



Telkom

Telkom SA SOC Ltd

GHG Emissions Reporting Methodology

For the year ended
31 March 2026

Seamlessly connecting
our customers to a better life

Our approach

Telkom is committed to transparent and credible reporting of its greenhouse gas (GHG) emissions as part of its broader sustainability strategy. The Group applies a structured and consistent methodology to quantify, manage, and report emissions across its operations and value chain.

The Group's reporting approach is guided by the Greenhouse Gas Protocol (GHG Protocol) and is progressively being aligned with the requirements of IFRS S1 and IFRS S2. This alignment supports compliance with evolving global climate-related disclosure requirements and enables informed decision-making by the business and its stakeholders.

Accordingly, Telkom has restated its Scope 3 emissions to reflect the following methodological refinements:

- The adoption of an enhanced reporting methodology for Category 1 (Purchased Goods and Services), transitioning from a predominantly spend-based approach to the use of average-data and product-specific emission factors where these are available. This approach provides a more accurate representation of emissions, as spend-based methodologies tend to overestimate emissions

- The refinement of the spend-based methodology used to calculate the balance of Category 1 (Purchased Goods and Services) and Category 2 (Capital Goods) emissions. Expenditure is classified using the North American Industry Classification System (NAICS) and matched to the relevant EXIOBASE emission factors. This approach improves accuracy by applying more representative emission factors to specific categories of goods and services, rather than relying on generic spend-based emission factors
- Further refinements to the accounting of emissions associated with Category 11 (Use of Sold Products). Previously, these emissions represented approximately 70% of the Group's Scope 3 emissions and now account for 3%, as only use-phase emissions are reported under Category 11, while cradle-to-gate emissions are accounted for under Category 1. As a result, a significant portion of emissions previously reported under Category 11 has been reallocated to Category 1

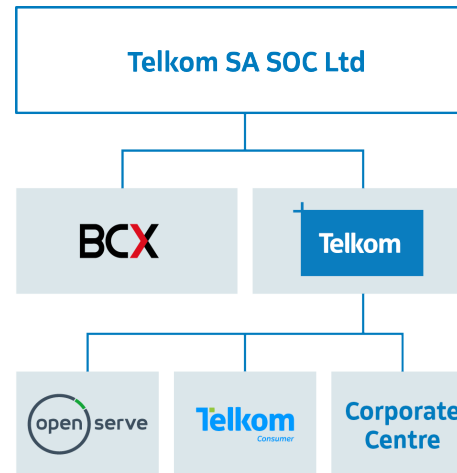
These refinements to the Scope 3 reporting methodology resulted in a 45% reduction in previously reported emissions, reflecting improved accuracy in emissions quantification and categorisation. Following the restatement, the Group's material Scope 3 emissions comprise Categories 1, 2, 3 and 13, which collectively account for 94% of Telkom's Scope 3 carbon footprint.

The Group's GHG emissions are reported in tonnes of carbon dioxide equivalent (tCO₂e) and are prepared in accordance with the guidance of the GHG Protocol.

Organisational boundary

The organisational boundary is the consolidation approach by which an organisation chooses to account for its GHG emissions. Telkom applies the operational control approach and reports emissions from operations over which the Group has the authority to implement operational policies.

This includes the following business units: Corporate Centre, Openserve, Telkom Consumer and BCX.

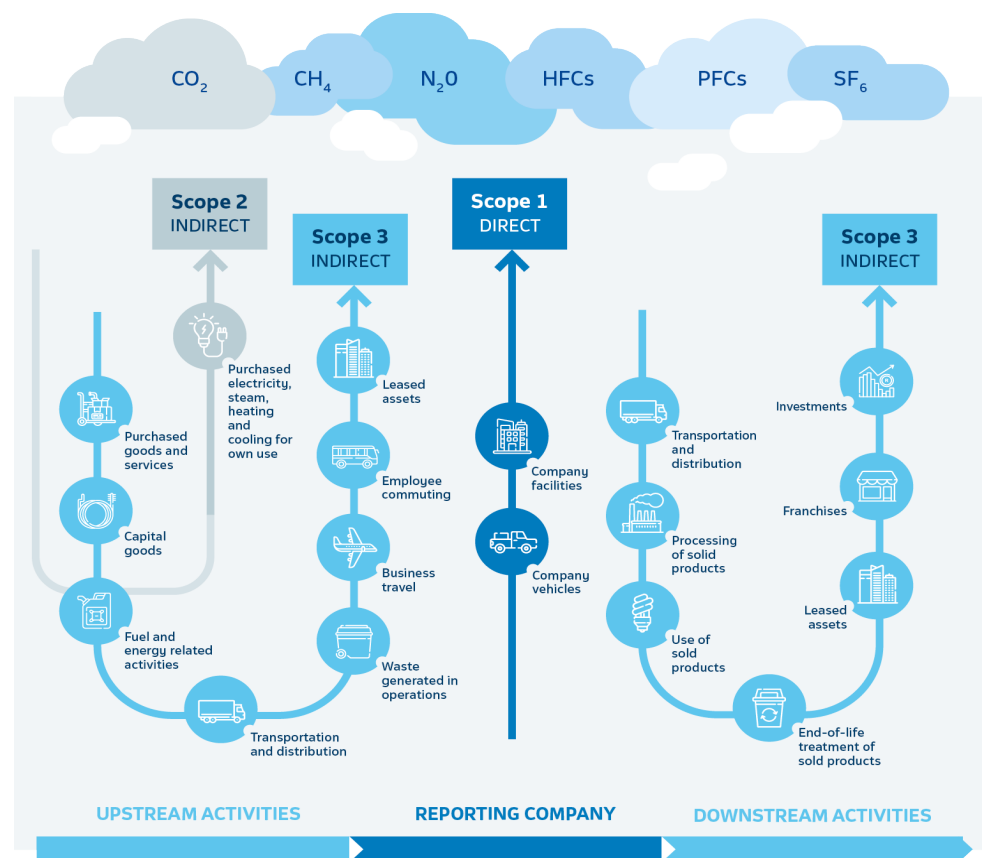


Operational boundary

The Group's emissions boundary is defined in accordance with the GHG Protocol and comprises the following emission sources:

- Scope 1: Direct emissions from owned or controlled sources
- Scope 2: Indirect emissions from purchased electricity
- Scope 3: Other indirect emissions occurring across the value chain

Telkom applies the operational control approach in defining its GHG emissions boundary. Scope 1 and Scope 2 emissions reported in our disclosures relate to the Group's South African operations. BCX's international operations are excluded due to their immaterial contribution to the Group's emissions. Based on available data, the inclusion of BCX's international operations would have increased the reported Scope 1 and Scope 2 emissions by approximately 0.2%, which management considers immaterial for reporting purposes.



Source: Greenhouse Gas Protocol

Telkom reports on all emissions within its defined operational boundary. BCX's international operations, which contribute approximately 1% to the Group's Scope 3 Category 1 (Purchased Goods and Services) emissions, have been excluded from the boundary on the basis of immateriality, given their negligible contribution to the overall GHG inventory. This approach aligns with the requirements of the Science Based Targets initiative (SBTi) and industry practice, while supporting a comprehensive and representative assessment of Telkom's carbon footprint. In addition, Scope 3 Category 8 (Upstream Leased Assets), Category 9 (Downstream Transportation and Distribution) and Category 10 (Processing of Sold Products) have been excluded from the inventory, as they are not relevant to Telkom's business operations.

Science-based targets and net-zero commitment

Telkom's GHG emissions reduction targets were validated and approved by the SBTi in 2024. The targets are aligned with climate science and global efforts to limit global warming to 1.5°C in line with the Paris Agreement. Telkom has committed to the following science-based targets:

Overall net-zero target

Telkom SA SOC Ltd commits to achieving net-zero GHG emissions across its value chain by FY2040.

Near-term targets

Telkom SA SOC Ltd commits to:

- Reduce absolute Scope 1 and Scope 2 GHG emissions by 54.6% by FY2033 from a FY2022 base year
- Reduce absolute Scope 3 GHG emissions from purchased goods and services, fuel- and energy-related activities, and use of sold products by 32.5% over the same timeframe

Long-term targets

Telkom SA SOC Ltd commits to:

- Reduce absolute Scope 1 and Scope 2 GHG emissions by 90% by FY2040 from a FY2022 base year
- Reduce absolute Scope 3 GHG emissions from purchased goods and services, fuel- and energy-related activities, and use of sold products by 90% over the same timeframe

Data management and systems

Emissions data is sourced from across the organisation and includes fuel consumption, electricity usage, refrigerants, waste, water, and procurement-related data.

The data for our Scope 1 and Scope 2 emissions is collected quarterly, while Scope 3 data is consolidated annually. The data used in the Group's emissions calculations is subject to internal review and assurance processes prior to disclosure in Telkom's integrated and sustainability reports.

Data governance

GHG emissions reporting is co-ordinated by the Group's sustainability function, with support from the business units. Data is collected, validated, and consolidated through structured processes and reviewed prior to disclosure.

Scope 1 emissions

Scope 1 emissions arise from Telkom's direct operations and are associated with:

- **Stationary combustion:** Fuel consumption in generators at Telkom-owned and leased facilities
- **Mobile combustion:** Fuel use in both company-owned and leased vehicles
- **Fugitive emissions:** Refrigerant leakage from cooling and air conditioning systems

Scope 1 GHG emissions were calculated based on the Group's fossil fuel consumption during the reporting period, including diesel and petrol used for stationary and mobile combustion sources. These emissions reflect the operational footprint associated with the Group's infrastructure and vehicle fleet. Fuel consumption data was obtained from Telkom's utilities management system and supporting supplier invoices. Fugitive emissions were calculated using the quantities of refrigerants procured during the reporting period, based on invoice data. Emissions were quantified using internationally recognised emission factors published by the Department for Environment, Food & Rural Affairs (DEFRA) of the United Kingdom (UK) government.

Scope 2 emissions

Scope 2 GHG emissions comprise indirect emissions associated with purchased electricity consumed across Telkom's network infrastructure, data centres, and office facilities. Scope 2 emissions were calculated using electricity consumption data derived from utility invoices and meter readings. The Group applies the location-based method for Scope 2 reporting, using emission factors published by the Department of Forestry, Fisheries and the Environment (DFFE). This approach reflects the emissions associated with electricity procured from the national grid through Eskom.

Scope 3 emissions (value chain emissions)

Scope 3 GHG emissions comprise indirect emissions from Telkom's upstream and downstream value chain activities. These emissions represent the largest component of the Group's total carbon footprint. Scope 3 emissions are calculated in accordance with the GHG Protocol Corporate Value Chain (Scope 3) Standard, using a combination of activity-based data and secondary emission factors depending on category requirements.

Scope 3 category selection is based on the applicability of each category to the Group's operations. Scope 3 emissions comprise 15 categories, of which 12 are relevant to Telkom's operations and are reported accordingly. Scope 3 emissions are subject to a higher degree of estimation uncertainty due to the use of assumptions and proxy data in certain categories. The Group continues to enhance the completeness and accuracy of its Scope 3 emissions inventory over time.

The Group reports Scope 3 emissions across Categories 1, 2, 3, 4, 5, 6, 7, 11, 12, 13, 14 and 15.

Upstream emissions	
Category 1: Purchased Goods and Services	Purchased goods and services include all upstream (cradle-to-gate) emissions associated with the production of goods and services procured by Telkom during the reporting year. Emissions are calculated using a hybrid methodology incorporating average-data, product-specific, and spend-based emission factors. SAP procurement spend data is used for categories where product-specific emission factors are not available. Spend data is classified according to relevant sub-industry categories and mapped to the NAICS, against which emission factors derived from EXIOBASE are applied. Where applicable, product-specific and average-data emission factors are used in preference to spend-based factors to improve the accuracy and granularity of the calculation.
Category 2: Capital Goods	Capital goods include upstream (cradle-to-gate) emissions associated with infrastructure assets, such as network equipment, fibre, and other capital investments acquired by Telkom during the reporting year. Emissions are calculated using a spend-based input-output methodology. Capital expenditure data from SAP is mapped to relevant NAICS categories and linked to emission factors derived from EXIOBASE to estimate associated embodied emissions.
Category 3: Fuel- and Energy-Related Activities	Fuel- and energy-related activities include emissions associated with the extraction, production and transportation of fuels and energy consumed by Telkom, as well as transmission and distribution losses occurring during the reporting year that are not included in Scope 1 or Scope 2 emissions. Telkom applies the International Energy Agency (IEA) and the UK DEFRA emission factors to quantify emissions in this category. The following emissions are included: - Upstream emissions of purchased fuels (diesel and petrol): Emissions associated with the extraction, production and transportation of fuels consumed by Telkom. Data for the calculation is sourced from Telkom's utility management system - Upstream emissions of purchased electricity: Emissions associated with the extraction, production and transportation of fuels used in the generation of purchased electricity, excluding combustion emissions already accounted for under Scope 2. Data for the calculation is sourced from meter readings and utility invoices - Transmission and distribution losses: Emissions associated with energy losses occurring during the transmission and distribution of electricity from generation to Telkom's operational sites. Data used in the calculation is sourced from meter readings and utility invoices



Upstream emissions (continued)

Category 4: Upstream Transportation and Distribution	Upstream transportation and distribution include all emissions associated with: - Transportation and distribution of products purchased during the reporting year between Telkom's suppliers and its operations, using transportation modes not owned or operated by the Group - Third-party transportation and distribution services purchased by Telkom during the reporting year, including inbound and outbound logistics, as well as inter-facility transportation and distribution between Telkom's own facilities Emissions are calculated using a spend-based input-output methodology aligned with the NAICS. Expenditure on courier and logistics services derived from SAP is mapped to relevant NAICS categories, with emission factors derived from EXIOBASE to estimate associated emissions. For electronic products procured and distributed, emissions are calculated using product quantities derived from SAP, to which either average-data or supplier-specific emission factors are applied to estimate associated emissions for the reporting period.
Category 5: Waste Generated in Operations	This category includes emissions associated with the disposal and treatment of general waste, wastewater and electronic waste generated across Telkom's operations. Emissions are calculated using waste-type-specific emission factors applied to reported waste quantities. Emission factors include those published by the UK DEFRA for general waste and wastewater treatment, and the United States Environmental Protection Agency for electronic waste recycling.
Category 6: Business Travel	Business travel emissions account for GHG emissions resulting from employee travel for business-related activities using transport services and accommodation not owned or operated by Telkom. The following sources of business travel emissions are included: - Air travel - Hotel accommodation - Car rental and e-hailing services Emissions are calculated using activity-based methodologies. Air travel and car rental emissions are calculated using distance travelled (kilometres) as the activity data. Hotel accommodation emissions are calculated using the number of overnight stays. Emission factors published by the UK DEFRA are applied across all subcategories using activity data derived from Telkom's travel management system.
Category 7: Employee Commuting	This category includes emissions from employee commuting between home and the workplace, as well as emissions associated with remote working. Emissions are estimated using workforce data from SAP and assumptions regarding commuting patterns, including travel distances, transport modes, and the number of employees working remotely. These inputs are used to derive activity data representing overall employee commuting and remote working activity. The UK DEFRA emission factors are then applied to the derived activity data to calculate emissions.

**Downstream emissions**

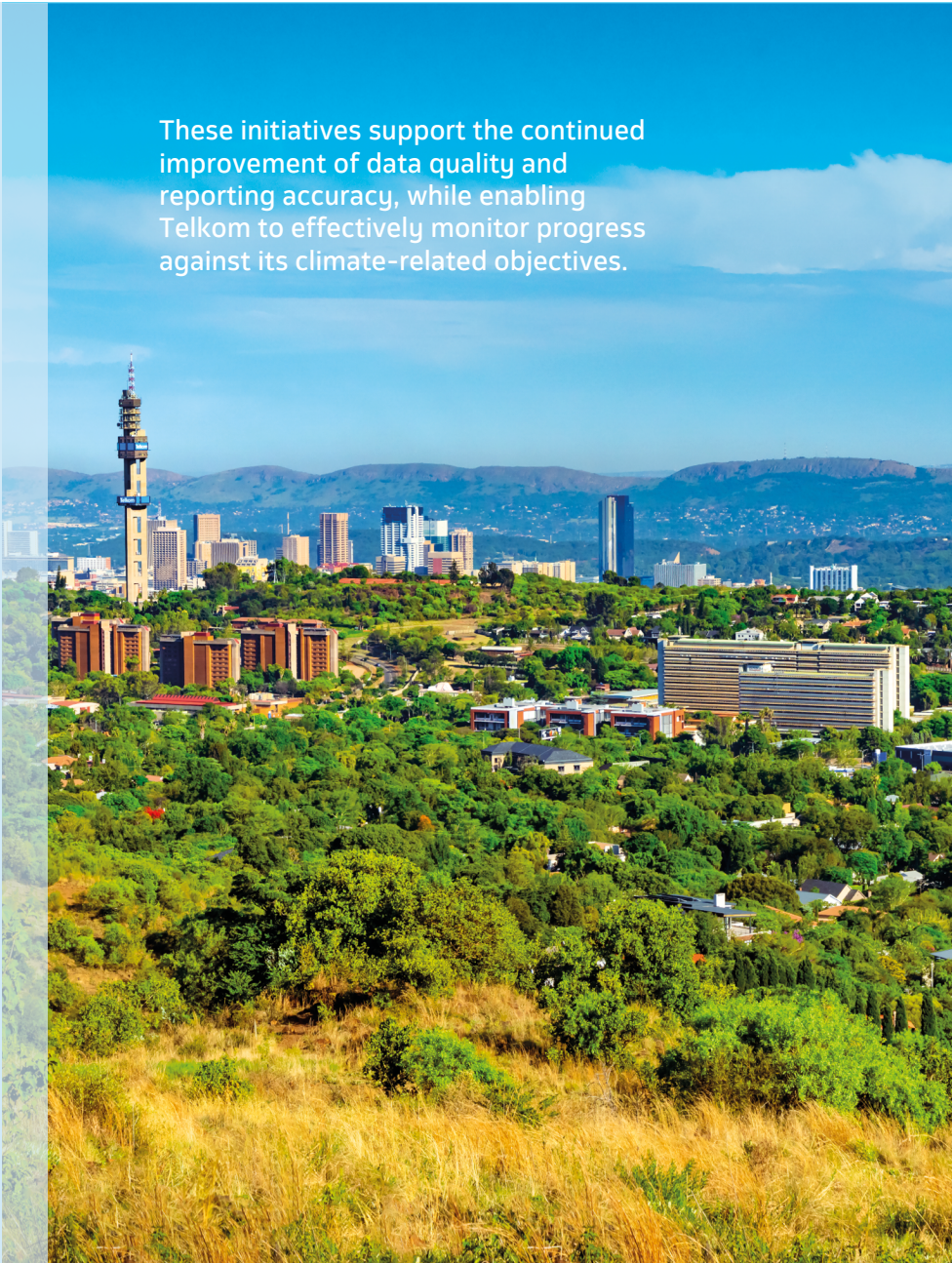
Category 11: Use of Sold Products	Emissions associated with the use of electronic devices sold by Telkom, including mobile phones, routers, smartwatches and network equipment, are included in this category. Emissions are calculated based on estimated use-phase emissions over the expected lifetime of the products. Calculation inputs include the number and type of devices sold during the reporting year, with data derived from SAP. An average-data or product-specific emission factor is then applied to estimate associated emissions.
Category 12: End-of-Life Treatment of Sold Products	Emissions associated with the disposal and treatment of products once they have reached their end of life are included in this category. A conservative assumption is applied whereby all disposed products are assumed to be treated as landfill waste. Emissions are calculated using the quantity and type of devices sold during the reporting year, with data derived from SAP. An average-data or product-specific emission factor is then applied to estimate associated end-of-life emissions.
Category 13: Downstream Leased Assets	Emissions associated with electricity consumed by assets owned by Telkom and leased to third parties are included in this category, where such emissions are not included within the Group's Scope 1 and Scope 2 inventories. Emissions are calculated using electricity consumption data derived from meter readings and utility invoices for leased assets. Emission factors published by the DFFE are applied to the electricity consumption data to calculate associated emissions.
Category 14: Franchises	This category includes emissions associated with retail franchise stores that are not under Telkom's operational control and are therefore excluded from the Group's Scope 1 and Scope 2 emissions inventories. Emissions are calculated using electricity consumption data derived from franchise store utility invoices. Emission factors published by the DFFE are applied to the electricity consumption data to calculate associated emissions.
Category 15: Investments	Financed emissions associated with Telkom's business loans and equity investments through the FutureMakers Programme are included in this category. Emissions are calculated in accordance with the Partnership for Carbon Accounting Financials methodology. Attribution factors associated with loans and equity investments are applied to determine Telkom's proportional share of investee GHG emissions related to financed activities.

Continuous improvement

Telkom recognises that carbon accounting methodologies and reporting practices continue to evolve. The Group remains committed to strengthening its emissions reporting processes through:

- Improved data collection and system integration
- Increased use of primary and supplier-specific data
- Enhanced engagement across the value chain

These initiatives support the continued improvement of data quality and reporting accuracy, while enabling Telkom to effectively monitor progress against its climate-related objectives.



Abbreviations

CH ₄	methane
CO ₂	carbon dioxide
DEFRA	Department for Environment, Food & Rural Affairs
DFFE	Department of Forestry, Fisheries and the Environment
EXIOBASE	A global database that links economic activities to environmental impacts, providing emission factors for estimating the greenhouse gas emissions associated with goods and services.
GHG	greenhouse gas
GHG Protocol	Greenhouse Gas Protocol
HFCs	hydrofluorocarbons
IEA	International Energy Agency
NAICS	North American Industry Classification System
N ₂ O	nitrous oxide
PFCs	perfluorocarbons
SBTi	Science Based Targets initiative
SF ₆	sulphur hexafluoride
tCO ₂ e	tonnes of carbon dioxide equivalent
UK	United Kingdom

Telkom



BCX