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