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|  | <p style="text-align: center;">Scope of Work</p> | <p style="text-align: center;">Group Capital/Kusile Power Station Project</p> |
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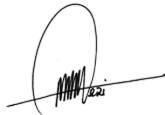

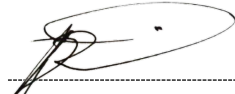

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1. Introduction

The project requires the service as a means of monitoring compliance to the conditions of Eskom lenders/ funders, various Environmental Authorisations (EAs), Waste Management Licences (WMLs), Water Use Licenses (WULs), Air Emissions License (AEL), Heritage Permits, Standard Environmental Specification (SES) appended to the Construction Environmental Management Plan (CEMP), National Norms and Standards for Storage of Waste (NNS), Basic Assessment Authorisation for Wetland Rehabilitation and Lenders Requirements for Kusile power station. The relevant conditions from the Main RoD, condition 3.11.6 (a), which states, “*the EMC has to monitor and audit project compliance to the conditions of this record of decision, environmental legislation and specific mitigation requirements as stipulated in the environmental impact report and the Environmental Management Plans*”, and condition 3.18.6, which states, “*the applicant shall be responsible for ensuring compliance with the conditions contained in this RoD . . .*”. It is against this background that Eskom would like to contract with independent environmental auditors for the monitoring and reporting on compliance and performance to the above-mentioned legal documents, on a bi-annual basis.

2. Supporting Clauses

2.1 Scope

The services of Independent Environmental and Social Consultants (IESC) are required in order to conduct external bi-annual (twice a year) compliance audits (including site visits), review of available documentation and information with a focus on reporting on the Environmental and Social Performance of the Project, compile an Annual Monitoring Report (AMR) on the project's environmental and social performance and extent of compliance with all applicable national regulations and the Lenders' Environmental and Social Requirements based on the biannual reporting. The services are required from January 2024 – December 2025. The audits will be undertaken in February 2024 & 2025 and July 2024 & 2025 and annual reports in August 2024 & 2025. Auditors are expected to be on site for a week during each audit cycle and then prepare audit reports. The contractor is also expected to have annual compliance report which is the consolidation of February and August reports. The expected end of the contract is December 2025.

2.1.1 Purpose

The required services follow the Eskom Lenders agreements of regular audits that require Eskom to have six monthly audits that are undertaken by external auditors. Once these audits are undertaken, they will in return meet the Department of Forestry, Fisheries, and the Environment's (DFFE) Environmental Authorisations requirements of regular and annual audits. This document stipulates the services required to ensure compliance to the lender's agreements and regulatory compliances.

The aim of the audits is to:

- Conduct compliance monitoring to the conditions Eskom lenders/ funders
- Assess compliance to the conditions in the Kusile Environmental Authorisations (EAs), Waste Management Licences (WMLs), Construction Environmental Management Plan (CEMP),

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Standard Environmental Specification (SES), National Norms and Standards for Storage of Waste (NNS) and Lenders Requirements (listed in section 3 of this document),

- Conduct the External Audits as referred to in the Waste Management Licences (WMLs),
- Verify compliance to issued Water Use Licenses (WULs) by reviewing external WUL Audits conducted,
- Verify compliance to issued Heritage Permits by reviewing actions taken to date,
- Give an overall representation of the general performance of the project in terms of the various Environmental Authorisations (EAs), Waste Management Licences (WMLs), Water Use Licenses (WULs), Air Emissions License (AEL), Heritage Permits, Construction Environmental Management Plans (CEMPs) with associated Standard Environmental Specification (SES), National Norms and Standards for Storage of Waste (NNS), Basic Assessment Authorisation for Wetland Rehabilitation and Lenders Requirements. Performance will also be verified through monitoring/specialist reports and data,
- Evaluate MES postponement dated 05 June 2023 and its subsequent appeal decision reference LSA 233027 dated 25 September 2023 requirements,
- Provide a comprehensive list of audit findings,
- Provide a comprehensive list of recommendations to improve compliance, advice on how to address non-compliances and overall, on-site environmental management where necessary,
- During follow-up audits, review progress with implementation of previous recommendations.
- During audits identify any potential environmental and social regulatory requirements and impacts which may not have been listed in the various Environmental Authorisations (EAs), Waste Management Licences (WMLs), Water Use Licenses (WULs), Air Emissions License (AEL) or Construction Environmental Management Plans (CEMPs) and Standard Environmental Specification (SES).

Note that these audits and performance assessments are limited to Environmental and Social themes and topics. Labour aspects and conditions as required by the IFC Performance Standards are part of the E&S performance audits. Verification of existing audits for Health and Safety aspects of the project, including Community health, safety, and security topics to be included.

2.1.2 Applicability

These audits shall be applicable to the Kusile Power Station and will comprise of pre-construction, construction, and commissioning phases only and parts of Generation's scope of work as specified in Annexure 1.

2.1.3 Effective date

The document will be effective from the authorisation date.

2.2 Normative/Informative References

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

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2.2.1 Normative

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

2.2.1. Normative

- [1] ISO 9001:2015 Quality Management Systems
- [2] ISO 45001: 2018 Occupational Health and Safety Management Systems Informative, Requirements
- [3] ISO 14001:2014 Environmental Management Systems, Requirements with guidance for use
- [4] 32-123 Eskom Standard for Emergency Planning
- [5] 240-46315409 Eskom Procedure: Management of Major Occurrences
- [6] 107/1998 National Environmental Management Act 107 of 1998
- [7] 102/1980 National Key Point Act 102 of 1980
- [8] 57/2002 Disaster Management Act 57 of 2002
- [9] 16/2015 Disaster Amendment Act
- [10] Kusile Power Station Record of Decision - 12/12/20/807

2.2.2 Informative

32-727 Eskom SHEQ Policy

2.3 Definitions

| Term | Definition |
|------------------------------------|---|
| Record of Decision | It is an authorization document that was issued by Department of Environmental Affairs (now known as Department of Forest, Fisheries and Environment) for the construction of KPS |
| Environmental Monitoring Committee | A committee formed by stakeholders including Community, Authorities, Eskom, Contractors in terms of Environmental Authorization/ RoD |
| Lenders | An organisation/person that has lent money to Eskom. |

2.4 Abbreviations

| | |
|-----|--------------------------|
| AEL | Air Emissions License |
| AMR | Annual Monitoring Report |

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|------|--|
| CEMP | Construction Environmental Management Plan |
| SES | Site Environmental Specification |
| DEA | Department of Environment Affairs |
| EA | Environmental Authorisation |
| ECO | Environmental Control Officer |
| EMPs | Environmental Management Plans |
| EMC | Environment Monitoring Committee |
| IESC | Independent Environmental and Social Consultants |
| IFC | International Finance Corporation |
| KPS | Kusile Power Station |
| NNS | National Norms and Standards |
| PPE | Personal Protective Equipment |
| RoD | Record of Decision |
| RSA | Republic of South Africa |
| SHE | Safety Health and Environment |
| WML | Waste Management Licence |
| WUL | Water Use License |

2.5 Roles and Responsibilities

To conduct Environmental and Social Management compliance audits at Kusile Power Station based on all Environmental Authorizations issued to the Kusile Power Station Project and related from February 2022 to December 2023.

2.6 Process for Monitoring

Site visits, document & audit report reviews and interviews with relevant stakeholders will be used for monitoring.

2.7 Related/Supporting Documents

Kusile Power Station Record of Decision - 12/12/20/807

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3. Detailed Scope of the Contract

Specific requirements to the scope of works is listed below

3.1 Package Scope

The Contractor is required to provide sufficient resources to conduct for Environmental and Social audits at KPS for a period of 24 months as per section 3.2.

The scope comprises of the following:

The environmental and social auditors are required to provide the following scope of services (in accordance with the **Lenders' Environmental Requirements, refer to Annexure 1 for specific aspects to be covered**):

A1) Conduct compliance audits of the Project

Note that tasks under A1 require the Consultant to independently undertake an audit on identified requirements to determine compliance.

- Familiarize themselves with the project, existing Environment and Social Due Diligence, Environment and Social Assessment Procedure, previous monitoring reports and the Lender's Environmental Requirements.
- Align the Report Structure to the reporting template attached in Annexure 2 that is adapted to and meets Eskom's Lenders requirements and environment and social requirements per Kusile's authorisations and EMPs, as well as lenders recommended international documents.
- Provide audit /assessment methodology and approach including number of site visit days. An estimated 4-5 days visit in the beginning which may reduce when auditors are familiar with site and authorisations.
- Conduct external **bi-annual (twice a year) compliance audits**, including site visits to:
 - Monitor Kusile coal fired power station's compliance in terms of the conditions of the Environmental Authorisations (EAs), Waste Management Licences (WMLs), Air Emissions License (AEL), Heritage Permits, Construction Environmental Management Plan (CEMP) and Standard Environmental Specification (SES) and Lenders Requirements for Kusile power station.
 - Undertake the required external audits as referred to in the Waste Management Licenses (WML),
- These audits should take place from February 2022 to December 2023, a total of four (04) audits, 04 audit reports and two (2) annual reports.

A2) Review of available documentation and information with a focus on reporting on the Environmental and Social Performance of the Project

Note that tasks under A2 do not require the Consultant to independently undertake an audit on identified requirements to determine compliance, but rather use existing information to report on the overall progress and performance in terms of requirements.

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- Review the Project's Schedule and main construction/engineering/procurement activities performed during the last 6 months prior to the audit and prepare as concise but short technical description to allow full correlation of Project's development with Project's E&S performance and CEMP/SES review.
- Evaluate the Construction Environmental Management Plans and associated Standard Environmental Specification as a result of Legal and Lenders requirements and monitoring their implementation (Key Performance Indicators).
- Reviewing the Construction Environmental Management Plan and associated Standard Environmental Specification and their implementation if they are consistent with Eskom's obligations and the Lenders requirements and highlight any gaps.
- The IESC will also review actions plans based on findings made during the assessment and provide input to timelines for implementation.

As part of the Compliance Audits mentioned under A1 above, the following performance determination will be required:

- Review External Water Use License (WUL) Audits and report on the overall performance, any gaps identified and reported in the WUL Audits, as well as to make recommendation on proposed remedial actions,
- Assess the project's Legal Obligations (Kusile Environmental Authorisations (EAs), Waste Management Licences (WMLs), National Norms and Standards for Storage of Waste (NNS), Water Use Licenses (WULs), Air Emissions License (AEL), Construction Environmental Management Plan (CEMP) and Standard Environmental Specification (SES). This assessment will be detailed by a section on the overall performance and major gaps identified, as well as proposed remedial actions for consideration.
- Other relevant monitoring reports (water monitoring, dust monitoring, health screening, temporal stack emission monitoring reports, continuous emissions monitoring systems (CEMS), and biomonitoring) will be reviewed to provide an overview of performance in terms of general and statutory compliance. Compliance will mostly be covered within the report to be generated under the relevant International Finance Corporation (IFC) Standard. Any additional comments will be included in a relevant section.
- Verify whether written procedures have been adequately followed
 - Verify whether procedures regarding social and environmental incidents (including environmental spills) have adequately been followed and that incidents are being addressed within reasonable time and whether appropriate lessons have been drawn to avoid similar incidents in the future.

A3) Develop the Environmental and Social Compliance and Performance Report

- After carrying out the relevant analysis and audits as stipulated in A1 and A2 above, provide the reports (the structure of the report shall be aligned to the template in Annexure 2) inclusive of an executive summary, key photographic summary and all relevant necessary maps of the performance and compliance analysis for Kusile Project Management (**it is important that management receive the reports and not just the environmental team**) and the Lenders

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for review. This should clearly articulate the findings of the conducted analysis and should include specific recommendations or corrective actions for improvement of conditions from the IESC in case any of the Lenders' Environmental and Social Requirements are not met (or will not be met). The IESC will also include comments on proposed actions plans and timelines for implementation.

- If the IESC identifies within any report provided, any situation where any remedial action is required, service provider will provide further advice to any Facility Manager as may be requested.
- Both the mid-year and the annual monitoring reports should include the requirements listed in point B below and Annex I and II.

B) Annual Environmental and Social Monitoring Report

The IESC will, on or before 31 August each year after the Facility Agreements is entered into force, provide an Annual Monitoring Report (AMR) on the project's environmental and social performance and extent of compliance with all applicable national regulations and the Lenders' Environmental and Social Requirements based on the biannual reporting and any further information provided by the client. The IESC will update the monitoring report incorporating Lenders' comments.

The IESC will also *inter alia* elaborate on formulated Action Plans, including the following aspects for inclusion in the AMR:

- A list of findings of issues and concerns identified during audits/site visits, with particular emphasis on the areas for improvement and why these exist. All new and previously existing non-conformances must be covered, and progress reported on.

Action plan should include:

- Corrective actions, collated in a corrective action plan, to address non-compliances and ESHS issues and risks, including required deliverables, root cause, responsibilities and time-bound deadlines,
- Monitoring of items transferred from the bi-annual Lenders Audit Action Plan issued on the previous audit report,
- A commentary against the Action plan actions on the status of implementation, including materiality of the risk of any non-compliances/overdue actions.
- Commitments, timelines, and resources from the client in terms of mitigation measures in a form satisfactory to the Lenders. In the event of any non-compliance or potential non-compliance (meaning at risk for noncompliance) with the Construction Environmental Management Plan, the conditions of the Environmental Authorisations (EAs), Waste Management Licences (WMLs), National Norms and Standards for Storage of Waste (NNS), Water Use Licenses (WULs), Air Emissions License (AEL), Heritage Permit, Construction Environmental Management Plan (CEMP) and Standard Environmental Specification (SES) and Lenders Requirements for Kusile power station, the IESC will include recommendations including *inter alia*:

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- Recommendations to reduce the impact of an activity on the environment and on social aspects (e.g. impacts on affected people / affected communities),
- Other environmental and social recommendations for the Construction Phase of the Project.
- Provision of outline of main CEMP or RoD activities for the next years report period, provide main corrective actions defined that need to be followed-up. Compile an annual performance/monitoring report as required by the Lenders.

C) Additional Services

Upon the request from Eskom, prepare any other report on any environmental and/or social issues requested for the purposes of providing such report to the Lenders. An estimated 2 *ad hoc* short reports per year on environmental compliance should be provided for, excluding the annual report, as and when requested.

Any additional service such as meetings or engagements requested by Eskom, or the Lenders will be handled on a time-cost basis. The time-costs per resource must be included in the proposal.

3.2 Tender Requirements

Health and Safety Risk Management

- Occupational Health and Safety (OHS) plan / OHS manual
- Baseline OHS risk assessment
- Valid letter of good standing or equivalent
- OHS policy (must be signed)

Environmental Constraints and Management

The Contractor shall comply with the environmental criteria and constraints stated in the Kusile Environmental Management Plan (EMP), Standard Environmental Specification (SES), Waste Management Plan and RoD.

Quality Assurance Requirements

- The supplier and sub-supplier shall develop, implement and maintain a formal quality management system that conforms to the latest ISO 9001 standard or any applicable standard of quality management system (latest applicable revision) and in accordance with the requirements of this specification.
- Such a formal system shall consist of the appropriate documentation such as a quality manual, quality plans, work procedures, work instructions, method statements, workflow documentation, quality policy, quality objectives etc..

Other

- Proposal is to be submitted by the tenderers for the mentioned scope of work

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- Hereafter a contract shall be negotiated with the successful service provider

4. Acceptance

This document has been seen and accepted by:

| Name | Designation |
|-------------|------------------------------|
| Z. Shange | General Manager |
| G. Morake | Middle Manager SHE (Acting) |
| S. Mahlangu | Environmental Manager |
| M. Vezi | Senior Environmental Advisor |

5. Revisions

| Date | Rev. | Compiler | Remarks |
|------------|------|----------|---------------------------------------|
| May 2023 | 0 | MM Vezi | Document development |
| March 2024 | 1 | MM Vezi | Incorporation of the lenders comments |

6. Development Team

The following people were involved in the development of this document:

- Gladstone Morake
- Siphwe Mahlangu
- Mhleli Vezi

7. Acknowledgements

NA

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Appendix A – Lenders Environmental Requirements

A.1 Annexure 1

Lender's Environmental Requirements

The items listed below are expected to be addressed comprehensively during the audits:

IFC performance Standards:

- The bi-annual monitoring report should assess the project's compliance with each of the IFC Performance Standards.
- The commitments of the Construction Environmental Management Plan for Project Bravo, as developed by Ninham Shand Consulting Services (Report No.: 4446/401281, dated September 2007) including the Standard Environmental Specification (SES) - Lenders Requirements:
- The IFC Performance Standards (2012), or any as required by the client/ lenders
- The OECD Revised Council Recommendation on Common Approaches on the Environment and Officially Supported Export Credits (TAD/ECG (2007) 9) dated 12 June 2007.
- The "Thermal Power: Guidelines for New Plants", Pollution Prevention and Abatement Handbook, 1998, published by the World Bank Group (effective July 1998)
- The relevant World Bank Group Environmental Health & Safety (EHS) Guidelines dated 30 April 2007.
- Management Systems: Status of development/refinement for Social elements, Community engagements and Reporting.
- Policy: Status of development of social policy.
- Legal requirements: Status of identifying and recording of Legal Requirements for social parameters.
- Training: Status of providing training in social performance and OHS, and provision of such training in a formal training plan.
- Emergency Preparedness and Response: Information of (1) alignment with the IFC PS EPRP requirements, (2) if it is reviewed periodically and (3) if it was developed in collaboration with appropriate and relevant third parties?
- Monitoring and Review: Information on what social aspects have been included in the monitoring plan.
- Internal & External Reporting: Information on what internal and external reporting mechanisms are in place and what exactly is reported internally and externally (from an EHSS perspective).
- Stakeholder Engagement: Status of development, implementation, and communication of a Stakeholder Engagement Plan.
- Carbon emissions: Information on how this is addressed monitored and reported on.

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- Resettlement: (1) Assessment to see if resettlement was done according to the resettlement (i.e., actions taken), (2) assessment to see if resettlement plan is in line with IFC PSs, and (3) information any outstanding issues (e.g., compensation, building, etc.) information on any outstanding issues should also include numbers of affected people and affected locations.
- Human Resources Policies and Procedures: status of addressing Child Labour and Forced Labour within the HR and IR Policy Document.
- Working conditions: Status of training employees and workers on their working conditions and terms of employment, including entitlement to wages and benefits, hours of work, overtime arrangements and compensation etc.
- Migrant Workers: Status of revision of the current HR and IR Policy Directive to include specifics on the Management of Migrant Workers.
- Grievance Mechanism: Information on internal and external grievance mechanisms, how issues are handled, and summary of issues raised during the previous year (including items that are open).
- Protecting the Work Force: Information on measures to protect the workforce compared to the IFC PS 2 requirements.
- The monitoring report should include accident and fatality statistics for the monitoring period and a trend comparison with the previous monitoring periods. The report should include any ongoing or completed in each monitoring period accident-related investigations and corrective actions.
- Workers Engaged by Third Parties: Status of development and implementation of formal procedure for the Management of Independent (Third Party) Contractors.
- Resource Efficiency: Details on all resource efficiency plans (noted water and energy and any others)
- Greenhouse Gases: Status of completion annual GHG emission estimation based on the current/actual operations of the plant.
- Water consumption: Water balance information (supply vs need), information on all water supply sources, status of the pipeline from the existing Kendal power station and confirmation of use of groundwater and/or surface water for any purpose?
- Waste: Information on all waste streams and how and where each waste stream is ultimately disposed of.
- Pesticide Use and Management: Status of development and implementation of a formal Integrated Pest Management plan/programme.
- Community H&S: Information on the assessment of risks and impacts to the health and safety of the Affected Communities for the remaining phases of the project (operational and decommissioning/closure).
- Indirect impacts: Information on how indirect impacts (air emissions -> social damage cost/impact on economy/lack of productivity/health costs) have been addressed.
- Infrastructure and Equipment Design and Safety: Status of development and implementation of a Quantitative Risk Assessment for the project based on the actual design.

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- **Community Exposure to Disease:** Status of development and implementation of a programme or plan which aims at reducing or avoiding the risk of occurrence of vector borne diseases, provision of preventative medication as well as raising awareness of the workforce and local communities.

Ecosystem Services: Information on the method for identification, assessment, and management of ecosystem services (as defined by the IFC).

- **Security:** Information on how Eskom assessed the risks posed by its security arrangements to those within and outside the project site (and the outcome of the assessment). The monitoring reports should include ongoing updates on security related matters and implementation of security arrangements.
- **Loss of income or livelihood:** Stated that "The Resettlement Report provided (dated September 2015) states that agreements were made with the families to ensure livelihood and a sustainability plan was adopted for implementation (such as providing grazing land, establishing greenhouses for food production, drilling boreholes)." Are there any outstanding issues/compensation claims related to this resettlement? **Livelihood Restoration Plan:** Status of development and implementation of a Livelihood Restoration Plan. Specific focus during site visits to be placed on livelihood restoration (LR), formulation of and monitoring recommendations for LR gaps.
- **Grievance Mechanism:** Clear statement if Grievance Mechanism covers aspects about compensation and relocation raised by displaced persons or members of host communities. **Biodiversity offsets:** Clear information on how biodiversity offsets have been assessed and implemented.
- **Site alternatives:** Detailed information on what site alternatives were considered during the EIA process and the outcome of those assessments.
- **Legally protected area:** Clear statement to confirm if the site is located within or close to legally protected areas or internationally recognized areas.
- **Alien Eradication Plan:** Assessment to establish if an Alien Eradication Plan has been developed in accordance with the NEM: Biodiversity Act, 2004 (particularly the Alien and Invasive Species Regulations, 2014).
- **Cultural Heritage:** Clear and detailed assessment against IFC PS 8. Clear statement if a Chance Find Procedure exists and what it entails.

Legal Compliance

- **Records of Decision/Environmental Authorisations:** List of all RoDs and EAs, as well as an assessment of compliance with the conditions of each Water Use Licenses: Details of each Water Use License, compliance with each, and details on each non-compliance related to each WUL. Details on what audit reports have been submitted to the DWS and when, as well as feedback from the DWS on these reports.

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- Heritage permits: List/provide the necessary Heritage Permits obtained from SAHRA. A comparison of the Heritage Impact Assessment findings vs. the permits issued may be required to ensure all necessary Heritage Permits have been obtained from SAHRA.

Other permits: List and details on any other environmental permits/consents/authorisations issued to the site.

- Confirmation if all risk reduction recommendations made in the Hydrogeological

Assessment by GCS (Pty) Ltd has been implemented.

- Confirmation that the coal stockyard was constructed according to design specifications (for the liner and base). Confirmation of the Certificate of Completion for the coal stockyard.
- Lining of Dams: Confirmation if the final drawings of the HDPE liner design signed-off by the design engineer and submitted to the Department of Water & Sanitation (DWS).
- Water: Details on the plan to get the water flow meters to within the 0.5% accuracy criteria (as required in the RoD), and action plans and budgets developed/implemented for monthly water and salt balances.
- Leak detection: Details and concrete proof of the installation of all leak detection systems in pipelines. - Sludge removal and disposal: Details on formal plans/procedures in place for sludge removal and disposal from the cold lime softening process, raw water storage dams and reservoirs.
- SAR: Details on how the Sodium Absorption Ratio was calculated and what data was used to inform the calculation. - Irrigation: Confirmation if the Site plans to use "process" or "dirty water" for irrigation in the future.
- Groundwater: Information on baseline groundwater quality results, and summary of current site impacts compared to the baseline groundwater quality results.
- Water supply: Confirmation if any ground or surface water is used for drinking purposes.
- Information on what is going to be done to improve the groundwater quality (i.e., faecal coliforms, iron, manganese and aluminium, turbidity, etc.).
- Ground and surface water: Details on monitoring for other contaminants (e.g., hydrocarbons). Ash Dumps: Clear information on status of 10 year and 60-year ash disposal facilities.
- Environmental Noise Survey: Details of results of latest noise surveys and comparison to limits specified for Rural Districts (and not Industrial Districts as the site is located within a Rural District).
- Noise: Details on exactly how buildings housing noise equipment have been insulated.
- Waste: Confirmation that gypsum from FGD processes will/will not be disposed of at the 60-year co-disposal facility.
- Air: Information on any initiatives (other than the site's FFP and FGD plants) that could be supported by Eskom that have been identified.
- Air: Confirmation of any construction/pre-operational conditions in the AEL that must be adhered to/implemented and an assessment of compliance with these conditions.

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- Air: Details on actions planned to identify and implement strategies to reduce the emission of the mercury. Statement if FGD is suitable enough. Confirmation if the FGD system is a dry or wet flue gas desulfurization system. Confirmation if the FGD systems is operational or not.
- Details on what EMC Meeting Minutes and ECO Reports were submitted to the DEA, and information on feedback from the DEA on such reports. · CEMP: Details on the status for amending the CEMP and getting these amendments approved by the DEA.
- Dangerous goods: Detailed information on training, Professional Drivers Permits, Tremcards, Declarations, Safety Data Sheets, etc. requirements related to transportation of Dangerous Goods.
- Details on the outcome of the latest ECO and Eskom KET monitoring reports related to the 24G Authorisation and WUL (for activities occurring on the edge of streams, rivers or wetlands). List non compliances and state what have been done to date to correct non compliances.
- Air: Details on what is being done to address the PM10 dust exceedances.
- Air: Provide details on operational conditions of the AEL(s) that must be adhered to and the status of compliance and corrective actions undertaken for non-compliances.
- Information on all Environmental Incidents for the last 12 months and details on those Environmental Incidents that have been/required to be reported to the DEA.
- Detailed assessment against the requirements in the Construction EMP (stating the EMP requirement text as well).
- Confirmation if the dirty water pipeline has been installed/part of design as described or not (Requirements states "The construction of a dirty water pipeline between the ash dump and the ash dump dirty dam; silt retention dams; and toe drains within the low integrity wetlands located between the power station and the 10-year ash dump area").
- Confirmation if attenuation ponds, gabion structures and riprap have been provided at all storm water discharge points.
- Details on the action plans (or actions undertaken to date) to control the erosion at the co-disposal facility.
- Details on (1) who undertook the latest biannual external audit on the co-disposal facility, (2) the outcome of the latest external audit, and (3) condition if the DEA acknowledged, accepted and responded to this report submitted to them?
- Details on how many people work with hazardous waste and how many people received the training.
- Confirmation if the emergency stockpiling area for ash is subject to the National Norms and Standards for Storage of Waste. And if so, confirmation is internal and/or external audits have been undertaken to assess compliance with the National Norms and Standards for Storage of Waste. Details, if there is non-compliances identified, and how these have been addressed to date.
- If groundwater is not used for drinking water supply, a statement as to why the groundwater quality results are compared to domestic limits?
- Confirmation if the 60-year ash disposal facility will trigger an AEL or not. If it does need an AEL, details on whether and application has been submitted yet.

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- Details on what activities are covered by the current AEL
- Confirmation if the stream diversion around Coal Stock Yard and construction of road and water pipeline at Kusile Power Station) are in line with regulatory requirements.
- Details and clarity on what "waste storage facility" status of the 12 non-Compliances, and 4 Partial Compliances identified in terms of the Norms and Standards for Storage of Waste related to this facility.

Monitoring Report Structure

The Consultant shall report environmental and social issues as listed below and at a minimum cover the following topics:

Reporting Period and Context

Also include a statement on the methodology and indicators used

Summary of Project Status:

Inter alia construction progress, trial/start-up, regular operation, non-regular operation, incidents, accidents, comparison with the previous reporting period, if applicable including progress on associated infrastructure

Regulatory Compliance:

Provide information on regulatory permit(s) clearances and conditions and specific requirements along with most recent review and corrective action reports, inspections, fines, corrective actions, etc.

Implementation Status of Environmental and Social Mitigation Measures

The annual report shall make clear reference to the respective requirements and plans and report on compliance with requirements incl. any changes or difficulties and corrective actions the borrower may have taken. Provide information on the implementation status of the different management plans

Report Progress on the Implementation of the Issues Mentioned In the ESAP

Energy and Resource Usage and Electricity Output

E.g., electricity use; water use; wastewater discharge; amount of different types of waste Generation

Environmental Monitoring Program and Results of Ambient Monitoring

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Air and Noise Emissions/Wastes/Effluents Monitoring Results and comparison against national law and World Bank Group EHS Guidelines

Green House Gas Emissions

This shall also be published on the website if the annual emission exceeds 100,000 t/a

Human Resources Management status

Number of current project workforce, changes, number of contractors and contractor workforce; performance and status of training and qualification

Occupational Health and Safety

- (i) During construction (contractors incl. contractual and daily wage labourers) and
- (ii) Ongoing/extended operation and maintenance (project staff and contractors, other contractual labourers) figures and summaries for events resulting in fatalities, injuries, key indicator figures (work hours lost, accident frequency rate). This to be obtained from existing safety audit reports

Stakeholder Engagement Activities and CSR / Community Development Activities

Inform about stakeholder engagement plan and records of grievances by external stakeholders; emergency preparedness and response capability including the community; use of chemicals and accidental releases of hazardous materials affecting community, discharges of wastewater or other wastes to areas affecting local communities; exacerbation of flooding; limits of water availability use and physical access; diminution of quality of life due to the operation. Any activities that are related to stakeholders (e.g., consultation with statutory stakeholders and summary of outcomes) and any activities related to support in the local communities.

Grievances ((i) community and (ii) workforce) and Conflict Resolution

Summary of received grievances and how they have been resolved.

Action Plan

Addressing issues of concern identified during the audit and site-visits including commitments and corrective actions to be taken and timelines for their completion in a form satisfactory to the lenders; include any outstanding corrective action requests from previous audit reports.

The ESAP (environmental and social action plan), shall be provided in a separate section of the report and not as annex or separate document. Further to assessing the compliance with ROD, the compliance with IFC PS and OECD CA as reference shall be assessed by the consultant and when deviations/non-conformities identified, aspects added to the report using the same format and providing about the completion date, classification (or risk level) and Completion Status.

Action plan should include:

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- Corrective actions, collated in a corrective action plan, to address non-compliances and ESHS issues and risks, including required deliverables, root cause, responsibilities and time-bound deadlines,
- Monitoring of items transferred from the bi-annual Lenders Audit Action Plan issued previously.
- A commentary against the Action plan actions on the status of implementation, including materiality of the risk of any non-compliances/overdue actions.

Annexure 2

List of Authorisations, Permits, Licenses and Approved Documents to be audited.

The Consultant will conduct a compliance audit against the following documents:

- The relevant issued Environmental Authorisations:
- Construction of the Eskom Generation proposed 5400MW Coal-Fires Power Station (Ref: 12/12/20/807, dated 17 March 2008)
- Construction of the 60-year Ash Disposal Facility and associated infrastructure for Kusile Power Station (Ref: 12/12/20/2412, dated 17 July 2015)
- Construction of Ash and Gypsum Co-Disposal Facility and associated infrastructure at Kusile Power Station (Ref: 14/12/16/3/3/51, dated 18 June 2015)
- Construction of a dirty water pipeline between the ash dump and the ash dump dirty dam, silt retention dams; and the toe drains within wetlands at Kusile Power Station (Ref: 14/12/16/3/3/1/700, dated 05 April 2013)
- Stream diversion around Coal Stock Yard and construction of a road and water pipeline at Kusile Power Station (Ref: 12/12/20/2105, dated 26 July 2012)
- National Norms and Standards for Storage of Waste, as promulgated under the National Environmental Management: Waste Act, 2008 (Act 59 of 2008),
- Government Notice Regulation 926 dated 29 November 2013 o Air Emissions License (License Number: 17/4/AEL/MP311/12/01, dated 06 June 2013)
- MES postponement dated 05 June 2023 and its subsequent appeal decision reference LSA 233027 dated 25 September 2023.
- Construction of storm water drainage and associated infrastructure at Kusile Power Station (DFFE Reference: 14/12/16/3/3/1/2663, dated 03 April 2023)
- Heritage Permits:
 - ✓ Main site
 - ✓ Stream diversion
 - ✓ Ash dump
 - ✓ Etc

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