ESKOM HOLDINGS SOC LTD
KING IV™ APPLICATION REGISTER – 31 MARCH 2024

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 2024.

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 evidence to achieve this principle:

Key results	Achievement
Adherence to ethical values	Eskom directors monitor compliance with ethical values and guidelines through internal audits, ethics reviews and providing oversight to ensure that ethical standards are being maintained across the organisation
Director declaration on appointment	On appointment, directors are required to complete and sign a comprehensive director's declaration in an undertaking to ensure the 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 interests 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.
Ethical decision-making	When making key decisions, Board incorporates ethical considerations into decision-making. Training interventions and workshops form part of the continuous director development plan. Furthermore, Board has adopted an Ethics Manifesto to show commitment and support to a common ethical vision for the organisation.

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 of 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 evidence to achieve this principle:

Key results	Achievement
Ethics risk assessment	An independent ethics risk assessment was conducted by The Ethics Institute to identify Eskom's ethics risk. Its recommendations have been used to prepare a new ethics strategy and action plan that is aligned with Eskom's overall strategy.
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 helpline	An established and functioning whistle-blower mechanism and ethics helpline exist for all employees and stakeholders to use if an employee is acting unethically and against the best interests of the company. Eskom encourages the reporting of unethical and corrupt practices and, where appropriate, provides whistle-blower protection. Eskom intends to strengthen the whistle-blower policy by including psychological support for whistle-blowers.
Staff training	During the staff onboarding process, certified ethics trainers are appointed in all divisions to carry out ethics training to establish Eskom's ethics culture from the outset. They are also trained on Eskom's core values of: ● Zero Harm ● Integrity ● Innovation ● Sinobuntu (care) ● Customer Satisfaction and ● Excellence Ongoing staff training schedules are required to include ethics.

Fostering an ethical culture	Ethics training and awareness is provided to all employees as well as suppliers as a preventative measure to ethical breaches. As part of the ethics strategy approved by the Board, the need has been identified to recognise individuals/teams who demonstrate exemplary ethical conduct, reinforcing the importance of ethics throughout the organisation. An established and functional disciplinary and sanctioning process is in place for any Eskom employees and suppliers found in breach of the regulations and ethics of the organisation.
Ethics coordinators and champions	As part of Eskom's ethics structure, divisional ethics coordinators and champions have been formally appointed, and Eskom has a dedicated Ethics Office.

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 its value-driven focus on operational excellence and operating Eskom's assets safely, responsibly, and efficiently. Eskom believes that a responsible, sustainable approach to its business minimises potentially negative impacts and increases the positive contribution of the industry 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 broad-based black economic empowerment (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 for the benefit not only of Eskom, but also the economy as a whole.
Human capital – remuneration, employee wellness, labour and employment conditions	Eskom's human resources strategies emphasise 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, cognisant 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 a 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 decarbonising 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 Eskom's website, clearly articulating the organisation's values of Zero Harm, Integrity, Innovation, Sinobuntu (care), Customer Satisfaction and Excellence. Eskom's values are clearly aligned with 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 risks of implementation are identified. These targets are also aligned with divisional plans. The Results Management Office (RMO) develops detailed milestones and due dates from identified targets, with implementation tracked and monitored. The Business Operations Performance Committee (BOPC) provides oversight of the operations of the company by reviewing, among others, the performance of the company against set energy availability factor targets.
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 the government's short-to-medium-term and long-term objectives for Eskom to achieve. Eskom adopts these objectives to ensure that it remains a critical and strategic contributor to the government's goal of ensuring the 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 reporting of the organisation and ensures that reports issued by Eskom enable stakeholders to make informed assessments of Eskom's performance. The Board, through the ARC, ensures that 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 technical, financial, social, and environmental performance of the organisation. Furthermore, it examines the challenges and risks that Eskom faces as well as the steps taken to mitigate and manage these.
Integrated report	The integrated report of the organisation 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 that 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 the International Financial Reporting Standards (IFRS), the PFMA, 1999, and the Companies Act 71 of 2008. The relevant approval bodies review, consider and approve these reports in terms of these standards. Both reports are subject to a review by external parties, including the external auditors and the Auditor-General of South Africa.

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 (MoI) 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 the person's effectiveness in the role, and appropriate action is taken based on the findings.
Comprehensive Board charter	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. The Board, and any director or committee, may obtain independent, external professional advice at the expense of the company on matters within the scope of their duties. Directors may request documentation from, and meet with, management, as required.
Detailed King IV™ governance register	Eskom applies the governance principles of King IV™ and, where required, continues to entrench and strengthen recommended practices through the governance structures, systems and processes of the organisation. Eskom has also applied an OKR methodology in the application of King IV™ principles to drive alignment and performance in achieving corporate governance goals. OKR stands 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.

Group Governance Framework	The company exercises its rights and is involved in the decision-making of its subsidiaries on material matters. Subsidiaries have adopted the Subsidiary Governance Framework and have aligned it to their MoI's and Shareholder's Compacts. Eskom's governance framework is disclosed in the integrated report.

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 mandate of the organisation. The following are the key results and their evidencing to achieve this principle:

Key results	Achievement
Effective Chairman	The 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 the person's effectiveness in the role, and appropriate action is taken based on the findings.
Composition matrix	There is a Board composition matrix in place, which serves as a tool to visualise and assess the various skills, experiences and attributes of Board members to ensure a diverse and effective Board. It assists in the allocation of roles and responsibilities and the identification of member commitments. The current Board's demographic profile reflects a diversity that is appropriate for the South African context. The Governance and Strategy Committee (GSC) is responsible for developing a succession management plan, and the Shareholder is responsible for the filling of vacancies on the Board. Non-executive directors are appointed for a three-year term, reviewed annually by the Shareholder, that may be renewed for three consecutive terms. At year end, the Board consists of 11 independent non-executive directors and two executive directors (the group chief executive and group chief financial officer). At year end, two of the 13 non-executive director positions are vacant.
Board appraisal	An evaluation of Board effectiveness is conducted in accordance with the SOC Board Evaluation Framework. The practice ensures that the Board is aware of the level of its effectiveness and has an opportunity to grow, develop and improve in order to have a more positive impact on the organisation. Full transparency is provided in the integrated report articulating the achievement of each attribute.

Lead independent director	The Eskom MoI has been amended to allow for the appointment of a lead independent director (LID). The LID helps maintain the boards independence and objectivity, serving as a sounding board for the Chairman.

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 the 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	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. An appraisal conducted confirmed that the ToRs have been fully met.
Effective ARC and SES committees	The Board has an ARC comprising independent non-executive directors only, and its independence and effectiveness are reviewed annually. The Chairman of the Board is not a member of ARC. Members of the ARC are elected by the Shareholder. All ARC members are financially literate and have extensive ARC experience. Plans to augment skills required for the committee are being implemented. 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. The SES Committee is responsible for overseeing and reporting on ethics, corporate social responsibility, sustainable development, and stakeholder relationships. The performance of each Board committee and significant issues dealt with throughout the year are set out in the integrated report. Board appraisals conducted showed the effectiveness of the ARC and SES Committee.

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 members supports continued improvement in its performance and effectiveness.

Assessments of the performance of the Board, its subcommittees, and the company secretary are conducted annually in line with shareholder requirements, King IV™ governance principles and the SOC 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	An independent Board evaluation was conducted and indicated overall good compliance with corporate governance practices. As an area of improvement, the Board will disclose the level of satisfaction with the performance appraisal, improving the performance and effectiveness of the Board.
Implementation of the Board Improvement Plan	An improvement plan was prepared following the 2024 Board appraisal, and GSC oversaw the implementation thereof. The plan has provided the committee with an opportunity to reflect on the actions that the Board should take to drive continuous development.

Appointment and delegation to management

Principle 10 – The Board should ensure that the appointment of, and delegation to, management contributes 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 applies 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 the effective exercise of authority and responsibilities.
Effective group chief executive officer (GCE)	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 GSC, appraisals of the GCE are carried out to ensure effectiveness. Mr Dan Marokane was appointed by the Shareholder as GCE with effect from 1 March 2024.
Effective C-suite	The group chief executive and group 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 arms-length relationship between the Board and the company secretary is in place. The company secretary has a direct channel of communication with 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 have 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 despite disruption to priority processes or services. Business continuity plans provide contingency arrangements to the business, while disaster recovery plans guide Group Information Technology (IT) in its response to disruption that affects systems or technology. Furthermore, Eskom's Enterprise Resilience Programme provides for compliance with the Disaster Management Act through the Eskom disaster management standard, which guides the organisation to establish preparedness for identified disaster priorities at national, provincial and local levels. Progress on the Enterprise Resilience Programme is tabled at the 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. Internal Audit 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, the future investment strategy, and the company's 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 the 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	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: • Information and Technology Steering Committee • Cyber-security Committee • Cloud Committee 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. The Investment and Finance Committee reviews and considers capital expenditure investment, including investment in technology.

Information security policy and cyber-security	Eskom has an acceptable use of information policy, which provides management direction and guidance regarding the acceptable use of Eskom's information and information systems. It provides principles for acceptable practices of Eskom's information and information systems and seeks to comply with the ISO 27001 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. Additionally, Eskom has adopted the National Institute of Standards and Technology (NIST) Cyber-security Framework to ensure that best cyber-security practices are followed as far as possible.

Compliance governance

Principle 13 – The Board should govern compliance with applicable laws and adopt 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 is 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 include 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 that all laws and regulations are adhered to. The ARC is accountable for compliance governance for Eskom and its subsidiaries, with Exco being responsible for compliance management, supported by the Group Legal and Compliance function.
Legal and compliance framework	Eskom has emphasised creating a responsible, sustainable and pragmatic compliance framework through: • determining and prioritising the effective management of compliance risks within the organisation. • determining and prioritising the effective management of compliance contraventions to minimise their consequences and the risk of recurrence. • adequately resourcing the compliance function through the recruitment of certified compliance practitioners with the requisite skills to manage the identified compliance risks. • implementing an automated compliance management system and electronic legal register to enhance effectiveness.

Compliance report	A complete compliance report is compiled by a designated compliance officer, assuring 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 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 their remuneration policy. The Human Capital and Remuneration Committee 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 endeavours 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 that 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 external reports of the organisation. The following are the key results and their evidencing to achieve this principle:

Key results	Achievement
Chief Audit Executive (CAE)	Eskom has a CAE who 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. The internal audit plan is approved after the various committees have provided input into their respective areas of oversight.
External audit	The ARC recommends the appointment of the external auditor to the Shareholder. The committee approves the external audit strategy, scope and plan.
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™. The CAE has been tasked to implement combined assurance in Eskom in accordance with the Audit Charter. The model is still being improved on to reach the required maturity level.
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.

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 premised 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. SES plays an oversight role with respect to stakeholder related matters.
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 uses media analysis as a reference to provide insight and knowledge to keep Eskom's stakeholders informed regarding topics that concern them. Media management is a crucial tool to rebuild trust and healthy relationships with the public and stakeholders.