Company: PERUSAHAAN PERSEROAN PERSERO PT TELEKOMUNIKASI INDONESIA TBK
Workspace/Folder: tlk\_Current\_Folio\_20F

Thu Apr 06 2023 20:05
Document: tlk\_Current\_Folio\_20F

Table of Contents

## **Content Provider Services**

We obtained a content provider services license in 2017 through MoCI Decree No. 1040 of 2017 on content services providers dated May 16, 2017. While such license has no set expiry date, the MoCI re-evaluates all content services licenses every five years.

## Trademarks, Copyrights and Patents

We constantly seek to develop product and service innovations in line with a dynamic business portfolio. To provide both protection for and recognition of creativity and innovation, we have registered a number of intellectual property rights, including trademarks, copyrights, and patents with the Directorate General of Intellectual Property Rights at the Ministry of Law and Human Rights.

The intellectual property rights we have registered include: (i) trademarks for our products and services, corporate logo and name, (ii) copyrights on our corporate name and logo, product and service logos, computer programs, research, books and songs, and (iii) single patents (generally valid for 10 years from the date of receipt of the single patent submission) and patents (generally valid for 20 years from the date of receipt of the single patent submission) on technological inventions in the form of telecommunications products, systems and methods.

# Corporate and Social Responsibility and Human Capital Management

We work towards creating a sustainable business and more broadly a sustainable society. Therefore, we are committed to connecting people and making it easier for our customers to connect, creating jobs and opportunities for the community, and also innovating in the digital era. We are continuously reviewing our sustainability strategy in managing risks and taking advantage of current opportunities, as well as planning sustainability targets and what we want to achieve in the future. Our sustainability strategy focuses on five pillars: ethics, performance growth, human capital, society, and the environment. See "— Business Overview — Strategy" above. We release an annual sustainability report in which we provide data and information on our economic, social and environmental sustainability performance.

In order to support all pillars of governance and compliance, our management is committed to being the partner of choice for our customers, suppliers, joint venture partners and the communities in which we operate. We apply ethical business practices in how operate. All our personnel are required to support this commitment through real implementation in their daily work. In order to increase awareness of business ethics and ethical behavior, we carry out trainings and socialization activities to build sustainable communication. We are also committed to the practice of fair business competition, protecting customer data privacy, and implementing fair and transparent procurement management practices that support the involvement of local parties and prioritize the use of domestic products. In 2022, we won "The Best State-Owned Enterprise" award in the BigCap category from IICD, which recognized our efforts in implementing good corporate governance ("GCG"). In addition, 33 of our employees attended training and received seven information security system certifications so that they are better able to track and solve IT security problems.

The purpose of our performance growth pillar is to strengthen and transform our business model and operations while driving innovation and digitization to support a sustainable business. We seek to always operate responsibly and demonstrate consistent and resilient performance in facing global challenges and change. We seek to strengthen and transform our business and operating models through digitization and to establish a lean structure to support the company's operational and economic performance. We believe the quality of products and services is the most important factor in running our business. With good quality products and services, we can maintain customer satisfaction for the Company's sustainability. The main foundations in the telecommunications business are connectivity, platforms, and services. We carry out risk mitigation and continuous improvement of our network, information technology, and reaction to cyber security threats to ensure the readiness of our production equipment. In addition to preventive and remedial measures with respect to our systems, we also engage in enhanced cooperation with the police, particularly in areas prone to criminal activity. We also evaluate the services that we provide through engagement of external parties who serve as a complaint channel for our customers. We continue to develop innovation and digitization to build services based on customer needs for an enhanced customer experience. We are committed to providing strong financial performance and shareholder returns through sustainable growth. We are always pushing for sustainable long-term value enhancement, both in existing

Company: PERUSAHAAN PERSEROAN PERSERO PT TELEKOMUNIKASI INDONESIA TBK Thu Apr 06 2023 20:05 Page: 81/312

Workspace/Folder: tlk\_Current\_Folio\_20F Document: tlk\_Current\_Folio\_20F

#### Table of Contents

businesses and through specific business platform expansion initiatives. In 2022, the total revenues increased by 2.9% compared to our total revenues in 2021 and total profit of the year decreased by 16.6% compared to total profit in 2021.

In regards to confidential and personal data protection, our Cyber Security Operation Center operates with teams working 24 hours a day, seven days a week to protect confidential data and information from misappropriation and misuse by anticipating and promptly responding to cyber-attacks and other security threats. Effective information sharing among teams and departments was key to the prompt monitoring and detection of such threats, effective incident response management, vulnerability assessments, and instilling cyber-security awareness among all employees and partners. We also have internal policies, procedures, and guidelines in place to increase cyber-security awareness among our employees, for instance through the use of strong passwords for accessing their corporate account or accounts and internal databases, restricted information and data or applications, enabling multi-factor authentication features, and regularly updating our employees on existing or past cyber-attacks and best practices (such as how to handle phishing emails). An independent consultant periodically reviews and certifies our IT risk management system, and we conduct security checks on our IT infrastructure on a daily basis. We organize training sessions and programs focusing on cyber-security for our employees, enabling our employees to obtain various certifications. This helps us to efficiently organize our response to cyber-attacks and vulnerabilities in our systems by providing our employees with relevant skills. Our senior management is involved in formulating our cyber-security strategy and related policies and overseeing their implementation.

We manage human capital while still paying attention to societal needs. Our personnel are our partners in achieving business and operational success. Our human resources are driven by a shared passion to innovate and transform ourselves into a digital telecommunication company. HR management prioritizes social aspects, such as fair recruitment, equality, diversity, healthy industrial relations, occupational health and safety implementation, human rights, as well as career and self-development. We also invest in our employees and more broadly in digital talents within and outside the Telkom Group. We believe in an inclusive workplace and equal access to training and career opportunities, which helps us to recruit, motivate and further develop talented employees who can serve our customers with professionalism wherever we operate. We are committed to implementing labor practices based on international business norms and regulations. We support and respect human rights, gender equality and nondiscriminatory social and corporate practices. We seek to make our workplace welcoming to women's careers. We have female employees at all levels of our organization, including approximately 27.32% of managerial positions as of December 31, 2022, and we follow the principle of equal pay for equal work. Women accounted for 33.9% of our workforce in 2022, and women accounted for 52.2% of our new hires in 2022. Some of the ways we support gender equality in the office include offering flexible work arrangements to help balance work with family obligations, providing a confidential reporting system for harassment and having a zero-tolerance policy for harassment. We specifically support working mothers by providing them with the option of living in the same city as their family, giving them the option of working from home and providing childcare facilities and a lactation room in our offices. We also support the Indonesian Ministry of Manpower's and the International Labor Organization's initiatives toward a child-labor-free Indonesia. A decent and safe workplace is one of the key factors that affect employee performance. Therefore, we strive to create a conducive work atmosphere by providing the latest digital-based work facilities that allow employees to be mobile and collaborate optimally. Employee workspaces are equipped with various facilities to make it easier to work and interact with others comfortably and safely. We also encourage flexibility by continuing to allow employees to work from home several days each week. Our Occupational Health, Safety, and Environment Management System is designed to reduce the risk of work accidents. In 2022, we became the first SOE to be certified as a Great Place to Work by the Great Place to Work Institute. For further information on our human capital management, see "Item 6. Directors, Senior Management and Employees — Employees".

We care about customer satisfaction with our products/services and believe we are responsible for the social impact of our operating activities. We manage social issues through innovation, philanthropy, community empowerment programs, social investment, infrastructure, and other assistance as a form of social responsibility. We always want to have a positive impact on the entire community. Besides responding to the increasing demand for digital services, we have modernized infrastructure in several areas. We provide modern broadband to cities to support government programs related to broadband provision and wider access, which is expected to support economic growth. We invest in digital telecommunications infrastructure including fiber optics on land, submarine cables at sea, and satellites in the air. We ensure that the electronic devices accompanying our products and services comply with regulations in Indonesia and ensure security for customers. In addition, we run the Telkom Integrated Quality Assurance program which works with major

Company: PERUSAHAAN PERSEROAN PERSERO PT TELEKOMUNIKASI INDONESIA TBK
Workspace/Folder: tlk\_Current\_Folio\_20F

Thu Apr 06 2023 20:05
Document: tlk\_Current\_Folio\_20F

Table of Contents

corporate stakeholders to seek to ensure that products and services offered to customers do not have any negative impact on customer health and safety.

In 2022, we invested approximately Rp372.24 billion in corporate social responsibility and environment programs throughout Indonesia. We engage with the communities in which we operate through various partnership programs and initiatives. Examples include distributing food aid (including distribution on Eid al-Adha and at other points throughout the year), medicines and clean water, providing digital education for the community, supporting the independence of people with disabilities such as by providing telecommunication services at the ASEAN Para Games in 2022 and providing various donations to schoolchildren with disabilities, providing sanitation aid, funding public lighting that uses renewable energy sources, supporting business development of MSMEs through (i) entrepreneurship training, (ii) certification, and (iii) business assistance, operating an SME digital platform utilization program, leading the Smart Village Nusantara initiative which helps villages develop smart digital ecosystems, funding the construction of suspension bridges to facilitate mobility and economic potential in rural areas, providing decent housing for elder communities, working with communities to improve waste management as well as to mitigate the impact of climate change through coral reef rehabilitation, mangrove cultivation and reforestation. Consistent with the Government's initiatives to continue infrastructure development (including through investments in internet networks) in rural areas, we provide free internet access to communities located in areas with weak or deficient internet access, often located in rural areas and less developed provinces of Indonesia.

We strive to operate sustainably with the least negative environmental impact. We understand the importance of creating an environmentally friendly work culture in the company's and subsidiaries' operations to enable a consistent internal program. In addition, we also seek to expand the scope of our environmental management externally. Although our operations do not have direct contact with the environment, Telkom continues to make efforts to contribute to environmental conservation by minimizing the impact of the telecommunications industry on the environment. Several environmental aspects include energy consumption and emissions resulting from the operation and use of technological equipment. We also see the importance of waste management, especially electronic waste when technical equipment reaches the end of its lifecycle. Some of the implemented programs include energy efficiency activities, the use of renewable energy, waste management, water consumption and management, the use of more energy-efficient hardware and an eco-friendly corporate culture. The implementation of environmental policies is carried out collectively and supervised by the head of the relevant unit. For example, to minimize electricity consumption in our office buildings, we use equipment such as LED lamps, reflective glass (to reduce incoming heat and the use of air conditioning), cooling system management, zoning lighting systems, capacitor banks to optimize electricity consumption, automatic devices to schedule time periods during which certain equipment does not operate (to consume electricity), and we also plan to install rooftop solar panels to increase our use of renewable energy in our office buildings. We have also implemented similar measures on our fixed network (for instance optimizing the use of air conditioning in rooms that require fresh air to cool down certain equipment, using newer devices to decrease energy consumption, and increasing the use of renewable energy through the installation of solar panels). We have also installed automatic water taps in most of our office buildings and use water from air conditioner condensation for reducing our water consumption. We encourage our employees to bike to work and provide bike parking in our offices. We have also implemented policies to incentivize our employees to use digital communication, virtual meetings, and other digital processes to decrease our paper consumption. Currently, we implement a paperless system for sending invoices to customers. This is in line with the company's goal of digitizing and reducing paper usage. Bills are sent to customers through the digital channel including applications (myIndiHome and MyTelkomsel), e-mail, outbound calls, and running text on Pay TV service. As another example of our corporate culture, we emphasize a culture of sustainability that emphasizes attention to environmental, social, and corporate governance (ESG) aspects in each of our business policies. In addition, we seek to build a culture that encourages responsible thinking and behavior through programs carried out with the community as well as within the company.

## The Telecommunications Industry in Indonesia

Indonesia's GDP contracted by 2.07% in 2020 (computed at constant market prices as at February 2021), according to the Indonesian Central Bureau of Statistics. This contraction in 2020 was mainly due to the negative impact of the COVID-19 pandemic and related containment measures. GDP attributable to the information and communication sector, however, increased by 10.58% in 2020. This growth demonstrated changes in behavior during the COVID-19 pandemic, as companies, agencies and individuals increased their demand for information and communication services,