

Transnet SOC Ltd

Transnet SOC Ltd was founded in 1981 and is a public company (constituted in terms of the Legal Succession Act of 1989), with the South African Government as the sole shareholder. With a primary role as the custodian of ports, rail, and pipeline infrastructure, Transnet's objective is to cultivate a world-class freight system that acts as a catalyst for sustained growth and economic diversification in South Africa.

Economic footprint report

For the financial year ended March 2022

Content:

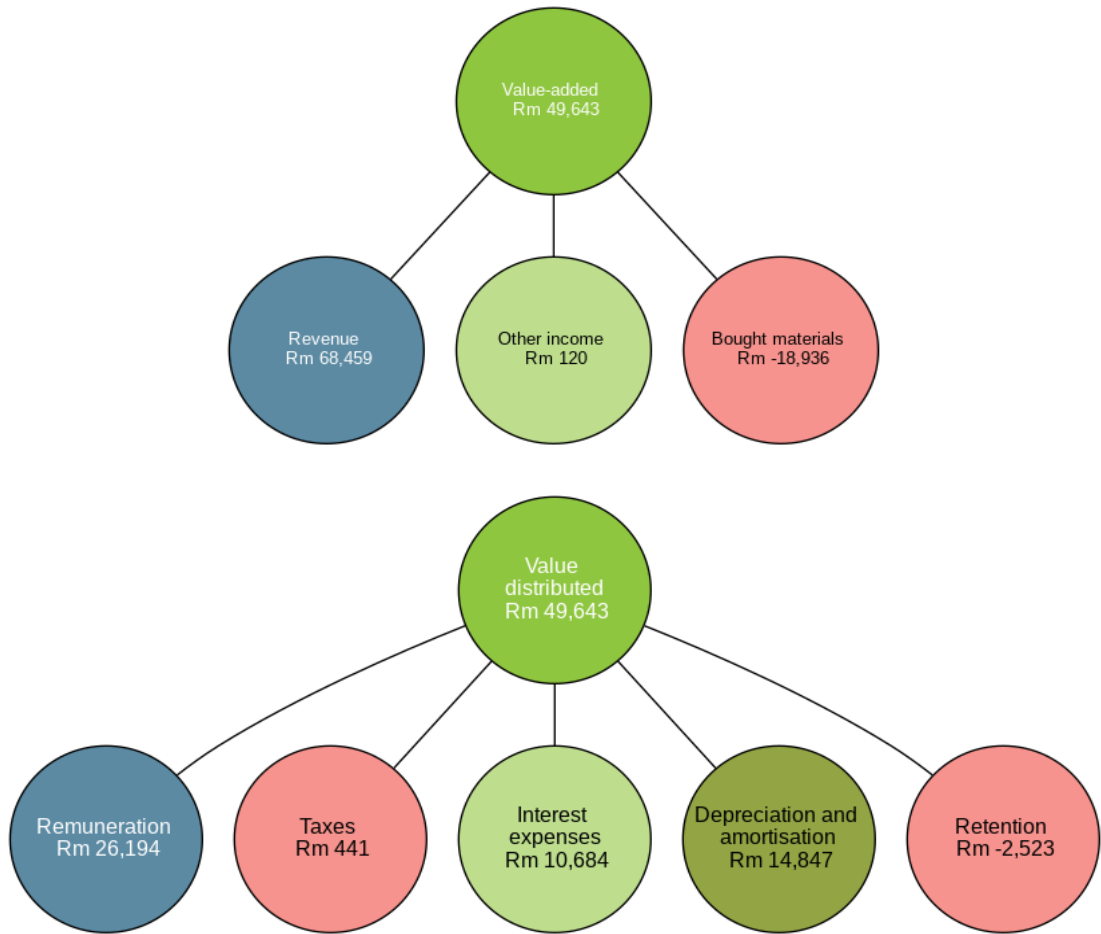
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Overview

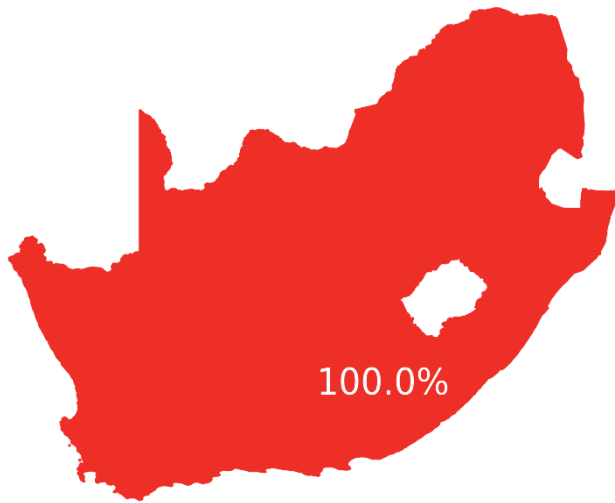
During 2022 Transnet SOC Ltd spent approximately R 140 million on CSI, achieved a level 2 B-BBEE status, supported 46,086 South African employees, spent approximately R 655 million on training initiatives in support of employees and the community, and contributed an estimated 0.79 % to South African GDP. 38.14 % of the value created by Transnet SOC Ltd was distributed to suppliers of goods and services, 52.76 % to employees, 21.52 % to providers of finance, and 0.89 % to government.



Value-added statement



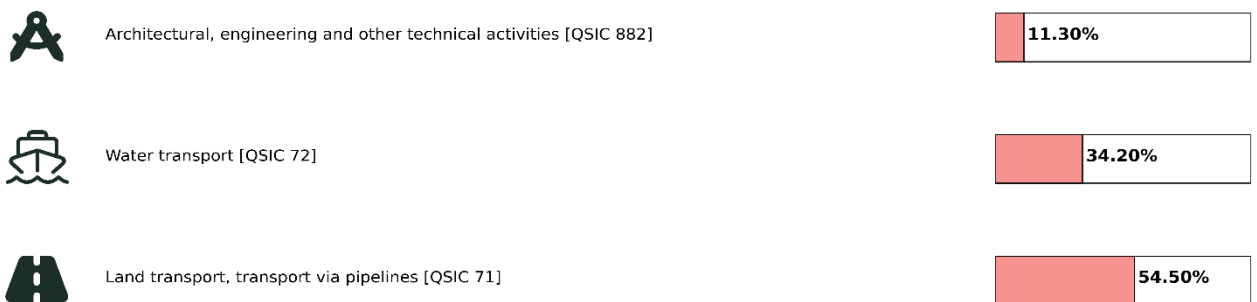
South African operations



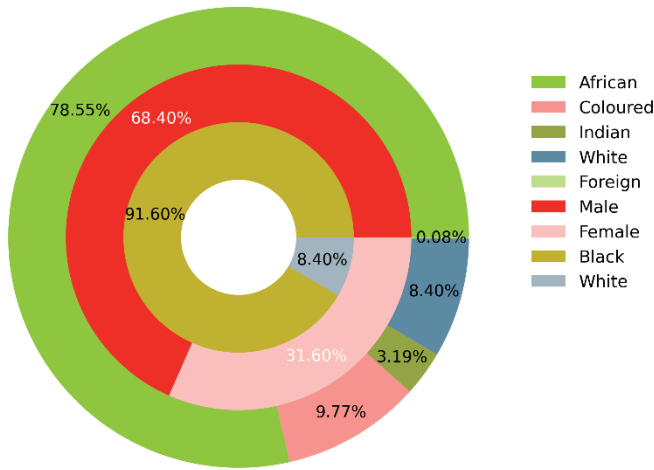
Transnet SOC Ltd predominantly operates inside of South Africa, with 100 % of its operations based in South Africa. Transnet SOC Ltd is a public company (constituted in terms of the Legal Succession Act of 1989), with the South African Government as the sole shareholder. Transnet's head office is located in Johannesburg, Gauteng. Transnet has operations in all 9 provinces of South Africa.

Operating industries

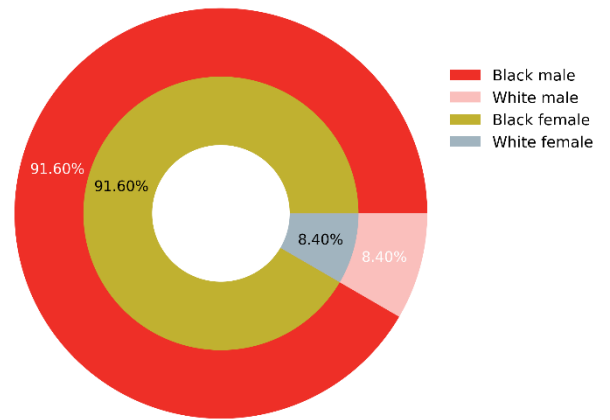
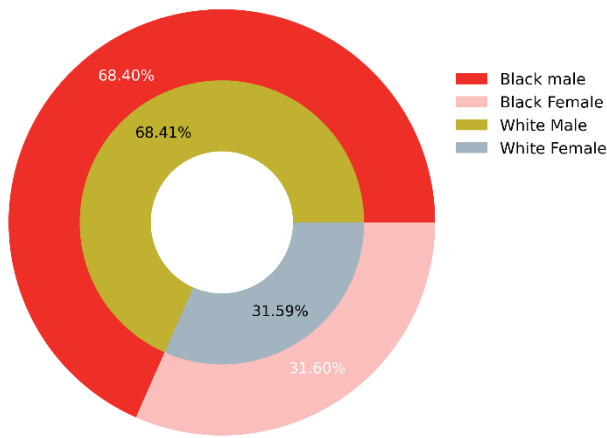
Transnet SOC Ltd predominantly operates within the Land transport, transport via pipelines industry, with 54.5 % of operations allocated to this industry. The operations span over 3 industries, including Land transport, transport via pipelines, Water transport, and Architectural, engineering, and other technical activities.



Workforce profile



During 2022 Transnet SOC Ltd had 46,086 South African employees, of which 14,563 are female and 31,523 are male, 42,215 are black and 3,871 employees are white. Transnet SOC Ltd has a higher male to female employee ratio and a higher black to white employee ratio.



B-BBEE

Equity ownership	13.31
Management control	10.67
Skills development	22.11
Enterprise and supplier development	36.84
Socio-economic development	5.0
Access to financial services	-
Empowerment financing	-

Total score	87.93
B-BBEE level	2
Black ownership (%)	-
Black women ownership (%)	-
CSI spend	R 140 million
Training spend	R 655 million

During 2022 Transnet SOC Ltd was a level 2 contributor to B-BBEE, equal to that from 2021. The total B-BBEE score of Transnet SOC Ltd decreased by -6.09 points between 2021 and 2022.

Highlights

Contribution to RSA GDP

0.79 %

Change in contribution to RSA GDP between 2021 and 2022

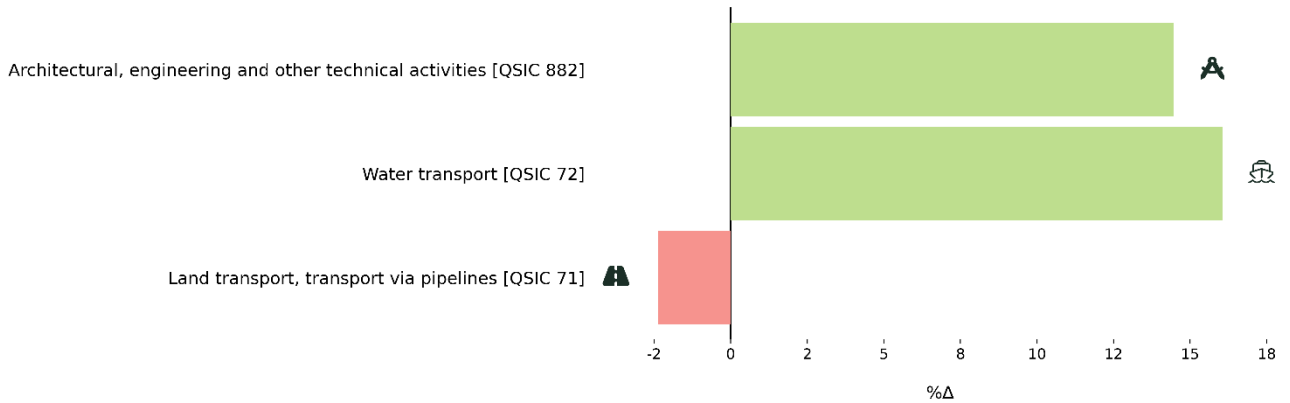
↑ 6.68 %Δ

South African GDP amounted to R 6,305,111 million in 2022. During 2022 Transnet SOC Ltd contributed approximately 0.79 % to South African GDP. Between 2021 and 2022 Transnet SOC Ltd exhibited a 6.68 % growth in contribution to South African GDP.

Contribution to South-African GDP

Change in contribution to RSA GDP by industry

Transnet SOC Ltd between 2021 and 2022



During 2022 Transnet SOC Ltd contributed approximately 11.37 % to the GDP of the Land transport, transport via pipelines industry and between 2021 and 2022 Transnet SOC Ltd exhibited a -2.38 % growth in contribution to the GDP of the industry. Between 2021 and 2022 Transnet SOC Ltd exhibited a 16.05 % growth in contribution to the GDP of the Water transport industry. During 2022 Transnet SOC Ltd contributed approximately 8.33 % to the GDP of the Architectural, engineering, and other technical activities industry and between 2021 and 2022 Transnet SOC Ltd exhibited a 14.46 % growth in contribution to the GDP of the industry.

Economic impact

Economic value-added

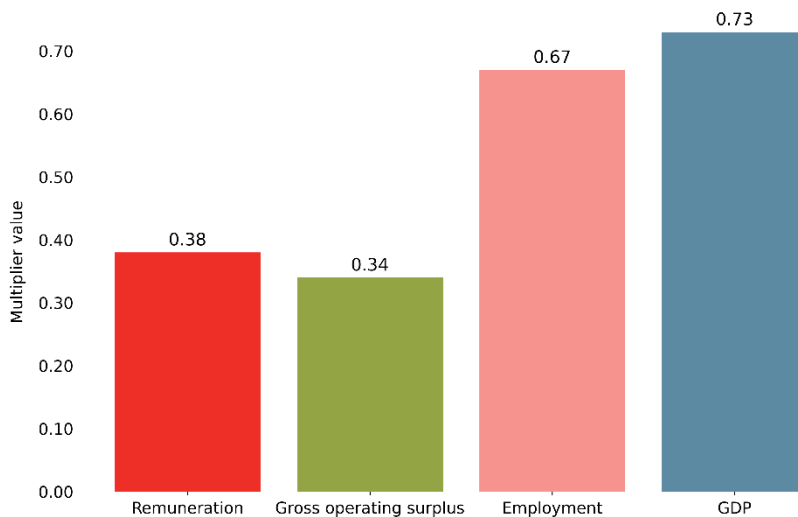
Economic value-added (R million)	
Remuneration	26,194
Gross operating surplus	23,449
Other taxes on production	55
Other subsidies on production	-1
Taxes on products	16
Subsidies on products	-2
<hr/>	
GDP at market prices	49,711
<hr/>	
Intermediate use	18,868
Output	68,579

The GDP at market prices for Transnet SOC Ltd was R 43,732 million during 2021, and R 49,711 million during 2022. Remuneration increased from R 24,210 million in 2021 to R 26,194 million in 2022. Gross operating surplus increased from R 19,460 million in 2021 to R 23,449 million in 2022.

Direct economic multipliers

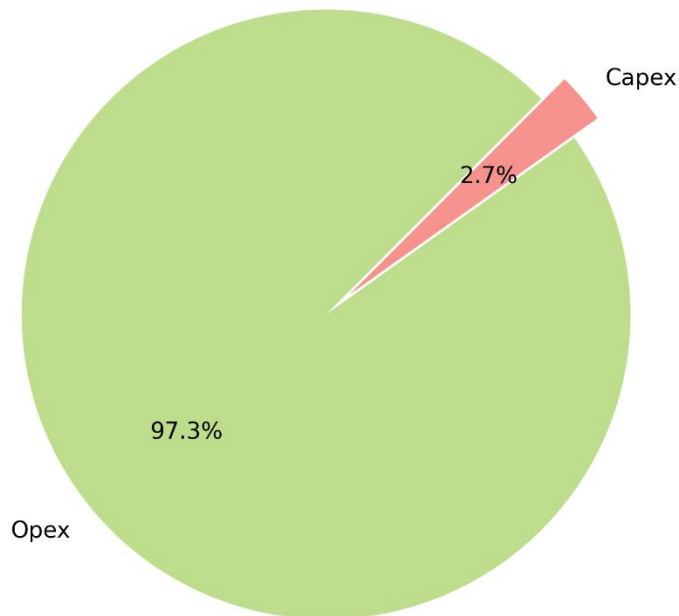
Direct multipliers

Transnet SOC Ltd for the financial year ended March 2022



For every R 1 million of output generated by Transnet SOC Ltd, an additional R 0.73 million of GDP was generated, 0.67 jobs were supported, R 0.38 million in compensation of employees was generated and R 0.34 million gross operating surplus was generated.

The capital expenditure by Transnet SOC Ltd amounted to R 1,877 million during 2022. The capital expenditures are expenditures mostly related to acquiring fixed and intangible assets. The operational expenditure and capital expenditure make up total expenditure of R 70,336 million. Capital expenditure formed 2.67 % of the total expenditure by Transnet SOC Ltd.



The operational expenditure by Transnet SOC Ltd amounted to R 68,459 million during 2022. The operational expenditures are expenditures related to the day-to-day operations of the company. The operational expenditure and capital expenditure make up total expenditure of R 70,336 million. Operational expenditure formed 97.33 % of the total expenditure by Transnet SOC Ltd.

Environmental factors

Emissions		<p>Scope 1: 3,270,000 Tonnes CO_2e</p> <p>Scope 2: - Tonnes CO_2e</p> <p>Scope 3: - Tonnes CO_2e</p>	<p>Between 2021 and 2022 scope 1 emissions exhibited 1.55 % growth.</p>
Electricity		2,479,000 MW/h	<p>Electricity usage by Transnet SOC Ltd decreased by -9,000 MW/h between 2021 and 2022.</p>
Water		8,338,274 kℓ	<p>Water usage by Transnet SOC Ltd decreased by -21,240,599 kℓ between 2021 and 2022.</p>
Green initiatives		R 6.95 million	<p>Spending by Transnet SOC Ltd on green initiatives decreased by R -10.37 million between 2021 and 2022.</p>
Recycling		<p>Spend: R - million</p> <p>Amount: 18,928 Tonnes</p>	<p>The recycling volume of solid waste decreased by -11,795 tonnes between 2021 and 2022.</p>
Health		<p>Covid-19 spend: R - million</p> <p>Health initiatives: R 113.74 million</p>	<p>The amount spent by Transnet SOC Ltd on healthcare initiatives increased by R 28.18 million between 2021 and 2022.</p>

Glossary

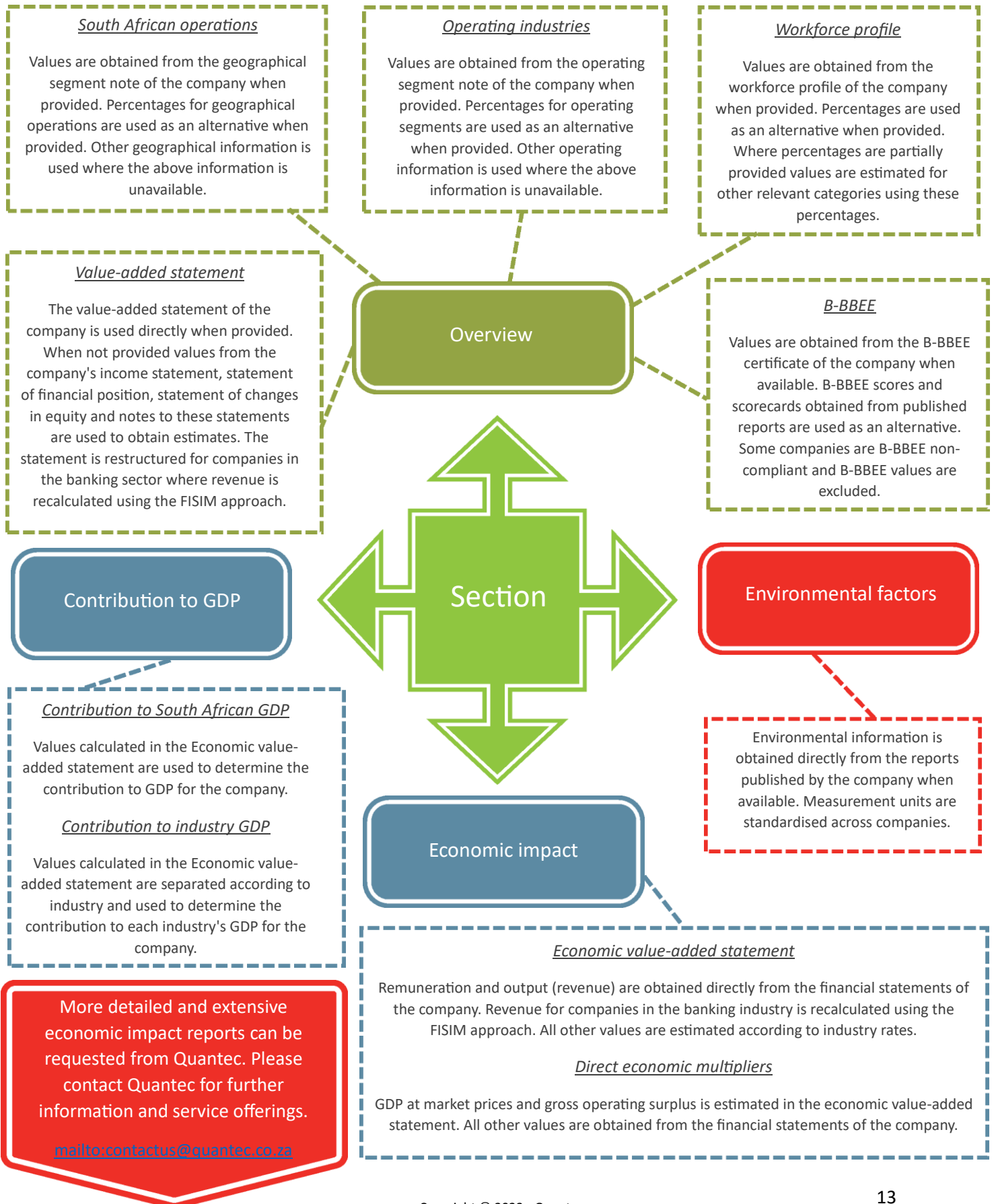
Accumulated amortisation and impairment	Accumulated amount of amortisation and impairment of intangible assets from purchase date up to the measurement period.
Accumulated depreciation and impairment	Accumulated amount of depreciation and impairment of tangible assets (fixed assets and right-of-use assets) from purchase date up to the measurement period.
Amortisation	Measures the consumption, expiration, and decline in value of intangible assets over time.
Assets	Assets includes both current and non-current assets.
Black ownership percentage	Black ownership percentage, or alternatively black voting rights percentage.
Black women ownership percentage	Black women ownership percentage, or alternatively black women voting rights percentage.
Bought materials	Payments made to suppliers of goods and services.
Brand names	Brand names, trademarks, and other similar assets.
Capital expenditure (Capex)	Capital expenditure relates to the definition of Gross Fixed Capital Formation (GFCF) in the System of National Accounts (SNA) and includes any additions to (1) tangible assets, including additions to buildings (excluding land), property, equipment, machinery and so forth and (2) certain intangible assets (mineral exploration, computer software, copyright protected entertainment, literary and artistic original).
Computer equipment	Includes computer, office, information technology and other similar equipment.
Covid-19 spending	Any spending related to providing support to the community and employees to combat the effects of the Covid-19 pandemic, including donations of PPE, vaccines, and contributions to the Solidarity Fund.
Corporate social investment (CSI)	Spending on healthcare, environmental, and other initiatives aiding the community.
Depreciation	Measures the consumption, expiration, and decline in value of fixed and right-of-use assets over time.
Depreciation and amortisation	Depreciation, amortisation, and impairment as per the value-added or income statement of the company.
Direct economic multipliers	This is the footprint of the business itself based on its contribution to output. This shows the effect of changes in business activity and production occurring as a direct consequence of the footprint of business. The direct contribution of the company to the economy measures the impact of their own economic activity and also that of their direct suppliers.

Dividends	Includes ordinary, preference and minority dividends declared or paid to shareholders.
Economic value-added	The sum of the compensation of employees, gross operating surplus and taxes on production less all subsidies on production. At times referred to only as value added at basic prices.
Electricity usage	Grid electricity usage, or alternatively total electricity usage, measured in MW/h.
Employees	The number of people employed, receive pay of any nature, for any part of the reference period. It includes therefore temporary staff but excludes any independent contractors, where distinction is possible.
Financial intermediation services indirectly measured (FISIM)	FISIM is an indirect measure of the value of financial intermediation services (output) provided, for which financial institutions do not charge explicitly as defined by the World Bank. FISIM is calculated according to the recommendation of the SNA and predominantly applies to the banking sector.
Footprint	This is the economic impact in terms of impact on concepts such as GDP, gross value added, employment, labour remuneration and gross operating surplus.
Gross domestic product (GDP) at market price	Using the income approach: The sum of gross value added at basic prices and taxes on products, less all subsidies on products. Alternatively, using the expenditure approach: The sum of private household consumption, government consumption, gross fixed capital formation, change in inventories, net exports (exports less imports) and the residual term. Also known as gross value added (GVA) at market prices.
Green initiatives	Spending related to reducing environmental impacts, conservation, and rehabilitation of the environment.
Gross operating surplus	The sum of net operating surplus and the consumption of fixed capital (depreciation).
Gross value added (GVA) at basic prices	The sum of the compensation of employees, gross operating surplus and taxes on production less all subsidies on production. At times referred to only as value added at basic prices.
Health initiatives	Spending related to the improvement and provision of healthcare to the community and employees.
Impairment	The extent to which the carrying value of assets exceed the recoverable amount from the use or sale of the assets. Impairment is categorised with depreciation and amortisation.
Intermediate use	Accounts for statistical discrepancies and is required to balance the National Accounts.
Land and buildings	Land, property, buildings, and similar assets.
Liabilities	Liabilities includes both current and non-current liabilities.
Machinery	Machinery and equipment not related to computer, transport, mining, or R&D equipment.

Operating industries	The operations of the company based on the industries in which the company operates, expressed in percentages, and standardised using standardised industry classification (SIC) codes, as published by Stats SA.
Operating expenditure (Opex)	Ongoing cost of a company during its operations; this is the value of goods and services bought in.
Other expenses	Minority interest, community expenditure and other related expenses as per the value-added statement or the income statement.
Other income	Investment income, interest income, income from associates and other income as per the value-added statement or the income statement.
Other subsidies on production	Subsidies that reduce the cost of production.
Other taxes on production	Taxes that add to the cost of production such as property taxes, or taxes on labour employed.
Output	Total output produced by an industry, including taxes less subsidies on production.
Profit after tax	Includes discontinued operations where available and applicable.
Property rights and patents	Intellectual property rights, patents, and other similar rights.
Published reports	The financial, sustainability, B-BBEE and other reports published on the website of the company.
R&D and biological assets	Research and development, mining, biological and other assets under construction.
Recycling	The volume of solid waste recycled, measured in tonne, and/or the amount spent on recycling initiatives.
Remuneration	Total compensation paid by an industry to employees. This includes any cash or in-kind payments as well as all forms of compensation, such as commissions, bonuses, and allowances for leave. Expressed in gross terms; before taxes, pension contributions, etc. are deducted.
Retention	Appears in the value-added statement and represents the value available to reinvest in the company. Retention is the balancing value in the value distributed section of the value-added statement.
Revenue	Alternatively known as sales or turnover, this is the amount a company generates in a specific period from the sales of goods and services. Revenue is recalculated using the FISIM approach for companies operating in the banking sector.
Scope 1 emissions	Represents direct emissions by sources controlled by the company.
Scope 2 emissions	Represents indirect emissions by resources purchased by the company, such as electricity.

Scope 3 emissions	Represents indirect emissions produced through the value chain of the company.
Software	Computer software, filming rights and other related information technology software.
South African operations	The percentage of operations located within South Africa.
Subsidies on products	Any subsidies provided on commodities and services.
Taxes	Taxes as per the value-added statement or the income statement, excluding deferred taxes. Includes current taxes, dividend taxes and foreign taxes.
Taxes on products	Taxes levied on commodities and services when sold by producers and are payable per unit of the commodity or service supplied. Examples in South Africa are VAT, excise and import duties, and the fuel levy.
Total expenditure	The sum of operating and capital expenditures.
Training spend	The amount spent on training employees and providing education to the community.
Transport equipment	Vehicles, fleets, and other similar transport equipment.
Value-added	Value-added as per value-added statement. Value-added differs from economic value-added.
Value-added statement	The value-added statement in the published reports of the company. Where the statement is not provided in the published reports of the company the statement is estimated.
Water usage	The amount of municipal water used measured in kℓ.
Workforce profile	The composition of the South African workforce in terms of gender and race as provided in the published reports of the company.

Methodology



Data tables

Value-added statement	
Operating profit	8,602
Profit after tax	5,048

Statement of financial position	
Assets	355,518
Liabilities	211,740

Workforce profile	
Total RSA employees	46,086
Male	31,523
Female	14,563
Black	42,215
White	3,871
African	36,202
Coloured	4,503
Indian	1,471
Foreign	39
Black male	28,875
White male	2,648
Black female	13,340
White female	1,223

Intangible assets				
Measure	Property rights and patents	Software	Brand names	Total
Additions	-	5	-	5
Amortisation	-	-205	-	-205
Impairment	-	5	-	5
Cost	-	3,913	-	3,913
Accumulated amortisation	-	-3,173	-	-3,173
Carrying value	-	740	-	740

Property, plant, and equipment						
Measure	Land and buildings	Transport equipment	Machinery	Computer equipment	R&D and biological	Total
Additions	52	3	16	-	1,801	1,872
Depreciation	-1,207	-6,539	-6,042	-	-	-13,788
Impairment	-19	-436	-1,959	-	290	-2,124
Cost	32,159	271,681	159,546	-	33,423	496,809
Accumulated depreciation	-13,023	-109,450	-70,688	-	-2,910	-196,071
Carrying value	19,136	162,231	88,858	-	30,513	300,738

Right-of-use assets						
Measure	Land and buildings	Transport equipment	Machinery	Computer equipment	R&D and biological	Total
Additions	-	-	-	-	-	-
Depreciation	-	-	-	-	-	-
Impairment	-	-	-	-	-	-
Cost	-	-	-	-	-	-
Accumulated depreciation	-	-	-	-	-	-
Carrying value	-	-	-	-	-	-

Geographic operations		
Measure	Total operations	South African operations
Revenue	68,459	68,459
Employees	46,086	46,086

Input used to calculate direct multipliers	
Remuneration	26,194
Gross operating surplus	23,449
Employment	46,086
GDP	49,711

Industry segments		
Industry	Total revenue	Industry revenue
Land transport, transport via pipelines	79,079	43,095
Water transport	79,079	27,083
Architectural, engineering, and other technical activities	79,079	8,901

Contribution to South African GDP		
GDP at market price	2022	2021
South African	6,305,111	5,917,278
Company	49,711	43,732
Land transport, transport via pipelines	27,055	25,067
Water transport	16,996	13,947
Architectural, engineering, and other technical activities	5,660	4,675