

TRANSNET FOUNDATION

OVERVIEW

Transnet strives to be a good corporate citizen that contributes to development in communities across South Africa. Transnet executes developmental initiatives through the Transnet Foundation (Foundation), which is the corporate social investment (CSI) arm of the Company. The Company's community development agenda aligns to national mandates espoused in the National Development Plan as well as in the Sustainable Development Goals.

Transnet's community investment programmes are underpinned by the Company's commitment to uplifting, empowering and bringing about sustained and meaningful change in impoverished communities. Continued development challenges being faced by many communities across South Africa are escalating as the low economic growth experienced in the country continues to trickle down to marginalised communities. The country continues to experience challenges in food security, access to education, slow economic development and healthcare. In addition, unprecedented flooding and adverse weather phenomena are causing catastrophic disasters in communities. As socio-economic challenges mount, it is increasingly important that Transnet, as a responsible corporate citizen, implements support structures to sustain livelihoods. Sustainable actions towards resolving complex issues faced by communities must demonstrate agility and flexibility.

The Foundation continues to respond to the needs of communities in an effective and impactful way. The Foundation is people-centred and focused on areas of health, education, sustainable livelihoods, capacity building and the award of unsolicited sponsorships and donations to non-governmental organisations (NGOs). These focus areas receive continued support from Transnet employees who are willing to lend a helping hand through employee volunteerism initiatives. Over the years, Transnet's workforce has refurbished schools, improved early childhood development centres, refurbished soup kitchens that cater to growing food security needs and focused on initiatives to improve safety in communities. The Foundation continues to invest in healthy outcomes for communities through the two Transnet Phelophepa healthcare trains. Since 1994, these trains have provided a comprehensive basket of primary health services to over 15,5 million people. The Phelophepa healthcare trains remain a recognised global flagship programme of the Company. The Foundation also continues with investment in the education of the country's youth, having provided additional classrooms to schools as well as science and technology, and information and communications technology (ICT) infrastructure and equipment such as laptops and tablets to matriculants to strengthen academic outcomes in the country.

Transnet's re-energised Foundation, with a new operating model, will continue to provide CSI initiatives aimed at strengthening development in communities to better the lives of people to help them achieve the right to a decent quality of life. The Foundation's new trajectory is one that ensures responsiveness and flexibility in considering the myriad of community needs, particularly those communities where Transnet has vested business interests as well as those communities that need a helping hand through philanthropic efforts.

The Foundation will render support through its revamped portfolios of Health and Education as well as the new portfolios of Livelihoods and Community Care, CSI Funds and Fundraising. Additionally, the Foundation will strengthen its commitment to accountability, reporting and transparency through the implementation of these aspects from its new Monitoring and Evaluation portfolio. The Foundation recommits to being a good corporate citizen intent on bettering the lives of those in communities hardest hit by poverty, underdevelopment and other social stressors. The Foundation is intent on contributing to building sustainable communities that are able to have a choice in the decision-making process of what is important to their realisation of living a quality life.

Key risks

The following have been identified as the Foundation's key risks that could hamper the effective implementation of plans. Mitigation plans are in place and progress is reviewed regularly. The key risks and associated mitigating actions are reflected in the following table:

Key risks	Mitigating actions
<ul style="list-style-type: none"> Community tension which may be caused by external factors (political, socio-economic, etc.) or legacy issues involving Transnet resulting in business disruptions 	<ul style="list-style-type: none"> Support Transnet and Operating Divisions through continued stakeholder engagement with communities and community forums Enable transparent communication and showcase the impact of the Foundation's projects through storytelling initiatives and directed messaging
<ul style="list-style-type: none"> Budget constraints resulting in an inability to honour CSI commitments 	<ul style="list-style-type: none"> Implement suitable budget tracking measures to ensure better cost management and oversight for project management Foster strategic partnerships and enable collaboration to reduce the cost of CSI without compromising impactful community development
<ul style="list-style-type: none"> Unreasonable demands from communities of Transnet to fulfil their development needs resulting in disruptions to Transnet's operations 	<ul style="list-style-type: none"> Consult with communities and provide honest feedback through legitimate community structures on the status quo of available resources for development initiatives Implement a planning process for potential CSI initiatives through a consultative approach with communities and jointly prioritise a realistic development agenda Support community-based organisations and non-profits operating in communities to achieve financial independence to better sustain community well-being outside of Transnet social investment funds
<ul style="list-style-type: none"> Lack of a logical results-based monitoring and evaluation framework and tools that ensure effective project management of the portfolio programmes 	<ul style="list-style-type: none"> Implement project reporting to ensure that there is qualitative and quantitative data available for the monitoring and reporting of the impact for each project Develop indicators for each project so that there are set guidelines for what the best impact looks like so that it can be measured and changes can be made if no impact is ascertained

FUNCTIONAL FOCUS AREA

Corporate social investment	
Focus area description	Focus area objectives
<p>The Foundation is the CSI arm of Transnet, responsible for implementing development initiatives in communities across the country to contribute to their socio-economic development and well-being</p>	<ul style="list-style-type: none"> Improving communities' access to quality healthcare services and healthcare infrastructure to enable them to live full and productive lives Enabling educators and learners at schools to improve academic outcomes which contributes to South African youth access to meaningful economic opportunity Enabling communities to achieve socio-economic transformation by providing them with capacity building to sustain whole community development and improve livelihoods Providing holistic support and capacity building to victims and survivors of gender-based violence (GBV) and advancing their well-being Pursuing partnerships to drive funding for existing and future projects and for deeper developmental impact in communities Ensuring accountability through targeted performance management and impact measurement of CSI projects and programmes Pursuing a variety of funding opportunities to ensure that the Foundation is able to create project-specific funding opportunities or develop an endowment structure for the Foundation depending on the level of flexibility required in funding projects
Key strategic initiatives	Key milestones and targets
2024/25: April - September 2024	
<ul style="list-style-type: none"> Improve the quality of early childhood development (ECD) teaching and learning to ensure readiness for Grade 1 learners 	<p>By September 2024:</p> <ul style="list-style-type: none"> Develop a model to recruit ECD centre practitioners Recruit post-matric and graduates to be trained as ECD practitioners Develop and implement a model for Transnet engineers and technicians in training
<ul style="list-style-type: none"> Optimise the design project workflow through the implementation of cutting-edge design tools to enhance efficiency, collaboration and creativity as well as to achieve seamless integration across the teams ensuring a strategic advantage in delivering innovative and high-quality design solutions 	<ul style="list-style-type: none"> Conceptualise and socialise inception, implementation and exit strategy guidelines by September 2024 Create project management, evaluation and reporting templates by September 2025
<ul style="list-style-type: none"> Strategically enhance organisational effectiveness by developing and refining programme and project log frames to establish clear objectives, milestones and performance indicators Achieve comprehensive integration and proficiency in utilising refined log frames across all programmes and projects, fostering a structured and transparent approach to successful project management 	<ul style="list-style-type: none"> Obtain approval of a well-defined theory of change for each portfolio and associated programmes by September 2024
<ul style="list-style-type: none"> Develop and integrate a dynamic risk assessment framework to ensure timely identification, analysis and mitigation of risks across programmes 	<ul style="list-style-type: none"> Risk profiles created for all portfolio projects by September 2024

CSI <small>continued</small>	
Key strategic initiatives	Key milestones and targets
2024/25: October 2024 – March 2025	
<ul style="list-style-type: none"> • Provide holistic capacity building in communities to strengthen community welfare in social development • Implement a sustainable business model for the Transnet Community Centres that incorporate NGO structures to drive innovative social and economic solutions to community challenges • Develop and implement a comprehensive programme to empower victims and survivors of GBV 	<ul style="list-style-type: none"> • Expand food security through the Livelihoods portfolio following the pilot programme by March 2025 • Integrate the Socio-economic Infrastructure Development portfolio's NGOs into capacity building programmes by March 2025 • Launch programmes focused on empowering survivors and victims of GBV in selected corridors by March 2025: <ul style="list-style-type: none"> - Target four existing Transnet Community Centres - 12 NGOs trained - Two additional food security programmes implemented • Introduce two GBV pilot programmes by March 2025
<ul style="list-style-type: none"> • Implement employee volunteer programmes that will harness the diverse skill set among Transnet employees to support NGO capacity building, GBV programmes and food security initiatives 	<ul style="list-style-type: none"> • 500 employee volunteers to support social development programmes by March 2025
<ul style="list-style-type: none"> • Provide a sustainable process for funding unsolicited requests (vetted accordingly to align with portfolio focus) without having to hamper the budgets of other portfolios while continuing to drive brand visibility of the Foundation and drawing partnerships 	<ul style="list-style-type: none"> • Support 10 community-based/non-profit organisations with developmental needs by March 2025
<ul style="list-style-type: none"> • Undertake fundraising activities celebrating 30 years of Transnet social responsibility with the aim of attracting new partners and funders 	<ul style="list-style-type: none"> • At least two signed collaboration agreements for 2025/26 by March 2025
<ul style="list-style-type: none"> • Engage Transnet's key suppliers and customers to leverage their enterprise supplier development and socio-economic development resources 	<ul style="list-style-type: none"> • Target 3% to 5% of the Foundation's project budget funds raised by March 2025
<ul style="list-style-type: none"> • Provide comprehensive primary healthcare services through the two globally acclaimed Transnet Phelophepa primary healthcare trains 	<ul style="list-style-type: none"> • 130 000 patients accessing quality, comprehensive primary healthcare services by March 2025
<ul style="list-style-type: none"> • Provide health infrastructure in targeted communities to improve access to healthcare services 	<ul style="list-style-type: none"> • One healthcare clinic infrastructure project implemented by March 2025
<ul style="list-style-type: none"> • Implement ICT and science initiatives in consultation with the Department of Education to uplift communities in science and technology 	<ul style="list-style-type: none"> • Implement ICT centres and science laboratories in two corridors by March 2025
<ul style="list-style-type: none"> • Explore strategic partnerships and collaborations to implement ECD infrastructure in communities 	<ul style="list-style-type: none"> • Establish four ECD centres by March 2025 • Provide ECD learning material and educational toys to enable a conducive learning environment for children on an ongoing basis
<ul style="list-style-type: none"> • Establish a cohesive and streamlined impact reporting system, accompanied by cutting-edge tools across all portfolios to enhance transparency, accountability and data-driven decision-making 	<ul style="list-style-type: none"> • Develop, socialise and obtain approval of the impact reporting standardised template by March 2025 • Updated results framework across all portfolios by March 2025
<ul style="list-style-type: none"> • Strategically enhance organisational learning and performance by conducting comprehensive summative programme evaluations to assess programme effectiveness, efficiency and impact to ensure evidence-based decision-making and continuous improvement 	<ul style="list-style-type: none"> • Informatics system populated across all portfolios and individual projects by March 2025
<ul style="list-style-type: none"> • Develop and integrate a dynamic risk assessment framework to ensure timely identification, analysis and mitigation of risks across programmes 	<ul style="list-style-type: none"> • Completed risk assessments across all portfolios and associated projects by March 2025

Key performance measures

Key performance measure	Key performance indicator	Estimate 2023/24	Budget 2024/25	Projections			
				2025/26	2026/27	2027/28	2028/29
Provide communities with access to quality healthcare services and healthcare infrastructure to enable them to live full and productive lives	Number of patients provided with healthcare services	125 000	135 000	140 000	145 000	150 000	150 000
	Number of healthcare infrastructure projects implemented (new area of focus for 2024/25)	-	1	1	1	1	1
Provide education development and academic support to identified schools in communities	Number of ICT centres established	4	5	5	6	6	6
	Number of science laboratories established	3	4	5	6	7	7
	Number of ECD centres provided with learning material and educator development	5	7	9	11	12	12
	Number of orphaned youths provided with bursaries	22	18	10	10	5	5
Empower civil society organisations to improve the livelihoods of communities	Number of NGOs trained at Transnet Community Centres to function efficiently and effectively	12	12	12	12	12	12
Build relationships with potential funders that will result in collaboration to support the Foundation's projects	Number of signed collaboration agreements	-	2	3	4	5	6
Fund unsolicited sponsorships and donations to community-based/non-profit organisations	Number of community-based/non-profit organisations with developmental needs supported	-	20	30	40	50	60
Host a fundraising event at the back of celebrating the Foundation's 30 years of social responsibility	Gala dinner and stakeholder engagement breakfast	-	2	-	-	-	-
Develop project management, evaluation and reporting templates that will ensure project risks are assessed and mitigated towards effective impact measurement of programmes	Each portfolio and associated project has tailored project tools	-	4	4	4	4	4
	Each portfolio and associated project has a risk assessment conducted	-	4	4	4	4	4
	Consolidated impact report on all portfolios and associated projects (internal and external)	-	2	2	2	2	2

TRANSNET FOUNDATION *continued*

Initiatives/programmes (R million)	Estimate 2023/24	Budget 2024/25	Projections			
			2025/26	2026/27	2027/28	2028/29
Primary health services programmes						
• Phelophepa healthcare services	68,2	80,0	85,0	90,0	95,0	95,0
• Healthcare infrastructure projects ^(a)	-	6,0	6,5	7,0	7,5	7,5
Education development and academic support programmes						
• ICT centres	3,5	6,5	7,5	8,5	9,0	9,0
• Science laboratories	2,5	5,0	6,5	7,2	8,0	8,5
• Subject and literacy performance/improvement programmes	2,5	4,0	4,5	5,0	6,5	7,5
• ECD centres	1,0	3,0	3,0	3,5	4,0	4,5
• Bursaries ^(b)	2,5	3,0	3,5	4,0	4,0	4,5
• Teacher development programmes	-	2,5	3,0	3,0	3,5	3,5
Community social services enhancement	15,1	16,1	16,9	17,7	18,3	20,0
CSI fund and fundraising	-	3,1	3,3	3,4	3,6	3,8
Project management, evaluation and reporting	-	2,4	2,5	2,6	2,7	2,8

^(a) New area of focus for 2024/25.

^(b) Bursaries budget will be redirected towards subject performance and teacher development and will be revised annually in line with student academic performance.