

C0. Introduction

C0.1

(C0.1) Give a general description and introduction to your organization.

Telkom is a leading information and communications technology (ICT) services provider in South Africa, offering fixed-line, mobile and data services, information technology (IT) services and financial services. Our purpose is to seamlessly connect our customers to a better life. Our vision is to lead in the converged ICT market through deep and credible relationships and a distinctive customer experience by leading the provision of converged solutions; providing a quality network with a reach that is unmatched; offering end-to-end digital solutions in the business community; creating innovative and pervasive broadband consumer services; being the wholesale provider of choice; and being the best place to work for committed people.

Telkom comprises of five productive business units namely Openserve (a wholesale infrastructure connectivity provider with the largest open-access network across South Africa), Telkom Consumer (a converged communications provider through high-speed mobile broadband and its fixed-line network), BCX (provides ICT and technology solutions), Gyro (which manages the property portfolio of Telkom that are currently utilised for operations) and Swiftnet (which comprises of masts and towers). Telecommunication companies are classified as having a low impact on the environment. However, we realise the vital role business has in supporting South Africa in limiting emissions and are committed to supporting the country's initiatives. Telkom, as a conscious economic participant, therefore, has a responsibility to understand and reduce its impact across the value chain. We want to grow our business in a sustainable way with the use of renewable energy to power its services and infrastructure.

Telkom reported an operating revenue of R42 756 billion, for the group, for FY2022 decreasing 1.08% from FY 2021 (R43 222 billion). The number of permanent employees in FY 2022 (11 898 permanent employees) decreased by 1.2% from FY 2021 (12 039 permanent employees).

C0.2

(C0.2) State the start and end date of the year for which you are reporting data.

	Start date	End date	Indicate if you are providing emissions data for past reporting years	Select the number of past reporting years you will be providing emissions data for
Reporting year	April 1 2021	March 31 2022	No	<Not Applicable>

C0.3

(C0.3) Select the countries/areas in which you operate.

South Africa

C0.4

(C0.4) Select the currency used for all financial information disclosed throughout your response.

ZAR

C0.5

(C0.5) Select the option that describes the reporting boundary for which climate-related impacts on your business are being reported. Note that this option should align with your chosen approach for consolidating your GHG inventory.

Operational control

C0.8

(C0.8) Does your organization have an ISIN code or another unique identifier (e.g., Ticker, CUSIP, etc.)?

Indicate whether you are able to provide a unique identifier for your organization	Provide your unique identifier
Yes, an ISIN code	ZAE000044897

C1. Governance

C1.1

(C1.1) Is there board-level oversight of climate-related issues within your organization?

Yes

C1.1a

(C1.1a) Identify the position(s) (do not include any names) of the individual(s) on the board with responsibility for climate-related issues.

Position of individual(s)	Please explain
Board-level committee	The Board of Directors has responsibility for overseeing risk and compliance (including climate-related topics) across the group. Climate change was a standing topic on the Board agenda in FY2022. The Group Executive Committee, the Risk Committee and the Social and Ethics committee (SEC) monitor and advise the Board on matters related to climate change. The highest level of responsibility for climate change specific matters rests with the SEC (and Risk Committee where applicable). The committee monitors Telkom's activities in relation to organizational ethics, responsible corporate citizenship, ESG, sustainable development and stakeholder relationships. This is done by considering relevant legislation, prevailing codes of best practice including safety, health and environment (including climate change), and stakeholder demands and requests on ESG disclosure. The Risk Committee and SEC comprises non-executive and executive directors, including the Group CEO and Group CFO. EXAMPLE: In FY21 the SEC and the Risk Committee developed an ESG strategy. The strategy was approved in FY22 by the Board, the Group Executive Committee and the SEC. As part of the strategy, we have committed to achieving a net zero status by 2040. In recognition that climate change has potential operational, reputational and strategic impacts to our business, it was added as a material business theme in FY21 and has remained a material theme in FY22. In order for climate change to be added as a material theme, various engagements took place within the Board committee, the Executive Committee and the Group Audit Committee with support from the SEC. The Group Audit Committee provided the final recommendation to the Board to include climate change as a material theme. The SEC facilitated Telkom's adoption of the Task Force on Climate-Related Financial Disclosures (TCFD) framework in FY21. The SEC will be responsible for monitoring and oversight in relation to TCFD activities, while the Risk Committee will be responsible for monitoring and assessing TCFD-related risks. Telkom has an annual Disaster Budget that can be used under extreme circumstances (e.g., a climate-related disaster). The Board can increase the disaster budget if there are extreme events that occur, that the budget does not cover. The Board has final say on how the Budget gets used and if additional funding is required.

C1.1b

(C1.1b) Provide further details on the board's oversight of climate-related issues.

Frequency with which climate-related issues are a scheduled agenda item	Governance mechanisms into which climate-related issues are integrated	Scope of board-level oversight	Please explain
Scheduled – all meetings	Reviewing and guiding strategy Reviewing and guiding major plans of action Reviewing and guiding business plans Setting performance objectives Overseeing major capital expenditures, acquisitions and divestitures	<Not Applicable>	The Social and Ethics committee (an executive committee of the Board) is responsible for climate change matters at Telkom. The committee meets 4 times a year (quarterly) and sustainability, which includes climate change risks and opportunities, is a standing agenda item. The committee's responsibilities include: - Approving and/or updating the sustainability framework and climate change policy for HSE management, and monitoring implementation thereof; - Reviewing quarterly environmental performance reports which includes trends in energy and water usage which are presented at the quarterly Committee meetings; - Reporting material outcomes/ findings, related to climate change, from the Committee meetings to the Board of Directors; - Considering substantive regulatory and technical developments (for example the carbon tax in South Africa) and responding appropriately; and - Assisting the Board in fulfilling its responsibility by ensuring that key stakeholder relationships are effectively managed. For example, plans to invest in renewable energy projects and outlay capital, such as our on-going Solar PV project, would be developed and approved by the Social and Ethics committee. In the previous reporting year, Telkom adopted the Task Force on Climate-related Financial Disclosures (TCFD) framework. The Social and Ethics committee is responsible for the monitoring and oversight of all TCFD activities. The Risk Committee will be responsible for assessing and monitoring TCFD related risks. Telkom also joined visionary corporate leaders in taking ambitious climate action by setting a net zero target in line with a 1.5°C future, by joining the Science-Based Target initiative (SBTi). This process was set by Gyro with the help of an external service provider in FY2022.

C1.1d

(C1.1d) Does your organization have at least one board member with competence on climate-related issues?

	Board member(s) have competence on climate-related issues	Criteria used to assess competence of board member(s) on climate-related issues	Primary reason for no board-level competence on climate-related issues	Explain why your organization does not have at least one board member with competence on climate-related issues and any plans to address board-level competence in the future
Row 1	No, but we plan to address this within the next two years	<Not Applicable>	Important but not an immediate priority	Telkom is currently in the process of appointing a Board member that has competence on climate-related issues, which is expected to occur in FY23. We acknowledge the importance of having a board member with competence on climate-related issues, especially given our new net zero targets. We have also experienced an increase in investor pressure related to ESG issues within the last two reporting periods, which has contributed to our decision to appoint a Board member with the relevant competence. In the recent past, Telkom did not see the benefit of appointing a Board member with climate-related competence since the ICT industry (which Telkom operates in) is considered a low environmental impact sector. The most significant environmental impacts of our operations were e-waste, energy use and the related carbon emissions in our network. To date, our focus has been on minimising Telkom's energy intensity and carbon footprint by improving the energy efficiency of our activities. However, as the impacts of climate change become more prevalent and due to the increased stakeholder pressure, Telkom has recognised its role in the fight against climate change. We have identified an opportunity for a Board member with competence on climate-related issues to aid the company regarding increased climate considerations.

C1.2

(C1.2) Provide the highest management-level position(s) or committee(s) with responsibility for climate-related issues.

Name of the position(s) and/or committee(s)	Reporting line	Responsibility	Coverage of responsibility	Frequency of reporting to the board on climate-related issues
Chief Executive Officer (CEO)	<Not Applicable>	Both assessing and managing climate-related risks and opportunities	<Not Applicable>	Quarterly
Chief Financial Officer (CFO)	<Not Applicable>	Both assessing and managing climate-related risks and opportunities	<Not Applicable>	Quarterly
Other, please specify (Social and Ethics Committee and Risk Committee)	<Not Applicable>	Both assessing and managing climate-related risks and opportunities	<Not Applicable>	Quarterly

C1.2a

(C1.2a) Describe where in the organizational structure this/these position(s) and/or committees lie, what their associated responsibilities are, and how climate-related issues are monitored (do not include the names of individuals).

The highest management-level responsibility for climate change matters in Telkom rests with the Risk Committee (where applicable) and the Social and Ethics Committee. These Committees monitor Telkom's activities, consider any relevant legislation and prevailing codes of best practice including safety, health and environment, and climate change. Both committees comprise of various non-executives and two executive directors: the Group CEO and Group CFO. The Social and Ethics Committee is primarily focused on organizational ethics, responsible corporate citizenship, ESG, sustainable development and stakeholder relationships. The Risk Committee is responsible for ensuring that Telkom has an effective risk management process that identifies and monitors the management of the Group's key risks in an integrated and timely manner. It oversees the governance of risks, including climate-related risks and opportunities, through the Group's ERM framework and its system of internal controls

In the previous reporting year, the Social and Ethics Committee enhanced ESG disclosure against Telkom's key SDG's and facilitated the adoption of the TCFD framework. The Committee are responsible for monitoring and oversight in relation to TCFD activities, while the Risk Committee will be responsible for monitoring and assessing TCFD-related risks. In FY2021 and FY2022, both committees developed an ESG strategy that aligns with TCFD, our key SDG's and the ESG disclosure requests made by stakeholders. In addition, the Social and Ethics Committee is responsible for overseeing the setting of science-based emission targets, which Telkom has committed to in FY2022.

The Social and Ethics Committee is supported by the Group Senior Specialist for Sustainability and Integrated Reporting (hereafter referred to as the "Sustainability Specialist") to fulfil its supervisory role relating to the integration of sound sustainability management into all aspects of the Group's business activities. The Sustainability Specialist is responsible for coordinating the Group's sustainability programme (including climate change) and reports directly to the Social and Ethics committee at least twice per year, and the Group Executive Investor Relations. An environmental report (which includes any important matters relating to climate change) is compiled by the Sustainability Specialist and presented to the board on a quarterly basis. The Sustainability Specialist responsibilities include:

- The oversight and reporting of the Group's Sustainability Framework (inclusive of climate change policies and standards) which is approved by the Social and Ethics committee and signed off by the Group's CEO;
- Consolidating and reporting on climate-related data (including emission reduction targets, initiatives, data reporting, etc);
- Improving overall sustainability practices within the group;
- With the assistance of Telkom business unit, GYRO, the Sustainability Specialist oversees that emissions and/or energy reduction targets are developed and implemented; and
- With the assistance of Telkom Group Compliance, the Sustainability Specialist takes substantive national and international regulatory and technical developments into consideration (for example the carbon tax in South Africa) and responds appropriately.

Overall, the Sustainability Specialist assists the Social and Ethics committee.

C1.3

(C1.3) Do you provide incentives for the management of climate-related issues, including the attainment of targets?

	Provide incentives for the management of climate-related issues	Comment
Row 1	Yes	None.

C1.3a

(C1.3a) Provide further details on the incentives provided for the management of climate-related issues (do not include the names of individuals).

Entitled to incentive	Type of incentive	Activity incentivized	Comment
Other C-Suite Officer	Monetary reward	Emissions reduction project	None.

C2. Risks and opportunities

C2.1

(C2.1) Does your organization have a process for identifying, assessing, and responding to climate-related risks and opportunities?

Yes

C2.1a

(C2.1a) How does your organization define short-, medium- and long-term time horizons?

	From (years)	To (years)	Comment
Short-term	0	3	None.
Medium-term	3	5	None.
Long-term	5	10	None.

C2.1b

(C2.1b) How does your organization define substantive financial or strategic impact on your business?

DEFINITION: When identifying or assessing climate-related risks, a 'substantive' financial impact would be regarded as a major or critical financial consequence which is equivalent to or greater than a 20% decrease in profits. From a strategic perspective, an impact that results in widespread and extensive disruptions to the continuity of service delivery for more than week, or an incident that prevents the achievement of most business objectives within a financial year, would be considered a 'substantive' strategic impact.

'Substantive' financial or strategic impacts can occur on our direct operations (operational impacts), or from poor customer service stemming from acute and chronic weather conditions resulting in customer migration to different network service providers (reputational and strategic impacts), etc.

INDICATOR: In the reporting period, the group's operating profit was ZAR 4 933 million. Hence, an impact would be considered substantive if it resulted in a ZAR 986 million decrease in profits (i.e., 20% of the operating profit for FY2022).

C2.2

(C2.2) Describe your process(es) for identifying, assessing and responding to climate-related risks and opportunities.

Value chain stage(s) covered

Direct operations

Risk management process

Integrated into multi-disciplinary company-wide risk management process

Frequency of assessment

More than once a year

Time horizon(s) covered

Short-term

Medium-term

Long-term

Description of process

Risks associated with climate change are integrated into Telkom's risk identification and management processes, and assurance processes. The group's risk management approach is based on a board-approved enterprise-wide risk management (ERM) methodology and philosophy to ensure adequate and effective risk management across the group. The objective of the ERM Framework is to ensure that there is a standard approach to managing risks across group and will therefore instil consistency. Regulatory, reputational and physical risks are identified and assessed on an annual basis and are considered 3-6 years into the future. Our Group Integrated Assurance Framework is used to identify, assess, monitor and report the Group's complex risks and opportunities. As part of our annual material themes determination process, we assimilate a set of material risks and opportunities by reviewing our operating environment, ERM procedures, stakeholder engagement and board and committee discussions. Management's materiality determination process and material themes are approved by exco and the audit committee. Thus, the Board of Directors, through the Risk Committee, take overall ownership of overseeing risk and ensuring compliance across the group. The Executive Committees monitor and advise the Board of Directors on matters related to risk, and compliance to laws and regulations. The Board of Telkom has committed the organisation to a process of enterprise risk management that is aligned to the principles of the King IV Report on Corporate Governance for South Africa, 2016 and the COSO Integrated Enterprise Risk Management Framework of 2013 as well as ISO 31000:2018 Risk management – Guidelines and COBIT. Using these frameworks and standards, the board is committed to aligning Telkom's risk management to good corporate governance and best practice standards. Climate change, and acute and chronic weather conditions, were identified as a new material theme in FY2021 and has remained a material theme in FY2022. To protect our business and the environment, Telkom needs to mitigate and adapt to climate change impacts and use our resources responsibly. Climate-related risks and opportunities are initially managed within the business functions from which they are identified. However, all major climate-related risks have response plans which specify the trigger thresholds (related to the severity of the impact) at which higher levels of management involvement occur. Risks that significantly impact business-as-usual and the execution of Telkom's strategy (i.e., the highest trigger threshold) are managed by our Group Emergency Management Team (GEMT) structure which reports to the Telkom Group exco. The structure's mandate is to ensure continuity of service delivery through infrastructure, buildings, equipment, processes and human capital to guarantee the implementation and effectiveness of defined emergency management procedures. In the reporting year, we continued to strengthened Telkom's ability to respond to disasters including extreme weather (i.e. effects of storms and floods on the network) as part of our risk and compliance transformation journey towards a risk intelligent group. This included an improvement in Group's risk and compliance culture; an enhanced senior leadership setting of the tone by demonstrating and taking accountability for any matters of governance, risk and compliance; embarking on exploring predictive analysis or a futuristic approach for risk management; and strengthened opportunity management and collaboration across the Group. To date, we have group-wide response plans in place for the following climate-related risks: Drought and Water-shedding (supply shortages), Adverse Weather Conditions, Tornadoes and Cyclones, Fire and Flooding Plans; as well as an Earthquake Framework. As a case in point, In April 2022, KwaZulu Natal experienced heavy rainfall events which caused floods that resulted in roads being inaccessible. This resulted in Telkom staff being unable to access sites for repairs due to the damaged road infrastructure. Areas across the province experienced water supply issues and power outages due to the infrastructure damages. In addition, Gyro and Openserve buildings experienced flood damage. During this time, the GEMT received daily updates and all Business Units' response plans were activated. The situation was monitored and processes were provided to employees that were unable to work from home and could not travel to the alternative official work offices. Employees that were able to work from home were encouraged to do so. Further, in 2019 KwaZulu-Natal experienced heavy rainfall and tornados between April and December which caused floods that impacted service delivery in Telkom's eastern and central regions. The first floods coincided with a Municipal district strike which further prevented staff access to manholes and roads in Durban central, affecting fault finding and copper cable repairs. In addition, employees were impacted in their private capacity with house and roads flooding, and fence and wall collapse. Resources from other regions were dispatched to assist with service restoration. Although the GEMT monitored the event, the regions managed the impact back to business as usual. The GEMT ensured uninterrupted service to hospitals and other essential service providers and the rapid deployment of temporary electronic communications networks where required. The Tornado and Cycle Response Plans were updated based on the group's risk management experience during this event. Furthermore, transitional climate-related risks such as the carbon tax are being managed by the Group's compliance department. Phase 1 of the Carbon Tax Act, 15 of 2019 commenced during our FY2020, so an external service provider was engaged to evaluate whether Telkom's operations exceed the electricity and heat production capacity of 10 MW installed thermal capacity (the threshold for carbon tax under fuel combustion activities). The outcomes of this study were shared with the Risk and Social and Ethics Committees. It was found that Telkom is liable during Phase 1 of the Carbon Tax Act due to liquid fuels (diesel and petrol) and stationary emissions due to fuel combustion in standby generators. The tax on fuels, however, is taxed at the source so these costs are indirect and impact the company as a 'pass-through' cost. The compliance department will continue to monitor the Carbon Tax going forward considering possible future amendments, especially in Phase 2 (2026 onwards) where the regulations are anticipated to become more extensive and austere and therefore expected to have a significant impact on Telkom due to potential broadening of the tax base to include Scope 2 emissions.

C2.2a

(C2.2a) Which risk types are considered in your organization's climate-related risk assessments?

	Relevance & inclusion	Please explain
Current regulation	Relevant, always included	It is imperative for Telkom to be compliant with laws, regulations, rules, standards, policies and guidelines governing our operations as this forms part of our legal license to operate. Phase 1 of the Carbon Tax was introduced in 2019 and is considered to be our most significant, current climate-related regulatory risk. Accordingly, we engaged an external service provider to evaluate whether Telkom's operations exceed the electricity and heat production capacity of 10 MW installed thermal capacity (the threshold for carbon tax under fuel combustion activities). It was identified that Telkom is liable for carbon tax on liquid fuels (diesel and petrol) consumed by the fleet and stationary emissions due to fuel combustion in standby generators. However, the financial liability has been deducted at source, therefore whilst Telkom must register with South African Revenue Service and follow the carbon tax protocol, our carbon tax liability will amount to zero. Therefore, the initial assessment concluded that the first phase (2019 to 2025) of the Carbon Tax Act will not significantly impact Telkom. Nevertheless, our installed thermal capacity will be continuously monitored going forward to ensure that the appropriate compliance actions are taken in the instance that the threshold installed capacity is exceeded.
Emerging regulation	Relevant, always included	It is imperative for Telkom to be compliant with laws, regulations, rules, standards, policies and guidelines governing our operations as this forms part of our legal license to operate. For this reason, our Compliance Department continually monitors emerging regulation to avoid incurring penalties and damage to Telkom's reputation. For example, the Carbon Tax is being implemented in a phased manner. Although Telkom's carbon tax liability will amount to zero under the first phase of the Carbon Tax, it is anticipated that the tax will become more stringent in Phase 2 (starting in 2026) and Phase 3 (starting in 2031). The requirements of the second and third phases are dependent on the outcomes of a regulatory review which Treasury will undertake. Telkom will continue monitoring the developments on the Phase 2 carbon tax regulations so that appropriate management actions can be put in place in a timely manner. This is especially important for Carbon Tax as there are allowance opportunities to reduce the financial liability e.g., participating in the national carbon budget. Phase 2 of the Carbon Tax is expected to broaden the tax base by including scope 2 emissions. We therefore expect that Telkom will be significantly impacted as scope 2 emissions comprise 95% of our emission profile. In order to ensure readiness for Phase 2 of Carbon Tax, one of the Telkom Group's next steps are to develop a carbon response strategy / plan. Telkom's financial liability can be reduced by increased resource efficiency, specifically through improved building energy consumption. Telkom will also investigate carbon offset programmes to lower the Carbon Tax liability.
Technology	Relevant, always included	There are many new technologies in the ICT sector that are both cost-effective and assist companies in reducing their carbon and water footprints. For example, Telkom recognises that our video conferencing solutions are a low carbon product as it assists our customers, as well as our inhouse employees, reduce ground and air travel (scope 3 emissions). However, other technologies assist in managing natural resources, such as water, more efficiently which we do not currently offer our customers. For example, to manage large waterworks operations, innovative smart metering solutions have capabilities for early detection of leaks and can send alerts for maintenance schedules in the water supply chain. There is a risk, however, that we do not offer these technologies to our clients who may start to demand them. This risk has been considered but not fully understood and quantified yet. Telkom, therefore, considers technology both as an opportunity and a risk.
Legal	Relevant, always included	We have identified a risk of non-compliance with the newly updated and legislated carbon tax in South Africa. There are monetary fines attached to non-compliance with the carbon tax bill. However, compliance risks are identified early as part of our risk management process and action is taken to ensure all legal compliance is met. For example, we engaged an external service provider to evaluate whether Telkom's operations exceed the electricity and heat production capacity of 10 MW installed thermal capacity (the threshold for carbon tax under fuel combustion activities). The initial assessment concluded that the first phase (2019 to 2025) of the Carbon Tax Act will not significantly impact Telkom. Group Tax will submit the relevant carbon tax forms by the 29th of July 2022. Our installed thermal capacity will be continuously monitored going forward to ensure that the appropriate compliance actions are taken and one of our next steps is to develop Telkom Group's carbon response strategy / plan to ensure readiness with Phase 2 of the Carbon Tax Act.
Market	Relevant, sometimes included	Telkom has recognised that access to the internet has fundamentally changed the world we live in today. A 2014 study conducted by Telkom identified the opportunities the public and private sector could access with the use of Broadband technology. One case study entailed the use of Broadband in the UK's National Health System (NHS) which reduced the organisation's carbon footprint whilst simultaneously improving patient care. The use of Broadband allowed for the movement and sharing of critical information and reduced patient and staff transport needs. The NHS emits 18 MtCO ₂ e every year and a fifth of this figure is due to high transport requirements. Video conferencing, remote staff access, electronic delivery of prescriptions, a centralised archiving system and an online booking platform for patients are some of the initiatives making certain the NHS runs more efficiently and with a reduced carbon footprint. Example case studies such as these have assisted us in enhancing our service offerings to national and local government for large scale and complex ICT project solutions. Further, the Telkom Foundation is in partnership with the Department of Education to establish virtual schools. Our FY22 Integrated Report details our journey with the Grade 12 class of 2021, which started in 2017. The Foundation provided the learners with comprehensive support over the years, prioritising supplementary STEM tuition. It included psychosocial support and management and digital skills training to develop their skills and expose them to careers in ICT. 1 245 learners wrote the Grade 12 examinations in 2021, which was an increase of 53% from the 2019 class. 979 learners passed, with 288 more learners passing Grade 12 than the 2019 class (i.e., a 42% increase). This case study was increasingly relevant during FY21 and FY22, given the pandemic, which has had an overwhelming impact on the market. Telkom played a pivotal role during the pandemic, by actively providing intellectual and technological input in keeping people connected, supporting national health initiatives, and assisting stakeholders, including younger generations. The Foundation assists learners with career management by offering structured hybrid support to assist them connect to post-school opportunities. Despite more employees returning to their offices during FY22, multiple companies have taken a hybrid approach, allowing employees to work from home, resulting in Telkom continuing to play a pivotal role.
Reputation	Relevant, always included	Climate change is one of Telkom's top material themes due to the potential impact on various parts of our business, including our reputation. The physical impacts of climate change can damage our masts, operations and telecommunications infrastructure which would lead to poor customer service and consequential reputational impacts. In addition, the transition impacts of climate change have led to an increase in scrutiny from investors, customers and value chain partners on our ESG and climate-change activities. It is important for Telkom to be considered as a good corporate citizen and have a positive brand positioning to ensure the long-term financial sustainability of the business and secure access to opportunities. For this reason, reputational considerations are always included in our assessments. In response to this identified risk, Telkom developed a comprehensive and measurable ESG strategy that is being implemented and integrated throughout the group. We have identified that an opportunity exists for Telkom to execute the EST strategy to contribute to the sustainability agenda, including global climate change commitments and goals.
Acute physical	Relevant, always included	Until recent years, extreme weather events have always negatively impacted our means to do business, but the impacts have been manageable. However, with increasing intensity and frequency of extreme weather events (e.g., Western Cape drought, tropical cyclones in Mozambique and heavy rainfall in KZN) we have identified the physical risk to our network from extreme unpredictable weather events which have had knock-on implications in increasing our operating costs stemming from repairs to network faults and negatively impacting our customer service turn-around time. We have also identified that these extreme events could compromise the safety of our field technicians. In the previous reporting year, heavy rainfall and tornadoes experienced in KwaZulu-Natal (KZN) impacted our service delivery in Telkom's eastern and central regions over the period April to December 2019. In April 2022, heavy rainfall was experienced in KZN again, and resulted in roads being inaccessible thus causing delays in Telkom's response times; power and water supply issues; and damages to some site infrastructure.
Chronic physical	Relevant, always included	Climate variability and change have the potential to threaten the infrastructure, integrity and productivity of our business, which in turn will increase the number and severity of disruptions. Climate-induced changes such as shifting rainfall patterns and increasing temperatures (resulting in heat stress) are considered in our risk identification process. For example, network backlogs during the winter rainy season in Cape Town are anticipated and planned for. Telkom relocates staff from the unaffected regions to the affected regions during the rainy winter period to service the network from faults due to prolonged periods of rainfall, and to assist with the increased workload. If the affected regions are still unable to cope, Service Provider resources and Openserve technicians are allocated from other unaffected regions to assist with the workload. The additional support staff are paid relocation stipends for the inconvenience of working away from their homes. These additional costs are already built into the backlog plans operational expenditure.

C2.3

(C2.3) Have you identified any inherent climate-related risks with the potential to have a substantive financial or strategic impact on your business?

Yes

C2.3a

(C2.3a) Provide details of risks identified with the potential to have a substantive financial or strategic impact on your business.

Identifier

Risk 1

Where in the value chain does the risk driver occur?

Direct operations

Risk type & Primary climate-related risk driver

Primary potential financial impact

Other, please specify (Increased Indirect (operating costs))

Climate risk type mapped to traditional financial services industry risk classification

<Not Applicable>

Company-specific description

South African Parliament has enacted the Carbon Tax Act No.15 of 2019 with an effective date of 1 June 2019 to meet its 2015 Paris Climate Agreement commitments and to reduce greenhouse gas emissions in line with the National Climate Change Response Policy and National Development Plan. The tax covers emissions from stationary combustion of fossil fuels (e.g., diesel generators, boilers); fugitive emissions (e.g., emissions due to refrigerant leakage); and emissions from industrial processes. The carbon tax rate for 2022 is R144 per tonne of CO₂e for emissions above the tax-free thresholds and increases annually. There are several transitional tax-free allowances that are available which effectively reduces the rate to R7.2-R57.6/tCO₂e. The tax is being implemented in a phased manner with the first phase taking place from 2019-2025 and covering Scope 1 emissions from facilities exceeding an installed capacity of 10MW thermal capacity. In the second phase (from 2026) several changes are expected (such as removal of allowances, revision of the carbon tax rate, etc.) to increase the stringency of the requirements. National Treasury will also be reviewing the interaction between the carbon tax and the electricity generation levy at the beginning of the second phase to determine whether any carbon tax will be applied to fossil-fuel based grid electricity consumption as well. Telkom is largely dependent on the national electricity utility, Eskom, as a major source of electricity. During Phase 1 of the carbon tax, Eskom is not liable for carbon tax. However, Eskom is anticipated to become liable in Phase 2, resulting in passthrough tax costs incurred by Eskom's customers, including Telkom. Telkom's installed thermal capacity exceeds the phase 1 threshold of 10MW and is subsequently liable. Telkom's emission sources include fleet fuel combustion, stationary generator fuel combustion and fugitive refrigerant leakage. However, the tax on fuels and refrigerants are taxed at the source so these costs are indirect and impact the company as a 'pass-through' cost. Furthermore, scope 2 grid electricity emissions are not applicable under Phase 1, rendering Telkom's liability negligible until 2025. Grid electricity consumption currently comprises 95% of our emission profile, hence there is a significant financial risk associated with the potential Scope 2 carbon tax liability from Phase 2 onwards.

Time horizon

Short-term

Likelihood

More likely than not

Magnitude of impact

Medium

Are you able to provide a potential financial impact figure?

Yes, an estimated range

Potential financial impact figure (currency)

<Not Applicable>

Potential financial impact figure – minimum (currency)

306065961.12

Potential financial impact figure – maximum (currency)

497913923.04

Explanation of financial impact figure

The financial impact from the South African carbon pricing mechanism is anticipated in the second phase starting in 2026. The initial carbon tax rate was R120/tCO₂e but this will be adjusted each year by the amount of consumer price inflation (CPI) plus 2% (CPI + 2%) per year until 31st December 2025. For 2021, the carbon tax rate was R134/tCO₂e, and in 2022 the carbon tax rate is R144/tCO₂e. The carbon tax rate is expected to increase annually, with an intention to achieve a carbon tax rate of R300/tCO₂e by the year 2026. From 2026 onward, the carbon tax rate is intended to increase more rapidly to R450/tCO₂e by 2030. Currently, tax-free allowances can be applied to a maximum total allowance of 95% while the basic applicable threshold is 60%. Going forward, the basic tax-free allowance (60%) will reduce and it is expected that the total maximum allowance will also reduce. Assuming that the basic tax-free allowance (60%) can still be applied in 2026, and the maximum allowance drops to 90%, the minimum and maximum effective tax rate in 2026 is anticipated to be between R30-R120/tCO₂e. In 2026, the indirect carbon tax costs, is estimated to be between R1.6 million (90% maximum allowances) and R6.7 million (60% basic allowance). In 2030, the indirect carbon tax cost is estimated to be between R19.9 million (20% maximum allowances) and R24.9 million (0% basic allowance). It should be noted that these are indirect costs, given that diesel, petrol and refrigerants are taxed at the pump. The estimates have been calculated using FY22 emissions data. Applying the carbon tax rate to the FY2022 electricity emissions of 1 081 108.16 tCO₂e, the tax liability is estimated to be approximately R300 million in 2025 and R480 million in 2030, for Scope 2 emissions. Thus, the minimum combined cost of the carbon tax on Telkom for 2026 is estimated to be R306 536 481.12 (R1.6 million + R300 million) and the maximum combined cost of the carbon tax for 2030 is estimated to be R504 971 723.04 (R24.9 million + R480 million).

Cost of response to risk

123250000

Description of response and explanation of cost calculation

In FY22, we developed an ESG Strategy. We appointed an external service provider to develop a net zero strategy which will guide us to net zero by 2040. Our strategy proposes the use of 100% renewable energy by 2035, amongst additional initiatives to reduce our energy consumption. As such, our risk associated with Phase 2 of the South African carbon tax will reduce significantly. The cost of response to the risk has been calculated by estimating the amount spent to develop the energy efficiency portion of the ESG Strategy (more than R250 0000). The benefit of the development of the ESG Strategy will be seen most prominently during Phase 2 of the carbon tax. Telkom has constructed a Solar PV Plant at Telkom Head Office. A Solar PV Park in Centurion is being constructed and a Solar PV Park in Belville is commissioned. The increase in the use of renewable energy will reduce our carbon liability in Phase 2 due to the reduced reliance on the national electricity grid. The combined estimated costs for the three Solar PV Plants total to R105 million. The initial assessment concluded that Phase 1 of the Carbon Tax Act will not significantly impact Telkom. However, Phase 2 is expected to have a significant impact due to the potential broadening of the tax base to include Scope 2 emissions (the biggest component of Telkom's current emissions) and the reduction of the tax-free allowances. We recognise the need to use the Phase 1 window to adopt an effective long-term carbon tax response strategy that responds to the current exposure levels and prepares the organisation to be better equipped to deal with the harsher impacts of Carbon Tax anticipated from the second phase onwards. We have identified opportunities to leverage Governmental revenue recycling mechanisms to lessen the impact of the Carbon Tax. The Gyro Group, in conjunction with our external service provider, have identified the opportunity to install grid-tied solar PV systems at 11 key strategic sites. Additionally, smart lighting controls were installed at 139 sites. An Energy Management System has been implemented at Telkom Park in order to achieve ISO50001 certification. Gyro has partnered with two external service providers to implement a Resource Efficiency programme at given sites. Telkom is currently implementing LED lighting at multiple sites. The estimated cost of implementing the LED lighting is R18 million. The cost of response is R123.2 million (R250 000 + R105 million + R18 million).

Comment

None.

Identifier

Risk 2

Where in the value chain does the risk driver occur?

Direct operations

Risk type & Primary climate-related risk driver

Acute physical	Heavy precipitation (rain, hail, snow/ice)
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Primary potential financial impact

Increased indirect (operating) costs

Climate risk type mapped to traditional financial services industry risk classification

<Not Applicable>

Company-specific description

Extreme weather events have always negatively impacted our means to do business, but the impacts have only recently become material. In the past few years, the intensity and frequency of extreme weather events have increased significantly. As such, we have identified the acute physical risk to our network from extreme unpredictable weather events which negatively affects one of our five group strategic pillars of developing operational superiority to provide a competitive advantage. More specifically, acute physical climate risks have the potential to damage our infrastructure and increase network faults and repair requirements. This increases our operating costs and negatively impacts service delivery and customer experience. The latter is a top-five business risk/material theme. In 2022, KwaZulu Natal (KZN) experienced heavy rainfall events which resulted in flood and landslide events. Openserve equipment buildings and infrastructure were damaged due to the floods and water seeped into the equipment rooms causing power outages. The landslides caused damage to the properties and boundary walls, and transport routes were damaged resulting in operational teams being delayed in reaching sites to repair and restore equipment. KZN also experienced fuel shortages and water shortages, which negatively impacted staff. The heavy rainfall events also resulted in the need for load shedding, resulting in Telkom relying on our diesel generators. In the previous reporting year, Cyclone Eloise (which later turned into tropical storm Eloise) had an impact on operations. The cyclone resulted in some infrastructural damages and caused unsafe working conditions but our operations were able to continue relatively unaffected. Recent examples of acute physical climate events that has more significant impacts to business-as-usual processes include the heavy rainfall and tornadoes experienced in KwaZulu Natal from April to December 2019; cyclone Kenneth in the Mozambique region (April 2019); Durban floods (KwaZulu Natal) in April 2019 and the Western Cape drought in 2018.

Time horizon

Medium-term

Likelihood

More likely than not

Magnitude of impact

Medium-low

Are you able to provide a potential financial impact figure?

Yes, a single figure estimate

Potential financial impact figure (currency)

32500000

Potential financial impact figure – minimum (currency)

<Not Applicable>

Potential financial impact figure – maximum (currency)

<Not Applicable>

Explanation of financial impact figure

Three financially material acute climate events that have previously impacted Telkom include: • Durban floods in KwaZulu Natal in April 2022 caused damage to infrastructure and vehicles; the need for service restoration; the need for additional standby power and additional diesel usage; increased security; and additional costs related to the mobile network. The combined costs associated with the 2022 KZN floods total to R13 million. • Cyclone Kenneth in the Mozambique region totalled R12 million relocate additional staff to the region to correct the rise in system network faults; and • Durban floods in KwaZulu Natal in April 2019 caused significant infrastructure damage which cost R7.5 million to repair. The combined financial cost of these events is R32 500 000 (R13 000 000 + R12 000 000 + R7 500 000).

Cost of response to risk

1000000

Description of response and explanation of cost calculation

In response to the increase in severity of acute physical climate-risk in the past few years, Telkom engages on a quarterly basis with the National Disaster Management Centre (NDMC) of South Africa through the National Disaster Management Advisory Forum (NDMAF) to obtain insight on anticipated climate and weather trends throughout the country, as well as potential disaster scenarios. The NDMC forms a key partner for identifying, monitoring and responding to climate-related events that impede business-as-usual processes and the execution of Telkom's strategy. We also receive alerts during periods of high-risk or in the event that significant climate-related event has materialised. During these engagements, our risk management team receives updates from the South African Weather Service, overviews of the seasonal national risk profile, quarterly grid electricity forecasts and the national water status. In the instance that alerts show there is potential for key infrastructure or systems to be interrupted or damaged, the relevant business units are placed on readiness alert. Once a 'disaster' is triggered, the applicable Business Continuity Plans are actioned. These plans have trigger thresholds in place which activate specific response levels in relation to the extent and severity of the 'disaster', and also define the extent of management and governance involvement. As part of the response activities for each level, pre-planning for the next level is undertaken in the event that the 'disaster' escalates. This ensures that when a 'disaster' increases in severity, the systems are in place to carry out the next level response activities. In the higher trigger thresholds, group-level intervention is actioned which includes the Telkom Group Emergency Management Team. To date, we have the following group-level climate-related response plans: Drought and Water-shedding, Adverse Weather Conditions, Tornadoes and Cyclones, Fire, and Flooding Plans; as well as an Earthquake Framework. Telkom has a Disaster Fund budget that can be used in emergency situations, these emergency situations however, are not specific to climate-related events. The Board can make the decision to expand the budget, if necessary, given the extent and number of emergency events experienced within the reporting period. In the case of a disaster that is relatively manageable with low direct impacts on the business, emergency finance of more than R1 million can be accessed from the Disaster Fund.

Comment**Identifier**

Risk 3

Where in the value chain does the risk driver occur?

Direct operations

Risk type & Primary climate-related risk driver

Reputation	Increased stakeholder concern or negative stakeholder feedback
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Primary potential financial impact

Decreased access to capital

Climate risk type mapped to traditional financial services industry risk classification

<Not Applicable>

Company-specific description

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

Time horizon

Long-term

Likelihood

More likely than not

Magnitude of impact

Medium

Are you able to provide a potential financial impact figure?

Yes, a single figure estimate

Potential financial impact figure (currency)

5100000

Potential financial impact figure – minimum (currency)

<Not Applicable>

Potential financial impact figure – maximum (currency)

<Not Applicable>

Explanation of financial impact figure

We are unable to accurately calculate the financial impact of how increased stakeholder concern and pressure may impact Telkom; however, we are able to estimate a figure based on publicly available knowledge. Telkom's issued share capital at FY22 year end was valued at R5 050 million. If shareholder sentiment towards Telkom shifts by 1% due to Telkom not meeting investor expectations on ESG, climate change and emission commitments, we are at risk of losing approximately R50.5 million in share capital value.

Cost of response to risk

401000

Description of response and explanation of cost calculation

In order to address our stakeholders' growing concerns, Telkom developed an ESG Strategy which includes defined roles and responsibilities and details the way in which Telkom aims to achieve our 2035 and 2040 net zero targets. In October 2021, Telkom embarked on the process of formalising the ESG Strategy and in March 2022, the Board approved the first ESG strategy and implementation roadmap. The ESG Strategy provides key emissions reduction targets and associated timelines, which has been made publicly available in our Integrated Report 2022. The ESG Strategy is practical, measurable and implementable. It includes and builds on current initiatives (e.g., energy and water initiatives), and is aligned to the SDGs that Telkom can impact and influence. In addition, Telkom aims to integrate ESG risks into the ERM framework. The cost of responding to this risk can be quantified based the cost of development of the ESG Strategy as well as the approximate amount spent to developing science-based targets (\$9 500, which converts to R151 000). Thus, the final cost of response is R250 000 + R151 000 = R401 000.

Comment

C2.4

(C2.4) Have you identified any climate-related opportunities with the potential to have a substantive financial or strategic impact on your business?

Yes

C2.4a

(C2.4a) Provide details of opportunities identified with the potential to have a substantive financial or strategic impact on your business.

Identifier

Opp1

Where in the value chain does the opportunity occur?

Direct operations

Opportunity type

Energy source

Primary climate-related opportunity driver

Shift toward decentralized energy generation

Primary potential financial impact

Reduced indirect (operating) costs

Company-specific description

Telkom closely measures, monitors and manages the group's carbon emissions as we have identified energy efficiency as a primary contributor to reducing operational costs and to mitigate the impacts of climate change. To minimise the increases in energy use and associated carbon emissions, we identified an opportunity to install solar photovoltaic plants at high energy consuming sites. The benefits identified from this opportunity include: - Reducing Telkom's electricity consumption and demand and the associated electricity costs, thereby having a positive influence on Telkom's goals to reduce its buildings' operating costs as well as the buildings' total life cycle costs; - Reducing Telkom's carbon footprint and the environmental damage attributable to its operations and foster a more positive public image for Telkom; - Future-proofing against financial risk and regulatory compliance risk due to carbon taxes, tightening legislation and regulatory compliance requirements; - Accessing potential carbon tax offset allowances to reduce our future liability; - Building in resilience to future impacts from climate change by ensuring the security of supply; and - Embracing the national drive to conserve energy and reduce the strain on the national electricity grid. A 3MWp Solar Photovoltaic (PV) Farm was commissioned at Telkom Park Head Office in 2016. The primary objective of the solar PV Farm was to offset part of the conventional electricity supply from the 11kV Tshwane municipality supply. Initial forecasted figures for the project were: actual yield (kWh) of 12%, peak demand (kVA) savings of 51% and electricity cost savings of 22% annually. As of the 31st of December 2020, the PV Plant Project achieved 91% to 75% of energy savings as per the design. The Solar PV Farm at Head Office was offline for a period during 2021 for maintenance purposes. The maintenance is anticipated to extend the life of the system. Our Telkom's property portfolio business unit identified two additional sites that would benefit from solar installations: Centurion (1 055.16 kWp) and Belville (168.48 kWp). The Centurion Solar PV Project is currently under construction and the Belville Project is expected to be operational during FY23.

Time horizon

Long-term

Likelihood

More likely than not

Magnitude of impact

Medium

Are you able to provide a potential financial impact figure?

Yes, a single figure estimate

Potential financial impact figure (currency)

93109000

Potential financial impact figure – minimum (currency)

<Not Applicable>

Potential financial impact figure – maximum (currency)

<Not Applicable>

Explanation of financial impact figure

Since the commissioning of the 3MWp solar plant at Telkom Park, the energy savings realised have amounted to R51 million (from 25 001 MWh generated to date). In addition, the annual cost reductions expected from the solar opportunities at Centurion and Belville are R1.7 million and R360 000 respectively. We assume that the solar plants will have an average lifespan of 20 years and have used this value to calculate the total potential financial impact figure. The total combined potential financial impact from these solar projects is thus R93 109 000 million (R51 million + ((R1.7 million x 20 years) + (R360 000 x 20 years)).

Cost to realize opportunity

105644351.83

Strategy to realize opportunity and explanation of cost calculation

We plan to increase our positive impact by leveraging our facilities management business unit Gyro, and its upgrades to infrastructure, to increase resource-use efficiency and adopting clean and environmentally sound technologies. Currently, we have constructed a 3MWp Solar PV Energy Farm at Telkom Park to reduce our electricity usage from the national grid which will also assist in lowering any future carbon tax implications from indirect emission sources. The cost of construction and installation of the solar PV Energy Farm was R88.4 million and the maintenance costs amount to R85 125.00. The estimated cost for the solar opportunities identified at Centurion and Belville totals to R15 million and R2 million respectively. Thus, the total cost of realising the opportunity of on-site solar electricity generation is R108.8 million (R88.4 million + R85 125 + R15 million + R2 million).

Comment**Identifier**

Opp2

Where in the value chain does the opportunity occur?

Direct operations

Opportunity type

Resource efficiency

Primary climate-related opportunity driver

Move to more efficient buildings

Primary potential financial impact

Reduced indirect (operating) costs

Company-specific description

We have identified an opportunity to roll out energy-efficient measures and technologies across our operations to reduce our carbon footprint and realise cost reductions through increased operational energy efficiencies. Telkom's key source of electricity is municipal (more than 80%), diesel for back-up generators and solar photovoltaic (PV). In order to realise this opportunity, an energy expert was appointed to conduct site surveys at selected Telkom office buildings, retail sites, data centres and access network sites. The key areas identified for improved energy savings and sustainability were tariff and power factor optimisation, heat ventilation and air conditioning efficiencies, load optimisation and the continuation of solar PV project rollouts. These will be addressed in the future through various initiatives. We have also identified the potential of LED lighting, electrical smart metering project, motion sensors and day-night switches. BCX has implemented various energy management initiatives, which includes the installation of smart electricity meters; the installation of occupancy sensors to control lights in the meeting rooms and passages; implementing lighting control automation in the canteen to ensure that lights do not operate consistently but rather only when necessary; and the use of occupancy sensing for Air Handling Units in the BCX building. In addition, BCX is awaiting the approval to install LED lighting and motion sensors, as well as to install a 1.1 MWp grid-tied solar PV plant. BCX

implemented more efficient power systems which has resulted in the BCX building being 47% more efficient when compared to a conventional building. Replacing inefficiency lighting with LED lighting is currently underway at 60 sites, Telkom Park and at Belville. In addition, HVAC / air-conditioning optimisation is currently being investigated.

Time horizon

Short-term

Likelihood

Virtually certain

Magnitude of impact

Medium-low

Are you able to provide a potential financial impact figure?

Yes, a single figure estimate

Potential financial impact figure (currency)

14254000

Potential financial impact figure – minimum (currency)

<Not Applicable>

Potential financial impact figure – maximum (currency)

<Not Applicable>

Explanation of financial impact figure

The HVAC optimisation initiative has achieved an R684 000 saving (570 MWh saved). Telkom aims to expand this initiative, which is currently under investigation. Through the expansion, the initiative will result in an additional approximate annual cost savings of R870 000. The financial savings from the electricity smart metering project will be realised once a year of baseline energy consumption data has been collected. This data will then be used to analyse energy consumption patterns and identify energy efficiency and saving opportunities. Once the initiatives proposed by BCX are approved (the installation of LED lighting and motion sensors and the installation of the 1.1 MWp grid-tied solar PV plant), the initiatives will result in a R2.7 million saving per annum (The installation of LED lighting is anticipated to result in a saving of R6.5 million assuming an electricity cost of R1.50/kWh and an annual energy saving of 6 809 MWh). The total combined savings from these initiatives is R14 254 000.

Cost to realize opportunity

54713000

Strategy to realize opportunity and explanation of cost calculation

We have identified various energy efficiencies initiatives towards achieving this opportunity that we started implementing throughout our operations in the past two years: • Ongoing installation of more efficient LED lighting to replace inefficient lighting at an investment cost of R18.5 million. • Installation of smart electricity meters in the pursuit of an online energy management system for real-time energy consumption monitoring. Smart meters have been installed at over 260 sites and an additional 400 smart meters are expected to be installed in Phase 2 of this initiative. The approximate cost of installation amounts 4 million. • Power factor correction installation at high-consuming sites nation-wide to stabilise energy demand. Phase 1 is underway at a cost of R3.3 million. Phase 2 is estimated to cost R11 million. • Installation of motion sensors and day-night switches. • Expanding our set-point and comfort optimisation initiative to improve the energy performance of our HVAC systems (R4.8 million). BCX • The financial savings achieved from the BCX initiatives including the installation of smart electricity meters (R45 000); the installation of occupancy sensors (R230 000); implementing lighting control automation (R88 000); and the use of occupancy sensing for Air Handling Units in the BCX building (R250 000), has resulted in a total cost of R613 000. • BCX is also in the process of installing LED lighting and motion sensors at the Head Office and in Silverton and installing a 1.1 MWp grid-tied solar PV plant at BCX Head office. The planned initiatives are estimated to cost R12.5 million. The total cost of these initiatives is R54 213 000 (R18.5 million + R4 million+ R3.3 million + R11 million + R4.8 million + R613 000 + 12.5 million).

Comment

None.

Identifier

Opp3

Where in the value chain does the opportunity occur?

Direct operations

Opportunity type

Resource efficiency

Primary climate-related opportunity driver

Reduced water usage and consumption

Primary potential financial impact

Reduced indirect (operating) costs

Company-specific description

Our key source of water is municipal supply. The impact of disrupted water supplies has direct and indirect operational impacts: employees would be impacted in their private capacity with the need to obtain water for consumption while water-based cooling equipment would fail, causing damage to IT infrastructure. We have identified an opportunity to improve the water efficiency of our operations to reduce our reliance on municipal water supplies and reduce our vulnerability to water shortages. Initiatives include the installation of low-flow regulator taps and water smart meters to enable online real-time water consumption monitoring for conservative water management. Site surveys were conducted at selected Telkom office buildings, retail sites, data centres and access network sites which had high energy and water consumption in FY20. Technologies were recommended to harvest, recycle and reticulate treated water for use in buildings. We investigated the following solutions: wastewater recycling plant; reticulation of buildings' plumbing pipework to supply product water for toilet flushing; stormwater and heat, ventilation and air conditioning harvesting system; and air to drinking water solution. In FY22, Telkom investigated the use of a borehole, where a geotechnical investigation is required. A proposal for the investigation is being developed and will be submitted for approval. If approval is provided, a phased approach will be followed. Phase 1 will entail drilling to determine the yield from the borehole. Thereafter the business case feasibility will be recalculated, and if feasible, the balance of the scope will be executed. In 2020, a water audit was performed at the Olifantsfontein CFL site. Investigations indicate the potential to drill for boreholes on the Olifantsfontein site. A site evaluation was completed at Lukasrand MWT and Kiosk, where it was recommended that new equipment should be installed for the existing borehole. Previously, BCX building implemented dual flush toilets; installed low-flow showerheads; moisture sensors for the irrigation system and low flow taps. In FY22 however, BCX will not install the remaining low flow taps due to the low occupancy rates as a result of the pandemic. The water usage is also monitored and controlled by the building manager through the water meters which are connected to the computer-based control system. At Telkom Park and BCX, wastewater recycling and rainwater harvesting are under investigation.

Time horizon

Short-term

Likelihood

Virtually certain

Magnitude of impact

Low

Are you able to provide a potential financial impact figure?

Yes, a single figure estimate

Potential financial impact figure (currency)

2300000

Potential financial impact figure – minimum (currency)

<Not Applicable>

Potential financial impact figure – maximum (currency)

<Not Applicable>

Explanation of financial impact figure

The use of boreholes at our Olifantsfontein and Lukasrand sites can result in a monthly saving of approximately R160 000 and R33 015 respectively. Hence, the estimated annual cost savings from boreholes is R2.3 million. The cost savings were calculated by taking into account the average monthly water usage at each site. We are unable to provide an estimate savings from the borehole that is currently under investigation. Once the geotechnical investigation is complete and the drilling commences, Telkom will be able to provide an estimate savings. The total potential financial impact figure is therefore R2.3 million.

Cost to realize opportunity

4900000

Strategy to realize opportunity and explanation of cost calculation

In FY22 we installed 147 water smart meters at various sites across the portfolio at a cost R2.3 million, to collect water consumption data as a baseline for further water efficiency and conservation initiatives and to enable proactive, conservative water management on a real-time basis. At the BCX Head Office, the implementation of rainwater harvesting; implementing a grey water system; and implementing bathroom efficiency solutions are currently in the feasibility stage. We are however unable to estimate the funding requirements currently. In addition, a geohydrologist investigation was conducted and the proposal for a borehole was put forward. As such, a geotechnical investigation is required before the drilling of a borehole can commence. A proposal for a geotechnical investigation is being sourced, at a cost of R2.6 million. Thus, the total combined cost of the initiatives is R4.9 million (R2.3 million + R2.6 million).

Comment**C3. Business Strategy****C3.1****(C3.1) Does your organization's strategy include a transition plan that aligns with a 1.5°C world?****Row 1****Transition plan**

Yes, we have a transition plan which aligns with a 1.5°C world

Publicly available transition plan

No

Mechanism by which feedback is collected from shareholders on your transition plan

We do not have a feedback mechanism in place, but we plan to introduce one within the next two years

Description of feedback mechanism

<Not Applicable>

Frequency of feedback collection

<Not Applicable>

Attach any relevant documents which detail your transition plan (optional)**Explain why your organization does not have a transition plan that aligns with a 1.5°C world and any plans to develop one in the future**

<Not Applicable>

Explain why climate-related risks and opportunities have not influenced your strategy

<Not Applicable>

C3.2**(C3.2) Does your organization use climate-related scenario analysis to inform its strategy?**

	Use of climate-related scenario analysis to inform strategy	Primary reason why your organization does not use climate-related scenario analysis to inform its strategy	Explain why your organization does not use climate-related scenario analysis to inform its strategy and any plans to use it in the future
Row 1	No, but we anticipate using qualitative and/or quantitative analysis in the next two years	Important but not an immediate priority	Telkom has not developed a climate-related scenario analysis due to the fact that our operations have not been materially impacted by climate change in previous reporting years. Given the recent extreme weather events faced in South Africa, coupled with the increased investor pressure for Telkom to address climate-related issues, Telkom is planning to use climate-related scenario analysis to inform our strategy in the next reporting year.

C3.3

(C3.3) Describe where and how climate-related risks and opportunities have influenced your strategy.

	Have climate-related risks and opportunities influenced your strategy in this area?	Description of influence
Products and services	Yes	Telkom's purpose is to seamlessly connect our customers to a better life; thus, customer experience is a core strategic objective. Climate change-induced changes such as changing rainfall patterns and increasing temperatures (resulting in heat stress) are considered in our risk identification process as these negatively affect our service delivery capabilities and customer experience. At present, the effect of climate-related risks and opportunities on our products and services are considered in the short-term (although scenario analysis is planned for FY2023 which may extend consideration into the medium- and long-term). The most prominent example of the climate-related influence on our products and services is our response to network backlogs created during the winter rainy season in the Western Cape. Telkom relocates staff from the unaffected regions to the affected regions during the rainy winter period to service the network from faults due to prolonged periods of rainfall, and to assist with the higher workload. If the affected regions are still unable to cope, Service Provider resources and Openserve technicians are allocated from other unaffected regions to assist with the workload. The additional support staff are paid relocation stipends for the inconvenience of working away from their homes. These additional costs are already built into the backlog plans operational expenditure.
Supply chain and/or value chain	Yes	Although Telkom is not a material water user, we recognise the scarcity of this resource and the risks associated with water shortages particularly on our water-cooled IT equipment and employees. The group uses water primarily for cooling, drinking, catering, hygiene, and landscaping and our key source of water is municipal supply. Telkom occupies more than 1 400 premises, with a national footprint. As such, the entire group is vulnerable to water supply disruptions. Our response to this risk is two pronged: supplier engagement and reduction of dependence on the supplier. As an example of supplier engagement, Telkom assisted the Western Cape Government during the severe Western Cape drought in 2018 by contributing to a basic business continuity plan guideline document to ensure economic security during times of drought. This formed part of their disaster management efforts. The document provided guidance on developing and implementing the following: - an operational water plan which supports improved water use practices under water rationing circumstances; and - a business continuity plan to help ensure that businesses can continue during and after water outages (for short or longer periods) that will likely disrupt normal business operations. Operationally, we are looking to reduce our dependence on water suppliers by improving site water efficiency. An external resource expert conducted site surveys at selected Telkom office buildings, retail sites, data centres and access network sites which had high water consumption in FY2020. Several technologies were recommended as solutions to harvest, recycle and reticulate treated water for use in buildings. As such, we investigated the following solutions: wastewater recycling plant; reticulation of buildings' plumbing pipework to supply product water for toilet flushing; rain/storm water and heat, ventilation and air conditioning harvesting system; and air to drinking water solution. Additionally, a wastewater treatment plant to reduce consumption levels and to achieve the best cost savings was recommended. However, it was found that this was not a feasible option. In the reporting year, Telkom started investigating the use of a borehole and is in the process of commencing a geotechnical investigation. These initiatives also form part of one of our key financial objectives of cost management.
Investment in R&D	No	Telkom's current research and development efforts are guided by its digital strategy framework and operating model, both of which were developed to usher Telkom into the digital era. To date, climate-related risks and opportunities have almost no impact on our current business model and consequently, they do not influence our IT research and development efforts at present. Nevertheless, extreme weather conditions (particularly acute events) have been identified as a top material issue in the reporting year. As the likelihood and magnitude of these and other climate-related risks and opportunities increases, it is likely that our strategy in terms of R&D development will be influenced in the medium to long term.
Operations	Yes	Sustainable cost management is a key strategic objective at Telkom. One of the mechanisms for achieving this is enhancing operational efficiencies through energy efficiency initiatives, among others. To achieve this objective, we have appointed an energy expert to develop and implement an energy management strategy and invested (and continue to invest) in various energy efficiency projects. The online monitoring of real-time energy consumption is progressing with smart meters installed at over 260 sites and online tracking is in progress. An additional 400 smart meters will be installed going forward. Phase 1 of the power factor correction project, using harmonic filtering and voltage dip mitigation, is completed and benefits are being tracked. Phase 2 will commence in FY23. The potential energy and cost savings will be available from the next reporting period, once sufficient usage data has been collected. We also conducted a gap analysis of the implementation of an energy management system at Telkom Park, in pursuit of achieving ISO 50001 energy certification. Finally, we have started installing power factor correction at high energy-consuming sites to stabilise energy demand and reduce power system losses. Currently, we are replacing inefficient lighting with LED lighting at Telkom Park, Belville and an additional 60 sites. Focus areas for FY23 include: i) the completion of solar PV installation at Centurion and Belville, and at sites with maximum irradiation; and ii) to improve heat, ventilation and air conditioning performance through set point and comfort cooling analysis. These energy saving activities are further supported by a new material issue related to power outages and load shedding. Load shedding has continued to threaten our ability to provide uninterrupted services to our customers in FY22. Telkom is investigating alternative power solutions (among others). Solar PV power presents us with an opportunity in this regard. We have developed a model at Group level to manage essential and critical services if it is faced with various stages of load shedding thresholds. During FY21, standby / backup generators were installed at various equipment sites which assisted in ensuring that there were minimal disruptions to operations and service delivery to customers. As a result, there were no significant impacts on the business operations.

C3.4

(C3.4) Describe where and how climate-related risks and opportunities have influenced your financial planning.

	Financial planning elements that have been influenced	Description of influence
Row 1	Direct costs Capital expenditures Capital allocation Assets	The board drives Telkom's strategy and ensures that the appropriate operating model and resources (including financial resources) are in place to meet current and future business requirements. Our enterprise risk and opportunity management approach is used to determine where financial resources are to be allocated, i.e. financial planning. Once Telkom's risk and opportunity assessment procedure (described in C2.2) is completed and reported to the board, a financial assessment process is undertaken to determine the financial resources required to carry out our risk and opportunity management plans. This assessment process considers annual budgets, tax and compliance cost, capital allocation, capital expenditures, savings opportunities, among others. In the case of climate-related financial planning, relevant financial elements include direct costs, capital expenditure, capital allocation and investment in assets. In the instance of assets, capital allocation and expenditure elements, the time horizon considered during financial planning is typically middle to long term, while short to medium time horizons are considered for direct operating cost elements. Nevertheless, these may change depending on the risk and opportunity under consideration. As a case in point, capital allocation and expenditure were important considerations when assessing and planning the construction of our 3MWp Solar PV Farm at our head office Telkom Park. The primary objective of the solar PV Farm was to offset part of the conventional electricity supply from the 11kV Tshwane municipality supply, thereby reducing our dependence on external power sources and reducing the carbon footprint of Telkom Park. The capital expenditure for the project amounted to R88.4 million with a payback period of between 20 – 25 years. This capital investment will enhance the asset value of the Telkom Park property. Additionally, in the reporting year, the Board approved our ESG strategy and implementation roadmap. The strategy commits Telkom to be carbon neutral by 2035 and net zero by 2040. The cost of developing the ESG Strategy was more than R250 000. Currently, direct costs are the most prominent financial planning element influenced by climate-related risk and opportunities. Effective cost management is currently one of Telkom's key financial focus areas. Reducing energy consumption and improving energy efficiency is considered one of the mechanisms for containing costs, hence various energy-related projects were implemented and/or assessed in this regard: - Smart metering project: We are in the process of installing smart meters in some high-energy-consuming sites. Smart meters have been installed at over 260 sites and online tracking is in progress. Approximately 400 smart meters will be installed in Phase 2 of the initiative. Cost savings will be tracked upon completion of the installations. - One of the controls implemented to address our carbon emissions exposure was an energy management system (EnMS) at Telkom Park to achieve ISO 50001 certification: The EnMS will enhance the adoption of best practices and sustainable energy savings. In the previous reporting year, the gap analysis was completed in this regard. - We conducted resource efficiency assessments at three of our high-energy and water consumption sites. The programme focuses on energy efficiency, sustainable use of water and waste management for reduced costs and environmental footprint. Telkom operates in a volatile and uncertain industry and recognises it needs to take certain risks to achieve sustainable growth and returns. For this reason, we consider financial planning to be a crucial element of our financial resilience measures.

C3.5

(C3.5) In your organization's financial accounting, do you identify spending/revenue that is aligned with your organization's transition to a 1.5°C world?

Yes

C3.5a

(C3.5a) Quantify the percentage share of your spending/revenue that is aligned with your organization's transition to a 1.5°C world.

Financial Metric

OPEX

Percentage share of selected financial metric aligned with a 1.5°C world in the reporting year (%)

0.29

Percentage share of selected financial metric planned to align with a 1.5°C world in 2025 (%)

1.7

Percentage share of selected financial metric planned to align with a 1.5°C world in 2030 (%)

2

Describe the methodology used to identify spending/revenue that is aligned with a 1.5°C world

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

C4. Targets and performance

C4.1

(C4.1) Did you have an emissions target that was active in the reporting year?

Absolute target

C4.1a

(C4.1a) Provide details of your absolute emissions target(s) and progress made against those targets.

Target reference number

Abs 1

Year target was set

2022

Target coverage

Company-wide

Scope(s)

Scope 1

Scope 2

Scope 2 accounting method

Location-based

Scope 3 category(ies)

<Not Applicable>

Base year

2020

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

55227

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

601433

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

<Not Applicable>

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

656660

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

100

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

100

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

<Not Applicable>

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

100

Target year

2035

Targeted reduction from base year (%)

100

Total emissions in target year covered by target in all selected Scopes (metric tons CO2e) [auto-calculated]

0

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

55466

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

1081108

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

<Not Applicable>

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

1136574

% of target achieved relative to base year [auto-calculated]

-73.0840922242866

Target status in reporting year

New

Is this a science-based target?

Yes, we consider this a science-based target, and we have committed to seek validation of this target by the Science Based Targets initiative in the next two years

Target ambition

1.5°C aligned

Please explain target coverage and identify any exclusions

This target is company-wide and covers 100% of both our Scope 1 and 2 emissions. We have self-assessed that this target is a science-based target; however, within the next two years we have committed to seeking validation by the Science Based Targets initiative. We have assessed that this is a science-based target given that we have calculated year-on-year emissions reductions to reduce our GHG emissions by 2035. This emissions target forms part of our longer-term goal to reach net zero by 2040, which is aligned with a 1.5°C world. Telkom has also implemented energy efficiency initiatives and we have identified additional initiatives in the pipeline, which we believe will help us reach our emissions target, such that the company can achieve net zero emissions for all Scope 1 and 2 emissions by 2035. We have not included any emissions or removals from bioenergy within the target boundary, given that it is not relevant to our business.

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

In order to reduce scope 1 and 2 emissions to reach net zero in 2035, Telkom is looking to action the following initiatives: o Review the carbon footprint and develop baseline data for target setting; o Responsibly advancing the energy efficiency and renewable initiatives in a phased manner o Implementing technologies that have a strong business case for achieving energy and emission reductions; and o Preparing financial plans to best manage capital-operational investments and savings in pursuit of this commitment. Telkom has developed a stepped approach to achieve our target. Scope 2 emissions comprise 95% of our emissions profile, therefore in order to reduce our emissions significantly, we need to reduce our scope 2 emissions. We are constructing a Solar PV plant at Centurion, and we have commissioned a Solar PV plant at Belville to help reduce our Scope 2 emissions and contribute to Telkom achieving a net zero status. In addition, our solar PV plant at Head Office is operational. Telkom is also aiming to migrate from fossil fuels to 50% renewable energy by 2030 and 100% by 2035. In 2035 we aim to for our energy sources to be 100% renewable. We are also migrating from R22 refrigerant gases; our goal is to reduce by 100% by 2035. Telkom has identified initiatives that will be prioritised in order to reach our target. The initiatives are: 1. Upgrade our infrastructure with the move from copper to fibre cables; 2. Ensure that our operations and infrastructure are sustainable through the development of a 10-year reduction strategy; 3. The installation of LED lights; 4. Single source backup power generators; 5. Installation of smart meters; 6. Mast decommissioning and recovery for potential reuse; 7. Implement EPC regulation requirements; 8. Develop dealers to support cross functional business sales; and 9. Engage with landlords to replace HVAC equipment that uses R22 gas. Given that this is a new target, we will disclose our progress in the next reporting period and indicate whether Telkom is on track to achieving the target. We expect that our progress will be linear, given that we have started to implement emissions reduction initiatives and we have additional initiatives in the pipeline.

List the emissions reduction initiatives which contributed most to achieving this target

<Not Applicable>

C4.2**(C4.2) Did you have any other climate-related targets that were active in the reporting year?**

Net-zero target(s)

Other climate-related target(s)

C4.2b**(C4.2b) Provide details of any other climate-related targets, including methane reduction targets.****Target reference number**

Oth 1

Year target was set

2016

Target coverage

Company-wide

Target type: absolute or intensity

Absolute

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

Resource consumption or efficiency	Other, please specify (Tonne R-22 Refrigerant Installed)
------------------------------------	--

Target denominator (intensity targets only)

<Not Applicable>

Base year

2016

Figure or percentage in base year

97

Target year

2025

Figure or percentage in target year

31.5

Figure or percentage in reporting year

37.8

% of target achieved relative to base year [auto-calculated]

90.381679389313

Target status in reporting year

Underway

Is this target part of an emissions target?

No

Is this target part of an overarching initiative?

Other, please specify (Montreal Protocol)

Please explain target coverage and identify any exclusions

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

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

According to the regulations, the following phase-out schedule for HCFC with 2016 being the baseline year was stipulated: • 1 Jan 2016 to 31 Dec 2020: reduce to 65% of baseline consumption • 1 Jan 2021 to 31 Dec 2025: reduce to 32,5% of baseline consumption • Jan 2026 to 31 Dec 2030: reduce to 2,5% of baseline consumption The upgrades and disposals have reduced the R-22 install base from the 2016 baseline of 97 tons to 37.8 tons as of April 2022. Since 2016 Telkom has had numerous upgrades and has disposed of several properties. A proactive R-22 reduction program is in place to ensure that the required targets are met. To reach the next target date of 2025, Telkom must reduce R-22 gas by a further 6.35 tonnes. This reduction will be achieved by additional decommissioning sites planned in the next three years and the budget allocated to replace old HVAC equipment.

List the actions which contributed most to achieving this target

<Not Applicable>

Target reference number

Oth 2

Year target was set

2016

Target coverage

Company-wide

Target type: absolute or intensity

Absolute

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

Resource consumption or efficiency	Other, please specify (Tonne R-22 Refrigerant Installed)
------------------------------------	--

Target denominator (intensity targets only)

<Not Applicable>

Base year

2016

Figure or percentage in base year

97

Target year

2030

Figure or percentage in target year

2.4

Figure or percentage in reporting year

37.8

% of target achieved relative to base year [auto-calculated]

62.5792811839324

Target status in reporting year

Underway

Is this target part of an emissions target?

No

Is this target part of an overarching initiative?

Other, please specify (Montreal Protocol)

Please explain target coverage and identify any exclusions

Telkom owns and operates a large air conditioning portfolio, and many of the systems contain R-22 refrigerant. R-22 is an ozone-depleting substance and has been outlawed by the Montreal Protocol, to which South Africa agreed. Consequently, a law was passed (Government Gazette 37621 of 8 May 2014) requiring the reduction of the organisation's HCFC base, of which R-22 is a listed substance, in three phases over 14 years until the gases have been mostly removed. The regulation stipulates the following phase-out schedule for HCFC with 2016 being the baseline year. This target will help Telkom achieve our 2035 absolute emissions target, as well as our 2040 net zero emissions target.

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

According to the regulations, the following phase-out schedule for HCFC with 2016 being the baseline year was stipulated: • 1 Jan 2016 to 31 Dec 2020: reduce to 65% of baseline consumption. • 1 Jan 2021 to 31 Dec 2025: reduce to 32,5% of baseline consumption. • 1 Jan 2026 to 31 Dec 2030: reduce to 2,5% of baseline consumption. Since 2016 Telkom has had numerous upgrades and has disposed of several properties, reducing the R-22 install base from the 2016 baseline of 97 tons to 39 tons in 2020. A proactive R-22 reduction program is in place to ensure that the required targets are met. To reach the next 2030 target date, Telkom must reduce the R-22 install base by 35.4 tonnes from the reporting year. We aim to achieve this reduction by further decommissioning sites planned in the four years and the budget allocated to replace aged HVAC equipment.

List the actions which contributed most to achieving this target

<Not Applicable>

C4.2c**(C4.2c) Provide details of your net-zero target(s).****Target reference number**

NZ1

Target coverage

Company-wide

Absolute/intensity emission target(s) linked to this net-zero target

Abs1

Target year for achieving net zero

2040

Is this a science-based target?

Yes, we consider this a science-based target, and we have committed to seek validation of this target by the Science Based Targets initiative in the next 2 years

Please explain target coverage and identify any exclusions

The net zero target applies to the whole company. We have self-assessed that this target is a science-based target; however, within the next two years we have committed to seeking validation by the Science Based Targets initiative. We have assessed that this is a science-based target given that we have calculated year-on-year emissions reductions to reduce our GHG emissions by 2040, thus aligning with a 1.5°C world. Telkom has also implemented energy efficiency initiatives and we have additional initiatives in the pipeline, which we believe will help us reach net zero. Our definition of "net zero" aligns with the SBTi Corporate Net-Zero Standard's definition, and therefore includes scope 1, 2 and 3 emissions. In order to reach our net zero target, we have identified the need to determine our scope 3 emissions from the use of sold products. Telkom encourages the use of recyclable and biodegradable materials and we aim to reduce our waste-to-landfill by 75% by 2030. We also aim to reduce portable water consumption by 50% by 2030. Telkom is committed to making use of carbon offsets for unavoidable emissions, to ensure that we reach net zero emissions by 2040. Telkom has also set a more near-term target for 2035, where we aim to achieve net zero emissions for all scope 1 and 2 emissions. In order to achieve the 2035 target, Telkom's goal is to migrate from fossil fuels to 50% by 2030 and 100% by 2035. Therefore, in 2035 we aim to have our energy sources to be 100% renewable. We are also currently migrating from R22 refrigerant gases, and our goal is to reduce our R22 use by 25% in 2025 and by 100% by 2035.

Do you intend to neutralize any unabated emissions with permanent carbon removals at the target year?

Yes

Planned milestones and/or near-term investments for neutralization at target year

For unavoidable emissions, Telkom will make use of carbon offsets. We are currently unable to estimate the magnitude of emissions that we plan to offset in the net-zero target year as we are beginning phases of developing a full Science-based Target Initiative-certified emissions pathway. In the next reporting period, we will determine the percentage of emissions that will be reduced due to our emissions reduction initiatives that have been implemented and are in the pipeline. Once we have determined this value, we will be able to estimate the unavoidable emissions which will require the use of carbon offsets.

Planned actions to mitigate emissions beyond your value chain (optional)**C4.3**

(C4.3) Did you have emissions reduction initiatives that were active within the reporting year? Note that this can include those in the planning and/or implementation phases.

Yes

C4.3a

(C4.3a) Identify the total number of initiatives at each stage of development, and for those in the implementation stages, the estimated CO2e savings.

	Number of initiatives	Total estimated annual CO2e savings in metric tonnes CO2e (only for rows marked *)
Under investigation	4	
To be implemented*	0	0
Implementation commenced*	3	14991.99
Implemented*	2	127.42
Not to be implemented	0	0

C4.3b

(C4.3b) Provide details on the initiatives implemented in the reporting year in the table below.

Initiative category & Initiative type

Energy efficiency in buildings	Lighting
--------------------------------	----------

Estimated annual CO2e savings (metric tonnes CO2e)

79.23

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

Scope 2 (location-based)

Voluntary/Mandatory

Voluntary

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

152000

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

321000

Payback period

1-3 years

Estimated lifetime of the initiative

Ongoing

Comment

None.

Initiative category & Initiative type

Energy efficiency in buildings	Heating, Ventilation and Air Conditioning (HVAC)
--------------------------------	--

Estimated annual CO2e savings (metric tonnes CO2e)

48.2

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

Scope 2 (location-based)

Voluntary/Mandatory

Voluntary

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

92600

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

250000

Payback period

1-3 years

Estimated lifetime of the initiative

Ongoing

Comment

None.

C4.3c

(C4.3c) What methods do you use to drive investment in emissions reduction activities?

Method	Comment
Dedicated budget for energy efficiency	None.
Dedicated budget for other emissions reduction activities	None.
Compliance with regulatory requirements/standards	None.

C4.5

(C4.5) Do you classify any of your existing goods and/or services as low-carbon products?

Yes

C4.5a

(C4.5a) Provide details of your products and/or services that you classify as low-carbon products.

Level of aggregation

Group of products or services

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

Climate Bonds Taxonomy

Type of product(s) or service(s)

Other	Other, please specify (Teleconferencing and telecommuting software and service)
-------	---

Description of product(s) or service(s)

We provide data, teleconferencing and telecommuting software and services to our clients which enables an array of emission reductions for our clients and customers primarily related to travel and information sharing. Video conferencing (fixed and mobile) facilitates the reduction of air and ground travel which has enabled customers to reduce both business and private travel. Working from home has enabled our customers to work from home, reducing travel frequency from work to home. As a case in point, Telkom has achieved scope 1 emission reductions (business fleet) by using video-conferencing facilities to connect employees that operate in different offices and regions. Working from home has enabled our customers and employees to reduce travel frequency from work to home. In addition, the ability to move large volumes of data electronically has reduced the need for postal and courier services. Our networks facilitate the movements of large volumes of electronic data both locally and intentionally. Our services also enable our customers to access the internet. This ability has significantly reduced the volume and distribution of hard copy data. We have not yet calculated the emission savings and are unable at this point to estimate emissions that have or will be avoided through the data and video conferencing services.

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

No

Methodology used to calculate avoided emissions

<Not Applicable>

Life cycle stage(s) covered for the low-carbon product(s) or services(s)

<Not Applicable>

Functional unit used

<Not Applicable>

Reference product/service or baseline scenario used

<Not Applicable>

Life cycle stage(s) covered for the reference product/service or baseline scenario

<Not Applicable>

Estimated avoided emissions (metric tons CO2e per functional unit) compared to reference product/service or baseline scenario

<Not Applicable>

Explain your calculation of avoided emissions, including any assumptions

<Not Applicable>

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

0.18

C5. Emissions methodology

C5.1

(C5.1) Is this your first year of reporting emissions data to CDP?

No

C5.1a

(C5.1a) Has your organization undergone any structural changes in the reporting year, or are any previous structural changes being accounted for in this disclosure of emissions data?

Row 1

Has there been a structural change?

No

Name of organization(s) acquired, divested from, or merged with

<Not Applicable>

Details of structural change(s), including completion dates

<Not Applicable>

C5.1b

(C5.1b) Has your emissions accounting methodology, boundary, and/or reporting year definition changed in the reporting year?

	Change(s) in methodology, boundary, and/or reporting year definition?	Details of methodology, boundary, and/or reporting year definition change(s)
Row 1	Yes, a change in boundary	During the reporting year, Telkom improved the accuracy of our calculation methodology to include electricity usage at leased properties. Telkom is now able to report total electricity usage including direct municipal and Eskom supply, and nett electricity usage across the leased property portfolio. Prior to this reporting year, Telkom was not reporting on the Scope 2 emissions associated with leased properties and therefore, our Scope 2 emissions increased due to an improved baseline calculation methodology. Further, Telkom is financially liable for the electricity consumption at the leased properties, therefore we consider the associated emissions as Scope 2 rather than Scope 3.

C5.1c

(C5.1c) Have your organization's base year emissions been recalculated as result of the changes or errors reported in C5.1a and C5.1b?

	Base year recalculation	Base year emissions recalculation policy, including significance threshold
Row 1	No, because we have not evaluated whether the changes should trigger a base year recalculation	Telkom does not have a base year emission recalculation policy in place, hence we have note recalculated base year emissions.

C5.2

(C5.2) Provide your base year and base year emissions.

Scope 1

Base year start

April 1 2014

Base year end

March 31 2015

Base year emissions (metric tons CO2e)

84640

Comment

This is the first year that Telkom started calculating its emissions.

Scope 2 (location-based)

Base year start

April 1 2014

Base year end

March 31 2015

Base year emissions (metric tons CO2e)

681204

Comment

This is the first year that Telkom started calculating its emissions.

Scope 2 (market-based)

Base year start

April 1 2014

Base year end

March 31 2015

Base year emissions (metric tons CO2e)

681204

Comment

The location-based scope 2 emissions total has been used as a proxy for the market-based scope 2 emissions since a market-based figure is not applicable to any of our operations.

Scope 3 category 1: Purchased goods and services

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

Scope 3 category 2: Capital goods

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

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

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

Scope 3 category 4: Upstream transportation and distribution

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

Scope 3 category 5: Waste generated in operations

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

Scope 3 category 6: Business travel

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

Scope 3 category 7: Employee commuting

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

Scope 3 category 8: Upstream leased assets

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

Scope 3 category 9: Downstream transportation and distribution

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

Scope 3 category 10: Processing of sold products

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

Scope 3 category 11: Use of sold products

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

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

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

Scope 3 category 13: Downstream leased assets

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

Scope 3 category 14: Franchises

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

Scope 3 category 15: Investments

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

Scope 3: Other (upstream)

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

Scope 3: Other (downstream)

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

C5.3

(C5.3) Select the name of the standard, protocol, or methodology you have used to collect activity data and calculate emissions.

Defra Environmental Reporting Guidelines: Including streamlined energy and carbon reporting guidance, 2019
The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition)

C6. Emissions data

C6.1

(C6.1) What were your organization's gross global Scope 1 emissions in metric tons CO2e?

Reporting year

Gross global Scope 1 emissions (metric tons CO2e)

55466

Start date

<Not Applicable>

End date

<Not Applicable>

Comment

C6.2

(C6.2) Describe your organization's approach to reporting Scope 2 emissions.

Row 1

Scope 2, location-based

We are reporting a Scope 2, location-based figure

Scope 2, market-based

We have no operations where we are able to access electricity supplier emission factors or residual emissions factors and are unable to report a Scope 2, market-based figure

Comment

None.

C6.3

(C6.3) What were your organization's gross global Scope 2 emissions in metric tons CO2e?

Reporting year

Scope 2, location-based

1081108

Scope 2, market-based (if applicable)

<Not Applicable>

Start date

<Not Applicable>

End date

<Not Applicable>

Comment

Telkom's Scope 2 emissions increased during the reporting period due to a change in boundary. Telkom's Scope 2 emissions methodology now includes the emissions associated with electricity consumption at leased properties. Further, the Eskom's Grid Emission Power Factor also increased in FY2021 from 1.04 to 1.08 tonnes per MW, which contributed to the increase in the Scope 2 emissions value.

C6.4

(C6.4) Are there any sources (e.g. facilities, specific GHGs, activities, geographies, etc.) of Scope 1 and Scope 2 emissions that are within your selected reporting boundary which are not included in your disclosure?

No

C6.5

(C6.5) Account for your organization's gross global Scope 3 emissions, disclosing and explaining any exclusions.

Purchased goods and services

Evaluation status

Relevant, calculated

Emissions in reporting year (metric tons CO₂e)

148.64

Emissions calculation methodology

Average data method

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

100

Please explain

Only emissions associated with the treatment and supply of purchased water is included. Water data is collected from invoices from water suppliers. Total purchased water is 997.6 ML. This activity data is multiplied by the appropriate emission factor. Calculation of the carbon footprint complies with the criteria of the GHG Protocol –Corporate Value Chain (scope 3) Accounting and Reporting Standard. No specific assumptions were made. An emission factor of 0.149 kgCO₂e/m³ of water was used based on DEFRA 2022. GWPs used are based on the IPCC Fourth Assessment Report (AR4) (GWP for CH₄ = 25, GWP for N₂O = 298).

Capital goods

Evaluation status

Relevant, not yet calculated

Emissions in reporting year (metric tons CO₂e)

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

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

<Not Applicable>

Please explain

This category includes all upstream (i.e., cradle-to-gate) emissions from the production of capital goods purchased or acquired by the reporting company in the reporting year. These emissions can be attributed to the purchase of new equipment and new vehicles associated with new project development. We are yet to calculate the emissions associated with this category. We intend to perform a scope 3 assessment in the next reporting year.

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

Evaluation status

Relevant, calculated

Emissions in reporting year (metric tons CO₂e)

7439.65

Emissions calculation methodology

Average data method

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

100

Please explain

This category includes emissions related to the production of fuels and energy purchased and consumed by Telkom in the reporting year and that are not included in Scope 1 or Scope 2. This includes emissions from diesel and petrol. Transmission and Distribution (T&D) losses have been accounted for under Scope 2 emissions. It would be double counting to also account for these under Scope 3. The activity data was obtained from supply chain records of the quantity of each type of fuel purchased. Emission factors: DEFRA 2022 well-to-tank (WTT) emission factors were used to account for the upstream Scope 3 emissions (Diesel (100% mineral diesel): 0.62874 KgCO₂e/Litre; Petrol (100% mineral petrol): 0.61328 KgCO₂e/Litre). WTT emission factors were multiplied by the diesel and petrol consumption. Calculation of the carbon footprint complies with the criteria of the ISO-14064-part 1 Standard and GHG Protocol –Corporate Value Chain (scope 3) Accounting and Reporting Standard. No specific assumptions were made. GWPs used by DEFRA are based on the IPCC Fourth Assessment Report (AR4) (GWP for CH₄ = 25, GWP for N₂O = 298).

Upstream transportation and distribution

Evaluation status

Relevant, not yet calculated

Emissions in reporting year (metric tons CO₂e)

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

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

<Not Applicable>

Please explain

Telkom's procurement department has begun to research the positive financial impacts of minimising the number of cargo flights to bring in merchandise into the country (e.g., modems, headsets, mobile phones, etc.). Currently, flight cargos are not always at full capacity as the urgency of demand has always outweighed the cost of extra flights. Telkom is still internally unpacking this before discussing further with stakeholders. The next steps require collecting flight data and calculating the emissions from this source before entering an engagement with suppliers.

Waste generated in operations

Evaluation status

Relevant, calculated

Emissions in reporting year (metric tons CO2e)

318.05

Emissions calculation methodology

Average data method

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

100

Please explain

Non-hazardous waste is reported on by all operating companies on a monthly basis. Non-hazardous waste including building rubble (reported in tonnes) that goes to landfill was multiplied by the default DEFRA (2022) emission factor (467 kgCO2e/tonne of commercial and industrial waste) and divided by 1000 to get the metric tonnes.

Business travel

Evaluation status

Relevant, calculated

Emissions in reporting year (metric tons CO2e)

0.357

Emissions calculation methodology

Average data method

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

100

Please explain

Business travel accounted for includes the emissions associated with car hire booked through Telkom outsourced travel agencies. The travel agencies provide the distance travelled. Telkom then calculated the associated scope 3 emissions using the DEFRA 2022 emission factor of 0.17048 kgCO2e/km if standard sedan vehicles (petrol) were used on all hiring occasions. GWPs used by DEFRA are based on the IPCC Fourth Assessment Report (AR4) (GWP for CH4 = 25, GWP for N2O = 298) to remain consistent with UK GHG Inventory reporting under the Kyoto Protocol. Flights and employee mileage claims were excluded from this calculation due to a lack of available data.

Employee commuting

Evaluation status

Not relevant, explanation provided

Emissions in reporting year (metric tons CO2e)

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

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

<Not Applicable>

Please explain

Telkom has a significant number of facilities across the country. Employee commuting emissions are considered to be irrelevant as Telkom has limited influence over this footprint and the business risks associated with this emission source are low. The low value provided from calculating this scope 3 category do not warrant the resources required to quantify these emissions.

Upstream leased assets

Evaluation status

Relevant, not yet calculated

Emissions in reporting year (metric tons CO2e)

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

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

<Not Applicable>

Please explain

Telkom recognises the emissions from the operation of leased assets, such as Telkom's vehicle fleet. We are yet to calculate the emissions associated with this category. We intend to perform a scope 3 assessment in the next reporting year.

Downstream transportation and distribution

Evaluation status

Relevant, not yet calculated

Emissions in reporting year (metric tons CO₂e)

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

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

<Not Applicable>

Please explain

Telkom recognises the transportation and distribution emissions associated with the delivery of our technology devices to customers across South Africa. We are yet to calculate the emissions associated with this category. We intend to perform a scope 3 assessment in the next reporting year.

Processing of sold products

Evaluation status

Not relevant, explanation provided

Emissions in reporting year (metric tons CO₂e)

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

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

<Not Applicable>

Please explain

Telkom does not sell any intermediate products that require further downstream processing, for this reason, this scope 3 category are not relevant.

Use of sold products

Evaluation status

Relevant, not yet calculated

Emissions in reporting year (metric tons CO₂e)

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

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

<Not Applicable>

Please explain

Telkom recognises that the use of our products (mobile devices, information and communications technologies etc.) and services (cloud platforms, mobile broadband, network connectivity, internet and technology services, etc.) requires a power supply throughout the product lifespan and the duration of the service period. We are yet to calculate the emissions associated with this category. We intend to perform a scope 3 assessment in the next reporting year.

End of life treatment of sold products

Evaluation status

Relevant, not yet calculated

Emissions in reporting year (metric tons CO₂e)

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

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

<Not Applicable>

Please explain

Telkom recognises the disposal, recycling and re-use of sold technology products produces downstream emissions. We are yet to calculate the emissions associated with this category. We intend to perform a scope 3 assessment in the next reporting year.

Downstream leased assets

Evaluation status

Relevant, not yet calculated

Emissions in reporting year (metric tons CO₂e)

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

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

<Not Applicable>

Please explain

Gyro has multi-tenant leases on masts and towers, while the Telkom Consumer Stores located in retail centres are either leased premises or franchised out. We are aware that there are scope 3 emissions associated with these masts, tower and outlet stores but these have not yet been calculated. We intend to perform a scope 3 assessment in the next reporting year.

Franchises

Evaluation status

Relevant, not yet calculated

Emissions in reporting year (metric tons CO2e)

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

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

<Not Applicable>

Please explain

Telkom Consumer Stores located in retail centres are either leased premises or franchised out. We are aware that there are scope 3 emissions associated with these outlet stores but these have not yet been calculated. We intend to perform a scope 3 assessment in the next reporting year.

Investments

Evaluation status

Not relevant, explanation provided

Emissions in reporting year (metric tons CO2e)

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

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

<Not Applicable>

Please explain

This category covers emissions from equity investments, debt investments, project finance, managed investments and client services. Telkom is not a private or public financial institution and does not have investments that are not included in our Scope 1 and 2 reported emissions; hence, this category is deemed not relevant, and thus, the emissions from this category are 0.

Other (upstream)

Evaluation status

Not relevant, explanation provided

Emissions in reporting year (metric tons CO2e)

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

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

<Not Applicable>

Please explain

Telkom has no additional sources of upstream scope 3 emissions to report.

Other (downstream)

Evaluation status

Not relevant, explanation provided

Emissions in reporting year (metric tons CO2e)

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

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

<Not Applicable>

Please explain

Telkom has no additional sources of downstream scope 3 emissions to report.

C6.7

(C6.7) Are carbon dioxide emissions from biogenic carbon relevant to your organization?

No

C6.10

(C6.10) Describe your gross global combined Scope 1 and 2 emissions for the reporting year in metric tons CO2e per unit currency total revenue and provide any additional intensity metrics that are appropriate to your business operations.

Intensity figure

0.0000266

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

1136573.96

Metric denominator

unit total revenue

Metric denominator: Unit total

42756000000

Scope 2 figure used

Location-based

% change from previous year

82.7

Direction of change

Increased

Reason for change

Our emissions increased by 82.7% whilst our revenue decreased by 1.08%. Since the year-on-year decrease in revenue was relatively small, the decrease in this intensity was driven by an increase in Scope 1 & 2 emissions, but more so, Scope 2 emissions. The increase in Scope 2 emissions is due to the change of boundary during the reporting year. In FY2022, Telkom included the Scope 2 emissions associated with our leased properties. Due to our improved emissions calculation methodology, our emissions have increased. During the reporting year we have implemented three energy initiatives. These include installing occupancy sensors in our BCX meeting rooms and passages; installing automated canteen lighting controls; and installing occupancy sensing controls for the air handling units in our BCX offices. The approximate annual emissions reduction from the three initiatives amounts to 127 tCO2e.

C7. Emissions breakdowns

C7.1

(C7.1) Does your organization break down its Scope 1 emissions by greenhouse gas type?

No

C7.2

(C7.2) Break down your total gross global Scope 1 emissions by country/region.

Country/Region	Scope 1 emissions (metric tons CO2e)
South Africa	55466

C7.3

(C7.3) Indicate which gross global Scope 1 emissions breakdowns you are able to provide.

By business division

C7.3a

(C7.3a) Break down your total gross global Scope 1 emissions by business division.

Business division	Scope 1 emissions (metric ton CO2e)
BCX	1749.07
SMB	21.78
Telkom	53694.95

C7.5

(C7.5) Break down your total gross global Scope 2 emissions by country/region.

Country/Region	Scope 2, location-based (metric tons CO2e)	Scope 2, market-based (metric tons CO2e)
South Africa	1081108	1081108

C7.6

(C7.6) Indicate which gross global Scope 2 emissions breakdowns you are able to provide.

By business division

C7.6a

(C7.6a) Break down your total gross global Scope 2 emissions by business division.

Business division	Scope 2, location-based (metric tons CO2e)	Scope 2, market-based (metric tons CO2e)
BCX	28929.22	28929.22
SMB	563.92	563.92
Telkom	1051615	1051615

C7.9

(C7.9) How do your gross global emissions (Scope 1 and 2 combined) for the reporting year compare to those of the previous reporting year?

Increased

C7.9a

(C7.9a) Identify the reasons for any change in your gross global emissions (Scope 1 and 2 combined), and for each of them specify how your emissions compare to the previous year.

	Change in emissions (metric tons CO2e)	Direction of change	Emissions value (percentage)	Please explain calculation
Change in renewable energy consumption	1178	Increased	0.19	During the reporting period, the amount of solar power that was produced from the solar plant installed at Telkom Park was 1 090 MWh less than what was produced in FY21. The electricity therefore had to be offset using electricity produced from the national grid. Thus, using a National Grid Emission Factor of 1.08 tCO2/MWh, the increase in emissions produced from less solar power generation is calculated as follows: 1 090 MWh x 1.08 tCO2/MWh = 1 178 tCO2 in the reporting period. Total scope 1 and 2 emissions in the previous reporting year were 628 920 tCO2e, hence the emissions value is calculated as 1 178 tCO2e/628 920 tCO2e = 0.19% (increased emissions).
Other emissions reduction activities	660	Decreased	0.1	In the reporting year, leakage of refrigerant decreased by a total of 2.7% year-on-year, which resulted in reduced emissions of 660 tCO2 when using DEFRA 2021 emission factors of 1 810 kgCO2/kg, and 2 088 kgCO2/kg, 1 430 kgCO2/kg, 3 922 kgCO2/kg, and 1 774 kgCO2/kg for R22, R410a, HFC134a, R404a, and 407c respectively. Total scope 1 and 2 emissions in the previous reporting year were 628 920 tCO2e, hence the emissions value is calculated as -659.85 tCO2e/628 920 tCO2e = -0.1% (decreased emissions).
Divestment	0	No change	0	No divestments in the reporting year had a material effect on our Scope 1 and 2 emissions.
Acquisitions	0	No change	0	No acquisitions in the reporting year had a material effect on our Scope 1 and 2 emissions.
Mergers	0	No change	0	No mergers came into effect in the reporting year.
Change in output	87	Decreased	0.013	Telkom reduced the floor area of their buildings from 64,992 square metres (sqm) at the beginning of FY2022 to a total of 64,532 square metres at the end of FY2022. This is a total reduction of 460 sqm. Assuming an average electricity consumption of 176 kWh/(sqm.yr) for office space (Source: Caroline Martin, 2013. "Generating low-cost national energy benchmarks: A case study in commercial buildings in Cape Town, South Africa") this corresponds to the reduced electricity consumption of 80,960 kWh. Using the National Eskom Grid Emission Factor of 1.08 tCO2e/MWh, this results in an emission saving of: 80.9 MWh x 1.08 tCO2e/MWh = 87 tCO2e. Total scope 1 and 2 emissions in the previous reporting year were 656,660 tCO2e, hence the emissions value is calculated as 87 tCO2e/656,660 tCO2e = 0.013% (decreased emissions).
Change in methodology	22695	Increased	3.61	The National Eskom Grid Emission Factor increased in the reporting year from 1.04 kgCO2e/kWh to 1.08 kgCO2e/kWh, resulting in a reduction of 22 695.56 tCO2e being emitted, relative to the previous reporting year. Electricity consumption in FY2021 was 578 225 MWh, thus the calculation is as follows: (1.08 tCO2e/MWh – 1.04 tCO2e/MWh) x 578 225 MWh = 22 695.56 tCO2e (i.e., 22 695.56 tCO2e increased emissions per unit of electricity consumed, relative to the previous reporting year). Total scope 1 and 2 emissions in the previous reporting year were 628 920 tCO2e, hence the emissions value is calculated as 22 695.56 tCO2e/628 920 tCO2e = 3.61% (increased emissions).
Change in boundary	480561	Increased	76	In FY2022 Telkom included the Scope 2 emissions associated with electricity consumption at leased properties. This resulted in a significant increase in Scope 2 emissions. The total additional electricity consumption from the newly included leased properties was 444 964 MWh in FY22. Thus, the emissions associated is 480 561 tCO2e (444 964 MWh x 1.08 tCO2e/MWh = 480 561 tCO2e). Total scope 1 and 2 emissions in the previous reporting year were 628 920 tCO2e, hence the emissions value is calculated as 19 129 tCO2e/628 920 tCO2e = 3% (increased emissions).
Change in physical operating conditions	0	No change	0	Changes in physical operating conditions did not have a material contribution to the changes in the Scope 1 and 2 emissions profiles.
Unidentified	315	Increased	0.05	Our total Scope 1 and 2 emissions increased by 507 654 tCO2e from FY2021 to FY2022. In the rows above, a total increase of 507 969 tCO2e is accounted for. Therefore, further emissions reductions of 315 tCO2e occurred in order to result in a total year-on-year emissions decrease of 507 654 tCO2e. Total scope 1 and 2 emissions in the previous reporting year were 628 920 tCO2e, hence the emissions value is calculated as 315 tCO2e/628 920 tCO2e = 0.05% (increased emissions).
Other	4282	Increased	0.68	During the reporting year, there was strain on the national electricity grid, which resulted in Eskom needing to implement load shedding. This resulted in Telkom needing to use our diesel generators during power outages, which increased our Scope 1 emissions in FY22. In FY21, the emissions associated with bulk diesel purchased was 12 031 tCO2e, whereas in FY22 the emissions associated with bulk diesel purchased increased to 16 313 tCO2e thus resulting in a 4 282 tCO2e increase. 4 282 tCO2e/ 628 920 tCO2e = 0.68% increase.

C7.9b

(C7.9b) Are your emissions performance calculations in C7.9 and C7.9a based on a location-based Scope 2 emissions figure or a market-based Scope 2 emissions figure?

Location-based

C8. Energy

C8.1

(C8.1) What percentage of your total operational spend in the reporting year was on energy?

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

C8.2

(C8.2) Select which energy-related activities your organization has undertaken.

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

C8.2a

(C8.2a) Report your organization's energy consumption totals (excluding feedstocks) in MWh.

	Heating value	MWh from renewable sources	MWh from non-renewable sources	Total (renewable and non-renewable) MWh
Consumption of fuel (excluding feedstock)	LHV (lower heating value)	0	119020	119020
Consumption of purchased or acquired electricity	<Not Applicable>	0	1001026	1001026
Consumption of purchased or acquired heat	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Consumption of purchased or acquired steam	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Consumption of purchased or acquired cooling	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Consumption of self-generated non-fuel renewable energy	<Not Applicable>	1945	<Not Applicable>	1945
Total energy consumption	<Not Applicable>	1945	1120046	1121991

C8.2b

(C8.2b) Select the applications of your organization's consumption of fuel.

	Indicate whether your organization undertakes this fuel application
Consumption of fuel for the generation of electricity	Yes
Consumption of fuel for the generation of heat	Yes
Consumption of fuel for the generation of steam	No
Consumption of fuel for the generation of cooling	No
Consumption of fuel for co-generation or tri-generation	No

C8.2c

(C8.2c) State how much fuel in MWh your organization has consumed (excluding feedstocks) by fuel type.

Sustainable biomass

Heating value

LHV

Total fuel MWh consumed by the organization

0

MWh fuel consumed for self-generation of electricity

0

MWh fuel consumed for self-generation of heat

0

MWh fuel consumed for self-generation of steam

<Not Applicable>

MWh fuel consumed for self-generation of cooling

<Not Applicable>

MWh fuel consumed for self- cogeneration or self-trigeneration

<Not Applicable>

Comment

None.

Other biomass

Heating value

LHV

Total fuel MWh consumed by the organization

0

MWh fuel consumed for self-generation of electricity

0

MWh fuel consumed for self-generation of heat

0

MWh fuel consumed for self-generation of steam

<Not Applicable>

MWh fuel consumed for self-generation of cooling

<Not Applicable>

MWh fuel consumed for self- cogeneration or self-trigeneration

<Not Applicable>

Comment

None.

Other renewable fuels (e.g. renewable hydrogen)

Heating value

LHV

Total fuel MWh consumed by the organization

0

MWh fuel consumed for self-generation of electricity

0

MWh fuel consumed for self-generation of heat

0

MWh fuel consumed for self-generation of steam

<Not Applicable>

MWh fuel consumed for self-generation of cooling

<Not Applicable>

MWh fuel consumed for self- cogeneration or self-trigeneration

<Not Applicable>

Comment

None.

Coal

Heating value

LHV

Total fuel MWh consumed by the organization

0

MWh fuel consumed for self-generation of electricity

0

MWh fuel consumed for self-generation of heat

0

MWh fuel consumed for self-generation of steam

<Not Applicable>

MWh fuel consumed for self-generation of cooling

<Not Applicable>

MWh fuel consumed for self- cogeneration or self-trigeneration

<Not Applicable>

Comment

None.

Oil

Heating value

LHV

Total fuel MWh consumed by the organization

0

MWh fuel consumed for self-generation of electricity

0

MWh fuel consumed for self-generation of heat

0

MWh fuel consumed for self-generation of steam

<Not Applicable>

MWh fuel consumed for self-generation of cooling

<Not Applicable>

MWh fuel consumed for self- cogeneration or self-trigeneration

<Not Applicable>

Comment

None.

Gas

Heating value

LHV

Total fuel MWh consumed by the organization

0

MWh fuel consumed for self-generation of electricity

0

MWh fuel consumed for self-generation of heat

0

MWh fuel consumed for self-generation of steam

<Not Applicable>

MWh fuel consumed for self-generation of cooling

<Not Applicable>

MWh fuel consumed for self- cogeneration or self-trigeneration

<Not Applicable>

Comment

None.

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

Heating value

LHV

Total fuel MWh consumed by the organization

119020

MWh fuel consumed for self-generation of electricity

60663

MWh fuel consumed for self-generation of heat

58357

MWh fuel consumed for self-generation of steam

<Not Applicable>

MWh fuel consumed for self-generation of cooling

<Not Applicable>

MWh fuel consumed for self- cogeneration or self-trigeneration

<Not Applicable>

Comment

None.

Total fuel

Heating value

LHV

Total fuel MWh consumed by the organization

119020

MWh fuel consumed for self-generation of electricity

60663

MWh fuel consumed for self-generation of heat

58357

MWh fuel consumed for self-generation of steam

<Not Applicable>

MWh fuel consumed for self-generation of cooling

<Not Applicable>

MWh fuel consumed for self- cogeneration or self-trigeneration

<Not Applicable>

Comment

None.

C8.2d

(C8.2d) Provide details on the electricity, heat, steam, and cooling your organization has generated and consumed in the reporting year.

	Total Gross generation (MWh)	Generation that is consumed by the organization (MWh)	Gross generation from renewable sources (MWh)	Generation from renewable sources that is consumed by the organization (MWh)
Electricity	62608	62608	1945	1945
Heat	0	0	0	0
Steam	0	0	0	0
Cooling	0	0	0	0

C8.2g

(C8.2g) Provide a breakdown of your non-fuel energy consumption by country.

Country/area

South Africa

Consumption of electricity (MWh)

1001026

Consumption of heat, steam, and cooling (MWh)

0

Total non-fuel energy consumption (MWh) [Auto-calculated]

1001026

Is this consumption excluded from your RE100 commitment?

<Not Applicable>

C9. Additional metrics

C9.1

(C9.1) Provide any additional climate-related metrics relevant to your business.

Description

Waste

Metric value

1870

Metric numerator

E-waste recycled

Metric denominator (intensity metric only)

1

% change from previous year

87

Direction of change

Increased

Please explain

Our business activities, products, and services lead to high volumes of e-waste, such as batteries, copper cabling, phones, electric equipment, etc. The increased availability, affordability and consumption of electronic products lead to increased volumes of e-waste. This is the largest growing waste stream in South Africa. It is also our most environmentally impactful waste stream, internally and within the value chain. There are significant opportunities for Telkom to decrease its negative impact through recycling end-of-life products, such as sim cards. There was an increase in e-waste recycling in FY2022 due to improved measurement of some e-waste that was not included in the total weight of recycling in FY2021. Telkom sells copper recovered from recycling processes through a third-party contractor. The contractor is paid for the services when the recovered copper is sold. We sell our cabling to a leading e-waste recycling organisation, which processes the cabling using environmentally and socially responsible techniques (no chemicals or burning). This sensitive, labour intensive process provides employment to an Eastern Cape rural community. Some families rely solely on this project as a source of income.

C10. Verification

C10.1

(C10.1) Indicate the verification/assurance status that applies to your reported emissions.

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

C10.1a

(C10.1a) Provide further details of the verification/assurance undertaken for your Scope 1 emissions, and attach the relevant statements.

Verification or assurance cycle in place

Annual process

Status in the current reporting year

Complete

Type of verification or assurance

Moderate assurance

Attach the statement

Telkom_Assurance_Statement-2022.pdf

Page/ section reference

p. 2 to 4

Relevant standard

AA1000AS

Proportion of reported emissions verified (%)

100

C10.1b

(C10.1b) Provide further details of the verification/assurance undertaken for your Scope 2 emissions and attach the relevant statements.

Scope 2 approach

Scope 2 location-based

Verification or assurance cycle in place

Annual process

Status in the current reporting year

Complete

Type of verification or assurance

Moderate assurance

Attach the statement

Telkom_Assurance_Statement-2022.pdf

Page/ section reference

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Relevant standard

AA1000AS

Proportion of reported emissions verified (%)

100

C10.2

(C10.2) Do you verify any climate-related information reported in your CDP disclosure other than the emissions figures reported in C6.1, C6.3, and C6.5?

Yes

C10.2a

(C10.2a) Which data points within your CDP disclosure have been verified, and which verification standards were used?

Disclosure module verification relates to	Data verified	Verification standard	Please explain
C6. Emissions data	Year on year change in emissions (Scope 1)	AA1000AS	The trend in emissions between the last reporting year and this reporting year was reviewed as part of the assurance process. Telkom_Assurance_Statement-2022.pdf
C6. Emissions data	Year on year change in emissions (Scope 2)	AA1000AS	The trend in emissions between the last reporting year and this reporting year was reviewed as part of the assurance process. Telkom_Assurance_Statement-2022.pdf
C6. Emissions data	Year on year change in emissions (Scope 1 and 2)	AA1000AS	The trend in emissions between the last reporting year and this reporting year was reviewed as part of the assurance process. Telkom_Assurance_Statement-2022.pdf

C11. Carbon pricing

C11.1

(C11.1) Are any of your operations or activities regulated by a carbon pricing system (i.e. ETS, Cap & Trade or Carbon Tax)?

Yes

C11.1a

(C11.1a) Select the carbon pricing regulation(s) which impacts your operations.

South Africa carbon tax

C11.1c

(C11.1c) Complete the following table for each of the tax systems you are regulated by.

South Africa carbon tax

Period start date

January 1 2021

Period end date

December 31 2021

% of total Scope 1 emissions covered by tax

71.72

Total cost of tax paid

0

Comment

The current, Phase 1 of the carbon tax covers Scope 1 emissions with certain fuels and materials being taxed at source. Telkom's scope 1 emission sources (diesel, petrol and refrigerant) are all taxed at source. Therefore, although Telkom triggers the compliance threshold and is subsequently regulated by and liable under the carbon tax, the effective scope 1 emissions that are directly covered by the tax is zero. Subsequently, the effective carbon tax paid by the group is zero. Nevertheless, Telkom does submit its emission profile through the annual South African Greenhouse Gas Emission Reporting System (SAGERS) and submits a tax return, as required by the regulations. It should be noted that currently, South Africa's carbon tax only covers emissions related to stationary combustion, hence the percentage of total Scope 1 emissions covered by carbon tax is not 100%.

C11.1d

(C11.1d) What is your strategy for complying with the systems you are regulated by or anticipate being regulated by?

Telkom's risk and compliance management system is used to monitor, mitigate and manage compliance with South Africa's Carbon Tax Act. This system is integrated into the day-to-day decision-making structures and is based on the business-level ERM frameworks. Business unit risk and compliance management are responsible for implementing the compliance management policies, standards and frameworks. This is done by applying and maintaining the risk and compliance register; identifying mitigation controls; implementing action plans and operationalising the business unit assurance forums. All business unit excos are accountable for managing compliance within their unit. An example of how the strategy is applied is discussed below.

Prior to the first carbon tax year (in FY20), the Group head office engaged an external service provider to: 1) assess the likelihood and extent of risk exposure to the Carbon Tax, 2) understand where we may be exposed to the tax, and 3) start the necessary process of evolving its business practices to mitigate both the financial and compliance risks associated with the implementation of the Carbon Tax.

This results from this assessment and our ERM framework was then used to assess and set-up a Carbon Tax Compliance Risk register which included the following:

- Purpose of the regulations;
- Effect of non-compliance on Telkom;
- Defined and assigned responsibilities for the reporting and management of the carbon tax, including the risk owners;
- Inherent risk rating, including the likelihood and impact;
- Controls and mitigating measures;
- Residual risk rating, including the likelihood and impact;

The Phase 1 carbon tax covers Scope 1 emissions and certain fuels and materials are taxed at source. Telkom's Scope 1 emission sources are diesel, petrol and refrigerant, thus the effective cost of carbon tax on the Group is R0. For this reason, the Phase 1 risk rating was low as the financial impact is zero. Nevertheless, to ensure compliance the Tax Services department and Sustainability Management have registered and submitted our greenhouse gas emissions on the South African Greenhouse Gas Emissions Reporting system. Group Tax has also confirmed the licencing of the Telkom Group as an emission generating facility with SARS and will submit the relevant carbon tax documentation by July 2022.

Scope 2 emissions comprises 95% of our emissions profile and although electricity is currently not taxed as part of the carbon tax, this will be considered for inclusion in Phase 2. Therefore, carbon pricing regulations may have a more substantial impact on Telkom than currently. The risk and compliance units monitor the developments on the Phase 2 carbon tax regulations so that appropriate management actions can be put in place in a timely manner. This is especially important as there are allowance opportunities to reduce the future financial liability.

Carbon tax is designed to become more stringent over time, thus we have identified controls aimed at decreasing Telkom's carbon emission exposure and decrease our potential carbon tax liability. The Gyro Group, in conjunction with our external service provider, have identified opportunities to install grid-tied solar PV systems at 11 key strategic sites to generate electricity for own use and to offset part of the conventional electricity from the grid. This will reduce Telkom's carbon footprint and improve the security of power supply. At Centurion, a solar PV plant is currently under construction and at Belville, the solar PV plant has been commissioned. Additionally, smart lighting controls were installed at 139 sites such that lights that are not in use or switched off and conventional inefficient external lighting systems were replaced with sustainable LED lighting at over 100 sites. Gyro has also partnered with two external service providers to implement a Resource Efficiency programme at given sites which focuses on energy efficiency (among other resources). Finally, Telkom plans to investigate carbon offset programmes. These controls are listed in our dynamic Carbon Tax Compliance Risk Register.

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

C11.2

(C11.2) Has your organization originated or purchased any project-based carbon credits within the reporting period?

No

C11.3

(C11.3) Does your organization use an internal price on carbon?

No, and we do not currently anticipate doing so in the next two years

C12. Engagement

C12.1

(C12.1) Do you engage with your value chain on climate-related issues?

Yes, other partners in the value chain

C12.1d

(C12.1d) Give details of your climate-related engagement strategy with other partners in the value chain.

Telkom considers value chain engagement to be fundamental to a successful business. We engage with value chain partners on climate-related risks and opportunities with a reputational, financial and/or socio-economic impact. In terms of our engagement strategy, the group-wide stakeholder engagement framework and policy is used to guide all engagement activities. We have a stakeholder management programme in place which involves identifying stakeholders, engaging with them, understanding expectations, and aligning these to Telkom's strategic and operational objectives and targets.

WHO: Telkom's climate-related value chain partners include relevant government organisations, business industry organisations (e.g. Business Unity South Africa (BUSA), Global System for Mobile Communication (GSMA)), and climate-related industry initiatives (e.g. Science Based Targets Initiative).

WHO: In light of the increase in physical climate-risks identified in the past few years, Telkom also engages quarterly with the National Disaster Management Centre (NDMC) of South Africa through the National Disaster Management Advisory Forum (NDMAF) to obtain insight on anticipated climate and weather trends throughout the country and potential disaster scenarios e.g., storms, fires, drought conditions. Telkom's business activities and operations form a critical part of national communication management systems, thus our engagement with the NDMAF is mutually beneficial as the provision of telecommunications management systems during disaster risk management is a key function of the NDMC. Our engagement takes place through scheduled quarterly meetings and advisory alerts. However, engagement may become more frequent during an active disaster situation. Topics typically discussed during these engagements include quarterly climate watch updates from the South African Weather Service, overviews of the seasonal national risk profile, quarterly grid electricity forecasts and the national water status.

CASE STUDY: As a case in point, the NDMC was a critical partner in anticipating and managing the extreme weather conditions (storms and flooding) experienced in the KwaZulu Natal region in 2022 and 2019. Heavy rainfall caused floods which impacted communication service delivery in Telkom's central and eastern regions. In conjunction with the NDMC, Telkom ensured uninterrupted service to hospitals and other essential service providers and rapid deployment of temporary electronic communications networks during these events.

C12.2

(C12.2) Do your suppliers have to meet climate-related requirements as part of your organization's purchasing process?

No, and we do not plan to introduce climate-related requirements within the next two years

C12.3

(C12.3) Does your organization engage in activities that could either directly or indirectly influence policy, law, or regulation that may impact the climate?

Row 1

Direct or indirect engagement that could influence policy, law, or regulation that may impact the climate

Yes, we engage indirectly through trade associations

Does your organization have a public commitment or position statement to conduct your engagement activities in line with the goals of the Paris Agreement?

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

Attach commitment or position statement(s)

<Not Applicable>

Describe the process(es) your organization has in place to ensure that your engagement activities are consistent with your overall climate change strategy

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

Primary reason for not engaging in activities that could directly or indirectly influence policy, law, or regulation that may impact the climate

<Not Applicable>

Explain why your organization does not engage in activities that could directly or indirectly influence policy, law, or regulation that may impact the climate

<Not Applicable>

C12.3b

(C12.3b) Provide details of the trade associations your organization engages with which are likely to take a position on any policy, law or regulation that may impact the climate.

Trade association

Other, please specify (Business Unity South Africa (BUSA))

Is your organization's position on climate change consistent with theirs?

Consistent

Has your organization influenced, or is your organization attempting to influence their position?

We are not attempting to influence their position

State the trade association's position on climate change, explain where your organization's position differs, and how you are attempting to influence their position (if applicable)

BUSA is committed to a just transition towards low carbon, climate resilient and ecologically sustainable economies and societies. BUSA has undertaken research to confirm that South Africa's economic sectors can commit to decarbonisation by 2050 in a manner that builds climate change resilience and create new industries, income streams and jobs. Nevertheless, given the country's high rate of inequality and unemployment and the extent of dependence on a fossil fuel-based energy system and economy, BUSA recognises that this transition must take place in a way that is just, that leaves no-one behind and that sets the country onto a new and more equitable and sustainable development path; one which aims to systematically reindustrialise the country, and build new and green industries, value chains and jobs on the basis of a supportive and aligned industrial policy. BUSA has committed the business community to a supporting a level of ambition that would see the country committing to an emission range of 440 to 350–370 Mt CO₂e by 2030. Telkom's position on climate change is consistent with BUSA's, hence we are not attempting to influence their position.

Funding figure your organization provided to this trade association in the reporting year, if applicable (currency as selected in C0.4) (optional)

Describe the aim of your organization's funding

<Not Applicable>

Have you evaluated whether your organization's engagement with this trade association is aligned with the goals of the Paris Agreement?

Yes, we have evaluated, and it is aligned

Trade association

Other, please specify (Global System for Mobile Communication (GSMA))

Is your organization's position on climate change consistent with theirs?

Consistent

Has your organization influenced, or is your organization attempting to influence their position?

We are not attempting to influence their position

State the trade association's position on climate change, explain where your organization's position differs, and how you are attempting to influence their position (if applicable)

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

Funding figure your organization provided to this trade association in the reporting year, if applicable (currency as selected in C0.4) (optional)

Describe the aim of your organization's funding

<Not Applicable>

Have you evaluated whether your organization's engagement with this trade association is aligned with the goals of the Paris Agreement?

Yes, we have evaluated, and it is aligned

C12.4

(C12.4) Have you published information about your organization's response to climate change and GHG emissions performance for this reporting year in places other than in your CDP response? If so, please attach the publication(s).

Publication

In mainstream reports, incorporating the TCFD recommendations

Status

Complete

Attach the document

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Page/Section reference

Natural Capital Section (p. 90-95)

Content elements

Governance
Strategy
Risks & opportunities
Emissions figures
Emission targets
Other metrics

Comment

C15. Biodiversity

C15.1

(C15.1) Is there board-level oversight and/or executive management-level responsibility for biodiversity-related issues within your organization?

	Board-level oversight and/or executive management-level responsibility for biodiversity-related issues	Description of oversight and objectives relating to biodiversity	Scope of board-level oversight
Row 1	No, but we plan to have both within the next two years	<Not Applicable>	<Not Applicable>

C15.2

(C15.2) Has your organization made a public commitment and/or endorsed any initiatives related to biodiversity?

	Indicate whether your organization made a public commitment or endorsed any initiatives related to biodiversity	Biodiversity-related public commitments	Initiatives endorsed
Row 1	No, but we plan to do so within the next 2 years	<Not Applicable>	<Not Applicable>

C15.3

(C15.3) Does your organization assess the impact of its value chain on biodiversity?

	Does your organization assess the impact of its value chain on biodiversity?	Portfolio
Row 1	No, but we plan to assess biodiversity-related impacts within the next two years	<Not Applicable>

C15.4

(C15.4) What actions has your organization taken in the reporting year to progress your biodiversity-related commitments?

	Have you taken any actions in the reporting period to progress your biodiversity-related commitments?	Type of action taken to progress biodiversity-related commitments
Row 1	Yes, we are taking actions to progress our biodiversity-related commitments	Species management

C15.5

(C15.5) Does your organization use biodiversity indicators to monitor performance across its activities?

	Does your organization use indicators to monitor biodiversity performance?	Indicators used to monitor biodiversity performance
Row 1	No	Please select

C15.6

(C15.6) Have you published information about your organization's response to biodiversity-related issues for this reporting year in places other than in your CDP response? If so, please attach the publication(s).

Report type	Content elements	Attach the document and indicate where in the document the relevant biodiversity information is located
No publications	<Not Applicable>	<Not Applicable>
Please select	<Not Applicable>	<Not Applicable>

C16. Signoff

C-FI

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

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C16.1

(C16.1) Provide details for the person that has signed off (approved) your CDP climate change response.

	Job title	Corresponding job category
Row 1	Senior Manager - Telkom Group Integrated Reporting and Sustainability (ESG) Reporting Investor Relations	Environment/Sustainability manager

SC. Supply chain module

SC0.0

(SC0.0) If you would like to do so, please provide a separate introduction to this module.

SC0.1

(SC0.1) What is your company's annual revenue for the stated reporting period?

	Annual Revenue
Row 1	

SC1.1

(SC1.1) Allocate your emissions to your customers listed below according to the goods or services you have sold them in this reporting period.

SC1.2

(SC1.2) Where published information has been used in completing SC1.1, please provide a reference(s).

SC1.3

(SC1.3) What are the challenges in allocating emissions to different customers, and what would help you to overcome these challenges?

Allocation challenges	Please explain what would help you overcome these challenges
Diversity of product lines makes accurately accounting for each product/product line cost ineffective	

SC1.4

(SC1.4) Do you plan to develop your capabilities to allocate emissions to your customers in the future?

Yes

SC1.4a

(SC1.4a) Describe how you plan to develop your capabilities.

SC2.1

(SC2.1) Please propose any mutually beneficial climate-related projects you could collaborate on with specific CDP Supply Chain members.

SC2.2

(SC2.2) Have requests or initiatives by CDP Supply Chain members prompted your organization to take organizational-level emissions reduction initiatives?

(SC4.1) Are you providing product level data for your organization's goods or services?

Submit your response

In which language are you submitting your response?

English

Please confirm how your response should be handled by CDP

	I understand that my response will be shared with all requesting stakeholders	Response permission
Please select your submission options	Yes	Public

Please confirm below

I have read and accept the applicable Terms