Materiality Assessment

[GRI 2-14, 3-1, 3-2]

In 2025, the Sustainability Function Unit conducted a review of the material topics used in the 2024 reporting period and concluded that these topics remain relevant. The results of the review were conveyed to the Board of Directors through a tiered formal coordination forum mechanism, namely in the Operational Meeting at the Department level or the Directorate Meeting at the Directorate level, and then escalated to the Board of Directors Meeting.

Previously, in 2024, the company updated the determination of its material topics in collaboration with independent consultants by referring to the 2021 GRI Standards and applying the principle of double materiality. Through this approach, the company assesses both the actual and potential impacts of its activities on the environment and society, while also evaluating how sustainability-related issues may affect the company's performance and financial position. In the materiality determination process, the company considers perspectives from internal management as well as input from external stakeholders to ensure that the identified material topics accurately reflect key sustainability priorities and stakeholder expectations.

Table 6. Materiality Assessment Process

Materiality assessment steps according to GRI	Practice at Telkom
1. Understanding the context of the organization	Conducting a review to gain a comprehensive understanding of the ESG context in TelkomGroup related to the following components: • The value chain, activities, and business strategies of Telkom and its subsidiaries. • Relevant sustainability standards, namely disclosure standards (GRI, SASB, UN SDGs, IFRS S1 and S2, and PSPK 1 and 2) and ESG assessment criteria (MSCI, Sustainalytics, S&P, CDP). • Stakeholders feedback, incorporating ESG assessment results from the Financial and Development Supervisory Agency (BPKP), rating agencies, and input from investors. • ESG trends and practices in the telecommunications industry.
2. Impact identification	Mapping ESG issues relevant to TelkomGroup's operations based on literature review and input from Telkom's internal divisions, conducted through Focus Group Discussions (FGDs).
3. Impact significance assessment	Engaging stakeholders to understand TelkomGroup's operational impact and its significance, based on severity and likelihood of occurrence. • Workshops with a function unit in TelkomGroup that is responsible for managing ESG 2025 material topics. This process is facilitated by independent consultants. • Interviews with external stakeholders, such as regulators, investors, and rating agencies. This process is facilitated by the Investor Relations Function Unit and the Telkom Sustainability Function Unit.
4. Prioritization of impacts for reporting	Impacts are prioritized using internal criteria based on the results of the organizational context review and stakeholder engagement process, led by Telkom Sustainability. The prioritized findings are subsequently submitted to the President Director/Board of Directors for approval. Priority categories: • **Priority issues** are issues with the most significant impact on the company's performance and/or the interests of current and short-term stakeholders, so they require immediate attention and strategic management • **Ongoing importance** is an issue that remains relevant to the company's operations and stakeholders, with a relatively stable impact, and is important to maintain long-term resilience and compliance with applicable regulations, thus requiring continuous management and monitoring • **Monitor & manage** is an issue with a relatively low impact rate in the short term, but still needs to be monitored and managed to anticipate potential increased impacts in the future

Figure 16. Materiality Matrix

Importance to Stakeholders \ Impact to Telkom	Monitor and Manage	On-going Importance	Priority
Priority		Diversity, Equality, and Inclusion (DEI) Employee Health & Safety Digital Inclusion & Community Engagement	Customer Experience Regulation Compliance Ethical Business Practice Cyber Security & Data Privacy
On-going Importance		Climate Change & Energy Management Resource Management	
Monitoring and Manage			

Environment · Social · Governance

Table 7. List of Material Topics

Pillar	Material Topics	Impact on stakeholders	Impact on Telkom	Relevant GRI standards	Relevant SASB	Alignment with SDGs*
Save Our Planet	Climate Change and Energy Management	The company's operational activities, particularly the operation of networks and data centers, require high energy, thus contributing to a carbon footprint that can contribute to climate change.	Exposure to price volatility, tightening climate regulations, and damage to physical assets due to climate change can impact operational resilience.	GRI 102-1 GRI 102-2 GRI 102-3 GRI 102-4 GRI 102-5 GRI 102-6 GRI 102-7 GRI 102-8 GRI 302-1 GRI 302-3 GRI 302-4 GRI 305-1 GRI 305-2 GRI 305-3 GRI 305-4 GRI 305-5	TC-SI-130a.1 TC-TL-130a.1 TC-IM-130a.1 TC- SI-130a.3 TC-IM-130a.3	SDG 7.2.1.(a) SDG 7.3.1 SDG 13.2.2.(a)

Pillar	Material Topics	Impact on stakeholders	Impact on Telkom	Relevant GRI standards	Relevant SASB	Alignment with SDGs*
	Resource Management	Inadequate waste management, including e-waste, can cause environmental pollution and public health risks due to the content of hazardous materials, and therefore requires to be managed responsibly.	Tightening regulations on waste management, including e-waste, has the potential to increase compliance costs. However, the application of the principle of circularity can drive cost efficiency and open opportunities for economic incentives.	GRI 306-3	TC-TL-440a.1	SDG 11.6.1.(b) SDG 12.4.2 SDG 12.5.1. (a)
Empower Our People	Diversity, Equity, and Inclusion	Diversity of talent increases equal opportunities and strengthens inclusion in the workplace, thereby encouraging broader and equitable economic participation and increasing the representation of minority groups, particularly in the technology sector.	Diverse talent can strengthen a company's capabilities to achieve corporate targets and drive long-term value creation.	GRI 401-1 GRI 401-2 GRI 401-3 GRI 404-1 GRI 404-2 GRI 404-3 GRI 405-1 GRI 405-2 GRI 406-1	TC-SI-330a.1 TC-SI-330a.3 TC-IM-330a.1 TC-IM-330a.3	SDG 5.5.2 SDG 16.10.1.(c)
	Employee Health and Safety	A safe and healthy work environment plays an important role in protecting employees' basic rights, preventing occupational injuries and diseases, and supporting workforce welfare.	A safe and conducive work environment, supported by the effective management of employee health, safety, security, and well-being, is a key factor in supporting productivity and operational continuity.	GRI 403-1 GRI 403-2 GRI 403-3 GRI 403-4 GRI 403-5 GRI 403-6 GRI 403-7 GRI 403-8 GRI 403-9 GRI 403-10	TC-SI-330a.2 TC-IM-330a.2	SDG 8.8.1.(a)
	Customer Experience	The provision of products and services that are reliable, relevant, and responsive to customer needs in the digital era contributes to improving customer experience, ease of access to information and services, and community productivity.	The development of customer needs and expectations in the digital era opens opportunities for the development of innovative products and services.	GRI 416-1 GRI 416-2	TC-SI-550a.1 TC-TL-550a.1	SDG 17.6.1. (a) SDG 17.8

Pillar	Material Topics	Impact on stakeholders	Impact on Telkom	Relevant GRI standards	Relevant SASB	Alignment with SDGs*
	Digital Inclusivity and Community Engagement	Expanding access to affordable and inclusive connectivity, especially for people in remote areas and vulnerable groups, contributes to equitable distribution of economic opportunities, increased digital literacy, and empowerment of communities to actively participate in digital-based economies and social lives.	Inclusive connectivity expansion opens opportunities for market expansion and new customer growth, strengthens the company's competitive position, and supports the fulfillment of regulatory obligations related to equal access.	GRI 413-1	-	SDG 4.4.1. (a) SDG 8.3.1. (a) SDG 9.c.1
Elevate Our Business	Regulatory Compliance	Regulatory compliance reflects the company's commitment to protecting the public interest, maintaining environmental and social standards, and minimizing negative impacts on society and stakeholders.	Compliance with regulations is important for maintaining business continuity; Non-compliance may result in financial sanctions, restrictions on business activities, and reputational risks, which can adversely affect the company's performance and value.	GRI 206-1 GRI 417-1 GRI 417-2 GRI 417-3	TC-SI-520a.1 TC-TL-520a.1 TC-TL-520a.2 TC-IM-520a.1	SDG 16.5.2 SDG 16.10.2.(b)
	Ethical Business Practices	Unethical business practices, including corruption and bribery, may undermine public trust, distort fair business competition, and result in social and economic impacts that are detrimental to society.	Violations of business ethics can result in legal sanctions, significant fines, and reputational damage that have a direct impact on the company's performance and value.	GRI 205-1 GRI 205-2 GRI 205-2	-	SDG 16.5.2 SDG 16.10.1.(b)

Pillar	Material Topics	Impact on stakeholders	Impact on Telkom	Relevant GRI standards	Relevant SASB	Alignment with SDGs*
	Cybersecurity and Data Protection	Failure to maintain cybersecurity and data protection can result in privacy violations, misuse of personal information, and disruption of communication services that have an impact on individuals, business actors, and social stability.	Cybersecurity and data protection are crucial factors for the sustainability of the telecommunications industry; Cyber incidents can disrupt operations, trigger personal data breaches, cause regulatory sanctions, and lower customer trust, which has a direct impact on the company's revenue and value.	GRI 418-1	TC-SI-220a.1 TC-SI-220a.2 TC-SI-220a.3 TC-SI-220a.4 TC-SI-230a.1 TC-SI-230a.2 TC-TL-220a.1 TC-TL-220a.2 TC-TL-220a.3 TC-TL-220a.4 TC-TL-230a.1 TC-TL-230a.2 TC-IM-220a.1 TC-IM-220a.2 TC-IM-220a.3 TC-IM-220a.4 TC-IM-220a.6 TC-IM-230a.1 TC-IM-230a.2	SDG 16.10.2.(b)

* The mapping refers to the SDG indicators monitored by the National Development Planning Agency (Bappenas), considering the scope of Telkom's material topics, sustainability initiatives, and targets.

Managing Sustainability Risks and Opportunities

[OJK E.3, E.5]

Risk management at Telkom refers to ISO 31000:2018 Risk Management - Principles and Guidelines. This framework guides the process of identifying and managing sustainability risks at Telkom, which has been initiated since 2023. In 2025, Telkom conducted a review of sustainability risks and opportunities covering subsidiaries' business sectors considered strategic. This update is carried out considering the existing risk profile as well as the Sustainability Accounting Standards Board (SASB) standards to identify relevant sustainability risks and opportunities according to the Subsidiary's industry characteristics, as well as aligning with the ISSB concept at the group level.

Figure 17. TelkomGroup's Sustainability Risk and Opportunity Review Process

1. Mapping Telkom and its Subsidiaries to the relevant SASB standards
2. Identifying sustainability risks and opportunities based on relevant SASB disclosure topics
3. Reviewing new sustainability risks and opportunities relevant to TelkomGroup by considering the risk profile, in coordination with the Risk Function Unit
4. Integrating new sustainability risks and opportunities into Telkom's internal risk register and managing them according to the enterprise risk management framework

This review was led by Telkom's Sustainability Function Unit in coordination with the Risk Function Unit. This review generates a list of sustainability-related risks and opportunities with potential financial impacts on TelkomGroup's, along with an estimated impact period. This list of sustainability risks and opportunities will be reviewed periodically to ensure its suitability with TelkomGroup's business development and transformation. To ensure effective risk management, Telkom's Board of Commissioners and Board of Directors conduct periodic management reviews and reviews of the implementation of risk management, including sustainable finance aspects, to support the achievement of the company's goals and sustainability.

The risks and opportunities that have been identified reflect both challenges and prospects for TelkomGroup in carrying out sustainable operations. Accordingly, TelkomGroup has undertaken various steps to manage the risks and opportunities reflected in the programs and initiatives on each Telkom material topic, which are detailed in the relevant section of this report. Furthermore, Telkom has implemented strategic risk mitigation measures as part of its Enterprise Risk Management (ERM) framework, further discussed in Telkom's 2025 Annual Report. Telkom's ERM system has been developed and is accessible via ermonline.telkom.co.id.

Table 8. Telkom's Sustainability Risks and Opportunities

Climate Change and Energy Management*	
[R] Asset damage and service disruption caused by increasing extreme weather, such as heavy rainfall and temperature rise due to climate change	
Period	Short to long term
Mitigation/ management actions	Telkom's steps in managing risks due to extreme weather—as presented in the Save Our Planet section, especially the Operational Resilience to Climate Change subsection, which includes mapping production equipment and assets in vulnerable areas, relocation to safer areas, development and modernization of disaster-resistant devices, provision of backup networks in at-risk areas, and strengthening protection through asset insurance.
[R] Increased energy price volatility and climate-related regulatory changes, along with the energy-intensive nature of telecommunications businesses, have the potential to increase operating costs *	
Period	Medium to long term
Mitigation/ management actions	Telkom's steps to mitigate the risk of increased operational costs due to energy price volatility and changes in climate regulations are presented in the Save Our Planet section, especially the Low Carbon Transition, which includes strengthening energy management practices and preparing a climate transition plan to reduce TelkomGroup's GHG emissions.
[O] The use of renewable energy and energy-saving technologies has the potential to reduce emissions and optimize operational costs *	
Period	Medium to long term
Mitigation/ management actions	Telkom's steps in optimizing renewable energy opportunities are presented in the Save Our Planet section, especially the Low Carbon Transition sub-section, which details energy-saving initiatives and device modernization.

Resource Management	
[R] Increasingly stringent waste management regulations (e.g., e-waste) due to increased stakeholder expectations may have an impact on stricter supervision and sanctions	
Period	Short to long term
Mitigation/ management actions	Telkom's steps in waste management are presented in the Save Our Planet section, especially waste management, which includes the implementation of waste monitoring and auditing.
[O] Optimizing e-waste management through expanding recovery practices and reusing assets at the end of their useful life has the potential to generate financial incentives and lower operational costs through reduced procurement costs and increased asset residual value *	
Period	Long-term
Mitigation/ management actions	Telkom's steps in e-waste management are presented in the Save Our Planet section, especially waste management, which includes the implementation of the 3R program on SIM cards and other e-waste.
[R] Reliance on water supply for data centers increases the risk of operational disruption and cost volatility, impacting service reliability *	
Period	Long-term
Mitigation/ management actions	Telkom's approach to managing water supply is presented in the Save Our Planet section, especially in the Climate Change Transition Roadmap subsection. These efforts include the implementation of research, development, and partnerships for green data centers.
[O] The application of more efficient water technology and management can optimize the use of resources, reduce operational costs, and increase operational resilience*	
Period	Long-term
Mitigation/ management actions	Telkom's water management initiatives are presented in the Save Our Planet section, especially the subdivision of the Climate Change Transition Roadmap and Water Management, which includes the development of green data centers and green buildings, including the use of Sewage Treatment Plants to support recycling and water use efficiency.

Diversity, Equity, and Inclusion	
[R] Failure to meet the needs of talent diversity according to business needs due to a competitive labor market can have an impact on meeting company targets	
Period	Medium to long term
Mitigation/ management actions	Telkom's strategies in managing the risk of talent diversity are presented in the Empower Our People section, especially diversity, equity, and inclusion, which includes the recruitment of groups with disabilities and the creation of an inclusive environment to retain female talent.
[O] Proactively recruiting and developing diverse talent can strengthen Telkom's capabilities and drive long-term value creation*	
Period	Medium to long term
Mitigation/ management actions	Telkom's approach to managing talent recruitment and development opportunities is presented in the Empower Our People section, especially diversity, equity, and inclusion.

Employee Health and Safety	
[R] Inability to ensure the health, safety, security, and well-being of employees	
Period	Short to long term
Mitigation/ management actions	Telkom's approach to managing employee health, safety, and welfare risks is presented in the Empower Our People section, especially employee health and safety, which includes the implementation of the employee occupational safety and health management system (OHSMS) and the implementation of various initiatives to support employee welfare in accordance with the Telkom Well-Being Wheel.

Customer Experience	
[R] Inability to meet customer needs and expectations related to products and services	
Period	Medium to long term
Mitigation/ management actions	Telkom's strategies in managing the risk of meeting customer expectations are presented in the Empower Our People section, especially customer experience, which includes providing various customer complaint channels to inclusive services for people with disabilities.
[O] Innovative product and service development opportunities as customer needs evolve in the digital era	
Period	Medium to long term
Mitigation/ management actions	Telkom's steps in optimizing product development opportunities are presented in the Empower Our People section, especially customer experience, which includes product development innovations by utilizing AI technology responsibly.

Digital Inclusivity and Community Engagement	
[O] Improved brand image and company reputation due to the performance of social responsibility programs	
Period	Short to long term
Mitigation/ management actions	Telkom's steps in optimizing reputation opportunities from the performance of the CSR program are presented in the Empower Our People section, especially community involvement, which includes the provision of a communication network that reaches all of Indonesia, as well as various community engagement programs that utilize Telkom's digital capabilities.

Regulatory Compliance	
[R] Changes in regulations and reporting requirements that are increasingly stringent due to increased stakeholder expectations related to sustainability may have an impact on increasing operational costs	
Period	Short to long term
Mitigation/ management actions	Telkom's strategy in managing the risk of regulatory changes is presented in the Elevate Our Business section, especially regulatory compliance, which includes implementing a systematic approach in identifying new regulatory provisions as well as conducting legal reviews on corporate actions and partnerships with third parties.
[O] Increased credibility and reputation of the company driven by compliance performance	
Period	Short to long term
Mitigation actions	Telkom's steps in optimizing reputational opportunities from compliance are presented in the Elevate Our Business section, especially regulatory compliance, which includes increasing the capacity of internal teams to be able to carry out their functions optimally.