

## ESKOM HOLDINGS SOC LTD

### KING IV™ APPLICATION REGISTER – 31 MARCH 2023

Eskom Holdings SOC Ltd (Eskom) is a state-owned entity with its sole shareholder being the Government of the Republic of South Africa. As a public entity, Eskom is governed by the provisions of the Public Finance Management Act 1 of 1999 (PFMA).

To ensure sound corporate governance, Eskom subscribes to the principles of the King IV™ framework. Eskom has also applied an objectives and key results (OKR) approach to drive alignment, performance and results in setting and achieving its corporate governance goals. Results leading to their attainment are evidenced below for the year ended March 2023.

#### Leadership, ethics and corporate citizenship

##### Leadership

##### Principle 1 – The board should lead ethically and effectively.

Eskom's board members set the tone for the leadership ethos and culture of the group, with values of zero harm, innovation, Sinobuntu, customer satisfaction and excellence. They act ethically beyond mere legal compliance. The following are the key results and their evidencing to achieve this principle:

Key results	Achievement
Director appointments through rigorous processes	Eskom directors are appointed through rigorous processes followed by the shareholder as outlined by the handbook on the appointment of directors to state-owned companies (SOCs).
Director declaration upon appointment	Upon appointment, directors are required to complete and sign a comprehensive director's declaration in an undertaking to ensure fulfilment of fiduciary duties.
Conflict of interest policy and declaration	Board members submit annual declarations of interest to ensure that any conflict of interest is managed through board-approved processes. Eskom's conflict-of-interest policy also requires board members to disclose their interest with respect to matters discussed at committee and board meetings, and promptly inform the company whenever a change in their conflicts of interest arises.
Peer-to-peer appraisals	Eskom relies on peer-to-peer appraisals to confirm directors' attributes as assessed by fellow directors and office bearers. Peer reviews form part of Eskom's annual board evaluation.

## Organisational ethics

Principle 2 – The board should govern the ethics of the company in a way that supports the establishment of an ethical culture.

One of the cornerstones of ethical leadership is ensuring zero tolerance for unethical behaviour. Eskom's board assumes responsibility for the governance of ethics by setting the direction on how ethics should be approached and addressed by the company. The following are the key results and their evidencing to achieve this principle:

Key results	Achievement
Ethics policy and code of conduct	Eskom's ethics policy and code of conduct cover a range of ethical topics from declaration of interest to gift giving and receiving. These are shared throughout the organisation for all internal and external stakeholders.
Whistle-blower mechanism and ethics hotline	An established and functioning whistle-blower mechanism and ethics hotline exist for all employees and stakeholders to use in the event an employee is acting unethically and against the best interests of the company. Eskom encourages unethical and corrupt practices to be reported.
Staff training	During the staff onboarding process, certified ethics trainers are appointed in all divisions to carry out ethics training to establish Eskom's ethical culture from the outset. They are also trained on Eskom's core values of: <ul style="list-style-type: none"><li>• Zero harm</li><li>• Integrity</li><li>• Innovation</li><li>• Sinobuntu (care)</li><li>• Customer satisfaction</li><li>• Excellence</li></ul> Ongoing staff training schedules are required to include ethics.
Disciplinary and sanctioning process	An established and functional disciplinary and sanctioning process is in place for any Eskom stakeholder found in breach of the organisation's regulations and ethics.
Ethics risk assessment	An independent ethics risk assessment was conducted by The Ethics Institute to identify Eskom's ethical risk. The recommendations thereof are being used to draft a new ethics strategy that aligns to Eskom's overall strategy.
Ethics coordinators and champions	As part of Eskom's new ethics structure, divisional ethics coordinators and champions have been formally appointed and a dedicated ethics office has been created.

## Responsible corporate citizenship

### Principle 3 – The board should ensure that the company is and is seen to be a responsible corporate citizen.

Sustainability is an integral part of Eskom's business strategy through our values-driven focus on operational excellence and operating Eskom's assets safely, responsibly and efficiently. Eskom believes that a responsible, sustainable approach to our business minimises potentially negative impacts and increases the industry's positive contribution to communities and the country. The following are the key results and their evidencing to achieve this principle:

Key results	Achievement
Corporate social responsibility (CSR) strategy and policies	The Eskom Development Foundation is tasked with implementing Eskom's corporate social investment strategy. Areas of focus include supplier development and localisation initiatives, learnership programmes and socio-economic development through projects, sponsorships and donations.
Black Economic Empowerment (BEE) strategy	The focal point of Eskom's B-BBEE strategy is the sustainable development and empowerment of local black businesses, including black woman-owned (BWO) businesses, while continuing to uphold Eskom's core values. Eskom empowers and develops these entrepreneurial businesses into sustainable suppliers of reliable, cost-effective products and services, not only for the benefit of Eskom, but the economy as a whole.
Human capital – remuneration, employee wellness, labour and employment conditions	Eskom's human resource strategies place emphasis on employee wellness, including equity, remuneration, safety, health, dignity and training. Eskom's labour and employment conditions adhere to legislation and codes of best practice to ensure optimal working conditions for all employees.
Measured results of societal contribution	With the support of the social, ethics and sustainability (SES) committee, the board monitors Eskom's operations and activities, cognizant of how its actions affect its status as a responsible corporate citizen. This oversight is performed against measures and targets agreed with executive management in all Eskom operations.
Measured results of environmental impact	Eskom's Just Energy Transition (JET) strategy was established in 2020 to progress the evolution for transition towards a cleaner and greener future, with a focus on "Net Zero" carbon emissions by 2050. Additional benefits of moving towards lower carbon technologies include positive impacts on air quality and water usage, potential job creation and a greater preservation of South Africa's biodiversity. The JET office oversees various projects and initiatives that support the goals of decarbonizing the economy.

## Strategy, reporting and performance

### Strategy and performance

Principle 4 – The board should appreciate that the company's core purpose, its risks and opportunities, strategy, business model, performance and sustainable development are all inseparable elements of the value creation process.

The board assumes accountability for Eskom's performance by steering and setting the direction for the realisation of Eskom's core purpose through the development of its strategy. The board and its committees exercise ongoing oversight of the implementation of strategy and operational plans by management against the agreed performance measures and targets as part of its oversight of performance. The following are the key results and their evidencing to achieve this principle:

Key results	Achievement
Clearly articulated values statement	Eskom's values statement is available on the Department of Public Enterprises' (DPE) website and on Eskom's website, clearly articulating the organisation's values of zero harm, integrity, innovation, sinobuntu (care), customer satisfaction and excellence. Eskom's values clearly align to its value-creation strategy.
Integrated report	Eskom releases an annual integrated report to explain to stakeholders how Eskom is creating and preserving value, as well as how integrated thinking permeates the organisation. All material matters are discussed in this report. Eskom's board is accountable for the integrity and completeness of the integrated report and any supplementary information. The audit and risk committee (ARC) and SES committee assist with the accurate dissemination of information.
Performance measurement process	Eskom's strategy is translated into the corporate plan, where associated targets, measures and risk of implementation are identified. These targets are also aligned with divisional plans. The risk management office (RMO) develops detailed milestones and due dates from identified targets, with implementation tracked and monitored. Eskom group and the various divisions monitor their progress against divisional plans.
Shareholder compact and strategic intent statement	As a state-owned entity, Eskom must implement government policy and strategy. The shareholder's strategic intent statement (SIS) outlines government's short-to-medium-term and long-term objectives for Eskom to achieve. Eskom adopts these objectives to ensure it remains a critical and strategic contributor to government's goal of ensuring security of electricity supply to the country and enabling economic growth and prosperity.

## Reporting

**Principle 5 – The board should ensure that reports issued by the company enable stakeholders to make informed assessments of the company's performance, and its short, medium and long-term prospects.**

The board assumes responsibility for the organisation's reporting and ensures that reports issued by Eskom enable stakeholders to make informed assessments of Eskom's performance. The board, through the ARC, ensures the necessary controls are in place to verify and safeguard the integrity of assurance and compliance reports as well as other disclosures. Eskom complies with all required disclosures. The following are the key results and their evidencing to achieve this principle:

Key results	Achievement
Quarterly shareholder report	Eskom prepares a quarterly shareholder report approved by the board, which provides an analysis of the organisations technical, financial, social and environmental performance. Further, it examines the challenges and risks that Eskom faces as well as the steps taken to mitigate and manage these.
Integrated report	The organisation's integrated report is compiled in line with the Integrated Reporting Framework (<IR> Framework). The ARC, supported by the SES committee, oversees the annual integrated reporting process and reviews the audited financial statements. Eskom ensures the annual reports, including the annual financial statements (AFS), the integrated report, the sustainability and governance reports, and any other relevant information to stakeholders, are published on Eskom's website and other media as appropriate.
Financial reporting	Eskom prepares its annual and interim financial statements in terms of International Financial Reporting Standards, the PFMA (1999) and the Companies Act (2008).

## Governing structures and delegations

### Primary role and responsibilities of the board

**Principle 6 – The board should serve as the focal point and custodian of corporate governance in the company.**

The board exercises its leadership role in line with the memorandum of incorporation and the board charter. The following are the key results and their evidencing to achieve this principle:

Key results	Achievement
Effective chairman	As part of the annual board evaluation, Eskom's chairman is assessed for their effectiveness in the role and appropriate action is taken based on the findings.

Comprehensive board charter	<p>The board charter is reviewed and approved annually. The charter sets out its governance responsibilities, including the role, responsibilities, membership requirements and code of conduct. Confirmation that the board charter has been fully upheld is confirmed in the integrated report.</p> <p>The board, and any director or committee, may obtain independent, external professional advice at the company's expense on matters within the scope of their duties. Directors may request documentation from and meet with management as required.</p>
Detailed King IV™ governance register	<p>Eskom applies the governance principles of King IV™ and, where required, continues to entrench and strengthen recommended practices through the organisation's governance structures, systems and processes. Eskom has also applied an OKR methodology, in the application of King IV™ principles to drive alignment and performance in achieving corporate governance goals. OKRs stand for objectives and key results, which is a collaborative goal-setting methodology used by organisations to set ambitious goals with measurable results. In applying this methodology, Eskom seeks to enhance its effective and thorough achievement of King IV™ principles within the organisation.</p>

#### Composition of the board

**Principle 7 – The board should comprise the appropriate balance of knowledge, skills, experience, diversity and independence for it to discharge its governance role and responsibilities objectively and effectively.**

The board comprises an appropriate balance of knowledge, skills, experience, diversity and independence for it to perform its governance role and responsibilities objectively and effectively to fulfil the organisation's mandate.

The following are the key results and their evidencing to achieve this principle:

Key results	Achievement
Effective chairman	<p>The DPE (shareholder) appoints board members in line with the memorandum of incorporation and has appointed one independent non-executive director as the chairman. As part of the annual board evaluation, the chairman is assessed for their effectiveness in the role and appropriate action is taken based on the findings.</p>

Composition matrix	<p>There is currently no composition matrix or diversity targets for the board, however the current board's demographic profile reflects a diversity that is appropriate for the South African context. The shareholder is responsible for developing a succession management plan and filling of vacancies and is currently addressing this issue.</p> <p>Non-executive directors are appointed for a three-year term, reviewed annually by the shareholder that may be renewed for three consecutive terms. The board consists of 13 independent non-executive directors and two executive directors (the group chief executive and chief financial officer). Eskom currently has an interim group chief executive and chief financial officer until such time as the position of group chief executive is filled.</p>
Board appraisal	<p>A yearly board appraisal is conducted to confirm the required attributes are met. Full transparency is provided in the integrated report articulating the achievement of each attribute.</p>

### Committees of the board

**Principle 8 – The board should ensure that its arrangements for delegation within its own structures promote independent judgement, and assist with balance of power and the effective discharge of its duties.**

The board ensures that delegation within its own structure is promoted and has an approved delegation of authority in place. The following are the key results and their evidencing to achieve this principle:

Key results	Achievement
Comprehensive terms of reference	<p>Eskom has six board committees established to assist the board in discharging its duties and responsibilities – audit and risk, investment and finance, governance and strategy, human capital and remuneration, business operations, and social, ethics and sustainability. Each committee has its own terms of reference (ToRs) approved by the board and reviewed annually. Members of the committees are appointed by the board, except the audit and risk committee, whose members are nominated by the board and appointed by the shareholder.</p> <p>An appraisal conducted confirmed the ToRs have been fully met.</p>

Effective ARC and SES committee	<p>The board has an ARC comprising independent non-executive directors only and its independence and effectiveness is reviewed annually. The chairman of the board is not a member of the audit and risk committee. Members of the ARC are elected by the shareholder. All ARC members are financially literate and have extensive ARC experience. Members have also identified the need to strengthen ARC with IT and insurance skills.</p> <p>The ARC performs the functions as set out in the Companies Act. Adequate processes and structures have been implemented to assist the ARC in providing oversight and ensuring the integrity of financial reporting, internal controls and other governance matters.</p> <p>Although ARC maintains overall oversight of enterprise risks, the board committees address risks associated with the mandate of their committees.</p> <p>The SES committee is responsible for overseeing and reporting on ethics, corporate social responsibility, sustainable development and stakeholder relationships.</p> <p>The performance of each board committee and significant issues dealt with throughout the year are set out in the AFS. Board appraisals conducted showed the effectiveness of the ARC and SES committees.</p>
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### Evaluation of the performance of the board governing body

**Principle 9 – The board should ensure that the evaluation of its own performance and that of its committees, its chair and its individual members, supports continued improvement in its performance and effectiveness.**

Assessments of the performance of the board, its sub-committees and the company secretary are conducted annually in line with shareholder requirements, King IV™ governance principles and the State-Owned Company Board Evaluation Framework. These assessments cover the governance of financial, economic, quality, social and environmental issues. The following are the key results and their evidencing to achieve this principle:

Key results	Achievement
Reports of performance appraisals	<p>An independent board evaluation was conducted and indicated overall good compliance to corporate governance practices. An area of concern was the existence of vacancies on the board regarding a balance of skills and experience.</p> <p>This was addressed with the appointment of the new board on 1 October 2022.</p>



## Appointment and delegation to management

Principle 10 – The board should ensure that the appointment of, and delegation to, management contribute to role clarity and the effective exercise of authority and responsibilities.

There is a clear division of responsibilities and authority between the board and executive management. The following are the key results and their evidencing to achieve this principle:

Key results	Achievement
Authority framework	To ensure effective reservation and delegation of powers, Eskom has a delegation of authority (DoA) policy in place. The board retains overall accountability, with the DoA assisting in ensuring smooth and effective business operations by governing the process of delegating authority to act and make decisions. The DoA is applicable to Eskom and its subsidiaries and is reviewed regularly. The board is addressing the requirement to disclose satisfaction that the DoA policy contributes to role clarity and effective exercise of authority and responsibilities.
Effective CEO	The group chief executive is responsible for the day-to-day operational requirements of the company and acts within the approved DoA. As part of Eskom's governance and strategy committee, appraisals on the CEO are carried out to ensure effectiveness. Mr. Calib Cassim, was appointed by the shareholder as acting group chief executive with effect from 24 February 2023, on recommendation of the board.
Effective C-Suite	The group chief executive and chief financial officer are nominated by the board and appointed by the shareholder. Executive management committee (EXCO) appraisals are done through Eskom's performance appraisal framework.
Effective company secretary	Eskom has appointed a group company secretary, Mr. Mlawuli Manjingolo, who is responsible for corporate governance. Appraisals for the company secretary are carried out through annual board evaluations. The board is comfortable that an arm's-length relationship between the board and company secretary is in place. The company secretary has a direct channel of communication to the chairman, while maintaining an arm's-length relationship with the board and directors as far as reasonably possible. The role and responsibilities of the company secretary are described in the board charter as set out in section 88 of the Companies Act.
Succession plans	Succession planning takes place through talent board processes. Succession plans for executive management are in place and approved by the human capital and remuneration committee.

## Governance functional areas

### Risk governance

Principle 11 – The board should govern risk in a way that supports the company in setting and achieving its strategic objectives.

The board assumes accountability for the governance of risk by setting the direction for how risk should be approached and addressed in Eskom. The following are the key results and their evidencing to achieve this principle:

Key results	Achievement
Risk management framework, policy and procedure	The ARC is responsible for the oversight of governance and risk for Eskom and its subsidiaries. The implementation and execution of the risk management plan has been delegated to Eskom's management and subsidiary boards in line with Eskom's DoA. The goal of the Eskom Holdings Risk and Resilience Management Plan is to deliver a risk-intelligent and resilient organisation that leverages risk and resilience thinking to meet its objectives, contributing to a safer and more resilient society as a recognised leader in its class. Management continuously develops and enhances its risk and control procedures to improve risk identification, assessment and monitoring.
Enterprise risk register	The board approved the enterprise risk and resilience policy and the integrated risk management standard which sets the direction on how risk management should be approached and addressed. A robust enterprise risk register is in place, identifying and measuring the potential impact of risks in relation to Eskom's risk profile, appetite and tolerance. This is submitted to the ARC quarterly.
Business continuity and disaster recovery plans	Eskom's business continuity standard serves as a control to ensure continuity of service delivery to still achieve its objectives in spite of disruption to priority processes or services. Business continuity plans provide contingency arrangements to business, while disaster recovery plans guide Group IT's in their response to disruption which affect systems or technology.  Furthermore, Eskom's Enterprise Resilience programme also provide for compliance to the Disaster Management Act through the Eskom Disaster Management standard which guides the organization to establish preparedness to identified disaster priorities at national, provincial and local levels. Progress on the Enterprise Resilience Programme is tabled to ARC quarterly.
Internal audit report	The ARC is responsible for ensuring the effective monitoring of relevant material group risks. In monitoring and providing oversight on Eskom's risks, the ARC will consider potential risks and/or opportunities as appropriate. Assurance and Forensic compiles an internal audit report based on Eskom's risk review.

## Technology and information governance

Principle 12 – The board should govern technology and information in a way that supports the company setting and achieving its strategic objectives.

The board exercises ongoing oversight of information and technology management and oversees that it results in an integration of employees, stakeholders, future investment strategy and company economic outlook. The following are the key results and their evidencing to achieve this principle:

Key results	Achievement
Cyber risk resilience report	The ARC is accountable for the governance of technology and information management. Management is responsible for implementation of technology and information policies and procedures and reports to the ARC quarterly. A quarterly cyber risk/resilience report is tabled at the ARC/board level.
Governing committees	<p>Eskom has established information communication and technology (ICT) wide-risk management committees to oversee ICT security governance, risk, compliance and assurance, and ICT infrastructure investments:</p> <ul style="list-style-type: none"><li>• Information and technology steering committee</li><li>• Cybersecurity committee</li><li>• Cloud committee.</li></ul> <p>These committees are geared towards enabling the board to understand the fundamental dynamic changes in technology and its ability to transform the economic outlook of the company.</p> <p>The investment and finance committee reviews and considers capital expenditure investment, including investment in technology.</p>
Information security policy and cybersecurity	<p>Eskom has put an updated information security policy in place to provide management direction and guidance regarding the acceptable use of the company's information and information systems. It provides principles for acceptable practices of Eskom's information and information systems and seeks to comply with the ISO27001 security standard. The information security policy stipulates the ethical use of Eskom's information and technology, including how IT assets will be disposed of. It is also implemented to ensure the confidentiality, integrity and availability of information.</p> <p>Additionally, Eskom has adopted the NIST Cybersecurity Framework to ensure that best cybersecurity practices are followed as far as possible.</p>

## Compliance governance

**Principle 13 – The board should govern compliance with applicable laws and adopted, non-binding rules, codes and standards in a way that supports the company being ethical and a good corporate citizen.**

Compliance with applicable laws and regulations are clearly understood, not only in terms of the obligations they create, but also for the rights and protection they afford. This forms the basis of the board's key regulatory focus areas, which includes all relevant legislation that affects Eskom. Eskom's commitment to acting as a responsible corporate citizen includes compliance with all laws and regulations in the countries and jurisdictions where it operates. The following are the key results and their evidencing to achieve this principle:

Key results	Achievement
Legislative register	Eskom keeps a register of the legislative universe specific to the organisation.
Compliance function	A compliance function exists within Eskom to ensure all laws and regulations are adhered to. The ARC is accountable for compliance governance for Eskom and its subsidiaries, with EXCO responsible for compliance management, supported by the group legal and compliance function.
Legal and compliance framework	Eskom has placed emphasis on creating a responsible, sustainable and pragmatic compliance framework through: <ul style="list-style-type: none"><li>• determining and prioritising the effective management of compliance risks within the organisation.</li><li>• determining and prioritising the effective management of compliance contraventions to minimise their consequences and the risk of recurrence.</li><li>• adequately resourcing the compliance function through the recruitment of certified compliance practitioners with the requisite skills to manage the identified compliance risks.</li><li>• implementation of an automated compliance management system and electronic legal register to enhance effectiveness</li></ul>
Compliance report	A complete compliance report is compiled by a designated compliance officer providing assurance that all mandatory laws are followed. This is submitted to the ARC on a quarterly basis.
Independent assurance	Periodically, Eskom seeks the services of an independent assurance provider on the effectiveness of its compliance management.

## Remuneration governance

**Principle 14 – The board should ensure that the company remunerates fairly, responsibly and transparently so as to promote the achievement of strategic objectives and positive outcomes in the short, medium and long term.**

The board sets the direction for remuneration governance and this is fully disclosed in the integrated report.

The following are the key results and their evidencing to achieve this principle:

Key results	Achievement
Remuneration policy	The shareholder provides guidelines on remuneration and incentives for state-owned entities. Eskom and its subsidiaries use these guidelines to develop its own remuneration policy.  The human capital and remuneration committee, in consultation with EXCO, ensures that directors and executives are fairly rewarded for their contributions, in line with the remuneration policy.
Personnel survey	Eskom conducts a human capital organisational effectiveness survey to determine the satisfaction of employees, particularly concerning remuneration. Current results are not positive and Eskom endeavors to improve these results going forward.
Remuneration report	Eskom discloses the remuneration of directors and prescribed officers in the AFS.
Remuneration benchmarking review	Eskom conducted a remuneration benchmarking review to ensure employee remuneration is fair and in line with market-related wages and salaries.

## Assurance

**Principle 15 – The board should ensure that assurance services and functions enable an effective control environment, and that these support the integrity of information for internal decision-making and of the company's external reports.**

The board assumes responsibility for assurance by setting the direction concerning the arrangements for assurance services and functions within Eskom. The ARC is responsible for the quality and integrity of Eskom's annual integrated reporting. The board, with recommendations from the ARC, satisfies itself that the combined assurance model is effective and sufficiently robust for the board to be able to place reliance on the combined assurance underlying the statements the board makes concerning the integrity of the organisation's external reports. The following are the key results and their evidencing to achieve this principle:

Key results	Achievement
Chief audit executive (CAE)	Eskom has a General Manager Internal Audit that oversees all assurance matters.
Internal audit plan	The ARC approves the annual internal audit plan to ensure that there is an effective risk-based internal audit.
Combined assurance framework	A functional and effective combined assurance framework is in place. Eskom has adopted the five levels of the combined assurance model as recommended by King IV™.

Assurance reports	Properly evidenced assurance reports of implemented controls and processes covering high-risk areas exist within Eskom. The ARC is accountable for assurance services and functions and oversees the assurance activities and the establishment of effective systems of internal control to provide reasonable assurance that the financial and non-financial objectives of the group are achieved. The committee receives detailed quarterly reports on progress against annual risk-based planning.
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## Stakeholder relationships

### Stakeholders

**Principle 16 – In the execution of its governance role and responsibilities, the board should adopt a stakeholder-inclusive approach that balances the needs, interests and expectations of material stakeholders in the best interests of the company over time.**

The board exercises ongoing oversight of stakeholder management and strives to ensure an integrated approach to stakeholder engagement across the organisation. The following are the key results and their evidencing to achieve this principle:

Key results	Achievement
Stakeholder management policy and process	Eskom developed a broad-based stakeholder framework based on a sound understanding of stakeholder issues and the future direction of the company. Also in place is a comprehensive stakeholder and communication strategy. The strategy supports a wide range of business initiatives. The stakeholder management policy highlights the importance of governing stakeholder relations through an inclusive stakeholder approach.
Stakeholder matrix/register	Eskom has a stakeholder matrix/register in place of all material stakeholders outlining the quality and strength of the relationships held.
Stakeholder engagement	Eskom has arrangements in place to address key focus areas (current and future) for stakeholders and the company takes action to address any legitimate stakeholder concerns. The company considers its social licence to operate in the context of reputation where successful implementation depends on its interactions with a vast network of stakeholders, especially communities (corporate social investment) and civil society groups. The media desk is increasingly using social media to monitor stakeholder conversations and use media analysis as a reference to provide insight and knowledge to keep Eskom's stakeholders informed on topics that concern them. Media management is a crucial tool to rebuild trust and healthy relationships with the public and stakeholders.

## **Institutional investors**

The board should ensure that responsible investment is practiced by the company to promote good governance and the creation of value by the companies in which it invests.

The board, through its policies, articulates its direction on responsible investment. Although Eskom is not an institutional investor, the following are the practices implemented because Eskom has its debt listed:

The ARC and the investment and finance committee have oversight of matters relating to Eskom's investment policy.

The board has delegated the responsibility for implementing and executing the investment policy to the group chief financial officer.

The principles of the investment policy are included in the Eskom Group Finance Treasury Risk Management Framework which is approved by the group chief financial officer.