SABS
South African Bureau of Standards

FY2024/25 Q2 Performance and Status Update on the Recent Cyberattack

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

05 February 2025

Delegates

SABS

- Acting Board Chairperson – Dr Ron Josias

- Acting Chief Executive Officer – Lizo Makele

- Chief Financial Officer – Kholofelo Masoga

- Chief Operations Officer – Lungelo Ntobongwana

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Legislative Mandate

[Executive Authority]

the dtic
Department:
Trade, Industry and Competition
REPUBLIC OF SOUTH AFRICA

Legislative mandate, Strategic objectives, Institutional Strategy, Coordination, Monitoring and Evaluation

| Trade Policy, Consumer and corporate Regulation Industrial Financing, Industrial competitiveness and growth | Industrial development & Economic transformation, Competition policy and economic planning, | **Standardisation, Quality Assurance, Accreditation and Metrology Institutions** |

[Accounting Authority]

SABS   NRCS   sanas South African National Accreditation System   nmisa National Metrology Institute of South Africa

Standardisation

- **Established by the Standards Act, 1945 (Act 24 of 1945) and operates under the Standards Act, 2008 (Act 8 of 2008)**
- To develop, promote and maintain South African National Standards (SANS)
- To **promote quality** with respect to commodities, products and services for the domestic and export markets
- **Providing conformity assessment services** – Certification, Testing, Inspection, Verification

Regulatory

- **Established by the NRCS Act, (Act 5 of 2008)**
- Promote public health and safety, environmental protection and ensuring fair trade
- Development and administration of technical regulations and compulsory specifications and ensure compliance

Accreditation

- **Established by the Accreditation for Conformity Assessment, Calibration and GLP Act, (Act 19 of 2006)**
- Accreditation services that provide for **formal recognition of organisations** that demonstrate competence to conduct specific tasks

Metrology

- **Established by the Measurement Units and Measurement Standards Act, (Act No 18 of 2006)**
- Underpins testing and calibration through **measurement, accuracy and measurement traceability**

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Legislative Mandate – Products and Services

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

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

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

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Organisational Structure

SABS
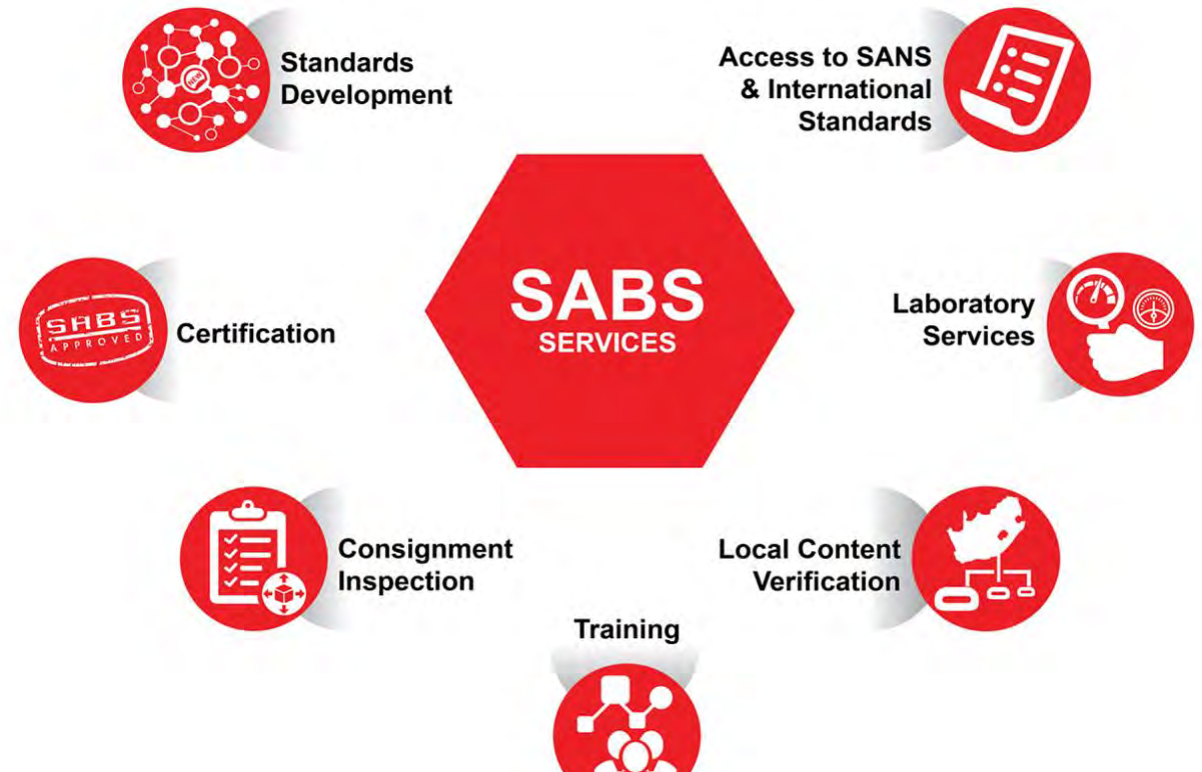
Board of Directors

Chief Executive Officer

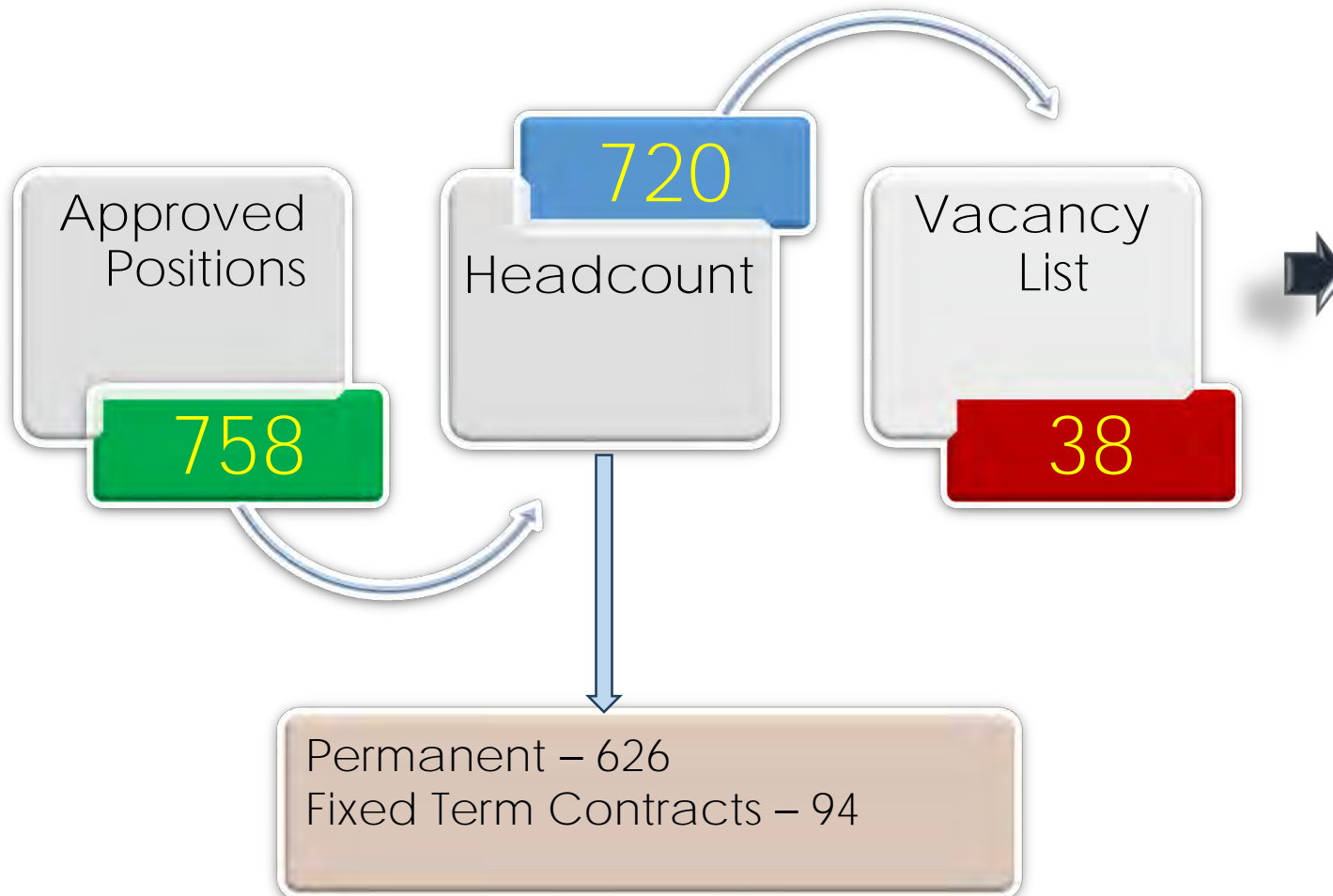| OPERATIONS	FINANCE	CORPORATE SERVICES
Chief Operations Officer	**Chief Financial Officer**	**Chief Corporate Services Officer**
Standards Development Certification Services Laboratory Services (Testing) Customer Partnering Programme Management	Financial Strategy Financial Reporting Supply Chain Management	Human Capital Management Information, Communication Technology & Knowledge Management Facilities Management Security Services

SABS

Approved Positions
758

Headcount
720

Permanent – 626
Fixed Term Contracts – 94

Vacancy List
38

- There are 38 vacancies on the establishment

- Of the total 94 Fixed Term Contracts – 59 are Graduates

- The recruitment for unfilled critical positions is underway

- Measures are being put in place to increase the number of people with disabilities and youth representation

Total headcount as of 31st October 2024 is 720:
- **49.7%** Female representation
- **23%** Youth representation
- **1.40%** People with disabilities

Strategic Objectives

Strategic Objectives

- Achieve and maintain financial sustainability through growth in revenue and, return on investments and cost containment

- Develop, promote and increase the use of standards and conformity assessment services that address market needs

- Embed good governance, stakeholder relations, internal processes and systems that drive continuous improvement

- Investment in infrastructure and technology that supports an enabling environment for sustainability

- Build a high-performance culture, through inclusivity, diversity and agility

Revised FY2024/25 Corporate Plan

Changes to the FY2024/25 Corporate KPIs

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Old Key Performance Indicator	New Performance Indicator	FY2024/25 Target	Q3 Target	Q4 Target	Reasons for adjustments
Attain 2.5% Return on Net Assets of the SABS Group	**Removed**	N/A	N/A	N/A	The target was meant to track levels of returns post the execution of the of capital expenditure. Aligned to that was a capital acceleration initiative. This KPI needs to be withheld until the capital expenditure acquisition can be fast tracked.
Customer Satisfaction Index (75%)	**Removed**	N/A	N/A	N/A	Due to disruptions with the service provider contracted to sample and provide reporting on customer satisfaction index, we have not been able to report on this KPI in Q2. A new survey tool is being developed and this KPI will continue to be measured manually.

Changes to the FY2024/25 Corporate KPIs

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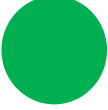| Old Key Performance Indicator	New Performance Indicator	FY2024/25 Target	Q3 Target	Q4 Target	Reasons for adjustments
Implementation of 60% of the approved Infrastructure Plan	**Implementation of 40% of the approved Infrastructure Plan**	Implementation of 40% of the approved Infrastructure Plan	Implement 30% of approved Infrastructure Plan	Implementation of 40% of the approved Infrastructure Plan	This target needs to be revised down to 40% due to resource constraints that are taking longer to resolve. Resourcing for key skills in the Project Management Office is currently being accelerated. However, it will take longer to close the gap.
Implementation of 50% of the ICT Digital Transformation Plan	**Implementation of 30% of the ICT Digital Transformation Plan**	Implementation of 30% of the ICT Digital Transformation Plan	Implement 25% of approved ICT Digital Transformation Plan	Implementation of 30% of the ICT Digital Transformation Plan	This target needs to be revised down to 30% due to resource constraints that are taking longer to resolve (skills shortage). We are currently exploring alternative ways of sourcing the right IT skills.

Changes to the dtic Joint Output Indicators

the dtic 5.4% core Outputs	Output Indicator	Annual Target FY2025	Q3 Target	Q4 Target
4 million jobs created	Number of jobs created from standardisation services	40	20	40
2.1 million work experience	Number of graduates recruited (24-month programme)	60	30	60
255 000 SMME supported	Number of SMMEs supported	220	180	220
15 million international national tourist arrival	Number of business tourists arrived for standardisation activities	60	20	60
Payment of suppliers on time (20) days at most	Payment of suppliers within 20 days of receiving invoice	30 days	30 days	30 days
Improvement in turnaround times	Average number of days to publish standards	320 days	340 days	340 days

Changes to the dtic Joint Output Indicators
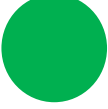
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the dtic 5.4% core Outputs	Output Indicator	Annual Target FY2025	Q3 Target	Q4 Target
Procurement from B-BBEE Compliance Suppliers (100%)	Procurement Spent from B-BBEE Compliance Suppliers (100%)	90% (excluding where its sole sourcing or OEM)	90% (excluding where its sole sourcing or OEM)	90% (excluding where its sole sourcing or OEM)
Measures to encourage energy efficiency through Standards	Number of standards published on energy efficiency	7	4	7

FY2024/25 Q2 Corporate KPIs – Financial Performance

SO 6: Achieve and maintain financial sustainability through growth in revenue and, return on investments and cost containment

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Outcome indicator	FY2024/25 Target	Q2 Target	Q2 Actual	Status
Operating margin of the SABS Group	Achieve 5% operating margin of the SABS Group	Achieve 2.5% operating margin of the SABS Group	Achieved 4.0% operating margin of the SABS Group	🟢
Return on net assets of the SABS Group	Attain 2.5% return on net assets of the SABS Group	Attain 1.3% return on net assets of the SABS Group	Attained 0.9% return on net assets 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 2.5% net cash from operations as a percentage of cash receipts of the SABS Group	Attained 19.5% net cash from operations as a percentage of cash receipts on the SABS Group	🟢
Growth in Revenue of the SABS Group	Achieve 5% Year-on-Year growth in revenue of the SABS Group	Achieve 3% Year-on-Year Growth in revenue of the SABS Group	Achieved 4.6% Year-on-Year Growth in revenue of the SABS Group	🟢

🔴 *Target not achieved*
🟢 *Target achieved*

SABS GROUP	YTD SEPTEMBER 2024							ANNUAL		
	Actual	Budget	YTD Variance Budget	YTD Variance % Budget	YTD Prior year	YTD Variance	YTD Variance %	Annual	Remaining Budget	% of remaining Budget
	Rm	Rm	Rm	%	Rm	Rm	%	Rm	Rm	
Revenue	229.7	274.6	(44.8)	-16.3%	219.7	10.0	4.6%	534.1	304.3	57.0%
Tests & Services	64.2	87.8	(23.6)	-26.9%	68.1	(3.9)	-5.7%	165.3	101.1	61.2%
Business solutions and advisory services	6.0	7.9	(1.9)	-24.5%	3.9	2.0	52.0%	15.3	9.3	60.9%
Product and system certification	140.2	157.3	(17.1)	-10.9%	132.2	8.0	6.0%	313.5	173.4	55.3%
Sale of publications	19.4	21.6	(2.2)	-10.1%	15.5	3.9	25.4%	40.0	20.5	51.4%
Other Income	18.0	23.1	(5.1)	-22.1%	13.8	4.2	30.4%	46.2	28.2	61.1%
Rental Income	9.0	7.8	1.1	14.6%	6.1	2.9	48.2%	15.7	6.7	42.7%
Other income recognised	2.0	10.0	(8.1)	-80.2%	0.0	2.0	8847.9%	20.1	18.1	90.1%
Sundry Income	7.0	5.2	1.8	34.7%	7.7	(0.7)	-9.1%	10.4	3.4	32.6%
Government Grant	129.7	129.7	0.0	0.0%	148.0	(18.4)	-12.4%	259.4	129.7	50.0%
Government grants	129.7	129.7	0.0	0.0%	148.0	(18.4)	-12.4%	259.4	129.7	50.0%
Total income	377.4	427.3	(49.9)	-11.7%	381.5	(4.1)	-1.1%	839.6	462.2	55.1%
Administrative and operating expenses	(351.7)	(416.9)	65.2	-15.6%	(325.7)	(26.0)	8.0%	(816.3)	(464.6)	56.9%
Employee benefits	(224.9)	(248.4)	23.5	-9.5%	(206.7)	(18.3)	8.8%	(508.9)	(284.0)	55.8%
Other Expenses	(126.7)	(168.5)	41.7	-24.8%	(119.0)	(7.7)	6.5%	(307.4)	(180.7)	58.8%
Profit/(Loss) from Operations	25.7	10.5	15.3	146.2%	55.9	(30.1)	-53.9%	23.3	(2.4)	-10.4%
Depreciation	(26.6)	(27.1)	0.5	-1.9%	(17.7)	(8.9)	50.6%	(54.5)	(27.9)	51.2%
Government grants in respect of assets	10.1	8.6	1.4	16.7%	9.2	0.9	9.3%	17.2	7.2	41.7%
Operating Profit/(loss)	9.2	(8.0)	17.2	-214.6%	47.4	(38.2)	-80.6%	(13.9)	(23.1)	166.2%
Finance Income or Costs	26.9	27.8	(0.9)	-3.2%	26.7	0.2	0.9%	34.3	7.4	21.5%
Gains/Losses On Investments	13.9	5.4	8.6	158.9%	0.4	13.6	3632.4%	6.6	(7.3)	-109.6%
Other non-operating income	1.5	0.2	1.3	884.8%	1.0	0.5	45.5%	10.7	9.2	86.2%
Other non-operating expenses	(24.5)	(12.1)	(12.4)	102.9%	(17.7)	(6.8)	38.7%	(34.5)	(10.0)	29.0%
Profit/ (loss) before corporate charges and tax	27.0	13.2	13.8	104.3%	57.8	(30.8)	-53.3%	3.2	(23.8)	-755.9%
Taxation	(6.7)	-	(6.7)	0.0%	-	(6.7)	0.0%	-	-	0.0%
Net profit/ (loss) for the period	20.3	13.2	7.1	53.9%	57.8	(37.5)	-64.8%	3.2	(23.8)	-755.9%

Revenue

R229.7m Actual	R274.6m Budget	R44.8m Variance ▼
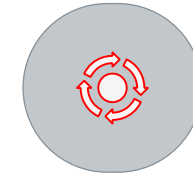
Expenses

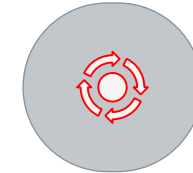| R351.7m Actual	R416.9m Budget	R65.2m Variance ▼
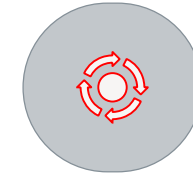
Operating Profit

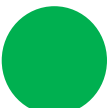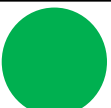| R9.2m Actual	(R8.0m) Budget	R17.2m Variance ▲
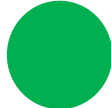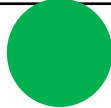
FY2024/25 Q2 Corporate KPIs – Non-Financials

SO 1: Develop, promote and increase the use of standards and conformity assessment services that address market needs
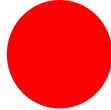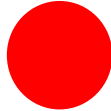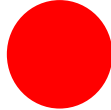
SABS

Outcome indicator	FY2024/25 Target	Q2 Target	Q2 Actual	Status	
Published Standards	Publish three hundred and sixty (360) standards	Publish one hundred and fifty (150) standards	Published one hundred and fifty (150) standards		🟢
	Publish 80% of the standards aligned to the re-imagined priority sectors	Publish 30% of standards aligned to the re-imagined priority sectors	Published 35% of standards aligned to the re-imagined priority sectors		🟢
New products/schemes	Develop one (1) new Certification Scheme	Develop framework for the new Scheme	Framework for the new Scheme is developed and approved		🟢
Outreach projects to promote SABS products and services	Conduct four (4) outreach projects	Conduct one (1) outreach project	Conducted two (2) outreach projects		🟢
Case studies on customer value	Conduct twenty (20) case studies on customer value	Conduct ten (10) case studies on customer value	Conducted ten (10) case studies on customer value		🟢

🔴 *Target not achieved*

🟢 *Target achieved*

SO 2: Embed good governance, stakeholder relations, internal processes and systems that drive continuous improvement

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Outcome indicator	FY2024/25 Target	Q2 Target	Q2 Actual	Status
Productivity and Utilisation	Roll out Planning and Scheduling tool to 10 laboratories	Roll out Planning and Scheduling tool to 5 labs	Rolled out Planning and Scheduling tool to 0 labs	🔴
Customer Satisfaction Index	Achieve Customer Satisfaction Index of 75%	Achieve Customer Satisfaction Index of 75%	Not measured	🔴
Accreditation Status	Maintain all Accreditations for Laboratory and Certification products and services	Maintain all Accreditations for Laboratory and Certification products and services	Partial suspension of Cement Lab by SANAS	🔴
Process Optimisation	Map 80% of key business process	Map 25% of key business process	Mapped 0% of key business process	🔴

🔴 *Target not achieved*

🟢 *Target achieved*

SO 3: Investment in infrastructure and technology that supports an enabling environment for sustainability

Outcome indicator	FY2024/25 Target	Q2 Target	Q2 Actual	Status
Physical and Laboratory Infrastructure Upgrade	Implement 60% of approved Infrastructure Plan	Implement 25% of approved Infrastructure Plan	Implemented 0% of approved Infrastructure Plan	🔴
Digital Transformation	Implement 50% of the ICT Digital Transformation plan	Implement 20% of the ICT Digital Transformation plan	Implemented 0% of the ICT Digital Transformation plan	🔴

🔴 *Target not achieved*
🟢 *Target achieved*

SO 4: Build a high-performance culture, through inclusivity, diversity and agility

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Outcome Indicator	FY2024/25 Target	Q2 Target	Q2 Actual	Status
Talent Management	Approval of the Talent Management Framework	Conduct consultations with the relevant stakeholders on the proposed Talent Management Framework	Consultations delayed to Q3	🔴
	Approval of the Succession Plan for key positions	Conduct consultations with relevant stakeholders on the criteria for the identification of critical positions	Consultations delayed to Q3	🔴
Skills Development	Implement 80% of staff training budget	Implement 80% of staff training budget	Implemented 25.5% of Staff Training Budget	🔴
	Recruit sixty (60) Interns – for the Graduate Development programme	Implement 10% of the Structured Learning Programme	Implemented 0% of the Structured Learning Programme	🔴

🔴 *Target not achieved*
🟢 *Target achieved*

SO 5: Build a high-performance culture, through inclusivity, diversity and agility

SABS

Outcome Indicator	FY2024/25 Target	Q2 Target	Q2 Actual	Status
Culture Transformation	Implement at least 50% of approved Culture Change Plan	Launch the Culture Change Plan and implementation of phase 1 of Culture Change programme	The launch of Culture Programme is scheduled for October 2024	🔴

🔴 *Target not achieved*
🟢 *Target achieved*

Contribution to the dtic output targets Q2 - FY 2024/25

Contribution to the dtic output targets

Outcome	Outputs	Output Indicators	FY2024/25 Target	Q2 Target	Q2 Actual	Status
R40 bn additional local industrial output: in manufacturing and productive services output, measured on a gross basis, from projects that are championed by the dtic family or through social compacting; which will include three categories: actual increased output in the financial year, based on commitments and investments made in the current or prior years; and new projected increased output in the following five financial years, based on commitments secured in the current financial year	Local Content Verification (LCV) Audits	Percentage of LCV projects that are submitted by government entities to the SABS to be completed	80% of LCV projects that are submitted by government entities to the SABS to be completed	40% year-to-date target achieved	32% year-to-date target achieved	🔴
New jobs created through interventions 60 job opportunities (not permanent)	SABS Annual Internship Programme (Employment for a 12-month period only)	Number of non-permanent jobs created for an annual period only (12 months) through the SABS internship programme	60 Interns employed for the 2024/25 period only (12-months period)	30 interns employed	53 interns employed	🟢
Invest in black industrialist (BIS)	Promotion of the SABS standardisation and quality assurance services to Black	Host an open day for Black Industrialists to promote SABS standardisation and quality assurance services	Host the SABS Open Day for Black Industrialist	Plan for the hosting of the SABS Open Day for Black Industrialists	Open Day for Black Industrialists is scheduled for 28 November 2024	🟢

🔴 *Target not achieved*

🟢 *Target achieved*

Contribution to the dtic output targets

Outcome	Outputs	Output Indicators	FY2024/25 Target	Q2 Target	Q2 Actual	Status
Support programmes in areas outside the 5 x main metros	Outreach and advocacy initiatives on Standardisation and Conformity Assessments	Conduct four (4) outreach initiatives to promote standardisation and quality assurance in specific districts outside of the 5 metros	Complete four (4) outreach programmes	One (1) outreach initiative outside of 5 metros completed	Two (2) outreach initiative outside of 5 metros completed	🟢
Support programmes for SMMEs	SMME support on standardisation and conformity assessments	R2 million worth of certification or inspection or testing or training or advisory services provided to SMMEs	R2 million worth of SABS services provided	R500k worth of SABS services provided	R900k worth of SABS services provided	🟢
	SMME support through procurement spend	Rand value of annual procurement spend in support of SMMEs	R74.3 million procurement spend in support of SMMEs	R25M procurement spend in support of SMMEs	R34.6M procurement spend in support of SMMEs	🟢
Support programmes in labour absorbing sectors	Publication of standards to support the Agricultural and Mining Sector	Number of standards published in the Agricultural and Mining Sectors	Four (4) Standards published	1 Standard published	4 Standard published	🟢
	Conformity Assessment certificates/permits in the Mining sector	Number of certificates/permits issued within the LCV/ Energy Management/ Environmental Management/Product certification scheme in the Mining Sector	Five (5) certificates/ permits issued in the LCV/ Energy Management/ Environmental Management/ Product certification scheme in the Mining Sector	Two (2) certificates/permits issued	Three (3) certificates/permits issued	🟢

🔴 *Target not achieved*

🟢 *Target achieved*

Contribution to the dtic output targets

SABS

Outcome	Outputs	Output Indicators	FY2024/25 Target	Q2 Target	Q2 Actual	Status
SEZs: 2 new SEZs designated	Collaboration with SEZs for the provision of standardisation/ conformity assessment services	Agreement (MoU) concluded between SABS and SEZs on the provision of standards and conformity assessment services	MoU concluded with one SEZ on the provision of standardisation and conformity assessment services	Conduct introductory meetings with three (3) SEZs	Three MoUs signed with three SEZs	🟢
Hosting of Black Industrialist Conference	Promotion of SABS Quality assurance and conformity assessment services to Black Industrialists	Participate in the Black Industrialist Conference through a SABS exhibition stand or other marketing/promotional opportunities	SABS Exhibitions stand or other marketing/ promotional opportunities at the Black Industrialist Conference	Engage **the dtic** on the status of planning of the Black Industrialist Conference	Black Industrialist Conference to take place on 28 November 2024	🟢
Energy Establishment of Energy One-Stop Shop projects supported	Standardisation services in support of Energy Sector	Number of standards published annually within the scope of energy efficiency (new, revised standards).	Publish 7 – Standards on energy efficiency	Two (2) Standards on energy efficiency published	Eleven (11) Standards on energy efficiency published	🟢

🔴 *Target not achieved*
🟢 *Target achieved*

Contribution to the dtic output targets

SABS

Outcome	Outputs	Output Indicators	FY2024/25 Target	Q2 Target	Q2 Actual	Status
Trade Agreements: TBA (UK, EU, SADC, AFCFTA)	Support the implementation of the AfCFTA agreement through active participation in regional standards bodies i.e., ARSO and AFSEC	Participation in ARSO Technical Harmonisation Committees to develop African Regional Standards and conformity assessment guidelines	Participation in 37 Technical Harmonisation Committees of ARSO	Participation in 25 Technical Harmonisation Committees of ARSO	Participated in 37 Technical Harmonisation Committees of ARSO	🟢
Climate initiatives: TBA (White Paper on EV, and Carbon tax border adjustment measures)	Support the EV industry through the publication of national standards & establish conformity assessment services within the scope of EVs	No of standards published on EVs and supporting technologies	15 Standards on EVs published	Two (2) Standards on EVs published	Seven (7) Standards on EVs published	🟢
		Establish testing or certification or inspection capabilities for EVs and supporting technologies	Complete a feasibility study on conformity assessment services on EVs	Develop Project Plan and host a consultative meeting	No Project Plan has been developed	🔴
		Establishment of a Technical Committee and publish standards in support of Hydrogen Technology	3 standards published in support of Hydrogen Technology	One (1) standard new work item approved by the committee on Hydrogen Technology	No standard has been approved by the committee on Hydrogen Technology	🔴

🔴 *Target not achieved*
🟢 *Target achieved*

Contribution to the dtic output targets

SABS

Outcome	Outputs	Output Indicators	FY2024/25 Target	Q2 Target	Q2 Actual	Status
Red tape reduction interventions	Digital enablement of SABS operations	Implement digital solutions to improve operational efficiency	Implementation of two (2) digital solutions	Implementation of one (1) digital solutions	Implemented zero (0) digital solution	🔴
	Improve the time for the development of standards	Average number of days to publish standards	400 average days to publish standards	360 average days to publish standards	360 average days to published standards	🟢
Profiling of success stories impacted by SABS products/services on stakeholders	Case studies on success stories	Case studies on success stories	Conduct twenty (20) case studies	Conduct ten (10) case	ten (10) case studies conducted	🟢

🔴 *Target not achieved*

🟢 *Target achieved*

Corrective Actions to Close Performance Gap

Corrective Actions

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Strategic Objective	Corrective Actions
Achieve and maintain financial sustainability through growth in revenue and, return on investments and cost containment	• Implement cost containment measures without compromising the delivery of products and services • Effective implementation of revenue generation efforts (existing and new clients) and improve operational efficiency to achieve revenue targets
Develop, promote and increase the use of standards and conformity assessment services that address market needs	• Expedite issue resolutions working with key Technical Committee Chairpersons and Standards Manager for all overdue projects • Ensure Standards Development project timelines for all stages are adhered to through effective project management
Embed good governance, stakeholder relations, internal processes and systems that drive continuous improvement	• Review of risks to accreditation and effective implementation of corrective and preventative actions • Improve and manage the roll out of the planning tool to various laboratories via the Project Management Office and ICT • Implementation of new Customer Satisfaction Survey pilot project
Investment in infrastructure and technology that supports an enabling environment for sustainability	• Expedite Supply Chain Management processes, Specification and Contracting for all strategic projects • Sourcing of additional Project Managers to improve capacity and delivery by the Project Management Office
Build a high-performance culture, through inclusivity, diversity and agility	• Implementation of training plans in line with approved Individual Development Plan and awarding of Internal and External Bursaries • Implement Succession Planning, Talent Management and get an approval for Living the Value Framework

Status Update on Recent Cyberattack on IT System

Incident Overview

- On the 20th of November 2024, the SABS experienced a network connection issue on its servers and the ICT team detected a ransomware attack while troubleshooting with the VMWare OEM on the 21st of November 2024.
    - This was confirmed as a ransomware attack perpetrated by the Lynx group by the Cyber Security service provider that was contacted immediately when the attack was identified.

- The attack resulted in the complete encryption of critical business applications, data storage, backups, and the disaster recovery environment, leaving the organisation without operational systems.

- The technical challenges and unavailability of external resources of critical services have contributed to the prolonged recovery process.

- Legacy applications and legacy backup facilities are presenting complexities in the restoration of several critical business applications.

- The recovery process has led to the upgrade of the ICT environment, which include upgrade on infrastructure and security controls.
    - On infrastructure, cloud environment has been configured including backup to a secondary location, Identity and access management controls has been finalised etc
    - On Security controls, deployment of Microsoft Defender for Identity (MDI) and Defender Endpoint (MDE), review of current password policy and password structure

Regulatory Response

In terms of section 22 of the Protection of Personal Information Act, 2013, the SABS is statutorily required to notify the Information Regulator as well as the data subjects (i.e. employees and customers) if there are reasonable grounds to believe that their personal information might have been accessed or acquired by any unauthorized person.

Steps undertaken since the ransomware attack was discovered to comply with regulatory prescripts:

- The Information Regulator was notified about the security compromise on Saturday, 23 November 2024.
- Internal data subjects (employees) were notified about the incident on Friday 22 November 2024 through a staff meeting, and again on Tuesday, the 26 November 2024, through written communication.
- External stakeholders (customers) were notified about the incident on 26 November 2024.

- A case was registered at Sunnyside Police Station, under Cas No. 884/11/2024, as required by the Cybercrimes Act, 2020 and same, will be referred to The Director for Priority Crime Investigation (HAWKS) for an investigation into the matter.
- The State Security Agency was notified to sensitise them about the incident.
- The Minister of the DTIC was notified and he facilitated the government intervention through the Cybersecurity Response Committee of the Government Security Cluster. Through this intervention, Cybersecurity Specialists from the SSA convened two meetings with the SABS ICT teams to provide guidance and support.

ICT Response Overview

Incident Identification and Analysis:

- The Cyber Security service provider determined that the ransomware strain affecting SABS was the Lynx Ransomware.

- The investigation revealed the breadth of the incident, which included the total encryption of business applications hosted in the VMware environment, data storage, backups, and the DR environment.

Incident Response and Governance:

- Incident response governance was established and operationalized to coordinate the recovery efforts.

- A Security Engineering team was deployed to implement detection, containment, and eradication capabilities, leveraging SABS's existing investment in Microsoft XDR.

- Service provider deployed Microsoft Sentinel, which is being utilized by the service provider SOC team to provide 24/7 Threat Detection and Response services since November 21st, 2024.

Vulnerability Analysis:

- The investigation revealed that the threat actors exploited a vulnerability in the Fortinet EMS VPN server, which was exposing SABS's internal network to the public network without proper security measures, such as network segmentation.

Backup and Recovery Analysis:

- With no viable recovery mechanism from the latest backups and disaster recover, service provider and the SABS ICT team made the business-enabling decision to rebuild the infrastructure on the cloud, isolating the current environment for potential future decryption efforts.

Rebuild and Application Restoration:

- Azure cloud platform, targeting the end date of November 29th, 2024.

- Application service providers were identified and contacted to activate the rebuilding of critical business applications, targeting operational capability by 17 January 2025.

- The plan is to leverage old backup tapes and uncorrupted data recovered from DR to restore the business applications.

Incident Recovery Update

SABS

Category	Status	Progress	
Date	10-Jan-25	71%	
Incident Containment	◑	90%	1. Communication with Business Continuity committee 2. Engagement with SSA underway, where guidance and enablement is provided, leveraging expertise and access that aids in strengthening the recovery and future posture of the environment.

Data Recovery	◑	60%	1. Database recovered from Tapes dating back to March 2023 (Labware, SABSTAN & QSAdmin, Du Toit) - but Labware still to be restored
			2. Database recovered from DR
			  - JDEPD – Date of recovery (20 November 2024) – still to be restored
			  - CRMPROD- Date of recovery (17-November 2024) - CRM application not available for reinstallation
			  -LivePD (Livelink) - Date of recovery (28 March 2024) – still to be restored

Cloud Migration - Foundation Setup	●	100%	Cloud Migration - foundation Setup completed
Application Restoration	◑	68%	1.SABS Website – updating website with recent content 2. SABSTAN (Standard development) - completed 3. QSADMIN (Certification) – completed 4. AB Minutes (accreditation review board) - completed 5. CRS Payroll system – work in progress at 90% 6. Convene (Board management system) – completed 7. Du toit LIMS (Laboratory Management systems for Radiation Protection Services) – completed 8.JD Edwards (Financial system) – legacy application re-installation challenges 10. Oracle Databases (JDE, SABS PD, LivePD, Labware) being worked on by Infrastructure team -in progress 11. CRM - Legacy application installation files not available 12. AS25 (Travel management system) - Legacy application installation files not available
Security Enhancements	◑	94%	1.Deployment of Microsoft Defender for Identity (MDI) and Microsoft Defender Endpoint (MDE) solutions to all Virtual Machines. 2. Utilization of Microsoft XDR (Extended Detection and Response) to enhance threat detection capabilities 3. Security Operations Center (SOC) team providing round-the-clock (24/7) monitoring and response services 4. Deployment of Microsoft Sentinel —an intelligent Security Information and Event Management (SIEM) solution to facilitate comprehensive data collection, threat intelligence integration, and advanced analytics, 5.Review of current password policy and password structure
Business Continuity	◑	45%	Manual processes in place for key functions
Network Posture	◑	37%	1. A network forensic exercise is underway so to ensure the strengthening of the digital estate's resilience as we are recovering, traffic monitoring for internet break out was not possible due to current network configuration. Solution is being found- in-progress 2.Service provider for Fortinet environment assessment appointment underway.

Thank you

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