



Telkom SA SOC Ltd

# Independent Assurance Report

"Telkom follows a combined assurance approach which integrates our internal audit function, Telkom Group Internal Audit (TGIA), other independent assurers and risk management activities across the Group."

2021

**Telkom**



# Independent Assurance Statement

to the management and stakeholders of Telkom SA SOC Ltd

## Introduction

IBIS Environmental Social Governance Consulting Africa (Pty) Ltd (IBIS) was commissioned by Telkom SA SOC Ltd (Telkom) to conduct an independent third-party assurance engagement in relation to the sustainability information in its Integrated Report (the report) for the financial year that ended 31 March 2021.

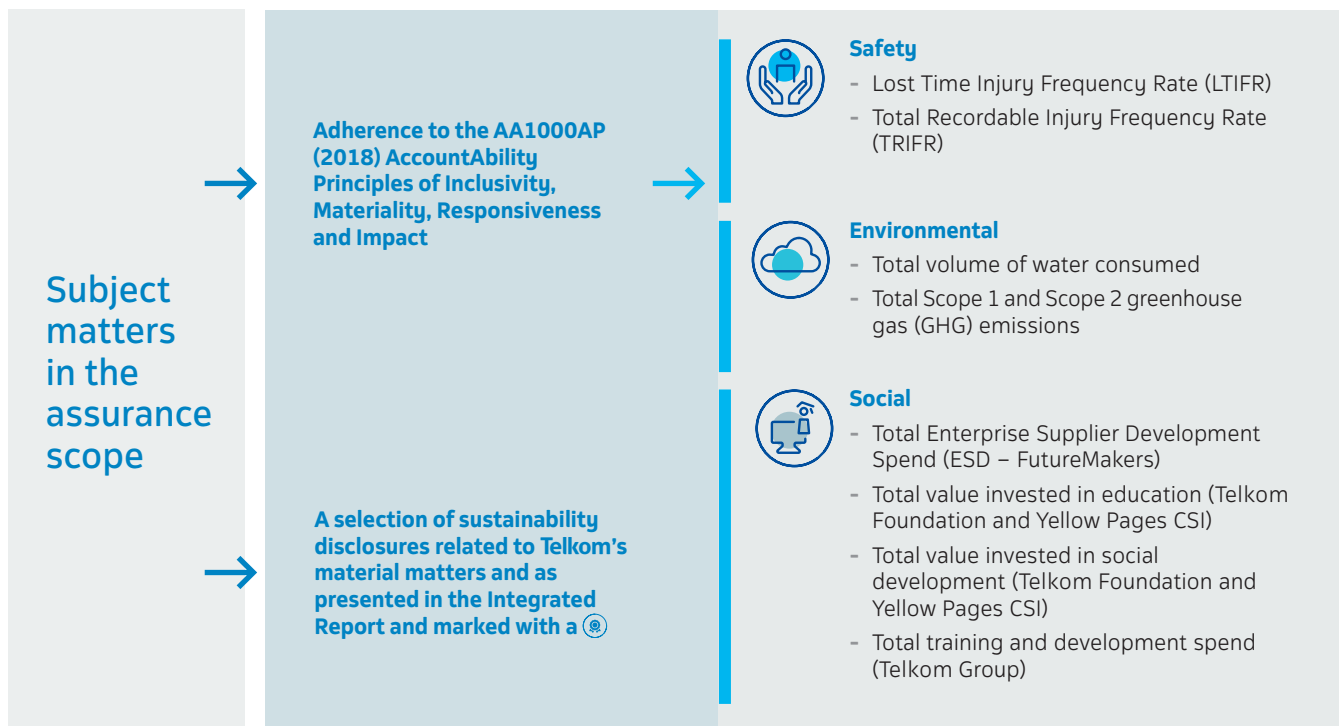
IBIS is an independent licensed provider of sustainability assurance services. The assurance team was led by Petrus Gildenhuys with support from Adam Sutton-Pryce, Sharon Kekana and Hsien Lou from IBIS. Petrus is a Lead Certified Sustainability Assurance Practitioner (LCSAP) with more than 25 years' experience in sustainability performance measurement involving both advisory and assurance work. This assurance engagement is the fifth consecutive sustainability assurance engagement conducted for Telkom by IBIS.

## Assurance standard applied

This assurance engagement was performed in accordance with AccountAbility's AA1000AS v3 (2020) (AA1000AS) and was conducted to meet the AA1000AS Type II moderate level requirements.

## Assurance scope

The scope of the subject matter for moderate assurance in accordance with the AA1000AS assurance standard, as captured in the agreement with Telkom is set out below:



## Respective responsibilities and IBIS' independence

### Telkom

Telkom is responsible for preparing its Integrated Report and for the collection and presentation of sustainability information within the report.

Telkom is also responsible for maintaining adequate records and internal controls that support the reporting processes

### IBIS

IBIS' responsibility is to the management of Telkom alone and in accordance with the scope of work and terms of reference agreed with Telkom.

IBIS applies a strict independence policy and confirms its impartiality to Telkom in delivering the assurance engagement.

## Assessment criteria

The following assessment criteria were used in undertaking the work:

### AA1000AP (AccountAbility Principles)

AA1000AP (2018) AccountAbility Principles of Inclusivity, Materiality, Responsiveness and Impact

### Telkom's Sustainability Reporting Guideline

A sustainability manual that specifies definitions and guidance for reporting sustainability information

### Greenhouse Gas Protocol

Greenhouse Gas Protocol: Revised Edition (WRI & WBCSD, 2004) (GHG Protocol)

## Assurance procedures performed

Our assurance methodology included:

### Testing

**Testing**, on a sample basis, the measurement, collection, aggregation and reporting processes in place

### Interviews

**Telephonic Interviews** with relevant data owners to understand and test the processes in place for maintaining information in relation with the subject matters in the assurance scope

### Inspection

**Inspection and corroboration** of supporting evidence received electronically to evaluate the data generation and reporting processes against the assurance criteria

### Assessing

**Assessing** the presentation of information relevant to the scope of work in the Integrated Report for consistency with the assurance observations

### Reporting

**Reporting** the assurance observations to management as they arose to provide an opportunity for corrective action prior to completion of the assurance process

## Engagement limitations

IBIS planned and performed the work to obtain all the information and explanations believed necessary to provide a basis for the assurance conclusions for a moderate level of assurance in accordance with AA1000AS.

The procedures performed in a moderate assurance engagement vary in nature from and are less in extent than for a high assurance engagement. As a result, the level of assurance obtained for a moderate assurance engagement is lower than for high assurance as per AA1000AS.

Due to the global COVID-19 pandemic restrictions, all assurance work was conducted remotely via desktop. Evidence to support information reported was obtained electronically for review and

assessment to base our conclusion on. Readers of the Integrated Report are cautioned to understand this inherent limitation.

## Assurance conclusion

In our opinion, based on the work undertaken for moderate assurance as described, we conclude that the subject matters in the scope of this assurance engagement have been prepared in accordance with the defined criteria and are free from material misstatements.

## Key observations and recommendations for improvement

Based on the work set out above, and without affecting the assurance conclusion, the key observations and recommendations for improvement are set out below.

### In relation to AA1000AP (2018)

**Inclusivity:** Telkom followed a formal stakeholder engagement framework and policy, which was approved by the Group Exco and the Social and Ethics Committee. The framework and policy set out the objectives, mechanisms and accountabilities for stakeholder engagement. The framework guides the approach for responding to stakeholders and evaluating the effectiveness of responses to stakeholders. Key stakeholder groups were mapped out and updated through a structured workshop process. The means of engagement have been identified, which points to inclusive stakeholder engagement and the acknowledgement of stakeholders' interests in Telkom.

**Materiality:** Evidence observed has confirmed that Telkom maintained due process in mapping and disclosing its material matters in a transparent and balanced manner. The annual materiality themes determination process was performed in the 2021 financial year. Telkom's materiality determination process and material themes were approved by the Group Exco and the Audit Committee on behalf of the Board. The integrated report presents material themes with a prioritised view of Telkom's material matters and explains why the identified issues are material. The integrated report also sets out stakeholders' key concerns and what Telkom's responses related to them are as well as what the key outcomes were.

**Responsiveness:** Telkom's responses to stakeholder issues observed across different stakeholder groups indicate a level of accountability to stakeholder issues raised. Telkom actively implemented its stakeholder engagement framework by way of developing a formal review process to monitor the implementation of stakeholder management response strategies. Continued implementation of the stakeholder engagement framework is recommended, with balanced levels of response to all stakeholder groups.

**Impact:** Telkom reports on a range of material environmental, social and governance topics based on its ongoing monitoring, measurement and evaluation of its impacts, both qualitatively and quantitatively. Telkom's shared value strategy aims to enhance the quality of outcomes from its interventions that will add value and offer quantifiable commercial, social and economic returns. The four UN SDGs which Telkom can materially impact have been adopted and reported on for the 2021 financial year, demonstrating Telkom's impact related to the relevant topics. It is recommended that Telkom continues to report on the progress against the select SDGs as well as monitor and measure the social changes that result from Telkom's activities, and the long-term impacts on its stakeholders and on Telkom's business itself.

### In relation to the selected disclosures

It was observed that appropriate measures are in place to provide reliable source data related to the selected disclosures assessed. The general control environment for the sustainability disclosures continues to improve with Telkom's responses to issues raised from the assurance process. Data inconsistencies identified during the assurance process were subsequently corrected and IBIS is satisfied with the accuracy of the final data in the assurance scope.

A comprehensive management report detailing specific findings and recommendations for continued sustainability reporting improvement has been submitted to Telkom management for consideration.



**Petrus Gildenhuys**

Director

IBIS Environmental Social Governance Consulting Africa (Pty) Ltd



**AA1000**  
Licensed Report  
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*The assurance statement provides no assurance on the maintenance and integrity of sustainability information on the website, including controls used to maintain this. These matters are the responsibility of Telkom.*

Johannesburg  
02 July 2021

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