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