	SUBMISSION DOCUMENT	Unique Identifier	ENV13-L229
		Document Type	CCGTE
		Revision	4
		Effective Date	28 Jan 13
		Regulation and Legal	

EXECUTIVE SUMMARY

SUBMISSION TO ESKOM BOARD SUSTAINABILITY COMMITTEE FEBRUARY 2013

1. TITLE OF THE SUBMISSION

Eskom's environmental management performance (April – December) 2012

2. RESOLUTION REQUIRED

No decision required - for information purposes only.

Submission covers:

- Eskom's environmental performance – year to date (April – December) 2012.
- A summary of challenges
- Progress on Strategy Implementation

3. SUMMARY OF FACTS

3.1 Salient Facts

The high demand for electricity and the limited availability of plant for maintenance and outages constrains Eskom's ability to undertake critical maintenance and thereby delaying projects to improve environmental performance and address issues related to particulate emissions and water usage. The reality of the above has been clearly seen in the last quarter with the projections for emissions, water and legal contraventions indicators all indicating that environmental targets will not be met at year end.

While key performance indicators are not being achieved progress is being made in several areas and is setting a foundation for good environmental performance going forward.


3.2 Eskom's Environmental Performance - year to date (April – December) 2012


- i. Particulate emissions for December 2012 YTD does not meet target at 0.34 kg/MWhSO (target 0.30 kg/MWhSO).
- ii. Power Stations operated under exemption from conditions of their emissions licences for an average of 39% of the time YTD.



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- An Eskom Environmental Legal Conference was held in June 2012 and was attended by over 200 employees including line management and environmental practitioners.
- In the past three years several training interventions on legislation took place in Divisions.
- A Graduate in Training programme was initiated for pipelining in Generation. Transmission, Distribution and Group Capital have also increased the number of GITs.

3.5 Air Quality

The air quality strategy was reconfirmed during the revision of the corporate plan. While the milestones set in 2010 corporate plan have not been met, satisfactory progress has been made with several approvals being obtained during 2012.

3.6 Water Management

The implementation of the water management strategy is progressing. Several very positive interventions took place during 2012 with the CEO Water Mandate. While water use at power stations was very high several of the initiatives and projects planned to reduce water use in the future progressed well. The Water Accounting Framework was implemented at all power stations and monitoring improved. The zero liquid effluent projects progressed well with several projects being approved at the investment committee.

3.7 Key assumptions


Eskom continues to be committed to zero harm to the environment and compliance to legislation is regarded as a minimum standard.

3.8 Financial implications

Funding for programmes has/will be obtained through standard Eskom processes. Specific interventions are being made to resolve issues relating to the Air quality strategy. Initiatives identified during the corporate planning process have been delayed due to funding constraints. Environmental initiatives are primarily to achieve statutory compliance hence the projects need to be planned for and funded.

3.9 Human Resource implications

Additional Environmental resources are required on sites and in the newly formed Eskom Environmental Department these have been included in the relevant HR plans.

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3.10 Risks (including Environment, Legal or Contractual risks)

The top business risk related to environment is:

The constrained system is preventing Eskom from achieving emission and water targets, primarily because access to plant for maintenance is not possible when required. Emission abatement equipment can't be maintained or repaired. In some power stations there are water leaks that require a half station shut down in order to repair. Non-compliance could result fines, prosecution against Eskom or individuals, or loss of approval to operate.

Mitigation includes implementation of the environmental legal compliance programme and activities such as the emission recovery team, water task team, air quality and water management strategies.

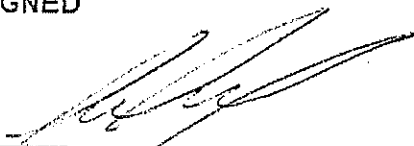
3.11 Verification by independent party (if applicable)

Verification of data for mid-year results has been performed by Eskom internal audit and KPMG. KPMG have begun year end audit preparations and will issue an opinion on year end results.

4. OTHER APPROVALS REQUIRED

None

SIGNED



**DR STEVE LENNON
GROUP EXECUTIVE
SUSTAINABILITY DIVISION**

Who hereby represents that the above
Information is correct.

28/1/13

DATE

Submission prepared by: Bryan Mccourt Chief Advisor and Deidre Herbst
Eskom Environmental Management
011 800 3501/ 083 660 1147



SUBMISSION CHECKLIST

Unique Identifier	221-221
Document Type	CCGFM
Revision	3
Effective Date	July 2012
Regulation and Governance	

CHECKLIST 1

TITLE OF SUBMISSION: THE ESKOM BOARD SUSTAINABILITY COMMITTEE – ESKOM'S ENVIRONMENTAL PERFORMANCE – year to date (April – September) 2012

Please note:

The headings should NOT be deleted if it is not applicable to the project, the sequence of the headings should not be changed.

Tick the applicable box (✓).

	N/A	Yes	No
1. INTERNAL PROCESS			
1.1 BUSINESS PLAN Has the project/issue been included in the business plan? <i>(If no, information/explanation to be highlighted in documentation/presentation/attachment.)</i>		✓	
1.2 BUDGET If financial approval is required, is the project/matter within the approved budget? <i>(If no, information/explanation to be highlighted in documentation/presentation/attachment.)</i>	✓		
1.3 HUMAN RESOURCE IMPLICATIONS Does the project have any HR implications? <i>(If yes, information/explanation to be highlighted in documentation/presentation/attachment.)</i>	✓		
1.4 FINANCIAL EVALUATION - Has the project/issue undergone a financial evaluation? <i>(If yes, by whom)</i> - Has the evaluation been verified? - By whom (internally or independent)?	✓		
1.5 LEGAL/CONTRACTUAL ISSUES - Are there legal implications? - Has Corporate legal department input been obtained? - If so, is the approval sought consistent with the legal input?		✓ ✓ ✓	
1.6 TAX IMPLICATIONS - Are there tax implications? - Has Corporate tax department input been obtained? - If so, is the approval sought consistent with the tax input?	✓		
1.7 CAPITAL PROJECTS If the project is of a capital nature the checklist 2 (attached) for the evaluation of capital projects should be completed as well.	✓		



SUBMISSION CHECKLIST

Unique Identifier	221-221
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1.8 TECHNICAL EVALUATION

- Has the project/issue undergone a technical evaluation? (If yes, by whom)
- Has the evaluation been verified?
- By whom (internally or independent)?

N/A	Yes	No
✓		

1.9 BLACK ECONOMIC EMPOWERMENT IMPLICATIONS

Does the project have any BEE implications?

✓		

1.10 EMPLOYMENT EQUITY

Was due consideration given to employment equity in terms of the following:

- Project team
- Drafting of submission documentation
- Individual(s) presenting to Board

	✓	
	✓	
	✓	

2. ADDITIONAL APPROVALS

2.1 NERSA

- Is NERSA approval/consultation required?
- If approval or consultation is required, provide details and also highlight the time lines, deadlines, etc.

✓		

2.2 PUBLIC FINANCE MANAGEMENT ACT (PFMA)

- Is any PFMA approval required?

✓		

2.3 ARE THERE ANY OTHER APPROVALS REQUIRED? IN PARTICULAR

- Reserve Bank
- Competition Commission
- National Treasury

✓		

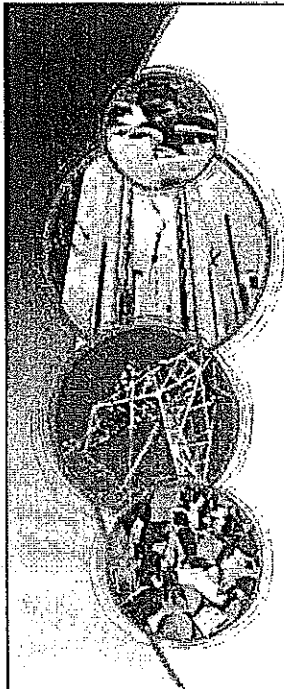
SIGNATURE:

DR STEVE LENNON
GROUP EXECUTIVE
SUSTAINABILITY DIVISION

DATE:

28/1/13

Who hereby confirms that all of the above requirements have been complied with.



Eskom

ESKOM'S ENVIRONMENTAL MANAGEMENT PERFORMANCE

**“Reducing the environmental
footprint and Living Zero Harm
as a value in Eskom”**

**Board Social, Ethics and Sustainability
Committee**

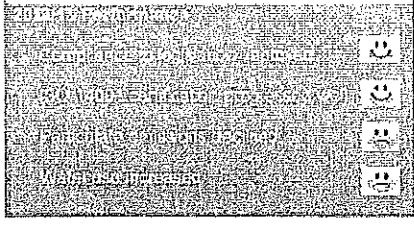
Date: February 2013

Deidre Herbst

Environmental Performance: air, water, compliance and ISO 14001 certification **Eskom**

■ Relative particulate emissions (kg/MWh sent out) ■ Target

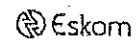
Year-to-date	Relative particulate emissions (kg/MWh sent out)	Target
2007/8	0.21021	0.25
2008/9	0.22	0.25
2009/10	0.39	0.25
2010/11	0.32	0.25
2011/12	0.21	0.25
Year-to-date	0.34	0.25



Performance over the last 3 years

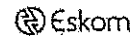


Challenges



- High demand for electricity and the limited availability of plant for maintenance and outages is limiting Eskom's ability to improve environmental performance and achieve full compliance. Emission abatement equipment cannot be maintained. At Kriel and Tuluka a half station shut down is required to properly repair leaks.

Challenges



Progress - Strategy Implementation

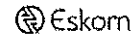


Stakeholder engagement

- Engagement between Brian Dames and Minister Edna Molewa (Minister Water and Environmental Affairs) on 30 November 2012 in order to discuss key strategic and operational issues. Agreement to set up a steering committee at DG level and a working committee to improve understanding and enhance delivery on both sides.
- Progress made towards finalising a revised MOU with the Department of Environmental Affairs and Dept of Water Affairs, DPE, Eskom and Transnet. This MoU will be contextualised under the Strategically Integrated Projects (SIPs) programme
- The NGO forum - Exco meeting with key NGO's held several positive and progressive meetings in the past year

In support of

Progress - Strategy Implementation



Compliance

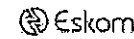
- Positive results from external auditors, including due diligence audits for international funders on major infrastructure projects. Medupi (98.15%) and Ingula (95%)
- Internal reviews completed for permits and authorisations across the business, issues are picked up but close out is closely monitored
- Environmental Management is part of the overall compliance strategy and will support the various structures being established in the business.
- On going skills development and awareness training through various initiatives including the Zero Harm Campaign
- Legal conference attended by 200 employees in June 2012
- Ongoing training on legislation across the Divisions
- Positive trends on data integrity audits during the interim KPMG audits.

In support of

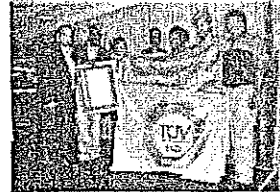


February 2013 7

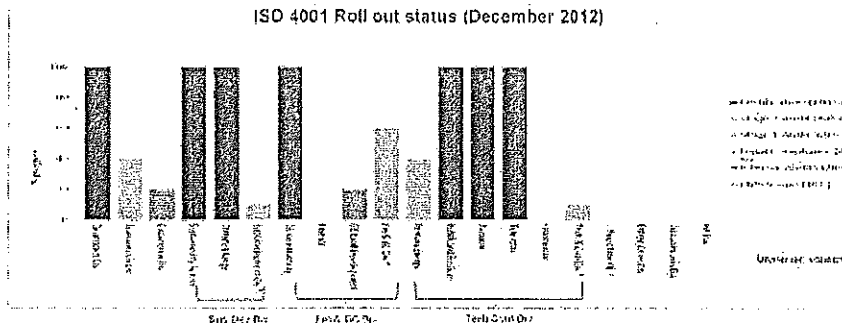
Progress - Strategy Implementation



- Satisfactory progress is being made in obtaining ISO 14001 certification across the organisation with Generation being the first to achieve certification for all its Business Units.
- Finance and Group Capital : Construction management achieved certification for all construction sites. Aviation and Telecommunications and Rotek and Roshcon SOC Limited, Sustainability Systems Department and the Climate Change and Sustainable Development Department maintained their ISO 14001 certification.



ISO 14001 Roll out status (December 2012)



In support of



February 2013

Progress - Strategy Implementation

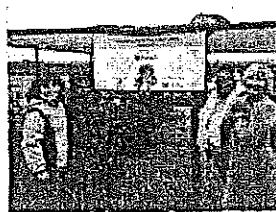


Air Quality Management

- Eskom is unable to comply with the minimum standards due to water and possible sorbent shortages and long outage time required for retrofits. A lengthy exemption process is required to obtain the necessary exemptions. The consultants are appointed and the applications will be submitted in March 2013.
- Public participation is a requirement and is likely to create significant negative press
- The air quality strategy implementation is progressing despite some delays with investment decisions. Grootylei and Tutuka Fabric Filter plant retrofits were approved and the Nox feasibility study has been initiated

Land and biodiversity

- Wildlife interactions in Transmission and Distribution are being very successfully managed.
- 5200 trees were planted in Mpumalanga and over 10 000 seedlings planted in nurseries established as part of the project



Report of

the Commission for Environmental Cooperation

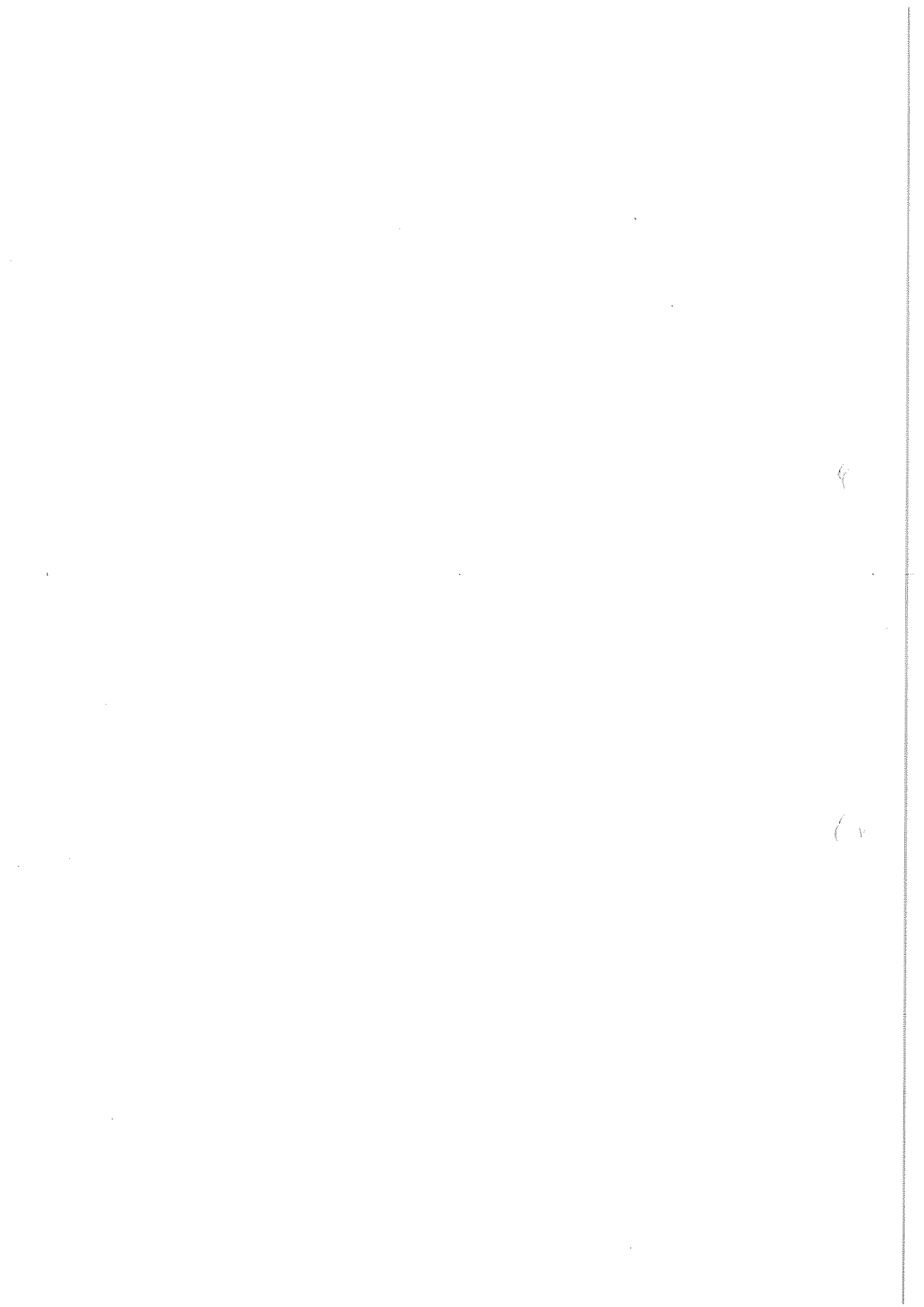
February 2013


Progress - Strategy Implementation





Thank You



	MINUTES OF THE ESKOM HOLDINGS SOCIAL, ETHICS AND SUSTAINABILITY COMMITTEE	Unique Identifier	221-209
		Document Type	OCSDTE
		Revision	0
		Review Date	July 2015
		Office of the Company Secretary	

**EXTRACT FROM THE FINAL MINUTES OF THE SOCIAL ETHICS AND
SUSTAINABILITY COMMITTEE MEETING 4/2012-13 HELD AT ESKOM RESEARCH &
INNOVATION CENTRE-ROSHERVILLE ON 08 FEBRUARY 2013 FROM 08h30.**

(3)

9 MATTERS FOR INFORMATION/ DISCUSSION

9.1 ESKOM'S ENVIRONMENTAL MANAGEMENT PERFORMANCE

Resolved that:

1. the Committee notes the Eskom Environmental Management Performance Report.
2. At the next reporting phase, the report should reflect contraventions that are within Eskom's control and those that are not.

CERTIFIED AS A TRUE EXTRACT



S Daniels
GROUP COMPANY SECRETARY

Date: 31/9/2016

