Telkom SA SOC Ltd

Sustainability Report

For the year ended 31 March 2026

Seamlessly connecting our customers to a better life

Telkom's reporting suite

Welcome to the first sustainability report of Telkom SA SOC Ltd (Telkom or the Group) for the financial year ended 31 March 2026 (FY2026 or the year).

The report demonstrates the Group's commitment to transparent, responsible and sustainable business practices. It offers stakeholders a balanced view of our sustainability and climate-related impacts, risks and opportunities.
The report should be read together with our integrated report and information available on our website: https://group.telkom.co.za/ir/

		Sustainability reporting	Financial information	Governance and remuneration reporting	Risk management and assurance	Shareholder information
						
Reporting elements	Integrated report	Sustainability report GHG emissions reporting methodology CDP climate change report Telkom Foundation annual report	Annual financial statements (AFS) Annual results booklet Annual results presentation	Remuneration report Application of King IV principles Board charter and Committee terms of reference Governance policies and declarations	Enterprise risk management policy Independent assurance statement on selected non-financial KPIs	Notice of annual general meeting (AGM) Form of proxy
Purpose and audience	The integrated report is Telkom's primary communication to stakeholders. It provides a holistic overview of the Group's operating context, strategy, business model, governance, risks, opportunities and prospects. It explains how Telkom creates, preserves or erodes value over the short, medium and long term through the effective use of the six capitals. The report also summarises the Group's financial and non-financial performance and highlights how our activities impact the economy, society and the environment.	Our inaugural sustainability report provides stakeholders with detailed disclosures related to Telkom's environmental, social and governance (ESG) performance. These include the Sustainability Strategy, material topics, climate-related risks and opportunities, and progress against key commitments. Telkom also participates in the CDP. Our report provides detailed information on climate governance, emissions, and climate risk management. The Telkom Foundation annual report highlights social investment programmes and contributions to community development and digital inclusion.	These reports provide detailed information on Telkom's financial performance and financial position for the reporting period. The AFS present the Group's audited financial results. The results announcement and presentation provide a concise summary of the Group's operational and financial performance and are primarily intended to support engagement with investors, analysts and other capital market participants.	Stakeholders can find detailed disclosure of Telkom's governance framework and oversight structures in these elements, including how the Board of Directors and its Committees discharge their duties in accordance with King IV and other regulatory requirements. The remuneration report provides transparent disclosure of the Group's remuneration philosophy, policy and outcomes, including how executive remuneration is aligned with strategy and performance.	Regulators and other stakeholders have access to Telkom's risk management disclosures, which outline the Group's approach to identifying, assessing and managing strategic, operational and emerging risks. We describe the governance structures and processes that support effective risk oversight. The independent assurance statement provides limited assurance on selected non-financial key performance indicators (KPIs) disclosed in the integrated and sustainability reports, supporting the credibility and reliability of Telkom's sustainability disclosures.	These documents provide shareholders with detailed information regarding matters to be considered and voted on at the AGM, including resolutions relating to governance, remuneration and other statutory matters. They also provide guidance on how shareholders can participate in the meeting and exercise their voting rights.
Key frameworks and standards applied	- IFRS Foundation Integrated Reporting Framework (<IR> Framework) - King IV Report on Corporate Governance™ for South Africa, 2016 (King IV)[1] - South African Companies Act, 71 of 2008, as amended (Companies Act) - Johannesburg Stock Exchange (JSE) Listings Requirements and Debt and Specialist Securities Listings Requirements	- Considered the JSE Sustainability and Climate Disclosure Guidance - Considered the IFRS S2 sustainability disclosure standards - United Nations Sustainable Development Goals (SDGs)	- International Financial Reporting Standards (IFRS® Accounting Standards) - JSE Listings Requirements - Companies Act - King IV	- King IV - JSE Listings Requirements and Debt and Specialist Securities Listings Requirements - Companies Act	- ISO 31000: Risk management – Guidelines - AA1000 AccountAbility Principles of Inclusivity, Materiality, Responsiveness, and Impact	- JSE Listings Requirements and Debt and Specialist Securities Listings Requirements - Companies Act - King IV

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Preparing our sustainability report

Our sustainability report responds to feedback from our material stakeholders and their requirement for dedicated, standardised and comparable non-financial disclosures.

Reporting scope and boundary

The report covers FY2026 and may include significant events occurring after year-end up to the date of approval by the Board.

The disclosures and financial data in the report are prepared for the same entities as the FY2026 Telkom AFS, available online.

The reporting boundary covers Telkom SA SOC Ltd, representing Telkom Group, which comprises Telkom Company and its subsidiaries. Telkom Company comprises the Corporate Centre and a division, Telkom Consumer. Telkom Group's operating subsidiaries are Openserve and BCX. These divisions and subsidiaries form Telkom's business units:

- **Telkom Consumer** – provides connectivity and digital services to consumers and small businesses
- **Openserve** – the Group's wholesale infrastructure business, providing fibre and connectivity solutions
- **BCX** – delivers information and communications technology (ICT) solutions and digital services to enterprise and public sector clients

Together, these businesses support Telkom's purpose of seamlessly connecting our customers to a better life.

BCX's international operations are excluded from non-financial KPI reporting due to their immaterial contribution to the Group's sustainability performance, unless otherwise stated. Such exclusions are assessed on a KPI-by-KPI basis.

Time horizons

To provide clarity when discussing strategy and performance, we use the following time horizons in our reporting:

Financial reporting

- Short term: next financial year (ending 31 March 2027)
- Medium term: period ending 31 March 2029
- Long term: beyond 31 March 2029

Sustainability reporting

- Short term: The next three years, ending 31 March 2029
- Medium term: Three to five years, ending 31 March 2031
- Long term: five to 10 years, ending 31 March 2036

These time horizons are linked to our strategic planning and capital allocation cycles.

Compiling the report

The sustainability team, under the leadership of the Chief of Corporate Affairs, is responsible for compiling this report, with additional guidance from external experts.

The team works closely with subject matter experts across the Group to ensure the report adheres to the required regulations, frameworks and standards.

Content development draws on internal management information, stakeholder engagement insights, strategic planning processes and information contained in other reports within Telkom's reporting suite. The Group Executive Committee (Exco) reviews the report before submission to the relevant Board Committees for consideration. The Board provides final approval of the sustainability report, which is published for the same entities and at the same time as the integrated report and AFS.

Supplementary to this report, Telkom's greenhouse gas (GHG) emissions reporting methodology is available on the website at https://group.telkom.co.za/sustainability/Sustainability.html.

In preparing our disclosures, we applied certain judgements and methodological assumptions. Read more in our Group CEO's message on page 9.

Materiality

This report focuses on information that, if omitted, misstated or obscured, could reasonably be expected to influence decisions made by primary users of general-purpose financial reports. To this end, Telkom conducted a double materiality assessment in FY2026, evaluating both:

- The financial risks and opportunities that sustainability matters present to the Group
- The impacts of Telkom's activities on the economy, society and the environment

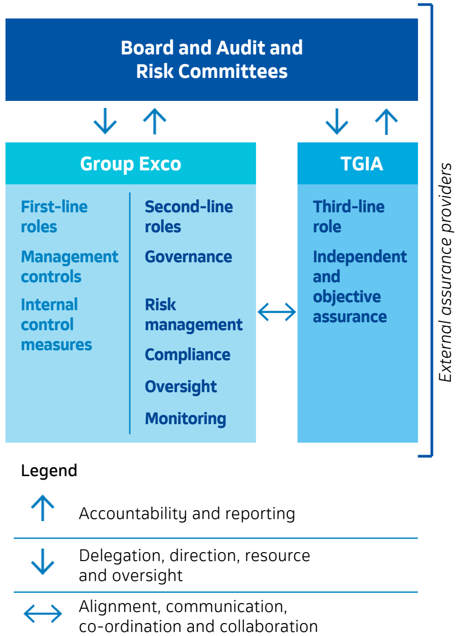
The results of this assessment informed the identification and prioritisation of Telkom's material themes presented in this report. The final set of material themes was reviewed by management and approved by the Exco and Board. Read more about our material topics on page 17.

Combined assurance

Telkom applies a combined assurance model to enhance the reliability and integrity of the information presented in this report.

Telkom Group Internal Audit (TGIA) assessed the completeness and accuracy of selected strategic non-financial KPIs.

Certain financial information in this report is extracted from the Group's audited consolidated AFS, while pro forma financial information is derived from the Group's annual results booklet and is supported by an unmodified ISAE 3420 reasonable assurance report, both provided by PricewaterhouseCoopers Inc.



Independent external assurance provider IBIS ESG Consulting Africa (Pty) Ltd (IBIS), now SLR Consulting (SLR), provided moderate assurance on selected non-financial indicators. Assured non-financial indicators are indicated with this icon Ⓐ. Refer to SLR's FY2026 statement of assurance, available online.

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

Approval

The Board acknowledges its responsibility for the integrity of Telkom's sustainability report. The Board confirms that it has collectively reviewed the contents of the report and leveraged the combined assurance obtained.

The Board is confident that the report addresses all material themes identified through the double materiality assessment and has been prepared with due consideration of the JSE's Sustainability and Climate Disclosure Guidance, while noting the requirements of the IFRS S1 and S2 standards. This report does not assert compliance with the IFRS sustainability disclosure standards.

The Board approved the report on 15 July 2026.

Mvuleni Geoffrey Qhena
Board Chairperson

Ethel Matenge-Sebesho
Social and Ethics Committee Chairperson

Serame Taukobong
Group Chief Executive Officer (GCEO)

Feedback

We recognise that sustainability reporting and stakeholder information requirements continue to evolve. We welcome feedback to improve our sustainability report and the rest of the reporting suite.

Comments and feedback can be sent to telkomir@telkom.co.za.

Icons used in this report

We use icons to help stakeholders navigate the report and understand the integrated nature of Telkom's disclosures.

Material topics		Sustainability Strategy pillars
RR	Compliance with regulatory requirements	Prosperity
CL	Competitive landscape	Planet
CE	Customer experiences and digital inclusivity	People
CS	Cybersecurity	Practice
EC	Economic climate	
EL	Ethical leadership and future-ready skills	Case study
CR	Climate resilience	Ⓐ *External moderate assurance on selected sustainability indicators. Refer to the FY2026 Independent Assurance Report, available online.*

SDGs

Telkom contributes to four primary SDGs:

We influence a further four SDGs through our Sustainability Strategy:

Key terms we use

Carbon neutral: Achieving net-zero carbon emissions by balancing carbon dioxide emissions with removals or offsets. Telkom aims to become carbon neutral by 2035.

Circular economy: An economic model that minimises waste by keeping materials in use for as long as possible through reuse, repair, recycling and responsible disposal.

Digital inclusion: Ensuring all individuals and communities have access to affordable connectivity and digital literacy skills and are able to participate in the digital economy.

Double materiality: An approach to materiality that considers both issues that substantively affect Telkom's ability to create value (financial materiality) and issues where we have significant impacts on the economy, environment and people (impact materiality).

E-waste: Discarded electronic equipment, including batteries, copper cabling, phones and electronic devices. E-waste is Telkom's largest hazardous waste stream.

GHG emissions: Greenhouse gas emissions, classified into Scope 1 (direct emissions from owned or controlled sources), Scope 2 (indirect emissions from purchased electricity) and Scope 3 (all other indirect emissions in the value chain).

Net zero: Achieving a state where GHG emissions released into the atmosphere are balanced by removal or offset. Telkom aims to achieve net-zero emissions by 2040. Our definition of net-zero aligns with the definition of the Science Based Targets initiative (SBTi) Corporate Net-Zero Standard.

Representative concentration pathway (RCP): A climate scenario used to model future GHG concentrations. Telkom uses RCP 4.5 (moderate emissions) and RCP 8.5 (high emissions) scenarios.

Science Based Targets initiative: A global body that validates corporate emissions reduction targets as aligned with climate science and the Paris Agreement. Telkom's near- and long-term emissions targets are SBTi-validated and align with the SBTi methodology.

Leadership statements

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Board Chairperson's statement

The publication of this inaugural sustainability report is a milestone the Board regards with pride and anticipation. Pride, because it brings together years of embedded sustainability work, and anticipation, because the Board is clear-eyed that this is a baseline year and the distance we still need to travel is significant.

Mvuleni Geoffrey Qhena
Board Chairperson

Q FY2026 unfolded in an increasingly disruptive and competitive environment. How did the Board approach oversight during the year?

A **The operating environment** remained highly competitive and uncertain. Globally, geopolitical tensions, changing trade relationships and pressure on supply chains continued to affect markets and business confidence. Locally, constrained economic growth and pressure on consumers and enterprises continued to shape spending patterns across the telecommunications and ICT sectors.

Against this backdrop, the Board's priority was ensuring that the Group's improved performance is sustainable. This was supported through integrated oversight of strategy, risk and sustainability matters, with regular reporting through the relevant Board Committees and consolidated oversight at Board level. Particular focus was placed on free cash flow generation, capital allocation efficiency, operational resilience, and the Group's responsiveness to evolving digital consumption trends and affordability pressures.

Climate-related disruptions and infrastructure damage experienced across parts of the country during the year reinforced the importance of resilience and continuity planning. These events were not abstract risks; they caused direct damage to network assets and tested our emergency response capability.

The Board therefore monitored the climate risk scenario analysis findings and the work of the Risk Committee in integrating physical climate risks into the enterprise risk management (ERM) framework.

Sustainability and climate change have been standing Board agenda items since 2022, and this consistency of focus informed how we engaged with risk, strategy and capital allocation throughout the year.

One specific area of Board attention in FY2026 was the opportunity presented by Telkom's property portfolio. The Group's data centres and network facilities require significant and growing energy supply, and the Board has encouraged management to assess the potential of Telkom-owned properties as sites for renewable energy generation. This is a capital allocation decision with financial and sustainability dimensions, as investing in renewable generation simultaneously reduces energy costs, mitigates carbon tax exposure and supports the decarbonisation pathway.

Q How is the Board assessing the continued evolution of the Group's strategic direction?

A **The Board assessed** the execution of the PIVOT Strategy during FY2026 and remains of the view that the strategic direction of the Group is appropriate.

In November 2025, the Board approved the Group's refreshed 2030 Sustainability Strategy. The approval strengthened alignment between sustainability priorities, infrastructure resilience, decarbonisation commitments and the Group's broader operational and governance priorities.

The four sustainability pillars of Prosperity, Planet, People and Practice are key PIVOT pillar enablers and are operationalised through the new sustainability operating model.

Our view is that sustainability cannot be separated from the business itself. It must remain practical, measurable and integrated into how the Group allocates capital, manages risk and responds to a rapidly evolving digital environment. We also assessed the implementation of the OneTelkom approach. Greater integration across the Group is improving collaboration, reducing duplication and supporting a more co-ordinated approach to customer delivery and operational execution.

Innovation, affordability and partnerships also remained key strategic considerations. We asked management to spend more time assessing alternative energy opportunities, AI-enabled capability, and broader innovation initiatives that support resilience and long-term competitiveness while also delivering measurable business value.

The Board also considered international developments and partnership opportunities linked to digital infrastructure and smart-city ecosystems. These included lessons from international markets where digital adoption and infrastructure integration continue evolving at significant scale. These insights are informing how the Board thinks about Telkom's positioning within an increasingly digitised and platform-driven environment.

Partnerships are becoming increasingly valuable and a cost effective way to deploy capital. In some areas, leveraging existing assets may create better long-term value than deploying additional capital directly. In other areas, partnerships may provide a more sustainable approach.

Overall, we believe the strategic direction remains appropriate. Consistent execution and disciplined delivery will be critical.

Q What is the Board's perspective on Telkom's inaugural sustainability report and King V readiness?

A **The Board welcomes** the publication of Telkom's inaugural standalone sustainability report and the approval of the Group's refreshed 2030 Sustainability Strategy. Both reflect a need raised by several stakeholders and represent a meaningful step in Telkom's sustainability disclosure journey.

The International Sustainability Standards Board (ISSB) IFRS S1 and S2 standards have not yet been mandated in South Africa. Despite this, Telkom has proactively begun aligning our disclosures with these requirements to strengthen non-financial reporting and disclosure maturity. We are also aligning our reporting to the JSE Sustainability and Climate Disclosure Guidance on a voluntary basis. Our first report shows our commitment and serves as a starting point on a long-term journey.

We also considered a readiness assessment against the requirements of King V. The new Code emphasises sustainability integration and endorses double materiality, one of the cornerstones of this report. Telkom intends to align with King V from FY2027.

Q How does the Telkom Foundation support the Group's sustainability priorities and long-term social impact objectives?

A **Through the Telkom Foundation**, the Group demonstrates its commitment to digital inclusion, education and future-ready skills development. The Foundation supports initiatives aligned to SDGs 4, 5 and 8, with focus on education, gender inclusion and economic participation.

The Board regards this work as an embodiment of Telkom’s commitment to inclusive digital transformation. By equipping young people with relevant digital skills and improving access to technology, we contribute to broader participation in South Africa’s digital economy.

Q How is the Board addressing succession planning and future capability requirements?

A **Succession planning remained** a Board priority in FY2026, at both management and Board levels.

We assessed whether the Group is building the leadership, technical and operational capability required for a rapidly evolving telecommunications and digital services environment. Skills in areas such as artificial intelligence (AI), cybersecurity, data science, climate and advanced network technologies are increasingly relevant to our competitive position and governance oversight. The Board monitored leadership diversity and transformation across the Group.

Q Is there any stakeholder group you would particularly like to acknowledge for FY2026?

A **I would like to thank** my fellow Board members for their commitment and engagement during the year. I also acknowledge Telkom employees for their resilience and contribution in a demanding operating environment.

Finally, I thank our stakeholders, particularly our shareholders, for their continued trust, support and constructive engagement with the Group.

Mvuleni Geoffrey Qhena
Board Chairperson

Social and Ethics Committee Chairperson's message

A significant focus area for the Committee is ensuring that sustainability is embedded into how the Group operates, governs and creates long-term value.

Ethel Matenge-Sebesho
Chairperson of the Social and Ethics Committee

The Social and Ethics Committee assists the Board in overseeing Telkom's ethical culture, stakeholder relationships, responsible corporate citizenship and climate and sustainability-related matters.

The Committee's mandate is aligned with the Companies Act, King IV and the Committee's terms of reference.

Committee composition

The Committee comprises a majority of Non-executive Directors with a range of skills and experience, enabling effective oversight of social, ethical, sustainability and governance matters. The Committee benefits from members with specific sustainability expertise, including specialist depth in the environmental field.

Sustainability expectations continue to evolve, and in line with this, the Board's Nominations Committee has undertaken a review of the Social and Ethics Committee's skills requirements. A revised composition will be proposed for shareholder approval at the 2026 annual general meeting to ensure the Committee remains appropriately constituted to oversee the Group's 2030 Sustainability Strategy.

Q | What were the Social and Ethics Committee's key focus areas during FY2026?

A | **FY2026** was a significant year for the Committee as the Group continued evolving from a narrower ESG approach toward a more integrated and comprehensive sustainability approach.

The Committee ensures that sustainability is embedded into how the Group operates, governs and creates long-term value. Key focus areas were oversight of the refreshed 2030 Sustainability Strategy, climate-related governance, and the integration of sustainability priorities into operational and governance structures.

We monitored progress against key sustainability priorities, risks and targets at each of our quarterly meetings during the year. Across these meetings, the Committee:

- Monitored the implementation and effectiveness of ethics awareness and training initiatives. This included tracking participation and reinforcing a culture of ethical conduct across the organisation
- Assessed the Group's compliance with applicable labour relations and consumer protection legislation, and noted areas that required monitoring or remediation
- Reviewed the execution and impact of the Group's social responsibility and shared value initiatives to ensure alignment with evolving stakeholder expectations
- Approved the stakeholder engagement policy. This included strengthening the governance of stakeholder identification, prioritisation and engagement, and enhancing the Group's ability to respond to stakeholder expectations in a structured and transparent manner. The Committee fulfilled the commitment it made in FY2025 to oversee the implementation of this framework

The new stakeholder engagement policy and framework required the establishment of a Stakeholder Engagement Committee. This Committee is chaired by the Chief of Corporate Affairs, has business unit executives and function leads as members, and meets monthly. Its core activities include reviewing the Group stakeholder calendar, monitoring platform analytics and aligning messaging under OneTelkom.

The Social and Ethics Committee regards digital inclusion as a material stakeholder matter. In FY2025, we committed to monitoring how Telkom extends digital transformation to stakeholders. In FY2026, we monitored Telkom's efforts to advance digital inclusion through township fibre expansion, as well as the Yep! platform for small and medium businesses. The Group more than doubled township fibre connectivity, from 47 619 homes in FY2022 to 161 540 homes in FY2026. We will continue to oversee the pace of this rollout.

Q How did the Committee strengthen ethical leadership and accountability during FY2026?

A **A key focus area** during the year was strengthening the Group's ethical governance framework and reinforcing accountability across the organisation. Oversight of whistle-blowing trends, ethics compliance reporting, conflict of interest management and the Annual Ethics Leadership Commitment process formed a central part of our work.

The Committee recommended the revised Group Code of Ethics for Board approval and oversaw its implementation across the organisation. The updated Code strengthens guidance on emerging areas such as artificial intelligence, data privacy and cybersecurity ethics, while reinforcing expectations relating to human rights and responsible conduct in a digital environment.

Whistle-blowing remains a focus area. In FY2026, 1 168 incidents were recorded across four reporting channels: the #Vulumlomo hotline, the Ethics Office mailbox, direct reports to Group Forensics, and walk-in disclosures. Externally perpetrated incidents included subscription fraud, identity fraud, copper cable theft and battery theft. Internally perpetrated incidents included undisclosed conflicts of interest, declaration failures and policy non-compliance.

There are encouraging signs that confidence in reporting mechanisms is improving, with some employees willing to come forward directly rather than anonymously. However, some remain hesitant, which indicates that trust and responsiveness still need to be strengthened.

Telkom must provide appropriate protection for legitimate whistle-blowers, while ensuring that proper governance and verification processes are in place.

Q How is sustainability evolving within the Group and what role is the Committee playing in that journey?

A **The Group continues to evolve** toward a more integrated sustainability governance model, where sustainability is embedded within strategy, risk management and operational execution. The Committee regards sustainability as a core business enabler that intersects with infrastructure investment, ethics, customer trust, energy resilience, digital inclusion and long-term competitiveness.

Over the FY2022 to FY2026 cycle, the Group achieved significant milestones:

- Set a goal to achieve carbon neutrality by 2035 and net-zero emissions by 2040
- Completed its first double materiality assessment
- Conducted a climate risk scenario analysis across the Group's infrastructure portfolio
- Published its inaugural standalone sustainability report, detailing the new 2030 Sustainability Strategy

These foundations set the stage for the next phase. The focus now shifts towards new goals and targets, a new sustainability operating model, improving data quality and systems, strengthening compliance and risk management, and building agile performance across the four sustainability pillars.

A major focus area during FY2026 was strengthening accountability and implementation across the organisation. We integrated sustainability-related priorities into scorecards, planning processes and governance structures to ensure these matters translate into practical execution.

Q Why did Telkom publish its inaugural standalone sustainability report?

A **The decision to publish** a standalone sustainability report was ultimately a Board decision, but it reflects the growing strategic importance of sustainability matters within the Group and among our stakeholders.

Investors, regulators, customers, employees and other stakeholders want deeper insights and standardised, comparable data to track how Telkom is managing sustainability-related risks, opportunities and long-term impacts.

Global performance and reporting expectations are evolving rapidly. I am encouraged by the progress made and confident that this report provides a strong foundation for future development.

Q How is the Committee approaching climate resilience, decarbonisation and energy transition?

A **The Committee views** climate-related matters through the lens of resilience, infrastructure continuity and long-term sustainability.

The Group has made encouraging progress against its climate-related commitments, reshaping our carbon profile and improving business resilience.

We closely monitored the Group's renewable energy ambitions. The Group invested R108.8 million in solar plants, delivering R8.16 million in energy savings and avoiding 8 967 tCO_2e of grid-related GHG emissions. A further R5.9 million in savings came from energy efficiency programmes across 104 sites, supported by 613 smart energy meters and power factor correction at 12 sites.

These investments also serve a direct financial purpose: Phase 2 of the Carbon Tax Act commenced in January 2026, creating a combined indirect liability estimated at R46.7 million in FY2026, potentially rising to R80.2 million by 2030. The solar investment was specifically designed to mitigate this exposure.

The Committee recognises that these transitions require significant capital investment and careful implementation over time. These are not always straightforward decisions. The Group must balance long-term sustainability ambitions with operational realities, capital requirements and the need to maintain resilient and competitive infrastructure. In a constrained economic environment, resources are not unlimited, and implementation often needs to happen in phases. Read more about Telkom's climate strategy on page 54.

Q How is sustainability being embedded into operational structures and accountability processes across the Group?

A **The Committee considered** a comprehensive review of the Group's sustainability operating model during FY2026. The review resulted in a new structure designed to guide, enable and aggregate sustainability actions across business units and functions. The model establishes a clear accountability structure.

At Group level, ESG measures carry a weighting of 10% in the short-term incentive (STI) scorecard, with specific metrics including a 5% CO_2 emissions reduction target. At management level, ESG measures weigh 15% to 20% in STI scorecards, with individual weightings varying by division and role. Scope 1 and Scope 2 emissions reduction is embedded as a performance condition in the long-term incentive (LTI) structure. The Committee receives a sustainability reporting dashboard at each quarterly meeting and provides input on remuneration targets and outcomes. Read more about Telkom's remuneration approach on page 19.

Q What role does the Telkom Foundation play in supporting the Group's sustainability priorities?

A **The Telkom Foundation** plays a central role in supporting and executing the Group's social and sustainability priorities, particularly in relation to digital inclusion, education and youth development. The Foundation's programmes support digital literacy, ICT integration in schools and access to opportunities, particularly in underserved communities. These programmes equip young people with future-ready skills and increase participation in the digital economy. They align closely with the Group's sustainability priorities and long-term social impact objectives.

The Committee receives regular updates on the Foundation's programmes and is encouraged by their progress and impact. Read more about the Foundation on page 43.

Q What are the Committee's key priorities for FY2027?

A **In FY2027, the Committee** will focus on implementation, accountability and measurable execution. In particular, we will focus on:

- Assessing climate resilience, including its social dimension, and developing a just transition plan for affected employees and communities
- Deploying renewable energy and progressing decarbonisation toward the FY2030 interim milestone
- Strengthening supplier human rights screening and operationalising the supplier sustainability assessment programme
- Developing a product risk disclosure framework
- Deepening the analytical rigour of our ethics channel reporting
- Overseeing progress toward IFRS S1 and S2 alignment, building on the foundations established by this report

We will also oversee renewal of the Group ethics strategy in line with the OneTelkom approach, review the ERM transformation project completed in FY2026 to confirm that sustainability risks are consistently embedded, and conduct our annual self-evaluation and terms of reference review.

We will continue to monitor how sustainability priorities are embedded into operational structures, governance processes and performance accountability across the Group.

Our focus will shift from strategy development toward practical implementation and execution.

Q Is there any stakeholder group you would particularly like to acknowledge for FY2026?

A **I would like to thank** management for the significant work undertaken in supporting the Committee throughout the year and for the progress made across sustainability, ethics and governance matters.

I thank my fellow Committee Members and the Board for their engagement, guidance and active participation throughout the year.

I acknowledge the Telkom Foundation, the Communication Workers Union and the South African Communications Union for their partnership with the Group.

Finally, I thank our employees at every level. Their daily conduct is the true measure of what Telkom's values mean in practice.

Ethel Matenge-Sebesho
Social and Ethics Committee Chairperson

Group CEO's message

Sustainability needs to be rooted in operational reality as well as local and global trends and imperatives. It must be integrated with business strategy, customer trust, infrastructure continuity and long-term value creation.

Serame Taukobong
GCEO

Q How did Telkom perform in FY2026, and how does this reflect the Group's purpose and the Prosperity pillar of the Sustainability Strategy?

A **Telkom's purpose** is to seamlessly connect customers to a better life. FY2026 was a year in which that purpose translated into measurable outcomes across the business.

Group revenue grew by 1.4% to R44 477 million, with data revenue increasing by 7.6% and now contributing almost 60% of total Group revenue. Earnings before interest, taxes, depreciation and amortisation (EBITDA) expanded to R12 480 million, with an EBITDA margin of 28.1%, which tracked above our guidance, supported by ongoing cost optimisation initiatives. Free cash flow strengthened to R3 068 million. The disposal of Swiftnet structurally strengthened the Group's financial flexibility, with net debt to EBITDA of 0.5 times.

Q How does Telkom frame its FY2026 sustainability outcomes through the four pillars of Prosperity Planet, People and Practice?

A **The 2030 Sustainability Strategy** is the fifth and integrating enabler of our PIVOT Strategy, which is set out on page 49.

We will base our performance against the Sustainability Strategy, using FY2026 as a base year. It is structured around the following four pillars, each with defined targets, KPIs and governance accountability.

Prosperity

We empowered communities by connecting South Africans to high-quality broadband, thereby extending coverage in lower-income areas and providing customers with access to diversified digital platforms. Read more on page 27.

Planet

We are making measurable progress on our SBTi-validated net-zero pathway, and used our climate risk scenario analysis to inform capital allocation and resilience planning directly. More information is provided on page 32.

People

We continued to improve the representation of women in leadership, and remained in touch with our people through the Voice of the Employee survey and the Telkom Foundation. Detail follows on page 40.

Practice

Accountability for sustainability is embedded in our governance structures, remuneration and continuously evolving ethics programme. Read more on page 44.

Q How is Telkom positioning itself for a more AI-enabled and digital future?

A **We view AI through multiple lenses:** as a consumer, contributor and producer of AI-enabled capability.

In FY2026, Telkom expanded the application of AI across customer engagement, network optimisation and operational decision-making. Bafo, an AI-powered platform that emerged from Telkom's Lions' Den innovation programme, supports improved contact centre efficiency and customer experience. PoliPal gives employees AI-enabled access to policies and procedures. AI also plays a growing role in customer value management, with advanced analytics and machine learning supporting more personalised customer engagement and improved commercial decision-making.

At the same time, AI increases the importance of cybersecurity, governance and responsible deployment. As we often say internally, criminals are sometimes the biggest investors in innovation. Businesses must therefore strengthen their own capabilities and controls just as quickly.

The Group AI framework, including the Code of AI Ethics and AI security standards, and the Group AI Council ensure that our AI deployment is governed, accountable and human-centred.

Our approach to AI is pragmatic: we see it not as replacing people but as enabling better customer experiences, operational efficiency and smarter decision-making.

Q What are the most material sustainability-related risks facing Telkom, and how is the Group managing them?

A **Our financial position** is being shaped by a transition toward high-growth infrastructure and a lower-carbon operating model. Building on the strong financial performance outlined above, our medium-term investment plans focus on future-readiness. This includes large-scale 5G deployment, Openserve township fibre rollout and the renewable energy programme. These investments are funded through disciplined capital allocation, and we are increasingly exploring green funding to access capital at more favourable rates.

Over the long term, the Group's transition toward a lower-carbon operating model is expected to reduce operating costs as energy efficiency increases and renewable capacity grows.

On tax, Telkom operates with a moderate-to-low tax risk appetite, maintaining transparent and responsible tax practices aligned with our governance commitments. Read more about our tax approach on page 45.

The Group has identified five material sustainability-related risks, each with active mitigation measures in place:

- **Climate change impact:** Extreme weather events resulting from climate change can damage telecommunications infrastructure. Telkom mitigates this through emergency management structures at both national and regional levels, climate risk response plans and continuous climate risk assessments
- **Energy consumption and emissions:** Substantial energy consumption by telecommunications networks and data centres contributes to GHG emissions. We mitigate this through energy efficiency initiatives (outdoor lighting, optimisation of heating, ventilation and air conditioning (HVAC) systems, data centre power use improvements and smart metering) and the Independent Green Power Producer programme. We invested R108.8 million in solar photovoltaic (PV) capacity.
- **Water management:** Failure to manage water efficiently can lead to excessive consumption and environmental strain. Telkom responds through leak detection systems, alternative water supply (including boreholes and rainwater harvesting) and monitoring of usage across the business.
- **Data privacy and security:** Inadequate protection of personal and juristic data can result in breaches, regulatory fines and reputational damage. We mitigate this through robust data protection measures, including data leakage protection, encryption, secure storage, regular audits, compliance with the Protection of Personal Information Act (POPIA), and employee and customer awareness programmes.
- **Carbon tax risk:** The South African Carbon Tax Act imposes mandatory registration for facilities with an installed capacity exceeding 10 MW, and failure to comply may result in financial liabilities. Telkom will manage this risk through its energy transition programme.

Q What judgements underpinned the Group's sustainability-related financial disclosures?

A **The Board and I are satisfied** with the governance rigour applied in preparing this inaugural sustainability report. Four judgements were particularly significant:

- First, the Group defined a substantive financial impact as any event or risk resulting in a 5% decrease in EBITDA or Group equity. This threshold determines what is disclosed as a material sustainability-related financial effect.
- Second, we changed our GHG reporting methodology in FY2025, moving from Eskom's Grid Factor to South Africa's National Generation Grid Emission Factor. This aligns with the Carbon Tax Act and reflects the actual emissions intensity of the national grid more accurately.
- Third, our Scope 3 emissions methodology has been refined to using average-data and supplier-specific emission factors for our products, rather than spend.
- Lastly, we began our journey towards IFRS S2 alignment in this report and will continue advancing this in future reporting cycles.

In closing

South Africa's digital future depends on infrastructure that is resilient, affordable and sustainable. Telkom is that infrastructure. FY2026 demonstrated that our strategy is succeeding, and that digital connectivity and environmental sustainability are converging into a single value proposition. Sustainable business practice and commercial performance are the same journey, not parallel ones. This is the conviction with which we enter FY2027.

Serame Taukobong
Group Chief Executive Officer

A Telkom snapshot

2

Who we are

Telkom is a leading digital infrastructure and technology service provider in South Africa.

We offer end-to-end ICT solutions, including high-speed fibre, mobile and data services, information technology (IT) services and property management.

We are a JSE-listed company with a market capitalisation of R30.1 billion as at 31 March 2026.

Where we operate

Telkom Consumer — C, I, S

openserve — C, I, S, DE

BCX — C, I, D, C ICT, DE

Telkom's operational footprint is anchored by 8 420 **mobile base stations** and a fibre network spanning over 180 000 **kilometres**.

The Group's mobile spectrum portfolio totals **184 MHz**, supported by **486 active 5G** sites.

Telkom also operates data centres with **12 600 m² of footprint and 9.82 MW of IT capacity**, reinforcing our ability to deliver high-speed broadband, cloud and infrastructure solutions across retail, business and wholesale markets.

Telkom's operating structure, products and services

Telkom Consumer — Telkom Consumer Division

openserve — 100% owned subsidiary

Telkom

BCX — 100% owned subsidiary

- C — **Connectivity** Through ducted and aerial copper, fibre, satellite, mobile and wireless transmission.
- I — **Infrastructure** Fibre infrastructure, data centres and property solutions for Telkom and third-party clients.
- S — **State-of-the-art mobile and fibre networks** Networks that employ the latest and high-speed broadband technology.
- D — **Digital transformation** Providing medium and large enterprises with digital transformation solutions to enhance their businesses, including cloud solutions and consulting services.
- C ICT — **Converged ICT solutions** Providing end-to-end business ICT services and products, including cloud, voice connectivity, fixed-data and wireless networks, enterprise applications, analytics and other IT services.
- DE — **Digital presence and e-commerce** The e-commerce platform supports integrated business solutions for small and medium business customers.

Our purpose, vision, values and strategic focus areas

Telkom's purpose

Seamlessly connecting our customers to a better life

Our vision

Builder of the digital backbone that powers South Africa's digital future

Our values

Telkom's culture is built on a high-performance, values-driven foundation.

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

Customer centricity
Place the customer at the heart of everything we do. I listen to understand in order to deliver the best solutions to our customers. I work with a sense of urgency and never at the expense of quality delivered to customers. I own the part I play in our commitment to customers.

Accountability
Take ownership of our roles, decisions and outcomes. I do what I promise to do. I treat our business as my own by adopting an owner's mindset. I set an example by showing up with no excuses.

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

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

The Group's strategic focus

Telkom executes its corporate strategy through the PIVOT strategic framework. This strategy guides how the Group creates sustainable value for stakeholders and positions the business for long-term growth in South Africa's evolving digital economy.

Vision: Builder of the digital backbone that powers South Africa's digital future

P	I	V	O	T
Partnerships	**Integrated solutions**	**Value-rich broadband**	**Operational efficiency**	**Technology innovation**
Leverage partnerships optimally to support the implementation of the Group strategy	Offer end-to-end converged propositions, from connectivity to IT solutions	Provide broadband solutions that deliver meaningful customer value	Develop operational superiority, which provides a competitive advantage	Modernise and build a state-of-the-art network

Group enablers:

Monetise our infrastructure assets as OneTelkom

People development and empowerment

Simple and digital processes

Financial framework aligned to data-led strategy

Accelerate sustainable growth and create a positive impact on society and the environment

Purpose:

Seamlessly connecting our customers to a better life

Four pillars in our 2030 Sustainability Strategy

Prosperity | Planet | People | Practice

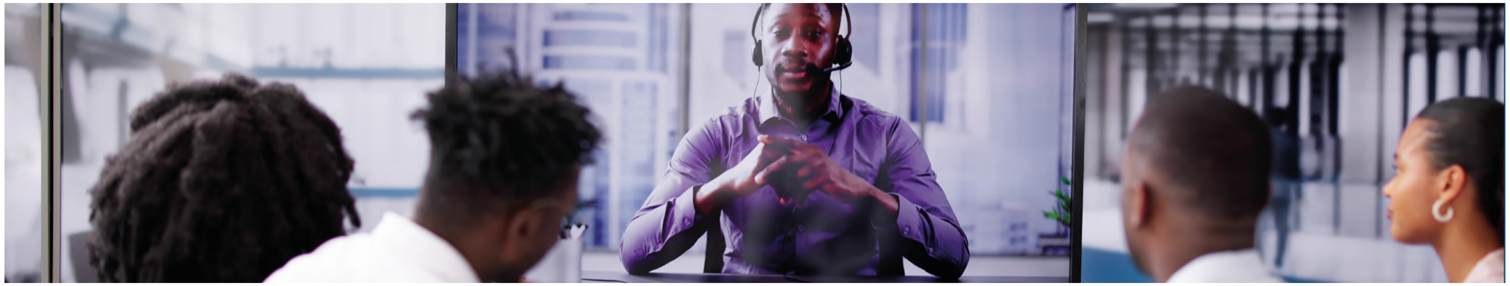
Read more on page 49.

PIVOT reflects the significant transformation within our core business, addressing the transition from voice to data, copper to fibre, and fixed-line to mobile technologies.

The industry is increasingly defined by a wide range of digital services, automation, and data-driven decision-making. PIVOT represents our advancement beyond basic connectivity towards comprehensive IT service solutions and integrated digital ecosystems. Additionally, PIVOT aligns with the four SDGs most relevant to our operations.

Telkom sustainability at a glance

- We participate in CDP climate reporting and achieved a "B" score in 2026
- We were rated "A" in the MSCI ESG Index in 2025
- We scored 48/100 in the 2026 S&P Global – Corporate Sustainability Assessment
- We achieved an overall Sustainalytics ESG score of 26.8 (medium risk) for 2026
- We are a Level 1 contributor in terms of the Broad-Based Black Economic Empowerment (B-BBEE) Codes of Good Practice for the fourth consecutive year



Our stakeholders

Telkom is committed to open and constructive communication with stakeholders. We strive to respond to stakeholder concerns in a timely and appropriate manner and to address their concerns transparently.

Our stakeholder engagements are guided by a formal stakeholder engagement framework and policy. In March 2025, the Board approved the revised stakeholder engagement policy, which outlines Telkom's principles and long-term approach to stakeholder communication and engagement. We continue to update our stakeholder engagement framework to ensure a dynamic and practical tool for executing tailored engagement strategies that evolve alongside the business and its stakeholders.

Our stakeholder management programme focuses on identifying and engaging with key stakeholders, understanding their challenges and expectations, and aligning these with Telkom's strategic and sustainability targets.

Stakeholder governance structure

Telkom's stakeholder governance structure defines a clear hierarchy of accountability and oversight to ensure that the Group's commitment to effective stakeholder management is consistently implemented across all Group levels.

The Board
is the ultimate owner of stakeholder management matters and is responsible for overseeing response strategies.

The Social and Ethics Committee
assists the Board in fulfilling its responsibilities by ensuring we manage key stakeholder relationships effectively.

The GCEO
ensures commitment to effective stakeholder management.

The Group Exco
considers critical stakeholder matters as part of its agenda. It reviews and discusses the stakeholder management profile and assigns members to monitor specific stakeholder groups.

Management
implements the overall stakeholder engagement process through the approved framework and policy.

We have embedded mechanisms within our risk and compliance function to ensure consistency in engagement on policy matters. These include mandatory employee training and awareness on relevant legislation and policies, a comprehensive compliance management framework, and ongoing regulatory risk assessments, control measures and compliance monitoring.

Policy-related activities that may affect business risks or opportunities are tracked and recorded quarterly, at a minimum, using our risk management systems. This ensures that all sustainability and climate-related engagement activities are strategically aligned and consistent across business units.

Building trust and relationships

We provide a range of policies, statements and corporate information about Telkom on our website: https://group.telkom.co.za/sustainability/Sustainability.html

Stakeholders can contact Telkom Customer Care for information requests, assistance, complaints, or to report fraudulent activity. Our self-help channels include the My Telkom App, SMS, WhatsApp Self-Service, Troubleshooting Guide, Interactive Voice Response, Web Self-Service Portal and National Relay System for hearing- and/or speech-impaired people.

Engaging our stakeholders

Customers S1

We serve a diverse customer base in South Africa, including 25.7 million active mobile subscribers, mainly pre-paid, as well as residential consumers, small, medium and micro enterprises (SMMEs) and large corporate or public sector clients.

Customers require a relationship of trust and transparency. They expect reliable, affordable and value-rich products and services that support their personal and professional needs. They rely on Telkom to protect their personal information and mitigate cyberthreats.

We measure customer trust through a range of relational and transactional measures at different levels of the business. We aggregate these measures to monitor overall performance. We also conduct a biennial corporate reputation study to rate our corporate reputation and brand equity and benchmark our performance against other brands. We use the insights from this study to refine how we engage with customers and other stakeholders.

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE | 12 RESPONSIBLE CONSUMPTION AND PRODUCTION

Material topics:

RR CL EL CE CS EL

Government and regulators

S2

This stakeholder group comprises the South African Government, represented by the President as shareholder, with the Department of Communications and Digital Technologies acting under shareholder mandate. This group also includes regulatory agencies such as the Independent Communications Authority of South Africa (ICASA) and the competition authorities.

Telkom actively engages with this group through proactive advocacy, public consultations, and robust participation in industry forums to support a stable regulatory environment that promotes fair competition and investment in digital infrastructure. We engage with the National Disaster Management Centre and National Disaster Management Advisory Forum to prepare for potential disaster scenarios and climate and weather trends.

We engage with industry associations and multilateral platforms to contribute to policy and regulatory discussions on digital infrastructure and broader sustainability priorities, including climate-related considerations. We also engage with the Global System for Mobile Communications Association (GSMA), which has developed a climate action roadmap for the mobile sector aligned with the Paris Agreement.

Public policy focus areas in FY2026 included digital public infrastructure and the data centre ecosystem, covering issues related to data sovereignty, storage, security and trust.

We support our government and regulators by acting as a foundational enabler of South Africa's digital future. We contribute to the national fiscus through tax payments and licence fees, and enable the government's socio-economic development mandate through network investment and local procurement.

Government and regulators value a relationship of trust and transparency. They expect compliance with policies and laws, including those covering spectrum licensing, consumer protection and cybercrime. They expect Telkom to contribute to economic transformation, social development and job creation.

Material topics:

RR CE CS EC EL

Investor community

S3

This group comprises institutional and individual providers of financial capital who enable access to equity and debt markets. Institutional shareholders include companies primarily based in South Africa, the USA, the UK and Europe. Non-institutional shareholders consist of private and individual investors.

Telkom engages with investors and analysts through the Chairperson's roadshows, at financial results presentations, conferences, and on an ad hoc basis. Telkom impacts investors by driving sustainable growth and long-term financial returns through disciplined capital allocation that balances debt levels with strategic infrastructure investments.

Investors value long-term sustainable returns on investment, optimal debt levels and sustainable positive free cash flow, a relationship of trust and transparency, access to management, and a clearly articulated investment case.

Material topics:

RR CL EC EL

Employees

S4

Our employees are strategic partners. They ensure Telkom's sustainability through their performance, expertise and skills. They possess the intellectual capital required for all core and supporting business processes, making them integral contributors to the Group's success.

We engage regularly with our workforce through virtual gatherings, internal newsletters and the Voice of the Employee survey. We provide competitive market-related remuneration, holistic wellness support covering mental and physical health, and opportunities for career progression.

Our employees value ethical leadership, fair remuneration, recognition for performance, and a non-discriminatory, zero-harm working environment. It is critical that our employees have job security and access to continuous learning to remain future-fit in an increasingly digital world.

Material topics:

RR CE CS EC EL

Organised labour

S5

Telkom has a recognition agreement with the Alliance of the Communication Workers Union (CWU) and the South African Communications Union (SACU) for employees at job levels M/S6 and below. The Alliance seeks to foster shared value between Telkom and our employees. This advances the Group's strategic plans and ensures operational efficiencies and objectives are met.

We ensure freedom of association, give unions access to the workforce, and promote constructive consultation on business changes that affect the employment conditions and workplace rights of our employees.

Organised labour values a relationship of trust and transparency, workforce stability, job creation and a commitment to continuous skills development.

Material topics:

RR EC EL

Suppliers and business partners

S6

Suppliers and business partners are strategic partners who enable the timeous delivery of high-quality products and services. As contributors to the value chain, they influence the cost and availability of materials and other inputs. They are often seen as an extension of Telkom, directly shaping the customer experience.

We engage with our suppliers and business partners through regular performance reviews, self-assessments, and dedicated events to align on sustainability, climate and operational goals. We provide them with a platform for revenue generation and brand growth. We drive environmental accountability by incorporating mandatory clauses in contracts that require them, for example, to measure and report GHG emissions.

Suppliers and business partners value a relationship of trust and transparency, collaborative contract management and adherence to agreed payment terms.

Material topics:

RR CL CE CS EC EL

Our communities

Our communities are at the centre of our social licence to operate. They form a significant part of our customer base and employee pool and host some of our infrastructure. We strive to understand our communities' needs and perspectives and work collaboratively with them on sustainable solutions to their challenges.

We contribute to the transformation of disadvantaged communities through the Telkom Foundation. The Foundation creates sustainable solutions to enhance education and promote the social welfare of our communities. It positively impacts their lives through education, psychosocial support, and the provision of digital literacy and skills to access economic opportunities, primarily in the ICT sector.

Material topics:

CE EC EL

The media, opinion makers and influencers

The media, opinion makers and influencers drive reputation and brand perception. We provide them with information and context on technical matters, financial performance and operational matters, and thought leadership on topics affecting our industry.

We engage with diverse South African celebrities, radio personalities, and digital content creators who focus on elevating customer experience and expanding brand reach.

Material topics:

CE EC EL

Leveraging partnerships for development

During the year, Telkom participated in several initiatives to strengthen our relationship with key stakeholders. This included Business 20 South Africa (B20), the official business-community engagement group of the Group of Twenty (G20) and its ecosystem. As part of B20, Telkom also became a member of the industry associations leading the B20, namely Business Unity South Africa and Business Leadership South Africa.

We participated in G20 and B20 task forces such as the Local Advisory Business Council, the Digital Transformation Task Force and the Industrial Transformation and Innovation Task Force. These engagements gave us the opportunity to promote Telkom's service offerings, position the Group as a thought leader in the development of sustainable digital infrastructure, and influence policy and legislative priorities.

Telkom rejoined the World Economic Forum (WEF) as a partner member in FY2026. This helped us to drive our business ambitions, strengthened our role as a global citizen, and provided a platform to drive innovation, foster partnerships and influence global economic discourse.

Telkom is also a member of the National Business Initiative, the United Nations Global Compact, the Green Building Council of South Africa, and RE100. The latter is a global corporate leadership initiative led by the Climate Group in partnership with the Carbon Disclosure Project.

Telkom continues to engage with national regulatory authorities on strategic issues that impact business operations. These include the state of competition in the market, the design and implementation of the anticipated second spectrum auction, the licence renewal process, broad-based black economic empowerment, consumer satisfaction and access to passive infrastructure.

Material topics

Our double materiality process and outcomes

We conducted a double materiality assessment in FY2025 to provide a holistic view of Telkom's most material sustainability issues. The assessment was guided by the requirements of the JSE Sustainability Disclosure Guidance and the Global Reporting Initiative (GRI).

As part of the double materiality process, we completed a desktop review of trends and emerging risks and opportunities in the telecommunications sector.

In parallel, we engaged with internal and external stakeholders to identify the material topics that can impact Telkom's ability to create long-term value, as well as the potential broader impacts on stakeholders. We interviewed 12 external and nine internal stakeholders to inform the material matters.

An initial shortlist of 36 material topics was identified, followed by a double materiality workshop with key cross-functional internal stakeholders. We considered the initial list plus additional topics, and prioritised topics based on their potential impact.

Following the workshop, we engaged with the Chief Financial Officers of Telkom's business units to further validate the identified and prioritised topics.

During the process, some topics were consolidated due to their relatability, and others were noted as enablers rather than standalone issues. This reduced the material topics to 32. We consolidated these into seven themes.

The assessment process was undertaken on an independent basis. The process and the results obtained were informed by management thinking and guidance, and drew on the experience of materiality assessments performed in prior years.

Management's materiality determination process and the material themes were approved by the Exco, Joint Audit and Social and Ethics Committees, and the Board.

Telkom's materiality matrix

Telkom's top 32 material topics, as prioritised during the double materiality assessment, are:

Environmental
- 1 Energy supply/security and alternative energy
- 3 Net-zero commitment (GHG emissions and carbon credits)
- 7 Impacts of climate-related risks on operations
- 19 Circular economy
- 22 Waste management
- 32 Biodiversity

Social
- 5 Digital inclusivity (connectivity, literacy and affordability)
- 13 Diversity, equity and inclusion
- 14 Enterprise and supplier development
- 18 Skills development
- 23 Health, safety and wellbeing
- 26 ESG capacity building
- 27 Human rights
- 31 Sustainability awareness in local communities

Governance
- 2 Ethical leadership
- 4 Compliance with regulatory requirements
- 8 Cybersecurity
- 11 Stakeholder engagement
- 12 Data privacy
- 15 Technological innovation and resilience
- 16 Board governance
- 17 Supply chain management
- 20 Reputational risk
- 21 ESG strategy integration with business strategy
- 25 Succession planning
- 28 ESG KPIs linked to executive remuneration
- 29 Aligning to sustainability frameworks, e.g. SDGs
- 30 Fair pay and transparency

Economic
- 6 Revenue growth/new products and services
- 9 Inflation/economic volatility
- 10 Return on investments
- 24 Access to capital/green funding

Our material themes and impacts

Our material impacts assist in aligning Telkom's risks and opportunities with management priorities. This increases the consistency and cohesiveness of management's response to what is material.

Compliance with regulatory requirements

Telkom operates in a highly regulated environment. Any non-compliance with regulatory requirements can have a significant impact on Telkom's stakeholders and can result in substantial financial fines, criminal prosecution, operational shutdowns, and severe reputational damage. Regulators are continuously expanding regulatory requirements, especially to protect consumers.

Regulated aspects around, for example, spectrum management, waste management and decommissioning must be balanced in terms of regulatory, technical and financial demands. Adherence to regulatory requirements maintains Telkom's social licence to operate. Read more about regulatory compliance on page 53.

Practice

Competitive landscape

The Group leverages the advantage of an extensive fibre footprint built over time to drive growth through strong mobile offerings in service and data. We sharpen our competitive edge through the OneTelkom approach. Our solid performance and market resilience support socio-economic development for customers, including small businesses, and job creation in our value chain. Continuous innovation and investment in infrastructure ensure stable operations and enhanced customer service, all of which contributes to South Africa's future prosperity. Read more about our sustainability context on page 23.

Prosperity

Customer experience and digital inclusivity

Customers increasingly expect seamless, reliable and trustworthy digital connectivity as well as value for money to secure and enhance their economic and financial wellbeing. As digital inclusion leads to equitable access and more users, digital literacy and affordability become essential.

Telkom's products and services must meet these expectations while remaining consistently available and responsive to evolving customer needs. Technological advances and innovation are key to ensuring relevance and inclusivity. Digital inclusivity also addresses inequality. By enabling underserved communities to actively participate in the digital economy, we foster social equality and economic growth. Read more about digital inclusion on page 43.

People Prosperity

Cybersecurity

Cyberattacks and data breaches can impact customers, employees and investors, causing financial losses, operational disruption, reputational damage, theft of identity and intellectual property, and consequent legal and regulatory action. Our telecommunications networks support critical national infrastructure. Maintaining robust cybersecurity is therefore essential to protect service continuity and stakeholder trust. Read more about data privacy on page 47.

Practice

Economic climate

Telkom's resilience through economic cycles and monetary policy changes impacts the sustainability of our suppliers, business partners, customers and employees. Stability and solid performance preserve demand throughout our value chain and ensure continued affordability for our customers. Rising costs of inputs, such as electricity, can lead to lower profit margins where these costs cannot be recovered or mitigated, leading to value erosion for investors.

Prosperity

Ethical leadership and future-ready skills

Ethical leadership is a strong contributor to stakeholder trust. In an industry often scrutinised for data handling and service reliability, ethical leaders create a culture of integrity and positive impacts.

Sustainable, positive impacts require leadership, supported by specialised skills that can enhance Telkom's resilience and leverage our position as the digital backbone for South Africa's digital future. By sourcing and developing future-ready skills, we build capacity in our value chain and ensure we are able to deliver on our strategy while enhancing products, services and solutions for our customers and communities. Read more about ethics on page 44.

People Practice

Climate resilience

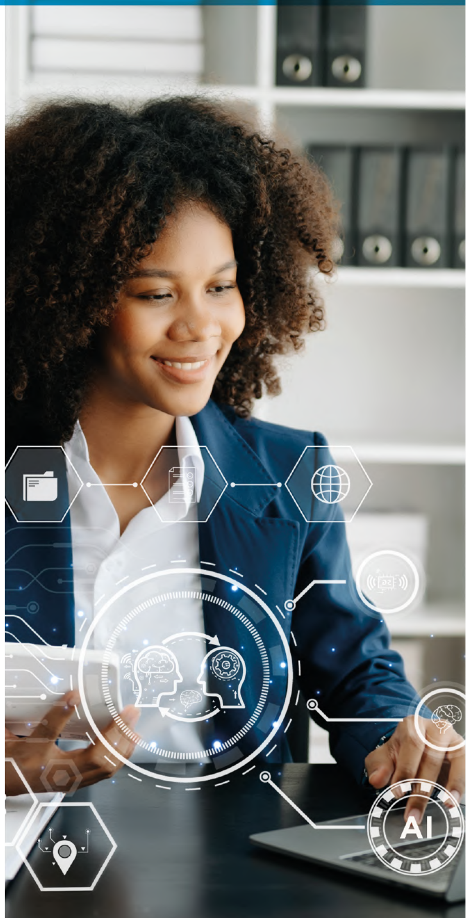
Telkom is a systemically important ICT provider in South Africa. Our ability to respond to and mitigate the impacts of climate change is therefore essential. Our network of data centres and exchanges is critical to storing, managing and processing vast amounts of data. These facilities are strategically located to ensure high availability and redundancy, safeguarding against service disruptions.

Climate-related risks such as extreme weather events and energy supply disruptions can affect our operations, infrastructure and service reliability, which would affect millions of people in South Africa and beyond. Our decarbonisation efforts and net-zero target support broader initiatives to address climate change. At the same time, our operational energy reduction initiatives drive efficiencies that benefit our customers, suppliers and investors. Read more about our Planet initiatives from page 32.

Planet

Governance 3

We have formal and integrated governance structures that provide direction and oversight for sustainability and climate-related risks and opportunities, ensuring that we deliver on our purpose through a strategic focus on Prosperity, Planet, People and Practice.



Sustainability and climate governance

Board oversight and delegation	Social and Ethics Committee (S)	Risk Committee (Ri)	Audit Committee (A)	Remuneration Committee (Re)	Nominations Committee (N)	Investment and Transactions Committee (I)	Technology Committee (T)
Responsibilities for sustainability and climate-related oversight are integral to the **Board's** governance framework. The Board delegates formal oversight of sustainability and climate-related issues to specific Committees. Each Committee operates under terms of reference that specify sustainability and climate aspects, and each has a distinct role in ensuring alignment with the Group's Sustainability Strategy. The Board is informed about material sustainability issues on a quarterly basis by the Social and Ethics Committee. For the composition of the Telkom Board, see the FY2026 integrated report, available on our Group website under investor relations: https://group.telkom.co.za/ir/	The **Social and Ethics Committee** oversees Telkom's ethical conduct, responsible corporate citizenship, labour and employment practices, diversity, equity and inclusion, sustainability performance, health and safety, consumer relationships and stakeholder engagement. The Committee monitors the implementation of ethics awareness and training initiatives, fraud and forensics reporting, compliance with applicable legislation, and Telkom's social responsibility activities, including charitable giving and Telkom Foundation programmes. It contributes to the integrated and sustainability reports and ensures that Telkom's values, ethics and sustainability practices are embedded across operations.	The **Risk Committee** oversees risk management (including compliance, disaster recovery and business continuity), thereby ensuring the quality, integrity and reliability of the Group's risk management processes. It considers any current, imminent or envisaged risk that may threaten Telkom's long-term sustainability. This includes comprehensively addressing the governance of risk, considering sustainability and climate impacts, risks and opportunities in strategy development, and the potential effects of these risks on the achievement of Telkom's objectives. The Committee ensures that the enterprise risk management plan is widely communicated and that risk management is integrated into employees' day-to-day activities and the organisational culture.	The **Audit Committee** supports the Board by overseeing the quality and integrity of Telkom's integrated reporting. This includes the financial statements (including the consolidated Group financial statements), sustainability reporting, and public announcements in respect of the financial results. The Committee ensures it has a sound understanding of financial, sustainability and climate impacts, risks and opportunities and their dependencies.	The **Remuneration Committee's** primary responsibility is to set the Group's remuneration policy and ensure it aligns with the Group's PIVOT Strategy and Sustainability Strategy, shareholder interests, and regulatory requirements. The Committee sets and reviews total remuneration and other incentives for senior executives and all employees. It ensures that pay decisions are ethical, fair, competitive and linked to short-term and long-term performance, while attracting and retaining talent.	The **Nominations Committee** is responsible for governance-related matters. These include the nomination and appointment of Board and Committee Members, and Board succession planning and composition. The Committee works closely with the Remuneration Committee on succession planning for Executive Directors and other critical roles.	The **Investment and Transactions Committee** ensures the Group's financial sustainability by overseeing material investments and transactions, including mergers and acquisitions (M&A) and the acquisition and disposal of assets, and approving them in line with the Group's strategy, gearing targets and risk appetite. The Committee reviews major investment programmes to ensure that responsible investment practices are applied and capital expenditure is allocated to enable revenue growth and cost management. It monitors revenue and cost performance to ensure that expenditure aligns with the strategy and promotes effective resource allocation and sustainable business practices.	The **Technology Committee** assists the Board with oversight of technology and innovation strategies, plans and operations related to information security, cybersecurity, data privacy and third-party technology strategies.

Social and Ethics Committee profiles

The Social and Ethics Committee is a statutory Board Committee per the provisions of the Companies Act. Its activities cover economic, environment, social, governance and ethics-related matters, risks and opportunities.

	Name and age	Role	Date of appointment	Principal skills	Other directorships
	EG Matenge-Sebesho (71)	Independent Non-executive Director and Chairperson of the Social and Ethics Committee	1/7/2021	Financial markets and investments, international business, marketing, risk management and governance	FinMark Trust and First National Bank Ghana Ltd
	B Kennedy (66)	Independent Non-executive Director and Chairperson of the Remuneration Committee	15/7/2022	Business leadership, corporate banking, debt and equity capital markets, e-commerce, governance, private equity, commercial property finance and M&A	Absa Group Ltd, African Rainbow Minerals Ltd, Thulumela Investments (Pty) Ltd and others
	IO Selele (49)	Independent Non-executive Director	15/7/2022	Business leadership, business strategy, ESG, governance, renewable energy, digital technology, marketing, supply chain management, AI and innovation	Brand SA Trust, RRS Investment Holdings (Pty) Ltd and others
	MLB Msimang (49)	Independent Non-executive Director	1/7/2024	Regulatory, public policy, business strategy, investment and governance	Sasol Oil (Pty) Ltd, South 32 Ltd, Woodlands Dairy (Pty) Ltd and others
	SP Sibisi (71)	Independent Non-executive Director	1/4/2019	Accounting, auditing, business leadership, corporate finance, ESG, governance, human resources (HR), policy, regulatory, risk management, strategy and M&A	FirstRand Bank Ltd
	S Taukobong (56)	Group Chief Executive Officer (GCEO) and Executive Director	1/1/2022	Marketing, customer operations, M&A and business leadership	Business Connexion Group Ltd, Gyro Properties (Pty) Ltd, Openserve (Pty) Ltd, Trudon (Pty) Ltd[1],Telkom SA SOC Ltd
	NS Dlamini (52)	Group Chief Financial Officer (GCFO) and Executive Director	1/12/2023	Finance, business strategy and execution, business leadership and corporate governance	Business Connexion Group Ltd, Gyro Properties (Pty) Ltd, Openserve (Pty) Ltd, Rossal No. 65 (Pty) Ltd, Telkom SA SOC Ltd
Permanent invitees					
	NM Lekota (55)	Chief HR Officer	1/3/2017	HR strategy architecture and business leadership	Business Connexion Group Ltd, Business Connexion (Pty) Ltd
	M McNamee (44)	Chief of Corporate Affairs	15/7/2024	Stakeholder relations, corporate social responsibility, sustainability and ESG	Openserve (Pty) Ltd, Telkom Foundation Trust

[1] *Trudon is in the process of being deregistered and will no longer be a subsidiary once the process is finalised.*

Note: *Effective 1 May 2026, and subject to shareholder approval at the 2026 annual general meeting, B Kennedy ceased to be a Member of the Social and Ethics Committee, while M Booi was appointed as a Member (refer to the SENS announcement dated 30 March 2026).*

Board direction and tone for sustainability oversight

- Delegated oversight: The Social and Ethics Committee holds primary responsibility for monitoring the Group's adherence to ethical, social and environmental standards. The Audit and Risk Committees monitor climate-related risks and non-financial disclosures. The Board retains ultimate accountability for overseeing sustainability and climate-related risk and compliance across the Group
- Terms of reference and mandates: Responsibilities for sustainability oversight are embedded in the Group's governance framework and reflected in the Social and Ethics Committee terms of reference, which are approved by the Board. Sustainability considerations are integrated into the Board-approved ERM framework, ensuring climate-related risks are assessed alongside strategic and financial risks
- Skills and competencies: The Board ensures appropriate sustainability and climate expertise in the composition of the Social and Ethics Committee. The Committee comprises a majority of Independent Non-executive Directors with expertise in ESG, climate, sustainability, ethics and corporate governance. The Committee's skills and expertise are regularly reviewed to ensure it remains efficient and effective and is able to fully discharge its fiduciary duties
- Organisational structure: Management is responsible for implementing sustainability initiatives and reporting progress to the Social and Ethics Committee. Read more about sustainability management on page 22

Board role in integrating sustainability in strategy and remuneration

- Process and frequency: Climate change has been a key focus area since 2022. The Social and Ethics Committee reports quarterly to the Board on progress against sustainability-related KPIs. It provides insight into the broader sustainability context and offers guidance on sustainability performance and initiatives, for example, to reduce the Group's environmental footprint. The Committee also advises on the potential positive and negative effects of Telkom's operations on people, the environment and the economy
- Strategy and risk management: Material sustainability considerations, identified via the double materiality assessment, inform the Group's sustainability prioritisation. The Board uses climate scenario analysis to evaluate the resilience of the Group's strategy and business model against future climate-related hazards. It considers trade-offs between competing priorities, such as balancing Telkom's net-zero ambition with the capital required to expand mobile and fibre networks
- Capital allocation: Financial planning is guided by the ERM framework, with the Board approving capital for specific sustainability projects. Read more about climate-related financial risk sensitivity in the section on our financial position, performance and cash flows on page 55
- Performance targets and business plans: The Board oversees the setting of key indicators and stretch targets for the Sustainability Strategy. This covers the pillars of Prosperity, People, Planet and Practice and includes targets for net-zero, circularity and digital inclusion. To reinforce leadership accountability for achieving climate change objectives, climate change-related targets are linked to remuneration. Read more about our future targets on page 49
- Sustainability and climate-related policies and frameworks: Sustainability and climate objectives are operationalised through policies such as the Telkom corporate citizenship policy statement, occupational health and safety policy, climate change policy statement, environmental policy statement and more. These are all available on our website at https://group.telkom.co.za/sustainability/Sustainability.html. They establish the principles, commitments, targets, accountability and reporting guidance for effective sustainability management
- Remuneration policies: Sustainability performance metrics and internal reward systems are integrated into the remuneration framework to ensure accountability. Climate responsibilities – specifically, annual CO_2 emissions reduction – carry a 5% weighting in both the GCEO and GCFO scorecards, while other sustainability objectives account for an additional 10%. Both STI and LTI plans include sustainability-linked performance conditions to align individual performance with the Group's sustainability goals. Read more in the FY2026 remuneration report, available online

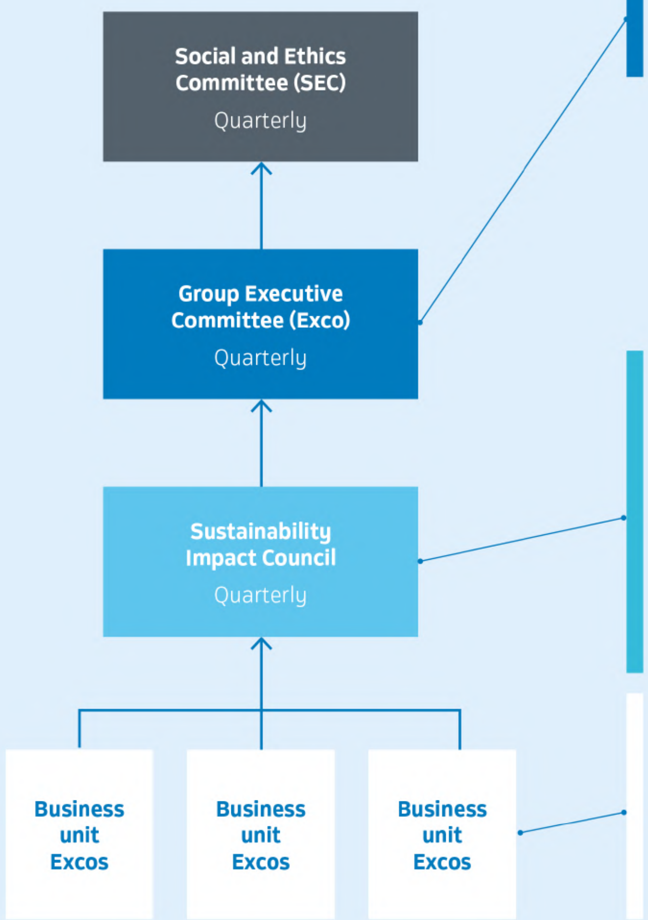
Board oversight of strategy implementation

- Monitoring management: The Board, primarily through the Social and Ethics Committee, oversees the execution of the Sustainability Strategy. This includes monitoring management's activities and the effectiveness of progress towards net-zero carbon emissions
- Outcomes of assessments: The Social and Ethics Committee and the Risk Committee review findings from impact, risk and opportunity assessments, including climate risk scenario analysis, to guide the development of mitigation strategies and business continuity plans
- Controls and procedures: Oversight is supported by an integrated assurance framework designed to identify, assess, monitor and report on the Group's complex risks and opportunities. At management level, integrated governance, risk and compliance committees drive awareness and accountability, advising the Board on risk and compliance matters
- Progress against targets: The Social and Ethics Committee reviews sustainability and climate-related targets every quarter to monitor progress against the stretch ambitions and key indicators defined under the four sustainability pillars. The Committee specifically tracks Scopes 1, 2 and 3 emissions reduction progress against the FY2022 baseline

Sustainability and climate management

The GCEO is responsible for the implementation of the Sustainability Strategy, with support from the Exco, business unit executives, the sustainability team and sustainability champions. The Exco is responsible for assessing and managing sustainability-related risks and opportunities, and ensuring they are integrated into the Group's strategic planning and operational decision-making. At operational level, the Exco governs and supports sustainability and climate change initiatives, ensuring that related priorities are embedded in core business functions.

Sustainability management



Group Executive Committee

Sustainability is a standing agenda item at existing quarterly meetings

Sustainability Office

- Lead and custodian of the Sustainability Strategy
- Co-ordinates the activities of the Sustainability Impact Council
- Provides the frameworks for sustainability monitoring and reporting

Sustainability Impact Council

- Meets quarterly in line with Exco and SEC meeting cadence
- Chaired by the Chief of Corporate Affairs, who reports to the Exco and SEC on all sustainability matters
- Council members are business unit Exco members responsible for sustainability and the Corporate Centre Chief Executive sponsors

Business unit and Corporate Centre function Excos

Sustainability is a standing agenda item at business unit and Corporate Centre Excos to track progress, identify challenges and develop mitigation strategies

Key changes to the sustainability operating model

We are defining a new sustainability operating model that will increase senior sponsorship and execution capability at Group, functional and business unit levels. This will enhance our current management structure in terms of accountability, oversight, and integration of sustainability and climate-related management across the Group.

Future adjustments include:

- Exco ownership at the Group, Corporate Centre function, and business unit levels will form part of job descriptions and individual scorecards. Sustainability will be a standing agenda item, and a new Sustainability Lead will be a permanent invitee to business unit Exco meetings
- The sustainability team will be expanded to develop a more robust function to support business units in executing and tracking their sustainability goals. The team is the custodian of the Sustainability Strategy
- The business units will formally define their sustainability goals. These will be shared to increase collaboration and capacity allocation
- Corporate Centre functions will translate goals into KPIs to track implementation and progress against the Sustainability Strategy
- Sustainability roles at business unit and functional levels will be filled through a formal process, replacing the current voluntary roles and reporting lines

Strategy 4

Our sustainability context

The world in which Telkom operates shapes our ability to implement our Sustainability Strategy and influences what our stakeholders regard as material. The Group monitors local and global sustainability research and trends to assess their potential impact and to leverage associated opportunities or mitigate risks.

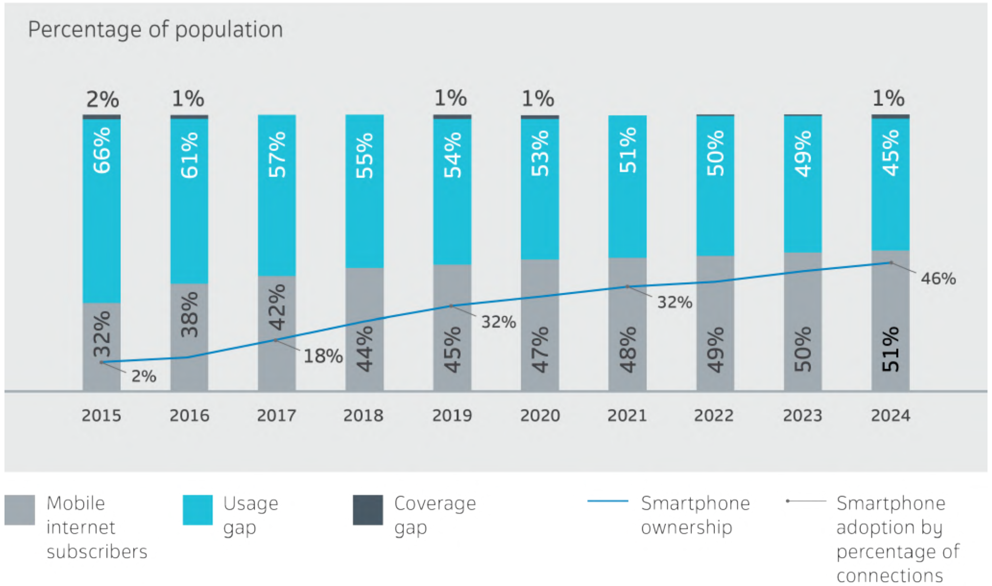
Six global trends, drawn from the WEF Global Risks Report 2026, frame the context in which Telkom pursues its sustainability commitments.

Climate change and energy transition

Climate change is one of four structural forces that will reshape the global risk landscape over the coming decade, alongside technological acceleration, geostrategic shifts and demographic bifurcation. Global temperatures are on a trajectory likely to exceed 1.5°C above pre-industrial levels, intensifying extreme weather, water scarcity and infrastructure disruption. Data centres alone could consume up to 20% of global electricity by 2030 to 2035 as AI drives surging power demand. They also consume significant water for server cooling. In addition, the embodied carbon content of manufacturing the data servers is significant, with heavy reliance on energy- and water-intensive silicone as an input. Emissions from end-user devices and software inefficiencies will compound the greenhouse effect, unless measured and mitigated.

For Telkom, a climate scenario analysis across 55 network assets confirmed significant physical exposure to drought, flooding, fire and extreme heat. South Africa's implementation of phase 2 of the Carbon Tax Act, effective January 2026, reinforces the commercial imperative to accelerate the Group's renewable energy programme.

South Africa: connectivity landscape



73% Smartphone adoption

61 million live in South Africa

31% live in rural areas

1% 2G

7% 3G

77% 4G

15% 5G

Percentage of total connections

Network coverage **99%** 4G

59% 5G of the population

51% of the population are mobile internet subscribers

The mobile usage gap has narrowed from 66% to **48%** in the past 10 years

3% of monthly income per capita is cost of entry-level smartphone

<2% of monthly income per capita is cost of 1GB of data

Note: Figures relate to the end of 2024 unless otherwise stated.
Source: GSMA Intelligence report: Accelerating Smartphone Adoption in Africa, 2025.

Inequality and poverty

Inequality is one of the most deeply interconnected global concerns, amplified by the uneven distribution of AI's productivity gains. In South Africa, smartphone adoption stands at 73%, yet 31% of the population lives in rural areas where affordability is a primary barrier – an entry-level smartphone costs approximately 3% of monthly income per capita. Connecting the remaining unconnected is a demand-side challenge rather than a supply-side one.

The removal of the ad valorem excise duty on smartphones below R2 500 by National Treasury in May 2025 is a meaningful step. On the downside, rising subscriptions across sub-Saharan Africa – from 950 million in 2023 to a projected 1.2 billion by 2030 – bring a growing e-waste challenge. Telecoms devices and network equipment combine hazardous materials that require robust recycling systems and clearer producer responsibility frameworks.

AI, digitisation and connectivity

Adverse outcomes of AI technologies are identified as one of the most significant long-term global risks. This reflects AI's systemic impact on economies, labour markets and societies. The global AI market is projected to grow from US$280 billion in 2024 to $3.5 trillion by 2033[1], with AI becoming embedded across network operations, customer engagement and decision-making.

[1] *https://www.weforum.org/publications/global-risks-report-2026/*

The benefits of digitisation are not evenly distributed: AI adoption is more than three times higher in North America than in sub-Saharan Africa. As 5G reshapes telecommunications, smartphone access has become an even more pronounced driver of digital inclusion. Telkom is positioned directly at this intersection. The Group is deploying AI across its network and customer platforms and embedding AI literacy as a workforce-wide competency through its digital capability and intelligence (DQ) framework.

Data and privacy

As networks expand and digital ecosystems become more complex, cybersecurity will remain a top priority for businesses and consumers. AI is the most significant driver of change in this space: it expands the attack surface and is being leveraged by threat actors to enhance the scale, speed and precision of attacks. This is driving a new generation of automated exploitation and social engineering.

Digital sovereignty is an emerging parallel concern. Customers are demanding greater control over their data and clearer understanding of digital supply chains. Looking ahead, "harvest now, decrypt later" quantum computing campaigns are already in operation, requiring organisations to plan for quantum-resistant encryption.

Telkom applies privacy by design and security by design principles across all products, services and systems.

Workplace transformation

Talent and labour shortages are a growing global concern as AI restructures skill requirements across sectors. Globally, 170 million new roles are projected to emerge by 2030 while approximately 92 million are displaced.

For Telkom, this is immediate: 9 463 permanent staff are navigating a business that is engaged in deep technological transition – from voice to data, copper to fibre and fixed-line to mobile – while simultaneously integrating AI across operations. Through our DQ framework, 24-month Elevate internship programme and data-driven workforce planning, we are building the capabilities required.

Women in leadership reached 37.3% in FY2026, with a Board-approved target of 50% by 2030.

Resilient infrastructure and supply chains

Disruptions to critical infrastructure and supply chains are a growing global concern, driven by ageing systems, intensifying extreme weather and geo-economic tensions. Localisation, strategic partnerships and preventative maintenance through real-time monitoring are becoming priorities in this regard.

At the same time, satellite connectivity is reshaping the landscape. Low Earth Orbit (LEO) integration is expanding coverage into underserved regions, promising connectivity for remote communities, maritime transport and emergency services.

Telecoms operators and regulators will need to navigate this evolving landscape carefully, balancing investment, fairness and consumer protection. Telkom's footprint of 8 420 mobile base stations and 180 000 kilometres of fibre forms part of South Africa's critical national infrastructure, and therefore requires sustained investment in physical and cyber resilience and security.

Source of global contextual information: World Economic Forum (WEF), The Global Risks Report 2026, 21st Edition. Available at: https://www.weforum.org/publications/global-risks-report-2026/

Our strategic journey

Telkom began its ESG journey in March 2022 when the Board approved our first sustainability strategy.

This report closes out this cycle and introduces our new 2030 Sustainability Strategy, which was approved by the Board in November 2025 (see page 49).

We use our four new sustainability pillars – Prosperity, Planet, People and Practice – to structure feedback on the first strategy according to the goals we set ourselves.

** Carbon neutrality: A state where greenhouse gas emissions are balanced by an equivalent amount of verified carbon credits or removals, resulting in net-zero emissions.*

*** Net zero: A state in which greenhouse gas emissions are reduced to as close to zero as possible, with any residual emissions balanced by carbon removals.*

Prosperity

Digital services

- Empower our customers by aiming to provide 4.3 million customers with access to Telkom's diversified digital platforms by 2025
- Enable the growth of South Africa's business segment by providing digital platform solutions to half a million businesses by 2025

Empower communities

- Empower 15 million South Africans through mobile and fixed wireless broadband connectivity by 2025
- Aspire to give access to over 1.5 million South African homes and businesses through our fibre-to-the-x (FTTx) footprint by 2025

Investing with purpose

- Positively impact 250 000 lives through our SMME spend by 2025

Planet

Digital planet

- Deploy and activate 50 000 Internet of Things (IoT) devices that enable responsible energy and water consumption for businesses and government by 2025

Operational efficiencies

- Telkom aims to become carbon neutral* by 2035 and to achieve net zero** by 2040
- 50% reduction in fossil fuel consumption by 2030 (tCO_2e)
- 100% renewable energy sources by 2035
- 50% reduction in waste to landfill by 2030 (tonnes)
- 25% reduction in potable water consumption by 2030 (kL)
- 25% migration from R22 refrigerant gases in 2025 and 100% by 2035 (kg)

People

Investing with purpose (people and communities)

- Positively impact more than 70 000 lives through digital literacy by 2025
- Advance gender equity by increasing women in leadership to 35% by 2025
- Be a leading employer in South Africa by 2025

Practice

Business stewardship

- Create a culture of responsible technology and information use within the organisation and broader industry
- Promote fair and ethical practices towards our customers and within the organisation

FY2026 performance against our ESG goals

Sustainability pillar	Focus area	Goal statements and targets		FY2022 performance	FY2023 performance	FY2024 performance	FY2025 performance	FY2026 performance	% change from FY2025	% change from FY2022 base year	Status
Planet	Operational efficiencies	Carbon neutral by 2035 Scopes 1 and 2 emissions (tCO$_2$e)		852 782	704 740	639 041	576 395	**419 875**	(27.2%)	(50.8%)	
		50%	Reduce fossil fuel consumption by 2030 (tCO$_2$e)	55 466	85 100	66 119	35 127	**27 626**	(21.4%)	(50.2%)	
		100%	Renewable energy sources by 2035	<1%	<1% (0.528 GWh)	<1% (3.7 GWh)	1.4% (9.25 GWh)	**2% (9.9 GWh)**	0.6 ppts	2 ppts	
		Net zero by 2040									
			Determine Scope 3 emissions and set a target (tCO$_2$e)	1 041 730	1 026 189	952 746	947 260	**812 850**	(14.2%)	(22.0%)	
		50%	Reduction in waste to landfill by 2030 (tonnes)	743	686	644	622	**543**	(12.7%)	(26.9%)	
		25%	Reduction in potable water consumption by 2030 (kL)	997 617	930 771	777 722	775 103	**742 453**	(4.2%)	(25.6%)	
		25%	Migration from R22 refrigerant gases in 2025 and 100% by 2035 (tonnes) from a 2016 baseline	38	36	34	31	**27**	(12.9%)	(28.9%)	
	Digital planet	70 000	IoT devices deployed by 2025	15 220	58 567	73 790	95 170	**141 761**	49.0%	831.4%	
Prosperity and People	Investing with purpose	250 000	Lives positively impacted through SMME spend by 2025[1]	91 357	154 206	228 594	251 203	**260 337**	3.6%	185.0%	
		70 000	Lives impacted through digital literacy by 2025[2]	14 420	30 120	58 417	72 278	**122 521**	69.5%	749.7%	
		2023	Become employer of choice	Achieved	Achieved	Achieved	Achieved	**–**	–	–	
		35%	Women in middle management positions (M5 and above) by 2025	32%	33%	34%	35%	**37%**	2 ppts	5 ppts	
	Digital services	4.3 million	Customers with access to Telkom's diversified digital platforms by 2025	2 039 684	3 873 170	8 800 000	11 277 361	**11 974 160**	6.2%	487.1%	
		500 000	Businesses with access to digital platform solutions by 2025	443 467	445 119	447 647	451 346	**651 000**	44.2%	46.8%	
	Empowered communities	15 million	Customers connected to broadband and fixed wireless broadband connectivity by 2025	11 700 000	14 451 014	15 957 972	19 590 697	**20 202 000**	3.1%	72.7%	
		1.5 million	SA homes and businesses connected through our FTTx[3] footprint by 2025 (homes passed)	839 691	1 040 565	1 217 110	1 378 930	**1 539 209**	11.6%	83.3%	
		underserved area	Fibre rollout in townships (homes passed)	119 579	138 813	139 476	231 330	**302 523**	30.8%	153.0%	
			Fibre rollout in townships (homes connected)	47 619	60 928	70 024	120 852	**161 058**	33.3%	238.2%	
Practice	Business stewardship	Culture of responsible technology and information use:									
			Number of data breach occurrences	–	–	–	–	**–**	– %	– %	
		Fair and ethical practices towards our customers and within the organisation:									
		%	Reduction in escalated customer complaints[4]	7 416	4 907	3 661	4 953	**3 977**	(19.7%)	(46.4%)	
			Number of whistle-blowing incidents reported	2 089	1 393	1 069	1 239	**1 494**	12.2%	(40.7%)	

1 *Lives impacted by job creation = the number of people employed at an SMME, which can either be actual or x4.1 average if the number of employed is unknown (Small Business Institute SA). To calculate lives impacted, apply an economic multiplier of x3.3, representing the average number of people per household (Statistics South Africa).*

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

3 *FTTx: fibre to the x (x being a placeholder for where fibre will be connected to).*

4 *Excludes complaints managed at the call centre, as these are too complex for reporting purposes.*

Legend

- Achieved
- Making progress but long-term target not yet achieved
- Not achieved
- No specific target as part of the initial ESG strategy

Prosperity

Our ambition: Creating economic value for our stakeholders through expanded and new forms of connectivity

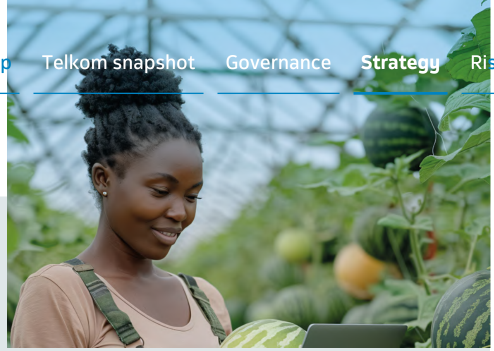
Our Prosperity pillar focuses on how Telkom creates value for the economy by:

- Stimulating digital economic growth
- Creating direct job opportunities
- Developing new products, services and offerings
- Supplier diversification and localisation

Partnering with Aizatron to build a 5G-enabled agritech sandbox

For generations, South African wine farmers have made critical decisions about irrigation, fertilisation and crop health based on experience and instinct, not real-time data. Sensors were expensive, connectivity was unreliable, and data extraction required manual site visits every two weeks. The result was wasted water, unnecessary electricity costs and preventable crop losses.

Telkom established a multi-year partnership with Aizatron, a local agritech developer, to build a 5G-enabled agritech sandbox – a real-world testing environment – at Stellenbosch University's Welgevallen experimental farm. The sandbox combines Telkom's 4G and 5G connectivity with IoT sensors, computer vision cameras and AI analytics.



Smart poles equipped with Telkom connectivity, NVIDIA edge devices, solar panels and battery storage transmit real-time environmental data to a cloud dashboard. Aizatron designed and produced low-cost, locally manufactured data loggers capable of collecting up to nine sensor data sets simultaneously. Where students once connected a laptop in the vineyard every fortnight, researchers now access insights daily.

The initiative has since extended beyond research. At Stellenzicht High School in Jamestown, Stellenbosch, learners growing vegetables in donated greenhouses now use Aizatron's loggers to monitor temperature and soil conditions. Telkom's connectivity enables real-time dashboards, helping students optimise watering and feeding while learning modern agricultural technology.

For Telkom, the initiative advances the strategic transition to an intelligent network operator, enabling precision farming solutions across multiple crop types while driving resource efficiency and agricultural productivity.

Digital services

Empowering our customers through digital access

Telkom enables economic growth through technology-driven products and services that support meaningful digital participation. Telkom far exceeded its target of providing 4.3 million customers with access to its diversified digital platforms by 2025. By the end of FY2026, this number had reached 11.97 million customers.

A central driver of this access is the Mo'Nice platform, which uses AI and machine learning to deliver personalised offers to pre-paid subscribers. Telkom's Emergency Top Up also contributes significantly, allowing qualifying customers to borrow airtime or data bundles and to repay when they next recharge.

In education, Telkom Learn enables the Group to expand access to digital learning opportunities. Its online learning platforms give learners access to educational content, learning support and digital resources beyond the traditional classroom environment. This strengthens digital inclusion and enables continuous learning.

To enhance digital inclusion and empowerment, the Group provides the zero-rated e-learning Telkom Lightbulb platform. This platform delivers educational content aligned with the Curriculum Assessment Policy Statements (CAPS) for learners in Grades 7 to 12. (Read more about Telkom Lightbulb on page 43.)

This focus on access is supported by a strategic shift to digital self-service channels. These allow customers to interact with Telkom more efficiently while reducing the carbon footprint associated with physical travel.

A trusted digital marketplace through Yep!

Access to everyday services such as plumbing, electrical work or personal care remains largely informal in South Africa. Consumers rely on personal networks or messaging groups, with limited price transparency and no consistent way to assess reliability. At the same time, small businesses struggle to access customers and grow beyond their immediate networks.

To address this, Telkom developed the Yep! platform, a mobile app and digital marketplace that connects consumers with service providers. Building on the legacy of Yellow Pages, the platform has evolved from a static listing service into a transactional marketplace where users can search, book and pay for services. The focus has evolved to driving consumer demand, creating a more active and reliable marketplace for users and merchants.

The platform reaches approximately 300 000 monthly users, connecting them to reliable service providers. Service providers gain access to Telkom's customer base of more than 24 million subscribers, increasing visibility and opportunities for work. The move to a fully transactional model, with a relaunch planned for FY2027, will improve price transparency, standardisation and service reliability.

The platform improves access to trusted services while supporting small business growth. It enables SMMEs to connect to a broader market, generate income and scale their operations, increasing participation in the digital economy.

Developing new products, services and offerings

Telkom develops new products, services and offerings to maintain relevance in a competitive landscape.

In FY2026, Telkom Consumer transitioned from standalone connectivity to converged, digital-first propositions. Tangible innovations include:

- Fibre to the room (FTTR): Openserve partnered with Huawei to introduce South Africa's first FTTR solution, which uses a fully optical in-premises network to eliminate Wi-Fi coverage gaps
- Smart Wi-Fi and value-added services: Integrating connectivity with content services, such as media streaming and web-based home security
- Openserve Web Connect Air: A broadband internet access service that uses wireless technology to connect a base station on a fibre network with multiple subscriber units spread out over a wide area. This extends the range of the fibre network in a quick and cost-effective manner
- Openserve's wholesale pre-paid fibre to the home (FTTH) offering: This operates on Openserve's internet service provider (ISP) platform, enabling the creation of customised pre-paid data bundles with varying validity periods, data caps and download speeds. The solution includes WebConnect pre-paid, available in lower-income areas, and Webstream pre-paid, available across all FTTH coverage areas

Managing product and service-related risks

While no product recalls were recorded during the year, we are developing a formal product risk disclosure framework to enhance our approach in future cycles.

Enabling smartphone adoption through pre-paid smart devices

For many lower-income and pre-paid customers, the primary barrier to digital participation is not network availability, but access to affordable, functional smartphone devices. Entry-level handsets often limit the ability to use messaging, video and other data-driven applications, restricting how users engage with digital services.

To address this, Telkom introduced a range of affordable pre-paid smartphone devices, designed to provide access to essential digital services from the point of purchase, with pre-installed applications such as WhatsApp, YouTube and Facebook. The offering provides a practical entry point into the digital ecosystem and is supported through Telkom's retail distribution channels.

The initiative has seen strong uptake, with close to one million Telkom Citrus devices distributed since launch. The device is now in its third iteration, with ongoing refinement based on user needs and performance. This has enabled more consistent access to core digital services across the target market.

By improving access to functional and affordable devices, the initiative enables engagement with digital platforms and meaningful participation in the digital economy. It also creates a foundation for access to services such as education, employment opportunities and digital content, reinforcing Telkom's role in expanding digital inclusion in underserved communities.

Driving growth in South Africa's business segments

Telkom acts as South Africa's digital backbone, investing in intelligent networks, cloud, data and AI to help businesses scale. The Group has made steady progress toward its goal of delivering digital platform solutions to half a million businesses. Through BCX, the Group integrates connectivity with managed services to provide outcome-based solutions.

Tangible examples of these enterprise solutions include:

- **Proprietary industry platforms:** The UniSolv pharmacy system powers over 1 100 healthcare sites, while retail platforms like Dolfin and ActiveRetail are deployed across more than 12 000 retail sites and 215 000 devices in the Southern African Development Community (SADC) region
- **SMME and start-up support:** Through Telkom FutureMakers, the Group supported 362 enterprises in FY2026, enabling R709.3 million in procurement opportunities Ⓐ. This included support for high-growth tech start-ups like Welo Health, an on-demand healthcare platform, and AdvannoTech, which provides the VantageX data fusion platform for business automation
- **Enterprise productivity:** BCX offers Everything-as-a-Service (XaaS) solutions and unified communication platforms that bundle voice, video and collaboration tools. These are delivered over BCX-managed networks that ensure quality of service and security

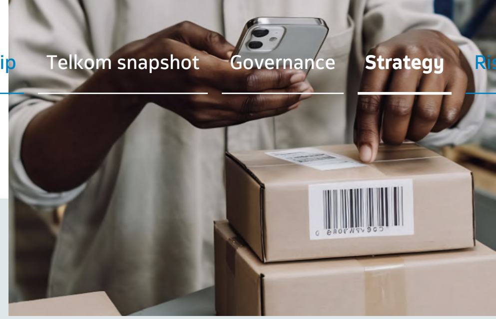
Ⓐ *External moderate assurance on selected sustainability indicators. Refer to the FY2026 Independent Assurance Report, available online.*

Tuu Post: Enabling township digital inclusion through last-mile infrastructure

In many townships and rural communities, it is difficult to access services such as parcel delivery, online purchases and basic digital services. E-commerce providers often do not deliver to these areas, and customers do not always have reliable or convenient collection points. At the same time, local merchants, including internet cafés, can assist with tasks such as job applications, printing and accessing online services, but are not connected to broader service and logistics networks.

Through the FutureMakers Township Innovation Incubator programme, Telkom provides business incubation and enterprise development support to Tuu Post to improve the company's courier services to urban, semi-urban and rural communities.

Tuu Post works with a network of local merchants and equips them to act as service points within their communities. These merchants support services such as parcel collection and delivery, selling airtime and tickets, and helping customers place orders and send or receive parcels, linking local infrastructure into wider logistics networks.



For example, a customer can order a product online, have it delivered to a local merchant and collect it there, while also accessing services such as parcel sending and airtime purchases.

Tuu Post has 78 active merchant agents, with further sites undergoing integration. The business is expanding, with a pipeline of more than 1 000 additional sites.

The presence of a local merchant improves trust and accountability, as parcels are handled in person.

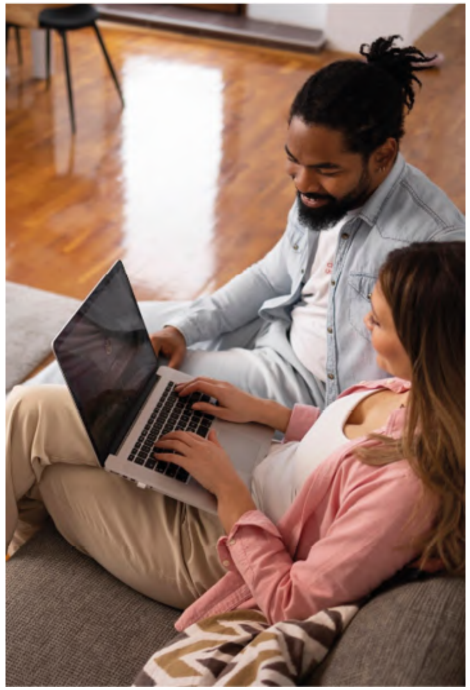
Through FutureMakers' support ecosystem, Tuu Post participated in pilot initiatives aimed at expanding its offering. This included a fibre-lead generation pilot through the Openserve dealer channel, which generated more than 250 leads in a single community within two weeks.

This model shows how local businesses can extend services into underserved areas. It improves access to deliveries, connectivity and online services, and creates opportunities for small businesses, supporting broader participation in the digital economy.

Empower communities

We agree with the World Bank and others that installing fixed and mobile broadband has positive economic impacts. Telkom exceeded its 2025 goal of empowering 15 million South Africans through mobile and fixed wireless broadband connectivity by 25%. By the end of FY2026, the Group had provided high-quality connectivity to 15.3 million customers. This was supported by our ongoing rollout of high-speed infrastructure, with the Group's FTTx footprint now reaching 1 539 209 homes and businesses.

This expansion of connectivity infrastructure supports broader digital participation by improving access to communication, digital services, learning, business activity and online opportunities across connected communities.



FTTx township expansion

The suburban fibre market in South Africa is reaching saturation, with limited growth potential remaining. Township communities represent a significant underpenetrated market: between 15 and 21 million people live in the country's 532 townships.

Expanding fibre into townships presents different operational challenges. These include higher population density, different infrastructure requirements, the need for community engagement, and the presence of opportunistic crime and informal access demands.

Telkom is expanding its FTTx rollout into township areas through Openserve. We are approaching this as both a commercial growth opportunity and a response to limited broadband access. The Group is continuously improving alignment with the requirements of this market, including product structuring and rollout execution.

In total, 1 539 209 homes and businesses were connected through our FTTx footprint by the end of FY2026, with a connection rate of 53.1%.

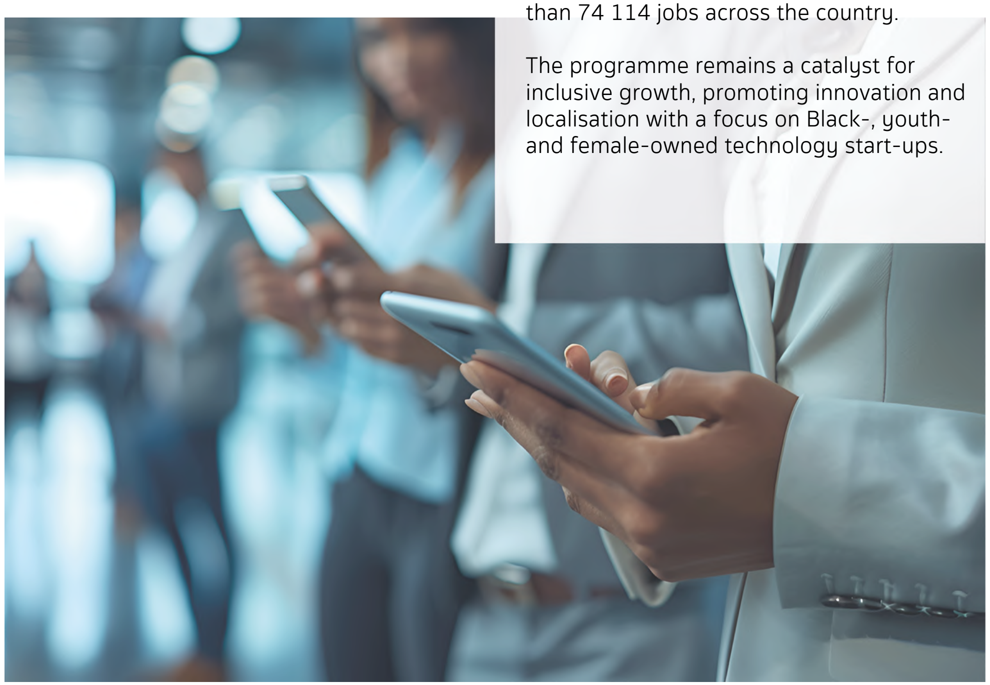
The FTTx initiative serves as a powerful driver of digital inclusion. It also significantly improves access to online education, healthcare, commercial and employment opportunities. By enabling such access, we actively support national GDP growth.

While the project is expanding from a small base, it is strategically positioned to unlock a significant market, extending the benefits of high-speed broadband to every sector of society.

Investing with purpose

Telkom contributes to indirect economic development through targeted investment in education and digital inclusion. We deliver these initiatives mainly through the Telkom Foundation. They focus on improving learning outcomes, expanding digital literacy and enhancing employability, particularly in underserved communities. For a fuller view of the Telkom Foundation's work, see page 43.

The Group's approach to economic development includes deploying ICT infrastructure and digital learning platforms, developing youth capabilities through accredited programmes and internships, and investing in Centres of Excellence that support research and innovation.



Supporting entrepreneurship: FutureMakers

Telkom recognises the role of SMMEs in driving economic growth and job creation. Over the last decade, we have anchored our position as a leading corporate partner in developing SMMEs in the ICT sector through our flagship enterprise and supplier development initiative, FutureMakers.

Since its launch in 2015, FutureMakers has supported more than 2 634 majority Black-owned SMMEs through incubation, investment, connectivity and business development services.

In FY2026, Telkom supported 362 enterprises with procurement opportunities worth R709.3 million. Collectively, FutureMakers businesses have impacted over 260 337 lives and, combined with our procurement spend, helped sustain more than 74 114 jobs across the country.

The programme remains a catalyst for inclusive growth, promoting innovation and localisation with a focus on Black-, youth- and female-owned technology start-ups.

FutureMakers programmes

	Life cycle	Focus areas
Telkom Township Innovation Incubator		
An 18-month structured innovation and digital skills training programme with software development support.	Seed and development	Enterprise development innovation
Hackathons and incubation		
Hackathons solve Telkom's innovation challenges in partnership with start-ups. These are followed by 12 to 18 months of incubation covering business and technology readiness.	Seed and development	Enterprise development innovation
ICT Venture Builder with Aions		
A scale-up programme fusing equity investment and business development support. The aim is to scale up tech start-ups by removing blockages in their development path and making them venture capital-ready.	Early stage (start-up)	Enterprise development innovation
Women in ICT Pre-Accelerator		
The I'M IN Women Pre-Accelerator programme develops female ICT entrepreneurs using a progressive elaboration process. The programme graduated 10 young women from previously disadvantaged backgrounds and aims to progress them to an accelerator in FY2027.	Early stage (start-up)	Enterprise development innovation
Telkom Future Fund managed by IDF Capital		
Established in 2015 with a R150 million investment from Telkom (R250 million including BCX) to fund the start-up life cycle phases. The fund is in the divestment phase and expires in September 2026. The fund manager is charged with optimising returns while meeting the set expiry date.	Later stage (growth, establishment and expansion)	Supplier development, diverse supply chains and localisation
Aions: ICT Venture Builder		
Established in FY2023 with a commitment of R150 million over five years depending on business performance. It builds technology companies from seed and development to early-stage phases and facilitates investments in those companies.	Later stage (growth, establishment and expansion)	Supplier development, diverse supply chains and localisation
BCX SMME Subcontractor Programme		
BCX partners with SMMEs when responding to clients through subcontracting.	Later stage (growth, establishment and expansion)	Supplier development, diverse supply chains and localisation
Supplier Development Funder		
Established in FY2023 with R100 million over five years depending on business performance. Provides capital to SMMEs in Telkom's supply chain that are part of FutureMakers.	Later stage (growth, establishment and expansion)	Supplier development, diverse supply chains and localisation

	Life cycle	Focus areas
Mentorship programme and business development support services		
An annual structured programme customised for Telkom's suppliers to increase their business growth and provide business development support.	Later stage (growth, establishment and expansion)	Supplier development, diverse supply chains and localisation
Direct support services per business unit		
Ad hoc material, marketing, and grant support to SMME suppliers for Telkom Consumer and Openserve.	Later stage (growth, establishment and expansion)	Supplier development, diverse supply chains and localisation
Early payment days		
Payment of invoices within seven to 14 days for all FutureMakers-approved SMMEs.	Later stage (growth, establishment and expansion)	Supplier development, diverse supply chains and localisation

Real-time sustainability from the Awareness Company

Corporate sustainability management is typically based on periodic reporting cycles, limiting real-time visibility into performance. This creates a gap between sustainability data and decision-making, particularly where organisations require timely insights to manage environmental and operational risks.

The Awareness Company is a growth-stage business operating in the sustainability technology space. It has developed a platform that provides real-time sustainability information, including monitoring and insights, with integrated security functionality.

FutureMakers supports the Awareness Company through two programmes. The Venture Builder programme focuses on business development, go-to-market strategy, solution refinement and equity investment. In parallel, the AI Growth Catalyst programme supports AI adoption, including readiness assessment, technical enablement and integration into the business offering.

Programme performance is measured through predefined key performance indicators, including revenue growth, partnerships and access to funding. Employment creation is tracked, and support is structured over a multi-year period, with engagement beyond the initial support period where needed.

The initiative reflects FutureMakers' commitment to supporting businesses beyond early-stage development, with an emphasis on building commercially viable solutions aligned with sustainability-related opportunities.

Planet

Our ambition: Committing to environmentally conscious practices and adopting principles of circularity.

Our Planet pillar focuses on environmentally conscious practices:

- Net zero for Scopes 1, 2 and 3 emissions
- Renewable energy
- Circularity
- Responsible water consumption
- Alignment with standards (ISO 14001 and ISO 50001)

Progress against commitments: Carbon neutral by 2035 and net zero by 2040

We aim to reduce our emissions from purchased electricity and our exposure to fossil fuels via the following targets:

- 100% reduction in Scopes 1 and 2 emissions by 2035 relative to FY2022
- Fossil fuels to comprise 50% of energy use by 2030 compared to FY2022
- 100% of energy use from renewable sources by 2035
- Mitigate emissions of R22 refrigerant gases by 25% in 2025 and 100% by 2035 from the 2016 baseline

FY2026 progress at a glance

Target: Scopes 1 and 2 emissions

Per the approved science-based targets, Telkom committed to reducing its Scopes 1 and 2 emissions by **54.6%** by FY2033 from a FY2022 base year

Telkom reduced its Scopes 1 and 2 emissions by 50% from a FY2022 base year

Target: Scope 3 emissions

Per the approved science-based targets, Telkom committed to reducing its Scope 3 emissions by **32.5%** by FY2033 from a FY2022 base year

Telkom reduced its Scope 3 emissions by 22% in FY2026 from a FY2022 base year

Target: Water consumption

Telkom committed to reducing its potable water consumption by **25%** by FY2030 from a FY2025 base year

Telkom's water consumption decreased by 4.5% in FY2026 from FY2025

Target: Waste-to-landfill

Telkom committed to reducing its waste-to-landfill by **50%** by FY2030 from a FY2025 base year

Telkom reduced its waste-to-landfill by 13% in FY2026 compared to FY2025

In October 2024, the SBTi validated and approved Telkom's net-zero targets, reflecting our commitment to achieve net-zero GHG emissions.

Climate risk scenario analysis

Telkom completed its first climate risk scenario analysis in FY2024. The aim was to identify, quantify and manage the potential financial and operational impacts of climate change against various future scenarios aligned with the Paris Agreement. The analysis was conducted for 55 assets across South Africa, including exchanges, data centres, mobile sites, cable and radio stations.

Physical risk

We selected two climate scenarios for our physical risk analysis:

- RCP 4.5 – representing an intermediate emissions scenario (middle of the road)
- RCP 8.5 – representing the highest emissions scenario (worst case scenario)

We assessed these scenarios across the 2030 and 2050 timeframes and compared against historical data (baseline scenario) from 1981 up to 2010. We adopted the Intergovernmental Panel on Climate Change (IPCC) assumptions inherent in these pathways to ensure alignment with global climate science.

Drought, precipitation, temperature, flood, fire and extreme weather were identified as key hazards due to the high or very high risk exposure ratings across the assets under both scenarios and time horizons:

- Drought: 31 assets have very high exposure and four assets have high exposure under both scenarios and time horizons
- Precipitation: Seven assets have high exposure under both scenarios and time horizons
- Temperature: Six assets have high exposure under both scenarios and time horizons
- Flood: Three assets have very high exposure and three assets have high exposure under both scenarios and time horizons
- Fire: 18 assets have high exposure under both scenarios and time horizons
- Extreme weather: Two assets have high and very high exposure to wind gusts

Several key impacts were identified related to the high and very high risk exposures. Rising temperatures could result in increased cooling requirements for data centres and equipment rooms. This would drive up energy use and costs, and risk overheating of network infrastructure, which could cause service interruptions and a spike in emergency maintenance.

Drought conditions could compromise the effectiveness of water-based cooling systems for data centres and essential infrastructure. Additionally, wildfires pose a threat of direct damage to physical assets like fibre networks, masts and towers, and could lead to higher insurance premiums for properties in fire-susceptible regions.

Telkom has implemented several measures to improve resilience to climate-related impacts. For example, we work closely with the National Disaster Management Centre of South Africa to gain insights on predicted climate and weather trends. We also have Group-wide response plans in place for climate-related risks.

Telkom has not yet commissioned a climate resilience assessment to evaluate implications for our strategy and business model over the short, medium and long term.

Dealing with climate events

Telkom has a disaster fund for use in emergency situations, including climate-related events. The Board has the authority to expand the fund if necessary, depending on the number and extent of emergency events experienced within a reporting period. There is currently R5 million in the disaster fund.

When an event triggers a disaster threshold, our business continuity plans are activated, with response levels based on severity and structured governance oversight. These plans include proactive preparation for escalation to higher response levels, thereby ensuring the availability of resources and systems. If higher thresholds are met, the Telkom Group Emergency Management Team is activated. During rainy seasons, our teams and service providers adjust their work hours and stock additional materials to reduce delays.

To date, we have developed Group-level climate response plans for drought and water shortages, adverse weather, tornadoes and cyclones, fire, flooding and earthquakes.

Impact on workers and communities

Telkom's climate risk scenario analysis identifies that extreme weather events pose specific risks to both our workforce and surrounding communities. Increased temperatures and water scarcity have direct health and safety implications for employees, which are linked to reduced productivity. Wildfires are also identified as a significant threat to employee safety, with potential to cause trauma and necessitate robust evacuation protocols and emergency response plans.

The impact on surrounding communities varies based on their level of exposure and socio-economic vulnerability. Vulnerable communities are often more economically susceptible to climate disasters, as they may lack the resources to build sturdy structures or implement engineering protections. According to the United Nations Office for Disaster Risk Reduction, this social vulnerability is often compounded by factors such as literacy levels, access to basic human rights, and the robustness of collective organisational systems.

Transition risks

Transition risks are those risks resulting from policy, legal, technology and market changes that are made to mitigate and adapt to climate change. Policy actions will evolve over time, but may include actions that seek to limit activities that contribute to the adverse effects of climate change, and actions that seek to promote adaptation.

We used the Network of Central Banks and Supervisors for Greening the Financial System (NGFS) scenarios to identify transition risks. We then used the ISSB categories to classify these risks according to two NGFS scenarios:

- Nationally determined contributions (aligned with RCP 4.5)
- Current policies (aligned with RCP 8.5)

Telkom is subject to current and emerging regulations relating to climate change, such as carbon pricing regulations (e.g. South African carbon tax) and other reporting obligations. While we actively monitor changes in policy, such changes could have significant future impacts through increased compliance costs. Exposure on this component is medium to high.

Other transition risks identified in the analysis relate to:

- Technology: If Telkom experiences technological shortcomings or is unable to adopt or develop new technologies to reduce GHG emissions, this could negatively affect our progress in achieving our net-zero target. Exposure to this component is medium
- Market and reputation: Transition risks related to market and reputation include shifts in consumer preferences, negative stakeholder feedback, increased cost of raw materials, and uncertainty in market signals such as fluctuating demand. Exposure on these components is low

Carbon tax as a transition risk

Telkom was not subject to carbon tax during phase 1 of South Africa's new carbon tax regime. This was active from 1 June 2019 to 31 December 2025, and applied only to Scope 1 emissions. Our emission sources include fleet fuel combustion, generator fuel use, and refrigerant leakage.

For phase 2, which commenced in January 2026, Telkom will be affected by the indirect carbon tax paid in the carbon fuel levy and the indirect carbon tax passed through by Eskom. Phase 2 will run until 31 December 2030.

Our net-zero emissions journey

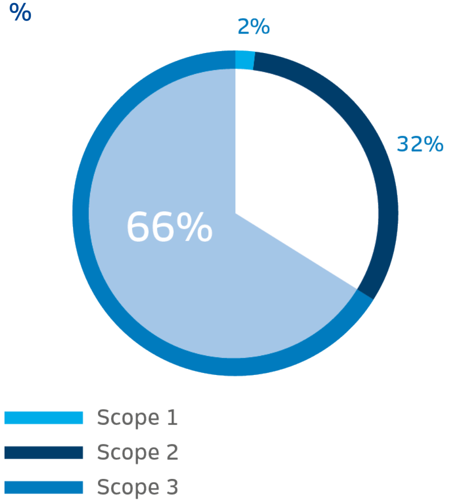
Telkom is committed to achieving net-zero emissions by 2040, following a clear science-based pathway to reduce our carbon footprint across all emission scopes.

In FY2022, our Scopes 1 and 2 emissions were at 852 782 tCO_2e. Since then, we have embarked on a progressive emissions reduction journey, guided by short-, medium-, and long-term targets.

Due to continuous refinement of our accounting methodology for Scope 3 emissions, we migrated to a hybrid approach in FY2026. We now calculate Scope 3 emissions using an activity-based approach that considers average data, product-specific, and industry spend-based emission factors. As a result, our emissions profile has been restated for FY2022 to FY2026.

Telkom FY2026 emissions

%



Ⓐ *External moderate assurance on selected sustainability indicators. Refer to the FY2026 Independent Assurance Report, available online.*

Overview of FY2026 GHG emissions across all scopes

The graph below shows Telkom's GHG emissions breakdown per scope for FY2026.

GHG emissions breakdown per scope per financial year

GHG emissions (tCO_2e)	FY2022	FY2025	FY2026	% change from FY2022 baseline
Scope 1	55 466	35 127	**27 626**	(50)%
Scope 2	797 316	541 268	**392 249**	(51)%
Scope 3	1 041 730	947 260	**812 850**	(22)%
Total	1 894 512	1 523 655	**1 263 594**	(33)%

The Group has reduced its Scopes 1 and 2 emissions by 51% since FY2022, and has consequently reduced our linear annual reduction rate for emissions within our control to 2% between FY2027 and FY2029. We maintain our SBTi commitment to reducing Scopes 1 and 2 emissions by 54.6% by FY2033.

We followed a structured process to develop a net-zero pathway to achieve carbon neutrality by 2035 and net-zero emissions by 2040:

- Data collection and validation: We aggregated diverse sources of information to map existing initiatives and plans into the baseline. These included desktop research into potential initiatives for the telecommunications industry and a review of net-zero approaches by peers. We considered Telkom's complete GHG emissions data covering Scopes 1, 2 and 3 for all business units. We then conducted a high-level data review and sanity check to understand Telkom's current net-zero strategic positioning
- Development of a net-zero emissions baseline: In line with the GHG Protocol standard, we categorised emissions into three scopes. This served as a foundation for developing a net-zero emissions baseline, which is crucial for understanding the starting point and measuring progress towards the net-zero goal
- Identification of initiatives towards net zero: We interviewed business units and internal stakeholders to identify mitigation interventions that have been implemented or are in the pipeline. We confirmed pathway priorities and ensured alignment that will enable ongoing support for pathway implementation
- Calculation of high-level expected savings from the initiatives: We consolidated the available information and used it as input into the emissions baseline and net-zero pathways. For these pathways, we outlined key activities, milestones and targets for defined time horizons, and calculated high-level expected savings from the identified initiatives.
- Development of net-zero pathways for Scopes 1, 2 and 3: The final step involved input and approval from key stakeholders, aligned with commitments made to the SBTi.

In the years ahead, we will continue to reduce emissions year on year. We have set a near-term target of reducing Scopes 1 and 2 emissions each by 50% by FY2030 from our FY2022 baseline. Our long-term goal is a 90% reduction across all scopes by 2040.

Emission reduction progress in FY2026

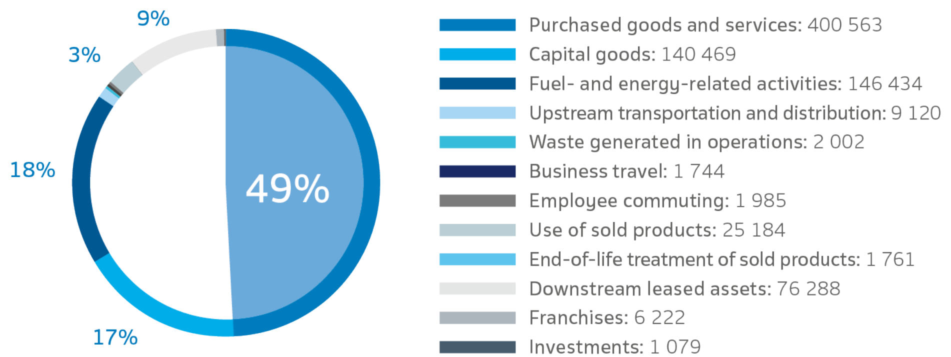
- Scope 1 emissions relate to fossil fuel consumed by vehicles and backup diesel generators, and replacement of air-conditioning gases. Scope 1 represents approximately 2% of Telkom's total carbon footprint. In FY2026, we reduced Scope 1 emissions by 21%. This was mainly due to a decrease in diesel consumption resulting from lithium-ion battery installations and optimised generator use across the network. It was also due to a reduction in R22 refrigerant gas consumption.
- Scope 2 emissions relate to energy consumed from the national grid. South Africa's national utility has a high grid emissions factor due to its reliance on coal-fired power generation. Scope 2 represents 32% of Telkom's carbon footprint. We reduced our Scope 2 emissions by 26%, mainly through legacy equipment decommissioning, site terminations, and proactive management of account anomalies.

- In previous years, Telkom used the Eskom Grid Factor 1 for Scope 2 emissions. The Group adopted South Africa's National Generation Grid Emission Factor in FY2025 to align our GHG reporting with the South African Greenhouse Gas Emission Reporting System and the compliance requirements of the Carbon Tax Act. We are rigorous in our internal processes and governance, incorporating various approaches for calculations. For example, we use AI programmes like optical character recognition, and install smart meters at high-consuming sites. This enables us to use actual consumption data retrieved directly from source invoices.
- Scope 3 emissions relate to indirect upstream and downstream emissions of Telkom's value chain that are not accounted for in Scopes 1 and 2. They comprise 15 categories, of which 12 are relevant to Telkom's operations and are reported on accordingly. The three categories that are not relevant to Telkom's operations include Category 8 (Upstream Leased Assets), Category 9 (Downstream Transportation and Distribution) and Category 10 (Processing of Sold Products).
- The most significant categories in our Scope 3 profile are purchased goods and services, capital goods, fuel- and energy-related activities, and downstream leased assets. It should be noted that the proportional contribution of Scope 3 using the new reporting methodology has reduced from 75% to 66%. This percentage has increased over the past four years as our Scopes 1 and 2 emissions have reduced.

Scope 3 FY2026 performance

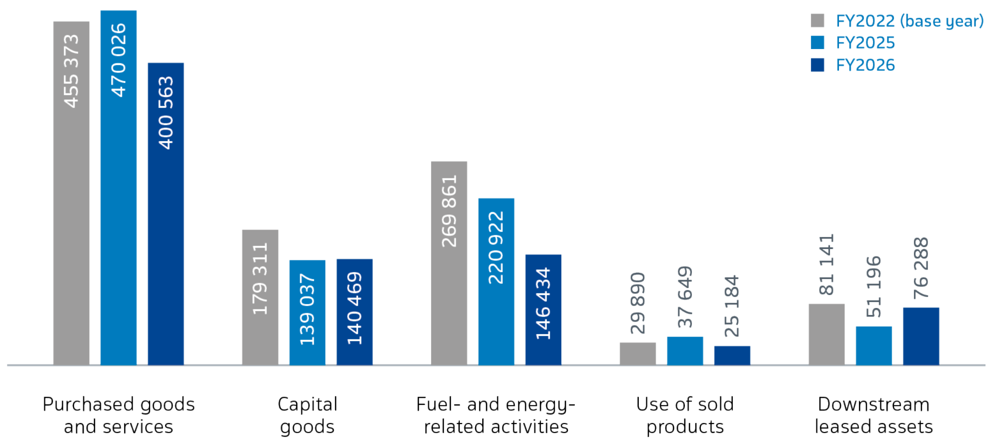
- The Group recorded an overall 14.2% reduction in Scope 3 emissions from FY2025, driven mainly by a 15% decrease in Category 1 emissions from purchased goods and services. This was due to lower procurement of emissions-intensive electronic equipment through BCX, and a decrease in Group expenditure on services from BCX and Telkom's property portfolio following the divisionalisation of Gyro
- Telkom also recorded a 34% reduction in Category 3 emissions from fuel- and energy-related activities, specifically linked to well-to-tank emissions associated with the energy required to operate the business. This outcome is consistent with the Group's reported Scopes 1 and 2 emissions
- While we observed significant reductions in categories that contribute materially to Scope 3 emissions, we recorded a 49% increase in emissions from downstream leased assets (Category 13), which accounts for 9% of total Scope 3 emissions. This increase was due to the disposal of Swiftnet. Prior to the sale, electricity consumption from mixed-use and standalone sites was reported under Scope 2 emissions, as the sites formed part of Telkom's operational portfolio. Following the sale of Swiftnet, the tower sites are no longer included in Telkom's operational boundary. Consequently, the associated electricity consumption is now reported under Scope 3, resulting in the increase in Category 13 emissions

**Scope 3 GHG emissions*
FY2026**
tCO_2e



* *The pie chart displays only the percentages for material Scope 3 emission categories. Categories contributing less than 1% of total emissions have been omitted for clarity, but are included in the legend and remain part of the total emissions reported.*

Material Scope 3 emissions
tCO_2e



Scope 3 SBTi performance

- Telkom has set a Group target to reduce Scope 3 emissions by 32.5% by FY2033 using FY2022 as the base year. We achieved a 22% reduction in Scope 3 emissions in FY2026 relative to FY2022, demonstrating our commitment to managing emissions across Telkom's value chain.
- This progress is largely attributable to reductions in material Scope 3 categories, including purchased goods and services, capital goods, and fuel- and energy-related activities. We will continue to explore ways to enhance our reporting. This will include collaborating with suppliers to ensure our measurement and disclosure practices remain robust, transparent and aligned with international best practice.

Procurement

In FY2026, Telkom finalised its sustainable procurement strategy to address Scope 3 emissions. Going forward, we will partner with our large suppliers to build alignment on our sustainability commitments.

The Group has appointed an independent third-party service provider to implement a platform that evaluates suppliers' sustainability performance. The focus for FY2027 will be to establish a sustainability performance baseline for suppliers. This will support engagement, performance improvement and emissions reduction efforts across the value chain.

Read more about our emissions data and methodology in our GHG emissions reporting methodology document, available online.

Digital planet

Using connectivity to enable environmental responsibility for our customers

Telkom's digital solutions are designed to connect our customers and empower them to manage their environmental impact more effectively. Through our IoT capabilities, we enable enterprise customers to monitor and reduce their energy and water consumption.

A key strategic commitment was to deploy and activate 70 000 IoT devices that enable responsible energy and water consumption for our own business and customers by 2025. We exceeded this target by deploying 141 761 IoT devices.

IoT devices provide real-time data and insights, enabling users to identify inefficiencies, optimise resource use and reduce their environmental footprint.

Beyond IoT, Telkom's core services help to reduce emissions across the economy. Our fixed and mobile videoconferencing services allow customers to reduce travel, lowering their Scope 1 emissions. Our robust network infrastructure supports remote work, reducing commuting-related emissions for customers and employees. The shift to digital document transfer has also decreased reliance on paper-based information and physical courier services, further reducing environmental impact.

Operational efficiencies

Refrigerant gases

Telkom ensures compliance with environmental regulations through site inspections, audits, and regular reviews of procedures and operations. No environmental incidents were reported to the authorities for FY2026.

We own and operate a large air-conditioning portfolio, many units of which contain refrigerant R22 gas. R22 is an ozone-depleting substance that is being phased out under the Montreal Protocol, to which South Africa is a signatory. The Department of Environmental Affairs promulgated the phasing out of ozone-depleting substances in 2014, with the regulation setting 2020, 2025 and 2030 requirements for phasing out and managing these substances. Against the 2016 baseline, Telkom has reduced R22 refrigerant gases from 97 tonnes to 27 tonnes, exceeding the December 2025 target of 25% with a 72% reduction.

We have upgraded and disposed of several high-risk properties, decommissioned sites, and replaced old HVAC equipment. We aim to reduce refrigerant gases by 100% by 2035.

Telkom's energy transition

Telkom's network operations are energy-intensive and reliant on grid electricity, diesel-based backup systems and renewable energy. Based on our current mix, the Group remains exposed to energy supply constraints, rising costs and increased emissions. Addressing this will require a more resilient and scalable energy approach.

The Group installed solar panels and lithium-ion batteries at key sites, decommissioned legacy technologies and replaced inefficient equipment.

Solar PV solutions

To address rising energy use and emissions, we identified the installation of solar PV systems at high-energy-use sites as a strategic opportunity. The initiative aimed to:

- Cut electricity consumption and energy costs, thereby reducing building operating and life cycle expenses
- Decrease our carbon footprint, thereby enhancing Telkom's environmental credibility
- Mitigate risks tied to carbon taxes and evolving environmental laws, thereby building long-term regulatory resilience
- Unlock potential carbon tax offsets to reduce future tax liabilities
- Improve energy security and resilience to climate-related disruptions through diversified energy sources
- Support national energy goals by easing pressure on South Africa's electricity grid

Telkom commissioned three solar PV plants to supplement grid electricity:

- 168 kWp plant in Bellville
- 3 MW plant at Telkom Park 1
- 1 MW plant at Telkom Park 3

These installations marked a significant step toward more sustainable and cost-efficient energy for the Group. Combined, the Group's solar facilities generated 9.9 GWh of energy in FY2026, amounting to 2% of our total energy use.

Despite limited roof space for solar installations, capital expenditure (capex) constraints and the high incidence of theft and vandalism, completed projects are successfully delivering environmental and financial benefits.

The next phase in our energy roadmap

As implementation progressed, constraints in site-level deployment became evident. These include costs, complexity and scalability due to the variety in sites, geographies and landlords involved. In response, Telkom is shifting to a more centralised model, aligned to a defined renewable energy development roadmap. This includes an Independent Green Power Producer programme that enables off-site generation and broader network supply.

The shift from site-based deployment to a more scalable model reflects a structured progression in how energy is sourced and managed. Future plans include centralised sites, such as Klipheuwel in the Western Cape and Hartebeesthoek in North West province. Read more about our environmental assessment of the Hartebeesthoek site on page 39.

Renewable energy initiatives generated just under 10 GWh of electricity in FY2026. This reduced our reliance on grid electricity and diesel backup systems and improved our energy resilience. We also installed 613 smart energy meters, including 552 meters at our top 500 sites, and completed power factor correction projects at 12 sites.

Powering network resilience through lithium-ion battery backup

Telkom's network needs a constant supply of power to keep customers connected. Historically, this relied on lead-acid batteries and diesel generators.

As loadshedding intensified, frequent and repeated outages placed pressure on lead-acid batteries, which were not designed for continuous cycling. This increased the need to run diesel generators, driving higher costs and emissions.

Telkom is busy replacing all legacy lead-acid batteries across its network. Lithium-ion batteries are better suited to frequent charge and discharge cycles. They allow sites to operate on stored energy during outages, rather than switching immediately to diesel generators. They are also designed for easier recycling.

The rollout was implemented across a large portion of the network, particularly at smaller sites where battery capacity could be matched to outage durations. This enabled a shift from fuel-based backup to stored energy for managing interruptions.

As loadshedding eased, the direct impact on diesel usage became less visible. However, the underlying improvements in efficiency and resilience are now embedded in the network. Lithium-ion batteries have been installed at 1 240 sites to date.

Renewable energy capacity through land asset usage

Telkom's Independent Green Power Producer programme aims to develop renewable energy capacity using our land assets.

The programme is structured to enable development, financing, construction and operation of renewable energy facilities for internal consumption and potential third-party supply.

Environmental authorisation will be managed by independent environmental assessment practitioners in line with the National Environmental Management Act. This will include determining regulatory pathways, co-ordinating specialist studies and managing public participation.

In the South African context, renewable energy projects are associated with broader socio-economic outcomes. These include supporting energy security, creating employment during construction and operations, procuring through SMMEs, reducing emissions and lowering reliance on coal-based generation. The extent of these outcomes depends on project design and implementation.

Managing Telkom's water consumption

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

In FY2026, Telkom's water consumption decreased by 4.5% to 742 453 kL Ⓐ, driven by site terminations and ongoing site monitoring. Our focus on leak detection and repairs yielded further efficiency gains.

Our 2030 Sustainability Strategy commits the Group to a 25% reduction in water usage by 2030. This was adjusted to take into account business imperatives. The following water-saving initiatives will enable this reduction:

- Borehole installations have been completed at two sites in the Eastern Cape
- Sites have been earmarked for rainwater harvesting in the Nelson Mandela Bay region
- The Telkom Park rainwater harvesting project remains deferred.

Responsibly managing e-waste

Telkom's largest source of hazardous waste is used electronic equipment (e-waste). We reduce e-waste by implementing practices to reuse, resell or recycle network and other waste generated by our operations. Telkom increased its e-waste recycling to 9 832 tonnes Ⓐ (FY2025: 8 276 tonnes), mainly through decommissioning of legacy equipment.

E-waste is a source of income for waste collectors and handlers. Telkom sells its cabling to an e-waste recycling organisation that processes cabling using environmentally and socially responsible techniques. This sensitive, labour-intensive process provides employment and empowerment for a rural community in the Eastern Cape. Telkom sells copper recovered from recycling on local and international markets.

Telkom participates in an extended producer responsibility programme as required by South African legislation.

Ⓐ *External moderate assurance on selected sustainability indicators. Refer to the FY2026 Independent Assurance Report, available online.*

Zero plastics initiative

Plastic use in the retail environment is linked to customer transactions and product packaging. This includes single-use plastic bags and plastic SIM card casings used to house SIM microchips, contributing to consumer waste streams.

Telkom has begun to transition away from single-use plastics in its retail operations. We have replaced single-use plastic bags with biodegradable alternatives that are locally produced.

We have moved from single-use to biodegradable plastic for the casing used to house SIM microchips. We have also reduced the size of our SIM packaging to minimise the material required. The Group is progressing towards a paper SIM solution.

The plastic waste emanating from our value chain is largely due to the small plastic wraps used to package the devices sold by our Consumer division. This constitutes a minimal quantity.

Telkom introduced eSIM technology four years ago, and adoption has grown steadily since then. The service is now available across a wide range of compatible smartphones, with increasing support from mid-range devices expected to drive further uptake. However, adoption remains constrained by limited consumer awareness and the lack of eSIM capability in many budget smartphones.

Extracting value from decommissioned copper: a circular approach to network modernisation

As Telkom modernises its network and transitions from copper to fibre, large volumes of legacy copper infrastructure are being decommissioned. This creates a three-fold challenge:

- Copper theft and vandalism continue to damage infrastructure and disrupt services
- Decommissioned assets risk becoming a costly waste stream
- Without recovery processes, valuable materials are lost from the economy

Telkom systematically removes copper from decommissioned infrastructure as part of its network modernisation. A specialist supplier collects the material and processes it at a dedicated facility, where plastic insulation is separated and the copper is granulated. The recovered copper is then reintroduced into the value chain, reducing the need for new raw material extraction.

This approach has evolved from an initial focus on copper recovery to a broader equipment recycling process. In addition to copper, other components are diverted into e-waste streams where materials can be reused or recycled. Proceeds from recovered copper fund the recycling process and generate additional value for Telkom.

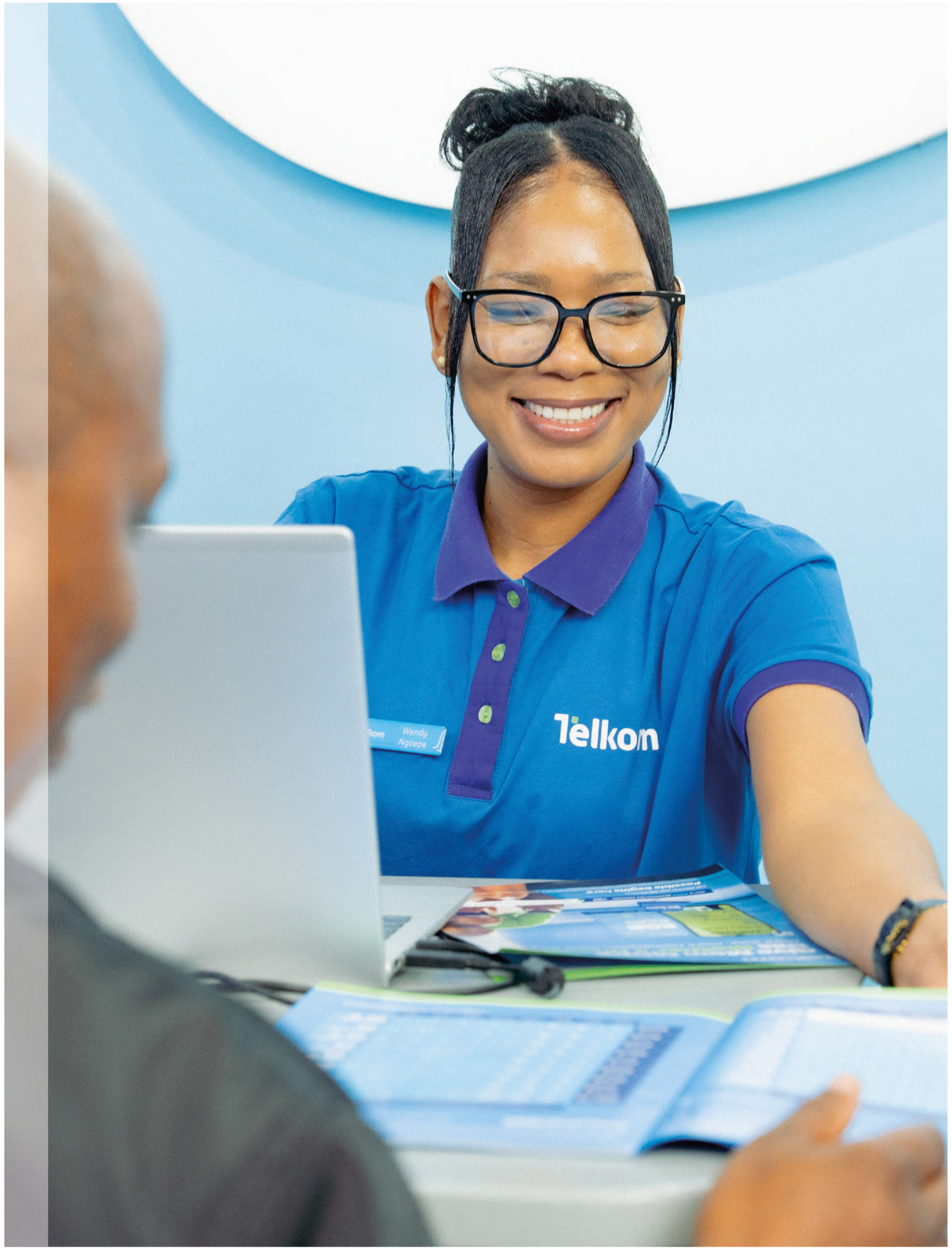
Hartebeesthoek biodiversity study

Telkom owns a property in Hartebeesthoek, in the Mogale municipality, where we are investigating the feasibility of a solar PV farm. The Group commissioned a biodiversity and ecological assessment as part of the planning phase. This reflects our commitment to environmentally conscious practices and principles of circularity.

The biodiversity study identified negative impacts that the project could have on fauna and flora, including the sensitive faunal habitat on the site, and proposed actions to mitigate these impacts.

The assessment considered climate, vegetation, broad-scale vegetation patterns and terrestrial ecosystems in the area, which is currently used for cattle feeding. No priority threatened plant or orange- or red-listed species were identified within the servitude area of the proposed solar plant.

A number of solar projects have been authorised around the site. Their combined footprint could increase the risk of losing endemic and threatened species, habitat and vegetation types and degrading well-conserved areas, thereby contributing to proliferation of invader plants. However, cumulative impacts on the flora and fauna can be minimised by keeping the disturbed footprint to a minimum and rehabilitating exposed areas with indigenous plants as soon as construction is completed.



People

Our ambition: Connecting and empowering our stakeholders to thrive in a digital world

Our People pillar is about empowering employees in a digital world and facilitating access to digital services for South African communities through:

- Digital inclusion
- Women in leadership
- Digital capability and intelligence (DQ)
- Employee engagement and wellbeing
- Fair pay
- Diversity, equity and belonging

Investing in our people

A leading employer

Telkom positions itself to be a leading employer in South Africa by continuously strengthening people practices and aligning them with global excellence standards. The Group shows consistent year-on-year improvement across all key HR domains, performing strongly in areas such as employee development and organisational design. This reflects our commitment to building a modern, competitive and people-centred Group.

Telkom has been certified as a top employer in South Africa by the Top Employers Institute for four consecutive years (2023 to 2026).

Workforce composition

Telkom employs a mix of permanent and non-permanent employees to support its operations. This includes fixed-term contract employees, part-time employees, and temporary or casual employees.

Fixed-term contract employees are engaged for defined periods. They are included in the Group's workforce headcount, remunerated through the payroll and aligned to specific roles within the organisational structure. While these employees generally work standard hours and are subject to defined terms and conditions, certain benefits applicable to permanent employees do not apply to them, including participation in short- and long-term incentive schemes and selected leave and remuneration benefits. This reflects the differentiated nature of employment arrangements across the workforce.

Telkom also uses resource augmentation arrangements, where individuals are sourced through third-party providers to meet project-based or specialist requirements. These individuals are employed and remunerated by external suppliers. They are not included in our employee headcount, and operate under contractual arrangements managed through procurement processes.

This structured approach enables Telkom to balance operational flexibility with defined employment practices, while maintaining clarity on workforce composition and the treatment of different categories of workers.

Fostering a future-ready workforce

Telkom cultivates an engaged, high-performing workforce by continuously enhancing the employee experience, skills development and workplace culture. Through strategic workforce planning, recognition programmes and targeted learning, we equip our people to drive business growth and strengthen our position as an employer of choice.

Our human capital strategy is grounded in an agile, business-led and HR-enabled approach. It is anchored by four pillars:

- Workforce planning
- Performance and growth
- Employee experience
- Sustainability

The pillars are underpinned by Telkom's ongoing culture transformation, shared values, and the integration of HR technology and analytics to enhance decision-making and efficiency.

In FY2026, the Group focused on data-driven workforce planning. We analysed workforce data for more than 10 000 employees and benchmarked externally to identify capability gaps and modernise roles for a technology-enabled, data-driven environment.

Read more about our human capital approach in the integrated report.

Digital capability and intelligence

As digital technologies reshape the ICT landscape, Telkom is strengthening the digital capability of its workforce. We have partnered with the DQ Institute, which designed the global IEEE 3527.1™ Standard for Digital Intelligence. The standard was endorsed by the Coalition for Digital Intelligence, which was established by the Organisation for Economic Co-operation and Development (OECD), the Institute of Electrical and Electronics Engineers Standards Association (IEEE SA) and the DQ Institute in association with the WEF. By using the standard, we will align with leading practices for fostering digital intelligence. This will be achieved through a common language and structure for digital literacy, skills and readiness that can be benchmarked, referenced and quickly adapted for our Group.

To nurture the digital intelligence of our people, we will implement the OneTelkom digital intelligence framework as our standard for digital literacy, skills and readiness across the Group. Based on the IEEE 3527.1 standard, we will adopt and adapt 32 digital competencies, focusing on eight areas of digital life that align with Telkom's shared values in a digital context. The eight areas are: identity, rights, literacy, communication, emotional intelligence, security, safety, and use.

The 32 digital competencies will be embedded in the design of the new OneTelkom learning programmes. This will ensure that employees are equipped with future-ready skills to apply AI and other emerging technologies.

Talent management and succession

Attracting and retaining high-impact talent is a strategic priority to support Telkom's transformation agenda. The Group has shifted towards a targeted talent acquisition model, leveraging AI-supported tools like LinkedIn's Hiring Assistant to source specialised digital skill sets. To ensure leadership continuity and reduce vacancy risk, the Group is strengthening its succession pipelines through the Talent Mobility X-celer8 programme. To date, 12 executive-level employees have participated in the programme and four have successfully transitioned into new roles or expanded responsibilities.

We cultivate future talent to meet evolving organisational needs by building our young talent pipeline. High-performing interns are transitioned onto contracts, and we welcomed a new intake of Elevate graduates in FY2026. This strategic investment aligns with broader national youth employment priorities.

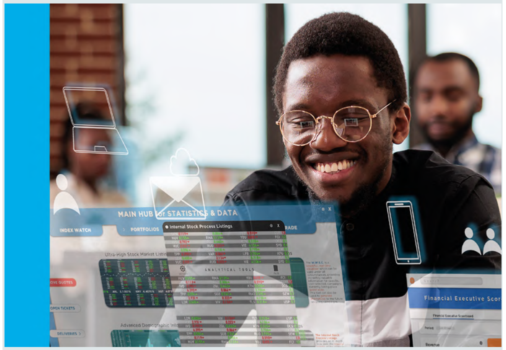
Elevate internship programme

Telkom has an ageing workforce and several roles that require specialised skills and experience. This creates a need to build a pipeline of future talent. There is also a need to improve diversity within the workforce and increase the participation of women.

Telkom's Elevate internship programme provides a structured approach to building future capability. The programme is designed as a 24-month internship, extended from the traditional 12-month model. It includes recruitment of interns, structured development and workplace exposure across different parts of the business. Interns are supported through group-based training and workplace integration, including line manager support and peer "buddy" systems.

Recruitment is aligned with workforce planning, with a focus on identifying future skills requirements and potential gaps. Intake is sourced from bursary students, external applicants and internal pipelines.

The most recent intake comprised 63 interns, of whom approximately 60% are women.



Employee diversity and gender equity

We continually reinforce a culture where employees feel valued, supported and recognised. This year, we focused on sustaining momentum in growing female representation in leadership, ensuring that women are present across leadership levels, and supporting them with targeted development opportunities and succession interventions.

We exceeded our 2025 target of 35% women in leadership, achieving 37.3% representation in FY2026 Ⓐ. Building on this momentum, the Board has approved a new target of 38% women in leadership by 2027.

Diversity, equity and inclusion are central to Telkom's people strategy. We measure diversity, equity and belonging through employment equity targets – including race, gender and disability – and through an annual survey that forms a subset of our annual employee engagement survey.

A total of 75% of employees participated in the FY2026 Voice of the Employee survey, a 10% improvement from FY2025. The survey found that 70% of employees believe the organisation fosters an inclusive culture where everyone feels welcome and valued; 72% of employees feel a sense of belonging and are meaningfully connected to colleagues; and 73% of employees feel the work environment is safe.

Telkom has policies that address equality, diversity and inclusion, including those that prohibit discrimination and support work-life balance. Employees have access to flexible working arrangements, paid parental leave and reasonable accommodation for people with disabilities. These are supported by occupational wellness and incapacity management processes.

The Group continually strengthens its approach to diversity and inclusion by addressing factors such as discrimination and harassment, unconscious bias, access to opportunities, awareness and understanding, and leadership commitment. Progress in advancing race and gender representation is guided by the employment equity plan and supported by the target of achieving 50% representation of women in leadership by 2030.

No incidents of discrimination or harassment were reported during FY2026.

As of 31 March 2026, the Group employed 9 463 permanent staff, with Black South Africans representing 73% and women representing 33% of the total workforce.

Diversity at Board level

Telkom's Board diversity policy promotes equity and inclusion at Board level, recognising diversity as a driver of business success. A diverse Board enhances credibility, competitive advantage and risk management. The policy requires the Board to consider a range of factors when determining its composition, including skills, expertise, experience, race, gender, age and industry knowledge. The goal is to build an inclusive Board that reflects the Group and its stakeholders. The Board is committed to fair and balanced representation and actively promotes diversity when filling vacancies.

Key Board diversity statistics

Diversity in age

36 – 45 years	1
46 – 55 years	3
56 – 65 years	5
Older than 65	4
Average age	60

Diversity in race

Indian	1	White	2
African	9	Asian	1

Diversity in gender

	FY2024	FY2025	FY2026
Male	8	8	8
Female	5	5	5

Board tenure

Less than a year	0
1 to 3 years	7
4 to 6 years	5
7 to 9 years	1
More than 9 years	0
Average tenure	(3.77 rounded off) 4

Fair and responsible remuneration

Telkom's approach to remuneration is guided by the principles of fair and responsible pay as set out in King IV, aligning remuneration with strategy, sustainable value creation and internal equity. The Group applies the principle of equal pay for work of equal value, ensuring that remuneration practices are impartial, non-discriminatory and based on the relative value, complexity and requirements of roles across the Group. We structure remuneration to be market-related, performance-linked and transparently governed, with oversight provided by the Board.

We assess and monitor pay equity through structured fair pay analysis at macro- and micro-levels, using total guaranteed pay and total remuneration as key measures. Our macro-level analysis incorporates established indicators such as the Gini coefficient and Palma ratio to assess overall pay distribution. In parallel, our micro-level analysis evaluates pay parity across employee groups, including gender and ethnicity, within comparable roles and grades. This approach supports the ongoing assessment of internal equity and informs management and Board oversight.

Telkom integrates sustainability and climate considerations into its performance and remuneration framework, aligning short- and long-term incentives with key strategic and ESG-related objectives through performance scorecards. This integrated approach reinforces accountability and supports the delivery of sustainable value and responsible remuneration outcomes.

See the remuneration report for more detail.

Employee experience and engagement

Continuously monitoring and strengthening our culture and employee value proposition are critical for talent retention and growth. A core component of Telkom's employee experience strategy is our two-way "listening platform". This initiative enables employees to share challenges, ideas and feedback directly with leadership. We implement the "listening platform" through deliberate and visible opportunities for employees to participate. These include:

- Collaborative forums: We host roadshows across business units to enable open dialogue between leaders and employees
- Structured feedback: These forums provide a dedicated space for questions and practical feedback, reinforcing shared accountability
- Executive engagement: CEO roadshows provide direct insight into stakeholder priorities and strengthen transparency

Our Voice of the Employee engagement index reached 85.2%, with employees demonstrating high levels of advocacy and inspiration. Overall engagement remains robust, and the Group is committed to addressing challenges related to financial and work-related stress through holistic wellbeing support.

Health and safety

The Group prioritises zero harm through its flagship "Safety starts with me" campaign, which focuses on mindfulness and the prevention of musculoskeletal disorders. Telkom has maintained a zero employee fatality record for several consecutive years. However, it is with deep regret that we report two third-party fatalities during the year, as a result of motor vehicle accidents. To mitigate this, the Group has partnered with Volkswagen South Africa to improve driver risk perception and behavioural road safety.

We are committed to protecting human rights and ensure that all workplace policies align with South Africa's labour laws and the Constitution, as guided by the Group Code of Ethics.

Telkom provides employees with voluntary access to non-occupational health screenings through Wellness Day initiatives across all sites. This supports early identification of potential health risks and promotes equitable access to preventative healthcare. Telkom covers the full cost of limited non-occupational health testing for employees who do not have medical aid. In FY2026, 611 non-occupational health screenings were conducted.

Collaborating with organised labour

Telkom maintains a strategic partnership with the union Alliance comprising CWU and SACU. Following a court judgment regarding internal legal proceedings among CWU officials, an interim leadership structure was established to manage CWU's operations. The Group reviewed its collective engagement framework to formally include this interim structure as a partner within the Alliance. Formal engagements under the reviewed framework resumed in August 2025 and are ongoing. Permanent employee union membership stands at 28% for Telkom Company and at 55% for Openserve.

Telkom Foundation: empowerment through education and digital inclusion

The Telkom Foundation is the Group's corporate social investment vehicle. It was established in 1998 as a registered trust to advance socio-economic development through education and digital inclusion.

The Foundation targets structural barriers to opportunity, particularly the gap between access to connectivity and the ability to participate in a digitally enabled economy. It focuses on strengthening science, technology, engineering and mathematics (STEM) performance, improving teaching quality, and equipping youth with relevant digital capabilities. This positions the Foundation to extend access beyond infrastructure into participation in the digital economy, while supporting national priorities linked to education, skills development and inclusive growth.

Investing in social impact programmes

In FY2026, the Foundation increased its investment in social impact programmes to R72.8 million (FY2025: R68.3 million) Ⓐ. Digital skills initiatives trained 1 837 unemployed youth through accredited ICT learnerships, supporting entry into technology-enabled career pathways. Psychosocial support interventions, delivered through national partnerships, reached more than one million individuals.

The Foundation's delivery model integrates academic support, teacher development, digital skills training, psychosocial support and ICT enablement:

- Academic programmes provide curriculum-aligned support in key subjects, supported by diagnostic assessments and targeted interventions
- Teacher development initiatives strengthen subject knowledge and embed ICT-enabled teaching practices
- Digital skills programmes equip in-school and out-of-school youth with capabilities aligned with emerging technology fields

This model supports progression from access to capability and, ultimately, to economic participation.

In practice, executing this model includes rolling out ICT-enabled learning environments in selected schools. The Foundation does this in partnership with the Department of Education. The rollouts combine upgrading infrastructure with providing connectivity and access to digital learning platforms, and are supported by teacher development. They enable access to learning resources and introduce potential career pathways. For many learners in these schools, this is their first interaction with a computer.

Going forward, the Foundation will scale access to digital learning and strengthen pathways from education to economic participation.

Ⓐ *External moderate assurance on selected sustainability indicators. Refer to the FY2026 Independent Assurance Report, available online.*

Telkom Learn: Expanding digital literacy through accessible online learning

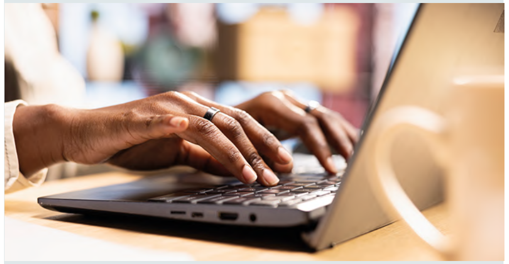
In many underserved communities, access to educational resources remains limited. This restricts opportunities for learners to build digital literacy and develop the skills needed to participate in further education and the digital economy.

Telkom's edtech platform, Telkom Learn, enables the Group to scale access to digital learning opportunities that support supplementary education and digital skills development.

The Telkom Lightbulb platform is a cornerstone of this ecosystem and its primary engine for academic delivery. The platform delivers educational content aligned with the Curriculum Assessment Policy Statements (CAPS) for learners in Grades 7 to 12.

To address affordability, Telkom Lightbulb is zero-rated on the Telkom network, ensuring learners can access resources without incurring data costs.

Through this integrated approach, Telkom's digital learning initiatives impacted 122 521 lives in FY2026. This included reaching approximately 16 600 learners and educators through ICT integration initiatives and supporting over 1 000 out-of-school youth.



Practice

Our ambition: Embracing stewardship to embed sustainable and innovative ways of working that foster customer (and stakeholder) trust

Our Practice pillar is about governing with purpose and implementing the principles of stewardship, stakeholder engagement, risk mitigation and opportunity management through:

- Customer trust and experience
- Data security and privacy
- Ethical leadership
- ESG-related financial frameworks
- Stakeholder management
- Supply chain management

Business stewardship

Ethical leadership and conduct

Telkom has zero tolerance for unethical behaviour, fraud and corruption. Our Group Code of Ethics articulates principles and practices related to:

- Confidentiality and the protection of information and assets
- Ethics
- Gifts and entertainment
- Conflicts of interest
- Prevention of fraud and corruption
- Whistle-blowing

The Board sets the tone from the top. The Code includes an ethical leadership pledge that is signed by the Board Chairperson on behalf of Board Members and by the Group CEO on behalf of Group Exco Members. The pledge is cascaded to the respective subsidiary CEOs and their board chairs. Employees commit to this pledge annually through an electronic platform.

Find our Group Code of Ethics at https://group.telkom.co.za/documents/governance/EthicsHandbook-Group.pdf.

We combat corruption and enhance an ethical culture in our broader operating environment through:

- Ethics policies related to conflicts of interest, gifts and entertainment, prevention of fraud and corruption, and whistle-blowing
- The Whistle-blowers and Investigation Participating Parties Protection Procedure, which provides physical, financial, reputational and psychological protection to whistle-blowers, as well as support for civil and criminal actions
- The Group risk appetite statement and the fraud policy detail Telkom's zero tolerance appetite for fraud and corruption
- The Telkom Group Forensics (TGF) charter mandates TGF to manage all aspects of fraud risk management
- Our Ethics Office has an ethics mailbox where employees can voice concerns or report unethical or unlawful behaviour. The mailbox is not anonymous, but is confidential and accessible only by the Ethics Office
- Monthly induction sessions
- Online ethics and anti-fraud training modules were developed and launched in November 2025 in collaboration with TGF
- The Ethics Office and TGF are part of the combined assurance awareness forum, a combined assurance initiative that drives training and awareness across the Group
- Employees must declare any interests, conflicts and work outside the scope of their duties to ensure the Group's interests take precedence over personal interests. Gifts and entertainment activities must be declared to avoid any undue influence
- Through Group Revenue Assurance and Fraud Management and the credit management function, we proactively monitor areas that are vulnerable to fraud and conduct fraud detection reviews where the need arises

Find our ethics-related policies on our website at https://group.telkom.co.za/sustainability/Sustainability.html.

The use of reporting mechanisms increased by 21% to 1 494 incidents reported (FY2025: 1 239). This indicates increased confidence in our mechanisms, which is supported by the fact that 96% of reporters were willing to reveal their identity, while 64% of forensic reviews were confirmed or substantiated.

The outcomes of these reports led to recovery of fraud losses and consequence management against implicated third parties and employees, including the opening of criminal cases.

The ethics advice provided helped to improve our ethics and risk culture and control environment. The ethics advice and guidance were provided to second-line assurance providers such as TGF, management and employees.

Ethics support and advice

Telkom's Group Ethics Office is available to all employees. It provides ethics advisory support and information, enabling the Group to resolve ethical dilemmas in a sound and consistent manner, based on our values. The Group Ethics Office is one of several channels that internal and external stakeholders can use to seek advice or report unethical behaviour. It is supported by business unit Ethics Champions.

The Group Ethics Office conducts regular awareness initiatives to embed a Group-wide ethical culture and promote ethical behaviour by employees and suppliers.

Tax management and practice

The Group's tax strategy undergoes annual review by both management and Board to ensure alignment with regulatory requirements and corporate objectives. The Board retains ultimate accountability for tax governance, reinforcing its role in safeguarding compliance and ethical standards.

Complementing this, the Group's formal risk management framework provides structured guidance for identifying, evaluating, and prioritising risks. Through this process, the Board and management receive a thorough and integrated assessment of all principal risks facing the business. This enables informed decision-making, proactive mitigation, and long-term sustainability.

The Group tax strategy is to take a responsible approach to the management of all taxes whenever and wherever we do business, recognising the economic and reputational penalties for non-compliance and supporting the principles of transparency and active, constructive engagement with key stakeholders to deliver long-term sustainable value.

The strategy is underpinned by the principles of integrity in compliance and reporting, and controlling and managing tax risks in line with the OECD recommendations for responsible business conduct in a global context.

Telkom recognises that responsible tax practices are fundamental to sustainable business operations and long-term value creation. Our tax strategy is designed to ensure compliance with applicable laws, safeguard our reputation, and contribute to the economies in which we operate.

Through our moderate-to-low tax risk appetite, we protect the Group's reputation and prevent unnecessary tax disputes. We achieve this by taking tax positions strictly in accordance with established legislation, court precedent, or specific interpretation notes and rulings.

Through direct and indirect tax payments, Telkom contributes to government revenues in South Africa and other jurisdictions where we operate. These revenues enable governments to invest in critical areas, such as healthcare and education.

We are committed to paying our fair share of taxes. In FY2026, the Group made the following tax payments:

- Income tax: R297 million (FY2025: R396 million)
- Employment tax: R1 844 million (FY2025: R1 730 million)
- Value-added tax: R2 004 million (FY2025: R2 156 million)

At this stage, the Group does not disclose estimated tax gaps or detailed exposure to low-tax jurisdictions. We continue to assess the maturity of our broader tax transparency disclosures.

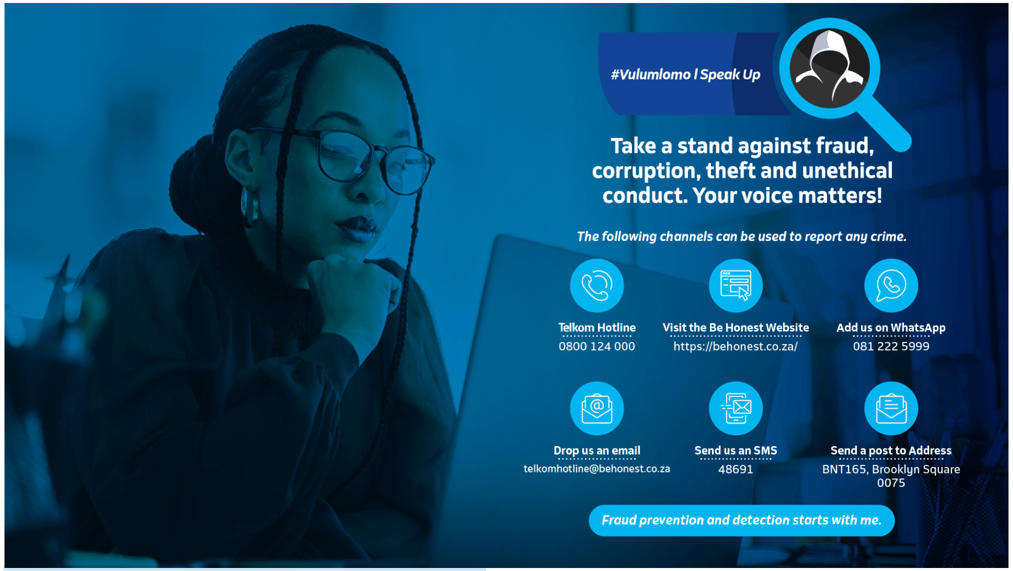
Whistle-blowing and grievances

Telkom offers a dedicated, confidential and anonymous whistle-blowing hotline (known as #Vulumlomo) to report fraud, corruption, theft and other irregular conduct. Other reporting mechanisms include direct reports to Telkom Group Forensics or the Ethics Office. All disclosures made through these facilities are confidential and protected in accordance with the requirements of the Protected Disclosures Act.

Disclosures and actions stemming from investigations are reported quarterly to the Social and Ethics Committee.

All Directors and employees have a responsibility to report any knowledge or suspicion of fraud, corruption or other unlawful conduct via an appropriate channel. Where appropriate, Telkom investigates reported and suspected acts of fraud and corruption and deals appropriately and consistently with all parties. If required, matters may be referred to the relevant law enforcement authorities for appropriate action, including the institution of criminal proceedings.

The Group Code of Ethics details the protocol to follow for reporting fraudulent, corrupt or irregular activities where a Board Member or Prescribed Officer may be involved.



Reporting fraud

Telkom Hotline:
0800 124 000

Be Honest Website:
https://behonest.co.za/

WhatsApp:
081 222 5999

Email:
telkomhotline@behonest.co.za

SMS:
48691

Postal address:
BNT165, Brooklyn Square, 0075

Incidents in FY2026

In FY2026, a total of 1 168 incidents were reported to Telkom's whistle-blowing hotline, an increase of 9.8% over FY2025. Reported matters were independently assessed and investigated, and outcomes were reported to various governance structures within the Group.

Reported cases are categorised as fraud, corruption, theft and irregularities (non-compliance with policies, procedures or established practices). Cases may be either internally or externally perpetrated.

- Externally perpetrated incidents included various types of scams and syndicate-driven incidents relating to subscription fraud, including application fraud, identity fraud and profile building. Other incidents included syndicate-driven economic crimes such as copper cable theft, battery theft and optic fibre damage
- Internally perpetrated incidents included various types of third-party misconduct, conflicts of interest, declaration of interest failures, and failure to comply with policies

Substantiated cases investigated by Telkom Group Forensics led to disciplinary actions against employees and third parties (including termination of contracts and various types of warnings), recovery of losses, opening of criminal cases and arrests of implicated parties, and internal blacklisting of implicated parties.

Most importantly, substantiated cases led to improvements in internal controls to enhance the Group's ethics and risk culture. We track the forensic recommendations, and most of the findings were implemented by management by year-end.

Looking ahead

In FY2027, we will continue to improve customer awareness. Specifically, we will introduce initiatives to combat emerging fraud trends, such as the increase in social engineering scams that manipulate or pressure people into parting with sensitive information. Such scams are becoming increasingly sophisticated as AI-related capabilities advance, posing a threat to traditional fraud controls.

We also aim to improve our fraud risk management practices. This will include conducting an ISO 37003 Fraud Control Management Systems gap analysis, and implementing a new system to track forensic recommendations and business intelligence tools.

Data security and privacy

Data security and privacy is one of our top sustainability risks, and cybersecurity is one of our material themes. Cyberattacks and data breaches pose significant risks for telecommunications companies. The expansion of digital services, cloud platforms and connected technologies increases exposure to sophisticated cyberthreats. Cyber incidents can disrupt services, compromise sensitive customer data and damage Telkom's reputation. As telecommunications networks form part of critical national infrastructure, maintaining robust cybersecurity capabilities is essential to protecting service continuity and stakeholder trust.

The Telkom cybersecurity strategy applies the principle of defence in depth by aligning with the five core cybersecurity functions of the National Institute of Standards and Technology (NIST), together with prominent industry standards such as the Center for Internet Security's Controls and Guidelines for ISO 27001 and the Information Security Forum's Standard of Good Practice for Information Security.

The NIST core functions enable us to implement multiple, overlapping layers of preventative, detective, corrective, response and recovery controls across the Group. By combining security risk and governance with layered technical, operational and resilience controls, we ensure we are able to withstand sophisticated cyberattacks in an evolving threat landscape. This approach provides the structure, confidence and controls necessary to enhance cybersecurity, address risk gaps, drive resilience, and ensure compliance with global standards.

We continue to strengthen our cybersecurity capabilities through enhanced monitoring, security architecture improvements, employee awareness initiatives and investment in information security technologies. We apply the "privacy by design" principle by building security protections into products, services, systems and culture from the onset. This approach, combined with the "security by design" principle, ensures that data protection is a business enabler rather than a cost factor.

The Telkom Board received training on cybersecurity and the evolving threat landscape in FY2026. Read more about cybersecurity risk management in the integrated report.

Telkom is committed to safeguarding the personal information of our customers, employees and service providers, supported by a strong governance and compliance framework.

We received two complaints from the Information Regulator and 22 customer complaints related to direct marketing in FY2026, and reported one incident of unauthorised access to information. We investigated all the matters, reported the outcomes, and implemented appropriate corrective actions to enhance the control environment.

Consumer data privacy and protection

Telkom ensures the privacy and security of consumer data through a structured framework. This outlines strict adherence to the Protection of Personal Information Act (POPIA) and the Promotion of Access to Information Act (PAIA) through formal POPIA and PAIA manuals.

As required by POPIA, the Group implements "appropriate, reasonable technical and organisational measures" to prevent any unauthorised or unlawful access to, or loss, damage or destruction of, personal information. This is supported by a regularly updated privacy statement and established procedures for notifying affected data subjects and regulators in the event of a suspected breach.

Governance of data privacy and security risks is treated as a top-level strategic priority. The Technology Committee is specifically mandated to oversee data protection and cybersecurity strategies. At the same time, the Risk Committee monitors data privacy as a component of the Group's ERM framework.

Ensuring an ethical approach to digital and AI

Three frameworks guide employees and the Board on ethical behaviour in the digital space:

- The Telkom digital ethics framework ensures we maintain the integrity of our data, and maintain algorithmic processes and systems that guide outcomes and decisions on how we present products and services to users. We recognise the importance of collecting data in a transparent manner, and we make the user aware that this data could be used in future, including for machine learning or AI. We handle such data in a way that minimises the risk of any human bias
- Our privacy framework ensures that personal information collected, acquired, processed or stored by the Group or through a third party is treated as confidential and protected throughout the life cycle. The framework guides us on what is acceptable and ethical in how we identify, assess, monitor, use and dispose of information. It informs service design and delivery, information management, employee education and privacy breach management

- Telkom's AI framework aims to unify, regulate and control the proliferation of AI across the business to ensure that its use is consistent, effective, economical, efficient, ethical, scalable and aligned with business goals. The framework helps to align AI initiatives with the OneTelkom approach. It also ensures that AI projects contribute meaningfully to business outcomes such as efficiency, innovation and customer satisfaction

Supply chain management

Suppliers play a critical role in our value chain and have a direct impact on equipment, material and other input costs. Telkom manages environmental impacts across our value chain through a structured governance framework anchored by our environmental and climate change policy statements.

Telkom has identified its top 200 suppliers for focused engagement on the decarbonisation and sustainability clauses we have incorporated into new and renewed supplier contracts. We identified these suppliers through a comprehensive mapping of our supply chain.

Our contracts require suppliers to measure, monitor, report and progressively reduce their greenhouse gas emissions. We are working towards transitioning from spend-based to activity-specific and supplier-specific data for Scope 3 accounting. We conduct monthly and quarterly reviews with our suppliers to ensure alignment and strengthen partnerships.

Our structured supplier onboarding and external assessment process is designed to strengthen oversight across the supply chain. Suppliers are onboarded through the SAP Ariba platform, which incorporates compliance checks and requires adherence to our Supplier Code of Conduct.

As part of our supplier vetting process, we require disclosure on child labour, forced labour, and freedom of association risks through the sustainability assessment platform that we use. However, participation is currently limited, mainly because suppliers fund their own assessments through subscription fees, which has constrained uptake among smaller suppliers.

We are continually improving the process and investigating ways to strengthen the quality and consistency of suppliers' sustainability data. In the interim, we use our broader supplier risk vetting process to monitor for any adverse publicity related to human rights issues.

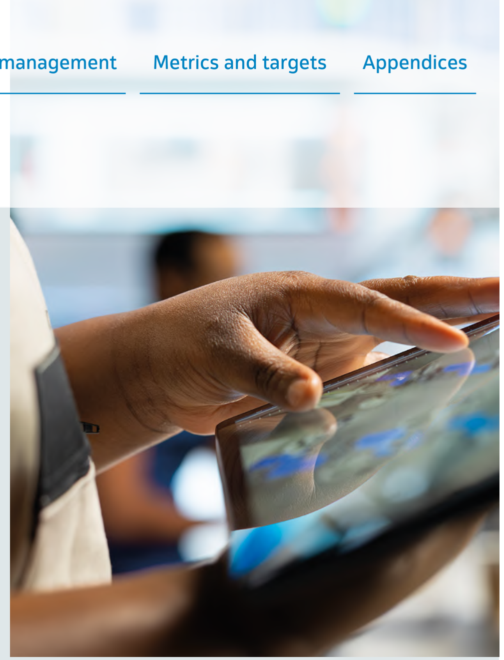
Forward-looking and sustainable procurement

Procurement is a critical enabler of Telkom's broader sustainability ambitions. It enables us to strengthen our performance, align with global best practices, and proactively respond to evolving business expectations.

In FY2026, we made progress towards finalising a forward-looking procurement strategy that will drive responsible sourcing, enhance supplier accountability, and unlock long-term value across our value chain.

In developing the strategy:

- We used a double materiality lens to identify the sustainability issues most relevant to Telkom's procurement activities
- We comprehensively assessed Telkom's procurement policies, Supplier Code of Conduct, contracts, and tendering processes against global best practices and peer benchmarks



- We made recommendations focused on quick, high-impact actions that are practical to implement
- We developed KPIs to track supplier performance, incorporated sustainability factors into our supplier evaluation criteria, and created an incentive and penalty framework to drive accountability
- We used Scope 3 emissions accounting to measure indirect emissions across the supply chain
- We defined best-practice roles and responsibilities to embed ownership within procurement and strengthen governance, and agreed on an implementation roadmap that will guide us over the medium term

Transitioning to the 2030 Sustainability Strategy

Our sustainability vision for 2030 is to harness digital transformation to accelerate sustainable growth and create a positive impact on society and the environment.

Telkom developed and approved its 2030 Sustainability Strategy in FY2026. The new strategy is designed to align the Group with aspirational, long-term sustainability goals to build resilience, efficiency and impact.

Prosperity

Our ambition: Creating economic value for our stakeholders through expanded and new forms of connectivity.

Goal: **To stimulate digital economic growth**

We commit to: Accelerating growth in both township and rural economies through targeted interventions
2030 target: Support 100 township and rural entrepreneurs

We commit to: Accelerate digital job creation through support for entrepreneurial businesses
2030 target: Enable 25 000 jobs[1]

Goal: **To create direct job opportunities**

We commit to: Absorbing interns we take on into permanent roles in Telkom or our supply chain
2030 target: 80% absorption

Goal: **To diversify and localise our supply chain**

We commit to: Increasing our spend with micro- and small enterprises
2030 target: An additional R50 million spend with these businesses

Goal: **To accelerate new products, services and offerings**

We commit to: Tracking the revenue growth of the services and solutions we deploy in key sectors as a percentage of total Telkom revenue
2030 target: Revenue-driven partnerships in mining, manufacturing, health, financial services, agriculture, energy, education and the public sector

1 *The indirect job creation target is modest based on FutureMakers' divestment from IDF-funded digital businesses, which are scalable.*

Planet

Our ambition: Committing to environmentally conscious practices and adopting principles of circularity.

Goal: **To advance our net-zero pathway**

We commit to: Being carbon neutral by 2035 and achieving net zero by 2040. These ambitions are supported by the emission reduction targets below

Goal: **To reduce our Scope 1 emissions**

We commit to: Reducing our fossil fuel consumption
2030 target: 50% reduction from the FY2022 baseline

Goal: **To reduce our Scope 2 emissions**

We commit to: Reducing our emissions from grid electricity
2030 target: 50% reduction from the FY2022 baseline

Goal: **To accelerate our transition to renewable energy**

We commit to: Increasing our consumption of renewable energy
2030 target: 50% of our consumption from renewable energy sources

Goal: **To reduce our Scope 3 emissions**

We commit to: Partnering with entities in our value chain to reduce our Scope 3 emissions
2030 target: 22% reduction from the FY2022 baseline

Goal: **Circularity**

We commit to: Responsibly disposing of or recycling the e-waste we generate
2030 target: 100%

We commit to: Reducing the percentage of our waste stream that goes to landfills by recycling more waste types within the business
2030 target: 50% reduction from the FY2025 baseline

Goal: **Water consumption**

We commit to: Reducing our potable water consumption
2030 target: 25% reduction from the FY2025 baseline

Goal: **Environmental and energy management**

We commit to: ISO 14001[2] accreditation
Target: 2030
We commit to: ISO 50001[3] accreditation
Target: 2030

2 *ISO 14001 is an international standard that provides a framework for organisations to create an effective environmental system to help them improve their environmental performance.*

3 *ISO 50001 is an international standard for energy management systems that provides a framework for organisations to improve energy efficiency, reduce costs and lower environmental impact.*

People

Our ambition: Connecting and empowering our stakeholders to thrive in a digital world.

Goal: **Digital inclusion**

We commit to: Increasing the number of beneficiaries we reach through our digital skills and connectivity interventions
2028 target: 95 800 beneficiaries*

* *This target will increase and align with the Telkom Foundation's future strategy.*

Goal: **Digital capability and intelligence**

We commit to: Increasing the percentage of our workforce demonstrating at least 2/3 of the digital intelligence capabilities required at each level of the OneTelkom digital intelligence framework
2030 target: We will develop a baseline for our business during FY2026 and set a 2030 target based on this. See page 40 for background on digital intelligence

Goal: **Women in leadership**

We commit to: Diversifying the leadership profile of our business by increasing the representation of women
2030 target: 50% women in leadership roles (M5 and above)

Goal: **Employee engagement and wellbeing**

We commit to: Improving the quality of our employee engagement
2030 target: Employee Engagement Index: 90%; Employee participation: 90%

Goal: **Diversity, equity and belonging**

We commit to: Embedding a culture of inclusion by measuring employees' lived experience and ensuring equitable access to growth opportunities
2030 target: An 80% score on our inclusion index and 90% on equitable access to growth, development and career mobility opportunities

Goal: **Pay parity**

We commit to: Measuring, tracking and reporting pay parity by calculating remuneration ratios across gender and racial demographic groups, based on total annual remuneration across the Group.
We aspire to deliver a total rewards framework that is free from bias and discrimination across gender, age and ethnicity – enabling fair, ethical and equitable reward decisions
Target: A 0.005% year-on-year improvement in the on-target earnings pay gap

Practice

Our ambition: Embracing stewardship to embed sustainable and innovative ways of working that foster customer (and stakeholder) trust.

Goal: **Customer trust and experience**

We commit to: Establishing and improving our Group net promoter score (NPS)
2030 target: We will be establishing a baseline Group NPS to build on the operational measures each business uses. Once this work is completed, a 2030 target will be set

Goal: **Data security and privacy**

We commit to: Zero tolerance for data breaches, consumer data privacy incidents and data security risks
Target: 0

Goal: **Ethical leadership**

We commit to: Promoting and adhering to the highest ethical standards
2030 target:
- 99% annual commitment to our ethics leadership pledge
- 99% completion of our ethics and fraud online training
- 99% ethics awareness

Goal: **ESG-related financial frameworks**

We commit to: Measuring progress in our performance and risk management, disclosure and transparency, and sustainability considerations in capital allocation
2030 target: Maintain year-on-year ESG rating improvement from 2025 baseline; alignment with ISSB reporting requirements; and progress in adopting ESG-aligned financial frameworks

Goal: **Stakeholder management**

We commit to: Improving our corporate reputation score based on a biennial survey
2030 target: An increased score of 5.4 based on FY2026 baseline

Goal: **Supply chain management**

We commit to: Improving audited compliance with the Supplier Code of Conduct among our top 200 suppliers
2030 target: 95% of our top 200 suppliers are compliant

Risk management

5

Our enterprise risk management (ERM) approach

Sustainability and climate-related risks are fully integrated into the Board-approved ERM framework. This ensures that sustainability risks are assessed alongside other strategic and financial risks. This process is aligned with international guidance, including King IV, the Committee of Sponsoring Organizations of the Treadway Commission, and ISO 31000:2018.

Telkom's ERM approach is based on a Board-approved methodology designed to ensure effective and consistent risk management across the Group. The Board holds ultimate responsibility for risk oversight. It is assisted by the Risk Committee, which monitors the quality and reliability of risk management processes, evaluation and responses, and the Social and Ethics Committee, which provides specific oversight for sustainability and climate-related risks.

In FY2026, the Group concluded an ERM transformation project to strengthen risk governance and enhance strategic alignment by institutionalising a structured risk universe and taxonomy across all subsidiaries and business units.

The ERM process involves annually identifying and assessing transitional and physical risks across short-, medium- and long-term time horizons to support strategic and financial planning. Telkom accesses diverse internal and external perspectives to identify climate-related impacts, risks and opportunities. It does this through climate risk scenarios, stakeholder engagement and the formal double materiality assessment.

Operationally, risks are initially managed within the business functions from which they are identified. For major risks, response plans are used that have trigger thresholds for higher management involvement. Disruptive events that meet defined criteria, including disruption of operations, are managed by the Group Emergency Management Team to ensure critical service continuity.

To enhance the reliability of risk information, the Group applies a dynamic combined assurance model. This is overseen by the Audit Committee, which integrates internal and external assurance providers to maintain an effective control environment.

Integrating climate resilience into the Group's risk taxonomy

Telkom identifies, assesses, prioritises and manages climate-related risks through its ERM framework, which is guided by the ISO 31000 standard. The Group has institutionalised a risk taxonomy that classifies ESG as a tier 1 principal risk, with environmental and climate-related risks categorised at tier 2 to ensure high-level visibility.

These risk management protocols are applicable across all business units, which are required to assess and report on environmental activities and specific climate risks at operational level.

We view climate-related opportunities as emanating directly from our mitigation and adaptation responses. These responses include implementing preparedness plans for extreme weather, installing infrastructure waterproofing, and deploying advanced cooling solutions for data centres and water-reliant equipment.

To enhance our resilience and the safety of our workforce and infrastructure, we utilise weather forecasting and alerts from the National Disaster Management Centre to inform our preparedness strategies.

In FY2027, we intend to mature these processes by incorporating specific KPIs, key risk indicators (KRIs) and trigger thresholds into our reporting dashboards to enhance quantitative measurability. We will also enhance our proactive climate alerts to enable early action and minimise potential infrastructure damage.

Impacts on our business model and value chain

Telkom's strategic transition towards high-growth digital infrastructure is fundamentally shaped by climate-related factors that impact operational resilience and long-term enterprise value. These effects are concentrated across critical network assets where physical vulnerability to extreme weather events requires a co-ordinated response to safeguard infrastructure continuity. Refer to our climate risk scenario analysis on page 32.

The Group integrates these considerations into its core strategy and decision-making through an established governance framework. This framework informs capital allocation and links executive remuneration to the achievement of climate objectives. Refer to our sustainability management on page 22 and our sustainability and climate risk and opportunity management on page 53.

Our mitigation and adaptation efforts focus on reducing direct emissions and improving energy security. This is supplemented by the implementation of a sustainable procurement strategy to address indirect impacts across our value chain. Refer to the section on operational efficiencies on page 36.

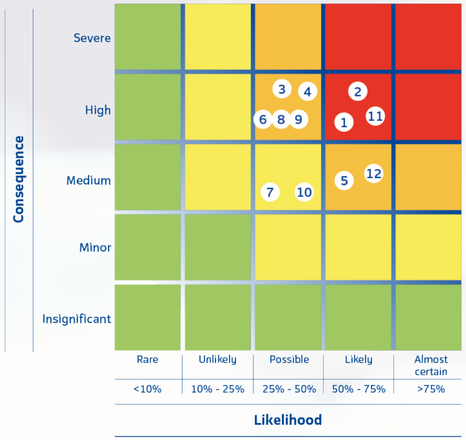
Our key sustainability and climate-related risks

We identified 12 top Group risks and five key sustainability risks, depicted in the heat maps. These risks are expected to affect our business model, strategy and cash flow if not mitigated. Read more about our opportunities on page 54.

Aligning sustainability and climate-related risks to Telkom's Group risk profile

Residual risk heatmaps for 2026

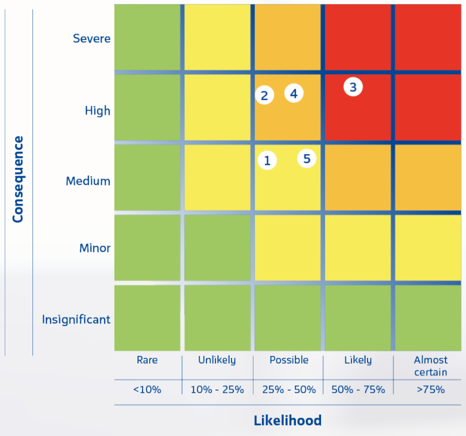
2026 Telkom Group risk profile



Risk rating

1. Market forces and competition risk
2. Cybersecurity and data protection risk
3. Regulatory compliance risk
4. Customer experience risk
5. Attraction and retention risk
6. Sustainability risk
7. Profitability and cash flow risk
8. Network performance risk
9. Third-party risk
10. Stakeholder management risk
11. Macro-economic conditions risk
12. Geopolitical risk

2026 Sustainability residual risk profile



Risk rating

1. Climate change impact ↔
2. Energy consumption and emissions ↔
3. Water management ↔
4. Data privacy and security ↔
5. Carbon tax risk ↔

Sustainability risks Inherent and residual risk rating

- Very low
- Low
- Medium
- High
- Very High

Residual risk rating trend*

- ↑ Increase
- ↓ Decrease
- ↔ No change

We have not yet defined where these risks are concentrated in terms of our value chain and business model.

Sustainability and climate risk and opportunity management

Criteria, thresholds and assumptions

Telkom uses specific quantitative and qualitative thresholds to define the magnitude of climate and broader sustainability-related impacts:

- **Substantive financial effect:** A financial impact is considered material if it results in a 5% decrease in the EBITDA target.
- **Substantive strategic effect:** Defined as widespread disruptions to service delivery lasting more than one week, or incidents preventing the achievement of most business objectives within a financial year.
- **Risk evaluation:** Risks, including the principal sustainability risk, are prioritised using likelihood and consequence heatmaps, with residual ratings ranging from “medium” to “very high” based on their potential to erode long-term value.
- **Key assumptions:** The net-zero pathway assumes that FY2024 emission levels represent a "business-as-usual" baseline, and currently uses a spend-based allocation model to allocate energy consumption across highly integrated business units. Broadly, Telkom assumes that Scope 3 emissions will decrease as calculation methodologies transition from spend-based to activity-based data.

Risk:	Impact on our business	Link to ERM profile	Material topics
Climate change impact (<>)	Extreme weather events resulting from climate change may cause damage to telecommunications infrastructure.	Aligns with both sustainability risk (ERM Risk 6) and network performance risk (ERM Risk 8). This reflects how extreme weather (which can result in physical risk) can directly cause damage to infrastructure and result in service disruptions.	CR
Energy consumption and emissions (<>)	Substantial consumption of energy by telecommunications networks and data centres may contribute to greenhouse gas emissions.	Aligns with sustainability risk (ERM Risk 6) and profitability and cash flow risk (ERM Risk 7). This reflects how rising energy costs and national electricity reliance can impact financial planning and operational efficiency.	RR EC CL CR
Water management (<>)	Failure to manage water efficiently may lead to excessive consumption and waste. The effect of this will be water scarcity and environmental strain.	Aligns with sustainability risk (ERM Risk 6) and network performance risk (ERM Risk 8). Water is essential for cooling data centres and network infrastructure; disruptions threaten operational continuity.	CR
Data privacy and security (<>)	Lack of effective measures to protect personal and juristic personal data may result in data breaches, which may lead to fines and negatively affect Telkom's reputation.	Aligns with cybersecurity and data protection risk (ERM Risk 2) and regulatory compliance risk (ERM Risk 3). Ineffective measures to protect personal data can result in security breaches and legal fines, which can negatively impact stakeholders – stakeholder management risk (ERM Risk 10).	RR CE CS
Carbon tax (<>)	Failure to comply with the South African Carbon Tax Act, which imposes mandatory registration and taxation for entities exceeding the 10 MW installed capacity threshold for direct emissions.	Aligns with regulatory compliance risk (ERM Risk 3) and sustainability risk (ERM Risk 6). Failure to comply with the Carbon Tax Act can lead to both legal and sustainability risks.	RR CR

Sustainability and climate-related opportunities

Telkom's 2030 Sustainability Strategy is explicitly built on balancing the management of risks with the pursuit of opportunities that arise from digital transformation and environmental stewardship. Sustainability and climate-related impacts, risks and opportunities inform our business model, strategic objectives, financial and operational planning, and resource allocation.

Economic and revenue opportunities

The Group has identified specific economic sectors (such as mining, healthcare and agriculture) as primary opportunities for deploying new sustainability-related products, services and solutions. Proactive sustainability management is seen as a way to unlock green funding and access capital at more favourable rates. Investments in sustainability projects can directly result in new revenue streams and market differentiation.

Environmental and climate opportunities

Telkom's climate strategy highlights several specific environmental opportunities, such as the shift toward decentralised energy generation through solar PV systems at high-use sites. Adopting resource-efficient technologies, including smart metering, LED lighting and drought-resistant cooling, has been identified as an opportunity to reduce operating costs while building supply chain resilience. Additionally, the circular economy presents an opportunity to generate revenue through responsible repurposing and recycling of e-waste.

Social and developmental opportunities

Digital inclusion is more than just a social responsibility. It is a significant opportunity to attract new users and expand market reach into underserved rural and township areas. The FutureMakers programme leverages enterprise development to build strategic digital ecosystems that enhance stakeholder trust and strengthen the Group's value chain.

Strategic resilience

The double materiality assessment explicitly evaluates the financial opportunities that sustainability matters present to the Group, such as using technological innovation to enhance network resilience.

Governance of these opportunities is integrated into the Board's oversight, with the Social and Ethics Committee and Risk Committee responsible for ensuring that strategies are designed to capitalise on emerging sustainability prospects. This process is supported by a dynamic integrated assurance framework that identifies and assesses both complex risks and opportunities annually.

Trade-offs between sustainability-related risks and opportunities

Delivering sustainable value requires Telkom to make deliberate trade-offs between competing priorities. These decisions are carefully considered by management and the Board to ensure they align with our strategic objectives, strengthen our business model and protect stakeholder interests over time.

We continue to invest in renewable energy solutions, energy efficiency initiatives and circular economy practices. These investments support long-term cost efficiencies, improved network resilience and reduced climate risk. However, they compete with the capital required to expand our mobile and fibre networks and enhance customer-facing technologies.

We actively manage this balance to ensure that sustainability initiatives support both environmental outcomes and commercial performance.

Our transition towards lower-carbon operations is aimed at improving energy efficiency, reducing the cost to serve and strengthening operational resilience across our network. Over time, this positions Telkom to deliver more sustainable digital services and align with evolving regulatory and stakeholder expectations, supporting long-term value creation.

Financial position, performance and cash flows

Financial planning at Telkom is informed by our ERM framework, which determines resource allocation and prioritisation.
To identify and assess climate-related risks, the Group defines a financial impact as "substantive" if it results in a 5% decrease in the EBITDA target.

Direct costs remain the most material financial element linked to sustainability issues and climate-related risks. This makes effective cost management a priority, with energy efficiency and consumption reduction as key strategic focus areas.

While addressing these risks currently requires extensive capital investment, the Group expects that as implementation matures, the investment will decrease, enabling Telkom to reap mature tangible financial performance results. Read more about operational efficiency on page 26 and sustainability and climate-related opportunities on page 54.

Telkom views the integration of sustainability as a fundamental driver of enterprise value through multiple channels, including:

- Transitioning to a lower-carbon operating model to reduce long-term operating costs
- Smart capex, such as lithium-ion batteries at 1 240 sites
- Revenue growth and capital access through sustainability-led digital solutions in high-growth sectors

To support our transition and strengthen the Group's financial position, the FY2027 business plans formally incorporate the following sustainability-driven capital initiatives:

- Modernisation of IT infrastructure and digital transformation, which supports business process efficiency and scalability
- Data centre infrastructure optimisation, which drives energy efficiency and carbon reductions
- On-site water treatment plants to improve water efficiency and reduce municipal reliance
- Energy efficiency upgrades, including continued installation of smart meters, LED lighting and sensors alongside optimised diesel usage

Financial resource flexibility

Telkom manages its financial flexibility by integrating climate-related risks into its centralised treasury function and ERM framework. Key aspects include:

- Liquidity buffers: The Group maintains strong liquidity buffers through ongoing cash flow forecasting and stress testing to respond to economic shocks and climate-related disasters.
- Capital allocation: Strategic allocation is directed towards initiatives that enhance network capacity and future-readiness. This is bolstered by a supportive environment for capital investment created by stable growth and a firmer rand.
- Free cash flow: Strong free cash flow generation is a primary driver. It supports the Group's financial resilience and flexibility to execute capital returns and fund sustainability projects.

Ability to redeploy, repurpose, upgrade or decommission assets

Telkom's asset strategy is defined by the transition from legacy infrastructure to next-generation platforms:

- Decommissioning: The Group is actively decommissioning copper infrastructure and legacy technologies to reduce long-term operating costs and emissions. This was a primary driver of the 9 832 tonnes of e-waste recycled in FY2026.
- Upgrading: Asset upgrades focus on smart capex deployment. This includes the installation of lithium-ion batteries (Project Spark) and smart energy meters (613 to date) to improve efficiency and monitoring.
- Monetising: Telkom encourages business units to monetise infrastructure assets as OneTelkom, making them available to third parties or repurposing them for higher-margin digital services.

Telkom is committed to progressively aligning with the IFRS S1 and S2 standards to enhance the maturity of our non-financial reporting. For this inaugural report, we have established the foundational technical criteria for assessing sustainability-related impacts, As we shift toward practical implementation and improved data quality in FY2027, we intend to provide more granular quantitative disclosures regarding anticipated financial effects.

6

Metrics and targets

Metric	JSE Ref	Unit	Target (2030 target)	Year-on-year change FY2026 – FY2025	FY2026	FY2025	FY2024	FY2022 (Legacy baseline)
Environmental								
Scope 1 GHG emissions	E1.1a	tCO_2e	50% reduction	(21.4%)	**27 626**	35 127	66 167	55 466
Stationary fuel (diesel)		L		(17.7%)	**2 670 664**	3 246 126	14 751 873	6 029 479
Stationary fuel (petrol)		L		(18.4%)	**2 310**	2 831	8 676	–
Mobile (diesel)		L		(6.8%)	**4 394 883**	4 716 684	4 877 618	5 738 591
Mobile (petrol)		L		(4.8%)	**137 827**	144 825	206 285	67 341
Refrigerant gases		kg		(40.3%)	**4 793**	8 030	7 466	12 315
Scope 2 GHG emissions	E1.1a	tCO_2e	50% reduction	(28.0%)	**392 249**	541 268	579 224	797 316
Scope 3 GHG emissions	E1.1b	tCO_2e	22% reduction	(14.2%)	**812 850**	947 261	952 747	1 041 729
Purchased goods and services		tCO_2e		(14.8%)	**400 563**	470 026	490 798	455 373
Capital goods		tCO_2e		1.0%	**140 469**	139 037	135 431	179 311
Fuel- and energy-related activities		tCO_2e		(33.7%)	**146 434**	220 922	207 358	269 861
Transportation and distribution (upstream and downstream)		tCO_2e		(33.8%)	**9 120**	13 784	13 595	14 111
Waste generated in our operations		tCO_2e		11.3%	**2 002**	1 799	1 531	953
Business travel (rental cars, flights and accommodation)		tCO_2e		3.3%	**1 744**	1 688	1 830	1 514
Employee commuting		tCO_2e		(12.6%)	**1 985**	2 272	2 071	4 802
Upstream leased assets		tCO_2e		N/A	**N/A**	N/A	N/A	N/A
Downstream transportation and distribution		tCO_2e		N/A	**N/A**	N/A	N/A	N/A
Processing of sold products		tCO_2e		N/A	**N/A**	N/A	N/A	N/A
Use of sold products		tCO_2e		(33.1%)	**25 184**	37 649	34 166	29 890
End-of-life treatment of sold products		tCO_2e		(28.5%)	**1 761**	2 463	2 328	2 358
Downstream leased assets		tCO_2e		49.0%	**76 288**	51 196	58 286	81 141
Franchises		tCO_2e		9.4%	**6 222**	5 689	4 083	1 956
Joint ventures and associates		tCO_2e		46.6%	**1 079**	736	1 270	459
Total energy consumption	E1.2	GJ	NP	(34.0%)	**1 868 224**	2 830 902	N/A	N/A
Non-renewable (fossil fuel)		GJ		(63.7%)	**273 990**	755 235	N/A	N/A
Eskom (national grid electricity)		GJ		(24.4%)	**1 558 605**	2 062 347	N/A	N/A
Renewable energy		GJ		167.5%	**35 630**	13 320	N/A	N/A
Total water consumption	E2.1a SR	kL	25% reduction from FY2025	(4.2%)	**742 453**	775 103	777 722	997 617
Municipal		kL		(4.2%)	**742 453**	775 103	777 722	997 617
Total waste generated	E4.1a	tonnes	**NP**					
Waste to landfill	SR	tonnes	50% reduction from FY2025	(12.7%)	**543**	622	644	743
E-waste used for recycling	SR		100%	18.8%	**9 832**	8 276	6 458	1 870
Suppliers assessed for environmental risks	E5.1	%	**NP**	28.6%	**36**	28	4	–

Metric	JSE Ref	FY2026	FY2025	FY2024
Social				
Employees by gender, race, age	S1.1a			
Race (#)				
Black South African		**6 856**	7 607	5 724
White South African		**2 202**	2 285	2 494
South African		**9 058**	9 096	9 455
Non-South African		**405**	413	422
Gender (#)				
Female		**3 155**	3 113	3 228
Male		**6 308**	6 396	6 649
Age (#)				
Employees under 30		**352**	400	378
Employees between 30 and 50		**5 209**	5 389	5 701
Employees above 50		**3 866**	3 590	3 453
Discrimination/human rights incidents (#)	S1.1b	**–**	–	–
Employees under collective bargaining	S1.4b			
Telkom Company		**48.1%**	48.6%	49.4%
Corporate Centre		**10.6%**	13.4%	8.0%
Telkom Consumer		**27.6%**	28.3%	28.3%
Openserve		**55.2%**	55.5%	57.3%
BCX[1]		**N/A**	N/A	N/A
Total workforce by type (#)	S1.5a			
Permanent employees		**9 463**	9 509	9 877
Non-permanent employees		**1 264**	1 164	1 235
Human rights grievances	S2.1c	**36**	24	21

[1] *BCX does not have a union recognition agreement.*

Metric	JSE Ref	FY2026	FY2025	FY2024
Social				
New hires (#)	S2.3a			
Telkom Group		**376**	604	595
Corporate Centre		**22**	125	24
Telkom Consumer		**47**	39	17
Openserve		**73**	149	135
BCX		**234**	291	419
Employee voluntary turnover (%)	S2.3b	**3.8%**	5.0%	5.6%
Economic value generated and distributed (ZAR)	S2.4a	**R51 907 000**	R47 764 000	R51 572 000
Local supplier spend (ZAR)	S2.4c	**R27 450 256 393**	R27 542 476 549	R30 241 040 861
Government financial assistance	S2.4e	**–**	–	–
Employee health and safety (# and rate)	S3.1			
Fatalities	S3.1a	**–**	–	–
Fatal injury frequency rate	S3.1a	**–**	–	–
Total recordable injury frequency rate[2]	S3.1b	**0.57**	0.57	0.50
Lost-time injury frequency rate[2]	S3.1b	**0.52**	0.46	0.39
Product/service incidents or recalls	S4.1b	**–**	–	–
Customer data breaches (#)	S4.3b	**–**	–	–
Customer privacy complaints (direct marketing) (#)	S4.3b	**22**	5	3
Child/forced labour incidents (#)	S5.1b	**–**	–	–
Suppliers assessed (social risks) (#)	S5.1c	**36**	28	4

[2] *Calculated using 200 000 hours worked.*

Metric	JSE Ref	FY2026	FY2025	FY2024
Governance				
Board diversity (gender, race, age)	G1.1			
Age (#)				
36 - 45		**1**	1	1
46 - 55		**3**	3	2
56 - 65		**7**	8	8
Older than 65		**4**	3	3
Race (#)				
African		**11**	11	9
Asian		**1**	1	1
Indian		**1**	1	1
White		**2**	2	3
Gender (#)				
Female		**6**	6	5
Male		**9**	9	9
Composition regarding executive (#)				
Executive		**2**	2	2
Non-executive		**13**	13	12
Tenure (#)				
Less than a year		**–**	2	1
1 - 3 years		**8**	2	8
4 - 6 years		**6**	10	4
7 - 9 years		**1**	1	–
Over 9 years		**–**	–	1
Diversity of knowledge, skills, experience* (#)				
IT and digital		**4**	N/A	N/A
Financial services		**9**	N/A	N/A
Regulatory affairs		**8**	N/A	N/A
International and business leadership		**6**	N/A	N/A
Risk management	G1.1	**5**	N/A	N/A
Stakeholder relations		**13**	N/A	N/A
Executive leadership		**13**	N/A	N/A
Telecommunications		**3**	N/A	N/A
ESG and sustainability		**3**	N/A	N/A
Independent Board Members (%)	G1.3	**100%**	100%	100%

Metric	JSE Ref	FY2026	FY2025	FY2024
Governance				
Anti-corruption training	G3.1a			
Anti-corruption training (employees trained on data security and/or privacy-related risk) (#)	G3.1a	**3 954**	5 617	8 993
Number of forensic cases (#)	G3.1b	**121**	167	147
Under investigation		**–**	–	–
Pending finalisation		**–**	–	–
Finalised		**121**	167	147
Employees disciplined		**61**	66	54
Employees dismissed		**6**	19	12
Whistle-blowing cases (#)	G3.1c	**1 494**	1 239	1 067
ESG-related incidents/ non-compliance (#)	G4.1	**–**	–	–
Fines and penalties (ESG) (ZAR)	G4.2	**–**	–	–
Total tax paid (Rm)	G5.1b	**297**	396	422
Income tax		**1 208**	869	497
VAT		**2 004**	2 156	1 826
PAYE		**1 844**	1 730	1 588
Effective tax rate (%)	G5.1c	25.4%	20.6%	25.5%

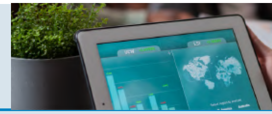
NP – not publicly disclosed
N/A – not applicable

* *During FY2026, the Board skills matrix was updated, with certain skills regrouped to align with the latest Board evaluation and governance best practice.*

Appendices 7

Our contribution to the SDGs

Quality education		Read more
SDG 4.1	*By 2030, ensure that all girls and boys complete free, equitable and quality primary and secondary education leading to relevant and effective learning outcomes.*	
Our contribution	We contribute materially to improving proficiency in mathematics and science at secondary school level. We support teacher development in pedagogical methods and subject content in STEAM subjects: science, technology, engineering, arts and mathematics.	See page 43
Telkom KPIs	- **R73 million** investment in education, digital skills, and social development through the Telkom Foundation - **Mathematics and science proficiency** achieved by supported learners - **Teachers** empowered through improved teaching practice in science, technology, English and mathematics	
SDG 4.4	*By 2030, substantially increase the number of youth and adults who have relevant skills, including technical and vocational skills, for employment, decent jobs and entrepreneurship.*	
Our contribution	By providing integrated ICT solutions for teachers and learners, we bridge the digital divide and enhance the quality of teaching and learning outcomes. This includes providing academic support and ICT integration through the Telkom Foundation.	See page 43
Telkom KPIs	- **277 unemployed youth** trained in ICT skills through learnerships - **R9.9 million** investment in digital skills	

Decent work and economic growth		Read more
SDG 8.2	*Achieve higher levels of economic productivity through diversification, technological upgrading and innovation, including through a focus on high value-added and labour-intensive sectors.*	
Our contribution	We enable economic growth through our technology-driven products and services. We enhance our contribution by continuously investing in our network and infrastructure and launching new value propositions.	See page 30
Telkom KPIs	- **R6 434 million** capital expenditure - **99.99%** network coverage - **99.94%** network reliability indicator (Openserve)	
SDG 8.3	*Promote development-oriented policies that support productive activities, decent job creation, entrepreneurship, creativity and innovation, and encourage the formalisation and growth of SMMEs, including through access to financial services.*	
Our contribution	Our procurement policy supports inclusive growth through B-BBEE, enterprise and supplier development (ESD) and targeted investment. We support entrepreneurs and small businesses through tailored e-commerce and digital solutions.	See page 30
Telkom KPIs	- **R709.3 million** procurement opportunities supporting SMMEs - **362 SMMEs** impacted and/or supported - **74 114** direct and indirect jobs created - **260 337** lives impacted	

SDG 8.5	*By 2030, achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value.*	
Our contribution	We are an equal opportunity employer. We contribute materially through quality education, skills development programmes, remuneration policies, workforce diversity and investment in ESD.	See page 40
Telkom KPIs	- **74 114** jobs created (direct or indirect) - **3.8%** employee voluntary turnover - **73%** Black South African employees - **37.3%** women in leadership - **121** differently abled employees - **R8 484 million** in remuneration and benefits paid	
SDG 8.6	*By 2030, substantially reduce the proportion of youth not in employment, education or training.*	
Our contribution	We directly employ a significant number of people and support indirect jobs. We develop young people through internships, learnerships and training opportunities.	See page 40
Telkom KPIs	- **74 114** jobs created (direct or indirect) - **376** new employee hires - **R132 million** training spend - **599** youth trained through learnerships and internship programmes - **99%** retention rate for internship and OneTelkom learning programmes	
SDG 8.10	*Strengthen the capacity of domestic financial institutions to encourage and expand access to banking, insurance and financial services for all.*	
Our contribution	We provide network access and maintenance to banks, ATMs and point-of-sale platforms. We also provide insurance and funeral cover. Telkom Digital Wallet enables payment and receipt of money.	See page 27
Telkom KPIs	- **Verified users** accessing Digital Wallet	

Industry, innovation and infrastructure

Read more

SDG 9.1	*Develop quality, reliable, sustainable and resilient infrastructure, including regional and transborder infrastructure, to support economic development and human wellbeing, with a focus on affordable and equitable access for all.*	
Our contribution	We extend and upgrade infrastructure, connect remote communities and support IoT-related innovation. We provide affordable products and services for equitable access.	See page 30
Telkom KPIs	- **8 420** mobile sites integrated - **1 539 209** FTTH homes passed, with a connection rate of 53% - **302 523** FTTH homes passed in underserved areas, with a connection rate of 53% - **99.99% network** uptime (access, transport and core)	
SDG 9.3	*Increase the access of small-scale industrial and other enterprises in developing countries to financial services, including affordable credit, and their integration into value chains and markets.*	
Our contribution	We contribute through our enterprise and supplier development programmes. We provide other industries with a platform for technological advances through our products and services.	See page 30
Telkom KPIs	- **362 SMMEs** impacted and/or supported - **R709.3 million** in procurement opportunities	

SDG 9.4	*By 2030, upgrade infrastructure and retrofit industries to make them sustainable, with increased resource-use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes.*	
Our contribution	We leverage property and infrastructure upgrades to increase resource efficiency and adopt clean technologies. This includes installing solar PV systems, improving energy efficiency and migrating from copper to fibre.	See page 32
Telkom KPIs	- **419 875 tCO_2e** total carbon footprint (Scopes 1 and 2) - **742 453 kL** water consumption - **9.9 GWh** electricity usage from renewable sources - **9 832 tonnes** of e-waste recycled	

SDG 9.5	*Enhance scientific research and upgrade the technological capabilities of industrial sectors in all countries, in particular developing countries, including, by 2030, encouraging innovation and substantially increasing the number of research and development (R&D) workers per 1 million people and public and private R&D spending.*	
Our contribution	We enhance ICT research and innovation through partnerships and centres of excellence, driving research on AI tools and IoT.	See page 30
Telkom KPIs	- **R15 million invested** in innovation and industry research and development - **283 students** supported through the Telkom Centres of Excellence Programme	

Responsible consumption and production

Read more

SDG 12.2	*By 2030, achieve the sustainable management and efficient use of natural resources.*	
Our contribution	We support the sustainable management and efficient use of natural resources by improving energy efficiency across our network and facilities. This includes reducing energy consumption through infrastructure upgrades, network optimisation, energy-efficient technologies, and the integration of renewable energy sources.	See page 36
Telkom KPIs	- **Reducing our emissions from grid electricity:** 50% reduction from the FY2022 baseline by 2030 - **Increasing our renewable energy consumption:** 50% consumption from renewable energy sources by 2030 relative to the FY2022 baseline	

SDG 12.5	*By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse.*	
Our contribution	We manage high volumes of e-waste (batteries, copper cabling and phones). We have expanded our reuse initiatives through trade-in packages and repair options.	See page 38
Telkom KPIs	- **9 832** tonnes of e-waste/copper recycled - **542** tonnes waste to landfill - **13%** decrease in waste to landfill	

SDG 12.7	*Promote public procurement practices that are sustainable in accordance with national policies and priorities.*	
Our contribution	We contribute materially through procurement and engage suppliers on emissions reduction.	See page 36
Telkom KPIs	- **362 SMMEs** impacted and/or supported - **812 850 tCO_2e** Scope 3 GHG emissions	

Abbreviations

5G	The fifth generation of mobile network technology
AFS	annual financial statements
AGM	annual general meeting
AI	artificial intelligence
B-BBEE	broad-based black economic empowerment
capex	capital expenditure
Companies Act	Companies Act, 71 of 2008, as amended
CWU	Communication Workers Union
DQ	digital capability and intelligence
EBITDA	Earnings before investment income and finance cost, tax, depreciation, amortisation and write-offs, impairments and losses
ERM	enterprise risk management
ESD	enterprise and supplier development
ESG	environmental, social and governance
Exco	Group Executive Committee
FTTH	fibre to the home
FTTR	fibre to the room
FTTx	fibre to the x (x being a placeholder for where fibre will be connected to)
FY	financial year
GCEO	Group Chief Executive Officer
GCFO	Group Chief Financial Officer
GDP	gross domestic product
GHG	greenhouse gas
GRI	Global Reporting Initiative
GSMA	Global System for Mobile Communications Association
GWh	gigawatt hour
HR	human resources
HVAC	heating, ventilation and air conditioning
ICASA	Independent Communications Authority of South Africa
ICT	information and communications technology
IEEE SA	Institute of Electrical and Electronics Engineers Standards Association
IFRS	International Financial Reporting Standards
IoT	Internet of Things
<IR> Framework	Integrated Reporting Framework
ISO	International Organization for Standardization
ISSB	International Sustainability Standards Board
IT	information technology
JSE	Johannesburg Stock Exchange
King IV	King IV Report on Corporate Governance™ for South Africa, 2016
kL	kilolitre
KPIs	key performance indicators
kWp	kilowatt peak
LED	light-emitting diode
LEO	Low Earth Orbit
LTI	long-term incentive
M&A	mergers and acquisitions
MHz	Megahertz
MW	Megawatts
NGFS	Network of Central Banks and Supervisors for Greening the Financial System
OECD	Organisation for Economic Co-operation and Development
PIVOT	Partnerships, Integrated solutions, Value-rich broadband, Operational efficiency, and Technology innovation
POPIA	Protection of Personal Information Act, 4 of 2013
ppts	percentage points
PV	photovoltaic
RCP	representative concentration pathway
SACU	South African Communications Union
SBTi	Science Based Targets initiative
SDGs	Sustainable Development Goals
SEC	Social and Ethics Committee
SMMEs	small, medium and micro enterprises
STI	short-term incentive
tCO_2e	tonnes of carbon dioxide equivalent
TGF	Telkom Group Forensics
TGIA	Telkom Group Internal Audit
WEF	World Economic Forum

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