laboratory Services, Business Solutions and Advisory Services and Standards Sales.

### **10.2 Marketing and Communications**

Develop and implement Marketing and Communication plans which are aligned with the prioritised business areas to create awareness of the SABS' products, services and solutions and improve the SABS brand equity. This business unit will conduct industry wide workshops and other engagements to improve awareness of the National Standards, SABS conformity assessment services and the SABS Approved Mark Scheme. The main channel of deliver for this area will be through Digital Marketing, Product, Solution, Client, and Market innovation.

### **10.3 Product, Solution, Customer and Market innovation**

All new assessment schemes, SABS products, services and solutions that will be taken to market will drive the Divisional strategic objectives and action plans with the intent to drive market demand of the SABS products and services.

### **10.4 People**

The key focus will be on the recruiting of competent and experienced personnel to drive the implementation and attainment of Divisional objectives in support of organisational goals. Training of newly appointed internal personnel will be prioritised to improve capabilities and alignment with best practices.

### **10.5 Process and systems**

Mapping and further refinement of Divisional macro and micro processes to improve operational excellence and customer experience.

### **10.6 Technology**

Implementation of Customer Relationship Management system and automation of prioritised processes.

### 10.7 Priority project for implementation over the next 3-year period

Item	FY2024	FY2025	FY2026
<b>People</b>	Identify training needs for sales leads, sales officers, and key accounts officers and 60% implementation	Implementation of 80% of training for sales leads, sales officers, and key accounts officers	Implementation of 100% training for sales leads, sales officers, and key accounts officers
<b>Process</b>	Contribute to the process roadmap and 80% implementation of business review project plan	Contribute to the process roadmap and 90% implementation of business review project plan	Contribute to the process roadmap and 100% implementation of business review project plan
<b>Product</b>	Develop a Go to Market strategy for newly developed products, solutions and services and 40% implementation	Develop a Go to Market strategy for newly developed products, solutions and services and 80% implementation	Develop a Go to Market strategy for newly developed products, solutions and services and 100% implementation
<b>Technology</b>	Contribute to the technology roadmap and business requirements for ERP [CRM component]	Implementation of 50% of ERP [CRM component] in line with the project plan	Implementation of 100% of ERP [CRM component] in line with the project plan

Table 19: Priority projects for the next 3-Year - Customer Partnering

## 11 ADMINISTRATION

### 11.1 Human Capital

The strategic plan for SABS gives recognition to the role and value of employees in successfully delivering on its institutional mandate. The emphasis is placed on ensuring that the SABS can attract dedicated and competent professional employees, develop the existing employees and free their potential, retain employees whose competencies are critical to the institution and create an environment that enables excellent performance.

Consequently, the SABS Human Capital strategy is anchored on the following human capital strategic objectives:

#### 11.1.1 Create an enabling environment to provide the leadership required to move the organisation to a high-performance organisation

Activity 1: Development of Leadership Competency framework

Activity 2: Implementation of “High impact” targeted leadership development programmes

#### 11.1.2 Facilitate the SABS transition . a service and client centric culture

Activity 1: Development and Implementation of a culture transformation programme

#### 11.1.3 Drive integrated Performance & Talent Management practices

Activity 1: Implementation of Performance Management Training

Activity 2: Development of an Integrated Talent Management Strategy & Framework

#### 11.1.4 Develop an integrated organization wide learning strategy

Activity 1: Conducting a skills audit and closing the skills gaps

Activity 2: Introducing and implementing a Youth Development Programme (graduate placement, Internships, Learnerships, Apprenticeships)

#### 11.1.5 Develop and Implement a “fit for purpose” Remuneration & Reward philosophy and Framework

Activity 1: Revising Remuneration and Reward policies

Activity 2: Conducting a remuneration harmonisation exercise

#### 11.1.6 Priority project for implementation over the next 3-year period

Item	FY2024	FY2025	FY2026
People	Implement the culture transformation programme	<ul style="list-style-type: none"><li>Implement the culture change plan.</li><li>Deliver a set of change management toolkits that can be adapted for different levels of change.</li></ul>	Measure and improve organisational culture
	Implement the Integrated Talent Management Strategy & Framework	<ul style="list-style-type: none"><li>Develop and implement the talent management strategy and framework. Develop the implementation plan.</li><li>Review succession management and retention procedure.</li></ul>	Monitor, evaluate and improve
	Employee Value Proposition (Integrated EVP Model)	<ul style="list-style-type: none"><li>Develop EVP model.</li><li>Develop and implement productivity matrix and tools.</li><li>Employer Branding</li><li>Flexible working arrangements</li><li>Employee Experience</li><li>On-boarding</li></ul>	
Process	Implement HC operating model.	<ul style="list-style-type: none"><li>Institutionalise the HC operating model including branding the HC function.</li><li>Monitor and improve the HC operating model</li></ul>	Monitor and improve the HC operating model

Item	FY2024	FY2025	FY2026
	Develop and implement Remuneration and Reward policies.	<ul style="list-style-type: none"> <li>Develop and implement Remuneration and Reward policies.</li> <li>Monitor compliance and improve.</li> </ul>	Monitor compliance and improve
	Conduct Remuneration Harmonisation	<ul style="list-style-type: none"> <li>Develop the remuneration harmonisation plan.</li> </ul>	Implement the plan
	Conduct Remuneration harmonisation	<ul style="list-style-type: none"> <li>Develop the remuneration harmonization plan. Implement the plan</li> </ul>	Implement the plan
Technology	Automate HC processes and systems	<ul style="list-style-type: none"> <li>Opportunities for automation identified.</li> <li>Implementation plan developed.</li> <li>Enhance and Automate HC processes as per plan</li> </ul>	Automate HC processes as per plan
	Performance Management System – integrate with CRS	<ul style="list-style-type: none"> <li>Performance Contract for the remainder of FY23/4</li> <li>Establish a new system – migrate to CRS use template and the system</li> </ul>	Roll-out with the new FY cycle
	Record Management	<ul style="list-style-type: none"> <li>Updating Master Data and building Knowledge Management on SharePoint</li> </ul>	Monitor data integrity
Other	Employee Relations	<ul style="list-style-type: none"> <li>Build leadership capability within the ER environment and proactively manage the interactions to mature the stakeholder relationship</li> </ul>	

Table 20: Priority projects for the next 3-Year - Human Capital

## 11.2 Information and Communication Technology

The SABS's Information and Communication Technology (ICT) strategy will focus on enabling the Bureau's business strategy and being able to leverage world-class technology to deliver a modern-day Standards, Testing, and Certification ecosystem.

A fundamental aspect of the ICT Strategy is to build a 'Future SABS' which is grounded on a solid technology base. In our case this is a hybrid-approach of cloud-based and on-premises platforms which will put in place and implemented on solid first principles, i.e., refreshing the SABS ICT infrastructure. Our new infrastructure functionality will be built to provide for both existing SABS systems, as well as newly developed products and services.

### 11.2.1 Activity: ICT Infrastructure

- Upgrade the network access layer switches, to ensure reliable connectivity
- IT Security upgrade to enable zero-trust network access

### 11.2.2 Activity: Business Application

- Enhance the SABS Certification Information Management System (CIMS) to cover all certification processes
- Implementing a uniform Laboratory Information Management System (LIMS) across all laboratories.
- Implement an efficient Enterprise Resource Planning system (ERP) that is fit for SABS business operations
- Deliver a SABS Enterprise Mobile Platform (SABS Mobile Apps)
- Develop an improved SABS e-Learning platform
- Improve SABS e-commerce platform to incorporate more digitally enabled functionalities for our customers

### 11.2.3 Activity: ICT Support

- Replacement of old laptops and desktops PCs
- Rolling out the current Microsoft supported Windows Operating System in all laboratories.
- Provide level 1, level 2, and level 3 ICT support to the organisation to enable effective and efficient operating platforms for each business area.

### 11.2.4 Priority project for implementation over the next 3-year period

Item	FY2024	FY2025	FY2026
People	Implement quarterly cybersecurity awareness workshops	Design and implement digital transformation plan	Continue implementation of digital transformation plan Monitor and improve of digital transformation plan
	Training on latest business applications/ technologies	Training on latest business applications/ technologies	Monitor and improve cybersecurity awareness
Process	Organisation-wide business process review and re-engineering	Organisation-wide business process review and re-engineering Operationalise updated processes Update policies and procedures	Operationalise updated processes Update policies and procedures
	Assess organisational digital transformation readiness	Implementing recommendations of the digital transformation readiness assessment	Implementing recommendations of the digital transformation readiness assessment
	Update IT Security policies and procedures to enable zero-trust access	Operationalise and monitor IT Security zero-trust policies and procedures	



Item	FY2024	FY2025	FY2026
	Develop identity and access management policy and procedures to align with Microsoft identity Manager (MIM)		
<b>Product</b>	Provide level 1, level 2, and level 3 ICT support to the organisation to enable effective and efficient operating platforms for each business area	Provide level 1, level 2, and level 3 ICT support to the organisation to enable effective and efficient operating platforms for each business area	Provide level 1, level 2, and level 3 ICT support to the organisation to enable effective and efficient operating platforms for each business area
<b>Technology</b>	Upgrade Enterprise Content Management (SharePoint)	Deliver a SABS Enterprise Mobile Platform (SABS Mobile Apps)	
	Data Centre core network and Firewall upgrade	Improve SABS e-commerce platform to incorporate more digitally enabled functionalities for our customers	
	Replacement of old laptops and desktops PCs		
	Implement an efficient Enterprise Resource Planning system (ERP) that is fit for SABS business operations	Implement an efficient Enterprise Resource Planning system (ERP) that is fit for SABS business operations	
	Implementing a uniform Laboratory Information Management System (LIMS) across all laboratories	Implementing a uniform Laboratory Information Management System (LIMS) across all laboratories	
	Enhance the SABS Certification Information Management System (CIMS) to cover all certification processes	Enhance the SABS Certification Information Management System (CIMS) to cover all certification processes	
	JDE Seamless Integration		
	Local Content Verification (LCV) Digital System implementation	Local Content Verification (LCV) Digital System implementation	
	SABStan System implementation	XML standards development	
	Upgrade of Conference Rooms, Facilities and Cafeteria	Upgrade of Conference Rooms, Facilities and Cafeteria	Upgrade of Conference Rooms, Facilities and Cafeteria
	Planning and Scheduling Tool	SMART standards development	SMART standards development

Table 21: Priority projects for the next 3-Year – ICT

### 11.3 Finance

The role of the Finance Division is to provide consistent and efficient financial support services to the SABS that is fully compliant and strives to respond timeously, in a solution-oriented manner, and mirrored on tested best-practice systematic approaches. Our primary role is to ensure existence of sound financial and procurement systems and controls as well as to drive financial sustainability at the SABS. The finance division oversees the supply chain management department, the financial reporting department, the financial strategy business unit and business solutions and advisory services business unit.

#### 11.3.1 Activity: Supply Chain Management

The primary role of the supply chain management (SCM) department is to ensure that the procurement function is efficient in the context of maintaining good governance particularly within contracts and cost management

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and on maintaining compliance with the Public Finance Management Act (PFMA), 2016 (Act 921 of 2016), other supply chain management regulations such as the Preferential Procurement Policy Framework Act (PPPFA), 2000 (Act 5 of 2000) and the Treasury Regulations. The SCM endeavours to inculcate in the SABS fully compliant procurement systems that are just, fair, efficient, responsive, competitive, cost effective, innovative and creates value thus enabling sustainable business growth.

Priority focus areas during the MTEF period will be on:

- Administering best practice strategic sourcing;
- Leading demand planning focused procurement;
- Steering consistent and efficient contract management;
- Directing compliance and just procurement; and
- Launching a Procure to Pay e-function.

#### **11.3.2 Activity: Financial Reporting**

Financial reporting department serves to safeguard the financial integrity of the SABS through properly designing systems of controls and safeguarding their integrity so as to provide accurate, timely, and meaningful financial information and services to stakeholders, while enhancing the efficiency and effectiveness of financial reporting processes. It oversees the effective functioning of the SABS's billing, credit management, payables, and financial accounting functions.

Priority focus areas during the MTEF period will be on:

- Deploying effective treasury and working capital management strategies;
- Accelerating debtor's collection;
- Espousing good financial reporting practices and processes;
- Enhancing Financial Reporting processes;
- Redefining systems of control to prevent unauthorised, irregular and fruitless & wasteful expenditure; and
- Contributing towards implementation/improvement of ERP system.

#### **11.3.3 Activity: Financial Strategy**

Financial strategy business unit serves to provide valuable insights to the SABS in order to enable informed strategic decisions for sustainable growth, focusing on financial planning and analysis, optimal resource allocation, cost efficiency, revenue growth and profitability improvement. The main objective of the business unit is to drive financial strategies in support of the SABS corporate strategy as well as to ensure informed decision making and reporting.

Priority focus areas during the MTEF period will be on:

- Bolstering budgeting and forecasting processes;
- Implementing profitability analysis, profitability framework, pricing strategies, pricing optimization and cost containment initiatives;
- Enhancing financial analysis and reporting;
- Drive CAPEX process improvement; and
- Resource capacitation through expanded business support.

### 11.3.1 Priority project for implementation over the next 3-year period

Item	FY2024	FY2025	FY2026
People	Implement annual supply chain management, irregular, fruitless and wasteful expenditure awareness workshops	Implement annual supply chain management, irregular, fruitless and wasteful expenditure awareness workshops	Implement annual supply chain management, irregular, fruitless and wasteful expenditure awareness workshops
	Finance training for non-finance managers	Finance training for non-finance managers	Finance training for non-finance managers
	Train stakeholders on the models developed by Finance i.e., Budget, Profitability analysis, Forecasting model	Train stakeholders on the models developed by Finance i.e., Budget, Profitability analysis, Forecasting model	Train stakeholders on the models developed by Finance i.e., Budget, Profitability analysis, Forecasting model
Process	Review and benchmark SCM business processes	Implement new SCM business processes	Continue to implement new SCM business processes
	Enhance budgeting and forecasting process through automation.	Work with ERP implantation team to ensure full automation of Budgeting, forecasting and management reporting.	Work with ERP implantation team to ensure full automation of Budgeting, forecasting and management reporting.
	Continuous implementation of cost containment measures.	Continuous implementation of cost containment measures.	Continuous implementation of cost containment measures.
	Document key financial processes.	Digitise and test documented key financial processes	Full implementation of digitised financial processes.
Product	Develop profitability model per divisions	Develop a predictive model, to assist the business in predicting the impact of strategical decisions in the future years' financial performance.	
	Generate interim financial statements	Generate interim financial statements	Generate interim financial statements
	Review pricing policies and Models.		
Technology	ERP Implementation	ERP Implementation	ERP Implementation

Table 22: Priority projects for the next 3-Year – Finance

### 11.4 Business Solutions and Advisory Services

The Business Solutions and Advisory Services (BSAS) business unit is task with providing training and business solutions to all customer groups and advisory services to companies on the adoption and implementation of management and product systems.

The SABS Training Academy under the auspices of BSAS seeks to enhance the skills of industry and government professionals to understand and implement South African National Standards. Training is facilitated through the traditional classroom and electronic delivery modalities. Traditional classroom training is presented at training facilities in Gauteng, KwaZulu-Natal, Western Cape and Eastern Cape campuses as well as onsite at various customers premises.

The Academy currently offers a diverse portfolio of training courses, focusing mainly on management system standards which includes ISO 9001: Quality Management System (QMS), ISO 14001: Environmental Management System (EMS), ISO 45001, Occupational Health and Safety Management (OHS), ISO 22001: Food Safety Management System standards and FSSC-accredited courses, amongst others.

The BSAS unit also offers tailor-made non-consultancy and consultancy related business improvement services, enterprise development monitoring services and technical development to enhance workplace competency and efficiencies.

Priority focus areas during the MTEF period will be on:

- Internal resource capacitation;
- Introduction of impartiality management tool;
- Launch of digital learning solutions and marketing capabilities;
- Enhancing reporting tools using BI technology; and
- Establishing academic institutions partnerships to derive synergies.

#### 11.4.1 Priority project for implementation over the next 3-year period

Item	FY2024	FY2025	FY2026
<b>People</b>	<ul style="list-style-type: none"> <li>• Identify training needs for Facilitators and Consultants</li> <li>• Implement basic training skills for consultants on managing end-to end projects</li> </ul>	<ul style="list-style-type: none"> <li>• Implement 80% of the identified training needs for Facilitators and Consultants</li> <li>• Imparting the requisite skills</li> </ul>	<ul style="list-style-type: none"> <li>• Implement 100% of the identified training needs for Facilitators and Consultants</li> <li>• Monitoring and evaluation of the acquired skills and</li> <li>• continuous peer review</li> </ul>
<b>Process</b>	<ul style="list-style-type: none"> <li>• Develop and strengthen partnership with tertiary institutions to secure NQF accreditation for training</li> </ul>	<ul style="list-style-type: none"> <li>• Develop partnerships with Government entities in support of the need to stimulate management and technical skills of public sector employees</li> </ul>	<ul style="list-style-type: none"> <li>• Continuous development and enhancement of partnerships with relevant stakeholders to build more capacity</li> </ul>
<b>Product</b>	<ul style="list-style-type: none"> <li>• Implement BSAS sales and marketing strategy with tailored value propositions that meet the needs of customers</li> <li>• Develop consulting management protocols and policies then integrate into the existing Training Quality management system</li> </ul>	<ul style="list-style-type: none"> <li>• Monitor and evaluate BSAS sales and marketing strategy</li> <li>• Maintenance of the integrated quality management system</li> </ul>	<ul style="list-style-type: none"> <li>• Review and align the BSAS sales and marketing strategy to ensure continuous alignment with the needs of customers</li> <li>• Continuous maintenance of the integrated quality management system</li> </ul>
<b>Technology</b>	<ul style="list-style-type: none"> <li>• Acquire a digital learning management system for on-line learning</li> <li>• Investment in technological tools to improve trainee engagement and enhance operational efficiencies</li> </ul>	<ul style="list-style-type: none"> <li>• Maintain the acquisition of the digital learning management system</li> <li>• Maintain the technological tools</li> </ul>	<ul style="list-style-type: none"> <li>• Continuous overhaul of the digital learning management system</li> <li>• Maintain the technological tools</li> </ul>

Table 23: Priority projects for the next 3-Year - BSAS

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## **PART F: ACHIEVING FINANCIAL SUSTAINABILITY**

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## 12 FINANCIAL PLANS

The financial plan considers the economic environment and its impact on the organisation, the turnaround strategy. The SABS is in the process of implementing the new organisational structure, which has resulted in short-term saving from employee benefits. As the structure is populated, the SABS is expected to continue to generate net profit over the MTEF period.

The SABS has an aging infrastructure, which require extensive investment. The capital expenditure budget allocated for the MTEF period will be funded from internal fund and additional funding from **the dtic** however, the allocation is significantly not enough to meet the capital expenditure requirement from laboratories, facilities, and ICT.

The financial projections for the group over the next three years, as presented below, are premised on the following assumptions:

- The challenging economic conditions exacerbated by the impact by the effect of negative global event such as the war in Ukraine, fluctuations in the international oil market, turmoil in the British economy amongst others.
- The SABS applied a general inflation rate of 4.8% in the preparation of the Corporate Plan except where specific adjustments or a budget for non-recurring expenses was done.
- Overall, administration and operating expenditure is budgeted to increase by 6.5% reflecting the increase in costs driven by market conditions as well as the implementation of the salary harmonisation process.
- Over the MTEF, the grant allocations to the SABS are R259.4 million, R267.8 million and R278.6 million for FY2024/25, FY2025/26 and FY2026/27 respectively (excl. VAT).
- Additional allocations of R30 million over MTEF (R10 million per financial year (excl. VAT)) in favour of the SABS has been factored for local content verification.
- The SABS is projecting to record a net profit of R3.2 million, R4.6 million and R7.9 million in FY2024/25, FY2025/26, and FY2026/27 respectively

**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.

## 12.1 Statement of group financial performance

SABS GROUP	Actual R'000 2020/21	Actual R'000 2021/22	Actual R'000 2022/23	YTD R'000 Dec-23	Budget R'000 2023/24	Budget R'000 2024/25	% Growth	Budget R'000 2025/26	Budget R'000 2026/27
Revenue	415 891	448 383	459 516	333 413	491 757	534 104	8.6%	564 014	598 419
Laboratory Services	102 200	113 811	129 156	95 525	154 348	165 331	7.1%	174 590	185 240
SMME	708	1 063	179	-	-	-	0.0%	-	-
Certificate of compliance	11 486	19 475	12 288	7 681	-	-	0.0%	-	-
Business Solutions & Advisory	5 149	8 629	9 195	5 767	13 431	15 279	13.8%	16 134	17 118
Product & System Certification	263 877	274 787	274 073	198 380	287 328	313 539	9.1%	331 097	351 294
Sale of publications	32 254	30 618	34 625	26 060	36 650	39 956	9.0%	42 194	44 767
Other Income	54 909	44 129	35 343	16 732	38 395	32 719	-14.8%	34 398	36 229
Rental Income	16 970	17 930	17 749	9 517	12 899	15 692	21.7%	16 571	17 582
Sundry Income	23 722	15 219	14 391	-	15 122	10 379	-31.4%	10 866	11 366
Gains/Losses On Investments	14 216	10 980	3 203	7 216	10 375	6 648	-35.9%	6 961	7 281
Government Grant	227 428	288 937	283 619	220 338	295 844	279 458	-4.2%	283 227	294 272
Core Funding-Baseline	214 706	267 064	273 099	216 748	276 497	259 376	-6.2%	267 824	278 621
Other income	7 997	19 481	10 520	3 590	19 348	15 160	-21.6%	15 403	15 651
Other income Recognised	4 725	2 392	-	0	-	4 922	0.0%	-	-
Total income	698 228	781 449	778 478	570 483	825 997	846 281	2.5%	881 639	928 919
Administrative and operating expenses	(756 633)	(672 117)	(628 757)	(510 648)	- 766 547.7	(816 293)	6.5%	(852 600)	(894 344)
Employee benefits	(562 823)	(451 439)	(394 373)	(308 424)	(439 331)	(508 894)	15.8%	(537 303)	(571 019)
Contract Services	(70 349)	(62 696)	(63 255)	(55 954)	(73 681)	(65 414)	-11.2%	(66 369)	(67 339)
Premises costs	(73)	319	673	(8 069)	(2 811)	(3 726)	32.6%	(3 901)	(4 080)
Marketing & Communication	(970)	(1 148)	(1 617)	(2 443)	(5 399)	(6 627)	22.7%	(6 938)	(7 257)
Consulting & Technical Fees	(11 391)	(6 093)	(5 685)	(7 818)	(15 907)	(15 996)	0.6%	(16 230)	(16 467)
Consumables	(8 196)	(12 646)	(11 163)	(7 809)	(16 982)	(17 798)	4.8%	(18 059)	(18 323)
Travel foreign	(173)	(2 667)	(4 538)	(11 664)	(19 848)	(15 638)	-21.2%	(15 865)	(16 097)
Travel local	(7 687)	(11 035)	(23 108)	(17 505)	(20 219)	(20 782)	2.8%	(21 085)	(21 394)
Municipal services	(59 024)	(69 925)	(66 278)	(54 077)	(84 835)	(81 896)	-3.5%	(83 543)	(87 243)
Other operating expenses	(35 947)	(54 786)	(59 413)	(36 884)	(87 535)	(79 522)	-9.2%	(83 307)	(85 125)
Profit/(loss) from operations	(58 405)	109 331	149 721	59 835	59 449	29 988	-49.6%	29 039	34 576
Depreciation	(50 445)	(52 403)	(52 545)	(34 675)	(66 692)	(54 459)	-18.3%	(57 019)	(59 641)
Government grants in respect of assets	12 918	21 739	16 961	13 499	16 818	17 243	2.5%	17 243	17 243
Profit/(loss) before other income/expenses, interest and tax	(95 931)	78 668	114 137	38 658	9 575	(7 228)	-175.5%	(10 736)	(7 823)
Other income	4 662	2 639	3 223	9 774	-	300	0.0%	314	329
Other non-operating expenses	(17 108)	(21 011)	(43 708)	(22 833)	(26 917)	(24 166)	-10.2%	(20 318)	(21 119)
Profit/ (loss) before interest, corporate charges and tax	(108 377)	60 295	73 652	25 599	(17 342)	(31 093)	79.3%	(30 740)	(28 613)
Finance Income or Costs	27 551	17 640	33 319	47 391	18 941	34 277	81.0%	35 388	36 526
Profit/ (loss) before corporate charges and tax	(80 827)	77 935	106 971	72 990	1 598	3 184	99.2%	4 648	7 913
Taxation	37 270	(20 849)	(18 352)	(9 960)	-	-	0.0%	-	-
Net profit/ (loss) for the period	(43 555)	57 086	88 619	63 030	1 598	3 184	99.2%	4 648	7 913

Table 24: Statement of Group Financial Performance

\*\* The profit reflected in the Statement of group financial performance, above, is an accounting surplus and does not represent a cash profit

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## Commercial Revenue

Revenue of R534.1 million in the first year of the planning period is projected to have an overall increase of 8.6% from the FY2023/24 budget. The growth in revenue is expected to reach R598.4 million in FY2026/27.

The growth assumptions consider the current economic conditions, competitive landscape as well the anticipated impact of new initiatives to grow the conformity assessment business. Revenue consists of Certification, Laboratory Services, Standards sale, Certificate of Compliance. Business Solutions and Advisory services (BSAS) which comprises of Training, SMME and new business in the form of consulting.

Certification revenue is the largest contributor to revenue at 58.7% followed by Laboratory services at 31.0%. The Local Content Verification scheme is expected to contribute positively to the certification income in the FY2024/25.

The revenue growth of R11.0 million is expected from budgeted revenue for FY2023/24 to R165.3 million in FY2024/25 representing an increase of 7.1% for Laboratory services. The revenue for Laboratory service is expected to increase to R185.2 million in FY2026/27 financial year. The growth in revenue will be mainly driven by the replacement and improvement in testing Infrastructure.

Certification Services revenue is expected to grow by R26.2 million from FY2023/24 budget to R313.5 million in FY2024/25 financial year. The revenue will grow by 12.0% from FY2024/25 budget to R351.3 million by FY2026/27

Sale of Publications is expected to increase by 9.0% from FY2023/24 budget to R40.0 million in FY2024/25, revenue is projected at R42.1 million for the FY2025/26 while growing to R44.8 million in FY2026/27. Customer partnering department is expected to play significant role on the growth in revenue.

The BSAS projected revenue is R15.3 million in FY2024/25 growing to R17.1 million in FY2026/27 with emphasis on training and consulting services.

## Other income

Rental income, sundry income and realised gains from investments are included as part of other income. The rental income generated from the optimisation of SABS property will be partly allocated to fund infrastructure.

## Government grant

The MTEF government grant funding allocation in FY2024/25 is anticipated at R259.4 million. The grant funding allocation is expected to increase by 3.3% and 4.0% in FY2025/26 and FY2026/27 respectively leading to grant amount of R267.8 million and R278.6 million in FY2025/26 and FY2026/27 respectively. The dtic confirm grant allocation on an annual basis.

## Administrative and operating expenses

Administrative and operating expenses are expected to grow from R816.2 million to R894.3 million over the MTEF planning period. The growth in these expenses is driven mainly by employee benefit costs which constitute on average 63.3% of the budgeted administrative and operating expenses over the MTEF period.

Employee benefit expenses is expected to increase from R508.9 million in FY2024/25 to R571.0 million in FY2026/27 due to filling of critical positions as well as the upward cost of living adjustments. In addition, the SABS has made provision for the graduate and youth development programmes as well as the implementation of the salary harmonisation process.

The budgeted contract services are expected to decrease by 11.2% from the budgeted FY2023/24, the decrease is mainly due to cost containment initiatives.

Marketing and communications costs are expected to increase to R6.6 million in line with extensive stakeholder engagements and the proactive marketing plan that the SABS will embark on. The marketing budget is of strategic importance to the SABS considering the mandate and competitive environment. Marketing of SABS brand and product offerings is critical to the success of the turnaround strategy. The SABS will continue to drive the message to the market to re-institute the quality brand that the SABS stands for and



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create awareness both at customer and consumer level using digital platforms. The increase is mainly as a result of lower spending in the prior year.

The Consulting and technical fees is budgeted to increase to R16.0 million mainly to improve efficiency, implement digitalisation in the group.

Consumables are forecasted to grow to R17.8 million in FY2024/25 from the FY2023/24 budget of R 17.0 million. The increase in consumables is driven by the expected increase in revenue from LSD as more revenue generated, will result in higher consumable and the upgrading of laboratories which is expected to increase the capacity in the laboratories.

Foreign travel costs are expected to increase significantly, this is to allow for SABS to continue playing pivotal roles in the international Standards and ensure that the South African interest *is* considered while developing international Standards.

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**

The SABS is projecting to record a net of R3.2 million, R4.6 million and R7.9 million in FY2024/25, FY2025/26, and FY2026/27 respectively.

## 12.2 Statement of group financial position

	Actual 2020/21 R'000	Actual 2021/22 R'000	Actual 2022/23 R'000	Forecast 2023/24 R'000	Budget 2024/25 R'000	Budget 2025/26 R'000	Budget 2026/27 R'000
<b>ASSETS</b>							
<b>Non-current assets</b>	<b>915,390</b>	<b>921,976</b>	<b>925,043</b>	<b>1,011,797</b>	<b>1,123,379</b>	<b>1,181,621</b>	<b>1,272,525</b>
Fixed Assets	717,239	726,912	732,674	730,228	805,653	852,762	919,908
Intangible Assets	14,175	15,416	12,870	76,830	113,056	128,289	124,316
Right of use assets	23,022	15,865	8,348	22,734	16,015	4,955	25,406
Deferred tax	40,619	31,045	33,620	33,621	33,621	33,621	33,621
Investments at FVTPL	120,335	132,738	137,531	148,385	155,033	161,993	169,274
<b>Current assets</b>	<b>631,162</b>	<b>572,262</b>	<b>675,637</b>	<b>627,778</b>	<b>537,673</b>	<b>502,126</b>	<b>428,078</b>
Inventory	4,618	3,962	4,322	4,425	4,425	4,425	4,425
Trade and Other receivables	168,928	162,110	190,558	184,071	192,685	202,094	211,784
Cash and cash equivalents	457,616	406,190	480,757	439,282	340,564	295,607	211,870
<b>Total assets</b>	<b>1,546,552</b>	<b>1,494,238</b>	<b>1,600,680</b>	<b>1,639,576</b>	<b>1,661,052</b>	<b>1,683,746</b>	<b>1,700,603</b>
<b>EQUITY AND LIABILITIES</b>							
<b>Equity and reserves</b>	<b>780,410</b>	<b>838,891</b>	<b>930,453</b>	<b>968,443</b>	<b>971,626</b>	<b>976,274</b>	<b>984,188</b>
Accumulated profit/(loss)	694,527	751,620	840,241	878,231	881,414	886,062	893,976
Capital and Reserves	85,883	87,271	90,212	90,212	90,212	90,212	90,212
<b>LIABILITIES</b>							
<b>Non-current liabilities</b>	<b>483,701</b>	<b>454,408</b>	<b>455,498</b>	<b>493,873</b>	<b>507,235</b>	<b>521,927</b>	<b>515,227</b>
Employment benefit obligations	73,717	70,552	66,657	68,260	69,223	69,870	70,417
Deferred income	395,100	381,605	388,045	410,444	426,650	447,744	429,671
Deferred tax	-	-	-	-	-	-	-
Lease liability	14,884	2,251	796	15,169	11,362	4,314	15,139
<b>Current liabilities</b>	<b>282,441</b>	<b>200,939</b>	<b>214,729</b>	<b>177,260</b>	<b>182,191</b>	<b>185,544</b>	<b>201,189</b>
Trade and Other payables	242,318	162,769	180,299	140,076	146,660	153,553	160,770
Provisions	-	1,436	1,566	1,566	1,566	1,566	1,566
Employment benefit obligations	9,091	8,574	8,806	9,018	9,145	9,511	9,891
Lease liability	9,527	9,816	8,279	10,113	7,575	2,876	10,093
Deferred income	21,505	18,344	15,779	16,487	17,246	18,039	18,869
<b>Total equity and liabilities</b>	<b>1,546,552</b>	<b>1,494,238</b>	<b>1,600,680</b>	<b>1,639,575</b>	<b>1,661,052</b>	<b>1,683,746</b>	<b>1,700,603</b>

Table 25: Statement of Group Financial Position

The SABS anticipates total assets to increase to R1.7 billion over the MTEF period. Fixed Assets are expected to increase to R919.9 million by the end of the MTEF period resulting from the digitisation strategy, infrastructure upgrades as well as the capital expansion in the Laboratory Services division as per the capex program. The capital investment will be funded through a combination of grant funding from the fiscus and own funds.

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### 12.3 Group capital expenditure

Description	CAPEX BUDGET 2024/25 - 2026/27 ( R'M)			Grand Total
	2024/25	2025/26	2026/27	
Investment in infrastructure and digitization	154.8	108.3	112.8	376.0

Table 26: Group Capital Expenditure FY2024-2027

A capital expansion plan of R376.0 million has been budgeted for the next three-year period. The capital budget is focused on three areas namely Laboratory services, Facilities and ICT. The capital expenditure budget for Laboratory services will be mainly allocated towards upgrading those laboratories that support the SABS Mark and agreements with regulators. The facilities budget relates to work on upgrading the current aged infrastructure. The investment in ICT will be to digitise the SABS to improve operational efficiencies. The capital expenditure will be funded from the grant received from the shareholder as well as from internal funding.

## 12.4 Projected group cash flow statement

	Actual 2020/21 R'000	Actual 2021/22 R'000	Actual 2022/23 R'000	Forecast 2023/24 R'000	Budget 2024/25 R'000	Budget 2025/26 R'000	Budget 2026/27 R'000
<b>Cash inflow from operating activities</b>	10,033	15,625	95,406	32,940	29,141	37,253	42,821
Cash received from customers	453,672	498,014	470,755	528,691	542,475	577,300	612,640
Cash received from Government	214,706	267,064	273,099	248,847	269,376	277,824	288,621
Cash paid to suppliers and employees	(688,769)	(767,507)	(653,577)	(771,977)	(818,240)	(854,552)	(896,301)
Cash generated from/(utilised by) operations	(20,391)	(2,429)	90,277	5,561	(6,389)	572	4,960
Tax paid	-	-	(27,469)	(16,619)	-	-	-
Net finance income	30,424	18,054	32,598	43,998	35,530	36,681	37,861
<b>Cash (outflow)/ inflow from investing activities</b>	(73,917)	(50,411)	(14,744)	(62,370)	(115,670)	(69,170)	(112,800)
Purchase of PPE	(67,063)	(49,895)	(35,869)	(101,500)	(154,800)	(108,300)	(112,800)
Purchase of intangible assets	(1,195)	(5,074)	(614)	-	-	-	-
Proceeds on disposal of PPE	-	210	-	-	-	-	-
Purchase of available for sale investments	(5,659)	-	-	-	-	-	-
Disposal of available for sale investments	-	-	-	-	-	-	-
Infrastructure grant funding received	-	4,348	21,739	39,130	39,130	39,130	-
<b>Cash inflow/(outflow) from financing activities</b>	(10,388)	(16,640)	(6,095)	(12,045)	(12,190)	(13,040)	(13,759)
Payment of lease liability	(10,388)	(16,640)	(6,095)	(12,045)	(12,190)	(13,040)	(13,759)
Funding of Government specific projects	-	-	-	-	-	-	-
<b>Increase in cash and cash equivalents</b>	(74,272)	(51,426)	74,567	(41,475)	(98,719)	(44,957)	(83,737)
<b>Cash and cash equivalents at beginning of year</b>	531,888	457,616	406,190	480,757	439,282	340,564	295,607
<b>Cash and cash equivalents at end of year</b>	457,616	406,190	480,757	439,282	340,564	295,607	211,870

Table 27: Projected Group Cash Flow Statement

The SABS' cash and cash equivalents comprise of the infrastructure funds, the investment portfolio, and the net working capital. The balances include R87.0 million additional funding support over the planning period for ageing testing infrastructure from the shareholder.

Cash and cash equivalents of R 211.9 million is projected as at 31 March 2027. This represents a decrease of R268.9 million from 31 March 2023, mainly due to funding capital replacements and/or expansions totalling R376.0 million over the MTEF budget period as well as operational requirements.

The SABS will continue with requesting the core funding payments in advance to assist with the cash flow management to enhance return on cash invested.

## 12.5 Aligning the SABS strategic objectives to budget allocations

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.

Strategic Objective	Outcome Indicator	YTD December Actual		Budget					
		FY2023/24		FY2024/25		FY2025/26		FY2026/27	
		Income (m)	Expenses (m)	Income (m)	Expenses (m)	Income (m)	Expenses (m)	Income (m)	Expenses (m)
Achieve and maintain financial sustainability through growth in revenue and, return on investments and cost containment	Achieve 5% Operating Margin of the SABS Group	N/A	N/A	R287.0	R95.9	R296.9	R101.5	R309.3	R109.0
	Attain 2.5% Return on Net Assets of the SABS Group								
	Attain 5% Net Cash from Operations as a percentage of cash receipts of the SABS Group								
	Growth in revenue of 5% Year-on-Year of the SABS Group								
Develop, promote and increase the use of standards and conformity assessment services that address market needs	Publish 360 standards	N/A	N/A	R543.9	R446.7	R573.2	R463.6	R607.0	R488.3
	Publish 80% of standards aligned to the re-imagined priority sectors								
	Develop one new Certification Scheme								
	Conduct 4 outreach projects								
Embed good governance, stakeholder relations, internal processes and systems that drive continuous improvement	Conduct 20 case studies on customer value	N/A	N/A	N/A	R93.5	N/A	R97.6	N/A	R101.8
	Roll out a Planning and Scheduling tool to at least 10 laboratories								
	Achieve customer satisfaction index of 75%								
	Maintain all Accreditations for Laboratory and Certification products and services								
	Process mapping of 80% of key business process								

Strategic Objective	Outcome Indicator	YTD December Actual		Budget					
		FY2023/24		FY2024/25		FY2025/26		FY2026/27	
		Income (m)	Expenses (m)	Income (m)	Expenses (m)	Income (m)	Expenses (m)	Income (m)	Expenses (m)
Invest in infrastructure and technology that supports an enabling environment for sustainability	Implementation of 60% of approved Infrastructure Plan	N/A	N/A	R32.8	R180.4	R28.9	R186.3	R30.1	R192.5
	Implement 50% of the ICT Digital Transformation plans								
Build a high-performance culture, through inclusivity, diversity and agility	Approval of Talent Management Framework	N/A	N/A	N/A	R44.1	N/A	R45.5	N/A	R47.0
	Approval of Succession Plan for key positions Employee engagement rate								
	Implement at least 80% of staff training budget								
	Recruit 60 Interns - Graduate Development programme								
	Implement at least 50% of the approved Culture Change Plan Supporting the economic participation of women, youth, and people with disabilities								
Total		N/A	N/A	R863.8	R860.6	R899.2	R894.5	R946.5	R938.6

Table 28: Aligning Budget to targets

Notes:

The divisional income and expenses exclude intercompany sales and purchases. \*Exclude BSAS (SMME and Training Academy)

YTD December Actual FY 2023/24 is N/A due to the new Outcome Indicators included from 2024/25 to 2026/27. The responsible official will split the budget appropriately aligned to the Strategic outcome indicators.

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## **PART G: RISK AND FRAUD MANAGEMENT**

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## 13 RISK MANAGEMENT AND FRAUD PLANS

The SABS has both a legislative mandate and a commercial interest to ensure its long-term sustainability. Section 51(1)(a)(i) of the PFMA requires the Accounting Authorities to ensure that their Institutions have and maintain effective, efficient, and transparent systems of risk management.

Enterprise risk management is an integral part of the SABS' effort towards opportunity maximisation. The Accounting Authority is ultimately responsible to manage risk in pursuit of organisational goals and objectives.

The Accounting Authority also recognises that the realisation of its mandate depends on the leadership team being able to take calculated risks without compromising the SABS' legislative mandate and delivery of quality service to all stakeholders.

### 13.1 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.

The risk and compliance department headed by the Chief Risk Officer 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

### 13.2 SABS Risk Management Framework



Figure 10: 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 11: Risk Management Plan

### 13.3 Strategic Risks Register

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 Corporate Plan targets.

#### Strategic Objectives 3: To achieve and maintain sustainability

Risk Theme	Risk Contributors	Residual Risk Rating	Action Plans	Implementation Dates	Responsible Official(S)
Inadequate revenue generation	<ul style="list-style-type: none"> <li>Unsatisfactory turnaround time for delivery of services</li> <li>Outdated testing equipment</li> <li>Lack of coordination on delivery of services</li> <li>Loss of active customers</li> <li>Inadequate pipeline projects to enhance revenue collection.</li> <li>Inadequate revenue management</li> <li>Poor ability to develop and launch new products as required by the market</li> </ul>	High	Develop and execute the new business pipeline from sales to revenue conversion	31 June 2024	Head: Customer Partnering
			Conclude partnerships with additional laboratories to enhance SABS testing capability	31 September 2024	Head: Laboratory Services
			Increase legal collections to manage of debt of 150 days initially to manage backlog then 120 days going forward. We have now appointed a legal credit controller to close this gap.	31 June 2024	CFO
			Develop new products, Schemes and Solutions	Monthly	Revenue generation units
			Effectively managing permit/certificate cancellations due to non-payment	Monthly	CFO & Head Certification
			Implementation of sales initiatives: <ul style="list-style-type: none"> <li>Increase sales accepted tender/proposal value!</li> <li>Increase use of standards</li> <li>Increase accepted quotation value</li> <li>Increase Transfer Audits Quotations</li> </ul>	Monthly	Head: Customer Partnering
			Targeted initiatives on all platforms for new and established standards and to create awareness of SABS as thought leader	31 March 2025	Head: Customer Partnering
Profitability performance (Efficiency)	<ul style="list-style-type: none"> <li>High Operational Costs</li> <li>High Employee costs</li> <li>Operational inefficiencies</li> </ul>	Medium	Upgrading the aging infrastructure to improve productivity and operational efficiencies (Capex Implementation)	31 March 2025	Group COO
			<ul style="list-style-type: none"> <li>Strengthening of cost containment measures including.</li> <li>Laboratory profitability assessments</li> <li>Review of travel contracts</li> <li>Review contract Services</li> <li>Review consulting Services</li> </ul>	Monthly	CFO and Management

Risk Theme	Risk Contributors	Residual Risk Rating	Action Plans	Implementation Dates	Responsible Official(S)
			<ul style="list-style-type: none"> <li>Review overtime cost in against capacitation and resource constraints</li> <li>Explore settlement discounts for early payments.</li> <li>Participation in state transversal contracts to obtain additional discounts</li> </ul>		
			Development and implementation of fruitless and wasteful expenditure policy and procedure which makes this organisation-wide responsibility	31 April 2024	CFO
			Perform annual reviews of credit limits for customers - to whom credit has been granted, are still credit worthy and that their financial health has not deteriorated	Monthly	CFO
			Implementation of budget management controls including formalising the budget hold process to manage the risk of over expenditure	Monthly	CFO and Management

**Strategic Objectives 1: 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**

Risk Theme	Risk Contributors	Residual Risk Rating	Action Plans	Implementation Dates	Responsible Official(S)
Standards development, Governance & Promotion	<ul style="list-style-type: none"> <li>Inadequate oversight and management of standards</li> <li>Inadequate standards professionals in the Division projects</li> <li>Inadequate TC/SC/WG expert representation</li> <li>Inadequate understanding of standards development processes by TC/SC/WG members</li> </ul>	Low	Promote the uptake of SANS by government departments/SOEs/regulators and related public sector entities to support policy and regulatory objectives	31 September 2024	Head: Standards
			effective management of standards projects to reduce number of overdue projects	Monthly	Head: Standards
			Implementation of STDs stakeholder engagement plan (National, Regional and Global participation)	31 March 2025	Head: Standards
			Implementation of standards efficiency initiatives for improvement in: <ul style="list-style-type: none"> <li>Productivity</li> <li>Average number of days to publish standards.</li> <li>Queries and complaint resolution</li> <li>Number of standards published annually</li> </ul>	Monthly	Head: Standards
			Develop & implement a marketing plan for published standards	31 September 2024	Head: Customer Partnering

#### Strategic Objectives 4: To create and maintain a high-performance and good governance culture

Risk Theme	Risk Contributors	Residual Risk Rating	Action Plans	Implementation Dates	Responsible Official(S)
Inadequate management of talent and performance	<ul style="list-style-type: none"> <li>Ineffective management of performance</li> <li>Lack of effective methodologies for monitoring of productivity</li> <li>Lack of a talent management plan</li> <li>Inadequate incentives to attract talent</li> <li>Non-compliance to HC policies</li> <li>Sub-optimal relationship with stakeholders and labour</li> </ul>	High	Implementation of the L&D Plan	31 March 2025	Head: Human Capital
			Implementation of Structure Migration Plan	31 Dec 2023	Head: Human Capital
			Develop and implement Employee Value Proposition (EVP) Model	31 March 2025	Head: Human Capital
			Develop and implement SABS transformation and culture programme	31 March 2024	Head: Human Capital
			Review and implement SABS reward charter	31 Oct 2024	Head: Human Capital
			Implementation of Competency Development Programme (CDP)	31 June 2024	Head: Human Capital
			Implementation of Performance Management Framework Performance Contracting April/May 2024 Midyear Performance reviews – Oct 2024 Final Performance reviews – April 2025	31 March 2025 (as per PM Cycle)	Head: Human Capital

#### Strategic Objectives 2: To provide integrated conformity assessment solutions that respond to industrial policy, public and market needs

Risk Theme	Risk Contributors	Residual Risk Rating	Action Plans	Implementation Dates	Responsible Official(S)
Loss of Accreditation	<ul style="list-style-type: none"> <li>Inadequate adherence to SABS accreditation management system including policies and procedures</li> <li>Inadequate oversight of accreditation requirements</li> <li>Lack of proper root cause analysis and subsequent corrective action to clear non-conformances</li> <li>Loss of technical signatories or competent staff</li> <li>Inadequate ICT tools</li> </ul>	Medium	Maintain Accreditation and ensure timeous submission of corrective actions to external accreditation bodies <ul style="list-style-type: none"> <li>LSD: ISO 17025, 17043 and OECD GLP, SAHPRA</li> <li>Certification: SANAS, FSSC, FSC &amp; RVA</li> </ul>	31 March 2025	Heads: Accreditation, LSD and Certification
			Validation and closing of audit findings	Monthly	Head: Accreditation
			Maintain and increase number of technical signatories	31 September 2024	Head: LSD
			Implementation an Impartiality Framework	Monthly	Head: Accreditation
			Training/Calibration of staff and management on Systems certification Scheme	31 Dec2024	Head: Accreditation
			Optimise utilization of CRM and other SABS information systems	Monthly	Head: Accreditation

### 13.4 Fraud prevention plan

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)

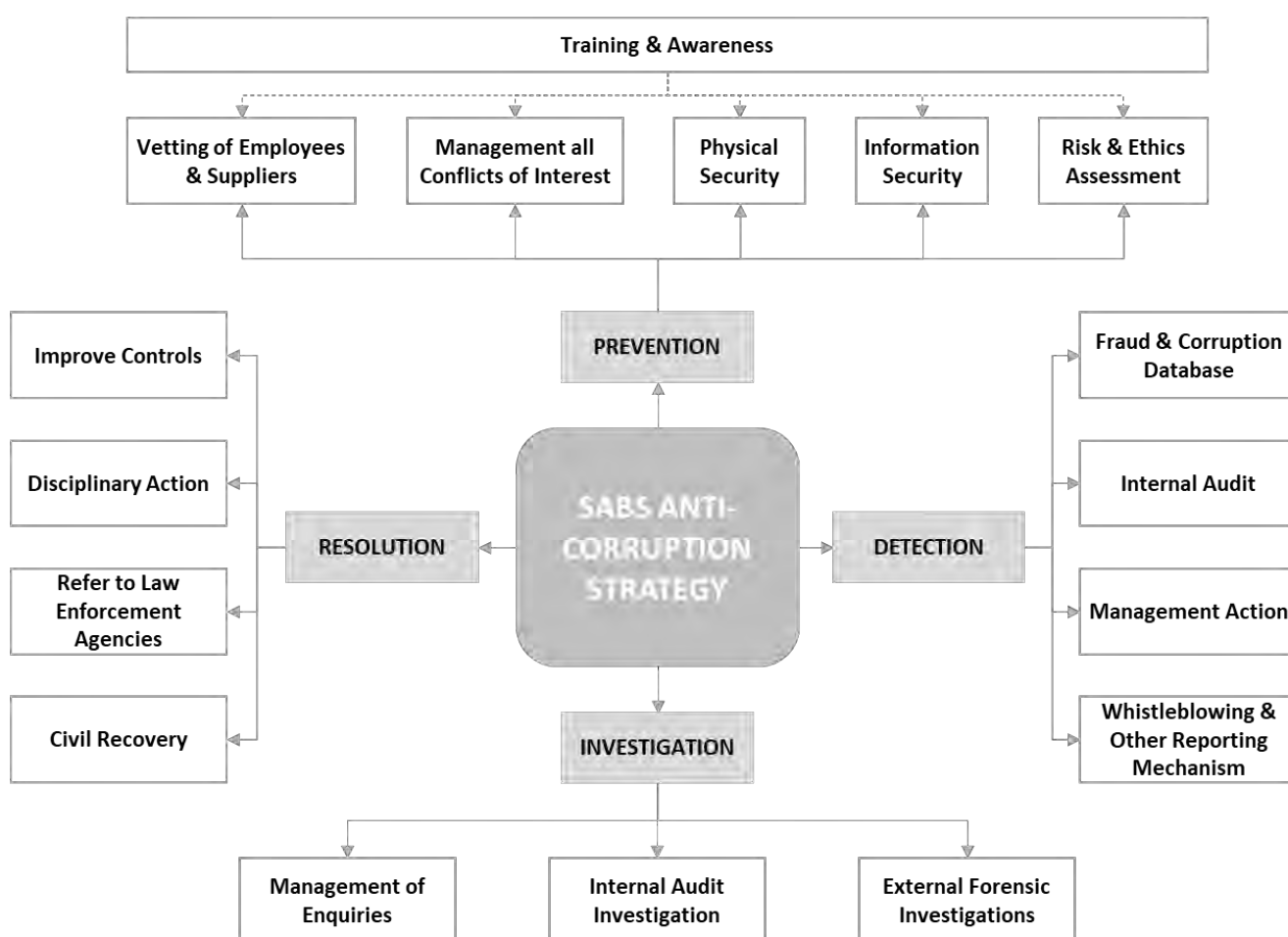


Figure 8: Elements of the Corruption and Fraud Management Strategy

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			
Physical security controls			
Recruitment checks			
Resolution (Referring to law enforcement agencies and recovery)			
Review and reporting			

Figure 12: SABS Integrated Anti-Corruption and Fraud Prevention Plan

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## **ANNEXURES**

## ANNEXURE A: FINANCIAL PROJECTIONS OF SABS COMMERCIAL SOC

### 14 Statement of financial performance: SABS Commercial SOC

SABS COMMERCIAL SOC LTD	Actual R'000 2020/21	Actual R'000 2021/22	Actual R'000 2022/23	YTD R'000 Dec-23	Budget R'000 2023/24	Budget R'000 2024/25	Budget R'000 2025/26	Budget R'000 2026/27
Revenue	383 419	417 765	426 223	301 469	529 497	568 173	599 991	636 590
Group sales (trade)	-	-	1 333	(22)	87 821	89 303	94 304	100 057
Laboratory Services	102 200	113 811	129 156	95 524	154 348	165 331	174 590	185 240
SMME	708	1 063	179	-	-	-	-	-
Certificate of compliance	11 486	19 475	12 288	7 681	-	-	-	-
Training	5 149	8 629	9 195	-8	-	-	-	-
Product and system certification	263 877	274 787	274 073	198 295	287 328	313 539	331 097	351 294
Other Income	10 877	7 251	-	0	6 666	7 000	7 329	7 666
Sundry income	10 877	7 251	-	0	6 666	7 000	7 329	7 666
Government Grant	100 492	29 865	10 520	-	19 348	10 000	10 000	10 000
Other income	93 687	10 773	10 520	-	19 348	10 000	10 000	10 000
Other income Recognised	6 805	19 092	-	-	-	-	-	-
<b>Total income</b>	<b>494 787</b>	<b>454 880</b>	<b>436 744</b>	<b>301 470</b>	<b>555 511</b>	<b>585 173</b>	<b>617 320</b>	<b>654 256</b>
Administrative and operating expenses	- 355 831.2	- 311 103.7	(302 661)	(245 977)	(446 996)	(506 463)	(530 390)	(557 490)
Employee benefits	(318 401)	(257 910)	(226 109)	(180 649)	(238 289)	(291 040)	(307 287)	(326 570)
Contract Services	(11 556)	(13 534)	(19 715)	(15 677)	(14 622)	(16 623)	(16 883)	(17 129)
Premises costs	93	48	393	(944)	(42 316)	(45 348)	(47 479)	(49 663)
Marketing & Communication	(10)	(15)	(14)	(1 903)	(3 982)	(4 661)	(4 880)	(5 105)
Consulting & Technical Fees	(87)	(10)	(2 402)	(2 525)	(1 518)	(6 669)	(6 773)	(6 872)
Consumables	(6 656)	(10 266)	(9 499)	(4 853)	(10 840)	(11 320)	(11 496)	(11 664)
Travel foreign	(173)	(1 652)	(2 468)	(8 858)	(12 018)	(11 961)	(12 056)	(12 153)
Travel local	(7 416)	(11 986)	(22 883)	(15 407)	(16 836)	(17 474)	(17 726)	(17 985)
Municipal services	(1 432)	(1 482)	(1 809)	(653)	(2 151)	-	-	-
Other operating expenses	(10 193)	(14 296)	(18 155)	(14 507)	(104 424)	(101 366)	(105 808)	(110 348)
<b>Profit/(loss) from operations</b>	<b>128 079</b>	<b>136 526</b>	<b>134 082</b>	<b>55 492</b>	<b>108 515</b>	<b>78 710</b>	<b>86 930</b>	<b>96 766</b>
Depreciation	(58 856)	(54 155)	(53 667)	(36 568)	(28 847)	(23 792)	(24 910)	(26 056)
Government grants in respect of assets	5 603	8 975	7 795	6 076	5 342	7 930	7 930	7 930
Profit/(loss) before other income/expenses, interest and tax	74 827	91 346	88 210	25 000	85 010	62 849	69 951	78 641
Other income	2 131	451	7 171	6 103	-	-	-	-
Other non-operating expenses	(13 567)	(13 585)	(26 342)	(11 141)	(15 357)	(13 940)	(9 612)	(9 920)
Profit/ (loss) before interest, corporate charges and tax	74 267	85 462	69 039	19 962	69 653	48 909	60 339	68 721
Finance income/ (costs)	- 28 126.14	(23 020)	(8 764)	5 536	4 099	10 645	10 645	10 645
<b>Profit/ (loss) before corporate charges and tax</b>	<b>46 141</b>	<b>62 442</b>	<b>60 275</b>	<b>25 498</b>	<b>73 752</b>	<b>59 554</b>	<b>70 984</b>	<b>79 365</b>
Corporate services	(23 926)	(0)	-	-	-	-	-	-
Profit/ (loss) before tax	22 215	62 442	60 275	25 498	73 752	59 554	70 984	79 365
Taxation	37 270	(18 411)	(18 352)	(9 960)	-	-	-	-
<b>Net profit/ (loss) for the period</b>	<b>59 486</b>	<b>44 032</b>	<b>41 923</b>	<b>15 538</b>	<b>73 752</b>	<b>59 554</b>	<b>70 984</b>	<b>79 365</b>

Table 29: Statement of financial performance: SABS Commercial SOC



**15 Statement of financial position: SABS Commercial SOC**

	Actual 2020/21 R'000	Actual 2021/22 R'000	Actual 2022/23 R'000	Forecast 2023/24 R'000	Budget 2024/25 R'000	Budget 2025/26 R'000	Budget 2026/27 R'000
<b>ASSETS</b>							
<b>Non-current assets</b>	<b>279,488</b>	<b>232,310</b>	<b>216,641</b>	<b>280,022</b>	<b>267,420</b>	<b>311,019</b>	<b>410,015</b>
Fixed Assets	102,072	110,402	121,738	170,488	172,350	184,913	230,411
Right of use assets	136,798	90,873	61,283	75,898	61,435	92,471	145,969
Deferred tax	40,619	31,035	33,620	33,635	33,635	33,635	33,635
<b>Current assets</b>	<b>265,361</b>	<b>253,650</b>	<b>264,134</b>	<b>287,703</b>	<b>354,586</b>	<b>431,556</b>	<b>480,557</b>
Trade and Other receivables	150,385	144,354	152,314	138,700	132,321	188,284	198,781
VAT receivables	-	-	7,519	-	-	-	-
Cash and cash equivalents	114,977	109,296	104,301	149,003	222,266	243,272	281,776
<b>Total assets</b>	<b>544,850</b>	<b>485,960</b>	<b>480,775</b>	<b>567,725</b>	<b>622,007</b>	<b>742,575</b>	<b>890,572</b>
<b>EQUITY AND LIABILITIES</b>							
<b>Equity and reserves</b>	<b>105,193</b>	<b>155,458</b>	<b>198,067</b>	<b>271,780</b>	<b>331,333</b>	<b>402,317</b>	<b>481,683</b>
Share capital	100,000	100,000	100,000	100,000	100,000	100,000	100,000
Accumulated profit/(loss)	(7,039)	43,262	84,014	157,766	217,320	288,304	367,670
Capital and Reserves	12,232	12,196	14,053	14,013	14,013	14,013	14,013
<b>LIABILITIES</b>							
<b>Non-current liabilities</b>	<b>239,924</b>	<b>190,927</b>	<b>121,585</b>	<b>173,574</b>	<b>169,573</b>	<b>210,415</b>	<b>263,026</b>
Employment benefit obligations	30,700	30,109	29,071	32,975	32,390	34,357	36,283
Deferred income	66,467	59,484	53,094	53,064	83,958	114,839	145,704
Loans from Group companies	17,220	19,299	(0)	-	-	-	-
Lease liability	125,537	82,035	39,420	87,535	53,225	61,219	81,038
<b>Current liabilities</b>	<b>199,733</b>	<b>139,575</b>	<b>161,123</b>	<b>122,372</b>	<b>121,100</b>	<b>129,843</b>	<b>145,863</b>
Trade and Other payables	122,989	78,863	96,631	64,279	67,101	70,024	73,048
Employment benefit obligations	3,151	2,958	3,174	1,556	4,279	4,450	4,628
Loans from Group companies	30,759	-	1,677	-	-	-	-
Tax Payable	-	11,262	7,287	7,287	7,287	7,287	7,287
Lease liability	37,004	35,609	45,741	30,786	35,483	40,813	53,298
VAT Payable	-	2,866	-	11,820	-	-	-
Deferred income	5,830	8,017	6,613	6,644	6,950	7,269	7,602
<b>Total equity and liabilities</b>	<b>544,850</b>	<b>485,960</b>	<b>480,775</b>	<b>567,726</b>	<b>622,007</b>	<b>742,575</b>	<b>890,572</b>

Table 30: Statement of financial position: SABS Commercial SOC

**16 Projected cash flow statement: SABS Commercial SOC**

	Actual 2020/21 R'000	Actual 2021/22 R'000	Actual 2022/23 R'000	Forecast 2023/24 R'000	Budget 2024/25 R'000	Budget 2025/26 R'000	Budget 2026/27 R'000
<b>Cash inflow from operating activities</b>	269,762	182,376	106,203	138,384	74,935	37,061	92,122
Cash received from customers	413,467	406,201	411,923	500,191	572,167	546,300	628,394
Cash received from Government	93,687	19,092	-	-	10,000	10,000	10,000
Cash paid to suppliers and employees	(239,270)	247,175	282,389	(318,760)	(517,877)	(529,884)	(556,917)
Cash generated from/(utilised by) operations	267,883	178,118	129,534	181,431	64,290	26,416	81,477
Tax paid			(27,469)	(47,547)			
Net finance income	1,879	4,258	4,138	4,499	10,645	10,645	10,645
<b>Cash (outflow)/ inflow from investing activities</b>	(24,768)	(25,804)	(24,536)	(21,050)	27,940	16,800	(16,584)
Purchase of PPE	(24,768)	(29,116)	(23,923)	(21,050)	(11,190)	(22,330)	(55,714)
Purchase of intangible assets	-	(1,036)	(613)	-			
Infrastructure grant funding received	-	4,348	-	-	39,130	39,130	39,130
<b>Cash inflow/(outflow) from financing activities</b>	(268,169)	(162,253)	(86,662)	(72,631)	(29,613)	(32,855)	(37,034)
Repayment of loan from group companies	(265,000)	(158,000)	(82,359)	(69,327)			
Lease liability payment	(3,169)	(4,253)	(4,303)	(3,304)	(29,613)	(32,855)	(37,034)
<b>Increase in cash and cash equivalents</b>	(23,175)	(5,681)	(4,995)	44,703	73,262	21,006	38,504
<b>Cash and cash equivalents at beginning of year</b>	138,152	114,977	109,296	104,301	149,003	222,266	243,272
<b>Cash and cash equivalents at end of year</b>	114,977	109,296	104,301	149,003	222,266	243,272	281,776

Table 31: Cash flow statement: SABS Commercial SOC

## ANNEXURE B: MATERIALITY STATEMENT

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
<b>Section 50(1)</b>  <b>The accounting authority for a public entity must:</b>	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.
<b>Section 55(2)</b>  <b>The annual report and financial statements referred to by PFMA Subsection 55 (1)(d) must:</b>	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  b) Include particulars of – (i) Any <b>material</b> 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 c) Include the financial statements of any subsidiaries.	<b>Qualitative:</b> Any such matter that the Board believes it will influence the users of the statements. <b>Quantitative:</b> As per guideline issued by National Treasury, materiality is calculated at 0.75% of total income: R6.0 million (based on 2022/23 total income of R799.4 million as per annual financial statements)  Disclose as prescribed  Disclose as prescribed  Disclose as prescribed Grants are agreed with the executive authority and declared in full  Disclose as prescribed  All subsidiaries are consolidated

Section	Requirement	SABS framework
<b>Section 54(2)</b>  <b>Before a public entity concludes any of the following transactions, the accounting authority for the public entity must promptly 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.</b>	a) Establishment of participation in the establishment of a company	For the establishment of a company in terms of the Companies Act: Each transaction separately approved
	b) Participation in a significant partnership, trust, unincorporated joint venture, or similar arrangement	For transaction not entailing incorporation in terms of the Companies Act: Materiality is calculated at 1.5% of total assets: R24.0 million (based on 2022/23 total assets of R1 600.6 million as per annual financial statements)
	c) Acquisition or disposal of a significant shareholding in a company	<ul style="list-style-type: none"> <li>Any transaction where ownership control is affected</li> <li>Where the SABS has the right to pass or block as special resolution is affected</li> <li>Change in ownership of at least 20.0%</li> </ul> For an acquisition, any transaction that results in a shareholding of at least 20.0% in a company
	d) Acquisition or disposal of a significant asset	All asset acquired or disposed, other than: <ul style="list-style-type: none"> <li>Those mention in 54(2)(a) and (b) above or</li> <li>Assets classified at current assets according to generally accepted accounting practise: <ul style="list-style-type: none"> <li>Materiality is calculated at 1.5% of total assets</li> <li>R24.0 million (based on 2022/23 total assets of R1 600.6 million as per annual financial statements)</li> </ul> </li> </ul>
	e) Commencement or cessation of a significant business activity; and	<ul style="list-style-type: none"> <li>A business activity that falls within the SABS core business, including standards development and the provision of conformity assessment services, do not require approval</li> <li>A business activity that falls outside the SABS core business:</li> <li>A business activity that falls outside the SABS core business:</li> <li>materiality is calculated at 1.5% of total assets: R24.0 million (based on 2022/23 total assets of R1 600.6 million as per annual financial statements)</li> </ul> <b>Qualitative</b> (both core and non-core): Consider whether the cessation of business activity will likely result in large-scale retrenchments
	a) A significant change in the nature or extent of its interest in a significant partnership, trust, unincorporated joint venture, or similar arrangement.	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: <ul style="list-style-type: none"> <li>calculated at 1.5% of total assets: R24.0 million (based on 2022/23 total assets of R1 600.6 million as per annual financial statements)</li> <li>Any change in the nature of the vehicle (partnership, trust, unincorporated joint venture, or similar arrangement)</li> <li>Any transaction that results in a cumulative interest of at least 20% in the vehicle</li> <li>Any subsequent transaction that results in an increase of the cumulative interest by at least 10% in the vehicle</li> </ul>
<b>Section 66(1)</b>	<ul style="list-style-type: none"> <li>An institution to which this Act applies may not borrow money or issue a guarantee, indemnity, or security, or</li> </ul>	Section 66(1)

Section	Requirement	SABS framework
	<p>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-</p> <ul style="list-style-type: none"> <li>○ Is authorised by this Act; and</li> <li>• In the case of public entities, is also authorized by other legislation not in conflict with this Act; and</li> <li>• 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).</li> </ul>	

Table 32: Materiality Framework

## ANNEXURE C: ANNUAL PERFORMANCE INDICATOR PROFILES

Indicator title	Achieve 5% operating margin of the SABS Group
<b>Definition</b>	Profitability ratio that reflects the SABS group's operating profit ratio to revenue generated
<b>Purpose / importance</b>	Improve the financial sustainability of the SABS through stable profit attainment which will ensure that the entity conducts its business that enables financial sustainability
<b>Source of data</b>	Quarterly Management Accounts Reports prepared in accordance with the SABS Financial Management Policies
<b>Method of calculation / assessment</b>	Calculated as: Profit from operation after depreciation and government grant in respect of assets / revenue) expressed as a percentage of Revenue
<b>Means of verification</b>	Calculated based on quarterly management accounts prepared in accordance with the SABS Financial Management Policies
<b>Assumptions</b>	No limitations
<b>Disaggregation of beneficiaries (where applicable)</b>	Target for women: N/A Target for youth: N/A Target for people with disabilities: N/A
<b>Spatial transformation (where applicable)</b>	Reflect on contribution to spatial transformation priorities: N/A Reflect on the spatial impact areas: N/A
<b>Calculation type</b>	Cumulative year- to-date
<b>New indicator</b>	Yes
<b>Reporting cycle</b>	Quarterly to Exco, Board and to the dtic
<b>Desired performance</b>	Equal or higher performance than targeted performance is desirable
<b>Indicator responsibility</b>	Chief Financial Officer

Title Indicator	Attain 5% net cash from operations of the SABS Group as a percentage of cash receipts of the SABS Group	5% Year-on-year growth in revenue of the SABS Group
Definition	An indicator of the SABS' ability to generate enough cash to cover its operations	A measure of the SABS' group revenue from prior financial year to current financial year
Purpose / importance	Improve the financial sustainability of the SABS through improved cash positive operational performance	Improve the financial sustainability of the SABS through increased revenue generation which will thus lead to improved profitability, cash generation and re-investment.
Source of data	Quarterly Management Accounts Reports prepared in accordance with the SABS Financial Management Policies	Quarterly Management Accounts Reports prepared in accordance with the SABS Financial Management Policies
Method of calculation / assessment	Calculated by measuring net cash flows generated from operations, as disclosed in the statement of cashflows divided by total cash receipts from operations	Calculated by measuring annual growth in revenue  (Current year revenue less Prior year revenue) / Prior year revenue
Means of verification	Quarterly Management Accounts Reports prepared in accordance with the SABS Financial Management Policies	Quarterly Management Accounts Reports prepared in accordance with the SABS Financial Management Policies
Assumptions	No limitations	No Limitations
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 year-to date	Cumulative year-to date
New indicator	Yes	Yes
Reporting cycle	Quarterly to Exco, Board and to the dtic	Quarterly to Exco, Board and to the dtic
Desired performance	Higher performance than targeted performance is desirable	Higher performance than targeted performance is desirable
Indicator responsibility	Chief Financial Officer	Chief Financial Officer

Indicator title	Publish 360 Standards	Publish 80% of standards aligned to the re-imagined priority sectors
<b>Definition</b>	Publish 360 Standards within the 2024/25 financial period and accessible on SABS Webstore	Publish and make accessible on SABS Webstore 80% of standards aligned to the re-imagined priority sectors as reflected in Annex D within the 2024/25 financial period
<b>Purpose / importance</b>	To ensure that a minimum of 360 standards are published annually	To publish South African standards that will support the reimagined industrial sectors
<b>Source of data</b>	SABSTAN Report on approval of Publications SABS Webstore Report	SABSTAN Report on approval of publications SABS Webstore Report
<b>Method of calculation/ assessment</b>	Count the number of standards published by the Standards Division for the 2024/25 period excluding the publications reflected in Annex D	Count the number of South African Standards supporting reimagined industrial priority sectors published as per the list in Annex D and calculate the percentage
<b>Means of verification</b>	Count the total number of Standards published during the 2024/25 period excluding the publications reflected in Annex D	Calculate the percentage of Standards published for the 2024/25 financial period as per the list in Annex D
<b>Assumptions</b>	No Limitations	No limitations
<b>Disaggregation of beneficiaries (where applicable)</b>	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
<b>Spatial transformation (where applicable)</b>	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
<b>Calculation type</b>	Cumulative year-to-date	Ratio based on year-to-date numbers
<b>New indicator</b>	Yes	No
<b>Reporting cycle</b>	Quarterly to Exco, Board and to <b>the dtic</b>	Quarterly to Exco, Board and to <b>the dtic</b>
<b>Desired performance</b>	Higher performance than targeted performance is desirable	Higher performance than targeted performance is desirable
<b>Indicator responsibility</b>	Chief Operating Officer	Chief Operating Officer



Indicator title	Develop one new Certification Scheme	Conduct 4 outreach projects
<b>Definition</b>	Development of a new scheme for assessing and verifying specific criteria or standards related to a product, service, or process	Outreach projects refer to organized initiatives or activities undertaken by the SABS to engage with and connect to communities in non-metro areas. These projects aim to raise awareness, provide support, or deliver specific services to target groups and fostering positive impact
<b>Purpose / importance</b>	Diversify SABS portfolio of services and expanding revenue	To create awareness of the SABS mandate and service offering in non-metro areas
<b>Source of data</b>	Project Status Reports	Completed outreach projects reports
<b>Method of calculation/ assessment</b>	Count the number of Schemes year to date against number of Schemes at the beginning of the year	Count the number of outreach projects completed at the end of each quarter
<b>Means of verification</b>	Q1 – Approval of project plan Q2 – Project Report (Framework) Q3 – Training Register Q4 – Signed off scheme development documentations	Event Programme, Photos, Articles etc.
<b>Assumptions</b>	No limitations	No limitations
<b>Disaggregation of beneficiaries (where applicable)</b>	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
<b>Spatial transformation (where applicable)</b>	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
<b>Calculation type</b>	Cumulative year-to-date	Cumulative year-to-date
<b>New indicator</b>	No	Yes
<b>Reporting cycle</b>	Quarterly to Exco, Board and to the dtic	Quarterly to Exco, Board and to the dtic
Higher performance than targeted performance is desirable <b>Desired performance</b>	Higher performance than targeted performance is desirable	Higher performance than targeted performance is desirable
<b>Indicator responsibility</b>	Chief Operating Officer	Chief Operating Officer

Indicator title	Conduct 20 case studies on customer value
Definition	These relate specifically to success stories through testimonials on the impact of having utilised SABS products and/ or services
Purpose / importance	To raise awareness of the SABS mandate and service offering and its contribution to the value proposition experience by the customer
Source of data	Case studies reports (measurable when the case study is completed)
Method of calculation/ assessment	Count the number of case studies conducted year to date
Means of verification	Case study report
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 year-to-date
New indicator	Yes
Reporting cycle	Quarterly to Exco, Board and to the dtic
Desired performance	Higher performance than targeted performance is desirable
Indicator responsibility	Chief Operating Officer

Indicator title	Roll out a planning and scheduling tool to at least 10 laboratories
Definition	Develop and implement a planning and scheduling tool in at least 10 labs
Purpose / importance	To implement a tool designed to improve planning and scheduling processes to deliver a test report
Source of data	Status Project Reports
Method of calculation/ assessment	Count the number of laboratories that have implemented a planning and scheduling tool in 2024/25
Means of verification	Proof of implementation by each lab
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 year-to-date
New indicator	Yes
Reporting cycle	Quarterly to Exco, Board and to the dtic
Desired performance	Higher performance than targeted performance is desirable
Indicator responsibility	Chief Operating Officer

Indicator title	Maintain all Accreditations for Laboratory and Certification services	Process mapping of 80% of key business process
<b>Definition</b>	Maintaining all accreditation for Laboratory and Certification services involves consistently upholding the standards, protocols, and requirements set by accrediting bodies to ensure the continued validity and recognition of the laboratory's capabilities and certification services	Reviewing, defining, and mapping of current business processes, ways of working and determination of opportunities for improvement ie: documenting AS-IS processes and TO-BE processes. This will be a phased-approach implementation: Phase I: Core Operational Areas (Certification, Customer Partnering, LDS, Standards, & LCV) Phase II: Support Areas
<b>Purpose / importance</b>	To ensure that the operating divisions maintain their accreditation status thereby enhancing its provision of quality assurance services	The purpose of mapping 80% of key business processes is to strategically focus on the most critical areas for improvement, efficiency, risk mitigation, and standardisation within the SABS, fostering a culture of continuous improvement and better operational management.
<b>Source of data</b>	Accreditation status reports from relevant Accreditation bodies	Process Mapping information provided by the Project Management Office
<b>Method of calculation/ assessment</b>	Total number of Accreditations minus the number of Accreditations lost (involuntarily) during the year	Count the number of process maps finalised against the total number of identified key business processes expressed as a percentage
<b>Means of verification</b>	Report of Accreditations lost (involuntarily) during the year	Approved Project Charter, Approved Project Management Plan (Including baselined project schedule), Risk Management Report (RAID Log), Signed off SOPs, Project sign off certificate and Project close out report.
<b>Assumptions</b>	No limitations	No limitations
<b>Disaggregation of beneficiaries (where applicable)</b>	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
<b>Spatial transformation (where applicable)</b>	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
<b>Calculation type</b>	Cumulative year-to-date	Ratio based on year-to-date numbers
<b>New indicator</b>	No	Yes
<b>Reporting cycle</b>	Quarterly to Exco, Board and to <b>the dtic</b>	Quarterly to Exco, Board and to <b>the dtic</b>
<b>Desired performance</b>	Lower net loss/higher profit is desirable	Higher performance than targeted performance is desirable
<b>Indicator responsibility</b>	Chief Operating Officer	Chief Operating Officer

Indicator title	Implement 40% of approved Infrastructure Plan	Implement 30% of the ICT Digital Transformation Plans
<b>Definition</b>	Implementing 40% of an approved Infrastructure Plan means putting into action a majority of the proposed projects and initiatives as outlined in the approved Infrastructure Plan	Implementing 30% of ICT Digital Transformation Plans means putting into action 30% of prioritised strategic projects and changes as outlined in the approved plan
<b>Purpose / importance</b>	The purpose of implementing 40% of an approved infrastructure plan is to significantly enhance the SABS' capabilities, operations, and preparedness for future challenges while aligning with strategic objectives and ensuring a better foundation for sustained growth	The SABS' ICT Digital Transformation plans aims to enhance operational efficiency, modernise technology, ensure adaptability, and mitigate risks and will focus on leveraging digital tools to optimise processes, improve customer experiences, align strategies, and lay the groundwork for the future
<b>Source of data</b>	Progress report on the implementation of Infrastructure plan	Implementation report on the ICT Digital Transformation plans (Key project milestone reports and project status report)
<b>Method of calculation/ assessment</b>	Number of infrastructure projects completed against the infrastructure plan expressed as a percentage	Number of Digital Transformation projects completed against the ICT Digital Transformation plans expressed as a percentage
<b>Means of verification</b>	Key projects milestone reports and project status reports	Signed off Business Requirements Specification, Approved Project Charter, Approved Project Management Plan (Including baselined project schedule), Risk Management Report (RAID Log), Signed off User Acceptance Test Reports, Project sign off certificate and Project close out report
<b>Assumptions</b>	No limitations	No limitations
<b>Disaggregation of beneficiaries (where applicable)</b>	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
<b>Spatial transformation (where applicable)</b>	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
<b>Calculation type</b>	Cumulative year-to-date	Ratio based on year-to-date numbers
<b>New indicator</b>	Yes	Yes
<b>Reporting cycle</b>	Quarterly to Exco, Board and to <b>the dtic</b>	Quarterly to Exco, Board and to <b>the dtic</b>
<b>Desired performance</b>	Higher performance than targeted performance is desirable	Higher performance than targeted performance is desirable
<b>Indicator responsibility</b>	Chief Financial Officer/ Chief Operating Officer/Chief Corporate Service Officer	Corporate Service Officer (via Head: ICT)

Indicator title	Approval of the Talent Management Framework by EXCO	Approved Succession Plan for key positions
<b>Definition</b>	The EXCO approved Talent management framework details strategies that the SABS will use to attract, develop retain and deploy talent within the organisation in support of the organisational objectives and values to drive the success of the organisation	The EXCO Approved succession plan refers to the process of identifying and developing future talent for key / critical positions in the organisation to ensure continuity and maintain organisational stability
<b>Purpose / importance</b>	The purpose of the EXCO Approved Talent Management Framework is to ensure that talent is managed throughout the entire lifecycle from attraction to exit. This includes inter alia strategies to attract, develop, engage and retain skilled individuals to optimise productivity and business success and sustainability	Through the EXCO Approved Succession Plan, SABS will identify the key / critical positions and identify talent with high potential to be developed to proactively nurture them thereby reducing the impact of talent related risks, minimise disruptions and sustain the organisation over time
<b>Source of data</b>	Approved Talent Management Framework	Approved Succession Plan for key positions
<b>Method of calculation/ assessment</b>	Exco Approved Talent Management Framework	Exco Approved Succession plan for key positions
<b>Means of verification</b>	Q1 – Draft Talent Management Framework Q2 – Minutes of consultation sessions with stakeholders Q3 - EXCO resolution and approved Talent Management Framework Q4 – Draft Terms of Reference for the Talent Board	Q1 – A draft criteria for identification of key roles Q2 - Report of consultation sessions with stakeholders Q3 - Report on development plans for succession pool (successors) Q4 - EXCO resolution on the approval of the Succession Plan
<b>Assumptions</b>	No limitations	No limitations
<b>Disaggregation of beneficiaries (where applicable)</b>	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
<b>Spatial transformation (where applicable)</b>	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
<b>Calculation type</b>	Cumulative year-to-date	Ratio based on year-to-date numbers
<b>New indicator</b>	Yes	Yes
<b>Reporting cycle</b>	Quarterly to Exco, Board and to the dtic	Quarterly to Exco, Board and to the dtic
<b>Desired performance</b>	Higher performance than targeted performance is desirable	Higher performance than targeted performance is desirable
<b>Indicator responsibility</b>	Chief Corporate Services Officer (via Head: Human Resources)	Chief Corporate Services Officer (via Head: Human Resources)

Indicator title	Implement at least 80% of staff training budget	Recruit 60 interns and implement 30% of the structured learning programme
<b>Definition</b>	Implementing 80% of the staff training budget refers to the enhancement of employees' skills, knowledge, to heighten productivity	The SABS graduate Development Programme is a 24- month programme wherein graduates who have completed their qualifications in various fields are appointed into the organisation to gain experience that is aligned to their fields of study
<b>Purpose / importance</b>	The purpose of implementing staff training is to allow the SABS.to make strategic investment in our employee's development, fostering innovation, and improving overall performance of the SABS in support of the organisational values	The Graduate Development program aims to nurture young talent, offer practical experience, and cultivate potential future employees for the SABS' growth and innovation
<b>Source of data</b>	Staff training budget from the Income Statement	Approved Graduate Development Programme
<b>Method of calculation/ assessment</b>	Staff training expenditure as a percentage of total Training budget	Number of graduates employed by the SABS during the 2024/25 financial period
<b>Means of verification</b>	Quarterly Management Accounts Reports prepared in accordance with the SABS Financial Management Policies	Signed contracts by Graduate Interns, and quarterly Internship Mentors Reports
<b>Assumptions</b>	No limitations	No limitations
<b>Disaggregation of beneficiaries (where applicable)</b>	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
<b>Spatial transformation (where applicable)</b>	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
<b>Calculation type</b>	Cumulative year-to-date	Ratio based on year-to-date numbers
<b>New indicator</b>	Yes	Yes
<b>Reporting cycle</b>	Quarterly to Exco, Board and to <b>the dtic</b>	Quarterly to Exco, Board and to <b>the dtic</b>
<b>Desired performance</b>	Higher performance than targeted performance is desirable	Higher performance than targeted performance is desirable
<b>Indicator responsibility</b>	Chief Corporate Services Officer (via Head: Human Resources)	Chief Corporate Services Officer (via Head: Human Resources)

Indicator title	Implement at least 50% of the culture change plan
<b>Definition</b>	The SABS organisational change plan involves a structured process of identifying and entrenching the strategies that will shift the organisational practices towards high performance.
<b>Purpose / importance</b>	The Culture Change Plan aims to facilitate an organisational cultural shift, align behaviours with the SABs' set of values, and drive innovation, ultimately improving overall workplace dynamics and performance
<b>Source of data</b>	Exco Approved Culture Change Plan
<b>Method of calculation/ assessment</b>	Implementation of the activities of the approved Culture Change plan expressed as a percentage
<b>Means of verification</b>	Q1 - EXCO approved Culture Change Programme and implementation plan Q2 - Campaign report and attendance registers Q3 - Campaign report and attendance registers Q4 - Campaign report and attendance registers of the campaign as well as the rewards ceremony
<b>Assumptions</b>	No limitations
<b>Disaggregation of beneficiaries (where applicable)</b>	Target for women: N/A Target for youth: N/A Target for people with disabilities: N/A
<b>Spatial transformation (where applicable)</b>	Reflect on contribution to spatial transformation priorities: N/A Reflect on the spatial impact areas: N/A
<b>Calculation type</b>	Cumulative year-to-date
<b>New indicator</b>	No
<b>Reporting cycle</b>	Quarterly to Exco, Board and to <b>the dtic</b>
<b>Desired performance</b>	Higher performance than targeted performance is desirable
<b>Indicator responsibility</b>	Corporate Service Officer (via Head: Human Resources)

Table 33: Performance Indicators profiles



**ANNEXURE D: STANDARDS PROJECTS IN SUPPORT OF INDUSTRIAL PRIORITY SECTORS – FY2024-2025**

No	Standard/ Project	Standard Title	Priority Sector
1	IEC/TS 62257-9-2	Recommendations for renewable energy and hybrid systems for rural electrification - Part 9-2: Integrated systems - Microgrids	Green industries
2	IEC/TS 62257-100	Renewable energy off-grid systems - Part 100: Overview of the IEC 62257 series	Green industries
3	IEC 60974-9	Arc welding equipment Part 9: Installation and use	Metal fabrication
4	IEC 60974-5	Arc welding equipment Part 5: Wire feeders	Metal fabrication
5	IEC 60974-3	Arc welding equipment Part 3: Arc striking and stabilizing devices	Metal fabrication
6	IEC 60974-2	Arc welding equipment Part 2: Liquid cooling systems	Metal fabrication
7	SANS 1438	Portable light assemblies for underground use in mines	Mining
8	SANS 808	Cable glands for use on flameproof enclosures (Ex d)	Mining
9	SANS 60079-11	Explosive atmospheres Part 11: Equipment protection by intrinsic safety "i"	Mining
10	SANS 1461	Major hazards Installation – Risk Assessments	Tourism
11	SANS 568	Small craft - Owner's manual	Chemical/Gas
12	SANS 566	Small craft - Liquefied petroleum gas (LPG) systems	Chemical/Gas
13	SANS 11812	Small craft - Watertight cockpits and quick-draining cockpits	Chemical/Gas
14	SANS 21487	Small craft - Permanently installed petrol and diesel fuel tanks	Chemical/Gas
15	SANS 2341	Essential oil of Lippia Javanica	Essential oils
16	SANS 2879	Live and chilled raw bivalve molluscs	Agro-processing
17	SANS 1546	Dried mopane worms	Agro-processing
18	SANS 2066	Home compostability of materials	TEXTILE
19	SANS 258	Wax stoep polish	Chemical/Gas
20	SANS 342	Automotive fuel - Requirements and test methods for diesel	Chemical/Gas
21	SANS 465	Automotive fuels - Requirements and specifications for fuel ethanol as a blending component with petrol	Chemical/Gas
22	SANS 2065	General use face mask - fabric type	Textiles/Clothing/PPE
23	SANS 422	Hospital nurses' shoes (Goodyear welted construction)	Textiles/Clothing/PPE

Table 34: Standards Projects in support of industrial priority sectors