



## **BOARD UPDATE ON TURNAROUND INITIATIVES FOR THE BUSINESS**

**[Johannesburg, 14 October 2023]** The Board of Directors of Transnet SOC Ltd. (Transnet) wishes to advise that the development of a turnaround plan for the business has been completed and is expected to be submitted to the Shareholder next week.

To this end, the representative of the Board will meet next week with the Shareholder Ministry as well as the Ministry of Finance to discuss the operational and financial details of the business turnaround plan, including areas which require immediate Government support.

Once approved by the Shareholder and funding commitment is secured, the plan will be discussed with key stakeholders such as organised labour, employees, customers and lenders.

The turnaround plan outlines operational and financial initiatives which must be implemented in the next six (6), twelve (12) and eighteen (18) months to stabilise the business and position the company for growth.

The turnaround plan is predicated on several detailed goals to reform and strengthen the operational state of the freight rail division in particular, and with priorities of key elements, specifically the rail corridors that service key sectors of the economy.

The turnaround plan is premised on principles which include:

- The balancing of the financial stability and the operational performance of the business
- Improved utilisation and care for operational assets and infrastructure.
- Improved integration and operation execution across operating divisions.
- Improved employee engagement and visible management at operations
- The development of a deeper accountability framework
- Cost reduction measures, cashflow and working capital improvements
- Continuous engagement and collaboration with all relevant stakeholders, including organised labour, customers, funders, government and industry

The Board has prioritised the filling of the three executive positions in the business, with the recruitment process having commenced this past week. The recruitment process is being prioritised for urgent finalisation, given the criticality of these positions to the organisation, and the lead role the incumbents will play in execution of the turnaround plan.

The Board also continues to work closely and collaboratively with stakeholders, including the National Logistics Crisis Committee (NLCC).

The Board will provide further updates in the coming weeks.

**Issued on behalf of the Chairperson of the Board of Directors, Mr Andile Sangqu.**

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