



CORPORATE PLAN

2024 | 2027

INNOVATIVE BIO-SCIENCE





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2024 | 2027





ONDERSTEPOORT
BIOLOGICAL PRODUCTS

INNOVATIVE BIO-SCIENCE



Onderstepoort Biological Products SOC Ltd





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EXECUTIVE AUTHORITY STATEMENT

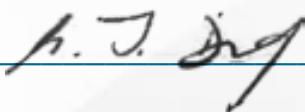
As the country faces challenges of biosecurity and traceability, the sector will rely on Onderstepoort Biological Products to deliver on its mandate to develop innovative, efficacious and cost-effective animal health solutions in order to protect the national herd whilst ensuring sustained development of our livestock industry. The sector has documented the role OBP will need to play in the sector consensus Agriculture and Agro-processing Master Plan. It is on this basis that deliberate and continued support by the department is critical, to ensure that OBP's vaccine production capacity is increased and sustained. As the only state-owned animal vaccine manufacturer in the country, with well-established partnerships and collaborations in the agriculture sector, OBP has to affirm its position and role as a valuable and key contributor to the country's economy.

OBP has over the past year faced a number of challenges and disruptions in delivering on its very important mandate due to factors such as aging infrastructure resulting in product unavailability, coupled with increased competitor market presence, amongst others. The impeding energy crisis further exacerbated the inability to produce and supply the required levels of vaccines to its clients timeously. Despite these debilitating challenges faced the OBP brand continues to ensure sustained market share in both domestic and international markets and in pursuance of sustaining this market position, OBP has developed and introduced its stabilisation strategy through the following strategic objectives:

- Financial sustainability and growth – Increasing revenue and profitability.
- Continuous improved business process – Ensuring quality products to the market through advanced and innovative technological solutions.
- Customer Service – Brand positioning and excellence
- Governance and Leadership – Driving an ethical, developmental, and accountable corporate culture.

The Department of Agriculture, Land Reform and Rural Development remains committed to supporting OBP in achieving these objectives. This support has also been articulated and affirmed in the 2023 State of the Nation Address through the various initiatives by government in an attempt to lessen the impact of the energy crisis on the agriculture sector through partnerships with business in collectively ensuring food security for all.

I hereby endorse the Corporate Plan developed by the Board of ONDERSTEPSOORT BIOLOGICAL PRODUCTS SOC LTD, under the guidance of Ms. R Kenosi, the Chairperson of the Board.



Mrs. A. T. Didiza, MP
Minister: Agriculture, Land Reform and Rural Development



ACCOUNTING AUTHORITY STATEMENT

The Onderstepoort Biological Products SOC Ltd (“OBP”) Corporate Plan for the period 2024 – 2027, aims to achieve on the following objective outcomes:

- Financial sustainability and growth – Increasing revenue and profitability.
- Continuous improved business processes – Ensuring that we sustain a supply of quality products to the market through advanced technological solutions.
- Customer Service – Providing excellent customer service.
- Governance and Leadership – Driving an ethical, developmental and accountable corporate culture.

The 2020/2021 - 2022/2023 periods at OBP proved to be a tumultuous time for the entity, demonstrated by amongst others, interruptions in product availability, equipment break-downs, customer complaints, and employee protests. This has affected business operations severely and is illustrated in financial and performance results.

In an attempt to restore trust and pride in the OBP Brand, the Board during the 2020/21 – 2022/23 financial periods, reported on its two-pronged approach, with the first being the stabilisation of the entity and then embarking on a growth path, the latter being the approved strategy of the entity.

The stabilisation of the entity has been largely achieved with the remainder of the activities being finalised during the 2023/24 financial year. The current OBP strategy aims to implement the following in terms of the stabilisation process:



Human Resources Division

- In 2022/23, resulting from a Board approved macro-organisational structure, the entity embarked on a benchmarking and job evaluation exercise whereafter a matching and placement process is to be implemented in the last quarter of 2022/23 and the first quarter of 2023/24. This matching and placement exercise will take cognisance of the prior skills audit that was conducted wherein only 52% of OBP staff were competent in their roles.
- Change management processes will be conducted concurrently with the matching and placement process, the roll-out of the refreshed policies and procedures, and the establishment of training and leadership development programmes, etc.
- Continuous and transparent relations with labour in order to enhance employee relations.

Operations and Quality Management

- A streamlined procurement plan to ensure that planned capital equipment upgrade is procured and commissioned to serve production at the right time.
- Efficient and effective organisational processes to facilitate the timely execution of maintenance of the OBP plant.
- Products based on market requirements are available at the right time and place and of excellent quality.
- Internal policies and procedures are developed and maintained to ensure compliance with ISO 9100 standards as well as efficiency and quality of products.
- Transparent communication with key stakeholders to apprise them of product availability and challenges at the OBP.

The decisions by the Board to approve a capital expenditure plan as well as a preventative maintenance plan have yielded positive results, albeit at a measured pace. The construction of the vector protected facility is at an advanced stage and the processes for the commencement of the build and installation of a new freeze dryer are currently underway. The anticipated completion and commissioning of these strategic pieces of equipment from the latter part of 2023 and 2024 respectively, will contribute positively to the success of the OBP.

Measures to achieve the strategy will comprise of conscientiously improving the institutional efficiencies through its digitisation of processes, more innovative/technological advanced equipment, collaboration with strategic partners, and improved customer service.

In accordance with government initiatives, as articulated in the Agriculture & Agro-Processing Master Plan (AMMP), the OBP will continue:

- Contributing to the success of emerging livestock farmers, through amongst others capacity building programmes
- Its research and development, including those in collaboration with partners and using innovative technologies, into required, as well as anticipated future diseases
- Approaching new markets both locally and globally including Sub - Saharan Africa
- Considering its product offerings and possible expansion thereof
- Strengthening stakeholder relations and identifying new and maintaining existing strategic partners

With respect to the most persistent and significant challenges of the OBP, the following will be addressed:

- **Water** – The intermittent water challenges at the OBP will be addressed in collaboration with the Agricultural Research Council (ARC)
- **Energy** – As is the case with water, the OBP and ARC will collaborate on finding suitable alternative energy solutions for the Onderstepoort campus
- **Product availability** – various initiatives are currently underway to ensure improved current product availability, including the procurement of Original Equipment Manufacturers (OEM's) services, who continue to assist the OBP in finding solutions for the maintenance and restoration of OBP's aged infrastructure. In addition is the OBP's investment in new equipment in accordance with its capital expenditure plan
- **Good Manufacturing Practice (GMP)** – GMP remains a setback for OBP. The multi-pronged strategic approach will continue in the 2024 – 2027 period, with an aim to address the legal challenges whilst the completion of the project re-commences following due procedures and consequence management is implemented (where applicable).

The Board wishes to express its gratitude to the Hon. Minister, the Deputy Ministers, the DALRRD, the ARC, and the Sector for the continued support and commitment to successfully execute its mandate.

We hereby request that the Hon. Minister Didiza approves the OBP Corporate Plan as well as the Annual Performance Plan.



Ms. R. Kenosi

Accounting Authority of Onderstepoort Biological Products SOC Ltd

INTERIM CHIEF EXECUTIVE OFFICER STATEMENT

Onderstepoort Biological Products SOC Ltd continues playing its strategic role in the animal health industry despite challenges of increased market competition and its ailing infrastructure. Thanks to its resilience, the organisation is proud to report that it is weathering the current storm and is looking forward to rolling out its corporate strategy of providing innovative and disruptive solutions to the animal health industry. This strategy remains premised largely on the alignment of people, processes, and technology within the entity, while being responsible about the ecological environment, we operate in. This alignment depends on the business being agile in doing business, despite restrictive systems faced by government-owned business entities.

The business remains committed to its journey towards certification for Good Manufacturing Practices (cGMP) compliance and accreditation, including finalising the upgrade of its facility. With glitches arising from COVID-19 disruptions, the business has revised its project plan and implemented a “five-step process” towards completion of this multi-year project. Parallel to this initiative, the business is implementing a preventative maintenance programme of its existing facility to ensure the sustainable supply of our product to the client. An infrastructure investment programme will be rolled out in 2023/24 in order to respond to the imperatives of sustainability (incl. energy, water, and environmental).

People are the most important pillar of business survival at the OBP. The business has seen significant improvement in employee relations during 2022/23, for the first time in so many years. Credit must go to transparent communication implemented by Management as part of inculcating an ethical culture within the entity. During 2022/23, the business has been rolling out a fit-for-purpose organisational structure to ensure a business model that is not only compliant but also lays the basis for an entity that is responsive to the Fourth Industrial Revolution (4IR) in a changing world. Consequently, the business will be conducting a skills audit, in order to ensure that we have the right people doing the right job, as we also rollout our cGMP project.



Partnerships and collaborations (both local and global) are an integral part of the OBPs' approach to innovation and commercialisation approach. Consequently, in 2023, the entity will be launching four(4) new products intended to reduce the cost of production for the livestock sector. Over the MTEF period, the entity will continue its initiative in researching combination solutions in support of agriculture growth. The key growth in the sector lies in consistent suppliers of vaccines in need, and reduction in the cost of maintaining the health of the country's herd.

The entity commits itself to ensure that the objectives and targets of this Corporate Plan are achieved. We are confident that, we will rise above any challenges that were put before us during the 2022/23. Our 4 strategic outcome-oriented goals during the period remain:

- Sustainable financial growth.
- Continuous improvement of business processes.
- Improved customer service, and
- Capable, ethical and developmental leadership.

Management wishes to express its gratitude to the Hon Minister, the Deputy Minister, Members of the OBP Board for their guidance and support, as well as the Director-General and officials of the DALRRD for extending their hand. We extend our appreciation to other government entities and SOEs, the ARC, NAMC, CSIR, NRF, SAWS, and the Tertiary Education fraternity without whom our mission would have been an impossible task. A special word of appreciation to our Partners and Clients in the agribusiness community and farmers' organisations for their contribution through direct and indirect participation and engagement.

We look forward to strengthening these relations in response to any possible risks to the health of South African Herd as a result of ever-changing climatic conditions resulting from global warming. Growth of our livestock industry is very critical for rural development and broadening access and participation in the economy for all.



Mr. L. Mabombo

Interim Chief Executive Officer of Ondersteopoort Biological Products SOC Ltd

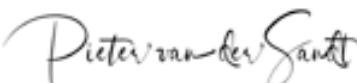
OFFICIAL SIGN-OFF

It is hereby certified that this Corporate Plan:

- Was developed by the management of Onderstepoort Biological Products SOC Ltd under the guidance of the Board of OBP.
- Takes into account all the relevant policies, legislation and other mandates for which Onderstepoort Biological Products SOC Ltd is responsible.
- Accurately reflects the Impact and Outcomes that Onderstepoort Biological Products SOC Ltd will endeavour to achieve over the period 2023/24 to 2026/2027



Ms. K. Govender
Interim Chief Financial Officer



Adv. P. van der Sandt
Head of Legal & Company Secretary

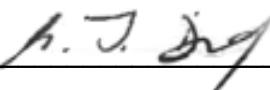


Mr. L. Mabombo
Interim Chief Executive Officer



Ms. R. Kenosi
Accounting Authority

Approved by:



Honourable Minister A.T. Didiza - Executive Authority
Minister: Agriculture, Land Reform & Rural Development

PART A: OUR MANDATE

Onderstepoort Biological Products SOC Ltd is a South African state-owned animal vaccine manufacturing company whose mandate is to manufacture animal vaccines with the aim of preventing and controlling animal diseases that impact food security, human health and livelihoods. The mandate is delivered through continued development of innovative products and efficient manufacturing, which ensures vaccine affordability and accessibility through varied distribution channels.

As a National Key-Point utility, OBP is expected to predict, pre-empt and provide security and availability of vaccines and related biologicals products for use in the prevention, control, and management of animal diseases, this in the context of South Africa's food security needs while running as a profitable enterprise.

As a schedule 3B public entity, the company considers itself to have two national roles, namely:

Public good—to ensure that the government's responsibility in terms of food security and safety is met through the development, security, and availability of critical vaccine reserves; and

Private good—referring to the ability of the organisation to manufacture, distribute and sell vaccines for financial growth and sustainability



1. Constitutional Mandate

The Bill of Rights to the Constitution sets out in Section 27 (b) that “everyone has the right to have access to sufficient food and water”. The role of OBP is supporting livestock production, which contributes to this absolute right.

2. Legislative Mandate

Onderstepoort Biological Products SOC Ltd is a state-owned company established by the Onderstepoort Biological Products Incorporation Act of 1999 and is responsible for the development, manufacturing, and distribution of animal vaccines. In pursuit of this mandate, OBP supplies vaccines and related biological products within the country and beyond South Africa's borders. OBP is a schedule 3B public entity in terms of the Public Finance Management Act 1 of 1999, and reports to the Minister of Agriculture, Land Reform and Rural Development (DALRRD). OBP is governed by the Onderstepoort Biological Products Act 19 of 1999, read together with Onderstepoort Biological Products Memorandum of Incorporation (MOI).

Other legislations and strategies applicable to OBP include but are not limited to:

- Intellectual Property Rights from Publicly Financed Research and Development Act, 2008
- Employment Equity Act 55 of 1998
- Basic Conditions of Employment Act 75 of 1997
- Skills Development Act 97 of 1988
- Public Finance Management Act 1 of 1999, as amended by Act 29 of 1999
- Relevant Treasury regulations and guidelines
- The Patents Act 57 of 1978
- Copyright Act 98 of 1978
- Trademarks Act 194 of 1993
- Fertilizer, Farm Feeds, Agricultural Remedies and Stock Remedies Act, 1947, Act No. 36 of 1947
- Animal Protection Act, 1962, Act No. 71 of 1962
- Veterinary and Para-Veterinary Profession Act, 1982, Act No. 19 of 1982
- Animal Disease Act, 1984, Act No. 35 of 1984
- Non-Proliferation of Weapons of Mass Destruction Act, Act No. 87 of 1993
- Genetically Modified Organisms Act, 1997, Act No 15 of 1997
- Animal Health Act, 2002, Act No 7 of 2002
- Intellectual Property Laws Amendment Act, 2013
- Occupational Health and Safety Act, 1993, Act No 85 of 1993
- Protection of Personal Information Act, 2013, POPI
- Companies Act, 2008
- Consumer Protection Act, Act No. 68 of 2008, as amended
- Department of Science and Innovation Bio-economy Strategy

3. Policy Mandate

The policy mandate of OBP is derived from government's seven national priorities that all the programmes and policies across all departments and agencies are directed to.

The critical policy mandates include but are not limited to:

- The DALRRD Strategic Plan 2020-2025
- The National Development Plan
- Agricultural Policy Action Plan
- The Department of Science and Innovation Bio-economy strategy
- The Department of Animal Health Strategic Plan 2021-2024
- The South African Veterinary Strategy 2016-2026
- Agriculture and Agro-processing Master Plan

4. Institutional Strategies Over The Three-Year Planning Period

The following are the goals and rationale behind the choice of indicators selected to address the challenges to achieve performance excellence, self-preservation, and progress.

- i. *To accelerate the development of globally competitive products and technological offerings for the future needs.*
- ii. *To cultivate congruence between the strategy and progressive culture in the organisation.*
- iii. *To increase company profitability and position OBP as a top-five company in the market.*
- iv. *To build a high-performance organisation driven by service excellence*
- v. *To attract, develop and retain the best talent through a technology-inspired human resource strategy.*
- vi. *To constantly drive a culture of accountability to our customers, stakeholders, and shareholder.*

PART B: OUR STRATEGIC FOCUS

The vision, mission, and strategic goals are directly linked to the shareholder department in specific terms to the commitment to improve agricultural production, food security, and sustainable livelihood through innovative agricultural solutions.

1. VISION

"To be the first choice in animal health solutions"

2. MISSION

"To develop, manufacture, source, and supply cost-effective innovative animal health solutions to our customers."

3. VALUES

OBP follows P.R.I.D.E as one set of values that guides how it conducts its business:

- **People first:** *We will create a caring, trustworthy, and nurturing work environment for our people.*
- **Respect:** *We will respect our internal and external customers and our stakeholders in all our dealings.*
- **Integrity:** *Our word is our bond, we will not turn back on our promises to our internal and external customers including our stakeholders*
- **Dedication:** *We will show up on time, prepared, and inspired to do our job to the best of our abilities without any excuses.*
- **Excellence:** *We will deliver the best in everything we do in serving our internal and external customers and our stakeholders using innovation as our foundation.*

ONE OBP STRATEGY

OUR PURPOSE

To provide innovative and disruptive solutions for animal health

OUR VISION

To be the first choice in animal health solutions

OUR MISSION

To develop, manufacture, source, and supply cost-effective innovative animal health solutions to our customers

ONE GOAL 3-5-1

Triple (3X) EBITDA in 5 years by:

- Being a great place to work at
- Providing exceptional customer service
- Delivering leading "return on investment"

ONE SET OF VALUES

*People first
Respect
Integrity
Dedication
Excellence*

PRIDE

CURRENT STRATEGIC RISKS

- Insufficient Research and Development Output
- Loss of Intellectual Property (registered and unregistered)
- Non-compliance with local and international standards & regulatory requirements
- Ineffective execution of strategic initiatives
- Inefficient business processes
- Product unavailability
- Inadequate business continuity management capabilities
- Inefficient customer management
- Absence of comprehensive HR strategy
- Inadequate safeguarding of OBP as National Key Point
- Inadequate sustainability management (environmental, social) and governance
- Litigation exposure

OUR BUSINESS MODEL



Develop, Produce and Source Animal Health Solutions



Smart digital solutions for Animal Health



Managed Distribution Services

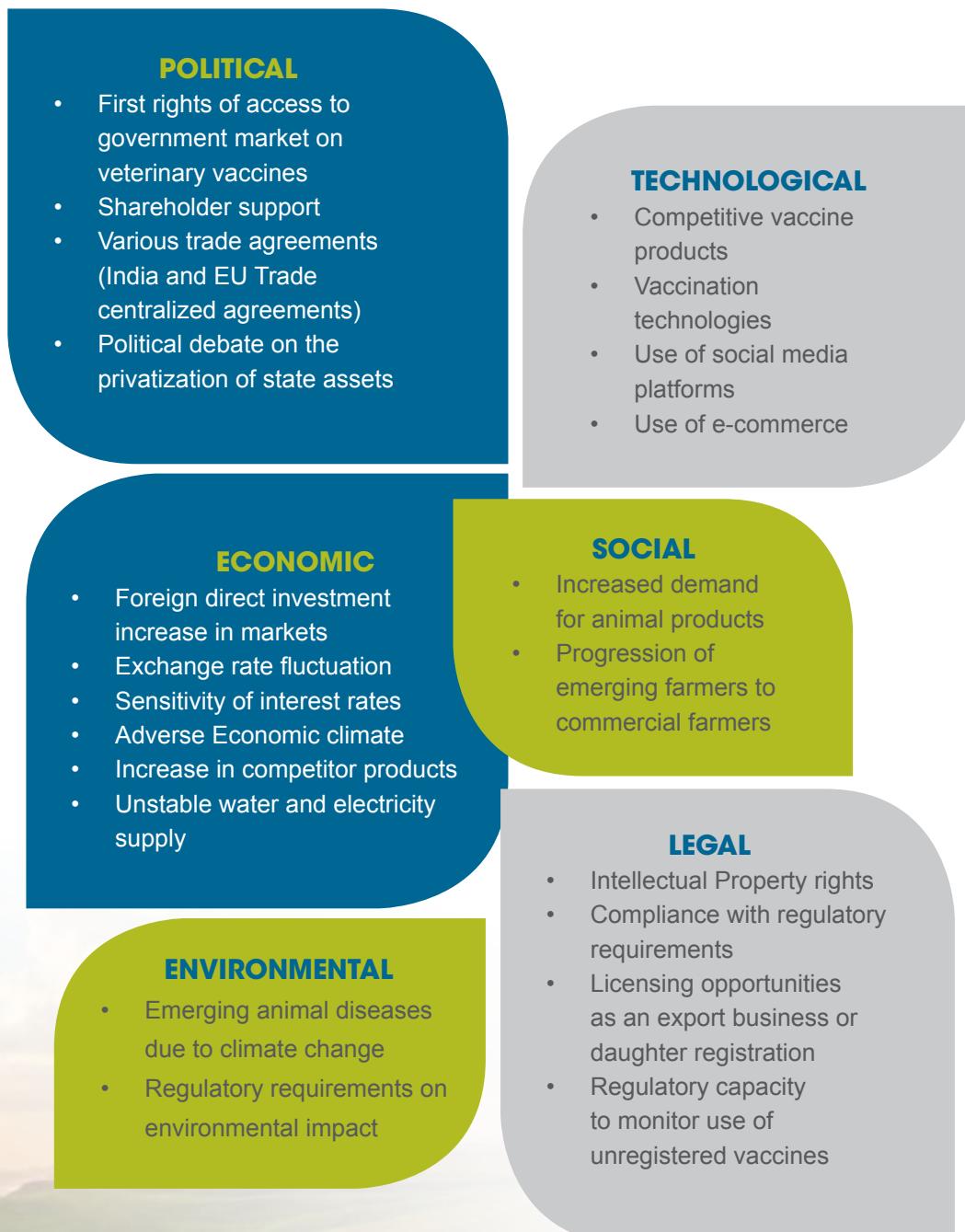
OUR SET OF STRATEGIC OUTCOMES

- Sustainable Financial Growth
- Optimized business processes
- Improved customer services
- Capable, ethical and developmental organisation

SOCIETAL IMPACT

5. EXTERNAL ENVIRONMENT ANALYSIS

The table below is a summary of the critical issues in PESTEL:



PART C: MEASURING OUR PERFORMANCE

1. Institutional Performance Information

2. Impact Statement

Impact statement	To improve agricultural production, food security and sustainable livelihoods						
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3. Measuring Our Outcomes

3.1 Programme: Financial Sustainability

3.1.1 Purpose: To increase revenue and profitability.

Out-come	Output indicator	Annual Targets						
		Audited Performance			Estimated Performance	MTEF Period		
		2020/21	2021/22	2022/23		2023/24	2024/25	2025/26
Sustainable Financial Growth	Increased sales revenue (R) annually	R215m	R174m	R205m	R280m increased sales revenue	R299m increased sales revenue	R317m increased sales revenue	R326m increased sales revenue
	Number of new products dossiers submitted to Registrar of Act 36 of 1947 for registration annually	3	3	2	4 new products dossiers submitted to Registrar of Act 36 of 1947 for registration	4 new products dossiers submitted to Registrar of Act 36 of 1947 for registration	5 new products dossiers submitted to Registrar of Act 36 of 1947 for registration	3 new products dossiers submitted to Registrar of Act 36 of 1947 for registration
	Number of improved technological processes developed annually	-	-	New indicator 2	4 improved technological processes developed	5 improved technological processes developed	6 improved technological processes developed	6 improved technological processes developed
	Number of product dossiers submitted to new markets annually as informed by new potential international markets	New indicator	2	2	8 product dossiers submitted to new potential international markets	8 product dossiers submitted to new potential international markets	8 product dossiers submitted to new potential international markets	8 product dossiers submitted to new potential international markets
	Increased EBITDA (%) annually	New indicator	89%	3% increase from FYE 2022	6% increase from FYE 2023	6% increase from FYE 2024	6% increase from FYE 2025	6% increase from FYE 2026
	(%) increase in top 20 vaccine doses sold annually	Amended indicator	-25%	10%	15% vaccine doses sold annually	10% vaccine doses sold annually	10% vaccine doses sold annually	10% vaccine doses sold annually

3.2 Programme: Continuous Improvement of Business Processes

3.2.1 Purpose: To ensure the supply of improved quality products to the market through advanced technology.

Out-come	Output indicator	Annual Targets						
		Audited Performance			Estimated Performance		MTEF Period	
		2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27
Optimised business processes	(%) production efficiency improved annually	7.9	7.07	7.0	83% production efficiency improved	86% production efficiency improved	88% production efficiency improved	90% production efficiency improved
	Progress (%) on implemented action items against the GMP roadmap annually	New indicator	4% of GMP roadmap achieved	15% of GMP roadmap achieved	35% of GMP roadmap achieved	55% of GMP roadmap achieved	75% of GMP roadmap achieved	95% of GMP roadmap achieved
	Implementation of board approved Enterprise Architecture Plan to inform ICT strategy	New indicator	Approved ICT Enterprise Architecture Plan	Implement total number of deliverables planned for phase 1 of the approved plan	Implement phase 2 of the approved plan	Implement phase 3 of the approved plan	Development and tabling for approval of new 3year plan	Implement phase 1 of the approved plan
	Completed vector protected facility	New indicator	No vector protected facility	Building of vector protected facility	Validation by QA and approval of facility by DALRRD	-	-	-
	Improved facilities to achieve GMP certification	0%	Phase 1 incomplete	GMP facility as per project plan	GMP facility as per plan	GMP facility as per plan	GMP facility completed; equipment qualification and performance acceptance testing	GMP facility completed: operational and performance qualified

Out-come	Output indicator	Annual Targets						
		Audited Performance			Estimated Performance		MTEF Period	
		2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27
Optimised business processes	Improved (%) output of top 20 products annually	New indicator	74.43%	80%	85% output of top 20 products	90% output of top 20 products	95% output of top 20 products	97% output of top 20 products
	Inventory turnover (%) maintained	-	-	-	New indicator Inventory in distribution should be maintained between 30-40% of the total revenue	Inventory in distribution should be maintained between 30-40% of the total revenue	Inventory in distribution should be maintained between 30-40% of the total revenue	Inventory in distribution should be maintained between 30-40% of the total revenue
	Number of operations SOPs reviewed and approved	-	-	-	New indicator 20 SOPs reviewed and approved	25 SOPs reviewed and approved	30 SOPs reviewed and approved	35 SOPs reviewed and approved
	(%) relevant staff trained in reviewed and approved operations SOPs	-	-	-	New indicator 50% of relevant staff trained in approved operations SOPs	60% of relevant staff trained in approved operations SOPs	70% of relevant staff trained in and approved operations SOPs	80% of relevant staff trained in and approved operations SOPs



CORPORATE PLAN

Out-come	Output indicator	Annual Targets						
		Audited Performance			Estimated Performance		MTEF Period	
		2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27
Optimised business processes	(%) effectiveness of assessments carried out on operations SOPs	-	-	-	New indicator 50% effectiveness of assessments carried out on operations	60% effectiveness of assessments carried out on operations	70% effectiveness of assessments carried out on operations	80% effectiveness of assessments carried out on operations
	(%) Maintenance and Site Infrastructure Upgrade Plan completed annually	-	-	-	New indicator 60% Maintenance and Site Infrastructure Upgrade Plan completed	70% Maintenance and Site Infrastructure Upgrade Plan completed	80% Maintenance and Site Infrastructure Upgrade Plan completed	90% Maintenance and Site Infrastructure Upgrade Plan completed

3.3 Programme: Customer Service

3.3.1 Purpose: To provide excellent customer service.

Out-come	Output indicator	Annual Targets						
		Audited Performance			Estimated Performance	MTEF Period		
		2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27
Improved Customer Services	Improved (%) of customer satisfaction annually	New indicator	58%	80%	Customer and stakeholder survey completed	Reviewed marketing strategy	-	Customer survey completed
	Proportion (%) of customer complaints resolved annually	54.7%	70.8%	80%	80% of customer complaints resolved			
	Proportion (%) of top 20 customers retained annually	New indicator	95%	75%	80% of top 20 customers retained			
	Number of new distribution channels established annually	4	4	6	6 new distribution channels established	6 new distribution channels established	8 new distribution channels established	10 new distribution channels established
	Number of new distribution points established annually	-	New indicator	12	10 new distribution points established	25 new distribution points established	30 new distribution points established	35 new distribution points established
	Number of farmers trained annually	646	2198	800	1800 famers trained annually	2500 famers trained annually	3000 famers trained annually	3500 famers trained annually
	Number of media publications disseminated via different media channels to external stakeholders	-	New indicator	12	18 of media publications disseminated via different media channels to external stakeholders	22 of media publications disseminated via different media channels to external stakeholders	26 of media publications disseminated via different media channels to external stakeholders	30 of media publications disseminated via different media channels to external stakeholders

3.4 Programme: Governance and Leadership

3.4.1 Purpose: To drive an ethical and accountable corporate culture.

Out-come	Output indicator	Annual Targets						
		Audited Performance			Estimated Performance	MTEF Period		
		2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27
Capable, Ethical and Developmental Organisation	Total number of HR policies reviewed	3	0	16	-	-	-	-
	Total number of new policies/frameworks developed	New indicator	1	1	-	-	-	-
	Staff turnover maintained at <5%	New indicator	Staff turnover maintained at <5%	Staff turnover maintained at <5%	Staff turnover maintained at <5%	Staff turnover maintained at <5%	Staff turnover maintained at <5%	Staff turnover maintained at < 5%
	(%) implemented recommendations emanating from the Culture Survey report	Employee engagement survey report produced	0% implementation of recommendations and outcomes	Develop implementation plan and implement 50% of planned deliverables	100% implementation of recommendations and outcomes as per implementation plan	Conduct new Culture Survey & develop implementation plan for approval (2025/2026 – 2026/2027)	Implement 50% of planned deliverables of implementation plan.	Implement 50% of planned deliverables of implementation plan.
	(%) training interventions achieved against the WSP	6%	2.2%	60% planned training interventions as per WSP achieved	80% planned training interventions as per WSP achieved	80% planned training interventions as per WSP achieved	80% planned training interventions as per WSP achieved	90% planned training interventions as per WSP achieved
	(%) corporate policies reviewed annually	-	-	-	New indicator 100% of corporate policies (as per provisions of corporate policy framework) reviewed annually	100% of corporate policies (as per provisions of corporate policy framework) reviewed annually	100% of corporate policies (as per provisions of corporate policy framework) reviewed annually	100% of corporate policies (as per provisions of corporate policy framework) reviewed annually
	Leadership development programme developed and implemented	-	-	-	New indicator Leadership development programme developed and approved	Implement 90% of phase 1 of Leadership development programme implemented	Implement phase 2 of leadership development programme implemented	Implement phase 3 of leadership development programme implemented
	Approved governance and ethics framework	-	-	-	New indicator Governance and ethics framework developed and approved	-	-	-

3.5 Planned Performance Over The Three-Year Period

OBP has always been known as a quality vaccine producer. The brand “Onderstepoort” is associated with innovation and scientific excellence in veterinary vaccines. We have excellent products such as African Horse sickness and other similar unique vaccines, which are associated with the name OBP. In the next MTEF, 2024-2027 OBP plan to address the following:

- Increase the accessibility of OBP products to rural and emerging markets
- Adhere to the GMP roadmap
- Continue with the GMP facility upgrade to acquire certification
- Finalise the full registration dossiers for existing vaccines
- Maintain and improve customer support levels
- Revitalise the OBP brand back to global recognition
- Increase or develop the number of popular new combination vaccines
- Build partnerships with private and or provincial governments to gain access to rural farmers and support rural development programs
- Have the right people doing the right job – employees should match the requirement of a job description according to culture, policy, and strategy
- Training and mentoring of staff for continuous improvement and to build a sustainable future
- Collaboration with other institutions and commercial entities to gain access to new products and technology to build capacity
- Maintain and gain market share by broadening our product range (introduction to recombinant technology to produce combination vaccines) creating an effective pricing strategy, focusing market efforts, relationship building of end-user customers, and effective distribution nodes

4. Key Risks and Mitigations

Outcomes	Key Risks	Risk Mitigation
Sustainable financial growth	Fraud and corruption	Investigate and report all fraud and corruption to the authorities.
	Lack of market share growth/loss of market share	Continuous training and monitoring of legislation updates.
	Insufficient research and development output	Review current sales model/develop and implement an effective model. Review the current model/improve the costing model with the use of ICT. Collaborate with institutions to acquire technologies or licenses.
Continuous improvement of business processes	Production inefficiencies. ICT systems inefficiencies /inadequate / underutilisation	Introduction of GMP and improvement of processes. Organisation wide enterprise architecture and plan rollout.
Improved customer service	Insufficient research and development output	Explore investment into new (external supplier) product dossier.
Capable, ethical and development leadership	Inadequate HR capacity / poor policy and governance framework / poor internal controls	Ensure skills transfer. Align training to skills development within current job profile / Develop and implement policies / monitor internal controls

PART D: GOVERNANCE STRUCTURES

1. Board of Directors

In terms of the composition of the Board, the OBP Memorandum of Incorporation (Item 7.1.1.) specifies five (5) directors (including the chief executive officer who is an ex officio director) as the minimum number of directors of the Entity, which number is higher than the minimum number of directors required in terms of section 66(2) of the Act, and 7 directors as the maximum number of directors of the entity, of which a majority will be non-executive directors as contemplated in King IV. The board of directors was appointed with effect from 1 November 2020. The current members of the board are:

- Ms. R. Kenosi (Chairperson)
- Mr. L. Nematswerani
- Ms. N. Sonjani
- Mr. L. Mabombo
- Prof. K. Nephawe
- Ms. K. Naidoo
- Dr. B. Ntshabele (Ministerial Representative)



CORPORATE PLAN

In order to execute its duties, the Board constitutes the sub-committees listed in the table below.

Sub-Committee	Members
AUDIT, RISK & IT COMMITTEE	Ms. N Sonjani (Chairperson) Ms. K Naidoo Prof. K Nephawé Dr. B Ntshabele
REMUNERATION, HUMAN RESOURCES & ETHICS COMMITTEE	Ms. K Naidoo (Chairperson) Mr. L Nematswerani Ms. R Kenosi Dr. B Ntshabele
OPERATIONS SALES & MARKETING COMMITTEE	Mr. L Nematswerani (Chairperson) Ms. R Kenosi Mr. L Mabombo Dr. B Ntshabele
RESEARCH & DEVELOPMENT COMMITTEE	Prof. K Nephawé (Chairperson) Mr. L Mabombo Ms. N Sonjani Dr. B Ntshabele

2. Executive Management

The table below profiles current senior executive team of OBP:

Name	Position	Gender	Race	Qualification	Areas of Expertise	Years of Service
Mr Luvuyo Mabombo	Interim Chief Executive Officer	Male	African	<ul style="list-style-type: none"> BCom Accounting Certificate in Public and International Economics Certificate in Company Direction 	<ul style="list-style-type: none"> Executive management & leadership Corporate governance Financial management Strategy planning, development & execution 	Interim
Komathie Govender	Interim Chief Financial Officer	Female	Indian	<ul style="list-style-type: none"> B.Compt B Comm (Hons) CA(SA) 	<ul style="list-style-type: none"> Strategic leadership and management Financial management 	Interim
Dr Jacob Modumo	Marketing, Sales & Business Development Officer	Male	African	<ul style="list-style-type: none"> BVMCH MSc (Tropical Disease) Postgraduate Diploma in Marketing Management MBL 	<ul style="list-style-type: none"> Sales & Marketing Veterinary science Quality control Management 	25 years
Dr Bethuel Nthangeni	Chief Scientific Officer	Male	African	<ul style="list-style-type: none"> BSc BSc (Hons) MSc PhD (Biochemistry) MBL 	<ul style="list-style-type: none"> Research & development management Animal vaccines development and registration Animal diagnostics technology development and validations Biological innovations management & commercialisation Intellectual properties management 	9 years



Name	Position	Gender	Race	Qualification	Areas of Expertise	Years of Service
Mr Collin Manickum	Chief Operations Officer	Male	Indian	<ul style="list-style-type: none"> • Certificate in Total Quality Management (TQM) with Distinction • BSc • BSc (Hons) • MSc (Chemistry) • MBA Cum Laude 	<ul style="list-style-type: none"> • Management Systems; • Operational Excellence Models; • Continuous Improvement Methodologies; • Change Management; • Employee Engagement 	1 year
Adv. Pieter van der Sandt	Head of Legal & Company Secretariat	Male	Caucasian	<ul style="list-style-type: none"> • LLB 	<ul style="list-style-type: none"> • Admitted as an Advocate of the High Court of South Africa • Corporate Governance • Legislative Compliance • Contract Law • Management of Intellectual Property Portfolios • Labour Law • High, Regional and Magistrates Court Litigation 	1 year

3. Organisational Structure

Based on the Corporate Plan and mandate, the operations of the OBP consist of a manufacturing plant, research and development, and support functions. The macro-organisational structure is aligned with the corporate plan. However, the revised organisational structure is yet to be implemented.

Operations of OBP are executed through five divisional executives, namely Chief Operations Officer, Chief Financial Officer, Chief Scientific Officer, Marketing, Sales and Business Development Officer, and Corporate Services Executive.

Nexia SAB&T was appointed with effect from June 2021 as an external service provider to fulfil the internal audit function for a three-year period.

The approved macro-organisational structure is as follows:

ORGANISATIONAL STRUCTURE

The approved macro-organisational structure is as follows:



PART E: FINANCIAL PLAN

1. Financial Performance

ONDERSTEPOORT BIOLOGICAL PRODUCTS SOC LTD STATEMENT OF FINANCIAL PERFORMANCE					
BUDGET MTEF					
		2023-2024	2024-2025	2025-2026	2026-2027
Gross Revenue		280,000	298,500	317,245	326,000
	Local	176,500	188,250	200,245	201,800
	Export	103,500	110,250	117,000	124,200
Discount Granted		22,770	24,255	25,740	22,770
Net Revenue		257,230	274,245	291,505	303,230
COST OF SALES		75,600	77,610	82,484	88,020
GROSS MARGIN		181,630	196,635	209,021	215,210
Other income		5,739	4,324	3,938	5,739
Other income (Vector Proof Facility)		-	2,500	2,875	3,306
EXPENSES		187,369	203,459	215,834	224,255
EXPENSES		182,348	195,752	207,359	216,939
Staff Cost		106,362	111,680	117,264	120,782
Travel		1,891	2,080	2,392	2,751
Marketing		2,321	2,553	2,937	3,377
Water and Electricity and Rates		6,581	7,239	8,035	9,000
Depreciation		13,760	14,030	14,733	14,733
Repairs and maintenance		14,175	16,301	17,931	19,725
Animal Feed		3,096	3,282	3,479	3,548
Research and development		6,411	7,052	7,757	8,533
Audit fees		3,210	3,531	3,708	3,893
Computer expenses		3,226	3,710	3,896	4,090
Insurance		2,748	2,830	2,915	3,003
Coal		2,188	2,516	2,768	3,045
Security		2,800	3,080	3,111	3,142
Other		24,391	26,129	27,723	29,737
Grant Recovery		-10,813	-10,264	-11,290	-12,419
OPERATING PROFIT/(LOSS)		5,021	7,707	8,475	7,316
Interest		7,466	6,544	2,496	7,291
PROFIT BEFORE TAX		12,487	14,252	10,971	14,607
OPERATING PROFIT/(LOSS) as a % of Gross Sales		2%	3%	3%	2%
EBITDA		18,781	21,737	23,208	22,049

2. Financial Position

ONDERSTEPOORT BIOLOGICAL PRODUCTS SOC LTD STATEMENT OF FINANCIAL POSITION				
	BUDGET MTEF			
	2023-2024	2024-2025	2025-2026	2026-2027
Non Current Assets	546,516	693,240	813,507	1,038,774
Property plant and equipment	546,516	693,240	813,507	1,038,774
Current Assets	237,486	235,654	136,325	252,542
Inventory	55,382	57,044	58,755	60,518
Receivables	23,516	24,221	24,948	25,696
Cash and cash equivalents	158,588	154,389	52,622	166,328
Total Assets	784,002	928,894	949,832	1,291,316
Equity and Liabilities	746,113	891,282	910,921	1,251,000
Share capital	1	1	1	1
Accumulated surplus/(deficit)	297,253	284,979	237,046	577,125
Deferred income	448,859	606,302	673,874	673,874
Current liabilities	37,890	37,611	38,911	40,316
Trade and other payables	27,077	27,347	27,621	27,897
Deferred income	10,813	10,264	11,290	12,419
Total equity and liabilities	784,002	928,894	949,832	1,291,316



3. Statement Of Cashflows

ONDERSTEPOORT BIOLOGICAL PRODUCTS SOC LTD
STATEMENT OF CASHFLOWS

BUDGET MTEF

	2023-2024	2024-2025	2025-2026	2026-2027
	R' 000	R' 000	R' 000	R' 000
Cash flows from operating activities				
Cash receipts from Stakeholders	292 220	305 750	320 468	334 040
Cash paid to suppliers and employees	(155 272)	(168 404)	(179 739)	(189 042)
Cash generated from operations	136 948	137 345	140 729	144 997
Interest income	(7 466)	(6 544)	(2 496)	(7 291)
Net cash from operating activities	129 482	130 801	138 233	137 706
Cash flows from investing activities				
Purchase of property, plant and equipment	(160 754)	(135 000)	(240 000)	(24 000)
Net cash from investing activities	(160 754)	(135 000)	(240 000)	(24 000)
Cash flow from investing activities				
Government grant	-	-	-	-
Total cash movement for the 12 months	(31 272)	(4 199)	(101 767)	113 706
Cash at the beginning of the 12-months	189 860	158 588	154 389	52 622
Total cash at the end of the 12 months	158 588	154 389	52 622	166 328

	2023-2024	2024-2025	2025-2026	2026-2027
	R' 000	R' 000	R' 000	R' 000
Capital Expenditure Internally Funded	160 754	135 000	240 000	24 000
Capital Expenditure for Infrastructure requiring Request for funding from Executive Authority, not included in budget figures	-	-	130 000	-

4. Budget Allocation Per Programmes

	2023-2024	2024-2025	2025-2026	2026-2027
	R' 000	R' 000	R' 000	R' 001
Financial stability	52,804	55,959	59,333	62,427
Continuous improvement of business processes	151,547	160,602	170,285	179,166
Customer services	24,529	25,994	27,562	28,999
Governance and Leadership	29,069	30,806	32,663	34,367
	257,948	273,362	289,843	304,959

5. Dividend Policy

The Minister of Agriculture Land Reform and Rural Development is the shareholder of OBP for the government of the Republic of South Africa. It therefore follows that a dividend, which is a return on the shareholder's investment, if any is declared, will accrue to Treasury.

6. Borrowing Programme

National Treasury has funded the modernisation and recapitalisation of OBP in 2013. OBP at this point has not requested any additional funds from treasury. It should be noted that OBP, as a 3B Entity, may not borrow funds unless authorized by notice in the National Government Gazette by the Minister or The Accounting Authority (Board); subject to any conditions the Minister may impose. OBP has not initiated any process of borrowing funds.

7. Capital Expenditure

8. Expenditure Relates To Both Internal Capex From OBP's Own Cash Resources Materiality

8.1 Purpose

The purpose of this document is to record and submit the suggested levels of materiality and significance for consideration by the governance structures of OBP and for approval by the Executive Authority in agreement with the Minister of Agriculture, Land Reform and Rural Development.

8.2. Background

In terms of Treasury regulation 28.3.1, the Accounting Authority has to maintain an agreed framework of acceptable levels of Materiality (Section 55 of the Public Finance Management Act, No 1 of 1999 as amended) and Significance (Section 54 of the Public Finance Management Act, No 1 of 1999 as amended) with the Minister of Agriculture, Land Reform and Rural Development.

IAS 320 defines materiality as follows: "Information is material if its omission or misstatement could influence the economic decisions of users taken on the basis of the financial statements. Materiality depends on the size of the item or error judged in the particular circumstances of its omission or misstatement. Thus, materiality provides a threshold or cut-off point, rather than being a primary qualitative characteristic which information must have if it is to be useful."

The framework of acceptable levels of materiality and significance, for the interpretation of and compliance with the Public Finance Management Act, No 1 of 1999 (as amended), requires that OBP should consider in the preparation of its financial statements to include materiality.

The following factors have to be taken into account:

- Guidelines issued by the National Treasury
- The nature of the business of OBP
- Statutory requirements affecting OBP
- The inherent and control risks associated with OBP
- Quantitative and qualitative issues.

The qualitative characteristics that are to be considered to assess materiality include, but are not limited to the following aspects:

- New ventures that OBP has entered into
- Procedures/processes required by legislation and regulation (for example, PFMA and the Treasury Regulations)
- The nature and circumstances relating to any fruitless and wasteful expenditure and unauthorised expenditure incurred by or for OBP
- Any fraudulent or dishonest behaviour of an officer or staff of OBP at senior or management level
- Importance of information to users
- Unusual transactions entered into that are not of a repetitive nature
- Transactions entered into that could result in reputational risk to OBP.

The following two levels of materiality are applicable:

- i) **Financial Statement Level Materiality**, which is the overall threshold used in evaluating whether an identified misstatement is material to the financial statements as a whole. This threshold is considered both in quantitative and qualitative terms.
- i) **Account Balance Level Materiality**, which is the threshold used in evaluating the effectiveness of internal controls and in planning and evaluating the results of direct substantiation procedures. More specifically, it is the maximum amount of error that can be tolerated in an individual account balance in order to conclude that the financial statements as a whole are not materially misstated based on the assessed financial statement level materiality. Account balance level materiality is considered only in quantitative terms.

8.3 Significance

Any transactions or circumstances that may have a significant impact on OBP, regardless of the monetary value, are considered significant for the framework.

8.4 Review

The materiality and significance framework will be reviewed annually and will be included in the Corporate and Annual Performance Plan for OBP. Any changes to the approved framework will be agreed upon with the Minister of Agriculture, Land Reform and Rural Development. After approval by the Minister, the Framework will be amended.

8.5 Materiality Framework

12	Quantitative (Amount)	Qualitative (Nature)
<p>Section 50</p> <p>Fiduciary duties of accounting authorities.</p> <p>1) The accounting authority for a public entity must:</p> <p>c) On request, disclose to the executive authority responsible for that public entity or the legislature to which the public entity is accountable, all material facts, including those reasonably discoverable, which in any way may influence the decisions or actions of the executive authority or that legislature.</p>	<p>Any fact discovered of which the amount exceeds the materiality figure.</p> <p>The following parameters are derived from rand values of certain elements of OBP's most recent audited annual financial statements:</p> <ul style="list-style-type: none"> • Total Assets – 1%-2% of Book value of assets – R7 704 355 - R 15 408 710 • Total revenue - 1%-5% of total revenue – R 1 738 543 - R 8 692 713 • Profit after Tax – 2%-5% of net profit after tax – R 107 150 - R 267 874 • (The rand value calculated per the above elements may require averaging in the interests of prudence.) <p>The average amount as per the above three criteria is R 11 306 448</p>	<ul style="list-style-type: none"> • Any item or event of which specific disclosure is required by legislation, law or GAAP. • Any fact discovered of which its omission or misstatement, in the board's opinion, could influence the decisions or actions of the executive authority or legislature. • The entity is in a loss position.

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12	Quantitative (Amount)	Qualitative (Nature)
<p>Section 54</p> <p>Information to be submitted by accounting authorities for approval by the Minister:</p> <p>Before the public entity concludes any of the following transactions, the Accounting Authority for the public entity must promptly and in writing inform the relevant treasury of the transaction and submit particulars of the transaction to its Executive Authority for consideration and approval.</p> <ul style="list-style-type: none"> • Establishment or participation in the establishment of a company; • Participation in a significant partnership, trust, unincorporated joint venture or similar arrangement; • Acquisition or disposal of a significant shareholding in a company; • Acquisition or disposal of a significant asset; • Commencement or cessation of significant business activity; and • A significant change in the nature or extent of its interest in a significant partnership, trust, unincorporated joint venture or similar arrangement. 	<p>Acquisition or disposal of a significant asset:</p> <ul style="list-style-type: none"> • Acquisition of an operational nature: Market value greater than R20 million (as per DOA). • Acquisition of a strategic nature: Market value over R20 million (as per DOA). • Disposal: Market value over R20 million (as per DOA). 	<ul style="list-style-type: none"> • Any participation outside of the approved strategic plan and budget. • Any acquisition or disposal of any asset that would increase or decrease the overall operational functions of the Board or Company, outside of the approved strategic plan and budget. • Disposal of the major part of the assets of the company. • Any business activity that would increase or decrease the overall operational functions of the Board or company, outside of the approved strategic plan and budget. • The decision on which non-financial issues may be considered at any time requires careful judgement at a strategic level, and should therefore rest with the Board as the representative body of the Shareholder/Executive Authority

12	Quantitative (Amount)	Qualitative (Nature)
<p>Section 55</p> <p>Disclosure in the Annual Report and Annual Financial Statements.</p> <p>The annual report and financial statements referred to in sub-section (1)(d) must</p> <p>a) Fairly represent the state of affairs of the public entity, its business, financial results and performance against predetermined objectives as well as its financial position as at the end of the financial year concerned;</p> <p>b) Include particulars of the following:</p> <ul style="list-style-type: none"> • Losses due to criminal conduct. • Irregular expenditure. • Fruitless and wasteful expenditure. • Any criminal or disciplinary steps taken as a consequence of such losses or irregular/fruitless/wasteful expenditure; • Any losses recovered or written off; 	<ul style="list-style-type: none"> • Any Loss through criminal conduct: • Any irregular, fruitless and wasteful expenditure as defined by the PFMA will be disclosed irrespective of the amounts involved. • Losses through any expenditure, if the combined total exceeds the materiality figure used in the preparation of the Annual Financial Statements – 1% of total revenue – R1 866 998. 	<ul style="list-style-type: none"> • Any identified loss through criminal, reckless or negligent conduct.
<p>Section 66</p> <p>Restrictions on borrowing, guarantees and other commitments</p>	Any amount	<p>This Public entity may not borrow money, nor issue a guarantee, indemnity or security, nor enter into any other transaction that binds or may bind the institution to any future financial commitment unless acting through the relevant Executive Authority. (PFMA section 66(3)(c)</p>

PART F: RISK MANAGEMENT PLAN

OBP is facing a wide spectrum of risks, such as Inadequate sustainability management, product unavailability fraud and corruption, insufficient research and development output, loss of intellectual property, loss of human resource capacity and capability / loss of key personnel, inefficient business processes, etc. In the face of all this, it is of utmost importance that a sound and effective risk management philosophy and process is adopted.

Enterprise risk management enables management to effectively deal with uncertainty and associated risk and opportunity, enhancing the capacity to build value.

Value is maximised when management sets strategy and objectives to strike an optimal balance between growth, return goals, and related risks with efficient and effective deployment of resources in pursuit of outcome-based goals. OBP's high-level approach to the management of risk is embedded in the risk management principles of the risk management process, roles, responsibilities, and governance.

1. Risk Management Process Overview

OBP has adopted a coordinated enterprise-wide holistic approach in which all the departments consider all risks. It also describes the role players, policies, protocols, methodologies, reporting requirements, and deliverables interacting within the enterprise-wide risk management process.

The risk management process is guided by a methodology that allows a consistent approach to be applied throughout the entity and facilitates the interaction on risk management activities.

The risk management process is integrated into the organisations' processes in the following steps:

1.1 Internal Environment

- Tone of an organisation (RM philosophy and risk appetite, integrity and ethical values, and environment in which it operates.

1.2 Objective Setting

- Objectives must exist before management identify events potential events.

1.3 Risk Identification

- Identification of internal and external events that impact on the achievement of the objectives – ongoing.

1.4 Risk Assessment

- Risk analysed, considering likelihood and impact, as a basis for determining how they should be managed.

1.5 Risk Response

- Treat, terminate, tolerate, or transfer? How will risk be managed? By whom? What structures?

1.6 Control Activities

- Policies and procedures, management interventions- ensuring risk responses are effectively carried out – exercising control over risks.

1.7 Information and Communication

- Build awareness and regular risk reporting upwards and downwards, throughout the entity.

1.8 Monitoring

- Set and monitor key risk indicators to embed risk responses – through ongoing management activities and independent evaluation. Risk mitigation activities are continuously monitored and reviewed with the aim of tracking the status of the risk against the plan and confirmation that all assumptions that have been made are still valid.
- The aim is to lower the risk and in the event that risk mitigation has not succeeded in establishing or decreasing the risk, this is reported, and actions initiated to re-evaluate the risk in an iterative manner.
- The monitoring and control will be performed by the risk owner and divisional head.

2. Roles, Responsibilities of Governance Structures

KEY ROLES	RESPONSIBILITY
Oversight	
Review risk progress and internal controls	Board, Audit, Risk and IT Committee
Performs oversight on risk management roles and responsibilities in line with the terms of references.	Board, Audit, Risk and IT Committee
Oversee the design and implementation of ERM	CEO, Risk Manager
Creating a culture of risk management within.	CEO, Risk Manager
Providing policies, frameworks, methodologies, and tools to the business units and key functional areas for identification, assessment, and management of risks.	Risk Manager

KEY ROLES	RESPONSIBILITY
Reporting	
Report to Board of Directors on the effectiveness of risk management systems; the effectiveness of the internal control system and satisfy itself that the relevant internal controls have been implemented for all risk areas to be reviewed from time to time;	CEO, Risk Manager, Board, Audit, Risk and IT Committee
Review risk reports quarterly and ensure that recommended actions to remedy/correct weaknesses are implemented.	CEO, Risk Manager, Board, Audit, Risk and IT Committee
Report to Board on the effectiveness of risk management systems; the effectiveness of the internal control system and for the board to satisfy itself that the relevant internal controls have been implemented for all risk areas to be reviewed from time to time; and	CEO, Risk Manager, Board, Audit, Risk and IT Committee
Whether the risk areas of the OBP company's operation have been covered in the scope of internal and external audits	CEO, Risk Manager, Board, Audit, Risk and IT Committee
Strategic risks, emerging risks, incidents.	CEO, Risk Manager
Communicating the risk framework and methodology to all management levels and to employees.	Risk Manager
Progress with implementation of corrective actions to address risks	Risk Manager
Reporting to the Audit, Risk and IT Committee on the risk process and resultant risk/ reward profiles.	Risk Manager
Compiling a consolidated risk register on an annual basis.	Risk Manager
Risk Assessment, Mitigation	
Assists the Board in reviewing the risk management process and identifying the significant risks facing OBP	Board, Audit, Risk and IT Committee
Review the entity's major policies with respect to risk assessment and risk management;	Risk Manager, Board, Audit, Risk and IT Committee
Consider and review the entity's changing risk profile	CEO, Risk Manager, Board, Audit, Risk and IT Committee
Adopt and approve risk management plan	CEO, Risk Manager, Board, Audit, Risk and IT Committee

KEY ROLES	RESPONSIBILITY
Risk Assessment, Mitigation	
Monitor management's implementation of approved risk management strategies and controls response in rectifying recommendations pertinent to risk areas recommended by Internal Audit	CEO, Risk Manager, Board, Audit, Risk and IT Committee
Assisting in compiling risk registers for all functional areas at strategic, operational, and project levels	Risk Manager
Facilitating risk assessments.	Risk Manager
Performing reviews of the risk management process to improve the existing process.	Risk Manager
Ensuring that the necessary risk management documentation is developed in respect of the risk management process.	Risk Manager
Identify and assess risks and update risk information.	Management
Review, update and maintain risk registers	Management
Design, implement, and manage risk mitigation strategies and interventions.	Management
Report and provide assurance on the performance of internal controls	Management
Governance and Assurance	
Approve the risk management policy, framework, and strategy.	Board, Audit, Risk and IT Committee
Review and approve the risk management maturity of OBP.	Board, Audit, Risk and IT Committee
Delegate the responsibility of risk management to Audit, Risk and IT Committee	Board
Review the risk management maturity of the entity	CEO, Risk Manager, Board, Audit, Risk and IT Committee
Evaluate the adequacy of risk management systems and processes;	CEO, Risk Manager, Board, Audit, Risk and IT Committee

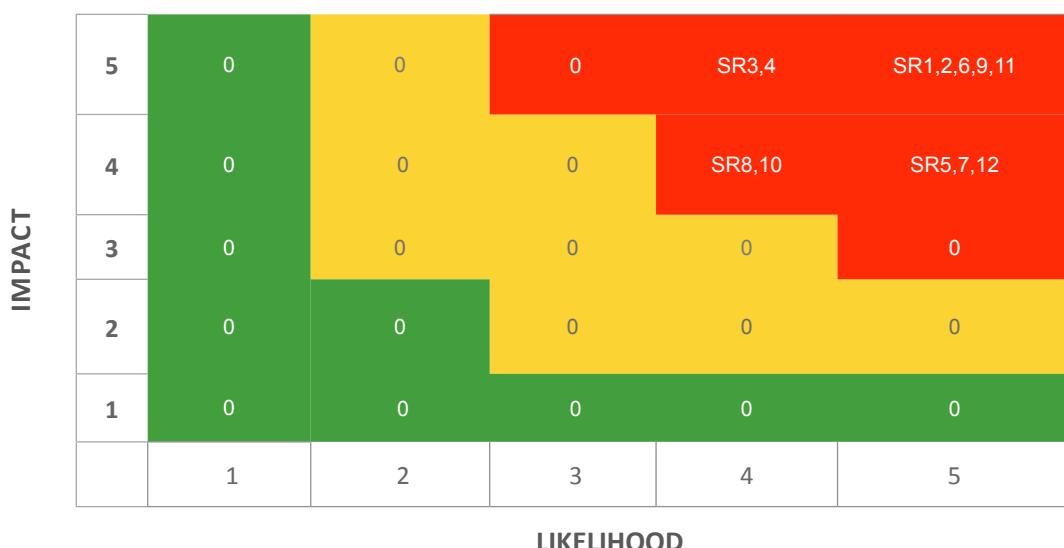
KEY ROLES	RESPONSIBILITY
Governance and Assurance	
Internal Audit will use the outputs of risk assessments to compile the internal audit plan, and will investigate the effectiveness of risk mitigating controls and provide assurance on the effectiveness	Internal Auditors
Each risk will have a nominated owner, who will be responsible for the following: <ul style="list-style-type: none">• Updating the risk information.• Providing assurance regarding risk controls;• Coordinate the implementation of action plans for managing the risk.• Reporting on any developments regarding the risk.	CEO and Management
The Audit & Risk Committee will facilitate a review of the effectiveness of the OBP risk management processes.	Board, Audit, Risk and IT Committee
A Business Continuity Plan will be developed, implemented, and tested annually to ensure continuous maintenance.	CEO
The Fraud Prevention and Anti–Corruption plan should be implemented and monitored. Monthly incidents should be reported to the CEO.	CEO

During the risk assessments, each of the identified risks are assessed against the applicable set of criteria resulting in the risk being expressed in terms of its likelihood of occurrence and the assessed consequence. For ease of interpretation, the result of the assessment is graphically presented in the risk map matrix in figure 1 below.

The scales of both the likelihood and consequence indicate low as 1 and high as 5. The risks that fall in the red and yellow areas, are mitigated actively, and monitored with the intention to move the risk to the low (green or blue) risk area.

3. Strategic Risk Distribution Heat Map Matrix per Inherent Risk Ranking

The risk heat map matrix and the key risk register below represent the strategic risks identified against the strategic outcome-oriented goals. An analysis of the below heat map shows that all 12 identified strategic risks fall within the high inherent risk ranking threshold. The types of controls directed towards all the strategic risks focus on mitigating both the impact and likelihood of the risk.



3.1 Key Risks

No.	Risk Description
SR1	Insufficient Research & Development output
SR2	Loss of intellectual property (registered and unregistered)
SR3	Non -compliance with local and international standards & regulatory requirements
SR4	Ineffective execution of strategic initiatives
SR5	Inefficient business processes
SR6	Product unavailability
SR7	Inadequate business continuity management capabilities
SR8	Inefficient customer management
SR9	Absence of comprehensive HR strategy
SR10	Inadequate sustainability management (environmental, social) and governance.
SR11	Inadequate safeguarding of OBP as an NKP
SR12	Litigation exposure

3.2 Strategic Outcomes Over The Next 3 Years:

- Sustainable financial growth
- Optimised business processes
- Improved customer service
- Capable, ethical and developmental leadership

3.3 Key Risks Register

No	Strategic Outcome	Risk	Action Plan
SR1		Insufficient Research & Development output	Develop and Implement HR strategies i.e. succession plan and retention to reduce the impact of disruptions in project completion).
SR2	Sustainable Financial Growth	Intellectual property (registered and unregistered)	IP implementation rollout plan developed that will include the assessing restraint of trade agreement with key employees and revising the policy

No	Strategic Oriented Goal	Risk	Action Plan
SR3		Non – compliance with local and international standards & regulatory requirements	Development of a compliance action plan to meet local and international standards and regulation requirements.
SR4	Sustainable Financial Growth	Ineffective Execution of strategic initiatives	Develop a GMP change management strategy
SR5		Inefficient business processes	Update of all SOPs. Implement efficient Supply Chain Management process

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No	Strategic Oriented Goal	Risk	Action Plan
SR6		Product unavailability	<p>Implement planned preventative maintenance plan.</p> <p>Roll out of 5-year capital expenditure plan.</p>
SR7	Sustainable Financial Growth	Inadequate Business Continuity Management capabilities (Cybersecurity, Succession Planning & Pandemic response & Security Management, Biosecurity)	Implement business continuity plan
SR8		Ineffective management of customer relations	Ensure customer survey recommendations along customer complaints procedure are implemented.
SR9	Capable, Ethical and Developmental Leadership	Absence of Comprehensive HR strategy	Develop and implement comprehensive HR strategy

No	Strategic Oriented Goal	Risk	Action Plan
SR10		Inadequate sustainability management (environmental, social) and governance.	Develop and implement Governance and Ethics Framework
SR11	Capable, Ethical and Developmental Leadership	Inadequate safeguarding of OBP as an NKP	Implement Facilities upgrade plan
SR12		Litigation exposure	Develop a comprehensive compliance framework and action plans

PART G: FRAUD MANAGEMENT PLAN

OBP defines fraud as the deliberate and premeditated turn of events that involve the use of deception to gain an advantage from a position of trust and authority.

Fraud prevention is concerned ultimately with the effective utilisation of resources and the minimisation of waste, mismanagement, and fraud.

OBP is committed to preventing fraud at its origin. Fraud flourishes in an environment where there are insufficient controls to prevent waste, abuse, and mismanagement.

It is recognised by the entity that emphasis on fraud prevention rather than fraud investigation will lead to a reduction of these opportunities for waste, abuse, and mismanagement.

The entity is committed to the following fraud strategy:

- Promotion of its fraud prevention principles to ensure awareness that fraudulent acts against OBP by contractors, suppliers, and staff
- Developing and implementing fraud management strategies to cultivate a culture of fraud prevention among staff within OBP
- Encouraging the reporting of instances of fraud and corruption within OBP
- Maintaining policies that promote ethical conduct by management, staff, and those who deal with OBP

OBP strategy components to manage fraud include the following:

- i. **Prevention:** This will be achieved through a fraud policy and fraud prevention plan. This is the most important component of fraud strategy in dealing with fraud. Regularly undertake fraud risk assessments and audits to identify opportunities for fraud and implementing prevention and minimisation procedures in day-to-day operations. Ensuring that all staff have a copy of the Code of Conduct, are aware of their obligations to act honestly and to report fraudulent and corrupt conduct and are also adequately trained. Cultivating and maintaining an environment in which dishonest conduct by staff is actively discouraged.
- ii. **Detection:** Maintaining an effective system of internal controls and compliance with those controls. Fraud will be detected through internal controls, internal audits, external audits, and reporting structures.
- iii. **Investigation:** Establishing formal procedures for the investigation and allegation of dishonest and /or fraudulent behaviour. Investigations will be done internally and externally.
- iv. **Response:** A response policy will help in responding to fraud. Reacting appropriately to events where fraud allegations are proven true. This may include taking disciplinary action, pressing criminal charges, or referring to outside agencies. Where appropriate and as a deterrent, publicising the proven cases of fraudulent or corrupt conduct and the disciplinary action taken.

1. Reporting

OBP has a hotline reporting channel that is confidential, allowing staff to report fraud and corrupt conduct and secure protection from reprisal via the provisions of the Protected Disclosures legislation.

Below is the Action Plan to implement the OBP fraud strategy:

1.1 Fraud Management Implementation Plan

Activity	Responsible person
Development of governance and ethics framework	Company Secretary
Training and Awareness on Fraud policy	Company secretary, Human Resource Manager and Risk Manager
Review and Promotion of OBP's code of conduct	Human Resource Manager/Company Secretary
Information session about Corporate Governance	Company Secretary
Strengthening of disciplinary processes	Human Resource Manager
Introductory training on Protected Disclosure Act	Human Resource Manager
Promoting official whistle blowing channels /fraud hot line	Human Resource Manager/ Company Secretary
Compilation of fraud risk map	Risk Manager
Internal Audit	Internal Auditor

2. Roles, Responsibility and Governance

Responsibility	Role
Board	<p>Corporate Governance: To manage and monitor fraud and corruption risk exposures e.g. monitor compliance to fraud and corruption legislation;</p> <ul style="list-style-type: none"> • Establish and monitor the fraud risk profile; • Approve and provide input into mechanisms and methodology for the identification, control and monitoring fraud and corruption risk exposures; and • Approve and provide input into mechanisms for prioritising fraud and corruption risk exposure in order to carry out further proactive procedures e.g. fraud detection reviews. <p>Oversee management of critical fraud risks and areas that are core for the functioning of OBP, such as, research, production and revenue.</p>
Audit, Risk and IT Committee	<p>Management of fraud risk as part of the overall risk management processes.</p> <p>These responsibilities include the following:</p> <ol style="list-style-type: none"> a) assist the Board in the operation of adequate fraud risk management by ensuring that regular fraud risk assessments (at least annually) are conducted; and b) The “top-rated” fraud risks are reported to Board and managed accordingly.

Responsibility	Role
Internal Audit	<p>Test the effectiveness of anti-fraud controls and the risk management process including compliance with the PFMA in respect of conducting annual fraud risk assessments.</p> <p>Monitor and evaluate performance of proactive anti-fraud procedures e.g. conducting fraud detection reviews and suspicious transaction analysis</p>
Chief Executive Officer	<p>Management of fraud risks and the implementation of anti-fraud controls and reporting requirements.</p>
Executive Committee	<p>Actively involved with the prevention of fraud within OBP by:</p> <ul style="list-style-type: none"> a) Ensuring that appropriate internal controls are in place to minimise fraud and other irregularities; b) Ensuring that internal controls are operating effectively; c) Providing ethical advice and support to staff; d) Providing input for developing fraud control strategies and implementation timetable as required to address fraud and corruption risks identified in their area of responsibility during risk assessments; and e) Providing progress reports on the implementation of fraud control strategies when requested.

Responsibility	Role
Management Committee	<p>Divisional Managers assist EXCO to fulfil its responsibilities in respect of fraud prevention and management by i.e.</p> <ul style="list-style-type: none"> a) Reporting to the EXCO on the functioning of the internal controls in place, i.e. adequacy and effectiveness; b) Ensuring that internal controls are operating effectively; c) Providing ethical advice and support to staff; d) Providing input for developing fraud control strategies and implementation timetable as required to address fraud and corruption risks identified in their area of responsibility during risk assessments; and e) Providing progress reports on the implementation of fraud control strategies when requested.
Risk Manager	<p>The responsibilities are extended to include the management of fraud risks.</p>



Responsibility	Role
Employees	<p>It is the responsibility of each employee to familiarise themselves with the contents of the Fraud Prevention Plan and their individual responsibility to comply with the requirements of the Plan.</p>
Other Stakeholders (include customers, contractors, suppliers, and other service providers; and Members of the general public)	<p>The Fraud Management Plan and Policy applies to these parties. The contact details of the hotline have been made available on the OBP website for these parties.</p> <p>All stakeholders including OBP employees and management should be aware of OBP's Fraud Prevention Plan and are encouraged to report fraudulent activities that might impact OBP</p> <p>Adherence to the Code and all fraud prevention policies and strategies when dealing with the OBP by all contractors, general public, stakeholders, and other services providers.</p>

3. Fraud Risk Register

No.	Fraud Risk Name	Fraud Risk Description	Risk Owner	Actions/Tasks
1	Research Fraud	Improper execution of identified research and development projects.	Chief Scientific Officer (CSO)	Monitoring Implementation and Review of the approved R&D Strategy in relation to management of projects
2	Production Fraud (across the value chain)	Non-compliance to established and approved production processes.	Quality Assurance	1) Awareness and ongoing training on the production process 2) Ad hoc quality audit reviews during the production process On-going awareness of the business code of ethics and related matters
3	Revenue fraud (including funding)	Non-compliance to internal financial policies	CFO	Monitor and review of policies and controls
4	Deliberate non-compliance to legislation and other governing practices	Non-compliance to approved governance framework	CEO	Risk management and compliance management.
5	Procurement fraud	Non-compliance to SCM policy and processes	CFO	Monitor and review of SCM compliance and controls

PART H: TECHNICAL INDICATOR DESCRIPTION (TID)

Indicator Title	Increased sales revenue (R) annually
Definition	Gross sales revenue generated (R)- (excludes interest, property income) as compared to the previous year
Source of data	Management accounts (Navision system)
Method of Calculation/Assessment	Quantitative Direct sales revenue generated before discount or any other incentive
Assumptions	Animal health market continues to grow
Disaggregation of beneficiaries (where applicable)	Target for women – N/A Target for youth – N/A Target for people with disabilities – N/A
Spatial transformation (where applicable)	N/A
Desired performance	Achieve R280 000 000 sales revenue (Gross)
Indicator Responsibility	Marketing, Sales and Business Development Officer

Indicator Title	Number of new product dossiers submitted to the Registrar of Act 36 of 1947 for registration annually
Definition	Dossier for products new to OBP (vaccine antigen, pack size, dosage, or species) submitted to regulatory authorities for registration
Source of data	Innovative Research & Development department (Regulatory Affairs Officer)
Method of Calculation/Assessment	Quantitative New product dossiers (vaccine antigen, pack size, dosage, or species) submitted for registration with proof of submission of product dossier to regulatory authorities in the form of a signed tracking sheet/regulatory register
Assumptions	Product under R & D perform as anticipated
Disaggregation of beneficiaries (where applicable)	Target for women – N/A Target for youth – N/A Target for people with disabilities – N/A
Spatial transformation (where applicable)	N/A
Desired performance	4 dossiers of new products submitted to the Registrar of Act 36 of 1947
Indicator Responsibility	Chief Scientific Officer



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Indicator Title	Number of improved technological processes developed annually
Definition	Standard Operating Procedures on improved technological processes implemented in the production and quality control environment
Source of data	Quality Assurance for the approved Standard Operating Procedures on improved technological processes for use in the production and quality control operations
Method of Calculation / Assessment	Quantitative Number of newly approved technological processes for use in the production or quality control testing of commercial products in the form of QA signed off Standard Operating Procedure
Assumptions	Availability of projects funding, facilities, and equipment to test and validate new production and quality control tests
Disaggregation of beneficiaries (where applicable)	Target for women – N/A Target for youth – N/A Target for people with disabilities – N/A
Spatial transformation (where applicable)	N/A
Desired performance	4 technological processes developed
Indicator Responsibility	Chief Scientific Officer

Indicator Title	Number of product dossiers submitted to new potential international markets annually
Definition	Number of product dossiers submitted to potential new international markets annually to the regulatory authority
Source of data	Innovation, Research & Development for dossiers information; Marketing, Sales & Business Development for international markets where product dossiers are to be submitted
Method of Calculation / Assessment	Quantitative Proof of dossier submission to regulatory authorities in the form of a signed tracking sheet/regulatory register or e-mail correspondence
Assumptions	There is a market demand Dossiers meet regulatory requirements of the specific country
Disaggregation of beneficiaries (where applicable)	Target for women – N/A Target for youth – N/A Target for people with disabilities – N/A
Spatial transformation (where applicable)	N/A
Desired performance	8 dossiers submitted to the regulatory authority
Indicator Responsibility	Chief Scientific Officer and Marketing, Sales and Business Development Officer

Indicator Title	Increased EBITDA (%) annually
Definition	Increase of Earnings before Interest Tax Depreciation and Amortisation (Total Revenue less stated expenses) annually
Source of data	Management accounts (Navision system)
	Quantitative
Method of Calculation / Assessment	Revenue less expenses before any interest, taxation, depreciation, and amortisation for current FYE less EBITDA from prior FYE divided by EBITDA from prior FYE
Assumptions	Reporting data is completed and Up to Date
Disaggregation of beneficiaries (where applicable)	Target for women – N/A Target for youth – N/A Target for people with disabilities – N/A
Spatial transformation (where applicable)	N/A
Desired performance	6% increase from prior year
Indicator Responsibility	Chief Financial Officer

Indicator Title	(%) increase in top 20 vaccine doses sold annually
Definition	Increased number of vaccine doses sold as compared to the previous year
Source of data	Navision system
	Quantitative
Method of Calculation / Assessment	(Actual sales – previous sales) / previous X 100%
Assumptions	There is an increase in demand for OBP's product usage
Disaggregation of beneficiaries (where applicable)	Target for women – N/A Target for youth – N/A Target for people with disabilities – N/A
Spatial transformation (where applicable)	N/A
Desired performance	15% more doses sold than the previous year
Indicator Responsibility	Marketing, Sales and Business Development Officer

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Indicator Title	(%) production efficiency improved annually
Definition	Actual production output reviewed versus planned production output
Source of data	Production, Navision system
Method of Calculation / Assessment	<p>Quantitative</p> <p>The following formula shall be used to calculate the Production Efficiency Index:</p> $(((\text{Batches initiated}) - (\text{Batches failed})) / (\text{Batches planned})) + (\text{Actual no. of vials of produced batches} / \text{Planned no. of vials of produced batches}) / 2 * 100$
Assumptions	All resources required for production are available
Disaggregation of beneficiaries (where applicable)	Target for women – N/A Target for youth – N/A Target for people with disabilities – N/A
Spatial transformation (where applicable)	N/A
Calculation type	Cumulative (year-to-date)
Indicator Responsibility	Chief Operations Officer

Indicator Title	Progress (%) on implemented action items against the GMP roadmap annually
Definition	Introducing quality management system to align with Good Manufacturing Practice (GMP) requirements
Source of data	GMP Roadmap
Method of Calculation / Assessment	<p>Quantitative: Percentage of achievement against the GMP roadmap</p> <p>Number of completed action items / by the total number of items on the GMP roadmap X100%</p>
Assumptions	Organisational support and commitment towards the GMP roadmap
Disaggregation of beneficiaries (where applicable)	Target for women – N/A Target for youth – N/A Target for people with disabilities – N/A
Spatial transformation (where applicable)	N/A
Desired performance	35% of GMP roadmap achieved
Indicator Responsibility	Chief Executive Officer

Indicator Title	Implementation of board approved enterprise architecture plan to Inform ICT strategy
Definition	Implement phase 2 of the approved Enterprise Architecture Plan which in turn improves Information and communication technology (ICT) systems to ensure business processes are efficient and fully supported
Source of data	Approved ICT enterprise architecture plan
Method of Calculation / Assessment	Quantitative % deliverables achieved against year 2 of the EA plan
Assumptions	Budget availability All departments have provided complete business processes that feed into the EA deliverables
Disaggregation of beneficiaries (where applicable)	Target for women – N/A Target for youth – N/A Target for people with disabilities – N/A
Spatial transformation (where applicable)	N/A
Desired performance	Business process supported by ICT at the optimum level to allow the best execution of strategic objectives by implementing total number of deliverables planned for phase 2 of the approved plan
Indicator Responsibility	Corporate Services Executive

Indicator Title	Completed vector protected facility
Definition	To build a vector protected animal facility for quality control and R & D projects
Source of data	Vector protected facility plan
Method of Calculation / Assessment	Qualitative Number of completed action items / by the total number of items on the vector protected facility X 100%
Assumptions	Budget allocation
Disaggregation of beneficiaries (where applicable)	Target for women – N/A Target for youth – N/A Target for people with disabilities – N/A
Spatial transformation (where applicable)	N/A
Desired performance	Completed building
Indicator Responsibility	Chief Scientific Officer

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Indicator Title	Improved facilities to achieve GMP certification
Definition	To build a GMP facility for production of vaccines according to international regulatory standards
Source of data	GMP facility plan
Method of Calculation / Assessment	Qualitative Number of actions completed
Assumptions	Budget allocation
Disaggregation of beneficiaries (where applicable)	Target for women – N/A Target for youth – N/A Target for people with disabilities – N/A
Spatial transformation (where applicable)	N/A
Desired performance	GMP facility as per plan
Indicator Responsibility	Chief Operations Officer

Indicator Title	Improved (%) output of top 20 products annually
Definition	Top 20 products transferred to distribution for the market
Source of data	Production, Navision system
Method of Calculation / Assessment	Quantitative $(\text{Top 20 units transferred to distribution} / \text{Sales forecast for top 20 products}) * 100$
Assumptions	All resources required for production are available
Disaggregation of beneficiaries (where applicable)	Target for women – N/A Target for youth – N/A Target for people with disabilities – N/A
Spatial transformation (where applicable)	N/A
Desired performance	Improved production output of top 20 products to 85%
Indicator Responsibility	Chief Operations Officer

Indicator Title	Inventory turnover (%) maintained
Definition	To measure the average amount of time from product entry into distribution to product exit from distribution
Source of data	Navision system
Method of Calculation / Assessment	Quantitative Calculated as a Percentage of cost of sales/ Inventory giving an indication of products are in distribution from entry to exit
Assumptions	Quarterly sales forecasts updates used as input for production planning
Disaggregation of beneficiaries (where applicable)	Target for women – N/A Target for youth – N/A Target for people with disabilities – N/A
Spatial transformation (where applicable)	N/A
Desired performance	Maintain inventory in distribution at 30 – 40% of sales revenue
Indicator Responsibility	Marketing, Sales and Business Development Officer

Indicator Title	Number of operations SOPs reviewed and approved
Definition	To determine the number of SOPs reviewed and approved for the operations division
Source of data	QA database; Operations SOP Tracker; SOP Training Records
Method of Calculation / Assessment	Quantitative Number of SOPs reviewed and approved
Assumptions	Operations SOPs, reviewed and approved
Disaggregation of beneficiaries (where applicable)	Target for women – N/A Target for youth – N/A Target for people with disabilities – N/A
Spatial transformation (where applicable)	N/A
Desired performance	20 Operations SOPs reviewed and approved
Indicator Responsibility	Chief Operations Officer and Chief Executive Officer

Indicator Title	% relevant staff trained in reviewed and approved operations SOPs
Definition	To determine the % of relevant staff trained in reviewed and approved operations SOPs
Source of data	QA database; Operations SOP Tracker; SOP Training Records
Method of Calculation / Assessment	Quantitative % of relevant staff trained in reviewed and approved operations SOPs
Assumptions	Relevant staff identified as per departmental requirements
Disaggregation of beneficiaries (where applicable)	Target for women – N/A Target for youth – N/A Target for people with disabilities – N/A
Spatial transformation (where applicable)	N/A
Desired performance	50% relevant staff trained in reviewed and approved operations SOPs
Indicator Responsibility	Chief Operations Officer

Indicator Title	(%) effectiveness of assessments carried out on operations SOPs reviewed and trained
Definition	To determine the % effectiveness of assessments carried out on operations SOPs Trained
Source of data	QA database and SOP Tracker; SOP Training Records
Method of Calculation / Assessment	Quantitative % effectiveness of operations SOPs assessed
Assumptions	Relevant staff assessed as effective in operations SOPs
Disaggregation of beneficiaries (where applicable)	Target for women – N/A Target for youth – N/A Target for people with disabilities – N/A
Spatial transformation (where applicable)	N/A
Desired performance	50% of relevant staff effective in of operations SOPs
Indicator Responsibility	Chief Operations Officer and Chief Executive Officer

Indicator Title	(%) Maintenance and Site Infrastructure Upgrade Plan completed annually
Definition	Maintenance and site infrastructure upgrade projects completed
Source of data	Completion as per approved project scheduling and planning document
Method of Calculation / Assessment	Quantitative Percentage projects completed (number of projects completed for time period/ Number of projects planned for time period) X 100
Assumptions	There is an increase in demand for OBP's product usage budget availability All resources and support services required for project completion are available
Disaggregation of beneficiaries (where applicable)	Target for women – N/A Target for youth – N/A Target for people with disabilities – N/A
Spatial transformation (where applicable)	N/A
Desired performance	60% completion of Maintenance and Site Infrastructure Upgrade Plan
Indicator Responsibility	Chief Operations Officer

Indicator Title	Improved (%) of customer satisfaction annually
Definition	Conduct customer and stakeholder survey
Source of data	Service providers report on survey results
Method of Calculation / Assessment	Both qualitative and quantitative Customer and stakeholder survey report aligned to the scope of work in the terms of reference
Assumptions	Awareness of OBP as a brand and satisfaction with service delivery
Disaggregation of beneficiaries (where applicable)	Target for women – N/A Target for youth – N/A Target for people with disabilities – N/A
Spatial transformation (where applicable)	N/A
Desired performance	Perception of customers and stakeholders on OBP brand awareness and service delivery
Indicator Responsibility	Marketing, Sales and Business Development Officer



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Indicator Title	Proportion (%) of customer complaints resolved annually
Definition	Simple counting of customer complaints received against those resolved expressed as percent
Source of data	Quality Assurance department
Method of Calculation / Assessment	Quantitative Number of complaints resolved / Total number of complaints received X 100%
Assumptions	Customers are satisfied with OBP's services
Disaggregation of beneficiaries (where applicable)	Target for women – N/A Target for youth – N/A Target for people with disabilities – N/A
Spatial transformation (where applicable)	N/A
Desired performance	80% of customer complaints are resolved
Indicator Responsibility	Chief Executive Officer

Indicator Title	Proportion (%) of top 20 customers retained annually
Definition	Top 20 clients are retained (from 1 April – 31 March of the previous financial year)
Source of data	Sales & Finance (Navision)
Method of Calculation / Assessment	Quantitative Top 20 clients of the previous year based on revenue contribution of previous year, which is then converted into percentages calculated against the top 20 of the previous year
Assumptions	Top 20 clients continue to purchase OBP products
Disaggregation of beneficiaries (where applicable)	Target for women – N/A Target for youth – N/A Target for people with disabilities – N/A
Spatial transformation (where applicable)	N/A
Desired performance	Top 20 customers continue to purchase OBP products at 80%
Indicator Responsibility	Marketing, Sales and Business Development Officer

Indicator Title	Number of new distribution channels established annually
Definition	Establish new distribution channels in targeted areas
Source of data	Sales & Finance (Navision)
Method of Calculation / Assessment	Quantitative Number of new distribution channels. No comparison to the prior year as these are new
Assumptions	Increase in distribution channels
Disaggregation of beneficiaries (where applicable)	Target for women – N/A Target for youth – N/A Target for people with disabilities – N/A Previously disadvantaged communities (BBBEE level 1 & 2)
Spatial transformation (where applicable)	N/A
Desired performance	6 new distributors based in targeted areas who complies to BBBEE and purchase OBP products
Indicator Responsibility	Marketing, Sales and Business Development Officer

Indicator Title	Number of new distribution points established annually
Definition	Establish new distribution points in targeted areas
Source of data	Sales & Finance (Navision)
Method of Calculation / Assessment	Qualitative and Quantitative Number of new distributor points established. No comparison to prior year as these are new
Assumptions	Increase in distribution channels in targeted areas
Disaggregation of beneficiaries (where applicable)	Target for women – N/A Target for youth – N/A Target for people with disabilities – N/A Previously disadvantaged communities (BBBEE level 1 & 2)
Spatial transformation (where applicable)	N/A
Desired performance	10 new selling points based in targeted areas and purchase OBP products
Indicator Responsibility	Marketing, Sales and Business Development Officer

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Indicator Title	Number of farmers trained annually
Definition	Smallholder and emerging farmers trained on animal health-related topics
Source of data	Technical & Marketing
Method of Calculation / Assessment	Quantitative Addition of all farmers indicated on the attendance registers supplied
Assumptions	Farmers will be allowed to attend training in groups
Disaggregation of beneficiaries (where applicable)	Target for women – N/A Target for youth – N/A Target for people with disabilities – N/A
Spatial transformation (where applicable)	N/A
Desired performance	1800 farmers trained
Indicator Responsibility	Marketing, Sales and Business Development Officer

Indicator Title	Number of media publications disseminated via different media channels to external stakeholders
Definition	Communiqué developed and circulated quarterly to external stakeholders using different media channels
Source of data	Communiqué
Method of Calculation / Assessment	Quantitative Communication disseminated via any media channel from OBP to external stakeholders on a quarterly basis
Assumptions	Media channels will allow OBP to use their platforms Communiqué reaches all external stakeholders and media channels utilised accessible to external stakeholders
Disaggregation of beneficiaries (where applicable)	Target for women – N/A Target for youth – N/A Target for people with disabilities – N/A Previously disadvantaged communities (BBBEE level 1 & 2)
Spatial transformation (where applicable)	N/A
Desired performance	18 new external publications circulated to external stakeholders on different media channels including social media.
Indicator Responsibility	Corporate Services Executive

Indicator Title	Staff turnover maintained at <5%
Definition	The maintenance of staff turnover at <5% to contribute towards business sustainability
Source of data	HR vacancy report developed by Human Resources
Method of Calculation / Assessment	Quantitative Number of staff exiting the company per quarter / Total number of staff compliment per quarter X 100 for the period ending 31 March 2023
Assumptions	The work climate is conducive to attract and retain the right talent
Disaggregation of beneficiaries (where applicable)	Target for women – N/A Target for youth – N/A Target for people with disabilities – N/A
Spatial transformation (where applicable)	N/A
Desired performance	Maintenance of staff turnover at <5% per quarter
Indicator Responsibility	Corporate Services Executive

Indicator Title	(%) Implemented recommendations emanating from the Culture Survey report
Definition	Implementation of recommendations to ensure capacity building for improved performance and productivity
Source of data	Culture Survey report and implementation plan produced by Human Resources department
Method of Calculation / Assessment	Quantitative 100% of deliverables against implementation plan implemented.
Assumptions	Managers implement action plans and employees participate in interventions Physical and financial resources available
Disaggregation of beneficiaries (where applicable)	Target for women – N/A Target for youth – N/A Target for people with disabilities – N/A
Spatial transformation (where applicable)	N/A
Desired performance	Implementation plan developed and approved with 80% of planned deliverables achieved
Indicator Responsibility	Corporate Services Executive

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Indicator Title	(%) training interventions achieved against the WSP
Definition	Capacity building for improved performance and productivity
Source of data	Human Resources (Workplace Skills Plan)
Method of Calculation / Assessment	Quantitative Number of staff trained per quarter over the number of training interventions planned in the WSP X100
Assumptions	Managers ensure training interventions are executed Employees participate in development initiatives Financial resources available
Disaggregation of beneficiaries (where applicable)	Target for women – N/A Target for youth – N/A Target for people with disabilities – N/A
Spatial transformation (where applicable)	N/A
Desired performance	80% of Workplace Skills Plan training interventions achieved
Indicator Responsibility	Corporate Services Executive

Indicator Title	(%) corporate policies reviewed annually
Definition	Review and approval of revised or new corporate policies as per Corporate Policies Framework
Source of data	Quality Assurance
Method of Calculation / Assessment	Qualitative and Quantitative Number of revised or new corporate policies reviewed and approved on an annual basis as per Corporate Policies Framework (policies to be reviewed every third year or as per the need arises)
Assumptions	Managers ensure that revisions of existing and new policies within their departments are timeously reviewed, and feedback provided to HL&CS. Internal and External Stakeholders (where applicable) provide input and guidance on revision of new and existing corporate policies.
Disaggregation of beneficiaries (where applicable)	Target for women – N/A Target for youth – N/A Target for people with disabilities – N/A
Spatial transformation (where applicable)	N/A
Desired performance	100% of corporate policies reviewed as per Corporate Policies Framework
Indicator Responsibility	Head of Legal & Company Secretariat and Chief Executive Officer

Indicator Title	Leadership development programme developed and approved
Definition	Development of staff to ensure succession pipeline
Source of data	Human Resources
Method of Calculation / Assessment	Approval of leadership development programme and implementation of 90% of phase 1
Assumptions	Managers ensure training interventions are executed Financial resources available
Disaggregation of beneficiaries (where applicable)	Target for women – N/A Target for youth – N/A Target for people with disabilities – N/A
Spatial transformation (where applicable)	N/A
Desired performance	Developed leaders to ensure business continuity
Indicator Responsibility	Corporate Services Executive

Indicator Title	Approved governance and ethics framework
Definition	Improved governance and ethical behaviour in the organisation
Source of data	Audit reports Disciplinary statistics of unethical behaviour
Method of Calculation / Assessment	Qualitative and Quantitative Verification of quarterly targets
Assumptions	Staff will adhere to applicable policies and practices
Disaggregation of beneficiaries (where applicable)	Target for women – N/A Target for youth – N/A Target for people with disabilities – N/A Previously disadvantaged communities (BBBEE level 1 & 2)
Spatial transformation (where applicable)	N/A
Desired performance	Increased awareness of governance aspects and declining unethical behaviour
Indicator Responsibility	Corporate Services Executive /Head of Legal and Company Secretariat

ACRONYMS

ONDERSTEPOORT BIOLOGICAL PRODUCTS SOC LTD

ARC	Agricultural Research Council	m	Million
ATR	Annual Training Report	MOI	Memorandum Of Incorporation
B-BBEE	Broad-Based Black Economic Empowerment	MTEF	Medium-Term Expenditure Framework
BVSc	Bachelor of Veterinary Science	MBA	Master in Business Administration
CEO	Chief Executive Officer	MBL	Master of Business Leadership
CFO	Chief Financial Officer	MSBDO	Marketing, Sales & Business Development Officer
COO	Chief Operations Officer	MSc	Master in Science
COVID-19	Corona Virus Disease 2019	N/A	Not Applicable
CSE	Corporate Services Executive	OBP	Onderstepoort Biological Products
CSIR	Council for Scientific and Industrial Research	PESTEL	SOC Ltd
CSO	Chief Scientific Officer		Political, Economic, Social, Technological, Environmental and Legal
DALRRD	Department of Agriculture, Land Reform and Rural Development	PPECB	Perishable Products Export Control Board
EBITDA	Earnings Before Interest, Taxes, Depreciation, and Amortization	PhD	Doctor of Philosophy
ExCo	Executive Committee	P.R.I.D.E	People-First, Respect, Integrity, Dedication, Excellence
FCCA	Fellow Members of Association of Chartered Certified Accountants	QA	Quality Assurance
FYE	Financial Year End	R	Rand
GMP	Good Manufacturing Practice	R&D	Research and Development
ICT	Information Communications Technology	SA	South Africa
IT	Information Technology	SCM	Supply Chain Management
4IR	Fourth Industrial Revolution	SOE	State-Owned Enterprise
Ltd	Limited	SOP	Standard Operating Procedure



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