



TRANSNET CLARIFIES ITS POSITION ON ALLEGED RETRENCHMENTS

11 September 2017

Transnet has noted misleading reports regarding the company's alleged intention to embark on a retrenchment process. The reports which are based on a statement issued by the United National Transport Union's (UNTU's) General Secretary Steve Harris are totally inaccurate.

Transnet is not contemplating any forced retrenchments. Any statement about retrenchments at Transnet is ill-advised, devoid of truth and may sow uncertainty among our employees.

Transnet values and respects its relationship with employees and assures them that there will be no forced retrenchments. In addition, Mr Harris's statement undermines the channels of communication that are available between Transnet and its recognised unions – Satawu and UNTU.

Earlier this year, Transnet embarked on an intervention to improve organisational efficiency through a Voluntary Severance Package (VSP) offer to employees.

The VSP process was completely voluntary and considered in line with business and operational requirements, including the retention of skills which Transnet requires in line with its plans. At no stage did Transnet set any targets for the VSP process. Mr Harris is in possession of an unofficial document which he could not have obtained from the Transnet Consultation process.

The numbers that his statement is referring to are based on a draft document that was superseded by the VSP process.

Transnet like many other companies or businesses continuously considers different cost-saving initiatives, including reducing travel and accommodation costs, among others.

The company's operating model is driven by the need to ensure sustainability and financial viability whilst delivering on national socio-economic objectives, including employment creation and minimising job losses. Transnet does not merely seek to survive the economic downturn but to lead a new growth path by pioneering new and innovative ways of working to grow our market share.

Lastly, Transnet is in a strong financial position and continues to pursue its capital investment despite the challenging economic environment. The company wishes to emphasise its commitment to a conducive environment for its employees, cordial relations with its recognised unions and an efficient service to customers.

Issued on behalf of Transnet SOC Ltd

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