



Telkom

Seamlessly
connecting our
customers to a
better life

Telkom SA SOC Ltd

Sustainability Fast-Read Summary

2025

Welcome to our sustainability fast-read summary

for the year ended 31 March 2025

About this summary

This summary provides stakeholders with an overview of our sustainability performance from 1 April 2024 to 31 March 2025 (FY2025).

We encourage you to read more about our overall performance in our integrated report.



www.telkom.co.za

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Our approach to sustainability

Sustainability reporting covers economic performance, social responsibility and environmental care. Telkom draws on several ESG-related frameworks to guide its disclosures and has an impact on the creation, protection and enabling of socio-economic value throughout the business.

The SDGs

Telkom supports four primary SDGs with selected targets. We demonstrate our contribution throughout the integrated report, with a detailed summary on page 97.

Task Force on Climate-related Financial Disclosures

We formally support the TCFD. Refer to the summary in the integrated report on page 99.

CDP

Telkom continues to participate in CDP climate reporting. We achieved a B score in 2024. The 2025 score will be concluded after December 2025. Refer to the CDP report online.

MSCI

At the date of approval of this report, we were rated A in the MSCI ESG Index, consistent with our score in 2024.

S&P Global – Corporate Sustainability Assessment

Telkom took part for the third time this year and scored 48/100 (2024: 45/100). We aim to improve this score going forward.

Sustainalytics

Telkom's overall ESG score was 26.8 (medium risk) for 2024 (2023: medium risk at 25.8).

The DTI

We are a Level 1 B-BBEE contributor for BCX and Telkom.

B-BBEE Codes of Good Practice

We are a Level 1 B-BBEE contributor for the third year in a row.

JSE Sustainability Disclosure Guidance

We conducted a gap analysis to assess our alignment with the JSE Sustainability Disclosure Guidance and JSE Climate Change Disclosure Guidance. This process identified gaps in our reporting, which we are actively addressing. These enhancements will be largely reflected in our first sustainability report, scheduled for publication in FY2026.



Telkom's reporting suite

Welcome to the integrated report of Telkom SA SOC Ltd (Telkom or the Group) for the financial year ended 31 March 2025 (FY2025 or the year).

We are committed to providing stakeholders with transparent, relevant and integrated information to support informed decision-making about Telkom.

Our reporting suite caters to the diverse needs of stakeholders and is available on our Group website under investor relations: <https://group.telkom.co.za/ir/>

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Integrated report

Our integrated report is our primary means of communication to stakeholders. It provides a holistic view of how our strategy, its implementation and operational performance contribute to value creation, preservation or erosion over the short, medium and long term period, and in relation to the six capitals.

It also summarises our impact on the economy, society and the environment, including our contribution to the United Nations Sustainable Development Goals (SDGs).

Key frameworks and standards applied:

- Integrated Reporting Framework (<IR> Framework)
- King IV Report on Corporate Governance™ for South Africa, 2016 (King IV)¹
- South African Companies Act, 71 of 2008, as amended (Companies Act)
- Johannesburg Stock Exchange (JSE) Listings Requirements and Debt and Specialist Securities Listings Requirements



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Financial information

- Audited annual financial statements
- Annual results announcement
- Annual results presentation

Our audited annual financial statements provide detailed information on the Group's financial performance. The annual results information is a summary of the year's performance.

Key frameworks and standards applied:

- International Financial Reporting Standards (IFRS® Accounting Standards)
- JSE Listings Requirements
- Companies Act
- King IV

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Shareholder information

- Notice of annual general meeting (AGM)
- Form of proxy

This provides shareholders with information regarding resolutions to be voted on. The hybrid AGM will be held on 21 August 2025.

Key frameworks and standards applied:

- JSE Listings Requirements and Debt and Specialist Securities Listings Requirements
- Companies Act
- King IV

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Governance, risk management and assurance

- Remuneration report
- King IV application report
- Board charter and Committee terms of reference
- Declarations of conflict of interest
- Ethics pledges

Governance and risk information is included in our integrated report. It is supplemented by information relating to policies and practices of the Board and a detailed remuneration report.

Key frameworks and standards applied:

- King IV
- JSE Listings Requirements and Debt and Specialist Securities Listings Requirements
- Companies Act

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Risk management, compliance and assurance

- Enterprise risk management principles
- Assurance statement

Risk information in the integrated report is supplemented by the enterprise risk management principles.

The assurance statement provides a moderate independent opinion on selected non-financial key performance indicators (KPIs), performed in accordance with the AA1000AS Type II requirements.

Key frameworks and standards applied:

- ISO 31000 Risk Management Guidelines
- AA1000 AccountAbility Principles of Inclusivity, Materiality, Responsiveness, and Impact

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Other reports to society

- Carbon Disclosure Project (CDP) climate change report
- Telkom Foundation annual report
- The sustainability fast-read summary forms part of our reporting suite

The CDP climate change report outlines our initiatives, strategies and performance related to climate change mitigation and adaptation, as disclosed on the CDP platform.

The Telkom Foundation's annual report highlights how Telkom contributes to transforming disadvantaged communities through sustainable development programmes.

The inaugural sustainability fast-read summary offers a concise overview of key sustainability initiatives and outcomes for FY2025.

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A snapshot of our business

Overview of our business

Telkom is a leading digital infrastructure and technology service provider in South Africa. We offer end-to-end information and communications technology (ICT) solutions, including high-speed fibre, mobile and data services, information technology (IT) services and property management.

Where we operate

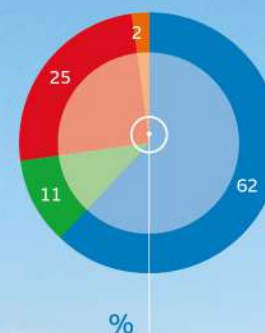


We are a JSE-listed company with a market capitalisation of **R19 billion** as at 31 March 2025.

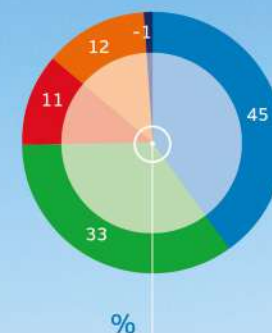
The Group comprises four business units that generated R45 billion² in revenue and R12 billion² in adjusted earnings (adjusted EBITDA).

9 509 permanent employees in the Group.

Revenue¹ contribution per business unit



EBITDA contribution per business unit



■ Telkom Consumer
■ Openserve
■ BCX
■ Gyro
■ Other

■ Telkom Consumer
■ Openserve
■ BCX
■ Gyro
■ Other

¹ Represents revenue generated from customers outside the Group.
² Represents total operations, which is generated from both continuing and discontinued operations

Telkom's purpose

Seamlessly connecting our customers to a better life

Our vision

To lead in the converged ICT market through deep and credible relationships and a distinctive customer experience by:

Leading in converged solutions

Providing a quality network with unmatched reach

Offering end-to-end digital solutions in the business community

Creating innovative and pervasive broadband consumer services

Being the wholesale provider of choice

Being the best place to work for committed and accountable people

Our shared values

A high-performance, values-driven culture is one of Telkom's keys to future success. Telkom is committed to ethically conducting business based on our core shared values and acceptable principles.

We revised our values to ensure greater alignment with our strategic objectives as part of the journey towards a unified OneTelkom culture. Refer to the human capital section on page 63 of the integrated report.

Our shared values form the foundation of our Group Code of Ethics.

Collaboration

Work together, learn from each other, and amplify our collective impact

I work together with my colleagues across our business units to maximise value for customers. I openly contribute my business unit knowledge/insights to achieve shared goals and better serve our customers. I am empathetic in considering other perspectives to align on common goals.

Customer centricity

Place the customer at the heart of everything we do

I listen to understand in order to deliver the best solutions to our customers. I work with a sense of urgency and never at the expense of quality delivered to customers. I own the part I play in our commitment to customers.

Accountability

Take ownership of our roles, decisions and outcomes

I do what I promise to do. I treat our business as my own by adopting an owner's mindset. I set an example by showing up with no excuses.

Agility

Be nimble, adaptable and responsive to change

I act swiftly yet responsibly when making decisions. I adopt a solutions mindset in order to shift the status quo. I am flexible and open to change.

Simplicity

Break complexity to simplify processes, communication and solutions

I simplify daily tasks and processes to efficiently serve our customers. I create an environment of clarity. I use simple, accessible language to be understood, avoiding jargon wherever possible.

Telkom's operating structure, products and services

This matrix sets out our operating structure and the products and services our four business units provide.

- **Openserve**
- **Telkom Consumer**
- **BCX**
- **Gyro**

Connectivity



Through ducted and aerial copper, fibre, satellite, mobile and wireless transmission.

Infrastructure



Fibre infrastructure, data centres and property solutions for Telkom and third-party clients.

State-of-the-art mobile and fibre networks



Networks that employ the latest and high-speed broadband technology.

Digital transformation



Providing medium and large enterprises with digital transformation solutions to enhance their businesses, including cloud solutions and consulting services.

Converged ICT solutions



Providing end-to-end business ICT services and products, including cloud, voice connectivity, fixed-data and wireless networks, enterprise applications, analytics and other IT services.

Digital presence and e-commerce



The e-commerce platform supports integrated business solutions for small and medium business customers.

Our ESG strategy

Telkom started addressing key enablers in our maturing journey towards a more resilient and sustainable business.

Key milestones this year included:

- Concluding our first net zero pathway analysis, which informs a decarbonisation pathway incorporating Scopes 1, 2 and 3
- Conducting our first double materiality assessment in line with the JSE's voluntary Sustainability Disclosure Guidance
- Conducting a climate risk scenario analysis using two representative concentration pathway (RCP) scenarios. This gives a view of the vulnerability of our key assets to climate change over the medium and long term.

Telkom made measurable progress against its ESG goals, with notable achievements in gender diversity, emissions reduction and socio-economic impact:

- Increased the percentage of women in leadership positions to 35%, a 3% increase from the FY2022 baseline, despite a challenging recruitment environment
- Reduced our Scope 1 and 2 emissions by 32% from our FY2022 baseline
- Exceeded annual targets for driving economic and digital inclusion, particularly through SMME spend and digital literacy initiatives


Telkom remains on track to achieve our long-range climate commitments, including carbon neutrality by 2035 and net zero by 2040.



Environmental performance

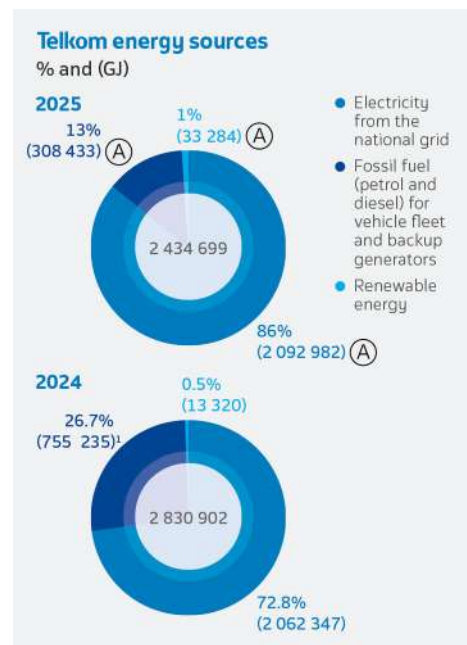
ESG strategy and performance

Environmental



Goal statements	FY2022 baseline	FY2024 actual	FY2025 actual	% change from FY2022 (baseline)	Status
<div>OE</div> <div>Operational efficiencies</div>					
<div>A</div> <div>Carbon neutral by 2035 (tCO₂e)</div>	852 782	639 041	576 395	-32%	O
<div>A</div> <div>50%</div> <div>Reduction in fossil fuel consumption by 2030 (tCO₂e)</div>	55 466	66 119	35 127	-37%	O
<div>A</div> <div>100%</div> <div>Renewable energy sources by 2035 (GJ)</div>	<1%	13 320	33 284	2.5x increase from FY2024	O
Net zero by 2040					
<div>A</div> <div>–</div> <div>Determine Scope 3 emissions</div>	1 764 216	1 724 460	1 713 336	-2%	O
<div>75%</div> <div>Reduction in waste to landfill by 2030 (tonnes)</div>	743	644	610	-18%	O
<div>A</div> <div>50%</div> <div>Reduction in potable water consumption by 2030 (kL)</div>	997 617	777 722	774 991	-22%	O
<div>25%</div> <div>Migration from R22 refrigerant gases in 2025 and 100% by 2035 (tonnes) from a 2016 baseline</div>	38	34	31	-18%	O
<div>DP</div> <div>Digital planet</div> <div>Refer to page 73 in the integrated report</div>					
<div>70 000</div> <div>IoT devices deployed by 2025</div>	15 220	73 679	95 170	sixfold increase	O
<div>Refer to page 57 in the integrated report</div>					
<div>Legend</div> <div> <div>O</div> <div>Achieved</div> </div> <div> <div>O</div> <div>Making progress but long-term target not yet achieved</div> </div> <div> <div>O</div> <div>Not achieved, progress needs to be improved</div> </div> <div> <div>●</div> <div>No specific target set as part of the initial ESG strategy</div> </div>					





Telkom's day-to-day operations are powered by a combination of grid power and renewable energy. We have been aggressively installing solar panels and lithium-ion batteries in key sites to improve resilience and lower costs and emissions.

We have decommissioned legacy technologies and replaced inefficient equipment, significantly reducing diesel usage.

These initiatives are ongoing. Despite limited roof space for solar installation, capex constraints, theft and vandalism, the completed installations are successfully reducing costs and emissions.

¹ The FY2024 Fossil fuel energy (petrol and diesel) was understated by approximately 22% (162 GWh) due to the omission of fuel used for fleet and petrol for one generator. We will conduct ESG training to improve awareness of evolving ESG requirements and reporting frameworks.

Reducing Telkom's carbon footprint



KEY DEFINITIONS

Scope 1 emissions relate to fossil fuel consumed by vehicles, backup diesel generators and replacement of air conditioning gases. Scope 1 represents approximately 2% of Telkom's total carbon footprint.

Scope 2 emissions relate to energy consumed from the national grid. In South Africa, the national utility has a high grid emissions factor due to its reliance on coal-fired power generation. Scope 2 represents 23% of Telkom's carbon footprint.

Scope 3 emissions relate to indirect upstream and downstream emissions of Telkom's value chain that are not accounted for in Scope 1 and 2. They comprise 15 categories, of which 12 are relevant to Telkom's operations and are reported on accordingly, including purchased goods and services, fuel- and energy-related activities, and use of sold products. Scope 3 represents 75% of Telkom's carbon footprint.

Reducing carbon emissions

In FY2025, we reduced our Scope 1 emissions by 47%, mainly due to a decrease in diesel consumption. This was due to both improved loadshedding conditions and internal efforts such as rolling out lithium-ion batteries and optimising generator use across our network. This reduced emissions, improved network uptime and lowered fuel costs.

Our Scope 2 emissions decreased by 6%, mainly due to legacy equipment decommissioning, terminations and proactive management of anomalies.

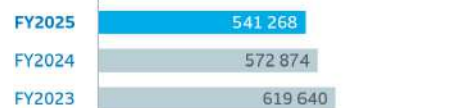
(A) External moderate assurance on selected sustainability indicators. Please refer to the FY2025 Independent Assurance Report, available online.

In previous years, Telkom used the Eskom Grid Factor 1 for Scope 2 emissions. In FY2025, we adopted South Africa's National Generation Grid Emission Factor to align our GHG reporting with the South African Greenhouse Gas Emission Reporting System and the compliance requirements of the Carbon Tax Act.

Contribution to total carbon footprint per scope for Group tCO₂e



Contribution to total carbon footprint per scope for Group tCO₂e

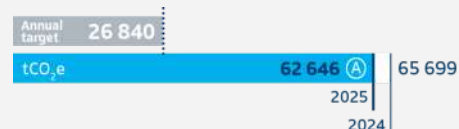


Target by 2035 and 2040

OE

Reduce carbon emissions:

Carbon neutral by 2035 and net zero by 2040.



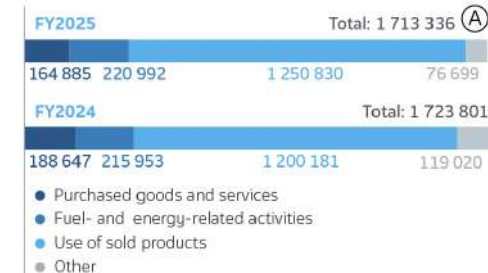
Aligned with the science-based targets' near-term and net zero goals, Telkom reduced its annual carbon dioxide emissions at a 4.2% (26 840 tCO₂e) linear annual reduction rate (LARR).

Telkom applies rigour in its internal processes and governance. We incorporate various approaches for the calculations, such as:

- Using actual consumption data. We retrieve a large part of our consumption data directly from source invoices using AI programmes, such as optical character recognition
- Installing smart meters at high-consuming sites

Telkom Scope 3 emissions

Contribution to total carbon footprint per scope for Group tCO₂e



We continuously refine our approach to managing and reporting on Scope 3 emissions.

Our category 1 emissions for purchased goods and services make up 9.6% of our Scope 3 emissions. Therefore, we seek to collaborate with suppliers to reduce emissions across our value chain. We hosted a supplier day where we communicated the Group's emissions reduction targets to foster collaboration.

Looking ahead, we will finalise Telkom's sustainable procurement strategy to address our Scope 3 emissions. We will onboard high-impact suppliers onto our reporting platforms in FY2026. This will enable us to track their ESG performance and ensure alignment with the Group's sustainability objectives. Refer to the TCFD disclosure in the integrated report.

How Gyro is reducing fossil fuel reliance

We made significant strides in ESG, including the circular economy. We continued to enhance the resilience and energy efficiency of Telkom's network and operations while reducing carbon emissions.

We reduced diesel consumption by 78% due to limited loadshedding and successful diesel optimisation projects. This lowered emissions and reduced operational costs.

Driving energy efficiency and alternative energy

Telkom's energy strategy has three key objectives: improving resilience, reducing cost, and lowering emissions.

The strategy focuses on crucial asset classes where business interruption (including loadshedding) would impact contractual obligations and customer experience. We are reducing diesel usage, thereby lowering costs and Scope 1 emissions, while providing energy security.

We have already achieved a number of milestones:

- Telkom Park 1 MW solar PV construction completed and operational since July 2024. It generated 749 664 kWh of green energy. Telkom Park 3 MW and Bellville 168 kWp solar PV plants are also operational
- Continued deployment of lithium-ion batteries and solar panels, with batteries installed at 1 240 sites

CASE STUDY Investing in a greener future powered by the sun



To avoid operational disruptions due to power outages and loadshedding, Telkom installed 4.2 MWp of solar PV capacity at its Telkom Park and Bellville sites. Approximately 2 000 solar panels were strategically installed on rooftops and in parking areas to power telecommunications equipment, improve network resilience and reduce reliance on costly diesel generators.

The impact of this initiative is already evident, including a substantial reduction in operational costs. By transitioning to solar power, we are reducing our carbon footprint and advancing our sustainability goals.

In the coming years, we plan to deploy an additional 3 MWp of solar capacity nationwide across more than 1 000 electronic telecommunication exchanges.

Telkom believes that environmental responsibility and operational efficiency can go hand-in-hand, building a resilient and sustainable future.

Key focus areas in FY2026

In FY2026, we will continue with our energy efficiency project, renewable energy projects and lithium-ion battery installations. We will also complete our water conservation initiatives at Telkom Park and sites in the Nelson Mandela Region in the Eastern Cape.



Reduction in waste to landfill

Responsibly managing hazardous waste

Telkom's largest source of hazardous waste is used electronic equipment (e-waste). We reduce e-waste by implementing practices to reuse, resell or recycle network and other waste generated by our operations. We increased our e-waste recycling to 8 276 tonnes (FY2024: 6 458 tonnes), mainly through the ongoing decommissioning of legacy equipment.

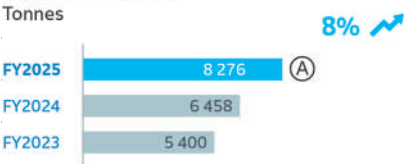
E-waste is a source of income for waste collectors and handlers. We sell our cabling to a leading e-waste recycling organisation. They process the cabling using environmentally and socially responsible techniques. This sensitive, labour-intensive process provides employment and empowerment for an Eastern Cape rural community.

We sell copper recovered from the recycling process on local and international markets.

In FY2025, Telkom Consumer launched packages that allow for trade-ins. By year-end, 42 devices had been traded in.

We also focused on reuse, which involved educating customers about repair warranties and extended warranties on certain devices from original equipment manufacturers.

E-waste recycled



Reduction in portable water consumption

Managing Telkom's water consumption

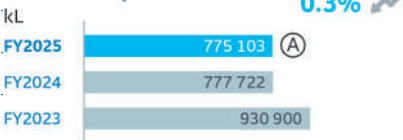
Telkom is not a material water user. However, we recognise the increasing risks associated with water shortages, particularly their impact on our employees, operations and the broader economy. Our water consumption is primarily for cooling, drinking, catering, hygiene and landscaping. Municipal supply is our main source.

Telkom's water consumption decreased by 0.3% to 775 103 kL driven by site terminations and ongoing site monitoring. Our focus on leak detection and repairs yielded further efficiency gains.

Our ESG strategy commits us to a 50% reduction in water usage by 2030. The following water-saving initiatives will enable us to reduce consumption:

- Borehole installation completed at two sites in the Eastern Cape (Linton Grange and Sidwell)
- Sites earmarked for rainwater harvesting in the Nelson Mandela Region are being revised as some will be sold or terminated
- The Telkom Park rainwater harvesting project was postponed to FY2026 due to budget constraints

Total water consumption for the Group



(A) External moderate assurance on selected sustainability indicators. Refer to the FY2025 Independent Assurance Report, available online.

R22 refrigerant gases

The Department of Environmental Affairs promulgated the phasing out of ozone-depleting substances in 2014. The regulation outlines 2020, 2025 and 2030 requirements for phasing out and managing these substances. From the 2016 baseline, we have reduced R22 refrigerant gases from 97 tonnes to 30.7 tonnes, exceeding the December 2025 target.

We are decommissioning various Telkom sites and replacing heating, ventilation and air conditioning units that exceed the expected commercial life cycle by 30%.



Digital planet

IoT devices deployed by 2025

IoT devices deployed by 2025



We have successfully deployed 95 170 IoT devices, surpassing our goal and demonstrating our commitment to leveraging technology for sustainable development.

We also initiated several measures to enhance the monitoring of utilities, including electricity, gas, steam and water, as well as environmental conditions. By implementing advanced monitoring systems, we aim to achieve greater transparency and efficiency in our utility consumption. This initiative will help us identify and address inefficiencies, reduce our carbon footprint, and more effectively conserve natural resources.

Social performance



Social

Goal statements		FY2022 baseline	FY2024 actual	FY2025 actual	% change from FY2022 (baseline)	Status
IWP Investing with purpose						
200 000	Lives positively impacted through SMME spend by 2025*	91 357	221 308	251 203	2.8x increase	0
70 000	Lives impacted through digital literacy by 2025**	14 420	58 417	72 278	5x increase	0
2023	Become a leading employer in South Africa	Achieved	Achieved	Achieved	Achieved	0
(A) 35%	Women in leadership positions by 2025	32%	34%	35%	3 pts	0
Refer to page 68 in the integrated report						
DS Digital services						
4.3 million	Customers with access to Telkom's diversified digital platforms by 2025	2 039 684	8 800 000	11 277 361	5.5x increase	0
500 000	Businesses with access to digital platform solutions by 2025	443 467	447 647	451 346	2%	0
Refer to page 55 in the integrated report						
EC Empowered communities						
15 million	Customers connected to broadband and fixed wireless broadband by 2025	11 700 000	15 957 972	19 590 697	67%	0
1.5 million	SA homes and businesses passed with our FTTx footprint by 2025	839 691	1 217 110	1 378 930	64%	0
Under-served areas	Fibre rollout in townships (homes passed)	119 579	139 476	231 330	94%	●
	Fibre rollout in townships (homes connected)	47 619	70 024	120 852	2.5x increase	●
Refer to page 53						
Legend						
0	Achieved					
0	Making progress but long-term target not yet achieved					
0	Not achieved, progress needs to be improved					
●	No specific target set as part of the initial ESG strategy					

* Lives impacted by job creation = number of people employed at an SMME, which can either be actual or x 4.1 average if the number of employed is unknown (Small Business Institute SA). To calculate lives impacted, apply an economic multiplier of x 3.3, representing the average number of people in a household (Statistics South Africa).

** Digital literacy is the ability to use technology to connect with the world around us, to access opportunities and to use digital content to learn new skills/knowledge to contribute in a digitally connected society (UNESCO, UNICEF, EU).



“The socio-economic challenges in South Africa are immense, and it is only through addressing inequality and economic growth that we as a business will continue to thrive.”

Serame Taukobong
Group Chief Executive Officer

Investing with purpose

Positively impacting lives through SMME spend

Supporting ESD: FutureMakers

FutureMakers marked **10 years** of unwavering support for SMMEs since its launch in 2015, with an initial R250 million investment in the IDF Future Fund.

Over 2 600 black-owned SMMEs have been supported through incubation, investment, connectivity, and business development support services.

FutureMakers supports SMMEs through financial and non-financial programmes. Our ESD programmes aim to unearth innovation through SMMEs that can improve Telkom's business and offerings.

This is achieved through:

- Telkom Consumer Dealers Programme
- Hackathons and innovation programmes
- I'M IN Women Pre-Accelerated Programme
- Aion's R58 million ICT Venture Builder for seed and development to early-stage phases
- Absa's R39 million Supplier Development Fund for SMMEs within Telkom's supply chain

The FutureMakers Programme focuses on two areas: diverse supply chain programmes and innovation programmes. In FY2025, Telkom supported 459 enterprises (FY2024: 428) through procurement opportunities worth R859 million (FY2024: R339 million) and innovation programmes. Some suppliers who had grown too large exited the programme and the Independent Field Technicians (IFT) Programme ended. BCX increased its support for SMMEs from 300 to 357.

FutureMakers businesses collectively created and sustained 73 890 job opportunities (FY2024: 69 500), a 6% improvement, as the adoption rate of the platform businesses we supported increased. We have impacted over 250 000 lives through our support for SMMEs.

We work with youth- and female-owned businesses and promote inclusive innovation and localisation. The second cohort of the Township Innovation Incubator Programme graduated in February 2025. Since its launch in April 2023, the programme has supported 13 entrepreneurs from North West, KwaZulu-Natal, Gauteng and the Western Cape – providing each with R50 000 in seed capital along with business development support and training.

FutureMakers continued to support the I'M IN Women Pre-Accelerated Programme. This followed a successful ideation phase in partnership with JP Morgan and the Embassy of Ireland in South Africa. The programme supports investment readiness among 15 African women-owned technology start-ups from underserved communities and universities.

ESG strategy alignment

FutureMakers contributes to the investing with purpose pillar of the ESG strategy. It does this by developing and investing in a new generation of black-owned, high-growth enterprises that create the most jobs and economic outcomes in society.

Ensuring the long-term sustainability of our SMMEs through a wider pool of procurement, funding and technical mentorship opportunities remains a key challenge.

In FY2025, FutureMakers leveraged a shared pool of opportunities through improved collaboration and partnerships. Employees serve as transformation ambassadors in a shared commitment to nurture FutureMakers' SMMEs and incorporate them into our supply chain. Market access remains a key focus as we seek sustainable opportunities for the SMMEs.

Our investments in SMMEs and development programmes resulted in positive social and commercial outcomes:

	Telkom	Society
Commercial	<p>Telkom Consumer distribution channels: R186.6 million in sales revenue (FY2024: R104 million)</p>	<p>SMMEs in our programmes generated revenue of R538 million (FY2024: R388 million)</p>
Social	<p>A contribution to Telkom's ESG strategy to impact 100 000 lives through SMME development by FY2025 resulted in the target being met in FY2023. The target has been revised to 250 000 lives impacted by FY2027.</p> <p>Target by 2027* Impact 250 000 lives through SMME development</p> <p>The 251 203 lives impacted by FY2025 shows the resilience and sustainability of the underlying businesses. We have achieved the target of 250 000 lives impacted by 2027* two years in advance.</p> <p>However, the IDF Future Fund is in divestment stage (ending in September 2026), which poses a risk as Telkom exits investments. The attainment of this target has largely been due to Telkom's investments in digital platform companies in the IDF Future Fund that created jobs.</p> <p>The jobs created at exit will continue to be included in the report, but any additional jobs after the exit date will not be included.</p> <p><small>* Target date was revised to 2027.</small></p>	<p>73 890 new jobs created and sustained (FY2024: 67 063), resulting in 251 203 lives impacted.*</p> <p><small>* According to Statistics South Africa, every income supports on average 3.3 people.</small></p>

INNOVATION CASE STUDY
 AdvannoTech



AdvannoTech has shown resilience since graduating from the Tech Accelerator Programme in FY2024. The IoT solution and platform provider made significant strides after being onboarded as a solutions partner for Telkom Consumer.

Solution partner status effectively graduates AdvannoTech from enterprise development to supplier development. The partnership is forecast to unlock IoT opportunities in various industries.

Description

AdvannoTech is a 100% black-owned IoT solution and platform provider servicing the property, agriculture, utilities, asset management industries, and more.

VantageX is an advanced data fusion platform that integrates seamlessly with existing business applications. It provides comprehensive business intelligence, data automation and machine learning capabilities. This empowers organisations to transform raw data into actionable insights, driving efficiency and innovation.

Business needs

AdvannoTech needed additional investment to develop and productise its VantageX platform and to source additional software tools, cloud infrastructure, and specialised talent. In addition, it required:

- Operational support and market access opportunities to onboard more customers and scale
- A strategic alliance with Telkom to expose its solutions to a wider client base

Results

A partnership with Telkom Consumer came through FutureMakers, allowing AdvannoTech to go to market with Telkom on its IoT offering.

AdvannoTech received R620 000 in grant support (inclusive of awards prize money) and further funding from the Absa Supplier Development Fund of R6.3 million to fulfil current orders and its pipeline of orders at that time.

Marketing and business development support, including access to market exhibitions and awards:

- Vastly Sage Women Empowerment Luncheon 2022
- Telkom Tech Trailblazer of the Year Award 2023
- Vastly Sage Women Empowerment Luncheon 2023
- Telkom AI Innovation of the Year Award 2024
- Smart Procurement Enterprise and Supplier Development Expo 2024
- Dynamic ICT Women Luncheon 2024
- UK Tech Hub x Telkom Tech Summit Showcase 2024
- IEEE Global Communications Conference 2024
- Proudly South African Buy Local Summit 2024 and 2025

Key partnerships and clients:

- Telkom SA SOC Ltd
- Intelsat SA Ltd
- UK Solar Power Ltd
- Italtile Retail (Pty) Ltd

CASE STUDY

Welo Health

Welo.

Since 2023, FutureMakers has supported Welo Health, a 100% Black woman-owned healthtech business. Welo Health focuses on bridging the gap between accessible healthcare and the ever-changing needs of the corporate environment.

The business provides on-demand healthcare infrastructure powered by a network of nurses in southern Africa. Welo Health struggled with cash flow before receiving financial support and mentorship from Aions Ventures. In 2023, FutureMakers invested R3 million in the business through Aions' venture builder programme. Welo Health used the financial support to fund working capital requirements, technology development, and support market expansion throughout South Africa.

A success story

Welo Health has generated R2.8 million in revenue to date. In FY2025, the business created employment for 457 people (seven direct and 450 indirect). It has expanded into Botswana and onboarded more corporate clients on its platform.

Key partnerships and clients

- QikTruck
- Hitachi
- Umvuzo Health
- Rtusa Insurance
- Frigoglass

In 2024, Welo Health won the Healthtech Innovation of the Year award at the Telkom Transformation and Innovation Awards.



CASE STUDY

Empowering township tech entrepreneurs



In 2023, the Telkom FutureMakers programme recruited 13 township entrepreneurs in the ICT sector for its Township Innovation Incubator Programme.

This followed a successful 18-month virtual programme that was piloted in Soweto a year earlier. Here, the final cohort included 11 technology social entrepreneurs chosen from over 100 applicants.

The 18-month programme included training in taking solutions from ideation to solution stage, digital skills, and support to develop solutions into minimum viable products (MVPs).

The programme provided the following support to the 13 entrepreneurs:

- A business enablement pack that included mobile data, laptops and Wi-Fi devices
- An "MVP" product developed by BCX that turned their ideas into ready-to-deploy web service platforms or downloadable applications. The few that had existing applications received enhancements from BCX
- The Mapaseka Academy provided them with digital skills and project management training to equip them with a better understanding of how to launch and sustain a technology-based product in the South African market



The second cohort of the Township Innovation Incubator Programme at their graduation ceremony in Bryanston on 28 February 2025.





Impacting lives through digital literacy

Supporting communities: Telkom Foundation



The Telkom Foundation contributes to the transformation of disadvantaged communities. It achieves this by investing in education, youth and skills development, working in collaboration with government, the private sector and civil society.

In FY2025, the Telkom Foundation invested R68.3 million (including administration costs) (FY2024: R71.2 million). Of this, R36.3 million ^(A) was invested in education, R22.4 million ^(A) in digital skills, and R1.6 million ^(A) in social development programmes.

^(A) External moderate assurance on selected sustainability indicators. Refer to the FY2025 Independent Assurance Report, available online.

The Foundation provides ICT resources, connectivity and digital literacy training to bridge the digital divide.

It supports the zero-rated Telkom Lightbulb Platform, which delivers content aligned with the Curriculum and Assessment Policy Statement (CAPS) to learners in Grades 7 to 12. Its targeted digital skills development initiatives equip young people with skills in coding, robotics and other emerging technologies.

The Foundation's academic support programme reached 2 206 learners face-to-face and 33 798 learners online. This contributed to a Grade 12 pass rate of 99%, with an average 1.6 distinctions per learner. In addition, 92% of learners passed with university entrance.

The Foundation's psychosocial support programme assisted 314 002 individuals (FY2024: 346 707) with counselling and awareness programmes. Increased call volumes at the national toll-free lines (Childline and Lifeline) highlighted a growing need for these services.

A total of 250 learners completed the Foundation's multi-year future-fit skills programme. They received certifications in IC3 digital literacy, web, game and app development, Microbit, entrepreneurship, and Scratch.

The Foundation awarded 40 bursaries to university students from its post-school academic support programme. The students achieved a 90% pass rate with 29 distinctions. In addition, 1 207 youth received accredited ICT skills training, with 488 certified, 400 undergoing moderation, and 207 at the work experience stage.

CASE STUDY Teacher Development Programme



The integration of ICT in education has long been hindered by limited teacher training, outdated methodologies, and misalignment with rapid technological advances. This has particularly affected science, technology, engineering and mathematics (STEM) education.

In response, the Telkom Foundation established the Teacher Development Programme to equip educators with digital competencies and modern teaching skills.

The programme trains teachers in digital tools like Google Suite and Office 365, fosters the creation of digital content, and uses hands-on workshops to close gaps in digital literacy. This has strengthened STEM instruction and enhanced learner outcomes.

Under the programme, 697 teachers have received ICT integration training and 848 educators have benefited from targeted pedagogical support.

An independent impact assessment conducted in November 2024 estimated that the programme has generated R192 million in value through improved teaching quality, from a total investment of R6 million. This translates to a social return on investment of R32 for every rand invested.

The programme also aligns SDG 4, SDG 8 and SDG 9, reinforcing Telkom's innovative approach to community support and sustainable development.

R192m

Value added by the Teacher Development Programme based on the TGIA impact assessment

982

Number of training hours

290

Teachers trained

Impact flow

Teacher capacity building > Empowered educators > Higher quality of education delivery

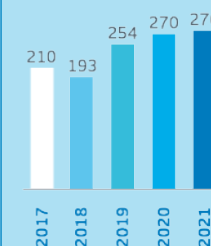
Digital skills development > Equipping teachers and students with future-ready skills

Blended learning > Promoting sustainable, innovative and inclusive education models

131%

Retention rate – Total number of teachers at the start (210) and at the end of the project (276)

Teachers trained per year



Becoming a leading employer in South Africa

Telkom continued to invest in learning and development, guided by a strategy built on three pillars:

- 1. Developing future-fit leaders and an internal pipeline of solid leaders
- 2. Equipping employees with future-focused skills through upskilling, reskilling and multi-skilling initiatives
- 3. Fostering a culture of continuous learning through our Learning4Growth programme

We launched the Back2Basics People Leadership programme to strengthen core leadership capabilities in Telkom Consumer and the Corporate Centre. The programme was developed in response to low employee engagement scores, particularly in manager-employee relationships. It aims to equip leaders with skills to build high-performing, engaged teams.

The initial rollout was well received, with 91% of participants indicating increased confidence in applying leadership fundamentals. Early feedback highlights:

- Improved engagement levels in participating teams
- Enhanced ability of managers to handle difficult conversations and provide constructive feedback
- Stronger collaboration across teams, fostering a more inclusive leadership culture

Further rollouts of the programme are planned for FY2026.

Telkom awarded 162 new bursaries for the 2025 academic year, investing R7.8 million in part-time bursaries. Further to the Telkom Foundation bursaries, we expanded our full-time bursary offering to 46 students in line with our business needs. These students will feed into our Elevate graduate internship programme, which is in its second year with 159 interns.

The OneTelkom learning programmes saw positive uptake, with 406 employees participating in FY2025. These programmes include a leadership programme, the Female Leadership Development programme across three levels, as well as training in digital skills, innovation and design thinking.

Training and development spend (Rm)

	FY2023	FY2024	FY2025
Telkom ¹	44 ¹		
BCX	45	65	66
Gyro	2 ²	2	
Openserve	54	46	54
Telkom Consumer		46	33
Corporate Centre		10	12
Group	145	168	166

¹ Telkom includes Telkom Consumer, Corporate Centre and Openserve in FY2023.
² Gyro includes learnership stipends.

Employee wellness

Telkom aims to foster a diverse, inclusive and thriving culture where the holistic wellness of employees takes precedence. Ten wellbeing goals are outlined for the next three years, covering mental health, physical fitness, cultivating a healthy culture, and enhancing financial literacy.

We hosted the annual wellness month in August 2024 and expanded the wellness days to eight regional sites. The main risk areas identified in wellness days were physical inactivity and unhealthy diets.

We hosted 10 online wellness sessions covering motivation, positive thinking, workplace bullying and victimisation, mental health, stress and burnout, financial wellness, nutrition, and skeletal health. We offered three online exercise classes and a session to help line managers identify wellness challenges among employees. On average, 10% of employees joined each of the sessions. Employees were asked to evaluate the webinar offerings and gave them an overall rating of 4.6 out of 5, indicating a high level of satisfaction.

Telkom and BCX were named Top Employer in South Africa for the third year in a row.

Women in leadership positions

Succession planning

We have a robust talent management and succession planning framework to mitigate vacancy risk. When leadership exits occur, our succession plans ensure business continuity, enabling us to seamlessly move internal talent into the relevant roles, either as full replacements or in an acting capacity as emergency replacements.

Our talent mapping process ensures we have 100% succession maps in place for executive leadership roles. While our succession bench strength at senior executive level needs more focus, 83% of successors are African and 42% are female. Our talent framework feeds directly into our learning plans. This ensures we proactively invest in and develop future successors for key roles in the business.

Our leadership investments aim to fast-track the development of these successors to increase our bench strength.

”

We will continue to monitor diversity and inclusion overall, particularly the target of reaching 50% female leadership representation between 2027 and 2029.

- Ethel Matenge-Sebesho,
Chairperson: Social and Ethics Committee

Digital services

Customers and businesses with access to digital platforms and digital platform solutions

Businesses with access to digital platform solutions by 2025



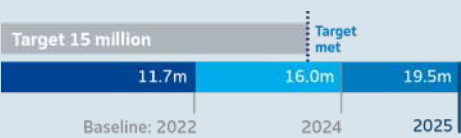
Mo'Nice continues to be a key growth driver in our pre-paid segment, driven by increased adoption of personalised offers. More than 5 million subscribers access personalised offers through the Mo'Nice platform across our digital channels.

Over the past three years, we have experienced significant growth in customer adoption, validating the success of our strategic approach. These outcomes highlight the strong return on investment from our digital transformation efforts. Our objective to shift customers from staff-assisted to self-service channels is progressing as planned.

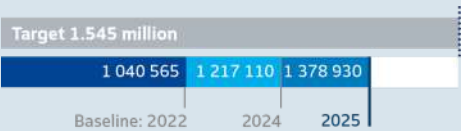
Empowered communities

ESG: Empowered communities EC

Customers connected to broadband and fixed wireless broadband by 2025








SA homes and businesses connected through our FTTx footprint by 2025 (homes passed)



Openserve is driving its open-access wholesale data connectivity to broaden access to affordable and inclusive digital connectivity, enabling a better life for all South Africans.

We continue to grow our product offering and fibre footprint in line with our connected strategy. This year, we connected 120 852 homes in underserved areas at a connectivity rate of 52%.

Governance performance

Governance 					
Goal statements	FY2022 baseline	FY2024 performance	FY2025 performance	% change from FY2022 (baseline)	Status
BS Business stewardship					
Culture of responsible technology and information use					
Reduction in number of data breaches	0	0	0	0	●
Promote fair and ethical practices towards our customers and within the Group					
Reduction in escalated customer complaints***	7 416	3 661	4 953	-33%	●
Decrease in whistle-blowing incidents reported from FY2023	152	121	71	-41%	●
Refer to page 89 in the integrated report					
*** Excludes complaints managed at the call centre, as these are too complex for reporting purposes.					
Legend					
	Achieved				
	Making progress but long-term target not yet achieved				
	Not achieved, progress needs to be improved				
	No specific target set as part of the initial ESG strategy				

Business stewardship

Whistle-blowing

The Ethics and Fraud Survey indicated that 97% of respondents had confidence in the anonymity of the whistle-blowing hotline and were committed to report incidents of economic crime and irregular conduct. In addition, the hotline incidents analysis showed that 92% of those who reported did not claim anonymity and 5% claimed partial anonymity.

This indicates confidence and trust in Telkom's whistle-blowing processes. It is supported by the FY2025 numbers, with 1 239 incidents reported to the hotline, a 16% increase year on year.

To make it easy to report, Telkom has six hotline reporting touch points. The hotline is independently managed and operates 24/7.

We are grateful to internal and external stakeholders who report incidents. They affirm Telkom's stance of zero tolerance towards fraud, corruption and irregular conduct.

Telkom is committed to the protection of whistle-blowers as per the approved Whistle-blowers and Investigation Participating Parties Protection Procedure.

Escalated customer complaints

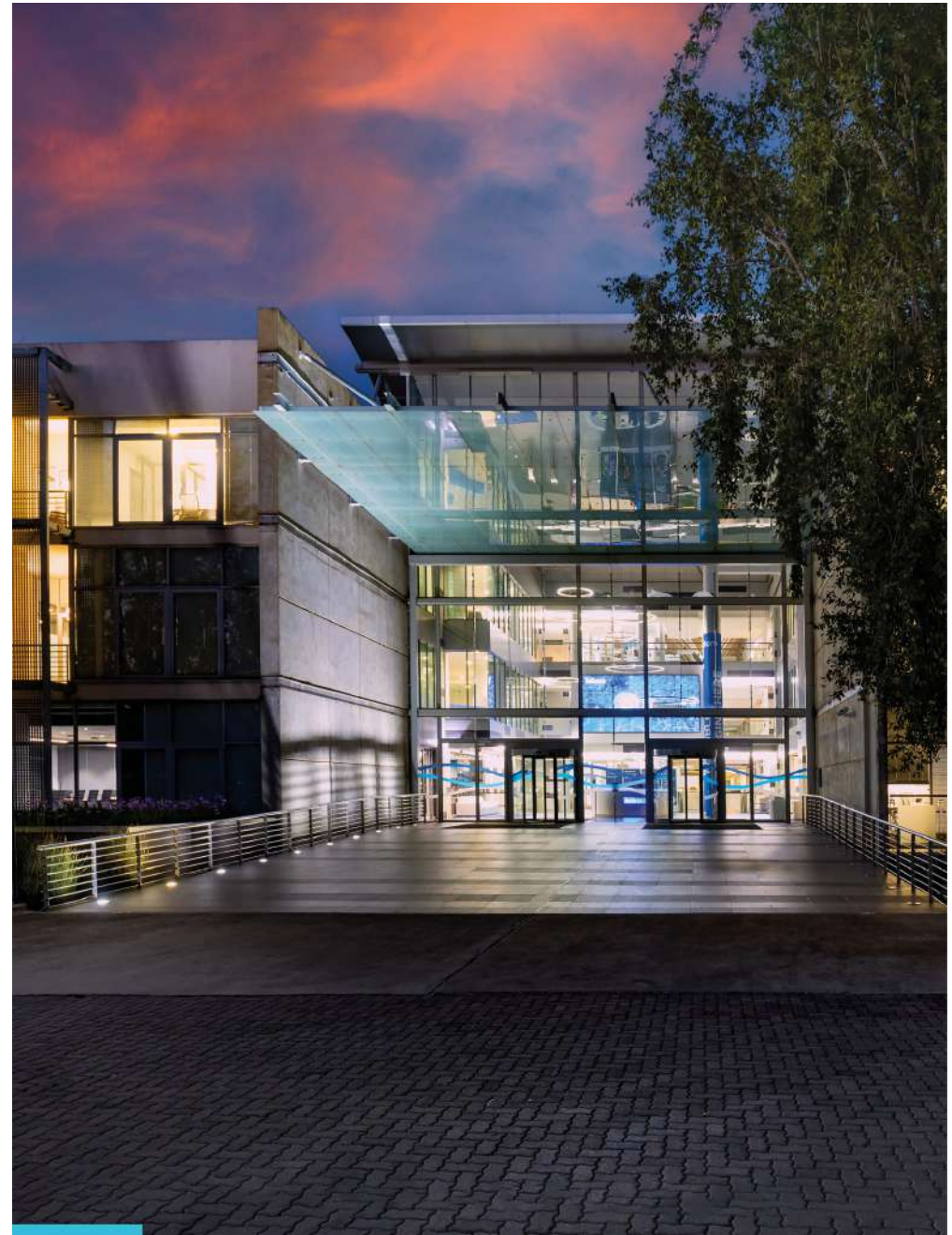
We monitored the Group's progress in strengthening customer fairness and experience. We considered various reports related to customer treatment, particularly initiatives aimed at:

- Reducing billing-related complaints
- Enhancing digital capabilities
- Improving customer centricity with a focus on SMMEs

The impact of these efforts was reflected in various external benchmarks. Telkom placed second in the customer relationship management category and first in NPS in the Orange Index for the telecommunications industry. Telkom Mobile achieved second place for customer relationship management and first place for NPS.

The Group achieved 100% compliance with ICASA's service level agreements. The top escalation categories were disputes, debit orders and suspensions. These are all being addressed through targeted service improvements.

In FY2026, we will implement the revised Group Code of Ethics and further enhance Telkom's ethical practices, with a focus on ethics in the digital era. This will include understanding ethical practices related to AI adoption, data privacy and cybersecurity.



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Telkom
Consumer

open serve

BCX

Gyro