



## Policy

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ENVIRONMENT, AND  
QUALITY (SHEQ) POLICY**

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## **1. INTRODUCTION**

Eskom, as a state-owned enterprise, has a greater role to play in addition to supply of electricity. Eskom generates, transmits and distributes electricity to industrial, mining, commercial, agricultural and residential customers and redistributors. Eskom supports South Africa's growth and development aspirations. To do this effectively, Eskom must consistently provide stakeholders with confidence that its activities are managed sustainably, effectively, and efficiently for the benefit of the South African economy. This can be achieved by adopting safety, health, environment, and quality (SHEQ) management as a business imperative for sustainable business performance and improvement.

The implementation of this policy will be measured progressively to ensure sustainable excellence in safety, health, environmental, and quality management. Accountability for safety, occupational health, environmental, and quality management will be held by the Board of Directors, including the Chief Executive and 16 (2) appointees. Compliance with the Safety, Health, Environment, and Quality Policy and applicable regulations shall be the responsibility of every employee and contractor.

Safety, health, environment, and quality management will ensure business optimisation and improvement through:

- protection of human lives and environmental duty of care;
- proper analysis of customer and stakeholder needs and expectations;
- effective business objective and priority setting to meet or exceed those needs and expectations;
- establishment of measures for the achievement of business objectives;
- systematic approach to defining, controlling, and continually improving the business processes; and
- advancing our business practices in line with international best practices, legislative requirements, and corporate best practice innovations.

Compliance with the SHEQ Policy will facilitate the achievement of Eskom's strategic objectives in support of the Eskom values of integrity, customer satisfaction, excellence, and innovation.

## **2. POLICY STATEMENT**

Eskom Holdings Limited shall develop, implement, and maintain the entire electricity supply value chain so as to supply reliable and affordable electricity within a challenging business, social, natural, and political environment, without compromising future sustainability. This is in line with the corporate vision of "together building the power base for sustainable growth and development".

Eskom will integrate safety, health, environment, and quality requirements into activities, products, and services throughout the organisation for a sustainable electricity supply. This shall ensure the integration and consideration of economical development and environmental, quality, and social equity into business practices to continually improve performance and underpin development, ensuring that stakeholder requirements are met.

To demonstrate our firm commitment to safety, health, environment, and quality, we shall:

- establish appropriate management systems that are ISO 9001, ISO 14001, and OHSAS 18001 compliant to address related issues with a view to minimising risk, ensuring duty of care by prevention of pollution and environmental degradation and by conducting performance monitoring and measurement;
- comply with applicable legislative and other requirements Eskom subscribes to and, in the absence of these, set standards to meet the objectives of this policy;

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- address the needs and expectations of our customers and stakeholders;
- ensure that SHEQ is an integral part of our operations and that no operating condition, or urgency of service, justifies exposing anyone to negative risks arising out of Eskom's business, causing an incident or damage to the environment;
- appraise our SHEQ performance with the objective of continuous improvement, in light of sustainable development, cost-effective resource use, efficient production, distribution, and use of electricity;
- ensure that SHEQ objectives are established and periodically reviewed to achieve sustainable performance levels;
- promote on- and off-the-job SHEQ for all our employees, as we believe that all occupational injuries and illnesses, fatalities, environmental incidents, and poor quality performance are preventable, and our goal for all is zero occurrence;
- engage stakeholders, by promoting open communication and educating, training, motivating, and developing them on requirements of SHEQ;
- ensure that our suppliers and service providers integrate SHEQ issues into their operations to achieve SHEQ objectives throughout our value chain;
- conduct Eskom business with respect and care for people and the environment and, in so doing, ensure that adequate resources are available for SHEQ management;
- ensure that the planning process takes into account a low carbon future and prioritising energy efficiency within and outside Eskom; and
- ensure that SHEQ objectives and criteria are entrenched in Eskom's procurement and investment strategies, governance, and decision-making processes for informed decision-making.

### **3. SUPPORTING CLAUSES**

#### **3.1 SCOPE**

##### **3.1.1 Purpose**

This policy provides a framework for safety, health, environment, and quality management in Eskom to ensure uniformity across the business. It aims to ensure that:

- a consistent set of international SHEQ standards and practices are adopted and implemented across Eskom;
- customer and stakeholder requirements are understood and consistently met or exceeded;
- measures are established to ensure the effectiveness of internal processes to achieve and maintain acceptable quality of products and services; and
- Objectives are set to promote continual improvement in organisational performance in support of the overall Eskom business plan.

##### **3.1.2 Applicability**

This policy shall apply throughout Eskom Holdings Limited divisions, subsidiaries, and entities in which Eskom has a controlling interest, including identified contractors, suppliers, and service providers.

This policy will also apply during the evaluation of all contracts, projects, and proposals.

#### **3.2 NORMATIVE/INFORMATIVE REFERENCES**

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

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### **3.2.1 Normative**

- [1] ISO 9000 Quality Management Systems – Fundamentals and Vocabulary
- [2] ISO 9001 Quality Management Systems – Requirements
- [3] OHSAS 18001 Occupational Health and Safety Management Systems – Requirements
- [4] ISO 14050 Environmental Management – Vocabulary
- [5] ISO 14001: 2004 Environmental Management Systems – Specification with Guidance for Use
- [6] The United Nations Global Compact
- [7] Constitution of the Republic of South Africa Act, No. 108 of 1996
- [8] National legislation, including, but not limited to, NEMA, NWA OHSA, and COID

### **3.2.2 Informative**

- [9] ISO 9004: 2009 Managing for the Sustained Success of an Organisation – A Quality Management Approach
- [10] 32- 586 Eskom Holdings Business Plan
- [11] International Labour Office Occupational Health and Safety Conventions and Recommendations

## **3.3 DEFINITIONS**

**3.3.1 Continual improvement:** recurring activity to increase the ability to fulfil requirements.

**3.3.2 Eskom:** applies to Eskom Holdings Limited and its divisions and subsidiaries.

**3.3.3 Environment:** the surroundings within which humans exist and which are made up of:

- i) the land, water, and atmosphere of the earth;
- ii) micro-organisms and plant and animal life;
- iii) any part or combination of (i) and (ii) and the interrelationships among and between them; and
- iv) the physical, chemical, aesthetic, and cultural properties and conditions of the foregoing that influence human health and well-being.

**3.3.4 Event:** Occurrence or change of a particular set of circumstances.

**3.3.5 Framework:** a basic conceptual structure used to solve or address complex issues. It is a well-defined tactic to, with simplicity, master the complex environment of an organisation. It allows uniform handling of different business units and increases management discipline.

**3.3.6 Hazard:** means a source, situation, or act with a potential for harm in terms of human injury or ill health, or a combination of these.

**3.3.7 Ill health:** identifiable, adverse physical or mental condition arising from, and/or made worse by, a work activity and/or work-related situation.

**3.3.8 Incident (occupational health and safety related):** work-related event(s) in which an injury or ill health (regardless of severity) or fatality occurred, or could have occurred.

**NOTE 1:** an accident is an incident that has given rise to injury, ill health, or fatality.

**NOTE 2:** an incident where no injury, ill health, or fatality occurs may also be referred to as a “near miss”, “near hit”, “close call”, or “dangerous occurrence”.

**NOTE 3:** an emergency situation is a particular type of incident.

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**3.3.9 Management:** coordinated activities to direct and control an organisation.

**3.3.10 Management representative:** a member of the organisation's management, appointed by top management, who, irrespective of other responsibilities, shall have responsibility and authority for implementing the respective safety, health, environmental, and quality management systems.

**3.3.11 Management system:** system to establish policy and objectives and to achieve those objectives.

**3.3.12 Quality:** degree to which a set of inherent characteristics fulfils requirements.

**3.3.13 Occupational health:** promotion and maintenance of the highest degree of complete physical, mental, and social well-being of all employees and other workers (including temporary workers and contractors) through prevention and not merely the absence of medical impairments.

**3.3.14 Occupational health and safety:** deals with the prevention of occupational injuries and diseases as well as the protection, promotion, and maintenance of the health of all employees and other workers (including temporary workers and contractors). It includes occupational hygiene, occupational safety, occupational medicine, occupational nursing, fire safety, public safety, and emergency preparedness.

**3.3.15 Pollution:** means any change in the environment caused by:

- i) substances;
- ii) radioactive or other waves; or
- iii) noise, odours, dust, or heat;

emitted from any activity, including the storage or treatment of waste or substances, construction, and the provision of services, whether engaged in by any person or an organ of state, where that change has an adverse effect on human health or well-being or on the composition, resilience, and productivity of natural or managed ecosystems or on materials useful to people, or will have such an effect in the future.

**Prevention of pollution:** means the use of processes, practices, techniques, materials, products, services, or energy to avoid, reduce, or control (separately or in combination) the creation, emission, or discharge of any type of pollutant or waste, in order to reduce adverse environmental impacts.

[**Note:** prevention of pollution can include source reduction or elimination, process, product, or service changes, efficient use of resources, material and energy substitution, reuse, recovery, recycling, reclamation, and treatment.]

**3.3.16 Risk:** Effect of uncertainty on objectives.

**NOTE 1:** An effect is a deviation from the expected - positive and/or negative

**NOTE 2:** Objectives can have different aspects, such as financial, health and safety, and environmental goals and can apply at different levels such as strategic, organization-wide, project, product and process

**NOTE 3:** Risk is often characterized by reference to potential events, a consequence, or a combination of these and how they can affect the achievement of objectives.

**NOTE 4:** Risk is often expressed in terms of a combination of the consequences of an event or a change in circumstances, and their associated likelihood of occurrence.

**3.3.17 Safety:** the management and control of associated risks to provide an environment that is safe for people to work in, and including members of the public.

**3.3.18 SHEQ objective:** something sought, or aimed for, related to SHEQ and consistent with the SHEQ Policy. In addition, SHEQ objectives for Eskom mean the organisational business objectives that are \*SMART and are aimed at supporting continual business improvement.

**\*SMART** – **S**pecific, **M**easurable, **A**ttainable, **R**ealistic, and **T**ime-based.

**3.3.19 SHEQ Policy:** overall intentions and direction of an organisation related to SHEQ as formally expressed by top management.

**3.3.20 Significant influence:** the power to participate in the financial and operating policy decisions of the entity, but not control over those policies.

**3.3.21 Stakeholder:** person, group, or organisation that has a direct or indirect stake in an organisation because it can affect or be affected by the organisation's actions, objectives, and policies. Key stakeholders in a business organisation include creditors, customers, directors, employees, government, shareholders, suppliers, unions, and the community from which the business draws its resources.

**3.3.22 Subsidiary:** Eskom Enterprises and the line divisions, should they become incorporated or any other company in which Eskom Holdings Limited is a holding company controlling a majority of the votes (that is, more than 50%).

**3.3.23 Sustainability:** the integration of sustainable development into business strategy, practices, and operations.

**3.3.24 Sustainable development:** meeting the needs of the present without compromising the ability of future generations to meet their own needs. Sustainable development is also defined as the integration and consideration of three pillars, namely, economic, social, and environmental issues.

### **3.4 ABBREVIATIONS**

<b>Abbreviation</b>	<b>Description</b>
A&F	Assurance and Forensic Department
BU	Business Unit
CQ	Corporate Quality
ELC	Environmental Liaison Committee
EXCO Ops	Operations Subcommittee of the Eskom Executive Committee
GM	General Manager
ISO	International Organisation for Standardisation
OHSLC	Occupational Health and Safety Liaison Committee
SHEQ	Safety, health, environment, and quality
SMART	Specific, measurable, attainable, realistic, and time-based

### **3.5 ROLES AND RESPONSIBILITIES**

- The Chief Executive has the overall accountability for ensuring that this policy is implemented.
- Divisional Executives and Chief Officers shall be accountable for ensuring the effective development and implementation of management systems that comply with ISO 9001, ISO 14001, and OHSAS 18001, integration of SHEQ management into business operations, and provision of the required resources to achieve this.
- Each business unit (BU) manager shall provide his/her Divisional Executive with the assurance that all SHEQ issues appropriate to his/her business are being addressed.
- Line managers and/or supervisors shall be responsible for SHEQ issues at work. This primarily means the prevention of non-conformities in work execution. It shall be the line manager and/or supervisor's responsibility to ensure that work is carried out in accordance with established procedures and instructions.
- Every employee is responsible for the safety, health, environmental and quality aspects of his/her work by adhering to established procedures and work instructions.
- Every employee, at every level, has a responsibility for preventing occupational injuries, diseases, incidents, environmental degradation, and poor quality performance from occurring. **Working safely is a condition of employment.**
- Each line manager shall ensure that all employees are trained in SHEQ management tools and methodologies. Managers shall satisfy themselves that this training is adequate and relevant to their respective functions.
- Each divisional management representative is to ensure that self-assessments and audits are conducted in his/her respective area to ensure the effectiveness of the business management system and systematic management of corrective and preventive actions.
- BU managers shall ensure that this policy is communicated to persons working for, or on behalf of Eskom.

### **3.6 PROCESS FOR MONITORING**

All managers will develop measuring, monitoring, and maintenance processes in accordance with ISO 9001, ISO 14001, and OHSAS 18001.

The Assurance and Forensic Department will conduct internal audits and monitor and report on performance in accordance with an agreed audit programme and established business performance reporting procedures.

Additional monitoring and reporting will be done as required at the Eskom Quality Forum, Quality Leadership Forum, Environmental Liaison Committee, and Occupational Health and Safety Liaison Committee.

## **4. AUTHORISATION**

This document has been seen and accepted by:

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## 5. REVISIONS

<b>Date</b>	<b>Rev.</b>	<b>Remarks</b>
August 2010	0	This policy supersedes 32-94 and 32-7 SHE and Quality Policies. The contents of both policies were revised and incorporated into one policy, which was reallocated the reference number 32-727 in accordance with the Eskom Documentation Centre (EDC) requirements.

## 6. DEVELOPMENT TEAM

This policy was developed by the Corporate Quality Management, Corporate OHS Management, and Environmental Management Departments, with inputs from the Quality Forum, Quality Leadership Forum, Environmental Liaison Committee, and Occupational Health and Safety Liaison Committee.

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