



2023 SUSTAINABILITY REPORT

Protect. Connect. Grow.

TERACO[®]
A DIGITAL REALTY COMPANY

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A MESSAGE FROM OUR CEO

“At Teraco, we recognise the importance of addressing the challenges posed by climate change...”

Jan Hnizdo, CEO – Teraco Data Environments.

At Teraco, we recognise the importance of addressing the challenges posed by climate change and the need for businesses to adopt more sustainable practices. As a leading data centre operator, we understand the significant energy consumption associated with our operations and the potential environmental implications. Therefore, we have made it a top priority to develop and implement strategies that promote sustainability across our organisation.

Sustainability is a business imperative for us. It goes beyond renewable energy and extends to our overall environmental impact, our people, their well-being, how we support our industry, and uplift the communities around us while ensuring we do so responsibly and ethically.

As the demand for our services grows, we remain steadfast in our commitment to sustainability.

One of our primary focuses has been on reducing our carbon footprint. We have invested heavily in energy-efficient infrastructure and technologies, including advanced cooling systems, optimised power distribution, and renewable energy sources. We have substantially reduced our greenhouse gas emissions by constantly monitoring and optimising our energy usage. We have implemented renewable energy solutions within our data centres and continue actively seeking opportunities to partner with local renewable energy providers to source a significant portion of our electricity from renewable sources such as solar and wind. This helps us reduce our reliance on fossil fuels and supports the growth of clean energy generation within the communities we serve.

Teraco also recognises the importance of responsible waste management. We have implemented comprehensive recycling and waste reduction programs across our facilities. By promoting recycling initiatives, minimising waste generation, and collaborating with local recycling partners, we strive to achieve a circular economy approach within our operations.

Furthermore, we understand that sustainability extends beyond environmental stewardship. As a socially responsible company, we are committed to supporting the communities in which we operate. Through our Corporate Social Responsibility programs, we engage in initiatives focused on education, digital inclusion, and skills development. We firmly believe empowering individuals and communities with digital access and knowledge is crucial for a sustainable future.

After another successful year, we have finalised the second edition of our Sustainability Report, which encapsulates our ongoing efforts and sustainability journey. It serves as a roadmap for our future endeavours, providing a clear path to continue building upon our achievements.

I am delighted that Teraco raised its first green loan, a R1.5 billion facility, within this reporting period to support our ongoing commitment to renewable energy. This significant achievement reflects our dedication to reducing our environmental impact and positions us as a local leader in the industry. We are taking meaningful steps towards a more sustainable future by prioritising renewable energy sources.

Over the past year, we have rigorously tested and strengthened our supply chain, ensuring its resilience and reliability. This effort has been vital in maintaining our commitments to clients, allowing them to rely on Teraco's services confidently despite the power provision headwinds our country faces.

As we move forward, Teraco is dedicated to continuous improvement in sustainability. We are committed to transparently reporting our progress, setting ambitious targets, and collaborating with industry partners, government bodies, and clients to drive positive change.

Here are some highlights from our Sustainability Programme over the past 12 months:

- › We successfully launched the Teraco Data Centre Academy.
- › We have invested over R28 million in social and community initiatives.
- › On the back of signing a development services agreement to build and develop 200MW of solar power, we have registered the first 100MW project with NERSA, signed wheeling agreements with the City of Ekurhuleni, and successfully enrolled our project into the City of Cape Town's wheeling programme.
- › We have rolled out an additional 2.3MWp of rooftop solar.
- › We implemented our on-site waste management programme and rolled out an advanced water metering project across all our facilities to help us better understand and reduce our environmental impact.
- › As a testament to our dedication, our facilities have retained their ISO 50001 and ISO 14001 certifications.
- › We have again been awarded a Silver Ecovadis rating for the second year running.

In conclusion, our commitment to sustainability is ingrained in every aspect of our business. We can make a tangible difference by leading environmentally responsible operations. We are excited about the future and its potential for a more sustainable and inclusive digital landscape.

I extend my profound appreciation to each member of the Teraco team. Your dedication, resilience, and commitment have driven our success. Together, we will continue to lead the industry, deliver outstanding service to our clients, and positively impact the world.



Jan Hnizdo
Chief Executive Officer
Teraco Data Environments



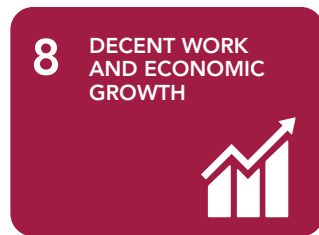
SUSTAINABILITY AT TERACO

Sustainability Statement

As Africa's leading interconnection and data centre platform, Teraco is dedicated to powering, protecting, connecting, and growing the organisations and ecosystems shaping Africa's digital future sustainably and responsibly

Our approach

Our philosophy of **Protect Connect Grow** aligns our sustainability initiatives with the material issues that impact our business, clients, and communities. Our ambitions align with the seven **United Nations Sustainable Development Goals (SDGs)** important to our vision of a connected Africa.



ENVIRONMENT

At Teraco, we believe the environment and scarce resources must always be protected. **We:**



Promote the use of renewable energy



Drive continuous improvement in energy efficiency



Minimise our environmental impact by reducing our use of resources

RENEWABLE ENERGY

We continue to seek alternative energy solutions and opportunities in pursuit of our sustainability goals by:

- > We are maximising our rooftop solar PV coverage across all our operating and new build facilities.
- > We are investing in our own utility-scale solar PV wheeled energy solutions.
- > To complement our programmes, we are investigating the procurement of utility-scale PPA wheeled energy solutions from renewable energy (wind and solar) Independent Power Producers.



A SUSTAINABLE FUTURE FOR OUR CLIENTS



100% CLEAN ENERGY BY 2035

R3.5bn to build
200MW
UTILITY SCALE SOLAR
mitigating over **500,000**
Tonnes CO₂p.a.



0.17 WUE

LESS THAN 1 CUP
OF WATER USED
PER IT KWH



COOLED BY THE SUN
INDUSTRY LEADING COOLING DESIGN



6MW
ROOFTOP SOLAR
83,000 MWh
ENERGY SAVINGS

mitigating over

8,500+

Tonnes CO₂p.a.
BY DECEMBER 2023

79,000 MtCO₂e
avoided since **2017**



37%
OF WASTE
recycled per month

**ZERO WASTE TO
LANDFILL BY 2028**

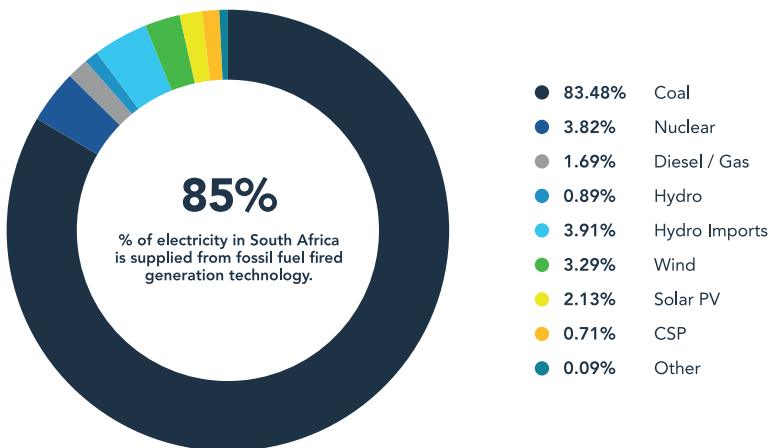
ENERGY IN SOUTH AFRICA

Regulations and legislation concerning the generation and supply of renewable energy have improved significantly:

- > The previous 1MW generation licence cap applied to private generation has been lifted.
- > Timelines for environmental approvals for renewable energy projects have been reduced.
- > Wheeling tariffs and policies are in the process of being approved by major municipalities.

There is still much work to be done as challenges in implementing new regulations, policies and tariffs, grid connections and transmission capacity continue to hamper project progress.

Efforts are underway to streamline processes and remove blocks that, once implemented, are expected to unlock several thousand megawatts in new renewable energy generation for the private sector, including Teraco.



GOALS

6 MW

6 MW rooftop solar deployed by December 2023.

A further 1.5MW of rooftop solar installation will be awarded in 2023, with a targeted completion date of December 2023 to meet our solar rooftop goal.

50%

50% of our energy consumption will be supplied from clean sources by 2027*

100%

100% of our energy consumption will be supplied from clean sources by 2035*

** Includes local utility-supplied clean energy, energy generated from Teraco's solar facilities, third-party renewable energy suppliers, wheeled arrangements, and renewable energy certificate purchases.*

Highlights

Teraco is committed to accelerating the shift towards renewable energy. **We have:**

100MW

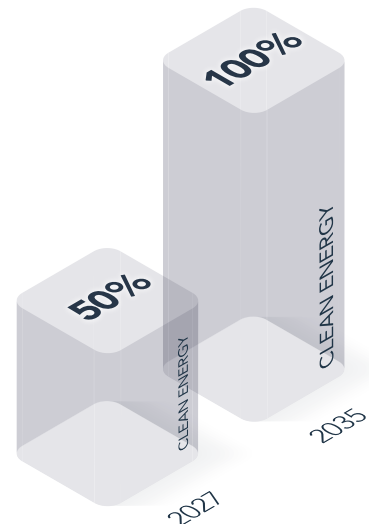
Successfully registered our first 100MW project with Nersa.

- > Concluded wheeling agreements with the City of Ekurhuleni and successfully enrolled our project in the City of Cape Town's wheeling pilot

R1.5 billion

Raised our first Green Loan – a R1.5 billion facility to be applied towards our solar programme.

- > Continued to scale renewable energy consumption across our operations through direct investment in an additional 2.3MW of rooftop solar, taking our total rooftop solar investment to more than 4.5MW. Over 6,000,000 kWh per annum is expected to be generated from this rooftop solar programme mitigating more than 5 650 tonnes of CO2* per annum.



Based on 949.1 g/kWh, CDM figure for the Southern African Power Pool

ENERGY EFFICIENCY

At Teraco, our engineering teams continue to drive improvement in energy efficiency through the following initiatives:

- › Excellence in design.
- › Deployment of leading-edge technology.
- › Application of continuous system commissioning.
- › Retrofitting more efficient designs to older facilities (where practical).

These improvements ensure that our facilities are the most efficient and sustainable they can be at the lowest total cost of ownership.

Excellence in design with the latest technology

New efficient designs and deployment of the latest cutting-edge technologies lead to PUE performance gains:

- › We continue to invest in the latest best-in-class centralised **cooling plants** across our new build facilities. This results in improved cooling density and capacity, efficiency economies of scale and system performance, resulting in significant energy savings.
- › **State-of-the-art cooling designs** incorporate a closed-loop chilled water system with 100% free air cooling. This design brings industry-leading PUEs, reducing the energy consumed and limiting water usage in the ongoing cooling process to zero.
- › **Free cooling** – whenever the outside air is cooler than the required supply side temperature, it can be used for cooling. We have deployed and operate a combination of indirect, direct (partial and 100%) and blended free cooling systems (up to 34°C ambient) across our sites as befits the ambient conditions and cooling requirements of each specific environment.



HIGHLIGHTS

Teraco is committed to continued energy efficiency. **We have:**

1,064,000 kWh

1,064,000 kWh demand savings and 1,009 mtCO₂e avoided thanks to energy-saving initiatives and investments in 2022

1.54

We have achieved our 1.54 average annual PUE for 2022.

ISO50001

We are continuing to implement our ISO50001 Energy Management system across all facilities.

GOALS

Continued reduction of our blended average annual PUE with a target of 1.52 for 2023



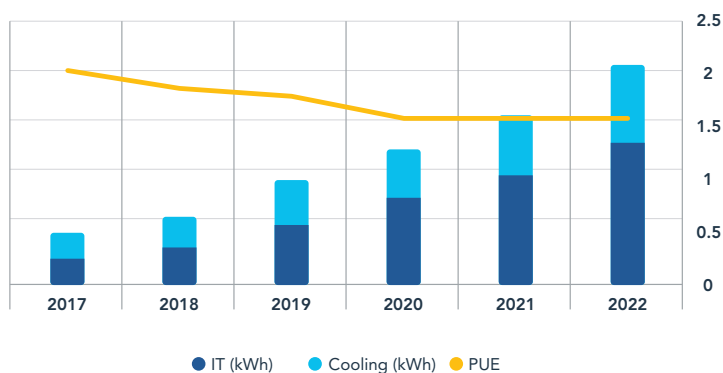
ENERGY EFFICIENCY IMPROVEMENT

Our teams continue to engage in various initiatives to minimise and continuously improve our PUE performance.

This is being met by:

- › **Changing cooling control parameters** – our dedicated team continuously seeks the most efficient hot/cold aisle set points within SLA requirements and ASHRAE recommendations to optimise energy use across all facilities.
- › **LED lighting and motion detection sensors** – replacement of incandescent and fluorescent lightbulbs with LEDs coupled with motion detection sensors has resulted in a >75% energy saving for our facilities.
- › **Heat extraction** – extraction hoods have been placed directly over UPS systems to remove heat at the source, lowering overall cooling requirements in energy centres.
- › **Energy recycling** – we use the waste heat from our transformers to warm up our generator engine blocks, thus reducing/eliminating power used by the engine block heaters.
- › **Rack blanking panels** – racks are checked regularly, with blanking boards placed in empty rack spaces to reduce the energy required to cool our data halls.
- › **Optimised placement of floor grills** – careful management of the floor grill placement increases the temperature of the return air from the data halls, improving the efficiency of our cooling plant.
- › **Dynamic cooling** – technology that captures and removes heat at its source rather than pushing cold air into the data hall, providing an ultra-efficient environment that dynamically adapts to IT loads.

A significant focus on **PUE improvement**. Over the last five years, we **have reduced our blended PUE by more than 23%**, thanks to our energy efficiency initiatives.



ENERGY & EMISSIONS



	UNIT	2020	2021	2022
Energy Consumption	MWh	102,507	129,999	166,142
Solar Energy Produced	MWh	1,243	1,825	2,313
Percentage Renewable Energy ¹	%	11.59%	12.25%	15.00%
Percentage Clean Energy ²	%	16%	16%	19.30%
Average annual PUE	x	1.554	1.552	1.54
GHG Emissions Scope 1 – Teraco & Clients ³	mtCO ₂ e	580	2,420	7,275
GHG Emissions Scope 2 – Teraco & Clients ⁴	mtCO ₂ e	95,683	121,640	153,151

¹ Includes Eskom-supplied renewable energy (source: Eskom Generation Statistics 2022) and energy generated from Teraco's solar facilities;

² Includes Eskom-supplied renewable and nuclear energy (source: Eskom Generation Statistics 2022) and energy generated from Teraco's solar facilities;

³ Diesel usage from backup generators;

⁴ Calculated using the location-based method for South African grid-connected electricity, Emissions Intensity Factor of 949.1g CO₂/kWh based on Standardised Baseline Grid Emission Factor used for CDM projects. Diesel generated kWh



RESOURCE REDUCTION

We strive to reduce our use of resources by proactively:

- › Reducing our facilities' contributions to landfill waste;
- › Monitoring and managing our water consumption to reduce use; and
- › Reducing our risk of environmental incidents

These improvements ensure that our facilities are the most efficient and sustainable that they can be at the lowest total cost of ownership.

WASTE MANAGEMENT

Reducing waste generation through the prevention, reduction, recycling, and reuse of waste produced during operations is a priority for Teraco. On the back of our Isando Campus waste management pilot, we have extended our waste management system across our facilities, which includes:

- › Marked bins for separate recycling streams for both clients and employees. These include colour-coded bins for general waste, plastic, glass, tins, and cardboard waste;
- › Implementation of end-of-life battery bins to ensure batteries are not disposed of with general waste; and
- › We provide clearly labelled e-waste disposal locations, with disposal and destruction in line with ISO27001 data standards.

Through our ISO14001 implementation, we have and will continue to educate our employees on minimising and, where possible, eliminating waste.

WATER MANAGEMENT

We are committed to optimising the use of water in our facilities through the reduction, recycling, and reuse in our operating activities:

- › Our proactive response to responsible water management, at a minimum, complies with local and national requirements.
- › We introduced leading technology with our closed-loop water cooling systems, used across most of our facilities, minimise water lost to cooling and significantly reduce environmental contamination risk.
- › We have rainwater catchment systems installed across our facilities to minimise municipal water use.
- › Alternative water management and consumption reduction options are explored on an ongoing basis by our engineering team. This feeds into our facility design and improvement plans for future new facility builds.
- › Our operating facilities consumed 17 814 kilolitres of water in 2022.

We completed our water metering programme in June 2022.

Teraco has identified all significant water sources and water use in our operational facilities through this. With this information, we can accurately track how much water is used to keep the environment in our data centres at the right temperature and humidity for our client's IT equipment.

A measure of this is **Water Usage Effectiveness (WUE)**, the ratio of the data centre's total water consumption to IT equipment energy consumption. A Lawrence Berkeley, National Laboratory study reported that the average data centre WUE in the United States is **1.8 L/kWh**. Using the information from our water measurement programme, Teraco's interim WUE (July 2022 to December 2022) was **0.17 L/kWh**, which equates to less than one cup of water per IT kWh.

Through our **ISO14001** implementation, we have and will continue to educate our employees on responsible water use and management.



HIGHLIGHTS

- › Continued implementing our **ISO 14001:2015** Environmental Management Systems across all our facilities.
- › Waste management programme rolled out to all Teraco facilities – more than **33 tonnes of waste diverted from landfill / 37% of waste recycled in 2022**.
- › **Water monitoring and measurement devices** are installed across all water systems to enable WUE reporting.

GOALS

- › **Waste**
Zero waste to landfill by 2028.
- › **Water**
WUE of [0.16] L/kWh for 2023.

ENVIRONMENTAL BENEFITS

Today's actions' impact on tomorrow is a top priority for our clients. Embracing sustainability is an investment in the continuation of their business

Doing business without ESG and sustainability goals will become increasingly difficult as organisations embed sustainability as a key metric when delivering their products and services or contracting with suppliers and third-party service providers. Organisations realise their IT footprint has a considerable impact on their carbon emissions and consumption of resources. In doing so, they are moving their workloads to third-party data centre providers that take greater accountability for their stewardship of the environment. Outsourcing this to a similarly minded data centre operator can positively reduce an organisation's impact on the environment while achieving better cloud connectivity, lower latency, and improved security, in addition to minimising capital expenditure and overhead costs.

Industry Engagement & Recognition

Stakeholders want to see companies that practice strong business ethics and provide transparency for stakeholders, clients, and employees.

EcoVadis Rating

Teraco undertook to have an objective third party evaluate its sustainability programme. Teraco selected EcoVadis, the world's largest and most trusted provider of business sustainability ratings.

An ESG rating can be broken down into three typically interconnected categories:

› Environmental score

The environmental score of an ESG rating deals with factors that affect the natural environment, such as carbon emissions, natural resources, energy efficiency, waste management, and raw material sourcing. Factors that can negatively affect the Environmental score are irresponsible materials and waste management, toxic emissions, and a lack of sustainable sourcing.

› Social score

Client satisfaction, human rights, labour standards, diversity and inclusion, data security, and privacy determine the social score of an ESG rating. Opposition from stakeholders can arise from controversial sourcing and poor working conditions within the supply chain.

› Governance score

The governance score in an ESG rating examines a company's operating practices and standards.

To receive a high Governance score, a company must be:

- › Self-auditing
- › Consistently measuring and evaluating performance
- › Maintaining regulatory relationships
- › Practising risk management
- › Compensating for achieving ESG goals



**VMware
Zero Carbon
Committed™**

PARTNERING FOR A
SUSTAINABLE FUTURE.

VMware Zero Carbon Committed providers have set goals to power data centres with 100% renewable energy.

VMware Cloud Verified providers who host their cloud platforms at Teraco data centre facilities can leverage Teraco's sustainability commitment to attain Zero Carbon Committed status.

SOCIAL

At Teraco, we believe the environment and scarce resources must always be protected.



Zero harm safety culture



Uplift our communities



Foster a diverse and inclusive culture



Promote growth, health and wellness

SAFETY

Protecting our people, contractors, and clients

Zero harm safety culture

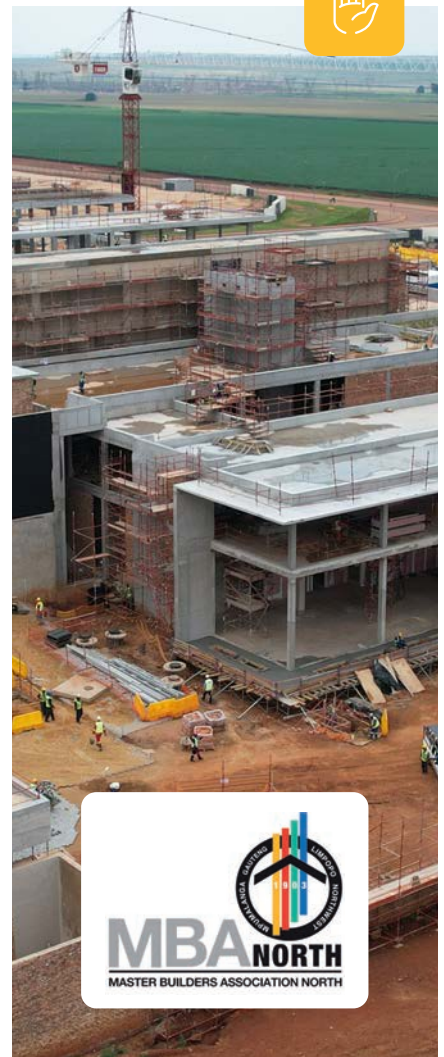
At Teraco, we strive to embed world-class safety standards into the heart of our operational culture. We prioritise the safety of every person who engages with our business and encourage a culture where safety comes first and is everyone’s responsibility.

Our safety objectives include the following:

- › A Lost Time Incidents (LTI) frequency rate of **0.20x for 2023**.
- › A Total Reportable Incident Frequency Rate of less than **0.40x in 2023**.

Overall highlights

- › JB4 construction site awarded the **Master Builders Association Safety Award**.
- › We continue to drive health and safety culture through our successful **Teraco Safety Champions Campaign**.
- › Several new safety initiatives have been launched, including **“Teraco Life Saving Rules”** and our **11 High-Risk Activities Campaign**.
- › We continue to improve our overall **Lost Time Incident (LTI) and Recordable Incidents (RIs) ratios**, with a **26% decrease in LTIs** and a **42% decrease in RIs**.
- › We continue to **educate our employees on safe working and safety awareness** through internal training.



UPLIFTING OUR COMMUNITIES & OUR INDUSTRY



R28MN
IN SUPPORT OF
SOCIAL INITIATIVES



R19.4mn



IN SUPPORT OF ICT EDUCATION INITIATIVES

- Teraco Data Centre Academy
- Tomorrow Trust
- South African Broadband Education Networks
- Bursaries & Scholarships for the broader Teraco community

IN 2022



R6.1mn

Enterprise and Supplier
development support in
the ICT space



R2.5mn

Social-economic
development support



UPLIFTING COMMUNITIES

Teraco is committed to being an active member of and giving back to the communities we operate in:

- › We initiate and support community investments and educational programmes.
- › We strive to invest more than R10 million annually in funding to support community causes.
- › We encourage and provide opportunities for employees to contribute to our communities.

These improvements ensure that our facilities are the most efficient and sustainable that they can be at the lowest total cost of ownership.

Our initiatives



TERACOCONNECT
FOUNDATION



TOMORROW
TRUST

SKILLS DEVELOPMENT
& LEARNERSHIPS

SUPPLIER DEVELOPMENT

ENTERPRISE DEVELOPMENT



DATA CENTRE
ACADEMY
BY TERACO



HIGHLIGHTS

More than

R28 million

donated in support of social initiatives

› Education

R19.4 million – In support of education through contributions to the following organisations:

Teraco Data Centre Academy – supporting skills development and job creation in the data centre industry.

Tomorrow Trust – a non-profit organisation founded in 2005 to support vulnerable children and youth through education.

South African Broadband Education Networks – a non-profit focused on ending bandwidth poverty among South Africa's schools and colleges.

Teraco Connect – funding bursaries and scholarships directly to the broader Teraco community.

› Enterprise Development

R6.1 million – In support of ICT Enterprise & Supplier development.

› Socio-Economic Development

R2.5 million – In social-economic development support.

TERACO CONNECT FOUNDATION



Consistent with the Open Access social investment mandate, the Teraco Connect Foundation has four primary areas of focus:

› **Education**

The foundation is focused on improving ICT access and the capacity of educational institutions.

› **Health**

The foundation is focused on improving ICT access and capacity to organisations with a mandate to improve the health and well-being of communities.

› **Arts and culture**

The foundation is focused on improving ICT access and capacity to organisations that are mandated to uplift communities by promoting arts and culture.

› **Business development and entrepreneurs**

The foundation is focused on improving ICT access and capacity of small, medium, and micro enterprises (SMMEs), thereby enabling sustainable broad-based participation in the broader economy.

COMMUNITY & INDUSTRY INITIATIVES



Teraco Data Centre Academy

Established in 2022 and funded by the Teraco Connect Foundation, the Teraco Data Centre Academy has collaborated with partners, vendors, and industry experts to develop a programme that ensures a steady stream of qualified technicians, adds more skills to the local talent pool, and creates much-needed employment. The academy upskills students for technical roles at data centres.

The training comprises both an academic and a practical component. Students complete a formal NQF level 4 or level 5 IT qualification covering fibre optic principles, network architecture, business skills and other IT-related subjects. They also attend onsite work readiness programmes, health and safety training, and mechanical and electrical component training while being mentored by the Teraco team and specialist educators in the data centre industry. In May 2023, the first 23 learners graduated from the inaugural Teraco Data Centre Academy programme.



SOCIAL INITIATIVES



TOMORROW TRUST

Supporting orphaned and vulnerable children through their educational journey. Teraco, in partnership with the Tomorrow Trust, participates in the following programmes:

› Post-Secondary Programme

Is geared towards assisting students through college and university. Monthly workshops are arranged where life skills, study skills, self-awareness and self-mastery issues are developed and taught. Upon graduation, students enter the South African job market as skilled and reliable individuals, ready to further and sustain the growth of our country.

› Tomorrow Trust Holiday and Saturday School

Is a programme that provides orphaned and vulnerable children with additional academic support in a holistic manner to ensure that they achieve good academic passes in Grade 12, thereby preventing them from dropping out of school and enabling them to access tertiary education.

› Teraco Youth in Tech

Is a programme hosted in collaboration with Amazon Web Services that aims to guide and assist university graduates in securing rewarding career opportunities in the ICT industry.

	Gauteng Holiday & Saturday School Programme Grade R – 12	Western Cape Holiday & Saturday School Programme Grade R – 11	Tertiary Programme	Total # Of Learners
2023	41	20	11	72
2022	30	20	8	58
2021*	116	88	8	212
2020	40	0	8	48
Total Over % Years	227	128	35	390

*In 2021 an additional amount was donated and this supported the Gauteng and Western Cape unsponsored learners for the year.

*This funding indirectly impacted 350 senior learners.

AFRICAN MOUNTAIN RESEARCH FOUNDATION

Teraco has sponsored the African Mountain Research Foundation, which focuses on climate change and the negative impact on our environment more directly in Southern Africa. The African Mountain Research Foundation had a strong 2022.

To date, the foundation has achieved several key milestones:

› Raised the profile of SADC's fragile mountain systems

Working with the Mountain Research Initiative, the Afromontane Research Unit and UNESCO, it organised the Southern African Mountain Conference 2022, the first of its kind. This four-day conference included 200 scientists and policymakers from Africa, Europe, and North America. The Foundation also sponsored two female scientists from Zimbabwe to attend the conference.

› Installed hydro-meteorological monitoring equipment in Zimbabwe:

The foundation now has two Campbell Scientific Weather Stations installed in the Eastern Highlands of Zimbabwe and has been generating data since July.

› Shared data with the Climate Hazard Centre at the University of Santa Barbara, California, which predicts and monitors droughts and food shortages across Africa, the Zimbabwe Meteorological Department, and the Trans-African Hydro-Meteorological Observatory (TAHMO), which operates an extensive network of low-elevation weather stations across sub-Saharan Africa.

› They established new, strategic partnerships to build a powerful coalition of organisations committed to generating and sharing data on how climate change is impacting the SADC region, including the Department for Parks and Wildlife Malawi, Mount Mulanje Conservation Trust, Planet Labs, TAHMO, and ZimParks.



SABEN

Enabling the Digital Transformation of South Africa's Schools and Colleges. Teraco has pledged a support grant valued at R7.5 million to the South African Broadband Education Networks (SABEN) via the Teraco Connect Foundation:

› SABEN is a non-profit company serving school networks and the Technical and Vocational Education and Training (TVET) sectors in South Africa. It is purpose-built to solve the digital requirements of these sectors.

› Over the next five years, Teraco will partner with SABEN to support the national drive to end bandwidth poverty among South Africa's schools and public TVET colleges.

› The grant provides SABEN with a physical presence in Teraco data centres in Durban, Cape Town, and Johannesburg. It gives the schools and colleges direct network access to Platform Teraco, where the institutions will benefit from highly secure and direct interconnection to Africa's most extensive digital ecosystem.



DIVERSITY & INCLUSION

Diversity and inclusion are deeply ingrained in all aspects of our mission:

- › Successfully inclusive workplaces begin with thoughtful hiring and recruiting processes. We support the principle of equal opportunity and employment on merit. The evaluation process for recruitment is based on training, skills, competence, knowledge, and the need to redress the imbalances of the past to achieve a workforce broadly representative of South African people, including representation according to race, gender, and disability.
- › We maintain an anti-discrimination and harassment policy, including training for all Teraco employees.
- › To help foster the most inclusive climate possible, we provide a diversity forum in the form of the Teraco Employment Equity Forum that represents and advocates for our staff members.
- › Teraco is a certified level 2 contributor – as a South African organisation, we are committed to the spirit of empowerment and will continue to focus on improving every element of our BBBEE scorecard.



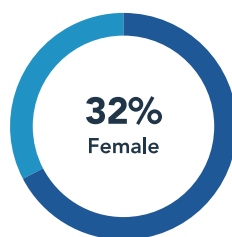
HIGHLIGHTS

› **42%**
Female representation on the Teraco executive leadership team

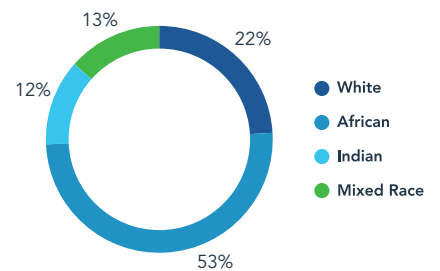
› **51**
New employees in 2022

› **LEVEL 2**
We retained our Level 2 BEE Contributor Status

Total Employees



Employees by Gender



Employee Ethnicity

EMPLOYEE GROWTH, HEALTH & WELLNESS

Teraco understands the value our employees bring to our business and our communities – having an engaged and healthy workforce is vital to achieving our strategic goals:

- › Our employees' health and well-being are front of mind.
- › Supporting and upskilling our employees is an important development in our future growth.
- › Where possible, we promote from within.

Initiatives

- › Our Human Resources team prioritise providing benefits and programmes that promote healthy, balanced, and productive lifestyles.
- › **Teraco Company Benefits Programme**
We have a comprehensive benefits programme for all permanent employees, including medical aid, life and disability insurance, and maternity and paternity leave. Our medical aid and life and disability insurance providers have health rewards programmes to incentivise healthier lifestyles.
- › **Ask Nelson**
Provides employees and their dependents with support and protection, creating a culture of wellness reaching beyond the workplace. The result is a passion to gain and stay healthier physically and emotionally while encouraging engagement and loyalty. It includes a systematic programme of counselling, financial, legal and leadership support, and it's ultimately concerned with identifying, preventing, and treating issues that might affect overall productivity.



2022 HIGHLIGHTS

Teraco is committed to accelerating the shift towards renewable energy.

To date, we have:

- › Continued with awareness campaigns on **AskNelson** to highlight the support available to employee dependents.
- › **17 Teraco Connect Bursaries** awarded to deserving members of the Teraco community.
- › **Two successful on-site blood donation** drives.
- › **10%** of employees are supported in their tertiary studies.
- › **86%** employee retention rate in 2022.



GOVERNANCE

Teraco strives to be a responsible business representing the highest standards of ethics and professionalism.



Promote ethical business practices



Foster an environment of trust, transparency, and accountability



Direct board and executive leadership team oversight of ESG strategy and performance

SUSTAINABILITY GOVERNANCE

Sustainability Pillars

Environment

Renewable Energy
– CFO

Energy Efficiency
– Head of Infrastructure

Resource Reduction
– Head of HSE

Social

Safety
– Head of HSE

Growth, Health & Wellness
– Head of HR

Diversity and Inclusion
– Head of HR

Community Upliftment
– Head of HR and Head of Legal & Compliance

Governance

Ethical Business Practices
– CEO & CFO

Trust, Transparency & Accountability
– CEO & CFO

ESG oversight
– Board & Executive Committee

The sustainability Programme and major activity updates are provided to the leadership team monthly. The Head of Sustainability reports to the Chief Financial Officer, providing regular updates on sustainability performance.

DOING THINGS RIGHT

We are a responsible business dedicated to always doing what is right.

Teraco will always:

- › **Respect and uphold** all applicable local, national, and relevant international laws and regulations to the best of our abilities.
- › **Honour and review** all internal policies for complete and responsible implementation.
- › Ensure that all business transactions and relationships are **legitimate and free of influence and bribery**.
- › Keep all partnerships and collaborations **transparent and open**.
- › **Recognise privacy** is a fundamental right; we will comply with all privacy laws and expectations.

We have:

- › **A Code of Conduct** that sets forth our policies and standards on fair dealings, compliance with laws and regulations, conflicts of interest, employment equity, privacy and confidential information, political support, protection and use of company assets, company records, employment matters, dealing with outside persons and organisations, and environmental responsibility.
- › **A Business Ethics Policy** that details our policies on the giving and accepting of courtesies or gifts, conflict of interest intellectual property and proprietary information, copyright, and disclosure.
- › **A zero-tolerance policy** on corruption and bribery.
- › **A Whistle Blowing Policy** to provide the necessary protection from victimisation, harassment and disciplinary proceedings.
- › We **train all employees on these codes, policies and procedures** and provide our Board of Directors with copies.
- › All employees are required to **report questionable ethical behaviour or violations** of these codes, policies, and procedures.
- › We require that our suppliers and their employees, agents and subcontractors **share the same high standards of ethics and integrity**.



ATTESTATIONS CERTIFICATIONS & RATINGS

Our strict adherence to international business best practices and data centre standards is critical to our service levels.

ISO

**International Organisation for
Standardisation**

ISO 9001:2015

Quality Management Systems

ISO/IEC 27001:2022

Information Security Management

ISO 14001:2015

Environmental Management Systems

ISO 50001:2018

Energy Management

All facilities certified

PCI DSS 3.2

**Payment Card Industry Data Security
Standards**

Teraco is certified for the physical security requirements of PCI DSS.

ISAE 3402

ISAE 3402 Type 2 Attestation

For the control principles of availability and security

EcoVadis Sustainability Rating

– silver award 2022

VMware Zero Carbon Committed





Protect. Connect. Grow.

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