Telkom SA Limited

2024 CDP Corporate Questionnaire

Contents

C1. Introduction

(1.1) In which language are you submitting your response?

Select from:

☑ English

(1.2) Select the currency used for all financial information disclosed throughout your response.

Select from:

☑ ZAR

(1.3) Provide an overview and introduction to your organization.

(1.3.2) Organization type

Select from:

☑ Publicly traded organization

(1.3.3) Description of organization

Telkom is a leading information and communications technology (ICT) services provider in South Africa, offering end-to-end ICT solutions, including high-speed fibre, mobile and data services, information technology (IT) services, property management, and mast and tower solutions. Our purpose is to seamlessly connect our customers to a better life. Our vision is to lead in the converged ICT market through deep and credible relationships and a distinctive customer experience by leading the provision of converged solutions; providing a quality network with a reach that is unmatched; offering end-to-end digital solutions in the business community; creating innovative and pervasive broadband consumer services; being the wholesale provider of choice; and being the best place to work for committed and accountable people. Telkom comprises four productive business units namely: 1) Openserve (a wholesale infrastructure connectivity provider with the largest open-access network across South Africa), 2) Telkom Consumer (which houses the data-led Mobile business (the third largest) and it is an ISP, providing broadband services to SMEs), 3) BCX (provides ICT and digital technology solutions), and 4) Gyro (which manages the property portfolio of Telkom that are currently utilised for operations) and Swiftnet (which comprises masts and towers business and is in the process of being sold). Telecommunication companies are classified as having a low impact on the environment. However, we realise the vital role business has in supporting South Africa in limiting emissions and are committed to supporting the country's initiatives. Telkom, as a conscious economic participant, therefore, has a responsibility to understand and reduce its impact across the value chain. We want to grow our business in a sustainable way with the use of renewable energy to power our services and infrastructure. Telkom reported an operating revenue of R43

230 million, for the Group, for FY2024 increasing 2% from FY2023 (R42 534 million). The number of permanent employees in FY2024 (9 877 permanent employees) decreased by 15% from FY2023 (11 624 permanent employees).
[Fixed row]

(1.4) State the end date of the year for which you are reporting data. For emissions data, indicate whether you will be providing emissions data for past reporting years.

(1.4.1) End date of reporting year

03/30/2024

(1.4.2) Alignment of this reporting period with your financial reporting period

Select from:
☑ Yes

(1.4.3) Indicate if you are providing emissions data for past reporting years

Select from:
☑ Yes

(1.4.4) Number of past reporting years you will be providing Scope 1 emissions data for

Select from:
☑ Not providing past emissions data for Scope 1

(1.4.5) Number of past reporting years you will be providing Scope 2 emissions data for

Select from:
☑ Not providing past emissions data for Scope 2

(1.4.6) Number of past reporting years you will be providing Scope 3 emissions data for

Select from:

☑ 2 years
[Fixed row]

(1.4.1) What is your organization’s annual revenue for the reporting period?

43230000000

(1.5) Provide details on your reporting boundary.

	Is your reporting boundary for your CDP disclosure the same as that used in your financial statements?
	Select from: ☑ Yes

[Fixed row]

(1.6) Does your organization have an ISIN code or another unique identifier (e.g., Ticker, CUSIP, etc.)?

ISIN code - bond

(1.6.1) Does your organization use this unique identifier?

Select from:
☑ No

ISIN code - equity

(1.6.1) Does your organization use this unique identifier?

Select from:

☑ Yes

(1.6.2) Provide your unique identifier

ZAE000044897

CUSIP number

(1.6.1) Does your organization use this unique identifier?

Select from:
☑ No

Ticker symbol

(1.6.1) Does your organization use this unique identifier?

Select from:
☑ No

SEDOL code

(1.6.1) Does your organization use this unique identifier?

Select from:
☑ No

LEI number

(1.6.1) Does your organization use this unique identifier?

Select from:
☑ No

D-U-N-S number

(1.6.1) Does your organization use this unique identifier?

Select from:
☑ No

Other unique identifier

(1.6.1) Does your organization use this unique identifier?

Select from:
☑ No
[Add row]

(1.7) Select the countries/areas in which you operate.

Select all that apply
☑ South Africa

(1.24) Has your organization mapped its value chain?

(1.24.1) Value chain mapped

Select from:
☑ Yes, we have mapped or are currently in the process of mapping our value chain

(1.24.2) Value chain stages covered in mapping

Select all that apply
☑ Upstream value chain

(1.24.3) Highest supplier tier mapped

Select from:

☑ Tier 1 suppliers

(1.24.4) Highest supplier tier known but not mapped

Select from:

☑ Tier 2 suppliers

(1.24.7) Description of mapping process and coverage

Suppliers underpin our value chain and directly influence equipment, material and other input costs. We have conducted a comprehensive mapping of our supply chain and are in the process of developing a strategy for the assessment and implementation of environmental factors. This includes categorizing suppliers and establishing a segmentation framework to integrate Environmental, Social, and Governance (ESG) criteria. As part of our engagement strategy, we hosted a supplier day to involve all suppliers in discussions about our environmental initiatives, which will be incorporated into the overarching framework. We managed to engage with 70% of our suppliers from a spend perspective. We also conducted a survey to gauge the current level of ESG awareness among our suppliers: 30% reported being aware of ESG issues, while another 30% indicated a need for assistance with ESG integration. It is noteworthy that a significant number of our larger suppliers did not attend the meeting; however, we have held separate sessions with most of these suppliers to discuss the integration of ESG considerations and support for our Scope 3 emissions targets. In FY2024, we conducted regular monthly and quarterly reviews with our suppliers to ensure alignment and strengthen partnership. [Fixed row]

(1.24.1) Have you mapped where in your direct operations or elsewhere in your value chain plastics are produced, commercialized, used, and/or disposed of?

(1.24.1.1) Plastics mapping

Select from:

☑ No, and we do not plan to within the next two years

(1.24.1.5) Primary reason for not mapping plastics in your value chain

Select from:

☑ Other, please specify **:**Not material

(1.24.1.6) Explain why your organization has not mapped plastics in your value chain

In our direct operations, we do not generate plastic waste, with the exception of the minor plastic waste produced by our employees, which represents a very small fraction of our total waste output. The plastic waste originating from our value chain is largely attributed to the small plastic wraps used to package the devices sold by our Consumer division, which also constitutes a minimal quantity.
[Fixed row]

C2. Identification, assessment, and management of dependencies, impacts, risks, and opportunities

(2.1) How does your organization define short-, medium-, and long-term time horizons in relation to the identification, assessment, and management of your environmental dependencies, impacts, risks, and opportunities?

Short-term

(2.1.1) From (years)

0

(2.1.3) To (years)

3

(2.1.4) How this time horizon is linked to strategic and/or financial planning

A short-term time horizon for risk assessment and management is essential as it allows our organization to promptly identify, realize, and address immediate threats and opportunities, ensuring operational stability and quick responses to emerging issues. Our enterprise risk and opportunity management approach is used to determine where financial resources are to be allocated, i.e. financial planning. Once the risk and opportunity assessment procedure (described in 2.2.2) is completed and reported to the board, a financial assessment process is undertaken to determine the financial resources required to carry out our risk and opportunity management plans. This assessment process considers annual budgets, tax and compliance costs, direct costs, capital allocation, capital expenditures, and savings opportunities, among others. The short to medium-time horizons are considered for direct operating cost elements. Nevertheless, these may change depending on the risk and opportunity under consideration.

Medium-term

(2.1.1) From (years)

3

(2.1.3) To (years)

5

(2.1.4) How this time horizon is linked to strategic and/or financial planning

The medium-term time horizon bridges the gap between our immediate concerns and long-term planning. It supports strategic and financial planning by identifying trends and shifts in environmental conditions. This enables more informed decision-making that balances our current needs with future sustainability objectives. Our enterprise risk and opportunity management approach is used to determine where financial resources are to be allocated, i.e. financial planning. Once the risk and opportunity assessment procedure (described in 2.2.2) is completed and reported to the board, a financial assessment process is undertaken to determine the financial resources required to carry out our risk and opportunity management plans. This assessment process considers annual budgets, tax and compliance costs, direct costs, capital allocation, capital expenditures, and savings opportunities, among others. In the instance of assets, capital allocation and expenditure elements, the time horizon considered during financial planning is typically medium- to long-term, while short- to medium-term horizons are considered for direct operating cost elements. Nevertheless, these may change depending on the risk and opportunity under consideration.

Long-term

(2.1.1) From (years)

5

(2.1.2) Is your long-term time horizon open ended?

Select from:

☑ No

(2.1.3) To (years)

10

(2.1.4) How this time horizon is linked to strategic and/or financial planning

The long-term time horizon is used to guide our strategies, ensuring long-term viability, alignment with sustainability goals, and risk mitigation prior to critical issues. This proactive approach sustains environmental stewardship and enhances strategic planning. Our enterprise risk and opportunity management approach is used to determine where financial resources are to be allocated, i.e. financial planning. Once the risk and opportunity assessment procedure (described in 2.2.2) is completed and reported to the board, a financial assessment process is undertaken to determine the financial resources required to carry out our risk and opportunity management plans. This assessment process considers annual budgets, tax and compliance costs, direct costs, capital allocation, capital expenditures, and savings opportunities, among others. In the instance of assets, capital allocation and expenditure elements, the time horizon considered during financial planning is typically medium- to long-term, while short- to medium-term horizons are considered for direct operating cost elements. Nevertheless, these may change depending on the risk and opportunity under consideration.
[Fixed row]

(2.2) Does your organization have a process for identifying, assessing, and managing environmental dependencies and/or impacts?

	Process in place	Dependencies and/or impacts evaluated in this process
	Select from: ☑ Yes	*Select from:* ☑ Both dependencies and impacts

[Fixed row]

(2.2.1) Does your organization have a process for identifying, assessing, and managing environmental risks and/or opportunities?

	Process in place	Risks and/or opportunities evaluated in this process	Is this process informed by the dependencies and/or impacts process?
	Select from: ☑ Yes	*Select from:* ☑ Both risks and opportunities	*Select from:* ☑ Yes

[Fixed row]

(2.2.2) Provide details of your organization's process for identifying, assessing, and managing environmental dependencies, impacts, risks, and/or opportunities.

Row 1

(2.2.2.1) Environmental issue

Select all that apply

☑ Climate change

(2.2.2.2) Indicate which of dependencies, impacts, risks, and opportunities are covered by the process for this environmental issue

Select all that apply

☑ Dependencies

☑ Impacts

☑ Risks

☑ Opportunities

(2.2.2.3) Value chain stages covered

Select all that apply

☑ Direct operations

☑ Upstream value chain

☑ Downstream value chain

(2.2.2.4) Coverage

Select from:

☑ Full

(2.2.2.5) Supplier tiers covered

Select all that apply

☑ Tier 1 suppliers

(2.2.2.7) Type of assessment

Select from:

☑ Qualitative and quantitative

(2.2.2.8) Frequency of assessment

Select from:

☑ More than once a year

(2.2.2.9) Time horizons covered

Select all that apply

☑ Short-term

☑ Medium-term

☑ Long-term

(2.2.2.10) Integration of risk management process

Select from:

☑ Integrated into multi-disciplinary organization-wide risk management process

(2.2.2.11) Location-specificity used

Select all that apply

☑ Site-specific

☑ National

(2.2.2.12) Tools and methods used

Enterprise Risk Management

☑ COSO Enterprise Risk Management Framework

☑ Enterprise Risk Management

☑ ISO 31000 Risk Management Standard

Other

☑ Scenario analysis

(2.2.2.13) Risk types and criteria considered

Acute physical

☑ Drought

☑ Flood (coastal, fluvial, pluvial, ground water)

☑ Heavy precipitation (rain, hail, snow/ice)

☑ Tornado

Chronic physical

☑ Changing precipitation patterns and types (rain, hail, snow/ice)

☑ Increased severity of extreme weather events

☑ Temperature variability

Policy

☑ Carbon pricing mechanisms

Market

☑ Other market, please specify **:**Digital technology opportunity

Reputation

☑ Other reputation, please specify **:**Scrutiny from investors, customers, and value chain partners on our ESG and climate-change activities

Technology

☑ Other technology, please specify **:**Demand for innovative technologies that assist in managing natural resources, such as water, more efficiently.

Liability

☑ Non-compliance with regulations

(2.2.2.14) Partners and stakeholders considered

Select all that apply

☑ Customers
☑ Employees
☑ Investors
☑ Regulators
☑ Suppliers

(2.2.2.15) Has this process changed since the previous reporting year?

Select from:
☑ No

(2.2.2.16) Further details of process

Climate change-related risks are integrated into our risk identification and management processes, as well as assurance processes. Our risk management approach is based on a board-approved enterprise-wide risk management (ERM) methodology and philosophy to ensure effective risk management across the group. The ERM Framework aims to provide a standard approach to managing risks across the group, ensuring consistency. We annually identify and assess regulatory, reputational, and physical risks, and consider associated future risks. Our Group Integrated Assurance Framework is utilized to identify, assess, monitor, and report the group's complex risks and opportunities. As part of our annual material themes determination process, we assimilate a set of material risks and opportunities by reviewing our operating environment, ERM procedures, stakeholder engagement and board and committee discussions. Management's materiality determination process and material themes are approved by exco and the audit committee. The Board of Directors, through the Risk Committee, oversees risks and ensures compliance. Executive Committees advise the Board on risk and compliance matters. Telkom is committed to an enterprise risk management process aligned with the King IV Report, COSO Framework, and ISO 31000:2018 Risk Management Guidelines and COBIT. In FY2024, addressing climate change and extreme weather remained a priority for Telkom. Climate-related risks and opportunities are initially managed within the business functions from which they are identified. However, all major climate-related risks have response plans which specify the trigger thresholds (related to the severity of the impact) at which higher levels of management involvement occur. Risks that significantly impact business-as-usual and the execution of Telkom's strategy (i.e., the highest trigger threshold) are managed by our Group Emergency Management Team (GEMT) structure which reports to the Telkom Group exco. In the reporting year, we continued to strengthen Telkom's ability to respond to disasters including extreme weather (i.e., effects of storms and floods on the network) as part of our risk and compliance transformation journey towards a risk-intelligent group. The process followed for our environmental dependencies and impacts includes understanding how changes in one area might affect our operations, such as water supply challenges, waste and emission generation. The extent of the dependency and impact and how those translate into risks and opportunities for the group are assessed through our national disaster risk assessments and regional assessments. Impacts such as waste and emissions are managed and monitored through our environmental data reporting, target tracking, and monitoring legislations such as the Carbon Tax Act.
[Add row]

(2.2.7) Are the interconnections between environmental dependencies, impacts, risks and/or opportunities assessed?

(2.2.7.1) Interconnections between environmental dependencies, impacts, risks and/or opportunities assessed

Select from:

☑ Yes

(2.2.7.2) Description of how interconnections are assessed

Our organization is exposed to physical risks as a consequence of our reliance on weather conditions and water resources. The increasing frequency and severity of extreme weather events, such as heatwaves, heavy rainfalls, storms, lightning, and floods, pose a substantial threat to our infrastructure. In response, we embarked on a disaster risk assessment project nationally to unpack extreme weather threats and impacts on employees, operations, infrastructure and network performance. We foresee this risk continuing and have also placed it on our list of emerging risks. Water supply challenges due to drought in various municipal areas also pose a potential threat to our operations and employees. We make use of regional assessments to establish the extent of this risk and identify plans to proactively manage it. The environmental impacts of our business activities include emissions from fuel and electricity. Consequently, our business is at risk of carbon pricing mechanisms such as the carbon tax regulation in South Africa. Phase 1 of the Carbon Tax Act, 15 of 2019 commenced during FY2020, prompting us to engage an external service provider to assess whether Telkom's operations exceed the electricity and heat production capacity of 10 MW installed thermal capacity (the threshold for carbon tax under fuel combustion activities). Our business activities, products, and services also lead to high volumes of e-waste, such as batteries, copper cabling, phones, electric equipment, etc. The increased availability, affordability and consumption of electronic products lead to increased volumes of e-waste. This is the largest growing waste stream in South Africa. It is also our most environmentally impactful waste stream, internally and within the value chain. This presents significant opportunities for us to decrease the negative impact through recycling end-of-life products, such as sim cards.
[Fixed row]

(2.3) Have you identified priority locations across your value chain?

(2.3.1) Identification of priority locations

Select from:

☑ No, but we plan to within the next two years

(2.3.7) Primary reason for not identifying priority locations

Select from:

☑ No standardized procedure

(2.3.8) Explain why you do not identify priority locations

We recognize the importance of biodiversity preservation and are committed to integrating these considerations into our management practices. Over the next two years, we plan to establish a more standardized procedure to identify priority locations in our value chain.
[Fixed row]

(2.4) How does your organization define substantive effects on your organization?

Risks

(2.4.1) Type of definition

Select all that apply

☑ Quantitative

(2.4.2) Indicator used to define substantive effect

Select from:

☑ EBITDA

(2.4.3) Change to indicator

Select from:

☑ % decrease

(2.4.4) % change to indicator

Select from:

☑ 1-10

(2.4.6) Metrics considered in definition

Select all that apply

☑ Frequency of effect occurring

☑ Likelihood of effect occurring

(2.4.7) Application of definition

When identifying or assessing climate-related risks, a 'substantive' financial impact would be regarded as a major or critical financial consequence if there is a decrease in earnings before interest, tax, depreciation and amortisation (EBITDA). From a strategic perspective, an impact that results in widespread and extensive disruptions to the continuity of service delivery for more than a week, or an incident that prevents the achievement of most business objectives within a financial year, would be considered a 'substantive' strategic impact. 'Substantive' financial or strategic impacts can occur on our direct operations (operational impacts), or from poor customer service stemming from acute and chronic weather conditions resulting in customer migration to different network service providers (reputational and strategic impacts). INDICATOR: In the reporting period, the group's EBITDA target was R11 900 million. Hence, an impact would be considered substantive if it resulted in a 5% decrease in the EBITDA target.

Opportunities

(2.4.1) Type of definition

Select all that apply

☑ Qualitative

(2.4.6) Metrics considered in definition

Select all that apply

☑ Frequency of effect occurring

☑ Likelihood of effect occurring

(2.4.7) Application of definition

From the qualitative opportunities perspective, there is an ESG Programme within the ESG team. From our perspective, possible opportunities can be the following: • The implementation of the EY CAP tool to identify hazards relating to climate for proactive mitigation can reduce infrastructure repair and replacement costs, but still can't quantify the costs. • Regional disaster risk assessment outcomes can assist with enhancing business preparedness and Telkom's resilience programme. • The use of proactive alerts and reports from the National Disaster Management Advisory Forum can assist with proactive business planning and response to ensure minimised disruptions and critical service continuity. • Availability of historical information on chronic weather conditions (e.g. Floods in KZN) in different regions assists with proactively minimizing the impact on network availability, customer service, etc., to an acceptable level.
[Add row]

C3. Disclosure of risks and opportunities

(3.1) Have you identified any environmental risks which have had a substantive effect on your organization in the reporting year, or are anticipated to have a substantive effect on your organization in the future?

Climate change

(3.1.1) Environmental risks identified

Select from:

☑ Yes, only within our direct operations

(3.1.2) Primary reason why your organization does not consider itself to have environmental risks in your direct operations and/or upstream/downstream value chain

Select from:

☑ Evaluation in progress

(3.1.3) Please explain

In FY2024, we conducted our value chain mapping and identified the key players in our value chain. However, we are currently in the process of developing an engagement strategy that will guide the implementation of our ESG engagements across our value chain.

Plastics

(3.1.1) Environmental risks identified

Select from:

☑ No

(3.1.2) Primary reason why your organization does not consider itself to have environmental risks in your direct operations and/or upstream/downstream value chain

Select from:

☑ Environmental risks exist, but none with the potential to have a substantive effect on our organization

(3.1.3) Please explain

In our direct operations, we do not generate plastic waste, with the exception of the minor plastic waste produced by our employees, which represents a very small fraction of our total waste output. The plastic waste originating from our value chain is largely attributed to the small plastic wraps used to package the devices sold by our Consumer division, which also constitutes a minimal quantity.
[Fixed row]

(3.1.1) Provide details of the environmental risks identified which have had a substantive effect on your organization in the reporting year, or are anticipated to have a substantive effect on your organization in the future.

Climate change

(3.1.1.1) Risk identifier

Select from:

☑ Risk1

(3.1.1.3) Risk types and primary environmental risk driver

Policy

☑ Carbon pricing mechanisms

(3.1.1.4) Value chain stage where the risk occurs

Select from:

☑ Direct operations

(3.1.1.6) Country/area where the risk occurs

Select all that apply

☑ South Africa

(3.1.1.9) Organization-specific description of risk

The South African Carbon Tax Act No.15 of 2019 covers emissions from stationary combustion of fossil fuels; fugitive emissions; and emissions from industrial processes. The tax is being implemented in a phased manner with the first phase taking place from 2019-2025 and covering Scope 1 emissions from facilities exceeding an installed capacity of 10MW thermal capacity. Telkom is currently not directly affected by the carbon tax. Telkom's emission sources include fleet fuel combustion, stationary generator fuel combustion and fugitive refrigerant leakage. The tax on fuels is taxed at the source, so these costs are indirect and impact the company as a 'pass-through' cost. In the second phase (from 2026) several changes are expected (such as removal or decrease of allowances, revision of the carbon tax rate, etc.) to increase the stringency of the requirements. We are largely dependent on the national electricity utility, Eskom, as a major source of electricity. In Phase 2, it is anticipated that rebate mechanisms applicable to Eskom will fall away, resulting in pass-through tax costs incurred by Eskom's customers, including Telkom. Grid electricity consumption currently comprises over 80% of our emissions profile, hence there is a significant financial risk associated with the potential Scope 2 carbon tax liability from Phase 2 onwards.

(3.1.1.11) Primary financial effect of the risk

Select from:

☑ Increased direct costs

(3.1.1.12) Time horizon over which the risk is anticipated to have a substantive effect on the organization

Select all that apply

☑ Short-term

(3.1.1.13) Likelihood of the risk having an effect within the anticipated time horizon

Select from:

☑ More likely than not

(3.1.1.14) Magnitude

Select from:

☑ Medium

(3.1.1.16) Anticipated effect of the risk on the financial position, financial performance and cash flows of the organization in the selected future time horizons

Medium

(3.1.1.17) Are you able to quantify the financial effect of the risk?

Select from:

☑ Yes

(3.1.1.19) Anticipated financial effect figure in the short-term – minimum (currency)

62478030

(3.1.1.20) Anticipated financial effect figure in the short-term – maximum (currency)

193413130

(3.1.1.25) Explanation of financial effect figure

In 2023 the carbon tax rate was R159/tCO2e. The carbon tax rate is expected to increase annually, with the intention of achieving a carbon tax rate of approximately R300/tCO2e by the year 2026. From 2026 onward, during Phase 2 of the carbon pricing mechanism in South Africa, the carbon tax rate is intended to increase more rapidly, whereby in 2030 it is anticipated that the carbon tax rate will be approximately R450/tCO2e. During Phase 1, tax-free allowances can be applied to a maximum total allowance of 95% while the basic applicable threshold is 60%. Going forward, the basic tax-free allowance (60%) is expected to reduce and it is expected that the total maximum allowance may also reduce. Telkom is liable for carbon tax on diesel and petrol consumed by the fleet and stationary emissions due to fuel combustion in standby generators. However, the financial liability has been deducted from the source. Assuming that the basic tax-free allowance will be reduced to 48% in 2026, the indirect carbon tax paid in the carbon fuel levy is estimated to be R11 004 500. Further, assuming the total allowance reduces to 68% in 2026, the indirect carbon tax passed through by the national utility (Eskom) is estimated to be R51 473 540. This results in Telkom's total indirect carbon tax liability to be estimated at R62.5 million in 2026. In 2030, alongside the increase in the carbon tax rate, it is anticipated that the basic allowance will reduce to 0% and the assumed total allowance will reduce to 20%. As such, making use of Telkom Scope 1 and 2 emissions in FY24, it is estimated that our indirect carbon tax paid in carbon fuel levy will be R34 632 540 and our indirect carbon tax passed through by Eskom will be R158 780 600. We therefore estimate that in 2030, Telkom's total indirect carbon tax liability will be R193.4 million. Thus, the minimum combined cost of the carbon tax on Telkom for 2026 is estimated to be R62 478 030 and the maximum combined cost of the carbon tax for 2030 is estimated to be R193 413 130.

(3.1.1.26) Primary response to risk

Compliance, monitoring and targets

☑ Implementation of environmental best practices in direct operations

(3.1.1.27) Cost of response to risk

135268940

(3.1.1.28) Explanation of cost calculation

Telkom has constructed a Solar PV Plant at Telkom Head Office (the cost of installation and repairs was R88.4 million and R3.3 million, respectively), a solar PV Park in Belville (the cost of installation was R1.9 million), and an additional 1 MW solar PV plant at Telkom Park in Centurion (the cost of installation was R18.5 million). The total estimated cost for the three Solar PV Plants is R112.3 million. The increased renewable energy will reduce our carbon liability in Phase 2 by reducing reliance on the national electricity grid. Telkom has also implemented LED lighting at many sites. The estimated cost of implementing LED lighting is R23 million. These initiatives will continue to reduce our Scope 2 emissions and our potential pass-through carbon tax liability in Phase 2. Telkom aims to implement ongoing energy-efficiency initiatives to reduce the carbon footprint in FY25. The total cost of response is therefore R135.3 million (R112.3 million R23 million).

(3.1.1.29) Description of response

In FY2024, we developed an energy strategy to focus on crucial asset classes where business interruption (including loadshedding) would significantly impact contractual obligations and customer experience. Our strategy aims to manage reliable and secure energy supply, meet decarbonization targets and optimize diesel costs. The solutions proposed in the strategy include: On-site mature generation technologies such as Solar PV and batteries, Energy efficiency interventions such as lighting retrofits, smart meters, free cooling retrofits, and HVAC optimization, Off-site generation alternatives that include wheeling and virtual wheeling options that supply clean energy via the Eskom grid. The short-term energy intervention plan of the strategy entails reducing our reliance on grid power by using solar power and batteries as the main sources of energy, along with grid power. Additionally, the Group has set a goal to achieve carbon neutrality by 2033 and net zero emissions by 2040. This goal is tied to the reduction of carbon emissions from purchased grid electricity, which currently accounts for 89% of our greenhouse gas emissions. In FY2024, Telkom Park's 3 MW and Bellville's 168 kWp solar PV plants were fully operational. Telkom Park's 1 MW solar PV project was commissioned in July 2024, while energy efficiency interventions such as LED lighting retrofits continued. As a result, electricity consumption for FY2024 decreased by 4% and our total emissions (Scope 1 and Scope 2) for FY2024 reduced by 9%. Thus, we anticipate that our risk associated with Phase 2 will be reduced. The benefits of the initiatives and the implementation of the energy strategy will be seen prominently during Phase 2. We recognize the need to use the Phase 1 window to adopt an effective long-term carbon tax response strategy that responds to the current exposure levels and prepares the organization to deal with the harsher impacts of Carbon Tax anticipated from the second phase onwards.

Climate change

(3.1.1.1) Risk identifier

Select from:

☑ Risk2

(3.1.1.3) Risk types and primary environmental risk driver

Acute physical

☑ Flooding (coastal, fluvial, pluvial, groundwater)

(3.1.1.4) Value chain stage where the risk occurs

Select from:

☑ Direct operations

(3.1.1.6) Country/area where the risk occurs

Select all that apply

☑ South Africa

(3.1.1.9) Organization-specific description of risk

In recent years, our business has experienced a notable increase in the frequency and intensity of extreme weather events, which have had a material impact on our operations. This has led us to recognize the acute physical risk posed to our network by these unpredictable weather events, affecting our strategic goal of developing operational superiority for a competitive advantage. Specifically, these climate risks have the potential to cause damage to our infrastructure, resulting in increased network faults and repair requirements, ultimately leading to higher operating costs and a negative impact on service delivery and customer experience. Furthermore, the heavy rainfall, floods, and hail/storm events experienced in KwaZulu Natal (KZN) during the reporting year led to six instances of infrastructure damage, affecting approximately 450 customers in the Greater Durban area.

(3.1.1.11) Primary financial effect of the risk

Select from:

☑ Increased indirect [operating] costs

(3.1.1.12) Time horizon over which the risk is anticipated to have a substantive effect on the organization

Select all that apply

☑ Medium-term

(3.1.1.13) Likelihood of the risk having an effect within the anticipated time horizon

Select from:
☑ More likely than not

(3.1.1.14) Magnitude

Select from:
☑ Medium-low

(3.1.1.16) Anticipated effect of the risk on the financial position, financial performance and cash flows of the organization in the selected future time horizons

Medium

(3.1.1.17) Are you able to quantify the financial effect of the risk?

Select from:
☑ Yes

(3.1.1.21) Anticipated financial effect figure in the medium-term – minimum (currency)

2000000

(3.1.1.22) Anticipated financial effect figure in the medium-term – maximum (currency)

2500000

(3.1.1.25) Explanation of financial effect figure

Telkom has a Disaster Fund budget that can be used in emergency situations, these emergency situations, however, are not specific to climate-related events. The Board can make the decision to expand the budget, if necessary, given the extent and number of emergency events experienced within the reporting period. In the

case of a disaster, emergency finance of more than R2 million can be accessed from the Disaster Fund. The Disaster Fund budget in the reporting year was R 2.5 million.

(3.1.1.26) Primary response to risk

Engagement

☑ Engage in multi-stakeholder initiatives

(3.1.1.27) Cost of response to risk

1807136

(3.1.1.28) Explanation of cost calculation

The flood events in KwaZulu-Natal in 2023 caused damage to six buildings in the greater Durban area, requiring repairs and replacements for damaged fibre and copper cables. The total costs associated with the 2023 KZN floods were approximately R1.8 million.

(3.1.1.29) Description of response

In response to the increasingly severe acute physical climate risks in recent years, we maintain a regular collaboration with the National Disaster Management Centre (NDMC) of South Africa. This partnership is facilitated through the National Disaster Management Advisory Forum (NDMAF) on a quarterly basis. The primary aim of these meetings is to acquire insights into anticipated climate and weather trends across the country while preparing for potential disaster scenarios. During these engagements, our risk management team receives updates from the South African Weather Service, in addition to receiving overviews of the seasonal national risk profile, quarterly grid electricity forecasts, and the national water status. In anticipation of potential infrastructure or systems interruptions, relevant business units are put on readiness alert. Upon the triggering of a "disaster," our Business Continuity Plans are activated. These plans are devised with specific trigger thresholds that activate distinct response levels based on the extent and severity of the "disaster". As part of the response activities for each level, proactive planning for the subsequent level is undertaken in the event of an escalating "disaster," ensuring the presence of requisite systems for the next level of response activities. In instances of higher trigger thresholds, group-level intervention is activated, which includes the Telkom Group Emergency Management Team (GEMT). The GEMT was not activated during the reporting year. Nevertheless, the flooding and hail/storm events in KZN were managed at an operational level, and the repair work on network infrastructure was expediently completed within 14 days to minimize the impact of the events. During the rainy seasons in the regions, our dedicated staff and service providers in the provinces adeptly handle a higher workload by adjusting work hours and forecasting additional materials in our stores to pre-empt delays in repairs.

Climate change

(3.1.1.1) Risk identifier

Select from:

☑ Risk3

(3.1.1.3) Risk types and primary environmental risk driver

Reputation

☑ Increased partner and stakeholder concern or negative partner and stakeholder feedback

(3.1.1.4) Value chain stage where the risk occurs

Select from:

☑ Direct operations

(3.1.1.6) Country/area where the risk occurs

Select all that apply

☑ South Africa

(3.1.1.9) Organization-specific description of risk

Telkom has identified that ESG practices and disclosures are becoming increasingly important to investors. In the reporting year, we noted that there has been an increased focus on ESG matters due to the heightened importance of sustainability matters and an increase in climate change awareness. We identified that the increased scrutiny on ESG matters might impact Telkom's financial sustainability and reputation and create limitations in accessing opportunities. Our Remuneration Committee has also noted the increasing pressure to include ESG targets in both the short-term incentives and long-term incentives, aligned with international trends. As such, we recognized that Telkom needed a holistic strategy to formalize our approach to each aspect of ESG. Telkom has noted that there has been a significant increase in demand from investors for improved climate-related financial disclosures. Investors are impacted by how well companies they invest in manage climate-related risks and opportunities and therefore investors will benefit from Telkom enhancing our ESG disclosures. In previous reporting years, there were two investor requests to the Telkom Board to introduce the TCFD Framework and adopt science-based emissions targets.

(3.1.1.11) Primary financial effect of the risk

Select from:

☑ Decreased access to capital

(3.1.1.12) Time horizon over which the risk is anticipated to have a substantive effect on the organization

Select all that apply

☑ Long-term

(3.1.1.13) Likelihood of the risk having an effect within the anticipated time horizon

Select from:

☑ More likely than not

(3.1.1.14) Magnitude

Select from:

☑ Medium

(3.1.1.16) Anticipated effect of the risk on the financial position, financial performance and cash flows of the organization in the selected future time horizons

Medium

(3.1.1.17) Are you able to quantify the financial effect of the risk?

Select from:

☑ Yes

(3.1.1.23) Anticipated financial effect figure in the long-term – minimum (currency)

50500000

(3.1.1.24) Anticipated financial effect figure in the long-term – maximum (currency)

505000000

(3.1.1.25) Explanation of financial effect figure

We are unable to accurately calculate the financial impact of how increased stakeholder concern and pressure may impact Telkom; however, we are able to estimate a figure based on publicly available knowledge. Telkom's issued share capital at FY2024 year end was valued at R5 050 million. If shareholder sentiment towards

Telkom shifts downward by 1% due to Telkom not meeting its investor's expectations on ESG, climate change, and emission commitments, we will be at risk of losing approximately R50.5 million in share capital value. Similarly, if shareholder sentiments towards Telkom shift downward by 10% due to Telkom not meeting investor expectations, we will be at risk of losing approximately R505 million

(3.1.1.26) Primary response to risk

Compliance, monitoring and targets

☑ Implementation of environmental best practices in direct operations

(3.1.1.27) Cost of response to risk

777383

(3.1.1.28) Explanation of cost calculation

The cost of responding to this risk can be quantified based on the cost of development of the ESG Strategy (R600 000) as well as the approximate amount spent on the SBTi validation process (9 500, which converts to R177 383). Thus, the final cost of response is R600 000 R177 383 R777 383.

(3.1.1.29) Description of response

In order to address our stakeholders' growing concerns, Telkom developed an ESG Strategy which includes defined roles and responsibilities and details the way in which Telkom aims to achieve our 2035 and 2040 net-zero targets. In October 2021, Telkom embarked on the process of formalising the ESG Strategy and in March 2022, the Board approved the first ESG strategy and implementation roadmap. The ESG Strategy provides key emissions reduction targets and associated timelines, which have been made publicly available in our Integrated Report 2023. The ESG Strategy is practical, measurable and implementable. It includes and builds on current initiatives (e.g., energy and water initiatives), and is aligned to the SDGs that Telkom can impact and influence. Telkom aims to integrate ESG risks into the ERM framework and implement the Group ESG Strategy with defined roles and responsibilities. Furthermore, we submitted our near-term and net zero science-based targets to the Science Based Targets initiative (SBTi) for validation and approval.
[Add row]

(3.1.2) Provide the amount and proportion of your financial metrics from the reporting year that are vulnerable to the substantive effects of environmental risks.

Climate change

(3.1.2.1) Financial metric

Select from:

☑ Assets

(3.1.2.2) Amount of financial metric vulnerable to transition risks for this environmental issue (unit currency as selected in 1.2)

0

[Add row]

(3.5) Are any of your operations or activities regulated by a carbon pricing system (i.e. ETS, Cap & Trade or Carbon Tax)?

Select from:

☑ Yes

(3.5.1) Select the carbon pricing regulation(s) which impact your operations.

Select all that apply

☑ South Africa carbon tax

(3.5.3) Complete the following table for each of the tax systems you are regulated by.

South Africa carbon tax

(3.5.3.1) Period start date

03/31/2023

(3.5.3.2) Period end date

03/30/2024

(3.5.3.3) % of total Scope 1 emissions covered by tax

89

(3.5.3.4) Total cost of tax paid

4069700

(3.5.3.5) Comment

Telkom is liable for a carbon tax on diesel and petrol consumed by its fleet and stationary emissions due to fuel combustion in standby generators. However, the financial liability has been deducted from the source. Assuming that the basic tax-free allowance is 60% with a headline rate of R159/tCO2e, the indirect carbon tax paid in the carbon fuel levy is estimated to be R4 069 700.
[Fixed row]

(3.5.4) What is your strategy for complying with the systems you are regulated by or anticipate being regulated by?

Telkom's risk and compliance management system is used to monitor, mitigate and manage compliance with South Africa's Carbon Tax Act. This system is integrated into the day-to-day decision-making structures and is based on the business-level ERM frameworks. Business unit risk and compliance management are responsible for implementing the compliance management policies, standards and frameworks. This is done by applying and maintaining the risk and compliance register; identifying mitigation controls; implementing action plans and operationalizing the business unit assurance forums. An example of how the strategy is applied is discussed below. Prior to the first carbon tax year (in FY20), the Group head office engaged an external service provider to: 1) assess the likelihood and extent of risk exposure to the Carbon Tax, 2) understand where we may be exposed to the tax, and 3) start the necessary process of evolving its business practices to mitigate both the financial and compliance risks associated with the implementation of the Carbon Tax. The results from this assessment and our ERM framework were then used to assess and set up a Carbon Tax Compliance Risk register which included the following: Purpose of the regulations; Effect of non-compliance on Telkom; Defined and assigned responsibilities for the reporting and management of the carbon tax, including the risk owners; Inherent risk rating, including the likelihood and impact; Controls and mitigating measures; Residual risk rating, including the likelihood and impact; The Phase 1 carbon tax which covers Scope 1 emissions. Telkom is currently not directly subject to a carbon tax, and our Scope 1 emission sources are primarily diesel and petrol which are taxed at the source. For this reason, the Phase 1 risk rating was low. Nevertheless, our installed thermal capacity will be continuously monitored going forward to ensure that the appropriate compliance actions are taken in the instance that the installed capacity threshold is exceeded. Scope 2 emissions comprise 89% of our emissions profile and although electricity is currently not taxed as part of the carbon tax, this will be considered for inclusion in Phase 2. Therefore, carbon pricing regulations may have a more substantial impact on Telkom in the future. The risk and compliance units monitor the developments on the Phase 2 carbon tax regulations so that appropriate management actions can be put in place in a timely manner. This is especially important as there are allowance opportunities to reduce future financial liability. The carbon tax is designed to become more stringent over time, thus we have identified controls aimed at decreasing Telkom's carbon emission exposure and our potential carbon tax liability. The Gyro Group, in conjunction with our external service provider, have identified opportunities to install grid-tied solar PV systems at key strategic sites to generate electricity for own use and to offset part of the conventional electricity from the grid. This will reduce Telkom's carbon footprint and improve the security of power supply. Solar PV power plants are operational in Belville and at Telkom Park, and the 1 MW solar plant in Centurion was commissioned in July 2024. Additionally, smart meters have been installed at over 70 sites and an additional 300 smart meters are expected to be installed. Gyro has also partnered with two external service providers to implement a Resource Efficiency programme at given sites which focuses on energy efficiency (among other resources). These controls

are listed in our dynamic Carbon Tax Compliance Risk Register. In terms of compliance governance, the Board oversees risk and compliance across the Group and provides an integrated approach to governance and management of risk and compliance, supported by a risk and compliance operating model aligned with Telkom's business model. The Risk and Social and Ethics Committees monitor and advise the board on matters relating to compliance, laws and regulations, including carbon tax. We have integrated governance, risk and compliance committees, which reduce the impact of regulatory risks by driving compliance awareness for applicable laws, regulations and supervisory requirements. Finally, we have an ERM Forum which brings together Telkom's risk and compliance community in the group for the purposes of sharing best practices and knowledge. Engagement and monitoring of key risks and mitigation plans are discussed in this forum.

(3.6) Have you identified any environmental opportunities which have had a substantive effect on your organization in the reporting year, or are anticipated to have a substantive effect on your organization in the future?

	Environmental opportunities identified
Climate change	*Select from:* ☑ Yes, we have identified opportunities, and some/all are being realized

[Fixed row]

(3.6.1) Provide details of the environmental opportunities identified which have had a substantive effect on your organization in the reporting year, or are anticipated to have a substantive effect on your organization in the future.

Climate change

(3.6.1.1) Opportunity identifier

Select from:

☑ Opp1

(3.6.1.3) Opportunity type and primary environmental opportunity driver

Energy source

☑ Shift toward decentralized energy generation

(3.6.1.4) Value chain stage where the opportunity occurs

Select from:

☑ Direct operations

(3.6.1.5) Country/area where the opportunity occurs

Select all that apply

☑ South Africa

(3.6.1.8) Organization specific description

Telkom closely measures, monitors and manages the group's carbon emissions as we have identified energy efficiency as a primary contributor to reducing operational costs and mitigating the impacts of climate change. To minimize the increases in energy use and subsequent carbon emissions, we identified an opportunity to install solar photovoltaic plants at high energy-consuming sites. The benefits identified from this opportunity include: • Reducing Telkom's electricity consumption and demand from the grid and the associated electricity costs, thereby having a positive influence on Telkom's goals to reduce its buildings' operating costs as well as the buildings' total life cycle costs. • Reducing Telkom's carbon footprint and the environmental damage attributable to its operations and fostering a more positive public image for Telkom; • Futureproofing against financial risk and regulatory compliance risk due to carbon taxes, tightening legislation and regulatory compliance requirements; • Accessing potential carbon tax offset allowances to reduce our future liability; • Building in resilience to future impacts from climate change by ensuring the security of supply; and • Embracing the national drive to conserve energy and reduce the strain on the national electricity grid.

(3.6.1.9) Primary financial effect of the opportunity

Select from:

☑ Reduced indirect (operating) costs

(3.6.1.10) Time horizon over which the opportunity is anticipated to have a substantive effect on the organization

Select all that apply

☑ Long-term

(3.6.1.11) Likelihood of the opportunity having an effect within the anticipated time horizon

Select from:

☑ More likely than not (50–100%)

(3.6.1.12) Magnitude

Select from:

☑ Medium-low

(3.6.1.14) Anticipated effect of the opportunity on the financial position, financial performance and cash flows of the organization in the selected future time horizons

Medium

(3.6.1.15) Are you able to quantify the financial effects of the opportunity?

Select from:

☑ Yes

(3.6.1.21) Anticipated financial effect figure in the long-term - minimum (currency)

39832870

(3.6.1.22) Anticipated financial effect figure in the long-term – maximum (currency)

40226170

(3.6.1.23) Explanation of financial effect figures

Since the commissioning of the 3 MWp solar plant at Telkom Park, the energy cost savings realized have amounted to R39.8 million (from 25.8 GWh generated to date). In addition, the renewable energy generated by the Belville solar PV plant to date is approximately 262 200 kWh, which translates to an estimated cost saving of R393 300. The total combined potential financial impact from the two solar projects is therefore R40 226 170 (R39 832 870 R393 300).

(3.6.1.24) Cost to realize opportunity

112260280

(3.6.1.25) Explanation of cost calculation

The three solar PV plants have the following associated costs: • The cost of installation of the Telkom Head Office solar park was R88.4 million. • The cost of repairs of Telkom Head Office solar park was R3.3 million. • The cost of installation of the Belville solar PV plant was R1.9 million. • The cost of installation of the 1 MW solar PV plant was R18.5 million. The combined estimated costs for the three Solar PV Plants totalled R112.3 million.

(3.6.1.26) Strategy to realize opportunity

We plan to increase our positive impact by leveraging our facilities management business unit, Gyro, and its infrastructure upgrades to increase resource-use efficiency and adopt clean and environmentally sound technologies. Currently, we have constructed a 3 MWp Solar PV Energy Farm at Telkom Park and the Belville Solar PV plant to reduce our electricity usage from the national grid which will also assist in lowering any future carbon tax implications from indirect emission sources.

Climate change

(3.6.1.1) Opportunity identifier

Select from:

☑ Opp2

(3.6.1.3) Opportunity type and primary environmental opportunity driver

Resource efficiency

☑ Move to more energy/resource efficient buildings

(3.6.1.4) Value chain stage where the opportunity occurs

Select from:

☑ Direct operations

(3.6.1.5) Country/area where the opportunity occurs

Select all that apply

☑ South Africa

(3.6.1.8) Organization specific description

We have identified an opportunity to roll out energy-efficient measures and technologies across our operations to reduce our carbon footprint and cost reductions through increased operational energy efficiencies. Telkom's key source of electricity is municipal (89%), diesel for backup generators and solar photovoltaic (PV). In order to realize this opportunity, an energy expert was appointed to conduct site surveys at selected Telkom office buildings, retail sites, data centres and access network sites. The key areas identified for improved energy savings and sustainability were tariff and power factor optimisation, heat ventilation and air conditioning efficiencies, load optimization and the continuation of solar PV project rollouts. We have also identified the potential of LED lighting, electrical smart metering projects, motion sensors and day-night switches. Smart electricity meters have been installed at 77 sites, and in previous years 274 smart electricity meters were installed. An additional 300 smart meters will be installed in the next reporting period. Replacing inefficient lighting with LED lighting was completed for Telkom Park, Belville and 104 of our exchanges. BCX has implemented various energy management initiatives, which include the installation of smart electricity meters; occupancy sensors to control lights in the meeting rooms and passages; LED lighting; motion sensors, and; the implementation of lighting control automation in the canteen.

(3.6.1.9) Primary financial effect of the opportunity

Select from:

☑ Reduced indirect (operating) costs

(3.6.1.10) Time horizon over which the opportunity is anticipated to have a substantive effect on the organization

Select all that apply

☑ Short-term

(3.6.1.11) Likelihood of the opportunity having an effect within the anticipated time horizon

Select from:

☑ Virtually certain (99–100%)

(3.6.1.12) Magnitude

Select from:

☑ Medium-low

(3.6.1.14) Anticipated effect of the opportunity on the financial position, financial performance and cash flows of the organization in the selected future time horizons

Medium

(3.6.1.15) Are you able to quantify the financial effects of the opportunity?

Select from:

☑ Yes

(3.6.1.17) Anticipated financial effect figure in the short-term - minimum (currency)

5400000

(3.6.1.18) Anticipated financial effect figure in the short-term – maximum (currency)

6567350

(3.6.1.23) Explanation of financial effect figures

Telkom's lighting and sensors initiative across 104 sites, Telkom Office Park and Belville Office Park has resulted in an energy savings of 3 411 029 kWh, which translates to R5.4 million saved, in FY24. The LED lighting initiative undertaken by BCX resulted in an energy saving of 174 000 kWh (which resulted in a R268 000 financial saving). The power optimization project has achieved a saving of R912 000. The total financial savings associated with the BCX initiatives (excluding the LED lighting initiative) is estimated at R614 000. The electricity smart metering project data will be used to analyze energy consumption patterns and identify energy efficiency and saving opportunities, therefore the initiative will result in indirect financial savings. The total energy savings is therefore R6 567 350.

(3.6.1.24) Cost to realize opportunity

33425200

(3.6.1.25) Explanation of cost calculation

The cost of implementation of the initiatives are: BCX-related costs associated with increasing the energy efficiency is R1.4 million. Installation of LED lighting at Telkom Park, Bellville and 104 sites is R 24 million. Installation of smart electricity meters is R4.3 million. Power factor correction installation is R3.4 million. The total cost of these initiatives is R33.4 million (R24 million R4.3 million R3.4 million R1.4 million).

(3.6.1.26) Strategy to realize opportunity

We have identified various energy efficiency initiatives towards achieving this opportunity that we started implementing throughout our operations in the past two years: • Ongoing installation of more efficient LED lighting to replace inefficient lighting. • Installation of smart electricity meters in the pursuit of an online energy management system for real-time energy consumption monitoring. Over 350 smart meters have been installed and an additional 300 smart meters are expected to be

installed in Phase 3 of this initiative. • Power factor correction installation at high-consuming sites nationwide to stabilize energy demand. • Installation of motion sensors and day-night switches.

Climate change

(3.6.1.1) Opportunity identifier

Select from:

☑ Opp3

(3.6.1.3) Opportunity type and primary environmental opportunity driver

Resource efficiency

☑ Reduced water usage and consumption

(3.6.1.4) Value chain stage where the opportunity occurs

Select from:

☑ Direct operations

(3.6.1.5) Country/area where the opportunity occurs

Select all that apply

☑ South Africa

(3.6.1.8) Organization specific description

Our key source of water is municipal supply. The impact of disrupted water supplies has direct and indirect operational impacts. Employees would be impacted in their private capacity with the need to obtain water for consumption while water-based cooling equipment would fail, causing damage to IT infrastructure. We have identified an opportunity to improve the water efficiency of our operations to reduce our reliance on municipal water supplies and reduce our vulnerability to water shortages. Initiatives include the installation of low-flow regulator taps and water smart meters to enable online real-time water consumption monitoring for conservative water management. Site surveys were conducted at selected Telkom office buildings, retail sites, data centres and access network sites which had high energy and water consumption in FY2020. Technologies were recommended to harvest, recycle and reticulate treated water for use in buildings. We investigated the following solutions: wastewater recycling plant; reticulation of buildings' plumbing pipework to supply product water for toilet flushing; stormwater and heat, ventilation and air conditioning harvesting system; and air to drinking water solution. In FY23, a water audit was completed in the Eastern Cape at 55 sites, for which the

following proposals were recommended: additional water storage; alternative water supply solutions (borehole water and rainwater harvesting); low-flow regulators, and dual flush toilets.

(3.6.1.9) Primary financial effect of the opportunity

Select from:

☑ Reduced indirect (operating) costs

(3.6.1.10) Time horizon over which the opportunity is anticipated to have a substantive effect on the organization

Select all that apply

☑ Short-term

(3.6.1.11) Likelihood of the opportunity having an effect within the anticipated time horizon

Select from:

☑ Virtually certain (99–100%)

(3.6.1.12) Magnitude

Select from:

☑ Low

(3.6.1.14) Anticipated effect of the opportunity on the financial position, financial performance and cash flows of the organization in the selected future time horizons

Medium

(3.6.1.15) Are you able to quantify the financial effects of the opportunity?

Select from:

☑ Yes

(3.6.1.17) Anticipated financial effect figure in the short-term - minimum (currency)

956200

(3.6.1.18) Anticipated financial effect figure in the short-term – maximum (currency)

1888600

(3.6.1.23) Explanation of financial effect figures

Based on the audit completed in the Eastern Cape sites, the implementation of the recommended initiatives can result in the following savings: • The use of boreholes at three sites is expected to result in a 21 000 kl saving annually. • Rainwater harvesting at five sites can result in a 2 300 kl saving per year. • Increasing water storage by 15 tanks can result in a total 155 kl/year saving. • Implementing 37 low-flow regulators, resulting in a total of 547 kl/year saving potential. • Implementing 34 dual flush toilets with a total of 827 kl/year saving potential. • Implementing two leak detectors with a total of 3 932 kl/year saving potential. The above initiatives were proposed to ensure security; however, the potential water and cost savings are an added benefit. In total, the potential water savings identified during the audit is estimated at 28 715 kl/year. This translates to a saving of R956 200 annually. The potential cost saving from Telkom Park's water-saving initiatives including the capturing of stormwater and the water treatment plant water is estimated at R932 400 (based on a water saving of 28 000 kl). The total financial impact figure is therefore R1 888 600 (R956 200 R932 400).

(3.6.1.24) Cost to realize opportunity

12057000

(3.6.1.25) Explanation of cost calculation

The costs for the water storage and alternative supply solutions (boreholes, rainwater harvesting and storage tanks) proposed in the audit for the Eastern Cape sites are estimated at R6.4 million. The cost of the proposed water efficiency improvement solutions (low flow regulator, dual flush toilets and leak detectors) will cost an estimated amount of R617 000. Furthermore, in FY24 we installed water smart meters at over 52 sites across the portfolio at a cost of R2.1 million, to collect water consumption data as a baseline for further water efficiency and conservation initiatives and to enable proactive, conservative water management on a real-time basis. BCX submitted the quotes for rain tanks; however, the rain tanks have not been approved as yet. The approximate price of the installation of the rain tanks is R60 000. Finally, the total cost for the initiatives at Telkom Park is R2 880 000. Thus, the total combined cost of the initiatives is R12 057 000 (R6 400 000 R617 000 R2 100 000 R60 000 R2 880 000).

(3.6.1.26) Strategy to realize opportunity

Water management is part of our ESG strategy, and we are committed to a 50% reduction in water usage by 2030. The following water-saving initiatives will enable Telkom to reduce water consumption in future years: •Telkom Park rainwater harvesting project. This was deferred to FY2025 due to funding availability • Borehole installation at three sites in the Eastern Cape Nelson Mandela Region, namely Linton Grange, Walmer ETE and Sidwell ETE • Rainwater harvesting project at five sites in the Eastern Cape Nelson Mandela Region. The implementation of the Nelson Mandela Region projects is ongoing, with the procurement process at the tender evaluation stage

[Add row]

(3.6.2) Provide the amount and proportion of your financial metrics in the reporting year that are aligned with the substantive effects of environmental opportunities.

Climate change

(3.6.2.1) Financial metric

Select from:
☑ CAPEX

(3.6.2.2) Amount of financial metric aligned with opportunities for this environmental issue (unit currency as selected in 1.2)

145660280

(3.6.2.3) % of total financial metric aligned with opportunities for this environmental issue

Select from:
☑ 1-10%

(3.6.2.4) Explanation of financial figures

The combined estimated cost to realise our renewable energy opportunity with the solar installation is R112.3 million. The cost of implementing energy-saving initiatives such as LED lighting, smart meters, and power factor correction is R33.4 million. The total spent on our opportunities is R145.6 million which is approximately 2% of our total CAPEX (R6 134 million).
[Add row]

C4. Governance

(4.1) Does your organization have a board of directors or an equivalent governing body?

(4.1.1) Board of directors or equivalent governing body

Select from:

☑ Yes

(4.1.2) Frequency with which the board or equivalent meets

Select from:

☑ Quarterly

(4.1.3) Types of directors your board or equivalent is comprised of

Select all that apply

☑ Executive directors or equivalent

☑ Non-executive directors or equivalent

☑ Independent non-executive directors or equivalent

(4.1.4) Board diversity and inclusion policy

Select from:

☑ Yes, and it is publicly available

(4.1.5) Briefly describe what the policy covers

The Board Diversity Policy is designed to advance diversity and equity at the board level. It underscores the Board's acknowledgement of diversity as a fundamental element for business success, bringing advantages such as enhanced credibility, competitive edge, and improved risk management. The policy mandates the board to consider skills, expertise, experience, race, gender, age, business and industry knowledge, and any other relevant requirements to maintain a diverse and effective Board that serves the Company and its stakeholders. The Board is committed to achieving fair diversity representation at all times. When there's a vacancy on the Board or a need for an additional director, the Board will strive to maintain an appropriate level of diversity within the Board. Further, the Board has set a target of

50% for female representation at the Board level over the 3 financial years, including FY2024 through FY2026. The policy aligns with the King IV guidelines and JSE Listings Requirements.

(4.1.6) Attach the policy (optional)

Board_Diversity_Policy (2).pdf
[Fixed row]

(4.1.1) Is there board-level oversight of environmental issues within your organization?

Climate change

(4.1.1.1) Board-level oversight of this environmental issue

Select from:
☑ Yes

Biodiversity

(4.1.1.1) Board-level oversight of this environmental issue

Select from:
☑ No, but we plan to within the next two years

(4.1.1.2) Primary reason for no board-level oversight of this environmental issue

Select from:
☑ Lack of internal resources, capabilities, or expertise (e.g., due to organization size)

(4.1.1.3) Explain why your organization does not have board-level oversight of this environmental issue

Our organization does not currently have board-level oversight for biodiversity activities, as our operations in the ICT sector do not have a material impact on biodiversity or sensitive species. However, we recognize the importance of biodiversity preservation and are committed to integrating these considerations into our management practices. Over the next two years, we plan to establish more formal biodiversity initiatives. In the meantime, we are actively monitoring the potential impacts of our activities on biodiversity to ensure we remain aligned with environmental sustainability goals. As a case in point, we increased our e-waste recycling

from 5 427 tonnes in FY2023 to 6 458 tonnes in FY2024. Telkom continued to focus on reducing e-waste by implementing practices to reuse, resell or recycle network waste and other waste generated by our operations. E-waste recycling has a positive impact on biodiversity by reducing the harmful effects of e-waste on ecosystems. Proper recycling processes prevent toxic materials from leaching into soil and water, which can harm wildlife and plant life.
[Fixed row]

(4.1.2) Identify the positions (do not include any names) of the individuals or committees on the board with accountability for environmental issues and provide details of the board's oversight of environmental issues.

Climate change

(4.1.2.1) Positions of individuals or committees with accountability for this environmental issue

Select all that apply

☑ Director on board

☑ Chief Executive Officer (CEO)

☑ Other, please specify **:**Social and Ethics Committee (SEC)

(4.1.2.2) Positions' accountability for this environmental issue is outlined in policies applicable to the board

Select from:

☑ Yes

(4.1.2.3) Policies which outline the positions' accountability for this environmental issue

Select all that apply

☑ Board Terms of Reference

☑ Individual role descriptions

☑ Other policy applicable to the board, please specify **:**Social and Ethics Committee (SEC) Terms of reference

(4.1.2.4) Frequency with which this environmental issue is a scheduled agenda item

Select from:

☑ Scheduled agenda item in every board meeting (standing agenda item)

(4.1.2.5) Governance mechanisms into which this environmental issue is integrated

Select all that apply

- ☑ Reviewing and guiding annual budgets
- ☑ Overseeing the setting of corporate targets
- ☑ Monitoring progress towards corporate targets
- ☑ Approving and/or overseeing employee incentives
- ☑ Monitoring the implementation of the business strategy
- ☑ Overseeing and guiding the development of a business strategy
- ☑ Overseeing and guiding the development of a climate transition plan

(4.1.2.7) Please explain

The Board of Directors is responsible for overseeing risk and compliance (including climate-related topics) across the group. Climate change was a standing topic on the Board agenda in FY2024. The Group Executive Committee, the Risk Committee and the Social and Ethics Committee (SEC) monitor and advise the Board on matters related to climate change. The highest level of responsibility for climate change-specific matters rests with the SEC (and Risk Committee where applicable). The committee monitors Telkom's activities in relation to organizational ethics, responsible corporate citizenship, ESG, sustainable development and stakeholder relationships. This is done by considering relevant legislation, prevailing codes of best practice including safety, health and environment (including climate change), and stakeholder demands and requests on ESG disclosure. The Risk Committee comprises non-executive and executive directors, including the Group CEO. SEC comprises non-executive directors. EXAMPLE: In FY2021 the SEC and the Risk Committee developed an ESG strategy. The strategy was approved in FY2022 by the Board, the Group Executive Committee and the SEC. As part of the strategy, Telkom has committed to achieving a net zero status by 2040. In recognition that climate change has potential operational, reputational and strategic impacts on our business, it was added as a material business theme in FY21 and has remained a material theme in FY2024. In order for climate change to be added as a material theme, various engagements took place within the Board committee, the Executive Committee and the Group Audit Committee with support from the SEC. The Group Audit Committee provided the final recommendation to the Board to include climate change as a material theme. The SEC facilitated Telkom's adoption of the Task Force on Climate-Related Financial Discloses (TCFD) framework in FY21. The SEC will be responsible for monitoring and oversight in relation to TCFD activities, while the Risk Committee will be responsible for monitoring and assessing TCFD-related risks. The SEC meets four times a year (quarterly), which includes climate change risks and opportunities, as a standing agenda item. The committee's responsibilities include: - Approving and/or updating the sustainability framework and climate change policy for HSE management, and monitoring implementation thereof; - Reviewing quarterly environmental performance reports which include trends in energy and water usage which are presented at the quarterly Committee meetings; - Reporting material outcomes/ findings, related to climate change, from the Committee meetings to the Board of Directors; - Considering substantive regulatory and technical developments (for example the carbon tax in South Africa) and responding appropriately; and - Assisting the Board in fulfilling its responsibility by ensuring that key stakeholder relationships are effectively managed.
[Fixed row]

(4.2) Does your organization's board have competency on environmental issues?

Climate change

(4.2.1) Board-level competency on this environmental issue

Select from:

☑ Yes

(4.2.2) Mechanisms to maintain an environmentally competent board

Select all that apply

☑ Engaging regularly with external stakeholders and experts on environmental issues

☑ Regular training for directors on environmental issues, industry best practice, and standards (e.g., TCFD, SBTi)

☑ Having at least one board member with expertise on this environmental issue

(4.2.3) Environmental expertise of the board member

Experience

☑ Executive-level experience in a role focused on environmental issues

[Fixed row]

(4.3) Is there management-level responsibility for environmental issues within your organization?

Climate change

(4.3.1) Management-level responsibility for this environmental issue

Select from:

☑ Yes

Biodiversity

(4.3.1) Management-level responsibility for this environmental issue

Select from:

☑ No, but we plan to within the next two years

(4.3.2) Primary reason for no management-level responsibility for environmental issues

Select from:

☑ No standardized procedure

(4.3.3) Explain why your organization does not have management-level responsibility for environmental issues

Our organization does not currently have management-level responsibility for biodiversity activities, as our operations in the ICT sector do not have a material impact on biodiversity or sensitive species. However, we recognize the importance of biodiversity preservation and are committed to integrating these considerations into our management practices. Over the next two years, we plan to establish more formal biodiversity initiatives. In the meantime, we are actively monitoring the potential impacts of our activities on biodiversity to ensure we remain aligned with environmental sustainability goals. As a case in point, we increased our e-waste recycling from 5 427 tonnes in FY2023 to 6 458 tonnes in FY2024. Telkom continued to focus on reducing e-waste by implementing practices to reuse, resell or recycle network waste and other waste generated by our operations. E-waste recycling has a positive impact on biodiversity by reducing the harmful effects of e-waste on ecosystems. Proper recycling processes prevent toxic materials from leaching into soil and water, which can harm wildlife and plant life.
[Fixed row]

(4.3.1) Provide the highest senior management-level positions or committees with responsibility for environmental issues (do not include the names of individuals).

Climate change

(4.3.1.1) Position of individual or committee with responsibility

Executive level

☑ Chief Executive Officer (CEO)

(4.3.1.2) Environmental responsibilities of this position

Dependencies, impacts, risks and opportunities

☑ Assessing environmental dependencies, impacts, risks, and opportunities

☑ Managing environmental dependencies, impacts, risks, and opportunities

Strategy and financial planning

☑ Implementing a climate transition plan

(4.3.1.4) Reporting line

Select from:

☑ Reports to the board directly

(4.3.1.5) Frequency of reporting to the board on environmental issues

Select from:

☑ Quarterly

(4.3.1.6) Please explain

The highest management-level responsibility for climate change matters in Telkom rests with the Risk Committee (where applicable) and the Social and Ethics Committee. These Committees monitor Telkom's activities and consider any relevant legislation and prevailing codes of best practice including safety, health and environment, and climate change. Both committees comprise various non-executives, including the Group CEO. The Risk Committee oversees the governance of risks, including climate-related risks and opportunities, through the Group's Enterprise Risk Management (ERM) framework and its system of internal controls. Furthermore, our Group governance framework establishes clear roles and responsibilities, and it enables effective decision-making and strategic compliance. The framework is used to manage climate-related risks.

Climate change

(4.3.1.1) Position of individual or committee with responsibility

Other

☑ Other, please specify **:**Social and Ethics committee

(4.3.1.2) Environmental responsibilities of this position

Dependencies, impacts, risks and opportunities

☑ Assessing environmental dependencies, impacts, risks, and opportunities

☑ Managing environmental dependencies, impacts, risks, and opportunities

Strategy and financial planning

☑ Implementing a climate transition plan

(4.3.1.4) Reporting line

Select from:

☑ Reports to the board directly

(4.3.1.5) Frequency of reporting to the board on environmental issues

Select from:

☑ Quarterly

(4.3.1.6) Please explain

The highest management-level responsibility for climate change matters in Telkom rests with the Risk Committee (where applicable) and the Social and Ethics Committee. These Committees monitor Telkom's activities and consider any relevant legislation and prevailing codes of best practice including safety, health and environment, and climate change. Both committees comprise various non-executives and the Group CEO. The Social and Ethics Committee is primarily focused on organizational ethics, responsible corporate citizenship, ESG, sustainable development and stakeholder relationships. The Risk Committee is responsible for ensuring that Telkom has an effective risk management process that identifies and monitors the management of the Group's key risks in an integrated and timely manner. It oversees the governance of risks, including climate-related risks and opportunities, through the Group's ERM framework and its system of internal controls. Climate change is a standing point on the SEC. Climate-related issues are reported quarterly to the SEC through the ESG agenda item. The Board, Social and Ethics Committee and Group Exco approved the Group's ESG Strategy in FY2022. As part of the approved strategy, Telkom committed to becoming carbon neutral by 2035 and achieving a net zero status by 2040. Furthermore, the Social and Ethics Committee facilitated Telkom's adoption of the TCFD framework and is responsible for monitoring and overseeing TCFD activities. The Risk Committee is responsible for monitoring and assessing TCFD-related risks. The Committee also received training on ESG Strategy and implementation.
[Add row]

(4.5) Do you provide monetary incentives for the management of environmental issues, including the attainment of targets?

Climate change

(4.5.1) Provision of monetary incentives related to this environmental issue

Select from:

☑ Yes

(4.5.2) % of total C-suite and board-level monetary incentives linked to the management of this environmental issue

5

(4.5.3) Please explain

The integration of ESG KPIs into our remuneration framework is supported in part by higher levels of accountability derived from embedding ESG into our short- and long-term remuneration incentives. A Group scorecard was cascaded to business units and individuals in July 2024 to ensure aligned contribution to desired Group results. Line of sight weightings and metrics are tailored to business units, roles and circumstances. The individual scorecards focus on the execution, leadership and ESG for which each leader is directly accountable. Specifically, for climate change, the incentives include a 5% weighting for the reduction of Scope 1 and 2 emissions over the next three years as per our ESG strategy. The individual scorecards of Executive Directors focus on ensuring the right leadership and accountability are placed on the successful execution of strategy and achievement of financial and non-financial outcomes defined at the Group and business unit levels.
[Fixed row]

(4.5.1) Provide further details on the monetary incentives provided for the management of environmental issues (do not include the names of individuals).

Climate change

(4.5.1.1) Position entitled to monetary incentive

Board or executive level

☑ Chief Executive Officer (CEO)

(4.5.1.2) Incentives

Select all that apply

☑ Bonus - % of salary

(4.5.1.3) Performance metrics

Targets

☑ Progress towards environmental targets

☑ Achievement of environmental targets

☑ Reduction in absolute emissions in line with net-zero target

Emission reduction

☑ Implementation of an emissions reduction initiative

☑ Increased share of renewable energy in total energy consumption

(4.5.1.4) Incentive plan the incentives are linked to

Select from:

☑ Both Short-Term and Long-Term Incentive Plan, or equivalent

(4.5.1.5) Further details of incentives

Our ESG objectives are integrated into our remuneration strategy framework to ensure accountability for achieving these objectives within the Group. Telkom uses the decision tree (formerly JE Manager) to assess the jobs necessary to achieve its strategic goals. Management-level employees, Executive Directors, and Group Prescribed Officers are eligible for STIs and LTIs. The Committee has approved the FY2025 STI plan in accordance with key policy principles, We have therefore updated our LTI to include a 10% weighting for scope 1 and 2 emission reduction in line with our ESG strategy. Additionally, the increased use of renewable energy sources had a 5% impact on our Group scorecard in FY24.

(4.5.1.6) How the position's incentives contribute to the achievement of your environmental commitments and/or climate transition plan

The Group Executive Committee, the Risk Committee, and the Social and Ethics Committee (SEC) monitor and advise the Board on matters related to climate change. The SEC holds the highest level of responsibility for climate change specific matters (and the Risk Committee where applicable). The Risk Committee comprise non-executive directors and the SEC comprises non-executive directors and executive directors, including the Group CEO. Incentives at different employee levels encourage employees to contribute to our ESG strategy objectives, focusing on reducing our carbon footprint, increasing renewable energy uptake, and conserving resources. ESG incentives play a significant role in advancing our ESG strategy metrics by fostering a culture of sustainability. Including ESG

metrics/performance conditions in the Short-Term Incentive (STI) and Long-Term Incentive (LTI) scheme rules influences remuneration decisions. This also aligns personal performance with the Group's broader sustainability objectives, creating a collective impact on the environment.

Climate change

(4.5.1.1) Position entitled to monetary incentive

Board or executive level

☑ Chief Financial Officer (CFO)

(4.5.1.2) Incentives

Select all that apply

☑ Bonus - % of salary

(4.5.1.3) Performance metrics

Targets

☑ Progress towards environmental targets

☑ Achievement of environmental targets

☑ Reduction in absolute emissions in line with net-zero target

Emission reduction

☑ Implementation of an emissions reduction initiative

(4.5.1.4) Incentive plan the incentives are linked to

Select from:

☑ Both Short-Term and Long-Term Incentive Plan, or equivalent

(4.5.1.5) Further details of incentives

Our ESG objectives are integrated into our remuneration strategy framework to ensure accountability for achieving these objectives within the Group. Telkom uses the decision tree (formerly JE Manager) to assess the jobs necessary to achieve its strategic goals. Management-level employees, Executive Directors, and Group Prescribed Officers are eligible for STIs and LTIs. The Committee has approved the FY2025 STI plan in accordance with key policy principles, We have therefore updated our LTI to include a 10% weighting for scope 1 and 2 emission reduction in line with our ESG strategy. Additionally, the increased use of renewable energy sources had a 5% impact on our Group scorecard in FY24.

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Climate change

(4.5.1.1) Position entitled to monetary incentive

Board or executive level

☑ Corporate executive team

(4.5.1.2) Incentives

Select all that apply

☑ Bonus - % of salary

(4.5.1.3) Performance metrics

Targets

☑ Progress towards environmental targets

☑ Achievement of environmental targets

☑ Reduction in absolute emissions in line with net-zero target

Emission reduction

☑ Implementation of an emissions reduction initiative

(4.5.1.4) Incentive plan the incentives are linked to

Select from:

☑ Both Short-Term and Long-Term Incentive Plan, or equivalent

(4.5.1.5) Further details of incentives

remuneration strategy framework to ensure accountability for achieving these objectives within the Group. Telkom uses the decision tree (formerly JE Manager) to assess the jobs necessary to achieve its strategic goals. Management-level employees, Executive Directors, and Group Prescribed Officers are eligible for STIs and LTIs. The Committee has approved the FY2025 STI plan in accordance with key policy principles, We have therefore updated our LTI to include a 10% weighting for scope 1 and 2 emission reduction in line with our ESG strategy. Additionally, the increased use of renewable energy sources had a 5% impact on our Group scorecard in FY24.

(4.5.1.6) How the position's incentives contribute to the achievement of your environmental commitments and/or climate transition plan

The Group Executive Committee, the Risk Committee, and the Social and Ethics Committee (SEC) monitor and advise the Board on matters related to climate change. The SEC holds the highest level of responsibility for climate change specific matters (and the Risk Committee where applicable). The Risk Committee comprise non-executive directors and the SEC comprises non-executive directors and executive directors, including the Group CEO. Incentives at different employee levels encourage employees to contribute to our ESG strategy objectives, focusing on reducing our carbon footprint, increasing renewable energy uptake, and conserving resources. ESG incentives play a significant role in advancing our ESG strategy metrics by fostering a culture of sustainability. Including ESG metrics/performance conditions in the Short-Term Incentive (STI) and Long-Term Incentive (LTI) scheme rules influences remuneration decisions. This also aligns personal performance with the Group's broader sustainability objectives, creating a collective impact on the environment.
[Add row]

(4.6) Does your organization have an environmental policy that addresses environmental issues?

	Does your organization have any environmental policies?
	Select from: ☑ Yes

[Fixed row]

(4.6.1) Provide details of your environmental policies.

Row 1

(4.6.1.1) Environmental issues covered

Select all that apply

☑ Climate change

(4.6.1.2) Level of coverage

Select from:

☑ Organization-wide

(4.6.1.3) Value chain stages covered

Select all that apply

☑ Direct operations

(4.6.1.4) Explain the coverage

Our environmental policy outlines our commitment to achieve net zero emissions by 2040. It additionally outlines our commitments to continuously improve our environmental activities through managing and reducing our environmental footprint, including conservation initiatives to minimize the impact on the natural environment, and promoting environmental responsibility.

(4.6.1.5) Environmental policy content

Environmental commitments

☑ Commitment to comply with regulations and mandatory standards

☑ Commitment to stakeholder engagement and capacity building on environmental issues

Climate-specific commitments

☑ Commitment to net-zero emissions

(4.6.1.6) Indicate whether your environmental policy is in line with global environmental treaties or policy goals

Select all that apply

☑ Yes, in line with another global environmental treaty or policy goal, please specify **:**Paris Alignment

(4.6.1.7) Public availability

Select from:

☑ Publicly available

(4.6.1.8) Attach the policy

Environmental_Policy_Statement (1).pdf
[Add row]

(4.10) Are you a signatory or member of any environmental collaborative frameworks or initiatives?

(4.10.1) Are you a signatory or member of any environmental collaborative frameworks or initiatives?

Select from:

☑ Yes

(4.10.2) Collaborative framework or initiative

Select all that apply

☑ Science-Based Targets Initiative (SBTi)

☑ Task Force on Climate-related Financial Disclosures (TCFD)

(4.10.3) Describe your organization's role within each framework or initiative

Telkom is committed to adopting the TCFD Recommendations to clearly communicate our climate-related risk exposure to the market. We recognize the need to enhance our understanding of long-term climate-related risks and opportunities. We integrated TCFD disclosure recommendations concerning risk, strategy, and governance in FY2021. Additionally, we embraced the metrics and targets in the disclosures in FY2022 and aim to produce a standalone TCFD report by FY2025. We have also demonstrated our commitment to ambitious climate action by setting a net zero target in accordance with a 1.5C future, through our participation in the Science-Based Target initiative (SBTi). In line with this, we have committed to set science-based targets to reduce our carbon footprint. Our near-term and long-term targets have been validated by the Science-Based Targets initiative (SBTi). These emissions targets are part of our broader objective to achieve net zero by 2040. [Fixed row]

(4.11) In the reporting year, did your organization engage in activities that could directly or indirectly influence policy, law, or regulation that may (positively or negatively) impact the environment?

(4.11.1) External engagement activities that could directly or indirectly influence policy, law, or regulation that may impact the environment

Select all that apply

☑ Yes, we engaged indirectly through, and/or provided financial or in-kind support to a trade association or other intermediary organization or individual whose activities could influence policy, law, or regulation

(4.11.2) Indicate whether your organization has a public commitment or position statement to conduct your engagement activities in line with global environmental treaties or policy goals

Select from:

☑ No, but we plan to have one in the next two years

(4.11.5) Indicate whether your organization is registered on a transparency register

Select from:

☑ Unknown

(4.11.8) Describe the process your organization has in place to ensure that your external engagement activities are consistent with your environmental commitments and/or transition plan

Telkom's stakeholder engagement framework and policy guide how we manage our stakeholder engagements, as well as direct and indirect activities that influence policy. All engagements are actively monitored through our Stakeholder Management Programme which involves identifying stakeholders, engaging with them, understanding their expectations, and aligning these to Telkom's strategic and operational objectives and targets. For climate-related policy engagement, our publicly disclosed Corporate Citizenship Policy, Environmental Policy and Climate Change Policy Statement explicitly indicates the group's position and commitment to climate change and related environmental issues. This publicly clarifies Telkom's climate change position to all stakeholders and provides direction and confidence to management and employees across business divisions and geographies to engage in a consistent manner. In terms of the engagement governance structure, the Board-level Social and Ethics Committee, with support from the Group CEO, is responsible for ensuring that key stakeholder relationships are effectively managed. The Group Executive Committee actively reviews and discusses the stakeholder management profile regularly and ensures the implementation of the overall stakeholder engagement process through the approval of the stakeholder engagement framework and policy. Certain Group Executive Committee members are assigned to monitor specific stakeholder groups. Management is responsible for implementing the overall stakeholder engagement process. In addition to the engagement framework, we have various mechanisms within our risk and compliance function to ensure a consistent engagement approach on policy issues. These include continuous employee training and awareness documentation on key policy and legislation matters; a mandatory compliance management framework; ongoing regulatory risk assessments; and control identification and compliance monitoring exercises. Policy activities affecting business risks and opportunities are monitored, recorded, and tracked quarterly (at minimum) through our risk management systems. In this way, Telkom ensures that multiple engagement activities around climate change across the business divisions have a common strategic approach and are consistent with our strategy on climate change.
[Fixed row]

(4.11.2) Provide details of your indirect engagement on policy, law, or regulation that may (positively or negatively) impact the environment through trade associations or other intermediary organizations or individuals in the reporting year.

Row 1

(4.11.2.1) Type of indirect engagement

Select from:
☑ Indirect engagement via a trade association

(4.11.2.4) Trade association

Africa
☑ Business Unity South Africa (BUSA)

(4.11.2.5) Environmental issues relevant to the policies, laws, or regulations on which the organization or individual has taken a position

Select all that apply

☑ Climate change

(4.11.2.6) Indicate whether your organization's position is consistent with the organization or individual you engage with

Select from:

☑ Consistent

(4.11.2.7) Indicate whether your organization attempted to influence the organization or individual's position in the reporting year

Select from:

☑ No, we did not attempt to influence their position

(4.11.2.8) Describe how your organization's position is consistent with or differs from the organization or individual's position, and any actions taken to influence their position

BUSA is committed to a just transition towards low carbon, climate resilient, and ecologically sustainable economies and societies. BUSA has undertaken research to confirm that South Africa's economic sectors can commit to decarbonization by 2050 in a manner that builds climate change resilience and creates new industries, income streams and jobs. Nevertheless, given the country's high rate of inequality and unemployment and the extent of dependence on a fossil fuel-based energy system and economy, BUSA recognizes that this transition must take place in a way that is just, that leaves no one behind and that sets the country onto a new and more equitable and sustainable development path; one which aims to systematically reindustrialize the country, and build new and green industries, value chains and jobs based on a supportive and aligned industrial policy. BUSA has committed the business community to supporting a level of ambition that would see the country committing to reducing emissions. Telkom's position on climate change is consistent with BUSA's, hence we are not attempting to influence their position.

(4.11.2.9) Funding figure your organization provided to this organization or individual in the reporting year (currency)

0

(4.11.2.11) Indicate if you have evaluated whether your organization's engagement is aligned with global environmental treaties or policy goals

Select from:

☑ Yes, we have evaluated, and it is aligned

(4.11.2.12) Global environmental treaties or policy goals aligned with your organization's engagement on policy, law or regulation

Select all that apply

☑ Paris Agreement

Row 2

(4.11.2.1) Type of indirect engagement

Select from:

☑ Indirect engagement via a trade association

(4.11.2.4) Trade association

Global

☑ Other global trade association, please specify **:**Global System for Mobile Communication (GSMA)

(4.11.2.5) Environmental issues relevant to the policies, laws, or regulations on which the organization or individual has taken a position

Select all that apply

☑ Climate change

(4.11.2.6) Indicate whether your organization's position is consistent with the organization or individual you engage with

Select from:

☑ Consistent

(4.11.2.7) Indicate whether your organization attempted to influence the organization or individual's position in the reporting year

Select from:

☑ No, we did not attempt to influence their position

(4.11.2.8) Describe how your organization's position is consistent with or differs from the organization or individual's position, and any actions taken to influence their position

GSMA recognises that climate change is one of the greatest threats to humanity and that the mobile industry has a big role to play in fighting the crisis. In pursuit of transparency around the industry's climate-related emissions, GSMA developed an industry-wide climate action roadmap to achieve net-zero by 2050, in line with the Paris Agreement. GSMA has a climate action working group and is focusing its climate-related work on three pillars: reducing carbon emissions, enabling value chain emission reductions through digitization, and using mobile networks to build adaptation and resilience to the extreme weather conditions and effects of climate change. Telkom's position on climate change is consistent with GSMA's; hence we are not attempting to influence their position.

(4.11.2.9) Funding figure your organization provided to this organization or individual in the reporting year (currency)

0

(4.11.2.11) Indicate if you have evaluated whether your organization's engagement is aligned with global environmental treaties or policy goals

Select from:

☑ Yes, we have evaluated, and it is aligned

(4.11.2.12) Global environmental treaties or policy goals aligned with your organization's engagement on policy, law or regulation

Select all that apply

☑ Paris Agreement

[Add row]

(4.12) Have you published information about your organization's response to environmental issues for this reporting year in places other than your CDP response?

Select from:
☑ Yes

(4.12.1) Provide details on the information published about your organization's response to environmental issues for this reporting year in places other than your CDP response. Please attach the publication.

Row 1

(4.12.1.1) Publication

Select from:
☑ In mainstream reports, in line with environmental disclosure standards or frameworks

(4.12.1.2) Standard or framework the report is in line with

Select all that apply
☑ GRI
☑ TCFD

(4.12.1.3) Environmental issues covered in publication

Select all that apply
☑ Climate change

(4.12.1.4) Status of the publication

Select from:
☑ Complete

(4.12.1.5) Content elements

Select all that apply

☑ Governance

☑ Risks & Opportunities

☑ Strategy

☑ Emissions figures

☑ Emission targets

(4.12.1.6) Page/section reference

Natural capital - Page 95 to 102

(4.12.1.7) Attach the relevant publication

telkom-integrated-report-2024 (6).pdf

(4.12.1.8) Comment

None
[Add row]

C5. Business strategy

(5.1) Does your organization use scenario analysis to identify environmental outcomes?

Climate change

(5.1.1) Use of scenario analysis

Select from:
☑ Yes

(5.1.2) Frequency of analysis

Select from:
☑ Not defined
[Fixed row]

(5.1.1) Provide details of the scenarios used in your organization's scenario analysis.

Climate change

(5.1.1.1) Scenario used

Physical climate scenarios
☑ RCP 4.5

(5.1.1.2) Scenario used SSPs used in conjunction with scenario

Select from:
☑ SSP2

(5.1.1.3) Approach to scenario

Select from:

☑ Qualitative

(5.1.1.4) Scenario coverage

Select from:

☑ Organization-wide

(5.1.1.5) Risk types considered in scenario

Select all that apply

☑ Acute physical

☑ Chronic physical

(5.1.1.6) Temperature alignment of scenario

Select from:

☑ 2.0°C - 2.4°C

(5.1.1.7) Reference year

2022

(5.1.1.8) Timeframes covered

Select all that apply

☑ 2030

☑ 2050

(5.1.1.9) Driving forces in scenario

Local ecosystem asset interactions, dependencies and impacts

☑ Changes to the state of nature

☑ Speed of change (to state of nature and/or ecosystem services)

☑ Climate change (one of five drivers of nature change)

(5.1.1.10) Assumptions, uncertainties and constraints in scenario

RCP4.5 assumes the implementation of some climate policies/mitigation efforts and does not represent a most likely "business as usual" outcome, which would result in higher emissions and warming. This scenario assumes earlier and more consistent adoption of mitigation efforts, which may lead to more gradual and manageable economic and social transitions. Moderate physical impacts are anticipated, including altered precipitation patterns and increased frequency of extreme weather events. Some transition impacts are expected as economies shift towards renewable energy and lower-carbon technologies, and carbon pricing is introduced. Reduced reliance on fossil fuels compared to higher emission scenarios, but not as aggressive as lower scenarios like RCP2.6.

(5.1.1.11) Rationale for choice of scenario

The RCP4.5 scenario is an intermediate emissions scenario leading to global warming ranging from below 2.5 degrees Celsius above pre-industrial levels by the end of the century. RCP4.5 is used by the IPCC as a "stabilization scenario" representing a pathway where emissions peak around mid-century and then decline. Under this scenario, physical risks are less severe compared to higher emission scenarios like RCP8.5 but more severe compared to lower emission scenarios like RCP 2.6. Transition Risk implications are moderate compared to other scenarios.

Climate change

(5.1.1.1) Scenario used

Physical climate scenarios

☑ RCP 8.5

(5.1.1.2) Scenario used SSPs used in conjunction with scenario

Select from:

☑ SSP3

(5.1.1.3) Approach to scenario

Select from:

☑ Qualitative

(5.1.1.4) Scenario coverage

Select from:

☑ Organization-wide

(5.1.1.5) Risk types considered in scenario

Select all that apply

☑ Acute physical

☑ Chronic physical

(5.1.1.6) Temperature alignment of scenario

Select from:

☑ 2.0ºC - 2.4ºC

(5.1.1.7) Reference year

2022

(5.1.1.8) Timeframes covered

Select all that apply

☑ 2030

☑ 2050

(5.1.1.9) Driving forces in scenario

Local ecosystem asset interactions, dependencies and impacts

☑ Changes to the state of nature

☑ Climate change (one of five drivers of nature change)

(5.1.1.10) Assumptions, uncertainties and constraints in scenario

This scenario assumes a continuation of current emission trends without significant mitigation efforts, leading to global warming of more than 4 degrees Celsius. Extreme physical impacts are expected, such as widespread changes in precipitation and droughts, coupled with severe heatwaves, water stress and increased frequency and intensity of extreme weather events. Very low transition impacts due to maintained reliance on fossil fuels.

(5.1.1.11) Rationale for choice of scenario

RCP 8.5 is used by the IPCC as a "very high baseline emission scenario" representing the 90th percentile of a no-policy baseline scenario. RCP 8.5 does not represent a most likely "business as usual" outcome. Physical Risks are most severe compared to other scenarios. Transition Risk implications are lower compared to other scenarios because this scenario assumes late adoption of mitigation efforts.
[Add row]

(5.1.2) Provide details of the outcomes of your organization's scenario analysis.

Climate change

(5.1.2.1) Business processes influenced by your analysis of the reported scenarios

Select all that apply

☑ Risk and opportunities identification, assessment and management

(5.1.2.2) Coverage of analysis

Select from:

☑ Organization-wide

(5.1.2.3) Summarize the outcomes of the scenario analysis and any implications for other environmental issues

Given the nature of Telkom's operations and asset structure, the exposure to physical climate hazards was assessed, with drought, precipitation, temperature, flood, fire, and extreme weather being the most prevalent. High vulnerability to floods, heatwaves, fire, and drought risks was assessed in conjunction with qualitative factors to identify Telkom's specific vulnerability, resulting in medium to high vulnerability to physical risks to operations which could result in potential financial losses. Implications: Drought, Flood, Extreme weather, and Precipitation: • Telkom's operations, though not heavily water-dependent like mining or agriculture, still require water, especially for cooling data centres and network infrastructure. • Flooding could damage Telkom's infrastructure, causing service disruptions and repair delays due to restricted technician access. Mitigation could include elevating infrastructure and installing flood barriers. • Increased water scarcity could raise operational

costs and, given Telkom's reliance on Eskom's water-intensive, coal-based electricity, could lead to energy supply disruptions. Additionally, water stress could impact the production of electronic components, essential to Telkom's supply chain, due to their high water usage. • Telkom could also experience negative media coverage if the company is perceived to be inadequately prepared for or responsive to impacts from droughts or fires. There could be a potential loss of customer trust if droughts or fires occur more frequently and are not managed effectively. Temperature and fire: • Operational Continuity is at risk from both fire and temperature impacts, necessitating proactive infrastructure and risk management measures. • Increased Costs are a potential outcome of both hazards, through direct damage repair, enhanced cooling needs, and preventive infrastructure investments. • Resilience Building involves strategic planning to mitigate these climate-related risks, ensuring Telkom's service delivery remains uninterrupted.
[Fixed row]

(5.2) Does your organization’s strategy include a climate transition plan?

(5.2.1) Transition plan

Select from:
☑ Yes, we have a climate transition plan which aligns with a 1.5°C world

(5.2.3) Publicly available climate transition plan

Select from:
☑ No

(5.2.4) Plan explicitly commits to cease all spending on, and revenue generation from, activities that contribute to fossil fuel expansion

Select from:
☑ No, and we do not plan to add an explicit commitment within the next two years

(5.2.6) Explain why your organization does not explicitly commit to cease all spending on and revenue generation from activities that contribute to fossil fuel expansion

The South African economy is heavily reliant on fossil fuels, particularly coal as evidenced by the utility company (Eskom). The South African government's position on coal recognizes the need to exploit coal for energy purposes and thus the transition may take place over a period of 20 years. Therefore coal will remain a major energy source within the SA economy.

(5.2.7) Mechanism by which feedback is collected from shareholders on your climate transition plan

Select from:

☑ We have a different feedback mechanism in place

(5.2.8) Description of feedback mechanism

During FY2024, we conducted an investor perception study on ESG insights called the Nasdaq Global Perception Study from April to May 2024. A total of 11 interviews were conducted, with 1 online respondent. The study was done independently, and Telkom had no influence on the results. The specific questions that were asked relevant to ESG section include: 1. On a scale of 1.0 to 5.0, with 5.0 being extremely Important and 1.0 being tot at all Important, how important are Telkom's ESG efforts to your investment decision-making process? Please explain the basis of your rating. 2. What key ESG factors or metrics do you look at when evaluating Telkom's ESG policies and practices? Does the Company provide adequate disclosures/transparency in your perception? On a scale of 1.0 to 5.0, with 5.0 being excellent and 1.0 being poor, how would you rate Telkom's ESG profile vs peers? What is the basis of your rating? 3. Is there anything we didn't touch upon that you would like us to pass along to management or Investor Relations? Furthermore, chairman roadshows are held annually where we receive comments from our shareholders on the ESG strategy.

(5.2.9) Frequency of feedback collection

Select from:

☑ Annually

(5.2.10) Description of key assumptions and dependencies on which the transition plan relies

There are various sources of data within Telkom which have been integrated and considered in this initial view of the baseline, however there are certain assumptions and areas which will still need to be validated and refined. It is anticipated that this initial view of the baseline and pathways will continue to be refined reflecting a commitment to transparency and continuous improvement in decarbonization efforts. The Business- As-Usual (BAU) scenario assumes a flatline in terms of emissions from FY24. Whilst Telkom has an expected 1% business growth per year, through discussions with stakeholders and tied to the modernization of the network and business initiative, it is expected that growth will not be coupled with emissions increase. The scope 3 projection assumes that "Net Zero Commitments by Suppliers" are maintained. The combined impact of initiatives identified contributes 35% towards the Scope 3 SBTi target.

(5.2.11) Description of progress against transition plan disclosed in current or previous reporting period

Our climate transition plan was completed in September 2024 and is currently waiting for approval.

(5.2.13) Other environmental issues that your climate transition plan considers

Select all that apply

☑ No other environmental issue considered
[Fixed row]

(5.3) Have environmental risks and opportunities affected your strategy and/or financial planning?

(5.3.1) Environmental risks and/or opportunities have affected your strategy and/or financial planning

Select from:
☑ Yes, both strategy and financial planning

(5.3.2) Business areas where environmental risks and/or opportunities have affected your strategy

Select all that apply
☑ Products and services
☑ Upstream/downstream value chain
☑ Operations
[Fixed row]

(5.3.1) Describe where and how environmental risks and opportunities have affected your strategy.

Products and services

(5.3.1.1) Effect type

Select all that apply
☑ Risks
☑ Opportunities

(5.3.1.2) Environmental issues relevant to the risks and/or opportunities that have affected your strategy in this area

Select all that apply
☑ Climate change

(5.3.1.3) Describe how environmental risks and/or opportunities have affected your strategy in this area

Telkom's purpose is to seamlessly connect our customers to a better life; thus, customer experience is a core strategic objective. Climate change-induced changes such as changing rainfall patterns and increasing temperatures (resulting in heat stress) are considered in our risk identification process as these negatively affect our service delivery capabilities and customer experience. At present, the effect of climate-related risks and opportunities on our products and services are considered in the short-term (although scenario analysis is planned for FY2025 which may extend consideration into the medium- and long-term). The most prominent example of the climate-related influence on our products and services is our response to network backlogs created during the winter rainy season in the Western Cape. This response has been put in place to adapt to the heavy rainfall events experienced across the province. Telkom relocates staff from the unaffected regions to the affected regions during the rainy winter period to service the network from faults due to prolonged periods of rainfall, and to assist with the higher workload. If the affected regions are still unable to cope, Service Provider resources and Openserve technicians are allocated from other unaffected regions to assist with the workload. The additional support staff are paid relocation stipends for the inconvenience of working away from their homes. These additional costs are already built into the backlog plans operational expenditure.

Upstream/downstream value chain

(5.3.1.1) Effect type

Select all that apply

☑ Risks

☑ Opportunities

(5.3.1.2) Environmental issues relevant to the risks and/or opportunities that have affected your strategy in this area

Select all that apply

☑ Climate change

(5.3.1.3) Describe how environmental risks and/or opportunities have affected your strategy in this area

Although Telkom is not a material water user, we recognise the scarcity of this resource and the risks associated with water shortages, particularly on our water-cooled IT equipment and employees. The group uses water primarily for cooling, drinking, catering, hygiene, and landscaping; our key water supplier is the municipality. Telkom has a national footprint, as such, the entire group is vulnerable to water supply disruptions. Our response to this risk is two-pronged: supplier engagement and reduction of dependence on the supplier. As an example of supplier engagement, Telkom assisted the Western Cape Government during the severe Western Cape drought in 2018 by contributing to a basic business continuity plan guideline document to ensure economic security during times of drought. This formed part of their disaster management efforts. The document provided guidance on developing and implementing the following: • An operational water plan which supports improved water use practices under water rationing circumstances; and • A business continuity plan to help ensure that businesses can continue during and after water outages (for short or longer periods) that will likely disrupt normal business operations. Operationally, we are looking to reduce our dependence on water suppliers by improving site water efficiency. An external resource expert conducted site surveys at selected Telkom office buildings, retail sites, data centres

and access network sites which had high water consumption in FY2020. Further, during the reporting period, there was a "Day Zero Audit" that took place at 55 sites in the Eastern Cape. During the audit, the following recommendations were made for further investigation: the use of boreholes at three sites; rainwater harvesting and the use of storage tanks. Furthermore, energy efficiency improvements were recommended for consideration. These initiatives also form part of one of our key financial objectives of cost management.

Operations

(5.3.1.1) Effect type

Select all that apply

☑ Risks

☑ Opportunities

(5.3.1.2) Environmental issues relevant to the risks and/or opportunities that have affected your strategy in this area

Select all that apply

☑ Climate change

(5.3.1.3) Describe how environmental risks and/or opportunities have affected your strategy in this area

Sustainable cost management is a key strategic objective at Telkom. One of the mechanisms for achieving this is enhancing operational efficiencies through energy efficiency initiatives, among others. To achieve this objective, we have appointed an energy expert to develop and implement an energy management strategy and invested (and continue to invest) in various energy efficiency projects. Smart electricity meters were installed at over 77 sites in FY23, and in previous years 274 smart electricity meters were installed. An additional 300 smart meters will be installed in the next reporting period. The power factor correction project using harmonic filtering and voltage dip mitigation, is completed and benefits are being tracked. We also conducted a gap analysis of the implementation of an energy management system at Telkom Park, in pursuit of achieving ISO 50001 energy certification. We have also replaced inefficient lighting with LED lighting at Telkom Park, Belville, BCX head office and additional sites. Finally, we have two solar PV plants in operation, with a third under construction. These energy-saving activities are further supported by a new material issue related to power outages and load shedding. Load shedding has continued to threaten our ability to provide uninterrupted services to our customers in FY24. Solar PV power presents us with an opportunity in this regard. We have developed a model at the Group level to manage essential and critical services if and when faced with various stages of loadshedding thresholds. The GEMT is used to ensure that the Telkom Core Network remains operational during power outages. Standby/backup generators have been installed at various equipment sites which assisted in ensuring that there were minimal disruptions to operations and service delivery to customers. As a result, there were no significant impacts on the business operations.
[Add row]

(5.3.2) Describe where and how environmental risks and opportunities have affected your financial planning.

Row 1

(5.3.2.1) Financial planning elements that have been affected

Select all that apply

☑ Direct costs

☑ Capital expenditures

☑ Capital allocation

(5.3.2.2) Effect type

Select all that apply

☑ Risks

☑ Opportunities

(5.3.2.3) Environmental issues relevant to the risks and/or opportunities that have affected these financial planning elements

Select all that apply

☑ Climate change

(5.3.2.4) Describe how environmental risks and/or opportunities have affected these financial planning elements

The board drives Telkom's strategy and ensures that the appropriate operating model and resources (including financial resources) are in place to meet current and future business requirements. Our enterprise risk and opportunity management approach is used to determine where financial resources are to be allocated, i.e. financial planning. Once Telkom's risk and opportunity assessment procedure (described in module 2) is completed and reported to the board, a financial assessment process is undertaken to determine the financial resources required to carry out our risk and opportunity management plans. This assessment process considers annual budgets, tax and compliance costs, capital allocation, capital expenditures, and savings opportunities, among others. In the case of climate-related financial planning, relevant financial elements include direct costs, capital expenditure, capital allocation and investment in assets. In the instance of assets, capital allocation and expenditure elements, the time horizon considered during financial planning is typically medium- to long-term, while short- to medium-term horizons are considered for direct operating cost elements. Nevertheless, these may change depending on the risk and opportunity under consideration. In the previous reporting year, the Board approved our ESG strategy and implementation roadmap. The strategy commits Telkom to be carbon neutral by 2035 and net zero by 2040. Currently, direct costs are the most prominent financial planning element influenced by climate-related risks and opportunities. Effective cost management is currently one of Telkom's key financial focus areas. Reducing energy consumption and improving energy efficiency is considered one of the mechanisms for containing costs, hence various energy-related projects were implemented and/or assessed in this regard. Telkom operates in a volatile and uncertain industry and needs to take

certain risks to achieve sustainable growth and returns. For this reason, we consider financial planning to be a crucial element of our financial resilience measures. Sustainable cost management is a key strategic objective at Telkom. One of the mechanisms for achieving this is enhancing operational efficiencies through energy efficiency initiatives. To achieve this objective, we have appointed an energy expert to develop and implement an energy management strategy and invested (and continue to invest) in various energy efficiency projects.
[Add row]

(5.4) In your organization's financial accounting, do you identify spending/revenue that is aligned with your organization's climate transition?

	Identification of spending/revenue that is aligned with your organization's climate transition	Methodology or framework used to assess alignment with your organization's climate transition
	Select from: ☑ Yes	*Select all that apply* ☑ Other methodology or framework

[Fixed row]

(5.4.1) Quantify the amount and percentage share of your spending/revenue that is aligned with your organization's climate transition.

Row 1

(5.4.1.1) Methodology or framework used to assess alignment

Select from:
☑ Other, please specify **:**Capital expenditure on climate transition activities

(5.4.1.5) Financial metric

Select from:
☑ OPEX

(5.4.1.6) Amount of selected financial metric that is aligned in the reporting year (currency)

3300000

(5.4.1.7) Percentage share of selected financial metric aligned in the reporting year (%)

0.01

(5.4.1.8) Percentage share of selected financial metric planned to align in 2025 (%)

0.17

(5.4.1.9) Percentage share of selected financial metric planned to align in 2030 (%)

0.29

(5.4.1.12) Details of the methodology or framework used to assess alignment with your organization's climate transition

Telkom hired an external service provider to develop a capital investment scenario for meeting our emission reduction commitments. In preparing the scenarios, consideration has been aligned with our sustainability objectives covering energy and water efficiencies, cost optimisation and reduced reliance on grid supply. Baseline data is being used in this regard. In addition, the following aspects are being considered as part of the financial scenario and business case development: • Site electricity accounts and expenditures. • Renewable energy, power factor correction, energy efficiency lighting, building management systems and air-conditioning opportunities. • Existing energy efficiencies and electricity security of supply initiatives. • The potential of renewable energy procurement from third parties as part of OPEX expenditure. • Other financial aspects and assumptions used in the model include OPEX savings from energy efficiency and on-site renewable power generation, tariff and cost escalations and inflation rates. Opportunities will be identified through onsite sustainability audits and realized through approved business cases.
[Add row]

(5.10) Does your organization use an internal price on environmental externalities?

(5.10.1) Use of internal pricing of environmental externalities

Select from:

☑ No, and we do not plan to in the next two years

(5.10.3) Primary reason for not pricing environmental externalities

Select from:

☑ Not an immediate strategic priority

(5.10.4) Explain why your organization does not price environmental externalities

Telkom is actively committed to reducing its environmental impact by evaluating and prioritizing emission reduction initiatives, however, implementing an internal carbon price is not an immediate strategic priority, and we do not have plans to adopt such a framework within the next two years. Instead, our focus remains on direct emission reduction initiatives and improving operational sustainability. We have incorporated ESG metrics, including our scope 1 and 2 emission reduction targets, in the Short-Term Incentive (STI) and Long-Term Incentive (LTI) scheme rules to encourage our business units and employees to align with our targets as per our ESG strategy. Additionally, we are preparing for potential future regulations that may impose carbon pricing or taxes to ensure we remain compliant and adaptable. Phase 1 of the South African Carbon Tax Act covers Scope 1 emissions. Telkom is not currently subject to a carbon tax, and our Scope 1 emission sources are primarily diesel and petrol, which are taxed at the source. Nevertheless, our installed thermal capacity will be continuously monitored going forward to ensure that the appropriate compliance actions are taken if the installed capacity threshold is exceeded. The compliance department will continue to monitor the Carbon Tax considering possible future amendments, especially in Phase 2 (2026 onwards), where the regulations can impact Telkom due to the potential broadening of the tax base to include Scope 2 emissions.
[Fixed row]

(5.11) Do you engage with your value chain on environmental issues?

Suppliers

(5.11.1) Engaging with this stakeholder on environmental issues

Select from:

☑ Yes

(5.11.2) Environmental issues covered

Select all that apply

☑ Climate change

Customers

(5.11.1) Engaging with this stakeholder on environmental issues

Select from:

☑ No, but we plan to within the next two years

(5.11.3) Primary reason for not engaging with this stakeholder on environmental issues

Select from:

☑ No standardized procedure

(5.11.4) Explain why you do not engage with this stakeholder on environmental issues

At the moment, we are not actively involving our customers in discussions about climate change. However, we acknowledge the increasing significance of this issue and plan to start doing so within the next two years. We highly value our customers and recognize their role in promoting sustainable practices. As we refine our approach to addressing climate change, we are dedicated to fostering open communication and cooperation with our customers to tackle environmental challenges together. In FY2024, we set a Scope 3 target for the Group, which was validated by the SBTi. Our targets will include the use of sold products by our customers amongst other categories.

Investors and shareholders

(5.11.1) Engaging with this stakeholder on environmental issues

Select from:

☑ Yes

(5.11.2) Environmental issues covered

Select all that apply

☑ Climate change

Other value chain stakeholders

(5.11.1) Engaging with this stakeholder on environmental issues

Select from:

☑ Yes

(5.11.2) Environmental issues covered

Select all that apply

☑ Climate change

[Fixed row]

(5.11.1) Does your organization assess and classify suppliers according to their dependencies and/or impacts on the environment?

	Assessment of supplier dependencies and/or impacts on the environment
Climate change	*Select from:* ☑ No, we do not currently assess the dependencies and/or impacts of our suppliers, but we plan to do so within the next two years

[Fixed row]

(5.11.2) Does your organization prioritize which suppliers to engage with on environmental issues?

Climate change

(5.11.2.1) Supplier engagement prioritization on this environmental issue

Select from:

☑ Yes, we prioritize which suppliers to engage with on this environmental issue

(5.11.2.2) Criteria informing which suppliers are prioritized for engagement on this environmental issue

Select all that apply

☑ Procurement spend

☑ Strategic status of suppliers

(5.11.2.4) Please explain

We have identified the suppliers that we need to engage with on the integration of ESG considerations and support for our Scope 3 emissions targets. However, we are currently in the process of developing an engagement strategy that will guide the implementation of our engagements. We identified these suppliers through a comprehensive mapping of our supply chain. We have identified 70% of our suppliers from a spend perspective. In FY2024, we conducted regular monthly and quarterly reviews with our suppliers to ensure alignment and strengthen partnership.
[Fixed row]

(5.11.5) Do your suppliers have to meet environmental requirements as part of your organization's purchasing process?

	Suppliers have to meet specific environmental requirements related to this environmental issue as part of the purchasing process	Policy in place for addressing supplier non-compliance	Comment
Climate change	*Select from:* ☑ No, but we plan to introduce environmental requirements related to this environmental issue within the next two years	*Select from:* ☑ No, we do not have a policy in place for addressing non-compliance	*None*

[Fixed row]

(5.11.7) Provide further details of your organization's supplier engagement on environmental issues.

Climate change

(5.11.7.2) Action driven by supplier engagement

Select from:

☑ Adaptation to climate change

(5.11.7.3) Type and details of engagement

Information collection

☑ Collect GHG emissions data at least annually from suppliers

(5.11.7.4) Upstream value chain coverage

Select all that apply

☑ Tier 1 suppliers

(5.11.7.5) % of tier 1 suppliers by procurement spend covered by engagement

Select from:

☑ 76-99%

(5.11.7.6) % of tier 1 supplier-related scope 3 emissions covered by engagement

Select from:

☑ Unknown

(5.11.7.9) Describe the engagement and explain the effect of your engagement on the selected environmental action

We have identified the suppliers that we need to engage with on the integration of ESG considerations and support for our Scope 3 emissions targets. However, we are currently in the process of developing an engagement strategy that will guide the implementation of our engagements. We identified these suppliers through a comprehensive mapping of our supply chain. We have identified 70% of our suppliers from a spend perspective. In FY2024, we conducted regular monthly and quarterly reviews with our suppliers to ensure alignment and strengthen partnership.

(5.11.7.11) Engagement is helping your tier 1 suppliers engage with their own suppliers on the selected action

Select from:

☑ Unknown

[Add row]

(5.11.9) Provide details of any environmental engagement activity with other stakeholders in the value chain.

Climate change

(5.11.9.1) Type of stakeholder

Select from:

☑ Investors and shareholders

(5.11.9.2) Type and details of engagement

Education/Information sharing

☑ Run an engagement campaign to educate stakeholders about the environmental impacts about your products, goods and/or services

☑ Share information on environmental initiatives, progress and achievements

(5.11.9.3) % of stakeholder type engaged

Select from:

☑ Unknown

(5.11.9.4) % stakeholder-associated scope 3 emissions

Select from:

☑ None

(5.11.9.5) Rationale for engaging these stakeholders and scope of engagement

In line with our commitment to engage proactively with shareholders, Telkom invited shareholders to engagements between 14 August and 17 August 2023, ahead of the 2023 AGM. The Chairpersons of the Board and Remco discussed the Group's proposed resolutions with shareholders, and various concerns were raised, acknowledged and clarified. The following summarises the key shareholder concerns. Furthermore, chairman roadshows are held annually where we receive comments from our shareholders on the ESG strategy. During FY23, Telkom had an ESG roadshow where we presented our net-zero strategy (i.e., the transition plan). During the roadshow, we received feedback from shareholders and investors.

(5.11.9.6) Effect of engagement and measures of success

During the engagements concern that environmental, social and governance (ESG) measures are not included in the LTI scheme. We have since incorporated ESG KPIs into our LTI scheme. ESG incentives play a significant role in advancing our ESG strategy metrics by fostering a culture of sustainability. Including ESG metrics/performance conditions in the Short-Term Incentive (STI) and Long-Term Incentive (LTI) scheme rules influence remuneration decisions, enhancing employee motivation and satisfaction. This also aligns personal performance with the Group's broader sustainability objectives, creating a collective impact on the environment.

Climate change

(5.11.9.1) Type of stakeholder

Select from:

☑ Other value chain stakeholder, please specify **:**National Disaster Management Advisory Forum (NDMAF)

(5.11.9.2) Type and details of engagement

Other

☑ Other, please specify **:**Climate and weather trends

(5.11.9.3) % of stakeholder type engaged

Select from:

☑ Unknown

(5.11.9.4) % stakeholder-associated scope 3 emissions

Select from:

☑ None

(5.11.9.5) Rationale for engaging these stakeholders and scope of engagement

In light of the increase in physical climate risks identified, Telkom also engages quarterly with the National Disaster Management Centre (NDMC) of South Africa through the National Disaster Management Advisory Forum (NDMAF) to obtain insight on anticipated climate and weather trends throughout the country and potential disaster scenarios e.g., storms, fires, drought conditions. Telkom's business activities and operations form a critical part of national communication management systems, thus our engagement with the NDMAF is mutually beneficial as the provision of telecommunications management systems during disaster risk management is a key function of the NDMC. Our engagement takes place through scheduled quarterly meetings and advisory alerts. However, engagement may become more

frequent during an active disaster situation. Topics typically discussed during these engagements include quarterly climate watch updates from the South African Weather Service, overviews of the seasonal national risk profile, quarterly grid electricity forecasts and the national water status.

(5.11.9.6) Effect of engagement and measures of success

Engagements with NDMAF help our organization identify potential risks such as extreme storms, flooding, heatwaves, or droughts, which may disrupt our operations, supply chains, or infrastructure. Early detection through weather monitoring allows for timely decision-making, risk mitigation strategies, and disaster preparedness, minimizing potential damages and ensuring business continuity.
[Add row]

(5.12) Indicate any mutually beneficial environmental initiatives you could collaborate on with specific CDP Supply Chain members.

	Requesting member	Environmental issues the initiative relates to
Row 1	*Select from:*	*Select all that apply* ☑ Climate change

[Add row]

(5.13) Has your organization already implemented any mutually beneficial environmental initiatives due to CDP Supply Chain member engagement?

	Environmental initiatives implemented due to CDP Supply Chain member engagement	Primary reason for not implementing environmental initiatives
	Select from:	*Select from:*

	Environmental initiatives implemented due to CDP Supply Chain member engagement	Primary reason for not implementing environmental initiatives
	☑ No, but we plan to within the next two years	☑ No standardized procedure

[Fixed row]

C6. Environmental Performance - Consolidation Approach

(6.1) Provide details on your chosen consolidation approach for the calculation of environmental performance data.

Climate change

(6.1.1) Consolidation approach used

Select from:

☑ Operational control

(6.1.2) Provide the rationale for the choice of consolidation approach

Telkom utilizes the operational control approach, accounting for 100% of the emissions from operations for which the company is responsible. This approach aligns with our integrated and financial reporting methodologies, ensuring that the data is actionable. It enables us to prioritize efficiency improvements, optimize energy consumption, and implement effective sustainability initiatives.
[Fixed row]

C7. Environmental performance - Climate Change

(7.1) Is this your first year of reporting emissions data to CDP?

Select from:
☑ No

(7.1.1) Has your organization undergone any structural changes in the reporting year, or are any previous structural changes being accounted for in this disclosure of emissions data?

	Has there been a structural change?
	Select all that apply ☑ No

[Fixed row]

(7.1.2) Has your emissions accounting methodology, boundary, and/or reporting year definition changed in the reporting year?

(7.1.2.1) Change(s) in methodology, boundary, and/or reporting year definition?

Select all that apply
☑ Yes, a change in methodology

(7.1.2.2) Details of methodology, boundary, and/or reporting year definition change(s)

Telkom has refined its Scope 3 calculation methodology with the use of a carbon accounting platform that considers both local and international standards. As such, we have restated our FY2022 baseline emissions. Cognisant of the complexities associated with Scope 3 emissions, we will keep improving our methodology as we evolve, while adhering to the requirements of the SBTi.
[Fixed row]

(7.1.3) Have your organization's base year emissions and past years' emissions been recalculated as a result of any changes or errors reported in 7.1.1 and/or 7.1.2?

(7.1.3.1) Base year recalculation

Select from:
☑ Yes

(7.1.3.2) Scope(s) recalculated

Select all that apply
☑ Scope 3

(7.1.3.3) Base year emissions recalculation policy, including significance threshold

Telkom has refined its Scope 3 calculation methodology with the use of a carbon accounting platform that considers both local and international standards. As such, we have restated our FY2022 baseline emissions. Updates in the calculation include the use of life cycle emission factors, activity data updates, refinement of assumptions previously made, and alignment with the GHG protocol methodology.

(7.1.3.4) Past years' recalculation

Select from:
☑ Yes
[Fixed row]

(7.2) Select the name of the standard, protocol, or methodology you have used to collect activity data and calculate emissions.

Select all that apply

☑ Defra Environmental Reporting Guidelines: Including streamlined energy and carbon reporting guidance, 2019

☑ The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition)

☑ The Greenhouse Gas Protocol: Corporate Value Chain (Scope 3) Standard

(7.3) Describe your organization's approach to reporting Scope 2 emissions.

	Scope 2, location-based	Scope 2, market-based	Comment
	Select from: ☑ We are reporting a Scope 2, location-based figure	*Select from:* ☑ We are reporting a Scope 2, market-based figure	*None.*

[Fixed row]

(7.4) Are there any sources (e.g. facilities, specific GHGs, activities, geographies, etc.) of Scope 1, Scope 2 or Scope 3 emissions that are within your selected reporting boundary which are not included in your disclosure?

Select from:

☑ No

(7.5) Provide your base year and base year emissions.

Scope 1

(7.5.1) Base year end

03/30/2022

(7.5.2) Base year emissions (metric tons CO2e)

55466

(7.5.3) Methodological details

Telkom adopts the calculation approach outlined in by GHG Protocol for estimating GHG emissions from an organization's operations. The approach includes calculating GHG emissions through the application of emission factors to activity data. Our scope 1 emission sources include diesel, petrol, and refrigerants. Activity data for these activities is collected on a monthly basis. The emission factors used are primarily sourced from the UK Department for Environment, Food & Rural Affairs (DEFRA)'s annual set of 'Conversion Factors for Company Reporting, 2023. DEFRA provides a comprehensive emission factor dataset that is updated on an annual basis.

Scope 2 (location-based)

(7.5.1) Base year end

03/30/2022

(7.5.2) Base year emissions (metric tons CO2e)

797316

(7.5.3) Methodological details

Telkom adopts the calculation approach outlined in by GHG Protocol for estimating GHG emissions from an organization's operations. The approach includes calculating GHG emissions through the application of emission factors to activity data. Electricity purchased from the grid is our primary source of scope 2 emissions. Grid electricity consumption data is collected on a monthly basis from our electricity invoices. The grid emission factor is sourced from South Africa's utility provider's (ESKOM) annual integrated report.

Scope 2 (market-based)

(7.5.1) Base year end

03/30/2022

(7.5.2) Base year emissions (metric tons CO2e)

797316

(7.5.3) Methodological details

Telkom adopts the calculation approach outlined in by GHG Protocol for estimating GHG emissions from an organization's operations. The approach includes calculating GHG emissions through the application of emission factors to activity data. Electricity purchased from the grid is our primary source of scope 2 emissions. Grid electricity consumption data is collected on a monthly basis from our electricity invoices. The grid emission factor is sourced from South Africa's utility provider's (ESKOM) annual integrated report.

Scope 3 category 1: Purchased goods and services

(7.5.1) Base year end

03/31/2022

(7.5.2) Base year emissions (metric tons CO2e)

180991

(7.5.3) Methodological details

The annual purchased goods and services procurement expenditure for the financial year 2022 for each business unit was obtained to assess the scope and material sources of value chain emissions across all purchased goods and services. The calculation of emissions for purchased goods was limited to the emissions from the production of purchased e-products (laptops, mobile phones, and routers, among others). Purchased services accounted for include legal, consultants, and other services procured by Telkom in the reporting year.

Scope 3 category 2: Capital goods

(7.5.1) Base year end

03/31/2022

(7.5.2) Base year emissions (metric tons CO2e)

10451

(7.5.3) Methodological details

This category includes emissions from all capital purchases reflected in Telkom's procurement spend. The capital goods included are masts and towers from Gyro and network equipment for fibre installations from Openserve. Procurement spend on capital goods was multiplied by a sector-specific, spend-based emission factor for capital goods.

Scope 3 category 3: Fuel-and-energy-related activities (not included in Scope 1 or 2)

(7.5.1) Base year end

03/31/2022

(7.5.2) Base year emissions (metric tons CO2e)

269861

(7.5.3) Methodological details

This category includes emissions related to the production of fuels and energy purchased and consumed by Telkom in the reporting year (not included in Scope 1 or Scope 2). This includes the emissions from diesel, petrol, and transmission and distribution (T&D) losses from purchased electricity. All activity data was obtained from the fuel and energy supplier invoices. The GHG protocol recommends that we also include WTT emissions for fuel used in generating electricity. Our previous calculation only included T&D losses from electricity, we updated this.

Scope 3 category 4: Upstream transportation and distribution

(7.5.1) Base year end

03/31/2022

(7.5.2) Base year emissions (metric tons CO2e)

294

(7.5.3) Methodological details

The calculation comprises all transportation and delivery services of Telkom's products to the customer that are paid for by the company.

Scope 3 category 5: Waste generated in operations

(7.5.1) Base year end

03/31/2022

(7.5.2) Base year emissions (metric tons CO2e)

387

(7.5.3) Methodological details

This calculation includes the emissions from off-site transportation and treatment of all waste disposed to landfills. Waste generated in our operations includes recycled e-waste and general waste disposed to landfills. Emissions data from waste generated in our operations are collected regularly and multiplied by the relevant emission factor sourced from DEFRA. All activity data was obtained from the disposal quantities indicated on the waste disposal supplier invoices

Scope 3 category 6: Business travel

(7.5.1) Base year end

03/31/2022

(7.5.2) Base year emissions (metric tons CO2e)

1514

(7.5.3) Methodological details

This calculation includes the emissions from Business flights, car rentals, and hotel stays for employees at Telkom. Flight distance covered, travel class data and number of nights spent in hotels were multiplied by the respective emission factor for that activity. These results were summed to obtain the total emissions from business travel. Emissions activity data was obtained from our travel agent and multiplied by the relevant emission factors sourced from DEFRA.

Scope 3 category 7: Employee commuting

(7.5.1) Base year end

03/31/2022

(7.5.2) Base year emissions (metric tons CO2e)

13302

(7.5.3) Methodological details

Emissions from this category include commuting to and from work for our full-time employees and those employed through labour brokers. This calculation also includes emissions from telecommuters who dispatch from home, whose work requires them to travel to the client regularly. The annual commuting distance was estimated by multiplying distance travelled, number of trips per commuting day and the number of working days in a year. The GHG protocol recommends that these are accounted for under employee commuting, our baseline was then updated to align with the GHG protocol.

Scope 3 category 8: Upstream leased assets

(7.5.1) Base year end

03/30/2022

(7.5.2) Base year emissions (metric tons CO2e)

0

(7.5.3) Methodological details

Telkom leases vehicles from other companies. However, since Telkom has operational control of these vehicles, the emissions from the vehicles are reported in Scope 1.

Scope 3 category 9: Downstream transportation and distribution

(7.5.1) Base year end

03/31/2022

(7.5.2) Base year emissions (metric tons CO2e)

0

(7.5.3) Methodological details

These emissions are not applicable to Telkom as the company does not deliver any products whose transportation is paid for by the customer.

Scope 3 category 10: Processing of sold products

(7.5.1) Base year end

03/30/2022

(7.5.2) Base year emissions (metric tons CO2e)

0

(7.5.3) Methodological details

None. Telkom does not produce any intermediate products that need to undergo further processing, this scope 3 category is deemed irrelevant for Telkom given the scope 3 downstream boundaries on intermediate products as defined by the GHG Protocol. Consequently, no emissions have been calculated under this category.

Scope 3 category 11: Use of sold products

(7.5.1) Base year end

03/30/2022

(7.5.2) Base year emissions (metric tons CO2e)

1191670

(7.5.3) Methodological details

In terms of the use of sold products, this calculation was limited to emissions from the energy consumption due to the use of sold e-products and the use of sold properties. Sold e-products include handheld devices such as phones and tablets, laptops, optical network terminals (ONT), desktops and routers. Quantities of sold products were obtained from our records. This category was updated to make use of life cycle emission factors as recommended by the GHG protocol.

Scope 3 category 12: End of life treatment of sold products

(7.5.1) Base year end

03/31/2022

(7.5.2) Base year emissions (metric tons CO2e)

30

(7.5.3) Methodological details

Emissions in this category were limited to emissions from the sold e-products and properties. To estimate the emissions from the end-of-life treatment of sold e-products, quantities of e-products sold were multiplied by the estimated total weight of each product and the life cycle of the product in the reporting year. This was then multiplied by the end-life emission factor for those products.

Scope 3 category 13: Downstream leased assets

(7.5.1) Base year end

03/31/2022

(7.5.2) Base year emissions (metric tons CO2e)

94832

(7.5.3) Methodological details

This category includes emissions arising from energy consumption in our leased towers. To estimate the emissions associated with our downstream leased assets, the total electricity expenditure on leased infrastructure assets was converted to the actual electricity consumed (kWh) using the electricity prices on our invoices.

Scope 3 category 14: Franchises

(7.5.1) Base year end

03/31/2022

(7.5.2) Base year emissions (metric tons CO2e)

10

(7.5.3) Methodological details

Emissions from our franchise stores were estimated using the total square meterage of our franchise stores to estimate the emissions associated with the energy consumption in those stores.

Scope 3 category 15: Investments

(7.5.1) Base year end

03/31/2022

(7.5.2) Base year emissions (metric tons CO2e)

349

(7.5.3) Methodological details

This category was limited to emissions arising from investments in the reporting year this was primarily emissions from Telkom's investment in the Future Makers programme.

Scope 3: Other (upstream)

(7.5.1) Base year end

03/30/2022

(7.5.2) Base year emissions (metric tons CO2e)

0

(7.5.3) Methodological details

We have not identified other upstream Scope 3 emissions.

Scope 3: Other (downstream)

(7.5.1) Base year end

03/30/2022

(7.5.2) Base year emissions (metric tons CO2e)

0

(7.5.3) Methodological details

We have not identified other upstream Scope 3 emissions.
[Fixed row]

(7.6) What were your organization’s gross global Scope 1 emissions in metric tons CO2e?

Reporting year

(7.6.1) Gross global Scope 1 emissions (metric tons CO2e)

66167

(7.6.3) Methodological details

Telkom adopts the calculation approach outlined in by GHG Protocol for estimating GHG emissions from an organisation’s operations. The approach includes calculating GHG emissions through the application of emission factors to activity data. Our scope 1 emission sources include diesel, petrol, and refrigerants. Activity data for these activities is collected on a monthly basis. The emission factors used are primarily sourced from the UK Department for Environment, Food & Rural Affairs (DEFRA)’s annual set of ‘Conversion Factors for Company Reporting, 2023. DEFRA provides a comprehensive emission factor dataset that is updated on an annual basis.
[Fixed row]

(7.7) What were your organization’s gross global Scope 2 emissions in metric tons CO2e?

Reporting year

(7.7.1) Gross global Scope 2, location-based emissions (metric tons CO2e)

572874

(7.7.2) Gross global Scope 2, market-based emissions (metric tons CO2e) (if applicable)

572874

(7.7.4) Methodological details

Telkom adopts the calculation approach outlined in by GHG Protocol for estimating GHG emissions from an organization's operations. The approach includes calculating GHG emissions through the application of emission factors to activity data. Electricity purchased from the grid is our primary source of scope 2 emissions. Grid electricity consumption data is collected on a monthly basis from our electricity invoices. The grid emission factor is sourced from South Africa's utility provider's (ESKOM) annual integrated report.
[Fixed row]

(7.8) Account for your organization's gross global Scope 3 emissions, disclosing and explaining any exclusions.

Purchased goods and services

(7.8.1) Evaluation status

Select from:
☑ Relevant, calculated

(7.8.2) Emissions in reporting year (metric tons CO2e)

188647

(7.8.3) Emissions calculation methodology

Select all that apply
☑ Spend-based method

(7.8.4) Percentage of emissions calculated using data obtained from suppliers or value chain partners

100

(7.8.5) Please explain

The annual purchased goods and services procurement expenditure for the financial year 2024 for each business unit was obtained to assess the scope and material sources of value chain emissions across all purchased goods and services. The calculation of emissions for purchased goods was limited to the emissions from the production of purchased e-products (laptops, mobile phones, and routers, among others). Purchased services accounted for include legal, consultants, and other services procured by Telkom in the reporting year.

Capital goods

(7.8.1) Evaluation status

Select from:

☑ Relevant, calculated

(7.8.2) Emissions in reporting year (metric tons CO2e)

8328

(7.8.3) Emissions calculation methodology

Select all that apply

☑ Spend-based method

(7.8.4) Percentage of emissions calculated using data obtained from suppliers or value chain partners

100

(7.8.5) Please explain

This category includes emissions from all capital purchases reflected in Telkom's procurement spend. The capital goods included are masts and towers from Gyro and network equipment for fibre installations from Openserve. Procurement spend on capital goods was multiplied by a sector-specific, spend-based emission factor for capital goods.

Fuel-and-energy-related activities (not included in Scope 1 or 2)

(7.8.1) Evaluation status

Select from:

☑ Relevant, calculated

(7.8.2) Emissions in reporting year (metric tons CO2e)

215953

(7.8.3) Emissions calculation methodology

Select all that apply

☑ Average data method

(7.8.4) Percentage of emissions calculated using data obtained from suppliers or value chain partners

100

(7.8.5) Please explain

This category includes emissions related to the production of fuels and energy purchased and consumed by Telkom in the reporting year that are not included in Scope 1 or Scope 2. This includes the emissions from diesel, petrol, and transmission and distribution (T&D) losses from purchased electricity. All activity data was obtained from the fuel and energy supplier invoices. The GHG protocol recommends that we also include WTT emissions for fuel used in generating electricity. Our previous calculation only included T&D losses from electricity, we updated this.

Upstream transportation and distribution

(7.8.1) Evaluation status

Select from:

☑ Relevant, calculated

(7.8.2) Emissions in reporting year (metric tons CO2e)

1009

(7.8.3) Emissions calculation methodology

Select all that apply

☑ Average data method

(7.8.4) Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

(7.8.5) Please explain

The calculation comprises all transportation and delivery services of Telkom's products to the customer that are paid for by the company

Waste generated in operations

(7.8.1) Evaluation status

Select from:

☑ Relevant, calculated

(7.8.2) Emissions in reporting year (metric tons CO2e)

335

(7.8.3) Emissions calculation methodology

Select all that apply

☑ Average data method

(7.8.4) Percentage of emissions calculated using data obtained from suppliers or value chain partners

100

(7.8.5) Please explain

This calculation includes the emissions from the off-site transportation and treatment of all waste disposed to landfills. Waste generated in our operations includes e-waste and general waste to landfills. Emissions data from waste generated in our operations are collected regularly and multiplied by the relevant emission factor sourced from DEFRA. All activity data was obtained from the disposal quantities indicated on the waste disposal supplier invoices

Business travel

(7.8.1) Evaluation status

Select from:

☑ Relevant, calculated

(7.8.2) Emissions in reporting year (metric tons CO2e)

1838

(7.8.3) Emissions calculation methodology

Select all that apply

☑ Average data method

(7.8.4) Percentage of emissions calculated using data obtained from suppliers or value chain partners

100

(7.8.5) Please explain

This calculation includes the emissions from Business flights, car rentals, and hotel stays for employees at Telkom. Flight distance covered, travel class data and number of nights spent in hotels were multiplied by the respective emission factor for that activity. These results were summed to obtain the total emissions from business travel. Emissions activity data was obtained from our travel agent and multiplied by the relevant emission factors sourced from DEFRA.

Employee commuting

(7.8.1) Evaluation status

Select from:

☑ Relevant, calculated

(7.8.2) Emissions in reporting year (metric tons CO2e)

19367

(7.8.3) Emissions calculation methodology

Select all that apply

☑ Average data method

(7.8.4) Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

(7.8.5) Please explain

Emissions from this category include commuting to and from work for our full-time employees and those employed through labour brokers. This calculation also includes emissions from telecommuters who dispatch from home, whose work requires them to travel to the client regularly. The annual commuting distance was estimated by multiplying distance travelled, number of trips per commuting day and the number of working days in a year. Working-from-home emissions were previously accounted for under fuel & energy-related activities. The GHG protocol recommends that these are accounted for under employee commuting, our baseline was then updated to align with the GHG protocol.

Upstream leased assets

(7.8.1) Evaluation status

Select from:

☑ Not relevant, explanation provided

(7.8.5) Please explain

Telkom leases vehicles from other companies. However, since Telkom has operational control of these vehicles, the emissions from the vehicles are reported in Scope 1.

Downstream transportation and distribution

(7.8.1) Evaluation status

Select from:

☑ Not relevant, explanation provided

(7.8.5) Please explain

These emissions are not applicable to Telkom as the company does not deliver any products whose transportation is paid for by the customer.

Processing of sold products

(7.8.1) Evaluation status

Select from:

☑ Not relevant, explanation provided

(7.8.5) Please explain

None. Telkom does not produce any intermediate products that need to undergo further processing, this scope 3 category is deemed irrelevant for Telkom given the scope 3 downstream boundaries on intermediate products as defined by the GHG Protocol. Consequently, no emissions have been calculated under this category.

Use of sold products

(7.8.1) Evaluation status

Select from:

☑ Relevant, calculated

(7.8.2) Emissions in reporting year (metric tons CO2e)

1200181

(7.8.3) Emissions calculation methodology

Select all that apply

☑ Average data method

(7.8.4) Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

(7.8.5) Please explain

In terms of the use of sold products, this calculation was limited to emissions from the energy consumption due to the use of sold e-products and sold properties. Sold e-products include handheld devices such as phones and tablets, laptops, optical network terminals (ONT), desktops and routers. Quantities of sold products were obtained from our records. This category was updated to make use of life cycle emission factors as recommended by the GHG protocol.

End of life treatment of sold products

(7.8.1) Evaluation status

Select from:

☑ Relevant, calculated

(7.8.2) Emissions in reporting year (metric tons CO2e)

39

(7.8.3) Emissions calculation methodology

Select all that apply

☑ Average data method

(7.8.4) Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

(7.8.5) Please explain

Emissions in this category were limited to emissions from the sold e-products and properties. To estimate the emissions from the end-of-life treatment of sold e-products, quantities of e-products sold were multiplied by the estimated total weight of each product and the life cycle of the product in the reporting year. This was then multiplied by the end-life emission factor for those products.

Downstream leased assets

(7.8.1) Evaluation status

Select from:

☑ Relevant, calculated

(7.8.2) Emissions in reporting year (metric tons CO2e)

86832

(7.8.3) Emissions calculation methodology

Select all that apply

☑ Average data method

(7.8.4) Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

(7.8.5) Please explain

This category includes emissions arising from energy consumption in our leased towers. To estimate the emissions associated with our downstream leased assets, the total electricity expenditure on leased infrastructure assets was converted to the actual electricity consumed (kWh) using the electricity prices on our invoices.

Franchises

(7.8.1) Evaluation status

Select from:

☑ Relevant, calculated

(7.8.2) Emissions in reporting year (metric tons CO2e)

2

(7.8.3) Emissions calculation methodology

Select all that apply

☑ Average data method

(7.8.4) Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

(7.8.5) Please explain

Emissions from our franchise stores were estimated using the total square meterage of our franchise stores to estimate the emissions associated with the energy consumption in those stores.

Investments

(7.8.1) Evaluation status

Select from:

☑ Relevant, calculated

(7.8.2) Emissions in reporting year (metric tons CO2e)

1270

(7.8.3) Emissions calculation methodology

Select all that apply

☑ Average data method

(7.8.4) Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

(7.8.5) Please explain

This category was limited to emissions arising from investments in the reporting year this was primarily emissions from Telkom's investment in the Future Makers programme.

Other (upstream)

(7.8.1) Evaluation status

Select from:
☑ Not relevant, explanation provided

(7.8.5) Please explain

We have not identified other upstream Scope 3 emissions.

Other (downstream)

(7.8.1) Evaluation status

Select from:
☑ Not relevant, explanation provided

(7.8.5) Please explain

We have not identified other downstream Scope 3 emissions.
[Fixed row]

(7.8.1) Disclose or restate your Scope 3 emissions data for previous years.

Past year 1

(7.8.1.1) End date

03/30/2023

(7.8.1.2) Scope 3: Purchased goods and services (metric tons CO2e)

180953

(7.8.1.3) Scope 3: Capital goods (metric tons CO2e)

7675

(7.8.1.4) Scope 3: Fuel and energy-related activities (not included in Scopes 1 or 2) (metric tons CO2e)

226145

(7.8.1.5) Scope 3: Upstream transportation and distribution (metric tons CO2e)

406

(7.8.1.6) Scope 3: Waste generated in operations (metric tons CO2e)

357

(7.8.1.7) Scope 3: Business travel (metric tons CO2e)

1739

(7.8.1.8) Scope 3: Employee commuting (metric tons CO2e)

20616

(7.8.1.9) Scope 3: Upstream leased assets (metric tons CO2e)

0

(7.8.1.10) Scope 3: Downstream transportation and distribution (metric tons CO2e)

0

(7.8.1.11) Scope 3: Processing of sold products (metric tons CO2e)

0

(7.8.1.12) Scope 3: Use of sold products (metric tons CO2e)

1422905

(7.8.1.13) Scope 3: End of life treatment of sold products (metric tons CO2e)

41

(7.8.1.14) Scope 3: Downstream leased assets (metric tons CO2e)

90305

(7.8.1.15) Scope 3: Franchises (metric tons CO2e)

22

(7.8.1.16) Scope 3: Investments (metric tons CO2e)

0

(7.8.1.17) Scope 3: Other (upstream) (metric tons CO2e)

0

(7.8.1.18) Scope 3: Other (downstream) (metric tons CO2e)

0

(7.8.1.19) Comment

None

Past year 2

(7.8.1.1) End date

03/30/2022

(7.8.1.2) Scope 3: Purchased goods and services (metric tons CO2e)

180991

(7.8.1.3) Scope 3: Capital goods (metric tons CO2e)

10451

(7.8.1.4) Scope 3: Fuel and energy-related activities (not included in Scopes 1 or 2) (metric tons CO2e)

269861

(7.8.1.5) Scope 3: Upstream transportation and distribution (metric tons CO2e)

294

(7.8.1.6) Scope 3: Waste generated in operations (metric tons CO2e)

387

(7.8.1.7) Scope 3: Business travel (metric tons CO2e)

1514

(7.8.1.8) Scope 3: Employee commuting (metric tons CO2e)

13302

(7.8.1.9) Scope 3: Upstream leased assets (metric tons CO2e)

0

(7.8.1.10) Scope 3: Downstream transportation and distribution (metric tons CO2e)

0

(7.8.1.11) Scope 3: Processing of sold products (metric tons CO2e)

0

(7.8.1.12) Scope 3: Use of sold products (metric tons CO2e)

1191670

(7.8.1.13) Scope 3: End of life treatment of sold products (metric tons CO2e)

30

(7.8.1.14) Scope 3: Downstream leased assets (metric tons CO2e)

94832

(7.8.1.15) Scope 3: Franchises (metric tons CO2e)

10

(7.8.1.16) Scope 3: Investments (metric tons CO2e)

349

(7.8.1.17) Scope 3: Other (upstream) (metric tons CO2e)

0

(7.8.1.18) Scope 3: Other (downstream) (metric tons CO2e)

0

(7.8.1.19) Comment

None.
[Fixed row]

(7.9) Indicate the verification/assurance status that applies to your reported emissions.

	Verification/assurance status
Scope 1	*Select from:* ☑ Third-party verification or assurance process in place
Scope 2 (location-based or market-based)	*Select from:* ☑ Third-party verification or assurance process in place
Scope 3	*Select from:* ☑ No third-party verification or assurance

[Fixed row]

(7.9.1) Provide further details of the verification/assurance undertaken for your Scope 1 emissions, and attach the relevant statements.

Row 1

(7.9.1.1) Verification or assurance cycle in place

Select from:

☑ Annual process

(7.9.1.2) Status in the current reporting year

Select from:

☑ Complete

(7.9.1.3) Type of verification or assurance

Select from:

☑ Moderate assurance

(7.9.1.4) Attach the statement

Telkom Assurance statement.pdf

(7.9.1.5) Page/section reference

Page 1 to 3

(7.9.1.6) Relevant standard

Select from:

☑ AA1000AS

(7.9.1.7) Proportion of reported emissions verified (%)

100

[Add row]

(7.9.2) Provide further details of the verification/assurance undertaken for your Scope 2 emissions and attach the relevant statements.

Row 1

(7.9.2.1) Scope 2 approach

Select from:
☑ Scope 2 market-based

(7.9.2.2) Verification or assurance cycle in place

Select from:
☑ Annual process

(7.9.2.3) Status in the current reporting year

Select from:
☑ Complete

(7.9.2.4) Type of verification or assurance

Select from:
☑ Moderate assurance

(7.9.2.5) Attach the statement

Telkom Assurance statement.pdf

(7.9.2.6) Page/ section reference

Page 1 to 3

(7.9.2.7) Relevant standard

Select from:
☑ AA1000AS

(7.9.2.8) Proportion of reported emissions verified (%)

100
[Add row]

(7.10) How do your gross global emissions (Scope 1 and 2 combined) for the reporting year compare to those of the previous reporting year?

Select from:
☑ Decreased

(7.10.1) Identify the reasons for any change in your gross global emissions (Scope 1 and 2 combined), and for each of them specify how your emissions compare to the previous year.

Change in renewable energy consumption

(7.10.1.1) Change in emissions (metric tons CO2e)

3045.12

(7.10.1.2) Direction of change in emissions

Select from:
☑ Decreased

(7.10.1.3) Emissions value (percentage)

0.43

(7.10.1.4) Please explain calculation

The Telkom Park 3 MV and Bellville 168 kWp solar PV plants operated at full capacity during the reporting year. The Telkom Park solar plant generated 3,088 MWh of energy, while the Bellville plant generated 182 MWh, resulting in a total solar energy generation of 3,270.77 MWh in FY2024. In FY2023, the total energy generated from solar power was 255.76 MWh. The difference in energy generated between the two years is 3,032 MWh. To estimate the decrease in emissions produced from solar power generation, the National Grid Emission Factor of 1.01 tCO2e/MWh was applied to the difference, resulting in 3,031.97 MWh x 1.01 tCO2e/MWh 3,045.12 tCO2e. In the previous reporting year, the total scope 1 and 2 emissions were 704740 tCO2e. Therefore, the decrease in emissions is calculated as 3,045 tCO2e / 704740 tCO2e 0.43%.

Other emissions reduction activities

(7.10.1.1) Change in emissions (metric tons CO2e)

34263.15

(7.10.1.2) Direction of change in emissions

Select from:

☑ Decreased

(7.10.1.3) Emissions value (percentage)

4.86

(7.10.1.4) Please explain calculation

Several activities contributed to the decrease in emissions, including the installation of energy-efficient LED lights and sensors at Telkom Park, BCX facilities, and 104 other sites. These initiatives resulted in a total energy savings of 3411 MWh. The emissions reduction due to the use of LED lights and sensors was calculated as follows: 3411.029 MWh x 1.01 tCO2e / MWh 3445.139 tCO2e. Additionally, the decommissioning of high-power utilization legacy equipment in exchanges resulted in 20907 tCO2e emissions. The initiative to use lithium-ion batteries led to an 88% decrease in stationary diesel consumption from FY2023 (17.5 million litres). The emission savings from this initiative were calculated as follows: 17.5 million litres (1-88%) x 0.0027 tCO2e / litre 5544.96 tCO2e. Furthermore, the R22 refrigerant consumption decreased to 33,679 kg in the reporting year, from 36,160 kg in the previous year, resulting in a 2,481 kg reduction. The emissions decrease from this was calculated as follows: 2481 kg x 1.76 tCO2e / kg 4366 tCO2e. In total, the emission reductions from these initiatives amounted to 92174 tCO2e. The percentage change in emissions value is calculated as 92174 / 704740 tCO2e 13.08%, where the total Scope 1 and 2 emissions in the previous reporting year were 704740 tCO2e.

Divestment

(7.10.1.1) Change in emissions (metric tons CO2e)

0

(7.10.1.2) Direction of change in emissions

Select from:
☑ No change

(7.10.1.3) Emissions value (percentage)

0

(7.10.1.4) Please explain calculation

None

Acquisitions

(7.10.1.1) Change in emissions (metric tons CO2e)

0

(7.10.1.2) Direction of change in emissions

Select from:
☑ No change

(7.10.1.3) Emissions value (percentage)

0

(7.10.1.4) Please explain calculation

None

Mergers

(7.10.1.1) Change in emissions (metric tons CO2e)

0

(7.10.1.2) Direction of change in emissions

Select from:

☑ No change

(7.10.1.3) Emissions value (percentage)

0

(7.10.1.4) Please explain calculation

None

Change in output

(7.10.1.1) Change in emissions (metric tons CO2e)

0

(7.10.1.2) Direction of change in emissions

Select from:

☑ No change

(7.10.1.3) Emissions value (percentage)

2

(7.10.1.4) Please explain calculation

None

Change in methodology

(7.10.1.1) Change in emissions (metric tons CO2e)

17186.22

(7.10.1.2) Direction of change in emissions

Select from:

☑ Decreased

(7.10.1.3) Emissions value (percentage)

2.44

(7.10.1.4) Please explain calculation

The National Eskom Grid Emission Factor decreased in the reporting year from 1.04 kgCO2e/kWh to 1.01 kgCO2e/kWh, resulting in a reduction of 17 186 tCO2e emissions, relative to the previous reporting year. Electricity consumption in FY2023 was 595807 MWh, thus the calculation is as follows: (1.04 tCO2e/MWh – 1.01 tCO2e/MWh) x 595807 MWh 17186.22.128 tCO2e. Total Scope 1 and 2 emissions in the previous reporting year were 704740 tCO2e, hence the emissions value percentage is calculated as 17186 tCO2e / 704740 tCO2e 2.44%.

Change in boundary

(7.10.1.1) Change in emissions (metric tons CO2e)

0

(7.10.1.2) Direction of change in emissions

Select from:

☑ No change

(7.10.1.3) Emissions value (percentage)

0

(7.10.1.4) Please explain calculation

None

Change in physical operating conditions

(7.10.1.1) Change in emissions (metric tons CO2e)

0

(7.10.1.2) Direction of change in emissions

Select from:
☑ No change

(7.10.1.3) Emissions value (percentage)

0

(7.10.1.4) Please explain calculation

None

Unidentified

(7.10.1.1) Change in emissions (metric tons CO2e)

0

(7.10.1.2) Direction of change in emissions

Select from:
☑ No change

(7.10.1.3) Emissions value (percentage)

0

(7.10.1.4) Please explain calculation

None

Other

(7.10.1.1) Change in emissions (metric tons CO2e)

23162.47

(7.10.1.2) Direction of change in emissions

Select from:

☑ Decreased

(7.10.1.3) Emissions value (percentage)

3.29

(7.10.1.4) Please explain calculation

In the previous reporting year, there was a decrease in overall electricity consumption by 22,933 MWh. This decrease is due to account terminations and re-billings resulting from cost optimization initiatives, where anomalies and disputes are logged with municipalities and Eskom. The emissions decrease resulting from the reduced electricity consumption was calculated as follows: 22,933 MWh x 1.01 tCO2e/MWh 23,162 tCO2e. The total Scope 1 and 2 emissions in the previous reporting year were 704740 tCO2e. Therefore, the emissions reductions were calculated as 23162 tCO2e / 704740 tCO2e 3.29%.
[Fixed row]

(7.10.2) Are your emissions performance calculations in 7.10 and 7.10.1 based on a location-based Scope 2 emissions figure or a market-based Scope 2 emissions figure?

Select from:

☑ Market-based

(7.12) Are carbon dioxide emissions from biogenic carbon relevant to your organization?

Select from:

☑ No

(7.15) Does your organization break down its Scope 1 emissions by greenhouse gas type?

Select from:

☑ No

(7.16) Break down your total gross global Scope 1 and 2 emissions by country/area.

	Scope 1 emissions (metric tons CO2e)	Scope 2, location-based (metric tons CO2e)	Scope 2, market-based (metric tons CO2e)
South Africa	*66167*	*572874*	*572874*

[Fixed row]

(7.17) Indicate which gross global Scope 1 emissions breakdowns you are able to provide.

Select all that apply

☑ By business division

(7.17.1) Break down your total gross global Scope 1 emissions by business division.

	Business division	Scope 1 emissions (metric ton CO2e)
Row 1	*Telkom SOC*	*3611*
Row 3	*BCX*	*62556*

[Add row]

(7.20) Indicate which gross global Scope 2 emissions breakdowns you are able to provide.

Select all that apply

☑ By business division

(7.20.1) Break down your total gross global Scope 2 emissions by business division.

	Business division	Scope 2, location-based (metric tons CO2e)	Scope 2, market-based (metric tons CO2e)
Row 1	*Telkom SOC*	*562722.3*	*562722.3*
Row 2	*BCX*	*15880.6*	*15880.6*

[Add row]

(7.22) Break down your gross Scope 1 and Scope 2 emissions between your consolidated accounting group and other entities included in your response.

Consolidated accounting group

(7.22.1) Scope 1 emissions (metric tons CO2e)

66167

(7.22.2) Scope 2, location-based emissions (metric tons CO2e)

572874

(7.22.3) Scope 2, market-based emissions (metric tons CO2e)

572874

(7.22.4) Please explain

Telkom utilizes the operational control approach, accounting for 100% of the emissions from operations for which the company is responsible. Our scope 1 and 2 emissions comprise the four business units that we have operational control of namely: 1) Openserve, 2) Telkom Consumer, 3) YEP (which forms part of Telkom Consumer), 3) BCX, and 4) Gyro and Swiftnet (which comprises of masts and towers business and is consolidated in Gyro). Our emissions for these business units are consolidated as follows: Telkom SOC (Consumer, Gyro, and Openserve) and BCX.

All other entities

(7.22.1) Scope 1 emissions (metric tons CO2e)

0

(7.22.2) Scope 2, location-based emissions (metric tons CO2e)

0

(7.22.3) Scope 2, market-based emissions (metric tons CO2e)

0

(7.22.4) Please explain

Telkom does not have any associates, joint ventures, or unconsolidated subsidiaries that it reports in its annual financial statements.
[Fixed row]

(7.23) Is your organization able to break down your emissions data for any of the subsidiaries included in your CDP response?

Select from:
☑ No

(7.26) Allocate your emissions to your customers listed below according to the goods or services you have sold them in this reporting period.

	Requesting member
Row 1	*Select from:*
Row 2	*Select from:*

[Add row]

(7.27) What are the challenges in allocating emissions to different customers, and what would help you to overcome these challenges?

Row 2

(7.27.1) Allocation challenges

Select from:
☑ Diversity of product lines makes accurately accounting for each product/product line cost ineffective
[Add row]

(7.28) Do you plan to develop your capabilities to allocate emissions to your customers in the future?

	Do you plan to develop your capabilities to allocate emissions to your customers in the future?
	Select from: ☑ Yes

[Fixed row]

(7.29) What percentage of your total operational spend in the reporting year was on energy?

Select from:

☑ More than 0% but less than or equal to 5%

(7.30) Select which energy-related activities your organization has undertaken.

	Indicate whether your organization undertook this energy-related activity in the reporting year
Consumption of fuel (excluding feedstocks)	*Select from:* ☑ Yes
Consumption of purchased or acquired electricity	*Select from:* ☑ Yes
Consumption of purchased or acquired heat	*Select from:* ☑ No
Consumption of purchased or acquired steam	*Select from:* ☑ No
Consumption of purchased or acquired cooling	*Select from:*

	Indicate whether your organization undertook this energy-related activity in the reporting year
	☑ No
Generation of electricity, heat, steam, or cooling	*Select from:* ☑ Yes

[Fixed row]

(7.30.1) Report your organization’s energy consumption totals (excluding feedstocks) in MWh.

Consumption of fuel (excluding feedstock)

(7.30.1.1) Heating value

Select from:
☑ LHV (lower heating value)

(7.30.1.2) MWh from renewable sources

0

(7.30.1.3) MWh from non-renewable sources

210783

(7.30.1.4) Total (renewable and non-renewable) MWh

210783

Consumption of purchased or acquired electricity

(7.30.1.1) Heating value

Select from:

☑ Unable to confirm heating value

(7.30.1.2) MWh from renewable sources

0

(7.30.1.3) MWh from non-renewable sources

409393

(7.30.1.4) Total (renewable and non-renewable) MWh

409393

Consumption of self-generated non-fuel renewable energy

(7.30.1.1) Heating value

Select from:

☑ Unable to confirm heating value

(7.30.1.2) MWh from renewable sources

3271

(7.30.1.4) Total (renewable and non-renewable) MWh

3271

Total energy consumption

(7.30.1.1) Heating value

Select from:
☑ Unable to confirm heating value

(7.30.1.2) MWh from renewable sources

3271

(7.30.1.3) MWh from non-renewable sources

620176

(7.30.1.4) Total (renewable and non-renewable) MWh

623447
[Fixed row]

(7.30.6) Select the applications of your organization’s consumption of fuel.

	Indicate whether your organization undertakes this fuel application
Consumption of fuel for the generation of electricity	*Select from:* ☑ Yes
Consumption of fuel for the generation of heat	*Select from:* ☑ Yes
Consumption of fuel for the generation of steam	*Select from:* ☑ No
Consumption of fuel for the generation of cooling	*Select from:* ☑ No

	Indicate whether your organization undertakes this fuel application
Consumption of fuel for co-generation or tri-generation	*Select from:* ☑ No

[Fixed row]

(7.30.7) State how much fuel in MWh your organization has consumed (excluding feedstocks) by fuel type.

Sustainable biomass

(7.30.7.1) Heating value

Select from:
☑ LHV

(7.30.7.2) Total fuel MWh consumed by the organization

0

(7.30.7.3) MWh fuel consumed for self-generation of electricity

0

(7.30.7.4) MWh fuel consumed for self-generation of heat

0

(7.30.7.8) Comment

None.

Other biomass

(7.30.7.1) Heating value

Select from:
☑ LHV

(7.30.7.2) Total fuel MWh consumed by the organization

0

(7.30.7.3) MWh fuel consumed for self-generation of electricity

0

(7.30.7.4) MWh fuel consumed for self-generation of heat

0

(7.30.7.8) Comment

None.

Other renewable fuels (e.g. renewable hydrogen)

(7.30.7.1) Heating value

Select from:
☑ LHV

(7.30.7.2) Total fuel MWh consumed by the organization

0

(7.30.7.3) MWh fuel consumed for self-generation of electricity

0

(7.30.7.4) MWh fuel consumed for self-generation of heat

0

(7.30.7.8) Comment

None.

Coal

(7.30.7.1) Heating value

Select from:
☑ LHV

(7.30.7.2) Total fuel MWh consumed by the organization

0

(7.30.7.3) MWh fuel consumed for self-generation of electricity

0

(7.30.7.4) MWh fuel consumed for self-generation of heat

0

(7.30.7.8) Comment

None.

Oil

(7.30.7.1) Heating value

Select from:
☑ LHV

(7.30.7.2) Total fuel MWh consumed by the organization

0

(7.30.7.3) MWh fuel consumed for self-generation of electricity

0

(7.30.7.4) MWh fuel consumed for self-generation of heat

0

(7.30.7.8) Comment

None.

Gas

(7.30.7.1) Heating value

Select from:
☑ LHV

(7.30.7.2) Total fuel MWh consumed by the organization

0

(7.30.7.3) MWh fuel consumed for self-generation of electricity

0

(7.30.7.4) MWh fuel consumed for self-generation of heat

0

(7.30.7.8) Comment

None.

Other non-renewable fuels (e.g. non-renewable hydrogen)

(7.30.7.1) Heating value

Select from:
☑ LHV

(7.30.7.2) Total fuel MWh consumed by the organization

210783

(7.30.7.3) MWh fuel consumed for self-generation of electricity

156939

(7.30.7.4) MWh fuel consumed for self-generation of heat

53844

(7.30.7.8) Comment

None.

Total fuel

(7.30.7.1) Heating value

Select from:
☑ Unable to confirm heating value

(7.30.7.2) Total fuel MWh consumed by the organization

210783

(7.30.7.3) MWh fuel consumed for self-generation of electricity

156939

(7.30.7.4) MWh fuel consumed for self-generation of heat

53844

(7.30.7.8) Comment

None.
[Fixed row]

(7.30.9) Provide details on the electricity, heat, steam, and cooling your organization has generated and consumed in the reporting year.

Electricity

(7.30.9.1) Total Gross generation (MWh)

160210

(7.30.9.2) Generation that is consumed by the organization (MWh)

160210

(7.30.9.3) Gross generation from renewable sources (MWh)

3271

(7.30.9.4) Generation from renewable sources that is consumed by the organization (MWh)

3271

Heat

(7.30.9.1) Total Gross generation (MWh)

0

(7.30.9.2) Generation that is consumed by the organization (MWh)

0

(7.30.9.3) Gross generation from renewable sources (MWh)

0

(7.30.9.4) Generation from renewable sources that is consumed by the organization (MWh)

0

Steam

(7.30.9.1) Total Gross generation (MWh)

0

(7.30.9.2) Generation that is consumed by the organization (MWh)

0

(7.30.9.3) Gross generation from renewable sources (MWh)

0

(7.30.9.4) Generation from renewable sources that is consumed by the organization (MWh)

0

Cooling

(7.30.9.1) Total Gross generation (MWh)

0

(7.30.9.2) Generation that is consumed by the organization (MWh)

0

(7.30.9.3) Gross generation from renewable sources (MWh)

0

(7.30.9.4) Generation from renewable sources that is consumed by the organization (MWh)

0
[Fixed row]

(7.30.14) Provide details on the electricity, heat, steam, and/or cooling amounts that were accounted for at a zero or near-zero emission factor in the market-based Scope 2 figure reported in 7.7.

Row 1

(7.30.14.1) Country/area

Select from:
☑ South Africa

(7.30.14.2) Sourcing method

Select from:

☑ None (no active purchases of low-carbon electricity, heat, steam or cooling)

(7.30.14.10) Comment

None
[Add row]

(7.30.16) Provide a breakdown by country/area of your electricity/heat/steam/cooling consumption in the reporting year.

South Africa

(7.30.16.1) Consumption of purchased electricity (MWh)

409393

(7.30.16.2) Consumption of self-generated electricity (MWh)

163481

(7.30.16.4) Consumption of purchased heat, steam, and cooling (MWh)

0

(7.30.16.5) Consumption of self-generated heat, steam, and cooling (MWh)

0

(7.30.16.6) Total electricity/heat/steam/cooling energy consumption (MWh)

572874.00
[Fixed row]

(7.45) Describe your gross global combined Scope 1 and 2 emissions for the reporting year in metric tons CO2e per unit currency total revenue and provide any additional intensity metrics that are appropriate to your business operations.

Row 1

(7.45.1) Intensity figure

0.0000147824

(7.45.2) Metric numerator (Gross global combined Scope 1 and 2 emissions, metric tons CO2e)

639041

(7.45.3) Metric denominator

Select from:
☑ unit total revenue

(7.45.4) Metric denominator: Unit total

43230000000

(7.45.5) Scope 2 figure used

Select from:
☑ Location-based

(7.45.6) % change from previous year

9.76

(7.45.7) Direction of change

Select from:
☑ Decreased

(7.45.8) Reasons for change

Select all that apply

☑ Other emissions reduction activities

(7.45.9) Please explain

The implementation of various energy interventions improved the resilience of our mobile and fixed networks and contributed meaningfully to reducing Telkom Group's carbon emissions. We prioritised technologies that maximise energy security and decarbonisation while optimising utility and diesel costs. Scope 1 and 2 emissions decreased by 65 699 tCO2e, a 9% reduction from last year. Our revenue on the other hand increased slightly by 1.6% from FY2023.
[Add row]

(7.52) Provide any additional climate-related metrics relevant to your business.

Row 1

(7.52.1) Description

Select from:

☑ Waste

(7.52.2) Metric value

6458

(7.52.3) Metric numerator

E-waste recycled

(7.52.4) Metric denominator (intensity metric only)

1

(7.52.5) % change from previous year

19

(7.52.6) Direction of change

Select from:

☑ Increased

(7.52.7) Please explain

Our business activities, products, and services lead to high volumes of e-waste, such as batteries, copper cabling, phones, electric equipment, etc. The increased availability, affordability and consumption of electronic products lead to increased volumes of e-waste. This is the largest growing waste stream in South Africa. It is also our most environmentally impactful waste stream, internally and within the value chain. There are significant opportunities for Telkom to decrease its negative impact by recycling end-of-life products, such as SIM cards. In FY2024, we continued to reduce e-waste by implementing practices to reuse, resell, or recycle network waste and other waste generated by our operations. Our e-waste recycling increased by 19% due to our ongoing decommissioning of legacy equipment. Telkom sells copper recovered from recycling processes through a third-party contractor. The contractor is paid for the services when the recovered copper is sold. We sell our cabling to a leading e-waste recycling organisation, which processes the cabling using environmentally and socially responsible techniques (no chemicals or burning). [Add row]

(7.53) Did you have an emissions target that was active in the reporting year?

Select all that apply

☑ Absolute target

(7.53.1) Provide details of your absolute emissions targets and progress made against those targets.

Row 1

(7.53.1.1) Target reference number

Select from:

☑ Abs 1

(7.53.1.2) Is this a science-based target?

Select from:

☑ Yes, and this target has been approved by the Science Based Targets initiative

(7.53.1.3) Science Based Targets initiative official validation letter

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(7.53.1.4) Target ambition

Select from:

☑ 1.5°C aligned

(7.53.1.5) Date target was set

01/19/2022

(7.53.1.6) Target coverage

Select from:

☑ Organization-wide

(7.53.1.7) Greenhouse gases covered by target

Select all that apply

☑ Carbon dioxide (CO2)

(7.53.1.8) Scopes

Select all that apply

☑ Scope 1

☑ Scope 2

☑ Scope 3

(7.53.1.9) Scope 2 accounting method

Select from:

☑ Market-based

(7.53.1.10) Scope 3 categories

Select all that apply

☑ Scope 3, Category 1 – Purchased goods and services

☑ Scope 3, Category 3 – Fuel- and energy- related activities (not included in Scope 1 or 2)

☑ Scope 3, Category 11 – Use of sold products

(7.53.1.11) End date of base year

03/30/2022

(7.53.1.12) Base year Scope 1 emissions covered by target (metric tons CO2e)

55466

(7.53.1.13) Base year Scope 2 emissions covered by target (metric tons CO2e)

797316

(7.53.1.14) Base year Scope 3, Category 1: Purchased goods and services emissions covered by target (metric tons CO2e)

180991

(7.53.1.16) Base year Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) emissions covered by target (metric tons CO2e)

269861

(7.53.1.24) Base year Scope 3, Category 11: Use of sold products emissions covered by target (metric tons CO2e)

1191670

(7.53.1.31) Base year total Scope 3 emissions covered by target (metric tons CO2e)

1642522.000

(7.53.1.32) Total base year emissions covered by target in all selected Scopes (metric tons CO2e)

2495304.000

(7.53.1.33) Base year Scope 1 emissions covered by target as % of total base year emissions in Scope 1

100

(7.53.1.34) Base year Scope 2 emissions covered by target as % of total base year emissions in Scope 2

100

(7.53.1.35) Base year Scope 3, Category 1: Purchased goods and services emissions covered by target as % of total base year emissions in Scope 3, Category 1: Purchased goods and services (metric tons CO2e)

100

(7.53.1.37) Base year Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) emissions covered by target as % of total base year emissions in Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) (metric tons CO2e)

100

(7.53.1.45) Base year Scope 3, Category 11: Use of sold products emissions covered by target as % of total base year emissions in Scope 3, Category 11: Use of sold products (metric tons CO2e)

100

(7.53.1.52) Base year total Scope 3 emissions covered by target as % of total base year emissions in Scope 3 (in all Scope 3 categories)

93

(7.53.1.53) Base year emissions covered by target in all selected Scopes as % of total base year emissions in all selected Scopes

95

(7.53.1.54) End date of target

03/30/2033

(7.53.1.55) Targeted reduction from base year (%)

40

(7.53.1.56) Total emissions at end date of target covered by target in all selected Scopes (metric tons CO2e)

1497182.400

(7.53.1.57) Scope 1 emissions in reporting year covered by target (metric tons CO2e)

66167

(7.53.1.58) Scope 2 emissions in reporting year covered by target (metric tons CO2e)

572874

(7.53.1.59) Scope 3, Category 1: Purchased goods and services emissions in reporting year covered by target (metric tons CO2e)

188647

(7.53.1.61) Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) emissions in reporting year covered by target (metric tons CO2e)

215953

(7.53.1.69) Scope 3, Category 11: Use of sold products emissions in reporting year covered by target (metric tons CO2e)

1200181

(7.53.1.76) Total Scope 3 emissions in reporting year covered by target (metric tons CO2e)

1604781.000

(7.53.1.77) Total emissions in reporting year covered by target in all selected scopes (metric tons CO2e)

2243822.000

(7.53.1.78) Land-related emissions covered by target

Select from:

☑ No, it does not cover any land-related emissions (e.g. non-FLAG SBT)

(7.53.1.79) % of target achieved relative to base year

25.20

(7.53.1.80) Target status in reporting year

Select from:

☑ Underway

(7.53.1.82) Explain target coverage and identify any exclusions

We have committed to reduce our absolute scope 1 and 2 GHG emissions by 54.6% by FY2033 from an FY2022 base year and also reduce our absolute scope 3 GHG emissions from purchased goods and services, fuel and energy-related activities and use of sold products by 32.5% within the same timeframe. This target is company-wide and covers 100% of both our Scope 1 and 2 emissions and 93% of our Scope 3 emissions. We have aligned our annual targets with the Science Based Targets initiative (SBTi) whereby we aim to achieve a 4.2% reduction in GHG emissions annually, to reduce our GHG emissions by 2033. This emissions target forms part of our longer-term goal to reach net zero by 2040, which is aligned with a 1.5C world. Telkom has also implemented energy efficiency initiatives and we have identified additional initiatives in the pipeline, which we believe will help us reach our emissions target, such that the company can achieve net zero emissions for all Scope 1 and 2 emissions by 2040. We have not included any emissions or removals from bioenergy within the target boundary, given that it is not relevant to our business. For Scope 3 emissions, we are currently focusing on our most material contributors which account for 93% of our total Scope 3 profile.

(7.53.1.83) Target objective

We have committed to reduce our absolute scope 1 and 2 GHG emissions by 54.6% by FY2033 from an FY2022 base year and also reduce our absolute scope 3 GHG emissions from purchased goods and services, fuel and energy-related activities and use of sold products by 32.5% within the same timeframe. This target is company-wide and covers 100% of both our Scope 1 and 2 emissions and 93% of our Scope 3 emissions.

(7.53.1.84) Plan for achieving target, and progress made to the end of the reporting year

In order to reduce scope 1 and 2 emissions to reach net zero in 2033, Telkom is looking to action the following initiatives: • Review the carbon footprint and develop baseline data for target setting; • Responsibly advancing energy efficiency and renewable initiatives in a phased manner • Implementing technologies that have a strong business case for achieving energy and emission reductions; and • Preparing financial plans to best manage capital-operational investments and savings in pursuit of this commitment. Telkom has developed a stepped approach to achieve our target. Scope 2 emissions comprise 89% of our emissions profile, therefore in order to reduce our emissions significantly, we need to reduce our Scope 2 emissions. The Telkom Park solar PV plant and the Belville solar PV plant are operational and a 1 MW solar PV plant in Centurion was commissioned in July 2024 and is currently operational. The increased renewable energy sources will help reduce our Scope 2 emissions and contribute to Telkom achieving a net zero status. Telkom is also aiming to migrate from fossil fuels to 50% renewable energy by 2030 and 100% by 2035. We are also migrating from R22 refrigerant gas. Telkom has identified initiatives that will be prioritized in order to reach our target. The initiatives are (inter alia): 1. The installation of LED lights; 2. Make use of renewable energy; 3. Upgrade our infrastructure with the move from copper to fibre cables. 4. Ensure that our operations and infrastructure are sustainable through the development of a 10-year reduction strategy; 5. Single source backup power generators; 6. Installation of smart meters; 7. Mast decommissioning and recovery for potential reuse; and 8. Implement EPC regulation requirements. We anticipate that our progress will be linear, given that we have started to implement emissions reduction initiatives and we have additional initiatives in the pipeline. Further, we expect to align with the SBTi's 4.2% annual reduction of GHG emissions.

(7.53.1.85) Target derived using a sectoral decarbonization approach

Select from:

☑ No

Row 2

(7.53.1.1) Target reference number

Select from:

☑ Abs 2

(7.53.1.2) Is this a science-based target?

Select from:

☑ Yes, and this target has been approved by the Science Based Targets initiative

(7.53.1.3) Science Based Targets initiative official validation letter

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(7.53.1.4) Target ambition

Select from:

☑ 1.5°C aligned

(7.53.1.5) Date target was set

01/19/2022

(7.53.1.6) Target coverage

Select from:

☑ Organization-wide

(7.53.1.7) Greenhouse gases covered by target

Select all that apply

☑ Carbon dioxide (CO2)

(7.53.1.8) Scopes

Select all that apply

☑ Scope 1

☑ Scope 2

☑ Scope 3

(7.53.1.9) Scope 2 accounting method

Select from:

☑ Location-based

(7.53.1.10) Scope 3 categories

Select all that apply

☑ Scope 3, Category 1 – Purchased goods and services

☑ Scope 3, Category 3 – Fuel- and energy- related activities (not included in Scope 1 or 2)

☑ Scope 3, Category 11 – Use of sold products

(7.53.1.11) End date of base year

03/30/2022

(7.53.1.12) Base year Scope 1 emissions covered by target (metric tons CO2e)

55466.0

(7.53.1.13) Base year Scope 2 emissions covered by target (metric tons CO2e)

797316.0

(7.53.1.14) Base year Scope 3, Category 1: Purchased goods and services emissions covered by target (metric tons CO2e)

180991

(7.53.1.16) Base year Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) emissions covered by target (metric tons CO2e)

269861

(7.53.1.24) Base year Scope 3, Category 11: Use of sold products emissions covered by target (metric tons CO2e)

1191670

(7.53.1.31) Base year total Scope 3 emissions covered by target (metric tons CO2e)

1642522.000

(7.53.1.32) Total base year emissions covered by target in all selected Scopes (metric tons CO2e)

2495304.000

(7.53.1.33) Base year Scope 1 emissions covered by target as % of total base year emissions in Scope 1

100.0

(7.53.1.34) Base year Scope 2 emissions covered by target as % of total base year emissions in Scope 2

100.0

(7.53.1.35) Base year Scope 3, Category 1: Purchased goods and services emissions covered by target as % of total base year emissions in Scope 3, Category 1: Purchased goods and services (metric tons CO2e)

100

(7.53.1.37) Base year Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) emissions covered by target as % of total base year emissions in Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) (metric tons CO2e)

100

(7.53.1.45) Base year Scope 3, Category 11: Use of sold products emissions covered by target as % of total base year emissions in Scope 3, Category 11: Use of sold products (metric tons CO2e)

100

(7.53.1.52) Base year total Scope 3 emissions covered by target as % of total base year emissions in Scope 3 (in all Scope 3 categories)

93

(7.53.1.53) Base year emissions covered by target in all selected Scopes as % of total base year emissions in all selected Scopes

95

(7.53.1.54) End date of target

03/30/2040

(7.53.1.55) Targeted reduction from base year (%)

90

(7.53.1.56) Total emissions at end date of target covered by target in all selected Scopes (metric tons CO2e)

249530.400

(7.53.1.57) Scope 1 emissions in reporting year covered by target (metric tons CO2e)

66167

(7.53.1.58) Scope 2 emissions in reporting year covered by target (metric tons CO2e)

572874

(7.53.1.59) Scope 3, Category 1: Purchased goods and services emissions in reporting year covered by target (metric tons CO2e)

188647

(7.53.1.61) Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) emissions in reporting year covered by target (metric tons CO2e)

215953

(7.53.1.69) Scope 3, Category 11: Use of sold products emissions in reporting year covered by target (metric tons CO2e)

1200181

(7.53.1.76) Total Scope 3 emissions in reporting year covered by target (metric tons CO2e)

1604781.000

(7.53.1.77) Total emissions in reporting year covered by target in all selected scopes (metric tons CO2e)

2243822.000

(7.53.1.78) Land-related emissions covered by target

Select from:

☑ No, it does not cover any land-related emissions (e.g. non-FLAG SBT)

(7.53.1.79) % of target achieved relative to base year

11.20

(7.53.1.80) Target status in reporting year

Select from:

☑ Underway

(7.53.1.82) Explain target coverage and identify any exclusions

We have committed to reduce our absolute scope 1 and 2 GHG emissions by 90% by FY2040 from an FY2022 base year and also reduce our absolute scope 3 GHG emissions from purchased goods and services, fuel and energy-related activities and use of sold products by 90% within the same timeframe. This target is company-wide and covers 100% of both our Scope 1 and 2 emissions and 93% of our Scope 3 emissions. We have aligned our annual targets with the Science Based Targets initiative (SBTi) whereby we aim to achieve a 4.2% reduction in GHG emissions annually, to reduce our GHG emissions by 2040. Telkom has also implemented energy efficiency initiatives and we have identified additional initiatives in the pipeline, which we believe will help us reach our emissions target, such that the company can achieve net zero emissions for all Scope 1 and 2 emissions by 2040. We have not included any emissions or removals from bioenergy within the target boundary, given that it is not relevant to our business. For Scope 3 emissions, we are currently focusing on our most material contributors which account for 93% of our total Scope 3 profile.

(7.53.1.83) Target objective

We have committed to reduce our absolute scope 1 and 2 GHG emissions by 54.6% by FY2033 from an FY2022 base year and also reduce our absolute scope 3 GHG emissions from purchased goods and services, fuel and energy-related activities and use of sold products by 32.5% within the same timeframe. This target is company-wide and covers 100% of both our Scope 1 and 2 emissions and 93% of our Scope 3 emissions.

(7.53.1.84) Plan for achieving target, and progress made to the end of the reporting year

In order to reduce scope 1 and 2 emissions to reach net zero in 2035, Telkom is looking to action the following initiatives: • Review the carbon footprint and develop baseline data for target setting; • Responsibly advancing energy efficiency and renewable initiatives in a phased manner • Implementing technologies that have a strong business case for achieving energy and emission reductions; and • Preparing financial plans to best manage capital-operational investments and savings in pursuit of this commitment. Telkom has developed a stepped approach to achieve our target. Scope 2 emissions comprise 89% of our emissions profile, therefore in order to reduce our emissions significantly, we need to reduce our Scope 2 emissions. The Telkom Park solar PV plant and the Belville solar PV plant are operational and a 1 MW solar PV plant in Centurion was commissioned in July 2024 and is currently operational. The increased renewable energy sources will help reduce our Scope 2 emissions and contribute to Telkom achieving a net zero status. Telkom is also aiming to migrate from fossil fuels to 50% renewable energy by 2030 and 100% by 2035. We are also migrating from R22 refrigerant gas. Telkom has identified initiatives that will be prioritised in order to reach our target. The initiatives are (inter alia): 1. The installation of LED lights; 2. Make use of renewable energy; 3. Upgrade our infrastructure with the move from copper to fibre cables; 4. Ensure that our operations and infrastructure are sustainable through the development of a 10-year reduction strategy; 5. Single source backup power generators; 6. Installation of smart meters; 7. Mast decommissioning and recovery for potential reuse; and 8. Implement EPC regulation requirements. We anticipate that our progress will be linear, given that we have started to implement emissions reduction initiatives and we have additional initiatives in the pipeline. Further, we expect to align with the SBTi's 4.2% annual reduction of GHG emissions.

(7.53.1.85) Target derived using a sectoral decarbonization approach

Select from:

☑ No

[Add row]

(7.54) Did you have any other climate-related targets that were active in the reporting year?

Select all that apply

☑ Other climate-related targets

(7.54.2) Provide details of any other climate-related targets, including methane reduction targets.

Row 1

(7.54.2.1) Target reference number

Select from:

☑ Oth 1

(7.54.2.2) Date target was set

01/19/2016

(7.54.2.3) Target coverage

Select from:

☑ Organization-wide

(7.54.2.4) Target type: absolute or intensity

Select from:

☑ Absolute

(7.54.2.5) Target type: category & Metric (target numerator if reporting an intensity target)

Resource consumption or efficiency

☑ Other resource consumption or efficiency, please specify **:**Tonne R-22 Refrigerant Installed

(7.54.2.7) End date of base year

03/30/2016

(7.54.2.8) Figure or percentage in base year

97

(7.54.2.9) End date of target

03/30/2025

(7.54.2.10) Figure or percentage at end of date of target

32.5

(7.54.2.11) Figure or percentage in reporting year

33.7

(7.54.2.12) % of target achieved relative to base year

98.1395348837

(7.54.2.13) Target status in reporting year

Select from:

☑ Underway

(7.54.2.15) Is this target part of an emissions target?

No.

(7.54.2.16) Is this target part of an overarching initiative?

Select all that apply

☑ Other, please specify **:**Montreal Protocol

(7.54.2.18) Please explain target coverage and identify any exclusions

Telkom owns and operates a large air conditioning portfolio, and many of the systems contain R-22 refrigerant. R-22 is an ozone-depleting substance and has been outlawed by the Montreal Protocol, to which South Africa agreed. Consequently, a law was passed (Government Gazette 37621 of 8 May 2014) requiring the reduction of the organisation's HCFC base, of which R-22 is a listed substance, in three phases over 14 years until the gases have been mostly removed. This target will help Telkom achieve our 2035 absolute emissions target, as well as our 2040 net zero emissions.

(7.54.2.19) Target objective

Reduce our R-22 gas consumption to 32.5% of baseline consumption.

(7.54.2.20) Plan for achieving target, and progress made to the end of the reporting year

According to the regulations, the following phase-out schedule for HCFC with 2016 being the baseline year was stipulated: • 1 Jan 2016 to 31 Dec 2020: reduce to 65% of baseline consumption • 1 Jan 2021 to 31 Dec 2025: reduce to 32.5% of baseline consumption • Jan 2026 to 31 Dec 2030: reduce to 2.5% of baseline consumption The upgrades and disposals have reduced the R-22 install base from the 2016 baseline of 97 tons to 33.7 tons as of June 2024. Since 2016 Telkom has had numerous upgrades and has disposed of several properties. A proactive R-22 reduction program is in place to ensure that the required targets are met. To reach the next target date of 2025, Telkom must reduce R-22 gas by a further 7.5 tonnes. This reduction will be achieved by additional decommissioning sites planned in the next year and the budget allocated to replace old HVAC equipment.

Row 2

(7.54.2.1) Target reference number

Select from:

☑ Oth 2

(7.54.2.2) Date target was set

01/19/2016

(7.54.2.3) Target coverage

Select from:

☑ Organization-wide

(7.54.2.4) Target type: absolute or intensity

Select from:

☑ Absolute

(7.54.2.5) Target type: category & Metric (target numerator if reporting an intensity target)

Resource consumption or efficiency

☑ Other resource consumption or efficiency, please specify **:**Tonne R-22 Refrigerant Installed

(7.54.2.7) End date of base year

03/30/2016

(7.54.2.8) Figure or percentage in base year

97.0

(7.54.2.9) End date of target

03/30/2030

(7.54.2.10) Figure or percentage at end of date of target

2.4

(7.54.2.11) Figure or percentage in reporting year

33.7

(7.54.2.12) % of target achieved relative to base year

66.9133192389

(7.54.2.13) Target status in reporting year

Select from:
☑ Underway

(7.54.2.15) Is this target part of an emissions target?

No

(7.54.2.16) Is this target part of an overarching initiative?

Select all that apply

☑ Other, please specify :Montreal Protocol

(7.54.2.18) Please explain target coverage and identify any exclusions

Telkom owns and operates a large air conditioning portfolio, and many of the systems contain R-22 refrigerant. R-22 is an ozone-depleting substance and has been outlawed by the Montreal Protocol, to which South Africa agreed. Consequently, a law was passed (Government Gazette 37621 of 8 May 2014) requiring the reduction of the organisation's HCFC base, of which R-22 is a listed substance, in three phases over 14 years until the gases have been mostly removed. This target will help Telkom achieve our 2035 absolute emissions target, as well as our 2040 net zero emissions.

(7.54.2.19) Target objective

Reduce our R-22 gas consumption to 2.4% of baseline consumption

(7.54.2.20) Plan for achieving target, and progress made to the end of the reporting year

According to the regulations, the following phase-out schedule for HCFC with 2016 being the baseline year was stipulated: • 1 Jan 2016 to 31 Dec 2020: reduce to 65% of baseline consumption • 1 Jan 2021 to 31 Dec 2025: reduce to 32.5% of baseline consumption • Jan 2026 to 31 Dec 2030: reduce to 2.5% of baseline consumption The upgrades and disposals have reduced the R-22 install base from the 2016 baseline of 97 tons to 33.7 tons as of June 2024. Since 2016 Telkom has had numerous upgrades and has disposed of several properties. A proactive R-22 reduction program is in place to ensure that the required targets are met. To reach the next target date of 2025, Telkom must reduce R-22 gas by a further 29.1 tonnes. This reduction will be achieved by additional decommissioning sites and the budget allocated to replace old HVAC equipment.
[Add row]

(7.55) Did you have emissions reduction initiatives that were active within the reporting year? Note that this can include those in the planning and/or implementation phases.

Select from:

☑ Yes

(7.55.1) Identify the total number of initiatives at each stage of development, and for those in the implementation stages, the estimated CO2e savings.

	Number of initiatives	Total estimated annual CO2e savings in metric tonnes CO2e (only for rows marked *)
Under investigation	*0*	*`Numeric input*
To be implemented	*0*	*0*
Implementation commenced	*0*	*0*
Implemented	*3*	*13214*
Not to be implemented	*0*	*`Numeric input*

[Fixed row]

(7.55.2) Provide details on the initiatives implemented in the reporting year in the table below.

Row 1

(7.55.2.1) Initiative category & Initiative type

Low-carbon energy generation

☑ Solar PV

(7.55.2.2) Estimated annual CO2e savings (metric tonnes CO2e)

3303

(7.55.2.3) Scope(s) or Scope 3 category(ies) where emissions savings occur

Select all that apply

☑ Scope 2 (location-based)

(7.55.2.4) Voluntary/Mandatory

Select from:

☑ Voluntary

(7.55.2.5) Annual monetary savings (unit currency – as specified in C0.4)

4906134

(7.55.2.6) Investment required (unit currency – as specified in C0.4)

112260277

(7.55.2.7) Payback period

Select from:

☑ 4-10 years

(7.55.2.8) Estimated lifetime of the initiative

Select from:

☑ Ongoing

(7.55.2.9) Comment

Telkom Park 3MW and Bellville 168 kWp solar PV plants are already fully functional. Our Telkom Park's 1 MW solar PV project was commissioned in July 2024 and is currently operational.

Row 2

(7.55.2.1) Initiative category & Initiative type

Low-carbon energy generation

☑ Other, please specify **:**Lithium-ion batteries

(7.55.2.2) Estimated annual CO2e savings (metric tonnes CO2e)

6465

(7.55.2.3) Scope(s) or Scope 3 category(ies) where emissions savings occur

Select all that apply

☑ Scope 1

(7.55.2.4) Voluntary/Mandatory

Select from:

☑ Voluntary

(7.55.2.5) Annual monetary savings (unit currency – as specified in C0.4)

77093865

(7.55.2.6) Investment required (unit currency – as specified in C0.4)

133800000

(7.55.2.7) Payback period

Select from:

☑ 4-10 years

(7.55.2.8) Estimated lifetime of the initiative

Select from:

☑ Ongoing

(7.55.2.9) Comment

To address the impact of load-shedding, we replaced over 5 688 lead batteries with lithium-ion batteries and repaired more than 1 606 sites as part of our efforts to restore services and maintain network resilience. The LED batteries resulted in generator diesel reduction.

Row 3

(7.55.2.1) Initiative category & Initiative type

Energy efficiency in buildings

☑ Lighting

(7.55.2.2) Estimated annual CO2e savings (metric tonnes CO2e)

3445

(7.55.2.3) Scope(s) or Scope 3 category(ies) where emissions savings occur

Select all that apply

☑ Scope 2 (location-based)

(7.55.2.4) Voluntary/Mandatory

Select from:

☑ Voluntary

(7.55.2.5) Annual monetary savings (unit currency – as specified in C0.4)

5387030

(7.55.2.6) Investment required (unit currency – as specified in C0.4)

23008661

(7.55.2.7) Payback period

Select from:

☑ 4-10 years

(7.55.2.8) Estimated lifetime of the initiative

Select from:
☑ Ongoing

(7.55.2.9) Comment

Telkom implemented LED lighting at Belville, Telkom Park and 104 sites.
[Add row]

(7.55.3) What methods do you use to drive investment in emissions reduction activities?

Row 1

(7.55.3.1) Method

Select from:
☑ Compliance with regulatory requirements/standards

(7.55.3.2) Comment

None.

Row 2

(7.55.3.1) Method

Select from:
☑ Dedicated budget for energy efficiency

(7.55.3.2) Comment

None.

Row 3

(7.55.3.1) Method

Select from:

☑ Dedicated budget for other emissions reduction activities

(7.55.3.2) Comment

None.
[Add row]

(7.73) Are you providing product level data for your organization's goods or services?

Select from:

☑ No, I am not providing data

(7.74) Do you classify any of your existing goods and/or services as low-carbon products?

Select from:

☑ Yes

(7.74.1) Provide details of your products and/or services that you classify as low-carbon products.

Row 1

(7.74.1.1) Level of aggregation

Select from:

☑ Group of products or services

(7.74.1.2) Taxonomy used to classify product(s) or service(s) as low-carbon

Select from:

☑ No taxonomy used to classify product(s) or service(s) as low carbon

(7.74.1.3) Type of product(s) or service(s)

Other

☑ Other, please specify **:**Data Telecommuting Teleconferencing

(7.74.1.4) Description of product(s) or service(s)

We provide several services; such as data, telecommuting, and teleconferencing software and services to our clients, enabling our clients and customers to reduce their emissions related to travel and information sharing. Fixed and mobile videoconferencing allows for reduced air and ground travel, allowing customers to reduce their business and private travel. Additionally, our services allow our customers to work from home, reducing travel frequency from work to home. Thus, we, Telkom, have enabled the reduction of Scope 1 emissions by providing videoconferencing services to our clients to connect them and enable employees to work in different regions and offices. The shift to remote work reduced travel for both our customers and employees, while also decreasing reliance on physical document delivery through postal and courier services. Our robust network infrastructure supports the international and domestic transfer of large datasets. As a result, the demand for paper-based information has significantly declined. While we have not quantified the exact emissions reduction, it is clear that our digital services have contributed to a decrease in carbon footprint by minimizing travel and paper consumption.

(7.74.1.5) Have you estimated the avoided emissions of this low-carbon product(s) or service(s)

Select from:

☑ No

(7.74.1.13) Revenue generated from low-carbon product(s) or service(s) as % of total revenue in the reporting year

6

[Add row]

(7.79) Has your organization canceled any project-based carbon credits within the reporting year?

Select from:

☑ No

C11. Environmental performance - Biodiversity

(11.2) What actions has your organization taken in the reporting year to progress your biodiversity-related commitments?

	Actions taken in the reporting period to progress your biodiversity-related commitments
	Select from: ☑ No, we are not taking any actions to progress our biodiversity-related commitments, but we plan to within the next two years

[Fixed row]

(11.3) Does your organization use biodiversity indicators to monitor performance across its activities?

	Does your organization use indicators to monitor biodiversity performance?
	Select from: ☑ No

[Fixed row]

(11.4) Does your organization have activities located in or near to areas important for biodiversity in the reporting year?

	Indicate whether any of your organization's activities are located in or near to this type of area important for biodiversity	Comment
Legally protected areas	*Select from:* ☑ Not assessed	*None*
UNESCO World Heritage sites	*Select from:* ☑ Not assessed	*None*
UNESCO Man and the Biosphere Reserves	*Select from:* ☑ Not assessed	*None*
Ramsar sites	*Select from:* ☑ Not assessed	*None*
Key Biodiversity Areas	*Select from:* ☑ Not assessed	*None*
Other areas important for biodiversity	*Select from:* ☑ Not assessed	*None*

[Fixed row]

C13. Further information & sign off

(13.1) Indicate if any environmental information included in your CDP response (not already reported in 7.9.1/2/3, 8.9.1/2/3/4, and 9.3.2) is verified and/or assured by a third party?

(13.1.1) Other environmental information included in your CDP response is verified and/or assured by a third party

Select from:

☑ No, but we plan to obtain third-party verification/assurance of other environmental information in our CDP response within the next two years

(13.1.2) Primary reason why other environmental information included in your CDP response is not verified and/or assured by a third party

Select from:

☑ Other, please specify **:**Scope 3 baseline refinement

(13.1.3) Explain why other environmental information included in your CDP response is not verified and/or assured by a third party

Telkom has refined its Scope 3 calculation methodology with the use of a carbon accounting platform that considers both local and international standards. As such, we have restated our FY2022 baseline emissions. Cognizant of the complexities associated with Scope 3 emissions, we will keep improving our methodology as we evolve, while adhering to the requirements of the SBTi. Further, we aim to assure our Scope 3 emissions in FY2025.
[Fixed row]

(13.2) Use this field to provide any additional information or context that you feel is relevant to your organization's response. Please note that this field is optional and is not scored.

	Additional information	Attachment (optional)
	None	*telkom-integrated-report-2024 (6).pdf*

[Fixed row]

(13.3) Provide the following information for the person that has signed off (approved) your CDP response.

(13.3.1) Job title

Group executive - Investor relations

(13.3.2) Corresponding job category

Select from:

☑ Other C-Suite Officer

[Fixed row]