

SUSTAINABILITY PERFORMANCE

Telkom has confirmed the sustainability pillar as the primary foundation for developing and implementing sustainability initiatives in the value chain. Telkom's sustainability performance achievements, including ESG and economic aspects, are expected to positively impact the company through sustainable business growth, added value for stakeholders, and support environmental conservation.

Environmental: Value for the Planet (Right Environmental Approach)



ECO-FRIENDLY WORK CULTURE

To build environmental awareness concern, Telkom implements an eco-friendly work culture. All employees are expected to participate so that this culture can have a positive impact on the environment and change the mindset to care more about environment. This is a manifestation of the implementation of Telkom Wellbeing which has been stated in PK.209.07.01/R.00/HK200/COP-A3000000/2022 regarding Telkom Wellbeing, where Environmental Wellbeing is one of the seven dimensions of Telkom Wellbeing. Not only employees, we also urge partners who carry out their activities in TelkomGroup operational area to support an eco-friendly work culture.

Some forms of activities that are implemented in the Company, namely:

1. Maximizing digitization and utilization of information technology systems to reduce paper usage.
2. Establish policies for the use and dissemination of information through online systems, such as online official memo, virtual meeting, shared files, online survey, and IT-based HR services.
3. Implementing a paperless system in sending invoice to customers.

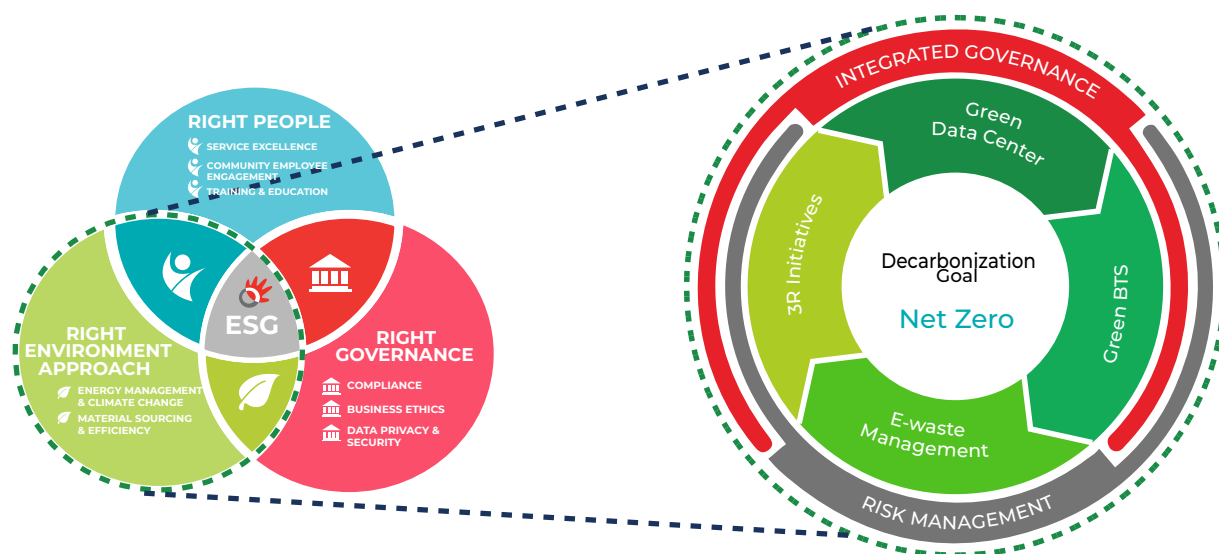
4. The process of processing waste in several Telkom offices so that the waste can be recycled.
5. Implementing flexible working arrangement can be a form of reducing motor vehicle emission.

ENERGY AND EMISSIONS MANAGEMENT

Climate Strategy

The telecommunications sector is considered an industry with low pollution levels. However, Telkom active in carrying out initiatives to reduce its environmental footprint. We have implemented decarbonization initiatives, including energy reduction, energy management in data centers, waste management, resource efficiency, and using renewable energy sources to reduce carbon emissions.

To strengthen Telkom's commitment to support the government's target of achieving Net Zero Emissions (NZE) in 2060, Telkom designed a Climate Change Strategy framework that contains details of decarbonization activities. This framework was developed from Telkom's ESG Pillar - Right Environmental Approach.



To achieve NZE, Telkom has set baselines and targets for reducing electrical energy consumption and fuel, as well as managing electronic waste, which can contribute to reducing GHG emissions.

Emission Reduction Targets

Telkom has recently implemented GHG emission reduction initiatives as part of climate risk mitigation. Through these initiatives, in 2023, the GHG emissions produced reach 1,724,335.18 tons of CO₂eq, a decrease of 7% compared to 2022.

As climate challenges strengthen, TelkomGroup is taking strategic steps to improve ESG risk management, especially in dealing with the issue of climate change. In 2023, TelkomGroup has begun identifying risks and opportunities related to climate change that can impact the Company. This aligns with TelkomGroup's efforts to continually create sustainable value for stakeholders by considering climate aspects when preparing the Company's business and operational strategies.

TelkomGroup identifies and groups risks and opportunities related to climate change into two categories, namely physical and transition risks. This grouping of risks and opportunities related to climate change refers to the International Financial Reporting Standards (IFRS) S2, developed from the Task Force on Climate-related Financial Disclosure (TCFD) recommendations. In each category, the Company identifies several risks and opportunities that have occurred or have the potential to happen, as in the table below. However, in this first process, the Company only conducted a detailed study using climate scenarios for only one risk for each category.

Climate Related Risks and Opportunities Table [201-2]

| Type | | Risk (R)/Opportunity (O) |
|------------|---|---|
| Physical | Acutely Due to extreme weather events | <ul style="list-style-type: none"> • Extreme rain/flooding [R]* • Cyclone [R] • Forest fires [R] • Heatwave [R] |
| | Chronic Due to long-term changes in climate patterns | <ul style="list-style-type: none"> • Temperature rise [R]* • Increased precipitation [R] • Sea level rise [R] • Water stress (due to drought) [R] |
| Transition | Policy & legal Due to changes in emission reduction regulations | <ul style="list-style-type: none"> • Increased carbon price [R/O]* • Changes in energy costs due to energy regulation [R] |
| | Technology Due to the adoption of technologies and innovations that support emission reduction | <ul style="list-style-type: none"> • Renewable energy [O]* • Low carbon/green ICT technology [O] |
| | Market Due to changes in market prices and demand for high-emission commodities, low-carbon services and products | <ul style="list-style-type: none"> • Material supply price change [R/O]* • Changes in consumer preferences [R/O] |
| | Reputation Due to shifting stakeholder perceptions and expectations of climate action | Reputation impact meets stakeholder expectations* [R/O] |

Remark:

* TelkomGroup understand that there are various other climate-related risks/opportunities that can affect the Company's business. The risks/opportunities presented in the table refer to climate-related risks and opportunities that will be analyzed in more depth in the analysis of climate scenarios in the current reporting period.

The results of this analysis are important for TelkomGroup to strengthen the Company's business resilience. In line with TelkomGroup's commitment to continue transforming sustainability efforts, Company is also carrying out systematic climate change mitigation and adaptation, as stated in TelkomGroup's ESG strategy.

Climate-related Disclosures Comply with International Standards

TelkomGroup is aware of stakeholders' aspirations and expectations regarding the increasing climate change issues. For this reason, TelkomGroup, for the first time, created the **2023 Telkom Indonesia Climate Risk Report**, which presents structured climate disclosures referring to IFRS S2, which was built from TCFD recommendations.



For further information regarding the 2023 Telkom Indonesia Climate Risk Report, you can see the Climate Risk report is submitted in a separate report, and can also be accessed on the ESG Menu in the Telkom Website https://www.telkom.co.id/sites/about-telkom/en_US.

Energy Management [302-1][302-2][302-3]

The most significant energy consumption in telecommunications industry is in data center, where electricity consumption for cooling the data center will be very large. Apart from that, for Telkom another significant energy use comes from fuel oil (BBM) consumption. In 2023, the Company recorded total energy usage reaching 7,308,845 GJ with the energy use reduction reaching 708,878 GJ compared to 2022. Factors that influence fluctuations in energy consumption include a decrease in fuel consumption:

Energy Consumption

| Energy Consumption | 2023 | 2022 | 2021* |
|---------------------------------|------------------|------------------|------------------|
| | GigaJoule (GJ) | | |
| Electricity Consumption | 7,062,896 | 7,523,271 | 7,099,544 |
| Fuel Consumption | 245,950 | 494,453 | 408,006 |
| Total Energy Consumption | 7,308,845 | 8,017,723 | 7,507,550 |