

Annual Integrated Report 2020



**TRUSTED TO
SAVE LIVES!**



SANBS
South African National Blood Service

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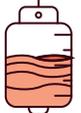
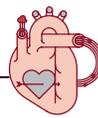
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INTRODUCTION



Our Purpose

Our Vision

Our Mission

Our Core Values

Our Mandate

Trusted to **SAVE** lives

To be the **cornerstone of healthcare services** in South Africa, through the gift of life

To **reliably** provide trusted blood products and services to **all** patients at a world class level of **cost** and **quality** while innovating new treatments to enhance human healthcare

- T**RANSPARENCY
- H**ONESTY
- R**ESPECT
- E**XCELLENCE
- A**CCOUNTABILITY
- D**IVERSITY

SANBS is a non-profit organisation, registered as such in terms of the Companies Act, 71 of 2008, and governed by, among others, the Non-Profit Organisations Act 71 of 1997 and the National Health Act 61 of 2003. The official mandate of SANBS is to provide blood transfusion and related services.





ABOUT THIS REPORT

Reading this report gives you a clear idea of our ability to achieve our purpose and create sustainable value for all of our stakeholders. It has been prepared in accordance with the International Integrated Reporting Framework of the International Integrated Reporting Council, so you can be assured that every effort has been made to ensure transparency and comprehensiveness.

SCOPE AND BOUNDARIES

In this integrated report, you'll find everything you need to know about our governance, strategy, performance and prospects. We've made it as concise as we can, but made sure that it still covers the most important information.

It addresses our financial, operational, social and governance performance for the period from 1 April 2019 to 31 March 2020 and relevant information up to the reporting date. During the period additional steps were taken in an attempt to avert a qualified audit opinion on our financial statements. As a result, the audit for the year ended 31 March 2020 was not completed at the time of publishing this integrated report, and unaudited financial statements were used in the preparation of this report. For a more comprehensive overview of our performance, we'd recommend reading this report in conjunction with our audited financial statements – which you will be able to access on our website as soon as they are released.

WHO IS THIS REPORT FOR?

This report has been produced for all SANBS stakeholders, including our staff, regulators and society, as identified in our stakeholder engagement section on pages 84 to 90.

HOW WE CREATE VALUE

We create value by delivering outputs and outcomes for all our stakeholders. Our value creation process is embedded in our purpose (page 1) and described as part of our business model on pages 16 and 17. It is an integral part of the way we think and act.

MATERIALITY AND MATERIAL MATTERS

The principle of materiality helps us decide what to include in our integrated report, and to make this report more concise. As a result, we have focused on the issues, opportunities and challenges that impact materially on SANBS and our ability to be a sustainable business and consistently deliver value to key stakeholders.

These material matters are described on page 16. They continue to influence our strategy (see pages 58 to 83) and our targets and short- to-medium-term business plans.

We were able to identify our material matters through the conversations and deliberations of the Executive Committee and the Board; consideration of input and feedback from our stakeholders (pages 84 to 90) and through being mindful of our risks and opportunities (pages 48 to 53). We also benefitted from significant input by SANBS staff.

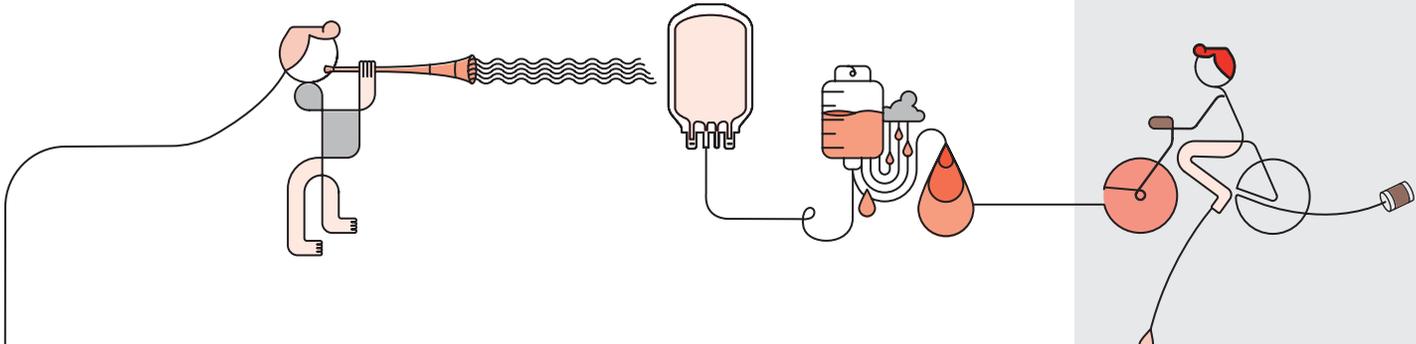
Ultimately, it is the Executive Committee which assumes responsibility for the material matters before these are submitted to the Audit Committee and then the Board for approval. The material matters are assessed continually to ensure that our strategy remains relevant in a dynamic operating environment.

OUTLOOK

Outlook information is considered to be all information that considers the challenges, opportunities and uncertainties we are likely to encounter in pursuing our strategy, and the potential implications for our business model and future performance.

Outlook information can be found throughout this report; however, the majority of this information can be found on pages 106 to 107.





REPORTING FRAMEWORKS AND COMBINED ASSURANCE

Our integrated report is based on the principles contained in the International <IR> Framework, published by the International Integrated Reporting Council (IIRC).

The content is guided by legal and regulatory requirements, such as the Companies Act, 2008 and the King IV Report on Corporate Governance™ for South Africa, 2016 (King IV™), as well as best practice.

FORWARD-LOOKING STATEMENTS

This report contains certain forward-looking statements with respect to SANBS' financial position, results, and operations. These statements and forecasts involve risk and uncertainty, as they relate to events and depend on circumstances that have not yet occurred. Actual results or developments could differ materially from those expressed or implied by these forward-looking statements. Consequently, the forward-looking statements (which can be found on pages 106 to 107) have not been reviewed or reported on by the SANBS' auditors.

BOARD RESPONSIBILITY AND APPROVAL

The Board of Directors, supported by the Audit Committee, is responsible for ensuring the integrity of the Annual Integrated Report. In this regard, the Board relies on information provided and verified by the Chief Executive Officer and his executive team. For the period under review, our Internal Auditors have assured a selected number of our key performance indicators. This sample includes the financial indicators as disclosed in this report. The scope of the assurance for the reporting period has been presented to and approved by the Audit Committee. The external auditors provide assurance on the annual financial statements and not on this integrated report.

The Board confirms that it has applied its collective mind to the preparation and presentation of the report and believes that it addresses all material issues and fairly presents the organisation's integrated performance and impact. The Board believes the integrated report has been prepared in line with best practice as set out in the International <IR> Framework and King IV™.

This report was approved by the Board and signed on its behalf by:

Ms G Simelane
Chairman
14 December 2020

For any feedback or comment, contact the Chief Financial Officer Tshepi Maesela on 011 761 9000 or email: tshepi.maesela@sanbs.org.za



NAVIGATING OUR REPORT

FINDING YOUR WAY AROUND THIS REPORT

Throughout our integrated report, you can use these icons to join the dots.

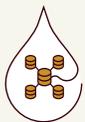
OUR CAPITALS

We are a non-profit organisation mandated to provide blood transfusion and related services today and in the future. To do this sustainably, we need to add value to our inputs to create outputs and outcomes that matter.



FINANCIAL CAPITAL

The funds that we use to support our business and operational activities, including research and development



MANUFACTURED CAPITAL

The way we are organised and the things that we do, including our infrastructure, our products, and the IT that lets us operate and create value



HUMAN CAPITAL

Our culture and our people, their development and collective knowledge, skills and expertise, plus the delivery of innovative and life-saving products and services to save people's lives



INTELLECTUAL CAPITAL

Our brand value, research and development, capacity to innovate, reputation and strategic partnerships



SOCIAL AND RELATIONSHIP CAPITAL

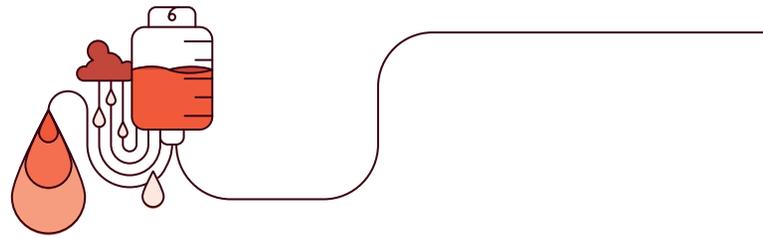
Stakeholder relationships, including the communities in which we operate, because we recognise the critical role that blood banks play in sustaining a healthy society and functioning health system



NATURAL CAPITAL

Our impact on the planet through our operations and business activities

The core of our mandate is to provide patients with sufficient, safe, quality blood products and medical services related to blood transfusion in an equitable, cost-effective manner.



OVERVIEW

WHO WE ARE

We are a non-profit organisation that provides the delivery of safe blood to all South Africans. Our responsibilities include managing the entire blood transfusion value chain from collections, testing and processing to distribution to patients. All donated blood is tested for transfusion-transmissible diseases, blood grouping, and patient compatibility using sophisticated processes and equipment to ensure safety. We employ 2 524 people at 185 sites across South Africa (with the exception of the Western Cape where the Western Cape Blood Service operates).

We embrace operational innovation, efficiency and cutting-edge medical science and technology to maintain our leadership position.

Over the past 83 years, the SANBS has evolved to become a unified entity that provides a seamless service to its customers.

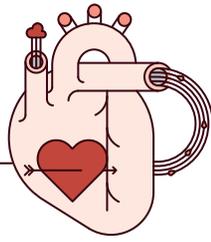
THE GIFT OF LIFE

The work we do as the South African National Blood Service (SANBS) is vitally important. Thanks to the dedicated support of thousands of donors, people receive red blood cells, plasma or platelets: the gift of life. Our donor centres across the country provide a safe and comfortable experience for our donors, who are the backbone of our organisation. Without them, we could not achieve our mission.

INNOVATION IS AT THE HEART OF WHAT WE DO

Our on-site staff members receive the training they need to make the donor experience as easy as possible. Our innovative use of technology not only lets us continually renew the organisation and take advantage of new opportunities, but also makes it easier to customise each donor's experience.





USING DRONES TO SAVE LIVES

Our plans to use drones to deliver blood products are at an advanced stage. By getting blood to where it is needed even faster, we can save more lives.

QUALITY HEALTHCARE

We care about the lives of those in need of blood products – from a new mother at childbirth or the little girl hurt in an accident, to the old man with anaemia or a burns victim in ICU. We are proud of our track record of delivering quality healthcare to millions of people each year.

EXPANDING OUR DONOR POOL

Through our donor centres across the country, we collect about 3 300 units of blood from South Africans every day. One of our immediate goals is to increase the pool of active blood donors – it is currently <1% of the total population. We are actively working on attracting younger and especially black donors to widen our active blood donor pool.

WORLD-CLASS PRODUCTS

Our blood transfusion and blood products are world-class. In the same vein, we invest heavily in research and training to retain our standing as one of the world's leading blood transfusion and blood products suppliers.

OUR STAKEHOLDERS ARE A PRIORITY

We don't just look inwards. In fact, our reach and support extend across the African continent as a very real demonstration of our stakeholder-driven culture. Our stakeholders help ensure the sustainability of our organisation which is why we prioritise them in our strategic intent and execution.

FUTURE-PROOF

We are well prepared for the future and the donors, recipients, staff, companies and communities who support our cause have every reason to place their confidence in us.

As an organisation we focus on what matters most:
saving lives...



FINDING YOUR WAY AROUND THIS REPORT

Throughout our integrated report, you can use these icons to join the dots.

STAKEHOLDERS



EMPLOYEES



DONORS



REGULATORS



MEDICAL FRATERNITY



PATIENTS



SOCIETY



SUPPLIERS



SA & INTERNATIONAL BLOOD PARTNERS



KING IV™



TOP RISK



assured non-financial info



More info available



Corona Virus

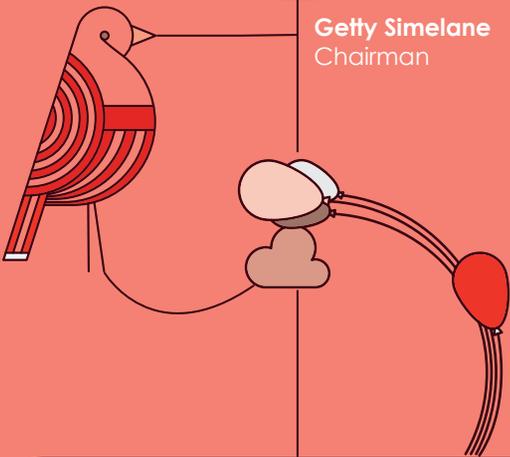
OUR STRATEGIC OBJECTIVES



CHAIRMAN'S REPORT



Getty Simelane
Chairman



"I am grateful to my colleagues on the Board, and I commend the Executive and the staff for their remarkable contributions.

To our staff out in the field, we commend you for your service in the frontline. Your courage and fortitude is exemplary.

To the donor stakeholder group, without whose contribution we would not be able to deliver on our purpose of saving lives,

THANK YOU!"

INTRODUCTION

My tenure as Chairman in SANBS has continued in a year that saw the exciting start of the execution of the iHEALTH strategy under the leadership of the CEO and his capable executive team who have embraced fully what it means 'to be the cornerstone of healthcare services in South Africa through the gift of life'.

This, together with a supportive Board, has seen the production of excellent results for the 2019/2020 year and very aptly, had the organisation well-placed to deal swiftly with the outbreak of the novel Coronavirus and to ensure effective response strategies and sustainability in the short, medium and long term.

We continue to believe that it is important for us to reflect on the successes and challenges of the past year in order to stress test our strategy, objectives and plans ensuring that these are in sync and address any emerging risks, opportunities and challenges for SANBS. Our Integrated Report is the mechanism that allows us to document this and share it with our wide array of stakeholders.

We were very aware that the environment in which SANBS operates would continue to test its traditional business model and assumptions about opportunities and risks. Our material matters (page 16), originating from both internal and external sources, reflect the extent that we as a Board and the Executive focussed our attention and channelled our energies.

EXTERNAL ENVIRONMENT

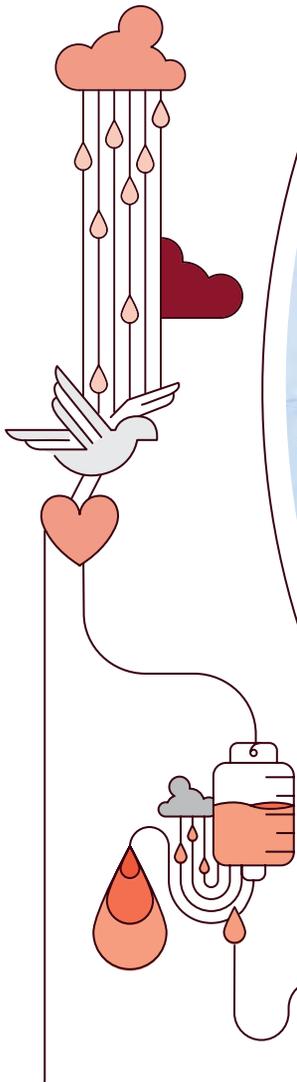
The regulatory landscape remains top of mind with ongoing NHI implications that we regard as presenting both challenges and opportunities. There are moves afoot for SAHPRA to regulate blood products and we are mindful of regulations affecting the use of information.

In a declining macro environment globally and locally with inflation and currency volatility, the impact on procurement of goods from abroad is notable.

By far, one of the most disruptive and extraordinary events of our lifetime, was the outbreak of the Coronavirus pandemic. It is well known that this has far reaching implications on health services around the world and no less on South Africa.

SANBS' stakeholder engagements ensure regular interaction with stakeholders on key matters where designated representatives seek to understand their respective needs, interests and expectations. The risks and opportunities arising from these are carefully considered with a management response (see pages 50 to 53) benefitting both parties. The value of these relationships enhances the contribution SANBS is able to make in its purpose of being 'trusted to save lives' and further strengthening of these is ongoing.





INTERNAL ENVIRONMENT

Underpinning the internal environment in which SANBS operates is the enthusiasm with which the iHEALTH strategy has been embraced and implemented in the continued transformation of the organisation. There are notable advancements in the culture (DNA) journey (page 92, 96 to 97), tracking of several successes against the strategic initiatives (pages 58 to 83) – supported by continued scorecard monitoring and alignment to performance management, improving the diversity in our people profile at 88% black, 58% women, 1% employees living with disabilities and 38% being millennials. The latter having increasing relevance in an organisation that strives to be constantly innovating with ongoing digitisation, automation, artificial intelligence and maximising the use of data, culminating in better use of each precious blood donation.

Ongoing efforts with major projects to modernise systems, introduce mobile clinics and the drone initiative particularly to save lives in rural areas, smart fridges and the state of the art building in Mount Edgecombe and the comprehensive introduction of a learning academy, speak well for the year under review, as much as they do for a robust, sustainable value creating future.

I was very encouraged with the manner in which COVID-19



was responded to, as it impacted the latter part of the year under review. It was also encouraging that our donors continued to selflessly donate and that the organisation managed to maintain adequate blood stocks to support the required demand – testament to the efforts of the leadership team and the staff, as well as the commitment of our valued donors.

Demand for blood was initially down by 25% with no elective surgeries allowed and alcohol related hospital emergencies reduced drastically during level 5 lockdown. Strategies were quickly adjusted with immediate containment of costs to maintain sustainability and a conducive working environment for staff was promptly attended to and is maintained according to the regulatory requirements.

An impressive standout is that we rapidly commissioned clinical trials to prove the efficacy of convalescent plasma to patients with Coronavirus. This is in keeping with how the organisation prides itself in its innovation efforts and again being true to our purpose.



CHAIRMAN'S REPORT (cont'd)



"The best way to find yourself is to lose yourself in the service of others." - Mahatma Gandhi

CHANGES TO THE BOARD

Over time we have prided ourselves with a Board that is represented largely by independent non-executives, a widely diversified range of skills, tenures, racial and gender diversity to be reflective of the nature of the organisation, its purpose and a transforming South Africa.

To preserve the aspiration of ensuring a blend of experience, skills and new insight to allow the Board to function and engage optimally, we have revisited the maximum tenure allowed for directors. Previously after serving a term of nine years after a cooling-off period of three years, directors could be re-elected/make themselves available for reappointment. We are no longer going to continue with this practice and have amended the Memorandum of Incorporation accordingly.

In addition to the above, to further improve effectiveness and efficiency of the Board, we have amended the provision that the minimum number of non-executive directors be reduced from seven to six.

To bolster the effectiveness of our Board Committees, we have a practice that co-opts members who supplement the skills and experience where we deem it useful. Mr. Brandon Damons was co-opted to the Governance, Social and Ethics Committee from 1 August 2019.

At the AGM held on 9 November 2019, Rodney Brand stood down - the contribution he made not only as a member of the Board and subcommittees but serving in the various voluntary structures in KZN is acknowledged and appreciated. Gary Leong, who is skilled and experienced in risk, internal controls and internal audit was elected.

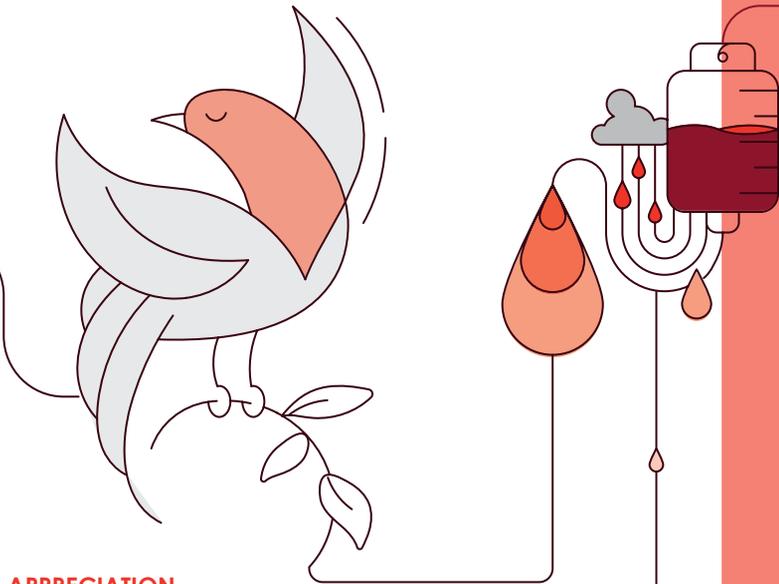
On the 10th of June 2020, the Board bid farewell to Professor Vanessa Moodley who stepped down after a noteworthy 6 years and 9 months as a director. Her valuable technical skills as a haematologist, articulate engaging contributions in the Board discussions, dedication

in the Board Committees she was part of, over the years left an indelible mark and we are grateful we could have her services within the Board. She has been succeeded by Dr Manickavallie [Monica] Vaithilingum as of 1 July 2020 and complements the Board with her vast skills as a paediatric haematologist and experience in research and clinical trials.

Professor William Gumede's 9 year term ended on 9 July 2020 and the process to replace him has started. He will be remembered for his strong skillset on governance, economics and as a political analyst and experience spanning different industries, both public and private sector which provided sound leadership in his last roles as Chairman of the Human Resources and Remuneration Committee, Chairman of the Nominations Committee and Lead Independent Director of the Board.

I will also be leaving the Board when I complete my nine year tenure effective at the date of our next AGM, after serving in the capacity of Chairman for four years in times that called for us to start planning for a different yet robust organisation. It has been a stimulating, humbling, yet rewarding experience and responsibility being part of the leadership of such an invaluable membership based organisation in South Africa. As a donor director, I also served in the Zone Donor Committee structures of eGoli, the Vaal and currently KZN. Over time these structures have the members well vested in the application of the reviewed prevailing rules and apply them consistently and uniformly.

I end my term knowing that the organisation is delivering well on its purpose and will continue to do so with its innovative, forward-looking strategy, effective measures of tracking performance and a strong, capable and committed CEO, executive and workforce. This has been further affirmed by the effective navigation of SANBS through the unprecedented and extraordinary environment brought about by the pandemic.

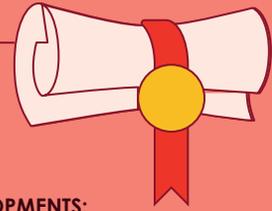
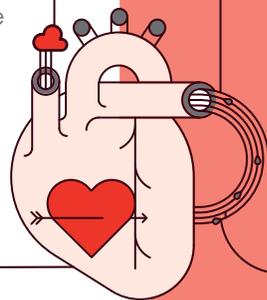


APPRECIATION

Given the impressive results which has seen an increase in revenue, including R80.4m revenue from new product lines, increased collections, well-controlled expenses, and a solid surplus ahead of budget - (which will boost cash reserves to cope with the effects of COVID-19, and if debt is not collected and/or demand reduces and costs cannot be covered), and the commendable handling of the effects of the pandemic, I commend the Executive and the staff for their remarkable contributions. To our staff out in the field, we commend you for your service in the frontline. Your courage and fortitude is exemplary.

As always, I wish to express the gratitude of the Board and the organisation as a whole to the donor stakeholder group, without whose contribution we would not be able to deliver on our purpose of saving lives. Thank you to each and every donor for selflessly providing the lifesaving gift of life without expectation of reward. It has been a unique privilege to meet most of you in our donor awards events, and see your joy when you hear and see the stories of those whose lives have been saved by your regular donations.

Last year I quoted Winston Churchill who pointed out that how we make a life is by what we give... this year I think it apt to quote Martin Luther King... who suggested that "life's most persistent and urgent question is, what are you doing for others?"... in context of our donors you are making a really valuable contribution to saving lives and for that we are very grateful. Our unsung heroes I salute you.



LEADERSHIP DEVELOPMENTS:

It is with regret that the South African National Blood Service (SANBS) Board of Directors announces the resignation of its CEO, Dr Jonathan Louw, who will serve his notice period, ending 31 December 2020.

Dr Louw indicated that he has accomplished the objectives set out by the Board when he was employed three years ago. He leaves behind a legacy and solid management team to continue execution of the organisational strategy. Under his leadership, the organisation is a leader in its field and fares well globally.

Under his leadership, most noteworthy accomplishments include:

- 1 Reviewing the organisation's strategy, which is now focused on the four metrics of Cost, Coverage, Reliability and Quality, and corporate purpose, "Trusted to save lives".
 - This has led to SANBS maintaining a blood stock cover of 5 days, from a previously maintained 2 to 3-day supply.
- 2 Spear heading innovation through the drone project, which aims to transport life-saving blood products to patients in rural areas, where terrain challenges mean they couldn't be reached by road in their hour of need.
- 3 Implementing 2 convalescent plasma trials for the treatment of COVID-19, positioning SANBS among the global leaders.
- 4 Increasing revenue by 17% to R3,32 billion in the last year, with new successful revenue streams.
- 5 Leading a successful SANBS infrastructure build project in KZN where our new state of the art facility is near completion.
- 6 Leading the organisation through a significant culture change process, resulting in a culture of performance and accountability with a common understanding of values among employees.

We wish Dr Louw well in his future endeavours. He can move on knowing he has contributed significantly to an improved, motivated, and more efficient SANBS. Mr. Ravi Reddy has been appointed as the new CEO.



For further reading on these accomplishments, see the following pages:

- 1 75 to 77
- 2 5, 7, 10, 14, 16, 39, 58, 72, 74, 76, 83, 106
- 3 7, 11, 13, 15, 16
- 4 09, 11 to 12, 15, 17, 58 to 59, 74, 76, 101,
- 5 7, 11, 12, 16, 53, 59, 76, 79, 92, 107
- 6 12, 15, 16, 22, 37 to 38, 50, 70, 77, 85, 92 to 93, 96 to 97, 106



CHIEF EXECUTIVE OFFICER'S REVIEW



Dr Jonathan Louw
Chief Executive Officer



“SANBS is again at the forefront of technology in the blood transfusion space, both in terms of providing convalescent plasma to patients with Coronavirus as well as implementing exciting new drone technologies to save lives in rural areas”

INTRODUCTION

The March 2020 financial year-end marks the completion of my second full year as CEO of SANBS and once again I would like to express my thanks to our dedicated donors who have again answered the call and freely given their precious time and blood to save others.

Despite the recent challenges of the Coronavirus epidemic, our donors continued to come forward and donate. As a result SANBS has managed to maintain adequate blood stock cover of 5 days, in stark contrast to many of the other global blood services. My thanks also to the hardworking people of SANBS who really answered the call to duty and delivered an outstanding set of results across all metrics in our scorecard.

SANBS is again at the forefront of technology in the blood transfusion space, both in terms of providing convalescent plasma to patients with Coronavirus as well as implementing exciting new drone technologies to save lives in rural areas and commencing the digital journey to enhance our donor's experience and simplify our business wherever possible.

Looking back at the prior year I'm pleased to say that we delivered on all our promises and SANBS continues to grow from strength to strength.

OPERATING CONTEXT

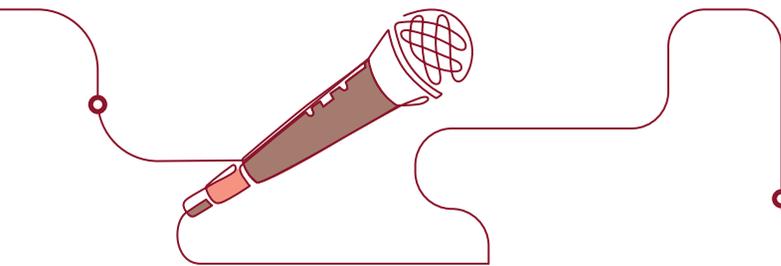
SANBS operates in the South African environment for the provision of life-saving blood and blood products and services. We have 185 sites with 2524 dedicated staff to ensure that we are able to meet the needs of an ever growing South African population, with a high burden of disease.

We collaborate extensively with our sister blood service in the Western Cape (WCBS) to ensure that we remain aligned around regulatory and technology challenges as well as maintaining efficiency and stability.

We ensure that we retain our cost competitiveness through regularly benchmarking our cost, quality and reliability as a supplier.

In 2018/19 we engaged actuaries to benchmark South Africa's blood demand vs supply and elucidate the extent of the gap, if any. The results indicated that vs other markets SANBS may well be under-supplying blood products by up to 25%. The international context of blood transfusion in developed markets in recent years has indicated a slowing of demand and relative over-supply with consequent wastage. This context is clearly not applicable to South Africa and many of our neighbouring





countries, where blood supply has been underestimated. What ensued from these data points and much internal debate was a complete review of our strategy and corporate purpose to focus on improving our reliability as a supplier while engaging the hearts and minds of our staff, donors and stakeholders. From this review came the new corporate purpose "Trusted to save lives" and a mission statement with four key measurable metrics – Cost, Quality, Reliability and Coverage.

I'm pleased to report that we exceeded our targets for the collection and issuing of blood in the past year, maintaining a world class 5 days cover with zero cutbacks in issues. Blood supply to patients in need increased by more than 15% vs the prior year, certainly a record for SANBS and clear evidence that we were not adequately meeting the demand for blood in South Africa.

The operating context in the wake of the COVID-19 pandemic is extremely difficult to predict. In the first month of lockdown we saw demand for our products reduce by 25%, as all elective surgeries were stopped and hospitals were generally empty. We had to quickly adjust our strategies to collect blood under the rapidly evolving lockdown rules. The more recent months indicate a continued slowing of demand to around 15% lower than we had predicted in a normal environment.

The business has had to react immediately to contain costs, while maintaining sustainability and a conducive working environment for our staff. I will talk more to COVID-19 specifically a little later in this report.

FINANCIAL HIGHLIGHTS

SANBS achieved a spectacular set of financial results for 2019/20. Revenue increased significantly over the prior year. This was driven by a further increase in collections, off a high base in the prior year. A significant increase in blood issues, source plasma and innovation from new product lines (R80.4m) also contributed to the superb revenue performance.

Expenses were well controlled and showed a moderate increase on the prior year – an indication of significant investment in staff, systems and activities to grow our business in other categories. The surplus for 2019/20 was ahead of budget and will certainly assist in boosting SANBS cash reserves to cope with the challenges ahead in terms of COVID-19.

SANBS maintains a cash reserve of around R2bn to cover our expenses for a six month period in the event that we are unable to collect our debt sufficiently or, as in the COVID-19 crisis, where demand for blood reduces to the point that we cannot cover our costs.

TOP HIGHLIGHTS OF THE YEAR



Significant Innovation: Drone programme, revenue from new income streams > budget, CV Plasma trials



Significant increase in blood collection and issue – therefore saving more lives and living our purpose



Achievement of ISO15189 and 100% SANAS accreditation across all sites



Improvement in debt collection – collected more debt than revenue in the year



Developed and launched the first mobile donor vehicle



Construction of the Mount Edgecombe site commenced



Commenced implementation of the BECs system with MAK systems



Significant increase in DNA score (9%)



Reduction in tip-offs and more open transparent communication



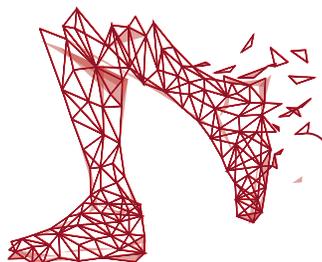
This ensures sustainability of our business model and continued provision of life-saving blood products and services to the South African public.

Revenue from new business, particularly research initiatives and cellular therapies, contributed R80.4m to turnover in the period. We managed to maintain our blood stock day's cover at 5-10 days even in the face of COVID-19 and hence the costs of overtime and couriers were in line with the prior year. Gross debtors have decreased at the end of the financial year.

Debtor's collections for the year were R3.8 billion, which is 31% higher than the prior financial year (R2.9 billion). Due to the increased collections in the current year, our debtor's days have decreased from 174 days to 150.9 days when compared to the prior financial year.

Government debt has decreased mainly due to better engagement with our stakeholders and increased collections. This certainly put SANBS on a more stable footing than prior years.

SUSTAINABILITY HIGHLIGHTS



The operating philosophy at SANBS remains underpinned by a focus on long-term sustainability, risk mitigation and a values based culture centred on donors, staff and patients. The "Greening task team" that we put together in the prior year, developed an interactive dashboard which helped us focus on our environmental impact through electricity and water usage, waste generation and disposal and use of environmentally sensitive consumables like paper and plastic. The dashboard has helped to highlight awareness at all levels in the organisation and consequently reduce our Carbon footprint.

Our new "Journey of Blood" destination centre at Mount Edgecombe in KZN has faced some construction delays due to the COVID-19 lockdown, but we hope to occupy this new state-of-the-art fully integrated facility before the end of the first quarter of 2021. Our whole team and the donor fraternity are tremendously excited by this first of its kind "Journey of Blood" destination centre that will bring us state of the art laboratories, capacity for expansion and a negligible carbon footprint.

This new site will have a large state of the art donation centre at the front of the building coupled with a relaxing restaurant, and will also feature a glassed viewing deck and auditorium where interested donors, scholars, students and regulators can view the entire journey of blood – from donation through testing, processing, separation into components and outbound logistics.

Through this, SANBS hopes to raise awareness of blood transfusion in KZN and grow the donor pool so that eventually KZN can supply enough blood to meet its own needs.

We have also included a drone port on the roof of the building that will help us realise our vision to save more lives in the golden hour through the rapid deployment of blood products to those in need.

OUR PEOPLE AND CULTURE

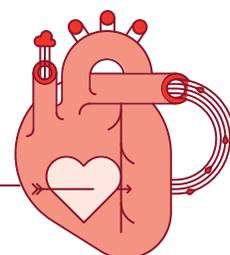
The transformation of the SANBS culture gained further traction in the past year. We bedded down the change programmes and cultural initiatives we introduced in 2019 to improve our leadership traits, measure and interact with our culture and encourage our values of accountability through performance management. One of the largest changes was the discovery of our "SANBS DNA" – a process whereby all our staff voted on the things we should do more and less of - so called enablers vs. disablers. More than 85% of our staff voted and challenged their creativity through developing icons or "emoji's" to describe these enablers and disablers.

Having launched the programme nationwide we are now able to actively measure our culture and begin courageous conversations around making changes to improve it. Not only does this give a much needed platform to ALL our staff to express their sentiments but also helps management opine on further programmes to address the issues that come out. I'm pleased to report that our DNA index improved by 9% overall from the original baseline measurement and all of the enabling factors increased substantially. I'm extremely proud of the way SANBS staff have incorporated their DNA into the way they interact – issues are now confronted directly instead of being "swept under the carpet" or emerging in anonymous tip-offs.

We repeated our 360 degree review process and learning agility assessment in our top 150 leaders and extended it further into the ranks of management to a total assessed pool of 350 leaders. The learning agility scans and feedback received from relevant stakeholders has really helped our leaders manage more effectively and identify areas for improvement in a constructive, non-confrontational manner. The data received from the various learning agility scans has facilitated the development of Personal Development Plans and themes for coaching. I'm proud to say that more than 30 of our top leaders have started a coaching process in the last year, with more to follow.

The last year also saw a continued focus on performance management with the refinement of weekly and monthly scorecards across divisions and functions which roll up into an overall "iHEALTH" balanced scorecard for the business. These scorecards cascade directly into measurable KPA's and KPI's for managers and staff which are measured at least twice a year.

In the past year we also rolled out the "MyDisclosure" system across all staff, this helps us identify and manage conflicts of interest and hence instil an ethical culture.





CHIEF EXECUTIVE OFFICER'S REVIEW (cont'd)

STRATEGY/STRATEGIC REVIEW

In the last integrated report we unpacked the new SANBS strategy including the new Corporate Purpose "Trusted to Save Lives" The Mission/Vision statements aligned to "IHEALTH" strategic objectives were the culmination of deliberations between the Board and management over many months. The revised mission statement "To reliably provide trusted blood products and services to all patients at a world class level of cost and quality while innovating new treatments to enhance human healthcare" echoes the historical strategic intent of SANBS in providing universal, equitable access to blood products and services while embracing the core tenants of the proposed NHI Bill. The new mission statement embraces four key metrics – Cost, Quality, Reliability and Coverage – which will be actively measured and addressed in the strategic objectives of the business.

In 2019 we further unpacked our strategic goals around these four metrics and agreed weighted indices to guide our performance over the next 5 years. An important management mantra "if you can't measure it...don't do it" guides our thinking and assists the governance structures in SANBS in their assessment of delivery vs the 5 year plan.

Essentially each of these indices comprises a number of internal metrics and at least 1 external metric to ensure comparability with other blood services.

 See 72 to 73 and 76 to 77.

RELIABILITY INDEX

Global best practice suggest that the optimum inventory levels in a blood service should cover estimated forward demand by at least 5 days. Historically SANBS has struggled to maintain stock levels of more than 2-3 days, resulting in unreliable supply to patients in need and supply chain inefficiencies through having to constantly collect, test, process and deliver blood on an emergency basis.

Not only does this prejudice a quality ethos, it also places a significant burden on staff through excessive overtime, night shifts and working on weekends and public holidays. The #newblood initiative continued through 2019 and the 180 new contract staff we recruited in collections and the labs were made permanent. SANBS now has a virtually unbroken record of more than 5 days stock cover for the last 18 months.

During the course of the year a number of other initiatives helped to continue to boost the donor pool, particularly in millennials.

THESE INITIATIVES INCLUDE:

Revision and simplification of the deferral criteria and donor questionnaire

The implementation of the Heamocue 301 to measure donor Iron levels (as opposed to copper sulphate)

Iron supplementation rollout across all regions

A reduction in fixed donor sites with low yields and increase in mobile drives in new regions

The launch of our first mobile blood collection vehicle

Further investment in collecting plasma and apheresis platelets from donors

Partnering with Facebook to improve the accessibility of the blood service to donors

Campaigns around convalescent plasma trials

Our Reliability index is comprised of 5 key metrics – a Stakeholder survey as an external benchmark, orders vs issues, turnaround times (TAT), the use of replacement products when blood is not available and errors related to the wrong product being issued.



COST INDEX

We continue to benchmark the cost of our operations and blood products vs the best players globally. In line with best practice in the pharmaceutical industry in South Africa and guidance from the Department of Health, we used the external benchmark as the cost of packed red blood cells in Canada, Australia, New Zealand and Spain. We aim to be less than 90% of this benchmark score.

The internal metrics related to this index, included our focus on staff costs as a percentage of turnover, a new focus on working capital and a new continuous improvement programme where we aim to save at least 3% of our procurement costs annually.

QUALITY INDEX

SANBS has remained at the leading edge of technology with regards to blood safety (Quality) through Nucleic Acid Amplification Testing (NAT) and will continue to investigate new technologies like Pathogen Inactivation to ensure that our blood products are safe. Our journey to ISO15189 was completed in the past year with full accreditation - certainly another significant achievement for the SANBS team!

The Quality Index will use our external accreditation agency, SANAS as 1 metric and the combination of 3 internal indices around Donor Care, Patient Care and Product Quality.

COVERAGE INDEX

Although SANBS has more than 80 blood banks countrywide it's impossible to have a blood bank on every corner. The prevalence of trauma and post-partum haemorrhage in rural South Africa are deeply concerning and difficult to address. In collaboration with the National Department of Health (nDOH) and Civil Aviation Authority (CAA) a drone programme was born, employing ground breaking Vertical Take Off and Landing (VTOL) technology to transport life-saving blood products to patients in need, where traditional methods of transport can't reach the patient in the golden hour.

We have managed to achieve CAA registration for our unique VTOL drones and for our drone pilots. In addition we recently received accreditation for the CAA to utilise our drones in an emergency environment. This is one of the final steps in the journey to a full Drone operating licence for SANBS. Essentially, we have the vehicles and pilots qualified and accredited and are now just waiting for our licence to operate as an airport for drones. The first flights between Sebokeng Blood Bank and Kopanong hospital are imminent. This is truly a South African and World first in that patients' blood can be taken by drone to a blood bank for cross-match and then delivered by the same drone back to the patient – so called "two-way logistics". Other players in this space have been unable to take-off and land virtually anywhere and hence cannot provided cross-matched blood.



The drone also has a temperature monitored and maintained container to ensure the validity of our supply chain at all times. This is an extremely exciting project that has captured the hearts and minds of both of our staff and our stakeholders. SANBS has achieved many accolades for its drone programme including the "Thought leader of the year" from the Community Chest and has been hailed as developing one of the most interesting innovations in the last decade by News 24.

The Coverage Index used to measure our progress against this strategic initiative, includes a benchmark of red blood cell issues per 1000 population in Canada, Australia, New Zealand and Spain (CANS) and our weighted average red blood cells per 1000 population in SA across the public and private sectors.



See pages 72 to 73 and 76 to 77.

COVID-19

The last quarter of FY2019/20 saw the emergence of the novel Coronavirus (COVID-19) and its rapid spread through South Africa and the rest of the world. The impact on global blood services has been significant – both in terms of reduced demand for products and difficulties with collection/donation under stringent lockdown laws. In late February SANBS convened a COVID-19 reaction unit comprising the Executive Team and a number of SANBS senior managers. This team immediately set about creating electronic communication platforms for stakeholders to engage, new guidelines for management of staff, donors and patients and a pro-active approach to risk management.

The COVID-19 reaction unit met every day via video-conference and developed a risk-based dashboard to ensure rapid response to the issues facing the business, its staff and donors. As it became clear that blood demand, and hence revenue, would be severely reduced in the first month of lockdown, cost saving measures were immediately implemented with a moratorium on all new staff hires to ensure the sustainability of the business in the medium term. The COVID-19 dashboard and some of the protocols around engagement are covered on pages 54 to 55.



CHIEF EXECUTIVE OFFICER'S REVIEW (cont'd)

CONCLUSION AND APPRECIATION

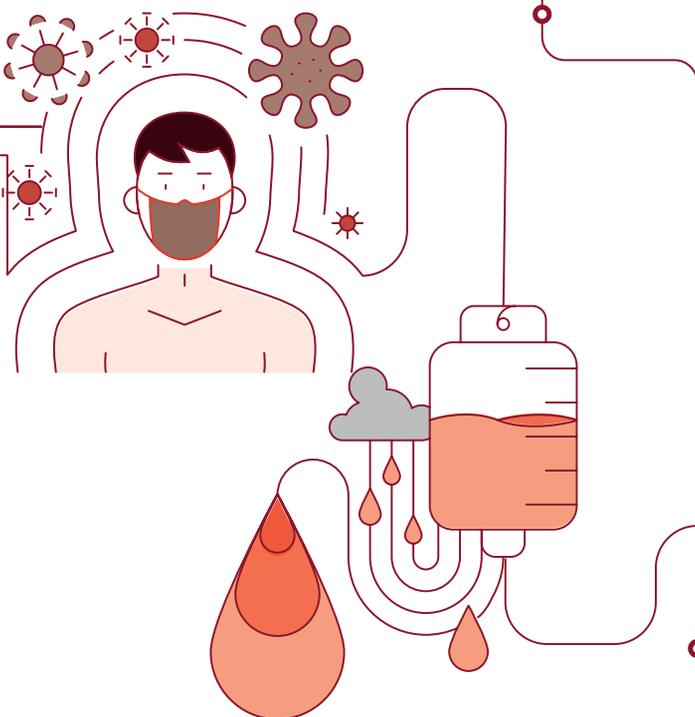
The year in review has been both extremely successful as well as challenging for SANBS and its hard-working staff. Many of the change programmes we spoke about in our last integrated report have now been implemented and are bearing fruit. Thanks to our loyal and passionate donors, South Africa has had enough blood to ensure the sustainability of our healthcare sector. Our donors have again selflessly answered the call to provide more blood – even under the scourge of the COVID-19 pandemic. There have again been so many examples of how our donors and council members have engaged their communities to assist us in collecting more blood – please accept our sincere thanks for your selfless efforts on behalf of the countless lives you continue to save every day.

My thanks also to the SANBS Board and Council for their wisdom, guidance and support in a time of significant hardship for all South Africans as we endure the COVID-19 pandemic. In some ways this scourge has really challenged us to re-invent our business model, work remotely and fast-track our digital journey – some changes that might have taken years have happened in a few months – my sincere thanks to all our hard-working staff for embracing the many changes and helping SANBS survive this difficult time. We are certainly in good shape to meet the challenges of the "new normal".

This integrated report marks the end of my 3 year journey at SANBS. I joined the SANBS Team with a clear mandate to bring about significant culture changes leading to improved accountability and transparency in leadership, rekindle innovation and ensure financial sustainability and most importantly, ensure sufficient blood supply for the people of South Africa.

I am extremely proud of what we have achieved together and believe that the foundation for a successful and sustainable South African Blood Service has been laid.

Thank you for the privilege of serving this noble cause – FAREWELL!



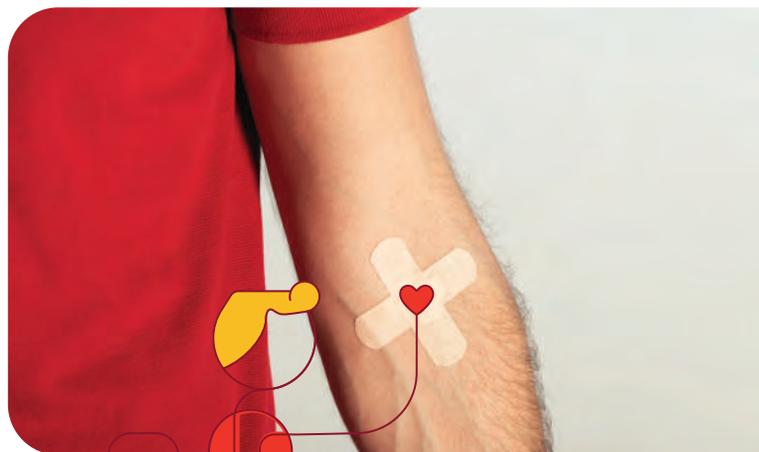
They say that every cloud has a silver lining and in this SANBS was among the global leaders in implementing 2 convalescent plasma trials for the treatment of COVID-19. The exposure and positive media sentiment will hopefully encourage more plasma and blood donors in the future. This is just one of the many ways we live our purpose "trusted to save lives".

OUTLOOK/LOOKING FORWARD

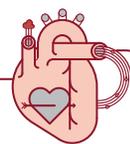
SANBS has had a really good year with many initiatives and strategies coming to fruition far sooner than anticipated. Much of this success is a consequence of an engaged management team supported by the guidance of a strong Board. The various culture initiatives have helped to drive the spirit of accountability and transparency with clear goals and measurable targets.

The improvement in blood stocks, revenue and collection of debt with positive cash flow have laid a strong foundation to build from. The recent challenges with COVID-19 will certainly have an impact on the financial performance of the business in the coming year and we will continue to reduce our costs wherever possible to ensure our survival in these difficult times.

In the medium term we anticipate that demand for blood should normalise and we will continue to work on our social mandate in providing adequate safe blood to the people of South Africa, creating employment and a learning environment for more staff while embracing the pillars of Broad Based Black Economic Empowerment.



Our value creating BUSINESS MODEL



OUR MATERIAL MATTERS INCLUDE RISKS AND OPPORTUNITIES IN OUR OPERATING ENVIRONMENT

COVID-19: TRANSFORMATION/CHANGE

- Change – leadership, strategy, performance measurements, innovation
- Culture/change initiative (DNA)
- Being relevant – to environment in terms of transformation

MEETING BLOOD DEMAND

- Blood Safety (given fears surrounding Corona virus) and days covered
- Patient Blood Management (PBM)
- Appropriate usage, distribution and reduction of waste, while driving down cost

FUTURE CHANGING WORLD

- Innovation (IT, BECS and drones, data optimisation)
- Donor experience/Innovation/Care
- Mobile collection units
- Mount Edgecombe
- Improve wellness – health of donor pool and staff
- Cellular therapies and genetic testing therapy
- R&D – involvement in clinical trials (convalescent plasma) and funding grants

COST, RELIABILITY, COVERAGE & QUALITY METRICS

- Accessibility and affordability – blood benchmarkable with the rest of world
- Cost push – inflation & currency volatility and impact on procurement of goods from abroad
- International standards by accreditation across all processes
- Blood supply (given COVID-19 concerns)

SUSTAINABILITY

- Financial: Income – collections
- Good governance – solvent and stable organisation
- Greening SANBS
- Business Continuity Management (BCM) well tested in COVID-19 environment

REGULATORY LANDSCAPE

- NHI – implications (risks and opportunities)
- SAHPRA – intending to regulate blood products
- Regulation affecting information
- International standards by accreditation
- PBM stakeholders

STAKEHOLDER ENGAGEMENT

- Working with other SA Blood Partners (synergies WCBS) & NBI etc
- Stakeholder engagement - Department of Health

CAPACITY: HUMAN CAPITAL

- New work environment (work from home; redeployment; digital learning platforms)
- Planned reskilling of staff & preparation to adapt to Digitisation & AI
- Key vacant posts

REPUTATION MANAGEMENT

GOVERNANCE

- Board succession given the number of experienced directors that will retire shortly
- NomCom focus on replacements

OUR CAPITALS ... INPUTS

FINANCIAL

- Blood transfusion services
- Receipts from debtors
 - Private patients and institutions
 - Government hospitals
- Operating expenses
- Capital expenditure
 - IT (process automation)
 - Innovation
 - Patient Blood Management (PBM) supply/demand and inventory

INTELLECTUAL

- Brand, reputation
- Research & development (innovative patient treatment)
- Licence to operate
- Scarce skills
- Board experience
- Academy

HUMAN

- 2 524 employees
- Investment in skills development and training
- Strong compliance and governance structure
- Salaries R1.3bn (FY19: R1.2bn)
- B-BBEE skills spend R15m (FY19 R10m)

MANUFACTURED

- Donor pool (blood collection)
- >1 million collections per year
- IT systems
 - BECS (Meditech)
 - Migration to Progesa
 - SAP ERP
- Building
 - Labs (owned)
 - Blood banks (hospitals)
 - Donation centres (fixed and mobile) 185 sites countrywide
- Complex logistics and cold chain
- Transport (couriers, drones, emergency blood)

SOCIAL AND RELATIONSHIP

- Donor – confidentiality of information
- Cornerstone of Health Care Services (gift of life – blood supplied, healthy donors and #IronStrong)
- Transformation strategies
- Stakeholder engagement (pg 62-67)
 - Customers (including donors, doctors, patients, hospitals, Department of Health etc.)
 - Business partners (couriers, drone innovators)
 - Suppliers (critical consumables and technology)

NATURAL

- Water, fuel and electricity usage
- Green lab – Mount Edgecombe
- Waste management

STRATEGIC FOCUS AREAS



iHEALTH

Read more about our strategic focus areas on pages 75 to 77.



To be the cornerstone of healthcare services in South Africa, through the gift of life

ENABLE VALUE-ADDING ACTIVITIES THAT...

OUTPUTS

PROVIDE

Red blood cells
For transfusion

Fresh frozen plasma and
Cryoprecipitate for
patient use

Hyper-immune and
recovered plasma for
NBI

Pooled and
Apheresis platelets
for transfusion

Platelet Immunology &
Immunohematology
testing

Stem cell
collection, processing,
cryopreservation &
re-infusing services

Therapeutic apheresis
Testing to facilitate solid
organ, stem cell &
bone marrow transplants

Molecular research
& development

GOVERNANCE OVERSIGHT

SANBS is committed to high standards of governance, ethics and integrity.

We embrace the World Health Organisation's expected outcomes for blood services.

Our Board is diverse in demographics, skills and experience and 82% of the directors are independent non-executive directors.

IV

WHILE MANAGING RISKS

1 Sustainably and continually collect income for SANBS to sustain its operations.

2 Maintaining a staff culture conducive to execute the iHEALTH strategy.

3 Possible staff shortages due to COVID-19 pandemic

4 Ongoing supply of safe, quality blood products to all

5 Injuries to staff and third parties

6 Failure of information management systems

7 Continually meeting regulatory requirements

8 Ability to maintain R&D leading to new products/new solutions & new income streams (opportunity)

9 National Health Insurance (NHI) impacting on SANBS operations (risk & opportunity)

10 Ability to meet all demand for all blood products under normal operations

Read more about our Risks and Opportunities on pages 50 to 53.

KEY ● positive ● negative

CREATE VALUE FOR OUR STAKEHOLDERS OUTCOMES

FINANCIAL

- Turnover above R3bn (FY19 R2.84bn)
- Increased debt collection (tops revenue)
- Reduced current ratio
- Reduced collection & processing costs
- Reduced courier costs & complexity
- R&D clinical trials and funding grants

INTELLECTUAL

- World leading blood transfusion and blood products organisation
- Revised Purpose, Vision and Mission
- PBM – fulfills purpose "Trusted to Save Lives"
- Innovation: Drone project, new revenue streams > budget, CV Plasma trials
- R&D clinical trials and funding grants
- ISO15189 & 100% SANAS accreditation
- Internal issues made public

HUMAN

- 88% black employees
- Strong, focused leadership team
- Revised performance management system
- Reduced overtime
- Revised governance and compliance framework
- Leadership charter
- Co-created SANBS formula, DNA score > 9%
- Reduction in tip-offs & open comms.

MANUFACTURED

- Improved supply reliability, inventory coverage, quality & cost
- Active Donors: 464 000 (increased blood stocks)
- Doctors: Reduced blood supply cutbacks
- PBM – increased efficiencies in available blood stock management
- Mount Edgemcombe centre in KZN
- Smart fridges
- First mobile donor vehicle launched
- Staff empowered to work from home

SOCIAL AND RELATIONSHIP

- Increase in blood collection & issue, more lives saved and living our purpose
- Compliance with health/blood regulatory requirements
- Advanced preparation for new regulations eg SAHPRA, NHI (participation – influencing & maximising opportunities it creates)
- Positive impact on SA citizen health #IronStrong – iron supplementation
- Nespresso partnership
- Better doctor experience (enough blood)
- Slow implementation of BBEE initiatives beyond EE & skills development

NATURAL

- Waste management
- Renewable energy
 - Borehole water
 - Solar
- Reduced carbon footprint
 - Reduced transportation (planning & increased blood supplies)
 - Carbon emission: 20 395 tonnes
- Planned Labyrinth walks for staff







OUR GOVERNANCE - A CRITICAL SUCCESS FACTOR FOR VALUE CREATION

Corporate governance facilitates integrity, competence, responsibility, accountability, fairness, and transparency for SANBS



SANBS IS COMMITTED TO ACHIEVING HIGH STANDARDS OF GOVERNANCE, ETHICS AND INTEGRITY

The Board assumes full accountability for good governance and sets the tone for ethical and effective leadership. Corporate governance processes, practices and policies assist the Board, Executive Committee and employees in fulfilling their duties. It also ensures sustainable value creation for its stakeholders and instils their confidence in SANBS.

Furthermore, our governance and risk frameworks ensure that sound principles are embedded in key decision-making processes, safeguarding the interests of our stakeholders.



2020 INITIATIVES

Post the period under review, on reflection of the effectiveness of the Board and optimal performance, two changes have resulted in the MOI: The maximum tenure allowed for directors was revisited to limit the term served to 9 years, after which they will not have the option for re-election.

We have amended the provision that the minimum number of non-executive directors be reduced from seven to six.

GOOD GOVERNANCE UNDERPINS OUR VALUE CREATION

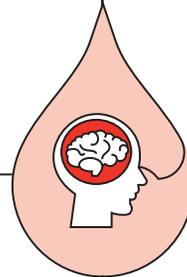
OUR GOVERNANCE PHILOSOPHY

Our philosophy of good governance is integral to living out our purpose of being “trusted to save lives” and ensuring value creation for all our stakeholders now and for a sustainable future.

For the year ended March 2020, the Board is satisfied that it has fulfilled its responsibilities in accordance with the Companies Act, the Board Charter, King IV™ and other applicable regulatory and legislative requirements.

WE BELIEVE THAT CORPORATE GOVERNANCE IS KEY TO:

- promote ethical and effective leadership that ensures accountability, fairness and transparency;
- optimise organisational planning, performance, value creation and sustainability;
- enhance protection of donors and donor structures, employees and other stakeholders through implementation of adequate and effective controls within SANBS; and
- cultivate effective stakeholder relationships built on trust and legitimacy, ensuring integrated and inclusive decision making.



VALUES-DRIVEN OBJECTIVE OF OUR BOARD ROOTED IN KING IV™ PRINCIPLES



LEADERSHIP, ETHICS & CORPORATE CITIZENSHIP

Principles 1, 2 and 3

Desired outcome: Effective and ethical leadership, to be an organisation with an ethical culture, as well as being a good corporate citizen.



EFFECTIVE AND ETHICAL LEADERSHIP

SANBS ensures a balanced, competent and diverse Board that sets the tone for ethical leadership and transparency throughout the organisation.

The Board strives to fulfill its responsibilities with full regard to integrity, competence, responsibility, fairness, accountability, and transparency, acting in the best interests of all its stakeholders.

Each Board member submits through a Company Secretary, a Board-approved declaration of interests to other Board members, in writing at least once a year or as and when their circumstances change. Conflicts of Interests (COI) is a standing Board agenda item. A COI policy regulates how SANBS employees should declare conflicts of interest.



GOOD GOVERNANCE UNDERPINS OUR VALUE CREATION

VALUES, ETHICS & CULTURE

The Board is governing the ethics of the organisation so as to establish a foundation for the highest level of conduct.

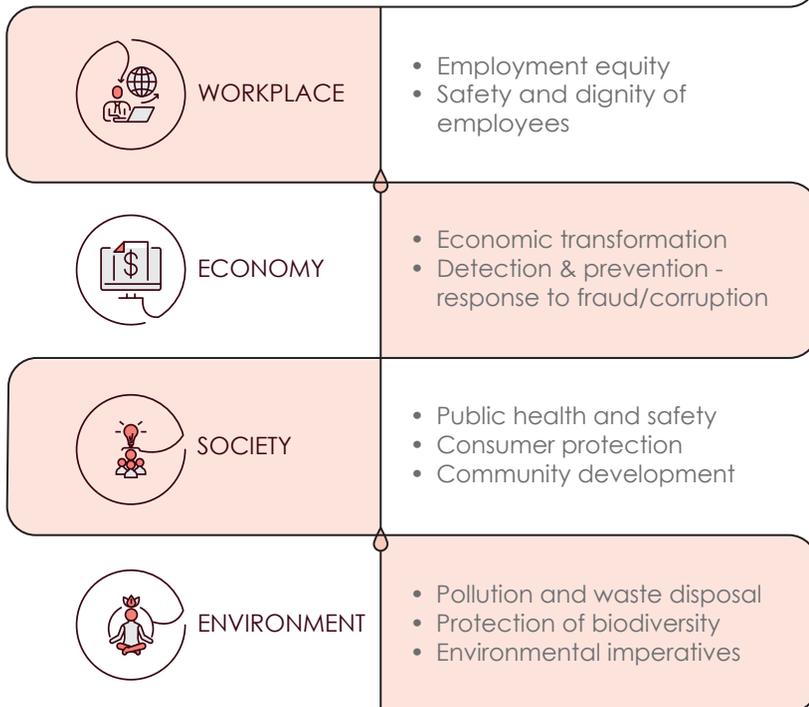
The values embodied by SANBS drive a sound culture and inform how we expect our employees to behave, as well as our stakeholders during their interaction with SANBS.

A code of ethics is embedded and monitored for adherence. Ethics, risks and opportunity assessments and ethics training sessions continue to take place. An anonymous tip-offs whistleblowing line is administered independently. In addition, the DNA culture renewal project also promotes further advancement of the SANBS culture.

RESPONSIBLE CORPORATE CITIZENSHIP

As a non-profit company incorporated and operating in terms of the Companies Act, SANBS as a brand commits itself to operating in a manner that is fair, responsible and transparent through promotion of sustainable business practices, environment, employee and community development.

SANBS defines clear corporate citizenship targets for:



2020 INITIATIVES

“My Disclosure” system was implemented across all staff, to assist in identifying and managing conflicts of interest and increasing transparency. This saw a reduction in anonymous reporting and more open and transparent communication.

2020 INITIATIVES

In contributing to a sustainable future, and looking beyond environmental considerations alone, SANBS has aligned its strategy to support the following UN 2030 Sustainable Development Goals.



2020 INITIATIVES

The last year saw a continued focus on performance management with the refinement of weekly and monthly scorecards across divisions and functions which roll up into an overall "iHEALTH" balanced scorecard for the business to effectively measure tracking of performance against strategic priorities.

2020 INITIATIVES

The principles of the International <IR> framework are applied in the production of this report and the Board is fully engaged in its compilation, sign-off and further alignment with best practices.

 See disclosure of SANBS SDG's on page 83.

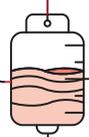
In order to support the integrity of information used for internal decision-making by management, the governing body and its committees, the combined assurance (CA) model has evolved to incorporate assurance by Internal Audit of non-financial metrics, further maturing CA processes.

 See pages 44 to 45.

IV

STRATEGY, PERFORMANCE AND REPORTING
Principle 4 and 5

Desired outcome: Optimised performance, value creation and sustainability.



STRATEGIC PLANNING, IMPLEMENTATION AND PERFORMANCE MANAGEMENT

SANBS has a fully integrated strategy, risk and opportunity and performance management process and has geared key performance indicators towards long term value creation not just in the short term

A five-year strategy, supported by detailed Board strategic planning sessions on an ongoing basis and signed off by the Executive Committee and the Board, forms the basis of an annual scorecard and monitoring of activities.

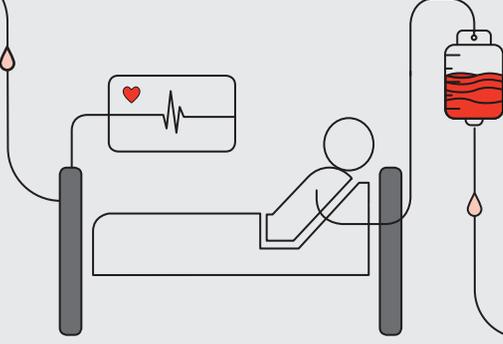
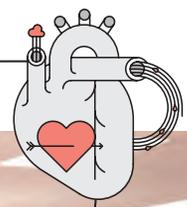
Accountability to execute on the strategy resides with the CEO who designs detailed implementation plans for the organisation with the necessary budget and resources to support effective delivery.

BALANCED REPORTING

The Board ensures that it provides transparency to key stakeholders both in the good and bad times by providing timely and balanced information, and in so doing, promotes stakeholders' confidence in the business.

SANBS reports the material results of its performance internally and to stakeholders.

The Board is responsible for providing reporting guidelines regarding quality and depth of reports, meaningfulness and relevancy to internal and external needs.



OUR VALUE CREATION IS UNDERPINNED BY GOOD GOVERNANCE

IV

GOVERNING STRUCTURES AND DELEGATION

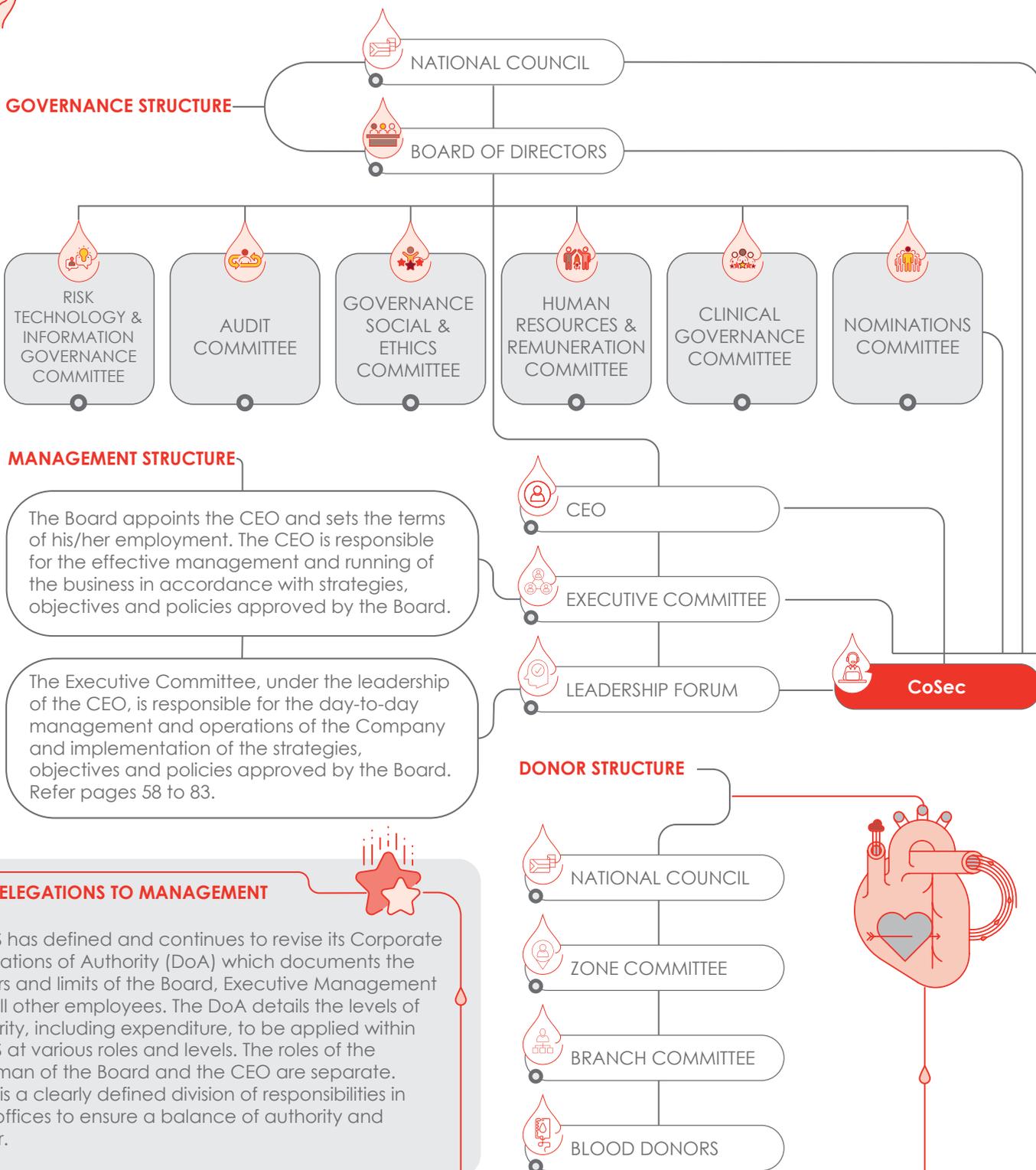
Principle 6, 7, 8, 9 and 10

Desired outcome: Effective governance structures.

SANBS' GOVERNANCE STRUCTURE

SANBS is fully committed to governance characterised by integrity, competency, responsibility, accountability, fairness and transparency in all its activities.

SANBS has established the governance and donor structures as outlined below:





ROLE OF THE BOARD

The Board provides strategic direction to SANBS within the parameters of an approved Board of Directors Charter which ensures that the principles of good corporate governance are applied.



Board composition is defined in the Memorandum of Incorporation (MOI) and is made up of Donor elected Directors, Board appointed Directors and Executive Directors. The Board is accountable and responsible for the performance of SANBS. This includes the responsibility for reviewing and monitoring strategy, through the establishment of key policies and objectives, understanding the key risks faced by SANBS, determining the risk appetite and tolerance, and the processes to mitigate these.

In discharging its duties, the Board is supported by the Board committees, Executive Committee and Senior Management. These committees have specific terms of reference, appropriately skilled members, executive management participation and access to specialist advice when considered necessary.

The Chief Executive Officer and Medical Director serve on the Board as Executive Directors. Various mechanisms such as strategies, policies, processes and documents have been implemented and are used to drive and support good governance practice.

The Board has a duty to protect the legitimate interests of all stakeholders and in discharging its duties, the Board acts at all times in the best interest of SANBS.

The Charter outlines the roles and responsibilities, composition and procedures of the Board and is reviewed annually.

The Chairman leads the Board and ensures the integrity and effectiveness of the Board and its committees.

All members of the Board have access to the services of the governance services professional (CoSec) who co-ordinates, gives advice either individually or collectively on legal and corporate governance issues.

BOARD COMMITTEES

The Board is supported by six committees. These committees have delegated responsibility to assist in specific specialist matters on a collaborative basis and provide reports of their activities and recommendations to the Board on a quarterly basis or as often as is necessary.

PERFORMANCE EVALUATIONS (Board and committees)

To ensure continued improvement in its performance and efficacy of the Board, a formal evaluation should be performed, at least, every two years.

BOARD EFFECTIVENESS

A formal Board effectiveness performance evaluation took place in the previous reporting period. This year the Board and committees reflect on their own performance. A formal assessment by Corporate Governance experts will take place, as required – every second year. In the upcoming year the Board will conduct a self-assessment through scheduling in its annual work plan an opportunity for consideration, reflection and discussion of its performance and that of its committees.

CHANGES HAVE BEEN MADE TO THE MEMORANDUM OF INCORPORATION



1. The minimum number of donor-elected NEDs has been reduced from seven to six. This will allow for a rotation of a third of donor NEDs every 3 years instead of some having to retire by rotation after having served only a two-year term. The change is reflected in the following way: "A minimum of 6 and a maximum of 10 non-executive donor directors may be elected by National Council".
2. "A director or former director who has retired after having held office for 9 (nine) consecutive years may not in future be re-elected or re-appointed, as the case may be, regardless of any cooling-off period that may have elapsed from the date of his/her retirement".



OUR VALUE CREATION IS UNDERPINNED BY GOOD GOVERNANCE (Cont'd)



AUDIT COMMITTEE

The role of the committee includes, but is not limited to, carrying out the responsibilities outlined in Section 94 of the Companies Act as well as to assist the Board in the effective discharge of its responsibilities including the effectiveness of assurance functions and services and the integrity of reports issued.



THE COMMITTEE PROVIDES INDEPENDENT OVERSIGHT OF:

- Internal controls within SANBS'.
- The effectiveness of the SANBS' assurance functions and services, with particular focus on combined assurance arrangements, including external service providers, internal audit and the finance function.
- The integrity of the annual financial statements, annual integrated report and any other financial reports issued by SANBS.

THE COMMITTEE OVERSEES THE FOLLOWING AREAS:

- External audit
- Internal audit
- Internal controls and financial risks
- Finance
- Fraud response
- Taxation
- Reporting to relevant stakeholders



See committee feedback on page 34.

GOVERNANCE, SOCIAL & ETHICS COMMITTEE

The role of the committee is the oversight of, and reporting on Company ethics, responsible corporate citizenship, sustainable development and stakeholder relationships.



THE COMMITTEE ASSISTS THE BOARD WITH THE FOLLOWING:

- The oversight and reporting on governance, social and ethics matters relating to SANBS – includes matters relating to responsible corporate citizenship, sustainable development, stakeholder relationships, director induction and ongoing training and development as well as matters incidental thereto.
- Ensures, through management oversight, that the duties and responsibilities of the committee as outlined in Regulation 43 of the Companies Act are carried out.



See committee feedback on page 36 to 37.

HUMAN RESOURCES & REMUNERATION COMMITTEE

The Human Resources and Remuneration Committee has as its oversight role, the responsibility of fair, responsible remuneration and includes the following:



See committee feedback on page 38.

THE COMMITTEE RESPONSIBILITIES INCLUDE:

- To oversee and monitor the level and remuneration structures of SANBS in line with overall performance.
- To regularly review and ensure that the remuneration policies promote the achievement of the Company's strategic objectives and encourage individual performance.
- To promote employment equity and ensure employee wellness.
- To assist the Board in ensuring that employees are fairly but responsibly rewarded.
- To recommend the approval of nonexecutive Directors' remuneration at the appropriate Council meeting.
- To recommend for final approval to the Board, the annual wage mandate prior to negotiation with representatives of trade unions and in consultation with the CEO, CFO and HR Executive, taking into account affordability.



CLINICAL GOVERNANCE COMMITTEE

The role of the committee is to oversee the quality and safety of blood and blood products and the safety of donors, blood recipients and employees.



THE COMMITTEE (CGC) IS RESPONSIBLE FOR:

- The oversight of donor and patient safety and well-being.
- The oversight and monitoring of the sufficiency of the blood supply and the quality of blood and blood products.
- Advising the Board on new technologies and products to remain sustainable and relevant in the future.



See committee feedback on pages 40 to 41.

NOMINATION COMMITTEE

The role of the committee is primarily to assist the Board with the recruitment of suitably qualified candidates as Non-Executive Board members; and to ascertain whether Board members up for re-election are to be re-appointed.



THE COMMITTEE ASSISTS THE BOARD IN ASSURING THAT:

- The Board has the appropriate composition, experience and skills for it to execute its duties effectively.
- Directors are appointed through a formal process.
- Formal succession plans for the Board are in place.



See committee feedback on page 35.

RISK, TECHNOLOGY & INFORMATION GOVERNANCE COMMITTEE

The role of the committee is to assist the Board and oversee the governance of risk, technology and information in a way that supports SANBS in setting and achieving its strategic objectives.



RISK GOVERNANCE:

- Considers and approves policy on managing risk and opportunity, evaluating and agreeing to the organisation's risk appetite and tolerance levels in pursuit of its strategic objectives.
- Exercises ongoing oversight of risk management activities at SANBS.

COMPLIANCE RISK GOVERNANCE:

- Monitoring of compliance to regulatory requirements.
- Ensures continual monitoring of the regulatory environment and ensures that appropriate responses to changes in the regulatory landscape are implemented.
- Ensures that compliance risk is integrated within the overall risk management framework of SANBS.

TECHNOLOGY & INFORMATION GOVERNANCE (TIG):

- Assists the Board in setting the direction of how TIG should be approached and addressed at SANBS.
 - Includes approving policy that articulates and gives effect to the committee's set direction on the employment of technology and information.
- Provides ongoing oversight of technology and information management at SANBS by exercising ongoing oversight of the management of information and in particular, overseeing that it results in the leveraging of information to sustain and enhance SANBS' intellectual capital.
- Ensures that there is an information architecture that enables the achievement of strategic and operational objectives, that supports confidentiality, integrity and availability of information and that also ensures the protection of privacy of personal information.
- Ensures continual monitoring of security of information at SANBS.



See committee feedback on page 39.



OUR VALUE CREATION IS UNDERPINNED BY GOOD GOVERNANCE (Cont'd)

MEET THE BOARD

 <p>Getty Simelane</p>	<p>DESIGNATION Donor NED</p> <p>APPOINTED TO BOARD 15 October 2011, 9 Yrs</p> <p>QUALIFICATIONS</p> <ul style="list-style-type: none"> • BA Social Work - University of Zululand (1981) • HDBM - Wits Business School (1982) • MPhil University of Bath, UK (1988) • EDP Kelloggs Business School, North Western University, USA(1993) 	<p>SKILLS</p> <ul style="list-style-type: none"> • Strategy Development • Leadership of medium and large business • Governance • People and talent strategy including remuneration, succession planning, transformation • Local and global entities exposure - Europe, US • Industries: ICT, telecomms, industrial, manufacturing, financial services, energy, FMCG, infrastructure development & project management
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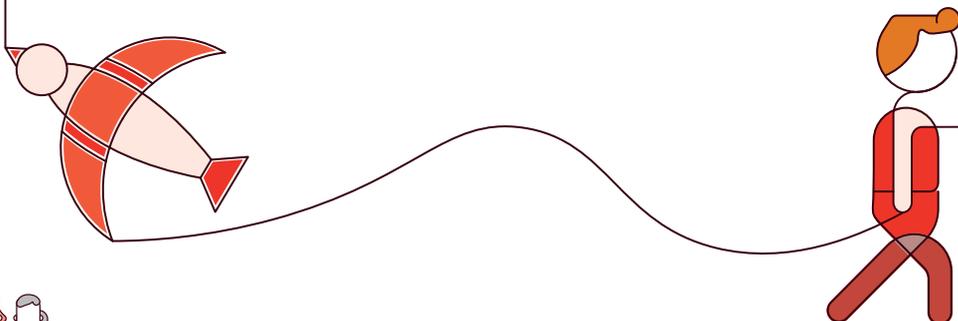
GS

 <p>Rodney Brand</p>	<p>DESIGNATION Donor NED</p> <p>APPOINTED TO BOARD 29 October 2016, 3 Yrs Retired 9 November 2019</p> <p>QUALIFICATIONS</p> <ul style="list-style-type: none"> • CA(SA) • CTA (University of Natal) 	<p>SKILLS</p> <ul style="list-style-type: none"> • Accounting • Auditing • Finance
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RB

 <p>Faith Burn</p>	<p>DESIGNATION Donor NED</p> <p>APPOINTED TO BOARD 10 November 2018, 2 Yrs</p> <p>QUALIFICATIONS</p> <ul style="list-style-type: none"> • B.Sc. (Mathematics and Computer Science) - RAU (1989) • B.Sc. Hons (Mathematics) – RAU (1992) • M.Sc. (Mathematics) – RAU (1997) • MBL attained from UNISA (2001) • Certified Internal Auditor (2014) 	<p>SKILLS</p> <ul style="list-style-type: none"> • Internal auditing • Internal controls • Information, Communication and Technology • Stakeholder Management • Finance and Internal Audit • Business Continuity • Risk Management • Governance
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FB





William Gumede

DESIGNATION

Appointed NED

APPOINTED TO BOARD

1 May 2011, 9 Yrs
Retired 9 July 2020

QUALIFICATIONS

- MA - Cardiff University (1999)
- Board Leadership – GIBS University of Pretoria (2010)
- Investment Banking – Stern Business School, New York University (2013)

SKILLS

- Public Finance, Public Policy and Public Management
- Board Leadership
- Corporate Governance in SOEs
- Conflict Mediation & Resolution
- Ethics

WG



Patricia Knox

DESIGNATION

Donor NED

APPOINTED TO BOARD

13 October 2012, 8 Yrs

QUALIFICATIONS

- MBChB - University of Cape Town (1979)
- DCH - Diploma in Child Health, South African College of Medicine (1985)

SKILLS

- Medical doctor – general medical knowledge and skills
- Transfusion medicine knowledge and national and international experience in the field of donor care and transfusion medicine
- Experience and knowledge in Haematology – part-time medical officer post in Haematology

PK



Gary Leong

DESIGNATION

Donor NED

APPOINTED TO BOARD

9 November 2019, 1 Yr

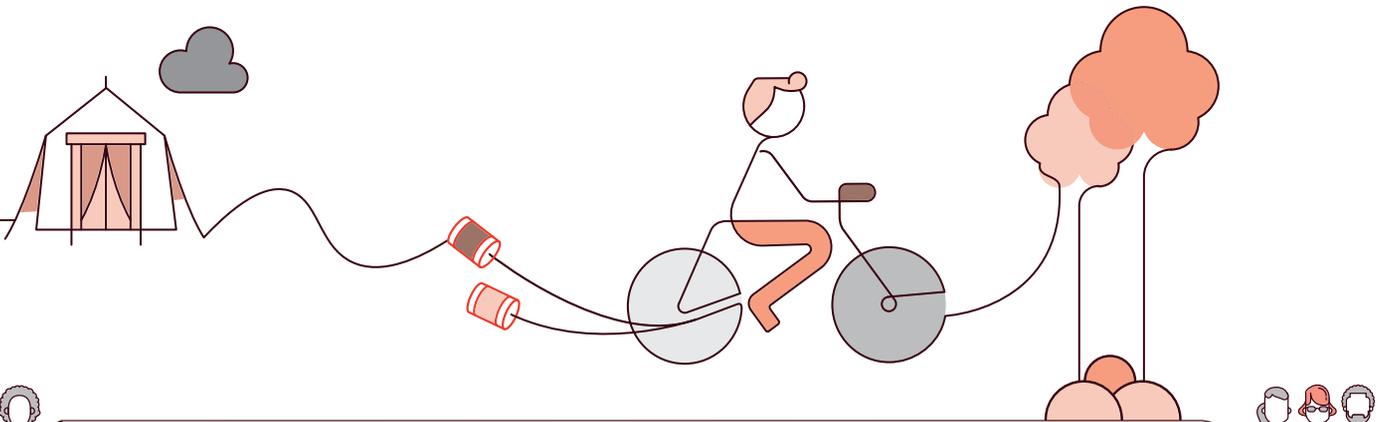
QUALIFICATIONS

- BCompt – UNISA (2001)
- Certified Internal Auditor (CIA) - Institute of Internal Auditors (USA) (2005)
- Certified Financial Services Auditor (CFSA) – IIA (2009)
- Certified Information Systems Auditor (CISA) – ISACA (2010)
- Senior Management Development Programme (SMDP) – GIBS (2012)
- Certificate in Risk Management Assurance (CRMA) – IIA (2015)
- MPhil (Internal Auditing) – University of Pretoria (UP) (2019)

SKILLS

- Internal auditing
- Finance
- Internal control
- Risk management
- Governance
- Combined assurance strategy

GL





Jonathan Louw

DESIGNATION
CEO

APPOINTED TO BOARD
15 January 2018, 2 Yrs, 10 months

QUALIFICATIONS

- MB.ChB - University of Cape Town (1993)
- MBA - University of Cape Town (1999)

SKILLS

- Medical doctor
- Business strategy
- Corporate Governance
- Marketing/Sales
- New Business Development
- Mergers and Acquisitions
- Hospital and Pharmaceutical FMCG expertise

JL



Vanessa Moodley

DESIGNATION
Appointed NED

APPOINTED TO BOARD
5 October 2013, 6 Yrs 8 months
Resigned 1 July 2020

QUALIFICATIONS

- MBChB: University of Cape Town (1997)
- MMed (Haematological Pathology) – cum laude MEDUNSA (2004)

SKILLS

- Medical doctor – general medical knowledge and skills
- Specialist in the field of Haematology –
- Specialised knowledge and skills in the field of Haematology
- Head of an academic unit – knowledge and skills regarding teaching, learning and research
- Head of an academic laboratory – appropriate skills required to manage a laboratory

VM



Phindile Mthethwa

DESIGNATION
Donor NED

APPOINTED TO BOARD
10 November 2018, 2 Yrs

QUALIFICATIONS

- B.Comm (Accounting and Human Resources)- Wits University (1996)
- Management Development Programme – Stellenbosch University (2001)

SKILLS

- Enterprise Development
- BBBEE
- Strategy Implementation and Execution
- SMME Development
- Human Resources
- Stakeholder Management

PM



Ansie Ramalho

DESIGNATION
Donor NED

APPOINTED TO BOARD
19 November 2014, 6 Yrs

QUALIFICATIONS

- Baccalaureus Juris, Unisa (1988)
- Baccalaureus Legum, Unisa (UNISA), South Africa (1991)
- Diploma in the Law of Insolvency -AIPSA (1993)
- Certificate in International Insolvency Law - UP (2000)
- Certificate Programme in Financing; and Accounting - Wits Business School (2004)

SKILLS

- Legal
- Corporate Governance
- Business skills, including leadership and strategy
- Business rescue

AR





Rob Theunissen

DESIGNATION

Donor NED

APPOINTED TO BOARD

13 October 2012, 8 Yrs

QUALIFICATIONS

- B. Accounting: Wits University (1981)
- CA (SA): (1982)
- Diploma in Criminal Justice & Forensic Auditing: RAU (2004)

SKILLS

- Finance
- Accounting
- Auditing
- Forensic Accounting & Auditing
- Corporate Governance

RT



Jackie Thomson

DESIGNATION

Medical Director

APPOINTED TO BOARD

9 May 2016, 4.5 Yrs

QUALIFICATIONS

- MBChB - Stellenbosch University (1996)
- MMed Internal Medicine - Stellenbosch University (2001)
- Certificate in Haematology – College of Medicine SA (2005)

SKILLS

- Medical doctor – general medical knowledge and skills
- Specialist in the field of Haematology
- Stem Cell Therapy and Stem Cell Transplantation
- Quality systems Implementation and Accreditation

JT



Monica Vaithilingum

DESIGNATION

Appointed NED

APPOINTED TO BOARD

1 July 2020, 5 months

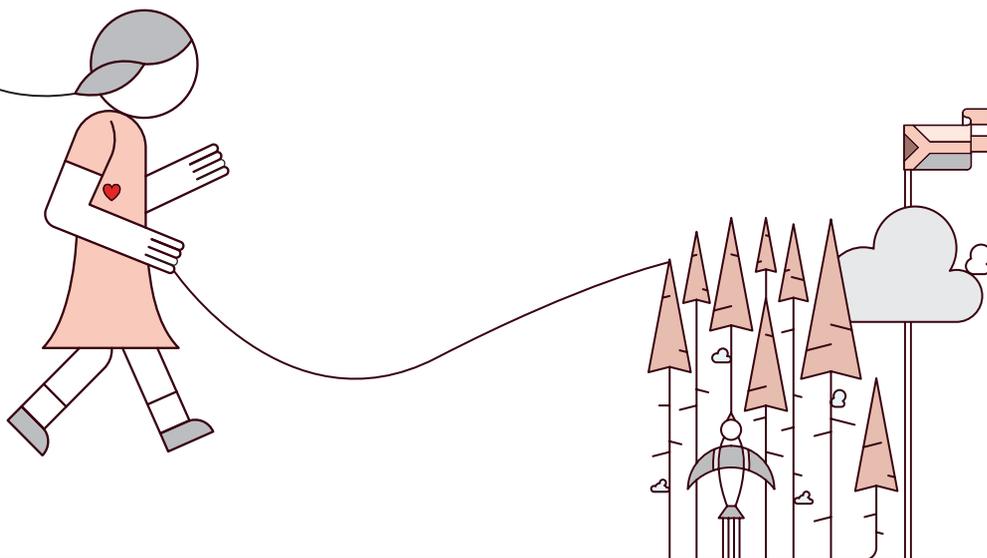
QUALIFICATIONS

- Clinical Haematologist Paediatrician (FCPaeds)
- Medical Doctor (MBChB) Introductory Specialist Biomecular Techniques (Course)

SKILLS

- Specialist Paediatrician
- Subspeciality in Paediatric Haematology/ oncology
- Research
- Clinical Governance

MV



OUR VALUE CREATION IS UNDERPINNED BY GOOD GOVERNANCE

BOARD AND COMMITTEE ATTENDANCE

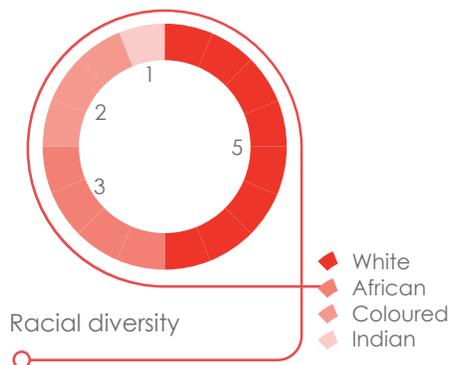
 NUMBER OF MEETINGS NON-EXECUTIVES	BOARD		AUDIT		GOVERNANCE, SOCIAL AND ETHICS		HUMAN RESOURCES & REMUNERATION		CLINICAL GOVERNANCE		NOMINATIONS		RISK, INFO & TECHNOLOGY GOVERNANCE
	ordy	Spec.	ordy	Spec.	ordy	Spec.	ordy	Spec.	ordy	ordy	Spec.	ordy	
	4	4	4	3	4	1	4	2	4	3	1	4	
G Simelane	4 of 4	4 of 4	-	-	4 of 4	1 of 1	4 of 4	2 of 2	-	3 of 3	1 of 1	-	
R Theunissen	4 of 4	4 of 4	4 of 4	3 of 3	2 of 2	-	1 of 1	2 of 2	3 of 3	2 of 2	1 of 1	2 of 2	
P Knox	4 of 4	4 of 4	-	-	4 of 4	-	-	-	4 of 4	1 of 1	-	4 of 4	
A Ramalho	4 of 4	4 of 4	4 of 4	3 of 3	4 of 4	1 of 1	-	-	-	1 of 1	-	4 of 4	
W Gumede	4 of 4	3 of 4	4 of 4	3 of 3	-	-	4 of 4	2 of 2	-	3 of 3	1 of 1	-	
R Brand (retired 9 Nov 2019)	2 of 2	2 of 2	3 of 3	3 of 3	-	-	3 of 3	-	-	4 of 4	-	3 of 3	
V Moodley	4 of 4	4 of 4	-	-	4 of 4	1 of 1	-	-	4 of 4	4 of 4	-	-	
P Mthethwa	4 of 4	4 of 4	-	-	4 of 4	1 of 1	4 of 4	2 of 2	-	-	-	-	
F Burn	4 of 4	4 of 4	4 of 4	2 of 3	-	-	-	-	1 of 1	-	-	4 of 4	
G Leong (elected 9 Nov 2019)	1 of 2	1 of 2	1 of 1	-	-	-	-	-	-	-	-	1 of 1	
EXECUTIVES													
J Louw	4 of 4	4 of 4	①	①	2 of 2	-	①	①	①	①	①	2 of 4	
J Thomson	4 of 4	4 of 4	-	-	-	-	-	-	4 of 4	-	-	4 of 4	
CONTRACT MEMBERS / SPECIAL INVITEES / CO-OPTED MEMBERS													
M Toubkin	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	2 of 4	n/a	n/a	n/a	
A Rantloane	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	4 of 4	n/a	n/a	n/a	
C Slump	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	4 of 4	n/a	n/a	n/a	
K Letlape	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	2 of 3	1 of 1	n/a	
B Maasdorp	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	3 of 3	1 of 1	n/a	
B Damons (elected 1 Aug 2019)	-	-	-	-	3 of 3	-	-	-	-	-	-	-	

Due to annual changes in committee membership, members attended meetings only when they were members of the committee.

① J Louw is an invitee of these committees and attended all of these meetings.

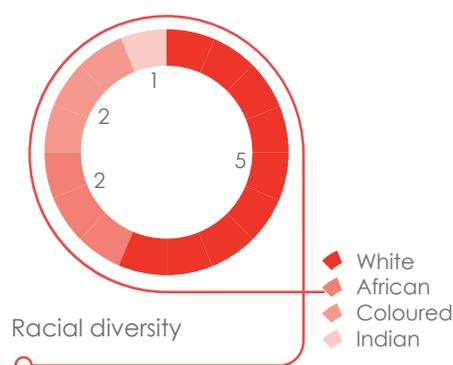
IV RACIAL DIVERSITY AS AT 31 MARCH 2020

Relevant to a transforming society



IV RACIAL DIVERSITY AS AT 30 NOVEMBER 2020

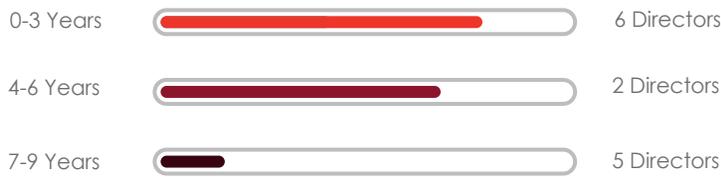
Relevant to a transforming society



CRITICAL SUCCESS FACTORS FOR VALUE CREATION

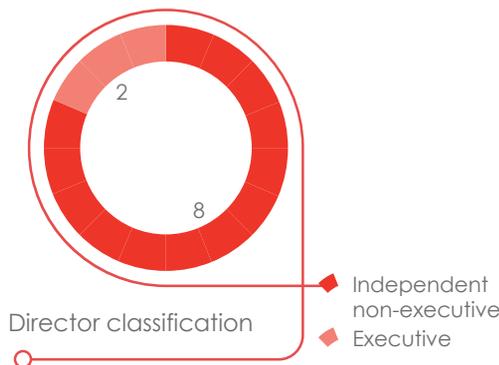
IV BOARD TENURE AND EXPERIENCE THROUGH REPORTING PERIOD TO 30 NOVEMBER 2020

A blend of experience and new insight



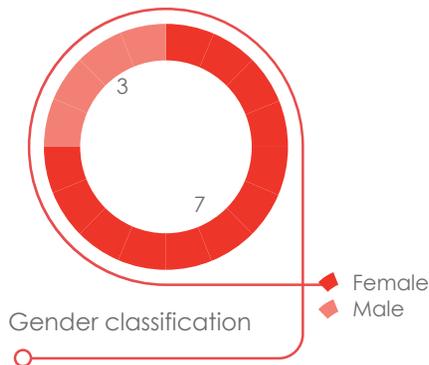
IV INDEPENDENCE AS AT 30 NOVEMBER 2020

Protecting the interest of all Stakeholders



IV GENDER DIVERSITY AS AT 30 NOVEMBER 2020

Relevant in a transforming society



IV BOARD SKILLS AS AT 30 NOVEMBER 2020

Diversified to add value

The Board comprises of Directors with a wide variety of skills

- Strategic
- Medical
- Clinical Governance
- Business
- Finance
- Governance
- Audit
- Internal Controls
- Risk Management
- Information Systems
- Law
- Talent Management



BOARD FOCUS 2020/2021

Our Board is committed to the expectations of an effective governing body and the oversight of value creation. The focus of the Board for 2020/2021 will centre around:

- Building on and refining the iHEALTH strategy, and holding executive accountable for the achievement of targets
- Review of Board composition, succession planning for directors and use, by directors, of external experts when required
- Review of SANBS governance structures
- Succession planning of key employment positions to enhance depth of available skills
- Information management and security enhancement
- Finalising the compliance system to be put in place
- Refining stakeholder management - balance key stakeholders needs, interests and expectations in the longer term interest of SANBS to support sustainable and mutual beneficial relationships
- Addressing of external audit areas of concern and to prevent an audit opinion on the AFS that is not disclaimed
- Formalising business continuity planning and management - continuously position the organisation to navigate emerging risks/opportunities and minimise business interruptions
- Supporting the executive team in the identification, prioritisation and remediation of strategic risks and in particular the Top 3 in the strategic risk register being:
 - Income collection and the reduction of debtors
 - Safeguarding and promotion of the brand
 - Organisational culture that supports execution of iHEALTH
- Prudently, in view of the current climate of COVID-19 and the unpredictability that it brings:
 - Consolidate current projects and see to fruition, e.g. BECS and Mt Edgecombe
 - Ensure sustainability given the economy and the competing health demands which will only get more drastic in the future
 - Financial-debtors, procurements (enhancing procurement policy and procedures to meet business needs effectively), enhance innovative product revenue streams
 - Stakeholder engagement
 - Maintain product stock levels
 - Enhance and drive Patient Blood Management
- Maximise the upside that COVID-19 has strengthened many of the good things in SANBS and hence the new products whether it be Convalescent Plasma or one step further such as raw material for an immunoglobulin, SANBS DNA, Research, Advisory and Development Unit which are all already covered in the iHEALTH
- Hold ourselves as a Board accountable to the national council and other stakeholders for the performance of SANBS in a volatile business environment

For the specific focus of each Board committee see pages 34 to 41.



OUR VALUE CREATION IS UNDERPINNED BY GOOD GOVERNANCE

Board committees' current and future focus

Audit Committee

The role of the committee includes, but is not limited to, carrying out the responsibilities outlined in Section 94 of the Companies Act as well as to assist the Board in the effective discharge of its responsibilities including the effectiveness of assurance functions and services and the integrity of reports issued.

KEY FOCUS AREAS OF THE COMMITTEE FOR THE PERIOD UNDER REVIEW (1 APRIL 2019 TO 31 MARCH 2020)

The start of the financial year under review was characterised by the remnants of the matters to be attended to as a result of the internal control deficiency reported on in the 31 March 2019 Integrated Report. The matter centred around credit notes that had been incorrectly issued as invoices, and consequently monies were paid to the SANBS that were not due. The external auditors were unable to furnish an unqualified audit opinion on the annual financial statements for 31 March 2018 and 31 March 2019 and issued a disclaimed opinion due to the uncertainty arising therefrom and related adoption of IFRS 9 - Financial Instruments. This irregularity did not involve fraud. The credits due amounted to 1% of total revenue and most of the affected debtors have significant long outstanding amounts owing to SANBS.

In this regard, the committee instigated and followed up on:

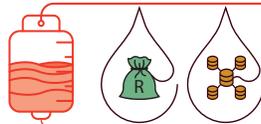
- An independent forensic service provider to investigate the matter and to report thereon.
- Engagements & agreements made, with debtors arising from this internal control deficiency
- Disciplinary measures implemented against all implicated employees in respect of negligence regarding flouting company policy and processes.
- Additional internal controls introduced by management.
- The internal auditors' assessment of the effectiveness of the enhanced internal controls.
- The engagement of the internal auditors to consider the pervasiveness of incorrect accounting entries in respect of payments made by debtors.
- Ongoing engagements with management and the external auditors to ascertain their assessment of the reliability of the accounts receivable amounts.

Although it is considered that the accounts receivable balance as at 31 March 2020 is fairly reflected, the individual accounts receivable amounts could not, at the time of finalising the Integrated Report, be independently verified and this, coupled with the unreliable accounts receivable accounting transactions, is likely to again result in a disclaimer of opinion by the external auditors.

- Reviewing the effectiveness and implementation of the combined assurance framework, internal control environment and identified weaknesses appropriately and expeditiously addressed.
- Approval of the Internal Audit Charter.
- Approval of the appointment of outsourced Internal Auditors, Mazars.
- Approval of the SANBS 3-Year Strategic Internal Audit Plan, including a requirement of 240 hours for ad-hoc requests from management.
- Ensuring compliance with the audit plan.
- Deliberating on management's plans and actions to address the significant long outstanding balances owed by debtors.
- Approval of the external auditor's fees and non-audit fees for work carried out by the external auditor, which non-audit work was pre-approved by the committee.
- Assessing the skills and effectiveness of the internal auditors and considering the overall internal control environment within the SANBS.
- Assessing the independence and objectivity of the external auditors and interacting with the external auditors at closed sessions.
- Assessing the skills and competence of the Chief Financial Officer, Ms Tshepi Maselela.
- Overseeing adherence to all applicable legislation.
- Reviewing and recommending, for approval by the Board, the 31 March 2021 budget.
- Considering, reviewing and recommending the annual integrated report and annual financial statements for approval by the Board.
- Considering & recommending, for approval by the Board, any procurement expenditure over R25m.
- Receiving and considering reports emanating from the Fraud Hotline.
- Approving applicable policies.

FUTURE FOCUS AREAS OF THE COMMITTEE (1 APRIL 2020 TO 31 MARCH 2021)

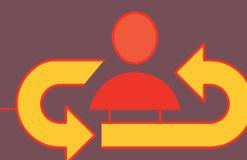
- Obtaining assurance that management attends to the accuracy and reliability of accounts receivable transactions. Management should ensure that all matters resulting in the disclaimer of opinion on the receivables and credit note refund are addressed by the end of the financial year.
- The committee will oversee capacity building within the finance function; enhancing the financial control environment, supply chain management, and reviewing the work of the outsourced internal auditors including deliberating on recommendations made.
- Overseeing the effective implementation of the revised Procurement Policy and appropriate staffing within the Procurement Department.



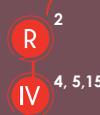
ROB THEUNISSEN
Chair: Audit Committee

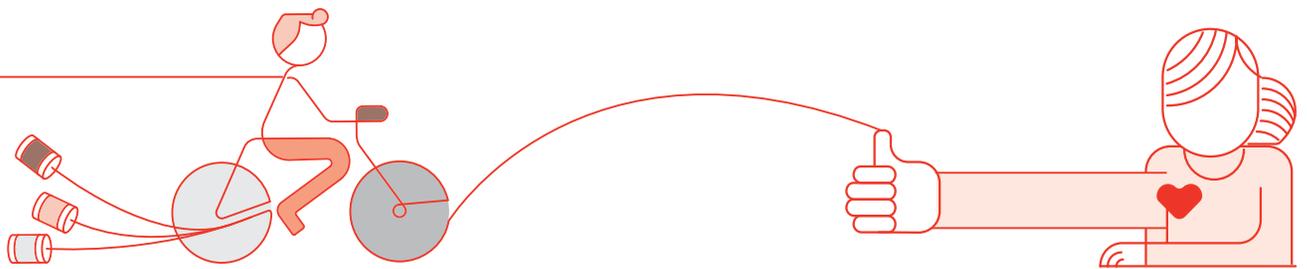
MEMBERS

- R Theunissen (Chair)
- A Ramalho
- Prof W Gumede
- R Brand (until AGM 2019)
- F Burn (from AGM 2018)
- G Leong (from AGM 2019)

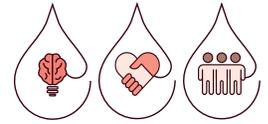


The committee has executed its responsibilities in accordance with a defined mandate.





Nomination Committee



PROF. WILLIAM GUMEDE
Chair: Nomination Committee

MEMBERS

- Prof W Gumedu (Chair)
- G Simelane
- Dr P Knox
- R Theunissen
- Prof V Moodley
- A Ramalho
- R Brand (until AGM 2019)
- Dr K Letlape*
- B Maasdorp*

*Co-opted members of the Committee who are not members of the Board.



The committee has executed its responsibilities in accordance with a defined mandate.

R⁰
IV⁷

The role of the Committee is primarily to assist the Board with the recruitment of suitably qualified candidates as Non-Executive Board members; and to ascertain whether Board members up for re-election are to be re-appointed. The Committee leads the Board's Non-Executive Director (NED) succession planning. Furthermore, the Committee supports the SANBS Board in the areas within its mandate.

KEY FOCUS AREAS OF THE COMMITTEE FOR THE PERIOD UNDER REVIEW (1 APRIL 2019 TO 31 MARCH 2020)

- Board succession planning.
- Recruitment of a new appointed NED director, a specialist haematologist.
- Spearheaded several changes in the Board appointment procedures. The Committee reviewed whether interviews should be held for donor NED candidates during the financial year. It recommended flexibility in the 2020 donor NED appointments. The committee recommended that Donor Directors due for rotation and still within their 3-year tenure, should not go through the public appointment process, but that their Board performance be assessed, and based on the outcome of these evaluations they be recommended or not to the Board for reappointment. Reappointment of Donor Directors at the end of their 3-year tenure had to follow the existing process.
- Compiled a database of past interviewed NED candidates, from the years 2017 to 2019, who had been recommended by the Committee for appointment, to use as a pool from which SANBS could draw on in the future.
- Recommended to the Board that in future, the Board should take into account the exposedness of a Board candidate in their relationships, interests and associations, which could potentially affect the reputation of SANBS, when considering the individual for appointment.
- Made changes to the Nomination Procedures regarding nominees' affiliations to "any known interests, affiliations or associations of the candidate - whether personal, professional or political in nature - which may potentially cause any conflict with the interests of SANBS or which may potentially pose a risk to the reputation of SANBS".
- Made changes to the Memorandum of Incorporation to reduce the number of donor NEDs to six. This will allow for a rotation of a third of donor NEDs every 3 years. The change is reflected in the following way: "A minimum of 6 and a maximum of 10 non-executive donor directors may be elected by National Council". Another amendment in the MOI, was made as follows: "A director or former director who has retired after having held office for 9 (nine) consecutive years may not in future be re-elected or re-appointed, as the case may be, regardless of any cooling-off period that may have elapsed from the date of his/her retirement".
- Mr Gary Leong, a new director, was inducted during December 2019.

FUTURE FOCUS AREAS OF THE COMMITTEE

- The Committee may have to look at compiling a formal Board performance assessment of individual Board members, due for rotation, but still within their 3-year tenure, and who are not going through a public reappointment process.
- As part of succession planning the Committee will look at the terms of tenure of independent members of Board committees to see if they are in line with the terms as per the changes in the MOI.
- The Committee will consider succession planning of independent members of Board committees to ensure securing candidates with the appropriate skills mix for the various Board committees.
- An evaluation of the effectiveness of the Board induction programme is appropriate in the near future.



OUR VALUE CREATION IS UNDERPINNED BY GOOD GOVERNANCE

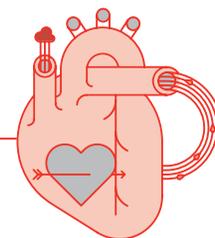
Board committees' current and future focus

Governance, Social & Ethics Committee

The role of the Committee is the oversight of, and reporting on Company ethics, responsible corporate citizenship, sustainable development and stakeholder relationships. This committee serves as the statutory social and ethics committee as required in terms of the Companies Act, 2008 and its duties are informed by regulation 43 of this act. In addition, this committee has been charged by the Board to oversee corporate governance aspects that includes the assessment of the performance of the Board and compliance with the MOI and the rules of the Company.

KEY FOCUS AREAS OF THE COMMITTEE FOR THE PERIOD UNDER REVIEW (1 APRIL 2019 TO 31 MARCH 2020)

- Ongoing programmes designed to improve the health, safety and the wellness of our employees. Reviewing the key strategic and tactical risks in respect of:
 - health, safety and environmental matters, and as a large part of the company prepares to move from Pinetown to Mt Edgecombe.
 - specific regulations to be complied with in the COVID-19 operating environment.
- Embarked upon initiatives to be able to measure and manage the environmental impact of the organisation.
- Ongoing development of the BBEE programme to improve the BBEE score.
- Formality around the processes of stakeholder management continues so as to create better visibility of:
 - needs, interests and expectations of each stakeholder grouping risks and opportunities.
 - status of current engagements.
 - a rating of the current and desired relationship and how these can be responded to.
- To meet changing legislative requirements, the input of an expert on Protection of Personal Information Act (POPI) as it relates to the business of SANBS to analyse gaps and make recommendations towards full compliance.
- To govern the process around the request of confidential documents from SANBS, a Promotion of Access to Information Manual (PAIA) has been drafted and approved.
- Specific focus on the management of contracts and the creation of a separate contracts management team reporting into Legal.
- Reconsideration of the appropriateness of the existing governance structure of SANBS by a task team comprising of 3 directors and other members approved by the Board, to meet the challenges of the changing landscape in which SANBS is operating and new strategic imperatives.
- The review of the following governance documents and policies to continually improve and embed good governance and the structural arrangements that support it:
 - Compliance Monitoring Manual and appointment of Compliance Champions in business
 - Corporate Communications Policy and Crisis Communications Plan
 - Conflicts of Interest Management Policy
 - Code of Ethics linked to SANBS' THREAD values
 - Corporate Document Retention and Disposal Policy
 - Whistle Blowing Policy



ANSIE RAMALHO
Chair: Governance, Social & Ethics Committee

MEMBERS

- A Ramalho (Chair)
- G Simelane
- Prof V Moodley
- Dr J Louw
- P Mthethwa
- B Damons*

*Co-opted members of the Committee who are not members of the Board.



The committee has executed its responsibilities in accordance with a defined mandate.



R 2,5,7,9

IV 1,2,3,16



**“Ethics is knowing the difference between what you have a right to do and what is right to do”
-Potter Stewart**

- Following the review of our MOI and branch and donor committee rules in the previous period in consultation with our donor structures to streamline processes, and clarify roles and accountability, this year the following further amendments are being made:
 - In line with refreshing the skillsets, gender and age diversity of Boards to remain responsive to the ever changing environment in which companies operate, we have amended the MOI so that a director or former director who has retired after having held office for nine consecutive years may not in future be re-elected or re-appointed after a 3 year regardless of any cooling-off period that may have elapsed.
 - In order to make the Board more effective and streamlined, we have amended the MOI to provide that the minimum number of non-executive directors be reduced from 7 to 6.
- Following the establishment of a compliance function, compliance with legislation and regulation is now addressed in a structured, systematic way and following a risk-based approach.
- Oversight of the improvement in culture and organisational well-being that have resulted from initiatives introduced during the course of the 2018/2019 financial year and tracking of key metrics against targets.

FUTURE FOCUS AREAS OF THE COMMITTEE

- Progress on transformation to improve our BBE score but also to leverage opportunities to demonstrate responsible corporate citizenship.
- Exploring a revised governance structure for SANBS to future-proof the organisation against the challenges arising from unpredictability and change.
- Embedding ethics in SANBS through the continued roll-out of the ethics plan Growing the maturity of the Compliance Function.
- Embarking on a stakeholder survey to assess the quality of relationships.
- Grow and mature environmental impact data and management.



OUR VALUE CREATION IS UNDERPINNED BY GOOD GOVERNANCE (CONT'D)

Board committees' current and future focus

Human Resources & Remuneration Committee

The Committee has the task of ensuring that all Human Resource policies and practices are fair, competitive and in line with best practice and current legislation to enable the organisation to recruit and retain the best talent for its optimal performance against its strategic objectives.

BACKGROUND STATEMENT

The Committee is tasked by the Board with, amongst others, the responsibility to consider and recommend any revisions, or new human resource policies and to review the NED remuneration policy for recommendation by the Board to National Council. The main objective is to ensure that the organisation's policies and practices are fair, competitive and in line with best practice.

KEY FOCUS AREAS OF THE COMMITTEE FOR THE PERIOD UNDER REVIEW (1 APRIL 2019 TO 31 MARCH 2020)

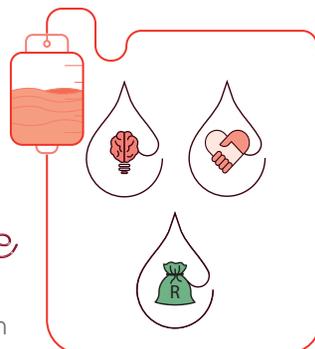
- Considered compliance of human resources policies and practices with the King IV™ Code and relevant labour legislation.
- Supported management's initiatives of inculcating a values based culture.
- Approved a competitive remuneration philosophy and strategy for Board and employees as part of the Talent Management strategy.
- Supported executive management in their efforts to implement a succession management framework focusing on the executive and senior management.
- Confirmed the deepened, enhanced and mutually constructive labour relations environment.
- Ensured a focus on the well-being and safety of all staff at all times and in particular during the COVID-19 pandemic.
- Provided guidance in the development of the strategic plan to implement the Learning Academy to generate new knowledge through research, sharing knowledge and build people capabilities in line with SANBS mandate of saving lives through a learning and development culture.
- Retained oversight of the implementation of the BBEE Transformation Framework with emphases on skills development and employment equity.

FUTURE FOCUS AREAS OF THE COMMITTEE

- Support executive management in embracing the new culture of "remote working" as part of the "new normal" and digital learning as a part of learning and development.
- Oversee development and review of employment related policies to enhance equality, diversity and inclusion in the workplace.
- Oversee the acceleration of the SANBS culture programme to support the new way of work through the SANBS DNA.
- Monitor the strengthening of the leadership depth and talent management through effective use of the #360 data.
- Ensure the continued drive of the performance culture to enable strategy execution.
- Oversee Company Secretary appointment.



See Remuneration Report pages 98 to 100.



PROF. WILLIAM GUMEDE
Chair: Human Resources & Remuneration Committee

MEMBERS

- Prof W Gumedé (Chair)
- G Simelane
- R Brand (until AGM 2019)
- P Mthethwa
- R Theunissen (from 28 Nov 2019)



The committee has executed its responsibilities in accordance with a defined mandate.



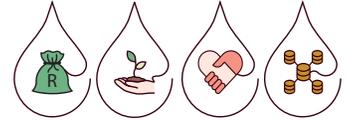
○ R 2,3,5
IV 4



Risk, Technology & Information Governance Committee

The role of the Committee is to assist the Board with the governance of risk, technology and information. The Committee makes recommendations to the Board for its approval.

KEY FOCUS AREAS OF THE COMMITTEE FOR THE PERIOD UNDER REVIEW (1 APRIL 2019 TO 31 MARCH 2020)



Committee highlights included its oversight of the following:

- A holistic review of the SANBS' insurance portfolio (risks and adequacy of cover), including Directors and Officers (D&O) insurance, asset cover and medical malpractice insurance, appointment of new brokers, and a new underwriter required for medical malpractice cover.
- The establishment (in 2018) of a complete risk function has allowed the Committee to focus on monitoring of risk responses and controls, and refining appetite and tolerance levels. The value of the risk function has been evident in its role as a key contributor to management of COVID-19 impacts within SANBS. Daily crisis communications and a COVID-19 risk dashboard have helped the organisation navigate this situation.
- Business Continuity Management planning including the expansion of business impact assessments to all operational areas of the business as per Exco's request.
- Specific focus on and monitoring of the risk of lacking the desired internal culture to execute the new strategy. This new risk/opportunity is mitigated through the planned initiatives making up the DNA Project.
- Required enhancement of the procurement function and addressing of contract risk management, including introducing a standard contract template and a contract team reporting to Legal.
- Monitoring key projects with potentially high risks and high strategic importance to the organisation namely:
 - Blood Establishment Computer System – project commencement.
 - Mt Edgecombe – construction of a world-class donor destination/laboratory and relinquishing of former premises in Pinetown; management of construction risks.
 - SAP S4 HANA – following discontinuation of the current SAP version in 2025; benchmarking to alternative options, upgrades and full deployment feasibility studies.
- Ongoing consideration of technology and information including:
 - Large-scale projects described above.
 - Further implementation of strategic technology initiatives to automate business operations.
 - Further refining the IT tactical risk register.
 - Employing advanced cybersecurity technology to protect systems and data against hacking and viruses.
 - Launching the prototype of the drone project; risk profiling.

FUTURE FOCUS AREAS OF THE COMMITTEE

The Committee will remain focused on overseeing risk management associated with:

- COVID-19 and the ongoing business impact of the "new normal".
- Business Continuity – applying lessons learnt and finalising the Business Continuity Management Plan.
- Strategic projects – BECS, SAP and the relocation of Pinetown premises to Mt Edgecombe once construction is completed.
- The continued growth in maturity of enterprise risk management and of the Compliance Function.
- Continued enhancement of procurement processes and contract risk management to protect operations against the consequences of inefficiencies.

The Committee will also consider the appointment of a full-time Risk Officer rather than the current outsourcing arrangement. Technology and information will remain a key focus of the committee, including:

- Further developing the information architecture supporting the confidentiality, integrity and accessibility of SANBS data.
- An analysis, including risks, impacts, causes and controls associated with the issue of 'Information' – e.g. assessing hard-copy information and/or data on external platforms, and to develop a framework for information governance.



See *Risk and Opportunity Management* pages 48 to 53.



ANSIE RAMALHO
Chair: Risk, Technology & Information Committee

MEMBERS

A Ramalho (Chair)
R Theunissen
Dr P Knox
G Leong
F Burn
R Brand (until AGM 2019)
Dr J Louw (CEO)
Dr J Thomson (Medical Director)



The committee has executed its responsibilities in accordance with a defined mandate.



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11,12,13

IV



OUR VALUE CREATION IS UNDERPINNED BY GOOD GOVERNANCE (CONT'D)

Board committees' current and future focus

Clinical Governance Committee (cont'd)

The overall focus of the committee is to ensure donor and recipient safety whilst SANBS continues to build on the iHEALTH strategy and strengthen the cornerstone of healthcare.

KEY FOCUS AREAS OF THE COMMITTEE FOR THE PERIOD UNDER REVIEW (1 APRIL 2019 TO 31 MARCH 2020)

HUMAN CENTRED DONOR CARE

CGC has monitored and reviewed the ongoing impact of the change in donor questionnaire & deferral criteria on the blood collections. Donor deferral rate has decreased resulting in an increase donor return rate and increase in blood collection. After careful review of the literature and pilot study on the Hb cut-off in KZN, the committee supported the ethical increase in Hb cut-off, in males to 13g/dL, to be in line with that of clinical practice and lowering the female Hb to a cut-off of 12g/dL, still within acceptable clinical practice with the addition of ferritin testing. These changes have made a significant increase in blood collections (6%) with evidence of a small increase in risk (not statistically significant risk) to the recipient.

PATIENT BLOOD MANAGEMENT (PBM)

CGC supports the participative, nonprescriptive advisory role which SANBS has chosen to ensure a strong outward looking clinical interface, with subspecialties who seek product advice whilst they write the PBM guidelines for their respective societies.

QUALITY

CGC is monitoring the outstanding progress of ISO 15189 accreditation throughout the organisation, the ISO15189 Quality Manual which has been approved by the Board and the strides made towards JACIE accreditation. CGC acknowledges the enormous amount of work done to improve and elevate quality throughout the organisation and recognises that there remain areas requiring improvement going into the future.

RESEARCH, ADVISORY & DEVELOPMENT UNIT

The committee has had oversight of the development of the structure and strategy for the unit which is to future-proof SANBS, its people, products and processes in support of the iHEALTH strategy. This has been approved by the Board and will continue to play an important role in SANBS agility to react positively to challenges such as COVID-19.

PLATELET STRATEGY

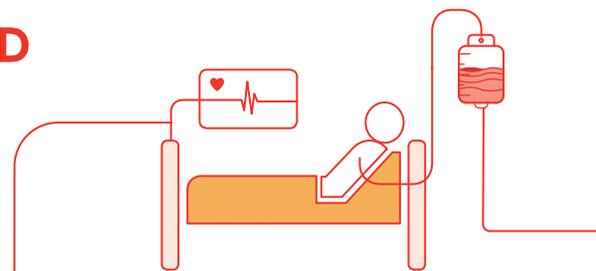
The current platelet strategy of 55% apheresis/45% pooled platelets is suboptimal in terms of blood safety compared with benchmarked first world countries and one hundred percent Apheresis platelets is not sustainable. CGC supports the move towards a new platelet strategy after due diligence in terms of quality, cost, reliability and coverage is completed.

CELLULAR THERAPY

The cellular therapy division has grown 20% year on year. The CGC oversight role in cellular therapy is to ensure the unit obtains JACIE accreditation by end of 2020 and have clearly defined research projects that include novel therapies and products such as the COVID-19 convalescent plasma programme, plasma absorption, platelet lysate and Mesenchymal stem cells.

BLOOD ESTABLISHMENT COMPUTER SYSTEM (BECS)

The committee reviewed the motivation for the implementation of BECS, specifically regarding blood safety, quality controls, global footprint and cost. The committee recommended to the Audit Committee that the MAK system eProgressa be the BECS of choice for SANBS.



DR. PADDY KNOX
Chair: Clinical Governance Committee

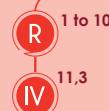
MEMBERS

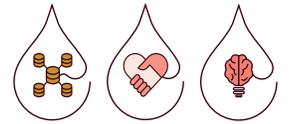
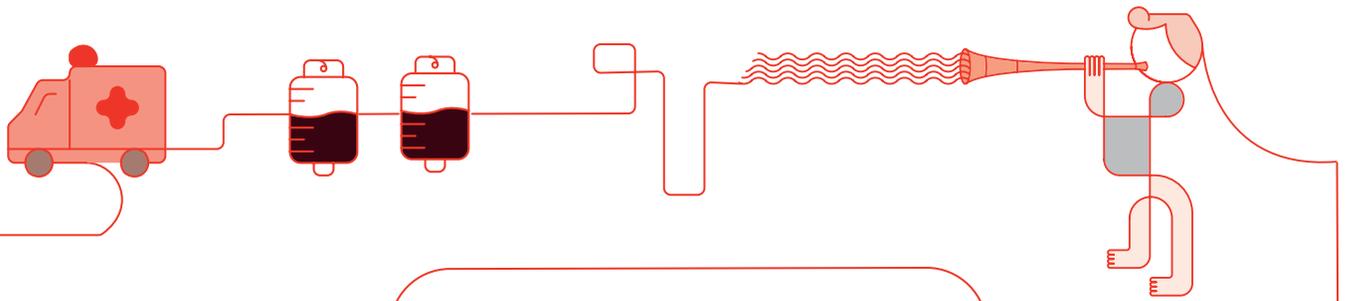
- Dr P Knox (Chair)
- Prof V Moodley
- R Theunissen
- Dr J Thomson
- F Burn
- M Toubkin*
- Prof A Rantloane*
- Adv C Slump*

*Co-opted members of the Committee who are not members of the Board.



The committee has executed its responsibilities in accordance with a defined mandate.





INFECTION PREVENTION CONTROL (IPC)

The committee has monitored IPC being operationalised across the organisation and reviewed reports indicating marked decrease in bacterial contamination of platelets to < 1%. Audit reports noting good compliance however also identified areas for potential improvement. IPC awareness created a stepping stone and placed SANBS in a better position to manage COVID-19 requirements.

REGULATIONS & NHI

The committee has participated in workshops on NHI and potential SAPHRA regulations. SANBS executive has submitted comments on the NHI Bill to Parliament in November 2019. The committee supports SANBS view to gain international (ISO 15189 & JACIE) accreditation whilst awaiting the final NHI Bill and other regulatory changes.

MEDICO- LEGAL

The committee is cognisant of the increasing difficulty in obtaining medical malpractice insurance. Unfortunately like many other health organisations this has had to be sourced outside of South Africa which is a reason for concern, especially in the current economic climate.

FUTURE FOCUS AREAS OF THE COMMITTEE

- **Cellular Therapy** – the committee endorses the plans to obtain JACIE accreditation by the end of 2020 as well as expand cellular therapy to produce products such as human platelet lysate and work towards advanced therapy medicinal Products (ATMP) standards and regulatory approval.
- **Haemovigilance** – oversight and support for a change in the Haemovigilance structure to a more proactive system with a greater level of independence from the Blood Transfusion Services of South Africa.
- **NHI** – promote agility and ensure resources to assist in the careful consideration and appropriate use of blood products and services by focusing on sustainability with resource constraints in the SA Healthcare environment.
- **Translational Research** – oversight of the research projects on strategic renewal of the organisation and blood supply chain by sharing the knowledge gained from research via digital learning platforms and provide advice whilst building people capabilities both within the organisation and externally.

STAKEHOLDERS



OUR VALUE CREATION IS UNDERPINNED BY GOOD GOVERNANCE



FUNCTIONAL GOVERNANCE AREAS

Principle 11, 12, 13 and 14

Desired outcome: Adequate and effective controls through risk, technology and information, compliance, remuneration and assurance governance.

NOTABLE FOR 2020

Our material matters are reflected in our key risks and opportunities and represent the issues that have the most impact on our ability to create sustainable value for our stakeholders and influence our business model (pg 16 to 17). Of significance, as the reporting period was drawing to a close and until the date of this report, is the management of the risks associated with coronavirus.

Risk management played a major role to ensure continuity of operations in response to the outbreak of the COVID-19 (see pages 54 to 55) by:

- Enhancing supply chain controls to mitigate any negative impact on the critical consumables and equipment supply chain;
- Implementing a crisis communication plan to communicate responsibly to SANBS staff and external stakeholders;
- Monitoring and managing risks and opportunities associated with execution of the iHEALTH strategy, in these unprecedented circumstances; and
- Maintaining a COVID-19 risk monitoring dashboard for oversight and monitoring by the identified task team, Executive and Board.

See focus of Risk, Technology and Information Governance Committee on page 39 and details of Risk and Opportunity Management on pages 48 to 53.

RISK MANAGEMENT WITH SANBS

Principle 11: The governing body should govern risk in a way that supports the organisation in setting and achieving its strategic objectives

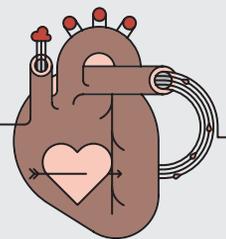
SANBS has established risk management as an integral component of business processes and embraces risk as an essential enabler for setting and achieving its strategic objectives and purpose of being 'Trusted to Save Lives'.

Risk management is governed by an Enterprise Risk Management (ERM) Framework which provides a solid foundation to guide the organisation in embedding structured risk management processes to deliver sustained value. Through the ERM process, risks and opportunities, which could affect the achievement of our iHEALTH strategy, are identified and managed within defined risk appetite and tolerance levels set by the Board. Management decisions to tolerate, treat, terminate or share risks and opportunities are taken based on these parameters.

As an essential health service provider of blood products and services, it is prudent that SANBS protects its donors and stakeholders from the potential adverse effects of risk and has therefore adopted a risk-averse tolerance level.

SANBS follows an iterative and dynamic risk management process to ensure ongoing identification and evaluation of risks and opportunities in response to a continually evolving and rapidly changing internal and external environment. Risks and opportunities are also identified through stakeholder engagement.

Oversight of risk management is the responsibility of the Risk, Technology and Information Governance committee.



TECHNOLOGY AND INFORMATION GOVERNANCE

Principle 12: The governing body should govern technology and information in a way that supports the organisation setting and achieving its strategic objectives

The Risk, Technology and Information Governance committee assumes responsibility for the governance and direction of how technology and information should be approached and addressed within the organisation.

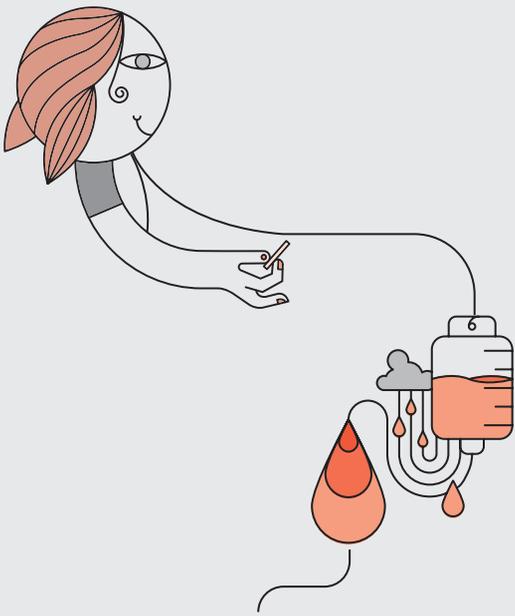
This committee, separate from the Audit Committee, well constituted with directors who have strong IT skills and experience, ensure that the important subjects of technology and information management get the attention that both require in a rapidly digitised and technologically advanced environment.

NOTABLE FOR 2020

- Continued strengthening of information management security and safety protocols, especially with increased remote working practices as a result of the COVID-19 pandemic;
- Achieving compliance with the Protection of Personal Information Act (POPIA) which aims to protect people from harm by protecting their personal information and maintaining confidentiality.

See focus of Risk, Technology and Information Governance Committee on page 39.





NOTABLE FOR 2020

- Monitoring robust internal controls and adherence to accreditation standards. A highlight in this regard is our implementation and achievement of ISO15189. – 'Medical Laboratories – Requirements for quality and competence' – and 100% SANAS accreditation across all sites and therefore achieving 100% for this metric and an overall 97% against a target of 95% for the Quality index

See pages 40 and 72 to 73.



A formalised information management and technology governance strategy is achieved through a well-established IT Governance Framework and the SANBS' outsourced Internal Audit Department conducts regular IT governance audits to provide assurance on the effectiveness of the internal control environment. SANBS considers its technology and information management risks on an ongoing basis during the risk monitoring processes.

The focus on technology governance and enabling technology, is especially heightened due to the organisation's focus on digitisation, AI and automation. With several key high-risk strategic IT projects underway, oversight and monitoring of technological innovation is imperative to mitigate associated risks and deliver on the iHEALTH strategy.

The recent emphasis on developing a comprehensive Business Continuity Plan and Disaster recovery process stood the organisation in good stead in the wake of the COVID-19 crisis, ensuring an agile response in an organised manner.

COMPLIANCE GOVERNANCE



Principle 13: The governing body should govern compliance with applicable laws and adopted, non-binding rules, codes and standards in a way that supports the organisation being ethical and a good corporate citizen. The risk of non-compliance is governed by the RTIG Committee.



SANBS, as a responsible corporate citizen, upholds high standards in compliance management to protect SANBS from the adverse effects of non-compliance and legislative breaches.

A Board approved Compliance Management Policy and Manual guides the organisation on its approach for achieving compliance to both internal and external legislative requirements. SANBS verifies its scope of laws, regulations and standards of compliance in a Regulatory Universe on an annual basis and through its committees, assesses levels of compliance bi-annually with key requirements.

In addition, with the aid of a software solution, the regulatory landscape is constantly reviewed for changes to existing legislation, as well as new legislation to ensure SANBS is made timeously aware of changes and impacts in order to respond proactively to meet requirements.

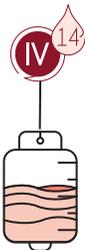
The Board via the Governance Social and Ethics Committee (GSEC) is ultimately accountability for compliance. At a management level responsibility is assigned as follows:

- General compliance with standard laws and legislation is the responsibility of the Head of Legal who is caretaking the function until the Head of Compliance position is filled.
- Compliance with medical requirements and standards is the responsibility of a medical expert.

Furthermore, compliance champions are formally appointed in the business and are responsible for all matters relating to compliance management that affect their respective Business Units and ultimate oversight and monitoring of all matters relating to compliance rests with a formalised Management Compliance Committee.

There will be increased reporting of outcomes to the GSEC in the 2020/2021 year.





REMUNERATION GOVERNANCE

Principle 14: The governing body should ensure that the organisation remunerates fairly, responsibly and transparently so as to promote the achievement of strategic objectives and positive outcomes in the short, medium and long-term

Governance of fair, responsible and transparent remuneration falls under the scope of the Human Resources division under the oversight of the Human Resources and Remuneration Committee, which in turn advises the Board.

SANBS has a Remuneration and Employment Policy that articulates SANBS' direction on fair, transparent and responsible remuneration so as to enable organisational performance and sustainability.

The Non-Executive Director Remuneration Policy sets out key principles of Non-Executive Directors (NEDs) fees. The main objective is to ensure that the organisation's remuneration policies and practices are fair, competitive and in line with best practice and correctly disclosed.

The Human Resources and Remuneration Committee engages independent remuneration service consultants to review and benchmark remuneration levels of both the NED and Exco members on a regular basis. The organisation similarly conducts benchmarking of employee remuneration.

Employees' performance objectives are linked directly to the achievement of strategic objectives through defined KPIs and KPAs incorporated into Balanced Scorecards aligned to the overall iHEALTH organisational Scorecard.

The Board approves the business targets at the beginning of every financial year and the reviews the results at the end of the year before making final decision regarding payment of any incentives (if applicable). The bonus pool is similarly agreed together with the budget. Payments of incentives are subject to affordability, the company achieving its performance objectives and individual performance.



ASSURANCE

Principle 15: The governing body should ensure that assurance services and functions enable an effective control environment, and that these support the integrity of information for internal decision-making and external reporting purposes

SANBS has adopted a combined assurance model that is risk-based and that covers strategy level risks and related material matters.

Combined Assurance is integrated in all assurance disciplines throughout SANBS, including Risk, Compliance, Management functions, Internal Assurance processes, Internal Audit and External Audit, regulatory inspectors and other assurance providers. Our CA model alongside illustrates the alignment between the different assurance providers.

The activities of assurance providers are coordinated to provide assurance on, and enable the effectiveness of the internal control environment.

NOTABLE FOR 2020

- SANBS conducted a benchmark for its NED's in September 2019 and the results reflected that the NED fees are well positioned against the comparator group. The objective is for NED fees to be approximated at the 50th percentile. NED fees for 21FY and 22FY were approved by special resolution by National Council.
- A competitive remuneration philosophy and strategy for employees was approved as part of the Talent Management strategy.

See focus of Human Resources and Remuneration Committee on page 38.

Levels of assurance (LoA) provided to stakeholders

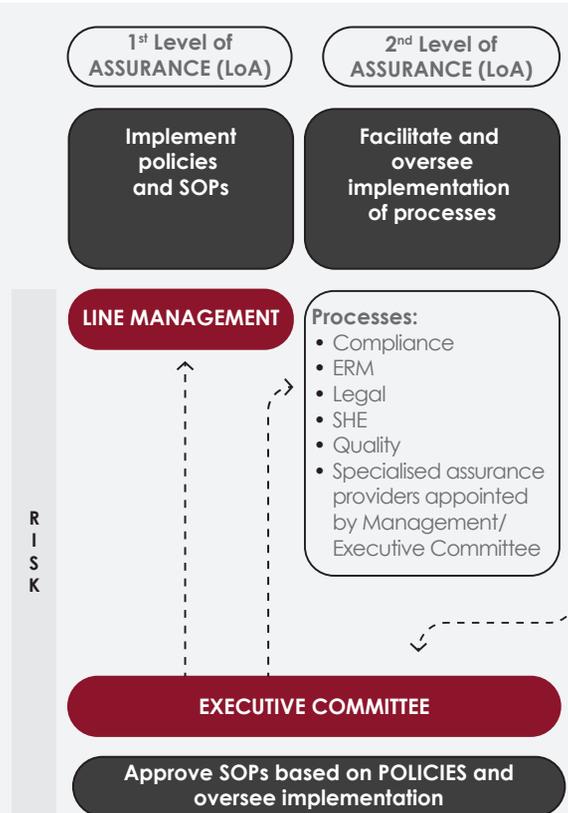


Figure 1: Combined Assurance Approach

NOTABLE FOR 2020

- Assessing adequacy of assurance of risks and controls in place to manage COVID-19 exposures and impacts;
- Evolving the combined assurance model to incorporate assurance by Internal audit of non-financial metrics, further maturing combined assurance processes and verifying the integrity of external reports. e.g annual Integrated Report.

See focus of Audit Committee on page 34.



NOTABLE FOR 2020

- Continued engagement with our stakeholders around regulation, NHI and further improving access to life-saving products is ongoing and will continue in the medium to long term.
- Stakeholder satisfaction rating of 90% to be included in Scorecards; COVID-19 has impacted the independent evaluation of stakeholder relationships however alternative methods of undertaking this review are being considered.



A Combined Assurance Forum was established to coordinate Combined Assurance within SANBS. The Forum is chaired by the Chief Financial Officer (CFO) which in turn reports to the Audit Committee whose authority has been delegated by the Board.

Combined Assurance is a key component of the SANBS risk strategy and aims to integrate, coordinate and align risk management and assurance processes and services.



STAKEHOLDER RELATIONSHIPS

Principle 16: In the execution of its governance role and responsibilities, the governing body should adopt a stakeholder-inclusive approach that balances the needs, interests and expectations of material stakeholders in the best interests of the organisation over time



Desired outcome: Trust, sound relationships and organisational legitimacy.

The Board has a duty to protect the legitimate interests of all stakeholders and in discharging its duties, the Board acts at all times in the best interest of SANBS.

We recognise that value is not created by or within the organisation alone, and that our relationships are part of the capital and resources that we rely on. That is why stakeholders are prioritised in our strategic intent and execution. This stakeholder-inclusive approach that ensures all stakeholder needs, interests and expectations are considered and factored into strategic, operational and project decision making processes.

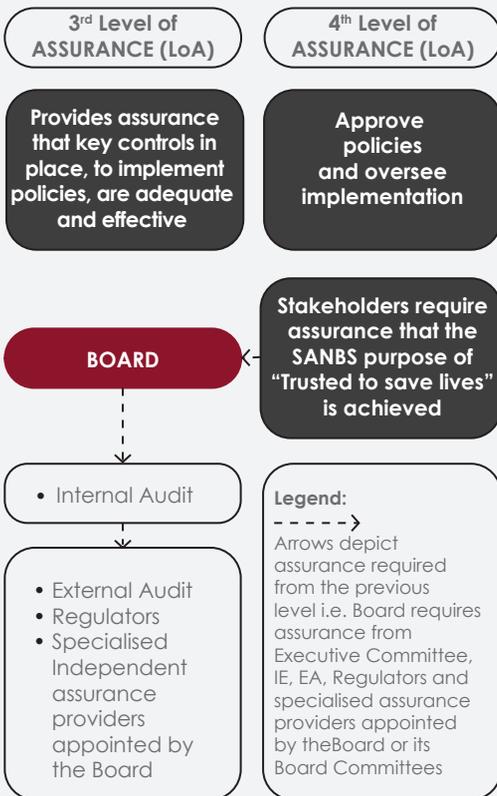
Stakeholders are engaged through surveys to ensure that we remain relevant as a stakeholder focused organisation, and it is through these engagements that risks, opportunities and material matters are identified.

The Communications and Marketing Office in conjunction with SANBS Management guides the processes aimed at assisting SANBS achieving general public and stakeholder endorsement as a leading provider of blood, blood products and world-class research and training.

A Stakeholder Management Policy was also adopted to ensure responsiveness of SANBS to stakeholder needs through entrenchment in planning and perception management to mitigate any reputational risks from materialising.

Our integrated report aims to provide our stakeholders with a concise, material, transparent and digestible assessment of our governance, strategy, performance and prospects, delivering sustained value for the future.

- the purpose of "Trusted to Save Lives" is achieved



- Government debt has decreased, mainly due to better engagement with our stakeholders and increased collections.

See the Governance, Social and Ethics Committee Report on pages 36 to 37, and details of our stakeholder engagements documented on pages 84 to 90.





The background of the entire page is a solid red color. Overlaid on this background is a repeating pattern of white icons. Each icon depicts two hands being washed under a stream of water, enclosed within a thin white circular border. The icons are arranged in a regular grid across the entire surface.

MANAGING RISK & OPPORTUNITY AS WELL AS PANDEMIC EFFECTS

MANAGING OUR RISKS AND OPPORTUNITIES

to ensure we manage what matters most

BENEFITS FROM PRACTISING GOOD RISK MANAGEMENT IN ENABLING SUSTAINABILITY IN TIMES OF CRISIS

IV Risk governance is detailed on page 39 and 42.

The 2019 Annual Integrated Report focused on detailing steps taken to further embed risk management in key and core activities, material to our business, enabling us to anticipate and respond to changes in the context of our business environment, as well as enabling us to make well-considered decisions under uncertain conditions.

These steps are premised on global practical risk management practices including ISO31000, as well as King IV™, and include the identification, analysis, evaluation, treatment and monitoring of risks and opportunities from a position where we understand the context of our business environment. Understanding our context, includes understanding our objectives, our internal and external stakeholders, as well as the internal and external factors that could affect the achievement of our iHEALTH strategy.

Figure 1, below demonstrates how the effort is driven by the Board, senior and middle management to manage and report on risks.

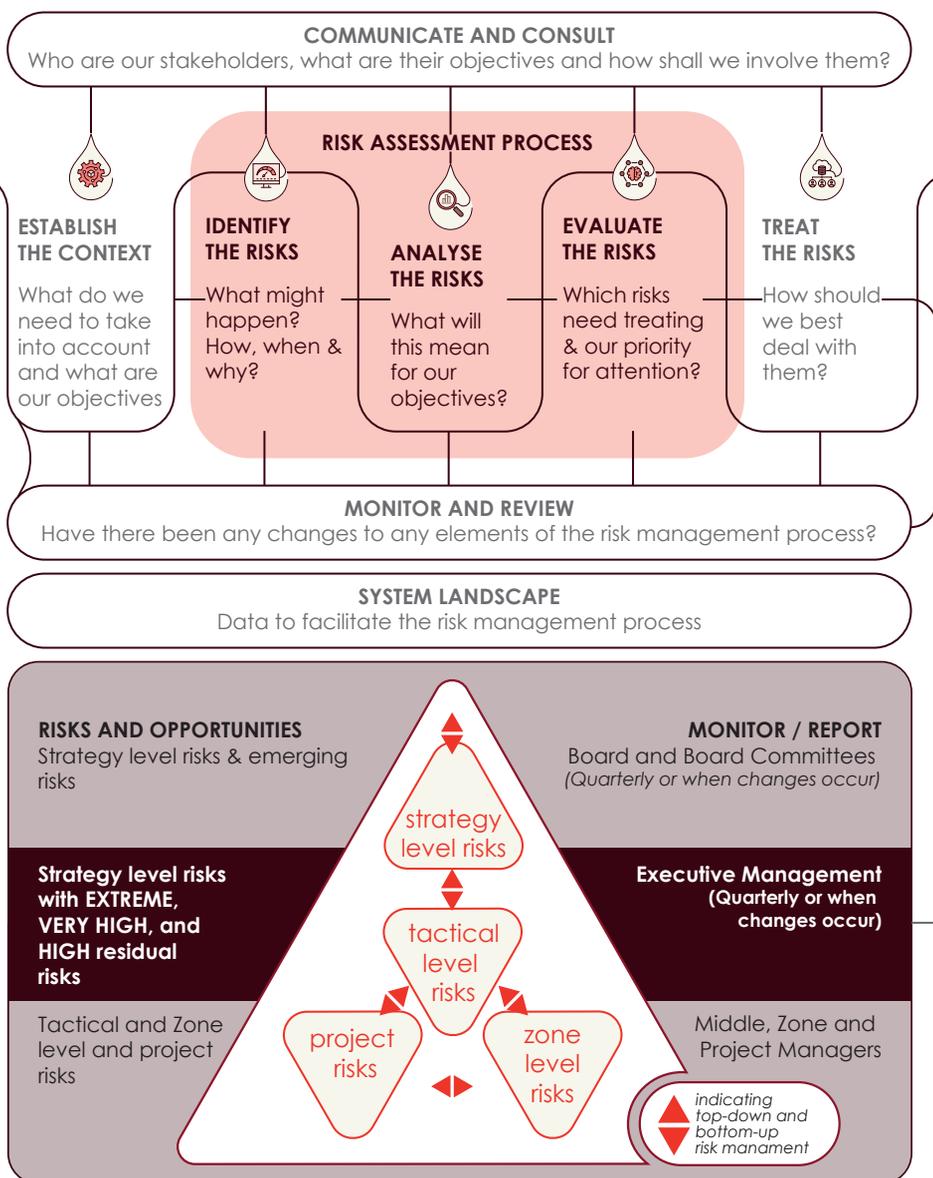
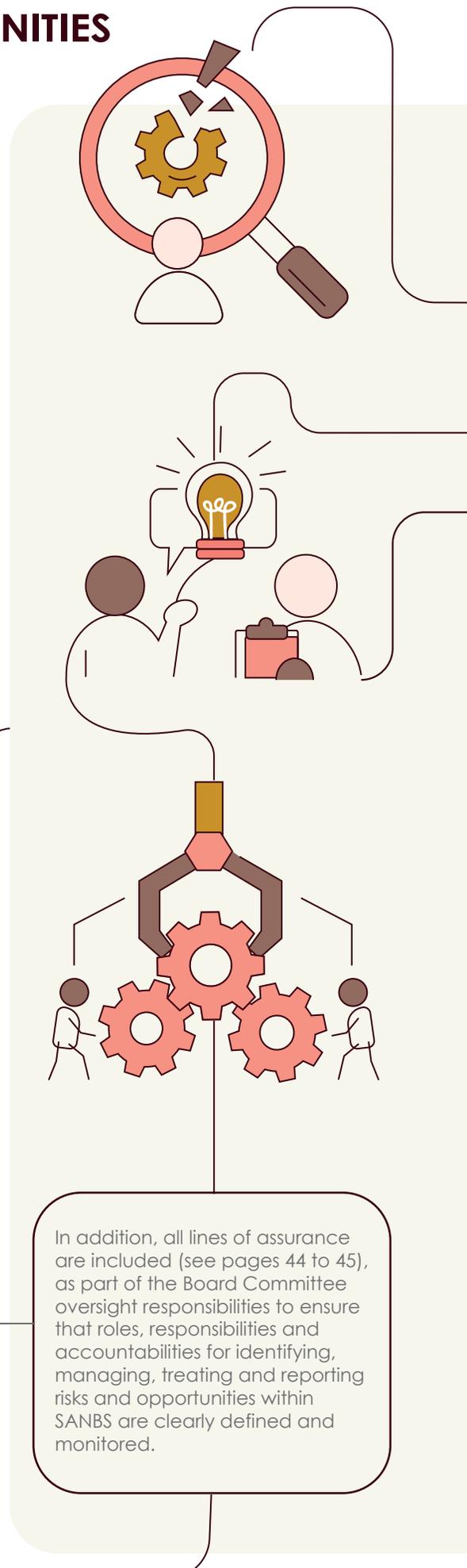


Figure 1: Risk management and risk reporting process



CURRENT AND ONGOING FOCUS AREAS

THAT BENEFIT FROM THESE EMBEDDED RISK MANAGEMENT PRACTICES INCLUDE:

PRE-EMPTING AND MANAGING IMPACTS CAUSED BY THE COVID-19 PANDEMIC.

Two external events that initiated additional risk identification included:

- Current supply chain controls were enhanced with treatments to mitigate any negative impacts on the critical consumables and equipment supply chain, especially where suppliers or suppliers of the suppliers were situated in China, as early as the start of January 2020.
- Management also recognised that the lack of an overarching business continuity management process could negatively affect sustainability during a crisis and accelerated the development of key elements, specifically in the formalisation of a crisis communication plan, which was timeously implemented when the pandemic struck the SANBS business environment.

IMPLEMENTATION OF iHEALTH

- This included management's monitoring and managing of changes to the risks in the context of SANBS' operating environment while implementing iHEALTH strategies to digitalise and improve personalised donor care using artificial intelligence and other operational improvement opportunities.

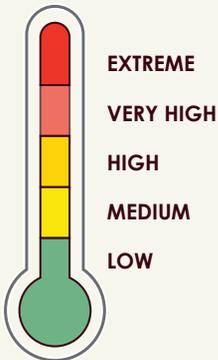
SANBS RISK PROFILE (RISK HEATMAP OF TOP 10 RISKS)

The residual risk level of strategy level risks currently identified and managed are depicted in the heatmap and described in detail on the pages that follow.

MATERIAL RISKS IMPACTING:

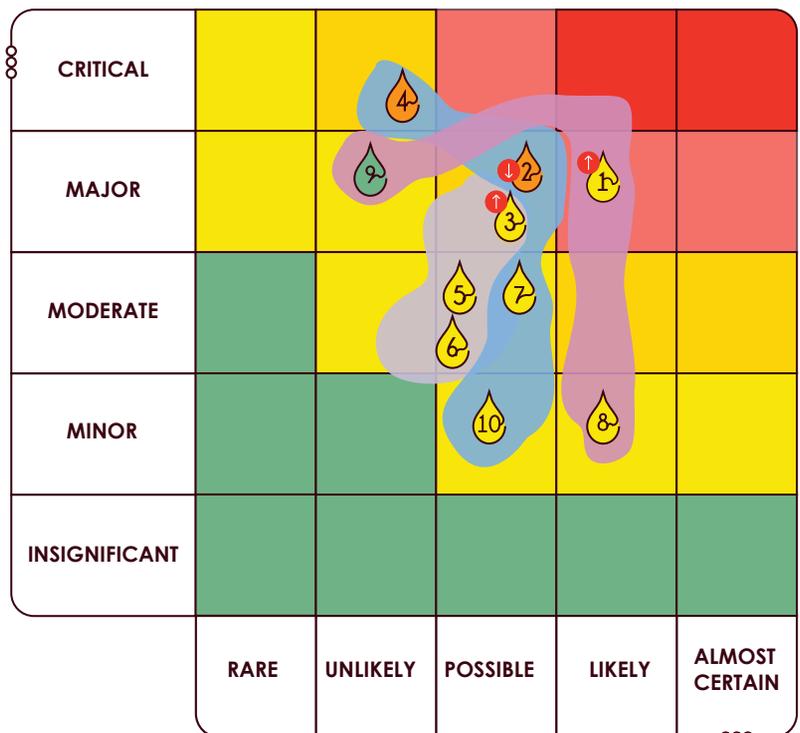
- FINANCE
- REPUTATION
- OPERATIONS

RESIDUAL RISK LEVEL



- Risk number refers to the number of the risk on the pages that follow
- Risk colour reflects current level of control
- Arrows reflect movement since previous reporting period

STRATEGY LEVEL RESIDUAL RISK HEATMAP

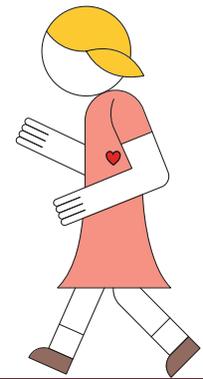


MANAGING OUR RISKS AND OPPORTUNITIES

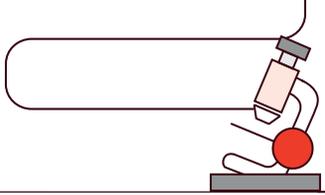
to ensure we manage what matters most (cont'd)

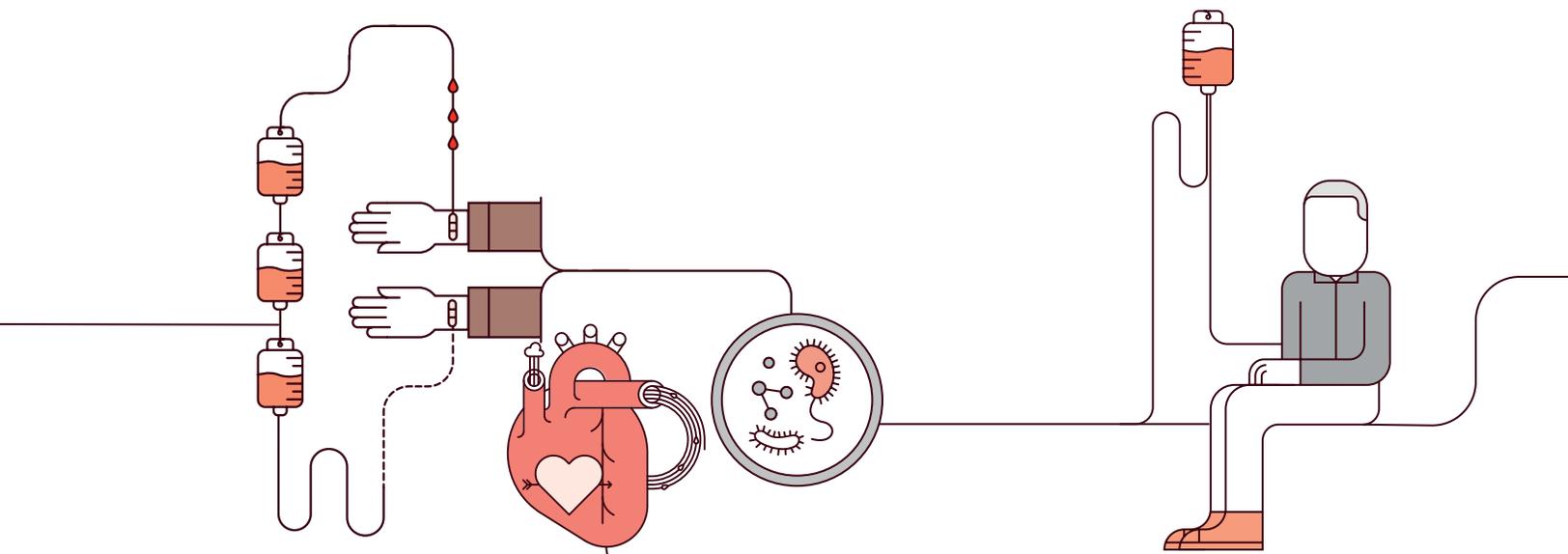
SANBS accepts that certain risks have to be accepted as part of its business environment and therefore risks are treated only where the benefits of the risk treatment outweighs the cost of the treatment.

The following key strategy level risks and opportunities and the impact of COVID-19, as well as associated risk treatment actions, are currently being managed to ensure the achievement of the iHEALTH strategy:



STRATEGY LEVEL RISK/ OPPORTUNITY	KEY CAUSES, CONTROLS AND RISK TREATMENTS
<p> Collection of income for SANBS to sustain its operations as NPO</p> <p> COVID-19 related</p> <p> A</p> <p></p> <p>Oversight: AC, RTIG, CGC</p>	<p>Key causes Revenue collection continues to be challenging as both Public and Private hospitals are under severe budgetary pressure.</p> <p>Key control A Debtors Collection Task Team expedites collections through continual engagement with stakeholders.</p> <p>Key risk treatment action Automation of a number of processes to simplify reconciliations of accounts between SANBS and its debtors.</p> <p> COVID-19 impact: Based on Government's additional spending on the 'war against COVID-19' SANBS may face possible decrease in its ability to collect cash owed by the public sector.</p>
<p> A culture that is conducive to executing the iHEALTH strategy</p> <p> I H E A L T H</p> <p></p> <p>Oversight: RTIG, CGC, GSEC</p>	<p>Key causes People elements such as historical issues negatively affecting staff morale, poor internal communications, external influences and misaligned staff expectations.</p> <p>Key controls People related controls to manage achievement of iHEALTH strategy include the performance management system, a cordial relationship with the majority union (HOSPERSA) and management taking ownership of internal communications.</p> <p>Key risk treatment actions Implementation of an organisational culture renewal initiative (DNA) through which staff identified issues and developed actions to improve morale (see pages 96 to 97) and the implementation of the Ethics Institute recommendations after their review of the ethical environment in SANBS.</p> <p> COVID-19 impact: COVID-19 communication to staff and stakeholders is closely monitored to ensure blood and blood products' supply is maintained.</p> <ul style="list-style-type: none"> Based on the improved results of the latest DNA and the fact that we noted a more cooperative impact than expected, the residual risk rating was reduced from a 'Very High' to a 'High' rating.
<p> Impact on staff availability due to the COVID-19 pandemic</p> <p>N I H E A L T H</p> <p></p> <p>Oversight: RTIG, CGC, HRRC</p>	<p>Key cause Staff members who may be exposed/ infected and therefore unavailable for short/extended periods of time, is an operating reality throughout SANBS.</p> <p>Key risk treatment actions Implemented staff redeployment plans, involvement of the Occupational Health team to monitor both mental and physical well-being, increased communication with organised labour, planning to use retired staff and daily monitoring of staff health and availability by the COVID-19 Reaction Unit.</p> <p> COVID-19 impact: Critical / business imperative staff and staff wellness are monitored by the COVID-19 Reaction Unit and plans to ensure continued operations and donor safety by sufficiently qualified/trained/retrained staff.</p> <ul style="list-style-type: none"> Considering that business imperative staff members may be exposed/ infected, the impact this may have on the Operations was rated as 'Major' resulting in the residual risk level of 'High'.





**STRATEGY LEVEL RISK/
OPPORTUNITY**

**KEY CAUSES, CONTROLS
AND RISK TREATMENTS**

Year-on-year fluctuation ▲ Increase ▼ Decrease ▶ Same OR N New

4

Ongoing supply of safe, quality blood products to all who need it

▶ L T



Oversight: RTIG, CGC

Key causes

Unhealthy donors, an unhygienic operational environment and emerging/new pathogens/diseases that could develop without being tested.

Key controls

A robust quality management system and collaboration with standard-setters to develop standards for transfusion management.

Key risk treatment actions

Further improvements in the cold chain system, reduction of proficiency testing failures to assist with reducing Turn-Around-Time, reducing wastage and investigating international trends regarding pathogen inactivation.

COVID-19 impact: Continued monitoring of global research by the COVID-19 Reaction Unit to monitor effects and to put plans in place if any changes occur.

5

Injuries to staff and third parties

▶ E A



Oversight: RTIG, GSEC, CGC

Key causes

Needle-prick injuries to staff in the process of taking donations, vehicle accidents and exposure to hazardous material such as liquid nitrogen.

Key controls

The Safety Department ensure a safe working environment through the implementation and maintenance of safety features in all operational processes.

Key risk treatment action

Relocation of the Pinetown campus (where the biggest safety risk lies) to improve the safe work environment of staff and other stakeholders visiting the campus.

COVID-19 impact: The risk of staff being infected by COVID-19 is managed via PPE and other safety and health related regulations issued by the Department of Employment and Labour, but healthcare workers are still at high risk.

6

Continued availability and reliability of information management systems

▶ A L h



Oversight: RTIG

Key causes

Possible failure of information security systems (including due to cyber attacks), downtime of critical systems, insufficient computing resources to enable operations.

Key controls

Formal Information Management Security Systems (ISMS), regular review and improvement of IT solutions, Disaster Recovery Plans (DRP) and cyber risk insurance in the event of a cyber attack.

Key risk treatment action

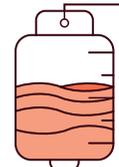
Integration of the DRP with BCM to ensure that business continuity events are managed in an integrated manner.

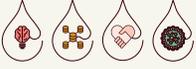
COVID-19 impact: IT systems are performing well under the stressed situation and a remote working environment is in place and performing well during COVID-19.

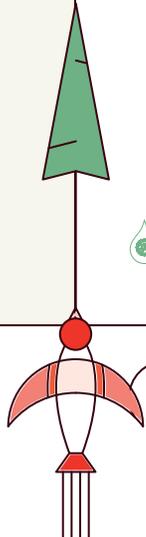


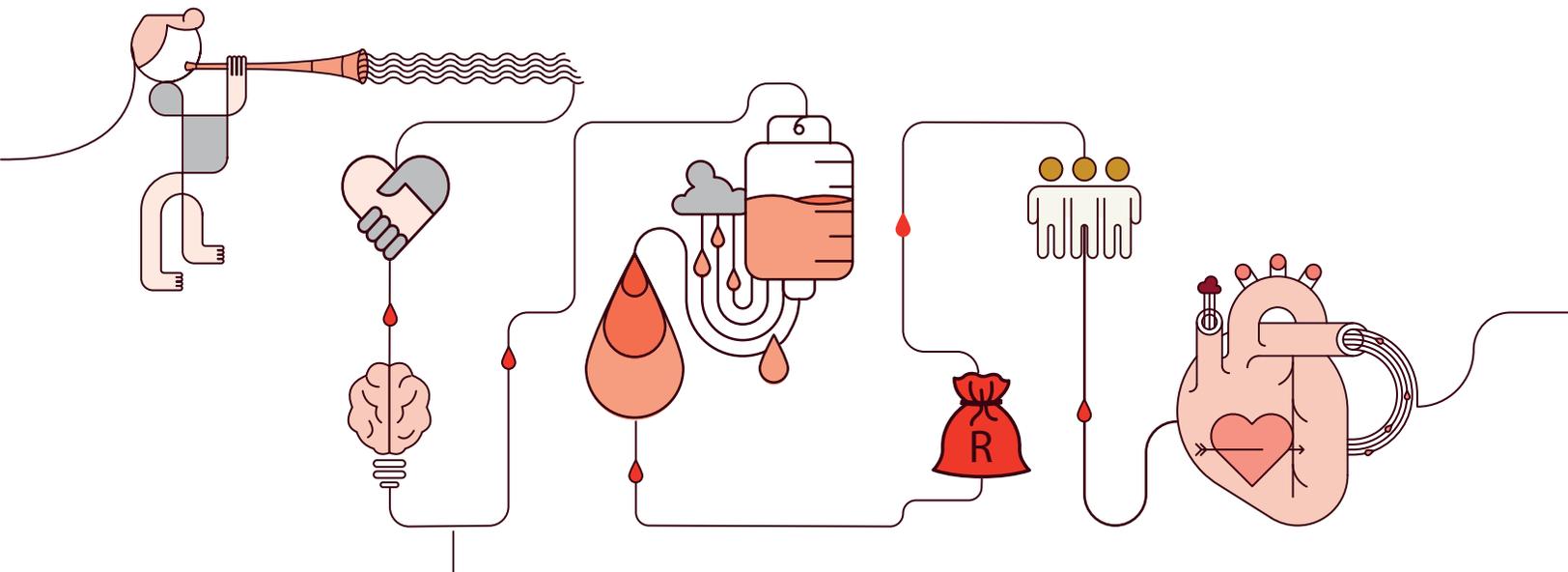
MANAGING OUR RISKS AND OPPORTUNITIES

to ensure we manage what matters most (cont'd)



STRATEGY LEVEL RISK/ OPPORTUNITY	KEY CAUSES, CONTROLS AND RISK TREATMENTS
<p>7 Continually meeting regulatory requirements, including those of SAHPRA</p> <p>▶ T</p>  <p>Oversight: RTIG, CGC, HRRC, AC, GSEC</p>	<p>Key causes A decentralised business model that continually challenges monitoring of compliance to both internal and external legislative requirements, knowledge of legislative requirements and timely awareness of changes and impacts of changes on the business.</p> <p>Key controls Compliance Champions are appointed throughout the business to monitor compliance and the service provider of the compliance management software solution notifies SANBS of changes to legislation.</p> <p>Key risk treatment actions Implementation of ISO 15189:2012 – 'Medical Laboratories – Requirements for quality and competence', an increase in Haemovigilance/surveillance by reducing the Hospital Clerical Error Rate and improving True Lookback Closures.</p> <p>Note: To ensure sufficient focus on the NHI, it is currently identified as a separate risk (see risk 9), as it requires specific attention and controls.</p> <p>COVID-19 impact: Frequently changing COVID-19 regulatory requirements are monitored by the COVID-19 Reaction Unit lead by the Medical Director.</p>
<p>8 Ability to maintain research and development leading to new products/ new solutions and new income streams (<i>Opportunity</i>)</p> <p>▶ i H h</p>  <p>Oversight: RTIG, CGC</p>	<p>Key causes Identification of new and novel products is an opportunity added to the risk register to manage and prioritise resources. This opportunity arose from the current increased healthcare possibilities and requirements from market, but is negatively impacted by the lack of skilled staff, insufficient support services and insufficient information to enable research and development.</p> <p>Key risk treatment actions Application for JACIE FACT accreditation, the development of platelets lysate for the national and international market and the development and publication of relevant translational research.</p> <p>COVID-19 impact: A reduction of new income budgeted is expected due to our current focus being on the crisis. However, SANBS is already participating in several COVID-19 treatment initiatives.</p>
<p>9 Possible impact of the National Health Insurance (NHI) implementation on SANBS operations (<i>Risk and opportunity</i>).</p> <p>▶ T</p>  <p>Oversight: RTIG, CGC</p>	<p>Key causes The risk presents a number of challenges, but it is also recognised as a significant opportunity. The most notable risk is possible non-alignment of current processes with requirements and possible changes to cost structures which SANBS may not be able to absorb.</p> <p>Potential opportunities to elevate SANBS' purpose to be 'Trusted to save lives' could however be realised in using the NHI data repositories relating to patient and health data, increased ability to develop cures for many blood related diseases when more data is available, increased Patient Blood Management (PBM) awareness and, in general, to improve the community's health by being able to act proactively.</p> <p>Key risk treatment actions The Board and management provide, where appropriate, input and guidance to developers of the legislation through ongoing engagement with the National Department of Health and other stakeholders; and in anticipation of requirements, implementation of 'ISO 15189:2012 Medical Laboratories – Requirements for Quality and Competence' is underway.</p> <p>COVID-19 impact: No significant impact on the key risk treatment actions used to manage the risk.</p>





**STRATEGY LEVEL RISK/
OPPORTUNITY**

**KEY CAUSES, CONTROLS
AND RISK TREATMENTS**

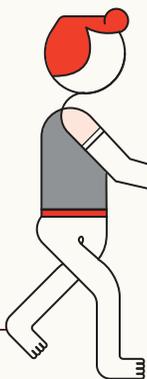
Year-on-year fluctuation ▲ Increase ▼ Decrease ► Same OR N New

10 Meeting full demand for all blood products under normal operations

► I H A L H



Oversight: RTIG, CGC



Key causes

An ever increasing South African population and high numbers of euthemecia/-cancer patients who require large volumes of blood, and a prolonged procurement process.

Key controls

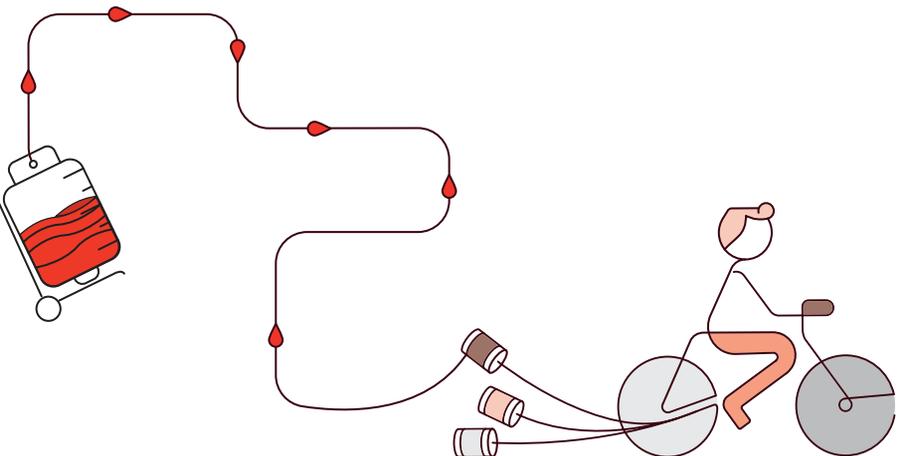
SANBS' decentralised business model across SA to ensure availability of required blood stocks. This is supported by monitoring demand and collection targets set and managed at Executive and Board level, PBM, demand management clinical trials to improve donor and patient care, 'Project #IronStrong' to decrease deferrals and offering of iron tablets to eligible donors, optimising of donor return rate through #DonorOptimisation and integration/conversion of Groups A and AB donors into sourced plasma donors to assist NBI with its plasma supply requirements.

Key risk treatment actions

Research into cell salvaging to reduce the need for blood, digitalisation of personalised donor care including implementation of a modernised Blood Establishment Computer System (BECS), further development of the predictive Blood Demand Model, relocation to a modernised KZN zone campus, further improvements to PBM, donor mobility improvements to improve donor and doctor engagement and implementation of the drone programme as a complimentary mode of transporting blood products focusing on emergency blood products, rural areas with limited transport logistics and saving lives during the golden hour.



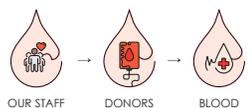
COVID-19 impact: Collections are closely monitored and 'Days cover' is holding steady. Possible increase in requirements for blood is also closely monitored to ensure timely planning when an increased demand is expected.



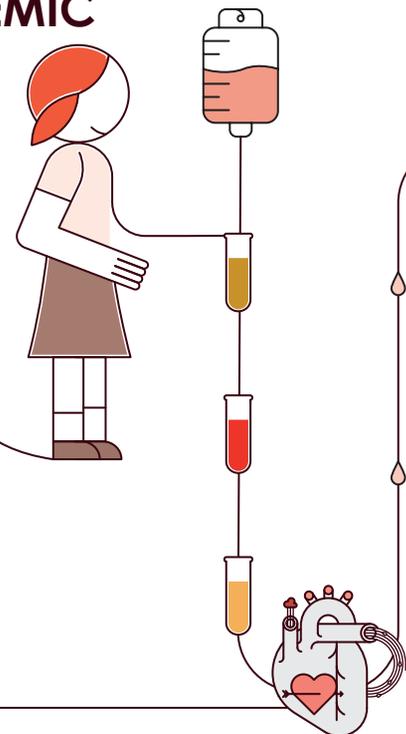
OUR RESPONSE TO THE CORONAVIRUS PANDEMIC

The widespread devastation of COVID-19 has disrupted lives, livelihoods, communities and businesses worldwide. The social and economic upheaval presented by COVID-19 has tested the resilience and continuity of SANBS operations, recognising the importance of robust risk management and business continuity, as well as opportunities for our organisation to adapt and respond to these unprecedented times in the context of our operations internally and externally.

The COVID19 pandemic was extremely difficult to predict and in the wake of this crisis, we had to respond with agility to collect and deliver blood safely and innovatively, with a focus on the safety of:



Continuity and safety of operations **trusted to save** *lives* through the gift of *life*



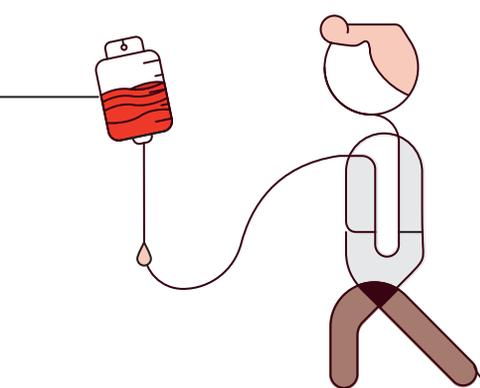
A task team was formalised and met on a daily basis to stay on top of developments and ensure minimal disruption to operations. This team continues to meet regularly. The Board is kept apprised of developments.

In summary, the table below illustrates key events, crisis management activities, and results achieved by the various teams reporting to the SANBS COVID-19 reaction unit as the pandemic unfolded.

OUR CONTEXT	TRIGGERS	ACTION	OUTCOME
Pre-COVID	Managing strategy level risks, including emerging pathogens identified as a cause for the risk of 'Unsafe Blood'	Robust quality and control management system in place to ensure the safety of blood products	SANBS was in a position to manage the initial impact of the COVID-19 pandemic from the front foot
Jan 2020	China-potential impact on SANBS' operations regarding critical consumable materials and equipment availability	Urgent assessment of impact	Back-up plans for suppliers
A member of a key international service provider fell ill	Infection risk to several staff working with the service provider - and the greater organisation	Infection Prevention Controls (IPC) were rapidly cross-pollinated across the entire business	Increased awareness of routine personal sanitisation by all staff. Negative COVID-19 result, but increased readiness for pending crisis
First staff member tested positive	Risk of widespread infection, staff safety and continuity of operations	Crisis Communication Plan (CCP) enabled management to execute a structured selection of the COVID-19 rapid response team	Timely and appropriate risk-based communication, to preserve SANBS' reputation
Implications of 14 days quarantine	Remote access to business	Activation of remote dial-in facilities video/telecon management meetings	Crisis management dashboard to monitor, prevent and contain the spread of COVID-19 and maintain business operations
Reaction to the enforcement of lockdown	Preparing for the "new normal" across the value chain	The COVID-19 Reaction Unit and associated operational task teams monitored progress of implementing previously developed crisis management processes and expanded current controls	New processes implemented to comply with regulations issued by government to curb the spread of COVID-19
Adjustment to the "new normal"	Identifying opportunities	Identifying areas to supplement income, reduce cost, enable staff and develop innovative processes	Manage SANBS in a post-COVID-19 business environment
Responding to the rapidly changing environment	New information on the virus and ways to manage the pandemic continue to become available from local and global sources	COVID-19 reaction unit, led by the medical director, meets daily to monitor compliance with current containment measures and direct implementation of new requirements	Current measures continued to be monitored minimising the impact on SANBS and new measures are implemented timely resulting in risks being mitigated and opportunities optimised



RESHAPING OUR BUSINESS FOR THE FUTURE



The recent challenges with COVID-19 will have an impact on the financial performance of the business in the coming year and we will continue to reduce our costs wherever possible to ensure continuity in these difficult times. COVID-19 has provided an opportunity to reshape our business model and relook how we remain sustainable in the future, being mindful of protecting people, the planet and maintaining profit, referred to as "the triple bottom line".

In essence, we need to manage climate-related risks, strengthen our social fabric and inspire economic activity that creates value for all if we aim to operate in a world that is sustainable and well-equipped to combat any crisis in the future.

We will continue to focus on the following objectives to ensure ongoing sustainability:

OBJECTIVES	MANAGEMENT RESPONSES	
Prevent and contain infection of SANBS staff and external stakeholders	<ul style="list-style-type: none"> • Work remotely/from home policy implemented • Management of visitors to SANBS premises • Virtual meetings and staff training • Identifying potential COVID-19 exposure and tracing • Staff and stakeholder screening 	<ul style="list-style-type: none"> • COVID-19 testing for symptomatic staff • Sanitisation measures • Social distancing • Personal protective equipment • Decontamination of SANBS premises and vehicles • Deepen/strengthen our occupational health processes
Communicate responsibly to SANBS staff and external stakeholders	<ul style="list-style-type: none"> • Crisis communication managed in line with SANBS communication protocols • Digitalisation of communication to staff 	<ul style="list-style-type: none"> • Continued communication through all possible communication channels
Ensure business imperative staff availability (welfare and availability)	<ul style="list-style-type: none"> • Redeployment of staff to donor services • Business Imperative Skills Training Plan based on the needs identified by the redeployment process • Risk assessments for essential staff 	<ul style="list-style-type: none"> • Ongoing engagement with labour partners • Additional staff support and regular check-ins • Employee wellbeing, return to work guidelines and post COVID-19 support after quarantine or self-isolation
Sustained safe blood and blood products availability: Collections planning	<ul style="list-style-type: none"> • Maintaining daily whole blood collections 	<ul style="list-style-type: none"> • Redeploying mobile blood drives for ease of accessibility to donors
Sustained fixed donor site, testing facility, processing and storage/Blood Bank site availability	<ul style="list-style-type: none"> • Safety measures for donors and staff at collection sites • Sanitisation and protective equipment • Segregation of staff and enforcing social distancing in staff restricted areas 	<ul style="list-style-type: none"> • Contracting in Agency Nurses (exclusively for SANBS) and fixed-term contract appointments for vacant critical positions ensuring a fluid workforce • Staggering of staff shifts and rotation in testing laboratories to prevent cross-contamination
Sustained safe blood and blood products availability: Quality	<ul style="list-style-type: none"> • Enhanced IPC measures • Maintain Helpline for health queries 	<ul style="list-style-type: none"> • Ongoing assessment of sanitizer usage across the value chain • Evaluation of suppliers to meet requirements
Critical consumables availability	<ul style="list-style-type: none"> • Critical Consumable Material Management • Shift of focus from critical stock to "disaster" stock 	<ul style="list-style-type: none"> • Negotiations facilitated by Procurement for security of supply to ensure uninterrupted supplies even during excessive demand
Sustained IT communications	<ul style="list-style-type: none"> • Enabling remote users with equipment required • Strengthening and supporting connectivity 	<ul style="list-style-type: none"> • Continued information security and safety protocols





CREATING VALUE IN A SUSTAINABLE MANNER THROUGH OUR STRATEGY

- Reflecting on our performance - 2019/20
- Our strategic priorities
- Our “Greening” strategy (managing our natural capital)
- Contributing to a sustainable future

CONTRIBUTING TO A SUSTAINABLE FUTURE AND HOW

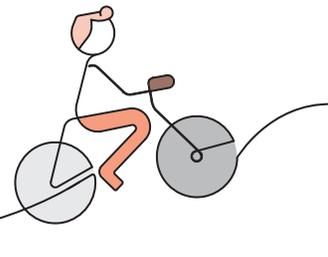
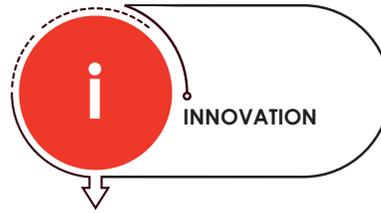
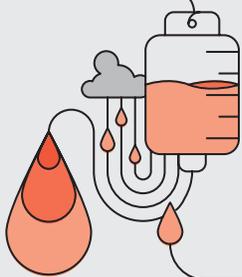
we added value

Looking back over the past year, it is through the dedication and commitment of our people that we were able to deliver an outstanding set of results across all metrics in our scorecard.

Performance against our strategic priorities is measured through defined Key Performance Indicators (KPIs) incorporated into our overall **"iHEALTH"** balanced scorecard which cascades down to all levels within the organisation.

Under each of the **iHEALTH** Strategic Objectives, we provide an insight into the key initiatives and the results of our performance against the measures for the period under review. We also provide a comparison to the previous year and a view of the plans or targets for the next reporting period, 2020/2021.

We make the connections between what we hope to achieve with each element of **iHEALTH**, the strategic priorities, which of the SDG's are progressed, which material matters are relevant and the value that is created across Reliability, Cost, Quality and Coverage.



ASPIRATION

Improve and expand current products and services through innovation



STRATEGIC PRIORITIES

- Unlock other revenue streams-enhance services and develop an innovative product mix
- Lead the development, commercialisation and delivery of cellular therapies



HIGHLIGHTS

SANBS is again at the forefront of technology in the blood transfusion space, both in terms of participating in a clinical trial to check the efficacy and safety of the use of convalescent plasma in patients with Coronavirus as well as implementing exciting new drone technologies to save lives in rural areas and commencing the digital journey to enhance our donor's experience and simplify our business



CONTRIBUTING TO LONG TERM SUSTAINABLE VALUES

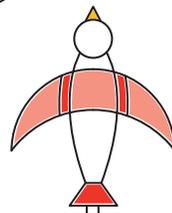


RELATED MATERIAL MATTERS

- Meeting blood demand
- Future changing world
- Cost, reliability, coverage and quality
- Stakeholder engagement



PROJECT BLOODWING



The launch of Project BloodWing (our drone delivery service for blood) was the result of extensive testing, presentations and demos.

2019 MILESTONES

- CAA application lodged
- Flight test in Germany: successful handover between two ground stations with TRON UAV
- Two-week flight test in SA: successful handover between two ground stations with TRON UAV
- Demo TRON to SANBS
- Demo TRON to SA public in June 2019
- R24 million advertising value earned
- Mobile containers for ground stations
- Presentation and live demo at SA Blood Congress
- CAA flight testing
- Pilot training
- SANBS certified RMT engineer
- BVLOS testing
- Letter of approval from Sedibeng Municipality to conduct POC
- Naming of drones: Nthinga, Botshelo, Sizanani, Qhawe, Sindisa

APPLICATION STATUS

- Nthinga and Botshelo drones registered with CAA
- Awaiting appointment of CAA inspector

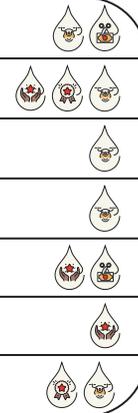




CREATING VALUE FOR STAKEHOLDERS

- Expansion of our product range to reduce cost and improve health of our community
- Increased ability to develop blood products and demonstrate SANBS' capabilities
- Taking new products from bench to bedside
- Improved coverage for blood delivery and increase ability to deliver emergency blood
- Increasing operational efficiencies and stakeholder's collaboration capabilities
- Increase availability of blood
- Increased blood collection ability and donor experience

MISSION METRICS



KEY MEASURED INITIATIVES	IR 2019	TARGET 2020	PROGRESS APRIL 2019 TO MARCH 2020	OUTLOOK FOR THE YEAR AHEAD 2020 TO 2021 TARGET
Alternative revenue	R67m ▲	R63m	R80.4m ▲	New revenue streams (increased source plasma collection for NBI), cellular therapies R63m
#Novel products	Growth of product range ▲	510 25% more patients than LY	592 ▲	Platelets lysate 640 patients
#Translational Research Office	☑	10	11 ▲	Increase the number of publications by SANBS staff in peer review journals by 10
#Translational Research Office	☑	Successful launch	Strategy approved by the Board ▲	RA Centre Operationalisation/ Academy
Drone Project	☑	Successful launch	FY milestones 80% complete. Project on track ●	Securing our licence to operate as an airport for drones
Pinetown Relocation Mount Edgecombe Construction Project	☑	Project plan	Project milestones on track ▲	Relocate from the current SANBS Pinetown premises to Mount Edgecombe
BECS Implementation	☑	Project plan	Project milestones on track ▲	In 2020 our approved change model will be incorporated into one of the biggest system transformation projects (BECS)
Smart fridges	☑	Project plan	Project milestones on track ●	Process automation (Smart fridges for issue of blood, decentralised processing of blood) Procure 1 smart fridge and complete a pilot study by end of FY
Mobile Vehicles	☑	Project 100% complete POC by end March	Complete ▲	Mobile Donor Centres/vehicles of the future. First one in use, others will be modified following experience of the first

☑ new initiative on track against current plan (no concerns) ▲ Improvement YOY ● No concerns yet ▼ Below target

AWARDS

- Community Chest Impumelelo Social Innovation Awards -
- Thought Leader of the Year 2019
- The SANBS BloodWing team donated the R50 000.00 prize to the Community Chest
- Finalist in the Vison 2030 Awards 2019 (Health Sector)

TESTING

- Successful CAA air-worthiness testing – November 2019
- Successful BVLOS (Beyond Visual Line of Site) testing over 20km, including handover of data links
- Permission received from Sedibeng Municipality for proof of concept drone flights between Sebokeng and Kopanong Hospitals

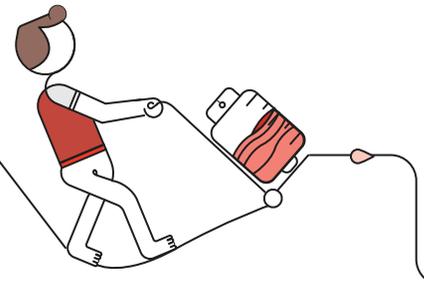
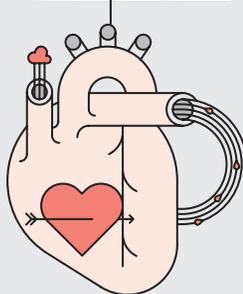
TRAINING

- Future drone pilots and engineers identified
- Potential candidates pre-screened online
- Class-based training
- Phased approached as per the Project BloodWing rollout plan



CONTRIBUTING TO A SUSTAINABLE FUTURE AND HOW

we added value (cont'd)



ASPIRATION

Enhance donor experience through a human centred approach. Enhance brand advocacy



STRATEGIC PRIORITIES

- Increase capacity and capability to collect more blood
- Determine true blood demand
- Manage deferrals to acceptable levels through strategic initiatives
- Ensure improved patient outcomes and excellence and deliver excellence in donor care
- Focus on new donors, youth and black donors



HIGHLIGHTS

Donor deferral rate has decreased resulting in an increase donor return rate and increase in blood collection

Despite the recent challenges of the Corona virus epidemic, our donors continued to come forward and donate. As a result, SANBS has managed to maintain adequate blood stock cover of 5 days, for most of this period, in stark contrast to many of the other global blood services



CONTRIBUTING TO LONG TERM SUSTAINABLE VALUES



RELATED MATERIAL MATTERS

- Meeting blood demand
- Future changing world
- Reputation management
- Cost, reliability, coverage and quality
- Stakeholder engagement

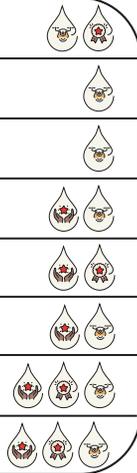




CREATING VALUE FOR STAKEHOLDERS

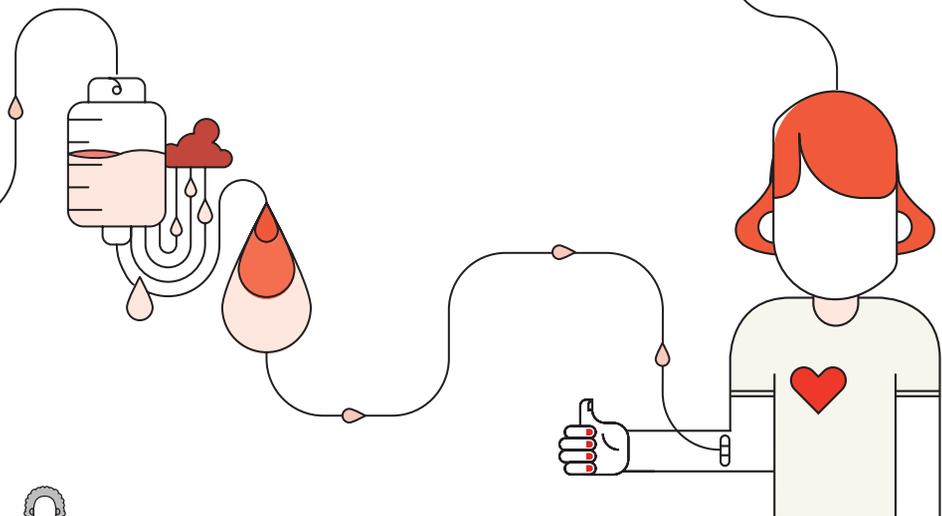
- Improve overall community health
- Increased collections
- Sufficient blood is the core of our operations and this is how we monitor our collections to deliver on our purpose
- Supply enough platelets to patients
- Monitor sustainability of our donor pool
- Increased black donors – increased collection
- Development of SANBS' visibility and brand enhancement
- Fulfilling our core purpose

MISSION METRICS



KEY MEASURED INITIATIVES	IR 2019	TARGET 2020	PROGRESS APRIL 2019 TO MARCH 2020	OUTLOOK FOR THE YEAR AHEAD 2020 TO 2021 TARGET
#IronStrong – Roll out of iron in 6 Zones	✔	6	5 ●	#Ferritin testing - Roll out in Zones
No. of source plasma collections	✔	20 200	19 352 ●	54 121
Days' cover	3.44 ●	5	5.97 ▲	4
% Deferrals from all donations	19.72% ●	18% or less	14.25% ▲	<16.0%
No. of units of Apheresis platelets collected	17 072 ▲	16 500	18 519 ▲	16 280
% First time donors aged 16 – 30 years	69.22% ●	70%	69.9% ●	70%
Black donors as a percent of total donors	42.55% ▲	44%	46.7% ▲	46%
Social media engagement	1.81% p/m ▲	20%	20% ▲	20%
Whole blood collection (Group O)	413 000 ▲	427 000	464 942 ▲	370 517 revised down with the effects of COVID-19

✔ new initiative on track against current plan (no concerns)
 ▲ Improvement YOY
 ● No concerns yet
 ▼ Below target



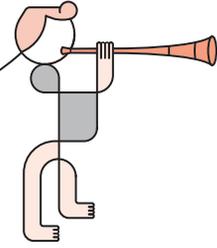
CONTRIBUTING TO A SUSTAINABLE FUTURE AND HOW

we added value (cont'd)



**"It is our collective and individual responsibility ... to preserve and tend to the world in which we all live."
—Dalai Lama**

E EXCELLENCE IN PROCESSES



ASPIRATION

Achieve operational excellence that consistently produces efficient & effective products & services



STRATEGIC PRIORITIES

- Decrease wastage and promote appropriate use of blood
- Improve efficiency of all identified and mapped processes
- Enhance visibility of our value chain
- Re-engineer procurement processes
- Manage internal controls to acceptable levels
- Implement Six Sigma processes



HIGHLIGHTS

A key contributor to our success over the reporting period was a revision of our Target Operating Model to ensure accountability for process ownership contributing to a reduction in project delays, automation of repetitive tasks and removal of non-value adding activities.

The "Greening task team" that we put together in the prior year, developed an interactive dashboard which helped us focus on our environmental impact

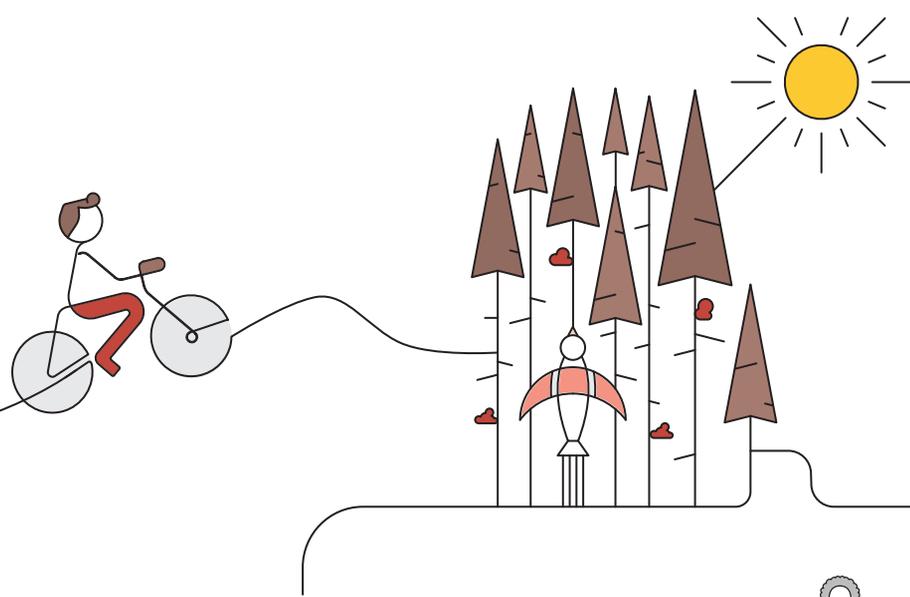


CONTRIBUTING TO LONG TERM SUSTAINABLE VALUES



RELATED MATERIAL MATTERS

- Meeting blood demand
- Future changing world
- Sustainability
- Cost, reliability, coverage and quality
- Transformation/change

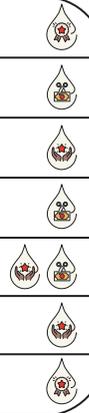




CREATING VALUE FOR STAKEHOLDERS

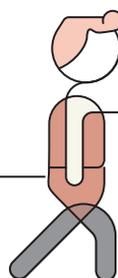
- Improving internal processes to be efficient and effective with acceptable levels of internal control
- Reduce wastage
- Ensuring correct blood type is delivered in an acceptable timeframe
- Monitoring efficient use of resources
- Increasing SANBS' social responsibility environmental impact and reducing cost
- Monitoring our ability to deliver blood ordered by doctors
- Monitoring unused blood to enable treatment actions if required

MISSION METRICS



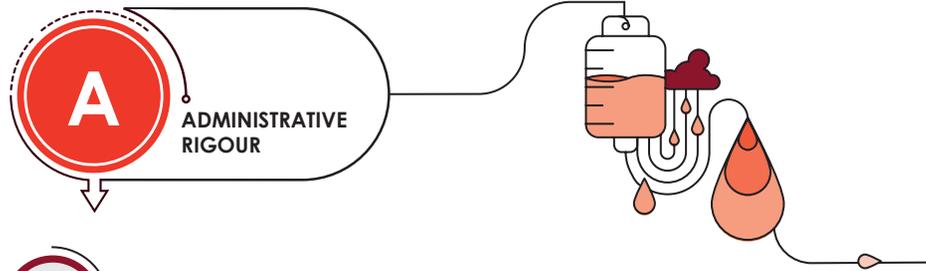
KEY MEASURED INITIATIVES	IR 2019	TARGET 2020	PROGRESS APRIL 2019 TO MARCH 2020	OUTLOOK FOR THE YEAR AHEAD 2020 TO 2021 TARGET
Modernise ERP/SAP systems.	▲	Approved business case	90% ●	Evaluate current SAP ERP system, identify gaps, map out a clear ERP roadmap for S4 HANA implementation. Implement a solution, which is intuitive, agile, scalable and mobile-ready, to improve operational excellence
#Use everything – reduce short bleeds	▲	2.4% or less	2.0% ▲	2.4% or less
Meet SLA TAT for standard crossmatches	☑	>98% of cases done within agreed SLA TAT 120 minutes	The TAT has been reduced from over 500 minutes to 295 minutes ▼	Metric refined to exclude complex cross matches and periods where there is a loss of connectivity to sites. The TAT dropped to 163 mins by the end of Q1 (end-June 2020). Collaborations with the BI team enabled Ops to identify sites with connectivity challenges and where staff require re-training
Greening SANBS	☑	Project plan	90% ●	<ul style="list-style-type: none"> Greening dashboard and awareness campaign launched Sept 2020 Landscaping at H/O in progress despite lockdown launch to staff by March 2021 Reduce printing volumes by 5% by March 2021
% Ordered vs Issued	96.3% ▲	>99%	99.89% ▲	>99% Q1 actuals = 99.9%
Wastage – % of blood discarded	4.4% ▲	8.7%	3.64% ▲	Target: 6.5% Q1 actuals = 3.11%

☑ new initiative on track against current plan (no concerns) ▲ Improvement YOY ● No concerns yet ▼ Below target



CONTRIBUTING TO A SUSTAINABLE FUTURE AND HOW

we added value (cont'd)



ASPIRATION

Build administrative rigour in all order to pay processes



STRATEGIC PRIORITIES

- Manage bad debts rigorously by enhancing debt collections tactics

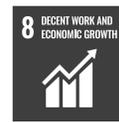


HIGHLIGHTS

Gross debtors have decreased at the end of the financial year. Due to the increased collections in the current year, our debtor's days have decreased when compared to the prior financial year. Government debt has decreased mainly due to better engagement with our stakeholders and increased collections. This certainly put SANBS on a more stable footing than prior years.



CONTRIBUTING TO LONG TERM SUSTAINABLE VALUES

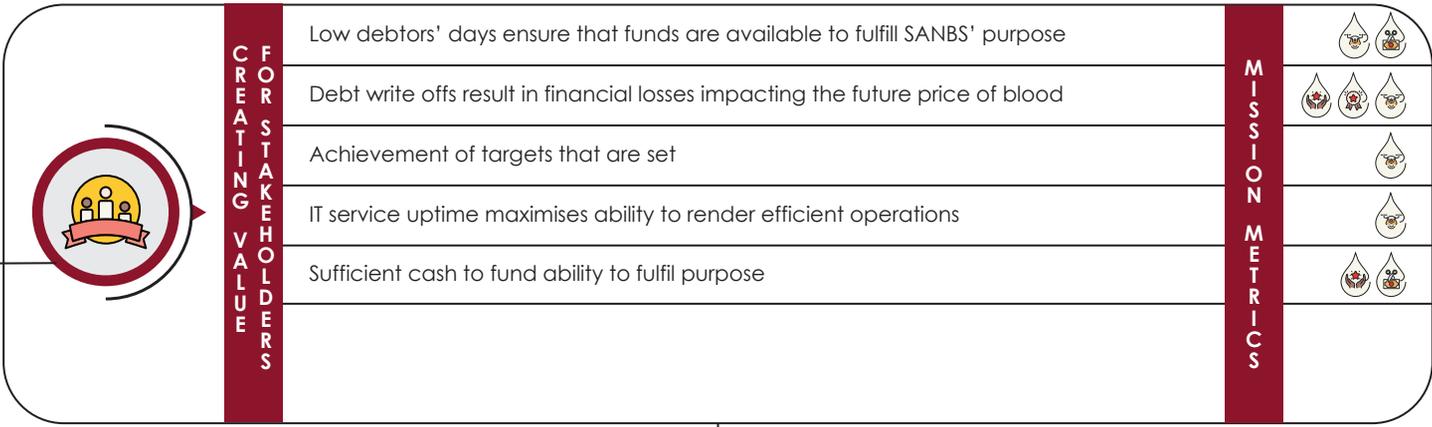


RELATED MATERIAL MATTERS

- Future changing world
- Sustainability
- Stakeholder engagement
- Cost, reliability, coverage and quality
- Transformation/change

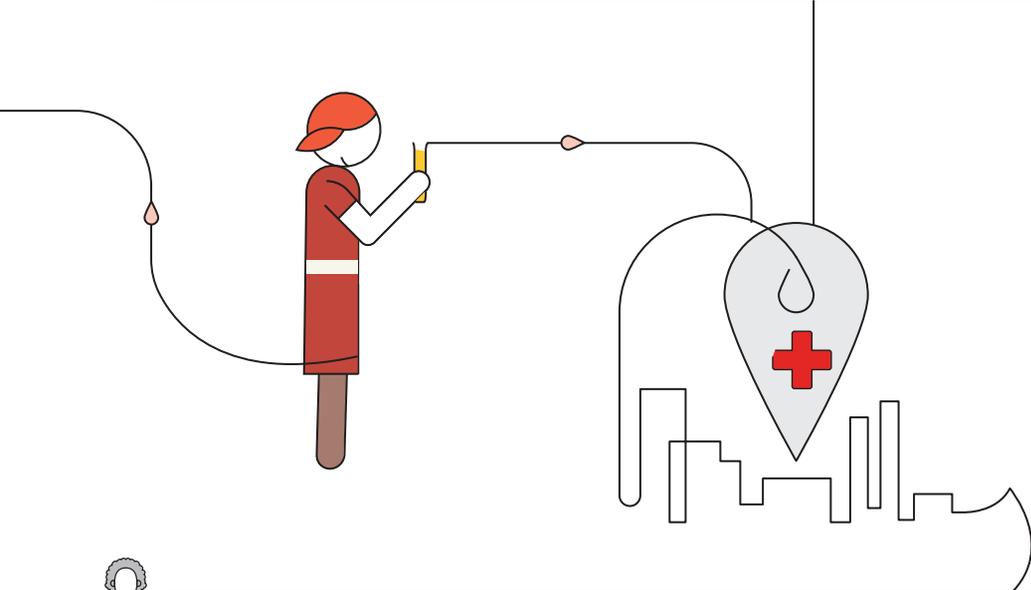
"Yesterday is not ours to recover, but tomorrow is ours to win or lose."
Lyndon B. Johnson





KEY MEASURED INITIATIVES	IR 2019	TARGET 2020	PROGRESS APRIL 2019 TO MARCH 2020	OUTLOOK FOR THE YEAR AHEAD 2020 TO 2021 TARGET
Debtors' days	174 ▼	140 days	Due to government provincial hospitals paying less from November, as they deplete their annual budgets, debtor days are normally higher in March. ▼	140 days (target) Q1 actuals 186.9 days Some level of concern exists re collections given the pressure on public and private health dealing with the pandemic and their ability to pay amounts owed to SANBS
Bad debt expense as a % of Revenue	5.60% ▲	6%	4.30% ▲	6%. Q1 actual = 7.1% - Impact of lockdown on the healthcare sector
Availability of critical IT services during agreed operating times	LAN = 97.38% <input checked="" type="checkbox"/> WAN = 97.44%	98.0%	98.5% ▲	98%
Net cash reserves	R1,63bn ▲	R1,66bn	R2bn ▲	R1.6bn Q1 actuals R1.8bn
Business Continuity Management (BCM)	<input checked="" type="checkbox"/>	Project Plan	Project milestones on track ●	100% complete. Well tested in COVID-19 environment
Staff cost as a % of Total Costs	42% ▲	46%	44.20% ▲	44%

new initiative on track against current plan (no concerns)
 ▲ Improvement YOY
 ● No concerns yet
 ▼ Below target



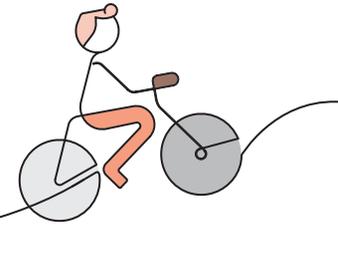
CONTRIBUTING TO A SUSTAINABLE FUTURE AND HOW

we added value (cont'd)

“You are not important because of how long you live, you are important because of how effective you live.”
-Myles Munroe



L LOGISTICS BENCHMARK



ASPIRATION

Move blood products in the value chain in a timely, effective and efficient manner



STRATEGIC PRIORITIES

- Ensure 100% of critical consumables are available to support the value chain 100% of the time
- Investigate and implement state of art design for mobile donor centres
- Optimise process cost efficiency for delivery of blood products

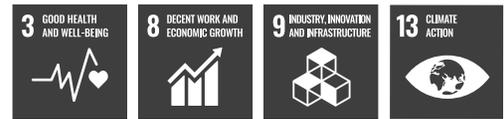


HIGHLIGHTS

Blood supply to patients in need increased by more than 15% vs the prior year, certainly a record for SANBS and clear evidence that we were not adequately meeting the demand for blood in South Africa. The operating context in the wake of the COVID-19 prompted us to quickly adjust our strategies to collect blood under the rapidly evolving lockdown rules. Recent months have indicated a continued slowing of demand to around 15% lower than we had predicted in a normal environment and we had to react immediately to contain costs, while maintaining sustainability and a conducive working environment for our staff.

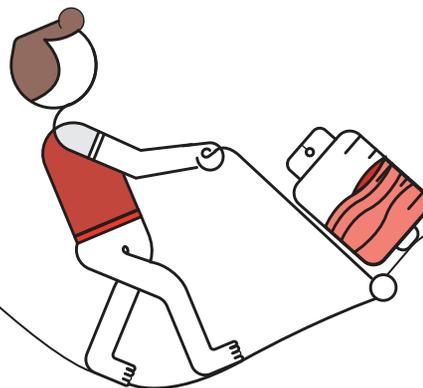


CONTRIBUTING TO LONG TERM SUSTAINABLE VALUES



RELATED MATERIAL MATTERS

- Future changing world
- Sustainability
- Stakeholder engagement
- Cost, reliability, coverage and quality
- Transformation/change
- Meeting blood demand





CREATING VALUE FOR STAKEHOLDERS

Drivers form part of the face of SANBS to the public. Good driver behaviour results in positive community impacts

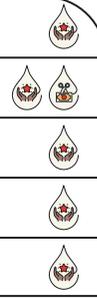
Reduced product costs and carbon footprint

On-time deliveries improve SANBS' ability to save lives

SANBS delivers on its contracted plasma production delivery targets

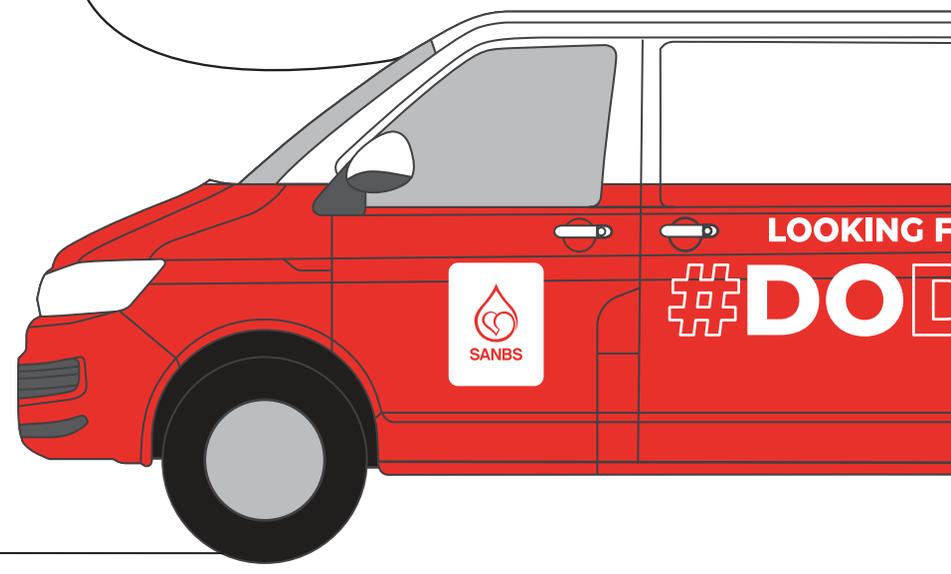
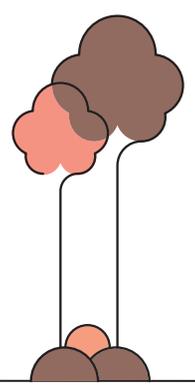
Availability of consumables are critical to production continuity

MISSION METRICS



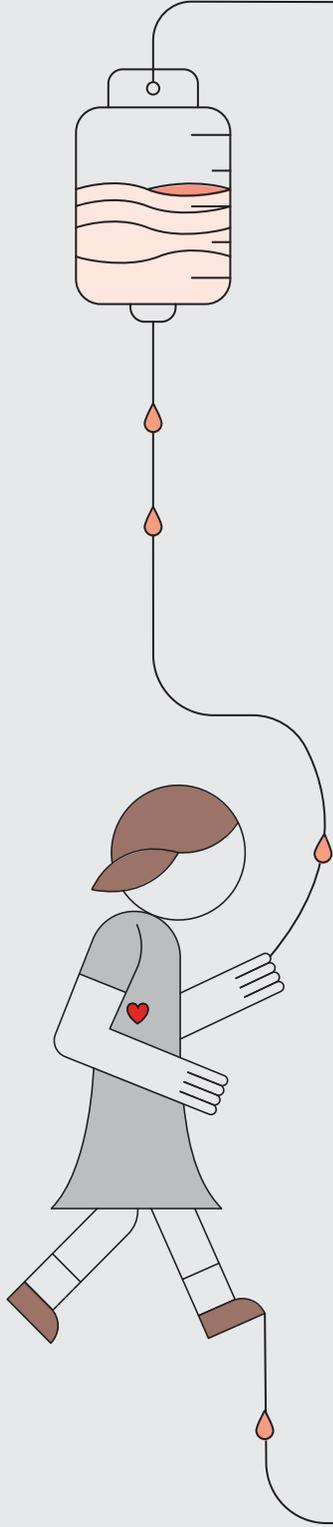
KEY MEASURED INITIATIVES	IR 2019	TARGET 2020	PROGRESS APRIL 2019 TO MARCH 2020	OUTLOOK FOR THE YEAR AHEAD 2020 TO 2021 TARGET
Driver behaviour score	☑	80%	94.47% ▲	90%, Q1 showed improvements, with actuals of 93.88%
Blood bank courier fulfilled on time	☑	>95%	99.13% ▲	>97%, Q1 actuals = 99%
NBI plasma targets met (Litres)	☑	155 200 L	168 503 L ▲	158 500 L, Q1 actuals = 46,879 L
Manage critical stock levels	95.56% ▲	95.0%	97.0% ▲	95.0%, Q1 actuals = 94.7% Lockdown impacting on stock availability

☑ new initiative on track against current plan (no concerns) ▲ Improvement YOY ● No concerns yet ▼ Below target

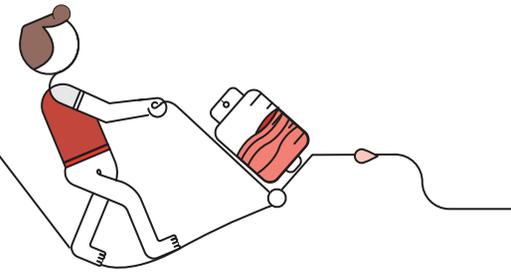


CONTRIBUTING TO A SUSTAINABLE FUTURE AND HOW

we added value (cont'd)



T TESTING & QUALITY



ASPIRATION

Provide quality testing in an efficient manner



STRATEGIC PRIORITIES

- Harmonise quality standards to meet international benchmarks
- SANBS products and services meet the quality control requirements of regulatory bodies and national standards to meet internal and external customer requirements



HIGHLIGHTS

SANBS has remained at the leading edge of technology as pertains to blood safety (Quality) through Nucleic Acid Amplification Testing (NAT) and will continue to investigate new technologies like Pathogen Inactivation to ensure that our blood products are safe. Our journey to ISO15189 was completed in the past year with full accreditation - certainly another significant achievement for the SANBS team!



CONTRIBUTING TO LONG TERM SUSTAINABLE VALUES

3 GOOD HEALTH AND WELL-BEING 	9 INDUSTRY INNOVATION AND INFRASTRUCTURE 	16 PEACE, JUSTICE AND STRONG INSTITUTIONS
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RELATED MATERIAL MATTERS

- Future changing world
- Sustainability
- Stakeholder engagement
- Cost, reliability, coverage and quality
- Transformation/change
- Meeting blood demand

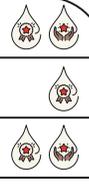




CREATING VALUE FOR STAKEHOLDERS

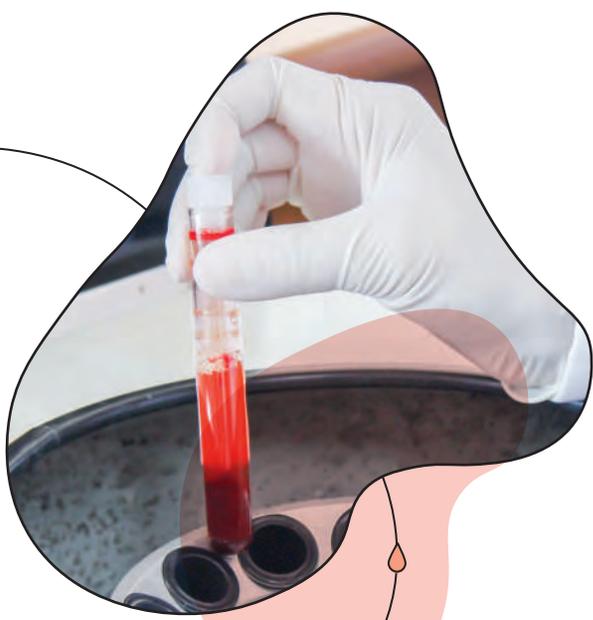
- Ensure safe blood supply
- Products and services meet quality control requirements
- Ontime fulfilment of our purpose

MISSION METRICS



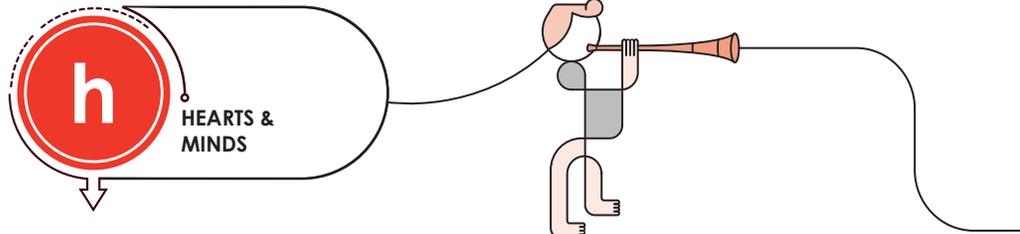
KEY MEASURED INITIATIVES	IR 2019	TARGET 2020	PROGRESS APRIL 2019 TO MARCH 2020	OUTLOOK FOR THE YEAR AHEAD 2020 TO 2021 TARGET
TTI calculated HIV residual risk (Weuston)	1: 2 103 252 ▲	1: 2 000 000	1: 1 875 423 ▲	1: 2 000 000 Target set internally by the Blood Safety Committee
#Harmonization of standards – No. of sites	100% ▲	100% SANAS Accreditation	100% ▲	Maintain Accreditation Q1 =100% and Q2 @ end August was 100%. Lockdown not impacting SANBS dedication to quality standards
Turn-around time for units to become available for use	☑	95%	112% ▲	95%, Q1 actual = 133%

☑ new initiative on track against current plan (no concerns) ▲ Improvement YOY ● No concerns yet ▼ Below target



CONTRIBUTING TO A SUSTAINABLE FUTURE AND HOW

we added value (cont'd)



ASPIRATION

Win the hearts and minds of SANBS employees and stakeholders whilst enhancing brand advocacy



STRATEGIC PRIORITIES

- Align the 360 Degree Assessment feedback results with employee development needs
- Drive a performance culture in SANBS with differential reward based on performance
- Reflect the diversity of South Africa society in a workplace defined by our B-BBEE initiatives – measure our contribution to society



HIGHLIGHTS

In sustaining a positive culture and the long-term health of our organisation, an additional 446 leaders underwent the 360 degree review process and embraced development opportunities that arose from feedback. The last year also saw a continued focus on performance management with the refinement of weekly and monthly scorecards across divisions and functions.

In terms of Employment Equity achievement, the organisation is 88% black and 58% female and this reflects the society within which we operate.



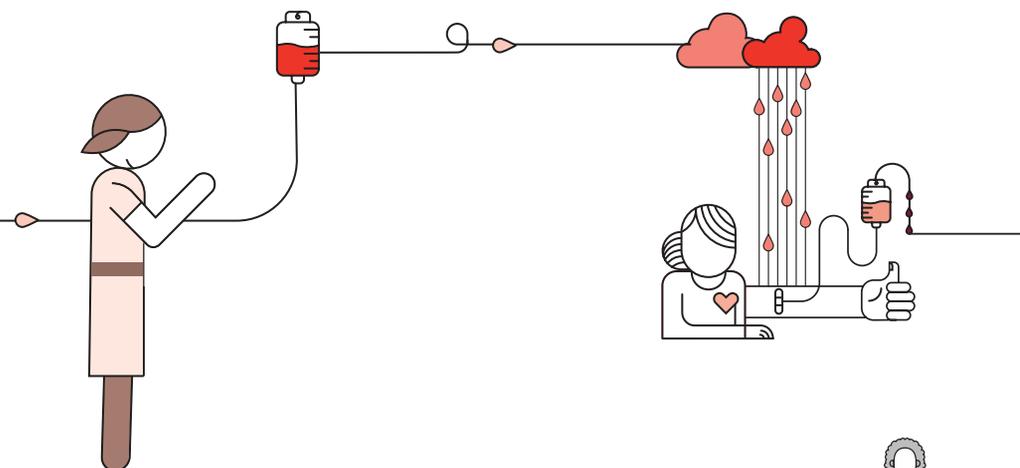
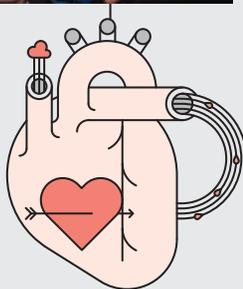
CONTRIBUTING TO LONG TERM SUSTAINABLE VALUES

3 GOOD HEALTH AND WELL-BEING	5 GENDER EQUALITY	8 DECENT WORK AND ECONOMIC GROWTH	4 QUALITY EDUCATION



RELATED MATERIAL MATTERS

- Future changing world
- Sustainability
- Stakeholder engagement
- Transformation/change
- Capacity: Human Capital
- Reputation management

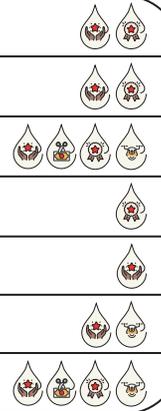




CREATING VALUE FOR STAKEHOLDERS

- Knowledgeable employees are critical to SANBS saving lives
- Achieving broad based transformation goals
- An effective performance measurement process enables us to achieve our goals in a structured fashion
- Retaining effective employees is critical to SANBS saving lives
- Engaged employees are crucial to fulfill purpose
- Meeting needs, interests and expectations of all our stakeholders

MISSION METRICS



KEY MEASURED INITIATIVES	IR 2019	TARGET 2020	PROGRESS APRIL 2019 TO MARCH 2020	OUTLOOK FOR THE YEAR AHEAD 2020 TO 2021 TARGET
Skills development	✓	R 12m	R18m ▲	R15m. We have changed this metric to achieve BBBEE level 8
Employment Equity	88% ▲	87%	88.60% ▲	88%
360 Degree Review and implementation of development plans	✓	30%	95.00% ▲	>90%
Staff turnover rate	2.4% ▲	7%	6.98% ▲	7%
DNA culture survey results	✓	10% increase on baseline. Baseline=1.10. Target =1.21	1.19 ●	1.31 (10% increase on 2nd assessment result 1.19)
Stakeholder satisfaction results	84% ▲	90%	90% ●	90% Stakeholder satisfaction surveys done every 2 years. Next one is planned for November 2020

✓ new initiative on track against current plan (no concerns) ▲ Improvement YOY ● No concerns yet ▼ Below target

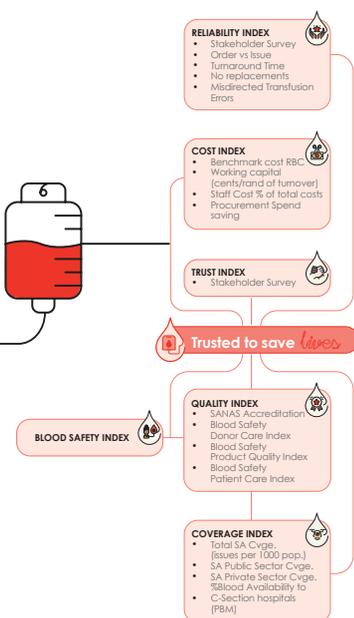
PERFORMANCE AGAINST STRATEGY METRICS TO DETERMINE THE LEVEL OF OUR SUCCESSFUL EXECUTION AND VALUE CREATION

The new mission statement “ To reliably provide trusted blood products and services to all patients at a world class level of cost and quality while innovating new treatments to enhance human healthcare” embraces four key metrics – Cost, Quality, Reliability and Coverage – which are being actively measured and addressed in the strategic objectives of the business.

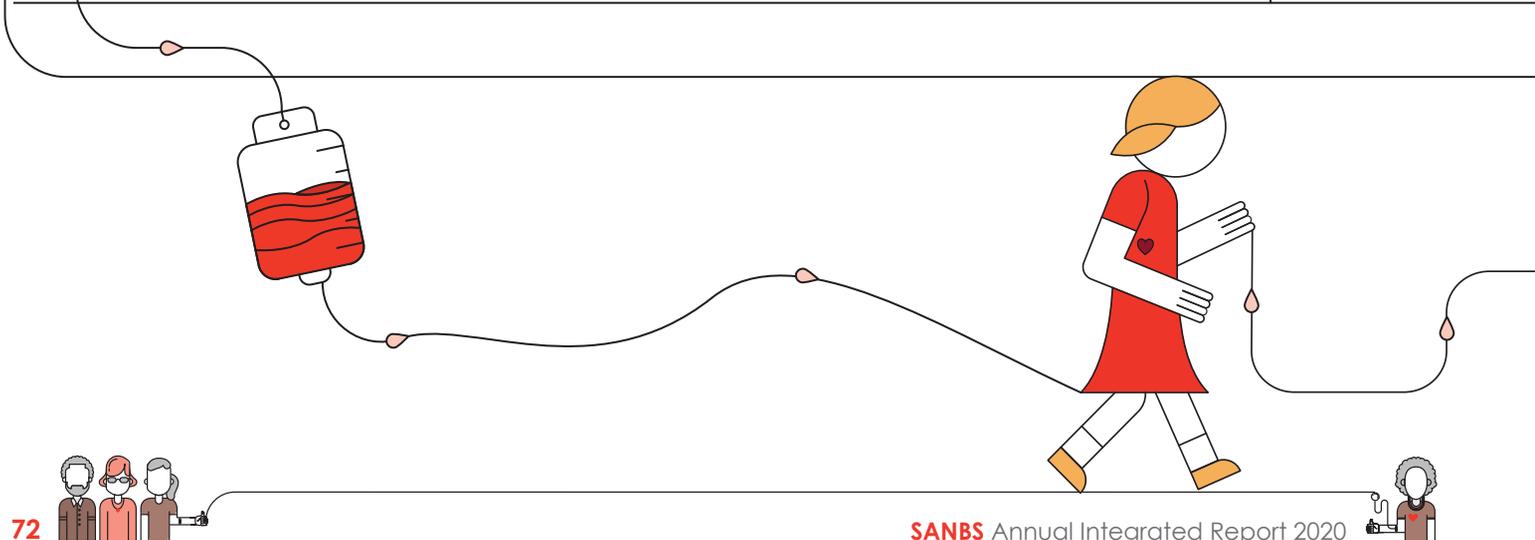
In 2019/20 we further unpacked our strategic goals around these four metrics and agreed weighted indices to guide our performance. These also inform our thinking and assist the governance structures in their assessment of delivery vs the 5 year plan.

Essentially each of these indices comprises a number of internal metrics and at least 1 external metric to ensure comparability with other blood services.

Below is a representation of the Cost, Quality, Reliability and Coverage metrics as well as the measure we use to quantify the level of Trust that we achieve. Also depicted are the significant components of the metrics that underpin each of these.



METRICS	AGGREGATE INDEX
 <p>RELIABILITY INDEX Our Reliability index is comprised of 5 key metrics – a Stakeholder survey as an external benchmark, orders vs issues, turnaround time (TAT) on Standard Crossmatches, the use of replacement products when blood is not available and errors related to misdirected transfusion errors.</p>	<p>96%</p> <p>●</p>
 <p>COST INDEX We continue to benchmark the cost of our operations and blood products vs the best players globally.</p> <p>In line with best practice in the pharmaceutical industry in South Africa and guidance from the Department of Health, we used as an external benchmark, the average cost of non-Leucodepleted packed red blood cells in Canada, Australia, New Zealand and Spain.</p> <p>The SANBS cost is the weighted average of the prices charged for non-Leucodepleted RCC to the private and public sectors (weighted by % of issues to each sector).</p> <p>We would aim to be less than 90% of this benchmark score. The internal metrics related to this index, included our focus on staff costs as a percentage of turnover, a new focus on working capital and a new continuous improvement programme where we aim to save at least 3% of our procurement costs annually.</p>	<p>93%</p> <p>●</p>
 <p>QUALITY INDEX SANBS has remained at the leading edge of technology as pertains to blood safety (Quality) through Nucleic Acid Amplification Testing (NAT) and will continue to investigate new technologies like Pathogen Inactivation to ensure that our blood products are safe. Our journey to ISO15189 was completed in the past year with full accreditation - certainly another significant achievement for the SANBS team! The Quality Index uses our external accreditation agency, SANAS as 1 metric and 3 of the component indices of the Blood Safety Index, namely: the Donor Care index, the Patient Care index and the Product Quality index.</p>	<p>97%</p> <p>●</p>
 <p>COVERAGE INDEX Even with more than 80 blood banks countrywide it's impossible to have a blood bank at every hospital. We have implemented 418 emergency blood fridges in mainly rural hospitals to provide emergency blood for caesarean sections where we do not have a blood bank on site. The prevalence of trauma and post-partum haemorrhage in rural South Africa are deeply concerning and difficult to address. With the NDoH and Civil Aviation Authority (CAA) a drone programme was initiated, employing ground breaking Vertical Take Off and Landing (VTOL) technology to transport life-saving blood products to patients in need, where traditional methods of transport can't reach the patient in the golden hour. We achieved CAA registration for our unique VTOL drones and for our drone pilots and accreditation for the CAA to use our drones in an emergency environment. This is one of the final steps in the journey to a full Drone operating Licence for SANBS ahead of our licence to operate as an airport for drones. The first Flights between Sebokeng Blood Bank and Kopanong hospital are imminent. The Coverage Index used to measure our progress against this strategic initiative, currently includes a benchmark of red blood cell issues per 1000 population in Canada, Australia, New Zealand and Spain (CANS) and our weighted average red blood cells per 1000 population in SA across the public and private sectors. This will be refined going forward to local targets because of the differences in SA and international healthcare.</p>	<p>85%</p> <p>●</p>
 <p>TRUST INDEX To measure how we are "Trusted to save lives" we conduct stakeholder surveys.</p>	<p>90%</p> <p>●</p>



#1	#2	#3	#4	#5
STAKEHOLDER SURVEY 90% ●	ORDER VS ISSUE 99.9% ●	TURNAROUND TIME 310 minutes ●	NO REPLACEMENTS 0.29% ●	MISDIRECTED TRANSFUSION(ERRORS) 0.18 ●
BENCHMARK <90% PACKED RBC (i) COST (CANS ii) 74% ●	WORKING CAPITAL CENTS/RAND OF TURNOVER = 35C ●	STAFF COST % OF TOTAL COST 44% ●	CONTINUOUS IMPORVEMENT (PROCUREMENT SPEND SAVING) 2.1% ●	
SANAS ACCREDITATION 100% ●	BLOOD SAFETY DONOR CARE INDEX 98% ●	BLOOD SAFETY PRODUCT QUALITY INDEX 92% ●	BLOOD SAFETY PATIENT CARE INDEX 98% ●	
TOTAL SA VS BENCHMARK (CANS) 21.9/1000 ●	PUBLIC SECTOR COVERAGE VS CANS 12.5/1000 ●	PRIVATE SECTOR COVERAGE VS CANS 37.3/1000 ●	BLOOD AVAILABILITY AT ALL HOSPITALS DOING CAESAREAN SECTIONS 100% ●	
STAKEHOLDER SURVEY SCORE 90% ●	Baseline to be established. Used 90% which was from the last survey			
● Target met ● Target not met but no concerns yet ● Target not met				

(i) Red Blood Cells
(ii) CANS - Benchmark Product (Packed RBC) Cost(s) against Canada, Australia, New Zealand & Spain. Target 90% of average cost benchmark.



ACTION PLANS FOR WHERE METRICS HAVE NOT BEEN ACHIEVED ARE IN PLACE AND INCLUDE:

TURNAROUND TIMES:

Investigations are underway to assess the impact of unscheduled system downtime on turnaround times. If this is found to be a significant factor (which may increase with load shedding in place), the metric will be further refined to include only standard cross matches performed during the time that the IT systems are fully available.

Collaborations with Business Intelligence are identifying sites with unusually long TATs. These are being subjected to root cause analysis investigations so that appropriate corrective actions can be implemented. These include: specific training for staff, verifying proficiencies and replacing infrastructure components if these are problematic.

CONTINUOUS IMPROVEMENT (PROCUREMENT SAVING):

Developing and implementing a Value Delivery Guide for measuring and reporting on cost savings and continuous process improvement; negotiation skills training for all Procurement Employees and "The Art of Asking" internal training (to train employees to negotiate and seek discount in all procurement enquiries; and the consolidation of spend to identify cost savings opportunities.

PUBLIC SECTOR COVERAGE VS CANS :

Working towards efficient and equitable distribution of blood throughout the SA population which will be achieved in the medium to longer term through innovative solutions (eg drone deliveries, mobile clinics, etc).

Going forward (FY2020/21), we have redefined the coverage index using local targets rather than benchmarking against CANS, due to the vast differences between healthcare provision in those countries and the disparate private and public healthcare sectors in South Africa. Coverage is measured as the number of issues per 1000 population. The COVERAGE index is now made up of 4 metrics as follows:

- Total SA Coverage;
- Public Sector Coverage in South Africa;
- Private Sector Coverage in South Africa; and
- Blood Availability at all hospitals doing Caesarean Sections.

In conclusion, under competent leadership, an engaged Board and committed staff, SANBS has seen the production of excellent results for the 2019/2020 year and the organisation was well-placed to deal swiftly with the outbreak of the novel Coronavirus and to ensure effective response strategies and sustainability in the short, medium and long term, despite a declining macro environment globally and locally.

Underpinning the internal environment in which SANBS operates is the enthusiasm with which the iHEALTH strategy has been embraced and implemented in the continued transformation of the organisation.

Constant innovation with ongoing digitisation, automation, artificial intelligence and maximising the use of data, will ensure ongoing efficiency of processes, alternative revenue sources and a significant reduction in logistics costs, all contributing to the achievement of our purpose.



Mt Edgecombe donor centre with public viewing deck



OUR STRATEGIC PRIORITIES

and how we intend to deliver value over 5 years to 2024

Our strategy remains clear and sharply defined and is designed to future-proof our organisation. We have completed the first of a five year strategy in a period that represents an important milestone for the SANBS.

We continue to be an organisation on the move within a fast changing macro and micro environment and significantly affected by the outbreak of the pandemic as our financial year drew to a close in March 2020.

More so than ever, people and relationships remain our greatest assets. Innovation is our path towards future success and that is why iHEALTH is such an important part of our strategic thrust.

iHEALTH renders visible and measurable objectives. These objectives have been simplified from everyone's collaborative input and understanding. As the SANBS, we have to ensure that we continuously align our human and financial resources to meet our strategic objectives and priorities as identified in this strategy. Anchored by our vision, mission and core values, our strategy for 2019 – 2024 is serving as a guide for our strategic alignment.

The strategy sets concise and measurable outcomes (see pages 58 – 73) based as it is on the standards and framework of the SANBS. Key to the success of the strategy is buy-in from everyone, including the Board, the executive committee and all employees.

The new mission statement "To reliably provide trusted blood products and services to all patients at a world class level of cost and quality while innovating new treatments to enhance human healthcare" embraces four key metrics – Cost, Quality, Reliability and Coverage – which are being actively measured and addressed in the strategic objectives of the business (See performance against these on pages 72 to 73).

In 2019/20 we further unpacked our strategic goals around these four metrics and agreed weighted indices to guide our performance. These also inform our thinking and assist the governance structures in their assessment of delivery vs the 5 year plan. Essentially each of these indices comprises a number of internal metrics and at least 1 external metric to ensure comparability with other blood services.

THE REPRESENTATION ON PAGE 76 DEPICTS:

- Our purpose, vision, mission and the Cost, Quality, Reliability and Coverage metrics as well as the measure we use to quantify the level of trust that we achieve.
 - Also depicted are the significant components of the metrics that underpin each of these.
- The strategy employs seven strategic objectives that build on what the SANBS has achieved along the path of continuous improvement.
- At the heart of our strategy are the strategic objectives that are the integral pillars for effectively executing the SANBS 2019 – 2024 strategy. Each of these objectives and the underlying initiatives contribute to the sustainable running of the organisation because they enhance operational excellence, effectiveness and innovation.
- Key iHEALTH initiatives are included in the performance incentive bonus measures.

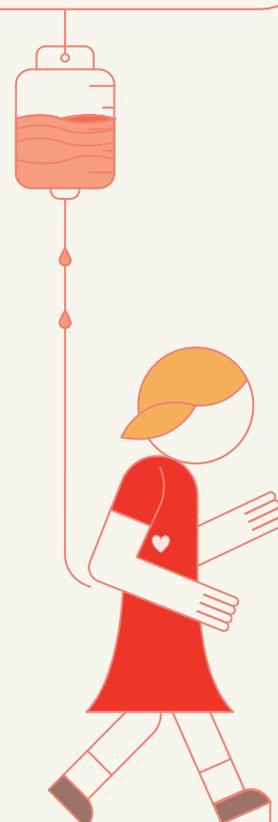
Our seven strategic objectives (iHEALTH) have been formulated to guide our execution. Their successful implementation will foster change and growth that translates into financial sustainability and successful accomplishment of the SANBS mission.

Our strategic priorities reflect:

- **What will be achieved**
- **How success will be measured, i.e. strategic measures**
- **What will be done to achieve the strategy, i.e. strategic initiatives**



See pages 76 to 77.





To **reliably** provide trusted blood products and services to **all** patients at a world class level of **cost** and **quality** while innovating new treatments to enhance human healthcare



To be the **cornerstone of healthcare services** in South Africa, through the gift of life



Trusted to **SAVE** lives

METRICS TO ACHIEVE MISSION

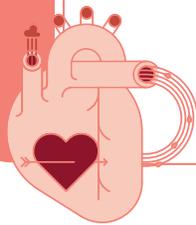


RELIABILITY

Reliability, for SANBS is a foundational value that aligns our organisation with the quality of being able to perform well, irrespective of the challenges that we encounter, as well as being trustworthy.

We continue to maintain stakeholder reliability through:

- Resilience of infrastructure**
 - Standardised donor infrastructure with state-of-the-art digital technology, integrated with process automation at blood banks.
- Consistency of delivery**
 - Accountability and effective cost control contribute immensely to consistency of delivery
- Constantly improving our process reliability**
 - Feedback system available to donors, patients and staff
 - invaluable insights re expectation and requirements
 - Feedback facilitates identification of weaknesses
 - continuous improvement – staff training and new systems
- Turnaround time**
 - The amount of time taken to complete a process/fulfil a request
 - Reduced blood delays
 - Reduced idle time by key staff/ employees



COST

Cost management is an important consideration. Over the past few years, operating costs have increased above inflation. We will need to contain these costs going forward. Unpaid debts from government and private entities also need to be urgently reduced. Addressing these issues head on will ensure SANBS' financial sustainability in the long run.

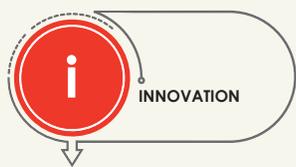
We will achieve reduced costs by:

- Improving variable cost per unit**
 - Minimise expenditure
 - Become more prudent
 - Maintain disciplined cost management
- Reducing logistic and peripheral costs**
 - Review fleet and related activities to optimise process and costs for delivery of blood products
 - Optimise inventory levels
- Reducing costs of collections**
 - Increase mobile units and reduce number of fixed sites
- Reducing levels of wastage**
 - Minimise blood wastage and wasteful expenditure

Linking iHEALTH strategy to reliability, cost, quality, coverage, and

STRATEGIC OBJECTIVES

The objectives of these value driven metrics are integrated within strategic.



Improve and expand current products and services through innovation.



Enhance donor experience through a human centred approach. Enhance brand advocacy.



Achieve operational excellence that consistently produces efficient and effective products and services.



Build administrative rigour in all order to pay processes.

STRATEGIC INITIATIVES MAPPED AGAINST THE STRATEGIC FRAMEWORK

Integral pillars to execute

- Alternative revenue
- RAD Centre Operationalisation
- Translational research
- BECS Implementation
- Drones
- Mount Edgecombe
- Smart Fridges
- Novel products
- Mobile Vehicles

- Femitin Testing roll-out
- Social Media
- Increase donor pool

- SAP S4 HANA Project
- Use Everything - reduce short bleeds
- Greening
- Working Capital Management

- Business Continuity
- Map order to pay processes
- New procurement policy
- Procurement expenditure 100% on contract
- Zero contract extensions

PERFORMANCE INCENTIVE BONUS METRICS 2020/2021 (each of the iHEALTH, except L, have KPI's that are included in)

STRATEGIC OBJECTIVES	PERFORMANCE MEASURES	WEIGHT	ANNUAL TARGET	APR-JUN 2020
Innovation	Revenue from new income streams	5%	R63m	R13.8m





QUALITY

Quality is a crucial part of SANBS, and an important pillar for the future. Quality processes will ensure we are able to

track our activities and manage them optimally, from the screening process of blood donors to the transfusion of blood products to patients.

DMS and Notifications systems have been enhanced and streamlined for an improved user experience. Staff log improvement opportunities responding proactively to deficiencies. The quality team is integrated into the operational areas and is approached as advisory experts.

Optimal quality of SANBS is, and will be achieved through:

An entrenched quality culture

International standards accreditation

Quality improvements through quality failure logging

Reducing wastage and adverse effects
Improving service quality with insight from our stakeholder experience



COVERAGE

It is imperative for the SANBS to have its blood and blood products made available to all, irrespective of distance.

As an organisation, we provide trusted blood products and services, and these need to be available to all patients. We also have to be able to meet growing expectations and demands.

We will extend coverage to all through:

Collecting blood at key population concentration points

Services available in traditional and new areas

Curbing blood shortages in previously under serviced areas

Initiatives including use of:

- mobile units in collections
- smart fridges
- drones to rural areas

RELIABILITY INDEX

- Stakeholder Survey
- Order vs Issue
- Turnaround Time
- No replacements
- Misdirected Transfusion Errors

COST INDEX

- Benchmark cost RBC
- Working capital (cents/rand of turnover)
- Staff Cost % of total costs
- Procurement Spend saving

TRUST INDEX

- Stakeholder Survey

Trusted to save lives

BLOOD SAFETY INDEX

QUALITY INDEX

- SANAS Accreditation
- Blood Safety Donor Care Index
- Blood Safety Product Quality Index
- Blood Safety Patient Care Index

COVERAGE INDEX

- Total SA Cvge. (issues per 1000 pop.)
- SA Public Sector Cvge.
- SA Private Sector Cvge. %Blood Availability to C-Section hospitals (PBM)

performance scorecards

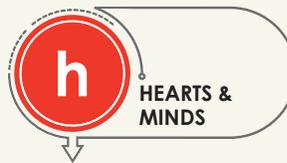
objectives and measured through defined KPIs



Move blood products in the value chain in a timely, effective and efficient manner.



Provide top quality testing in an efficient manner.



Win the hearts and minds of SANBS employees and stakeholders.

strategy

- Driver behaviour
- National Courier compliance to SLA
- NBI Plasma project
- Critical stock management

- Blood safety index
- Platelet strategy implementation
- Implementation of HCM audit with SABPP
- HEV Prevalence Study

- Employment Equity & skills development
- Implement talent management framework
- 360 Enactment of agreed dvlpmnt. plans
- Enactment of SANBS academy
- Enactment of change management framework for BECS project
- DNA culture survey
- Stakeholders satisfaction survey
- Fully integrated PBM system in 1 hospital

the performance incentives - below is the example for "T")

APR-SEP 2020	APR-DEC 2020	APR 2020-MAR 2021
R30.7m	Q3 YTD Rm	Q4 YTD Rm

2021 AND BEYOND

To remain relevant, we have to remain on top of global healthcare trends. Add to this our close ties with the South African healthcare sector, we are able to maintain our high standard of service delivery.

Our processes ensure that we operate at optimal levels. We are committed to remain an admired organisation and to this end, we will do all in our power to meet stakeholder expectations.

With our iHEALTH strategy and value measuring metrics we are well placed to deliver on the needs, interests and expectations of all of our stakeholders.



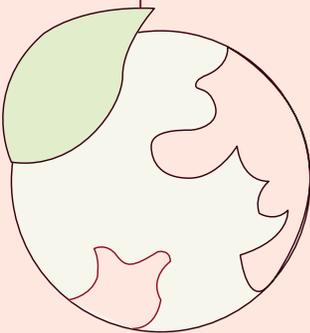
ENVIRONMENTAL IMPERATIVES THAT HAVE BEEN CONSIDERED IN SANBS' STRATEGY ("GREENING" SANBS)

INTRODUCTION

The SANBS Greening Task Team, established in 2018 and sponsored by our CEO, comprises volunteer staff and managers and has a mandate to "reduce SANBS' impact on the environment".

In this section of the report, we will communicate our environmental sustainability message to staff, donors, patients, business partners and other stakeholders. We'll encourage them to help SANBS continually improve its environmental performance.

- 2019-2020 SANBS's overall carbon emissions: 20 395 tonnes
- Of which electricity consumption and business travel: 99.8% (broken down as follows: electricity-62%, road travel - 34.9% and flights - 2.9%)



The coronavirus pandemic has provided an ideal opportunity for the mandatory use of remote working technology. During lockdown, business travel has reduced significantly, and no flights have been taken.

We expect this situation to continue for at least a few months, inadvertently contributing hugely to SANBS' greening objectives.



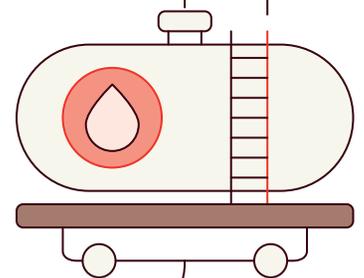
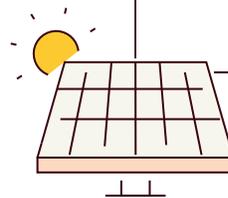
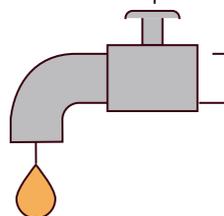
1 ENERGY AND CARBON



2 WATER CONSUMPTION



3 LAND AND AIR POLLUTION



SUSTAINABILITY OBJECTIVE

CONSERVE ENERGY

- To reduce our carbon footprint, and especially the use of electricity from the national grid.

OPTIMISE WATER CONSUMPTION AND CONSERVATION

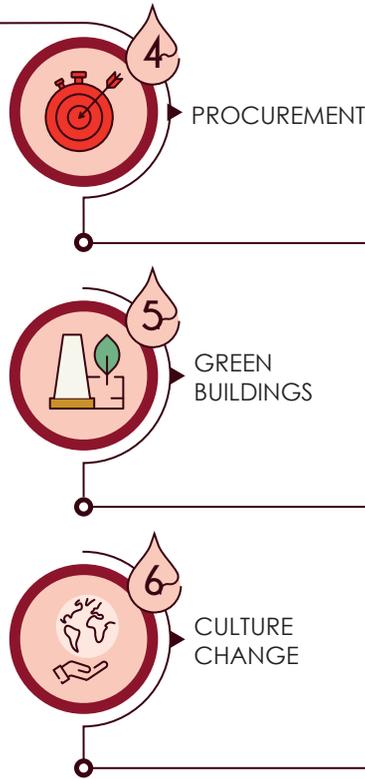
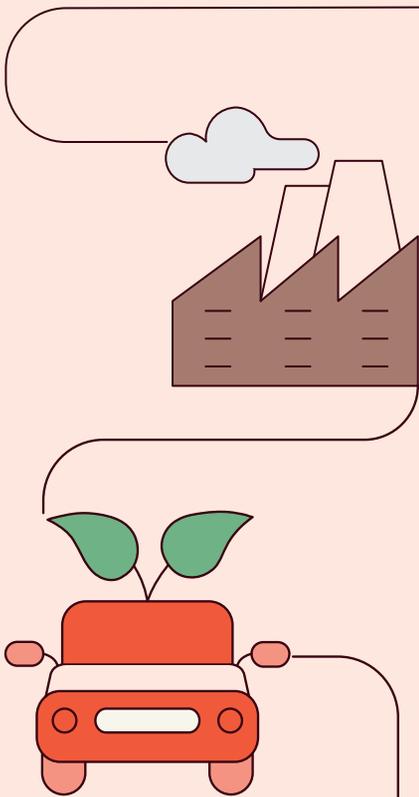
- Reduce water consumption in all SANBS operations.
- Deploy rainwater harvesting technologies for SANBS-owned properties.
- Prevent or minimise disposal of trade effluent that contravenes local bylaws.

MANAGE LAND AND AIR POLLUTION

- Ensure that, in accordance with legislation, waste will be managed in a sustainable manner following the waste hierarchy of Prevention, Reuse, Recycle, Recovery and Disposal, to reduce the waste sent to landfill and resultant carbon emissions.
- Reduce use of fossil fuels for personal and business travel to decrease the carbon impact of these activities.
- Dispose of all electronic waste according to guidelines published by the Electronic Waste Association of South Africa (eWASA).
- Reduce use of paper and ensure recycling of cartridges.
- Prevent or minimise noise and air pollution.



ENVIRONMENTAL IMPERATIVES THAT HAVE BEEN CONSIDERED IN SANBS' STRATEGY (CONT'D)



SUSTAINABILITY OBJECTIVE

OPTIMISE PROCUREMENT

- Ensure products and services procured for SANBS are as sustainable as possible, with the lowest environmental impact.

GREEN BUILDINGS

- Ensure that all SANBS-owned buildings are built and operated in an environmentally sustainable way.

CULTURE CHANGE

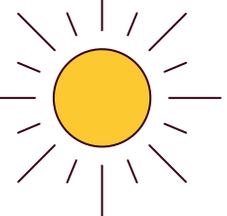
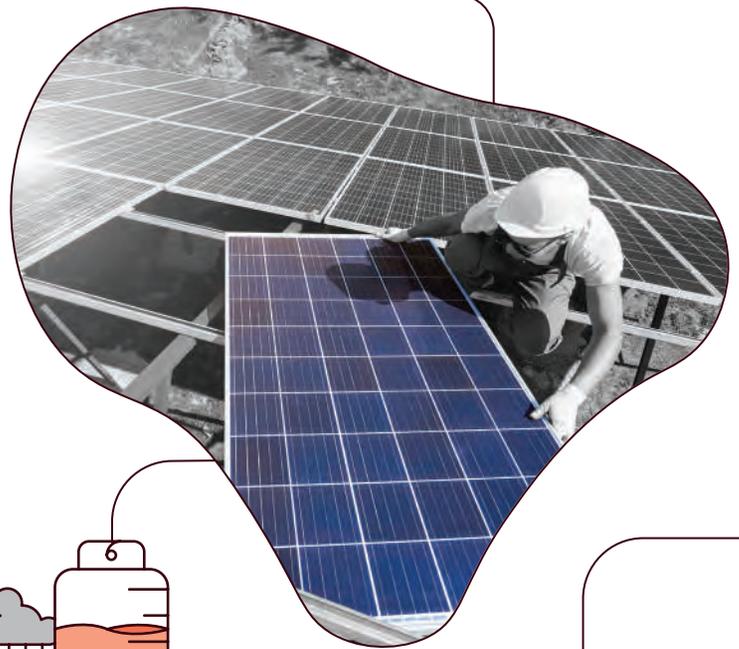
- Ensure that SANBS operations are undertaken in a sustainable manner by environmentally conscious SANBS staff.

The information in this section of the report covers progress made to date, and our plans for the short-, medium- and long-term.

Focus area targets will be based on accurate baseline data.

An environmental policy and objectives have been drafted.

A communication process, including an intranet page, has been established to ensure two-way sharing of greening ideas and organisation-wide buy-in.



**2019 TO 2020
UPDATE**

- We need to direct additional energy towards this area.
- Energy efficiency should become a procurement criterion for all equipment purchase decisions.

- New Mt Edgecombe building will achieve a level 4 Green Building rating as a renovated building.
- Experience gained will be rolled out to future renovation projects.

- Task Team has created awareness around environmental matters.
- Greening dashboard is still a work in progress, so information sharing can still be improved.

**2020 TO 2021
FORWARD PLANNING**

TECHNOLOGY ENHANCEMENTS

- Create a power requirements database for all devices

CULTURE CHANGE

- Purchase only energy-efficient equipment

INFORMATION ASSETS

- Ensure power requirements for new acquisitions are lower than for current devices

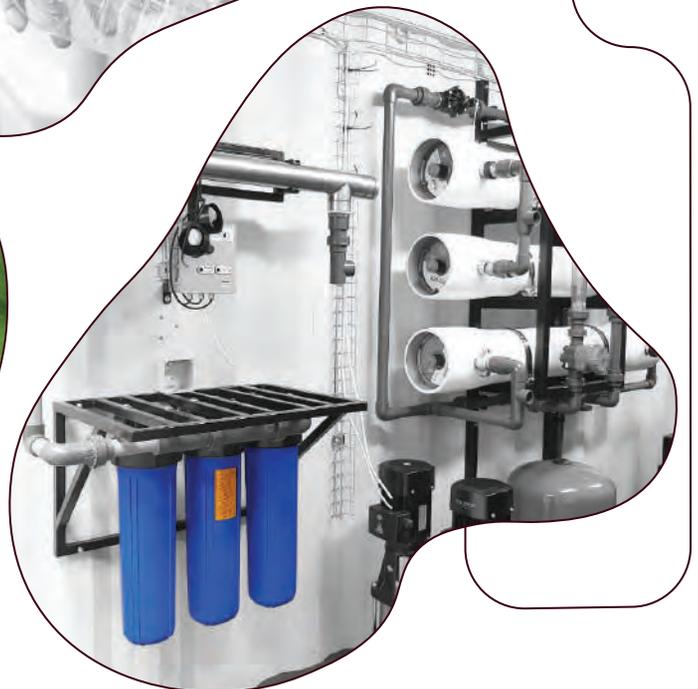
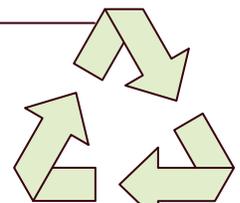
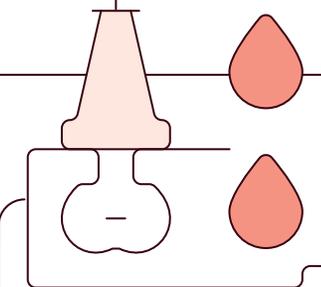
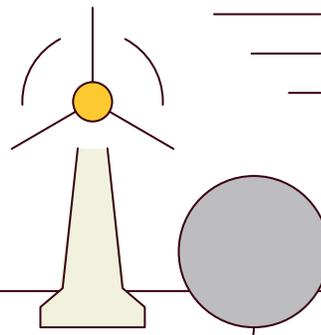
- Relocate from the current SANBS Pinetown premises to Mount Edgecombe.

TECHNOLOGY ENHANCEMENTS

- Make the completed greening dashboard available to all staff

CULTURE CHANGE

- Improve awareness of our environmental impact through engagement



CARING ABOUT OUR ENVIRONMENTAL IMPACT

It's in our blood

Dear Colleagues,

LABYRINTH LAUNCH

What was once the head office garden has now undergone a transformation into a beautiful labyrinth. The first of many to be rolled out across different SANBS business centres, this new space is envisioned to not only be a beautiful auditorium and rest space, but it also has some unique benefits for individuals.

WHAT IS THE LABYRINTH?

Going as far back as medieval times, the labyrinth is a pathway which, when walked, quiets the mind, opens the heart and grounds the body. The labyrinth is different from a maze in that it has one clear, meandering path from start to finish – different from a maze which has multiple pathways and is designed to confuse people.

Healing, peace, relaxation, and creativity are some of the feelings that those who walk the labyrinth have reported experiencing. The ancient meditative practice has gained popularity, particularly in the healthcare industries, for the promotion of well-being.

INTRODUCING THE LABYRINTH AT THE SANBS

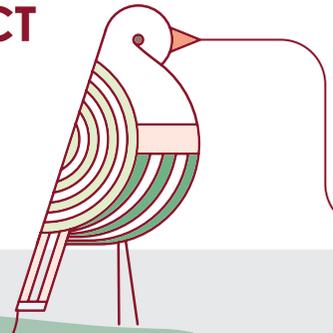
The labyrinth was borne from our commitment to greening the environment through innovative approaches. To this end, the core architecture of the labyrinth is inspired by trees, plants and other natural materials. The soft and hard landscaping will encompass over 10 different species of plants that will contribute to carbon offsets.

Above all, as a human centred organisation, one of our key objectives is to take care of the hearts and minds of our people. With the launch of the labyrinth, we hope to bring about a new era where we take forward some of the most important lessons learned from the Coronavirus pandemic and lockdown.

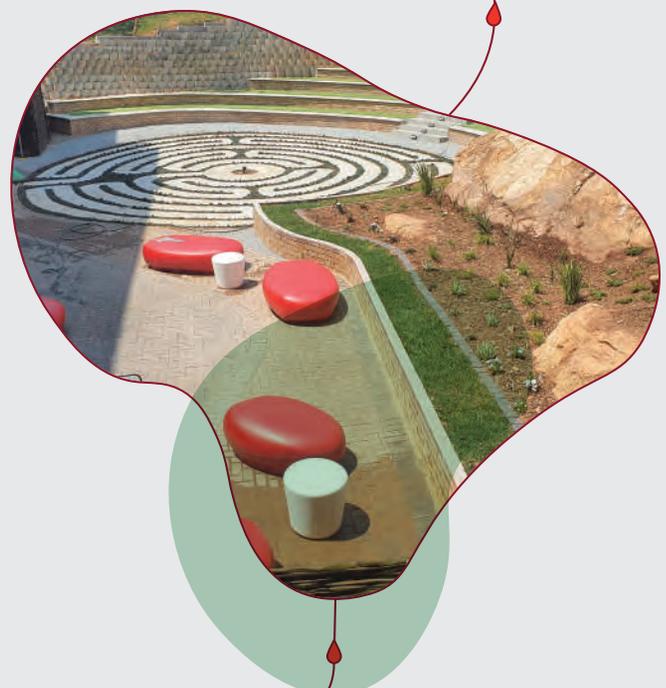
1. **Reducing stress is good for everyone.** The labyrinth is built for and promotes, meditation, reflection, prayer and exercise. Let this space be, for everyone, a tranquil space for a break when it is needed.
2. **Find happiness in the simple things of life** and take pleasure in the things around you.
3. **Make health a priority.** Exercise does not need to be strenuous to be beneficial to your health. Picking easy exercise like walking and practising meditation has a great benefit to your overall health too.

As we launch the labyrinth, let us dedicate this new period to the celebration of new beginnings and a commitment to do better and to do well, together.

Kind Regards,
Greening Task Team

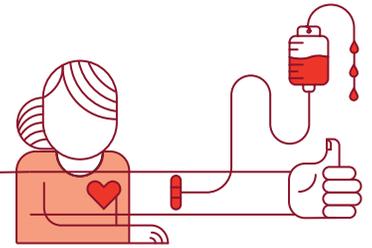


The point of a maze is to find its centre. The point of a labyrinth is to find your centre



CONTRIBUTING TO A SUSTAINABLE FUTURE

In addition to promoting a sustainable environment (per our Greening Strategy on pages 78 – 82), SANBS is committed to supporting the following sustainable development goals (SDGs) through execution of our strategic priorities. These are global goals agreed with respect to economic, environmental and social goals



<p>3 GOOD HEALTH AND WELL-BEING</p>	<p>Increased life expectancy, access to health services</p>	<p>SANBS aims to be the cornerstone of healthcare services in South Africa, through the gift of life We realise the critical role we play in sustaining a healthy society and health system 83 blood banks and 440 emergency blood fridges to ensure equitable access for all citizens</p>	
<p>4 QUALITY EDUCATION</p>	<p>Promoting learning opportunities for employees to remain relevant in the future</p>	<p>SANBS invests in the continuous development of its people which includes a formal learning academy to create employees "fit for the future" SANBS does not only collect blood, but also educates donors on a healthy lifestyle, creates awareness about diseases -forging a relationship based on reputation, care and trust</p>	
<p>5 GENDER EQUALITY</p>	<p>Empowering women and creating equal opportunities</p>	<p>Female staff comprise 58%. Remuneration policies and practices are reviewed to ensure fairness and equality Board composition = 60% female Executive Committee composition = 43% female</p>	
<p>8 DECENT WORK AND ECONOMIC GROWTH</p>	<p>Investment in research, development and innovation</p>	<p>SANBS is at the forefront of technology in the blood transfusion space, both in terms of providing convalescent plasma to patients with Coronavirus as well as implementing exciting new drone technologies to save lives in rural areas International collaboration for research in transmitted transfusion infections (HIV, HBV)</p>	
<p>9 INDUSTRY, INNOVATION AND INFRASTRUCTURE</p>	<p>Promote inclusive and sustainable economic growth, employment and decent work for all</p>	<p>We are committed to creating an environment conducive for our employees to thrive and perform. New staff are trained to operate seamlessly, our cultural and leadership initiatives are bearing fruit and the business is on a sound financial footing with improved debt collection. Further embracing our diversity, we've contracted 15 young special needs people on a learnership in business administration and looking at how best they can be integrated into our business</p>	
<p>12 RESPONSIBLE CONSUMPTION AND PRODUCTION</p>	<p>Ensure sustainable consumption and production patterns</p>	<p>We are committed to decrease wastage and promote appropriate use of blood and increase SANBS' social responsibility environmental impact and reducing cost</p>	
<p>16 PEACE, JUSTICE AND STRONG INSTITUTIONS</p>	<p>Develop effective, accountable and transparent institutions at all levels</p>	<p>SANBS products and services meet the quality control requirements of regulatory bodies and national standards to meet internal and external customer requirements and ensure our blood products are safe</p>	



MEETING THE NEEDS OF OUR STAKEHOLDERS

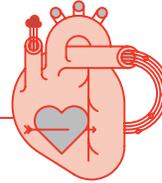
- Employees
- Donors
- Regulators
- Medical Fraternity
- Society
- Suppliers
- SA and International Blood Partners





MEETING THE NEEDS, INTERESTS AND EXPECTATIONS OF OUR STAKEHOLDERS

Engaging, understanding, responding to and meeting the needs of our stakeholders to create value for them and SANBS



STAKEHOLDER GROUP

EMPLOYEES | SANBS Employees Ongoing engagement

SANBS Owner Executive Management

Stakeholder needs, interests & expectations

- Reward & recognition
- Conducive, safe workplace
- Job satisfaction & security
- Growth & development
- Transformation
- Diversification
- Integration

- Loss of key employees
- Disengaged employees & underperformance
- Industrial action
- SANBS reputational damage by disengaged employees
- Lack of disclosure or transparency

Key Risks

Opportunities

- Empower & engage
- Skills development
- Diverse workforce
- Multiskilling
- Performance management
- Recognition & reward
- Building trust

- Talent management
- Succession planning
- Transformation plan
- Effective performance management system
- Role diversification
- DNA
- 360° feedback
- Remuneration policy
- Heightened disclosure in Integrated Report

SANBS Response

Current Engagements Status

- SANBS DNA process was launched in July 2019 with 1 750 employees as a baseline score, and in February 2020, with 1 850 employees. The employee engagement index rose from 1,10 to 1,19 - a 9% increase and just less than the 10% target.
- In 2019, 442 line leaders completed a 360° assessment to help ensure sustainable leadership capability.
- SANBS successfully instill a feedback culture that is easier and more rewarding for participants.
- SANBS Leadership fit to competency profile (benchmarks) identified creativity and strategic insight as areas where increased leadership development focus is required.



STAKEHOLDER GROUP

BOARD | SANBS Board Regular engagement

SANBS Owner CEO & Company Secretary

Stakeholder needs, interests & expectations

- Relevant, accurate & timely information & reporting
- Achieve strategic objectives
- Improve governance & ethics

- Transparency
- Inaccurate reporting
- Under performance
- Poor decision making
- Potential liability for directors

Key Risks

Opportunities

- Integrated business planning
- Organisational alignment and transformation
- Creation of blood committee

- Improved planning & communication
- Performance reviews
- Business scorecard reporting
- Automation
- King IV™ gap analysis
- Ethics assessment & framework implementation
- Board evaluations

SANBS Response

Current Engagements Status

- A recent evaluation indicated that the overall performance of the Board & Committees is satisfactory and that they are effective in supporting the SANBS Executive across most of its mandate.



MEETING THE NEEDS, INTERESTS AND EXPECTATIONS OF OUR STAKEHOLDERS (CONT'D)



STAKEHOLDER GROUP
SOCIETY Unions Ongoing engagement

SANBS Owner Chief Human Capital Officer

Stakeholder needs, interests & expectations

- Fair, equitable working conditions
- Employee safety
- Annual wage negotiations
- Transparency
- Consultation
- Fair, equitable earnings

- Misaligned expectations
- Industrial action
- Negative publicity
- Reputation damage
- Gini coefficient

Key Risks

Opportunities

- Improved working conditions
- Improved engagement & planned meetings
- Greater understanding of SANBS environment
- Further transparency in Integrated Report to build trust

- Continued engagement and consultation
- Bargaining forum meetings
- Long-term agreements
- Communication improvement
- DNA Formula
- 360 Degree Assessment
- Remuneration Policy

SANBS Response

Current Engagements Status

- The healthy relationship between business and the unions is reflected in the fact that both unions have collaborated to protect the health of frontline staff and assist business in its initiatives aimed at minimising COVID-19's impact on business and the general wellbeing of SANBS staff.

STAKEHOLDER GROUP
MEDICAL FRATERNITY Doctors, Nurses, Medical Aid Schemes Ongoing engagement

SANBS Owner Executive Management

Stakeholder needs, interests & expectations

- Sufficient quality blood products
- Other services e.g. stem cells
- Product diversity
- Customer satisfaction levels

- Insufficient blood stocks – mortality
- Insufficient quality
- Unhappy customers
- Increasingly ill patients
- SANBS reputation

Key Risks

Opportunities

- New income streams
- SANBS Academy
- Big data
- Digitalisation

- Continued customer engagements to meet needs
- Deliver right product at right time
- Research & development
- Clinical trials to improve donor & patient care
- More accurate demand planning

SANBS Response

Current Engagements Status

- The doctors' survey generated valuable external customer environment information and identified focus areas for 2020/2021.
- During the survey, SANBS immediately intervened and assisted in urgent matters, with positive outcomes.
- Future surveys will be preceded by cross-divisional and cross-disciplinary discussions to select suitable, specific questions and ensure appropriate and representative respondents.
- The Patient Blood Management Unit will have to acknowledge disparities in the distribution of our support services to our external stakeholders that impact on our ability to supply a high-quality support service across all 8 provinces.





STAKEHOLDER GROUP

DONORS | Blood Donors Ongoing engagement

SANBS Owner Executive Management

Stakeholder needs, interests & expectations

- Donor pool
- Iron deficiency
- Platelet donors
- Donor health education
- Donor satisfaction levels

- Insufficient pool – over bleeding
- Donor health issues
- Unhappy donors
- Donor retention
- SANBS reputation
- Eligible donors

Key Risks

Opportunities

- Sustainability
- Diversified donor pool
- Synthetic blood
- Pathogen inactivation
- More frequent donation
- Digitalisation
- Donor education & experience (SANBS Theme Park)

- Digitalisation
- Donor-focused research
- Education on iron deficiency & disease prevention
- Donor satisfaction surveys
- Donor rewards programme
- Increased awareness of platelet donation
- Donor education & magazine
- Iron replacement initiative

SANBS Response

Current Engagements Status

- New donor campaigns completed during the year: recruiting young and black donors.

As one of two of South Africa's National Blood Service Providers, we are deeply connected to the environment we operate in and the communities we serve. Our ability to deliver value is dependent on our relationships, the level of trust in SANBS of our many stakeholders and the attendant contributions and activities of our many stakeholders. By regularly engaging with our stakeholders and really understanding their needs, interests and expectations of us, we are better able to identify the risks and opportunities that they present us with and respond with an applicable response strategy. This approach ensures that we create suitable value for our stakeholders and for SANBS alike.

STAKEHOLDER GROUP

DONORS National Council, Zone Donor & Branch Donor Committees Periodic engagement

SANBS Owner Executive Management

Stakeholder needs, interests & expectations

- Donor interests & wellbeing accounted for
- SANBS effectively meets its mandate

- Not adhering to prescribed governance rules & structures
- Ineffective interaction between management & the committees

Key Risks

Opportunities

- Leverage passion & commitment of Committee members to increase donor base

- This is a key focus area for donor management
- Plans put in place to strengthen interaction with Committees

SANBS Response

Current Engagements Status

- Branch Donor Committee meetings were held, with members active in assisting with Donor Recruitment drives. Annual Election Meetings (AEMs) will be held digitally. Donor for Life Award evenings recognise milestone donations and are well received by donors.
- Donor Committees serve as a forum to provide input on donor operational issues.





STAKEHOLDER GROUP

REGULATORS National Department of Health Ongoing engagement

SANBS Owner Executive Management

Stakeholder needs, interests & expectations

- Improved patient outcomes
- Improved healthcare
- Sufficient quality blood products
- Right product, patient & time
- Side effects monitoring
- Information & escalation of all major decisions

- Loss of licence to operate
- Inability to meet demand
- Morbidity/spread of disease/epidemics
- Poor patient outcomes
- Increased costs
- Delayed payments

Key Risks

Opportunities

- Efficiencies
- Digitalisation
- Pathogen inactivation
- Product diversity
- Reduce wastage
- Big data use

- Service level agreements adherence
- B-BBEE
- Provision of data/metrics
- Debtors' payment portal
- Interdependent projects to improve blood product management

SANBS Response

Current Engagements Status

- Regular Hospital Transfusion Committee meetings were held with the following hospitals in the 7 zones in the past year : Eastern Cape = 32 ; eGoli = 52; Free State and Northern Cape = 54 meetings; KwaZulu Natal = 26; Mpumalanga = 52 meetings; Northern Zone = 40; and Vaal Zone = 40.
- Matters discussed include: Product issues and wastage; Outstanding accounts; Potential cost savings; Blood Banks (BBKs) in hospitals to issue one unit at a time; Haemovigilance reports; and Patient traceability.
- Impact of COVID-19 on NHI discussions including cancelling conferences and postponing parliamentary feedback.
- A meeting with DoH on the drone project had to be deferred.
- Communications were sent to key stakeholders regarding importance of continued blood donation during lockdown, and putting blood and blood donation on provincial and national agendas.
- A request was made that security personnel allow blood donors to pass through security checks and classify blood donation an essential service.

MEETING THE NEEDS, INTERESTS AND EXPECTATIONS OF OUR STAKEHOLDERS (CONT'D)



STAKEHOLDER GROUP

REGULATORS SA National Accreditation System, SA National Health Products Regulatory Authority (SAHPRA), ISO, SABTS, SANAS Periodic engagement
SANBS Owner Medical Director

Stakeholder needs, interests & expectations

- Compliance
- Global interaction
- Harmonising standards worldwide

- Loss of licence to practice

Key Risks

Opportunities

- Product & service quality improvement
- Global collaboration

- Adherence to Standards

SANBS Response

Current Engagements Status

- We meet annually and participated in the international revision of 15189 to be more inclusive for Blood Transfusion in the UK. SANBS participated in technical document revisions.
- SANAS – SANBS participates on their technical committee as Blood transfusion experts and have negotiated to change our accreditation to 15189.
- SAHPRA engagement through the PEI blood project.





STAKEHOLDER GROUP

SOCIETY Media Ongoing engagement

SANBS Owner Chief Marketing Officer

Stakeholder needs, interests & expectations

- Reputation/goodwill
- Education & awareness
- Accurate & effective communication
- Public image

- Negative publicity
- Poor brand value & reputation
- Poor stakeholder communication

Key Risks

Opportunities

- Positive brand value
- Increased positive coverage
- Free airtime – social media platforms
- Bloggers
- AVE & quantify

- Formal media strategy
- Communication plan & designated spokesperson
- Social media policy
- Authentic brand ambassadors

SANBS Response

Current Engagements Status

- Continuous media engagement in the last quarter.
- Favourable Tier 1 and Tier 2 media relationships.
- Increasing PR value.
- Media lists compiled and referenced.
- Bi-annual media days.



The SANBS has always valued the contributions of our diverse stakeholders. Through robust engagement, we empower them to assist us in achieving our goals, mitigating risks and optimising opportunities. Bi-annual stakeholder surveys solicit feedback to enhance the effectiveness of our strategy, implementation and communication efforts. This enables us to perform at our best and remain relevant in a changing world. In our last survey we scored 84% on stakeholder satisfaction; our goal is to increase this to 90% in our next stakeholder survey.



STAKEHOLDER GROUP

SUPPLIERS Vendors, Suppliers Ongoing engagement

SANBS Owner Chief Financial Officer

Stakeholder needs, interests & expectations

- Safe blood transportation
- Effective supply chain management
- Quality packaging & cold chain management
- Medical consumables & testing agents availability
- Information integrity
- Value for money
- Payments for goods & services rendered

- Goods & services not delivered at right time, right quality & per specifications
- Product quality, failure & wastage
- Delayed or no blood delivery to patients
- Cybersecurity risks
- Business continuity
- System downtime
- Increased costs
- Poor contract management
- Lack of B-BBEE

Key Risks

Opportunities

- Formal engagement plan for critical vendors
- Efficiencies
- Improved supply chain management
- Just-in-time inventory management
- Digitalisation
- Improved contract management
- Enhance B-BBEE

- Critical vendor list
- Supply chain management improvement plan
- Logistics management improvement plan
- Demand planning
- Procurement plan for B-BBEE
- Flexible procurement & strategic partnership

SANBS Response

Current Engagements Status

- Draft procurement policy prepared to introduce flexible procurement and strategic partnerships.
- 2020/21 budget approved. Demand Plan to be updated accordingly.
- New national courier contracts awarded.
- Key logistics management initiatives implemented.
- Approved BBBEE framework.





STAKEHOLDER GROUP

SA AND INTERNATIONAL BLOOD PARTNERS - Business Partners NBI, WCBS Regular engagement
SANBS Owner Chief Financial Officer

Stakeholder needs, interests & expectations

- National supply management support
- Collaboration in product & service delivery
- Alignment of quality & safety
- Ensuring product availability

- Poor relationships & lack of cooperation
- Loss of income
- Reputation

Key Risks

Opportunities

- Integrated South African blood service
- Improved service delivery

- Service level agreements (SLA's)
- Collaboration on common policies, procedures and standards
- NHI response

SANBS Response

Current Engagements Status



- SANBS held four meetings with NBI during the past financial year. Key focus areas for the meetings included:
- SANBS performance review compared to agreed targets and delivery schedule. For 2019/20, SANBS plasma delivery to NBI exceeded required volumes.
- SANBS received good plasma quality and NBI audit feedback.
- Hyper immune plasma programmes, strategic planning and implementation of the source plasma programme, and risk mitigation strategies for plasma supply. SANBS continues to increase volumes of source plasma collected for NBI.
- The future of the anti-D programme. SANBS and NBI embarked on a project to collect anti-D plasma in 2001. Over the past few years, it was increasingly difficult to recruit sufficient Rh-negative donors. Both parties agreed to terminate this programme in February 2020. NBI has secured a long-term overseas supply.



STAKEHOLDER GROUP

SA AND INTERNATIONAL BLOOD PARTNERS - International Organisations ISBT, AFSBT, WHO, PEI. Local & Medical Societies, and other bodies - HIV, Solid Organ Transplant, SA Stem Cell Transplant, Clinical haematology, Gastro-enterology, SASSA Regular engagement
SANBS Owner Chief Financial Officer

Stakeholder needs, interests & expectations

- SANBS staff participation on Boards & sub-groups
- SANBS staff to become organisational members
- SANBS input on new developments in transfusion medicine, challenges in developing countries

- Lack of contribution by SANBS staff to these organisations leading to staff not invited to serve on committees
- Failure to renew memberships

Key Risks

Opportunities

- Showcase work of SANBS at conferences & in publications
- Improve SANBS reputation globally by active participation

- SANBS staff member served as President of the Board of ISBT from 2016 to 2018
- Many SANBS staff members serve on Working Parties of ISBT, participating importantly in international surveys & projects
- SANBS assisted AfsBT with its stepwise accreditation programme for African countries by allocating staff to perform blood services audits in neighbouring countries
- Members of executive committees
- Invited speakers/presentations
- Benchmarking projects

SANBS Response

Current Engagements Status



- SANBS staff are members of several international societies, expert committees and working parties.
- The ISBT Global blood safety working party has two SANBS staff as members. They have drafted documents on converting replacement donors into voluntary non-remunerated blood donors. Marion Vermeulen is a mentor for the ISBT clinical research for young investigators programme (I TRY IT). The COO participated in various ISBT strategic initiatives and assisted with WHO guidelines on blood donation in a pandemic. SANBS also participated in a meeting of the African Blood Regulators Forum in Zimbabwe in September 2019. It is envisaged SANBS will be able to provide technical support to the forum. SANBS staff also attended and delivered lectures at the South African Tissue Banking (SATiBa) conference.



DELIVERING AND

REWARDING FOR VALUE CREATION

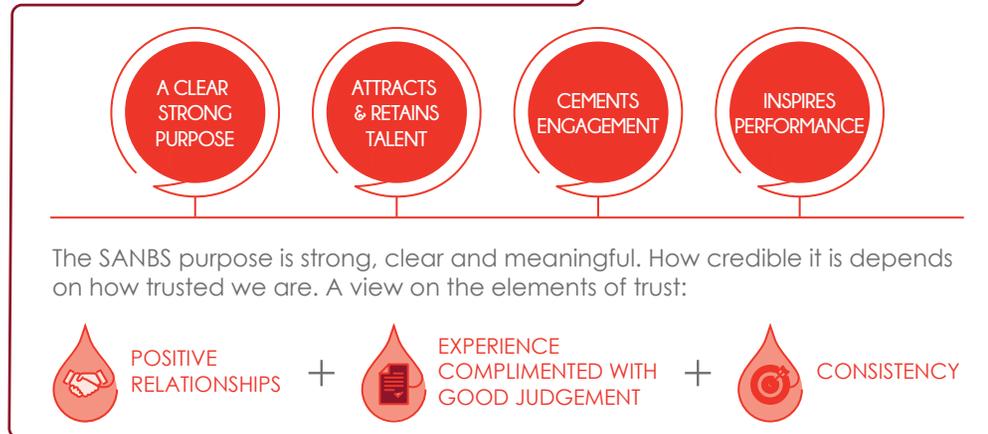
- Empowering our people
- Our academy
- Executive committee
- Our transformative journey
- Remuneration report
- CFO report



TRANSFORMING SANBS BY EMBRACING

change and empowering our people to deliver outstanding results

SANBS continues to recognise the importance of its employees as a key Stakeholder in executing our Strategy. Our success relies on the commitment, skills and passion of our employees, without which we could not have delivered the outstanding set of results across all metrics in our scorecard.



In terms of Employment Equity achievement, the organisation is 88% black and 58% female and this reflects the society within which we operate. Our diversity is reflected in the ability to achieve our targets.

We are therefore completely committed to providing the ongoing development, support and creation of an environment conducive to enable our employees to thrive and perform. We have partnered with an organisation who develops young people with disabilities and they are currently completing their learnership, with a potential to be absorbed into the organisation.

The Human Resources team has embarked on its own journey of reflection to ensure that the team remains agile and responsive to the business needs. In support of these objectives, the human capital division partners with business to attract, retain and grow talented people to deliver trusted blood products and services in innovative ways.

WITH THE COVID-19 IMPACT, THE SANBS CULTURE OF COLLABORATION PROVED BENEFICIAL IN RESPONDING TO THE NEW NORMAL

In this changing world of uncertainty, it has become ever more important to engage the hearts (inspiring) and minds (influencing) of our people prioritising their safety and well-being by introducing flexible work practices, while maintaining business continuity and listening to their views through our COVID-19 response hotline.

Unfortunately, absenteeism is above the industry norm and each zone is now actively managing absences. The nature of our work and shift patterns do contribute to the absenteeism levels and therefore frequent return to work interviews are conducted and ongoing support through our employee wellness programme.

In 2019, SANBS commenced on a journey to transform by implementing a culture enhancement programme which has been engrained in our DNA. We listened to our people and identified promoting enablers (what we should do more of) and disablers (what we should do less of). The transformation of the SANBS culture gained further traction in the past year.

WE ROLLED OUT THE "MY DISCLOSURE" SYSTEM - THIS HELPS US IDENTIFY AND MANAGE CONFLICTS OF INTEREST AND HENCE DEEPENING OUR ETHICAL CULTURE

We have also made positive progress under the banner of "Celebrating Change" where workshops were held with staff in preparation of the KZN Campus move. In 2020 our approved change model will be incorporated into one of the largest IT system transformation projects (BECS), see page 59.

SANBS CULTURE JOURNEY AND ASPIRATIONS

Active visible leadership commitment & involvement



Structure, systems and processes that enable required behaviours



A few key themes expressed in sticky language shared by all



Opportunities for everyone to be involved, contribute & experience a sense of belonging



Constant and ongoing communication and celebrate success through stories



Structured reinforcement supported with time and opportunity to experiment and share insights



Culture eats strategy for breakfast!



Trusted Advisor #Get it done



Our baseline metric for staff engagement against this formula was 1,10 and by March 2020, we had made a remarkable improvement to 1,19 i.e. an 8% increase in our baseline.

Focus areas show 2 enablers and 2 disablers that SANBS employees identified as priorities to receive focus and attention in order to achieve shift over a given period.

The first SANBS DNA Culture assessment was done in April 2019.

The second assessment was completed during March 2020 and reports on shift since the process was launched.

Honest, ethical & transparent



Training & Knowledge Sharing



Communication Breakdown



Wrong people in wrong jobs



The enabling and disabling priorities for 2020 remain the same for 2021



Issues are now confronted directly instead of being "swept under the carpet"

The organisation has robust interactions with our labour partners. Active and regular engagement ensures that our employees concerns and needs are addressed timeously. Management and trade unions have formal forums where they meet on a regular basis to deliberate on workplace issues including working conditions, see page 93.

SANBS DEPENDS ON ITS LEADERS TO SET THE RIGHT TONE TO CREATE A CULTURE OF SUCCESS

In sustaining a positive culture and the long-term health of our organisation, leadership practices are regularly reviewed. Leadership embraced development opportunities that arose from the #360 feedback processes we started in 2018. Our leadership competency framework included 8 key competencies that all our leaders should strive for in executing our mandate of being trusted to save lives.

OUR LEADERS HAVE SHOWN COMMITMENT TO "SAVING LIVES" AND ALIGNING THEIR GOALS TO THE ORGANISATION'S DNA

A total of 446 leaders underwent the assessment and feedback was provided to each leader in order to be future-fit and relevant. The ongoing 360 Degree process provides an opportunity for leaders to become comfortable with their feedback to grow and develop both on a personal level, as well as for the benefit of the organisation.

In deepening of leadership strength, 3 Executives and 31 Senior/Middle Managers have started their coaching journey. The objective of the coaching programme has been to develop SELF AWARENESS and relationship mastery making use of the 360 degree feedback report as a tool in conversation. Feedback from coaching provides us with clear evidence that leadership development should remain a priority. Individual and organisational objectives are clearly defined and positive shifts are already evident.

PERFORMANCE CULTURE ENABLES STRATEGY EXECUTION

The last year also saw a continued focus on performance management with the refinement of weekly and monthly scorecards across divisions and functions which roll up into an overall "iHEALTH" balanced scorecard for the business. These scorecards cascade directly into measurable KPA's and KPI's for managers and staff which are measured at least twice a year. This provides objective criteria for meaningful performance discussions.

The Employee Assistance Programme, ICAS, provides emotional and psychological support to help maintain productivity, build employee loyalty and minimise business disruption. The overall engagement rate, which includes uptake of all services provided, amounted to 45.9% during the period under review, which compares to 40.4% during the comparable previous period.

DEVELOPING OUR PEOPLE THROUGH A FORMAL LEARNING ACADEMY AND CREATING EMPLOYEES "FIT FOR THE FUTURE"

One of the major milestones for the period under review, was the creation of the SANBS formal learning academy, see page 94. During February 2020, we created a new partnership with Wits Digital campus to develop a digital learning roadmap. We currently have 100 employees registered on the platform in various programmes and have had a 99% pass rate illustrating our commitment to a learning culture under difficult circumstances and a 92% overall satisfaction from learners on their experience on the programme.

OUTLOOK (FORWARD LOOKING)

To further entrench our evolving culture, we are developing a more comprehensive and enhanced employee engagement approach. These include celebrating the new SANBS culture behaviours via communication channels and drive feedback from our staff. In addition to the organisation wide culture programme, leadership plays a critical role. We intend to implement monthly Leader Led Sessions to continue to deepen our leadership bench strength.

As we enter the new normal, all organisations and research indicates we will need to pay additional attention to our staff wellness. We have planned for our "Better Me" programme and through this programme we intend to focus on 3 key areas of employees wellness which include mental, nutritional and physical wellness. Placing business continuity at the centre of every HCM strategy and decision, policies and procedures will be reviewed to adapt to the "new normal" way of managing a business, including embracing digital transformation.

In this new normal, SANBS will also be reflecting on the critical and business imperatives skills that will require an ever evolving employee value proposition to ensure we remain sustainable.

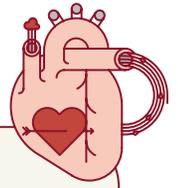


TRANSFORMING SANBS BY EMBRACING CHANGE AND

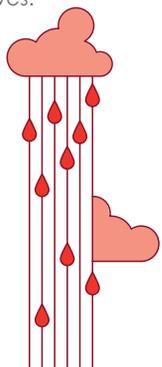
empowering our people to deliver outstanding results through the Academy

A highlight for noting regarding Human Capital and the creation of our Research and Development, and learning Academy

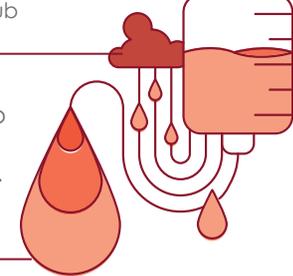
One of the current highlights at SANBS' is the plan for a Research and Development (RAD), and Learning Academy . The Academy started with the organisation recalibrating its approach to transform learning and innovation. The Academy has four bold goals, each of which are underpinned by clear objectives and associated deliverables.



GOALS	OBJECTIVES	DELIVERABLES
IMPLEMENT A BUSINESS ALIGNED BUSINESS STRUCTURE: Governance, human resource and infrastructure developed to support the successful implementation and execution of the Academy Strategy	<ul style="list-style-type: none"> Implement appropriate operating model. Recruit the "right academy team" to implement and embed the Academy vision and strategy 	<ul style="list-style-type: none"> Aligned operational & governance structure Human capital resource plan ICT & digital infrastructure plan Operating space & laboratory infrastructure plan
EXPAND KNOWLEDGE PRODUCTION: Knowledge translated into improvements in transfusion medicine practices and blood service quality	<ul style="list-style-type: none"> Increase research output i.t.o quality, quantity and impact Apply knowledge produced to improve transfusion medicine practices and enhance the quality of blood services and products 	<ul style="list-style-type: none"> Research agenda established Research publication produced Research collaborations established External research funding secured Post-Grad research training programme established
STRUCTURED KNOWLEDGE DISSEMINATION: Technical assistance that enables policy framework development, institutional and infrastructure design required to run an effective blood service	<ul style="list-style-type: none"> Build blood transfusion and related health sciences capacity among healthcare workers Build institutional and organisational capability in the field of blood transfusion 	<ul style="list-style-type: none"> Blood transfusion science included in tertiary curricula Standardised training programmes (PBM, New Products) Effective knowledge dissemination platforms Capacity development roadmaps developed Capacity building partnerships established New practices,products, and technologies developed, adopted, and/or implemented
CREATE A RENEWAL AND PROACTIVE LEARNING ENVIRONMENT: A motivated workforce with the appropriate mix of scientific, people and business skills to successfully execute the SANBS mandate of saving lives.	<ul style="list-style-type: none"> Embed and position the learning and skills development process for critical skills development and maximum return for business Design and execute flagship leadership development programmes that translate in behavioural change Build a thinking a learning culture, through focussed capability & development plans and programmes Develop a clearly defined Learning Strategy Implement processes and systems that support knowledge management and innovation 	<ul style="list-style-type: none"> Integrated Learning Processes as part of the broader People Value Chain (e.g with Performance & Development) Robust skills development process (e.g development plans) translated into workplace skills plan Structured and blended leadership development initiatives for all levels Masterclasses against key management practices, aligned to the business calender (e.g Talent, Performance Bootcamps) Learning plans aligned to business requirements (delivered as contracted) Organisational capability embedded across learning programmes and processes Organisational capability requirements supporting key strategic initiatives Key learning initiatives definitive plans - including learning catalogue Integrated learning management system, learning experience platforms, learning delivery platforms, and authoring and assessment tools Content Libraries (Internal and External) Design thinking through Innovation Hub



Significant people-related investments in initiatives negatively impact our financial capital in the short term but, long term, positively impact our human, social and relationship capitals, which enables us to have the people and capabilities required, to deliver our business strategy and key performance targets. Our appeal as an employer of choice and our brand value, increases our intellectual capital. Our research and innovation will have an impact on our Natural Capitals.





TRANSFORMATIVE LEADERSHIP

Meet the Executive Committee



JL

JONATHAN LOUW (3 YRS)

Chief Executive Officer
MB.ChB (University of Cape Town),
MBA (University of Cape Town)
Executive Committee member since 2018



JT

JACKIE THOMSON (5 YRS)

Medical Director
MBChB (Stellenbosch University),
MMed Internal Medicine (Stellenbosch University),
Certificate in Haematology (College of Medicine SA)
Executive Committee member since 2016



TM

TSHEPI MAESELA (4 YRS)

Chief Financial Officer CA (UK),
Accountants' Conversion Course (UCT),
B.Sc Economics and Computer Science (Trinity College)
Executive Committee member since 2017



SM

SILUNGILE MLAMBO (7 YRS)*

Chief Marketing Officer
BBA Hons – Marketing Communications,
IMM diploma – Advertising,
IMM diploma – Marketing
Executive Committee member since 2018
**Left the organisation on 21 September 2020*



AM

ABBEY MTHOKOA (10 YRS)

Chief Human Capital Officer
B.Juris (Law), Honours Human Resources Management,
Executive Development Programme
Executive Committee member since 2010



FM

FRANS MONKWE (3 YRS)

Chief Information Officer
BCom (IS), Master of Business Administration,
Master of Information Technology
Executive Committee member since 2018



RR

RAVI REDDY (35 YRS)

Chief Operations Officer
BTech Biomedical Technology, MBA
Executive Committee member since 2002



A DEMONSTRATION OF OUR TRANSFORMATIVE JOURNEY

Breathing new life into SANBS

REVIVING AND RE-ENERGISING OUR BUSINESS

In 2018, SANBS embarked on a transformation journey with new leadership bringing about a complete review of the SANBS strategy and corporate purpose.

The journey took on an integrated, stakeholder inclusive approach to give life to the corporate purpose "Trusted to save lives".

The journey began with a phased approach:

1. REVIEW: Understanding our current state

We asked ourselves...

- How were we progressing against our strategy?
- Was the design of our Operating Model and organisational structure effective to support achievement of our strategy?
- What were the views of our stakeholders?
- Were the organisation values embedded and aligned to our strategic direction?
- How were we listening to staff, the heartbeat of SANBS, to understand the DNA of our organisation (enablers and disablers)?



2. REFRESH: What needed to change?

We asked ourselves...

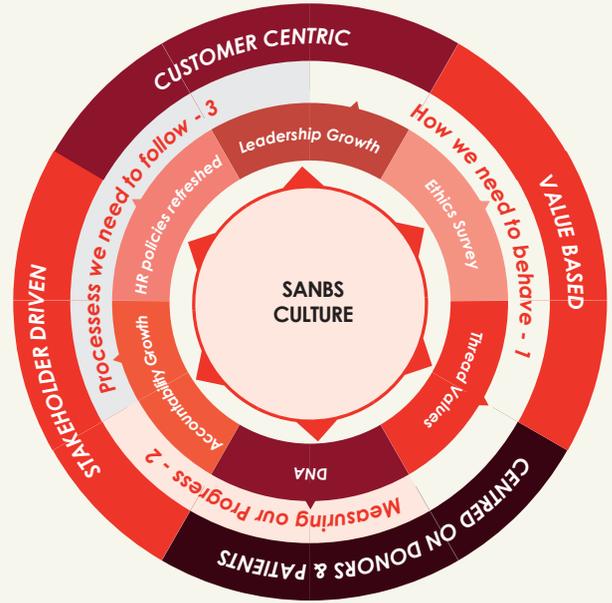
- How would we measure execution of strategy by ensuring accountability through performance measures?
- How could we better align our values and DNA enablers to our strategic objectives?
- How could we collaborate with leadership and staff to co-create solutions for disablers?
- What was required of our leaders to instill values-centred leadership?



3. REENGINEER: How should we change to enable the business to perform?

We initiated...

- A revised iHealth strategy
- Alignment of values and DNA enablers to iHEALTH Strategic Objectives
- A process to commence with internal change programmes and upskilling
- Mitigating DNA disablers
- A roadmap to track strategic performance



An operating model represents how value is created by an organisation and by whom within the organisation. Deloitte©

T **TRANSPARENCY**
We share information in an honest transparent manner

H **HONESTY**
We do the right things always. We do what we say we will do

R **RESPECT**
We treat everyone fairly and with respect regardless of gender, race, sexual orientation or social status

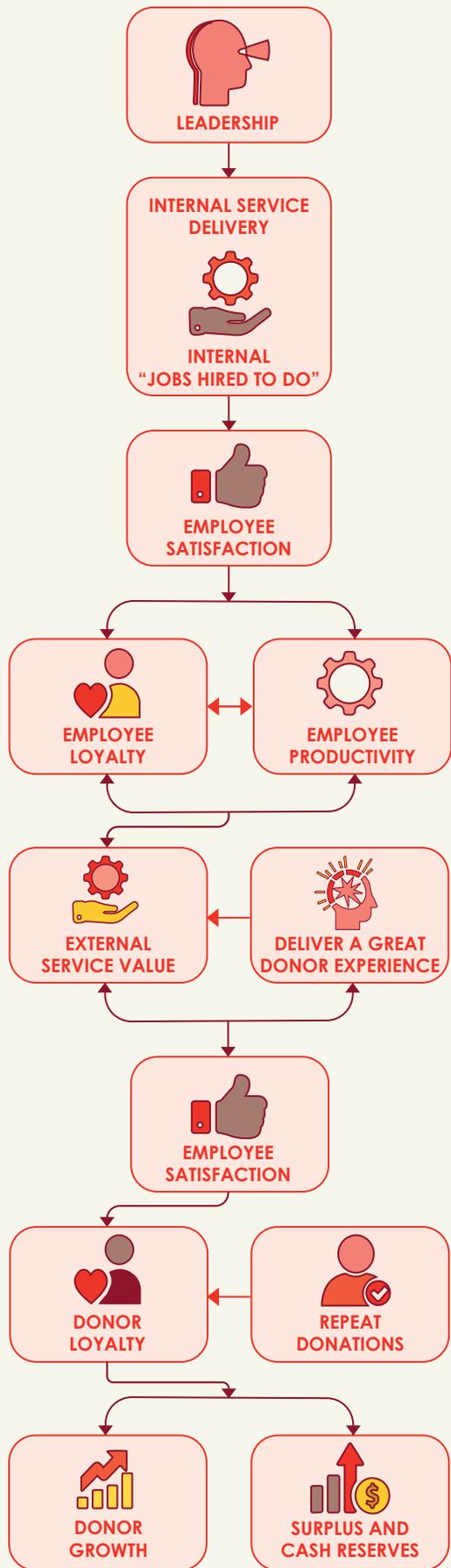
E **EXCELLENCE**
We have committed to be best and we deliver the best blood transfusion services and products

A **ACCOUNTABILITY**
We take ownership of our work and promptly correct mistakes to the greatest extent possible

D **DIVERSITY**
We embrace diversity at our workplace which is richly different and multi-cultural

Extensive work has been done to develop an integrated Values Framework and has been communicated through the acronym of the values depicted as **THREAD**.

Our culture transformation journey has delivered excellent results, ensuring efficiency of our operations, optimal performance and value delivered to both our internal and external stakeholders.



4. REPOSITION: How would we embed and drive change?

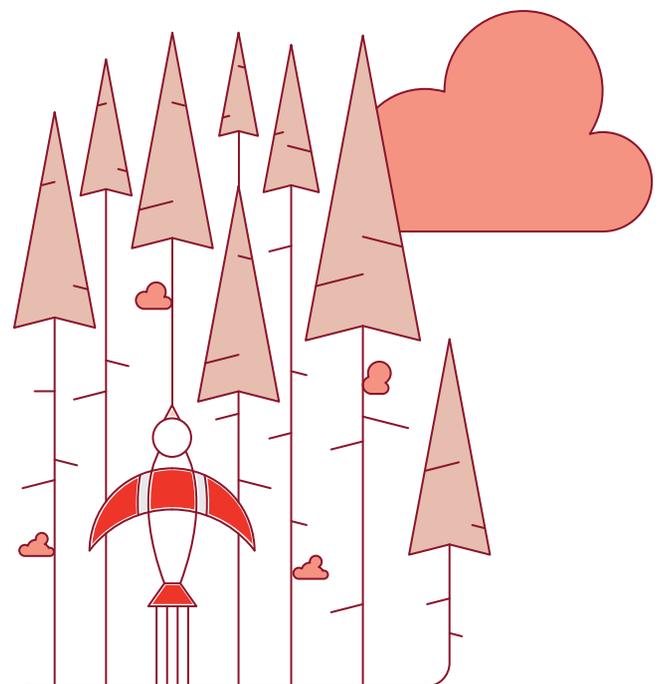
We delivered...

- A mechanism to track behavioural and quantitative metrics through balanced scorecards aligned to the iHealth strategy
- An employee engagement and communication strategy to breakdown barriers and silos
- Communication channels to celebrate achievement of SANBS culture behaviours
- Feedback channels to drive & promote communication and collaboration
- Reward programmes aligned to achievement of strategic objectives

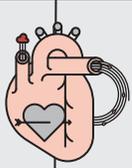
Our corporate purpose is now expressed as and is supported by a strategy that is measured through four key metrics – **Cost, Quality, Reliability** and **Coverage**.

The transformation of the SANBS culture gained further traction in the past year. We bedded down the change programmes and cultural initiatives we introduced in 2019 to improve our leadership traits, measure and interact with our culture and encourage our values of accountability through performance management. One of the largest changes was the discovery of our "SANBS DNA" – a process whereby all our staff voted on the things we should do more and less off - so called enablers vs. disablers. More than 85% of our staff voted and challenged their creativity through developing icons or "emojis" to describe these enablers and disablers.

Having launched the programme nationwide we are now able to actively measure our culture and begin courageous conversations around making changes to improve it. Not only does this give a platform to ALL our staff to express their sentiments but also helps management opine on further programmes to address the issues that come out.



REMUNERATION PROCESS



STRATEGIC
PLANNING

DEVELOP IHEALTH
ORGANISATIONAL
SCORECARD

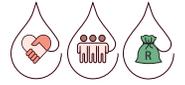
SET MEASURABLE
GOALS. DEFINE
KPIs AND KPAs
FOR ALL STAFF

BI-ANNUAL
PERFORMANCE
MANAGEMENT
DISCUSSIONS

REWARD AND
REMUNERATION

REMUNERATION REPORT

Remuneration is linked directly to successful execution of strategy and employees are rewarded for value delivered



The organisation's remuneration philosophy is aligned to the SANBS iHEALTH strategy (see page 76 & 77) in that it ensures that employees are able to work towards and promote the achievement of the strategic objectives within the organisation's affordability.

The remuneration approach is designed to support the behaviours, skills and superior performance required, to underpin and embed the desired organisational culture of accountability, excellence and performance.

REWARDING KEY TALENT

As part of the broader talent management framework, we have updated our Remuneration Policy to include progression opportunities, in that an increase to the minimum of the new pay scale or a 5% increase, whichever is greater, can be considered, for our key talent. The revised remuneration approach also includes the development of dual career paths for specialists and management roles.

The organisation encourages career growth and mobility for all employees, whilst we have also clearly identified our critical and scarce roles.

In attempting to build a total rewards approach, the SANBS Academy (see page 94) has been created to further support the structured learning opportunities, enhanced digital learning opportunities and support career growth as part of the employee value proposition.

REMUNERATION GOVERNANCE

The governance of remuneration falls under the scope of the Human Resources division and the Human Resources and Remuneration Committee, which in turn advises the Board. The Board approves the business targets at the beginning of every financial year and reviews the results at the end of the year before making final decision regarding payment of any incentives (if applicable).

EQUITABLE REWARD AND REMUNERATION

SANBS is committed to remaining sustainable whilst equally important is the equitable reward of our valued employees. Our philosophy is meant to attract, develop, and celebrate the successes of our individual employees within the context of our altruistic mandate of being "Trusted to Save lives". It is the organisation's philosophy that no employee is paid below the minimum of the applicable salary scale and is verified through a process conducted by internal auditors annually.

The organisation uses the services of independent remuneration service consultants to review and benchmark remuneration levels of both the NED and staff on a regular basis.

Although SANBS is a not-for-profit organisation and therefore not ordinarily able to afford to remunerate its employees in accordance with the private sector market related salaries and incentive bonuses, the remuneration scales and policies are benchmarked with similar size organisation nationwide. This is in keeping with the recommendations made by the consultants as SANBS competes in the market for several specialist skills. See SANBS' annual financial



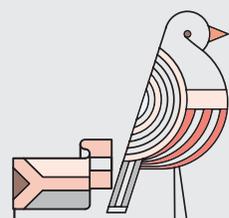
statements for disclosure of remuneration paid.

The organisation's rewards programmes are guided by policies which are reviewed annually for relevance by the Human Resources and Remuneration Committee.

The main objective is to ensure that the organisation's remuneration policies and talent management practices are fair, competitive and in line with best practice.

THE ORGANISATION'S REMUNERATION STRUCTURE IS DESIGNED HOLISTICALLY TO ACHIEVE OPTIMAL PERFORMANCE. AND CONSISTS OF MONETARY AND NON-MONETARY REWARDS

	<p>GUARANTEED SANBS employees are remunerated on a Total Cost of Employment (TCE) basis, which is the base pay excluding fringe benefits and the salary increases for management and staff are performance based. The bargaining unit employees of SANBS are negotiated with our labour partners annually. The SANBS Board approves all salary increases annually.</p>
	<p>BENEFITS All employees are eligible for fringe benefits such as retirement funds, healthcare, life cover, dreaded diseases and disability cover. Employees within the bargaining unit also qualify for other benefits such as overtime and call out allowances.</p>
	<p>INCENTIVE BONUS SANBS employees are currently eligible for a performance related incentive bonus, which is equivalent to a 13th cheque, if specific approved targets and metrics are achieved in applicable financial year.</p>
	<p>RECOGNITION Informal recognition and celebration of achievement (Long Service Awards); Formal awards for recognition of extraordinary achievement and service above and beyond the call of duty.</p>



POLICIES THAT MANAGE REWARD

REMUNERATION

PERFORMANCE MANAGEMENT

INCENTIVE BONUS

PAY PROGRESSION

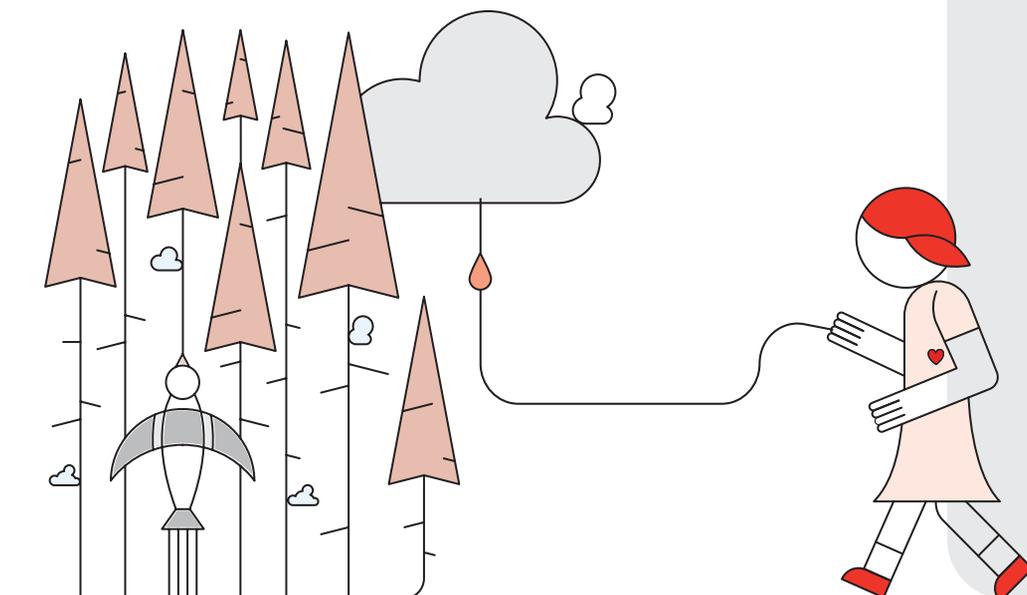
(providing a "dual career ladder" opportunity for employees in specialist roles)



Consultation and development of employees through employee value propositions

Connecting to individual goals and values

Collaboration and engagement, inspiring employees to perform



NON-EXECUTIVE DIRECTOR REMUNERATION

Further to the remuneration of SANBS employees, the Non-Executive Directors ("NEDs") who comprise the governing body are remunerated for the work they do.

To ensure their fair remuneration commensurate with their responsibilities, SANBS ensures that the requirements of the Companies Act No. 71 of 2008 and King IV Report on Corporate Governance for South Africa, 2016, Principle 14, are aligned with the organisation's practices in this regard.

To this end SANBS has a Non-Executive Director Remuneration Policy which sets out the key principles related to the fees of NEDs and to provide a framework for the Company to attract and retain qualified and experienced NEDs to drive the Company forward, whilst keeping it under effective control.

The principles that underpin this policy are:

- Transparency regarding the remuneration policy and the disclosure of the NED remuneration;
- Accountability to members and other stakeholders; and
- Fairness, responsibility and affordability by the Company.

NED fees consist of three components, namely a monthly retainer, meeting fees and special fees. The National Council in accordance with the Memorandum of Incorporation approves the fees of the NEDs. Special fees are paid at an hourly rate and are reserved for particular mandates approved by the Board that fall outside scheduled or usual Board duties.

ACCOUNTABILITY AND DISCLOSURE

In the interest of transparency, below in the table, containing the elements of NED fees, are the amounts paid to each director during the reporting period, with comparative figures for the prior year.

NAME	2020 R000s	2019 R000s
R Brand	461	478
F Burn	427	162
W Gumede	677	553
P Knox	442	430
G Leong	94	-
V Moodley	365	381
M Morongwa	-	164
P Mthethwa	375	131
A Ramalho	510	476
G Simelane	654	597
R Theunissen	714	556
	4,719	3,928

- PwC is the independent external consultant that assisted with the NED fee benchmarking. This was undertaken in September 2019.
- The peer groups chosen for the benchmarking are a comparator group of JSE listed companies.
- The number of Board meetings and committee meetings attended by the various NEDs are reported on page 32.

 See oversight role of HRRC on page 38. For details of Executive Remuneration see the 31 March 2020 Annual Financial Statements to be published on our webpage. Link of incentives to iHEALTH pages 76 and 77.



Reflections from our CHIEF FINANCIAL OFFICER

INTRODUCTION

The financial performance and position of SANBS reflects the positive effects of various value adding initiatives over the period – most significant being the continued increase in blood collection, which results in a significant reduction in logistics as we minimise the movement of blood supply across our eight zones. We have continued good expense management and ensured ongoing expenditure on organisational culture and performance management initiatives.

Significant people-related investments in initiatives are very important to us and while they negatively impact our financial capital in the short term, they positively impact our human, social and relationship capitals, which, over the longer term, enable us to have the people and capabilities required to deliver our business strategy and key performance targets.

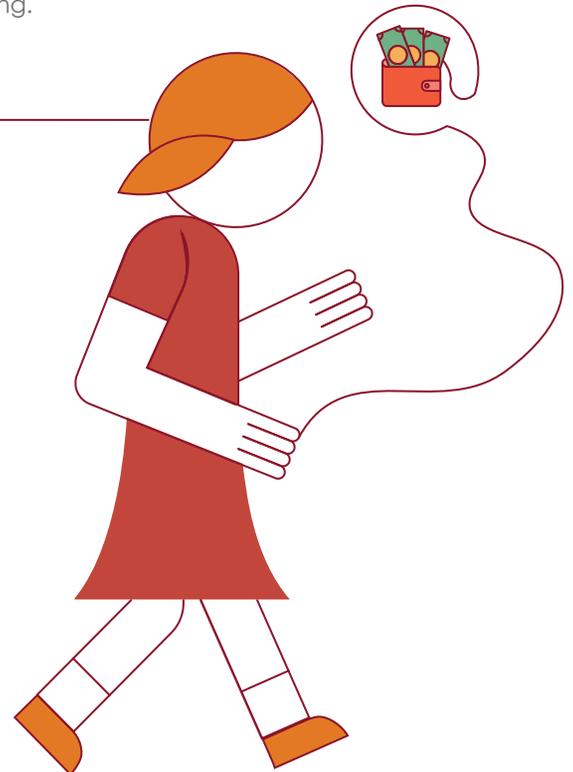
Debtors days decreased during the reporting period, but remained above our target of 140 days. The Debtors task team, which includes the CEO, CFO, COO, and Medical Director, continues to meet weekly to review the debtors balance, collections, and progress on engagement with large debtors. These engagements include provincial departments of health and some medical aids to ensure that we can collect amounts due to us timeously. This downward trend in debtors days is expected to continue as collections from debtors improve. However, the impact of COVID-19 on future collections, especially from private patients, remains uncertain, especially as there is a concern that as the economy suffers due to the pandemic, more private patients may not be able to pay their amounts outstanding.



Tshepi Maesela
Chief Financial Officer



The South African National Blood Service achieved a great financial result for the 2019/2020 financial year with an increase on prior year surplus. The higher surplus follows continued focus on efficiencies across the business, striving to provide reliable and best quality service to all our areas across the country, at the lowest cost possible.





UPDATE ON THE CREDIT NOTE IRREGULARITY PREVIOUSLY REPORTED

Despite overall excellent results for the 2019/2020 financial year, the start of the year was characterised by the remnants of the matters to be attended to as a result of the internal control deficiency reported on in the 31 March 2019 Integrated Report. The matter centred around credit notes that had been incorrectly presented as invoices, and consequently monies were paid to the SANBS that were not due. The external auditors were unable to furnish an unqualified audit opinion on the annual financial statements for 31 March 2018 and 31 March 2019 and issued a disclaimed opinion due to the uncertainty arising therefrom. The credits due amounted to 1% of total revenue and most of the affected debtors have significant long outstanding amounts owing to SANBS.

In this regard, the following actions were taken:

- Appointment of an independent forensic service provider to investigate the matter and to report thereon.
- Engagements with, and agreements made, with debtors arising from this internal control deficiency.
- Disciplinary measures implemented against all implicated employees i.r.o negligence regarding flouting company policy and processes.
- Introduced additional internal controls.
- Assessment by the internal auditors of the effectiveness of the enhanced internal controls.
- Engagement of the internal auditors to consider the pervasiveness of incorrect accounting entries in respect of payments made by debtors.
- Ongoing engagements with and reporting to our Audit Committee on all related matters.

Although it is considered that the accounts receivable balance as at 31 March 2020 is fairly reflected the individual accounts receivable amounts could not be independently verified and this, coupled with the unreliable accounts receivable accounting transactions, is likely to again result in a disclaimer of opinion by the external auditors.

"The financial performance and position of SANBS reflects the positive effects of various value adding initiatives over the period – most significant being the continued increase in blood collection"

The credit note irregularity and the disclaimed audit opinions have been an ongoing focus of our Audit Committee who has provided considered oversight and support. This irregularity did not involve fraud. For details refer to the Report of the Audit Committee on page 34.

IFRS 16 - We have fully applied IFRS 16 for the accounting of leases during the year. Ernst and Young Inc. were appointed to assist with the implementation of IFRS 16 during the year. The application of these accounting standards is in the process of review and acceptance by our external auditors, Deloitte & Touche ("Deloitte").

The independence of our external auditors is very important and any non-audit services performed by Deloitte are approved prior by the Audit Committee. During the year, Deloitte assisted with the administration of our anonymous tipoff line.





APPRECIATION

To the Executive Committee, thank you for your support during the year. Thank you to the dedicated and hardworking finance team for your continued effort to ensure that we procure all our goods and services in line with our approved policy and best practice; that the organisation's financial management and reporting is completed timeously and accurate; that risk management is at the forefront of all decisions, actions and processes; and that we maintain the required governance and compliance to all laws and regulations. Also thank you to our medical aid partners for their understanding and assistance as we unpack and fully resolve the credit note issue, and most importantly to the National and Provincial Departments of Health for your cooperation and engagement regarding the debtors balances, and our billing and collection processes.

Once the audit of our annual financial statements is completed, these are posted separately to our Integrated Report on the SANBS webpage.

Our internal audit function is outsourced to Mazars – having been appointed in this capacity since September 2019.

FINANCIAL OUTLOOK OVER THE MEDIUM TO LONG TERM

In the medium and longer term, we will continue to review all processes, identifying efficiencies which could further reduce our cost base. Key focus will be on automation of finance processes to eliminate errors that may arise during manual processes and reconciliations and to increase efficiencies. These include automatic supplier reconciliations, invoice verifications, and automatic customer receipt allocation.

We will also be attending to the updating of our policies and procedures for accounts receivable to ensure that all transactions are accurate and reliable. The timely identification of gaps in processes and the prompt remedy of such gaps is a priority. All internal and external audit findings will be addressed to ensure that an unqualified opinion is issued for the year ending 31 March 2021.

Future concern remains due to the uncertainty of how COVID-19 will impact on our financial sustainability, especially if it is found to have a big impact on our collections from debtors. In the meantime, we will continue our significant cost cutting initiatives to limit the impact, should the concern become a reality.

The completion of the new Inventory Management System will significantly improve our working capital management as we will be able to monitor and report on stock levels at all of our sites, and not just the warehouses at our large sites.

A key focus area is the review of the Procurement function; reviewing and revising the procurement policy, the Procurement Department Strategic Plan, including an assessment of the structure of and skills within the Procurement department.

Another key focus is on contract management in the business, ensuring that all procurement is under an existing contract, and that a full contract register is established and maintained.





PROSPECTS FOR DELIVERING VALUE OVER TIME (OUTLOOK)

Challenges, opportunities & uncertainties SANBS is likely to encounter in the short, medium & long-term

LOOKING FORWARD TO A SUSTAINABLE

future through the gift of life



SANBS will continue to transform, innovate and respond with agility to meet the needs of stakeholders, remaining an important role player at the cornerstone of healthcare services in South Africa

Our outlook information covers the organisation's strategic path ahead – leadership's view of the material uncertainties, disruptive factors, challenges that may affect the achievement of our strategic objectives and the potential implications for the organisation and opportunities that we have identified.

Our strategic path ahead, aligned to the six capitals, is positioned to deliver value and yield positive results in the short, medium and long-term. This is demonstrated in each depiction alongside.



FINANCIAL CAPITAL



STRATEGIC PRIORITY

- New revenue streams (increased source plasma collection for NBI), cellular therapies
- Manage bad debts rigorously by enhancing debt collections tactics
- Optimise process cost efficiency for delivery of blood products

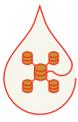
CHALLENGES, UNCERTAINTIES AND DISRUPTIVE FACTORS

- Medium to long-term impact of COVID-19 on financial sustainability, blood usage and collections
- Persistence of the COVID-19 pandemic and its macro impact on global economies; impact on currency exchange rates, implementation cost impact as SANBS is billed in Euros
- Financial sustainability (collecting what is owed to us)
- Government & medical aids financial sustainability and ability to pay for blood
- Keeping the service fees for blood low

MITIGATING FACTORS/ OPPORTUNITIES

- Research on convalescent plasma to result in alternative revenue streams
- Accessibility and affordability – blood benchmarkable with rest of world
- Expedite collections through an appointed Debtor Collection Task Team

MANUFACTURED CAPITAL



STRATEGIC PRIORITY

- Expand products and services through innovation
- Mainstream digitalisation of business processes (outside of BECS & ERP)
- Mobile Donor Centres/vehicles of the future
- Process automation (Smart fridges for issue of blood, decentralised processing of blood)
- Digitalisation in Order to Pay Processes
- Inventory Management enhancement

CHALLENGES, UNCERTAINTIES AND DISRUPTIVE FACTORS

- Maintaining and increasing the donor base
- Patient blood management and reduced demand
- Blood supply, given COVID-19 concerns

MITIGATING FACTORS/ OPPORTUNITIES

- Process improvements (better models for service delivery) – donor convenience, smart fridges, processing
- Increasing blood collection in regions to reduce the cost of blood collection and delivery
- Engaging communities to supply enough blood for their own needs
- Use of drones in an emergency environment
- New models for Blood collections if traditional models (collections from corporates, schools and universities no longer viable due to remote working)
- Inventory Management enhancement

HUMAN CAPITAL



STRATEGIC PRIORITY

- Drive a performance culture in SANBS with differential reward based on performance
- Attraction and retention of critical staff
- Driving culture improvement programme

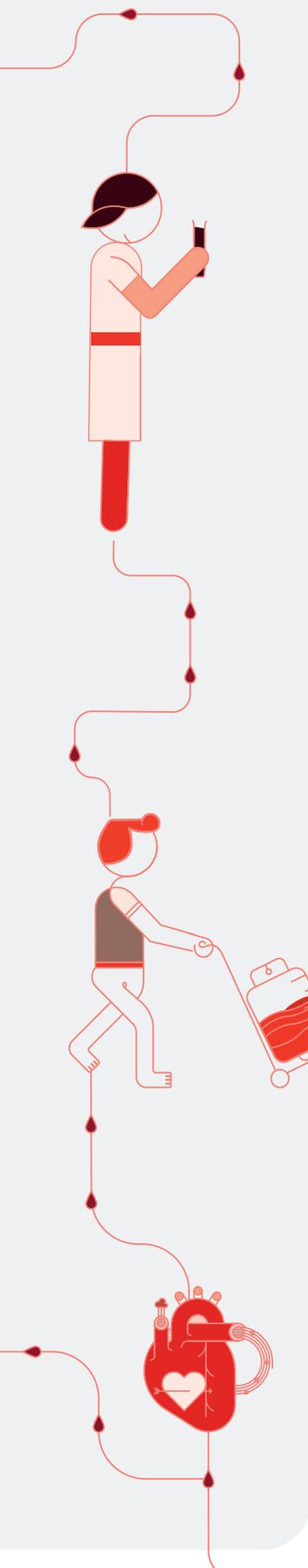
CHALLENGES, UNCERTAINTIES AND DISRUPTIVE FACTORS

- Change in work patterns necessitating change in how SANBS staff operate
- Staff infected by COVID-19
- Staff availability, given the impact of COVID-19 and increased absenteeism
- Filling vacancies

MITIGATING FACTORS/ OPPORTUNITIES

- Change – leadership, strategy, performance measurements, innovation
- Culture/change initiative (DNA)
- Improve wellness – health of donor pool and staff
- Revise employee value proposition to attract and retain critical staff





INTELLECTUAL CAPITAL



STRATEGIC PRIORITY

- Reskilling of staff & preparation to adapt to Digitisation & AI with a clearly defined learning strategy through the SANBS Academy
- Development, commercialisation and delivery of cellular therapies
- Translational Research - To be an internationally recognised research unit known for innovation and collaboration
- Enhance brand advocacy

CHALLENGES, UNCERTAINTIES AND DISRUPTIVE FACTORS	MITIGATING FACTORS/ OPPORTUNITIES
<ul style="list-style-type: none"> • Adapting to the "new normal" way of managing a business, including embracing digital transformation. • Increased cybercrime risks – opportunistic and targeted attacks 	<ul style="list-style-type: none"> • New work environment (work from home; redeployment; digital learning platforms) • Creating "future fit" employees, an SANBS employee who is agile and responsive to the new way of work • Robust Information Management Security systems • Research and Development – involvement in clinical trials (convalescent plasma) and funding grants/ Cellular therapies and genetic testing therapy • Research on convalescent plasma to result in alternative revenue streams

SOCIAL & RELATIONSHIP CAPITAL



STRATEGIC PRIORITY

- Increase stakeholder satisfaction results
- Continue to meet the quality control requirements of regulatory bodies and national standards to satisfy internal and external customer needs
- Improved communication and engagement with stakeholders (BECS & donor app) and blood partners
- Improving the Donor experience

CHALLENGES, UNCERTAINTIES AND DISRUPTIVE FACTORS	MITIGATING FACTORS/ OPPORTUNITIES
<ul style="list-style-type: none"> • Emerging and re-emerging viral risks and impact on safety • SA Healthcare system potentially deteriorating and impact on SANBS • Cost and burden of compliance in general, and with POPIA in particular (this is new legislation, and has potential for onerous compliance burden) 	<ul style="list-style-type: none"> • Working with other SA Blood Partners (synergies WCBS) & NBI etc • Stakeholder engagement - Department of Health • Research and Development – involvement in clinical trials (convalescent plasma) and funding grants/ Cellular therapies and genetic testing therapy • Good governance-maintaining confidentiality of donor information • Improve donor health with iron supplementation • Improve wellness – health of donor pool and staff

NATURAL CAPITAL



STRATEGIC PRIORITY

- Contributing to a sustainable future
- SANBS operations are undertaken in a sustainable manner by environmentally conscious SANBS staff

CHALLENGES, UNCERTAINTIES AND DISRUPTIVE FACTORS	MITIGATING FACTORS/ OPPORTUNITIES
<ul style="list-style-type: none"> • Some lack of awareness of how behaviours and choices affect the environment 	<ul style="list-style-type: none"> • Greening SANBS (see pg 62) • Plans to make data more accessible to staff so that they can better understand how their behaviours and choices affect the environment • Remote work opportunities reducing real estate foot print & associated costs • Waste management • Green lab-Mount Edgecombe • Contribution to UN 2030 sustainable development goals



GLOSSARY

AFSBT	African Society for Blood Transfusion
AFS	Annual Financial Statements
ATM	Automated Teller Machine
B-BBEE	Broad Black Based Economic Empowerment
BCM	Business Continuity Management
BCP	Business Continuity Planning
BECS	Blood Establishment Computer Systems
CAA	Civil Aviation Authority
CEO	Chief Executive Officer
CFO	Chief Financial Officer
CGC	Clinical Governance committee
CMH	Charlotte Maxeke Hospital
CIO	Chief Information Officer
COO	Chief Operating Officer
COI	Conflict of interest
CoSec	Company Secretary
CSR	Corporate Social Responsibility
DoA	Delegation of Authority
DoH	Department of Health
DRP	Disaster Recovery Plans
D&O	Directors and Officers
DNA	Culture renew programme
ERM	Enterprise Risk Management
ERP	Enterprise resource planning
EWP	Employee wellness programme
Ex vivo	Experiments/measurements in/on tissue in an external environment
FBC	Full blood count
FY	Financial year
g/dL	Grams Per Decilitre
GDP	Gross Domestic Product
GMP	Good Manufacturing Practice
GSEC	Governance, Social and Ethics Committee
Hb	Haemoglobin
HCM	Human Capital Management
HIV	Human Immunodeficiency Virus
HPC-A	Haematopoietic Cell Collection Apheresis
HR	Human Resources
ICU	Intensive Care Unit
IFRS	International Financial Reporting Standards
iHEALTH	SANBS Strategic objectives 2019 – 2024
IIRC	International Integrated Reporting Council
IIRF	International Integrated Reporting Framework
IR	Integrated Report
ISBT	International Society for Blood Transfusion
ISMS	Information management Security Services
ISO	International Organisation for Standardisation
IT	Information Technology
JACIE	International Standards for Hematopoietic Cellular Therapy Product Collection, Processing, and Administration
King IV™	King IV Report on Corporate Governance for South Africa 2016
KPA	Key Performance Area
KPI	Key Performance Indicator

KZN	KwaZulu-Natal
LAN	Local Area Network
LoA	Level of Assurance
MOI	Memorandum of Incorporation
NAT	Nucleic Acid Amplification Testing
NBI	National Bioproducts Institute
NCOP	National Council of Provinces
NDOH	National Department of Health/NEDs
	Non-Executive Directors
NHI	National Health Insurance
ORCA	Outsourced Risk and Compliance Assessment
PBM	Patient Blood Management
PEI	Paul Ehrlich Institute
PO	Purchase Order
POC	Proof of Concept
PT	Proficiency Testing
QC	Quality Control
RBC	Red blood cells
R&D	Research and Development
RED	Recipient Epidemiology and Donor
RTIG	Risk Technology and Information Governance
SABMR	South African Bone Marrow Registry
SADC	Southern African Development Community
SAHPRA	South Africa Health Products Regulatory Authority
SLA	Service level agreement
SANAS	South African National Accreditation Systems
SABTS	South African Blood Transfusion
SANBS	South African National Blood Service
SAP	Systems Applications and Products in Data Processing
SASSA	South African Social Security Agency
SLS	Specialised Laboratory Services
STI	Short Term Incentive
SOP	Standard Operating Procedures
TAT	Turn Around Time
TIG	Technology and Information Governance
T.H.R.E.A.D	SANBS' core values
TTI	Transfusion Transmissible Infection
TR	Translation Research
VTOL	Vertical Take Off and Landing
VUCA	Volatile Uncertain Complex Ambiguous
WAN	Wide Area Network
WCBS	Western Cape Blood Service
WHO	World Health Organisation
YOY	Year-on-Year



ADMINISTRATION

SANBS REGISTRATION NUMBER

2000/026390/08

REGISTERED OFFICE ADDRESS

1 Constantia Boulevard
Constantia Kloof
Roodeport, 1709
Tel: +27 (0)11 761 9000
Email: customerservice@sanbs.org.za

POSTAL ADDRESS

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Weltevreden Park
1715

WEBSITE

www.sanbs.org.za

EXECUTIVE COMMITTEES

Jonathan Louw – Chief Executive Officer*
Jackie Thomson – Medical Director*
Ravi Reddy – Chief Operations Officer
Frans Monkwe – Chief Information Officer
Abbey Mothokoa – Chief Human Resources Executive
Tshepi Maesela – Chief Financial Officer
Executive Directors*

NON-EXECUTIVE

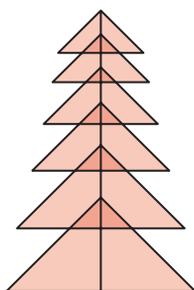
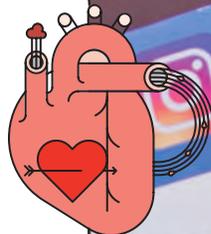
Getty Simelane
Rob Theunissen
Patricia Knox
Ansie Ramalho
William Gumede (retired 9 July 2020)
Rodney Brand (resigned 9 November 2019)
Vanessa Moodley (resigned 1 July 2020)
Phindile Mthethwa
Faith Burn
Gary Leong (joined 9 November 2019)
Monica Vaithilingum (joined 1 July 2020)

COMPANY SECRETARY

Mduduzi Luthuli
(left the organisation on 11 November 2020)
The assistant Company Secretary, Sipiwe Chisale, will be caretaking this role until a new appointment is made.

AUDITORS

Deloitte & Touche
5 Magwa Crescent
Waterfall City, Midrand
Gauteng, 2090
South Africa
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Fax: +27 (0) 11 806 5003





SANBS
South African National Blood Service

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