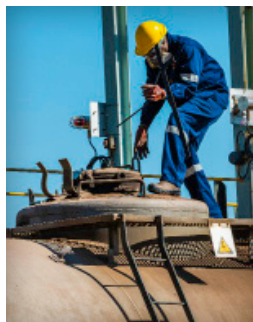
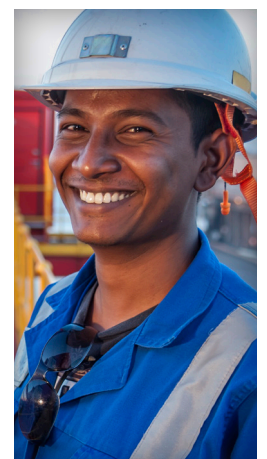


TRANSNET



STAKEHOLDER
ENGAGEMENT
REPORT
2020



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Executive summary

Transnet SOC Ltd (Transnet) is the largest freight logistics company in the region which is a custodian of ports, rail and pipelines. It enables and contributes to South Africa's sustained economic growth and development.

The company engages with internal and external stakeholders by building stakeholder relations that allow Transnet to meet the needs of its stakeholders, while addressing key areas of its corporate strategy, business operations, improving risk management and enhancing its reputation.

Transnet's stakeholders include the South Africa Government, Investors, Funders and Credit Rating Agencies, Board and Management, Employees, Organised Labour, Regulators, Customers, Suppliers, Communities, and the Media.

Transnet views all its stakeholders as important to the success of the business.

As a state-owned company, Transnet continues to have a positive impact on the lives of all South Africans. With a geographical footprint that covers the whole country, the company, is positioned to provide integrated, seamless transport solutions for its customers.

In its drive to improve the efficiency and competitiveness of its business operations, the Board of Directors introduced changes designed to rebuild, regain and enhance the confidence stakeholders have in Transnet.

In the 2019/20FY, a new Group Chief Executive (GCE) and EXCO were appointed to ensure that the company's vision and turnaround strategy is realised. The new EXCO has prioritised the need to be responsive to the needs of business through improving overall performance.

During the year under review, the focus was on the importance of strengthening the capabilities of our stakeholder engagement functional personnel.

The first ever stakeholder engagement workshop was held with the aim of repositioning the stakeholder engagement strategy and plans. This will contribute to the business imperative of enhancing the competitive advantage.

The workshop provided an insight into gauging the level of stakeholder relationship maturity across the company. The results of the assessment revealed a fragmented approach to stakeholder engagement and management across the organisation.

While there is a fair understanding of stakeholder engagement practices and benefits across Transnet's operations, there is a need to effectively use inputs from stakeholder engagements for both analytical purposes and to inform the Organisation strategy.

Efforts should also be channeled towards ensuring that Division specific and function-specific stakeholder engagement plans are developed across the Organisation.

There is a need to include stakeholder engagement targets in the performance contracts of Exco members across the operations. This will improve overall accountability of stakeholder engagement practices in the organisation.

During the financial year under review, in December 2019, the world was faced with the deadly Coronavirus (Covid-19) pandemic. South Africa was not immune to the human and economic impact of Covid-19.

Transnet had to respond with agility, and in consultation with our various stakeholders we scaled down some of our operations when the country went into a State of Disaster, while prioritising essential services.

We ensured that all our stakeholders were kept abreast of Transnet's business continuity plans, especially our customers and suppliers. We are cognisant of our widespread operational activities that stretch across remote areas, and in the most vulnerable communities.

We heeded government's call to lend-a-hand by offering some of our properties across Gauteng, KwaZulu-Natal, and the Free State provinces to be used as temporary shelters for the homeless and as quarantine sites. Further, the company also offered the Phelophepa Health Trains for Covid-19 testing and screening in both the Eastern Cape and KwaZulu/Natal.

Since the beginning of the Covid-19 pandemic, we remain focused on prioritising the health and wellness of our employees by increasing daily awareness and communication in all languages.

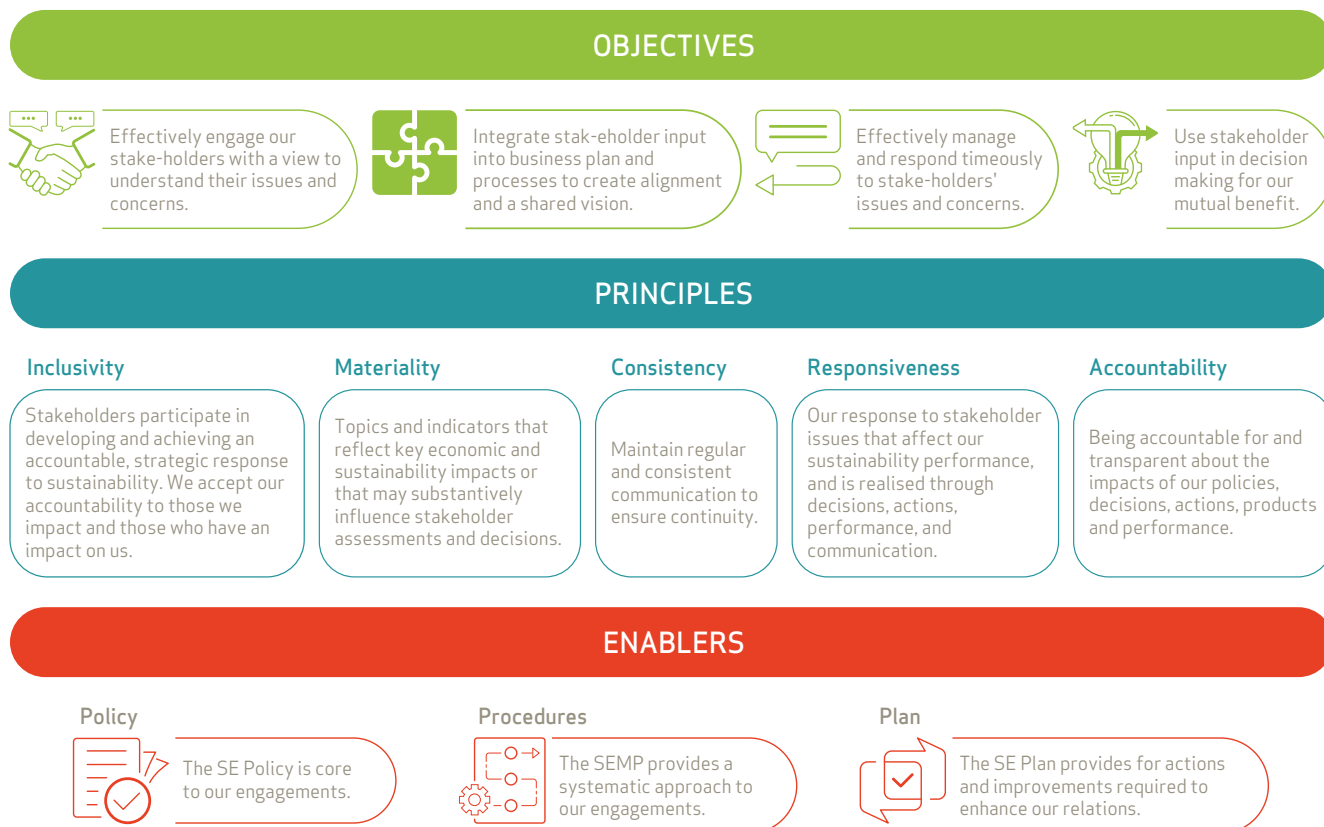
Our employees are high priority stakeholders.

Material concerns emanating from the Shareholder as well as the Board of Directors, whether such concerns pertain to operational efficiency, financial sustainability or otherwise are being addressed systematically and with care. Ultimately, the collective goal of creating an efficient and responsive Transnet will be met, and we will ensure that stakeholders are well-informed and engaged as we embrace the role of being a responsible corporate citizen that we can all be proud of.

Engagement principles

Transnet engages with internal and external stakeholders that have the potential to influence and impact our business. Transnet's engagements are based on the following framework:

Figure 1: Transnet's Stakeholder Engagement Framework

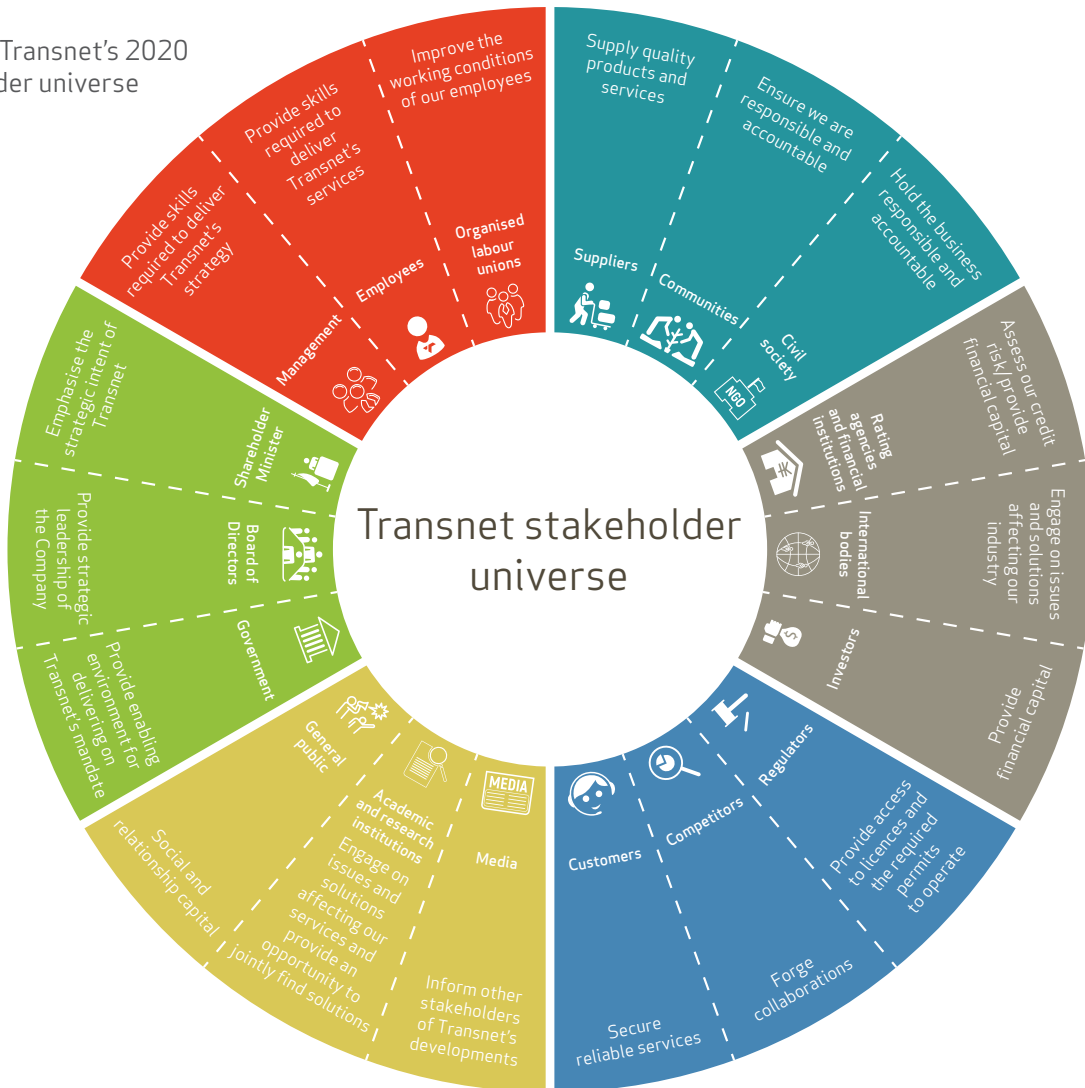


Our stakeholder ecosystem

Transnet engages with internal and external stakeholders across the Company to address key areas of its corporate strategy and operations and to build its relational capital. We ensure that our stakeholder engagement practices actively support the Company's strategy and business operations, improve risk management, enhance reputation, prioritise stakeholders' needs and build

sustained business value. Understanding the role of our stakeholders is important to us, as it enables us to ensure we meet reasonable and material expectations when they arise. Below is a figure depicting our stakeholders in relation to our understanding of the key role they play within our organisation.

Figure 2: Transnet's 2020 stakeholder universe



Measuring our maturity

Transnet acknowledges that effective relationships within our network of stakeholders is essential for our long-term survival. These relationships must be managed in ways that best meet both the reasonable needs and expectation of our stakeholders as well as Transnet's needs. In order to ensure that we continually enhance our relations, we measure our stakeholder relationship management maturity (SRMM) on a three-yearly basis. We undertook an SRMM assessment in the 2013/14FY and 2016/17FY, however, we will not draw comparisons with the findings for the 2019/20FY owing to the change in Transnet's stakeholder engagement and management approach that aligns to new developments in the discipline. The SRMM assessment covered all operating division with the exception of Transnet Pipelines. The respondents for the assessment were stakeholder engagement functional personnel across the organisation who were purposefully selected to ensure that they are representative. Each participant responded only for their Operating Division (OD).

The 2019/20FY SRMM assessment was based on the following five attributes:

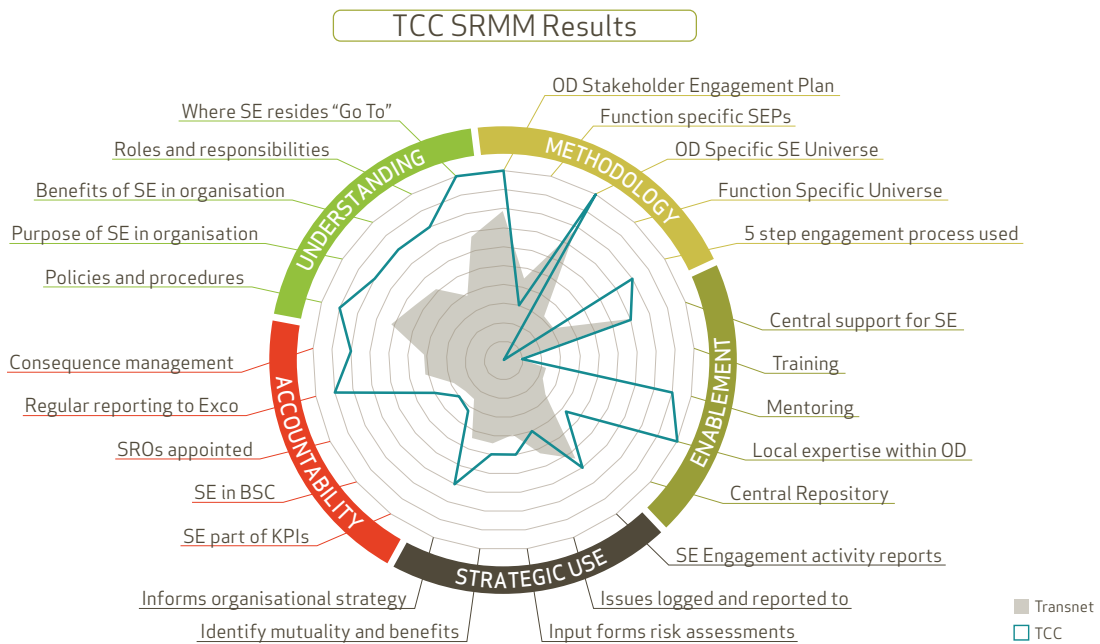
1. General understanding – purpose of stakeholder engagement, roles and responsibilities
2. Application of methodology and processes
3. Enablement – resourcing, coordination, support and systems
4. Strategic use of stakeholder input to inform decision-making
5. Accountability for stakeholder engagement, i.e inclusion as key performance indicators into the Balanced Scorecard

SRMM enables an organisation to understand the current levels of stakeholder relationship management to inform the appropriate management processes, practices and improvement plans. We adopted the five levels of SRMM stages, however, we adapted and added more features on the description to guide the maturity assessment at Transnet, presented in Table 1 on page 4.

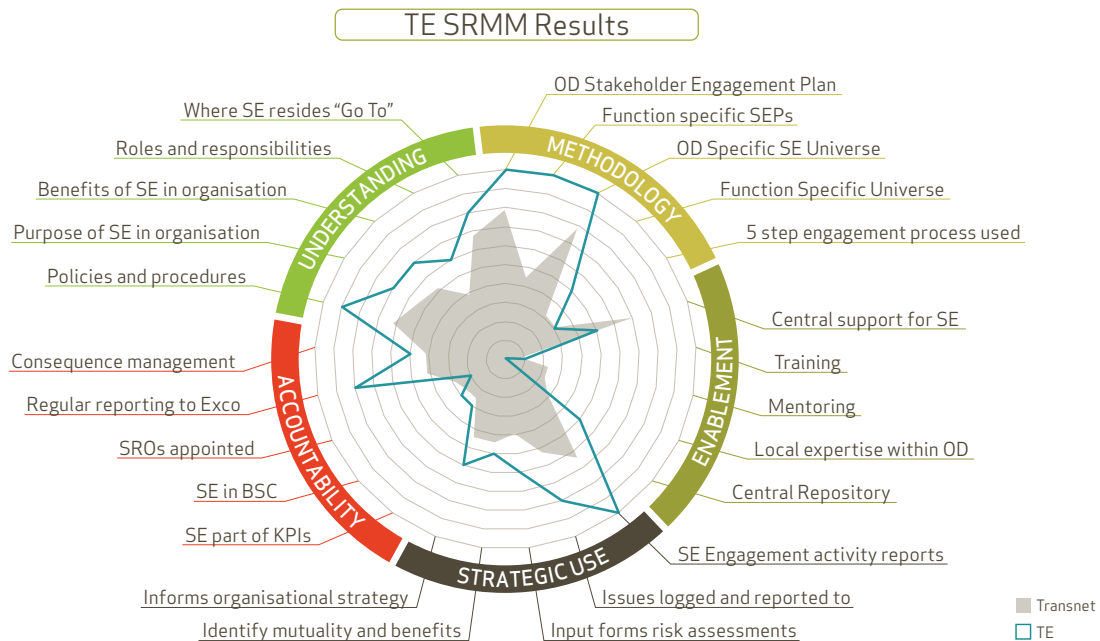
Table 1: SRMM stages

SRMM stages	Levels	Description
Ad hoc: some use of processes	1	<p>This level refers to stakeholder engagement practices that:</p> <ul style="list-style-type: none"> • seldom have stakeholder engagement plans in place; • sometimes use standard processes instead of at all times; • have no central support; • seldom recognise stakeholder relationship management; • do not include stakeholder relationship management as part of their KPIs and Balanced Scorecard; • do not have a repeatable methodology in place; • do not formally use stakeholder intelligence for risk management or 'health reviews' of relationships; and • use stakeholder relationship management on an ad hoc basis when issues arise.
Procedural: focus on processes and tools	2	<p>This level refers to stakeholder engagement practices that:</p> <ul style="list-style-type: none"> • have a stakeholder engagement plan; • have standardised processes, however, these are not applied consistently across the OD; • use stakeholder relationship management as part of their Balanced Scorecard and the KPIs of their stakeholder engagement functional personnel only; • have central support available but do not effectively utilise this; • sometimes recognise stakeholder relationship management; • use stakeholder information for diagnostic analytics as issues arise; • do not have a repeatable methodology in place (across OD or Group function); and • do not formally use stakeholder intelligence for risk management or 'health reviews' of relationships (across OD or Group function).
Relational: focus on the stakeholders and mutual benefits	3	<p>This level refers to stakeholder engagement practices that:</p> <ul style="list-style-type: none"> • have standardised processes across the organisation; • have central support that is often leveraged effectively; • include stakeholder relationship management as part of the Balanced Scorecard and KPIs of a few functional heads; • appoint stakeholder relationship owners (SROs) in some functional areas for selected stakeholder categories; • sometimes have systems and a repeatable methodology applied across the organisation; • use stakeholder information for diagnostic and descriptive analytics; • sometimes inform strategy and risk assessments; and • sometimes form part of the agenda of the highest governance structure.
Integrated: methodology repeatable, integrated	4	<p>This level refers to stakeholder engagement practices that:</p> <ul style="list-style-type: none"> • have standardised processes across the organisation; • have central support at all times; • include stakeholder relationship management as part of the Balanced Scorecard and KPIs of most of the functional heads; • appoint SROs in most of the functional areas for most of the stakeholder categories; • often have systems and a repeatable methodology applied across the organisation; • use stakeholder information for predictive and prescriptive analytics; • often inform strategy and risk assessments; and • often form part of the agenda of the highest governance structure.
Predictive: health checks and other predictive assessments	5	<p>This level refers to stakeholder engagement practices that:</p> <ul style="list-style-type: none"> • have standardised processes across the organisation; • have central support at all times; • include stakeholder relationship management as part of the Balanced Scorecard and KPIs of Exco; • appoint SROs across all stakeholder categories per function; • always have systems and a repeatable methodology applied across the organisation; • use stakeholder information for predictive, prescriptive and inductive analytics; • always inform strategy and risk assessments; and • always form part of the agenda of the highest governance structure.

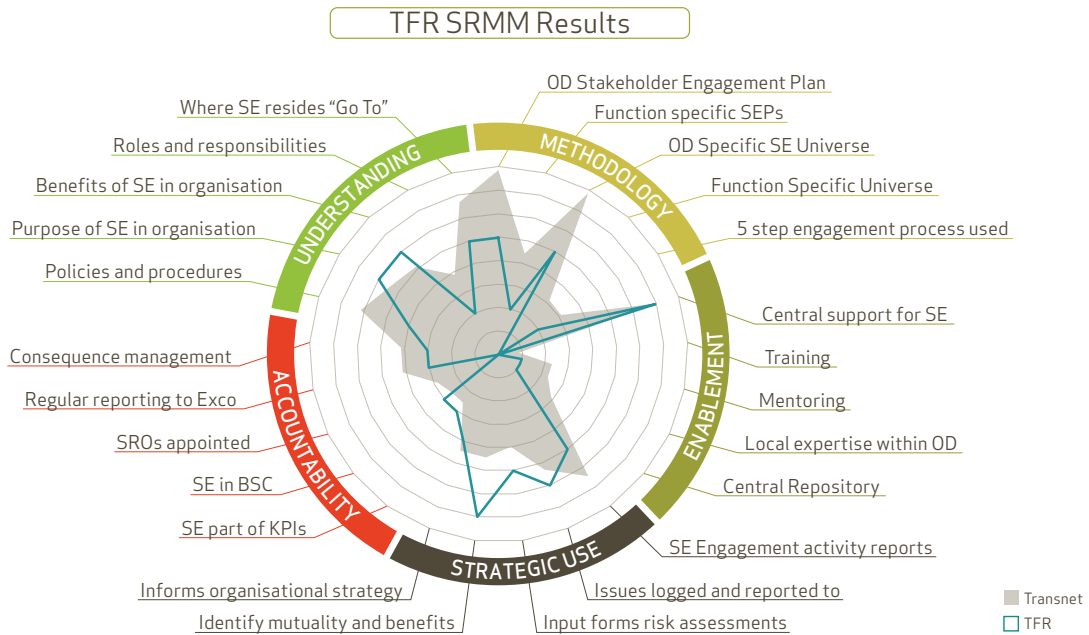
What we learnt



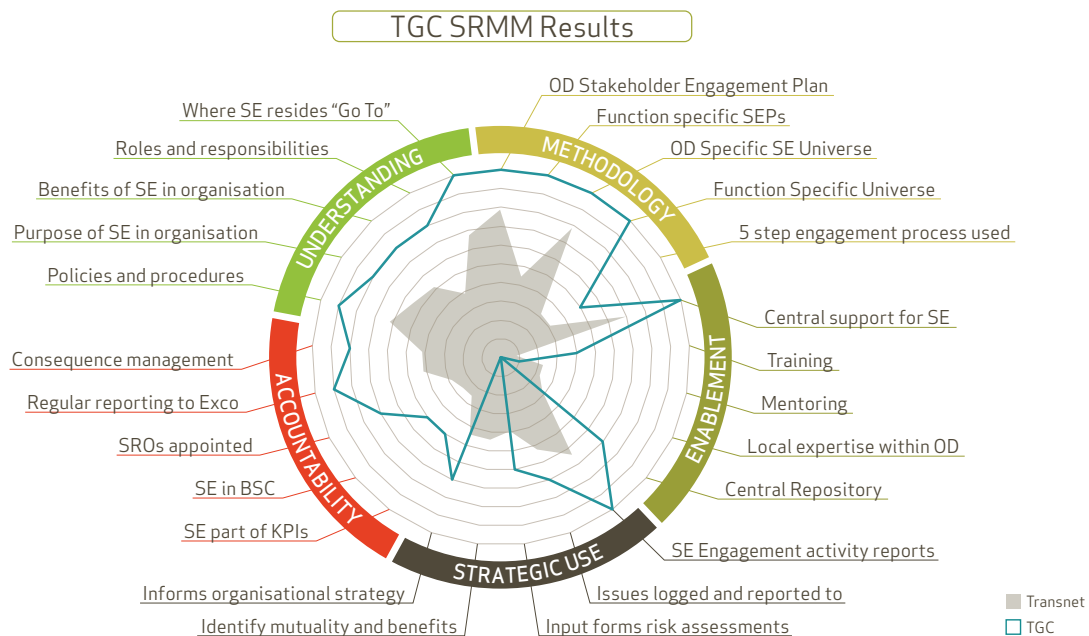
The stakeholder engagement performance of the Transnet Corporate Centre (TCC) is above Transnet's overall performance across all the attributes. There is adequate understanding as well as some level of enablement. However, more work is required, especially with respect to the strategic use of stakeholder information, ensuring accountability on stakeholder management matters and application of the methodology. There is a need to ensure that stakeholder engagement KPIs are part of the performance contracts of TCC's Exco members. Furthermore, there is a need to develop function-specific stakeholder universes as well as function-specific stakeholder engagement plans across all TCC functions.



The stakeholder engagement performance of Transnet Engineering (TE) is also above Transnet's overall performance across all attributes, except enablement. TE has developed an OD-wide engagement plan and universe. TE also generates stakeholder engagement activity reports. There is a fair understanding of organisational stakeholder engagement policies and procedures. Areas of improvement include the use of stakeholder information for strategic purposes such as informing risk assessments and the OD strategy, and providing stakeholder engagement training across the organisation. There is also a need to appoint Stakeholder Relationship Owners (SROs) and include stakeholder engagement KPIs in the performance contracts of their Exco members.

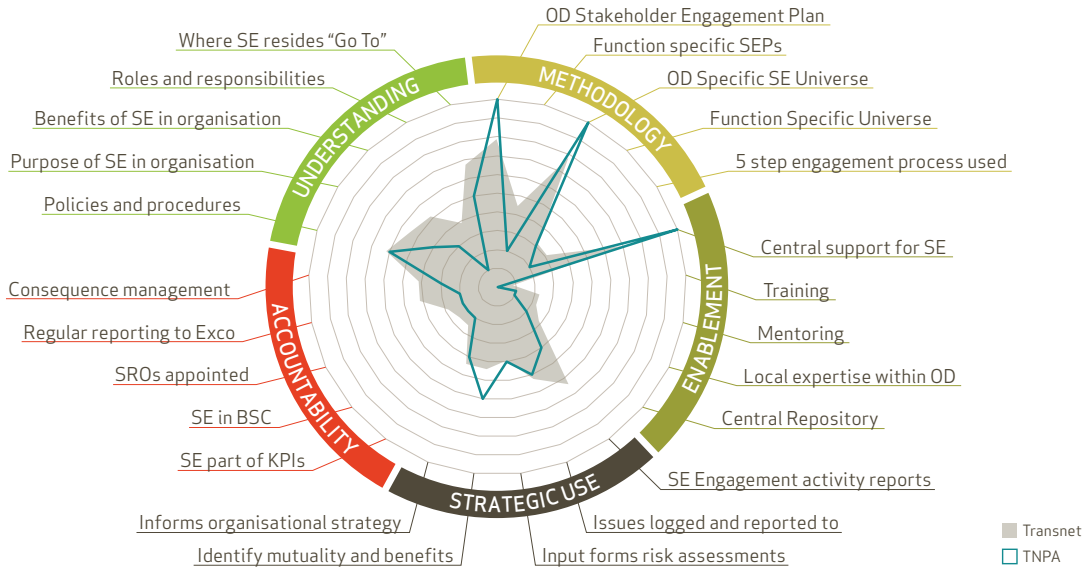


The stakeholder engagement performance of Transnet Freight Rail (TFR) is well below Transnet's overall performance across most of the attributes. There is elementary overall understanding of stakeholder engagement especially the roles and responsibilities of stakeholder engagement functional personnel. Although there is central support, there is however overall minimal level of enablement with close to no central repository for stakeholder engagement data. There are no function-specific engagement plans and universes. There is also a lack of accountability especially because SROs have not been appointed, and stakeholder engagement does not form part of their Exco members' performance contracts.



The stakeholder engagement performance of Transnet Group Capital (TGC) is also above Transnet's average. This could be attributed to the nature of TGC's business being project based, and as such requiring extensive engagement as per regulations in many forms including public participation. Stakeholder engagement plans are developed for each project, and TGC recently adopted a programme approach to stakeholder engagement plans. However, TGC could improve in respect of enablement by mentoring and sharing expertise across the OD, and strategic use of stakeholder engagement information to understand mutual benefits for both Transnet and the stakeholders across the projects.

TNPA SRMM Results

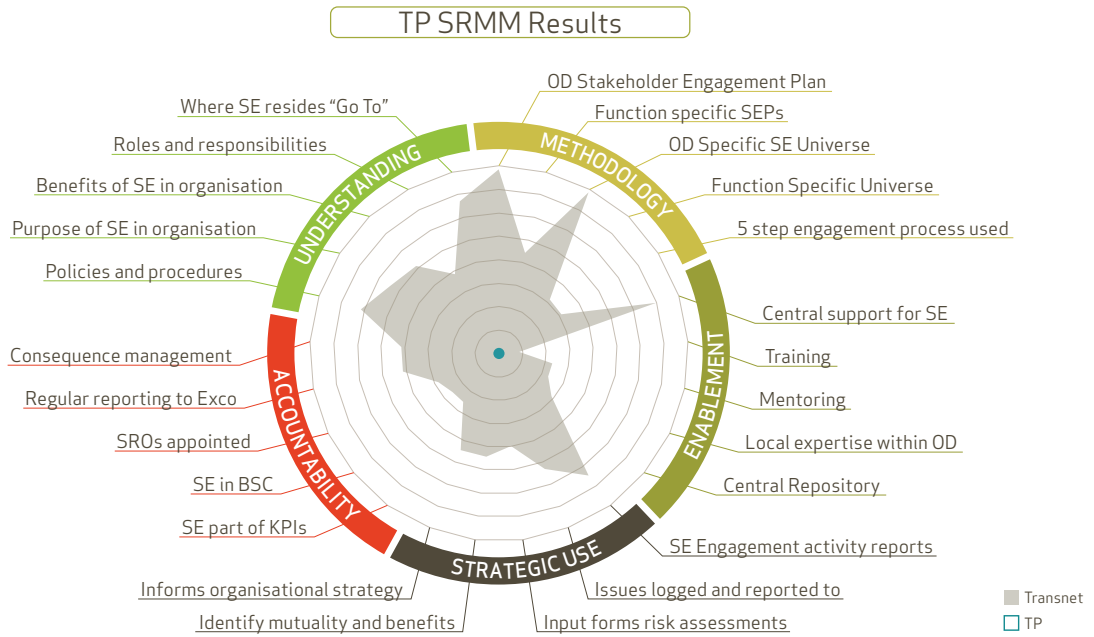


The stakeholder engagement performance of Transnet National Ports Authority (TNPA) is partially below Transnet's overall performance across most of the attributes. There are gaps on the understanding of the stakeholder engagement roles and responsibilities and the application of the five-step engagement process as defined by the organisation. In addition to ensuring understanding and application of the stakeholder engagement methodology, targeted efforts need to be channelled towards ensuring accountability for stakeholder engagement matters is taken at the highest governance structures of the OD through performance contracting, including stakeholder engagement on the agenda of Exco meetings. Furthermore, the appointment of SROs and training need to be prioritised.

TPT SRMM Results



The stakeholder engagement performance of Transnet Port Terminals (TPT) is above Transnet's overall performance across most of the attributes. Although TPT has developed its stakeholder engagement plan and universe, there is a need to develop function-specific plans across universes across the OD. Although there is central support, there is however overall minimal level enablement especially in the form of training and the use of a central repository for stakeholder engagement reporting. The level of accountability could also be improved by ensuring that stakeholder engagement activities are regularly reported on at Exco meetings and form part of their Exco members' performance contracts. TPT also needs to use stakeholder engagement information for strategic purposes such as the OD strategy and risk assessments.

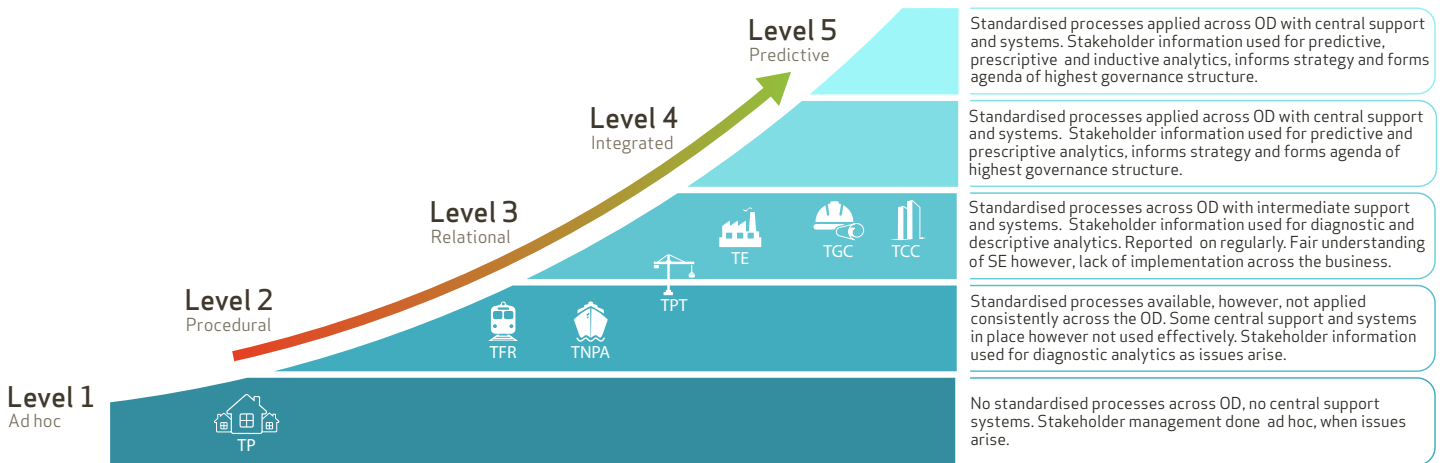


The stakeholder engagement performance of Transnet Property (TP) is below Transnet's average across all five attributes. There is a need to develop stakeholder engagement capacity within the OD.

The figure below shows the levels of stakeholder maturity per OD.

Figure 3: Levels of stakeholder maturity

Levels of Stakeholder Management Maturity



In summary, there is a fair understanding of stakeholder engagement practices and benefits across Transnet’s operations. There is also a good sense of application of the methodology. However, there is a need to include stakeholder engagement targets in the performance contracts of Exco members across the operations. This will improve overall accountability of stakeholder engagement practices in the organisation. Furthermore, there is a need to effectively use stakeholder engagement information to inform strategy and for analytical purposes (predictive, prescriptive and inductive analytics). Efforts should also be channeled towards ensuring that OD-specific

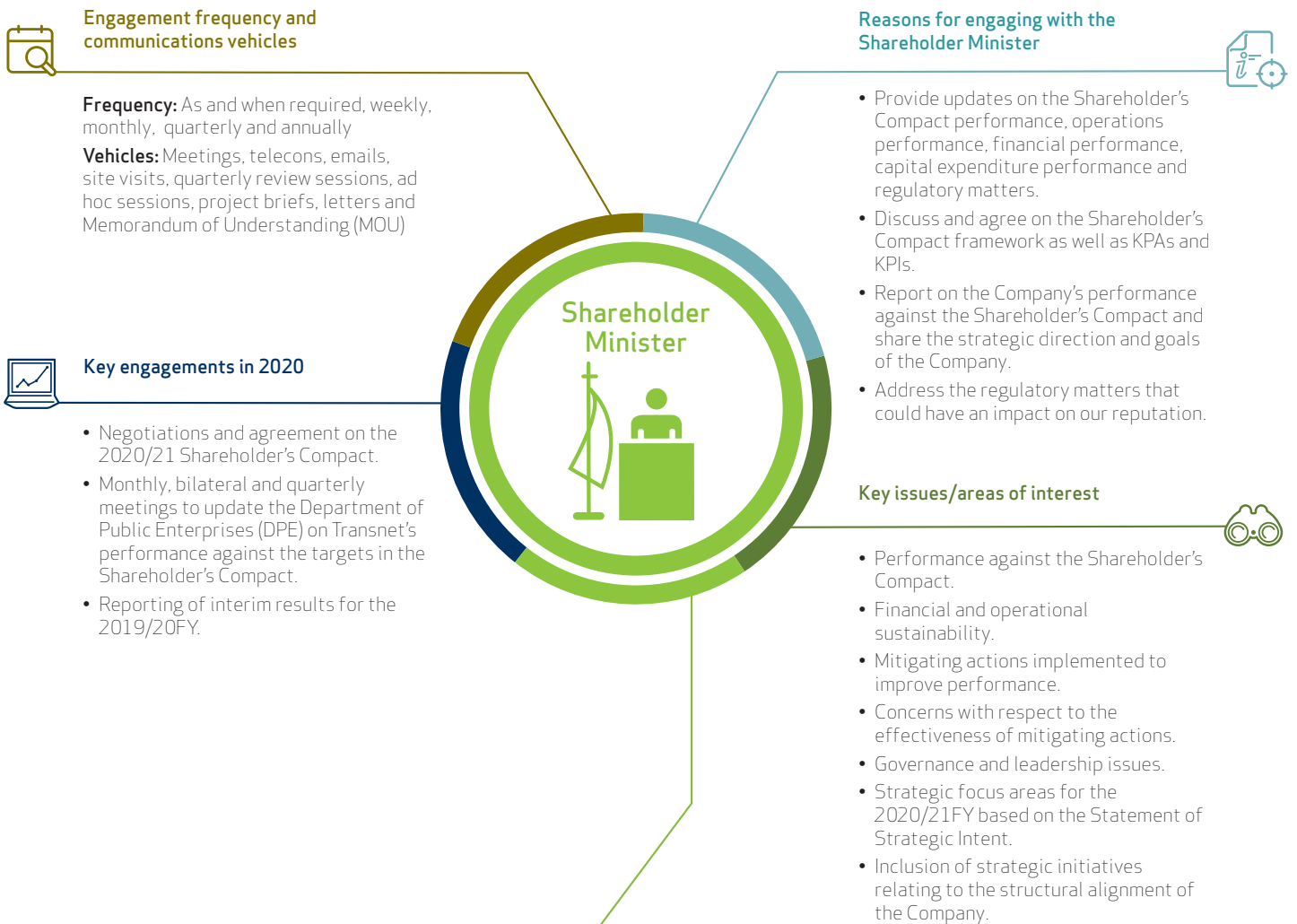
and function-specific universes and stakeholder engagement plans are developed across the organisation.

When assessing the maturity levels of stakeholder engagement practices across the organisation, we found that TE, TGC and TCC are in the relational stage (level 3) of maturity, TFR and TNPA are in the procedural stage (level 2), while TPT is in between the two stages. Now that we understand our shortcomings, we will implement targeted initiatives to ensure that our maturity levels improve throughout the organisation.

Stakeholder issues and our responses 2019/20FY

Stakeholder categories

Shareholder Minister

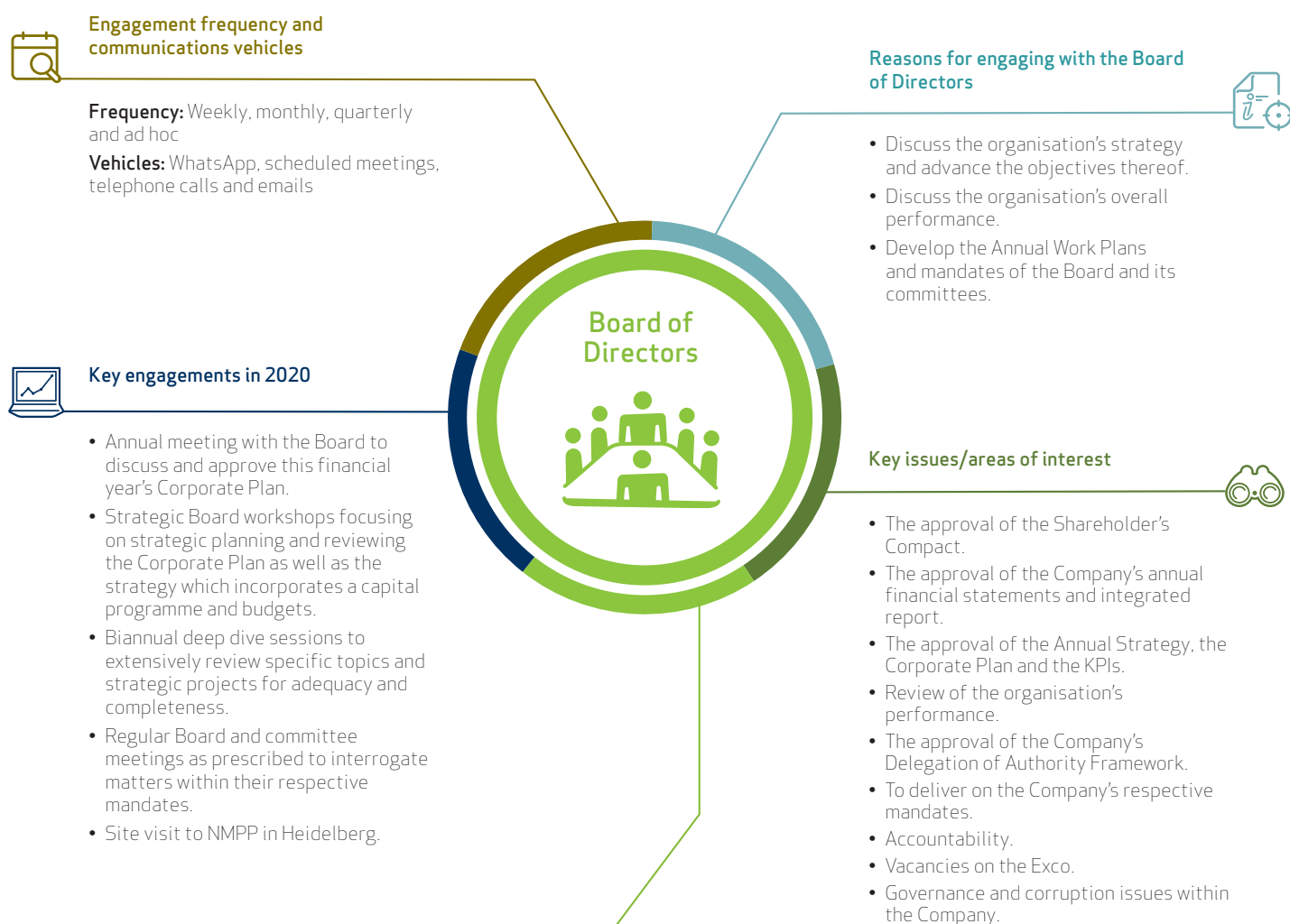


Our strategic responses

- The Board has started a process to track the Shareholder's Compact KPIs at the various subcommittees of the Board to continuously monitor and evaluate performance.
- The Board's review of the Shareholder's Compact methodology focuses on strategic KPIs and aligns the Shareholder's Compact to the Statement of Strategic Intent.
- The Board is implementing measures to focus the Shareholder's Compact on initiatives that are central to the structural reform of the organisation.
- The Board will strengthen KPIs to balance the focus so that it is more inclusive and reflective of Transnet's overall outcomes.

Stakeholder categories

Board of Directors



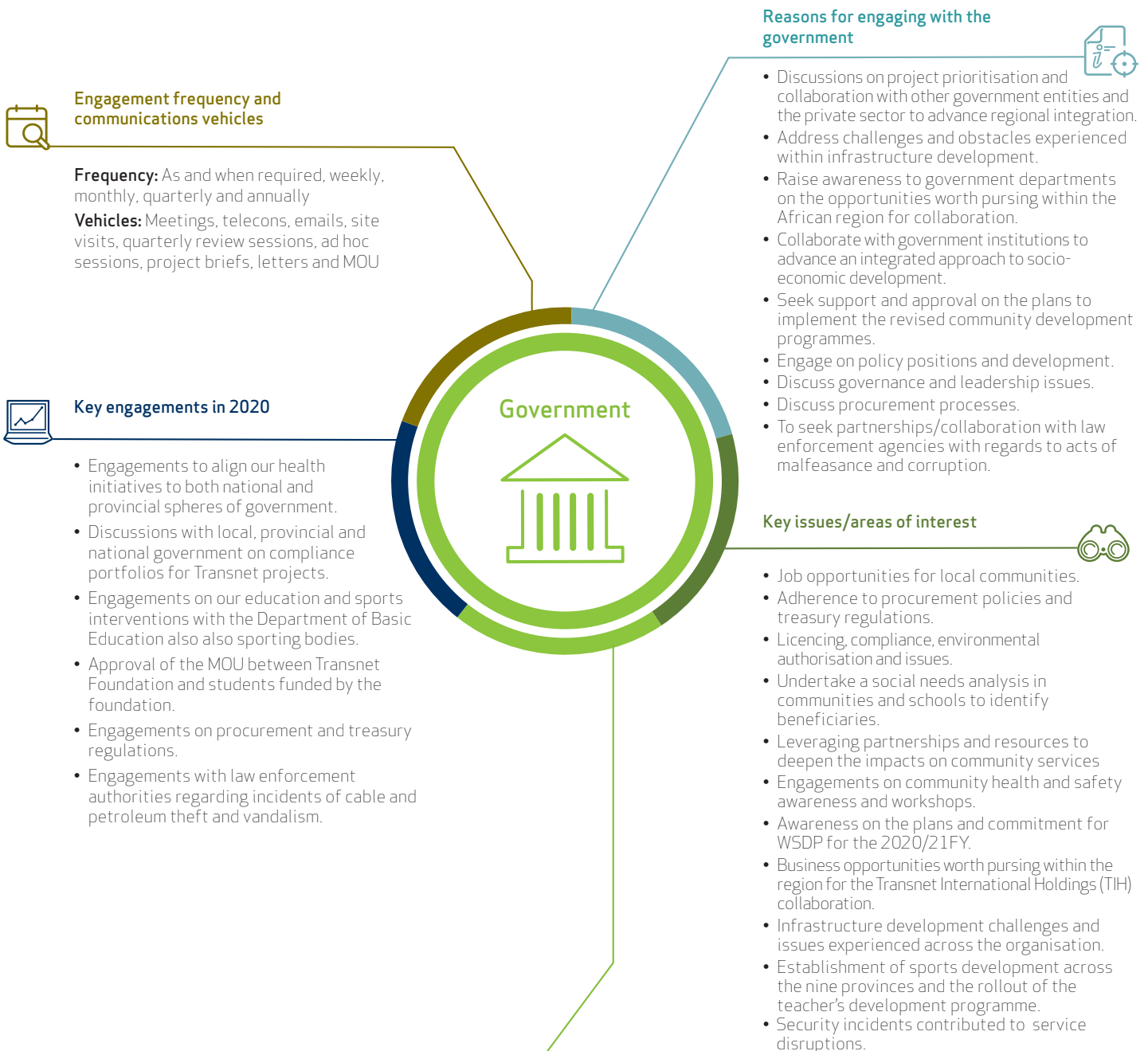
Our strategic responses



- The Board has started engaging and addressing stakeholders on the new changes in the organisation's leadership.
- The Board has prioritised information sharing on employee and operational matters.
- The Board has approved the negotiations on the new productivity incentive schemes for bargaining unit employees with the support of the labour union.
- The Board has appointed a new GCE to stabilise the organisation and also to provide strategic direction.
- The Board has supported management with respect to safety and occupational awareness and campaigns on the Covid-19 pandemic.
- The Board has acted decisively in dealing with executives who have been implicated in acts of corruption and malfeasance.

Stakeholder categories

Government



Our strategic responses



- We have prioritised our engagement and collaboration with government to the Africa Steering Committee and within TIH.
- We have engaged with government institutions through regular workshops and awareness to reinforce our relationship.
- We have partnerships with healthcare service providers to advance our contributions into the community and schools.
- We have expanded the footprint of our whole school and sports programmes into all nine provinces to offer opportunities to schools and pupils across the country.
- We have regular engagements to ensure seamless compliance and regulatory alignment to all promulgated legislation.

Stakeholder categories

Employees

Management

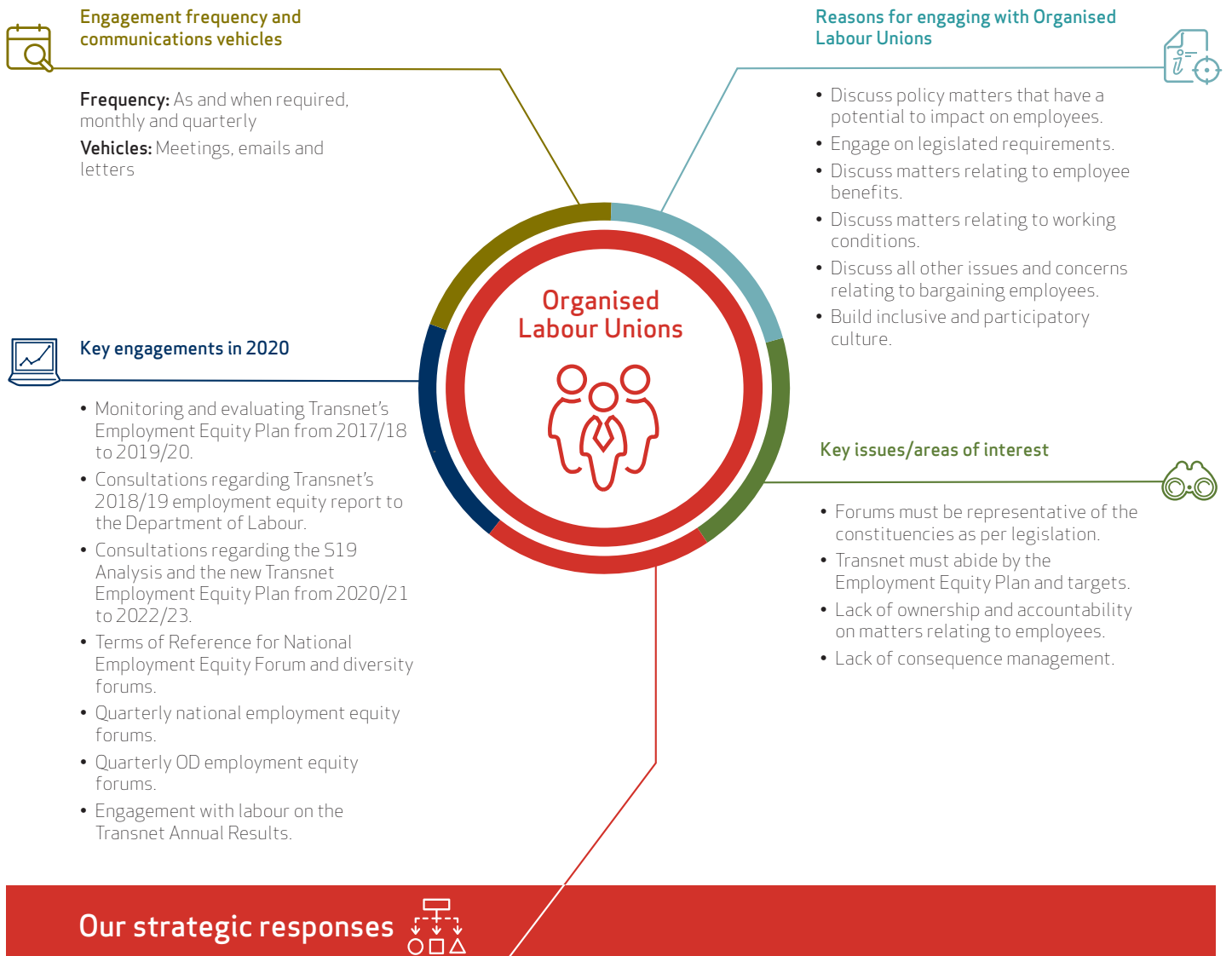


Our strategic responses

- We are relocating employees to areas where projects are, in order to fully absorb underutilised employees.
- We have initiated a process to create an integrated People Management team.
- We have established programmes and an anonymous hotline to give employees a platform to report bullying and intimidation at the workplace to proactively implement the harassment and intimidation policies.
- We have finalised the new organisational structure and are filling vacant top management positions.
- We have identified a Transnet-wide project team to focus on Covid-19 awareness and communication.
- We have collaborated with external healthcare service providers to provide case management, medical advice, counselling, education and awareness support in order to contain the spread of Covid-19.
- We have ensured that our 24-hour Employee Assistance Programme is always available to assist employees with telephonic counselling to managing any form of mental, physical and emotional wellness challenges that Covid-19 has caused.
- We have partnered with institutions of higher learning to advance the GCE's talent nurturing programmes to provide opportunities for our employees' career growth.

Stakeholder categories

Organised Labour Unions



- Workforce transformation is a national and Company imperative and we have therefore developed a transformation strategy that will form part of the strategic objectives contained in the Corporate Plan.
- We continue to engage Organised Labour Unions through the National Employment Equity Forums.
- We have approved the conclusion of the negotiations on the new productivity incentive schemes for bargaining unit employees with the support of the labour unions.

Stakeholder categories

Communities

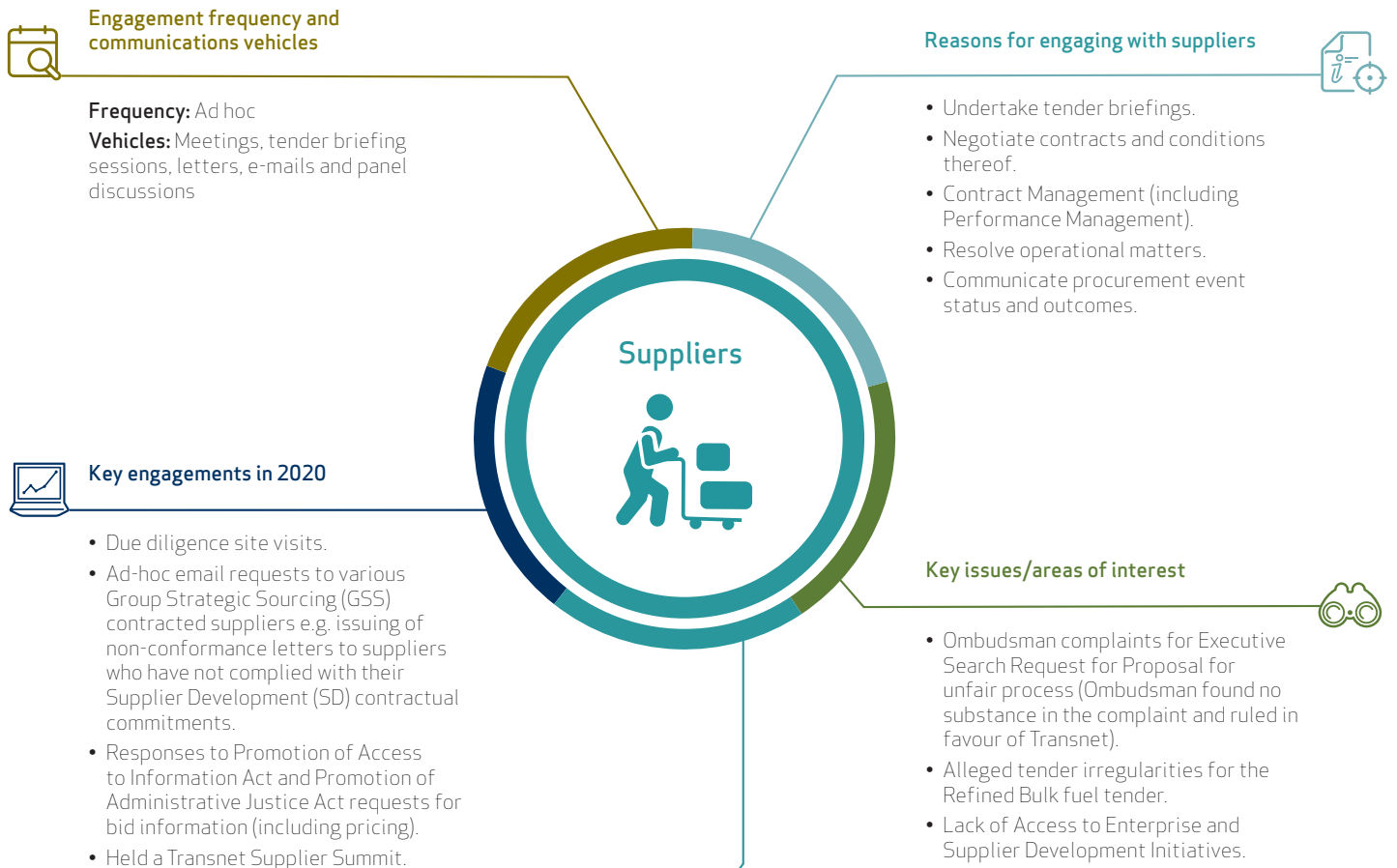


Our strategic responses

- We have embarked on a process to prioritise budgets for the supplier development initiatives and monthly targets for the monitoring and evaluation process.
- We are exploring options to address ongoing business-related matters to improve our products and social footprint.
- We have distributed and facilitated career exhibitions to raise awareness on bursaries and career opportunities available in the organisation to empower the youth.
- We engage with communities on upcoming projects that will provide jobs and business opportunities for the locals.
- We hold sessions with communities in close proximity to our operations to address pressing issues.
- As part of our efforts to contain and minimise the spread of Covid-19, Transnet has designated some of its properties across Gauteng, KwaZulu-Natal and the Free State provinces to be used as temporary shelters for the homeless and also as quarantine sites.
- We are rolling out the Transnet-Yes Hub, with the first Hub under construction in Saldanha Bay.

Stakeholder categories

Suppliers



Our strategic responses

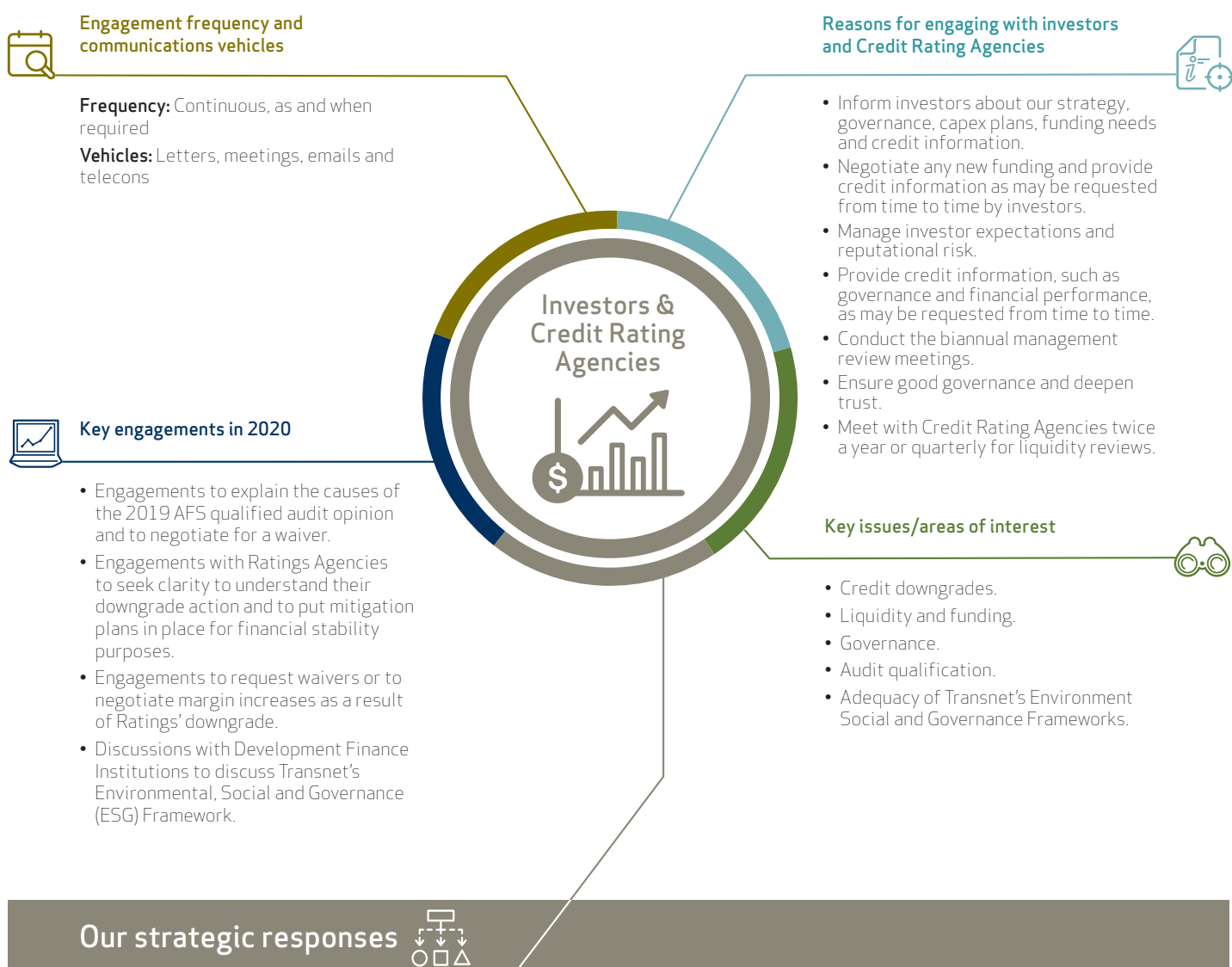


- The Procurement process followed by GSS fully complied with the principles of the Constitution and PFMA of using a Procurement system which is fair, equitable, transparent, competitive and cost effective.
- Refined Bulk fuel tender is under forensic investigation due to alleged tender irregularities.
- Launched a Transnet Supplier Summit incorporating both existing small and medium suppliers and emerging and potential customers, as a platform to interact and gain first-hand experience on the challenges and ease of doing business with Transnet.
- Prioritizing Enterprise and Supplier Development as a key lever to display our genuine commitment to addressing the economic transformation challenges and building a strong responsible local sourcing supply chain.

Stakeholder categories

Investors

Credit Rating Agencies



Stakeholder categories

Regulators



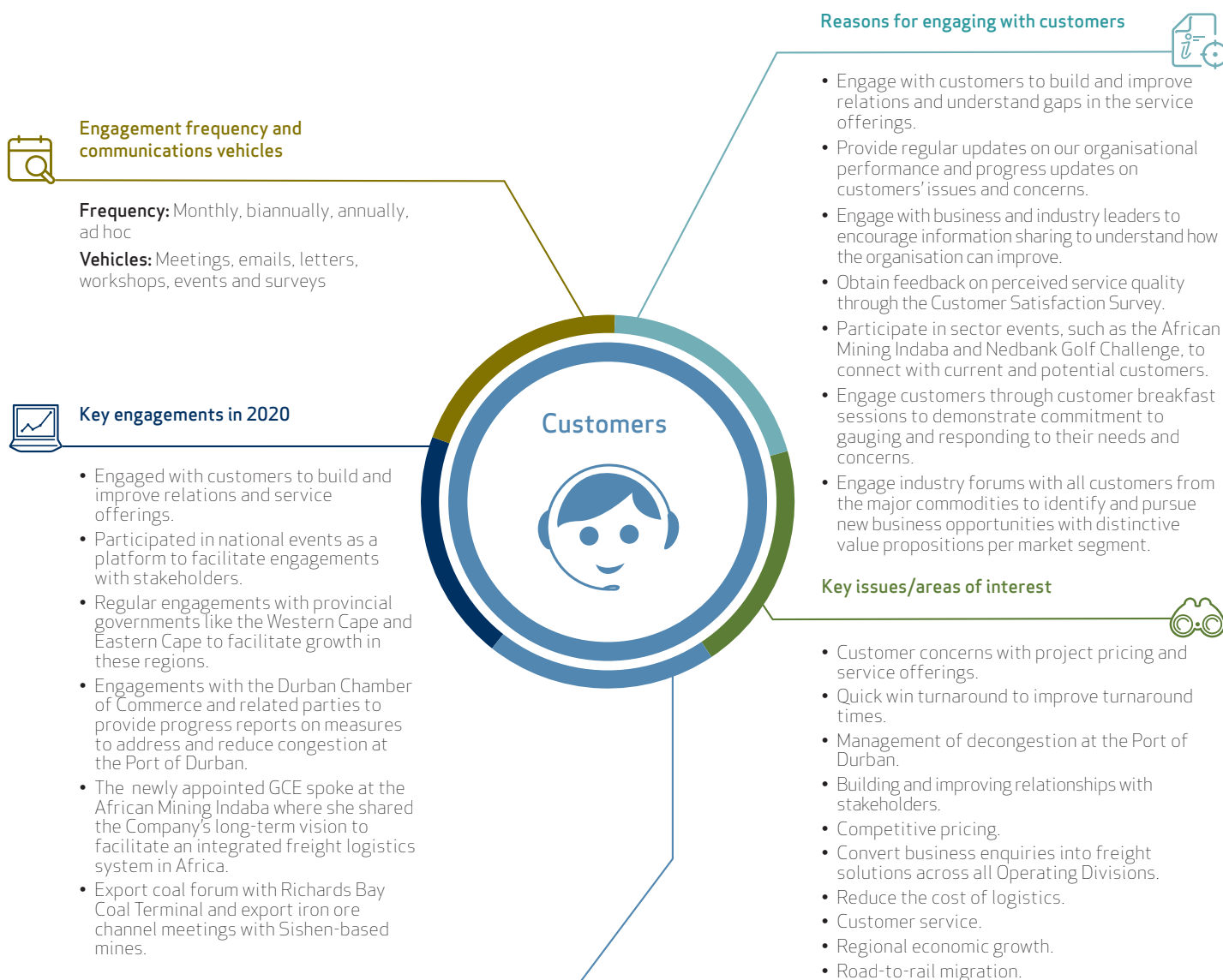
Our strategic responses



- We have received the closure of the two special conditions attached to our Railway Safety Permit, namely Human Factors Management and PRASA/Transnet Safety Interface Management Agreement.
- We have started to use the Transnet Regulator Engagement Protocol to guide the engagements that we have with stakeholders to align with regulations.
- We have collaborated with government entities to advance partnership on Railway Safety to improve initiatives across the organisation.
- We have embarked on a process to develop the legislated Safety Permit application process for a period of three years.
- We are engaging stakeholders to discuss the Reasons for Decision and Record of Decision tariff methodologies.

Stakeholder categories

Customers

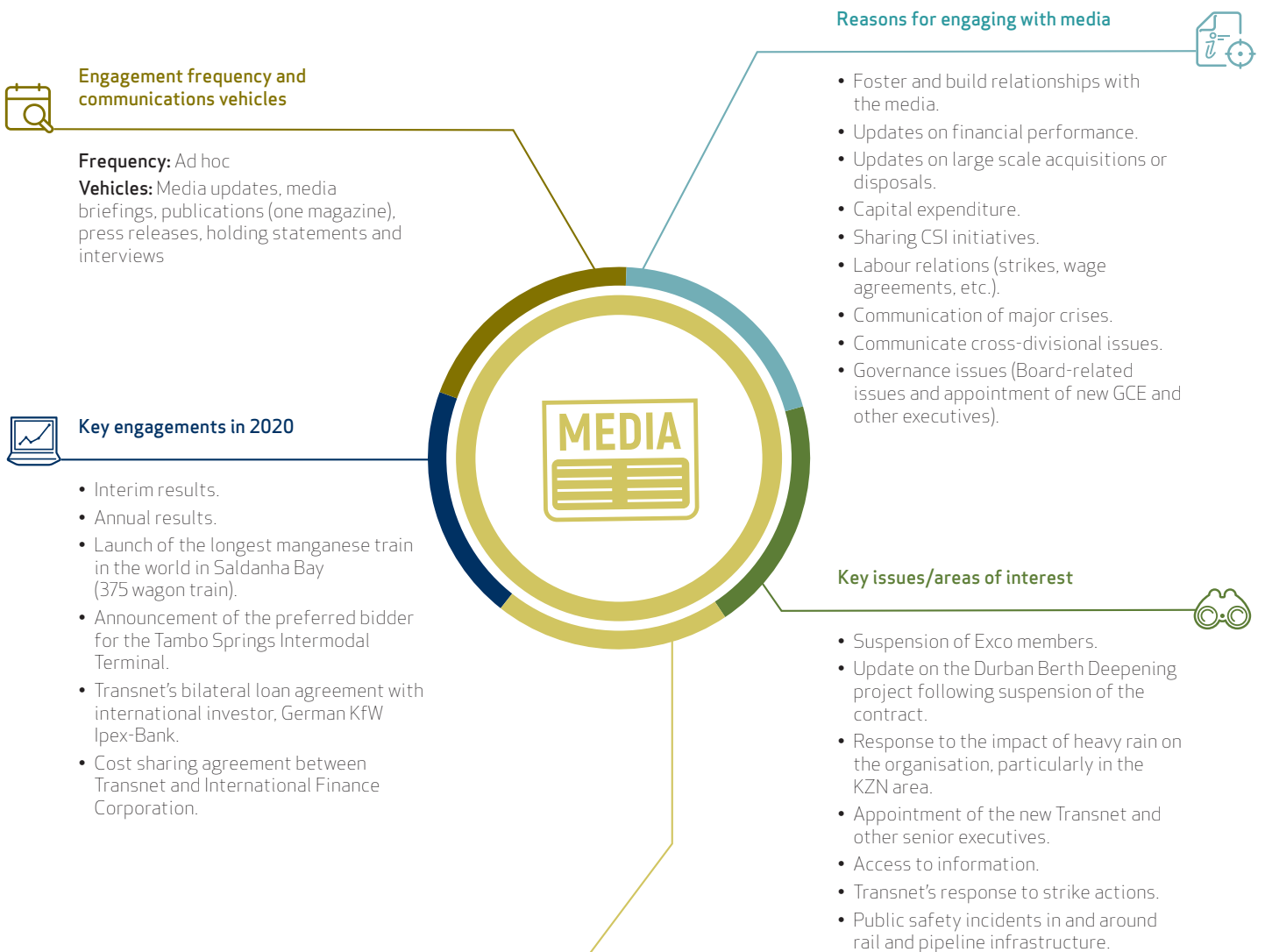


Our strategic responses

- We held various engagements to address traffic congestion at the Port of Durban and to explore proposed solutions and mitigation plans that could be used to resolve this issue.
- We are focusing on integrated initiatives to increase volume growth by providing customer-centric, end-to-end freight solutions with improved service delivery to current and new customers.
- We are exploring new business opportunities that will reduce the cost of doing business, migrate traffic from road to rail and increase economic growth in the southern African region.
- The Customer Nerve Centre serves as a centralised touchpoint that will facilitate the understanding, internal alignment, drive and ownership required to fulfil customers' desires and resolve issues timeously.
- We continue to conduct customer engagements such as industry meetings, commodity steering committees and site visits to identify customer needs to service execution.
- We continue to foster a customer-centric culture in the entire value chain, in order to enhance customer service and in turn achieve the desired customer satisfaction levels.
- The Board continue to pursue cross-border opportunities emanating from engagements with our African counterparts.

Stakeholder categories

Media



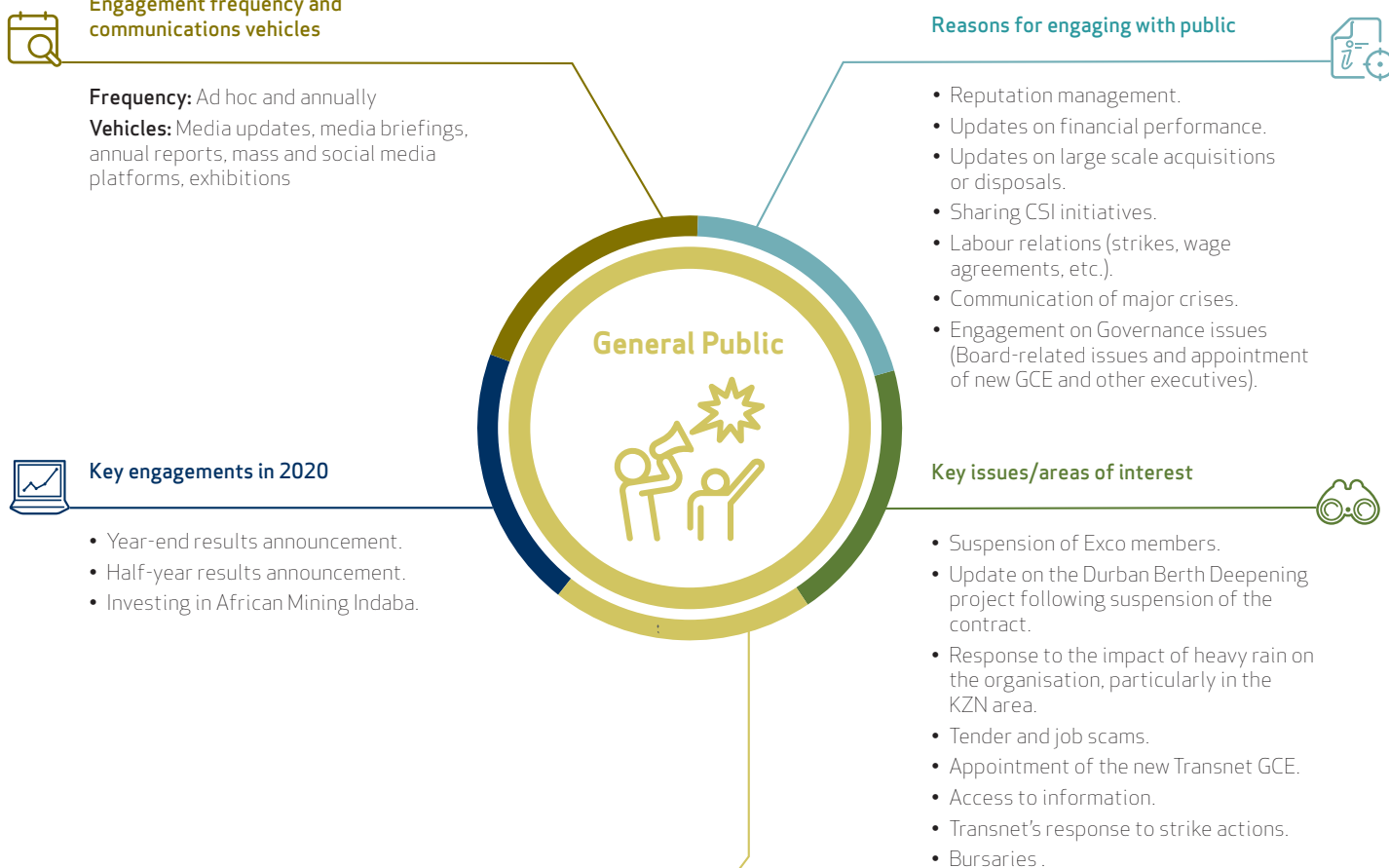
Our strategic responses



- We are amplifying OD stories through OD communication teams.
- We are reactivating Transnet's visibility through Parliamentary committees.
- Defining a Pipelines engagement strategy and subsequent awareness campaign across various media platforms.

Stakeholder categories

General Public



Our strategic responses



- We are implementing the recommendations of the Fundudzi Report, MNS and Werksmans' report related to acts of malfeasance.
- We are developing awareness campaigns to create visibility of the brand.

Our specific response to Covid-19

Transnet's primary concern is the health, wellness and safety of our employees and the communities near our operations. The Covid-19 pandemic has called on us to increase our efforts to support the well-being of fellow South Africans - both, our employees as well as part of the broader citizenry.

Transnet remains committed to providing support to communities in areas in which it operates, and we express our sincere gratitude to the various spheres of government for responding by partnering with us and sharing in common the humanity which holds us accountable to each other.

During this period, we acknowledge our employees who continue to show resilience and commitment to their work. We take our hats off to our colleagues who are in the frontline during this unprecedented time, as our operations remain at the forefront of facilitating trade.

Covid-19 Measures

Internal

External

Covid-19 Measures



Support health and safety awareness through regular communication in all languages



Made available several properties across Gauteng, KwaZulu-Natal and the Free State provinces for use as temporary shelters for the homeless and also as quarantine sites

Provision of effective personal protective equipment



Designated facilities have the capacity to accommodate more than 600 people during the lockdown period while the local government provides for food, security and waste removal

Temporarily halting the use of biometric access in favour of employee access cards for admittance into our facilities



We handed over our world-renowned Phelophepha Healthcare Train to the Department of Health to grow capacity for the free screening and testing of global pandemic Covid-19 for the remote rural communities in Mpumalanga, KZN and the Free State

Installation of thermometer scanners at our entrances (people with temperature of 37.3°C + are referred to occupational health clinics for further screening and support)



We delivered medical-grade PPE at the value of R5,2 million for health workers at the Baragwanath Hospital and donated food parcels to NPOs valued at R4,5 million

Restrictions on the number of employees in face-to-face meetings



We created a support structure for employees to make voluntary donations into the Solidarity Fund to help communities during the pandemic period

A 24-hour Employee Assistance Programme is available to support employees with telephonic counselling



We have implemented a customer crisis management plan which includes a specialised customer nerve centre to provide a single point of contact during this crisis

Collaboration with external healthcare providers for case management, medical advice and counselling support, as well as educating employees on precautionary measures to contain the spread of Covid-19



Transnet partnered with other SOEs, fibre providers and network operators to make the available spare fibre-optic network capacity to connect hospitals, quarantine sites and rural schools to enable distance/e-learning to communities that is of proximity to the available infrastructure



Essential services

We take cognisance of the essential services that we provide to our critical stakeholders and it is our priority to ensure that Transnet continues to provide essential services across the country.

We acknowledge all of our employees: the train drivers, health workers, security personnel, maintenance workers, mariners, crane operators - and the list goes on - who continue to work during this challenging period so that we can deliver on promises made to our stakeholders.

Approach

- Transnet scaled down some of its operations during the lockdown and prioritised essential services
- We have implemented measures to maintain our business operations by identifying several employees as essential workers to continue to provide essential services
- Our specialised business units are working remotely to provide continuous support for essential services
- Our essential workforce goes through closely monitored safety measures to ensure that they go back to their families healthy and safe

Ranking our stakeholders for the 2020/21FY

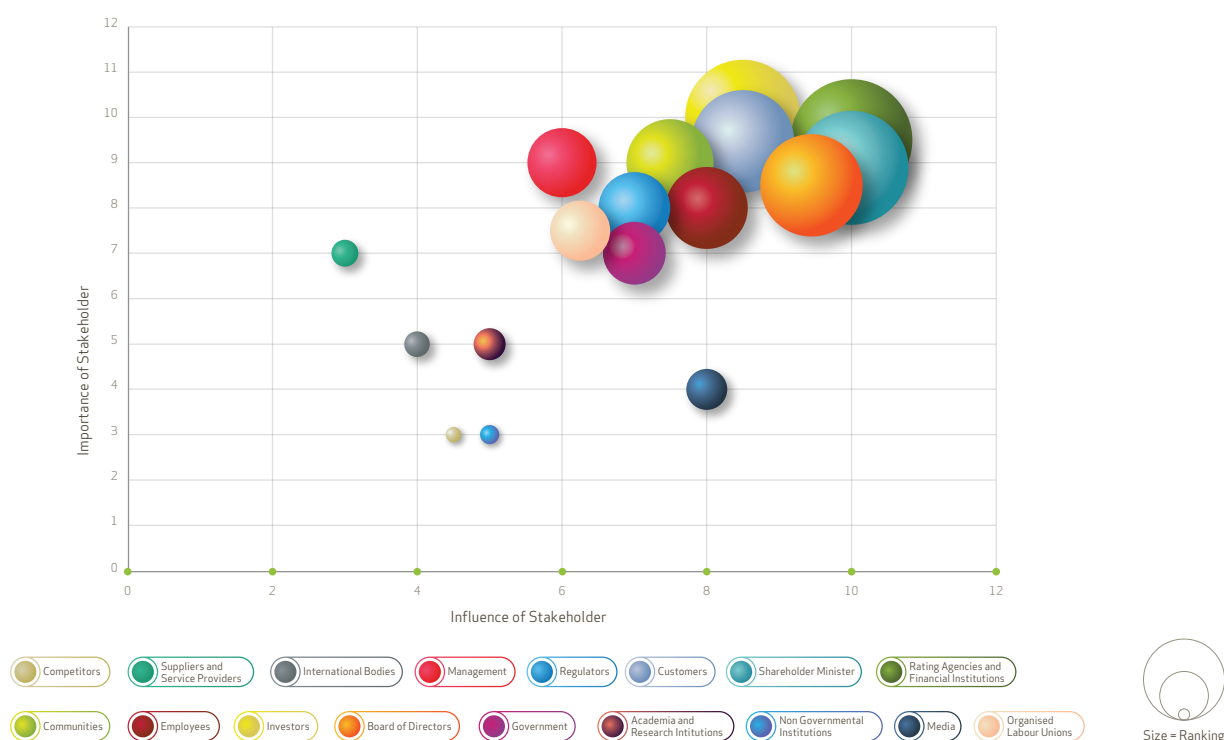
Transnet views all its stakeholders as important to the success of the organisation. In dealing with stakeholder concerns, we operate on the basis of ranking our stakeholder in terms of the materiality of their needs. This annual ranking also forms the basis of understanding their interests, expectations and influence. Also, annual review of ranking is important as we understand that stakeholder needs, concerns and expectations are dynamic and therefore may change from time to time. We further undertake the ranking on a prospective basis so that we can devise the appropriate engagement plans for the upcoming year. This enables the organisation to proactively identify the appropriate methods, levels,

vehicles and frequency of engagement relative to the ranking for the prospective year. The following are the factors we consider during the ranking:

- The organisation's strategic direction for the prospective year
- Stakeholder issues emanating from the preceding year
- Level of stakeholder influence
- Level of stakeholder importance

Depicted in figure 4 below is the stakeholder matrix for the 2020/21FY.

Figure 4: Stakeholder Matrix



As seen on figure 4 above, Investors, Rating Agencies and Financial Institutions Shareholder Minister and Board of Directors were the highest ranked stakeholders. These were followed by Employees, Management and Organised Labour; Customers; Communities and Regulators. Efforts will be targeted as follows:

Investors, Rating Agencies and Financial Institutions: ensuring good governance and deepen trust especially following the South Africa's sovereign downgrade and subsequently that of Transnet.

Shareholder Minister and Board of Directors: ensure continuous engagement regarding performance especially following the arrival of COVID 19 and impact of lockdown on performance.

Employees, Management and Organised Labour Unions: ensure continuous engagement on issues relating to job security, organizational structure changes and employee health amid COVID 19.

Customers: ensure continuous engagement regarding Transnet's Business Continuity Plans amid COVID 19, as well as overall customer experience.

Communities: ensure corporate social responsibility to safeguard social license to operate.

Regulators: ensure compliance to rapidly evolving regulatory requirements

Conclusion

Targeted efforts have been made to enhance stakeholder engagement during the year under review.

Stakeholder engagement is a vital component to understanding your shareholders and customers' needs. Ignoring it would be to your own peril.

The Multi-stakeholder Perception Survey conducted a year ago, indicates that the quality of engagement with our stakeholders is uneven across the organisation and leaves room for improvement.

This called for a stakeholder engagement workshop to review and further improve on the quality of engagement with our stakeholder and enhance the organisation's reputation.

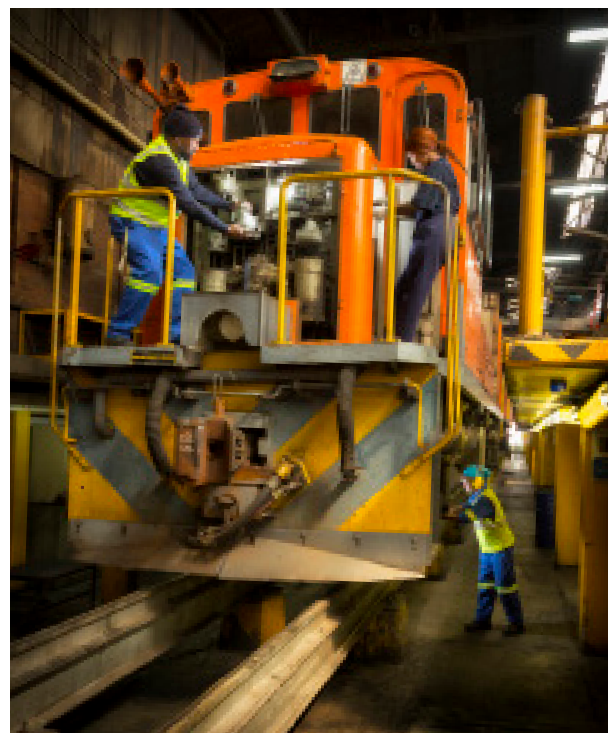
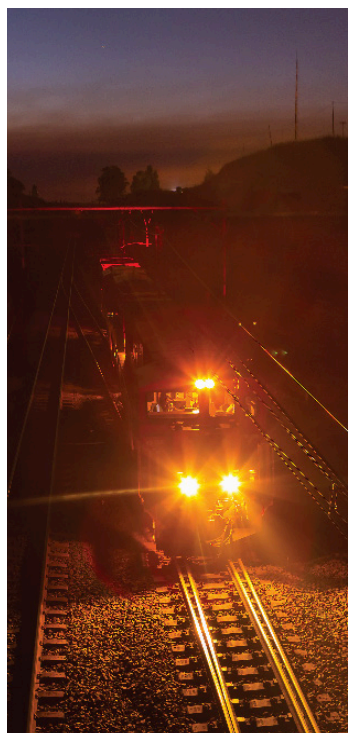
Based on the stakeholder engagement workshop held in the financial year under review, it is imperative for Transnet to implement the following:

- Ensure a more coordinated approach to stakeholder engagement and management across the organisation. Currently the operational divisions and other units are working in silos.
- Provide access to training designated personnel on stakeholder engagement and management across the organization.
- There is also a need to effectively use stakeholder engagement information to inform strategy and for analytical purposes.
- Stakeholder engagement plans should be developed across the organisation and include stakeholder engagement targets in performance contracts of Exco members across all operations of the organisation.

The SRMM assessment has provided a detailed understanding of our stakeholder engagement maturity, which will be enable us to develop a plan to achieving the desired level of maturity. We now know where to focus our efforts!

The actions of the Board together with the appointment of the new GCE and other critical senior executives, has created stability in the organisation.

We continue to monitor the implementation of the Stakeholder Improvement Plan 2019-2021 and will report on progress thereof in the 2020/21FY report.



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