



ONDERSTEPSOORT
BIOLOGICAL PRODUCTS



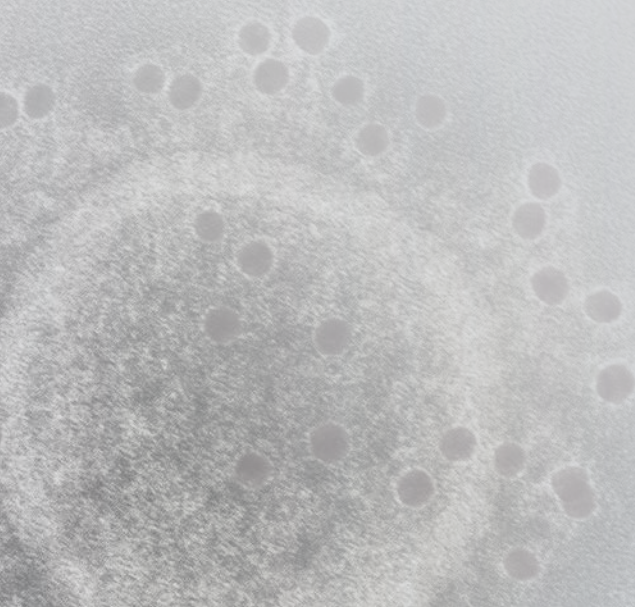
Onderstepoort Biological Products SOC (Ltd)

CORPORATE PLAN

2024-2027



INNOVATION BIOSCIENCE

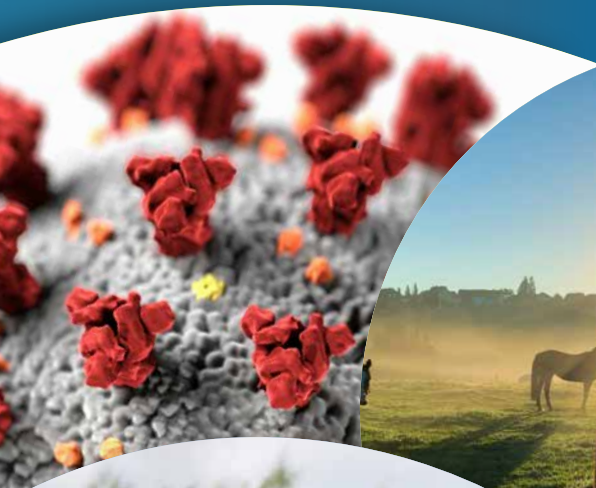




INNOVATIVE SCIENCE



CORPORATE PLAN



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Executive Authority Statement

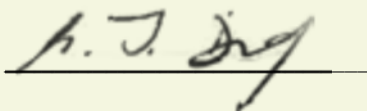
As the developer and manufacturer of animal vaccines whose products are distributed globally, Onderstepoort Biological Products SOC Ltd, is at the forefront of providing animal health solutions to the national herd, contributing to ensuring food security, the development of much-needed skills, and the economic transformation of our country. OBP continues to affirm its position and role as a valuable and key contributor to the economy as the only state-owned animal vaccine manufacturer in the country, with well-established partnerships and collaborations in the agriculture sector.

With the challenges and disruptions that the entity has faced over the past years, it is important to note that corrective measures have been actioned, for both long and short-term. Increasing efforts to upgrade and improve maintenance of an aged infrastructure, and sourcing replacement of outdated equipment and machinery continue as key strategic initiatives for OBP. OBP remains committed to finalising the completion of the GMP facility in collaboration with service industry partners. As a brand, OBP continues to enjoy sustained market share in both domestic and international markets through regular stakeholder engagements and further market penetrations.

The appointment of the new Board as of the beginning of November 2023 has strengthened strategic direction, financial stability, as well as effective governance for the entity. I wish them well for the tenure of appointment!

The sector continues to acknowledge the role OBP will need to play in the sector Agriculture and Agro-processing Master Plan, and the department will continue to provide support to ensure that its vaccine production capacity is sustained and increased. In this respect, there are ongoing engagements between the DALRRD and OBP based on a recently concluded Service Level Agreement (SLA).

I hereby endorse the Corporate Plan developed by the Board of ONDERSTEPOORT BIOLOGICAL PRODUCTS SOC LTD, under the guidance of Professor Peaceful Mabeta, the Chairperson of the Board



Mrs. AT Didiza, MP

MINISTER: Agriculture, Land Reform and Rural Development





Accounting Authority Statement

The Onderstepoort Biological Products SOC Ltd (“OBP”) has been at the leading edge of animal health for many years, and despite the many challenges, continues to be at the forefront as a manufacturer and distributor of animal health products. A new Board of Directors was appointed, effective 1st November 2023 by the Honourable Minister for the Department of Agriculture, Land Reform and Rural Development (DALRRD) and has since been inaugurated. On behalf of the Board of Directors, it is an honour and a privilege to be appointed to take the OBP to its next level of growth.

The Board affirms its commitment to provide strategic direction, influence performance, ensure financial sustainability, strengthen relations with Stakeholders, and ensure sound governance at the OBP. We will guide and support the OBP to ensure that it is a world-class developer, manufacturer, and distributor of animal health products through the formulation of solutions that are underpinned by cutting-edge science and technology.

To strengthen the OBP’s delivery of its mandate, the following key strategic priority areas were identified:

- Development of globally competitive products through technology and innovation - to ensure sustainability in the supply of quality products to the market.
- High performance - to cultivate a culture of service excellence.
- Good governance and leadership - to foster an ethical, developmental, and accountable corporate culture.
- Strategic human resource management - for improved talent acquisition, development, and retention.
- Company profitability - to ensure financial sustainability.

The Board wishes to express its appreciation to Mrs. AT Didiza, MP, the Deputy Ministers, the Director General and the staff of the DALRRD, the interim CEO, and staff of OBP; the Agricultural Research Council (ARC) and the Sector for enabling the OBP to deliver on its mandate.

The Board hereby requests Mrs. AT Didiza, MP, to approve the OBP 2024/2025-2026/2027 Corporate Plan as well as the 2024/2025 Annual Performance Plan.

Prof. P. Mabeta

Accounting Authority



Interim Chief Executive Officer Statement

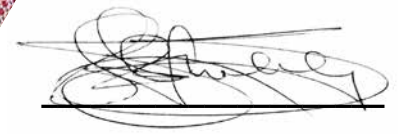
The Onderstepoort Biological Products SOC LTD presents plans as per its mandate to assist the Agricultural sector manage biosecurity risks and contribute to ensuring a healthy national herd which will contribute to improved household food security for South Africa.

The last few years have seen several disease outbreaks; Avian Influenza, African Swine Fever, and Foot and Mouth, to name a few. These have put a lot of pressure on the sector as livestock producers have had to contend and respond with serious economic consequences to their businesses, the agro-economy, and livelihoods. OBP, as a state-owned manufacturer of vaccines, has played a significant role in assisting and supporting the DALRRD's efforts to respond promptly to the outbreaks including those of FMD, by procuring and distributing the FMD vaccine where it was needed. OBP's own manufactured products against diseases such as African Horse Sickness, Bluetongue, contagious abortion, etc. contribute to a stabilised animal health situation in the country and further, prevent the spread of some animal diseases from animals to humans. OBP will partner with the DALRRD as per its public good mandate, to develop a contingency supply of certain vaccines over the short to medium term to improve biosecurity.

OBP vaccines also support countries in other parts of the world to contain outbreaks of diseases like Lumpy Skin disease and Rift Valley Fever where these occur, as part of its export business. This part of the business continues to grow and will assist OBP in maintaining its favourable positioning in the vaccines market, whilst it addresses challenges around an aging infrastructure that has negatively affected the uptime of the manufacturing plant, and the resultant supply of vaccines when needed. Efforts at improving maintenance and the sourcing of replacement equipment and machinery will continue in line with OBP's quest for being the first choice in animal health solutions. OBP is aware of the requirements in export markets and in that regard, will continue with the rollout of the roadmap towards GMP certification.

OBP will continue to work with all stakeholders, continuously communicate, and share updates on product availability, as well as manage the distribution networks better. New distribution points and channels will be established to further assist in this regard.

OBP's successes and gains in the past periods include, amongst others, new product registrations and a completed vector-protected facility which bear testimony to a continued effort to successfully address the aforementioned challenges, with actions guided by the following strategic objectives;



Dr. Boitshoko Ntshabele

Interim Chief Executive Officer



- Financial sustainability and growth – Increasing revenue and profitability.
- Continuous improved business processes – 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.

We will focus on ensuring the implementation of our workplace skills plans and roll out a leadership development programme for supervisors and managers. In line with living our values and serving our stakeholders with PRIDE, improving governance and ethical conduct by all, we will workshop the newly approved governance framework throughout the business and improve staff awareness of behaviours expected of them.

The DALRRD Team led by the Minister, Deputy Ministers, and Senior Management has been a pillar of support to the OBP through past and present challenges and deserves our thanks. To our peers, SOEs within the fold of the DALRRD, our clients and customers, partners, and other stakeholders who have contributed to what we achieved in previous times, we remain very grateful. We invite and count on all of your support as we continue to navigate 'treacherous waters' where climate change and emergent and re-emergent disease outbreaks are constant. OBP continuously strives to be a reliable partner in the creation of a stable biosecurity environment where the livestock economy can flourish as per the ideals of the AAMP, to the benefit of the smallholder farmer, and towards an agro-economy where no one is left behind.



For animal use only

OBP
 ONDERSTEEPOORT
 BIOLOGICAL PRODUCTS

50 Doses

BLUE UDDER
 Mastitis (Pasteurella) haemolytica type 2, 7
 Staphylococcus aureus

Reg. No. G 0710 (Act 36/1947)
 Namibia: V01/24.4/145

100 ml

DOSAGE:
 2 ml subcutaneously

Storage: 4 °C - 8 °C
 See package insert for full instructions.

Registration holder:
 Onderstepoort Biological Products SOC Ltd
 Co. Reg. No. 2000/022686/06
 Private Bag X07, Onderstepoort, 0110
 Tel: +27 (0) 12 522 1500, Fax: +27 (0) 12 522 1591

6 4009802496065

BLUE UDDER

Vaccine for Cattle



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 Department of Agriculture, Land Reform and Rural Development.
- 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 2024/2025 to 2026/2027.

Ms. E. Govender

Chief Financial Officer

Dr. B. Ntshabele

Interim Chief Executive Officer

Prof. P. Mabeta

Accounting Authority

Approved by:

Mrs. AT Didiza, MP

Executive Authority

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 biological 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 applicable to OBP include but are not limited to:

- Intellectual Property Rights from Publicly Financed Research and Development Act No. 51 of 2008
- Employment Equity Act No. 55 of 1998
- Basic Conditions of Employment Act No. 75 of 1997
- Skills Development Act No. 97 of 1988
- Public Finance Management Act No. 1 of 1999, as amended by Act No. 29 of 1999
- Relevant Treasury regulations and guidelines
- The Patents Act No. 57 of 1978
- Copyright Act No. 98 of 1978
- Trademarks Act No. 194 of 1993
- Fertiliser, 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
- Intellectual Property Laws Amendment Act No. 28 of 2013
- Occupational Health and Safety, Act No. 85 of 1993
- Protection of Personal Information Act No. 4 of 2013
- Companies Act No. 71 of 2008
- Consumer Protection Act No. 68 of 2008, as amended

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
- The Department of Science and Innovation Bio-economy Strategy
- The South African Veterinary Strategy 2016-2026
- Agriculture and Agro-processing Master Plan (2022)
- Department of Science and Innovation Bio-economy Strategy

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 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.*



FOWL TYPHOID

Vaccine for Fowls & Turkeys



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.



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."



Values

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





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.



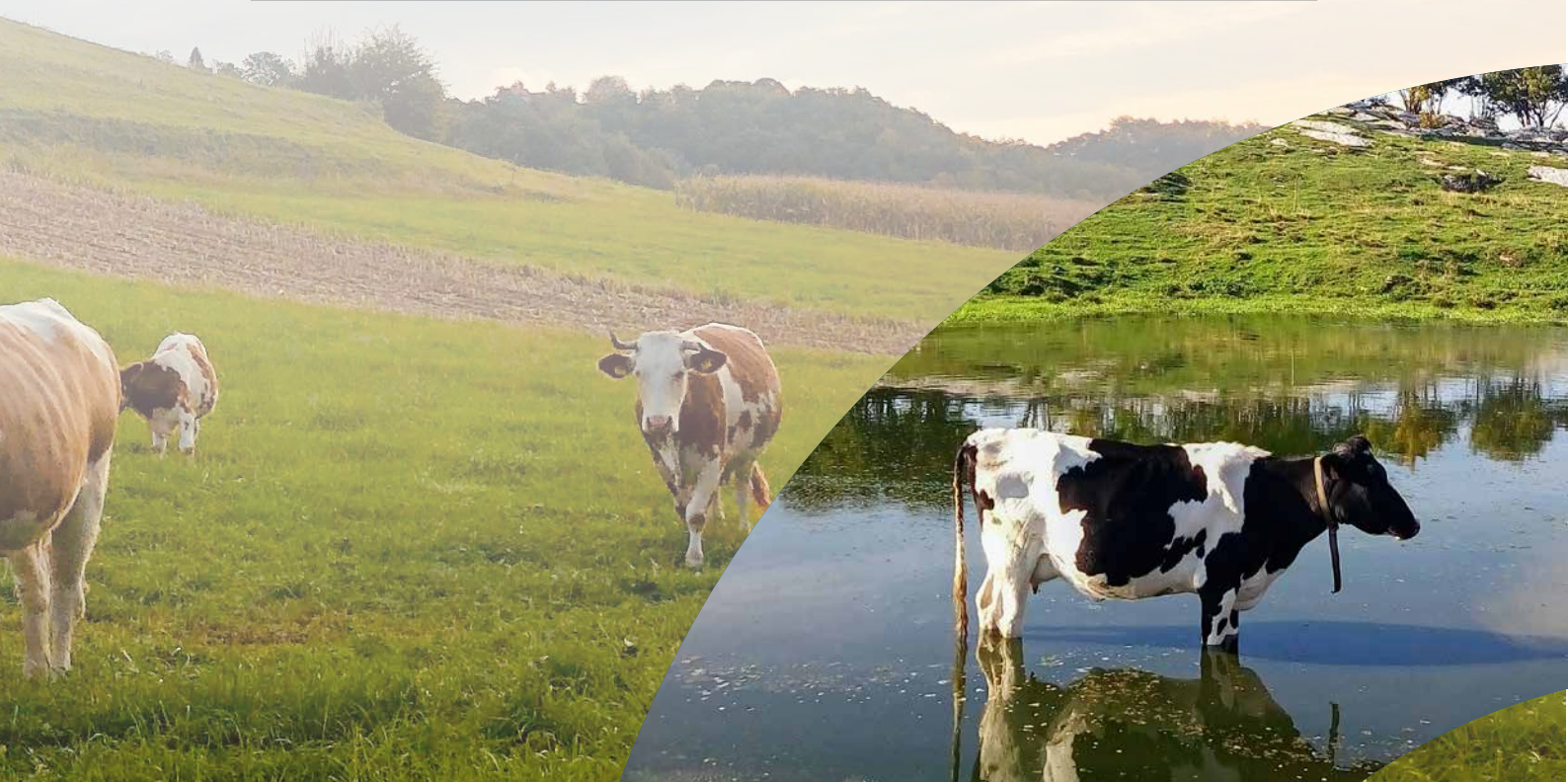
Dedication:

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.



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



Digital Solutions for Animal Health



Managed Distribution Services

OUR SET OF STRATEGIC OUTCOMES

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

SOCIETAL IMPACT



Situational Analysis

5.1 Global market overview

It is generally accepted that healthy animals produce healthy, safe food for human consumption. This is over and above the fact that keeping livestock healthy remains the cornerstone of animal welfare. Equally important is the health of animals that provide companionship to humans. Antibiotics and vaccines have played a significant role in fighting disease over centuries. The role of vaccination in managing disease has brought about global victories, be it slashing the rates of polio in humans or the eradication of rinderpest in cattle has made vaccines the bedrock of disease prevention. The recent growing evidence of antimicrobial resistance has placed even more pressure globally on the use of antimicrobials, leading to a lot of research funding being diverted to other non-antimicrobial interventions against animal disease. This inevitably fueled the rising level of competitiveness in the animal vaccines market globally, outpaced only by anti-parasitic remedies. It is estimated that the veterinary vaccines market is likely to reach USD 12 billion by 2025. The growth of this market is driven also by the increase in pet populations, rising incidence of zoonotic diseases, initiatives by various government agencies and animal associations to maintain animal health, and the rising demand for animal-derived food products. This market is expected to keep growing, also due to a rise in the number of cattle and poultry in developing countries. (<https://www.fortunebusinessinsights.com/industry-reports/livestock-vaccines-market-101418>, <https://www.factmr.com/report/animal-vaccines-market>).

The overall improvement in the ability of livestock producers to access cost-effective vaccination options is likely to have a positive influence on the vaccine market. The greater challenge inevitably and increasingly becomes the need for new innovative and improved vaccines for livestock producers worldwide, especially in low- to middle-income economies that are heavily reliant on animal agriculture.

5.2 South African Animal Health Market Analysis

The South African animal health industry incorporates several different market segments, namely, vaccines, antimicrobials, endo-parasiticides, ecto-parasiticides, anthelmintics, vitamins, and minerals. The attractiveness of the animal vaccine market in the South African market has increased competition from all kinds of products, locally manufactured and imported. This has seen over the last few years the proliferation and the use of unregistered vaccines, through a loophole in the South African regulatory framework. The total animal vaccines industry is estimated to be worth over R1 billion, of which over 50% is made up of livestock vaccines, with the exclusion of autogenous vaccines, which are currently not formally reported.

The biggest challenges that threaten equitable access to livestock vaccines relate to infrastructure and logistics. For example, some of the rural areas in the country that produce up to 50% of the livestock population may not always have easy access to vaccines, mainly because of distances from retail shops. In areas where small retail distributors are making inroads by bringing vaccines closer to the end-user, these may not necessarily be equipped to survive losses related to power interruptions that threaten vaccines' cold chain requirements. The net result of this is remote rural distributors attempting to manage the risk by keeping minimal stock, which has a direct impact on herd health dynamics and the productivity of livestock producers that rely heavily on livestock for survival. The majority in this sector may not be in a position to alternative power solutions like backup generators and solar.

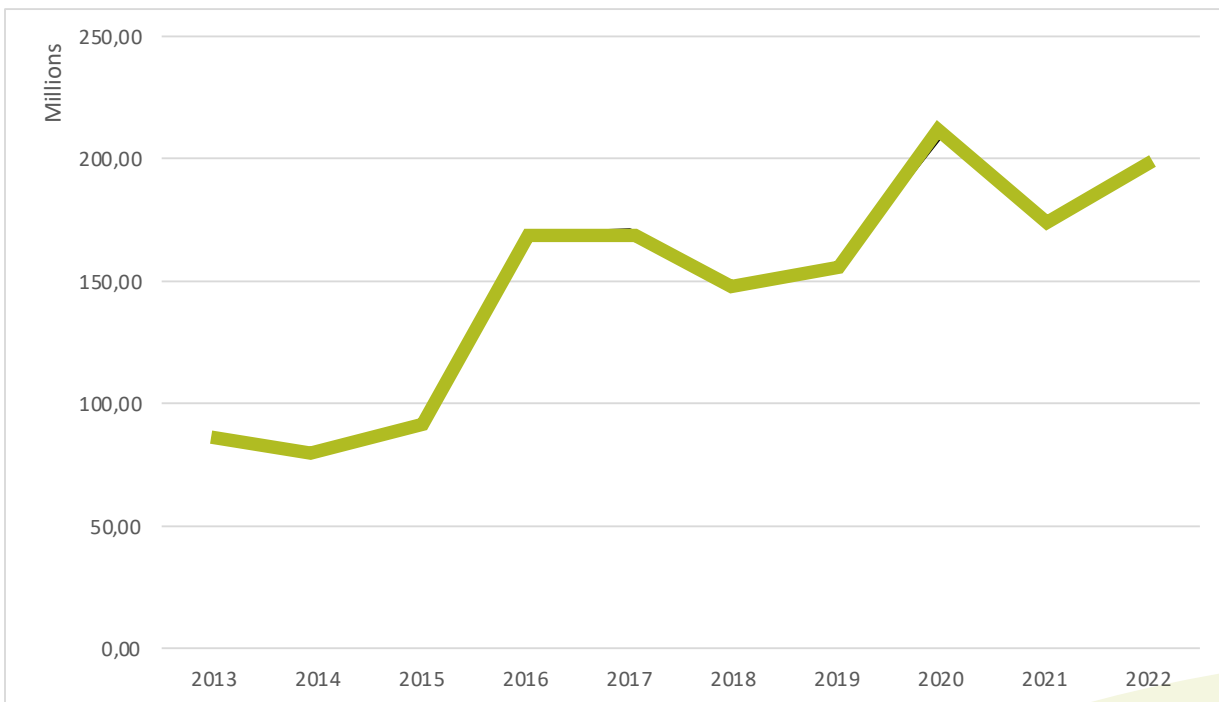


OBP’s key market segments are co-operatives, veterinary practitioners, wholesalers, and other small distribution points such as pharmacies and small businesses. Almost all co-operatives, practising veterinary professionals, and wholesalers have a credit account facility with OBP. There is limited access to certain segments such as feedlots for various reasons, including lack of combination vaccines and reliable consistent supply. OBP currently operates within a “niche” livestock vaccine market, which disadvantages the company because most vaccines are only used annually.

5.3 OBP products’ position analysis

OBP products offering comprises of up to more than 50 veterinary products, made up of mainly vaccines but including to a lesser extent diagnostic reagents for veterinary laboratories. Our vaccines are distributed in Africa, the Middle East, and Europe, with most of the sales generated in South Africa. The cumulative revenue over a decade is depicted in Figure 1 below.

Figure 1: Overall sales revenue over a 10-year period (in South African Rands)



A further breakdown of the revenue is depicted in Figures 2 and 3, below.





A further breakdown of the revenue is depicted in Figures 2 and 3, below.

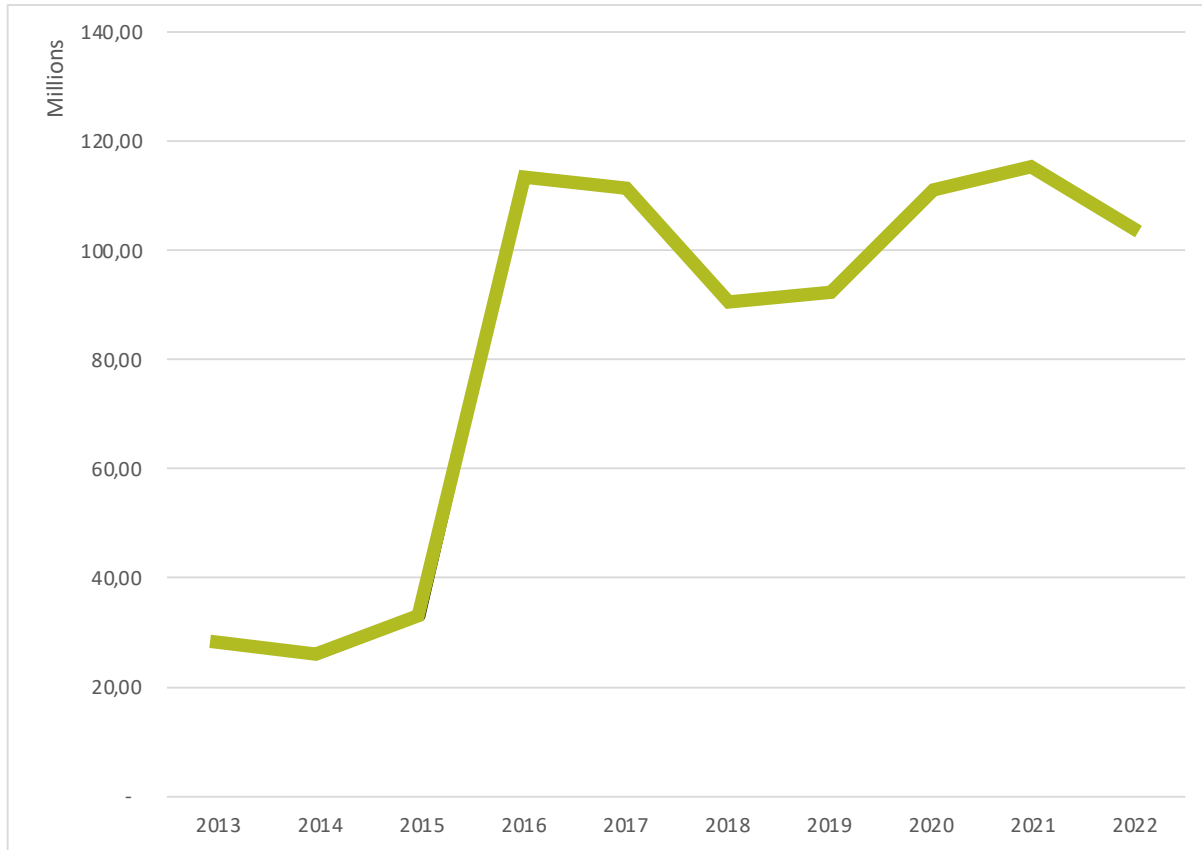


Figure 2: Viral products’ sales revenue over a 10-year period (in South African Rands)

Viral products make up invariably up to 90% of OBP’s sales revenue. This is a reflection of OBP’s dominance in the viral vector-borne diseases space, which is also an area of huge vulnerability, in the light of recent competitor activity in that market segment. OBP’s freeze-drying capacity remains critical in the company’s current and future offerings into the market, necessitating increased focus on managing equipment failure risk in that area. OBP’s overall revenue performance has been on a sustained growth trajectory and can be sustained with improvement in certain critical areas, including reliability of supply and the necessary agility to respond to the rapidly changing competitive landscape.

Overall, a global slowdown in the demand for vector-borne disease vaccines is unlikely, driven mainly by amongst others global warming and growing international trade in livestock and livestock products. Classical examples include the recent spread of vector-borne diseases like African Horse Sickness, Bluetongue, and Lumpy Skin Disease in some parts of Europe and Asia, and with the rest of the world remaining on high alert and proactively, researching and managing the risk of diseases like Rift Valley Fever.



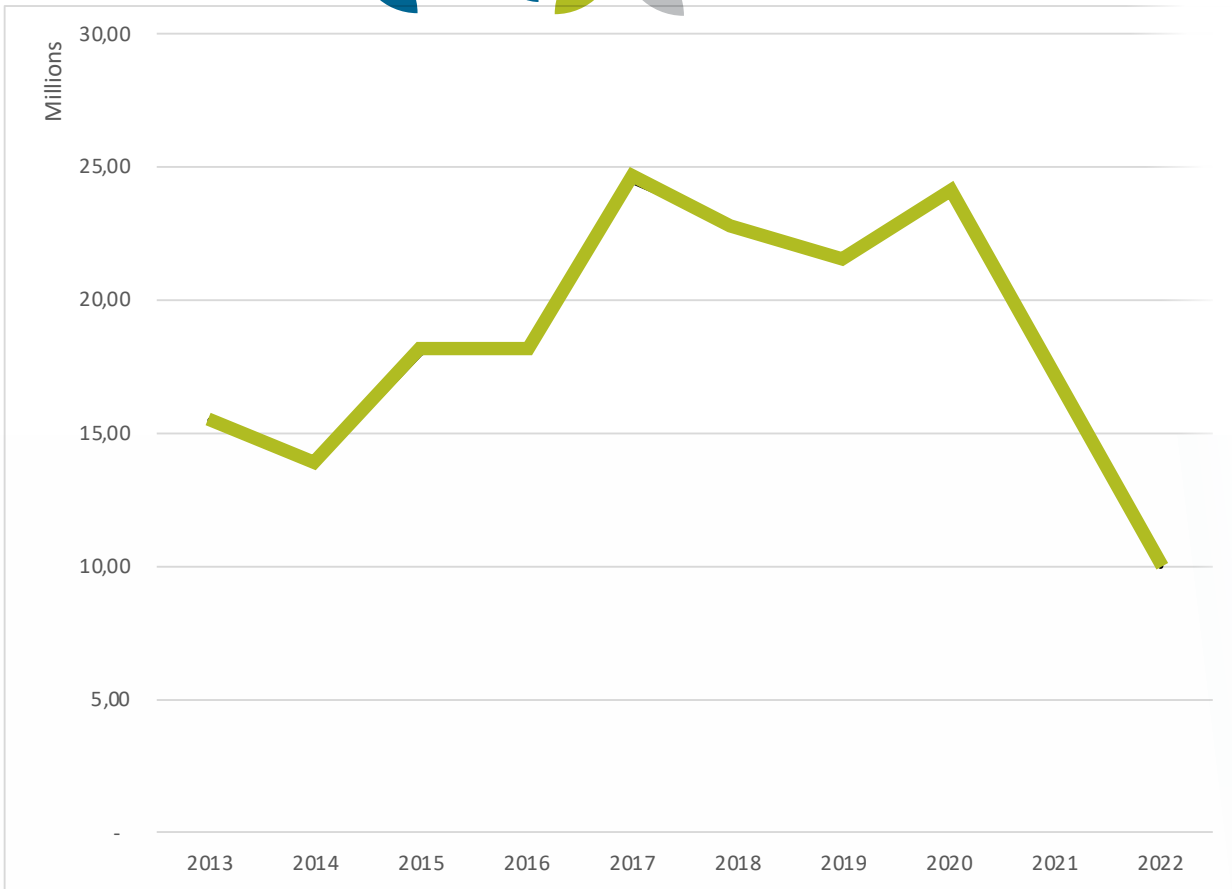


Figure 3: Bacterial products' sales revenue over a 10-year period (in South African Rands)

The decline in the bacterial products' revenue is driven mainly by increased and improved offerings from competitors. The latter's research and development output is pivoted around innovative combination products and superior shelf-life.





External Environment Analysis

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

POLITICAL

- First rights of access to government market on veterinary vaccines
- Shareholder support
- Various trade agreements (India and EU Trade centralised agreements)
- Political debate on the privatization of state assets

TECHNOLOGICAL

- Competitive vaccine products
- Vaccination technologies
- Use of social media platforms
- Use of e-commerce

ECONOMIC

- Foreign direct investment increase in markets
- Exchange rate fluctuation
- Sensitivity of interest rates
- Adverse Economic climate
- Increase in competitor products
- Unstable water and electricity supply

SOCIAL

- Increased demand for animal products
- Progression of emerging farmers to commercial farmers

ENVIRONMENTAL

- Emerging animal diseases due to climate change
- Regulatory requirements on environmental impact

LEGAL

- Intellectual Property rights
- Compliance with regulatory requirements
- Licensing opportunities as an export business or daughter registration
- Regulatory capacity to monitor use of unregistered vaccines



Part C: MEASURING OUR PERFORMANCE

1. Institutional Performance Information

2. Impact Statement

Impact statement To improve agricultural production, food security and sustainable livelihood

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	2026/27
Sustainable Financial Growth	Increased Sales Revenue (R) Annually	R215m	R174 m	R 205m	R280m Increased Sales Revenue	R305m Increased Sales Revenue	R324m Increased Sales Revenue	R335m 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	3 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	5 new products dossiers submitted to Registrar of Act 36 of 1947 for registration
	Number of Product Dossiers Submitted to international markets Annually	New indicator	2	2	8 product dossiers submitted to international markets	6 product dossiers submitted to international markets	6 product dossiers submitted to international markets	6 product dossiers submitted to 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	85% Improved production efficiency	87% Improved production efficiency	91% Improved production efficiency
	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	20% of GMP roadmap achieved	30% of GMP roadmap achieved	40% 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
	Improved Facilities to achieve GMP certification	0%	Phase 1 incomplete	GMP facility as per project plan	GMP facility as per plan	GMP Project plan Finalised	Phase 1 of GMP Project Complete	Phase 2 of GMP Project Complete
	Improved (%) Output of Top 20 Products Annually	New indicator	74.43%	80%	85% Output of Top 20 Products	82% Output of Top 20 Products	84% Output of Top 20 Products	86% Output of Top 20 Products
	Sell Through Rate (%) maintained	-	-	-	New indicator Product sold as a percentage of Inventory in distribution should be maintained between 40-80%	Product sold as a percentage of Inventory in distribution should be maintained between 40-80%	Product sold as a percentage of Inventory in distribution should be maintained between 40-80%	Product sold as a percentage of Inventory in distribution should be maintained between 40-80%
	Percentage of Capital Expenditure Plan Completed	-	-	-	New indicator 60% six-year Capital expenditure Plan completed	50% six-year Capital expenditure Plan completed	60% six-year Capital expenditure Plan completed	70% six-year Capital expenditure 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%	53%	Customer and stakeholder survey completed	Customer and stakeholder survey completed should be 58,3% or more	Customer and stakeholder survey completed should be 64,13% or more	Customer and stakeholder survey completed should be 70,5% or more
	Proportion (%) of Customer Complaints Resolved Annually	54.7%	70.8%	80%	80% Customer complaints resolved	80% Customer complaints resolved	80% Customer complaints resolved	80% Customer complaints resolved
	Proportion (%) of Top 20 Customers Retained Annually	New indicator	95%	75%	80% Top 20 customers retained	80% Top 20 customers retained	80% Top 20 customers retained	80% Top 20 customers retained
	Number of New Distribution Channels Established Annually	4	4	6	6 new distribution channels established	10 new distribution channels established	8 new distribution channels established	10 new distribution channels established
	Number of Farmers Trained Annually	646	2198	800	1800 farmers trained	2500 farmers trained	3000 farmers trained	3500 farmers trained
	Number of Media Publications Disseminated Via Different Media Channels to External Stakeholders	-	New Indicator	12	18 media publications disseminated via different media channels to external stakeholders	22 media publications disseminated via different media channels to external stakeholders	26 media publications disseminated via different media channels to external stakeholders	30 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	Conduct new culture survey & develop employee engagement implementation plan for 2025/2026 – 2026/2027) for approval	-	-	-	-	New indicator Conduct new culture survey & develop employee engagement implementation plan for 2025/2026 – 2026/2027 for approval	Implement 50% of planned deliverables of employee engagement implementation plan.	Implement 50% of planned deliverables of employee engagement implementation plan.
	(%) of staff trained per annum	-	-	-	-	Amended indicator 70% of staff trained in line with job descriptions per annum	70% of staff trained in line with job descriptions per annum	80% of staff trained in line with job descriptions per annum
	Approved Governance and Ethics Framework	-	-	-	New indicator Governance and ethics framework developed and approved	Governance and ethics framework workshop for awareness	Monitor and report on effectiveness and review the governance and ethics framework	100% record of all unethical conduct and report at Board level



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 the African Horse Sickness vaccine and other similar unique vaccines, which are associated with the name OBP. In the next MTEF, 2025-2027, OBP plans to address the following:

- Increase the accessibility of OBP products to rural and emerging markets.
- Maintain and improve customer support levels.
- Revitalise the OBP brand back to global recognition.
- Develop new competitive products.
- Build partnerships with private and or provincial governments to gain access to rural farmers and support rural development programs.
- Continue with the GMP facility upgrade to acquire certification.
- Collaboration with other institutions and commercial entities to gain access to new products and technology to build capacity.
- Investigate other income streams
- Implement capital expenditure plan to ensure sustainability of vaccine availability
- Foster good employee relations and continue to build a skilled, capable, and ethical workforce

4. Key Risks and Mitigations

Outcomes	Key Risks	Risk Mitigation
Sustainable financial growth	<ul style="list-style-type: none"> • Inefficient business processes • Loss of Market Share • Reliance on sole and single suppliers from specific regions • Inadequate sustainability management (environment, social, health, safety & governance) 	<p>Update All SOPs due for annual review as per QA listing and reporting done quarterly</p> <p>Conduct training on the SOPs and ensuring adherence through observation</p> <p>Implement efficient supply chain management process and monitor adherence</p> <p>Fraud and corruption awareness workshops conducted across OBP</p> <p>Provide regular feedback to internal stakeholders(employees) to improve morale</p>





Outcomes	Key Risks	Risk Mitigation
<p>Continuous improvement of business processes</p>	<ul style="list-style-type: none"> • Production inefficiencies. • Inadequate ICT infrastructure. • ICT Technical failures and electronic threats • Supplier and customer concentration risk • Unreliable equipment. • Aging/un-maintained infrastructure 	<p>Introduction of GMP and improvement of processes.</p> <p>Organisation-wide enterprise architecture and plan rollout to address ICT gaps</p> <p>Fair SCM processes to rotate suppliers were applicable</p> <p>Increase of customer base across South Africa and internationally</p> <p>Strengthen engineering and maintenance capacity to establish and implement preventative maintenance</p> <p>Replace/repair infrastructure and equipment</p>
<p>Effective stakeholder relations</p>	<ul style="list-style-type: none"> • Inadequate Business Continuity Management capabilities (Cybersecurity, Succession Planning & Pandemic response & Security Management) 	<ul style="list-style-type: none"> • Review stakeholder management matrix and implement • Finalise Disaster recovery framework • Establish the IT disaster recovery site • Implement contingency plans and BCP to ensure product availability • Develop succession planning framework & policy



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 Company, 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 Company, 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 2023. The current members of the board are:

- **Prof P. Mabeta (Chairperson)**
- Mr. J. Kgobokoe
- Dr. L. Konar
- Mr. R. Mahabeer
- Dr. L. Makuleni
- Dr. N. Skeepers
- Ms. S. Matai

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

Sub-Committee	Members
AUDIT, RISK & IT COMMITTEE	Mr. R. Mahabeer (Chairperson) Dr. L. Makuleni Dr. L. Konar Dr. N. Skeepers
REMUNERATION, HUMAN RESOURCES & ETHICS COMMITTEE	Mr. J. Kgobokoe (Chairperson) Dr. L. Konar Prof. P. Mabeta Mr. R. Mahabeer
OPERATIONS SALES & MARKETING COMMITTEE	Dr L. Konar (Chairperson) Ms. S. Matai Dr. N. Skeepers Mr. J. Kgobokoe
RESEARCH & DEVELOPMENT COMMITTEE	Dr. L. Makuleni (Chairperson) Ms. S. Matai Prof. P. Mabeta Dr. N. Skeepers



2. EXECUTIVE MANAGEMENT

The table below profiles current senior executive team of OBP:

Name	Position	Gender	Race	Qualification	Areas of Expertise	Years of service
Dr. Boitshoko Ntshabele	Interim Chief Executive Officer	Male	African	BVMCh MBA DMS	Strategic Management Negotiations and Governance	Interim
Elspeth Govender	Chief Financial Officer	Female	Coloured	BSc (Hons) Applied Accounting FCCA (Fellow Chartered Certified Accountant) MBA PG Cert BRM	Strategic and Operational Financial Management Supply Chain Management Auditing ICT Governance Corporate Governance	3 years
Dr Jacob Modumo	Business Development Officer	Male	African	BVMCh MSc (Tropical Disease) PGD in (Marketing Management) MBL	Sales & Marketing, Veterinary Science, Quality Control, Management	26 years
Dr Bethuel Nthangeni	Chief Scientific Officer	Male	African	BSc BSc (Hons) MSc PhD (Biochemistry) MBL	Research & Development	10 years
Mr Collin Manickum	Chief Operations Officer	Male	Indian	Certificate in Total Quality Management (TQM), with Distinction BSc BSc (Hons) MSc (Chemistry) MBA (Cum Laude)	Management Systems; Operational Excellence Models; Continuous Improvement Methodologies; Change Management; Employee Engagement	2 years
Ms Charlene Sheraton	Corporate Services Executive	Female	Coloured	Dip (Human Resources) BHR PA (Hons)	Human Resources, Corporate Support Services, Labour Relations, Monitoring & Evaluation	3 months

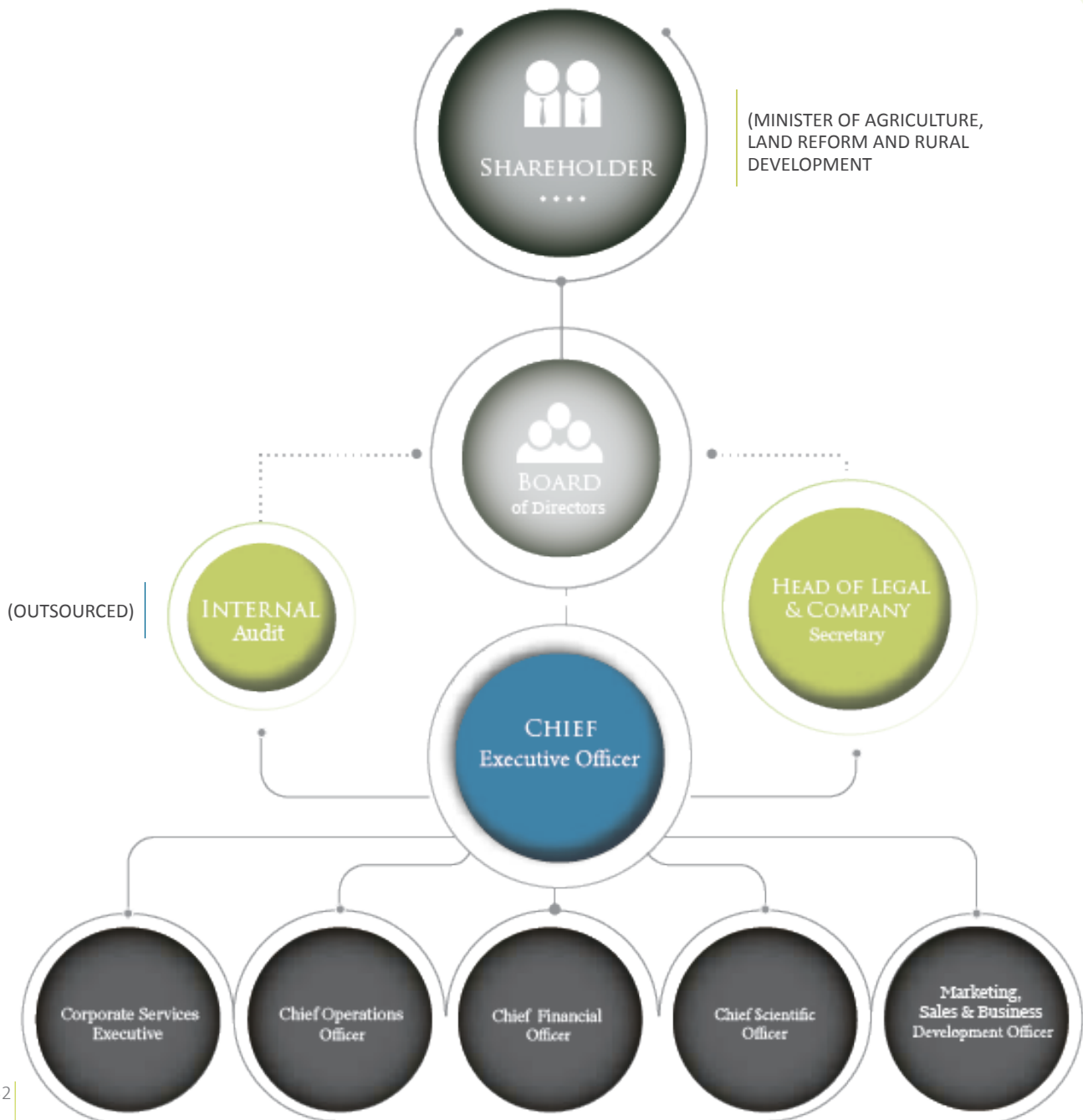
3. ORGANISATIONAL STRUCTURE

Based on the Corporate Plan and mandate, the operations of the OBP consist of a manufacturing plant, research and development facilities, and support functions. The macro-organisational structure is aligned with the corporate plan. The revised organisational structure is currently being 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:





PASTEURELLA

Vaccine for Goats & Sheep

PART E: FINANCIAL PLAN

1. FINANCIAL PERFORMANCE

Description		BUDGET MTEF				
		2023-2024	2024-2025	2025-2026	2026-2027	2027-2028
ONDERSTEPOORT BIOLOGICAL PRODUCTS SOC LTD						
STATEMENT OF FINANCIAL PERFORMANCE						
Gross Revenue		280,000	298,500	317,245	326,000	358,600
	Local	176,500	188,250	200,245	201,800	221,980
	Export	103,500	110,250	117,000	124,200	136,620
Discount Granted		22,770	24,255	25,740	22,770	25,047
Net Revenue		257,230	274,245	291,505	303,230	333,553
COST OF SALES		75,600	77,610	82,484	88,020	96,822
GROSS MARGIN		181,630	196,635	209,021	215,210	236,731
Other income		5,739	6,824	6,813	9,045	9,950
		187,369	203,459	215,834	224,255	246,681
EXPENSES		184,948	195,751	207,359	216,939	238,633
Staff Cost		106,362	111,680	117,264	120,782	132,861
Travel		1,891	2,080	2,392	2,751	3,026
Marketing		4,921	2,553	2,936	3,376	3,714
Water and Electricity and Rates		6,581	7,239	8,035	9,000	9,900
Depreciation		13,760	14,030	14,733	14,733	16,206
Repairs and maintenance		14,175	16,301	17,931	19,725	21,697
Animal Feed		3,096	3,282	3,479	3,548	3,903
Research and development		6,411	7,052	7,757	8,533	9,386
Audit fees		3,210	3,531	3,708	3,893	4,282
Computer expenses		3,226	3,710	3,896	4,090	4,499
Insurance		2,748	2,830	2,915	3,003	3,303
Coal		2,188	2,516	2,768	3,045	3,349
Security		2,800	3,080	3,111	3,142	3,456
Other		24,391	26,129	27,723	29,737	32,711
Grant Recovery		-10,813	-10,264	-11,290	-12,419	-13,661
Included in COS		-	-	-	-	-
OPERATING PROFIT/(LOSS)		2,421	7,708	8,475	7,316	8,048
Interest		7,466	6,544	2,496	7,291	8,020
PROFIT BEFORE TAX		9,887	14,252	10,971	14,608	16,068
OPERATING PROFIT/(LOSS) as a % of Gross Sales		1%	3%	3%	2%	2%
EBITDA		16,181	21,738	23,208	22,049	24,254



2. FINANCIAL POSITION

ONDERSTEPSPOORT BIOLOGICAL PRODUCTS SOC LTD				
STATEMENT OF FINANCIAL POSITION				
	BUDGET MTEF			
	2023-2024	2024-2025	2025-2026	2027-2028
Non-Current Assets	546,516	693,240	813,507	944,340
Property plant and equipment	546,516	693,240	813,507	944,340
Current Assets	234,886	233,054	133,727	274,938
Inventory	55,382	57,043	58,756	66,570
Receivables	23,516	24,221	24,948	28,266
Cash and cash equivalents	155,988	151,789	50,023	180,102
Total Assets	781,402	926,294	947,234	1,219,278
<u>Equity and Liabilities</u>	743,513	888,683	908,322	1,177,701
Share capital	1	1	1	1
Accumulated surplus/(deficit)	294,653	282,380	234,447	590,594
Deferred income	448,859	606,302	673,874	587,105
Current liabilities	37,890	37,611	38,911	41,837
Trade and other payables	27,077	27,347	27,621	28,176
Deferred income	10,813	10,264	11,290	13,661
Total equity and liabilities	781,402	926,294	947,234	1,219,538

3. STATEMENT OF CASHFLOWS

ONDERSTEPSOORT BIOLOGICAL PRODUCTS SOC LTD STATEMENT OF CASHFLOWS					
BUDGET MTEF					
	2023-2024	2024-2025	2025-2026	2026-2027	2027-2028
	R' 000	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	259,111
Cash paid to suppliers and employees	(157,872)	(168,404)	(179,738)	(189,042)	(210,457)
Cash utilised in operations	134,348	137,346	140,729	144,998	48,654
Interest income	(7,466)	(6,544)	(2,496)	(7,291)	(8,020)
Net cash from operating activities	126,882	130,801	138,233	137,707	40,633
Cash flows from investing activities					
Purchase of property, plant and equipment	(160,754)	(135,000)	(240,000)	(24,000)	(24,000)
Net cash from investing activities	(160,754)	(135,000)	(240,000)	(24,000)	(24,000)
Cash flow from investing activities					
Government grant	-	-	-	-	-
Total cash movement for the 12 months	(33,872)	(4,199)	(101,767)	113,707	16,633
Cash at the beginning of the 12-months	189,860	155,988	151,789	50,023	163,730
Total cash at the end of the 12 months	155,988	151,789	50,023	163,730	180,102

	2023-2024	2024-2025	2025-2026	2026-2027	2027-2028
Capital Expenditure Internally Funded	160,754	135,000	240,000	24,000	24,000
Capita 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	52 341	55 437	58 802	65 675
Continuous improvement of business processes	150 219	159 105	168 762	188 488
Customer services	24 314	25 752	27 315	30 508
Governance and Leadership	28 814	30 519	32 371	36 155
	255 688	270 814	287 251	320 825

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 PFMA Schedule 3B Entity, may not borrow funds unless authorised by notice in the National Government Gazette by the Minister or The Accounting Authority (Board); subject to any conditions the Minister may impose. At this stage, OBP has not initiated any process of borrowing funds.

7. Capital Expenditure

Project Name	Programme	Description	Outputs	Start Date	Completion Date	Total Estimated Cost Million	Current Year Expenditure Million
Freeze Drier	Continuous Improvement of Business Processes	Procurement of a new freeze drier	Operational Freeze Drier	01/08/2022	31/01/2025	46	26
GMP Project	Financial Sustainability	GMP Plant, Equipment and Processes Upgrade	Operationally Qualified GMP Plant	01/01/2017	30/06/2027	492	2,016
Alternative Energy Use Projects	Financial Sustainability	Green energy - solar project	Reduction in Electricity Costs due to Operational Solar Facility	01/09/2022	30/04/2025	45	0
Computerised Maintenance Management System	Continuous Improvement of Business Processes	Computerised System for management of preventative maintenance systems	Functioning Preventative Maintenance System	01/04/2024	31/03/2025	3	0
Perimeter fence	Continuous Improvement of Business Processes	Perimeter fence and associated systems to protect assets	Effective perimeter fence	01/05/2024	31/03/2025	7,5	0
							28,016
						2024/25	R331 012 500
						2025/26	R374 672 150
						2026/27	R249 800 000
						2027/28	R63 413 000
						2028/29	R109 085 000
						2029/30	R683 985 000
						TOTAL	R1 811 992 650

Capital Expenditure relates to internal capex from OBP’s own cash resources

8. 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 Onderstepoort Biological Products Ltd (OBP) and for approval by the Executive Authority in agreement with the Minister of Agriculture, Land Reform and Rural Development.

8.2 Background

As per requirement 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 purpose of the interpretation of and compliance with the Public Finance Management Act, No 1 of 1999 (as amended) require that OBP needs to consider in the preparation of its financial statements to include the following:





8.3 Materiality

- a) The following factors have to be taken into account:
- Guidelines issued by the National Treasury,
 - The nature of the business of Onderstepoort Biological Products SOC Ltd,
 - Statutory requirements affecting Onderstepoort Biological Products SOC Ltd,
 - The inherent- and control risks associated with Onderstepoort Biological Products SOC Ltd and
 - Quantitative and Qualitative issues.

The qualitative characteristics that are to be considered to assess materiality include the following aspects:

- New ventures that OBP has entered into.
 - Procedures/processes required by legislation and/or regulation (e.g. PFMA and the Treasury Regulations).
 - The nature and circumstances relating to any fruitless and wasteful expenditure and unauthorized expenditure incurred by or on behalf of 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.
- b) 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.
 - ii) **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 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.

8.4 Significance

Any transaction or circumstance that may have a significant impact on OBP regardless of the monetary value is considered significant for the purpose of the framework.

8.5 Review: exercise

The materiality – and significance framework will be reviewed annually and will be included in the Strategic and Business Plan for Onderstepoort Biological Products LTD.

Any changes to the approved framework will be agreed upon with the Minister of Agriculture, Land Reform and Rural Development and published by OBP.



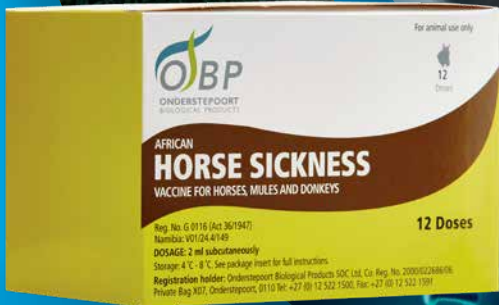
Materiality framework

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 – <u>R8 743 434 - R 17 486 868</u> Total revenue - 1%-5% of total revenue – <u>R 2 008 955 - R 10 044 775</u> Profit after Tax – 2%-5% of net profit after tax – <u>R 676 658 - R 1 691 645</u> (The rand value calculated per above elements may require averaging in the interests of prudence.) <p>The average amount as per above three criteria is <u>R 13 505 610</u></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 company is in a profit position.



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 a 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. 	<ul style="list-style-type: none"> • Acquisition or disposal of a significant asset: • Acquisition of an operational nature: Market value greater than R20 million (As per DOA). • Acquisition of a strategic nature: Market value more than R20 million (As per DOA). • Disposal: Market value more than 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 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; any financial assistance received from the state and commitments made by the state on its behalf. • Any other matters that may be prescribed. 	<ul style="list-style-type: none"> • <u>Any</u> Loss through criminal conduct: • <u>Any</u> 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 – <u>R 2 008 955</u> 	<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>	<p>Any Amount</p>	<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>



AFRICAN HORSE SICKNESS

Vaccine for Horses, Mules & Donkeys

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 maximized 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 and 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 organisation and facilitates the interaction on risk management activities.

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

1.1 Internal Environment

- Tone of an organisation (Risk Management) 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 and potential events.

1.3 Risk Identification

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

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 organisation.

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 confirming 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, and responsibilities of governance structures

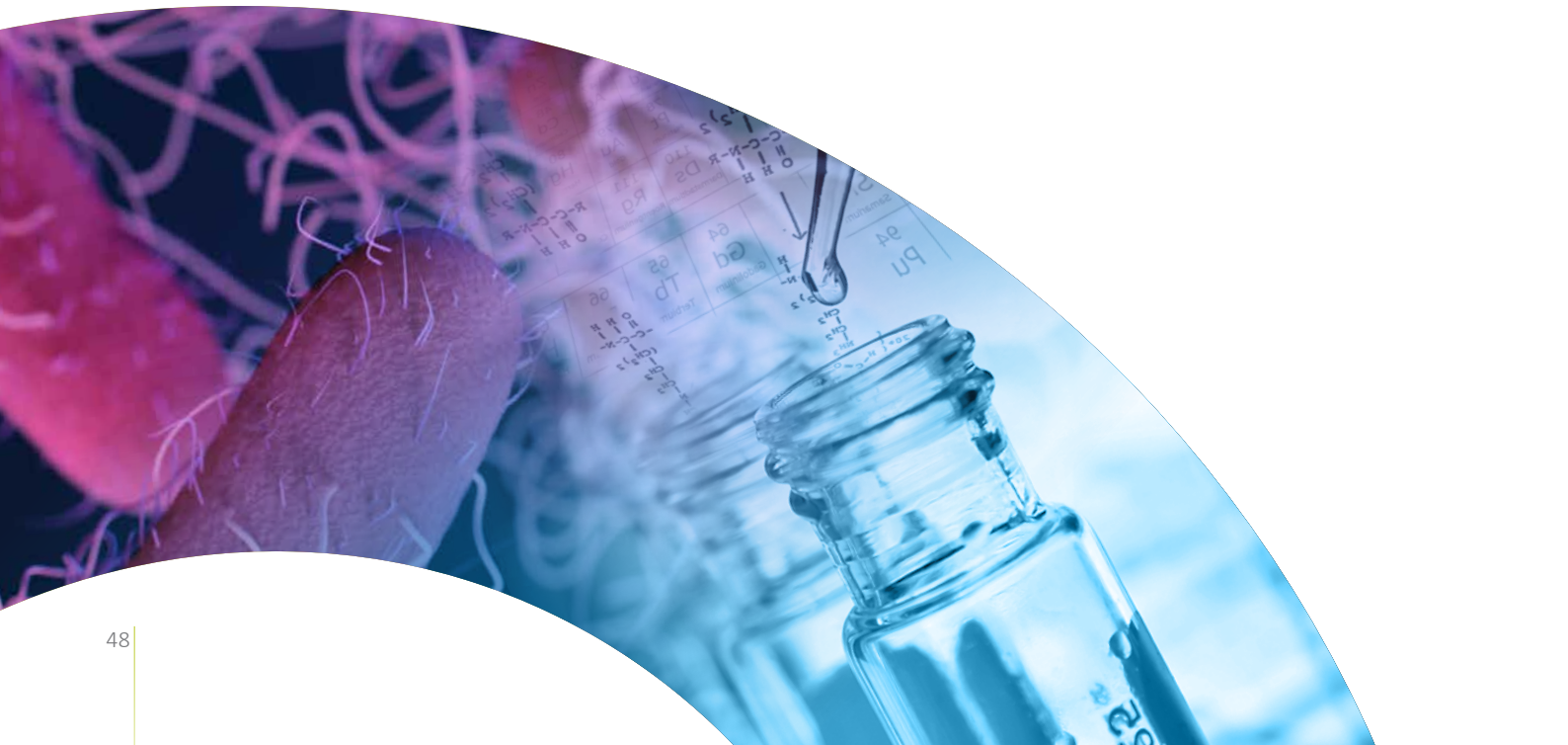
KEY ROLES	RESPONSIBILITY
Oversight	
Review risk progress and internal controls	Audit, Risk & IT Committee, BoD
Performs oversight on risk management roles and responsibilities in line with the terms of references.	Audit, Risk & IT Committee, BoD
Oversee the design and implementation of ERM	CEO, Risk 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
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, Audit, Risk & IT Committee, BoD
Review risk reports quarterly and ensure that recommended actions to remedy/correct weaknesses are implemented.	CEO, Risk Manager, Audit, Risk & IT Committee, BoD
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, Audit, Risk & IT Committee, BoD
Whether the risk areas of the OBP company's operation have been covered in the scope of internal and external audits	CEO, Risk Manager, Audit, Risk & IT Committee, BoD



KEY ROLES	RESPONSIBILITY
Reporting	
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 and Risk 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	Audit, Risk & IT Committee, BoD
Review the company's major policies with respect to risk assessment and risk management;	Risk Manager, Audit, Risk & IT Committee, BoD
Consider and review the company's changing risk profile	CEO, Risk Manager, Audit, Risk & IT Committee, BoD
Adopt and approve risk management plan	CEO, Risk Manager, Audit, Risk & IT Committee, BoD
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, Audit, Risk & IT Committee, BoD
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



KEY ROLES	RESPONSIBILITY
Risk Assessment, Mitigation	
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.	Audit, Risk & IT Committee, BoD
Review and approve the risk management maturity of OBP.	Audit, Risk & IT Committee, BoD
Delegate the responsibility of risk management to Audit and Risk Committee	BoD
Review the risk management maturity of the company	CEO, Risk Manager, Audit, Risk & IT Committee, BoD





KEY ROLES	RESPONSIBILITY
Governance and Assurance	
Evaluate the adequacy of risk management systems and processes;	CEO, Risk Manager, Board Audit and Risk Committee, BoD
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.	Audit, Risk & IT Committee, BoD
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

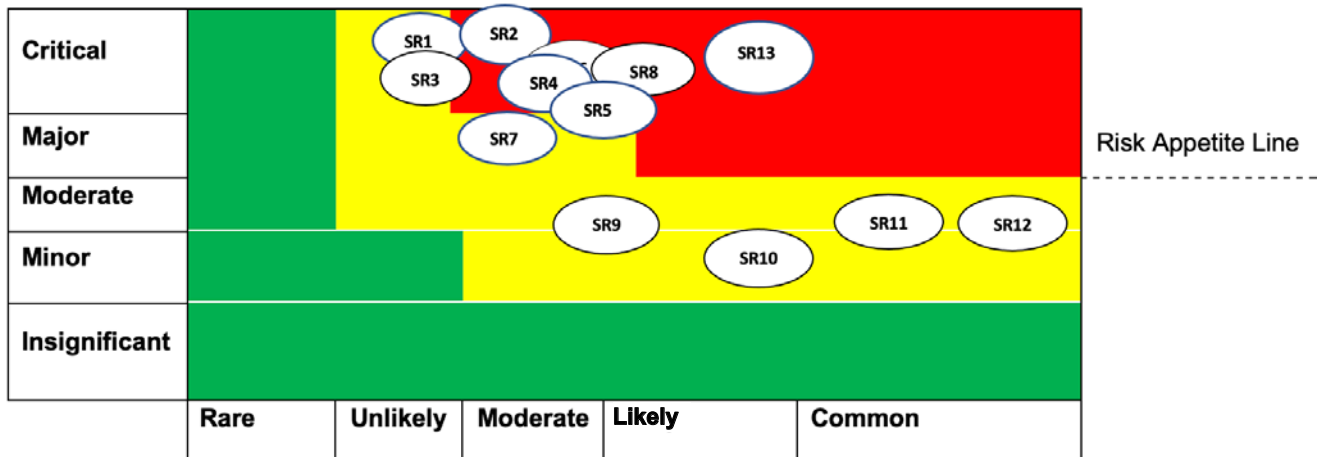


is graphically presented in the risk map matrix in figure 1 below.

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 low (green or yellow) risk area.

3. Risk Map Matrix

The risk map matrix and the key risk register below represent the strategic risks identified against the strategic outcome-oriented goals. The identified risks are threats that can impact on the achievement of these goals. The risks are realigned when the goals, strategic objectives, and business context change. The risks identified are categorized and reported in relation to the strategic objectives and related outcomes.





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	Loss of market share
SR7	Inadequate Business Continuity Management capabilities
SR8	Reliance on sole and single suppliers from specific regions
SR9	Absence Comprehensive HR strategy
SR10	Inadequate Sustainability management (environmental, social and governanc
SR11	Input cost increases
SR12	Litigation exposure
SR13	Poor stakeholder management

3.2 Outcome-based goals: 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 oriented goal	Risk	Action Plan
SR1	Sustainable financial growth	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		Intellectual Property (registered and unregistered)	<p>IP implementation rollout plan to be developed that will include the following;</p> <ol style="list-style-type: none"> 1. Assess restraint of trade agreement with key employees as captured in revised policies: 2. Engagements with role players and training with respect to IP. 3 Include the restraint of trade agreement in the employment contract. 4. Identify all employees /functions that handle IP. 5. Review and amend employment agreements (through necessary consultation with employees) . 6. Protection of Master seeds action plan reviewed including protection from fire, loss, and theft. 7. Review Quality Manual to ensure strict document controls. 8. Implement and conduct Awareness, and training on the policy . 9. IT Policy review to include IP risk management capability.



BLUETONGUE

Vaccine for Sheep

OBP
ONDERSTEPSOORT
BIOLOGICAL PRODUCTS

For animal use only

100 Doses

BLUETONGUE
VACCINE FOR SHEEP

Reg. No. G 0358 (Act 35/1947) Namibia: V01/24.4/135
DOSAGE: 100 doses of 1ml
Storage: 4 °C - 8 °C See package insert
Registration holder: Onderstepoort Biological Products SOC, Ltd. Co. Reg. No. 2000/022685/06
Private Bag X07, Onderstepoort, 0110, Tel: +27 (0) 12 522 1500, Fax: +27 (0) 12 522 1591



No	Strategic oriented goal	Risk	Action Plan
SR3	Sustainable financial growth	Non – compliance with local and international standards & regulatory requirements	<ol style="list-style-type: none"> 1. Submission of product dossiers new or updated as per APP targets. 2. Develop a compliance action plan to meet regulation requirements of small animal facility with respect to ventilation impacting section 20 application.
SR4	1.1. Sustainable financial growth;1.2. Optimised business process;1.3. Improved customer service;1.4. Capable, ethical & development leadership	Ineffective Execution of strategic initiatives	<ol style="list-style-type: none"> 1. Draft GMP change management strategy. 2. Establish a Project management team. 3. Draft and finalise knowledge management policy for Board approval. 4. Performance Management policy to be reviewed prior to culture change initiatives
SR5	1.1. Sustainable financial growth;1.2. Optimised business process;1.3. Improved customer service;1.4. Capable, ethical & developmental leadership	Inefficient business processes.	<ol style="list-style-type: none"> 1. Update All SOPs due for annual review as per QA listing and reporting done quarterly. 2. Conduct training on the SOPs and ensuring adherence through observation. 3. Implement efficient supply chain management process and monitor adherence.
SR6		Loss of market share	<ol style="list-style-type: none"> 1. New business strategic approach development underway. 2. Implement a Contract manufacturing business continuity strategy. 3. Increasing distribution points. 4. Aggressive marketing.
SR7		Inadequate Business Continuity Management capabilities (Cybersecurity, Succession Planning & Pandemic Response & Security Management, Biosecurity)	<ol style="list-style-type: none"> 1. Finalise Disaster recovery framework. 2. Establish the IT disaster recovery site. 3. Implement contingency plans and BCP to ensure product availability. 4. Develop succession planning framework and policy.



No	Strategic oriented goal	Risk	Action Plan
SR8	1.1. Sustainable financial growth;1.2. Optimised business process;1.3. Improved customer service;1.4. Capable, ethical & developmental leadership.	Reliance on sole and single suppliers from specific regions	<ol style="list-style-type: none"> 1. Identify new suppliers from other regions. 2. Identify international partners for collaboration to distribute their products.
SR9	Capable, Ethical and developmental leadership	Absence of Comprehensive HR strategy	<ol style="list-style-type: none"> 1. Finalise HR Strategy. 2. Address employer engagement surveys recommendation to improve morale. 3. Review HR policies as per APP to include framework for policy advocacy. 4. Develop Succession Planning Policy/Strategy, Retention strategy in conjunction with Performance Management Policy. ‘ 5. Implement HRIS to Automate HR employee filing and PMS. 6. Ensure adherence to policies to reduce high labour turnover and increase retention rate.
SR10	Capable, Ethical and developmental leadership	Inadequate sustainability management (environmental, social) and governance.	<ol style="list-style-type: none"> 1. Fraud and corruption awareness workshops conducted across OBP. 2. Provide regular feedback to internal stakeholders to improve morale. 3. Review applicability of relevant safety and environmental legislation to ensure compliance. 4. Formulate and implement safety and environmental awareness strategy.
SR11	1.1. Sustainable Financial and growth;1.2. Optimised business process;1.3. Improved customer service;1.4. Capable, ethical & developmental leadership	Input cost increases	<p>Exchange rate review where applicable.</p> <ol style="list-style-type: none"> 1. Negotiating with suppliers on bulk purchases. 2. Long-term agreement to reduce cost. 3. Yearly forecast to be shared with suppliers to secure goods.
SR12	1.1. Sustainable Financial Growth. 1.4 Capable, ethical and developmental leadership	Litigation exposure	<p>Litigation exposure will be reduced with the implementation and strict management of the following;</p> <p>Contract management framework and policy, compliance management framework and policy, operational governance framework and policy.</p>
SR13		Poor stakeholder management	Review stakeholder management matrix and implement.

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:

- 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 minimization procedures in day-to-day operations. Ensuring that all staff have a copy of 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.
- 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.
- Investigation:** Establishing formal procedures for the investigation and allegation of dishonest and /or fraudulent behaviour. Investigations will be done internally and externally.
- 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	Due Date
Implement fraud prevention activities	CEO/Company Secretary	Q4
Training and Awareness on Fraud and corruption prevention policy	Company secretary, Human Resources Manager and Risk Manager	Q4
Review and Promotion of OBP's code of conduct	Human Resources Manager/Company secretary	Q4
Information session about Corporate Governance in the public sector	Company Secretary	Q4
Strengthening of departmental disciplinary processes	Human Resources Manager	Q4
Introductory training on Protected Disclosure Act	Human Resources Manager	Q4
Promoting official whistle-blowing channels /fraud hot line	Human Resources Manager/ Company Secretary	Q4
Compilation of fraud risk map	Risk Manager	Q4
Internal Audit	Internal Auditor	Quarterly



1.2 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 & 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.
Internal Audit Unit	<p>Test the effectiveness of anti-fraud controls and the risk management process including the compliance to 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>



Responsibility	Role
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.
Management Committee and Supervisors	<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>
Employees (includes the Board of Directors, management, all permanent, temporary employees, contractors and consultants employed by OBP)	<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>



Responsibility	Role
<p>Other Stakeholders (include customers, contractors, suppliers, and other service providers; and</p> <p>Members of the general public)</p>	<p>The Fraud Management Plan and Policy applies to these parties. The contact details of the hotline have been made available in 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>





2. Fraud Risk Register

No.	Fraud Risk Name	Fraud risk description	Risk Owners	Actions/Tasks	Target Date
1	Research Fraud	1) Misrepresentation of qualifying criteria in order to secure funding 2) Manipulation or falsification of progress reports in order to secure external funding 3) Inflated financial requirements e.g. over-charging time, costs and other expenses associated with the grant, falsifying purchase orders for equipment and materials 4) Fronting e.g., passing off placebos as vaccines, passing off stolen research as own, etc. 5) Using grant money for other unrelated research/ personal expenses, purchase of assets/equipment unrelated to research in order use funds before end of allocation period 6) Improper conflicts of interest by researchers and other parties with access to the information 7) Irregularly sharing of research information with competitors, e.g. in exchange for undue benefits 8) Deliberately falsifying research results	Chief Scientific Officer (CSO)	1) Development of the specifications and structure for the sequence database 2) Development of a controlled central database with restricted access 3) Profiling of seed stock for identity Transfer of existing information to the controlled central database 4) Finalisation of the information classification Policy (includes sharing of information) 5) Regular awareness campaigns (internal communications relating to information sharing)	Quarterly



No.	Fraud Risk Name	Fraud risk description	Risk Owners	Actions/Tasks	Target Date
2	Production Fraud (across the value chain)	<p>1) Sabotage, e.g. deliberate destruction of equipment, deliberate contamination of batches, deliberately not including certain components of products during the production process, etc.</p> <p>2) Deliberately submitting false batch information for approval</p> <p>3) Deliberate falsification of data and reports</p> <p>4) Deliberately withholding critical information that will influence the continuation of the production process</p>	Quality and production 1 to 4	<p>1) Awareness and ongoing training on the production process</p> <p>2) Ad hoc quality audit reviews during the production process On-going awareness of the business code of ethics and related matters</p>	On-going





No.	Fraud Risk Name	Fraud risk description	Risk Owners	Actions/Tasks	Target Date
3	Revenue fraud (including funding)	<p>1) Granting of irregular discounts, e.g. contracts, tender, over-the-counter, cash sales</p> <p>2) Deliberate manipulation of contracts/transactions, e.g. in exchange for kickbacks, over or under supply of stock</p> <p>3) Manipulation of sales to achieve sales and revenue targets, e.g. deliberately not selling to achieve future targets, sale of high-value stock in order to achieve targets, early recording of sales</p> <p>4) Manipulation of invoices, e.g. values relating to transport of products in order to irregularly grant free product transfer services</p> <p>5) Deliberately creating dummy accounts for irregular activities, e.g. to conceal money, tax evasion, etc.</p> <p>6) Misappropriation of funding</p> <p>7) Solicitation of funds using OBP credentials for personal gain</p> <p>8) Money laundering</p>	CFO	Monitor and review of controls in place	Quarterly





No.	Fraud Risk Name	Fraud risk description	Risk Owners	Actions/Tasks	Target Date
4	Deliberate non-compliance to legislation and other governing practices	<p>1) Deliberately failing to comply with applicable safety and other regulations, e.g. government regulations, international standards, standards for disposal of biological waste, etc.</p> <p>2) Deliberate non-compliance with applicable policies/regulations in order to qualify for IOD claims against OBP</p> <p>3) Deliberate non-disclosure of non-compliance with applicable policies/regulations, e.g. to avoid potential penalties, avoid disciplinary actions</p>	EXCO	Monitoring of compliance by line managers during the day-to-day activities	Quarterly





No.	Fraud Risk Name	Fraud risk description	Risk Owners	Actions/Tasks	Target Date
5	Procurement fraud (including accounts payable fraud)	<p>1) Colluding between OBP staff and vendor(s) to bill OBP for services not rendered/goods not received e.g. security service, purchases of raw material/chemicals etc.</p> <p>2) Deliberate submission of inflated/duplicate invoices submitted by suppliers</p> <p>3) Deliberate non-disclosure or false disclosure of conflicts of interest e.g. part-owner in the vendor company, or knowing someone close (spouse or other family member), who works for the vendor and can receive rewards for business the employee provides</p> <p>4) Manipulation of contracts/quotations in exchange for personal benefit, e.g. inflated pricing, unfavourable terms and conditions leaving room for suppliers to have recourse against OBP, Manipulation of tender/quotations specification in order to favour specific vendors, etc.</p> <p>5) Diversion of funds payable to vendors e.g. dummy accounts with employees' bank account details, deliberate double payments with refunds to personal account</p> <p>6) Manipulation of Delegation of Authority, e.g. deliberately by-passing the DoA process</p> <p>7) Deliberate non-compliance to the procurement process</p>	CFO	<p>1) Ad hoc fraud reviews to detect red flags in the procurement process.</p> <p>2) Continuous fraud awareness</p> <p>3) Controls available and monitoring and reviewed</p>	Quarterly





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 (generated from Navision system)
Method of Calculation/Assessment	Direct sales revenue generated from products sold at a point in time and other services before discount or any other incentive Increase is based on budget (this is not a comparative of prior year)
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 R305 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	Product dossier submission tracking sheet/register signed by recipient of the dossier at the Act 36 office. The product dossier submission tracking/register shall be available from the Regulatory Affairs Office.
Method of Calculation/Assessment	Quantitative The number of product dossiers submitted is calculated by adding the total number of dossiers submitted during the financial year under review. 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
Calculation type	Cumulative (year-end)
Indicator Responsibility	Chief Scientific Officer



Indicator Title	Number Of Product Dossiers Submitted to International Markets Annually
Definition	Number of product dossiers submitted to international markets annually.
Source of data	Product dossier submission tracking sheet/register signed off by the representative of the international market or letter/email from the representative of the international market acknowledging receipt of the dossier for purposes of registering the product in the market of interest.
Method of Calculation / Assessment	Quantitative The number of product dossiers submitted to international market is calculated by adding the total number of dossiers submitted during the financial year under review. Proof of dossier submission to regulatory authorities in the form of a signed tracking sheet/regulatory register, acknowledgement of receipt letter or e-mail correspondence.
Assumptions	There is international 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	6 dossiers submitted to the international regulatory authority responsible for animal vaccine registration
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)
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
Method of Calculation / Assessment	Quantitative (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	10% more doses sold than the 2019 financial year
Indicator Responsibility	Marketing, Sales and Business Development Officer

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	Quantitative The following formula shall be used to calculate the Production Efficiency Index: $\frac{(((\text{Batches initiated}) - (\text{Batches failed})) / (\text{Batches planned})) + (\text{Actual no of vials of produced batches} / \text{Planned no of vials of produced batches})}{2} * 100$
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
Desired performance	Improved production efficiency to 85%
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 is used to monitor progress Evidence would be related to the plan as per the different deliverable
Method of Calculation / Assessment	Quantitative: Percentage of achievement against the GMP roadmap Number of completed action items / by the total number of items on the GMP roadmap X100%
Assumptions	Organizational 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	20% of GMP roadmap achieved
Indicator Responsibility	Chief Executive Officer

Indicator Title	Improved Facilities to Achieve GMP Certification
Definition	To finalise a project plan to build a GMP facility for production of vaccines according to international regulatory standards
Source of data	GMP facility project plan
Method of Calculation / Assessment	Qualitative GMP facility project plan
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 Project Plan finalised
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	Quantity of products transferred as shown on Navision system; Sales forecast as provided by Sales
Method of Calculation / Assessment	Quantitative (Top 20 Units transferred to distribution / 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 82%
Indicator Responsibility	Chief Operations Officer

Indicator Title	Sell-Through Rate (%)
Definition	A percentage of products a business has sold in a given period, measured against the amount of inventory in distribution available for sale during that period
Source of data	Navision system
Method of Calculation / Assessment	Quantitative Calculated as Sell through rate=(Number of products sold/amount of inventory in distribution for sale)x100%
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 40%-80% of sales revenue
Indicator Responsibility	Marketing, Sales and Business Development Officer



Indicator Title	Percentage of Capital Expenditure Plan Completed
Definition	To Determine the % Capital Expenditure Projects Completed by measuring the quantity of capital expenditure projects completed for the six year period versus the quantity of capital expenditure projects planned for the six year period
Source of data	Operations Capital Expenditure Project Scheduling, Planning and Implementation Document
Method of Calculation / Assessment	Quantitative Percentage Capital Expenditure Projects Completed (Number of Capital Expenditure Projects Completed for six year period/Number of Capital Expenditure Projects Planned for six year period) multiplied by 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	50% completion of capital expenditure plan
Indicator Responsibility	Chief Operations Officer

Indicator Title	Improved Percentage of Customer Satisfaction Annually
Definition	Conduct customer and stakeholder survey
Source of data	Survey conducted by OBP online survey, report obtained from OBP IT system
Method of Calculation / Assessment	Both qualitative and quantitative Customer and stakeholder survey report aligned to the scope of work in the terms of reference A number of satisfied customers as a percentage of the total number interviewed
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	More than 10% Improvement of customers satisfied than the previous survey.
Indicator Responsibility	Marketing, Sales and Business Development Officer



Indicator Title	Proportion (%) of Customer Complaints Resolved Annually
Definition	Simple counting of customer complaints due for resolution against those resolved expressed as percent.
Source of data	Customer complaints register
Method of Calculation / Assessment	Quantitative Number of complaints resolved / by total number of complaints due for resolution 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 1st April – 31 March of the previous financial year) A retained customer is defined as the one who contributed in both years
Source of data	Finance & Sales (Navision system) Top 20 customers of previous and current year according to their revenue contribution, at a given quarter, are pulled from Navision System under General Ledger for comparison
Method of Calculation / Assessment	Quantitative Total number of top 20 customers in current year / The total number of top 20 customers who contributed in previous year X100 =Retention percentage 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	Distribution channels are newly established selling points targeting mainly rural areas. This channel can be through appointed individuals or small companies based in the rural areas
Source of data	Sales and finance (Navision) - Proof of customer information on Navision system
Method of Calculation / Assessment	Quantitative Addition of the number of new distribution channels. No comparison to the prior year as these are new
Assumptions	Able to offer credit facility to qualifying applicants
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 distributors based in targeted areas who comply with BBBEE and purchase OBP products.
Indicator Responsibility	Marketing, Sales and Business Development Officer

Indicator Title	Number of Farmers Trained Annually
Definition	Smallholder and emerging farmers trained on animal health-related topics.
Source of data	Actual attendance registers signed by farmers or letter of appreciation
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	2500 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	Communiqués disseminated
Method of Calculation / Assessment	Quantitative Addition of all 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. Communique reaches all external stakeholders & 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	22 New external publications circulated to external stakeholders on different media channels, including social media
Indicator Responsibility	Corporate Services Executive

Indicator Title	Conduct New Culture Survey & Develop Employee Engagement Implementation Plan for 2025/2026 – 2026/2027) for Approval
Definition	Culture survey conducted to ascertain and measure organisational climate
Source of data	Culture Survey report and implementation plan produced by Human Resources department
Method of Calculation / Assessment	Quantitative Deliverables achieved per quarter as planned
Assumptions	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
Indicator Responsibility	Corporate Services Executive



Indicator Title	(%) of Staff Trained Per Annum
Definition	Capacity building for improved performance and productivity
Source of data	Human Resources training registers and attendance records
Method of Calculation / Assessment	Quantitative Number of staff trained per quarter over total number of staff 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 staff trained
Indicator Responsibility	Corporate Services Executive

Indicator Title	Approved Governance and Ethics Framework
Definition	To improve governance and ethical behaviour in the organisation Governance and ethics framework workshop for awareness will be conducted
Source of data	Market trends and reported cases
Method of Calculation / Assessment	Quarterly workshops with attendance registers that will be signed
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	Head of Legal and Company Secretariat



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NOTES



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Onderstepoort Biological Products SOC (Ltd)

CORPORATE PLAN

2024-2027

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Onderstepoort Biological Products (SOC) Ltd

INNOVATIVE BIO-SCIENCE

