

Eskom Holdings SOC Ltd

Eskom was established on 1 March 1923, known then as the Electricity Supply Commission, or ESCOM. Eskom is responsible for establishing and maintaining electricity supply undertakings for the whole of South Africa, on a regional basis. Eskom Holdings SOC Ltd is a state-owned company (SOC) as defined in the Companies Act, 2008 and is wholly owned by the South African Government. The Department of Public Enterprises is Eskom's shareholder ministry and sets Eskom's mandate and oversees performance. Energy policy is set by the Department of Mineral Resources and Energy (DMRE), while National Treasury and the Department of Forestry, Fisheries, and the Environment (DFFE) oversee aspects of Eskom's activities and ensure compliance with various regulations.

Economic footprint report

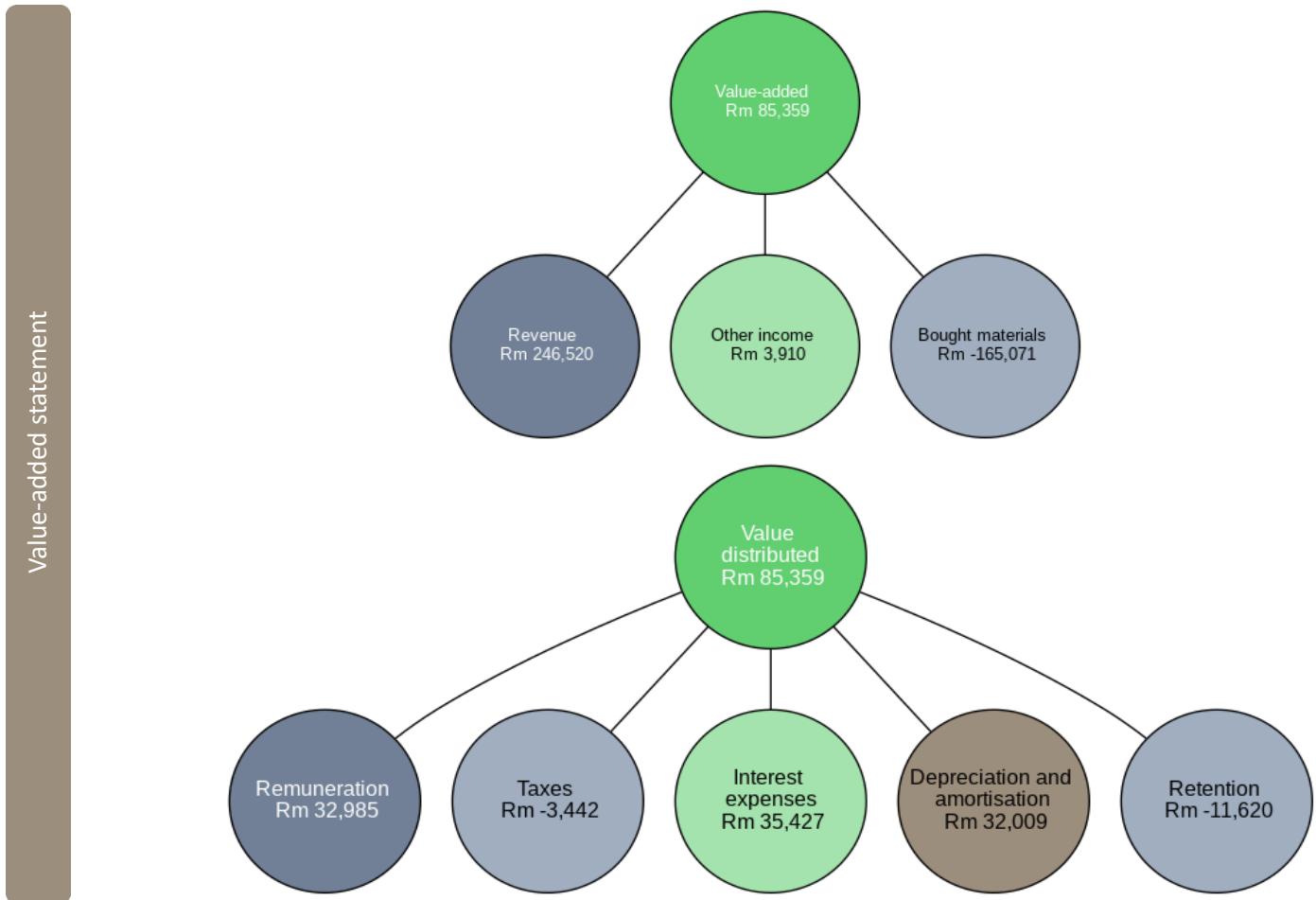
For the financial year ended September 2022

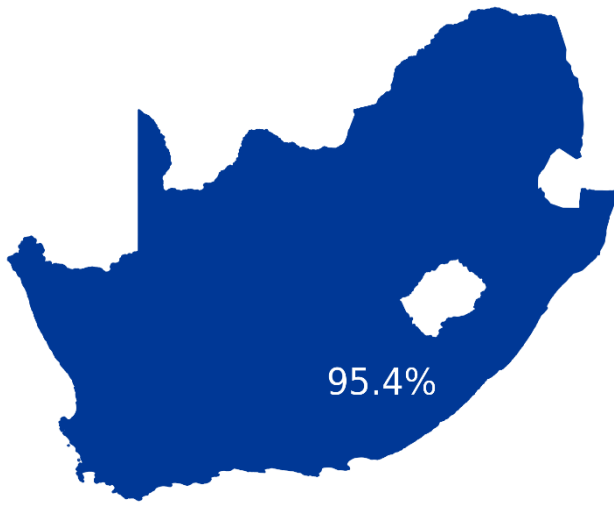
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Overview

During 2022 Eskom Holdings SOC Ltd spent approximately R 75 million on CSI, achieved a level 4 B-BBEE status, supported 40,421 South African employees, spent approximately R 855 million on training initiatives in support of employees and the community, and contributed an estimated 1.42 % to South African GDP. 38.64 % of the value created by Eskom Holdings SOC Ltd was distributed to employees, 41.5 % to providers of finance, and -4.03 % to government.

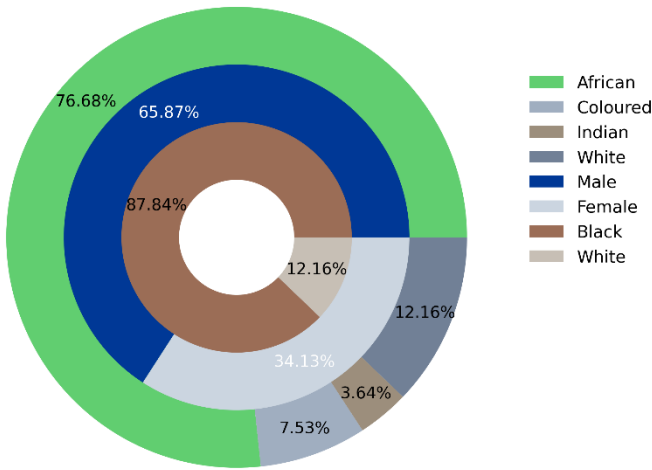




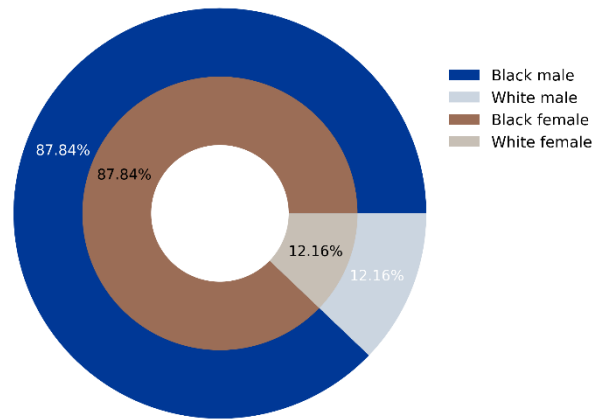
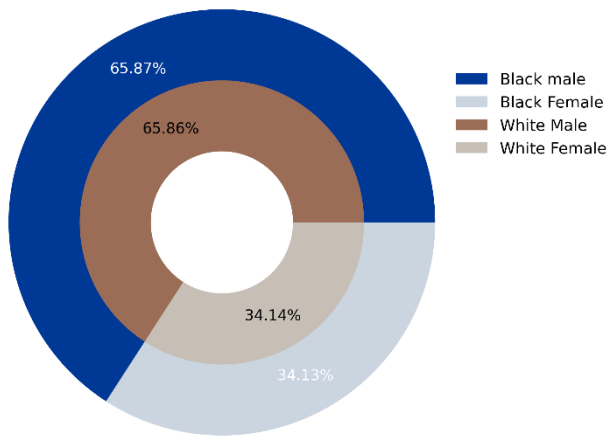
Eskom Holdings SOC Ltd predominantly operates inside of South Africa, with 95.4 % of its operations based in South Africa. Eskom's head office is based in Johannesburg, with administrative offices in most major centres. Eskom's operations span the length and breadth of South Africa. Eskom also has operations in Botswana, Eswatini, Lesotho, Mozambique, Namibia, Zambia, and Zimbabwe.

Eskom Holdings SOC Ltd predominantly operates within the Electricity and gas industry, with 86.9 % of operations allocated to this industry. The operations span over 2 industries, including Electricity and gas, and Electricity distribution and control apparatus.





During 2022 Eskom Holdings SOC Ltd had 40,421 South African employees, of which 13,797 are female and 26,624 are male, 35,506 are black and 4,915 employees are white. Eskom Holdings SOC Ltd has a higher male to female employee ratio and a higher black to white employee ratio.



Equity ownership	-
Management control	18.95
Skills development	13.59
Enterprise and supplier development	45.99
Socio-economic development	5.0
Access to financial services	-
Empowerment financing	-

Total score	83.53
B-BBEE level	4
Black ownership (%)	-
Black women ownership (%)	-
CSI spend	R 75 million
Training spend	R 855 million

During 2022 Eskom Holdings SOC Ltd was a level 4 contributor to B-BBEE, equal to that from 2021. The total B-BBEE score of Eskom Holdings SOC Ltd decreased by -0.57 points between 2021 and 2022.

Highlights

Contribution to RSA GDP

1.42 %

Change in contribution to RSA GDP between 2021 and 2022

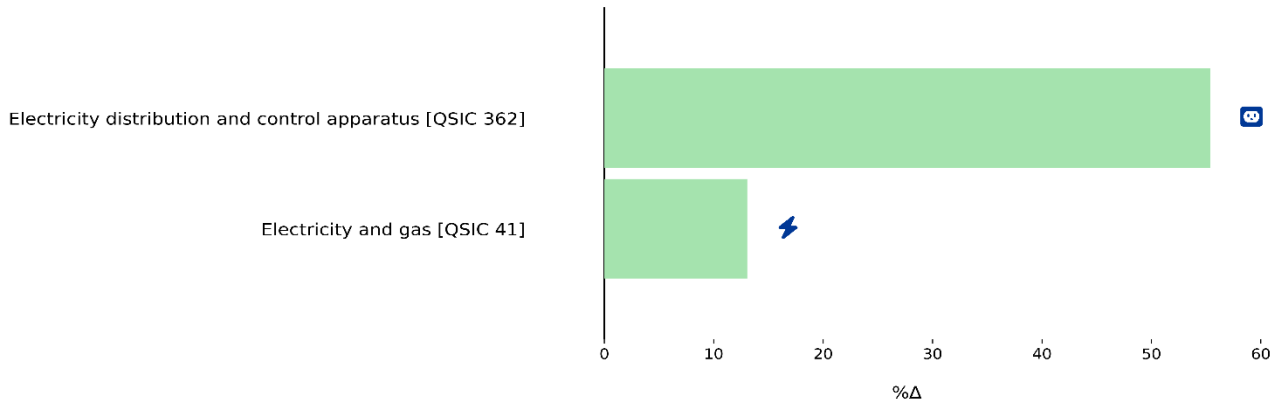
↑ 21.5 %Δ

South African GDP amounted to R 6,305,111 million in 2022. During 2022 Eskom Holdings SOC Ltd contributed approximately 1.42 % to South African GDP. Between 2021 and 2022 Eskom Holdings SOC Ltd exhibited a 21.5 % growth in contribution to South African GDP.

Contribution to South-African GDP

Change in contribution to RSA GDP by industry

Eskom Holdings SOC Ltd between 2021 and 2022



During 2022 Eskom Holdings SOC Ltd contributed approximately 51.03 % to the GDP of the Electricity and gas industry and between 2021 and 2022 Eskom Holdings SOC Ltd exhibited a 13.05 % growth in contribution to the GDP of the industry. Between 2021 and 2022 Eskom Holdings SOC Ltd exhibited a 55.36 % growth in contribution to the GDP of the Electricity distribution and control apparatus industry.

Economic impact

Economic value-added

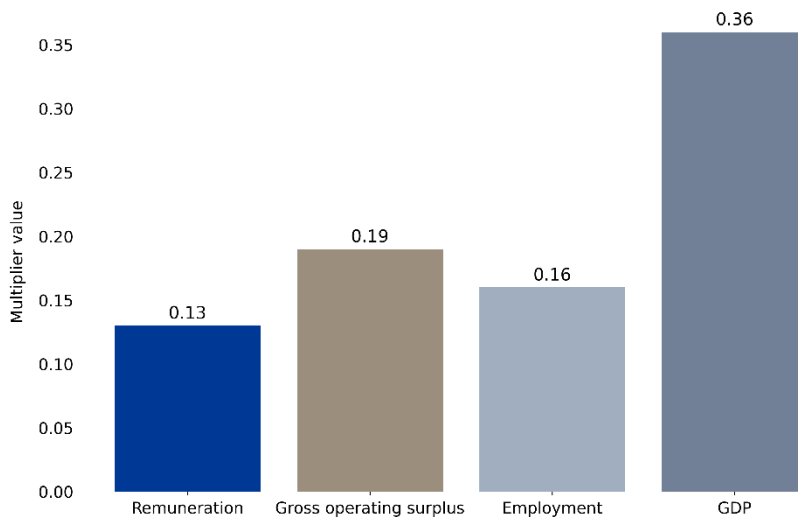
Economic value-added (R million)	
Remuneration	31,468
Gross operating surplus	49,965
Other taxes on production	4,001
Other subsidies on production	-74
Taxes on products	4,651
Subsidies on products	-437
<hr/>	
GDP at market prices	89,574
<hr/>	
Intermediate use	149,336
Output	238,910

The GDP at market prices for Eskom Holdings SOC Ltd was R 69,191 million during 2021, and R 89,574 million during 2022. Remuneration increased from R 31,210 million in 2021 to R 31,468 million in 2022. Gross operating surplus increased from R 31,140 million in 2021 to R 49,965 million in 2022.

Direct economic multipliers

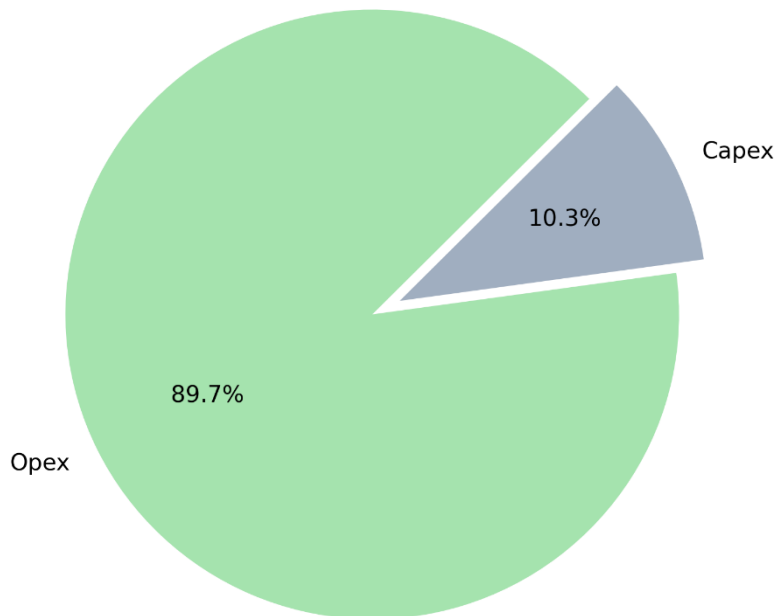
Direct multipliers

Eskom Holdings SOC Ltd for the financial year ended September 2022



For every R 1 million of output generated by Eskom Holdings SOC Ltd, an additional R 0.36 million of GDP was generated, 0.16 jobs were supported, R 0.13 million in compensation of employees was generated and R 0.19 million gross operating surplus was generated.

The capital expenditure by Eskom Holdings SOC Ltd amounted to R 28,385 million during 2022. The capital expenditures are expenditures mostly related to acquiring fixed and intangible assets. The operational expenditure and capital expenditure make up total expenditure of R 274,905 million. Capital expenditure formed 10.33 % of the total expenditure by Eskom Holdings SOC Ltd.



The operational expenditure by Eskom Holdings SOC Ltd amounted to R 246,520 million during 2022. The operational expenditures are expenditures related to the day-to-day operations of the company. The operational expenditure and capital expenditure make up total expenditure of R 274,905 million. Operational expenditure formed 89.67 % of the total expenditure by Eskom Holdings SOC Ltd.

Environmental factors

Emissions



Scope 1:
193,386,382 Tonnes CO_2e
Scope 2:
85,171 Tonnes CO_2e
Scope 3:
5,407,896 Tonnes CO_2e

Between 2021 and 2022 scope 1 emissions exhibited -6.74 % growth.

Electricity



- MW/h

Not reported

Water



283,610,000 kℓ

Water usage by Eskom Holdings SOC Ltd increased by 12,874,000 kℓ between 2021 and 2022.

Green initiatives



R - million

Not reported

Recycling



Spend:
R - million
Amount:
- Tonnes

Not reported

Health



Covid-19 spend:
R - million
Health initiatives:
R - million

Not reported

Glossary

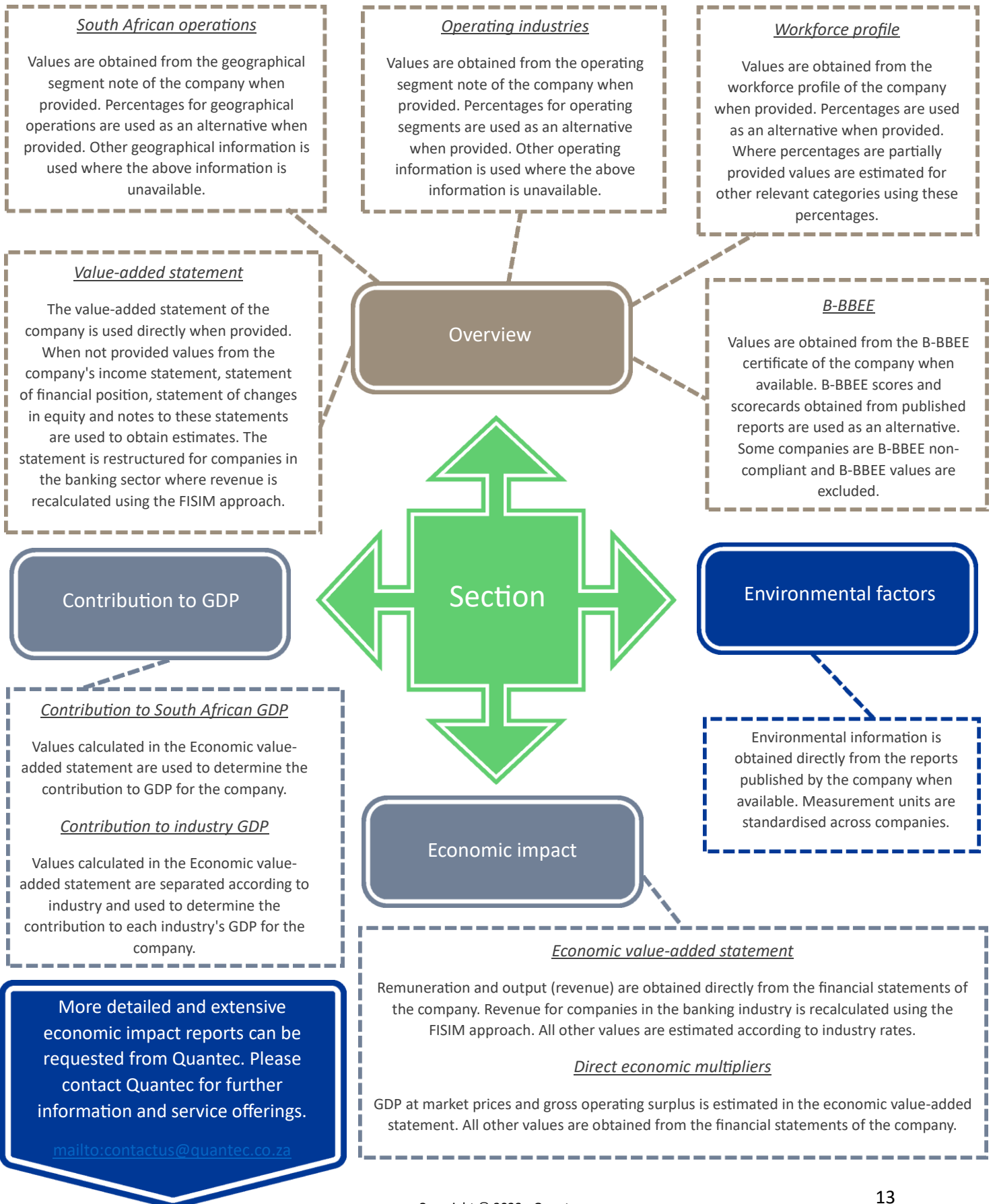
Accumulated amortisation and impairment	Accumulated amount of amortisation and impairment of intangible assets from purchase date up to the measurement period.
Accumulated depreciation and impairment	Accumulated amount of depreciation and impairment of tangible assets (fixed assets and right-of-use assets) from purchase date up to the measurement period.
Amortisation	Measures the consumption, expiration, and decline in value of intangible assets over time.
Assets	Assets includes both current and non-current assets.
Black ownership percentage	Black ownership percentage, or alternatively black voting rights percentage.
Black women ownership percentage	Black women ownership percentage, or alternatively black women voting rights percentage.
Bought materials	Payments made to suppliers of goods and services.
Brand names	Brand names, trademarks, and other similar assets.
Capital expenditure (Capex)	Capital expenditure relates to the definition of Gross Fixed Capital Formation (GFCF) in the System of National Accounts (SNA) and includes any additions to (1) tangible assets, including additions to buildings (excluding land), property, equipment, machinery and so forth and (2) certain intangible assets (mineral exploration, computer software, copyright protected entertainment, literary and artistic original).
Computer equipment	Includes computer, office, information technology and other similar equipment.
Covid-19 spending	Any spending related to providing support to the community and employees to combat the effects of the Covid-19 pandemic, including donations of PPE, vaccines, and contributions to the Solidarity Fund.
Corporate social investment (CSI)	Spending on healthcare, environmental, and other initiatives aiding the community.
Depreciation	Measures the consumption, expiration, and decline in value of fixed and right-of-use assets over time.
Depreciation and amortisation	Depreciation, amortisation, and impairment as per the value-added or income statement of the company.
Direct economic multipliers	This is the footprint of the business itself based on its contribution to output. This shows the effect of changes in business activity and production occurring as a direct consequence of the footprint of business. The direct contribution of the company to the economy measures the impact of their own economic activity and also that of their direct suppliers.

Dividends	Includes ordinary, preference and minority dividends declared or paid to shareholders.
Economic value-added	The sum of the compensation of employees, gross operating surplus and taxes on production less all subsidies on production. At times referred to only as value added at basic prices.
Electricity usage	Grid electricity usage, or alternatively total electricity usage, measured in MW/h.
Employees	The number of people employed, receive pay of any nature, for any part of the reference period. It includes therefore temporary staff but excludes any independent contractors, where distinction is possible.
Financial intermediation services indirectly measured (FISIM)	FISIM is an indirect measure of the value of financial intermediation services (output) provided, for which financial institutions do not charge explicitly as defined by the World Bank. FISIM is calculated according to the recommendation of the SNA and predominantly applies to the banking sector.
Footprint	This is the economic impact in terms of impact on concepts such as GDP, gross value added, employment, labour remuneration and gross operating surplus.
Gross domestic product (GDP) at market price	Using the income approach: The sum of gross value added at basic prices and taxes on products, less all subsidies on products. Alternatively, using the expenditure approach: The sum of private household consumption, government consumption, gross fixed capital formation, change in inventories, net exports (exports less imports) and the residual term. Also known as gross value added (GVA) at market prices.
Green initiatives	Spending related to reducing environmental impacts, conservation, and rehabilitation of the environment.
Gross operating surplus	The sum of net operating surplus and the consumption of fixed capital (depreciation).
Gross value added (GVA) at basic prices	The sum of the compensation of employees, gross operating surplus and taxes on production less all subsidies on production. At times referred to only as value added at basic prices.
Health initiatives	Spending related to the improvement and provision of healthcare to the community and employees.
Impairment	The extent to which the carrying value of assets exceed the recoverable amount from the use or sale of the assets. Impairment is categorised with depreciation and amortisation.
Intermediate use	Accounts for statistical discrepancies and is required to balance the National Accounts.
Land and buildings	Land, property, buildings, and similar assets.
Liabilities	Liabilities includes both current and non-current liabilities.
Machinery	Machinery and equipment not related to computer, transport, mining, or R&D equipment.

Operating industries	The operations of the company based on the industries in which the company operates, expressed in percentages, and standardised using standardised industry classification (SIC) codes, as published by Stats SA.
Operating expenditure (Opex)	Ongoing cost of a company during its operations; this is the value of goods and services bought in.
Other expenses	Minority interest, community expenditure and other related expenses as per the value-added statement or the income statement.
Other income	Investment income, interest income, income from associates and other income as per the value-added statement or the income statement.
Other subsidies on production	Subsidies that reduce the cost of production.
Other taxes on production	Taxes that add to the cost of production such as property taxes, or taxes on labour employed.
Output	Total output produced by an industry, including taxes less subsidies on production.
Profit after tax	Includes discontinued operations where available and applicable.
Property rights and patents	Intellectual property rights, patents, and other similar rights.
Published reports	The financial, sustainability, B-BBEE and other reports published on the website of the company.
R&D and biological assets	Research and development, mining, biological and other assets under construction.
Recycling	The volume of solid waste recycled, measured in tonne, and/or the amount spent on recycling initiatives.
Remuneration	Total compensation paid by an industry to employees. This includes any cash or in-kind payments as well as all forms of compensation, such as commissions, bonuses, and allowances for leave. Expressed in gross terms; before taxes, pension contributions, etc. are deducted.
Retention	Appears in the value-added statement and represents the value available to reinvest in the company. Retention is the balancing value in the value distributed section of the value-added statement.
Revenue	Alternatively known as sales or turnover, this is the amount a company generates in a specific period from the sales of goods and services. Revenue is recalculated using the FISIM approach for companies operating in the banking sector.
Scope 1 emissions	Represents direct emissions by sources controlled by the company.
Scope 2 emissions	Represents indirect emissions by resources purchased by the company, such as electricity.

Scope 3 emissions	Represents indirect emissions produced through the value chain of the company.
Software	Computer software, filming rights and other related information technology software.
South African operations	The percentage of operations located within South Africa.
Subsidies on products	Any subsidies provided on commodities and services.
Taxes	Taxes as per the value-added statement or the income statement, excluding deferred taxes. Includes current taxes, dividend taxes and foreign taxes.
Taxes on products	Taxes levied on commodities and services when sold by producers and are payable per unit of the commodity or service supplied. Examples in South Africa are VAT, excise and import duties, and the fuel levy.
Total expenditure	The sum of operating and capital expenditures.
Training spend	The amount spent on training employees and providing education to the community.
Transport equipment	Vehicles, fleets, and other similar transport equipment.
Value-added	Value-added as per value-added statement. Value-added differs from economic value-added.
Value-added statement	The value-added statement in the published reports of the company. Where the statement is not provided in the published reports of the company the statement is estimated.
Water usage	The amount of municipal water used measured in kℓ.
Workforce profile	The composition of the South African workforce in terms of gender and race as provided in the published reports of the company.

Methodology



Data tables

Value-added statement	
Operating profit	17,239
Profit after tax	-12,330

Statement of financial position	
Assets	801,585
Liabilities	566,271

Workforce profile	
Total RSA employees	40,421
Male	26,624
Female	13,797
Black	35,506
White	4,915
African	30,993
Coloured	3,043
Indian	1,470
Foreign	-
Black male	23,387
White male	3,237
Black female	12,119
White female	1,678

Intangible assets				
Measure	Property rights and patents	Software	Brand names	Total
Additions	122	27	-	149
Amortisation	-	-152	-	-152
Impairment	-	-	-	-
Cost	3,515	1,346	-	4,861
Accumulated amortisation	-216	-1,289	-	-1,505
Carrying value	3,299	57	-	3,356

Property, plant, and equipment						
Measure	Land and buildings	Transport equipment	Machinery	Computer equipment	R&D and biological	Total
Additions	83	355	1,596	-	26,151	28,185
Depreciation	-201	-804	-32,208	-	-	-33,213
Impairment	-	-	-	-	-	-
Cost	11,683	17,457	735,544	-	151,891	916,575
Accumulated depreciation	-2,611	-12,683	-236,211	-	-	-251,505
Carrying value	9,072	4,774	499,333	-	151,891	665,070

Right-of-use assets						
Measure	Land and buildings	Transport equipment	Machinery	Computer equipment	R&D and biological	Total
Additions	51	-	-	-	-	51
Depreciation	-77	-14	-663	-	-	-754
Impairment	-	-	-	-	-	-
Cost	284	70	10,274	-	-	10,628
Accumulated depreciation	-158	-34	-4,471	-	-	-4,663
Carrying value	126	36	5,803	-	-	5,965

Geographic operations		
Measure	Total operations	South African operations
Revenue	246,520	235,180
Employees	-	40,421

Input used to calculate direct multipliers	
Remuneration	31,468
Gross operating surplus	49,965
Employment	40,421
GDP	89,574

Industry segments		
Industry	Total revenue	Industry revenue
Electricity and gas	261,931	227,540
Electricity distribution and control apparatus	261,931	34,391

Contribution to South African GDP		
GDP at market price	2022	2021
South African	6,305,111	5,917,278
Company	89,574	69,191
Electricity and gas	78,888	62,070
Electricity distribution and control apparatus	10,686	7,121