2026
INTEGRATED REPORT



TRANSNET

COLLABORATION, OPPORTUNITIES AND GROWTH.

freight rail rail infrastructure manager engineering national ports authority port terminals pipelines property

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DIRECTORS' APPROVAL AND STATEMENT OF RESPONSIBILITY

At Transnet, we aim to support economic growth and ensure a secure supply chain. We strive to meet this goal by providing efficient and cost-effective port, rail, and pipeline infrastructure – ensuring adherence to recognised benchmarks. This commitment aligns with our mission, goals, and Shareholders' Statement of Strategic Intent (SSI), supporting South Africa's broader objectives to reduce business costs and stimulate economic development.

In compliance with the supplement for State-Owned Enterprises (SOEs), which is aligned with the King IV™ Report on Corporate Governance for South Africa, 2016[1] (King IV™), the Board of Directors (the Board) oversees Transnet SOC's (the Company's) value creation process. The Board ensures the accuracy and quality of the Integrated Report, which reflects Transnet's capacity for sustained value creation. The Board confirms that the 2025/26FY Integrated Report provides an accurate depiction of Transnet's progress in its integration of strategy, risk and opportunity management, performance, and sustainable development.

Having thoroughly reviewed the 2025/26FY Integrated Report, the Board confirms the Report's integrity, accuracy, and completeness; supported by a combined assurance process. The Board is committed to being transparent, accountable, and engaging in ethical management (outlined in the King IV™ Report).

Transnet's operations have a significant impact on the economy, environment, and society. This drives the Company's focus on sustainable development and corporate responsibility, which ensures balanced decisions for stakeholders. The Board continually monitors these areas, striving to improve corporate governance, operational performance, and public accountability.

The 2025/26FY Transnet Integrated Report was approved by the Board of Directors and signed on its behalf by:

Dr Andile Sangqu
Chairperson

Ms Michelle Phillips
Group Chief Executive

Ms Nosipho Maphumulo
Group Chief Financial Officer

Ms Lebogang Letsoalo

Mr Busisa Jiya

Mr Dipak Patel

Ms Mosadiwamaretlwa Zambane

Ms Refilwe Buthelezi

Ms Boitumelo Sedupane

Mr Martinus Debel

Prof Fholisani Mufamadi

Ms Khulekelwe Mbonambi

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OUR REPORTING **UNIVERSE**



The 2026 Integrated Report is the Company's primary report to all stakeholders.



The 2026 ESG Report is the Company's primary report on ESG performance and sustainability initiatives.



The 2026 Annual Financial Statements include reports of the directors and the independent auditor.



The 2026 Unabridged Governance Report sets out only the Company's application of the King IV™ principles and recommended practices in pursuit of good governance outcomes.

Operating Divisions reports for 2026

These reports provide a detailed commentary on the performance of our Operating Divisions for 2025/26FY.















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Feedback on this Report

We welcome feedback on our 2026 Integrated Report. Please provide written feedback to Busisiwe Mthwa at busisiwe.mthwa@transnet.net

Capitals

Human | Manufactured
Financial | Social and Relationship
Intellectual | Natural

Material Matters

MM1 Private-sector participation (PSP) and rail reform
MM2 Financial sustainability and capital investment
MM3 Stakeholder engagement and labour relations
MM4 Digital transformation and asset management
MM5 Energy transition and decarbonisation
MM6 Climate resilience and environmental compliance

Operating Divisions

Freight Rail | Port Terminals
Engineering | Pipelines
National Ports Authority | Property
Rail Infrastructure Manager

ABOUT OUR INTEGRATED **REPORT**

REGULATORY COMPLIANCE

Transnet complies with the PFMA provisions for Schedule 2 Entities and adheres to over 200 regulatory requirements.

Broad-Based Black Economic Empowerment

The Department of Trade, Industry, and Competition (dtic) implements the framework for Broad-Based Black Economic Empowerment (B-BBEE) policy and legislation.

Tariffs

Tariffs for the Transnet National Ports Authority and Transnet Pipelines are set by the Ports Regulator of South Africa and the National Energy Regulator of South Africa (Nersa), respectively.

Safety

The Railway Safety Regulator (RSR) oversees rail operations, conducting inspections and audits to determine the issuance of safety permits.

Policy context

Transnet operates within policies set by the Department of Public Enterprises (DPE) and the Department of Transport (DoT).

APPROACH TO ASSURANCE OF INFORMATION

Transnet's Integrated Assurance Plan is applied when preparing its Integrated Report. This helps to ensure transparency and accountability of disclosures. The plan includes assurance from Management, internal specialists, internal audit, external audit, and external advisers. The Board serves as the final line of defence.

ABOUT THE COMPANY

Transnet SOC Ltd, a State Owned Corporation established under the Legal Succession Act of 1989, is wholly owned by the South African Government. Transnet oversees South Africa's railway, ports, and pipeline infrastructure.

The Company's memorandum of incorporation (MOI), ratified on 19 December 2017 complies with the Public Finance Management Act, 1999 (PFMA), the Companies Act No. 71 of 2008, and the National Ports Act No. 12 of 2005. Each year, Transnet signs a Shareholder's Compact with the South African Government, represented by the Minister of the DoT. This Compact mandates the Company to deliver strategic initiatives, including sustainable economic, social, and environmental outcomes.

Transnet, governed primarily by the PFMA, operates within the context of the National Development Plan (NDP) and the medium-term strategic framework. The DoT's strategy addresses the challenging macro-environment and the allocation of limited resources.

BROAD-BASED BLACK ECONOMIC EMPOWERMENT (B-BBEE)

Transnet's B-BBEE verification covers six of the seven elements of the Generic Transport Public Sector Scorecard (excluding the ownership element). The Maritime, Property, and Rail Charters are also applied.

Transnet achieved full points for enterprise development and socio-economic development for the 2025/26FY.

SHAREHOLDER'S STATEMENT OF STRATEGIC INTENT

Transnet's Reinvent for Growth Strategy aligns seamlessly with the SSI, which mandates Transnet to target and deliver on several macro-strategic outcomes.

Transnet is mandated to deliver on the following strategic outcomes:

- To **decrease the overall cost of logistics** in relation to the transportable gross domestic product (GDP)
- To **effect and expedite the modal shift,** enhancing the role of rail in the national transport endeavour
- To **forge stronger connections** between South Africa, the SADC region, and the global community
- To **maximise the social and economic effects** of all interventions
- To engage and **leverage the private sector** to provide infrastructure and operations, as needed

ENTERPRISE AND SUPPLIER DEVELOPMENT (ESD)

South Africa's developmental agenda consists of key elements that are established as Enterprise and Supplier Development initiatives.

Transnet's ESD:

- Is guided by Government's Competitive Supplier Development Programme
- Is informed by the B-BBEE Codes of Good Practice
- Seeks to increase the competitiveness, capacity, and capability of Black-owned suppliers through financial and non-financial support
- Targets ESD initiatives that support localisation and industrialisation; providing opportunities for Black people, youth, women, small businesses, people with disabilities, and people living in rural communities



WHO WE **ARE**

Transnet SOC Ltd is South Africa's State-owned freight logistics company, responsible for rail, port, and pipeline infrastructure. Our purpose is to enable economic growth, reduce the cost of doing business, and ensure security of supply through efficient, integrated logistics solutions.

OUR VISION

To fuel Africa's growth and development as the leading provider of innovative supply chain solutions.

OUR MISSION

To link economies, connect people and grow Africa.

OUR STRATEGIC MANDATE

Transnet is mandated to:

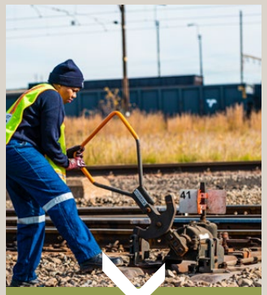
- Lower logistics costs relative to gross domestic product (GDP);
- Enable modal shift from road to rail;
- Integrate South Africa with regional and global markets;
- Maximise socio-economic impact; and
- Leverage private-sector partnerships.



OUR NATIONAL FOOTPRINT

Railway track 30 400 km	Pipelines 3 114 km
Cargo terminals 16	Commercial ports 8
Locomotives 1 981 active	Wagons 69 241 active
Employees 49 995	Asset base R375,3 billion

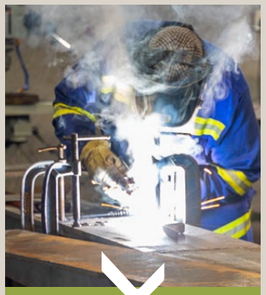
SEVEN OPERATING DIVISIONS ACROSS SOUTHERN AFRICA



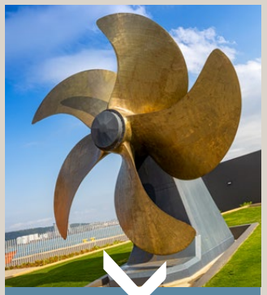
Freight Rail
Total revenue
R45,8 billion
Rail freight transport
Total headcount
11 103



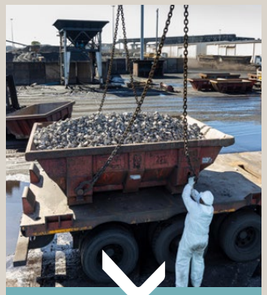
Rail Infrastructure Manager
Total revenue
R21,3 billion
Rail Network Infrastructure
Total headcount
13 855



Engineering
Total revenue
R9,8 billion
Rolling stock manufacturing and maintenance
Total headcount
7 608



National Ports Authority
Total revenue
R15,9 billion
Port infrastructure
Total headcount
3 720



Port Terminals
Total revenue
R20,6 billion
Cargo handling
Total headcount
10 392



Pipelines
Total revenue
R7,4 billion
Petroleum and gas transport
Total headcount
691



Property
Total revenue
R1,3 billion
Real estate management
Total headcount
618

BUSINESS **MODEL**

CAPITAL INPUTS

HUMAN AND INTELLECTUAL
- Responsible leadership
- Retention of permanent skilled employees
- Sound remuneration philosophy and process
- Project life cycle programme methodologies
- Research and development

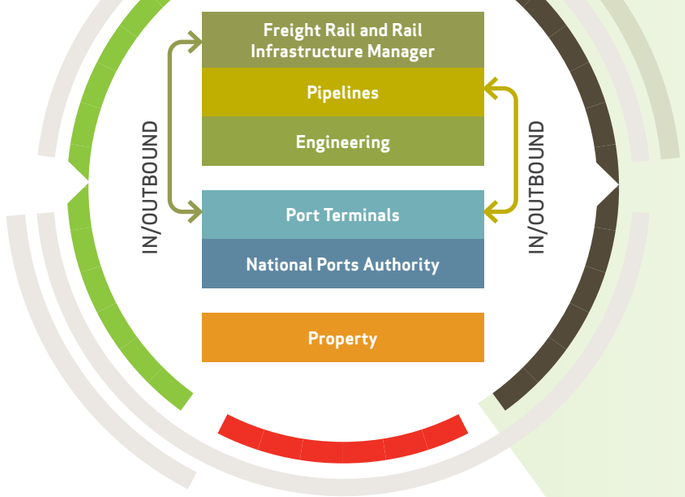
FINANCIAL
- Export credit markets
- International and domestic investments
- Loan markets (public and private)
- Development finance institutions
- Structured financing
- Partial funding by interested stakeholders
- Commodity-based revenue
- Non-commodity revenue from operations

MANUFACTURED
- Property, plant and equipment
- Investment property
- Rail and branch line networks
- Locomotives and rolling stock
- Expansive petroleum and gas pipeline infrastructure
- Multi-cargo ports
- Port terminals
- Repairs and maintenance

SOCIAL AND RELATIONSHIP
- Shareholders and funders value creation
- Diverse sector contributions to the SA economy
- Stakeholder information and relations
- Government and regulators
- Corporate social investment

NATURAL
- Land, water, air, and biodiversity resources
- Renewable energy resources
- Environmental management systems

Value creating business model



Strategic objectives realised through operational delivery, reinforced by disciplined execution

Seven transversal strategic focus areas

01	02	03	04	05	06	07
Equipment and infra-structure	People management	Procurement	Maintenance	Funding	Digital trans-formation	Safety

OUTPUTS

(Product service offering and by-products)

Wide range of transported general bulk and containerised freight commodities.	Secure inland petroleum product supply.	Cargo-handling services to a wide range of customers.	Waste materials as by-products of operations and infrastructure projects (e.g., metal scraps and plastic waste).

CAPITAL OUTCOMES

Distinctive product and service designs	Safe working environment	Strong engineering research and development
Globally recognised operating standards	Skilled and representative workforce	Lost time due to injuries
Strong governance structure and oversight	High-performance culture, improved employee performance	Lost time due to injuries frequency rate
Technologically agile, integrated digital capabilities	Promote diversity, training, and ongoing education	Public fatalities
Accurate data outputs for informed decision-making	Responsible and ethical leadership	
Integrated planning and resourcing	Improved physical and mental health, and safety	

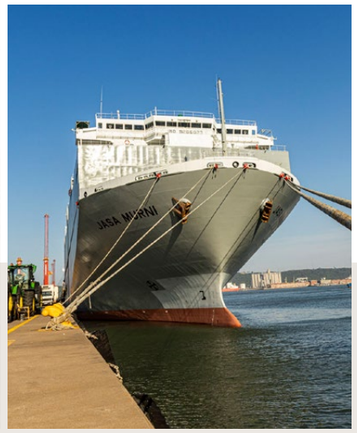
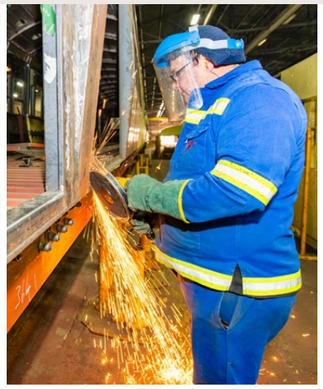
Commercial agility	Investment-grade stand-alone credit profile	Gearing at 49,4%
Diversified capital investments	Cash interest cover of 1,5 times	Procurement reform
Reliable borrower		

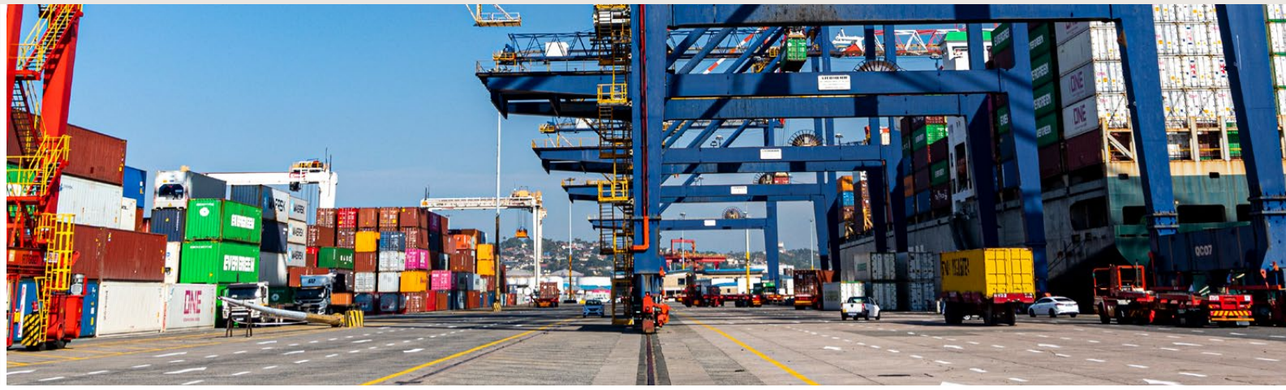
Enhanced operational performance	Ranked among Top 10 global freight railways	Running line derailments
Optimised use of rolling assets (mention standing loco)	Ongoing rail capacity growth	Shunting derailments
Largest railway in Africa	Infrastructure damage through vandalism and theft	High standards of maintenance, repair, and upgrade of assets

Social licence to operate	Collective agreements with organised labour	Fair and equitable tender processes
Customer-centric and reliable delivery of services	Partnerships with customers and logistics providers	Proactive and collaborative supplier development
Informed and empowered stakeholders	Fair, transparent, and efficient contract management	Provision of primary healthcare services to rural communities

Water quality monitoring and reporting	Management of historical contamination	Infrastructure damage through vandalism
Sustainable waste management and optimisation	Environmental incidents management	Ethical business practice
Manage and enhance biodiversity in operations	Environmental legal compliance	Environmental transgressions and incidents
Air quality management	Renewable energy projects and initiatives	



OUR **INVESTMENT CASE**

Through strategic reform, infrastructure investment and private-sector partnerships, Transnet is unlocking growth opportunities and strengthening its position as a leading logistics and infrastructure partner in Africa.

1 A critical national logistics platform

Transnet owns and operates South Africa's strategic freight rail, port and pipeline infrastructure, providing an essential service to the economy and enabling trade, industrialisation and regional integration.

Supported by

- Extensive nationwide infrastructure footprint;
- Strong government mandate and policy support; and
- Strategic role in South Africa's economic growth.

2 Operational recovery gaining momentum

The Group continues to demonstrate progress in stabilising operations and improving financial performance.

Evidence of progress

- Revenue increased to R88,6 billion;
- Net profit of R4,6 billion;
- Rail volumes increased to 167,9 million tonnes; and
- Petroleum volumes increased and corridor performance improved.

3 Structural reform unlocking growth

The Freight Logistics Roadmap and Transnet's Reinvent for Growth Strategy are transforming the business and creating new opportunities for growth and investment.

Growth drivers

- Rail reform and third-party access;
- Private-sector participation;
- Transnet National Ports Authority (TNPA) corporatisation;
- Logistics corridor expansion; and
- Regional integration opportunities.

4 Significant investment pipeline

Transnet is investing in infrastructure renewal while creating platforms for future growth.

Five-year capital programme

- R129,1 billion planned investment;
- R115,9 billion sustaining capital;
- R13,1 billion expansion capital;
- Focus on rail, ports and energy infrastructure.

5 Partnering for long-term value creation

A structured PSP programme is unlocking capital, expertise and operational capacity.

Key opportunities

- DCT Pier 2 implementation;
- Ngqura Manganese Export Terminal;
- LeaseCo;
- LNG infrastructure projects; and
- Container and bulk export corridor initiatives.

6 Strong governance and disciplined execution

A strengthened governance framework, improved capital oversight and enhanced risk management support sustainable value creation.

Underpinned by

- Robust capital governance;
- Board oversight and combined assurance;
- Enhanced procurement controls; and
- Enterprise-wide risk management.

OPERATING CONTEXT **OVERVIEW**

We navigate a complex operating environment with a focus on resilience, growth and sustainable value creation for our stakeholders.

Macroeconomic and political landscape

South Africa's economic growth remains modest, constrained by logistics, energy and fiscal challenges. However, continued policy reform and improved collaboration between government and business are supporting investor confidence and infrastructure-led growth.

Related risks

- Financial sustainability
- Business development

How we are responding:

- Aligning investment with national priorities;
- Strengthening partnerships with government and industry; and
- Maintaining agility through scenario planning.

Freight logistics reform and private-sector participation

The logistics sector is undergoing significant reform, including rail liberalisation, third-party access, TNPA corporatisation and increased private-sector participation. These reforms aim to improve competitiveness, efficiency and investment in freight logistics.

Related risks

- Business development
- Infrastructure/Asset creation

How we are responding:

- Accelerating rail reform initiatives;
- Advancing PSP projects across rail, ports and pipelines; and
- Preparing for a more competitive logistics environment.

Infrastructure and security constraints

Ageing infrastructure, maintenance backlogs and security-related incidents continue to place pressure on operational reliability and network performance across key freight corridors.

Related risks

- Operational sustainability and efficiency
- Security
- Infrastructure/Asset creation

How we are responding:

- Investing in infrastructure renewal and maintenance;
- Prioritising strategic freight corridors; and
- Strengthening security interventions and partnerships.

Technology and digital transformation

Digital technologies are reshaping logistics through automation, predictive maintenance, data analytics and enhanced customer visibility, creating opportunities for greater efficiency and reliability.

Related risks

- Operational sustainability and efficiency
- Infrastructure/Asset creation

How we are responding:

- Investing in digital platforms and asset management systems;
- Strengthening cybersecurity capabilities; and
- Building internal digital skills and innovation partnerships.

Energy transition and climate resilience

Climate change, decarbonisation requirements and evolving energy markets are transforming the logistics sector, while creating opportunities in LNG, renewable energy and green hydrogen.

Related risks

- Safety, health and environment
- Business development and competition

How we are responding:

- Embedding climate resilience into infrastructure planning;
- Supporting road-to-rail migration; and
- Advancing alternative energy projects.

Stakeholder expectations and social impact

Stakeholders increasingly expect Transnet to deliver economic growth, transformation, job creation, ethical leadership and operational improvements while maintaining strong relationships and public trust.

Related risks

- Reputation management
- People and learning
- Procurement

How we are responding:

- Deepening stakeholder engagement;
- Advancing transformation, localisation and supplier development; and
- Strengthening transparency and accountability.

STAKEHOLDER **ENGAGEMENT**

Transnet's strength lies not only in its assets, strategies, and operations, but in the quality of its relationships with its stakeholders. As an organisation, we believe that "When Transnet works, South Africa thrives". Here, our successful turnaround will be possible through extensive stakeholder engagement and collaboration.

Strengthening our Stakeholder Engagement Framework

As Transnet continues to reposition itself as a reliable, efficient and future-fit logistics provider, stakeholder management and engagement remain strategic levers for co-creating solutions, enhancing transparency and unlocking shared value.

We engage a wide range of stakeholders whose interests, influence and contributions are integral to the successful execution of our R4G Strategy.

Transnet's stakeholder engagement practices are embedded within Transnet's Stakeholder Policy. These practices are aligned with the best practice governance standards set out in the recently published IoDSA King IV™ Code on Corporate Governance, the Global Reporting Initiative G4, and the AA1000 Stakeholder Engagement Standards. Our approach is anchored in the following principles:

- **Inclusivity:** Recognising and engaging stakeholders who are materially affected by Transnet's activities or who materially influence its ability to create value.
- **Materiality:** Identifying and prioritising issues that are most significant to stakeholders and the organisation.
- **Responsiveness:** Addressing stakeholder concerns in a timely, transparent and accountable manner.
- **Strategic Alignment:** Integrating stakeholder insights into business priorities, risk management and decision-making processes.
- **Continuous Improvement:** Monitoring engagement effectiveness, evaluating outcomes and refining approaches to strengthen stakeholder relationships and support sustainable value creation.

Stakeholder engagement is integral to understanding stakeholders' challenges and developing appropriate responses. Understanding stakeholder interests and influence on the R4G Strategy is vital, enabling the organisation to develop impactful stakeholder engagement plans aligned with priorities to mitigate relevant risks.

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OUR STAKEHOLDERS HAVE SPOKEN

In our 2025 Integrated Report, we committed to evaluating the effectiveness of our engagement with key stakeholders through a stakeholder perception survey. Insights from this survey will guide the refinement of our engagement strategy and inform our long-term stakeholder priorities.

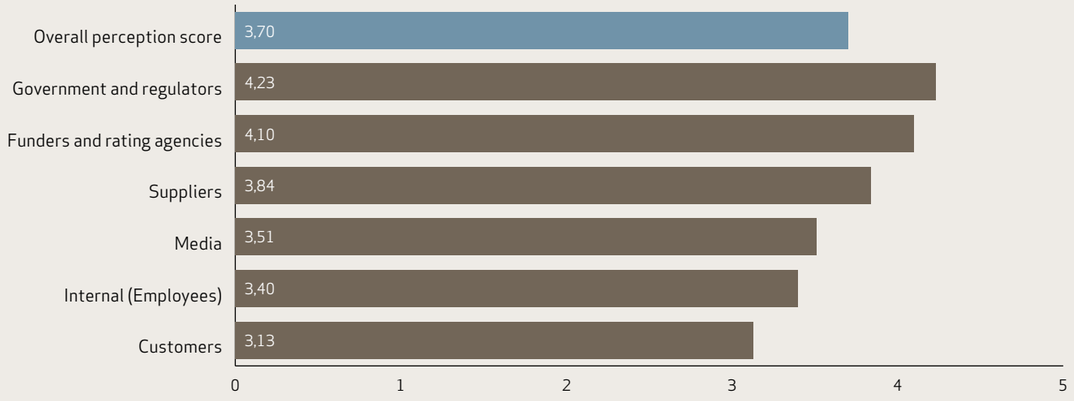
This year, Transnet appointed a service provider to research how our stakeholders perceived our stakeholder engagement. The study adopted a quantitative approach supported by qualitative measures to substantiate the data. The study aimed to provide Transnet with an understanding of stakeholder confidence, identify areas of strength and opportunities for improvement, and assess communication and organisational performance. The stakeholders who took part in the survey are the following groups:

ESSENTIAL STAKEHOLDERS	KEY PARTNERS	POLICY MONITORING
Employees and organised labour	Investors, funders, rating agencies, suppliers and customers	Regulators, government, parliament and the media

The overall perception score for internal stakeholders was 3,40 on a 5-point scale (where 1 is poor and 5 is excellent), while the overall perception score for external stakeholders was 3,76. This demonstrates that external stakeholders have a more positive perception of Transnet than internal stakeholders.

Overall, the findings highlighted high positive perceptions from ratings of external stakeholders, particularly government departments, regulators, funders and rating agencies. These groups view Transnet as a credible national asset, a reliable partner, and a strategically important organisation within South Africa's economic and infrastructure landscape. In contrast, internal stakeholders, employees at the Operating Divisions, express lower levels of confidence, particularly regarding leadership communication, inclusion in decision-making, and access to operational resources.

STAKEHOLDER PERCEPTION SURVEY RESULTS



STAKEHOLDER ENGAGEMENT continued

MANAGING STAKEHOLDER GRIEVANCES AND CONCERNS

Transnet's stakeholder issues management aligns with a strategic approach driven by the Stakeholder Engagement Framework. As understanding of key stakeholder issues grows over time, we focus on measuring trends in those issues, reviewing them over time and how effectively they are being addressed, and categorising them as we track them.

Stakeholder management processes and an overview of stakeholder issues

HOW STAKEHOLDER ISSUES ARE RECORDED	HOW STAKEHOLDER ISSUES ARE RESOLVED	STAKEHOLDER ISSUES AND CATEGORIES
• Stakeholder issues are reported through Stakeholder Forums; • High-risk stakeholder issues are escalated through management structures; and • The Issue Register records stakeholder issues and supports the tracing of these issues over time.	• Stakeholder issues are directed to the relevant departments to respond based on the subject matter. For example, the Telkom Foundation resolves community wellbeing issues.	• Most stakeholder issues reported are related to community issues (wellbeing, safety, job creation); and • Other stakeholder issues are related to ongoing engagements with different departments and vary depending on the frequency of engagement.

How stakeholders can raise concerns and grievances

- **Stakeholder management dashboard:** To be launched in 2026/27FY, this dashboard will provide communities with a dedicated platform to raise and track issues or grievances relating to Transnet operations.
- **Anonymous toll-free line (0800 003 056):** Allows stakeholders to report fraud or vandalism affecting Transnet's operations.
- **Parliamentary questions:** Stakeholders may raise parliamentary questions on issues impacting a particular community or community interest group.
- **In-person channels:** Community champions at major facilities and depots engage directly with stakeholders, receive grievances and escalate matters through established internal processes.
- **Web-based reporting:** Transnet is developing a dedicated stakeholder grievance portal on its website to provide an additional channel for lodging concerns and tracking responses.

Modernising our procurement processes

Transnet, in its quest to digitise its processes aligned with its broader ICT digital modernisation strategy, developed a transformative e-Tender solution. This solution positions Transnet as a trailblazer in setting a new national benchmark for public-sector procurement through a fully digital, efficient, and inclusive system that actively drives economic transformation. The system includes an embedded audit trail, real-time reporting, and automated business rules. This initiative received the prestigious Gordon Institute of Business Science (GIBS) Logistics Achiever Gold Award 2025.



Key stakeholder engagement activities for 2026

Transnet's ability to deliver sustainable value hinges on consistent, transparent, and purpose-driven stakeholder engagement. We adopt a tailored approach to address each stakeholder group's distinct expectations, concerns, and priorities, ensuring alignment with our strategy and national development imperatives.

In 2025/26, our stakeholder engagement efforts focused on advancing structural reform, operational recovery and service delivery. Dedicated engagement platforms, such as stakeholder forums, performance dashboards, and strategic dialogues, enhanced collaboration, transparency and trust with government, industry, employees, and business associations.

WHO THEY ARE

THE SHAREHOLDER, REPRESENTED BY THE MINISTER OF TRANSPORT

Purpose of our engagement

Transnet fosters trust, accountability, and alignment with Shareholder expectations through our engagements.

Methods and channels of engagement

- Annual General Meeting (AGM)
- Operational updates
- Site visits
- Integrated Report

Expectations and key engagement issues

- Sustainable growth in volumes, revenue and returns
- Strong balance sheet and risk mitigation
- Transparent governance and reporting
- Effective leadership and succession planning

Our response

Transnet maintained proactive and consistent engagement with the Shareholder through transparent communication, operational updates, and collaborative site visits.

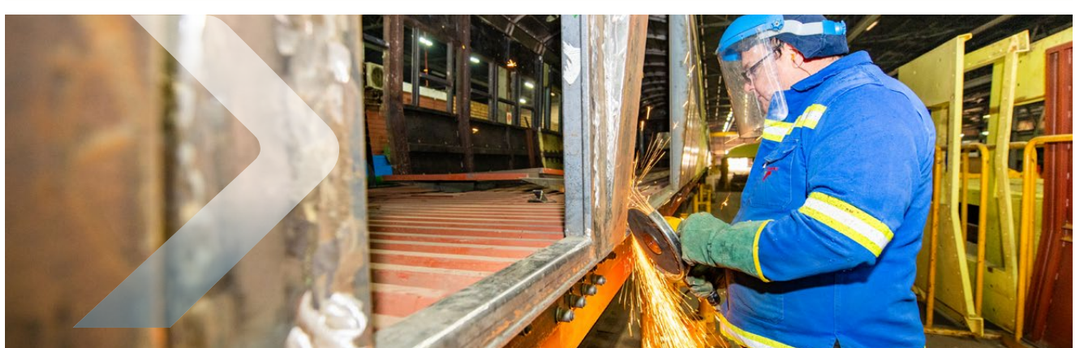
During Transport Month in October 2025, the Minister of Transport led several oversight visits and stakeholder engagements at key Transnet operations, including the Ports of Ngqura, Durban, Richards Bay and Mossel Bay. The Minister confirmed the department's intention to re-establish rail as the backbone of transport for people and goods.

These visits served as platforms for Transnet to brief the Minister on operational improvement plans, readiness for peak seasons and stakeholder priorities. They also provide opportunities for media engagement to enhance public awareness of Transnet's activities.

Related risks

- Governance
- Financial sustainability

Capitals impacted



STAKEHOLDER ENGAGEMENT continued

WHO THEY ARE

SOUTH AFRICA'S PARLIAMENT

Purpose of our engagement

The Parliamentary engagements continued to play a strategic role in strengthening governance, accountability, and policy alignment within Transnet's operations and long-term sustainability objectives. Through regular participation in Parliamentary Committees, responses to Parliamentary questions, oversight visits, and ongoing engagement with the Shareholder and policy-makers, Transnet demonstrated its commitment to transparency, regulatory compliance, and constructive stakeholder relations.

Methods and channels of engagement

- Presentations to Parliamentary Committees
- One-on-one engagement and oversight visits
- Parliamentary questions

Expectations and key engagement issues

- Accountability and compliance
- Strategic alignment with national priorities
- Effective delivery service
- Responsible use of public resources

Our response

Parliamentary engagement continued to support informed policy discourse, strengthen oversight, and align organisational priorities with national development objectives. We conducted the following engagements with Parliamentary Committees and related Parliamentary processes:

- Standing Committee on Appropriations
- Oversight visit to the Port of Cape Town
- Department of Transport Budget Vote
- Joint Portfolio Committees on Transport; Trade, Industry and Competition
- Portfolio Committee on Planning, Monitoring and Evaluation
- Portfolio Committee on Department of Transport

Related risks

- Governance
- Reputation management

Capitals impacted

WHO THEY ARE

SUPPLIERS

Purpose of our engagement

Supplier engagement is critical for Transnet to drive operational recovery, foster transparency, and promote inclusive economic growth by building sustainable relationships with suppliers.

Methods and channels of engagement

- Supplier engagement sessions
- Strategic supplier engagements
- Strategic alignment meetings

Expectations and key engagement issues

- Urgent structural reforms
- Performance monitoring and reporting
- Stakeholder collaboration
- Unlocking investment

Our response

This year, our engagements with suppliers focused on Transnet's e-Tender solutions, including providing digital support and uploading suppliers to the system. Transnet was awarded the Gordon Institute of Business Science Logistics Achiever Gold Award 2025 for its e-Tender solution, for its contribution to improving supplier engagements.

Related risks

- Operational sustainability and efficiency
- Infrastructure/Asset creation

Capitals impacted

WHO THEY ARE

TRANSNET EMPLOYEES

Purpose of our engagement

Employee engagement fosters a shared sense of purpose and ensures all employees remain connected to Transnet's journey.

Methods and channels of engagement

- Employee Imbizos
- Executive broadcasts at the Group and Operating Divisions
- Wellness webinars
- Annual performance discussions

Expectations and key engagement issues

- Safe, inclusive, and healthy work environment
- Career growth, fair remuneration, recognition
- Clear performance expectations
- A culture of empowerment

Our response

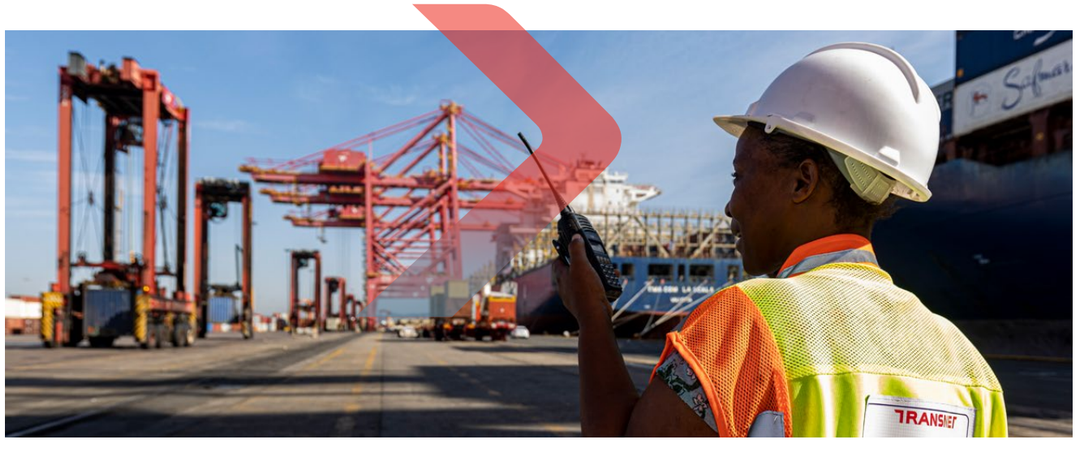
A structured internal communication programme supports employee engagement and keeps employees informed, aligned, and motivated. These platforms embed strategic alignment, reinforce key priorities, and cultivate a purpose-driven culture linked to our R4G Strategy. Key engagements for 2025/26 included:

- Socialisation of the 2025/26 organisational targets
- R4G Fridays to communicate performance updates and strategic priorities
- Safety awareness campaigns
- Fraud Week awareness initiatives
- Whistleblowing awareness campaigns
- Cybersecurity awareness initiatives
- Sustainability (ESG) awareness programmes
- Disability inclusion initiatives

Related risks

- Operational sustainability and efficiency
- People and learning

Capitals impacted



STAKEHOLDER ENGAGEMENT continued

WHO THEY ARE

BARGAINING UNIT EMPLOYEES THAT BELONG TO A UNION

Purpose of our engagement

These engagements aim to balance operational imperatives with employee welfare, ensuring that our business transformation is managed inclusively and responsibly.

Methods and channels of engagement

- Strategic Leadership Forum
- Wage negotiations
- Consultations on transformation in the organisation
- Consultations on major structural reforms

Expectations and key engagement issues

- Assurance of job security and preservation
- Transparent and timeous communication on organisational changes
- Fair labour practices, including compliance with collective agreements and labour legislation
- Inclusive participation in decision-making processes affecting employees
- Access to skills development and retraining opportunities in line with evolving operational needs

Our response

Engagements with organised labour are institutionalised through platforms such as the Strategic Leadership Forum, where Transnet leadership holds quarterly consultations with labour representatives. Key matters discussed include the progress on the Annual Corporate Plan. In 2025/26, we consulted with bargaining unit employees on the following:

- Transnet Rail Infrastructure Manager (TRIM) corporatisation
- TNPA corporatisation

Related risks

- Operational sustainability and efficiency
- People and learning

Capitals impacted

WHO THEY ARE

OUR INVESTORS

Purpose of our engagement

Engagements with investors aim to build positive and long-term relationships and support Transnet's continued access to funding.

Methods and channels of engagement

- Financial disclosures (annual financial statements and interim results)
- Investor roadshows
- Strategic briefings
- Integrated report

Expectations and key engagement issues

- Clear strategic direction and delivery
- Transparent risk management
- Sustainable returns and value creation

Our response

Transnet continues to rebuild investor confidence through regular financial disclosures, participation in investor roadshows, and strategic briefings. We have ongoing engagements with the Shareholder, reporting progress and updates on the operational conditions and other financial matters.

Related risks

- Financial sustainability and funding
- Infrastructure/Asset creation

Capitals impacted

WHO THEY ARE

OUR CUSTOMERS

Purpose of our engagement

We engage with our customers to strengthen partnerships, better understand their evolving needs, and co-create solutions that drive shared success and long-term value.

Methods and channels of engagement

- Reinstitution of Group Commercial Function for integrated customer service solutions
- Quarterly engagements, led by the Group Chief Executive, with customers, both directly and indirectly through business chambers
- Active participation in a wide range of industry conferences across the mining, rail, and port sectors to stay engaged, informed, and connected with key customers
- The Transnet Insights customer newsletter

Expectations and key engagement issues

- Sustainable growth in volumes, revenue, and returns
- Strong balance sheet and risk mitigation
- Transparent governance and reporting
- Alignment with the latest national developments and global developments

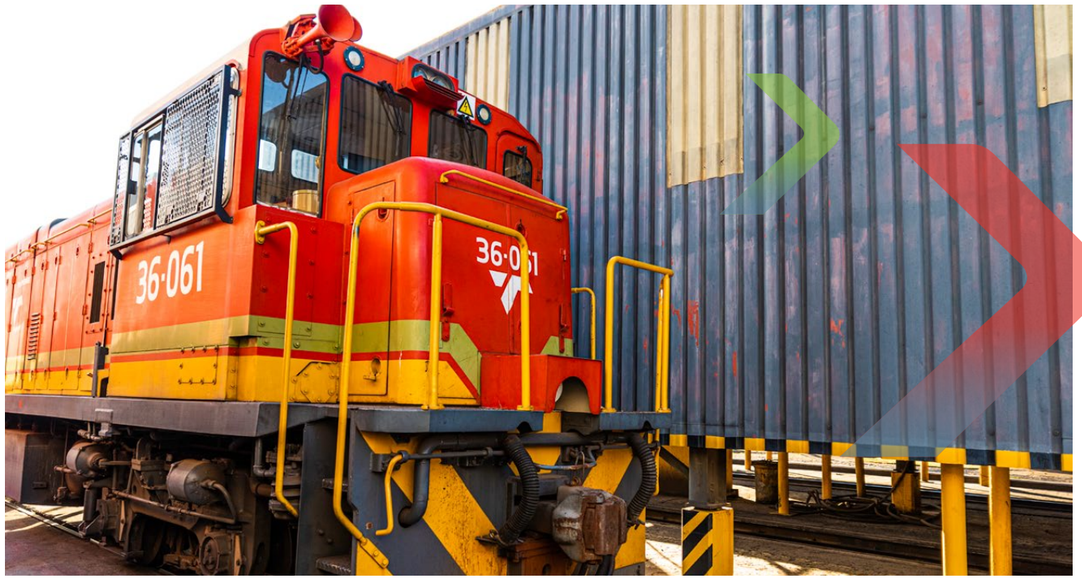
Our response

- TRIM and Investec launched a stakeholder-engagement initiative involving public- and private-sector entities to discuss the focus on TRIM's economic role and third-party access to the rail network
- We are in discussions with customers to co-fund repairs on heavy haul iron ore and coal lines, with agreements expected soon
- We have entered a transformative three-year strategic partnership with the Automotive Business Council (NAAMSA) to support import and export logistics for the automotive sector

Related risks

- Business development
- Financial sustainability
- Infrastructure and asset management

Capitals impacted



STAKEHOLDER ENGAGEMENT continued

WHO THEY ARE

THE MEDIA, INCLUDING REPRESENTATIVES FROM PRINT, TV, RADIO AND ONLINE

Purpose of our engagement

These engagements, both planned and responsive, strengthen transparency, foster media relations, and reinforce public confidence in Transnet's performance and reform agenda.

Methods and channels of engagement

- Quarterly media briefings
- Press release
- Media-friendly online content
- Interviews
- Responses to media questions

Expectations and key engagement issues

- Timely and accurate information
- Clarity and consistency
- Responsive and proactive communication
- Credible, accessible spokespersons

Our response

Media engagements help Transnet drive key messaging and inform the public of its progress. Transnet regularly communicates about its progress, challenges and milestones. Engagements included:

- Interviews around the Mining Indaba
- Interviews on Transnet's 2024/25 financial results

Related risks

- Reputation management

Capitals impacted

WHO THEY ARE

COMMUNITIES INCLUDE PEOPLE LIVING AND WORKING IN AREAS IMPACTED BY OUR OPERATIONS

Purpose of our engagement

Community engagement is essential to maintaining public support and minimising disruptions to daily operations. Local stakeholders, including traditional leaders and community forums, provide critical insights into community needs and amplify the visibility of Transnet's contributions at a local level.

Methods and channels of engagement

- Community engagements
- Traditional leadership engagement
- Enterprise and supplier development
- Skills development
- CSI

Expectations and key engagement issues

- Access to opportunities
- Social investment and development
- Skills and education support
- Transparent communication

Our response

Regular meetings are held with community leaders and local municipalities across all Operating Divisions to align on shared priorities and ensure that communities benefit from Transnet's presence. Traditional leaders are key partners who are kept informed of developments, and whose input is actively sought to better respond to specific community challenges.

Related risks

- Operational sustainability and efficiency
- Reputation management

Capitals impacted

LOOKING FORWARD

Transnet is committed to strengthening stakeholder engagement as a strategic enabler of its Reinvent for Growth (R4G) Strategy in the 2026/27 financial year. Focus areas include the following:

- Using stakeholder insights and perception survey findings to inform stakeholder engagement strategies and improvement plans.
- Strengthening the accountability, capability and responsiveness of Stakeholder Relationship Owners.
- Monitoring and evaluating the quality, consistency and effectiveness of stakeholder engagement across stakeholder groups.
- Driving awareness of the R4G Strategy, reform priorities and infrastructure investment opportunities among key stakeholders.
- Further integrating stakeholder engagement with governance, risk management and strategic execution to support measurable outcomes, operational recovery and stakeholder confidence.



CHAIRPERSON'S **REVIEW**

Despite a constrained operating environment, the Board and management maintained a clear focus on stabilising operations and pursuing reform. This has translated into improved financial performance and steady progress against the objectives of our R4G Strategy.

The year under review was marked by a constrained global and domestic economic environment. Global growth remained subdued, with expansion at around 3%, reflecting ongoing geopolitical tension, trade fragmentation and uncertainty across major economies. In South Africa, growth was modest at approximately 1%, with inflation contained within the target range despite continued pressure from fuel and energy costs. These conditions highlight structural constraints in the economy, where logistics inefficiencies, infrastructure limitations and energy challenges continue to weigh on competitiveness. The logistics sector remains a significant contributor to economic activity, accounting for approximately 10 to 12% of GDP, although costs remain high relative to global benchmarks.

In this context, Transnet's role remains central to the economy's functioning. As custodian of the national freight logistics network, the Group enables trade, supports industrial activity and strengthens export competitiveness. The performance of the rail, port and pipeline system has a direct impact on economic growth, investment and employment. When the network performs reliably, it lowers the cost of doing business and supports national development. When it does not, the effects are felt across all sectors of the economy.

TRANSITION TO SUSTAINABLE GROWTH THROUGH STRUCTURAL REFORM

The Board and management maintained a clear focus on stabilising the organisation. The Tactical Recovery Plan contributed to improved operational discipline, stronger governance and clearer accountability. This enabled Transnet to arrest the long-term decline in freight volumes and to establish a more stable operational base. This progress is important, but the Board recognises that recovery is ongoing. Sustained improvement will depend on consistent execution and a continued focus on performance across all core operations.

The R4G Strategy provides the framework for Transnet's next phase. It sets out a clear pathway from stabilisation to long-term competitiveness. The strategy integrates operational recovery, institutional reform and growth in a single approach. The Board is focused on ensuring that the strategy translates into execution. This requires disciplined capital allocation, effective risk management and strong operational performance. The shift to sustainable growth will depend on maintaining focus and reinforcing accountability across the Group.

In the rail sector, reform is both a necessity and an opportunity. Years of underinvestment and deferred maintenance have placed significant pressure on network performance, requiring substantial capital investment to restore reliability and capacity. Our immediate priority is to stabilise critical high-density corridors while exploring concession opportunities for selected low-density lines. The TRIM is pursuing diversified funding solutions to address maintenance backlogs and structural funding constraints, including engagement with National Treasury and the development of PSP co-investment models.

The establishment of LeaseCo marks a significant step towards modernising freight rail operations. The initiative is intended to improve asset utilisation while enabling broader sector participation by expanding access to rolling stock for both established and emerging train operating companies (TOCs). In doing so, the LeaseCo is expected to promote healthy competition and improve operational flexibility while supporting more efficient supply chains.

PSP is a central part of Transnet's reform agenda. It is an important mechanism for unlocking investment, improving efficiency and supporting infrastructure development. During the year, Transnet advanced a structured pipeline of more than ten strategic projects across ports, rail and energy.

A key milestone was the award of the Durban Container Terminal Pier 2 transaction. This transaction demonstrates the Group's ability to bring complex projects to market and to move into implementation. It also strengthens confidence in Transnet's reform programme and its ability to attract long-term investment.

Read more about the transaction in the GCE's review on page 48.

HIGHLIGHTS

- Achieved a net profit of **R4,6 billion,** ending five consecutive years of losses
- **Progress** with structural reforms and PSP
- Security incidents declined 7% to **5 870**



Dr Andile Sangqu
Chairperson

Further progress was made in advancing projects into procurement, particularly in bulk export corridors. Other initiatives are progressing through the feasibility and structuring phases to ensure they are well-designed and deliver sustained value. In the energy portfolio, projects such as the Richards Bay LNG Terminal are approaching investment decisions, highlighting Transnet's broader role in supporting energy security.

This pipeline reflects a measured and phased approach. We view PSP not as an end in itself, but as a strategic enabler of Transnet's long-term sustainability and competitiveness. Through carefully structured partnerships, we can unlock investment and access specialised expertise to accelerate infrastructure development, improving the performance of the logistics network.

STRENGTHENING FINANCIAL RESILIENCE

Financial resilience is a key focus for the Board. We are proud to report a profit of R4,6 billion for 2025/26FY, a meaningful step forward, particularly after a prolonged period of financial losses. It reflects the early benefits of improved operational performance and tighter discipline. However, the balance sheet remains under pressure. Debt levels remain elevated, and the cost of servicing that debt continues to weigh on our financial position. This limits flexibility and reinforces the need for a measured and disciplined approach to funding and investment.

In response, the focus remains on strengthening cash generation, prioritising capital allocation and gradually improving the balance sheet. Investment is being directed towards core corridors and assets critical to performance and offering the strongest returns, while maintaining strict cost control.

Encouragingly, an important indicator of improving stakeholder confidence was the successful engagement with international development finance institutions. During the year, Transnet advanced funding initiatives with key development partners, including the Agence Française de Développement (AFD).

The continued support of institutions such as AFD reflects confidence in Transnet's strategic importance to South Africa's economy, the long-term viability of its infrastructure investment programme and the progress being made in implementing operational and financial recovery initiatives. Development finance institutions remain important funding partners given their long-term investment horizons and their focus on supporting sustainable economic development and critical infrastructure.

CHAIRPERSON'S REVIEW continued

GOVERNANCE AND ETHICAL LEADERSHIP

The organisational review process remains an important enabler of strategy. This review represents a fundamental transformation of organisational structures and ways of working, ensuring that Transnet is better equipped to operate in an increasingly dynamic and demanding environment.

During the year, management progressed the establishment of an Integrity Management Unit aimed at strengthening corruption prevention, ethical conduct and accountability across the organisation. This initiative supports the Board's continued commitment to ethical leadership and sound governance practices.

The Board continues to emphasise ethical leadership and strong governance. These principles support better decision-making and help restore stakeholder confidence.

SAFETY AND SECURITY

Safety remains fundamental to the Group's operations. Progress has been made in strengthening a people-centred safety culture, with greater emphasis on leadership accountability and risk management. While our journey towards zero harm continues, Transnet is committed to fostering a culture in which every individual is empowered to contribute to a safer workplace, ensuring that safety remains at the heart of our operations.

Theft and vandalism negatively impact Transnet's financial performance and operational stability. Transnet recorded measurable improvements in its security performance, with total incidents declining 7% to 5 870 (2024/25FY: 6 345). Freight Rail and TRIM remained the most affected, accounting for 96% of total incidents, although the number of incidents decreased slightly to 5 657. Cable theft remains the primary risk in these Operating Divisions.

The overall reduction in security incidents reflects a more coordinated and proactive approach to risk management across the Group. This was supported by strengthened collaboration with the South African Police Service (SAPS), which has enhanced response capabilities and improved enforcement outcomes. More than 800 suspects were apprehended, signalling a more effective deterrent against criminal activity.

These combined efforts have contributed to greater operational control and improved stability, particularly along high-risk rail corridors. Despite progress, security-related incidents pose a significant financial burden, with estimated losses exceeding R1,7 billion for 2025/26FY. This highlights the need for sustained focus on security interventions to protect our assets, improve operational performance and reduce this unfortunate cost burden.

STAKEHOLDER ENGAGEMENT

We acknowledge the progress made in strengthening stakeholder engagement and recognise the need to place greater focus on improving stakeholder alignment to enable more effective and impactful partnerships. Strengthening alignment will ensure that engagement efforts translate into clear, coordinated action and shared outcomes for all parties. This is critical given our broad spectrum of stakeholders, including various spheres of government and legislative bodies. As we advance a range of regulatory and operational initiatives, stakeholder inputs must be coordinated and consistent to support informed decision-making and successful implementation.

SUSTAINABILITY AND LONG-TERM VALUE CREATION

Sustainability is embedded in Transnet's strategy and guides its priorities for recovery and infrastructure renewal. The key focus areas are as follows:

- Road-to-rail migration;
- Rehabilitation of the rail network;
- Modernisation of ports;
- Expansion of renewable energy use;
- Strengthening climate resilience; and
- Preparation for emerging opportunities such as green hydrogen.

These efforts support a logistics system that is reliable today and ready for future demands. Investment in energy-related infrastructure also plays a key role. Projects such as the Zululand Energy Terminal at Richards Bay and the LNG Import Terminal at the Port of Ngqura support energy security and industrial growth, while creating opportunities for future energy value chains.

TE partnered with GreenCo Power Services (Pty) Ltd on the Green Hydrogen Rail Pilot Study, completed in February 2026. The study assessed the technical and financial feasibility of direct and indirect green hydrogen applications for rail propulsion, supporting the advancement of sustainable and low-carbon rail technologies.

Key R&D initiatives planned by the division include:

- Alternative Energy Technologies: Advancing alternative energy solutions for rolling stock and port applications, with a focus on battery, hydrogen and blended fuel technologies.
- Machine Vision Technologies: Enhancing security, asset monitoring and infrastructure reliability through advanced machine vision applications.
- De-rated Standard Gauge Wagon Bogie: Developing a lighter axle-load wagon bogie to broaden TE's product offering and support the long-term requirements of the National Rail Master Plan (NRMP).

For further details on sustainability initiatives and related performance, please refer to the ESG Report 2026.

OUTLOOK

The Board is cautiously optimistic about the path ahead. Progress has been made in stabilising the organisation and advancing key reforms. The focus for 2026/27FY will be on sustaining operational improvements, advancing PSP and strengthening financial resilience. Continued progress will depend on consistent execution and clear accountability.

APPRECIATION

The progress achieved stands as a testament to collective effort and resilience, and the recovery journey we have navigated can serve as a valuable blueprint for future endeavours.

As I reflect on the tenure of the current Board, I am reminded of a powerful metaphor that captures the journey we have undertaken. When we assumed responsibility about three years ago, it was akin to taking control of an aircraft in freefall, carrying more than 50 000 passengers. While the situation was undeniably complex and demanding, I am proud to say that we not only arrested the decline, but also successfully stabilised the Group. I wish to acknowledge the crucial role played by our government and Shareholder Ministry in providing strategic direction and guidance, as we navigate this transformative path and advance towards enabling sustainable growth.

My sincerest appreciation goes to our hardworking employees. Your tireless efforts, unwavering dedication and commitment to excellence are the driving force behind our accomplishments. Each day, you bring your talents and expertise to the table, pushing boundaries and overcoming challenges that may seem insurmountable. You are all recognised.

I also extend my gratitude to our valued customers, trade unions, suppliers and partners. Your trust and confidence in Transnet are invaluable. Your feedback, collaboration, and support have been instrumental during this period. Together, we have forged strong and enduring partnerships that have propelled us forward and enabled us to deliver value to our stakeholders. Let us work together with transparency, determination, and integrity as guided by our shared values.

Thank you.



Dr Andile Sangqu
Chairperson



BOARD **MEMBERS**



ANDILE SANGQU
Chairperson of the Board

Birth Date: October 1966
Appointment date: July 2023

1 2 3 10 12 15 20

Qualifications
DBA (GIBS), MBL (UNISA), Advanced Management (INSEAD), BCom Accounting (Rhodes), BCompt (Hons) CTA (WSU), Higher Diploma in Tax Law (UJ), Executive Development Programme (Wits Business School)

External directorships
- Deliwe Properties
- Energy Impact Investment Partners
- Growthpoint Properties – Non-executive Director
- PSG Konsult
- Western National Insurance Company
- Rhodes University Council – Member of Council
- Jas Property Investments
- Ovid Consulting



MICHELLE JEAN PHILLIPS
Group Chief Executive

Birth Date: December 1970
Appointment date: March 2024

6 8 12 19 22

Qualifications
B Juris LLB (Nelson Mandela University), Executive Development Leadership Programme (GIBS), Global Executive Development Leadership Programme (GIBS), Several International Terminal Operations Management Programmes, Transnet Women in Operations Management Programme, Breakthrough Programme for Senior Executives (IMD)



NOSIPHO MAPHUMULO
Group Chief Financial Officer

Birth Date: December 1968
Appointment date: April 2024

1 2 12 16 22

Qualifications
BCompt Honours/CTA (UNISA), Chartered Accountant (SAICA), Certificate in Financial Instruments and Markets, Senior Executive Programme (Wits/Harvard)

External directorships
- Brown Map Property Investments

BOARD COMMITTEES

- Audit
- Corporate Governance and Nominations
- Finance and Investment
- Remuneration, Social and Ethics
- Risk
- Business Operations Performance

BOARD MEMBERS' COMPETENCIES

1 Auditing and finance
2 Business, legal, risk and compliance management
3 Corporate governance
4 Data, ICT and digital management
5 Engineering and design
6 Maritime operations
7 Infrastructure development
8 Transport and logistics
9 Sales and marketing management
10 Mergers and acquisitions
11 Human resources and people management
12 Project and operations management
13 Property and asset management
14 Safety, health and the environment
15 Socio-economic development
16 Stakeholder relations
17 Research and analytics
18 Strategy and strategic governance
19 Leadership principles
20 Climate management
21 Procurement and supply chain
22 Public policy development



REFILWE BUTHELEZI
Independent non-executive director

Birth Date: August 1983
Appointment date: July 2023

1 3 5 13 14 16 18 19

Qualifications
Bachelor of Engineering (University of Johannesburg), MBL (University of Johannesburg), Master of Engineering Management (University of South Africa), Professional Business Coaching (Gordon Institute for Business Science)

External directorships
- South African National Roads Agency State-owned Company Limited
- Coefficient Technologies
- Phungashe Consortium
- Resurge Engineering Africa



MARTIN DEBEL
Independent non-executive director

Birth Date: October 1955
Appointment date: July 2023

2 3 4 8 12

Qualifications
BSc Engineering in Maritime Science (Rotterdam Institute of Applied Sciences, Netherlands), Navigation Licence – All Ships/ All Seas (Rotterdam Nautical College, Netherlands), Post-graduate: Analyse, Understand and Construct – Business process redesign (TSM Business School, Netherlands)

External directorships
- xMaritime



BUSISA JIYA
Independent non-executive director

Birth Date: December 1971
Appointment date: July 2023

1 13

Qualifications
Bachelor of Business Science (Economics Honours) (University of Cape Town), Senior Leadership Development Programme (Manchester University Business School), Advanced Leadership and Management Programme (Liberty Corporate), Advanced Management Programme (Thomson Reuters Academy), Directorship in Companies (Wits Business School), Key Individual (RE1 and RE3 Financial Advisory and Intermediary Services Exams) (Financial Sector Conduct Authority)

External directorships
- Jiya Africa Asset Managers
- Busisa Jiya Investment Management

BOARD MEMBERS continued



LEBOGANG LETSOALO
Independent non-executive director

Birth Date: March 1979
Appointment date: July 2023

1 9 21

Qualifications
MBA (UNISA), BTech Logistics UJ, Diploma in Purchasing (UJ)

External directorships
- Sincpoint – Shareholder
- South African Women In Supply Chain – Non-Executive Director
- Jet Demolition – Non-Executive Director
- Booyco Engineering – Non-Executive Director
- Inqolobane Investment – Trustee
- BI Engineering – Non-Executive Director
- Tria-Anagram – Shareholder
- Bay Engineering – Non-Executive Director
- House of Delicacies – Director
- Black Industrialist Group – Shareholder
- Sincpoint Transport Fund – Shareholder
- EMT Waste – Shareholder
- SINCTRADE Africa – Shareholder
- Imajin & Fusion – Shareholder
- TAI Investments, Director

FHOLISANI MUFAMADI
Independent non-executive director

Birth Date: February 1959
Appointment date: May 2018

15 19 22

Qualifications
MSc in States, Society and Development (University of London), PhD (University of London)

External directorships
Impala Platinum
- Zimplats
- Implats Platinum

KHULEKELWE GLYNNIS MBONAMBI
Independent non-executive director

Birth Date: April 1976
Appointment date: August 2025

1 2 3 4 11 21

Qualifications
BCom Accounting, BCom Hons (Accounting – CTA), Chartered Accountant South Africa – CA(SA), Chartered Director South Africa CD(SA), Certificate in Executive Leadership (WBS)

External directorships
- Gautrain Management Agency
- POLMED
- South African National Energy Development Institute (SANEDI)
- Mtobozi Financial Services – Shareholder

DIPAK PATEL
Independent non-executive director

Birth Date: February 1964
Appointment date: July 2023

1 5 8 20

Qualifications
MBA (Wits), MSc Dev. Econ. (London), Chemical Engineering (DUT), INSEAD

External directorships
- Bamba Zonke
- Ga Re Yeng Travel
- Absuwize
- Loninet

BOITUMELO SEDUPANE
Independent non-executive director

Birth Date: February 1984
Appointment date: July 2023

11 17

Qualifications
Bachelor of Arts (Industrial Psychology and Industrial Sociology) (University of the Witwatersrand), Bachelor of Arts (Honours) (Industrial and Organisational Psychology) (University of South Africa), Executive Development Programme (Wits Business School), Executive MBA (University of Cape Town Graduate School of Business), Global Network for Advanced Management (UC Berkeley)

External directorships
- SABPP
- MES Foundation
- World Changers Mental Health Care Organisation

MOSADIWAMARETLWA ZAMBANE
Independent non-executive director

Birth Date: July 1970
Appointment date: July 2023

1 2 3 11

Qualifications
Practical Legal Studies Course (University of Cape Town), Bachelor of Laws (LLB) (University of Cape Town), Bachelor of Arts (Law) (University of Cape Town), Higher Diploma in International Tax Law (University of Johannesburg), Higher Diploma in Tax Law (University of Johannesburg)

External directorships
- Wamaretlwa Investments
- Columbus Stainless Steel
- Mozambique Tree Farming (Pty) Limited

BOARD COMMITTEES

- Audit
- Corporate Governance and Nominations
- Finance and Investment
- Remuneration, Social and Ethics
- Risk
- Business Operations Performance

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7 Infrastructure development
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9 Sales and marketing management
10 Mergers and acquisitions
11 Human resources and people management
12 Project and operations management
13 Property and asset management
14 Safety, health and the environment
15 Socio-economic development
16 Stakeholder relations
17 Research and analytics
18 Strategy and strategic governance
19 Leadership principles
20 Climate management
21 Procurement and supply chain
22 Public policy development

Good governance is crucial for effective service delivery, economic growth, and public trust. We must operate efficiently, transparently, and accountably, to secure better outcomes for citizens and the nation.

GOVERNANCE **OVERVIEW**

The Board, through ethical leadership, is committed to embedding best practice governance principles across all levels of the organisation, thereby reinforcing the Company's accountability and transparency.

Transnet SOC Ltd continues to uphold sound corporate governance standards and practices. Our governance standards are informed by the PFMA, the Companies Act, the JSE Debt and Specialist Securities Listings Requirements and King IV™.

The Board of Directors, as the Accounting Authority and primary custodian of governance, oversees organisational performance through strategic execution. In discharging these responsibilities, the Board, as a good corporate citizen, ensures the Company's long-term sustainability by considering financial viability, socio-economic impact, and environmental stewardship, while appropriately balancing the interests of all stakeholders.

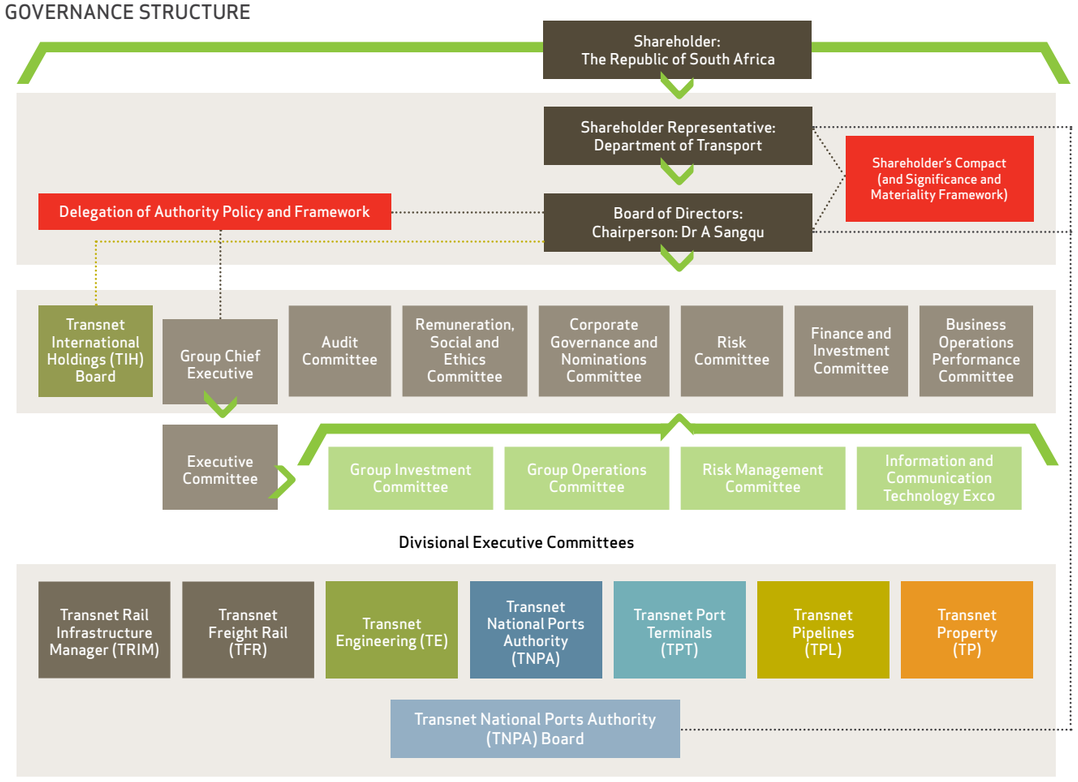
EXECUTIVE AUTHORITY AND OVERSIGHT

The Minister of Transport serves as the Company's Executive Authority and Shareholder Representative and recommends the appointment of the Board of Directors in consultation with the cabinet. The Board and the Ministry jointly ensure the Company's performance by entering into a Shareholder's Compact annually. The Compact outlines the Shareholder's strategic intent, key performance measures, and indicators aligned with Transnet's longer-term strategy entailed in the Corporate Plan.

The Board exercises oversight of organisational performance under the Compact through appropriate budget planning, resource allocation, and performance monitoring, while the Shareholder Representative provides oversight by receiving quarterly reports in line with the PFMA requirements.

As a State-Owned Company, the Company also accounts to both the Transport Parliamentary Committee and the Standing Committee on Public Accounts (SCOPA) to ensure accountability and transparency.

GOVERNANCE STRUCTURE



THE GOVERNANCE ARCHITECTURE

The Company's governance landscape continued to evolve in the year under review due to ongoing government reforms implemented at various levels, including the divisional level.

TNPA, currently an Operating Division of the Company, is undergoing corporatisation in line with the National Ports Act No. 12 of 2005, and as agreed in the Guarantee Framework Agreement between key stakeholders. The Shareholder Representative appointed a Board at TNPA with effect from 2023/24FY. This Board serves as a transitional structure to drive the corporatisation process and separate accountability for the division. The TNPA Board currently functions as a divisional board until the conclusion of the corporatisation process. The corporatisation will eventually result in the establishment of an independent entity with an independent board.

Transnet remains the sole Shareholder of Transnet International Holdings SOC Ltd (TIH), which was revived this financial year to comply with regulatory requirements. TIH was incorporated in August 2017 but remained dormant until recently when a Board consisting of Transnet executives was appointed.

The Company's governance practices are articulated in various governance instruments which clearly assign roles and responsibilities to ensure optimal performance, fostering both operational efficiency and organisational effectiveness.

KEY CORPORATE GOVERNANCE LEGISLATION

THE PUBLIC FINANCIAL MANAGEMENT ACT NO. 1 OF 1999 (PFMA)

The SOC is established by the PFMA and ensures adherence to its requirements in accordance with its classification as a major public entity under Schedule 2 of the Act. The PFMA designates the Board as the Company's Accounting Authority and outlines its fiduciary duties and responsibilities.

THE COMPANIES ACT NO. 71 OF 2008, AS AMENDED (COMPANIES ACT)

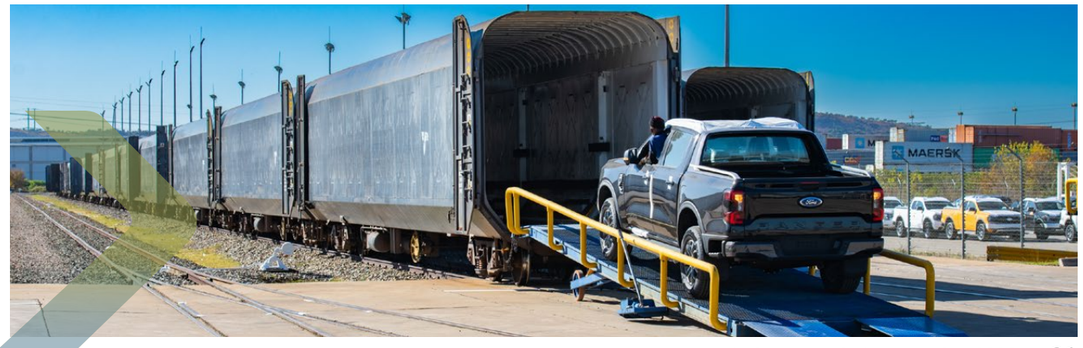
The Company also operates in accordance with the provisions of the Companies Act. In 2025/26FY, the Company reviewed its governance instruments to ensure full alignment with the provisions of the recently promulgated Companies Amendment Act.

PROTECTION OF PERSONAL INFORMATION ACT NO. 4 OF 2013 (POPIA)

The Company manages and aligns its information, data, and records management practices with the requirements of the POPIA and other information, communication and technology (ICT) requirements. Transnet maintains an information and records management function and portfolio to ensure access, data protection, effective document control, and the safeguarding of information assets, supported by continuous oversight and regular compliance monitoring.

KING IV™ REPORT ON CORPORATE GOVERNANCE FOR SOUTH AFRICA, 2016 (KING IV™)

The Company adopted the King IV™ principles to uphold its governance practices. The Company produces an Unabridged Governance Report that details its application of the recommended principles. The Company will transition fully to the newly adopted King V™ Report, among other standards, effective 1 April 2026, to ensure adherence to best global corporate governance practices.



CORPORATE GOVERNANCE INSTRUMENTS

MEMORANDUM OF INCORPORATION (MOI)

The MOI, serving as the Company's foundational governance document, was reviewed and approved during the period under review to ensure alignment with regulatory changes and business requirements.

DELEGATION OF AUTHORITY (DOA) POLICY AND FRAMEWORK

The Board has an approved DOA Policy and Framework to ensure proper devolution of decision-making to the various authorities within the Company. The policy and framework specify the responsibilities and powers assigned to different role players, as well as specify matters reserved for the Board as the governing body.

The DOA Policy and Framework are reviewed regularly to ensure alignment with business and regulatory changes and requirements.

BOARD AND ITS COMMITTEE CHARTERS

Charters articulate, among others, the mandate, composition, roles, decision-making processes, and operational protocols of the Board and its Committees, thereby ensuring structured and effective governance. The Charters are reviewed regularly to ensure that they remain aligned with the Company's strategic objectives, regulatory requirements and best governance practices.

BOARD-APPROVED POLICIES AND PROCEDURES

The Company maintains an integrated framework of Board-approved policies and procedures designed to support ethical leadership, guide operational and strategic decision-making, and promote legal and regulatory compliance. These policies are instrumental in optimising internal processes, managing risk effectively and thereby enabling the achievement of business outcomes consistent with the Company's values and governance standards.



THE BOARD

The Board sets the tone for upholding the highest standards of corporate governance and ethics and collaborates closely with the Group Exco to drive performance and cultivate a Group-wide ethical culture. This collaboration ensures sustainable value creation and optimised performance through effective governance.

The Board fulfils its fiduciary duties by setting a long-term strategy, as articulated in the Company's Shareholder's Compact, and by regularly monitoring organisational performance and sustainable governance outcomes.

BOARD OVERSIGHT ON ESG AND CLIMATE CHANGE

The Board appreciates the importance of integrating ESG considerations into the Company's core operations. The Board has delegated responsibility for ESG oversight to its committee, the Remuneration, Social and Ethics Committee (RemSEC). The Audit Committee is also responsible for ensuring compliance with ESG financial reporting and disclosure requirements.

As a result of this priority, the Board and prescribed officers completed specialised training on ESG, sustainability and the role of the Board in 2025/26FY. The training enhanced the Board's proficiency in ESG and sustainability-related matters, ensuring robust oversight.

An overview of the Company's ESG activities and performance is available in the ESG Report 2026 available online.

APPOINTMENT OF DIRECTORS AND BOARD COMPOSITION

Board composition

The MOI mandates that the Company shall consist of no less than six directors and a maximum of 14, four of whom shall be non-executive directors. The Board currently comprises 12 directors, including 10 independent non-executive directors, one of whom is the Chairperson, and two executive directors.

The Board maintains a strong gender balance, with seven female directors and five male directors, reflecting the Company's commitment to inclusive leadership and transformation.

Each director brings a distinct combination of expertise, experience and professional insight, enabling diverse and well-informed oversight of the Company's governance. This skills mix is instrumental in enhancing strategic decision-making and reinforcing the robustness of the Company's governance framework.

Non-executive directors

- Dr AH Sangqu (Chairperson)
- Ms SRM Buthelezi
- Mr MAW Debel
- Mr BM Jiya
- Prof FS Mufamadi
- Ms KG Mbonambi
- Ms LM Letsoalo
- Mr DD Patel
- Ms BG Sedupane
- Ms MP Zambane

Executive directors

- Adv MJ Phillips (Group Chief Executive)
- Ms RNM Maphumulo (Group Chief Financial Officer)

Short biographies of each director can be found on page 26.

Changes to Board composition

During the period under review, the Shareholder Representative appointed Ms Khulekelwe Mbonambi as an additional independent non-executive director to address a specific skills gap identified on the Board. Ms Mbonambi, a Chartered Accountant, also serves as the Audit Committee Chairperson and brings significant corporate financial expertise. Her appointment was instrumental in fulfilling the Audit Committee's statutory obligations under relevant legislation and in closing a skills gap that concerned many of our stakeholders.

Prescribed officers

The Company has designated certain senior executives as prescribed officers in accordance with the provisions of the Companies Act. Prescribed officers also have fiduciary duties to the Company and play a critical role in implementing the Company's strategy.

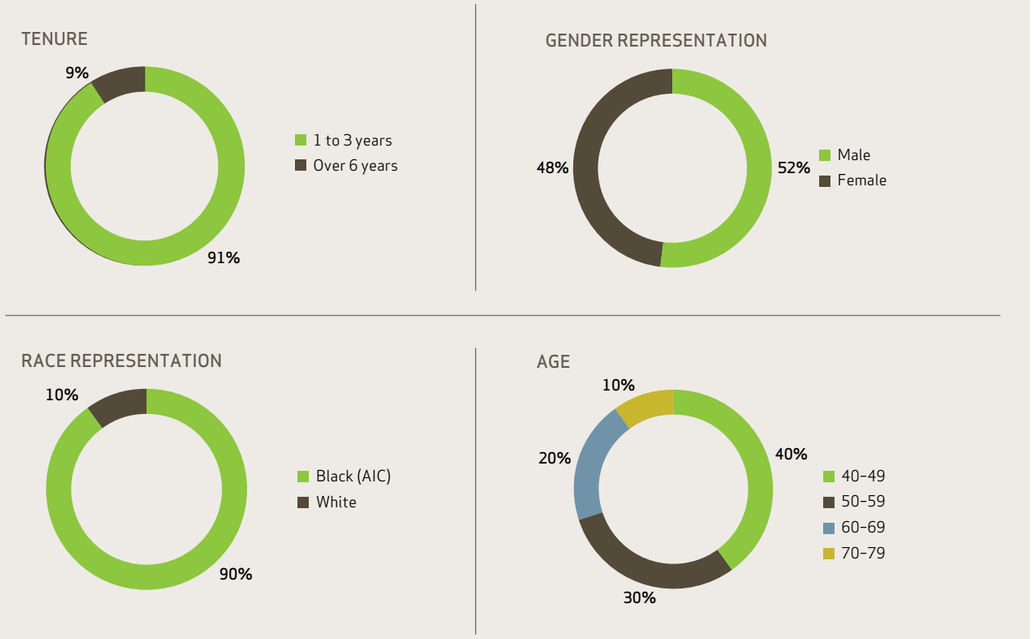
A list of the Company's Group Executive Committee, together with their profiles, is provided on page 54.

Company Secretary

The Board is required to appoint a qualified Company Secretary in line with the provisions of the Companies Act. The Group Company Secretariat is headed by Ms Shokie Bopape, who plays a pivotal role in safeguarding sound corporate governance practices across the organisation.

The Group Company Secretary is responsible for providing, among others, independent guidance and support to directors and prescribed officers, both individually and collectively, as they discharge their fiduciary duties and responsibilities. She also ensures that the Board's proceedings and decisions are carried out in compliance with applicable legislative and regulatory frameworks.

The Board evaluates the Group Company Secretary's performance of governance responsibilities through a Board performance evaluation process, while other responsibilities are evaluated through the Company's internal processes.





THE BOARD COMMITTEES

The Board has established Committees, as provided in the MOI, to promote effective decision-making. The Committee Charters clearly define the roles and responsibilities, authority and scope of each Committee in accordance with sound governance principles. The Board, as the governing body, retains full accountability and cannot abdicate its oversight role.

The Board appoints and recommends members to the Committees through the Corporate Governance and Nominations Committee and plays a pivotal role in recommending their appointment to both statutory and non-statutory Committees, following a comprehensive assessment of the required skills, experience, and Committee mandates to ensure appropriateness and balance.

Each Committee is chaired by an independent non-executive director who reports regularly to the Board on Committee activities, providing recommendations for Board consideration, noting, or approval as appropriate.

The following Committees have been established:

STATUTORY COMMITTEES

Audit Committee

The Audit Committee is a statutory Committee of the Board, established in terms of the PFMA and the Companies Act. Its primary responsibility is to provide oversight of the Company's financial reporting, internal controls and compliance, as well as internal and external audit functions.

RemSEC

The RemSEC is a statutory committee established under the Companies Act. The Committee's mandate is prescribed in the Act, and it supports the Board in discharging its responsibilities relating to responsible corporate citizenship, ethics and safety and security matters. In addition, the Committee is mandated to oversee matters pertaining to ESG, human capital matters and succession planning for members of the extended Exco, excluding executive directors.

NON-STATUTORY COMMITTEES

Board Performance Operations Committee

This Committee was established during the period under review. The Committee is responsible for providing oversight of business performance across operational areas, offering strategic guidance and support to Exco on key operational issues, ensuring that operational decisions remain consistent with the Company's long-term strategic direction, promoting and embedding sustainability principles within all operational practices and decisions, tracking and guiding the implementation of critical business initiatives to ensure effective execution and value delivery, and facilitating the strategic integration of ICT within operations to enhance efficiency and innovation. The Committee is also required to drive continuous improvement in operational execution to continuously ensure alignment with the Company's strategic objectives.

Corporate Governance and Nominations Committee

The Committee provides corporate governance support to the Board and its Committees, ensuring the integrity and effectiveness of the Company's governance structures in oversight of the Company's strategy. It is also responsible for overseeing the development, maintenance, and review of the Company's corporate governance policies, frameworks, and processes to ensure alignment with best practices and evolving regulatory requirements, while monitoring overall performance. In this regard, the Committee monitors the Company's performance against the Shareholder's Compact to ensure alignment with strategic objectives and accountability to the Executive Authority. In addition, it provides oversight of regulatory compliance, including ICT governance and associated regulatory obligations, to ensure that ICT aligns with business requirements and serves as a strategic asset.

The Committee is also mandated to ensure that the composition, skills, and diversity of the Board and its Committees are appropriate to enable the Board to fulfil its governance mandate effectively.

Finance and Investment Committee

The Committee is tasked with financial management and advancing and upholding the Company's investment decisions supported by relevant policies and processes. The Committee considers strategic growth investments and partnerships and approves/recommends divestments where appropriate to optimise capital and funding allocation in support of the Company's strategy.

Risk Committee

The Risk Committee provides risk management and combined assurance oversight to the Board by overseeing the development, implementation, assessment and review of risk and combined assurance strategies and policies to mitigate risks that may impact the Company's strategy.

GOVERNANCE OVERVIEW continued

EFFECTIVE MEETINGS

The Board and its Committees meet at least four times annually, with additional meetings convened as necessary. Directors are expected to attend all meetings and be adequately prepared to support effective and timely decision-making.

Decisions and resolutions from Board and Committee meetings are formally recorded, with minutes tabled for approval at the subsequent meeting to ensure the accurate recording of resolutions to help drive accountability in line with the Companies Act.

Schedule of directors' attendance at Board and Committee meetings for the year ended 31 March 2026:

	Board	Audit Committee	Business Operations Performance Committee	Corporate Governance and Nominations Committee	Finance and Investment Committee	RemSEC	Risk Committee
Number of meetings held	**14**	**10**	**4**	**5**	**12**	**8**	**9**
Dr AH Sangqu	14	–		5	–	–	–
Adv MJ Phillips (GCE)	13	–		–	–	–	–
(Ms RNM Maphumulo GCFO)	14	–					
Ms SRM Buthelezi	10	1**	4	4		–	4
Mr MAW Debel	13	9	4	–	3***	–	9
Ms LM Letsoalo	11	6**	4	2**	8	8	9
Mr BM Jiya	14	8***	4	–	12	2**	
Ms KG Mbonambi*	6	9	4	4	7		
Prof FS Mufamadi	10	–		5	–	8	5
Mr DD Patel	13	10	4	5	12	–	–
Ms BG Sedupane	13	–	4	4	11	7	–
MP Zambane	11	9		5	–	6	9

* *Appointed as an independent non-executive director of the Company, effective August 2025.*
** *Ceased to be a Committee member during the financial year.*
*** *Appointed as a Committee member during the financial year.*



KEY CHALLENGES AND FOCUS AREAS

The challenges encountered by various Board Committees are escalated to the Board to facilitate collective collaboration and ensure that the Board maintains a comprehensive overview of all actual and potential risks and challenges.

- **Operational constraints:** Overseeing the implementations of plans to address operational underperformance and network constraints across rail, port and pipeline systems, driven by infrastructure degradation, maintenance backlogs, equipment reliability challenges, environmental disruptions and structural inefficiencies, resulting in persistent volume shortfalls and reduced service levels;
- **Financial performance:** Supporting management to address financial and liquidity strain, including weak cash generation, revenue underperformance, high debt levels, rising finance costs, delayed non-core asset disposals and continued reliance on external funding support and guarantees;
- **Succession planning for prescribed officers:** Guiding the development of a formal Board-approved succession plan for executive management and critical operational roles presents a material risk to business continuity;
- **ICT governance:** Supporting management to resolve ICT and data governance constraints, including legacy system limitations, data fragmentation, application proliferation, cybersecurity risks, and limited integration across platforms affecting the reliability of decision-making information;
- **Safety-related matters:** Addressing shortcomings in safety performance to deliver an effective and measurable safety strategy amid continued incidents, some of which have resulted in employee and public fatalities; and
- **Procurement governance and contract management:** Remediating deficiencies in the control environment, particularly in procurement and contract management, to reduce recurring audit findings and continued irregular expenditure.

FOCUS AREAS FOR 2026/27FY

The Board and its Committees will focus on the following matters to safeguard Transnet's sustainability and drive commercial success:

- **Safety and security in the workplace:** Lead a comprehensive, organisation-wide safety transformation programme to embed a proactive safety culture, reduce workplace incidents, and enhance compliance with occupational health and safety regulations;
- **Operational and financial turnaround:** Accelerate operational recovery and performance stabilisation across rail, port and pipeline networks, with emphasis on improving volumes, reliability and corridor efficiency;
- **Revenue optimisation and growth:** Continue to enhance revenue growth through diversification strategies and market expansion initiatives;
- **Policy reform initiatives:** Improve delivery governance for PSP and strategic initiatives to ensure clear accountability, realistic timelines, measurable outcomes and stronger Board oversight of concessions and reform programmes;
- **ICT governance:** Strengthen ICT governance and digital integration, including rationalisation of systems, improved data integrity, enhanced cybersecurity, development of a single and reliable performance reporting platform. Monitor the implementation and effectiveness of ICT to support financial systems resilience, cybersecurity resilience and digital risk controls to protect critical operational systems and improve business continuity readiness;
- **ESG, sustainability and climate resilience:** Oversee and encourage effective implementation of ESG initiatives to advance sustainable operational practices, embed ethical governance, and ensure alignment with stakeholder expectations and international reporting standards; and
- **King V™:** Update of the Company's governance practices to align with King V™ requirements.

The Unabridged Governance Report, which the Company prepares as part of its annual reporting suite, contains more details on Transnet's corporate governance affairs.

REMUNERATION REPORT

Transnet's remuneration approach plays an important role in advancing our strategic priorities by attracting, retaining and motivating employees, while fostering a high-performance culture. The strategy seeks to support sustainable value creation by rewarding appropriate behaviours, recognising performance and strengthening the overall employee value proposition.

Remuneration is a critical strategic lever, playing an essential role in reinforcing the desired corporate culture, shaping and sustaining appropriate employee behaviours, and enabling the Group to achieve its strategic and operational objectives. Remuneration is not viewed solely as a mechanism for compensation, but as an integrated tool for driving performance, engagement and organisational alignment. Transnet places strong emphasis on the deliberate and effective design of its remuneration strategy, with the objective of strengthening the employee value proposition and employer brand.

STRATEGIC INTENT

The strategic intent of Transnet's remuneration framework is to:

- Compensate employees according to seniority and job level;
- Attract and retain talented individuals;
- Reward superior performance and promote excellence;
- Ensure that remuneration policies and practices are equitable and fair;
- Ensure that remuneration is market-related;
- A team-based reward approach in terms of variable pay, driving cohesiveness and alignment across the Operating Divisions and Group;
- Encourage and reward behaviours aligned with Transnet values;
- Manage and facilitate employee performance based on results;
- Ensure fit-for-purpose differentiation in remuneration practices to cater to uniqueness in employment category, environment and circumstances; and
- Safeguard Transnet's financial position through appropriate cost control measures and affordability guidelines.

STRATEGIC PILLARS

The Transnet remuneration strategy is informed by and includes the following elements:

- Guaranteed pay;
- Variable pay, with fit-for-purpose short-term incentive schemes;
- Recognition schemes;
- Job evaluation and job-sizing, which inform pay scales;
- Internal and external remuneration benchmarking;
- Collective Bargaining Agreements with the recognised labour unions;
- External market movements and economic conditions that feed into the annual salary increase process;
- Alignment with the Department of Public Enterprise (DPE) approved remuneration guide;
- Other benefits, including leave, retirement fund, medical subsidy, funeral fund and housing allowance;
- A reliable system to manage all rewards, benefits and payroll-related processes; and
- Relevant South African labour legislation impacting remuneration and benefits.

Objectives of the Transnet Management Remuneration Policy

- Provide the principles and guidelines for management remuneration;
- Ensure fairness and consistency in the application of the remuneration-related practices; and
- Align with Shareholder guidelines on remuneration practices for management employees.

REMUNERATION ELEMENTS LINKED TO EMPLOYEE CATEGORIES

The RemSEC regularly reviews the design and management of remuneration practices, including guaranteed pay, incentive schemes and benefits, to ensure they remain relevant and support Transnet's strategic direction.

Employment conditions and remuneration principles for management employees are standardised across Transnet. In contrast, bargaining unit employees are subject to various collective and variation agreements across the Operating Divisions. Transnet has initiated a programme to harmonise employment conditions for bargaining unit employees, to be implemented through consultation and negotiation, and is expected to be a gradual process requiring both time and resources.

Reward element	Management category	First-line management, specialists and technicians	Junior employees
Guaranteed pay	• Total cost-to-company (TCC), inclusive of medical aid, pension fund and UIF contributions • Option to structure pensionable ratio (60/40, 70/30 or 80/20) • 13th cheque can be structured as part of the package • Option to structure travel allowance if frequent business travel is conducted • Annual salary increases based on mandate from RemSEC	• TCC package, inclusive of pension fund and UIF contributions, but excludes medical subsidy • Structuring of 13th cheque as part of the package is mandatory • Annual increases are negotiated with recognised labour	• Basic salary • Service bonus (13th cheque) • Annual increases are negotiated with recognised labour
Other benefits	• Personal protection based on a threat and risk assessment • Funeral fund membership unless employee deselects, premium deducted from monthly salary • Leave as per policy • Relocation and remote area assistance allowances as per policy	• Medical subsidy if the employee is permanent and the principal member of a recognised medical scheme • Funeral benefit (premium funded by Transnet) • Leave as per applicable variation agreement • Relocation and remote area assistance allowances as per policy	• Employer portion of pension fund contributions, inclusive of risk and administration expenses • Housing allowance • Medical subsidy if the employee is permanent and a member of a recognised medical scheme • Funeral benefit (premium funded by Transnet) • Leave as per applicable variation agreement • Relocation and remote area Assistance Allowances as per policy
Circumstantial allowances	• Not applicable	• Overtime • Standby allowance • Night shift allowance • Call-out allowance	• Overtime • Standby allowance • Night shift allowance • Call-out allowance
Tools of trade	• Cellular phone • Computer/laptop	• Cellular phone (if job requirement) • Computer (if job requirement)	• Cellular phone (if job requirement) • Computer (if job requirement)

GOVERNANCE OVERVIEW continued

Reward element	Management category	First-line management, specialists and technicians	Junior employees
Short-Term Incentive (STI) Scheme	• Short-term management incentive scheme developed to support the objectives of the R4G Strategy	• Unique fit-for-purpose productivity incentive schemes designed for each of the Operating Divisions • Support and reinforce the desired behaviour to ensure a reward for the achievement of business objectives • Increased line of sight • Payments made monthly/quarterly	
Recognition programmes	• All eligible employees • Promote and reward behaviours aligned with Transnet values • Recognition of long service • Support a culture where success is celebrated, and employees feel valued for their contributions to the business		
Employee wellbeing	• Employee wellbeing services and programmes are available to all employees, executives and non-executive directors		

REVIEW OF REMUNERATION

Remuneration increases occur under the following circumstances:

- Annual remuneration review process;
- In the event of a promotion;
- Competency increases and pay progression; and
- When there is a need to make a counter-offer to an employee.

The mandate request for annual increases for the management category employees considers factors such as:

- Retention, cost of replacement and time to make business impact;
- The national economic and business outlook;
- External market predictions and history of market movements and increases granted;
- National and internal employee turnover rates;
- Level of settlement reached for bargaining unit employees;
- External parity, market benchmarks based on market median;
- Internal parity; and
- Affordability.

Annual guaranteed remuneration increases

Annual salary increase mandates are approved by:

- The Shareholder Minister at the AGM for executive directors and prescribed officers;
- The RemSEC for employees in the management category; and
- The RemSEC for bargaining unit employees and then negotiated in the Transnet Bargaining Council.

The annual increase for employees in the management category was based on a differentiated percentage increase by salary range, not exceeding 6%, and was implemented with effect from 1 April 2025.

The annual increases for bargaining unit employees are based on wage negotiations with the recognised labour unions. Transnet entered into a three-year wage agreement in 2024/25FY, which expires in March 2028. Under the agreement, bargaining unit employees were entitled to a 6% increase, effective 1 April 2025.

Remuneration benchmarking

Transnet uses survey houses and benchmarking methodologies to ensure that remuneration remains relevant. The benchmarking methodology for executives is based on the size of the organisation or Operating Division, reporting lines and the classification of the specific position. Executive positions are matched to comparable survey positions, and the guaranteed and variable remuneration are compared to survey medians.
The benchmarking methodology for other grade levels in the management category is based on comparisons with graded information per level and function.

Variable pay and incentive schemes for management

Variable pay is an important component of the overall remuneration package for management employees. Variable pay in the form of cash-settled incentive schemes is reviewed regularly and is subject to approval by the RemSEC and the Transnet Board. It is informed by the DPE Remuneration Guidelines (2018), market benchmarks and affordability. Variable pay supports a holistic measurement approach focusing on:

- Financial measures;
- Productivity measures;
- Safety and attendance; and
- Supporting a high-performance culture by incorporating the individual performance ratings in the final calculation of any incentive payment (where applicable).

Productivity incentive for the bargaining unit

Effective April 2022, Transnet implemented tailored productivity incentive schemes for bargaining unit employees across its Operating Divisions. These schemes align employee performance with operational and strategic priorities, while recognising the unique operational environments, productivity drivers, and service delivery requirements across the business. These incentive schemes form part of Transnet's broader efforts to improve operational efficiency, enhance employee engagement and foster a high-performance culture.

In 2024/25FY, the productivity incentive schemes were refined to align with the R4G Strategy. The refinements increased employees' line of sight across individual and team performance, divisional objectives and the Group's broader strategic priorities. These enhancements ensure that the incentive structures remain relevant, performance-driven, and capable of supporting Transnet's long-term sustainability and transformation objectives.

In 2025/26FY, RemSEC approved further refinements to the productivity incentive schemes, specifically for Freight Rail, TRIM, Transnet Port Terminals and Transnet Pipelines. Bargaining unit employees earn incentives if the specific targets in the Operating Divisions are exceeded. The following Operating Divisions made payments to their bargaining unit employees.

- Port Terminals;
- National Ports Authority;
- Transnet Pipelines;
- Freight Rail; and
- TRIM.

These payments reflected the achievement of performance targets in accordance with the applicable incentive scheme designs.

Pay-gap disclosures

For Transnet, this is more than a disclosure exercise; it creates a new governance lens over internal pay equity across a large, highly unionised and operationally diverse workforce.

The amendments to sections 30, 30A and 30B of the Companies Act 71 of 2008, which became effective on 22 May 2026, now require public and state-owned companies to disclose remuneration information beyond executive pay, including the distribution of pay across the workforce.

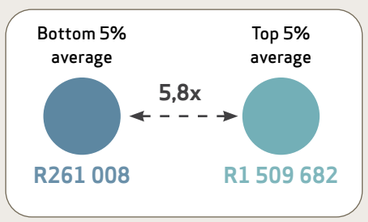
This disclosure provides a clear view of the remuneration across Transnet, from the lowest to the highest, and the pay gap between the top and bottom 5%

Total guaranteed pay (per annum)

Lowest total remuneration	Bottom 5% average	Average total remuneration	Top 5% average	Highest total remuneration
R231 392	R261 008	R633 402	R1 509 682	R8 712 500
Lowest paid employee	Average remuneration of bottom 5% employees	Average remuneration of all employees	Average remuneration of top 5% employees	Highest paid employee

Pay gap analysis

Top 5% average versus bottom 5% average



Key remuneration metrics

Lowest total remuneration R231 392 Up 6,0% from PY	Average total remuneration R633 402 Up 5,9% from PY
Highest total remuneration R8 712 500 Up 2,5% from PY	Top versus bottom 5% pay gap 5,8x Down 0,2% from PY

GOVERNANCE OVERVIEW continued

Disclosure of internal pay-gap indicators is important to Transnet as it enhances transparency and accountability in remuneration governance, supports Shareholder oversight, provides context for executive remuneration outcomes, and enables stakeholders to assess whether remuneration practices remain fair, sustainable and aligned with Transnet's public mandate, transformation objectives and long-term operational recovery.

Non-executive directors' fee structure and payments

The Shareholder Representative appoints non-executive directors for a three-year term. However, the MOI requires that the non-executive directors be submitted for re-election for each of the three years at the AGM. Among the issues the Shareholder Representative considers before re-election is the individual non-executive director's performance.

The non-executive director fees compensate Board members for Board-related duties and are calculated at 8% of the Chief Financial Officer's median remuneration. The annual corporate calendar is approved by the Board and agreed with the Shareholder Minister annually. Should the total number of scheduled Board and Committee meetings for the financial period exceed by 20% the number specified in the approved annual corporate calendar, permission must be sought from the Minister.

The fee structure for non-executive directors consists of two components: an annual Board member fee and a meeting attendance fee. The Board member fees are paid for time spent on meeting preparation, research and other official Board business.

The annual Board member fee is based on the attendance rate of the approved corporate calendar Board and related meetings. It becomes payable quarterly once the member has attended at least 50% of the meetings scheduled for the relevant quarter. If more than 50% of the approved Board-related meetings were attended in the quarter, the Board member fee is prorated based on the number of meetings attended.

Meeting fees are payable quarterly. The meeting fees are prorated based on the number of hours, as per the pre-approved corporate calendar, up to a maximum of eight hours per day. The meeting fee is differentiated between the Chairperson and a member. The Board Chairperson and Committee Chairs receive a higher meeting fee than Committee members.

The current fee structure, implemented in accordance with the 2018 DPE Remuneration Guideline, is shown in the table below. The Minister, at the AGM held on 4 September 2025, approved a 2,5% increase in the fee structure for non-executive directors, effective from 1 April 2025.

FEE COMPONENT	FEES PER ANNUM (R)
Board retainer fees	**Paid quarterly**
Chairperson Board fee	R1 144 794
Member Board fee	R457 918
Per meeting fee (based on the number of meetings attended)	**Paid quarterly**
Chairperson meeting fee	R88 766
Committee membership	R59 177

The current fee structure, as implemented in alignment with the 2018 DPE Remuneration Guideline, is depicted in the table below.

Member	Total 2025/26FY R'000	Total 2024/25FY R'000
FS Mufamadi	1 439	1 327
A Sangqu (Chairperson)	1 862	1 947
B Sedupane	1 600	1 307
B Jiya	1 352	1 235
C Benjamin[1]	–	746
D Patel	1 915	1 490
L Letsoalo	1 916	1 499
M Debel	1 354	1 321
MP Zambane	1 789	1 595
R Buthelezi	1 350	1 044
KG Mbonambi[2]	1 181	–
Total	15 758	13 511

1 *Terminated from the Board during 2024/25FY.*
2 *Appointed as non-executive director on 8 August 2025.*

Remuneration of executive directors and prescribed officers

Leadership plays a pivotal role in enabling Transnet to achieve its strategic objectives and fulfil its mandate of delivering sustainable value to all stakeholders. Effective leadership provides direction, drives accountability and cultivates a high-performance culture that supports operational excellence and long-term sustainability. In a complex and evolving operating environment, strong leadership is essential to ensuring that Transnet remains resilient, competitive, and responsive to the needs of customers, employees, shareholders, and the broader South African economy.

Transnet's executive directors and prescribed officers received a 2,5% annual increase, effective 1 April 2025. The Chief Executives of the Operating Divisions no longer serve on the Transnet Executive Committee, although they remain prescribed officers.

Member	Salary R'000	Retirement benefit fund contribution R'000	UIF contribution R'000	Other payments R'000	Total 2025/26 R'000	2024/25 R'000
M Phillips[1,6]	8 131	579	2	–	8 712	9 917
P Munyai	4 278	332	2	–	4 612	4 500
V Nemukula	4 223	387	2	–	4 612	4 500
A Shaw	4 849	376	2	–	5 227	5 100
S Coetzee	5 533	–	2	–	5 535	5 400
B Kani	3 898	303	2	–	4 203	4 100
R Mills[5]	–	–	–	–	–	3 276
M Silinga[4]	–	–	–	–	–	5 900
K Phahlamohlaka	4 373	339	2	–	4 714	4 600
IK Matsheka	4 849	376	2	–	5 227	5 100
S Khan	4 035	370	2	–	4 407	4 300
DJ Mdaki	4 839	386	2	–	5 227	5 100
HS Chetty[4]	–	–	–	–	–	1 125
A Pillay	4 614	358	2	–	4 974	4 852
RL Baatjies[7]	5 198	437	2	917	6 554	5 499
MP Difeto[3]	2 720	194	1	212	3 127	4 339
SW Khati[2]	4 400	313	2	–	4 715	4 379
LS Letsoalo[2]	6 660	–	2	–	6 662	4 875
BS Mabunda[2]	4 406	342	2	–	4 750	3 588
RNM Maphumulo[1,5]	4 724	502	2	–	5 228	5 100
M Motlohi[2,7]	4 241	357	2	767	5 367	1 908
M Abdool[3]	924	66	1	54	1 045	–
Total	86 895	6 017	36	1 950	94 898	97 458

1 *Group Executives who are members of the Board of Directors.*
2 *Appointed as Exco member during the previous financial year.*
3 *Acted as Exco member during the financial year.*
4 *Terminated during the previous financial year.*
5 *Appointed as a Board member during the previous financial year.*
6 *Relocation-associated payments during the previous financial year in accordance with the Transnet relocation policy.*
7 *Relocation-associated payments during the financial year in accordance with the Transnet relocation policy.*

ETHICAL LEADERSHIP AND **INTEGRITY MANAGEMENT**

Transnet's fraud risk management framework is supported by strong governance and a zero-tolerance approach to corruption. It integrates prevention, detection, and response measures to manage fraud risks effectively. Continuous improvements in investigations and control measures help reinforce integrity, accountability and stakeholder trust.

ESG pillar: **GOVERNANCE**

SUSTAINABLE DEVELOPMENT GOALS: 16 PEACE, JUSTICE AND STRONG INSTITUTIONS

NDP 2030: Capable and ethical state, anti-corruption

Transnet's control environment is designed to prevent, detect, and address fraud, bribery, and corruption through policies, reporting mechanisms, investigations, and consequence management processes. The Integrity Management Unit supports coordination, oversight and escalation, including engagement with external authorities where necessary. Its approach focuses on embedding an ethical culture, encouraging the safe reporting of concerns, and reinforcing accountability throughout the Group.

Transnet's whistleblowing framework provides employees and external stakeholders with formal channels to report suspected misconduct, including fraud, corruption and unethical behaviour. It is supported by dedicated policies and investigation processes, with a strong focus on confidentiality, anonymity and protection against retaliation for good-faith disclosures. Multiple reporting options are available to ensure accessibility, including a hotline, email, SMS, a please call me function, an online platform and reporting through management channels. An independent third-party system supports confidentiality and allows for anonymous reporting.

INVESTIGATION AND OUTCOMES

Transnet tracks reported irregularities through formal case-management processes, covering allegations that require assessment, investigation and follow-up. In 2025/26FY, the number of reported irregularities decreased year-on-year. Investigation outcomes are directly linked to consequence management processes, including disciplinary action and the identification and implementation of control improvements to prevent recurrence. Where necessary, matters are escalated to relevant external authorities to ensure appropriate legal and regulatory action.

In 2025/26FY, a total of 316 whistleblowing reports were recorded (2024/25FY: 395), which may indicate improved controls or a reduced incidence. Of these reports, 58,2% were submitted anonymously, reflecting continued use of reporting mechanisms. Reported cases represent allegations rather than confirmed outcomes and are subject to investigation processes.

AWARENESS AND CAPABILITY

Fraud awareness is promoted through ongoing fraud awareness initiatives, including annual awareness programmes. A formal ethics communication strategy is being developed to strengthen awareness and communication on ethics-related matters.

SECURITY **MATTERS**

Theft and vandalism incidents affect Transnet's bottom line and undermine performance. Overall, performance across all Operating Divisions shows steady improvement driven by targeted actions and better coordination.

ESG pillar: **GOVERNANCE**

SUSTAINABLE DEVELOPMENT GOALS: 11 SUSTAINABLE CITIES AND COMMUNITIES; 16 PEACE, JUSTICE AND STRONG INSTITUTIONS

NDP 2030: Safe communities and infrastructure protection

Transnet recorded 5 870 incidents, a 7% year-on-year reduction, reflecting steady improvement in the security environment. Stronger collaboration with SAPS and the apprehension of 800 suspects demonstrate improved response capability, while the overall decline indicates growing resilience and more effective security interventions. Freight Rail and TRIM accounted for 96% of incidents, with cable theft remaining the dominant risk. Despite this, the stabilisation across these Operating Divisions shows improved control over key corridors.

Engineering improved with incidents declining to 143 (2024/25FY: 217), reflecting better control of theft risks. Pipelines strengthened monitoring by detecting fuel theft attempts and emerging risks. The National Ports Authority reduced harmful incidents to 17, showing more effective security measures. Port Terminals recorded fewer incidents and lower impact levels, while Properties achieved a strong reduction to 20 incidents.

Operating Divisions	2026	2025	2024	Year-on-year % change
Freight Rail and TRIM	**5 657**	5 967	7 725	(5%)
Pipelines	**13**	13	49	0%
Port Terminals	**20**	35	85	(43%)
National Ports Authority	**17**	77	50	(78%)
Engineering	**143**	217	260	(34%)
Property	**20**	36	65	(44%)
Transnet Group total	**5 870**	6 345	8 234	(7%)

SECURITY GOVERNANCE AND RISK MANAGEMENT

The Group Security department maintains regular governance through monthly meetings with Operating Division security heads and internal management committee sessions to address key security matters. Oversight is provided through established structures, including the Board Risk Committee, the Risk Committee, the Board Performance Review, the Group Chief Operations Officer, and the Performance Information Forum. Security risks are systematically identified, managed and monitored through Enterprise Risk Management (ERM) registers, ensuring consistent tracking and mitigation.

CYBERSECURITY AND **DATA PRIVACY**

Transnet prioritises cybersecurity as a core component of its digital transformation and operational continuity. The Group protects its information assets and mitigates cyber threats by aligning with the National Institute of Standards and Technology (NIST) Cybersecurity Framework. The Board oversees Transnet's cybersecurity posture and strategic plans.

ESG pillar: **GOVERNANCE**

SUSTAINABLE DEVELOPMENT GOALS

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE | 16 PEACE, JUSTICE AND STRONG INSTITUTIONS

2030 NDP

Digital infrastructure

ICT POLICIES AND PROCESSES

Transnet's ICT Governance Policy aligns with globally recognised standards such as NIST, ISO/IEC 27001 and COBIT 5. This ensures that ICT practices support regulatory compliance, risk management, and the secure delivery of digital services. ICT security standards complement the policies, providing effective controls and guidelines to protect digital assets and information systems.

Information security breaches

Transnet recorded no information security breaches involving client or employee data, reflecting the effectiveness of its data protection and governance controls (2024/25FY: zero).

Cybersecurity

Transnet experienced no cybersecurity incidents (2024/25FY: zero). Proactive threat detection capabilities, supported by layered security controls, successfully prevented malware intrusions and external attacks from impacting operations. The Group further enhanced its cybersecurity posture through targeted strategic interventions and the deployment of advanced security technologies.

While there are many challenges on the road to a full recovery, we are moving forward with a clear vision and a deep commitment to delivering lasting value for all South Africans.



GCE'S **REVIEW**

NAVIGATING A COMPLEX ENVIRONMENT WITH FOCUS, DISCIPLINE AND RESILIENCE

The 2025/26 financial year unfolded against a challenging and uncertain global and domestic economic backdrop, characterised by subdued growth, persistent inflationary pressures and ongoing supply chain disruptions. Domestically, structural constraints in the logistics and energy sectors weighed on economic performance, while muted industrial activity and export volatility impacted demand across key freight corridors.

Transnet reinforced its focus on execution and integration across its Operating Divisions. Improved coordination across rail, ports and pipelines supported a more integrated approach to logistics delivery. Progress in resolving legacy challenges has also contributed to a more stable environment. While risks remain, the business's underlying performance has strengthened, providing a more resilient foundation.

Revenue improved by 7,1% to R88,6 billion (2024/25FY: R82,7 billion), reflecting progress in rebuilding operational capacity and a gradual recovery in demand across Transnet's core operations. This growth was supported by improved throughput across key logistics activities, underpinned by higher volumes at Freight Rail and Pipelines, and targeted tariff adjustments at Port Terminals and TNPA.

The diversified nature of Transnet's revenue base continues to provide resilience, with multiple streams contributing to overall performance and mitigating the impact of volatility in specific segments. However, sustained revenue growth will remain dependent on continued improvements in infrastructure availability, network reliability and the Group's ability to unlock additional volume capacity across the value chain.

ADVANCING LOCALISATION AND TRANSFORMATION THROUGH STRATEGIC MINING PARTNERSHIPS

In 2025/26FY, Transnet concluded several long-term logistics agreements with mining companies, primarily under the Manganese Export Capacity Allocation – Phase 3 (MECA3 framework), to expand access to rail and port capacity. This framework, developed by Transnet, allocates long-term rail and port export capacity to manganese producers. It provides greater planning certainty, improves logistics efficiency and encourages investment in the manganese export value chain. The following transactions play a critical role in advancing localisation, enabling emerging and Black-owned miners and improving inclusivity in South Africa's export value chain:

Counterparty	Date signed	Strategic contribution to localisation and transformation
United Manganese of Kalahari (UMK)	July 2025	Supports a **51% Black-owned mining company,** expanding participation of historically disadvantaged groups in export markets, the first deal under MECA3, reinforcing inclusive access to logistics infrastructure
Hotazel Manganese Mines (HMM)	August 2025	Enhances **shared corridor utilisation,** enabling broader participation and supporting sector-wide transformation through increased capacity allocation
Exxaro Resources (collaborative agreement)	August 2025	Improves **system efficiency and capacity optimisation,** indirectly benefiting smaller and emerging miners through better network performance
Tshipi é Ntle Manganese Mining	September 2025	Provides **logistics certainty to a major locally rooted producer,** supporting regional development and sustained job creation in the Northern Cape

Collectively, these transactions demonstrate a shift towards long-term, demand-driven contracting that not only secures export volumes but also expands access to logistics infrastructure. This supports Transnet's commitment to localisation, supplier inclusivity and transformation of the mining sector.

HIGHLIGHTS

- Rail volumes (million tonnes): **167,9mt** (2024/25FY: 160,1mt)
- Container volumes ('000 TEUs): **4 048** (2024/25FY: 4 092)
- Petroleum volumes (million litres): **14 298** (2024/25FY: 13 372)



Adv. Michelle Phillips
Group Chief Executive

UNLOCKING VALUE THROUGH PSP

Transnet progressed the execution of its PSP mandate, with a clear shift from programme development toward implementation. The focus has been on advancing priority transactions, strengthening internal capability and preparing projects for procurement and delivery. An overview of the executed and near execution projects is as follows:

Project	Project stage	Private-sector involvement	Sector
Durban Container Terminal (DCT) Pier 2	Implementation	International Container Terminal Services Inc. (ICTSI) selected as partner for 25-year partnership	Ports
Ngqura Manganese Export Corridor	Procurement Request for Proposal (RFP) (Phase 1)	PSP partner to fund, build, and operate the terminal	Ports and Rail
Richards Bay Dry Bulk Terminal (DBT)	Procurement RFP (Phase 1 issued)	PSP partner to support expansion and capacity increase	Ports
Transnet Fuel Import Terminal (TFIT)	Procurement underway	PSP partner to co-fund and operate the terminal	Energy (Pipelines)

GCE's REVIEW continued



TRANSFORMING OUR SUPPLY CHAIN MANAGEMENT

In October 2025, Transnet was awarded the GIBS Logistics Achiever Gold Award (LAA) in recognition of its innovative e-Tender procurement system. This award acknowledges Transnet's successful implementation of a fully digital, cloud-based procurement platform that has transformed its supply chain management environment and positioned the organisation as a benchmark for public sector procurement in South Africa.

The e-Tender system:

- Replaced manual tender boxes with a fully digital, cloud-based platform;
- Improved transparency and governance (audit trails, real-time reporting);
- Processed over one million documents since implementation; and
- Enabled participation from 30 000+ suppliers, including SMMEs.

We are proud of this achievement as it underscores our commitment to innovation, transparency and operational excellence.

DIVISIONAL PERFORMANCE OVERVIEW

The following section outlines how strategic priorities through the successful execution of our R4G Strategy translated into operational outcomes across each division.

Freight Rail



Rail volumes increased to 167,9 million tonnes, up from 160,1 million tonnes in the prior year. This improvement reflects strengthening performance across key corridors and improved operational alignment. A key enabler was the implementation of planned maintenance shutdowns, which allowed for concentrated infrastructure repairs and upgrades. Improved coordination between infrastructure maintenance and train operations enabled more effective utilisation of available network capacity.

Rolling stock availability remained a key constraint but also an area of focused intervention. Freight Rail undertook measures to restore locomotives and wagons to service and improve fleet availability. Key actions included:

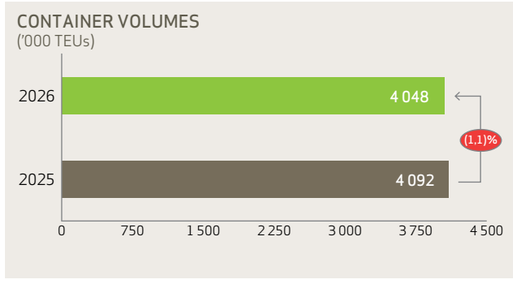
- Progressing the repair and refurbishment of out-of-service locomotives;
- Securing alternative suppliers for critical spare parts, particularly where historical supply constraints existed;
- Strengthening maintenance coordination with Transnet Engineering; and
- Prioritising deployment of available fleet to high-density corridors.

These efforts contributed to a gradual improvement in fleet utilisation and reliability, supporting increased train volumes and more consistent service delivery.

Rail Infrastructure Manager (TRIM)

The establishment and operationalisation of TRIM has turned structural reform into an operational reality. Significant progress is demonstrated through the roll-out of slot allocation mechanisms. With 41 routes across six corridors allocated to prospective operators, the foundations of a more inclusive and competitive rail network are now taking clear and tangible shape. This is a defining milestone that represents a transition toward a modern rail system in which infrastructure and operations are managed separately.

Port Terminals



Container throughput declined slightly to 4 048 000 TEUs (2024/25FY: 4 092 000 TEUs). Had the DGT volumes from January to March been included, the container volumes would have reported a 9,6% increase compared to prior year. Despite this marginal decrease in annual volumes, weekly performance strengthened significantly, with volumes averaging above 90 000 TEUs and several weeks exceeding 100 000 TEUs. This momentum is further reflected in more than 14 operational performance records achieved within six months, demonstrating consistent gains across container handling, automotive logistics and rail interface efficiency. These improvements were underpinned by targeted investment in equipment and maintenance, including the:

- Deployment of new ship-to-shore cranes, improving vessel working rates;
- Introduction of straddle carriers and rubber-tyred gantry cranes, enhancing yard and quay productivity;
- Roll-out of haulers and trailers, improving container flow across terminals; and
- Improved availability of critical spares and recovery of equipment.

Additionally, a more structured maintenance approach reduced downtime and improved reliability, thereby supporting sustained improvements in operational performance.

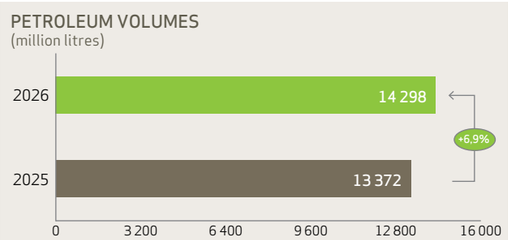
National Ports Authority

TNPA made important strides in strengthening the overall performance of the port system. Targeted interventions at the Port of Durban delivered visible results. The clearing of vessel backlogs and improved berth availability marked a turning point, restoring confidence in port operations and improving trade fluidity. These improvements were supported by focused interventions, including:

- Increasing the availability of tug services to support vessel movements;
- Upgrading infrastructure, including quay and road access;
- Deploying additional handling equipment to improve cargo flow;
- Introducing daily operational coordination forums with key stakeholders; and
- Improving the planning and scheduling of marine and terminal activities.

The Operating Division strengthened coordination across the port system, improving alignment between marine services, terminal capacity and landside logistics. This resulted in more consistent operations and reflects a shift toward managing ports as integrated systems rather than stand-alone assets. Progress in standardising concession frameworks also supports the expansion of private-sector participation and positions the division to play a stronger leadership role in developing a modern and efficient port system.

Pipelines



Petroleum volumes increased to 14 298 million litres, up from 13 372 million litres in the prior year. This improvement reflects enhanced operational stability and reduced product losses, contributing to a more reliable fuel supply.

The Operating Division also advanced its strategic positioning through continued progress on the Richards Bay LNG Terminal, a priority project to support South Africa's energy transition. During the year, a 25-year terminal operator agreement was concluded with the Zululand Energy Terminal consortium to design, develop, finance, and operate the facility. The project will be developed in phases, beginning with a floating storage unit and onshore regasification infrastructure, and later expanding to include permanent onshore storage and increased capacity. The terminal will be integrated with Transnet's pipeline network, enabling distribution to industrial users and potential power generation projects.

Engineering

TE continued to play a critical enabling role during the year by industrialising maintenance and refurbishment processes, improving turnaround times and increasing workshop throughput. The Command Centre projects recorded the following achievements:

- The release of 108 long-standing locomotives, with 101 new stops leading to a reduction in long-standing locomotives from 368 to 361;
- The 23E assembly in Durban delivered 47 new-built locomotives, the highest since inception, with a record of eight locomotives released in March 2026; and
- The Sasol wagon maintenance programme exceeded target of 100 where 120 was achieved.

GCE's REVIEW continued

The Operating Division also advanced its strategic positioning by developing capabilities to support a future multi-operator rail environment. This includes progress toward the rolling stock leasing joint venture (LeaseCo), which is intended to enable broader access to locomotives and wagons by private operators. The evolution reflects a shift toward a more commercial and scalable engineering capability, positioning Engineering to support a wider customer base and create opportunities for growth beyond its traditional role.

Property

Transnet Property's focus on active portfolio optimisation has enabled more informed decision-making. Progress on strategically located properties has gained momentum, with developments increasingly aligned to key logistics corridors and industrial activity. This ensures that property assets are integrated into the broader freight system rather than operating in isolation. The Operating Division continues to identify opportunities to unlock value and support sustainable long-term growth.

A RESILIENT AND COMMITTED WORKFORCE

Our people play a critical role in driving the organisation forward. During a year of significant change, employees demonstrated resilience, professionalism and a strong commitment to delivering our mandate. The conclusion of a multi-year wage agreement during the year provides important stability for employees and the organisation. It reflects a shared understanding of the need to balance our people's wellbeing with the business's operational requirements.

We recognise that the pace and scale of the transformation underway may create uncertainty for some employees. However, these reforms are necessary to build a more efficient, competitive and future-proof Transnet. Executive management is committed to leading this transition in a clear and responsible manner, engaging openly with our employees and providing the support needed during this period of change.

Our values from the Culture Charter continue to guide us and remain central to how we conduct ourselves and create value.

Value	Demonstrated through
Customer service	Improved coordination across rail and port operations to enhance service predictability and support customer requirements.
Integrity	Strengthened governance and operational discipline across the business, reinforcing accountability in decision-making and execution.
Responsibility	Focused execution of strategic initiatives to restore performance and support economic activity.
Respect and care	Continued engagement with employees and organised labour, culminating in the conclusion of a multi-year wage agreement that balances employee well-being with organisational stability.
Safety	Sustained emphasis on operational safety and infrastructure protection, including targeted measures to reduce incidents and improve system reliability.

It is with deep regret that we recorded two employee fatalities during the year. Our hearts go out to the affected families, friends and colleagues. We honour their memory while reaffirming our commitment to ensuring a safe working environment for all.

OUTLOOK: SUSTAINING MOMENTUM AND ADVANCING STRUCTURAL REFORM

The year reflects a clear and encouraging progression from recovery to the execution of structural reforms. Significant milestones such as the operationalisation of TRIM, combined with stronger rail volumes and improved port throughput, demonstrate tangible progress. There is a growing sense of confidence across the organisation. At the same time, we remain mindful of the challenges that persist.

Continued focus on execution, reform and investment will be required to sustain momentum. We are now firmly transitioning from recovery to growth, with a clear pathway toward a modern, competitive logistics system.

APPRECIATION

On behalf of the executive management team, I extend my sincere appreciation to our employees for their commitment, resilience and professionalism throughout the year. In a period marked by significant operational and structural change, their dedication has been central to the progress we have achieved and the stability we continue to build.

We also acknowledge the ongoing support of our customers, stakeholders, and government partners. Their collaboration and confidence in Transnet is critical as we work together to strengthen South Africa's logistics system and unlock greater economic potential. As we continue on this journey of reform and renewal, we remain encouraged by the collective effort across the organisation and confident in our ability to deliver sustainable value to all stakeholders.



Adv Michelle Phillips
Group Chief Executive Officer



OUR EXECUTIVE **LEADERSHIP**



MICHELLE JEAN PHILLIPS
Group Chief Executive

Birth Date: December 1970
Appointment date: March 2024

6 8 12 19 22

Qualifications
B Juris LLB (Nelson Mandela University), Executive Development Leadership Programme (GIBS), Global Executive Development Leadership Programme (GIBS), Several International Terminal Operations Management Programmes, Transnet Women in Operations Management Programme, Breakthrough Programme for Senior Executives (IMD)



NOSIPHO MAPHUMULO
Group Chief Financial Officer

Birth Date: December 1968
Appointment date: April 2024

1 2 12 16 22

Qualifications
BCompt Honours/CTA (UNISA), Chartered Accountant (SAICA), Certificate in Financial Instruments and Markets, Senior Executive Programme (Wits/Harvard)



LEKAU LETSOALO
Group Chief Operations Officer

Birth Date: January 1962
Appointment date: July 2024

8 16 18 19

Qualifications
Master of Business Administration (Herriot Watt University), National Higher Diploma in Industrial Engineering (Wits Technikon), National Diploma in Industrial Engineering (Wits Technikon)



ANDRE PILLAY
Group Treasurer

Birth Date: August 1969
Appointment date: May 2022

1 3

Qualifications
BSc Mathematics (University of Pretoria), BCom Economics & Accountancy (UNISA – non-degree)



SAYEEDA KHAN
Chief Audit Executive

Birth Date: March 1975
Appointment date: March 2022

1 2

Qualifications
BCom Accounting (University of Durban Westville), Diploma in Accountancy (University of Durban Westville), CA(SA), CIA



ANDREW SHAW
Chief Strategy and Planning Officer

Birth Date: May 1967
Appointment date: July 2020

8 10 12 22

Qualifications
BSc, MSc (Wits), DPhil (University of Leeds), MBA (University of Reading)



BLANCHE YOLISA KANI
Chief Business Development Officer

Birth Date: September 1975
Appointment date: May 2020

7 8 9 12 16 22

Qualifications
BSc Hons in Applied Science (UP), BTech Civil Engineering (Wits Technikon), ND Civil Engineering (PE Technikon), MBA (JBS)



VULEDZANI NEMUKULA
Chief Procurement Officer

Birth Date: January 1968
Appointment date: April 2020

3 7 8 19 21

Qualifications
MBA (University of Wales), BSc (UCT), PDM in Purchasing & Materials Management (UCT), Advanced Business Management (UJ), Advanced Management Programme (INSEAD), Oxford Executive Leadership Programme



PANDELANI MUNYAI
Chief Information Officer

Birth Date: January 1969
Appointment date: May 2020

2 4 5 9 16

Qualifications
MBL (UNISA), Master of Electronic Engineering (UP), BSc Electrical Engineering (UCT), BSc Physics and Mathematics (University of Venda)



SANDRA COETZEE
Chief Legal Officer

Birth Date: April 1962
Appointment date: April 2020

1 3 14 15 17 18 20

Qualifications
BLC, LLB (University of Pretoria), Senior Leadership Programme Certificates (University of Cambridge and LSE)



ITUMELENG MATSHEKA
Chief of People Management and Learning

Birth Date: July 1969
Appointment date: November 2020

3 10 11 14 16 19

Qualifications
MBA (Milpark Business School), BSocSci and Honours (Rhodes University)

EXECUTIVE MEMBER COMPETENCIES

1 Auditing and finance
2 Business, legal, risk and compliance management
3 Corporate governance
4 Data, ICT and digital management
5 Engineering and design
6 Maritime operations
7 Infrastructure development
8 Transport and logistics
9 Sales and marketing management
10 Mergers and acquisitions
11 Human resources and people management
12 Project and operations management
13 Property and asset management
14 Safety, health and the environment
15 Socio-economic development
16 Stakeholder relations
17 Research and analytics
18 Strategy and strategic governance
19 Leadership principles
20 Climate management
21 Procurement and supply chain
22 Public policy development

OUR MATERIAL **MATTERS**

DETERMINING OUR MATERIAL MATTERS

Transnet applies a structured materiality process to identify matters that have the greatest influence on our ability to create and sustain value over the short, medium and long term.

1 Identify

Material matters are identified through a review of:

- Stakeholder engagement outcomes;
- Strategic priorities and the Corporate Plan;
- Enterprise risks and audit findings;
- National policy developments; and
- Emerging industry and sustainability trends.

2 Assess

Each matter is assessed using a double-materiality approach considering:

- Financial materiality – the impact on Transnet's financial performance, operations and strategy; and
- Impact materiality – the impact of Transnet's activities on the economy, society and environment.

3 Validate

The final material matters are reviewed and approved by Executive Management and the Board to ensure alignment with strategy, stakeholder priorities and long-term value creation.

This year's review identified six material matters that are expected to have the most significant influence on Transnet's ability to deliver on its mandate and execute the Reinvent for Growth Strategy.

MATERIAL MATTERS FOR 2026

MM1 FREIGHT LOGISTICS REFORM AND PRIVATE-SECTOR PARTICIPATION

Freight logistics reform and PSP are reshaping South Africa's transport sector, creating opportunities to improve efficiency, unlock investment and enhance network performance. The implementation of third-party rail access, institutional reform and strategic partnerships is fundamental to Transnet's long-term competitiveness.

Relevant capitals	Related risks
R	• Business development • Infrastructure/Asset creation • Financial sustainability
Why it matters	**Key actions**
• Rail and port reform is a national priority; • Transnet requires additional capital and expertise to modernise infrastructure; and • Increased competition will reshape the operating environment.	• Accelerating rail reform and third-party access; • Advancing strategic PSP transactions across rail, ports and pipelines; and • Strengthening the role of TRIM and enabling a multi-operator environment.
Strategic trade-off	
Transnet must balance attracting private investment and expertise with maintaining strategic control over critical national infrastructure and stakeholder expectations.	

MM2 FINANCIAL SUSTAINABILITY AND CAPITAL INVESTMENT

Financial sustainability remains essential to funding infrastructure renewal, supporting operational recovery and enabling long-term growth.

Relevant capitals	Related risks
R	• Financial sustainability • Infrastructure/Asset creation
Why it matters	**Key actions**
• Significant investment is required to rehabilitate infrastructure; • Debt servicing costs continue to place pressure on financial performance; and • Capital must be prioritised to maximise value creation.	• Strengthening liquidity and cash generation; • Prioritising high-impact capital investments; • Leveraging alternative funding mechanisms and partnerships; and • Enhancing capital governance and project execution.
Strategic trade-off	
Transnet must balance investment in future growth opportunities with the need to strengthen the balance sheet and maintain affordability.	

MM3 INFRASTRUCTURE RELIABILITY, SECURITY AND OPERATIONAL RECOVERY

Reliable infrastructure and secure operations are critical to restoring volumes, improving customer confidence and reducing the cost of logistics.

Relevant capitals	Related risks
R	• Operational sustainability and efficiency • Security • Infrastructure/Asset creation
Why it matters	**Key actions**
• Infrastructure performance directly affects volumes and revenue; • Theft, vandalism and cable theft continue to disrupt operations; and • Maintenance backlogs and asset reliability remain key challenges.	• Accelerating maintenance and asset renewal programmes; • Implementing corridor recovery initiatives; • Deploying technology-enabled security interventions; and • Strengthening partnerships with law enforcement agencies.
Strategic trade-off	
Transnet must balance short-term operational recovery requirements with longer-term infrastructure modernisation and network expansion.	

OUR MATERIAL MATTERS continued

MM4 STAKEHOLDER TRUST, SOCIAL LICENCE AND LABOUR RELATIONS

Successful transformation and operational recovery depend on maintaining stakeholder confidence, labour stability and strong relationships with customers, communities and government.

Relevant capitals

Related risks

- Reputation management
- People and learning

Why it matters

- Stakeholder support is critical for reform implementation;
- Labour stability is essential for operational continuity; and
- Maintaining a social licence to operate supports long-term value creation.

Key actions

- Strengthening stakeholder engagement and communication;
- Enhancing collaboration with organised labour;
- Advancing localisation, transformation and supplier development; and
- Supporting community development initiatives.

Strategic trade-off

Transnet must balance the pace of reform with the need to maintain stakeholder alignment and social stability.

MM5 DIGITAL TRANSFORMATION AND DATA-DRIVEN ASSET MANAGEMENT

Digital technologies are increasingly important for improving operational efficiency, asset reliability, customer experience and decision-making.

Relevant capitals

Related risks

- Operational sustainability and efficiency
- Infrastructure/Asset creation
- People and learning

Why it matters

- Legacy systems constrain operational performance;
- Predictive maintenance can improve asset availability and reduce costs; and
- Customers increasingly expect digital and integrated logistics solutions.

Key actions

- Implementing digital asset management capabilities;
- Expanding predictive maintenance and condition-monitoring technologies;
- Enhancing cybersecurity and digital resilience; and
- Modernising core business systems and processes.

Strategic trade-off

Digital investments improve long-term competitiveness but require significant upfront investment, organisational change and capability development.

MM6 CLIMATE RESILIENCE, ENERGY TRANSITION AND DECARBONISATION

Climate change and the transition to a lower-carbon economy are reshaping logistics, infrastructure investment and customer expectations.

Relevant capitals

Related risks

- Safety, health and environment
- Business development and competition
- Reputation management

Why it matters

- Extreme weather events increase infrastructure vulnerability;
- Customers and investors are increasingly focused on sustainability performance; and
- New opportunities are emerging in LNG, renewable energy and green hydrogen.

Key actions

- Embedding climate resilience into infrastructure planning;
- Advancing decarbonisation and modal-shift initiatives;
- Supporting LNG and future energy infrastructure projects; and
- Aligning with South Africa's Just Transition objectives.

Strategic trade-off

Transnet must balance investment in future low-carbon opportunities with the ongoing need to maintain and optimise existing infrastructure and revenue streams.



TRANSNET'S **REINVENT FOR GROWTH STRATEGY** (R4G)

The R4G Strategy marks a shift from short-term tactical and operational stabilisation toward a multi-year transformation and growth programme aligned to national freight logistics reform and the repositioning of South Africa's freight system.

The R4G Strategy, introduced in 2023, establishes a structured roadmap to reposition Transnet as a commercially sustainable, customer-centric logistics partner that enables national and regional trade. Operational recovery alone is insufficient to address the legacy structural, institutional and infrastructure constraints that have historically limited logistics performance, export competitive-ness and economic growth. Sustainable competitiveness requires institutional reform, operating model redesign, capital mobilisation and market repositioning.

By embracing sector reforms and coupling them with targeted interventions to attract private capital, technical capability and innovation, the R4G Strategy aims to resolve legacy inefficiencies and establish a modern, competitive operating model for a liberalised and increasingly competitive market.

The R4G Strategy's three interdependent pillars provide a structured pathway from business stabilisation to growth, positioning Transnet as a logistics partner of choice. Collectively, these pillars ensure that Transnet addresses immediate performance gaps while laying the institutional and commercial foundations for sustained, scalable business growth.

Purpose

As the custodian of ports, rail and pipelines, Transnet aims to sustain a globally competitive freight system that enables sustained growth and diversification of the country's economy.

The R4G Strategy pillars

Tactical recovery

A pragmatic short- to medium-term programme to reverse performance decline by driving continuous operational revitalisation and growing volumes through disciplined execution and improved reliability.

Transforming the business

A medium-term structural reform programme to reshape Transnet's organisational structure, governance model and operating philosophy to align with policy reform and enable competitiveness in an evolving logistics market.

Growing the business

A medium to long-term growth platform focused on unlocking corridor capacity, crowding in private investment through partnerships and developing new commercial opportunities across the logistics value chain.

The context for strategy: An evolving policy landscape

Transnet operates within a rapidly evolving policy and regulatory environment shaped by market liberalisation-focused reforms led by the Department of Transport. These reforms aim to reverse the decline in logistics performance, particularly in rail and port throughput, and to reposition the logistics sector as a competitive enabler of trade and economic growth by breaking Transnet's freight rail monopoly.

Central to this reform agenda is the Roadmap for the Freight Logistics System in South Africa (Freight Logistics Roadmap) of 2023, which sets out a comprehensive framework to address structural bottlenecks, enhance governance and introduce competition within the freight system. The Freight Logistics Roadmap is reinforced by the National Rail Policy (2022) and renewed impetus to fully implement the provisions of the National Ports Act, No. 12 of 2005 (Ports Act).

These reforms will create a multi-operator logistics environment intended to enhance service reliability, increase network utilisation, crowd in private investment and enhance export competitiveness. Transnet must align with several core policy imperatives, including:

- Establishing a separate rail infrastructure manager as a Transnet subsidiary responsible for the integrity and quality of the national freight rail network and the provision of fair and non-discriminatory third-party access;
- Implementing a transparent and equitable slot access regime supported by published access rules, robust pricing methodologies and network statements to enable open-market participation; and
- Separating the National Ports Authority into a stand-alone statutory entity mandated to execute the infrastructure landlord authority function across South Africa's commercial ports.

In alignment with Shareholder directives, Transnet has initiated several material institutional changes, including forming the TRIM as a distinct entity carved out of the previously integrated Transnet Freight Rail and advancing the separation of the National Ports Authority.

The ongoing reform programme is reshaping Transnet's organisational architecture. It will continue to have far-reaching implications for its organisational structure, governance model, capital structure, asset base and competitive positioning. As market liberalisation progresses, Transnet must:

- Strengthen institutional capability and governance for infrastructure management;
- Compete effectively for markets in an open-access freight-rail environment;
- Redefine its market position, operating model, cost of operations and value proposition; and
- Enhance financial sustainability and its contribution to economic growth.

The Company's strategy is both an operational plan and a structured pathway for repositioning Transnet within a reformed, market-driven logistics ecosystem.



TRANSNET'S REINVENT FOR GROWTH STRATEGY (R4G STRATEGY) continued

TACTICAL RECOVERY

In-house tactical interventions leveraging existing organisational capabilities, with a focus on empowering employees, optimising processes and maximising the utilisation of existing assets.

Over the past two financial years, Transnet has prioritised stabilisation, focusing on arresting the decline and returning the business to a path of sustainable recovery. This approach has emphasised:

- Optimisation of existing infrastructure and equipment;
- Improved operational discipline for planned execution and corridor coordination;
- Empowerment of frontline operational teams; and
- Low-capital, high-impact interventions.

The pillar has delivered strong results:

- Petroleum volumes improved by 6,9% to 14 298 million litres;
- Rail volumes recovered by 4,9% (~168 mt); and
- Key corridors, including the coal and iron ore lines as well as the Durban Container Terminal (DCT), demonstrated measurable throughput improvements.

These gains reflect disciplined recovery rather than structural reform. The principles underpinning tactical recovery of execution discipline, reliability and accountability remain critical. However, stabilisation alone cannot secure long-term sustainability. The strategic emphasis now shifts toward transformation and growth as the next goal.

TRANSFORMING THE BUSINESS

Transformation will be enabled through a comprehensive review and optimisation of Transnet's operating model, organisational structure, governance arrangements and portfolio composition.

This pillar aims to reposition Transnet within a liberalised logistics market, align the organisation with policy and regulatory reform and secure long-term competitiveness and sustainability.

To drive this agenda, Transnet has developed the Transnet Transformation Plan, which coordinates three primary workstreams:

1. Reform alignment workstream

   This workstream focuses on restructuring Transnet's organisational structure to align with Shareholder policy directives and the evolving regulatory framework, positioning the Company within a liberalised logistics ecosystem.

Key priorities include:

- Implementing vertical separation within rail, establishing the TRIM as custodian of the national freight rail network while Freight Rail operates as a train operating company within an open-access framework;
- Advancing the corporatisation of the National Ports Authority in line with the Ports Act and landlord authority model; and
- Defining clear distinctions between operational businesses, network businesses and collaborative ventures to improve transparency, accountability and financial performance.

This workstream also includes an operating model realignment to ensure Transnet remains competitive in an increasingly liberalised logistics market. As reform implementation advances, disciplined sequencing, commercial acumen and financial management will remain critical to safeguarding operational continuity, balance-sheet sustainability and long-term commercial viability.

Achieving this outcome will require continued support from the Department of Transport and National Treasury to establish an enabling regulatory, funding and governance framework.

2. Operating model redesign workstream

   Institutional reform, increased competition and expanded PSP require a corresponding redesign of Group operations. This workstream focuses on aligning the structure, processes and performance systems to support competitiveness, accountability and financial sustainability within a liberalised and commercially contested market.

Key objectives include:

- Optimising organisational structures and clarifying accountability for corridor and asset performance;
- Streamlining decision-making and standardising business processes to improve execution discipline;
- Strengthening customer responsiveness through corridor-level ownership and clear service-level commitments;
- Improving cost efficiency through tighter cost control, improved transparency and optimised asset utilisation and procurement spend; and
- Aligning pricing, revenue models and commercial structures with an open-access and partnership-driven environment.

A central feature of the redesign is to locate execution capabilities at frontline operations while reducing unnecessary bureaucracy and maintaining appropriate governance oversight.

The redesigned operating model will position Transnet as a more agile, competitive, accountable and commercially responsive organisation capable of supporting long-term sustainability and reform objectives.

3. PSP enablement workstream

This workstream focuses on establishing the institutional capability required to execute PSP projects across their full lifecycle, from project identification and structuring through to execution, monitoring and contract expiry.

Capability will be developed gradually by leveraging experienced internal resources alongside specialist finance, legal, technical and operational expertise. A structured PSP lifecycle management model will guide project execution, risk management and consistency across PSP engagements.

Informed by global best practice, the PSP Lifecycle Management Office will provide oversight to ensure that PSP arrangements safeguard strategic assets, support national logistics objectives and deliver intended outcomes.

The office will focus on five core functions:

- Planning and structuring;
- Procurement and commercial negotiations;
- Collaboration management across the PSP portfolio;
- Monitoring and regulatory oversight; and
- Hand back and termination management.

GROWING THE BUSINESS

Transnet will unlock growth by leveraging its extensive footprint and strategically located asset base, comprising infrastructure, equipment, intellectual property and a skilled workforce, while adopting innovative business models and partnership structures.

Since the conceptualisation of the R4G Strategy, the growth pillar has evolved considerably to serve as a central lever in repositioning Transnet for long-term sustainability and unlocking economic growth. This pillar aims to catalyse investment, expand corridor capacity and enable market competitiveness in alignment with national freight logistics reforms. The growth agenda is intended to improve Transnet's commercial sustainability, unlock industrial capacity, support mineral and manufactured exports, and reduce logistics costs across key sectors of the economy. The strategy ultimately aims to improve the competitiveness and reliability of South African supply chains in global markets.

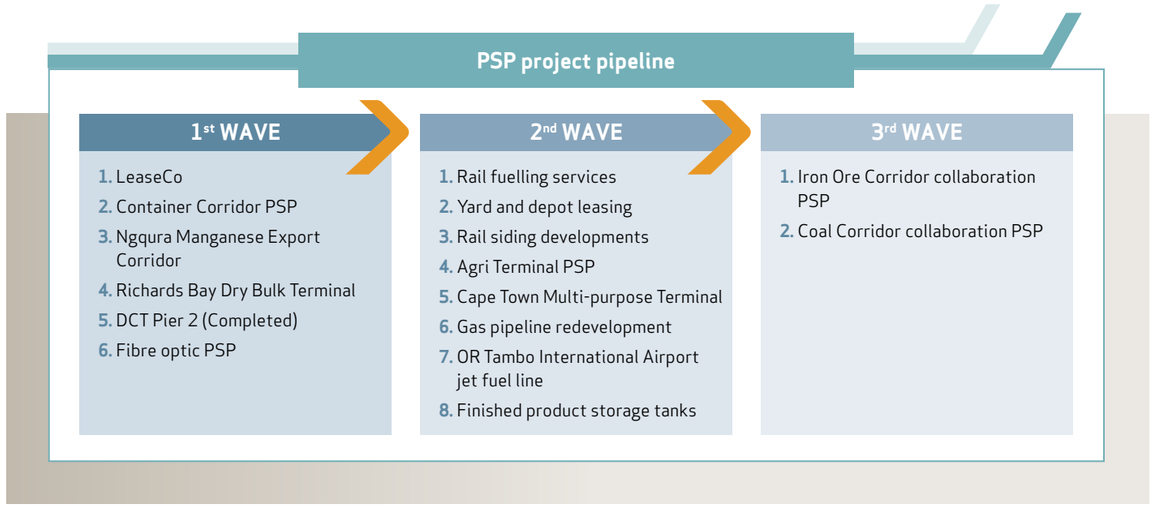
Several growth projects have been identified across the Operating Divisions. These projects are at varying stages of assessment, planning and development, and represent a pipeline of investment opportunities aimed at:

- Strengthening Transnet's commercial performance;
- Unlocking system-wide capacity;
- Enhancing export competitiveness; and
- Supporting customer-specific commodity flows, especially those with consistent throughputs and high yields.

The expanded portfolio is closely aligned with Transnet's strategic objectives, the aspirations of the Freight Logistics Roadmap and the differentiated needs of key customer segments. A key feature of the strategy is the adoption of a segment-led approach that positions customer supply chains, rather than transport modes, as the organising principle for planning and investment. This enables differentiated responses across mature, constrained and high-growth sectors, including mining, automotive, agriculture, energy and containers. Priority investment is concentrated on strategic freight corridors and port systems that support high-volume export flows, industrial supply chains and regional trade integration.

The expansion of the growth portfolio requires a coordinated, disciplined approach to execution. To ensure high-quality market engagement, credible bid documentation and appropriate institutional capacity, Transnet has adopted a phased Wave execution model.

TRANSNET'S REINVENT FOR GROWTH STRATEGY (R4G STRATEGY) continued



Under this phased execution model, projects are sequenced into successive waves based on readiness, policy alignment, commercial attractiveness and operational feasibility. Each wave typically spans 18 to 24 months and progresses projects through formal initiation, market engagement and approved procurement mechanisms to secure capable private-sector partners.

This approach enables disciplined resource allocation and execution, reduces institutional strain, enhances market confidence and supports transparent and predictable roll-out of PSP opportunities. Collectively, this strengthens Transnet's ability to unlock investment at scale.

Wave 1:
Unlocking immediate capacity and value

Wave 1 focuses on unlocking immediate logistics capacity through targeted PSP transactions that attract investment, operational expertise and private capital. It comprises transactions initiated in prior financial years that are at advanced stages of execution.

Key Wave 1 transactions include:

- **DCT Pier 2:** Successfully reached financial close, resulting in the establishment of the Durban Gateway Terminal in partnership with International Container Terminal Services Incorporated;
- **LeaseCo:** A partnership to refurbish Freight Rail's B-fleet rolling stock and lease it to train operating companies domestically and to regional markets. This initiative is a critical enabler of competition and the third-party access programme;
- **Ngqura Manganese Export Corridor:** Migration and expansion of manganese exports to a dedicated and purpose-built bulk terminal at the port of Ngqura, with subsequent rail channel expansion to support demand growth. The stage 1 Request for Proposal (RFP) will be issued to the market by 31 July 2027;
- **Richards Bay Dry Bulk Terminal:** Transformation of the existing facility into a multi-user bulk terminal to support chrome and magnetite exports, enhancing competitiveness relative to alternative regional export routes. The stage 1 RFP has been issued to the market; and
- **Container Corridor (Durban–Gauteng):** Rehabilitation of the strategic rail corridor to increase slot capacity from 18 to 33 trains and improve substation and signalling availability to 95%.

Wave 1 transactions are primarily capacity-unlocking and execution-ready initiatives with defined commercial structures and strong market interest.

Wave 2:
Portfolio optimisation and market adaptation

Wave 2 focuses on mitigating the impact of underperforming or loss-making services and business units while repositioning selected assets to better align with evolving demand. This wave seeks to:

- Introduce private-sector capability into mid-sized and specialised operations;
- Improve efficiency and commercial viability of selected terminals and services; and
- Develop future-proof infrastructure aligned to changing logistics patterns.

Targeted areas include multi-purpose terminals, agricultural terminals, fuel storage facilities and specialised logistics services. The objective is to enhance performance, reduce fiscal strain and strengthen Transnet's competitive positioning in niche and emerging segments.

Wave 3:
Core corridor rehabilitation and recapitalisation

Wave 3 focuses on rehabilitating and recapitalising Transnet's core bulk corridors to protect national export capacity and entrench long-term market positioning. This wave targets the two internationally acclaimed heavy haul operations of South Africa's bulk export freight system: the iron ore line and the coal line.

These corridors underpin the country's bulk export capacity and are critical to national economic performance. Wave 3 initiatives aim to renew infrastructure, attract capital, enhance reliability and secure the long-term sustainability of these strategic supply chains.

ENHANCED REGIONAL INTEGRATION

Transnet has a dedicated Africa Strategy to expand its regional and continental footprint and develop business opportunities that diversify revenue streams across the continent.

Transnet participates in developing integrated regional freight systems, leveraging its role as Southern Africa's leading multidisciplinary logistics solutions provider and enabling port access for landlocked countries.

The Africa Strategy supports the African Continental Free Trade Area Agreement by advancing strategic rail and maritime corridors that enhance trade flows, improve supply chain efficiency and deepen regional economic integration. By developing over-border freight solutions, Transnet seeks to address fragmented and suboptimal regional logistics networks, while positioning itself to benefit from increased regional trade volumes.

Implementation will be executed through a specialised unit, Transnet International Holdings, with a partnership-driven model anchored in joint ventures and strategic alliances with commodity producers, traders, port operators and shipping lines. These structures will unlock growth synergies and ensure risk-appropriate capital deployment. Transnet's established capabilities in rail operations, port management, pipelines, rolling stock maintenance and corridor planning will be supported by South Africa's industrial, commercial and financial sectors to enhance competitiveness.

Regional expansion will be pursued selectively and on a commercially viable basis to ensure that capital allocation supports balance-sheet sustainability and does not dilute domestic recovery priorities.

The Africa Strategy revenue drivers:

- Growth in over-border freight volumes and corridor throughput.
- Export sales of rolling stock, components and technical support services.
- Leasing of rolling stock and related asset management services.

LOOKING AHEAD

Transnet's reinvention is not a series of isolated initiatives, but a coordinated and measured transition, positioning the Group as an infrastructure custodian, competitive operator and credible partner within a reformed logistics ecosystem.

Transnet's strategic framework reflects a Group-wide alignment of divisional strategies under the R4G Strategy, ensuring that each Operating Division contributes coherently to stabilisation, disciplined structural transformation and long-term growth.

At a system level:

- Freight Rail drives volume recovery, commercial competitiveness and corridor-level performance within an open-access competitive freight-rail environment;
- The TRIM rehabilitates and modernises the national rail network, providing the infrastructure platform required for growing throughput toward the 250mt national ambition by 2030;
- Transnet Engineering strengthens industrial capability, improves fleet reliability and builds new revenue streams to support open-access reform and regional expansion;
- The National Ports Authority anchors port reform, marine reliability and port infrastructure renewal to enhance export competitiveness;
- Transnet Port Terminals improves terminal productivity, asset performance and cost discipline to deliver predictable and efficient cargo flows;
- Transnet Pipelines safeguard national energy security while diversifying into gas and LNG infrastructure to support South Africa's evolving energy mix; and
- Transnet Property unlocks capital through accelerated disposal of non-core assets and private partnerships, strengthening liquidity and portfolio quality.

Together, these strategies support Transnet's operational stability and reliability, enable institutional and structural reform and support the Group's financial sustainability and investment enablement.

The 2027 financial year marks a pivot from tactical recovery to transformation and scalable growth. Execution discipline, regulatory compliance and prudent financial management will be critical enablers as reform milestones accelerate and competitive pressures intensify.

OVERVIEW OF THE SEGMENT STRATEGIES

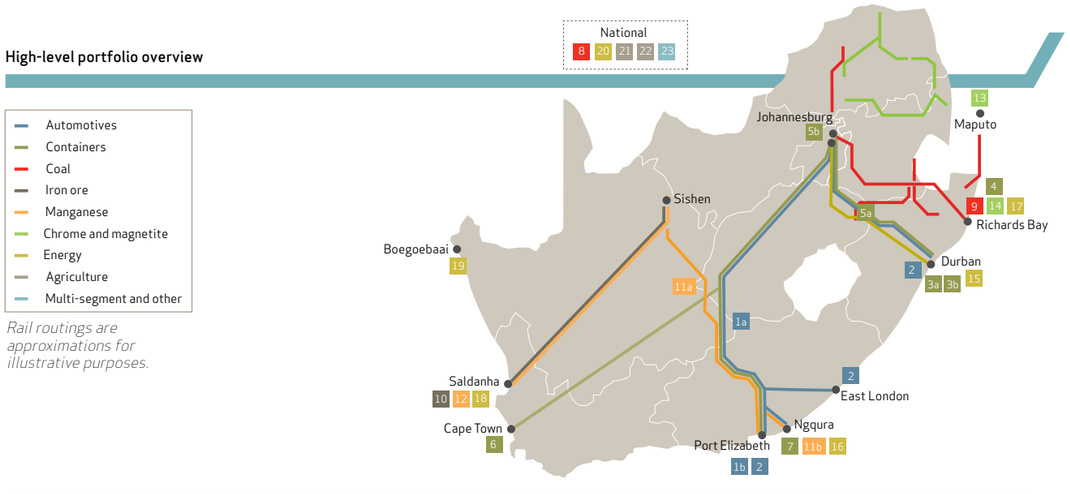
Transnet's transformative segment strategies aim to fundamentally reshape its business model by placing integrated value chains at the centre of planning and decision-making. Through its segment strategies, Transnet aims to enhance its agility and responsiveness and drive improved operational alignment and customer-centricity.

Transnet's portfolio has been streamlined into eight priority market segments that contribute the majority of its revenue. These segments are central to South Africa's broader economic growth and competitiveness. Each segment has been comprehensively analysed to understand its global market dynamics, national economic importance, demand outlook, integration within domestic and international value chains and Transnet's role in enabling its competitiveness.

This section outlines the key segments, providing context and an overview of the opportunities identified within each. It highlights the priorities for the 2026/27FY with the anticipated outcomes of strategic execution. Each segment includes a summary of the identified key risks and the strategies to mitigate them.

*Our Group Chief Executive's review on page 48 add*resses performance against strategy in 2025/26FY.

High-level portfolio overview



Rail routings are approximations for illustrative purposes.

1a & b	High-capacity corridor for automotives via the South Corridor and Gqeberha (on hold)
2	Automotive export capacity at the ports of Durban, Port Elizabeth and East London
3a	Reposition the port of Durban as an international container hub including the Point Container Terminal
3b	DCT Pier 2 PSP
4	Port of Richards Bay container capacity
5a & b	Container rail corridor PSP including inland container terminals
6	Cape Town Container Terminal (CTCT) landside capacity expansion
7	International transhipment hub development at the port of Ngqura
8	Eskom coal logistics solution
9	Coal Corridor rehabilitation
10	Iron Ore Corridor rehabilitation
11a & b	Ngqura Manganese Export Corridor PSP
12	Port of Saldanha manganese export capacity expansion
13	Strengthening the secondary export channel via the port of Maputo
14	Expansion and optimisation of the Richards Bay Dry Bulk Terminal PSP
15	Fuel import terminal at the port of Durban
16	LNG terminal at the port of Ngqura
17	LNG terminal at the port of Richards Bay
18	LNG terminal at the port of Saldanha
19	Green hydrogen export capacity at the port of Boegoebaai
20	Energy Transition Strategy for Transnet
21	Concessioning of branch lines
22	Inland terminal/consolidation facilities supporting rail supply chains
23	LeaseCo PSP

Transnet's ability to execute against the ambitious PSP roadmap is dependent on the availability of funding and resources. The future Transnet will have greater exposure to partners in line with the plan to leverage the balance sheet.

Note: Transactions are presented as a conceptual portfolio, at various stages of development and viability maturation. Transnet commits to execution once business cases are approved.



TRANSNET'S REINVENT FOR GROWTH STRATEGY (R4G STRATEGY) continued

THE ROLE OF PSP IN SEGMENT STRATEGIES

PSP is a cornerstone of Transnet's transformative journey, addressing critical operational challenges, advancing infrastructure development and improving service delivery across its key business segments.

Private-sector partnerships are a core enabler of Transnet's segment strategies, used to address operational constraints, accelerate infrastructure upgrades and improve service delivery across priority sectors. Transnet actively structures, governs, and stewards partnerships, leveraging private-sector capital and expertise while remaining directly involved in network management, asset integrity and performance oversight.

A structured portfolio of PSP opportunities has been developed based on demonstrated market appetite and supported by improved operational reliability, regulatory certainty and bankable commercial frameworks. PSP delivery models and associated risks are addressed within each segment strategy, ensuring alignment with sector-specific priorities, stakeholder engagement and inclusive growth objectives.

01 AUTOMOTIVE

Transnet is strategically positioned to seize several promising opportunities that align with the evolving needs of the automotive industry.

The automotive segment remains a cornerstone of South Africa's industrial base and export economy. Transnet's strategy focuses on securing reliable, rail-enabled logistics corridors that support OEM competitiveness, reduce logistics costs and enable long-term growth as the industry transitions toward new energy vehicles (NEVs).

Priorities for 2027

Transnet will prioritise capacity recovery and operating model reform across key automotive corridors and ports by:

- Implementing a dual rail-channel export solution linking Gauteng with Durban, Gqeberha and East London to strengthen security of supply and resilience;
- Re-engineering automotive terminals, particularly Durban and Gqeberha, to unlock throughput-based operating models and improve port-side efficiency; and
- Enabling third-party rail participation through slot sales and operational leases to increase capacity and reliability.

Role of PSPs

- Expands rail and terminal capacity without sole reliance on Transnet's balance sheet;
- Shares demand and investment risk with OEMs and logistics partners; and
- Improves reliability and resilience of export corridors.

Key initiatives

- Dual rail channel export solution;
- Back of port automotive facilities and wagon solutions; and
- Third-party rail access (slots/leases).

KEY SEGMENT RISKS

- Global events impact international supply chains, with knock-on effects on local industries and associated logistics;
- The South African automotive industry has been slow to transition to electric vehicles and hybrid technologies, risking reduced export volumes and stranded assets; and
- Increasing reliance on digital technologies and automation heightens the risk of cybersecurity threats and system vulnerabilities.

TRANSNET'S STRATEGIC RESPONSES

- Phased, demand-linked investments and portfolio diversification;
- Engagement with policy-makers and flexible asset design; and
- Strengthened digital controls and system resilience.

Opportunities

- Rail-led growth through corridor optimisation and modal shift from road; and
- Port operating model redesign to unlock additional capacity without major greenfield expansion.

Anticipated outcomes of strategy execution

- Improved reliability and lower end-to-end logistics costs for OEMs and exporters; and
- Increased rail market share and better utilisation of port and corridor capacity.

02 CONTAINERS

Transnet's operating model must evolve to accommodate third-party access, align with the broader rail reform agenda and regulatory transformation efforts. The container segment strategy will improve South Africa's maritime connectivity by establishing an internationally competitive hub port system, while leveraging PSP to rejuvenate port terminal businesses and reform the container rail business.

The container segment underpins South Africa's role as a regional and global trade gateway. Transnet's strategy is to restore system reliability, reform the container rail business and reposition key ports as competitive hubs. This will contribute towards enabling lower logistics costs, improved connectivity and a modal shift from road to rail.

Priorities for 2027

Transnet will:

- Container Corridor PSP Project
- Implement the DCT Pier 2 PSP partnership to improve terminal productivity;
- Advance berth deepening and capacity optimisation at Durban to accommodate larger vessels;
- Implement operational recovery initiatives on the Container Corridor to stabilise rail performance;
- Reposition Ngqura as a transhipment hub, supported by short-term capacity development partnerships;
- Repurpose Charl Malan Quay to prioritise automotive flows and migrate container volumes; and
- Improve container handling equipment reliability through targeted renewal and asset maintenance.

Role of PSPs

- Introduces international terminal operating expertise;
- Accelerates terminal modernisation and berth deepening; and
- Restores rail competitiveness on the Durban–Gauteng corridor.

Key initiatives

- DCT Pier 2 PSP concession;
- Short-term capacity partnerships at Ngqura; and
- Container Corridor PSP/infrastructure concessions.

KEY SEGMENT RISKS

- Misaligned capacity expansion;
- Environmental approval delays; and
- Adverse climate exposure at the ports.

TRANSNET'S STRATEGIC RESPONSES

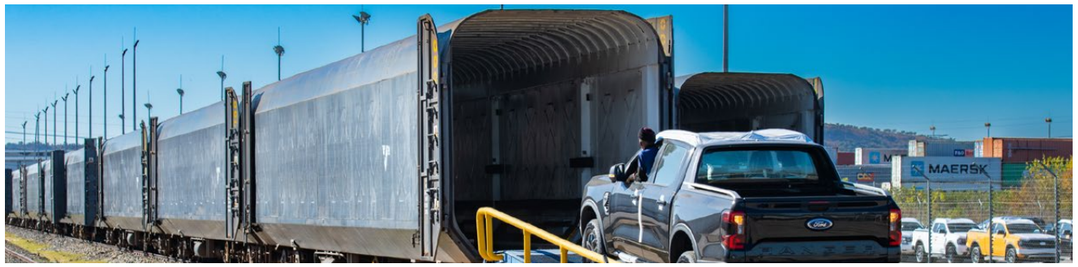
- Phased development aligned to demand;
- Early stakeholder engagement and compliance; and
- Investment in climate-resilient infrastructure.

Opportunities

- Reduced shipping and inland transport costs;
- Recovery of rail market share on the Durban–Gauteng corridor; and
- Increased transhipment volumes through hub port positioning.

Anticipated outcomes of strategy execution

- Increased container throughput and network resilience;
- Stronger regional and global maritime connectivity; and
- A competitive intermodal alternative to road transport.



TRANSNET'S REINVENT FOR GROWTH STRATEGY (R4G STRATEGY) continued

03 COAL

Transnet is committed to maximising opportunities and overcoming obstacles within the coal segment. The evolution of the energy landscape presents a complex but exciting path ahead.

The coal segment remains a critical contributor to South Africa's export earnings, energy security and regional employment. Transnet's strategy focuses on restoring reliability and capacity on the Richards Bay export channel, reducing logistics costs for exporters and stabilising volumes through asset recovery, corridor discipline and structured private-sector participation aligned with rail reform.

Priorities for 2027

Transnet will prioritise recovery and stabilisation of the coal export system through the following actions:

- Restoring rail infrastructure and rolling stock availability on the Northern Corridor to improve throughput and reliability;
- Implementing joint security interventions with industry to address theft, vandalism and operational disruptions;
- Optimising asset utilisation and cycle times, focusing on returning long-standing locomotives to service;
- Advancing rail reform initiatives, including the introduction of private operators where feasible;
- Structuring PSP-enabled solutions to support infrastructure rehabilitation, rolling stock capacity and operational sustainability; and
- Maintaining close collaboration with coal exporters to align volumes, maintenance priorities and investment sequencing.

Role of PSPs

- Crowds in private capital to stabilise the Richards Bay export channel;
- Shares security, maintenance and asset recovery risk; and
- Supports throughput recovery without long-term balance sheet strain.

Key initiatives

- Structured PSPs for rail and rolling stock; and
- Vertically integrated rail concessions (where feasible).

KEY SEGMENT RISKS

- Declining investor appetite for coal-related infrastructure;
- Persistent locomotive unreliability; and
- Security threat-related volume and revenue losses.

TRANSNET'S STRATEGIC RESPONSES

- Structured customer co-funding and PSP models to sustain critical assets;
- Accelerated return to service programme and alternative OEM support; and
- Technology-enabled security and joint industry protection initiatives.

Opportunities

- Recovery of export volumes toward Richards Bay Coal Terminal's design capacity;
- Reduced unit logistics costs through improved reliability and asset utilisation; and
- Strengthened corridor resilience through collaborative security and maintenance models.

Anticipated outcomes of strategy execution

- Increased rail throughput and improved predictability of coal exports;
- Stabilised export performance and reduced revenue leakage; and
- Improved asset availability and corridor efficiency.



04 CHROME AND MAGNETITE

Transnet aims to support South Africa's chrome and magnetite sectors in remaining competitive and meeting global demand for these commodities.

The chrome and magnetite segment supports export earnings and industrial value chains. Transnet's strategy focuses on unlocking capacity on shared bulk corridors, improving reliability and enabling growth through targeted port and rail interventions supported by structured partnerships.

Priorities for 2027

Transnet will:

- Advance PSP development and procurement for expanded export capacity at Richards Bay;
- Strengthen dual channel export routing, including collaboration with the Port of Maputo;
- Rehabilitate rail infrastructure and rolling stock availability on shared corridors;
- Improve terminal productivity to sustain higher commodity volumes; and
- Maintain structured engagement with labour and industry to support implementation.

Role of PSPs

- Funds terminal expansion and corridor rehabilitation;
- Accelerates execution on shared bulk corridors; and
- Mitigates capital intensity and delivery risk.

Key initiatives

- PSP enabled terminal expansion at Richards Bay; and
- Partnered export routing via Maputo.

KEY SEGMENT RISKS

- Locomotive availability constraints;
- Cross-border coordination challenges; and
- Labour concerns over PSPs.

TRANSNET'S STRATEGIC RESPONSES

- Alternative OEM solutions and fleet recovery;
- Integrated planning with corridor partners; and
- Structured, transparent stakeholder engagement.

Opportunities

- Strengthening cooperation with CFM, the Mozambican ports and railways authority;
- Capturing chrome and magnetite demand through operational improvements at the Port of Richards Bay; and
- Establishing a chrome mega terminal at the Port of Richards Bay.

Anticipated outcomes of strategy execution

- Improved reliability and export throughput;
- Stable service delivery for producers; and
- Shared risk and accelerated execution.



TRANSNET'S REINVENT FOR GROWTH STRATEGY (R4G STRATEGY) continued

05 IRON ORE

While the global iron ore market is under pressure, there are still opportunities to capitalise on short-term growth potential and support its sustainable recovery.

Iron ore remains a core contributor to export revenue and regional employment. Transnet's strategy prioritises restoring capacity and reliability on the Sishen–Saldanha corridor while preparing the channel for longer-term reform and partnership-based operating models.

PRIORITIES FOR 2027

Transnet will:

- Implement phased restoration of rail and port infrastructure to stabilise throughput;
- Prioritise rolling stock and asset maintenance to reduce operational disruptions;
- Improve corridor discipline and planning with industry stakeholders;
- Prepare PSP-ready operating models to attract private investment; and
- Secure environmental authorisations for future expansion flexibility.

Role of PSPs

- Reduces the capital burden of restoring corridor performance;
- Improves asset reliability through shared investment; and
- Creates opportunities for longer-term rail reform.

Key initiatives

- PSP-ready operating models on the Sishen–Saldanha corridor.

KEY SEGMENT RISKS

- Asset deterioration;
- Market volatility; and
- PSP misalignment.

TRANSNET'S STRATEGIC RESPONSES

- Accelerated maintenance and renewal;
- Phased, flexible investment planning; and
- Clear governance and risk sharing structures.

Opportunities

- Recovery of contracted volumes toward corridor design capacity; and
- Improved asset reliability and customer confidence.

Anticipated outcomes of strategy execution

- Reinstated installed capacity to meet contractual commitments and increase volumes and revenue;
- Restored infrastructure assets and improved operational performance to deliver on contracted volumes; and
- Design development and securing of environmental authorisations for the planned MPT bulk berth to expedite expansionary investments if required.



06 MANGANESE

Transnet has identified numerous growth opportunities to strengthen South Africa's manganese sector and broaden participation for emerging miners.

Manganese is strategically important for steelmaking and energy transition supply chains. Transnet's strategy aims to balance exports across multiple corridors, improve reliability, unlock growth through coordinated rail-port capacity expansion, and increase emerging miners' participation.

Priorities for 2027

Transnet will:

- Advance dual channel export capacity via Ngqura and Saldanha;
- Rehabilitate Cape Corridor rail infrastructure to align with terminal capacity;
- Progress PSP development and procurement for the Ngqura Manganese Corridor;
- Rehabilitative investment in PEBOT to improve plant performance until NMET is commissioned; and
- Enable access for emerging miners through coordinated capacity planning.

Role of PSPs

- Delivers new export capacity faster than public funding alone; and
- Shares expansion risk across rail and port assets.

Key initiatives

- Ngqura Manganese Export Corridor PSP; and
- Parallel private investment at Saldanha.

KEY SEGMENT RISKS

- Rail port capacity mismatch;
- Capital intensity; and
- Market volatility.

TRANSNET'S STRATEGIC RESPONSES

- Integrated planning and sequencing;
- Innovative PSP structures; and
- Flexible, phased expansion.

Opportunities

- Rehabilitation of rail infrastructure in the core export channels to stabilise and grow export volumes;
- Strengthening the dual channel export strategy via Gqeberha/Ngqura and Saldanha, supplemented by secondary channels via East London and Cape Town; and
- Facilitating access to export capacity for emerging miners.

Anticipated outcomes of strategy execution

- Ability to strengthen South Africa's dominance in the global manganese market;
- Increased capacity to meet current contracted demand and demand growth of a minimum of 24mtpa;
- Migration of volumes from road to rail;
- Increased customer service satisfaction;
- Increased contribution to the fiscus; and
- Transformative capacity creation for emerging miners.



TRANSNET'S REINVENT FOR GROWTH STRATEGY (R4G STRATEGY) continued

07 ENERGY

The liquid fuels and gas sectors play a vital role in South Africa's current and future energy mix, with Transnet positioned as a critical logistics enabler for both markets. The Company's strategic focus and investment planning are informed by this role.

The energy segment supports fuel security while enabling South Africa's transition to cleaner energy. Transnet's strategy focuses on optimising existing pipeline assets, enabling gas and LNG infrastructure and positioning the network for long-term decarbonisation.

Priorities for 2027

Transnet will:

- Optimise utilisation of the Multi Product Pipeline (MPP) and accumulation facilities;
- Advance fuel import infrastructure at Durban to improve access and resilience;
- Progress LNG and gas entry points at Richards Bay and Ngqura;
- Upgrade and repurpose the Lilly Pipeline to support gas distribution; and
- Support development of the Northern Cape green fuels corridor, including Boegoebaai.

Role of PSPs

- Mobilises private capital for gas, LNG and green fuels;
- Supports the energy transition while safeguarding critical pipeline assets; and
- Reduces risk of stranded public infrastructure.

Key initiatives

- Gas and LNG import infrastructure PSPs (Richards Bay, Ngqura); and
- Green fuels infrastructure linked to Boegoebaai.

KEY SEGMENT RISKS

- Declining liquid fuel demand;
- Vandalism and theft; and
- Market entry barriers.

TRANSNET'S STRATEGIC RESPONSES

- Asset repurposing and diversification;
- Technology-enabled monitoring; and
- Partnership-driven access models.

Opportunities

- Improved fuel security and market access;
- Lower unit transport costs through asset; and
- Participation in emerging gas and green energy value chains.

Anticipated outcomes of strategy execution

- A multi-pronged approach to growing market share in the short term using Transnet's current assets, mainly the MPP and targeted augmentation of the current asset base;
- Improved operational efficiencies, less supply security risk and better access for new market entrants through the Island View Precinct accumulation facility and fuel import facility;
- The long-term transformation of the sector, enabling a shift towards repurposing the existing pipeline and infrastructure towards a cleaner energy portfolio; and
- Developing a sustainable energy portfolio to support South Africa's decarbonisation agenda.



08 AGRICULTURE

Transnet aims to support private-sector initiatives to capture a larger share of the rail market and foster growth in the agricultural sector. The agricultural sector is crucial to national food security and economic development and depends on Transnet for efficient, responsive logistics solutions.

Agriculture is critical for food security, exports and rural development. Transnet's strategy focuses on capturing a greater share of the rail market, enabling cold-chain logistics and supporting private-sector-led value chain solutions.

PRIORITIES FOR 2027

Transnet will:

- Enable third-party rail access and branch line partnerships;
- Develop cold-chain and intermodal infrastructure linked to rail;
- Support reefer capacity expansion at key ports;
- Facilitate private investment in wagon fleets and inland terminals; and
- Align planning with seasonal demand and industry forecasts.

Role of PSPs

- Makes low-density agricultural rail viable;
- Enables road-to-rail migration at lower cost; and
- Supports private sector-led value chains.

Key initiatives

- Branch line concessions and partnerships; and
- Private investment in wagon fleets, cold chain and inland terminals.

KEY SEGMENT RISKS

- Low rail density;
- High capital requirements; and
- Seasonal volatility.

TRANSNET'S STRATEGIC RESPONSES

- Partnership-based investment models;
- Private-sector funding for inland facilities; and
- Flexible operating and planning approaches.

Opportunities

- Third-party rail access;
- Implementing a value chain approach;
- Harnessing international cold chain standards; and
- Introducing intermodal solutions across agricultural commodities.

Anticipated outcomes of strategy execution

- The migration of volumes from road to rail, with significant growth in the rail market share for the agricultural industry;
- Increased market access and reduced cost of logistics, prompting further growth in the agricultural industry; and
- Efficient port terminal operations enabling greater volume throughput and improved financial results.



TRANSNET'S REINVENT FOR GROWTH STRATEGY (R4G STRATEGY) continued

MULTI-SEGMENT INITIATIVES

Boegoebaai Port and Rail Development – Enabling a Just Energy Transition

Strengthening national logistics resilience. Located in the Northern Cape, the project integrates a new deep-water port with a dedicated rail corridor to support the shift towards a lower-carbon, more inclusive and competitive economy. It is designed to unlock long-term export capacity, reduce pressure on constrained corridors and enable sustainable growth aligned with national development priorities.

From an energy transition and environmental perspective, Boegoebaai positions Transnet as a critical enabler of cleaner value chains and climate-aligned logistics by:

- Enabling large-scale exports of green hydrogen, ammonia and other green fuels, supporting the transition away from carbon-intensive energy systems;
- Promoting road-to-rail migration, reducing logistics emissions, congestion and environmental impact; and
- Diversifying export routes, improving climate resilience and long-term supply chain security.

The Boegoebaai Port and Rail Development is deliberately structured to advance a Just Transition, ensuring that economic and energy transformation delivers shared, inclusive and lasting value. Once operational, Boegoebaai will redefine South Africa's export geography, integrating energy transition, mineral beneficiation and logistics modernisation into a single, future-ready platform.

Through paving the way for industrialisation in the Northern Cape while creating jobs and developing critical skills, the project broadens participation for local businesses, SMMEs and surrounding communities in social development. Delivered in collaboration with the Northern Cape Provincial Government and integrating port, rail and industrial development within a clear governance framework, the Boegoebaai initiative reinforces Transnet's role as a progressive enabler of a transition that aligns climate action with economic competitiveness and social progress.

Transnet is working with the Northern Cape Economic Development, Trade and Investment Promotion Agency to advance project preparation and feasibility activities, with the objective of de-risking the development, aligning key stakeholders and attracting both private and institutional investment.

KEY SEGMENT RISKS

- High capital intensity and long lead times expose the project to macroeconomic and funding cycle risk (transition risk).
- Misalignment and poor synchronisation between port, rail, energy infrastructure and industrial tenants may reduce operational efficiency and delay full project integration (transition risk).
- Dependence on future green hydrogen and new mineral exports introduces demand uncertainty (transition risk).
- Early mover risk if global green fuel markets scale slower than anticipated (transition risk).
- Complex multi-stakeholder governance may slow decision making and execution (governance-related transition risk).
- Failure to secure anchor tenants could delay financial close (commercial transition risk).

TRANSNET'S STRATEGIC RESPONSES

- Manage capital and timing risk by staging development in line with demonstrable, secure demand.
- Implement an integrated master schedule across port, rail, energy, and industrial operations to ensure coordinated capacity planning, aligned timelines, and seamless end-to-end system integration.
- Secure anchor tenants before heavy capital expenditure.
- Support early phase viability through targeted public sector participation during the ramp-up period.
- Simplify decision-making by establishing a single, empowered project authority with end-to-end accountability.
- Leverage government support and policy incentives to enhance project attractiveness to anchor tenants.



LeaseCo – Enabling rail reform through inclusive network access

The evolving rail policy and regulatory environment, driven by reforms that enable greater PSP in rail operations, is expected to lead to a substantial increase in demand for rolling stock from private train operating companies. In response, Engineering is implementing a strategic transformation initiative to realign its business model and capabilities to meet emerging market demands.

Engineering is progressively shifting its focus from a primarily maintenance-driven business toward leveraging its core competencies in heavy engineering, specifically the manufacturing, remanufacturing and lifecycle management of rolling stock. To enable this strategic repositioning, the future Engineering business will be structured around four core business units, including a dedicated rolling stock leasing unit (LeaseCo). The establishment of LeaseCo aligns with international best practices among leading integrated rail and port operators and provides a sustainable platform to support PSP in rail.

As private train operators gain network access through the TRIM's mechanisms, such as slot sales and corridor concessions, demand for leased rolling stock will increase substantially. LeaseCo will address this need by offering viable, scalable and flexible leasing solutions, enabling new entrants to operate efficiently without the high upfront capital costs traditionally associated with locomotive and wagon ownership. LeaseCo will not only diversify Transnet's revenue streams, but also generate sustained demand for Engineering's manufacturing, remanufacturing and technical services, reinforcing its role as a strategic enabler of rail sector revitalisation.

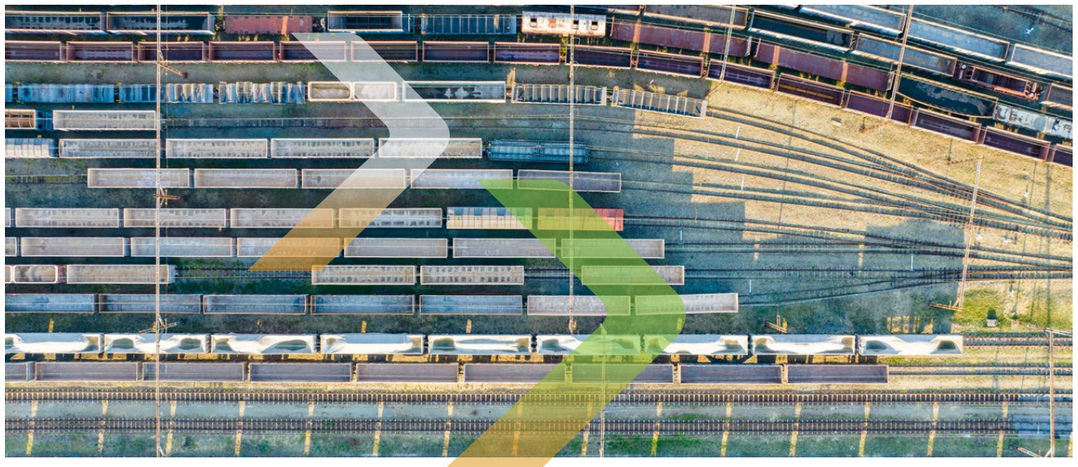
Freight Rail has assessed its available rolling stock to inform financial models for a bankable feasibility study, ensuring compliance with National Treasury requirements. The targeted fleet includes general-purpose diesel locomotives and associated wagons, which will be leased to private third-party operators, regional operators and Freight Rail for essential services.

KEY SEGMENT RISKS

- Misalignment between LeaseCo demand and Engineering production capacity.
- Slower-than-expected uptake by private train operators may limit fleet utilisation.
- Access to rolling stock without upfront capital requirements may expose Transnet to higher financial risk due to reduced operator commitment and an increased likelihood of non-payment or contract default.
- Inadequate reliability and lifecycle management of leased rolling stock may adversely affect operational performance, reputational standing and financial returns.

TRANSNET'S STRATEGIC RESPONSES

- Implement integrated planning frameworks and long-term capacity agreements that explicitly link Engineering's production and maintenance capacity to contracted leasing demand.
- Phase fleet acquisition and deployment strictly in line with secured network-access approvals and anchor-leasing commitments from private train operators.
- Implement robust credit risk management, including strict operator credit assessments and mandatory security arrangements such as guarantees, performance bonds, deposits and step-in rights.
- Implement centralised, end-to-end lifecycle management supported by OEM-backed warranties to ensure fleet reliability, asset performance and predictable lifecycle costs.



MULTI-SEGMENT INITIATIVES continued

Branch Lines – Enabling regional integration and road-to-rail migration

The Branch Lines Project is a key component of Transnet's commitment to inclusive growth, regional integration and sustainable logistics development, particularly in rural and agricultural regions. Recognising that earlier concession-based approaches achieved limited success due to funding constraints, the programme is being repositioned under the Freight Logistics Roadmap and the Department of Transport's PSP Framework to ensure national coherence and long-term viability. A coordinated, Government-led approach to structuring PSP transactions aims to mobilise private capital, technical expertise and risk sharing while preserving integration with the core rail network.

Within this framework, the TRIM retains a critical stewardship role that includes safeguarding network integrity, enabling access between branch lines and mainline corridors, while supporting Transnet's broader ESG objectives of regional integration and inclusive economic participation.

By revitalising underutilised rail infrastructure, the initiative enhances logistics access for rural and agricultural communities, strengthens the resilience of the national freight system and supports road-to-rail migration. It also contributes to a more environmentally sustainable and regionally integrated rail network.

KEY SEGMENT RISKS

- Difficulties in securing reliable funding to rehabilitate, maintain and operate branch lines, combined with the lack of long-term government subsidies or capital support, make these ventures financially unviable.
- Poor integration with mainline operations could undermine network fluidity.
- Fragmented PSP models may dilute accountability and performance standards.

TRANSNET'S STRATEGIC RESPONSES

- Implement a blended public–commercial funding framework, combining targeted Public Service Obligation subsidies with anchor-customer-led investment prioritisation to ensure long-term branch line viability.
- Ensure full integration of branch line operations with the core network through centralised scheduling, harmonised operating standards, and clearly defined interface management protocols to protect mainline performance and system reliability.
- Strengthen coherence in PSP models by rationalising operator participation and instituting a uniform performance management framework to ensure consistency, accountability, and service excellence.



CAPITAL OVERVIEW

Transnet plans to spend R129,1 billion on capital investment over the next five years, of which R115,9 billion (89,8%) will be allocated to sustaining capital, aimed at maintaining and rehabilitating existing infrastructure and equipment to ensure operational reliability and performance stability.

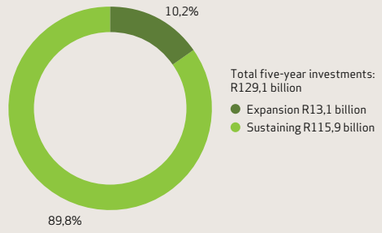
The preparation of the five-year Capital Investment Plan was guided by key budget principles that emphasise the realisation of the segment strategies and the incorporation of private-sector partnership opportunities to alleviate funding constraints and accelerate project delivery. While the plan is predominantly focused on sustaining capital, centred on maintenance, reinvestment and reliability improvement, the segment strategies prioritise expansion and transformation to unlock new growth opportunities. These two focus areas are harmonised within the overall investment planning framework, ensuring a balanced approach that supports both the preservation of existing capacity and the creation of future growth potential. The capital investment portfolio presented below reflects Transnet's on-balance sheet funded projects, aligned with approved affordability parameters.

The table below presents the envisaged capital investment per Operating Division over the five-year period:

R million	Budget 2026/27	Projections 2027/28	2028/29	2029/30	2030/31	Total five years
Freight Rail	**6 977**	6 600	6 805	7 215	7 807	35 404
Rail Infrastructure Manager	**9 759**	9 024	8 104	9 784	9 673	46 344
Engineering	**941**	–	–	380	–	1 321
National Ports Authority	**2 533**	2 631	3 225	3 591	3 898	15 878
Port Terminals	**3 769**	4 187	4 805	3 948	4 332	21 041
Pipelines	**607**	2 589	1 940	434	552	6 122
Property	**484**	–	–	–	–	484
Corporate Centre	**610**	472	489	467	441	2 479
Total	**25 680**	25 503	25 368	25 819	26 703	129 073

Five-year expansion versus sustaining capital investment

Transnet's investment focus over the next five years is on critical infrastructure renewal and addressing long-standing maintenance backlogs across the network. Of the total planned capital investment of R129,1 billion, approximately R13,1 billion (10,2%) is allocated to expansion capital, while R115,9 billion (89,8%) is dedicated to sustaining capital.



Sustaining capital extends beyond routine maintenance and includes the replacement and rehabilitation of assets required to maintain operational reliability and protect existing volumes. This ensures the continued functionality and safety of core infrastructure, equipment and rolling stock assets. Detailed activities and priorities related to maintenance interventions are outlined in the maintenance strategies section.

R billion	%	Total five years
Expansion	10,2	**13,1**
Sustaining	89,8	**115,9**
Total	100,0	**129,1**

TRANSNET'S REINVENT FOR GROWTH STRATEGY (R4G STRATEGY) continued

ASSET TYPE (SUSTAINING)

The recovery of volumes remains a critical priority, and therefore, capital investment in maintaining and sustaining core infrastructure continues to be a primary driver of the five-year investment programme. Sustaining investments are directed towards restoring reliability, improving asset performance and addressing maintenance backlogs that directly impact operational efficiency.

Within the rail portfolio, investments form part of the broader Freight Rail Strategy, which emphasises intensified locomotive maintenance, the return of long-standing locomotives to service and improved rolling stock reliability. A substantial portion of the R115,9 billion sustaining capital, approximately R70,5 billion (61,0%), is allocated to rail-related assets, including permanent way infrastructure, locomotives and wagons. The distribution of investment between Freight Rail and the TRIM is reflected in the table below.

Similarly, within the ports portfolio, a continued focus is on replacing end-of-life port equipment to improve turnaround times, enhance berth productivity and enable volume recovery. Approximately R22,1 billion (19,1%) of the sustaining capital allocation (R115,9 billion) will be directed towards port facilities, with the majority, around 75,8%, earmarked for Port Terminals to support operational reliability and service excellence.

	Rail		Port			
R billion	Freight Rail	Rail Infrastructure Manager	Port Terminals	National Ports Authority	Other	Total five years
Permanent ways	–	35 752	–	–	81	35 833
Locomotives	12 107	–	–	–	–	12 107
Wagons	21 104	1 537	–	–	–	22 641
Port facilities	–	–	16 753	5 353	–	22 106
Floating craft	–	–	–	1 068	–	1 068
Land, buildings and structures	129	919	1 968	682	1 452	5 150
Pipeline networks	–	–	–	–	2 689	2 689
Intangible assets and other	–	27	99	22	857	1 005
Machinery and equipment	1 395	6 403	354	1 036	4 150	13 338
Total	34 735	44 638	19 174	8 161	9 229	115 937

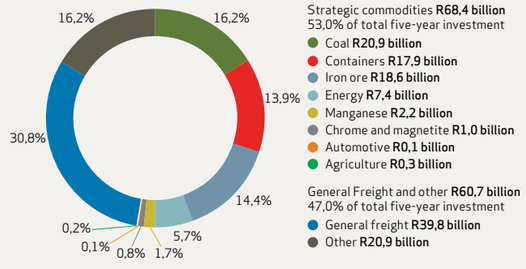
KEY STRATEGIC COMMODITIES

Transnet plans to invest approximately R68,4 billion (53,0%) of the total five-year capital investment of R129,1 billion in projects that directly support strategic commodity segments, namely coal, iron ore, containers, energy, manganese, chrome, magnetite and automotive. These commodities represent Transnet's core revenue drivers and are critical to South Africa's export competitiveness and industrial value chains.

The remaining R60,7 billion (47,0%) will be allocated to projects that support general freight and other non-strategic commodities, ensuring continued service delivery and infrastructure reliability across the broader logistics network. The diagram on the right illustrates the distribution of capital investment across these commodity segments, reflecting Transnet's focus on high-impact projects that enable volume and revenue recovery, operational resilience and sustainable growth in line with the R4G Strategy.

FIVE-YEAR CAPITAL INVESTMENT BY COMMODITY SEGMENT (%)

Total five-year investment: **R129,1 billion**



GENERAL FREIGHT BUSINESS

The General Freight business accounts for approximately R39,8 billion (30,9%) of Transnet's total five-year capital investment.

These investments are directed towards improving network reliability, enhancing operational efficiency and supporting the recovery of volumes across both strategic and non-strategic commodities, as the capital allocated to capitalised operating expenditure, wagons and locomotives is utilised system-wide and not exclusively dedicated to the eight strategic segments.

In line with the structural reform programme and the separation of rail operations and rail infrastructure management functions, the General Freight business capital investment is distributed between the TRIM and Freight Rail. The TRIM accounts for R25,1 billion (63,1%) of the total General Freight business capital investment, while the remaining R14,7 billion (36,9%) is allocated to Freight Rail.

The table below provides a breakdown of the five-year capital investment for the General Freight business, illustrating Transnet's continued commitment to revitalising rail performance, enabling PSP and positioning rail as a competitive mode within South Africa's freight logistics system:

		Projections				
R million	Budget 2026/27	2027/28	2028/29	2029/30	2030/31	Total five years
Permanent ways						
– Sustaining: Country-wide yard lighting phase 3	100	50	50	182	50	432
– Sustaining: Resignalling various sites	–	–	–	80	80	160
– Other sustaining	92	52	62	846	784	1 836
Wagons						
– Wagon renewal – sustaining	202	166	123	127	133	751
Capitalised operating expenditure – sustaining						
– Capitalised operating expenditure – Permanent ways	3 365	3 721	3 341	2 855	3 859	17 141
– Capitalised operating expenditure – Wagons	135	145	158	169	179	786
Other sustaining						
– Machinery and equipment	936	444	395	893	585	3 253
– Land, buildings and structures	112	42	42	366	270	832
Total	**4 942**	4 620	4 171	5 518	5 940	25 191

For the TRIM, 71,2% (R17,9 billion) of the total R25,1 billion will be allocated to capitalised operating expenditure related to the General Freight business.

		Projections				
R million	Budget 2025/26	2026/27	2027/28	2028/29	2029/30	Total five years
Locomotives						
240 BT electric locomotives (1 064)	669	–	–	–	–	669
Sustaining: Locomotive spares	4	–	–	–	–	4
Wagons						
Wagon fleet renewal programmes	574	563	550	574	600	2 861
Capitalised operating expenditure						
Capitalised operating expenditure – Locomotives	663	834	746	520	591	3 354
Capitalised operating expenditure – Wagons	960	860	1 723	1 832	2 033	7 408
Other sustaining						
Machinery and equipment	144	141	27	29	30	371
Total	3 014	2 398	3 046	2 955	3 254	14 667

For Freight Rail, 73,4% (R10,8 billion) of the total R14,7 billion will be allocated to capitalised operating expenditure related to General Freight business.

TRANSNET'S REINVENT FOR GROWTH STRATEGY (R4G STRATEGY) continued

The term capitalised operating expenditure refers to maintenance costs that Transnet is permitted to capitalise and amortise over time when such activities yield enduring and long-term benefits. This practice is consistent with the IFRS Accounting Standards adopted by Transnet. In line with Company policy, asset refurbishments that deliver benefits lasting between three and 95 years qualify for capitalisation. Given the material scale of these investments, it is critical that capitalised operating expenditure is prudently managed and effectively deployed. To ensure discipline and oversight, a three-year rolling capitalised operating expenditure budget was developed, providing greater predictability and control over asset maintenance spending. Complementing this, an Asset Maintenance Policy, supported by a set of asset care principles, has been developed and approved by Transnet's Board Committees. The principles and practical application of this policy are discussed further in the maintenance strategies section.

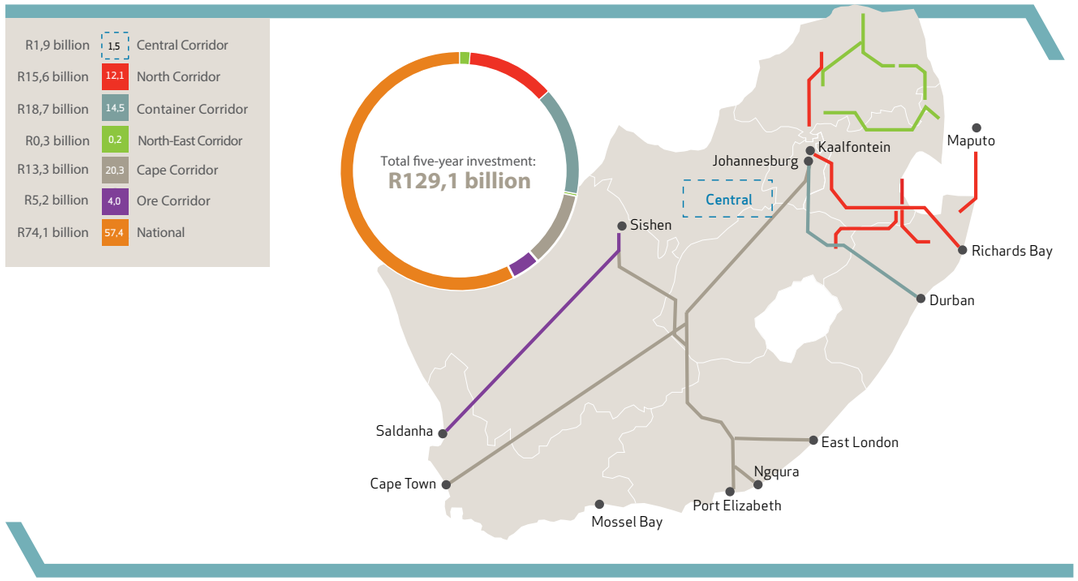
The General Freight business environment presents multiple opportunities for Transnet to advance key government objectives, including:

- Preserving road infrastructure through the road-to-rail migration strategy, thereby reducing heavy vehicle traffic and associated road maintenance costs;
- Stimulating economic activity by expanding logistics capacity to support growth in the commodities sector; and
- Promoting job creation through localisation initiatives linked to maintenance, refurbishment and capital investment programmes.

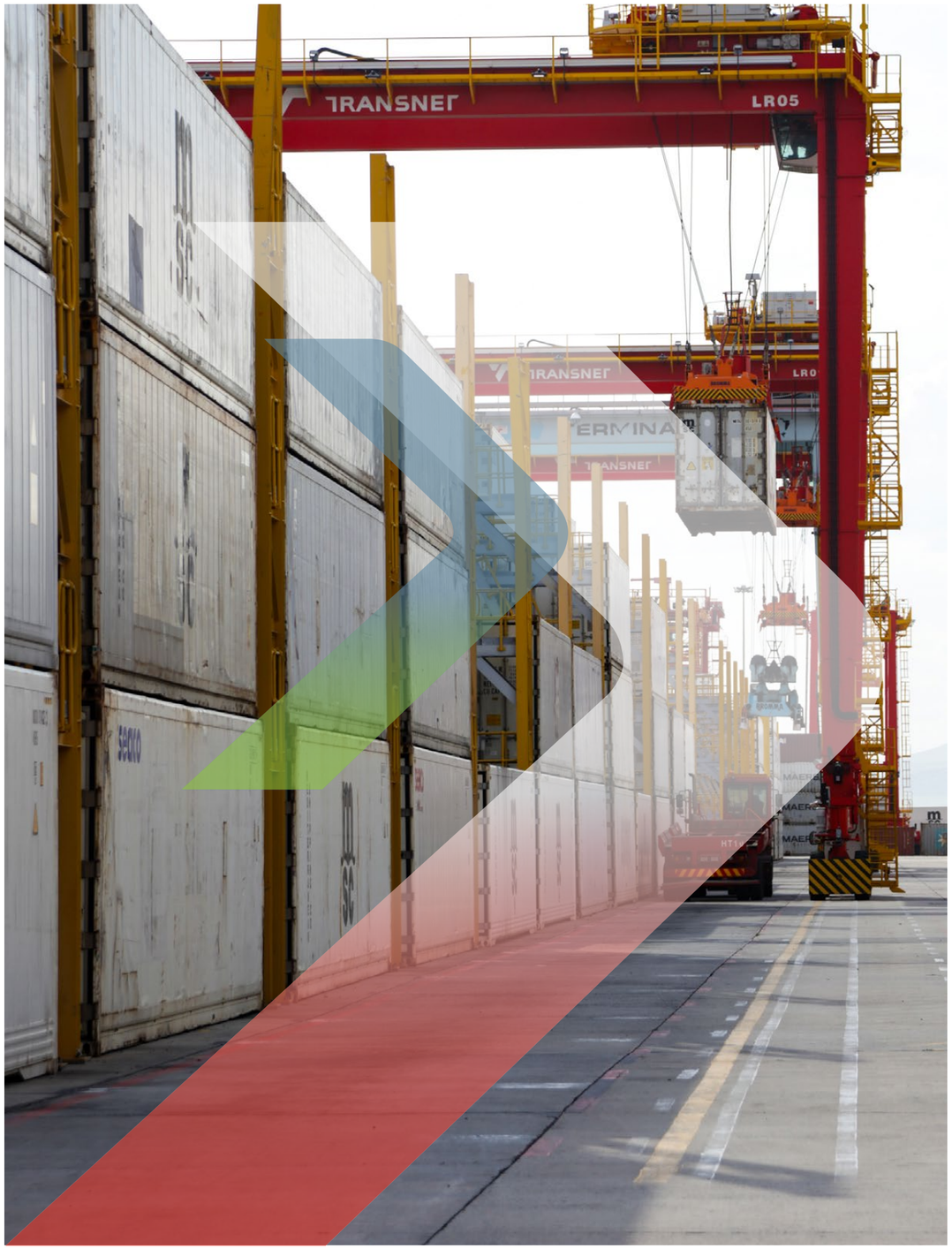
Five-year capital investment by corridor

A substantial portion of Transnet's R129,1 billion five-year capital investment programme, R55,0 billion (42,6%), is allocated to projects across Transnet's six strategic corridors, as illustrated in the diagram below. These investments are targeted at enhancing corridor performance, unlocking capacity and improving connectivity between key production and export nodes. The remaining R74,1 billion (57,4%) will be directed towards national, system-wide investments that support network reliability and strategic infrastructure renewal across the country.

The diagram below depicts Transnet's six corridors and their respective roles in enabling national and regional trade.



Of the R74,1 billion allocated for national corridor investment, R35,4 billion (47,8%) is directed towards the locomotives and wagons asset group, and R23,8 billion (32,3%) is earmarked for permanent way infrastructure, reflecting Transnet's continued focus on restoring fleet reliability and strengthening the core rail network.



TRANSNET'S MAINTENANCE STRATEGIES

Transnet's maintenance strategies are designed to restore operational reliability, address historical maintenance backlogs and stabilise asset performance across rail, ports and pipelines. Guided by a Group-wide Asset Maintenance Policy, the focus is on protecting existing capacity, improving availability and creating a reliable foundation for volume recovery, third-party access and long-term growth.

Philosophy

Transnet applies a lifecycle-based approach to asset management, prioritising preventive, predictive and condition-based maintenance aligned with OEM standards and international best practice. Assets are operated within design specifications, statutory compliance is strictly enforced, and a strong culture of asset care is embedded across Operating Divisions to preserve long-term reliability, safety and performance.

Planning

Maintenance planning is forward-looking, disciplined and integrated with operational demand and capital planning. Operating Divisions develop long-term asset plans and rolling refurbishment programmes, supported by multi-year budgeting, condition assessments and coordinated maintenance shutdowns. Close alignment between operations, engineering and procurement ensures continuity of supply, optimal timing of interventions and predictable renewal profiles.

Execution

Execution focuses on consistent, high-quality delivery of maintenance activities through strong governance, skilled capability and technology enablement. Long-term OEM and specialist service partnerships support reliability and skills transfer, while digital asset management systems enable real-time monitoring, predictive maintenance and performance reporting. Root-cause analysis, improved spares management and disciplined shutdown execution collectively reduce failures, improve asset availability and enhance service delivery.

Implementation guideline

A guideline to Transnet's Asset Maintenance Policy was compiled to assist Operating Divisions in embedding maintenance principles. All responsibility for maintenance is retained in the Operating Divisions, and each Operating Division needs to develop its own policy, standards, manuals, and standard operating procedures as deemed appropriate to support the effective roll-out of the overarching Transnet policy statement.



FREIGHT RAIL MAINTENANCE STRATEGY

FOCUS	Key initiatives
Align rolling stock availability and infrastructure reliability with market demand to support sustainable volume recovery.	• Applying condition-based maintenance on coal and iron ore export lines and time-based maintenance on general freight routes; • Recovering long-standing out-of-service locomotives through alternative OEM sourcing and technical partnerships; • Improving fleet reliability, turnaround times and wagon availability; • Partnering with customers to co-fund maintenance in exchange for tariff incentives; and • Finalising OEM framework agreements covering spares, tooling, training and reliability support.

RAIL INFRASTRUCTURE MANAGER MAINTENANCE STRATEGY

FOCUS	Key initiatives
Deliver a safe, reliable and cost-effective rail network that enables sustainable growth and third-party access.	• Prioritise infrastructure maintenance based on condition assessments across corridors. • Implement a PSP-enabled funding strategy for network rehabilitation. • Reduce speed restrictions and infrastructure failures through targeted renewals. • Deploy rail-bound vehicles for efficient material delivery and maintenance execution. • Strengthen engineering capability through training and graduate development.

ENGINEERING MAINTENANCE STRATEGY

FOCUS	Key initiatives
Ensure the availability and reliability of manufacturing, refurbishment and maintenance assets that support the readiness of rolling stock and port equipment.	• Implementing asset lifecycle plans and capital replacement programmes for critical machinery; • Strengthening long-term OEM partnerships for equipment restoration, spares and skills transfer; • Modernising the SAP plant maintenance system and improving asset data quality; • Upskilling technical employees and attracting young engineering talent; • Applying reliability-centred maintenance and structured root-cause analysis; and • Modernising asset-management systems and strengthening terminal oversight.

NATIONAL PORTS AUTHORITY MAINTENANCE STRATEGY

FOCUS	Key initiatives
Maintain port infrastructure that is safe, reliable and fit for purpose across the national ports system. Key initiatives include.	• Applying asset lifecycle management aligned to ISO 55001 and ISO 50001 standards; • Conducting regular condition assessments of marine and landside infrastructure; • Accelerating refurbishment and replacement of end-of-life port assets; • Securing multi-year procurement contracts for critical plant, materials and services; and • Modernising asset-management systems and strengthening terminal oversight.

PORT TERMINALS MAINTENANCE STRATEGY

FOCUS	Key initiatives
Ensure reliable availability of cargo-handling equipment to support terminal throughput and service delivery.	• Transitioning to preventive and predictive maintenance regimes supported by condition monitoring; • Improving spare-parts management and maintenance execution discipline; • Leveraging OEM contracts for equipment refurbishment and lifecycle support; • Introducing semi-automation and data-driven asset management at priority terminals; and • Strengthening workforce capability through skills development and restructuring where required.

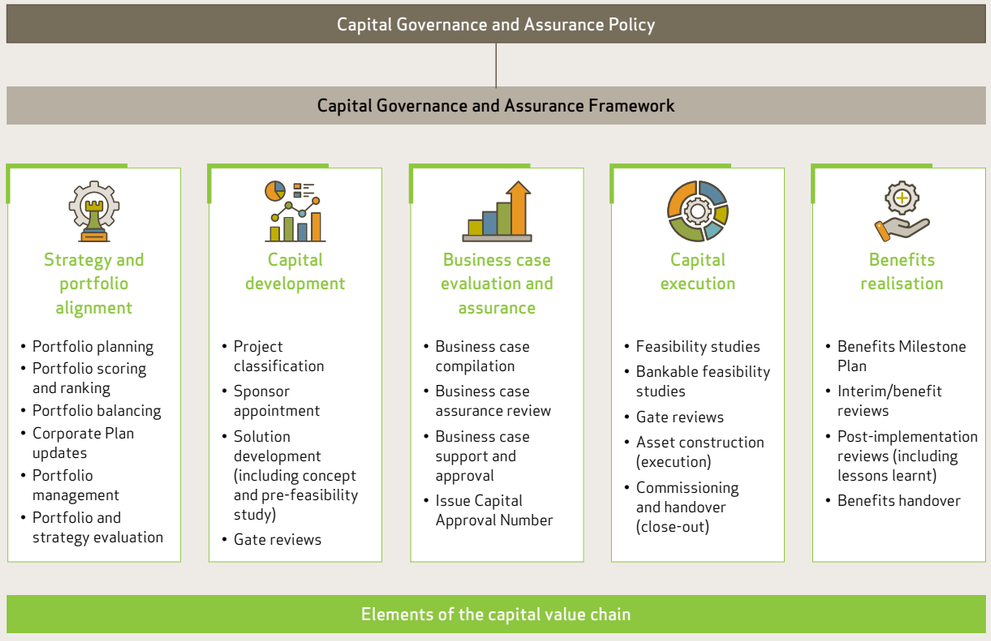
PIPELINES MAINTENANCE STRATEGY

FOCUS	Key initiatives
Maintain high asset availability and operational reliability across the pipeline network.	• Replacing obsolete equipment and installing energy-efficient systems; • Applying preventive, predictive and condition-based maintenance using SAP-enabled systems; • Developing lifecycle plans to minimise unplanned outages and operational disruptions; • Ensuring compliance with regulatory, OEM and best practice standards; and • Aligning maintenance planning with capital investments and long-term strategy, including asset repurposing.

TRANSNET'S REINVENT FOR GROWTH STRATEGY (R4G STRATEGY) continued

CAPITAL GOVERNANCE AND ASSURANCE POLICY

Transnet's Capital Governance and Assurance Policy, approved in 2021, sets out the overarching principles for capital investments, whether self-funded, debt-funded or maintenance-related. The policy establishes a five-stage capital value chain to ensure that investment proposals and decisions align with Transnet's strategic intent and create stakeholder value.





FOCUS AREAS IN 2027

Significant progress was achieved in strengthening the governance and execution environment, including:

- Approving the revised Capital Model by the Group Chief Operating Officer, introducing a structured framework for enhanced project execution and oversight;
- Approving the Project Risk and Opportunity Management Procedure, enabling proactive identification, assessment and mitigation of risks and opportunities for improved project performance;
- Developing additional standard operating procedures (SOPS), such as the document management and cost management SOPs, to support consistent implementation of the policy;
- Appointing executive sponsors for the top ten priority projects to enhance accountability and expedite delivery;
- Introducing project performance reviews to improve oversight, track progress and enable timely reporting; and
- Implementing a shutdown planning review process to strengthen planning, readiness and coordination for infrastructure shutdowns, to improve maintenance execution and asset reliability.

Capital management forum

The forum strengthens Transnet's capital governance environment by aligning capital planning and execution, and directing and coordinating capital planning, investment and execution in line with Transnet's governance frameworks and policies. The forum also monitors portfolio performance against strategic targets and KPIs.

Classification Ratification Committee

In 2025/26FY, Transnet established the Classification Ratification Committee. With representation from the Office of the Group Chief Operating Officer, Group Strategy and Planning and the Operating Divisions, the Classification Ratification Committee promotes a uniform, Group-wide approach to capital governance. This Committee aims to ensure consistent, accurate, strategic and mandatory project classification across the Group. This includes verifying that projects are correctly classified and aligned with the Capital Governance and Assurance Policy and Framework and manuals.

The Group capital risk, governance and systems function

The Group Capital Risk, Governance and Systems function is the custodian of the capital governance universe and is responsible for assessing, monitoring and reporting capital portfolio risks annually to all relevant governance committees, including the Board's Risk Committee.

Transnet seeks to continually improve its capital governance landscape to support the delivery of the Corporate Plan. This includes training and awareness programmes across the capital community, developing a knowledge management portal to embed lessons learnt and implementing capital management and performance systems to support real-time reporting, interface management and improved project oversight. Transnet is also digitalising and automating several capital governance processes to further streamline assurance and compliance activities.

GROUP ASSURANCE

Transnet's Investment Governance and Assurance Framework strengthens and streamlines capital oversight across the business, enabling effective decision-making, improving project delivery success and promoting the efficient use of capital. Through digitalising capital processes and embedding proactive maintenance and assurance practices, Transnet is better positioned to accelerate benefit realisation, enhance asset reliability and support long-term operational excellence.

Two key assurance functions, technical assurance and capital assurance, provide independent oversight of projects requiring Group and/or Board approval under the DOA Framework.

Technical assurance

Technical assurance provides independent technical review and expertise to ensure that project and maintenance activities meet required technical, engineering and regulatory standards.

Capital assurance

Capital assurance provides independent assurance that capital projects are strategically aligned, optimally developed, financially sound and executed effectively.

ENTERPRISE **RISK MANAGEMENT**

Transnet's risk management processes help the organisation to identify, assess, manage and monitor risks that could affect its ability to achieve its strategic, operational, financial and compliance objectives.

RISK GOVERNANCE

A formalised Enterprise Risk Management (ERM) Governance Architecture ensures a structured and consistent approach to risk management. It aligns strategy, processes, people, technology and knowledge to evaluate and manage the uncertainties that Transnet faces, creating Shareholder value. The critical elements that make up ERM Governance within Transnet are:

- ERM Policy;
- ERM Framework; and
- Risk Appetite and Tolerance Framework.

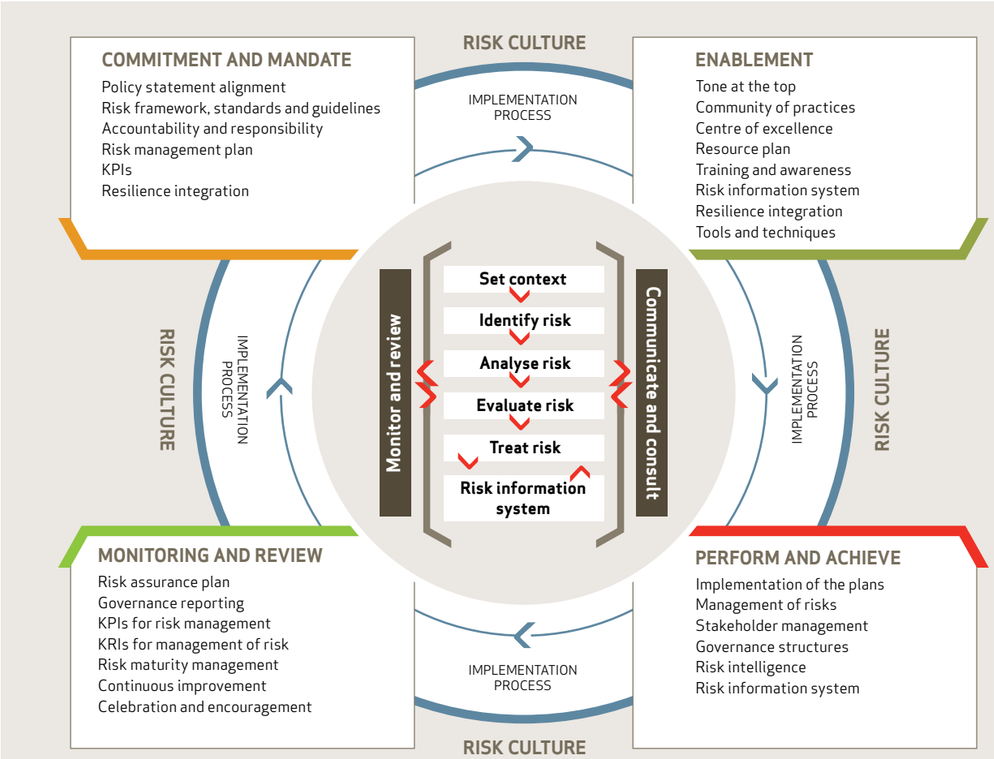
The ERM Policy directs the business through a commitment statement from the Board and the Group Chief Executive. The statement outlines the risk management approach to support and enable its corporate objectives, protect employees and business assets and ensure financial sustainability.

The policy is realised through the ERM Framework, which was developed using ISO 31000:2018 risk-management principles and guidelines, the 2017 COSO ERM Framework, the King Report on corporate governance and the South African legislative requirements, namely the Public Finance Management Act and the Public Sector Risk Management Framework (PSRMF). The ERM Framework provides detailed guidelines on:

- The principles relating to the Group-wide risk management and risk management methodologies;
- The process for identifying, assessing, mitigating, monitoring and reporting risks and controls;
- The risk management roles and responsibilities of each management level; and
- The mechanisms for managing, monitoring and providing assurance on risks.

The ERM Framework is reinforced by the Transnet Risk Appetite and Tolerance Framework, which defines the level of risk that Transnet is willing to accept to achieve its business objectives. It specifies the variability in outcomes that Transnet, its Board, and senior executives can tolerate and that is aligned with its strategic goals. Transnet's risk appetite is carefully balanced with its overall capacity to bear risk, considering the complexities and integration of its operations across various risk clusters.

Transnet's ERM architecture



TRANSNET'S RISK MANAGEMENT PROCESS AND ARCHITECTURE

The primary principle of the ERM approach is to enable the business to make proactive and informed decisions. All elements of the risk architecture, transformation, governance and assurance areas are designed and implemented with this principle in mind. This integrated systems approach to risk management is based on four focus areas, each with specific building blocks that integrate towards success.

To bridge the gap between risk strategy and execution, Transnet has a formal transformation management approach. This involves integrating ERM architecture methodologies into established business processes and shifting employees' mindsets towards risk ownership through training and awareness. The transformation actions are outlined in the Integrated Risk Management Plan (IRMP).

RISK ARCHITECTURE
- ERM Policy
- ERM Framework
- Transnet Risk Appetite and Tolerance Framework

TRANSFORMATION MANAGEMENT
- ERM Plan
- Risk crucial leadership conversations
- Functional action plans

MANAGEMENT OF RISKS
- Top 10 strategic risk clusters
- Key emerging risks

Transnet's IRMP

The IRMP emphasises adapting Transnet's approved risk management process in an evolving operating context. This aligns with King IV™'s principles of ethical leadership. Risk management responsibility at Transnet is upheld by assigning risk sponsorship and ownership for mitigations across the top 10 strategic clusters and key emerging risks. While significant progress has been made, this area continues to be an area of focus for improvement and best practice standards.

The IRMP defines four integrated focus areas aligned to the ERM Governance Architecture that drive the principles, concepts, common language, and direction required to execute the plan, namely:

- commitment and mandate;
- enablement;
- perform and achieve; and
- monitor and review.

Operations executives lead the definition and management of these four focus areas, making this risk transformation process practical and relevant to the business.

Crafted alongside the strategic risk review process, the IRMP ensures effective responses to unpredictable shifts in the risk landscape and changes in the business environment. This approach also helps the risk management processes remain flexible and agile in the face of fast-changing risks.

ENTERPRISE RISK MANAGEMENT continued

RISK ASSURANCE

First line of assurance

As a first line of assurance, responsibility for Transnet's top 10 strategic risk clusters and key emerging risks is assigned to a risk owner, a senior Transnet executive, or a group of senior Transnet executives. This is then cascaded to line management, who take accountability for risk mitigation actions. While the Company has made measurable progress, more attention is required to ensure the desired levels of accountability are embedded.

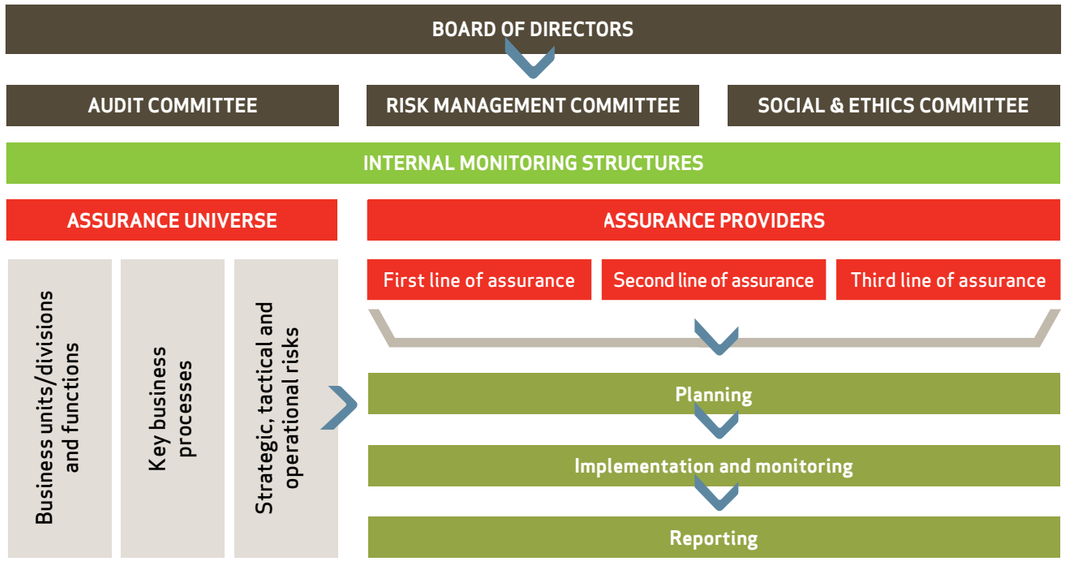
Second line of assurance

The second line of assurance engages internal assurance providers, who are indirectly accountable for risk management, such as Group functions and the Operating Divisions. This line of assurance aims to further embed adequacy and effectiveness in the management of the top 10 strategic risk clusters and key emerging risks. The second-line assurance process reviews and supports the management of identified organisational risks. A team was established to conduct integrated reviews. These provide an opportunity for the second line to assess and assure the maturity of risk management implementation and overall risk management.

Third line of assurance

Independent external assurance providers, including the Company's internal and external audit providers and regulators, provide the third line of assurance.

Combined assurance oversight



MANAGING OUR RISK APPETITE AND TOLERANCE

Transnet's ERM programme is integrated into its Group-wide strategic planning processes. Every Transnet employee drives the Company's objectives and manages associated risks.

Transnet requires risk management for each strategic objective, addressing strategic, operational and tactical risks. The risk management function actively involves executive leadership through crucial risk conversation workshops. The Board continues to oversee risk management and delegates responsibility for monitoring the implemented risk management process to the Board Risk Committee.

The Board has approved the Risk Appetite and Tolerance Framework to guide risk management within the Company. The framework outlines the level of risk-taking aligned with the strategic objectives set out in the Corporate Plan. Implementation of the framework has commenced, with key risk indicators being developed for the identified risks to measure risk thresholds and possible breaches, and to monitor risk performance against set appetite statements.

OUR RISK ENVIRONMENT IN 2026

Transnet operates within a complex and evolving risk landscape shaped by global geopolitical tensions, changing regulatory landscape, climate change and broader international economic pressures.

In 2026, the risk environment was shaped by escalating geopolitical tensions and changes in global trade policy. The risks facing the logistics and transportation industry are becoming increasingly interconnected, intensifying in both pace and severity, and creating significant challenges for businesses. These risks affect product supply and demand, the cost of living and local economic development, as well as interest rates and debt covenant compliance, Transnet's global credit rating, and its ability to raise funding for critical infrastructure projects and strategic growth initiatives.

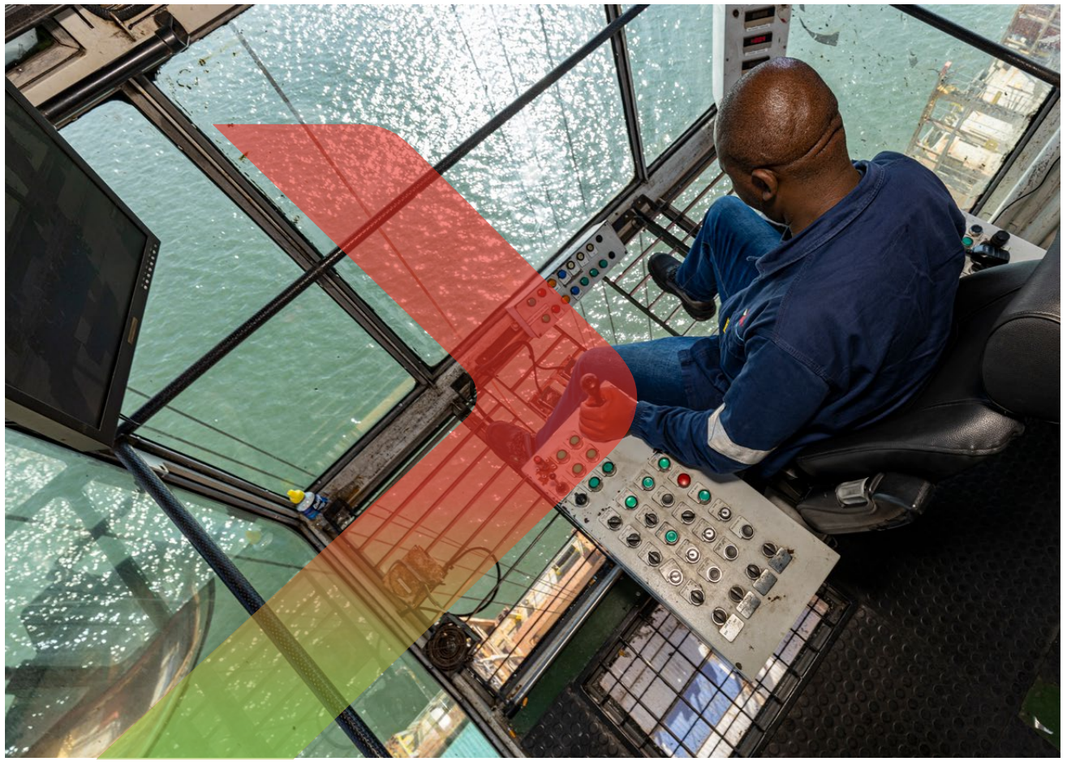
The risk profile continues to reflect ongoing operational performance challenges, with the security risk now elevated to a stand-alone principal risk due to the rising incidence of theft, vandalism and infrastructure damage. These events are placing sustained pressure on operational reliability, constraining asset availability and increasing cost burdens. In response, Transnet is strengthening its risk management capabilities through more robust mitigation and monitoring practices to more effectively manage an increasingly complex and evolving risk environment.

Annual strategic risk review process

Transnet reviews its top strategic and emerging risks in the context of its overall strategy. This process includes:

- A risk survey completed by internal stakeholders;
- External information gathering, including considering scanning sources like the Institute of Risk Management South Africa, Gartner, the World Economic Forum Global Risks Report; and
- A detailed risk workshop.

Risk reviews also occur during major changes, such as turnaround or operating model shifts.



TRANSNET'S TOP 10 RISKS FOR 2026

At a strategic level, 10 risk clusters have been identified, each requiring specific attention. Each cluster has a set of associated risks, which are managed individually. Though risk clusters remain relatively static, individual risks, KPIs and appetite and tolerance levels are dynamic and managed accordingly. These strategic risk clusters and associated risks are reviewed, updated and reported quarterly.

In 2026, Transnet continued to manage and monitor its strategic, operational and financial risks. While Transnet's operational performance has improved, it still needs to improve its volume performance, customer satisfaction and overall financial performance. The competitive landscape is rapidly evolving, with the risk of increased loss of volumes and customers due to an increasingly competitive rail and port logistics market. At year-end, the risks were reviewed, and their residual ratings are indicated below.

Residual top 10 risk cluster ranking – movement from 2025 to 2026

Risk priority and senior oversight

- **Priority one**
- **Priority two**

Risk description	2026 risk rating (Residual)	Risk description	2025 risk rating (Residual)
Operational sustainability and efficiency	1	Operational sustainability and efficiency	1
Financial sustainability	2	Financial sustainability	2
Business development	3	Business development	3
Infrastructure/asset creation	4	Infrastructure/asset creation	4
Security	5	Customer/market/segment growth	5
Safety, health and environment	6	Safety, security, health and environment	6
Governance	7	Governance	7
Reputation management	8	Reputation management	8
People and learning	9	People and learning	9
Procurement	10	Procurement	10



1 OPERATIONAL SUSTAINABILITY AND EFFICIENCY

Responsibility:
Operating Division Chief Executive Officers

Link to capitals

Risk description	Appetite statement
Value chain inefficiencies may result in lower volumes and an inability to meet volume targets due to poor locomotive availability and reliability, ineffective port oversight and poor operational efficiency, leading to customer dissatisfaction.	Transnet has a high appetite to deliver on operational targets by being innovative, agile and efficient in its day-to-day operations by choosing solutions, such as technology and regrouped service channels, to improve operational efficiency, financial results and sustainability.

Risk response

We are stabilising and improving operational performance across the value chain by addressing asset reliability, corridor execution and service consistency. Our priority is rebuilding customer confidence through predictable, reliable operations, supported by disciplined recovery initiatives and targeted operational interventions. Our response has been driven by the following actions:

- Implementing the Tactical Recovery Plan and corridor-based interventions to stabilise volumes, improve reliability and restore customer confidence;
- Improving asset availability through disciplined execution of maintenance strategies, OEM support agreements and the return of critical rolling stock to service;
- Strengthening port and rail value chain oversight through enhanced operational monitoring, benchmarking and performance management;
- Accelerating the digitisation of operations, systems and equipment to improve planning, execution visibility and decision-making; and
- Pursuing alternative funding and partnership models to sustain operational improvement initiatives and long-term service delivery.

Outcomes for 2026

Operational performance stabilised in key corridors, supported by recovery initiatives and improved asset availability, laying the foundation for sustained volume growth and improved service reliability.

2 FINANCIAL SUSTAINABILITY

Responsibility:
Group Chief Financial Officer

Link to capitals

Risk description	Appetite statement
Transnet manages the risk of its inability to remain financially sustainable. This is caused by poor operational performance, resulting in low cash generation, liquidity challenges and credit rating downgrades, complicating its ability to raise affordable funding or match long-term funding needs.	Transnet has a medium to high appetite for financial sustainability and maintains its financial covenants close to their limits to enable investment, drive economic activity and lower the cost of doing business.

Risk response

We are strengthening the Group's financial foundation by improving liquidity, managing affordability risks and restoring confidence in Transnet's financial sustainability. This includes balancing short-term financial pressures with the need to enable investment, support operations and maintain funding capacity. This is being addressed through the following initiatives:

- Strengthening balance sheet resilience through cost containment, liquidity management and balance sheet optimisation;
- Prioritising higher-margin corridors and commodities to improve revenue generation and cash flows;
- Fast-tracking private-sector participation and alternative funding mechanisms to support capital investment;
- Managing revenue at risk through targeted recovery plans and strengthened commercial management; and
- Maintaining disciplined financial governance to protect covenant compliance and restore investor confidence.

Outcomes for 2026

Transnet's liquidity position and revenue performance showed improvement, supported by cost-containment measures, prioritisation of higher-margin flows and progress in alternative funding and partnership initiatives.

ENTERPRISE RISK MANAGEMENT continued

3 BUSINESS DEVELOPMENT

Responsibility:
Chief Business Development Officer and Operating Division Chief Executives

Link to capitals

Risk description	Appetite statement
The inability to increase revenue-generating capability through diversified business growth initiatives and new market opportunities due to insufficient funding for projects. The long lead times for approvals from the relevant authorities to execute transactions may result in missed market opportunities and unnecessary delays. Transnet's poor reputation, stemming from failed legacy projects and a lack of integration and alignment with key stakeholders and strategic partners, led to execution failures.	Transnet is eager to ensure the security of volumes through forging long-term relationships and partnerships with its current and new customers. This is integral to its sustainability in the medium to long term.

Risk response
We are repositioning the business to secure and grow volumes through stronger customer partnerships and a competitive response to rail reform and market liberalisation. These efforts include the following:
- Securing and protecting volumes through long-term commercial agreements and strategic customer partnerships;
- Advancing growth and diversification initiatives aligned to rail reform and increased private-sector participation;
- Improving transaction bankability through appropriate funding structures and risk-sharing partnerships;
- Leveraging government bilateral and policy alignment to support cross-border and regional growth opportunities; and
- Strengthening market intelligence and competitive positioning to respond proactively to emerging competitors.

Outcomes for 2026

Strategic engagement with customers and reform-readiness initiatives have advanced, positioning the business to compete in a more liberalised rail and logistics market.

4 INFRASTRUCTURE/ASSET CREATION

Responsibility:
Group Chief Operating Officer

Link to capitals

Risk description	Appetite statement
Implementation delays for infrastructure and capital investment projects, due to a lack of resources and skills, as well as funding and procurement delays, result in infrastructure failing to attract or sustain volumes. This will mean that Transnet cannot improve operational efficiency and lower the cost of doing business.	Transnet has a medium to high appetite for investing in infrastructure to grow or sustain volumes, improve operational efficiency, and reduce costs, while offering commensurate investment returns.

Risk response
We are improving the impact of infrastructure investment by strengthening capital governance, execution discipline and maintenance outcomes to support reliable operations. This is being progressed through the following actions:
- Prioritising capital allocation toward projects that directly enable volumes, improve reliability and lower logistics costs;
- Strengthening project governance, execution oversight and assurance across the capital project lifecycle;
- Improving procurement planning and execution for long-lead and critical infrastructure items to reduce delays;
- Executing maintenance and corridor restoration programmes to improve asset performance and resilience; and
- Validating business cases rigorously to ensure infrastructure investments deliver measurable returns.

Outcomes for 2026

Enhanced capital governance and maintenance execution contributed to improved asset reliability, with targeted infrastructure interventions that reduced delivery risk and strengthened operational resilience.

5 SECURITY

Responsibility:
Group Chief Operating Officer, Group Chief of People and Group Chief Legal Officer

Link to capitals

Risk description	Appetite statement
In 2025/26, security was elevated to a stand-alone risk. Inadequate security investment, weak coordination with government security agencies and ineffective management of security service providers may increase asset vulnerability, heighten exposure to organised crime and compromise operational resilience.	Transnet has a high appetite for investing in and deploying advanced security technologies and tools to strengthen the protection of its infrastructure, assets and operations. This proactive approach supports the uninterrupted delivery of services, enhances operational resilience and reinforces customer confidence.

Risk response
We are intensifying protection of critical infrastructure and cargo by strengthening security capabilities, deploying technology and collaborating with law enforcement. Our response includes the following key actions:
- Deploying advanced, technology-enabled security solutions, including surveillance, detection and analytics capabilities;
- Strengthening collaboration with law enforcement agencies and government security clusters to address organised crime;
- Implementing integrated and outcomes-based security contracting to improve accountability and effectiveness;
- Enhancing intelligence-led security operations and hotspot interventions to protect critical corridors; and
- Enforcing consequence management and governance controls to mitigate internal and external security risks.

Outcomes for 2026

Security receives significant strategic focus, with strengthened law enforcement collaboration, improved intelligence-led deployments and increased investment to address persistent infrastructure-related crime.

6 SAFETY, HEALTH AND THE ENVIRONMENT

Responsibility:
Group Chief Operating Officer, Group Chief of People and Group Chief Legal Officer

Link to capitals

Risk description	Appetite statement
Uncertainty regarding employee and public health and safety, and the inability to adapt to and mitigate the impacts of current and future climate change, could result in business disruptions and affect operational continuity.	Transnet maintains a zero-tolerance policy for health and safety risks. The organisation actively strengthens its systems and capabilities to achieve the highest level of certainty in protecting the health and safety of all stakeholders.

Risk response
We seek to protect employees, communities and the environment by strengthening safety culture, improving compliance and enhancing preparedness for climate-related and environmental risks to safeguard our licence to operate and business continuity. We have made strides to do this through the following:
- Strengthening safety culture and compliance through targeted interventions, training and consequence management;
- Implementing comprehensive safety programmes, including motor vehicle safety, fatigue management and public awareness campaigns;
- Enhancing climate adaptation and emergency preparedness through early warning systems and business continuity planning;
- Strengthening environmental governance, assurance and compliance across operations to reduce legal and financial exposure; and
- Embedding health, wellness and surveillance programmes to protect employees and sustain productivity.

Outcomes for 2026

Despite intensified safety and awareness interventions, safety incidents remain a key concern, reinforcing the need for continued focus on behavioural, operational and climate-related risk controls.

ENTERPRISE RISK MANAGEMENT continued

7 GOVERNANCE

Responsibility:
Chief Legal Officer

Link to capitals

Risk description	Appetite statement
Transnet is undergoing transformational reforms that require close monitoring of compliance with applicable laws and regulations. Non-compliance with regulatory requirements may undermine the Company's efforts to be a good corporate citizen with high standards of ethics and transparency.	There is a low appetite for non-compliance with laws and regulations, and zero tolerance for bribery and corruption in the quest to be a good corporate citizen that maintains high standards of ethics and transparency.

Risk response
We are strengthening governance, regulatory compliance and ethical oversight to support Transnet's transformation agenda and evolving operating environment. The focus is on ensuring sustained compliance, transparent decision-making and alignment with regulatory and Shareholder expectations. This is being achieved through the following actions:

- Maintaining proactive engagement with regulators, Shareholder departments and policy stakeholders to manage regulatory change;
- Strengthening compliance oversight and assurance to ensure adherence to laws, regulations and governance standards;
- Embedding ethical conduct, transparency and accountability through robust governance frameworks and reporting;
- Monitoring reform-related obligations closely to ensure alignment with national logistics and transport reforms; and
- Reinforcing Board and executive oversight to support risk-informed and compliant decision-making.

Outcomes for 2026

Governance maturity improved through increased regulatory engagement, strengthened compliance oversight and progress in implementing reform-related structural changes.

8 REPUTATION MANAGEMENT

Responsibility:
Transnet Spokesperson: Corporate Affairs

Link to capitals

Risk description	Appetite statement
Ineffective alignment and execution of ESD, procurement, and transformation initiatives, driven by regulatory misalignment, poor planning, weak contract and category management, and inadequate systems, may result in a failure to meet economic transformation goals and the loss of value for the broader stakeholder community.	Transnet has a low-to-medium appetite for risk that could impair relationships and standing with key stakeholders or tarnish its reputation.

Risk response
We are actively managing Transnet's reputation by strengthening stakeholder engagement, improving transparency and ensuring that progress, challenges and corrective actions are communicated clearly and consistently. The objective is to rebuild trust and confidence as operational recovery and reforms progress. This is supported by the following initiatives:

- Strengthening transparent and consistent communication with stakeholders on operational recovery and reform progress;
- Proactively managing stakeholder expectations through regular engagement and targeted messaging;
- Enhancing internal and external communication alignment to support a unified brand and corporate narrative;
- Addressing service delivery challenges decisively to restore trust and public confidence; and
- Monitoring reputational risks continuously and responding swiftly to emerging concerns.

Outcomes for 2026

Focused stakeholder engagement and more consistent communication supported gradual improvements in public perception, alongside continued scrutiny linked to operational recovery and reform progress.

9 PEOPLE AND LEARNING

Responsibility:
Chief of People

Link to capitals

Risk description	Appetite statement
The inability to embed a fit-for-purpose organisational culture, attract and retain critical talent and implement digital tools for people management may hinder strategy execution, reduce employee engagement, and damage Transnet's brand and operational effectiveness.	Transnet has a medium (moderate/risk-neutral) appetite to roll out an efficient resource plan to support the delivery of the Corporate Plan through efficient workforce utilisation, while being invested in the development of people.

Risk response
We are building organisational capability by strengthening leadership, retaining critical skills and embedding a high-performance, values-driven culture. Our response is driven by the following actions:

- Implementing an integrated talent management strategy to attract, develop and retain critical and scarce skills;
- Embedding a high-performance, values-driven organisational culture aligned to strategic objectives;
- Strengthening leadership capability, succession planning and workforce modernisation initiatives;
- Enhancing people systems, data integrity and digital enablement to support efficient workforce management; and
- Driving employee engagement, learning and change management to sustain transformation delivery.

Outcomes for 2026

People capability and engagement were strengthened through culture, talent and learning initiatives, supporting leadership alignment and organisational readiness for transformation.

10 PROCUREMENT

Responsibility:
Group Chief Procurement Officer

Link to capitals

Risk description	Appetite statement
Inability to support economic growth through logistics enablement as a result of a failure to foster localisation, industrialisation and provide the required infrastructure.	Transnet has a high appetite to drive sustainable economic growth by promoting localisation and industrialisation, balancing strategic international partnerships with local supply to improve efficiency, strengthen asset health and build domestic capability.

Risk response
We are redesigning our procurement processes to better support operational recovery, strengthen governance and enable localisation and industrialisation objectives. We are advancing this through the following actions:

- Strengthening demand planning, category management and sourcing strategies to improve efficiency and compliance;
- Advancing procurement digitalisation to enhance transparency, cycle times and risk management;
- Embedding robust contract management and supplier performance monitoring across the business;
- Supporting localisation, industrialisation and supplier development in line with national priorities; and
- Strengthening governance, controls and assurance to reduce exposure to fraud, irregular expenditure and non-compliance.

Outcomes for 2026

Procurement reforms and approved deviations enabled the faster acquisition of critical equipment, supporting operational recovery while reinforcing the need for sustained enhancements to governance and control.

TOP EMERGING RISKS

Transnet has identified key emerging risks that may impact the achievement of its strategic objectives. This assessment is informed by a rapidly evolving environment characterised by climate change, energy transition, technological disruption, funding pressures and shifting social expectations. While many of these risks are not new, their increasing complexity, interconnectedness and potential financial impact elevate their significance and require enhanced management focus.

In line with the requirements of IFRS S1 (General Requirements for Disclosure of Sustainability-related Financial Information) and IFRS S2 (Climate-related Disclosures), Transnet is assessing these emerging risks for their potential impact on Transnet's financial position, performance and future cash flows. This will ensure that ESG-related risks continue to be integrated into the Group's ERM processes.

Time horizons

Short term	0–3 years
Medium term	3–10 years
Long term	10+ years

Climate risk category	Key risk driver	Risk	Primary exposure	Time horizon	Strategic implications
Physical – acute	Extreme weather events	Flooding, storms and heatwaves disrupt rail and port operations, increasing service interruptions, asset damage and recovery costs.	Strategic rail corridors, major ports and terminals	Short to medium	Reliability, infrastructure renewal, PSP performance risk
Physical – chronic	Climate stress on assets	Rising temperatures and changing rainfall accelerate asset degradation, increasing lifecycle costs and limiting long-term corridor reliability.	National freight network; long lived assets	Medium to long	Corridor recapitalisation, growth sustainability
Transition – policy and regulation	Decarbonisation policies	Policy shifts reduce demand for carbon-intensive commodities and increase compliance and capital requirements.	Bulk export corridors; Group operations	Medium to long (volumes); short to medium (compliance)	Revenue sustainability, capital allocation discipline
Transition – market	Customer and trade expectations	Demand for lower carbon logistics and peer benchmarking heightens competitive pressure and risk of reduced export competitiveness.	Freight services; export ports and corridors	Medium to long	Growth strategy, customer retention
Transition – technology	Pace of technological change	Delayed adoption of energy-efficient assets or faster advancement by competitors erodes cost and service competitiveness.	Legacy rail and port assets	Medium	Asset rehabilitation priorities, open access competitiveness
Transition – legal and contractual	Climate risk allocation	Inadequate allocation of climate risks in long-term PSP contracts increases liability, performance penalty and termination risk.	PSP portfolio	Short to long	PSP governance, risk stewardship
Transition – reputational	Stakeholder confidence	Failure to demonstrate climate resilience and decarbonisation alignment weakens credibility and access to capital.	Government, investors, partners	Medium to long	Institutional reform, investor confidence

In an increasingly interconnected world, our ability to manage risk, respond to change and advance our ESG priorities is fundamental to long-term sustainability and stakeholder confidence.



PEOPLE MANAGEMENT AND LEARNING

Maintaining consistent employee engagement to ensure positive employee morale as the cornerstone to building a high-performance culture.

ESG pillar: **SOCIAL**

SUSTAINABLE DEVELOPMENT GOALS

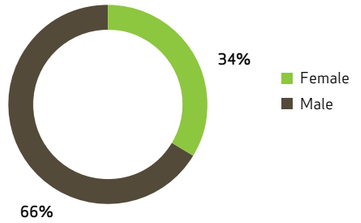
4 QUALITY EDUCATION | 8 DECENT WORK AND ECONOMIC GROWTH | 10 REDUCED INEQUALITIES

NDP 2030

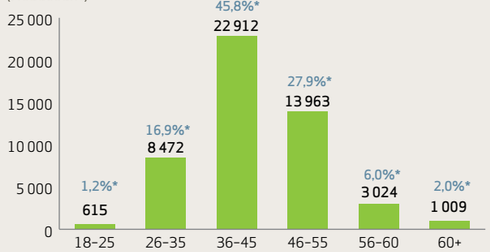
Skills development, employment creation

Our human capital profile aligns with the NDP 2030, SDG goals and Transnet's Shareholder Compact mandate by contributing to job creation, skills development and the building of a capable and productive workforce.

Transnet's human capital profile reflects a significant contribution to South Africa's socio-economic development, with a workforce of 49 995 employees supported by a substantial labour investment (remuneration, training and development) of R35,4 billion. The organisation maintains a strong base of permanent employment, complemented by a structured pipeline of trainees, which supports skills development and long-term workforce sustainability.

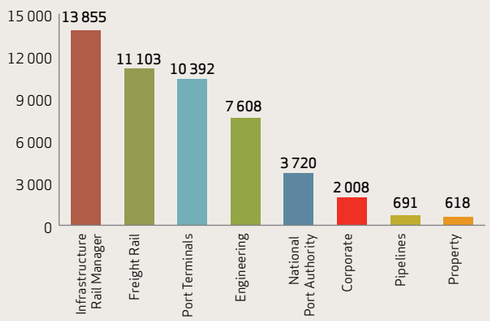


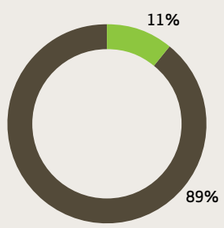
EMPLOYEE AGE DISTRIBUTION
(Headcount)

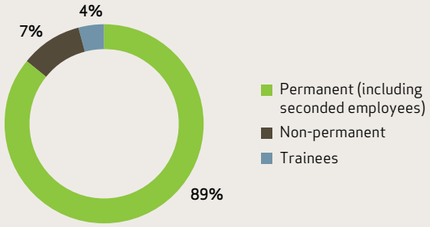


*Percentage of workforce

HEADCOUNT PER OPERATING DIVISION







SKILLS DEVELOPMENT

KPIs	2026	2025	2024
Total skills-development spend	**R947 million**	R860 million	R837 million
Training spend as % of labour cost	**2,7%**	2,6%	2,7%
B-BBEE skills development points	**15**	12	22

Our skills development performance reflects steady progress, with strong delivery in key programmes.

- Investment in training remained strong, with spending reaching 2,7% of personnel costs (R947,42 million), exceeding the 2,5% target;
- Apprentice and technician training met and exceeded targets, with 153 and 181 technical learners, respectively;
- Bursary appointments also slightly exceeded the target of 50, reaching 52; and
- Sector-specific training showed exceptional performance, with 4 469 trainees enrolled against a target of 2 000, highlighting a strong focus on core technical skills.



SAFETY, OCCUPATIONAL **HEALTH AND WELLNESS**

At Transnet, health and safety are fundamental to operational excellence, business sustainability and the wellbeing of employees, contractors, customers and communities.

ESG pillar: **SOCIAL**

SUSTAINABLE DEVELOPMENT GOALS: 3 GOOD HEALTH AND WELL-BEING

NDP 2030

Workplace safety and health outcomes

Lost time injuries (LTIs) decreased to 449 (2024/25FY: 500), indicating improved occupational safety performance. While this reflects progress, the results remain worse than earlier performance.

The lost time injury frequency rate (LTIFR) improved to 0,73 (2024/25FY: 0,77), below the tolerance threshold of 0,75. This signals better control of workplace injuries, although performance remains sensitive to operational and behavioural factors.

Employee fatalities reduced to two (2024/25FY: 7), marking a material improvement. Reducing fatalities remains a critical concern, requiring sustained focus on prevention, supervision and safety discipline.

Indicator	2026	2025	2024
LTIs	449	500	425
LTIFR	0,73	0,77	0,71
Employee fatalities	2	7	3

OCCUPATIONAL HEALTH AND WELLNESS

Transnet's occupational health and wellness performance reflects a continued investment in employee health and wellbeing, alongside improvements in occupational health outcomes. Wellness awareness sessions increased significantly to 263 (2024/25FY: 178), demonstrating strengthened employee engagement and a proactive approach to wellbeing.

Indicator	2026	2025	2024
Total cost of sick leave (R million)	433,6	446,0	653,0
Wellness awareness sessions for employees	263	178	143
Periodic medical assessments performed	30 809	32 423	33 053
Number of occupational diseases	5	28	47
Number of work-related injuries	642	725	727

Occupational diseases decreased sharply to five cases, and work-related injuries declined to 642, continuing their positive downward trajectory. Total sick leave costs also reduced to R433,6 million (2024/25FY: R653,0 million). These trends reflect the impact of sustained occupational health programmes and a stronger focus on prevention and early intervention.

EMPLOYEE ASSISTANCE PROGRAMME (EAP)

The EAP, supported by the iLivewell platform, wellness days and targeted interventions, provides employees and their families with counselling, resources and referral pathways to address work-related and personal challenges. Increased digital access and a shift toward telephonic support have improved reach and early intervention, helping to manage psychosocial risks before they impact health, safety and performance.

While periodic medical assessments declined modestly over the period, they remain at a substantial level, indicating ongoing monitoring of workforce health.

Indicator	Number
Medical assessments conducted	30 809
EAP interactions	4 587

ENVIRONMENTAL **PERFORMANCE**

The logistics and transport sector faces intensifying pressure to reduce carbon emissions, enhance climate resilience and adapt to shifting global supply chains. Addressing climate change is both a responsibility and an opportunity. Through focused action to reduce our carbon footprint and improve our environmental performance, we are supporting a more sustainable future.

ESG pillar: **SOCIAL**

SUSTAINABLE DEVELOPMENT GOALS: 12 RESPONSIBLE CONSUMPTION AND PRODUCTION; 13 CLIMATE ACTION

NDP 2030

Workplace safety and health outcomes

ENVIRONMENTAL POLICY, RISK MANAGEMENT AND GOVERNANCE

Transnet operations have a well-established Environmental Management System (EMS) aligned to ISO 14001, an international standard for environmental management systems.

Environmental Policy Commitment Statements are incorporated into Transnet's Integrated Management System (TIMS), ensuring alignment with broader environmental, sustainability, and governance objectives. This policy reflects our commitment to prevent pollution, comply with environmental legislation and regulations and continuously improve our environmental performance.

The policy is publicly available upon request.

STRATEGY AND TARGETS

Environmental strategy

Transnet's environmental strategy focuses on reducing its carbon footprint, improving resource efficiency and enabling the transition to a low-carbon logistics system. This is underpinned by a Climate Transition Plan aligned with net-zero targets of 2040 for Scope 2 emissions and 2050 for Scope 1 and Scope 3 emissions. Our transition approach is phased, with immediate focus on energy efficiency and renewable energy adoption, and longer-term reliance on alternative fuels and selective electrification.

IFRS alignment

Transnet started the journey to adopt IFRS S1 and S2 in FY2024/25. IFRS S1 and IFRS S2 are sustainability disclosure standards issued by the International Sustainability Standards Board (ISSB) to provide investors and other stakeholders with consistent, comparable and decision-useful information about sustainability-related risks and opportunities. IFRS S1 establishes the overarching framework for sustainability reporting, while IFRS S2 focuses specifically on climate-related risks and opportunities.

This report incorporates recommendations from internal audit processes to enhance climate-related disclosures, with a focus on strengthening transparency around emerging climate-related risks such as energy-related cost pressures. Although climate-related disclosures have been substantially enhanced, Transnet remains on a journey towards full alignment with the comprehensive disclosure requirements of IFRS S2.

ENVIRONMENTAL PERFORMANCE continued

Carbon Disclosure Project participation

Transnet participates in the CDP disclosure platform for biodiversity, water, and climate reporting. We believe that alignment with climate science and global frameworks strengthens reporting quality and resilience. In 2025/26FY, Transnet achieved a B score for both water and climate change. Following the completion of comprehensive scenario based stress testing and reassessment of its original net zero 2040 ambition, Transnet has revised its commitment to achieving net zero emissions across all three scopes by 2050. This revision reflects both operational realities and the sequencing of technology readiness, while maintaining momentum in key decarbonisation areas, particularly Scope 1 & Scope 2 emissions targeting net zero by 2050.



Risks and opportunities

Climate change is a key strategic risk for Transnet, with exposure to both transition and physical risks, including extreme weather, flooding and water scarcity. At the same time, the transition presents opportunities to improve operational efficiency, enhance resilience and unlock ESG-related financing.

Read more about our climate-related risks on page 98.

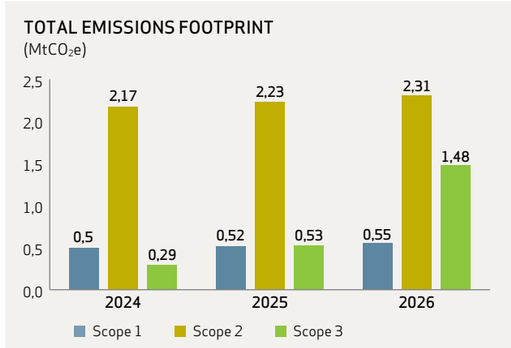
CARBON FOOTPRINT

Transnet's overall greenhouse gas (GHG) emissions profile reflects gradual improvement, supported by lower energy use and targeted efficiency measures.

Our emissions performance is influenced by operational realities, including the reliance on diesel-powered rail operations due to electrification constraints. Infrastructure challenges, including theft and vandalism, limit the effectiveness of electrified systems, reinforcing dependence on fuel-based energy sources.

Emissions are measured in line with the GHG Protocol and are increasingly embedded into ERM and strategic planning processes. Transnet continues to strengthen data quality, expand Scope 3 coverage and move toward independent verification to enhance transparency and credibility.

Energy efficiency initiatives, underpinned by ISO-aligned management systems, real-time performance monitoring and targeted interventions, continue to yield measurable improvements, with an estimated long-term potential to reduce energy consumption by 10–15%.



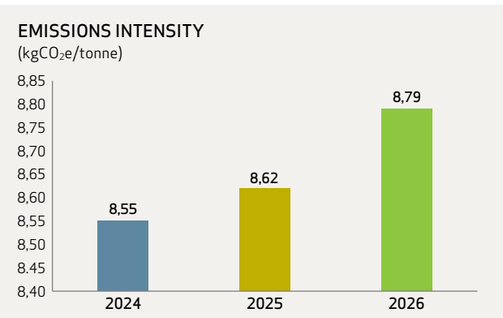
Scope 1 emissions increased by 6,6% to 0,55 $MtCO_2e$ in FY2025/26 (FY2024/25: 0,52 $MtCO_2e$) due to growing operational demands and a greater reliance on diesel locomotives to support business continuity. Emissions remain concentrated in rail operations, with diesel traction alone accounting for 72,6% of Scope 1 emissions. The remaining emissions come from stationary fuel use at 11,3%, on-road fleet operations at 9,5% and marine diesel at 6,4%, while jet fuel and fugitive emissions each contribute 0,1%. The current distribution highlights the central role diesel traction plays as the primary driver of direct emissions and a key focus area for decarbonisation.

Scope 2 emissions rose by 3,8% from 2,23 $MtCO_2e$ in FY2024/25 to 2,31 $MtCO_2e$ in FY2025/26. The rise is due to a 3,9% increase in the national grid emission factor, which indicates that the electricity supply became more carbon intensive during the year. Most Scope 2 emissions are linked to Freight Rail, with lower contributions from Port Terminals and Pipelines.

This highlights the ongoing challenge of reducing emissions while operating within a carbon-intensive electricity system.

Scope 3 emissions increased sharply by 179,3% from 0,53 $MtCO_2e$ in FY2024/25 to 1,48 $MtCO_2e$ in FY2025/26. This significant rise is mainly the result of expanded data coverage and improved measurement, rather than a direct increase in underlying activity alone. Scope 3 now accounts for around 34% of total emissions, making it an increasingly important part of Transnet's emissions profile.

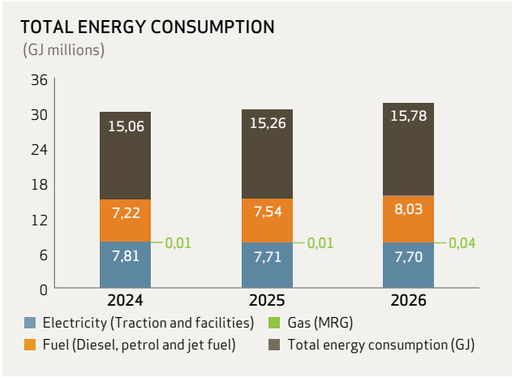
Overall, Transnet's emissions footprint has continued to increase. This is to be expected as business continues to grow, and as more categories are added under Scope 3. As such, structured decarbonisation measures are required as operational pressures continue to offset emission gains.



Emissions intensity increased from 8,55 $kgCO_2e$/tonne in 2023/24FY to 8,62 $kgCO_2e$/tonne in 2024/25FY (0,9%), and a further 1,9% to 8,79 $kgCO_2e$/tonne in 2025/26FY. The decrease in performance is due to increased emissions relative to volumes moved, and is largely due to the higher grid emissions factor. These factors offset efficiency gains and indicate reduced emissions performance despite improvements in operational activity.

ENVIRONMENTAL PERFORMANCE continued

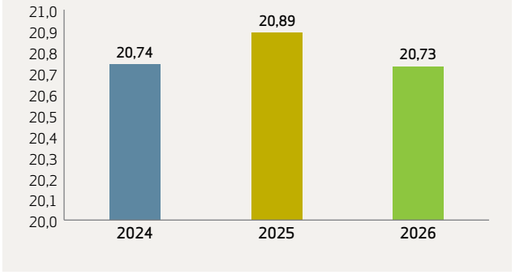
ENERGY MANAGEMENT



Total energy consumption increased from 15,26 PJ in 2024/25 to 15,78 PJ in FY2025/26 (3,38%). The energy mix shifted toward greater fuel use, with diesel accounting for approximately 50,90%, electricity 48,84%, and gas 0,26% in 2026. This reflects operational constraints that required increased deployment of diesel locomotives over electrified rail, resulting in higher fuel dependency and reduced electricity usage.

While performance reflects steady progress, the carbon-intensive energy mix and reliance on diesel highlight the need to accelerate the transition toward renewable energy and low-carbon alternatives. Future focus areas include scaling renewable energy procurement, improving energy efficiency, strengthening data systems and advancing climate resilience across operations.

Energy efficiency:



Energy efficiency decreased marginally by 0,78% from 20,89 tonnes/GJ in FY2024/25 to 20,73 tonnes/GJ in FY2025/26. The decline in performance was due to lower operational gains compared to the increase in energy required. This indicates that there is room for efficiency gains and may require further optimisation interventions.

LOOKING AHEAD

Rising geopolitical tensions involving the US and Iran are driving volatility in global energy markets, placing upward pressure on both fuel and electricity costs. For Transnet, this has a direct impact on the cost of doing business, as energy remains a key input across rail, port and pipeline operations. Higher fuel prices increase traction and marine operational costs, while broader energy cost pressures also filter through the supply chain, leading to higher input and logistics expenses.

These dynamics elevate our overall cost base and, if sustained over the medium term, influence budgeting assumptions and cost competitiveness. In response, Group SCM is undertaking a targeted assessment to quantify the financial impact of these energy-related pressures and develop appropriate mitigation measures to improve cost efficiency and operational resilience.

Long-term value creation depends on balancing economic performance, social impact and environmental stewardship.



GCFO'S **REVIEW**

The 2025/26 financial year marked a defining milestone in Transnet's recovery trajectory, with a net profit of R4,6 billion following several years of net losses.

SUSTAINED RECOVERY: TRANSITIONING TO PROFITABILITY AND GROWTH

The 2025/26 financial year marked a defining milestone in Transnet's recovery trajectory, with a net profit of R4,6 billion following several years of net losses.

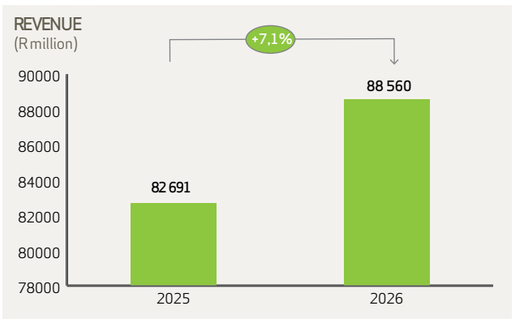
Operating within a still constrained macroeconomic environment, characterised by subdued global demand, volatile energy costs and persistent logistics challenges, Transnet demonstrated tangible progress in restoring financial stability and operational momentum. The Group delivered resilient operational performance, as reflected in increased revenue, mainly driven by higher rail volumes and a recovery.

Achieving profitability reflects the combined impact of revenue growth, driven by consistent year-on-year growth in rail volumes and a once-off strategic transaction relating to the partial disposal of interest in DGT at the Port of Durban. The Group remains firmly focused on executing its strategic objectives while improving service delivery and enhancing asset reliability to unlock further growth.

Management is focused on implementing the R4G Strategy, and Transnet has made considerable progress toward its strategic goal, especially in volume recovery initiatives, which are the cornerstone of delivering Transnet's future financial sustainability. We remain resolute in driving efficiency through deploying capital effectively, identifying efficiencies and procurement cost savings and pursuing profitable growth opportunities.

FINANCIAL PERFORMANCE

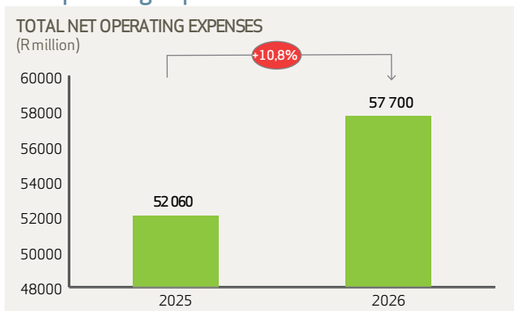
Revenue

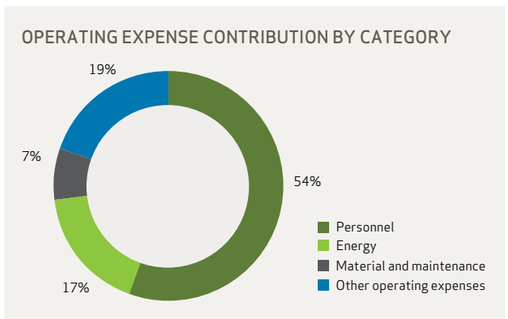


Revenue increased by 7,1% to R88,6 billion (2024/25FY: R82,7 billion), reflecting continued progress in rebuilding operational capacity across Transnet's core operations. This growth was supported by improved throughput across key logistics activities, underpinned by higher rail and pipeline volumes and targeted tariff adjustments at Port Terminals and the TNPA.

The performance reflects the gradual stabilisation of Transnet's logistics network, although further gains will depend on continued improvements in infrastructure availability, particularly in the rail business. Proposed further gains are expected to materialise from the continued focus on network investment and rehabilitation efforts.

Net operating expenses





Net operating expenses increased by 10,8% to R57,7 billion (2024/25FY: R52,1 billion).

HIGHLIGHTS

REVENUE
R88,6 billion
(2024/25FY: R82,7 billion)

EBITDA
R30,9 billion
(2024/25FY: R30,6 billion)

Net profit
R4,6 billion
(2024/25FY: R1,9 billion loss)



Nosipho Maphumulo CA(SA)
Group Chief Financial Officer

The increase is mainly as a result of:

- Personnel costs of R31,1 billion being higher by 7,0% when compared to the prior year, driven by wage settlement agreements and increased operational staffing requirements;
- Maintenance expenditure of R4,2 billion being higher by 20,1% when compared to the prior year, with the increase driven by Transnet's need to support asset reliability, network rehabilitation and strategic reform initiatives; and
- Security-related costs of R3,7 billion are higher by 12,2% when compared to the prior year due to strengthened efforts to mitigate theft, vandalism and infrastructure damage incidents.

EBITDA

EBITDA improved marginally by 0,7% to R30,9 billion (2025: R30,6 billion). The revenue gains were slightly eroded by the rise in net operating expenses, resulting in a 2,2 percentage point decline in the EBITDA margin to 34,8% from 37,0% in the prior year.

Depreciation and amortisation

Depreciation, derecognition and amortisation of assets increased by 14,0% to R21,8 billion (2024/25FY: R19,1 billion). Fixed asset revaluations and the expansion of the infrastructure base through ongoing capital investment programmes drove the increase.

Profit on disposal of interest in subsidiary

A key highlight for the year was the recognition of a profit of approximately R12,5 billion from the disposal of a 49,999% interest in the DGT to ICTSI, together with the associated remeasurement of the retained interest. Transnet established DGT, a 100% owned subsidiary of the Group, which resulted in Port Terminal's DCT Pier 2 assets being transferred into DGT. Transnet then disposed of a 49,999% interest in DGT to ICTSI for R10,5 billion with an effective date of 1 January 2026. This disposal resulted in Transnet transferring management control of DGT toICTSI, and DGT was therefore recognised as an associate of the Group. This strategic transaction:

- Enabled partnership with a global terminal operator;
- Supported long-term operational improvements and efficiency; and
- Reduced funding pressure by unlocking value from existing assets.

The transaction represents a significant step in Transnet's broader strategy to leverage partnerships and optimise its asset portfolio.

GCFO'S REVIEW continued

Fair value adjustments

Fair value loss amounted to R152 million (2024/25FY: R1,8 billion gain) due to the fair value losses on derivatives and firm commitment, partially offset by fair value gains from investment propery and other financial assets.

Net finance costs

Transnet operates in an environment characterised by high debt servicing costs. Debt service costs remain a major financial line item affecting profitability, driven primarily by the Group's significant debt. Net finance costs increased by 7,2% to R15,8 billion (2024/25FY: R14,7 billion), driven by higher borrowing levels and rising interest costs. The increase reflects elevated debt required to fund capital investment and operational needs, as well as continued exposure to a high-interest-rate environment.

Taxation

A tax credit of R383 million was recognised (2024/25FY: R489 million), reflecting a deferred tax credit related to Property, Plant and Equipment adjustment, partially offset by a current tax charge relating to the DGT transaction. The effective tax rate decreased to 8,98% (2025: 20,42%), driven by capital gains, deferred tax adjustments, and the utilisation of capital losses during the year.

Profit for the year

Transnet reported a net profit of R4,6 billion (2024/25FY: loss of R1,9 billion), representing a more than 100% increase and a significant turnaround in financial performance. The improvement reflects both operational gains and the strategic impact of the DGT transaction, positioning the Group on a positive financial trajectory.

Capital expenditure

Capital investment for the year amounted to R23,3 billion, maintaining a strong focus on asset renewal and operational recovery.

Operating Division	Capital expenditure (R million)
Freight Rail	8 507
Rail Infrastructure Manager	8 041
Engineering	231
TNPA	1 693
Port Terminals	3 847
Pipelines	365
Property	644
Total	23 328

Transnet plans to spend R129,1 billion on capital investment over the next five years. Of this, R115,9 billion (89,8%) will be allocated to sustaining capital, aimed at maintaining and rehabilitating existing infrastructure and equipment to ensure operational reliability and performance stability. The Capital Investment Plan directs investment toward restoring core operational performance, improving efficiency and lowering the overall cost of logistics. These targeted investments are designed to improve volume recovery in profitable market segments, modernise critical infrastructure and strengthen Transnet's ability to deliver a reliable, competitive and future-ready logistics service.

R billion	%	Total five years
Expansion	10,2	13,1
Sustaining	89,8	115,9
Total	100,0	129,1

Read more in our strategy section on page 60.

A PERSPECTIVE ON FUNDING

Total borrowings increased to R150,7 billion (2024/25FY: R144,8 billion), comprising:

- R115,7 billion in long-term borrowings (2024/25FY: R90,1 billion); and
- R35,0 billion in short-term borrowings (2024/25FY: R54,7 billion).

R36,2 billion in new funding was raised, while R29,1 billion was repaid, resulting in a net increase in debt levels.

Transnet's funding outlook was bolstered by the introduction of a €300 million sustainability-linked loan from the Agence Française de Développement (AFD) secured during the year to support Transnet's decarbonisation and infrastructure modernisation programme.

The gearing ratio of 49,4% remains below the target threshold of 50% set in the Shareholder's Compact. The cash interest cover (CIC) declined to 1,5 times (2024/25FY: 1,8 times). A CIC below 2,5 times and 2,0 times constitutes a breach of the CIC loan covenant on affected loans; consequently, a total capital balance of R21,0 billion in borrowings was reclassified to short-term liabilities. Management secured all waivers from the affected lenders.

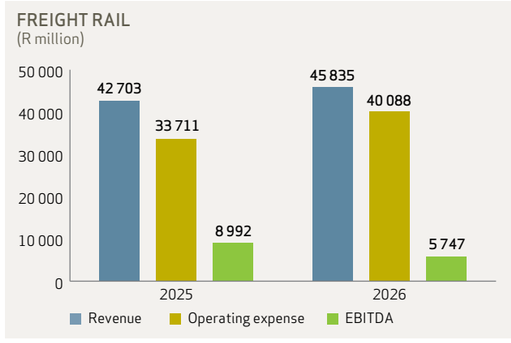
External credit ratings remained stable but constrained, with Transnet rated:

- Ba3 (stable outlook) by Moody's; and
- B+ (stable outlook) by S&P Global Ratings.

Despite increased leverage and funding pressures, the Group continues to actively manage its debt profile through refinancing, lender engagement and optimisation of debt maturities. Government guarantee support and diversified funding instruments remain key to maintaining liquidity and supporting the capital investment programme.

OPERATING DIVISION OVERVIEW

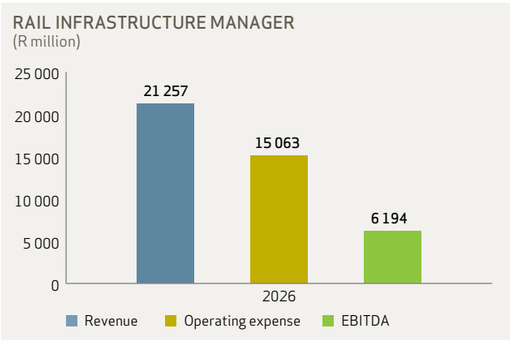
TFR



Freight Rail's revenue increased 7,3% to R45,8 billion (2024/25FY: R42,7 billion). This growth reflects a gradual recovery in volumes and the benefit of tariff adjustments, despite ongoing operational constraints related to infrastructure availability, security disruptions and equipment reliability.

Net operating expenses increased by 18,9% to R40,1 billion (2024/25FY: R33,7 billion), reflecting heightened maintenance and operational costs associated with sustaining recovery efforts. Consequently, EBITDA declined by 36,1% to R5,7 billion (2024/25FY: R9,0 billion), indicating that cost escalation materially outpaced revenue growth.

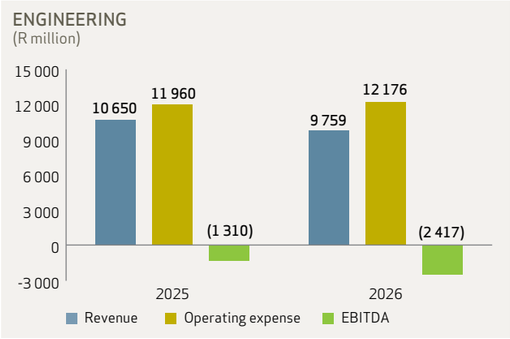
TRIM



TRIM reported revenue of R21,3 billion in its first full year of operation, establishing a baseline following its structural separation. Revenue performance reflects infrastructure access charges linked to rail network utilisation.

Operating expenses of R15,1 billion represent the cost base required to maintain and operate the network, resulting in EBITDA of R6,2 billion.

TE

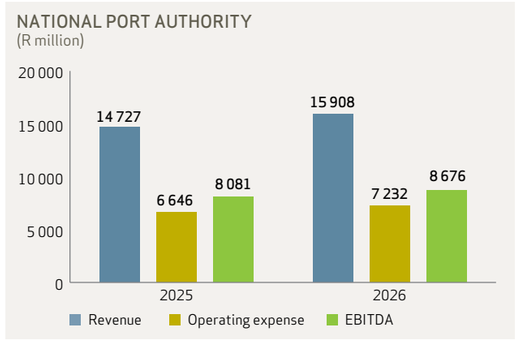


Engineering's revenue declined 8,4% to R9,8 billion (2024/25FY: R10,7 billion). The decrease was driven by lower external demand, particularly in maritime and manufacturing segments.

Operating expenses increased by 1,8% to R12,2 billion (2024/25FY: R12,0 billion), mainly due to higher material and maintenance costs. As a result, EBITDA losses widened by 84,5% to R2,4 billion (2024/25FY: R1,3 billion loss), highlighting continued structural pressures within the Operating Division.

GCFO'S REVIEW continued

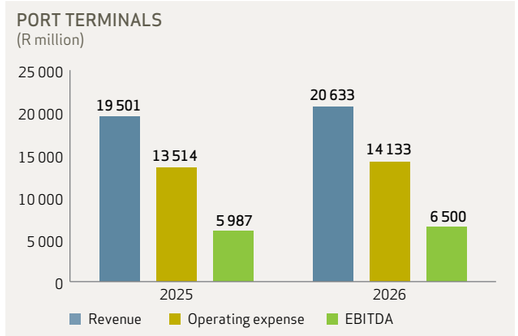
TNPA



TNPA delivered strong revenue growth of 8,0% to R15,9 billion (2024/25FY: R14,7 billion). Tariff adjustments and stable port activity drove this performance.

Operating expenses increased by 8,8% to R7,2 billion (2024/25FY: R6,6 billion), reflecting higher operational and administrative costs. EBITDA improved by 7,4% to R8,7 billion (2024/25FY: R8,1 billion), demonstrating effective cost management and strong revenue conversion into profitability.

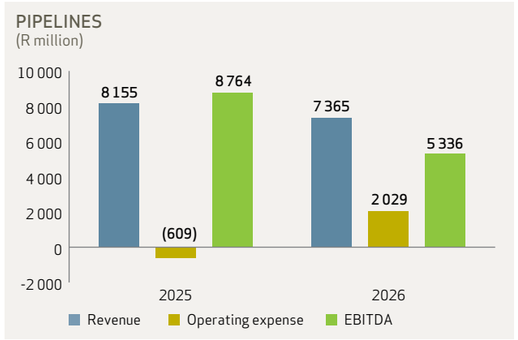
TPT



Port Terminals revenue increased 5,8% to R20,6 billion (2024/25FY: R19,5 billion). Growth was supported by improved container throughput and automotive volumes, despite ongoing operational challenges.

Operating expenses increased by 4,6% to R14,1 billion (2024/25FY: R13,5 billion), reflecting higher maintenance and operational costs. EBITDA increased by 8,6% to R6,5 billion (2024/25FY: R6,0 billion), indicating that revenue growth modestly outpaced cost escalation.

TPL

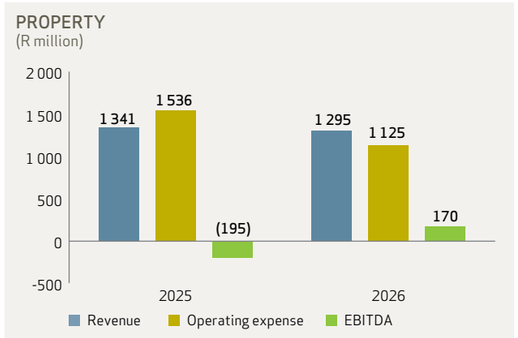


Pipelines revenue declined 9,7% to R7,4 billion (2024/25FY: R8,2 billion). This is primarily due to the recognition of R1,3 billion in revenue in the prior year, relating to the resolution of customer disputes, enabling the recognition of prior-year revenue per IFRS. Without the impact of the dispute resolution by the National Petroleum Refiners of South Africa (NATREF), revenue would have increased by 7% due to higher transported volumes and higher allowable revenue granted by the National Energy Regulator of South Africa (NERSA).

Operating expenses increased significantly to R2,0 billion (2024/25FY: Minus R600 million cost recovery position), reflecting a normalisation of costs following once-off benefits relating to the NATREF settlement of litigation claims realised in the prior year.

As a result, EBITDA declined by 39,1% to R5,3 billion (2024/25FY: R8,8 billion). Despite the decline, the Operating Division continues to maintain a relatively strong margin profile supported by its regulated revenue framework.

TP



Property's revenue decreased marginally by 3,4% to R1,3 billion (2024/25FY: R1,34 billion). The performance reflects continued challenges in optimising the property portfolio.

Operating expenses increased by 5,9% to R1,5 billion (2024/25FY: R1,4 billion), driven by cost containment and portfolio rationalisation initiatives. This resulted in a turnaround in EBITDA to a positive R170 million, compared to a loss of R195 million in the prior year, indicating early signs of financial recovery.

PFMA REPORTABLE ITEMS

Irregular expenditure amounted to R3,9 billion (2024/25FY: R4,0 billion). Of this, R236,8 million (2024/25FY: R366,6 million) was newly identified during the current year, with the majority relating to multi-year contracts that were not fully compliant with regulatory requirements. Fruitless and wasteful expenditure decreased significantly to R53 million (2024/25FY: R156 million). Consequence management has been undertaken and continues to be enforced where necessary.

GOING CONCERN AND OUTLOOK

The directors have assessed Transnet's ability to continue as a going concern over a 12-month horizon and are satisfied that adequate resources are available to support continued operations. This assessment considered forecast cash flows, liquidity, funding arrangements and covenant compliance. While the breach of the cash interest-cover covenant resulted in the reclassification of certain borrowings to short-term, management has secured waivers from all the lenders affected by the covenant breach, with all matters appropriately closed. Based on these considerations, the directors believe that material uncertainties relating to events or conditions which may cast significant doubt on the entity's ability to continue as a going concern exist, but these are adequately mitigated as detailed in note 39 of the annual financial statements.

AUDIT OPINION

The Auditor-General of South Africa, the Company's independent statutory external auditor, has expressed an unmodified audit opinion on the annual financial statements for the year ended 31 March 2026.

APPRECIATION

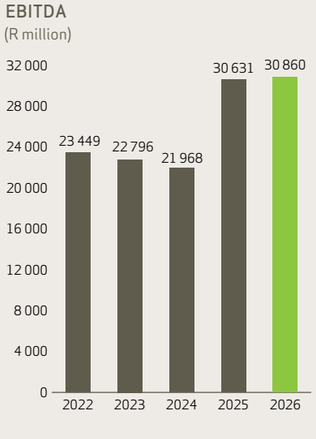
I extend my sincere appreciation to the Shareholder, lenders, customers, employees and all stakeholders for their continued support during this financial year. Your collaboration and commitment remain essential as Transnet continues its journey toward becoming a reliable, efficient and financially resilient logistics provider.

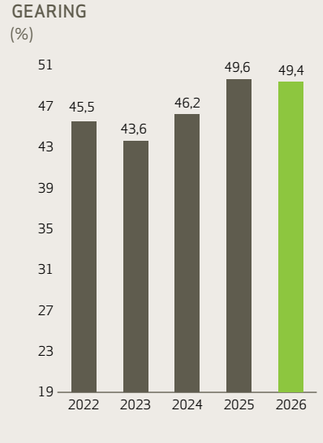


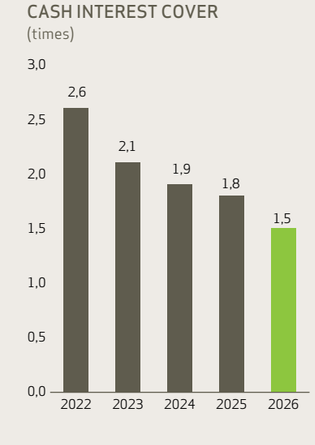
Nosipho Maphumulo CA(SA)
Group Chief Financial Officer



FIVE-YEAR REVIEW: KEY PERFORMANCE INDICATORS







INCOME STATEMENT

for the year ended 31 March 2026

	GROUP 2026 R million	2025 R million
Revenue	**88 560**	82 691
Net operating expenses excluding depreciation, derecognition and amortisation	**(57 700)**	(52 060)
Profit from operations before depreciation, derecognition, amortisation and items listed below	**30 860**	30 631
Depreciation, derecognition and amortisation	**(21 759)**	(19 085)
Profit from operations before the items listed below	**9 101**	11 546
Profit on disposal of interest in subsidiary	**12 500**	–
Impairment of financial assets	**(318)**	(666)
Impairment and devaluation of non-financial assets	**(1 018)**	(157)
Dividends received	**–**	–
Post-retirement benefit obligation expense	**(162)**	(163)
Fair value adjustments	**(152)**	1 755
Income/(loss) from associates and joint ventures	**87**	2
Profit from operations before net finance costs	**20 038**	12 317
Finance costs	**(16 400)**	(15 239)
Finance income	**626**	527
Profit/(loss) before tax	**4 264**	(2 395)
Tax	**383**	489
Profit/(loss) for the year	**4 647**	(1 906)

HEADLINE EARNINGS

for the year ended 31 March 2026

	GROUP 2026 R million	2025 R million
Profit/(loss) for the year attributable to equity holder	**4 647**	(1 906)
Profit on disposal of property, plant and equipment (refer note 2)	**(109)**	(277)
Loss on sale of investment property (refer note 2)	**101**	–
Profit on disposal of interest in subsidiary	**(12 500)**	–
Fair value adjustments on investment properties (refer note 5)	**(490)**	(1 868)
Impairment of non-financial assets (refer note 4.2.2)	**1 018**	157
Headline earnings before tax effects	**(7 333)**	(3 894)
Tax effects		
Profit/(loss) on disposal of property, plant and equipment	**29**	75
Loss on sale of investment property	**(22)**	–
Profit on disposal of interest in subsidiary	**2 700**	–
Fair value adjustments on investment properties	**106**	403
Impairment of non-financial assets	**(275)**	(42)
Headline earnings	**(4 795)**	(3 458)

CONDENSED STATEMENT OF FINANCIAL POSITION

as at 31 March 2026

	GROUP 2026 R million	2025 R million
Non-current assets	**347 132**	339 813
Current assets	**28 146**	27 054
Total assets	**375 278**	366 867
Capital and reserves	**142 469**	134 349
Non-current liabilities	**167 858**	140 240
Current liabilities	**64 951**	92 278
Total equity and liabilities	**375 278**	366 867

STATEMENT OF CASH FLOWS

for the year ended 31 March 2026

	GROUP	
	2026 R million	**2025 R million**
Cash flows from operating activities	**8 499**	13 761
Cash generated from operations	**33 091**	21 990
Changes in working capital	**(8 024)**	6 636
Cash generated from operations after working capital changes	**25 067**	28 626
Finance costs	**(15 505)**	(14 722)
Finance income	**626**	527
Tax paid	**(264)**	-
Settlement of post-retirement benefit obligations	**(82)**	(99)
Derivatives settled and raised	**(1 343)**	(571)
Cash flows utilised in investing activities	**(13 601)**	(24 818)
Investment to maintain operations	**(8 806)**	(19 739)
Investment to expand operations	**(4 795)**	(5 079)
Cash flows from/(utilised in) financing activities	**7 051**	7 165
Borrowings raised	**36 162**	27 870
Borrowings repaid	**(29 111)**	(20 705)
Net increase in cash and cash equivalents	**1 949**	(3 892)
Cash and cash equivalents at the beginning of the year	**9 992**	13 884
Total cash and cash equivalents at the end of the year	**11 941**	9 992

REGIONAL **INTEGRATION**

	2026 R million	2025 R million	2024 R million
REGIONAL REVENUE			
TFR cross-border revenue			
Actual	**3 775**	3 122	2 721
% change	**21%**	15%	
TE export revenue			
Actual	**(20)**	65	261
% change	**(131%)**	(75%)	
TNPA Africa revenue (transhipments)			
Actual	**43**	36	45
% change	**19%**	(20%)	
TPT Africa revenue (transhipments)			
Actual	**157**	109	138
% change	**44%**	(21%)	
Total regional revenue			
Actual	**3 955**	3 332	3 165
% change	**19%**	5%	
GEOGRAPHIC EXPANSION			
Zimbabwe			
Actual	**256**	345	140
% change	**(26%)**	146%	
Zambia			
Actual	**51**	128	87
% change	**(60%)**	47%	
Total geographic expansion			
Actual	**307**	473	227
% change	**(35%)**	108%	
AFRICA VOLUMES			
Freight Rail – over-border freight (mt)			
Actual	**10 914 583**	9 470 204	9 198 788
% change	**15%**	3%	
Transhipments ('000 TEUs) TPT			
Actual (extrapolated)	**127 972**	96 318	129 875
% change	**33%**	(26%)	
Transhipments ('000 TEUs) TNPA			
Actual (extrapolated)	**624 770**	477 636	nil
% change	**31%**	100%	

GOVERNANCE AND **COMPLIANCE**

Effective internal controls are fundamental to enabling Transnet's responsible corporate governance, supporting the organisation's ability to proactively manage risk, enhance operational effectiveness, safeguard assets, maintain regulatory compliance, and preserve the integrity and reliability of both financial and non-financial reporting.

Transnet is committed to maintaining a sound system of internal controls that supports the achievement of its strategic objectives while safeguarding stakeholder interests. This year, Transnet implemented an enhanced Internal Control Framework based on the Committee of Sponsoring Organisations of the Treadway Commission (COSO) principles. This framework provides a structured, principle-based approach to strengthening the design, implementation, and monitoring of internal controls across the Group.

To build internal capacity and embed a consistent understanding and implementation of the framework, targeted training continues to be rolled out across the organisation. As the framework matures and becomes more deeply integrated into Transnet's daily operations, it will reinforce a culture of accountability, transparency, and performance excellence.

The five components of the internal control have been integrated as follows:

INTERNAL CONTROL ENVIRONMENT	RISK ASSESSMENT	INTERNAL CONTROL ACTIVITIES	INFORMATION AND COMMUNICATION	MONITORING ACTIVITIES
The tone set by the Board regarding the Company's cultural environment, ethics and corporate values significantly influences internal controls and reflects management's attitude.	The process used to identify, analyse, treat, manage and monitor potential risks that could hamper or prevent Transnet from achieving its objectives, with a focus on implementing measures to minimise their impact.	Focusing on the adequacy and implementation of policies, techniques, mechanisms and procedures that ensure the management of risks to an acceptable level and that directives are carried out appropriately.	Ensuring that the internal control environment, risk assessment, and internal control activities are communicated with internal and external stakeholders, including providing operational and financial data in a complete, relevant, reliable and timely manner.	Reviewing whether internal controls are adequately designed, properly executed and effective. This includes developing monitoring and evaluation tools to ensure that effective controls exist and function properly. Monitoring the effectiveness of internal control has been strengthened.

PROGRESS ON INTERNAL CONTROL INITIATIVES

Control Self-Assessments (CSAs)

Transnet implemented a CSA plan as a proactive internal control mechanism that empowers process owners to assess and confirm the effectiveness of internal controls within their environments. This approach fosters a culture of accountability, strengthens first-line assurance, and promotes early detection of control weaknesses.

This year, the implementation of CSAs has enhanced the visibility of control gaps and enabled earlier intervention, contributing to improved tracking and closure of audit findings and strengthening overall control discipline.

Embedding CSAs across the Group enhances transparency, continuous improvement, and timely risk remediation, ultimately contributing to a more resilient and responsive control environment.

Group Finance's governance risk and compliance (GRC) function continues to strengthen governance and compliance through robust assessments of finance-related risks. Key outcomes and mitigation actions are reported to the appropriate governance structures, enhancing the oversight, supporting informed decision-making and promoting proactive risk management.

Auditor-General of South Africa (AGSA) findings

AGSA continues to assess the internal control environment and highlights gaps that require control improvements every financial year. In its concerted effort to improve the control environment, management has executed various control improvement initiatives including the development and implementation of a group-wide findings remediation and audit readiness plan that outlines the process for addressing the audit findings appropriately. This plan is supported by the detailed action plans developed by the Operating Divisions (ODs).

For the past financial year audit, the AGSA issued management reports indicating identified control improvement areas. The ODs developed the audit action plans to address the findings raised as required by the group remediation and audit readiness plan. The progress made against these plans in closing the audit findings has been continuously monitored monthly at the OD level and at Group level through the respective OD and Group Internal Control Steering Committees. As such, Transnet closed a significant number of audit findings raised by AGSA in the past financial year. In the current financial year audit, the AGSA identified some areas that require improvement, and management has put in actions to address these gaps and will report progress on implementation of remedial actions periodically to the relevant governance structures.

Combined Assurance Task Team (CATT)

Our combined assurance approach integrates multiple assurance providers to create a holistic, consolidated view of our risk, internal control, and assurance landscape. The CATT supports the combined assurance function by centralising the collection, analysis and reporting of information, optimising the audit process while reducing costs and providing a common, comprehensive view of our assurance of risks and issues. Transnet assurance processes are guided by the Combined Assurance Policy and Framework as approved by the Audit Committee.

Stakeholder engagements and management

Strong collaboration is a key enabler in strengthening the design, implementation, and oversight of Transnet's internal controls. The partnership between Group Finance GRC and Operating Divisions' Internal Control Champions has enhanced accountability at the operational level, resulting in improved ownership of control activities and more consistent identification and resolution of control weaknesses.

Collaboration with key Group functions, including Risk, Internal Audit, Compliance and Regulation, and other assurance providers, has strengthened alignment across the three lines of defence. This has improved information sharing, reduced duplication of effort, and enabled a more coordinated and integrated governance approach.

The Internal Control Steering Committees at both the Group and Operating Division levels have provided effective platforms for oversight and decision-making. Through regular engagement, these forums have supported earlier identification of emerging risks, improved tracking of remediation actions, and strengthened accountability for delivery.

Collectively, these collaborative efforts have enhanced the maturity, responsiveness, and effectiveness of Transnet's internal control environment, contributing to stronger governance and more consistent assurance outcomes across the Group.

A number of workshops were held between management and the Audit Committee to update the Committee on the progress of the audit action plans and to provide targeted support to strengthen the remediation of audit findings. These engagements enhanced the quality of oversight and enabled more focused discussions on root causes, corrective actions, and the sustainability of remediation efforts. The workshops also strengthened collaboration between assurance providers and management, supporting more timely and effective resolution of findings.

Overall, these engagements contributed to improved audit responsiveness, strengthened governance discipline, and reinforced a proactive approach to addressing control deficiencies across the Group.

PFMA COMPLIANCE

Sections 51 and 55 of the PFMA require Transnet to identify, prevent, and report non-compliant expenditure, losses through criminal conduct, and revenue collection. Irregular expenditure includes any spending that violates legislation, regardless of intent or benefit received. This differs from fruitless and wasteful expenditure (avoidable expenses made without reasonable care for no benefit).

Potential PFMA violations relate to identified incidents of non-compliance that are under assessment and have not been confirmed as actual PFMA violations.

The past financial year was the first year in which the AGSA audited and expressed an opinion on the completeness and accuracy of the irregular expenditure, fruitless and wasteful expenditure and losses through criminal conduct disclosed in the annual financial statements post the exemption period. The audit concluded that the reported irregular expenditure was accurate and complete in all material respects. This demonstrates that the exemption period was used to improve internal controls and governance processes. However, the AGSA raised certain findings and identified areas of disagreement, which Transnet addressed in 2025/26FY.

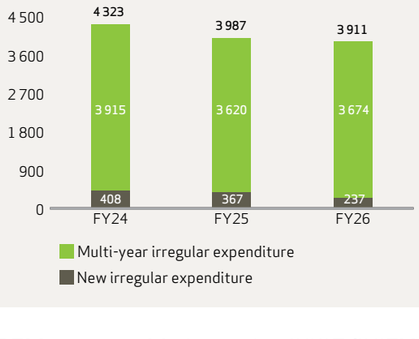


GOVERNANCE AND COMPLIANCE continued

Although there has been a reduction in year-on-year irregular expenditure, as disclosed in the annual financial statements and Integrated Report, Transnet acknowledges that the irregular expenditure amount remains high. This is mainly attributable to the continued spending on multi-year irregular contracts for which condonation applications are being prepared for submission to National Treasury. The amount of newly identified and reported irregular expenditure represents only a small portion of the total irregular expenditure.

Implementing the remedial plan significantly improved the internal control processes and the supply chain control environment. The new instances of irregular expenditure have declined from 2023/24FY to 2025/26FY, as depicted in the graph below:

REPORTED IRREGULAR EXPENDITURE



PFMA reportable items for 2025/26FY

1. Irregular expenditure

Section 55(2)(b)(i)(ii) and (iii) of the PFMA requires particulars of irregular expenditure, fruitless and wasteful expenditure, as well as material losses through criminal conduct, be disclosed in the annual financial statements and Integrated Report.

1.1 Current and previous year irregular expenditure

Details	2026 R million	Restated 2025 R million
Opening balance	16 559	99 020
Add: Irregular expenditure confirmed	3 911	3 987
Less: Irregular expenditure condoned	–	(140)
Less: Irregular expenditure not condoned and removed	–	(86 308)
Less: Irregular expenditure recoverable	–	–
Less: Irregular expenditure not recovered and written off	–	–
Closing balance	20 470	16 559
Irregular expenditure under assessment*	314	37
Total irregular expenditure confirmed and under assessment	20 784	16 596

* *The irregular expenditure under assessment includes matters that are under investigation as well as those that are being disputed.*

Of the R3,91 billion confirmed irregular expenditure disclosed above, R236,8 million (2024/25FY: R366,6 million) relates to new irregular contracts identified and confirmed in the current financial year, and the remaining balance of R3,67 billion (2024/25: R3,62 billion) relates to multi-year contracts that were already confirmed in prior years. It is worth noting that the amount of newly identified and reported irregular expenditure incurred represents only a small portion of the total irregular expenditure amount and the balance largely relates to multi-year contracts.

There is a slight decrease in overall irregular expenditure of 1,9% in the current year in comparison to the prior year.

Material matters that remained pending and under dispute with AGSA at the conclusion of the prior year audit were resolved during the current financial year.

1.2 Reconciling note to the annual financial statement disclosure

Details	2026 R million	Restated 2025 R million
Irregular expenditure comparative as previously reported	–	3 161
Irregular expenditure that was under assessment in 2025	–	620
Irregular expenditure that relates to 2025 and identified in 2026*	–	206
Irregular expenditure for the current year	3 911	–
Total	3 911	3 987

* *In 2025/26FY, an amount of R206 million was identified as irregular expenditure incurred in the previous year and the necessary adjustments were made to the registers.*

1.3 Current and previous year irregular expenditure (under assessment, determination, and investigation)

Details	2026 R million	Restated* 2025 R million
Irregular expenditure under assessment	314	37
Irregular expenditure under determination	998	1 096
Irregular expenditure under investigation	173	183
Total	1 485	1 316

1.4 Details of current and previous year irregular expenditure condoned

Details	2026 R million	2025 R million
Irregular expenditure condoned	–	140

1.5 Current and previous year irregular expenditure removed (not condoned)

Details	2026 R million	2025 R million
Irregular expenditure *not* condoned and removed	–	86 308

1.6 Current and previous year irregular expenditure recovered

Details	2026 Rands	2025 Rands
Irregular expenditure not condoned and removed:	–	–

1.7 Current and previous year irregular expenditure written off (irrecoverable)

Details	2026 Rands	2025 Rands
Irregular expenditure written off	–	–

1.8 Current and previous year disciplinary or criminal steps taken as a result of irregular expenditure

Details	2026 R million	2025 R million
Counselling	315	279
Training	–	–
Verbal warnings	60	12
Written warnings	155	–
Dismissal	–	5
Exited employees*	1 717	150
Total	2 247	466

* *Employees are no longer employed by Transnet, and as such, consequence management proceedings could not be initiated or finalised.*

1.9 Additional disclosure relating to inter-institutional arrangements

Transnet had no non-compliance cases related to inter-institutional arrangements.

2. Fruitless and wasteful expenditure

2.1 Current and previous year fruitless and wasteful expenditure (FWE) (confirmed, under assessment, determination and investigation)

Details	2026 R million	Restated 2025 R million
Opening balance	192	778
FWE confirmed*	53	156
Less: FWE recovered	(2)	(14)
Less: FWE not recovered and written off*	–	(728)
Closing balance	243	192
FWE under assessment	19	19
Total FWE confirmed and under assessment	262	211

* *A significant portion of the FWE incurred in the current financial year arises from a single incident related to stop-work fees. These costs were incurred after Transnet placed a project on hold during the design phase, which resulted in the supplier charging standing time. Consequence management processes are currently underway in relation to this matter.*

2.2 Reconciling note to the annual financial statement disclosure

Details	2026 R million	2025 R million
FWE as previously reported	–	42
FWE duly adjusted	–	(2)
FWE that was under assessment in 2025	–	116
FWE for the current year	53	–
Total	53	156

2.3 Current and previous year FWE (under determination and investigation)

Details	2026 R million	2025 R million
FWE under assessment	19	19
FWE under determination	7	151
FWE under investigation	–	–
Total	26	170

2.4 Current and previous year FWE recovered

Details	2026 R million	2025 R million
FWE recovered	2	14
Total FWE recovered	2	14

2.5 Current and previous year FWE written off (not recovered)

Details	2026 R million	2025 R million
FWE written off	–	728

2.6 Current and previous year disciplinary steps or criminal charges taken as a result of losses and FWE

Details	2026 R million	2025 R million
Training	–	1
Total	–	1

3. Material losses through criminal conduct*

Material losses resulting from criminal conduct relate to criminal matters for which Transnet opened cases with the South African Police Service. These include, in the main, theft of laptops in the current financial year and theft of fuel in the prior year.

Details	2026 R million	2025 R million
Material losses through criminal conduct	1	10
Recovered	–	–
Total	1	10

GOVERNANCE AND COMPLIANCE continued

SUPPLY CHAIN MANAGEMENT (SCM) GOVERNANCE

Several high-impact initiatives are underway to improve High Value High Risk (HVHR) transaction turnaround times, reduce contract extensions, minimise non-awards, and strengthen procurement planning across the organisation. In addition, the procurement process is being re-engineered to enhance operational efficiency, strengthen governance, improve accountability, and eliminate non-value-adding activities. Governance interventions aimed at promoting transparent procurement processes, ethical supplier conduct, regulatory compliance, and proactive risk mitigation continue to be prioritised through preventive, detective, and corrective controls.

Digital transformation remains a key enabler in strengthening governance, cybersecurity, compliance monitoring, and internal controls while streamlining procurement and service delivery processes. Furthermore, the implementation of the Public Procurement Act, 2024, introduces a unified legislative framework for public procurement in South Africa, reinforcing the principles of fairness, equity, transparency, competitiveness, cost-effectiveness, integrity, localisation, sustainable development, and economic transformation.

Key SCM governance and transformation initiatives implemented during the 2025/26FY

The following strategic initiatives were implemented during the 2025/26FY:

- Established an E-War Room in September 2025 to provide focused support, oversight, and monitoring of strategic procurement transactions with a direct impact on revenue generation, while ensuring compliance with procurement governance requirements.
- Conducted quarterly contract file reviews and assessments of procurement by other means to identify control weaknesses, improve compliance, enhance procurement quality, and proactively address potential audit findings.
- Commenced a comprehensive review of the SCM governance structure at both Group and Operating Division levels to align governance arrangements with the new procurement operating model. Executive Managers responsible for SCM Governance, Risk and Compliance were appointed across TNPA, TCC, TPT, TPL, TP and TFR with effect from 1 November 2025. These officials participate in Bid Adjudication Committees to strengthen governance oversight, improve decision-making, and enhance second-line assurance functions.
- Strengthened governance structures across Operating Divisions through alignment with the Group SCM Governance, Risk and Compliance model, ensuring consistency in governance practices, reporting, and assurance activities.
- Developed and reported SCM risk registers to the Audit and Risk Committees to facilitate oversight, monitor key procurement risks, and ensure the implementation of mitigation measures.
- Continued the implementation of the Digital Procurement Programme through the roll-out of the Transnet Digital Procurement System (TDPS), aimed at transforming procurement into an integrated, automated, transparent, and auditable end-to-end process.
- Implemented the SCM Complaints Management functionality within TDPS, enabling suppliers and employees to electronically lodge SCM complaints, enhancing transparency, accountability, and complaint resolution processes.
- Conducted extensive TDPS training and change management initiatives for employees and suppliers. The first phase of training was completed prior to the launch of TDPS Version 1, while supplier engagement sessions were conducted between September and December 2025. Additional training and capability-building interventions are scheduled following the implementation of TDPS Version 2 in July 2026.
- Monitored and reviewed low-value procurement transactions to identify potential control weaknesses, reduce opportunities for abuse, and strengthen compliance with procurement policies and delegated authorities.
- Enhanced procurement oversight through the monitoring of procurement deviations, contract extensions, and non-awards, with corrective interventions implemented to improve compliance and reduce procurement-related risks.
- Strengthened consequence management processes through the monitoring and investigation of procurement irregularities, implementation of corrective actions, and support for supplier restriction and disciplinary processes where appropriate.
- Improved audit readiness through continuous monitoring of SCM compliance, tracking of audit findings, implementation of management action plans, and coordination of responses to internal and external audit recommendations.
- Continued the implementation of SCM compliance dashboards and early-warning mechanisms to support proactive identification of emerging procurement risks, governance concerns, and areas requiring management intervention.
- Supported transformation objectives through increased monitoring of supplier development, localisation initiatives, specific goals, and compliance with Broad-Based Black Economic Empowerment (B-BBEE) and public procurement legislative requirements.
- Enhanced governance awareness through ongoing ethics, governance, and SCM compliance awareness programmes aimed at strengthening a culture of integrity, accountability, and ethical procurement practices across the organisation.

Procurement by other means, variations and expansion of contracts

National Treasury granted Transnet a section 79 departure approval effective August 2023 to report monthly on procurement by other means, including variations and expansions of existing contracts, in line with PFMA SCM Instruction Note No. 3 of 2021/2022, which also requires disclosure in the Annual Report. In fulfilling this requirement, Transnet is reporting 121 procurement-by-other-means transactions and 178 contract variations and expansions. These transactions have been reported monthly to both National Treasury and the Auditor-General South Africa as required. Full details of the individual transactions are provided in Appendix A.



GLOSSARY

Asset turnover (times)
Revenue divided by total assets (total assets excluding capital work in progress).

Cash interest cover (times)
Cash generated from operations after working capital changes, divided by net finance costs (net finance costs include finance costs, finance income and capitalised borrowing costs from the cash flow statement).

Debt (for gearing calculation)
Long-term borrowings, short-term borrowings, employee benefits, derivative financial liabilities plus overdraft, less other short-term investments, less derivative financial assets and less cash and cash equivalents.

EBITDA
Profit/(loss) from operations before depreciation, derecognition, amortisation, impairment of assets, dividend received, post-retirement benefit obligation (costs)/income, fair value adjustments, income/(loss) from associates and net finance costs.

EBITDA margin
EBITDA expressed as a percentage of revenue.

Equity
Issued capital and reserves.

Gearing
Debt expressed as a percentage of the sum of debt and Shareholder's equity.

Headline earnings
As defined in Circular 2/2013, issued by the South African Institute of Chartered Accountants, all items of a capital nature are separated from earnings (by headline earnings).

Operating profit
Profit/(loss) from operations after depreciation, derecognition and amortisation but before impairment of assets, dividends received, post-retirement benefit obligation (expense)/income, fair value adjustments, income/(loss) from associates and net finance costs.

Operating profit margin
Operating profit expressed as a percentage of revenue.

Return on total average assets
Operating profit expressed as a percentage of total average assets (total average assets exclude capital work in progress).

Total assets
Non-current and current assets.

Total average assets
Total assets, where average is equal to the total assets at the beginning of the reporting year, plus total assets at the end of the reporting year, divided by two.

Total debt
Non-current and current liabilities.

ACRONYMS

AEL	Atmospheric Emissions Licences
AFS	Annual financial statements
AGSA	Auditor-General of South Africa
APDP	Automotive Production and Development Programme
CAGR	Compound annual growth rate
CAP	Corrective Action Plan
CDP	Carbon Disclosure Project
CSI	Corporate Social Investment
DCT	Durban Container Terminal
DFFE	Department of Forests, Fisheries and Environment
DOA	Delegation of Authority
DoT	Department of Transport
EAP	Employee Assistance Programme
EDIT	Employment, Diversity, Inclusivity, and Transformation
EME	Exempted micro enterprises
ERM	Enterprise Risk Management
ERRP	Economic Reconstruction and Recovery Plan
ESD	Enterprise Supplier Development
ESF	Environmental Sustainability Framework
ESG	Environmental, Social, and Governance
EU	European Union
FRM	Fraud Risk Management
FRMP	Fraud Risk Management Plan
GDP	Gross domestic product
GHG	Greenhouse Gas
GRI	Global Reporting Initiative
IFRS	International Financial Reporting Standards
IoT	Internet of Things
IREC	Interim Rail Economic Regulatory Capacity
IRMP	Integrated Risk Management Plan
ISSB	International Sustainability Standards Board
ITO	International Terminal Operator
JSE	Johannesburg Stock Exchange
KPI	Key Performance Indicators
LCMS	Locomotive Condition Monitoring System
LNG	Liquified Natural Gas
LSP	Logistics service providers
LTI	Lost Time Injuries
LTIFR	Lost Time Injury Frequency Rate
MBA	Masters in Business Administration
MBL	Masters in Business Leadership
MPP	Multi Product Pipeline
MRG	Methane Rich Gas
MRSA	Maintenance and Reliability Support Agreements
NDP	National Development Plan
NGO	Non-Governmental Organisations
NIST	National Institute of Standards and Technology
NLCC	National Logistics Crisis Committee
NMPP	New Multi-product Pipeline
NPO	Non-Profit Organisations
OD	Operating Division
OELP	Oxford Executive Leadership Programme
OEM	Original Equipment Manufacturer
PFMA	Public Financial Management Act
PPA	Power Purchase Agreements
PSP	Private-sector participation
PWD	People living with disabilities
QSE	Qualifying small enterprises
R&D	Research and Development
RBM	Richard's Bay Minerals
REMSEC	Remuneration, Social and Ethics Committee
RFI	Request for information
RFP	Request for Proposal
RIMF	Risk and Integrity Management Framework
RSR	Railway Safety Regulator
SADC	South African Development Community
SANAS	South African National Accreditation System
SASB	Sustainability Accounting Standards Board
SCM	Supply Chain Management
SDG	Sustainable Development Goals
SDO	Sustainable Development Outcomes
SEA	Strategic Environmental Assessment
SETA	Sector Education and Training Authority
SME	Small- and medium- enterprises
SMME	Small-, micro-, and medium-enterprise
SOC	State-owned Company
SOE	State-owned Enterprises
SSI	Statement of Strategic Intent
TCC	Transnet Corporate Centre
TCFD	Taskforce on Climate Financial Disclosure
TE	Transnet Engineering
TEU	Twenty-foot equivalent units
TFIT	Transnet Fuel Import Terminal
TFR	Transnet Freight Rail
TMPS	Total Measured Procurement Spend
TNPA	Transnet National Ports Authority
TPT	Transnet Port Terminals

CORPORATE **INFORMATION**

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Ms SRM Buthelezi
Mr MAW Debel
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TRANSNET INTEGRATED REPORT 2026



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