

SUSTAINABILITY METRICS AND TARGETS

To ensure that ESG initiatives in TelkomGroup can run in a directed manner and have a measurable impact, after determining the main pillars, material topics, and significant issues, and also considering the achievements of ESG initiatives that have been carried out by TelkomGroup, Telkom established ESG 2030 metrics and targets that are aligned with the company's sustainability strategy.

ESG Metrics and Targets 2025 and 2030

Level 1	Level 2 Material Topic	Level 3 Significant Issue	Metric	Target 2025	Target 2030
Right Environmental Approach	Energy Management	GHG Emission	ton CO ₂ eq	Reduction 10% (baseline 2020)	Reduction 20% (baseline 2020)
	Material Sourcing & Efficiency	Waste Management	ton	Reduction 3.8 tons	Reduction 5 tons
		E-Waste Management	% annual growth in the unit reutilization of modems	15%	15%
Right People	Service Excellence	Customer Experience	NPS Score	58	> 62
	Community & Employee Engagement	Employees with Disabilities	% employee of TelkomGroup	0.72%	1.5%
		Community Engagement	% annual growth of SME Level Upgraded	7%	10%
		Diversity	% female workforce of TelkomGroup	31.10%	32%
			% female workforce in managerial positions of TelkomGroup	25.25%	27%
	Training & Education	Digital Talent	% digital talent of TelkomGroup	21.17%	25%
		Pre-Nurturing Employee (Digistar Class)	% recruitment registration conversion rate	20% of Digistar Class participant	35% of Digistar Class participant
Right Governance	Compliance	Regulation Compliance	zero tolerance (comply 100%)	comply 100%	comply 100%
	Business Ethics	Business Ethics	zero tolerance (comply 100%)	comply 100%	comply 100%
		Anti Bribery & Whistleblowing System	zero tolerance (comply 100%)	comply 100%	comply 100%
	Data Privacy & Security	Data Privacy	No data leaks	No data leaks	No data leaks
		Cyber Security	% employee participation of cybersecurity e-learning	90% involved	100% involved

MANAGEMENT OF ESG INITIATIVE METRICS AND TARGETS

[3-3, 2-23, 2-25]

Energy Management	
Essential to Manage	The Company requires much energy to carry out its operational activities. This energy supply is obtained through cooperation with strategic partners.
Impact	The negative impact of energy use is that the emissions produced over time will worsen global warming and climate risks. Thus, TelkomGroup seeks to manage energy use wisely to reduce the footprint of greenhouse gas (GHG) emissions.
Commitment and Target	<ul style="list-style-type: none"> • Maintain the intensity of energy use each year. • Requires emission reductions each year. • Consistently calculate the total energy use and emissions produced. • Requires an increase in the use of renewable energy each year.
Policy and Strategy	Internal strategies and policies to reduce resulting GHG emissions are through efficient energy use. Telkom is developing 'Green BTS' through our subsidiaries, namely Telkomsel and Mitratel, by utilizing environmentally friendly alternative energy sources such as fuel and solar cells. Apart from that, Telkom also runs the Energy Efficiency Movement (GePEE), program and uses electric-powered operational vehicles (EVs).
Evaluation of Management Effectiveness	<ul style="list-style-type: none"> • GHG emission reduction of scope 1 & 2 by 7% compared to 2022. • Total energy consumption by 7,308,845 GJ. • Planted 45,500 mangrove trees and 3,920 coral reefs, and revegetation of 62,150 trees in 10 locations. • 830 sites using solar cells, fuel cells, and micro-hydro. • 22% electric vehicle (EV) ownership by employees, especially senior management. • The number of beneficiaries of renewable energy from MHP reached 23 households.

Material Procurement and Efficiency	
Essential to Manage	The Company need much material in the form of equipment to provide communication services. The certainty and availability of this equipment are very crucial, as is the waste management.
Impact	Communication equipment at the end of its life will become waste, so it needs to be managed.
Commitment and Target	<ul style="list-style-type: none"> • Waste reduction of up to 5 tons by 2030. • Reuse of modem devices with a growth of 15% by 2025. • Strive to reduce the amount of waste generated each year, and increase reduce, reuse, recycle (3R) waste.
Policy and Strategy	Telecommunication equipment material management is done by reducing the primary material, recycling, and reusing electronic waste.

Evaluation of Management Effectiveness	<ul style="list-style-type: none"> • Electronic waste (e-waste) is handed over to a third party that has a processing license. • The number of integrated waste processing reaches 13 locations. • During 2023 there were no cases related to environmental pollution due to e-waste. • The number of reused modem devices reached 183,173 equivalent 0.32%. • Office waste reduction (paper, water, and electricity) reached 21%. • SIM card recycling reached 52,000 equivalent to 260 kg of waste.
--	---

Excellent Service

Essential to Manage	As a service company in the telecommunications sector, excellent service is the key to the Company's success in supporting economic performance.
Impact	Customers are Telkom's priority, and we always want to provide them with the best experience. Excellent service can improve customer experience and growth which will then have a positive impact on financial and operational performance.
Commitment and Target	<ul style="list-style-type: none"> • TelkomGroup's Net Promoter Score (NPS) is targeted to be at least 54 by the end of 2023. NPS measurement is a form of Telkom's commitment to listen to the voice of the customer which is the basis for continuous improvement and customer experience efforts. • Net Promoter Score (NPS) for the Consumer segment (Telkomsel-Fixed) is targeted at 40 by the end of 2023. The target score grew 33.3% compared to the previous year's achievement of 30. • Continue to improve customer experience with Net Promoter Improvement.
Policy and Strategy	Carry out preventive and proactive activities to prevent disruptions, provide after-sales guarantees, and provide the best service, including service delivery, service assurance, and measurement of service quality. Apart from that, we also made radical and comprehensive improvements, which included aspects of people, processes, systems, and tools.
Evaluation of Management Effectiveness	<ul style="list-style-type: none"> • The achievement of TelkomGroup's NPS score in semester 2 of 2023 was 56 with an increase of 1 point from the achievement of the NPS score in semester 2 of 2022. • The achievement of the NPS score of the Consumer segment (Telkomsel-Fixed) in semester 2 of 2023 is 47 with an increase of 17 points from the achievement of the NPS score in semester 2 of 2022. • The technical disruption trend decreases by 1.13% from December 2022 to December 2023. • The average technical repair time is 6.18 hours in 2023.

Employee and Community Engagement

Essential to Manage	Reliable and highly competent employees are the backbone of the Company in providing services to customers and running operations so that the Company ensures the fulfillment of talent acquisition according to the needs of workforce planning. Likewise, the community becomes part of the service targets that require education, and as beneficiaries of our services.
Impact	Companies with reliable human resources will find it easier to carry out business activities. Meanwhile, the existence of a growing and empowered community will support economic growth and become potential customers to support TelkomGroup's performance growth.
Commitment and Target	<ul style="list-style-type: none"> • The number of beneficiaries of the MSE Development and Community Engagement and Empowerment programs grew by 10% each year. • The number of female employees in TelkomGroup will reach 32% in 2030. • The number of female employees at management level reaches 27% by 2030. • 1.5% of TelkomGroup disabled employees by 2030. • Digital inclusion with PaDi UMKM, Pijar Belajar, GOVTech.
Policy and Strategy	<p>HR management at TelkomGroup refers to:</p> <ol style="list-style-type: none"> 1. KD.28/PS560/SD M-20/2004 regarding Remuneration System. 2. PR.209.05/r.01/HK250/COP-A4000000/2020 regarding Employee Discipline. 3. PR.205.09/r.00/HK200/COP-A3000000/2021 regarding Performance Management System. 4. PR.204.06/r.00/HK200/COP-A0300000/2022 regarding Talent Acquisition. 5. PR.206.03/r.01/HK250/COP-B020000/2022 regarding Learning and Development Management. 6. PR.207.26/r.00/HK200/COP-A0300000/2022 regarding Guidelines for Determining Income for Employees of Subsidiaries and Affiliates within the Scope of the TelkomGroup. 7. PR.208.07/r.00/HK250/COP-A0300000/2022 regarding Career and Succession Management for Employees. <p>TelkomGroup also supports the commitment of the Ministry of Manpower and the International Labor Organization (ILO) in realizing an Indonesia free of child labor and implementing gender equality and diversity.</p> <p>On the other hand, community involvement is carried out through social responsibility activities that refer to:</p> <ol style="list-style-type: none"> 1. Directors Regulation No. PD.703.00/r.00/HK200/CDC-A1000000/2021, December 31, 2021, regarding Social and Environmental Responsibility Programs; 2. Director of Human Capital Management Regulation No. PR.703.01/r.00/HK200/CDC-A1000000/2022 dated March 30, 2022, regarding Guidelines for the Operational Implementation of Social and Environmental Responsibility Programs.

Evaluation of Management Effectiveness	<ul style="list-style-type: none"> • The number of employees was 7,469 as of the end of 2023. • The number of female employees in Telkom Parent is 2,760 people or 36.95%. • 829 people or 29.96% of female employees occupy managerial levels in Telkom Parent > Senior Management and Middle Management. • Employee engagement index 88.15% for Telkom Parent. • The MSE Development program benefited 21,935 communities and the Community Engagement and Empowerment program benefited 1,188 beneficiary communities. • The number of assisted partner MSEs is 11,180 assisted MSEs. • 2,900 active users of PaDi UMKM. • The number of employees with disabilities is 0.39%.
--	--

Training and Education

Essential to Manage	Reliable human resources who are aware of the use of technology need to be supported by training and education so that the benefits of technology support productivity and prosperity. Research and development is also part of the need to provide high-quality services.
Impact	Adequate training and education programs will improve the quality of human resources and their productivity.
Commitment and Target	<ul style="list-style-type: none"> • 21.17% digital talent from total TelkomGroup employees until 2025. • 20% until 2025 conversion rate applies from Digistar Class participants (pre-nurturing employees). • Total training hours a year reached 11,019,700.80 hours, with average training per employee recorded at 65.16 hours a year.
Policy and Strategy	<p>Training and education are included in the talent journey. On an ongoing basis, Telkom consistently runs training and education programs for employees in class, by self-learning, and by participating in external training.</p> <p>On the other hand, Telkom has Telkom Corporate University, which is an educational institution that the general public can access to develop education.</p>
Evaluation of Management Effectiveness	<ul style="list-style-type: none"> • There were 5,580 employees who received training. • The average training hours per employee per year is 65.16 hours. • There are 19 institutions outside TelkomGroup that have used Telkom Corporate University services. • The number of Digital Talent reached 17.18%. • The number of Digistar Class participants who registered as Telkom employee candidates was 92 people from the target of 60 people.

Compliance

Essential to Manage	As part of a SOE, compliance with all regulations is the basis for implementing good governance.
Impact	Compliance with regulations will expedite business activities and minimize operational and other risks, as well as enhance the Company's image.
Commitment and Target	Compliance with regulations, laws and policies.
Policy and Strategy	Execute compliance related to licensing and Intellectual Property Rights. In addition, we ensure that the company complies with applicable regulations and laws by developing clear policies, procedures and guidelines. In addition, we also conduct compliance monitoring and reporting, as well as handling violations.
Evaluation of Management Effectiveness	In the last three years, TelkomGroup has complied with applicable regulations, laws and policies. In the last three years, there have been no sanctions or fines related to non-compliance imposed on TelkomGroup.

Business Ethics

Essential to Manage	Good governance is the application of business ethics which is the basis of stakeholder trust and the Company's reputation.
Impact	The impact of this topic is related to the Company's integrity and image. Therefore, the Company requires all top management and Telkom personnel to comply with the anti-corruption policy. In addition, vendors and or other stakeholders who work together are also expected to support anti-corruption practices at Telkom.
Commitment and Target	There is zero tolerance for ethical violations and cases of corruption, graft, bribery or fraud.
Policy and Strategy	The Company has an anti-corruption policy that applies to all Telkom personnel without exception. To increase awareness of anti-corruption, periodic socialization, and awareness are carried out to all employees, which are also submitted in the monitoring and evaluation report to the Corruption Eradication Commission (KPK). TelkomGroup also runs a violation reporting system. In addition, TelkomGroup also implements the signing of integrity pacts, carries out gratification control, conducts ISO 37001:2016 Anti-Bribery Management System certification, and runs a whistleblowing system (WBS).
Evaluation of Management Effectiveness	<ul style="list-style-type: none"> • Action against all reports of corruption, gratuities, bribery, and fraud cases in accordance with applicable regulations. • Areas accessed by ISO 37001:2016 include Group Strategic Procurement, Human Capital Business Partner (Recruitment function), and Telkom Shared Service Center (Procurement Support & General Affair Unit, Network Procurement Operation, and IT & Others Procurement Operation). • Throughout 2023, the number of complaints submitted to the WBS was 184. The number of complaints that qualified for processing was 28. • There are no cases of corruption, gratification, bribery, or fraud.

Privacy and Data Security	
Essential to Manage	For us, superior technology must be accompanied by trust and data security, and guarantees of customer data confidentiality as a form of ethical business.
Impact	The negative impact that needs to be managed from this topic is if there is a data leak or misuse by irresponsible parties. In addition, cybercrime also needs to be addressed. TelkomGroup always strengthens the security management system and improves cybersecurity.
Commitment and Target	<ul style="list-style-type: none"> • No data breaches. • Cybersecurity compliance and training.
Policy and Strategy	TelkomGroup has a management system and internal policies regarding data privacy and security. One of our commitments is to implement a data security management system that refers to ISO 27001 and has received certification which is valid until 2025.
Evaluation of Management Effectiveness	<ul style="list-style-type: none"> • There were no material complaints and/or data leakage incidents in the reporting period. • There was cyber security awareness training attended by 6,673 employees from all units.

