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Title: **Environmental Requirements for the Commercial Process Management the Eskom** Document Identifier: **559-366954273**

Alternative Reference Number:

Area of Applicability: **Eskom Holdings SOC Ltd**

Functional Area: **Environmental Management**

Revision: **1**

Total Pages: **24**

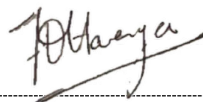
Next Review Date: **January 2031**

Disclosure Classification: **Controlled Disclosure**

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Date: 12 December 2025

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1. Introduction

Eskom is committed to creating and sustaining a value of Zero Harm and environmental duty of care (SHEQ Policy 32-727). To achieve and sustain this, environmental management (EM) requirements are to be integrated into Eskom's commercial processes.

This standard sets the criteria for managing supplier environmental management conformity, based on standards, procedures, policies, and legal compliance obligations for an Eskom supplier to comply with from inception until conclusion of relations. It specifies a pre-determined set of environmental criteria to evaluate and monitor potential and contracted suppliers. The objective is to ensure a common understanding and consistent implementation of environmental requirements for the procurement of assets, goods, and services.

2. Supporting Clauses

2.1 Scope

This standard covers the environmental requirements to be included in the Eskom commercial process for the procurement of assets, goods, and services by the cross-functional teams made up of integrated commercial functionaries, contract/project managers (contract custodians), line management, suppliers, and EM functionaries.

2.1.1 Purpose

The purpose of this standard is to ensure identification of, and standardisation of the EM requirements that are to be included within Eskom's commercial processes. To achieve this, it is necessary to define the minimum environmental management requirements that must be included during the procurement processes for all suppliers with whom Eskom engages. The purpose is clarified as follows

To ensure that Eskom's Environmental management

- Ensure standardisation of the EM minimum requirements within Eskom's contract and contractor management process
- minimum environmental management contractor and contract requirements that must be met

2.1.2 Applicability

This document shall apply throughout Eskom Holdings Limited Divisions.

2.1.3 Effective date

The effective date of this document means the date that all training, artefacts and supporting systems required for compliance with the document requirements shall have been established and implemented as of 31 March 2025.

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2.2 Normative/Informative References

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

2.2.1 Normative

- [1] 32-727 Eskom Safety, Health, Environmental and Quality Policy
- [2] 32-1034 Eskom Procurement and Supply Chain Management Procedure
- [3] Contracts Management Delegation of Authority Standard
- [4] 32-196 Eskom Disciplinary Code Standard
- [5] Occupational Health and Safety Act (Act 85 Of 1993)
- [6] Contractors Environmental Management File (SHE File).

2.2.2 Informative

- [1] ISO 9001 Quality Management Systems
- [2] 240-133087117 Eskom Environmental Incident Management Procedure
- [3] ISO 14030 Environmental Performance Management
- [4] National Environmental Management Act (Act 107 of 1998)
- [5] Environment Conservation Act (Act 73 of 1989)
- [6] National Water Act (Act 36 of 1998)
- [7] National Environmental Management: Waste Act (Act 59 of 2008)
- [8] National Environmental Management: Air Quality Act (Act 39 of 2004)
- [9] National Forests Act (Act 84 of 1998)
- [10] National Environmental Management: Biodiversity Act (Act 10 of 2004)
- [11] National Environmental Management: Protected Areas Act (Act 57 of 2003)
- [12] National Heritage Resources Act (Act 25 of 1999)
- [13] National Veld and Forest Fire Act (Act 101 of 1998)
- [14] Conservation of Agricultural Resources Act (Act 43 of 1983)
- [15] 240-81146134 Implementing SHEQ as Objective Criteria Position Paper
- [16] Guideline for Biodiversity Offsets (June 2023)
- [17] Eskom Procurement and Supply Chain Policy 32-1033.

2.3 Definitions

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Definition	Explanation
Agent (commercial)	This means the individual who is responsible for the overall management of the contract has signed the contractual document.
Business unit	Means a division, site, grid, operational unit, or project within, for, or on behalf of, Eskom Holdings SOC Ltd.
Biodiversity dependencies	Are aspects of environmental biodiversity assets and ecosystem services that the organisation relies upon to function or deliver products and services (T NFD-Sep 2023)
Contract custodian	The person defined in a contract as the Eskom representative, for example, the project manager/end-user, that is, the person responsible for managing the contract and ensuring that the works or services are executed in terms of the contract.
Competent person	A person who, in respect to the work that has to be done, has the required training, knowledge, and experience, and, where applicable, qualification relevant to that work or task, provided that where appropriate qualifications and training are registered in terms of the provisions of the National Qualifications Framework Act No. 67 of 2008, those qualifications and training must be regarded as the required qualifications and training, and is familiar with the Act and applicable regulations made under the Act.
Contractor	A contractor is a current or potential supplier, vendor, consultant, or service provider. A contractor/supplier may be a natural or legal person.
Environment	Means the surroundings within which humans exist and interact.
Environmental Authorisation	Authorisation obtained from a competent authority responsible for authorising listed activities in terms of the National Environmental Management Act No 107 of 1998.
Environmental file	Means a permanent record containing information about the Environmental management system during construction and all information relating to the post-construction phase after the handover to the client, so that the client can maintain the works in a healthy and safe way.
Environmental Impact	Any change to the environment, whether adverse or beneficial, wholly or partially resulting from an organisation's environmental aspects.
Environmental management intervention	An act, event, initiative, or campaign that is intended to alter the current levels of EM awareness, knowledge and/or performance in the organisation, a specific division, operating unit or business unit.
Environmental Management System	It is a system which integrates policy, procedures, and processes for training of personnel, monitoring, summarising, and reporting of specialised environmental performance information to internal and external stakeholders of an organisation.
Environmental Management Plan	A programme for achieving organisational objectives and targets relating to the mitigation of the environmental impacts of an organisation's activities, products, and services.
EM functionary	The key individual in Eskom charged with EM responsibilities, such as SHE managers, officers, advisors, and coordinators (for this purpose, the SHE individual allocated to the project/programme). An EM functionary should not be confused with a health and safety representative, as defined in sections 17 and 18 of the OHS Act.

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Definition	Explanation
EM functional head	The manager in Eskom is charged with EM responsibilities in a division/operating unit/business unit.
Objective criteria	Another aspect of the PPPFA Framework that encompasses SHE evaluations after functionality evaluations. Application of objective criteria may be a reason why the highest-ranked tender is NOT selected for contract award.
Organisation	A company, corporation, firm, enterprise, authority or institution, or part or combination thereof, whether incorporated or not, public, or private, that has its own functions and administration. <i>Note: For organisations with more than one operating unit, a single operating unit may be defined</i>
Project	Means an activity or a group of activities that has a defined start and end date, a defined scope, and a defined sum of money allocated to complete the activities.
Project Life Cycle	The project life cycle is a step-by-step framework of best practices used to manage a project from its beginning to its end. It provides Project Managers a structured way to create, execute, and finish a project.
Site	An Eskom department, a specific project site, or the site where a supplier provides a service to Eskom, directly or indirectly.
Tender	A tender refers to an open or closed competitive request for quotations/prices against a clearly defined scope/specification.
Transaction	Exchange of goods or services or money between a buyer and a seller.

2.4 Abbreviations

Abbreviation	Explanation
AIR	Aspect impact register assessment
ECO	Environmental Control Officer
EM	Environmental management
EMP	Environmental management programme
EMS	Environmental Management System
ESR	Environmental status rating
ISO	International Standards Organisation
PPPFA	Preferential Procurement Policy Framework Act (Act 5 of 2000)
SACPCMP	South African Council for Project and Construction Management Professions
SHEQ	Safety, Health, Environment and Quality

2.5 Roles and Responsibilities

It is the role of the EM Managers and the Commercial Managers to ensure that this standard is implemented.

It is the responsibility of the Environmental and Commercial functionaries to implement the minimum requirements to be met for responsible environmental management within Eskom's commercial processes.

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It is the responsibility of the respective Eskom agent/end-user to ensure that EM requirements related to the requested product/service are adequately and appropriately included in all contracts or transactions. These EM requirements shall be specific and unique to the scope of the product or services being procured.

2.6 Process for Monitoring

The implementation of this standard will be monitored during tender evaluations, periodic inspections and audits throughout the procurement phases as covered by the scope of this document.

The procedure/process shall retain documented information for the monitoring and measurement of performance, the applicable operational controls (method statements) and the evaluation of conformance to compliance obligations, with the project EMP/EMP, and/or the EA.

The supplier shall demonstrate compliance by keeping documented information, and these shall be made available as and when required to, and shall not be limited to:

- the results of periodic evaluations
- A procedure for monitoring, measurement, analysis, and evaluation of compliance.
- Documented information on specific checklists and monitoring registers.
- Monitoring, inspection, findings, and close-out reports.
- Natural resource consumption monitoring and measurement (water, fuel, electricity usage, biodiversity dependencies, etc.) through plans, works/site instructions and training materials.

2.7 Related/Supporting Documents

- [1] Project Specific Environmental Management Programmes/ Environmental Management Plan
- [2] Project Specific Permits and Licensing (Construction Stage/Operational Stage)
- [3] 240-108987034 Annexure C5: Environmental tender evaluation template
- [4] 240-77472561 Annexure D: Contract performance evaluation template

3. Environmental Management Requirements for the Eskom Commercial Process

The minimum requirements shall be addressed during the following project phases, namely:

- a) project initiation and briefing, concept and feasibility study, design development.
- b) tender enquiry, evaluation, and contract award.
- c) supplier registration on the Eskom vendor database.
- d) site access/site mobilisation.
- e) monitoring and measurement of performance during the contract execution period.
- f) contract completion, close-out, and post-contract review, and
- g) instances where works or services under a contract can be stopped, suspended, or terminated.

Note: It is the responsibility of the respective Eskom agent/end-user to ensure that EM requirements related to the requested product/service are adequately and appropriately included in all contracts or transactions. These EM requirements shall be specific and unique to the scope of the product or services being procured.

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3.1 Applicability, roles, and responsibility of the EM requirements for the Eskom Commercial Process

3.1.1 Applicability of the requirements:

In cases where contracts are funded by external funders, the responsible EM functionary shall ensure that Eskom's requirements are aligned, as far as is reasonably possible. Suppliers shall ensure compliance with the relevant EM statutory requirements in accordance with the South African legal framework or South African Country Systems. Where other international standards are absent in the South African legal context, the EM functionary needs to ensure their inclusion and auditing or must ensure that local services can be employed for the project life cycle.

Where it is deemed impracticable or unviable to implement and/or comply with the EM requirements as set out in this standard, an exemption request, together with suggested recommendations, shall be submitted in writing to Risk and Sustainability by the contract/project manager and supported by the relevant responsible EM functionary. For the commercial process, which will involve projects or scope of work relating to exempted services as listed in section 3.2.4, e) and f), no motivation will be required.

3.1.2 Roles and responsibilities

a) The Integrated Commercial functionaries shall:

- i) ensure that sufficient notification and preparation times are provided to the end-user and those appointed as the relevant EM functionaries within the Cross-Functional Team for the preparation of the relevant and specific EM requirements for the enquiry;
- b) ensure that the EM requirements and specification documents are provided by the allocated EM functionaries within the cross-functional team that have been appointed and have signed NDAs, to the contract custodian before the release of tender enquiry by the end user;
- i) ensure that an EM functionary, as part of the Cross-Functional Team participates in, and provides input into, relevant meetings or forums, processes, and reports that lead to the awarding of a contract (for example, supplier evaluations, squad check meetings, contracting strategies, negotiations, clarification meetings, tender evaluations, evaluation report compilation, contract awarding, and briefing meetings) to meet the scope of the end user; and
- c) ensure that an EM functionary, as part of the Cross-Functional Team participates in, and provides input into, relevant meetings or forums, processes, and reports that lead to the awarding of a contract (for example, supplier evaluations, squad check meetings, contracting strategies, negotiations, clarification meetings, tender evaluations, evaluation report compilation, contract awarding, and briefing meetings) to meet the scope of the end user; and

d) The Contract manager (contract executor) shall:

The contract manager shall ensure that the contract specifies how EM will be managed and reported on beyond the language that "the contractor will meet all statutory requirements and standards with respect to EM".

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(Note: EM requirements have a direct bearing on the cost of the work and should be specified in a detailed way. As a minimum, the scope of work should include requirements for an "EMP", including such information as EM inspections, enforcement, EM staffing, licences, permits and authorisations – required, EM site meetings, personal protective equipment required, induction/orientation training, documentation of critical professional skills, necessary EM training, record keeping, incident investigation procedures, and monthly reporting of statistics to the project/contract manager.)

The contract manager is accountable for:

- a) ensuring that the supplier adheres to the relevant contract EM requirements.
- b) ensuring that a project-specific EM specification, together with the specific project baseline risk assessment and other relevant procedures and documents, are prepared, in conjunction with the EM functionary, and provided with the tender enquiry package.
- c) ensuring that the necessary details/issues about contractor non-conformances on contractual EM obligations during contract execution, safety/environmental interventions, post-contract review, and supplier reconsideration are adequately addressed, recorded, and submitted to the integrated commercial functionary's department for recording and to support future reference.
- d) where it is impracticable to implement and/or comply with the requirements as set out in this standard, compiling a motivation outlining the scenario, the reasons why the requirement(s) is/are impracticable to comply with, and suggesting recommendations for risk mitigation and submitting them in writing to the risk and sustainability responsible manager.
- e) ensuring that there is a mechanism to monitor EM compliance during contract execution.
- f) ensuring that a post-contract review is conducted with the relevant information and that the results of such assessment are recorded, documented, and kept.
- g) ensuring that EM costing is done as per the project scope and that it forms part of the pricing data in the contract.
- h) ensuring that after the initial procurement process has concluded for national or divisional contracts (registration, tender evaluation, and contract award phases), there is a handover of responsibility and accountability to the site personnel at the "site where the work/service is to be conducted".
- i) ensuring that (national and divisional contracts) when a supplier mobilises to the site, the responsible manager based at the Eskom site must take over the responsibility for ensuring that the supplier works according to the authorised EMP and provides oversight supervision over the contractor for the task/activities/work/service being performed.

Note: For every site where work is being performed by the contractor, a site access agreement must be signed by the site contract custodian and the contractor.

3.1.3 Responsibility for the type of contracts:

- a) National and divisional contracts
 - i) The responsible division that initiated the establishment of the project/contract must provide or allocate an EM functionary to the cross-functional team for the project.

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- ii) After contract award, the EM functionary responsible for the tender process must hand over to the local/site EM functionary of that division/BU/OU.
- iii) The division/BU/OU which requested the work to be done and the division/BU/OU which will be overseeing the execution of the work may have a service-level agreement in areas where a local EM functionary is not available to ensure compliance during the project execution stage.
- iv) Where possible, EM subject matter experts may be requested to be part of the team that develops the contract strategy and EM requirements.

Note: Eskom site management is responsible for directly supervising and managing contracts based on the roles and responsibilities for that contract that is awarded.

b) Localised contracts (OU/BU)

- i) The EM Manager of each business unit shall
 - a) identify and nominate the EM Functionary to the cross-functional team, based on competence to ensure that the requirements set out in this standard are met.
 - b) allocate an EM functionary for the project/contract/transaction.
 - c) apply discretion when allocating an EM resource to represent the functional area in commercial issues.
 - d) consider the seniority level of the EM resource against the value and complexity of the scope of work of the commercial task.
 - e) second or source Subject matter experts (SMEs) to assist with certain projects.
 - f) Ensure adequate EM functionary representation within the cross-functional team for participation in, and providing input into, the relevant meetings/forums, processes, and reports that lead to the awarding of a contract.

- ii) The EM Functionary shall
 - a) be responsible for coordinating the research, preparation, and consolidation of the applicable EM requirements.
 - b) Collaboration with the designer/project engineer and contract custodian for each tender enquiry must be ensured.
 - c) ensure that the EM requirements are handed over to the Commercial functionary for further action.
 - d) ensure that the requirements listed (Environmental evaluation criteria) are always relevant and specific to the project and shall be used during the tender evaluation stage.
 - e) develop a project-specific EM specification, environmental management programme or plan (included as an annexure in the EM specification), and contractor EM requirements.
 - f) provide the evaluation criteria which form part of the tender enquiry package.
 - g) determine whether the work falls within the definition of “construction work”. Where the work falls within “construction work”, he/she must ensure alignment to the EM requirements such that compliance with the Construction Regulations 2014 is achieved.
 - h) When an activity falls within the ambit of the Construction Requirements, the EM functionary

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needs to ensure that the necessary permits/authorisations/licences are in place, interpreted into an EMP, and ensure that all parties are aware of the compliance obligation to the requirements.

- i) be responsible for ensuring the utilisation and support of the mechanism for monitoring, measuring and reporting upon EM performance and compliance during contract execution.
- j) be responsible for providing detailed information about supplier non-conformances and environmental interventions for post-contract EM review.
- k) provide reports for the contract custodian to submit to the integrated commercial functionaries to determine allocation of future works or services.
- l) identify specific technical EM requirements that will be included in the technical evaluation criteria for the project, that is, EM audits/auditors, EM consulting, EM panels, EM emergency response, etc., for projects or services with an EM focus.
- m) to ensure that EM requirements have been catered for with every transaction within the scope of works unless the services/products being procured are exempted from such.

4. Supplier/contractor/service provider

4.1 The supplier shall ensure that he/she register on the government central vendor database as a vendor with Eskom before tendering or if invited in an open market tender, before the contract award.

- a) It is the responsibility of the supplier to provide valid and authentic documentation for assessment.
- b) The supplier may seek guidance, clarity, and advice from Eskom to comply with the requirements of this standard at any stage, excluding the tender phase.
- c) The supplier must comply with, and adhere to, EM legislation and Eskom EM requirements always when conducting work for or on behalf of Eskom or any of its subsidiaries.
- d) The supplier, as a legal entity, must be conversant with EM legal obligations related to the works tendered for.
- e) Each site or locality under Eskom's and its subsidiaries' control has/have different EM site-specific requirements, and it is the responsibility of the supplier to ensure that those requirements are met before work can commence.
- f) Approval from one site/premises does not automatically provide authorisation to execute work at another site unless confirmed with the authorising EM personnel, even if the scope is of a similar nature.

4.2 Contractors' EMS (environmental management system) requirements before site access

- a) The contractors shall be required to establish a site EMS file before access to the site.
- b) The EMS file shall be evaluated and approved by the Environmental officer before contractor access to the site.

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- c) Contractors will only be allowed to start work once the EMS requirements are complied with.
- d) The Objective of the Environmental requirements for the EMS file includes:
 - Company Environmental Policy
 - Environmental aspects and impacts register
 - Environmental management plan
 - Waste Management procedure
 - Incident or Spillage Management process

4.3 Contractors' EMS requirements during the tendering process

- a) The environmental officer shall issue the EMS requirements during the contract strategy development meeting, which will be issued during the tendering process.
- b) All required documentation will be evaluated during the tender evaluation process by the environmental personnel.
- c) The evaluation report will be issued to the responsible service provider.

5. The contractor environmental management model

Eskom has adopted a six-phase PLCM management model to effectively manage projects. The environmental management fraternity aligned to these six phases (Figure 1) to effectively explain the environmental requirements for its contracts, contractors, and suppliers.

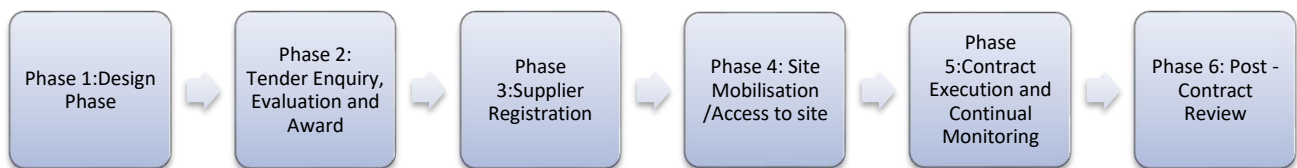


Figure 1: Illustration of the six PLCM phases

5.1.1 Phase 1: Design phase

- a) Scoping and designing
 - i) The procurement of any product or service begins with the development of the scope by the requestor or originator.
 - ii) Scoping must be focused, clear, and aligned with the budget of the service or activity required so that the Environmental requirements can be adequately identified and defined.
 - iii) Any product or service that includes compiling the design of a building, equipment, modification of existing plant, etc., the Eskom contract custodian, with the assistance of the EM functionary, must provide the designer with an EM specification specific to the project, to ensure integration of EM requirements in the design.
 - iv) The appointed designer shall not commence with the design if the EM specification has not been provided.
 - v) The designer, contract custodian, and responsible EM functionary shall conduct a site visit

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before commencing with the design or before any project EM specification can be developed.
(This phase may not apply to all projects/transactions).

5.1.2 Phase 2: Tender enquiry, evaluation, and award

a) Tender enquiry

- i) EM requirements shall form part of the tender enquiry.
- ii) The EM requirements shall be aligned with the activity risk category.
- iii) The tender enquiry shall be accompanied by a project-specific EM specifications, aspects, impact, risk and opportunity assessments (included as an annexure in the EM specification), applicable Environmental policies, procedures and standards, including this standard and the evaluation criteria.

Division/Entity	Supplier
Conduct due diligence on the supplier prior to executing the work.	All environmental documentation, records, and reports shall be made available for review when requested by the EM Functionary or its appointed inspection agency. The supplier shall provide suitable facilities and a safe working environment to the EM Functionary or its appointed environmental agency.

Note: Not all scope of work will require the environmental aspects in the tender phase.

- iv) EM tender returnable must be clear and explicit to suppliers.
- v) The Eskom EM functionary must identify and list all the applicable EM requirements in relation to the scope of work.
- vi) Where applicable, the tenderers or potential suppliers may be expected to conduct a site visit of the area where the work will be executed before tendering under the supervision of the Eskom contract custodian and the Commercial functionary.

b) Tender evaluation

- i) For EM tender evaluations, the Integrated commercial functionary shall ensure that all EM evaluations are carried out by the allocated EM functionary.
- ii) An EM evaluation report shall be compiled by the responsible EM functionary and submitted to Commercial.
- iii) Preferably, the same EM functionary should be involved in a project. Should a different EM professional be used, a proper handover must be done between the two EM functionaries.
- iv) EM requirements shall fall under the objective criterion. However, the supplier(s) shall comply with all EM requirements as per the evaluation criteria before contract award. Only suppliers who have passed the functionality evaluation will subsequently be evaluated.
- v) The EM requirements and applicability will, ultimately, be determined by the responsible EM functionary for the entire scope of works or transactions.

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c) Contractors' Environmental Management System Requirements

- i) The contractor/supplier shall have a documented, implemented and maintained environmental management system, preferably guided by the ISO 14001:2015 Standard.
- ii) The contractor shall be responsible for ensuring that all their Supplier Organisation's environmental programmes comply with the EM requirements. The supplier shall define the specific environmental control elements applicable to the scope of works.
- iii) The supplier shall inform of any changes to the environmental requirements that were evaluated during the tendering stage before implementation of these changes.
- iv) The following will form part of the supplier's documented environmental management system (EMS) and shall be internally reviewed and formally approved. The EMS must cover each distinct stage of work performed/activity undertaken, and it shall include, but not be limited to:
 - a) Site establishment.
 - b) Access control to the site.
 - c) Site construction and installation work (civil, electrical, power lines, etc.).
 - d) Manufacturing (site, factory, temporary workshops, etc.).
 - e) Storage areas (plant, equipment, free issue material, etc.).
 - f) Waste Management (or method statement);
 - g) Site and Vegetation Clearing.
 - h) Handling of Hazardous Chemical Substances.
 - i) Site management (water management, dust and noise, landowner liaison, final release and settlement of disputes and claims).
 - j) Rehabilitation.
 - k) Site demobilisation.
 - l) Incident and complaints management.
 - m) Emergencies and contingency management.

d) Contractors Environmental Planning

- i) Any revisions to the plans/programmes shall require the agreement with the EM functionary before the commencement of work involving an activity affected by such changes.
- ii) The revision of environmental documents shall be subjected to review and approval by all members of the cross-functional group responsible for evaluation before implementation.
- iii) The significant environmental conditions will be included and mitigated for all the different physical locations where the supplier's work will be performed.
- iv) Detailed descriptions of the work to be performed by the supplier and their pre-determined scoping requirements.

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- v) Waste management plan/procedure that includes the circularity of waste management, such as but not limited to waste segregation and minimisation, recycling of waste, a waste disposal register, and anticipated waste streams to be generated. The related legal requirements applicable to waste management (specifically the handling, storage, transport, and disposal of waste for a specific scope of work must be clearly stipulated, with training records of employees on waste management retained in the file.
 - vi) Environmental records to be retained at the site for the specific scope of work and shall include, but not be limited to:
 - a) Environmental Authorisation (including all other permits and licenses).
 - b) Project-specific Environmental Management Plan/Programme.
 - c) Aspects and Impacts register.
 - d) Competency requirements.
 - e) Incident register and Investigation reports.
 - f) Non-Conformance register.
 - a) Complaints register.
 - b) Waste statistics (reused, recycled, donated and disposal records).
 - c) Water use records.
 - d) Hazardous Substances registers and Safety Data Sheets.
 - e) Records of internal and external audits and inspections (reports, findings, action plans and close-outs).
 - f) Records of site inspections conducted (checklists and reports).
 - g) ECO reports (where applicable).
 - h) Energy Efficiency Checklists.
 - i) Appointed environmental representative (Appointment Letter).
- e) Contractors' Environmental Aspects and Impacts Registers
- i) The Aspects and Impacts register shall identify/indicate/define/reflect the supplier's scope as per the requirements of ISO 14001: 2015.
 - ii) It is required that the service providers' environmental requirements documentation meet the additional requirements below as a minimum:
 - a) Identify and list all environmental aspects per activity.
 - b) Determine all the possible environmental impacts for each of the identified aspects.
 - i) All environmental aspects shall be assessed before and after controls.
 - ii) Identify significant Aspects and Impacts and establish programmes/ procedures on how to address the impact on the environment.

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- iii) The impacts shall be rated for significance and must be included in a compiled Environmental Aspects and Impacts register (An example of the Environmental Criteria for determining the significant impacts is explained in Appendix A).
- iv) The contractors/suppliers' Aspects and Impacts register must be a revision-controlled document.
- v) These records shall be kept in hard copy and submitted to the environmental practitioners.

Note: these shall be managed according to the level of environmental risk.

Divisions/Entity	Supplier
Significant aspects shall be considered in the setting of Objectives and Targets, and the determination of the environmental risks and opportunities at the project level.	Planned actions and impact control (corrective) measures for the medium and high significant impacts shall be undertaken through the environmental management programme/plan and/or through operational controls.

f) Additional requirements

- i) The supplier's organisational structure shall indicate the
 - a) current management hierarchy as per the scope of work (inclusive of the SHEQ representatives).
 - b) lines of responsibility and authority.
 - c) reflect both the names of the appointed persons and their respective designations and positions.
 - d) the management representative (i.e., appointed responsible authority at site) having overall responsibility for environmental management and planning.
 - e) environmental qualified person (National Diploma or a degree, e.g., Environmental Sciences/Management or Nature Conservation or relevant Natural Sciences) having the responsibility for monitoring environmental planning, activities, and
 - f) their relationship within the management structure according to the project EMPr/EMP and/or EA requirement. For low-risk projects an environmental representative with two weeks environmental training will be sufficient to be an environmental representative.
 - g) Environmental tender returnable must be clearly defined and listed in relation to the scope of work.
 - h) Where applicable, the tenders or potential suppliers must conduct a site visit where the work is required to be executed before tendering. The site visit shall be conducted under the supervision of the cross-functional team.

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ii) Items for informing the Tenderer

- a) The environmental requirements that were not met during the evaluation phase, the contractor will be given seven days to submit the outstanding requirements; failure to submit will result in the contractor being non-compliant and the score will not change.
- b) Further guidance and support about environmental matters will be provided at the clarification meetings. Environmental Management shall be a standing agenda item for the clarification meeting, and records of the presentation are to be kept by the commercial.
- c) Environmental sections /questions and weightings in checklists, reports and evaluations, respectively.
- d) For environmental tender evaluations, the commercial functionary shall ensure that all environmental evaluations are carried out by the allocated environmental practitioner responsible for the tender. The environmental evaluation report shall be compiled by the responsible environmental practitioner and submitted to the commercial.

5.1.3 Tender / Contract awarding

- a) Environmental practitioners shall form part of the cross-functional team and the briefing or preparation meeting to outline requirements to be met before work can commence.
- b) When the supplier is awarded a contract, all findings/observations in the EM tender evaluation report and EM file requirements must be addressed with the supplier at the negotiation meeting.
- c) For national contracts that have been evaluated centrally, divisional/OU/BU EM functionaries shall provide their corresponding EM requirements to the supplier. The supplier shall, as a result, ensure compliance with each OU's/BU's EM requirements, regardless of being approved at Head Office.

Note: *Due to the centralised nature of certain procurement activities such as national contracts, the Commercial EM functionaries are responsible for Phase 1 (tender phase) and thereafter must hand over the process to the BU/OU EM functionaries. The contract custodian, together with OU/BU EM functionaries, must ensure that EM requirements are adhered to and complied with by the supplier.*

5.1.4 Phase 3: Supplier registration

- a) Commercial Department shall ensure that when a supplier is being registered on the Eskom vendor database, such supplier has been subjected to an EM tender evaluation via the Eskom supplier registration portal.
- b) The supplier shall meet the minimum Eskom EM requirements (determined on tender returnable as per the scope of work) before approval.
- c) Environmental evaluation is conducted by Environmental Practitioners.

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d) All EM requirements applicable to South African-based companies are also equivalently applicable to international suppliers, depending on the environmental risk category. Where applicable, an equivalent requirement or document written in English may be submitted.

e) Exempted services:

Due to the risk nature of these products or services provided to Eskom, the following, but not limited to, these service providers or services or scopes of work, are exempted from the Eskom EM prerequisites for the tendering process. However, all legislative EM requirements must be met. Thus, EM will not form part of the tender evaluation criteria. However, EM inputs on the design and product specification should not be excluded from the tendering process.

i) Manufacturing and supply (where the scope of work excludes delivery by the supplier to any of the Eskom premises or sites)

ii) Service, where the conditions of the service provided are not provided at any of the Eskom premises or sites (for example, consulting, motor claim insurance, IT online service, manufacturing, etc.)

iii) Government entities or agencies

iv) Independent electricity generators, electricity distributors and demand response suppliers for a rebate

v) Professional registration bodies

vi) Non-profit organisations (for funding purposes)

f) Exempted suppliers (both national and international) for EM assessments for database registration purposes.

The following suppliers/scope of work will not be required to submit the EM prerequisite for registration purposes:

i) Where maintenance of Eskom's assets or any service is performed/provided externally off/beyond Eskom premises/site, for example, maintenance of vehicles at motor vehicle manufacturer/supplier/repairer premises, except for 3rd party audit for cradle to grave processes.

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- ii) Suppliers who mechanically repair Eskom vehicles; however, a detailed EM inspection will be conducted on the premises by an Eskom fleet representative.
- iii) Independent electricity generators, electricity distributors and demand response suppliers for a rebate.
- iv) Venue, seminars, conferences, and accommodation services, where a contract does not exist between Eskom and the supplier.
- v) Municipalities from which Eskom acquires utility services, e.g., water, sanitation, etc.
- vi) Purchasing of consumables from established retailers (e.g., Woolworths, Makro, Shoprite, Game, clothing trading outlets).
- vii) Agents: suppliers acting on behalf of Eskom to source out a certain commodity or product.
- viii) Property leasing: suppliers who lease building(s) to Eskom.
- ix) Recruitment agencies and temporary employment services/labour brokers.
- x) Professional registration bodies and accreditation authorities.
- xi) Suppliers providing online services from their premises (IT licensing, insurance, etc.).

Environmental Risk Categories

- a) *Environmental high-risk: contract or goods and services which has an environmental high risk that is recognised globally, widespread, or permanent ecological damage locally or where remediation would take longer than one year. This could result in a major public health hazard and the magnitude is unknown (refer to appendix C to determine risk): **Environmental requirements shall be included as an objective criterion. All or nothing approach will be implemented during the evaluation. All the stipulated criteria to score the full points.***
- b) *Environmental medium risk: contract or goods and services which has an environmental impact regionally or locally that could result in a major uncontained or sustained environmental release causing health hazard to humans and immediate vicinity but not resulting in a critical or fatal injury/illness. This could result in an ecological damage that can be remedied within one year. (Refer to appendix C to determine risk): **Environmental requirements shall be included as an objective criterion.***
- c) *Environmental low risk: contract or goods and services which has an environmental low risk has little or no ecological effect and no measurable impact on human health (refer to appendix C to determine risk): **Environmental requirements shall be included as an objective criterion.***
- i) *The environmental requirements and the applicability will ultimately be determined by the responsible environmental practitioner for all contracts.*
- ii) *If the tenderer/supplier does not meet the environmental requirements at any stage, the supplier shall be given seven days to submit the environmental requirements. The environmental practitioner will revise the first report if the contractor or the supplier submitted the outstanding environmental documents.*

- xii) Non-profit organisations (for funding purposes).

5.1.5 Phase 4: Site mobilisation/access to site

Prerequisites for commencement of works or services following contract award

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- a) The Commercial functionary shall ensure that the site EM functionaries are given notice of the contract award to ensure that the EM file evaluation is done before the supplier can mobilise to the site and commence with work.
- b) For a national contract, commercial/corporate EM functionaries will hand over the project to the relevant OU/BU EM functionary.

Note: Work should only commence after the EM file has been accepted and approved by the EM functionary and contract custodian.

5.1.6 Phase 5: Contract/service execution and continual monitoring

- a) Continual EM performance monitoring
 - i) EM functionaries shall conduct inspections, audits, and blitzes to monitor EM compliance and adherence by the contractor.
 - ii) The contract custodian shall ensure that monitoring mechanisms (such as audits and reviews) are instituted, with the support of EM functionaries, to ensure compliance with EM legislative and Eskom requirements.
- b) Management of contractors
 - i) The contract custodian shall ensure that the main/principal contractor is notified that he/she is accountable for the management of his/her contractors/suppliers and to ensure that his/her contractors/suppliers comply with the applicable legal and Eskom requirements (applicable during contract execution of works and services in terms of the contract).
 - ii) The contract custodian, together with the commercial functionary, shall ensure that all the non-conformances or non-compliances of the suppliers are dealt with by means of approved Eskom contractor management processes, e.g., Supplier Reconsideration Standing Committee on the required e-platform.
- c) Enforcement of compliance and monitoring during contract execution
 - i) EM functionaries shall ensure that there is a mechanism to monitor and measure and to report on EM performance and the supplier's compliance at predetermined intervals during contract execution. These reports are provided to the contract custodian, as well as the commercial functionary, during the execution of the contract and for the post-contract review process.
- d) Work stoppage/safety interventions/suspension of works and services under a contract
 - i) Eskom reserves the right to stop any activity or the whole works where the receiving environment is degraded, is perceived to suffer detrimental impacts or effects, or where Eskom's compliance status, reputation, or a threat to its environmental reputation. Authorised individuals may report an activity, detrimental act, or degrading activity that poses a threat to the environment or creates a risk of degradation to the environment.
 - ii) This includes any unauthorised work or commencement of an activity without the required environmental authorisations, approval, or service performed by, or legally or contractually non-compliant acts or omissions by, non-conformity of the contractor or such contractor's contractors. The BU/OU/project should devise a process for reporting these incidents timeously and communicate it clearly.

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- iii) The temporary stoppage of an activity/activities or task(s) may be due to EM concerns, including the following circumstances:
 - iv) Ad hoc intervention by Eskom management: all work of a similar nature may be stopped due to the occurrence of a serious incident, or non-conformity, and the relevant supplier will be required to comply with, and/or verify, as instructed.
 - v) Ad hoc intervention by any person, especially EM functionaries (inclusive of the Environmental Management Inspectorate of the Authorities), may be due to environmental risks, unlawful acts, or reputational damage to Eskom's environmental position by the contractor. The conditions that gave rise to the work stoppage will determine the corrective measures to be taken urgently to protect the environment, prevent damage to Eskom's environmental compliance status, the revoking of Eskom's licence to operate, and damage to plant or equipment, etc.
- e) Supplier review
- i) The supplier review committee has been established to take such remedial measures, as bestowed upon it by the Executive Tender Committee (ETC) and to the extent allowed by law, against any tenderer or supplier found to have abused the supply chain management system or to have been found guilty of misconduct, which measures include, but are not limited to, reconsidering the registration status of such bidder or supplier based on the general or additional grounds for consideration.
 - ii) The Eskom contracts between Eskom and contractors/suppliers must include a clause that enables Eskom to terminate the contract if the supplier has built up a history of poor performance in relation to matters or aspects of compliance with safety and health regulations, policies, and/or procedures. The contract termination process can run concurrently with the initiation process of referring the supplier/contractor to the review committee while terminating the contract.
 - iii) However, all the necessary steps need to be taken to assist the supplier/contractor in addressing their shortcomings/gaps. The Eskom representatives must consider implementing the rehabilitation process, assisting the supplier/contractor to improve their performance and rectify the non-conformances, incidents, fatalities, etc. The review process should be followed to assess the effectiveness of the initiatives/action plan/recommendations.
 - iv) Note: Referring the contractor/supplier to the review committee should be the last resort. All avenues to help the contractor/supplier should be exhausted.
 - v) The following process shall be followed when referring the supplier/contractor to the review committee:
 - a) The supplier investigation report by OU/BU will be required.
 - b) The NCRs issued.
 - c) Written feedback from the supplier.
 - d) The minutes of the meetings held with the supplier.
 - e) Sanction: state the period of suspension/blacklisting.
 - f) Contract: Will the supplier complete the outstanding work, or is there another option/plan?
 - g) Project information: start and end date.

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- f) Environmental Management non-negotiable rules
- a) EM functionaries are to participate and support the SD&L initiatives as required under all contracts.
 - b) Supplier registration reviews for EM are conducted as a centralised function by Risk and Sustainability.
 - c) For due diligence, EM will conduct a desktop evaluation and/or site supplier site capability and capacity assessment to verify the processes for the products and services contracted, and a due diligence EM report will be generated and submitted to the Integrated commercial functionary/the initiator.
- g) Supplier status reconsideration
- i) The supplier, having built up a history of poor performance with Eskom in relation to matters or aspects of compliance with safety, health, and/or environmental management regulations, policies, and/or procedures, will initiate the deregistration investigation.
 - ii) In the event of any one of the following incidents occurring, an investigation may be initiated:
 - a. When a supplier has one or more work-related incidents, including wildlife (faunal or floral) mortalities, within a financial year or the period of the project for contracts of less than one year.
 - b. When a supplier has three major EM non-conformances raised in the same financial year.
 - c. When a supplier had two or more contraventions of environmental legislation, including non-compliance with a condition contained in an environmental approval, on a case-by-case basis.
 - d. When the contractor has been issued with a compliance notice issued by a government department, for example, the Department of Fisheries, Forestry and the Environment, Department of Water and Sanitation, Environmental Inspection Authorities, etc.
 - e. When a violation of any of the Eskom compliance obligations occurs.
 - f. When fraudulent EM-related documents or reports are submitted by a supplier.
 - g. Violation of any of the Eskom Life-saving Rules occurs.

The investigation will be conducted, and the supplier will be informed about the outcome of the investigation. If the supplier is found guilty of the above offences, they will be taken off the Eskom database with no future business prospects with Transmission. When the supplier is cleared of all the offences, they will be reconsidered for reinstatement on the Eskom database.

NOTE: No Eskom employee or representative is allowed to merely terminate or suspend a contract at any given point in time unless formal approved processes have been observed. The contractor must be subjected to the prescribed official contractor reconsideration processes.

- h) Contract completion/handover

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- i) It is the responsibility of the project manager to ensure that the final EM inspection carried out, with the assistance of the EM functionaries, is done before the contract end date is reached.
- ii) The contractor's EM file or copy thereof shall be handed over to the contract custodian on completion of the project.
- iii) For in-house projects where an Eskom department or division manages a project at another division's premise/site, the project handover shall include the EM file, which shall be handed over to the client or client's agent (site owner/asset owner).

5.1.7 Phase 6: Post-contract review

- a) After a contract has ceased or ended, the supplier must be evaluated on EM performance over the duration of the project by the contract custodian, with the support of the EM functionary.
- b) The contract custodian must inform the supplier about the EM KPIs before work can commence. The EM functionary must be involved to assist the contract custodian with setting the EM KPIs and shall prepare the EM component in preparation for the review process, that is, audit reports and the EM compact/contract, inspections, minutes, presentations, etc.
- c) The Commercial functionary shall ensure that post-contract reviews are incorporated in the commercial process and are uploaded onto SAP Finance and Vendor management, to review the supplier's EM performance during the execution of the contract and ensure that the assessment results are made accessible and available to relevant stakeholders for future reference.
- d) The output of the post-contract assessment shall be submitted to the Commercial functionary (supplier management) for record-keeping purposes. Inspection release reports issued by the EM functionary, or its inspection agency, shall include, at a minimum, but not limited to:
 - i) ECO close-out report.
 - ii) Final rehabilitation report.
 - iii) Final sites close out audit/inspection report/NCR report.

NOTE: The above can be submitted and summarised in the form of a controlled register.

6. Acceptance

This document has been seen and accepted by:

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7. Revisions

Date	Rev.	Compiler	Remarks
January 2025	1	Iris Cloete	Need for an overarching guiding the EM functionaries on where Environmental Requirements must be included within the procurement of services.
August 2021	2	D Maunatlala	Revision of the SHE Requirements for the Eskom Commercial Process (32-726 rev 2)

8. Development Team

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9. Acknowledgements

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