

	<b>Standard</b>	<b>Group Capital Division</b>
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## 1. INTRODUCTION

Eskom conducts its business with corporate social responsibility, thus subscribing to the South African socio-economic legislative framework, which seeks to promote social cohesion, social justice, economic transformation and empowerment towards the upliftment of many impoverished communities.

Through its localisation and Corporate social investment (CSI) initiatives and development programmes, Eskom contributes significantly to improving the social, environmental and economic well-being of communities or societies at large.

Eskom encourages and contractually commits its business partners to participate in its quest to improve and uplift the lives in communities where it conducts its business.

## 2. SCOPE

### 2.1 PURPOSE

The purpose of this plan is to establish the rules that will guide all Eskom and its newly appointed contractors and encourage them to make use of local to site suppliers when procuring certain goods and services. Eskom projects within Group Capital are implemented in communities that are characterised by dynamics and emergent complexities. This plan provides a standardised approach on how newly appointed contractors may contribute in the socio-economic development and job creation in areas where the projects are being implemented, contributing to local infrastructure and assisting with the identified community needs and initiatives.

### 2.2 APPLICABILITY

This document shall apply throughout Eskom Holdings Limited Divisions where Group Capital Division leads the planning and execution of projects .

## 3. NORMATIVE/INFORMATIVE REFERENCES

Parties using this document shall apply the most recent edition of the documents listed in the following paragraphs.

### 3.1 NORMATIVE

- [1] ISO 9001 Quality Management Systems.
- [2] Insert normative document references here.

### 3.2 INFORMATIVE

- [1] 240-164827816 Goup Capital Employer's HR and IR Requirements.

## 4. CLASSIFICATION

Controlled disclosure: controlled disclosure to external parties (either enforced by law or discretionary).

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## 5. DEFINITIONS

The following definitions shall be referred to in the interpretation of any part of this Policy:

- 5.1 “*Competent Person*” means any person having the knowledge, training, experience and qualifications specific to the work or task being performed; provided that where the appropriate qualifications and training are registered in terms of the South African Qualifications Act, 85/1995, these qualifications shall be deemed to be the required qualifications and training.
- 5.2 “*Contractors, Subcontractors and Consultants*” mean the contractors employed by Eskom to perform project works and services relating to the Project as agreed to between Eskom and the employed *Contractor*. Depending on the context, the term “Contractor(s)” may also include Principal Contractors and Sub-Contractors as defined in this Policy.
- 5.3 “*General Workers*” means employees employed:
- [1] in job graded as Category 1 in the wage schedules issued by the MEIBC or
  - [2] in job graded as Task Grade 1 in the wage schedules published by the BCCEI or
  - [3] as a General Assistant in terms of the NBCEI main agreement
  - [4] Concerning Contractors that falls within the jurisdiction of any other Bargaining Council or for non-party Contractors, it means jobs that are same, similar or comparable with those referred to in this definition.
- 5.4 “*Local Community*”, “*Local Businesses*”, “*Local Stakeholder*” means the ward and/or municipal area within which the project works falls, or any of the community feeder areas for the project as agreed to between Eskom and the *Contractor* before contracting. After contracting, it may from time to time be agreed to amend at an Eskom nominated external stakeholder forum/committee. If the nominated external stakeholder forum fails to agree on the definition of “Local”, the agreement between Eskom and the *Contractor* will prevail.
- 5.5 “*This Policy*” means any part of the Eskom Employers Policy and Procedures – External Stakeholder Policy and Requirements.
- 5.6 The “*Project*” means the project under commercial contract to which this document is appended and which the contract references
- 5.7 The “*Project Site*” means the project site as stipulated in the commercial contract or any other places that may be specified under the contract as forming part of the *Project Site*.

## 6. ABBREVIATIONS

Abbreviation	Description
ATKSS	Ankerlig Transmission Koeberg Second Supply
BCCEI	Bargaining Council for the Civil Engineering Industry
CSI	Corporate Social Investment
MEIBC	Metal and Engineering Industry Bargaining Council
NBCEI	National Bargaining Council for the Electrical Industry to South Africa
SD&L	Supplier Development and Localisation
SMME	Small Medium Micro Enterprises

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## 7. PART 1: GENERAL

### 7.1 INTERPRETATION AND ABBREVIATIONS

- 7.1.1 The terms identified (italicised) and/or defined (Capital Initials) in this External Stakeholder and Localisation Requirements document has no relevance to the identified and defined terms of an NEC3 or other form of Construction, Service or Supply Contract to which it may be appended.
- 7.1.2 In the case of duplications and/or contradictions with the applicable Law and/or the terms and conditions of an NEC3 or other form of Construction, Service or Supply Contract to which this *Employer's* External Stakeholder and Localisation Requirements document may be appended, the applicable Law and/or the terms and conditions of the NEC3 and/or another form of Construction, Service or Supply Contract takes precedence.
- 7.1.3 To avoid confusion in the use of the term "Employer" as it is referred to in the External Stakeholder and Localisation context versus the use thereof in commercial contracts and Industrial Relations terminology, this Policy refers to the Eskom rather than the *Employer* as Eskom Holdings SOC Limited would be referred to elsewhere in the Contract. This Policy relates further to the Employer when reference is made to Employer in the Stakeholder and Localisation context. The reference to Eskom herein is thus analogous to "the Employer" under the Contract and includes the legal successors in title to Eskom Holdings SOC Limited under the Contract.

### 7.2 ITALICISED AND CAPITAL INITIALLED TERMS.

- 7.2.1 Italicised and Capital Initialled terms within *this Policy* means they are defined within.

## 8. EXTERNAL STAKEHOLDER REQUIREMENTS

### 8.1 RECRUITMENT OF *CONTRACTOR* PERSONNEL

- 8.1.1 Recruitment by the *Contractor* will support the principle of localisation. The *Contractor* must give preference to employees from the *Local Community* in any recruitment process relating to *General Workers*. In any other category of skills, employees from the *Local Community* that are *Competent Persons* must be given preference, unless stated otherwise.
- 8.1.2 Recruitment of *Contractor* Personnel will meet the requirements as set out in the Section 8.2 (Recruitment) of document 240-164827816 (Employers HR and IR Requirements).

### 8.2 ACCOMMODATION OF *CONTRACTOR* PERSONNEL

- 8.2.1 The accommodation of *Contractors* personnel must support the principle of localisation by providing opportunities of providing such service to the *Local Business / Community*.
- 8.2.2 The accommodation of *Contractor* personnel must meet the requirements as set out in Section 9.15 (Accommodation) of document 240-164827816 (Employers HR and IR Requirements).

### 8.3 TRANSPORTATION OF *CONTRACTOR* PERSONNEL

- 8.3.1 The transportation of *Contractors* personnel must support the principle of localisation by means of the appointment of licensed(route permit holders) service providers from *Local Business / local* commuter transport associations/industry as determined by the Eskom.

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8.3.2 The transportation of *Contractor* personnel must meet the requirements as set out in Section 9.14 (Transportation) of document 240-164827816 (Employers HR and IR Requirements).

8.3.3 To promote and foster cordial working relationships, the *Contractor* must use local transport service providers to shuttle *Contractor* personnel to and from the *Project Site*. The *Contractor* is advised to, in a transparent manner, contact taxi association(s) local to the *Project Site* to determine transporting options and the current rates thereof and include such in the tender price. *Contractors* are further advised to agree and arrange for transport of employees with the taxi associations local to the *Project Site*.

#### 8.4 PARTICIPATION OF LOCAL SMALL, MEDIUM AND MICRO ENTERPRISES (SMME'S)

8.4.1 The *Contractor* must play an active role in driving the transformation of industries, upliftment of communities, and society in line with the South African socio-economic legislative framework, which seeks to promote social cohesion, social justice, economic transformation and empowerment. The *Contractor* must do so by purchasing/securing consumables, goods, transportation of personnel, accommodation of personnel, or other goods and services not listed below in 8.4.3 from the *Local Community / Local Businesses* at competitive market-related prices. .

8.4.2 If the *Contractor* procures any goods or services referred to above through subcontracting, the provisions of this paragraph will apply to such *Subcontractor*.

8.4.3 It is mandatory that the *Contractors* source through and transparent process, the following works, goods and services and others which are not listed from local to *Project Site* SMMEs provided the prices are competitive,

- [1] Security
- [2] Cleaning.
- [3] Ablution facilities
- [4] Electrical consumables
- [5] Stationery
- [6] Plumbing
- [7] Paving
- [8] Supply of concrete
- [9] Bush clearing
- [10] And other services not listed

8.4.4 Eskom's SD&L department will assist the *Contractor* with a comprehensive but non exclusive database of *Local Businesses* that the *Contractor* may approach for works, goods and services.

#### 8.5 CORPORATE SOCIAL INVESTMENT (CSI)

8.5.1 Corporate social investment (CSI) is a form of corporate social responsibility, which is a company's overarching approach or strategy for leaving a legacy and securing a social license to operate through inclusively improving the social, environmental and economic well-being of our communities or societies at large. Eskom, through its CSI initiatives and development programmes, has over time contributed significantly towards the upliftment of many impoverished communities. Eskom also encourages and contractually commits its business partners to do the same so that the lives in those communities are improved and uplifted.

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8.5.2 The *Contractor* is required to spend a minimum of 1% of the contract value of the project(s). The *Contractor* must, in co-operation with the Eskom Project representative, identify value-added initiative/s to achieve the aim of leaving legacies and geographical footprints in the *Project* area and *Local Communities*.

8.5.3 Eskom will approve the CSI initiatives and development programmes before the *Contractor* implements them.

8.5.4 CSI initiatives and development programmes must be identified in consultation with Eskom and Local Stakeholders and be implemented within the first six (6) months of the *Project* commencement or otherwise as agreed with Eskom.

8.5.5 Failure by the *Contractor* to comply with these requirements will result in penalties being imposed. If the *Contractor* fails to expend the funds allocated to CSI, Eskom reserves the right to deduct the allocated expenditure from the *Contractor's* Payment Certificate(s) and transfer such funds to the Eskom Development Foundation to execute the relevant CSI initiatives and development programmes.

## 8.6 PARTICIPATION IN THE LOCAL STAKEHOLDER FORUMS

8.6.1 The *Contractor* will be required to participate in the local stakeholder forum on invitation by Eskom. The information to be shared will relate to the scope of the *Project*, resource plan, recruitment initiatives, recruitment processes, local to *Project Site* procurement plan, CSI and any other initiatives aimed at the economic upliftment of the *Local Community*.

8.6.2 The *Contractor* may not engage with the *Local Community* or *Local Stakeholders* without Eskom representation.

8.6.3 The nominated external stakeholder forum/committee will also deal with all the external instability related matters to mitigate those risks and prevent future re-occurrences.

8.6.4 The Contractor is required to appoint a local CLO and social facilitation resources to enable effective stakeholder relations with the community. The contractor will seek approval from Eskom on the process to be followed and local agreements that regulate the appointment and functioning of such resources.

## 9. ACCEPTANCE

This document has been seen and accepted by:

Name	Designation
David Zola	Senior Advisor Stakeholder Management
Chris Pretorius	Senior Advisor Claims Analyst
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## 10. DEVELOPMENT TEAM

The following people were involved in the development of this document:

- David Zola
- Chris Pretorius

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- Beryl Blaeser

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