

EXPLANATION OF THE PRESIDENT COMMISSIONER

“**Telkom’s presence in society is committed to providing telecommunications solutions and creating a better and more sustainable future. The Board of Commissioners believes that a balance between the management of economic aspects and environmental, social, and governance (ESG) aspects will positively impact and add value to stakeholders and the environment.”**



**Bambang Permadi Soemantri
Brodjonegoro**

President Commissioner/Independent Commissioner

Esteemed stakeholders,

Environmental, social, and governance (ESG) issues have become essential worldwide concerns. Throughout 2023, TelkomGroup strives to improve operational and financial performance while managing ESG aspects to contribute to future sustainability and support the achievement of the Sustainable Development Goals (SDGs).

The Board of Commissioners' Views on Implemented Policies and Strategies

The Board of Commissioners assesses that the Board of Directors has managed the Company's ESG aspects by the scope and context of sustainability relevant to the telecommunications sector. Telkom has the sustainability pillars of the Right Environmental Approach, Right People, and Right Governance as the foundation for formulating policies and strategies to achieve sustainability performance targets.

In the Right Environmental Approach pillar, the Company strives to conduct business with due regard to environmental aspects. The Board of Commissioners considers that the Company's policies and strategies in environmental management are pretty good, including e-waste management, energy efficiency, reduction of greenhouse gas (GHG) emissions, water savings, and utilization of new and renewable energy (EBT). The Board of Commissioners appreciates and supports the Company's initiatives to mitigate adverse environmental impacts.

The implementation of various initiatives in the Right People pillar is considered to be quite good, which is reflected in several initiatives, including internalization of human rights and business ethics in the TelkomGroup value chain, implementation of human resource management strategies to meet digital talents, provision of competency development programs, decent and safe workplaces, and programs to increase the inclusiveness of women in the TelkomGroup environment. The Company also runs social and environmental responsibility (CSR) programs that include small and medium enterprises (SMEs), community-based waste management, education assistance, and other social assistance to build community independence and support SDGs. The Board of Commissioners appreciates the Board of Directors steps in planning and realizing all initiatives in the Right People pillar that have been carried out in 2023 and continues to encourage it to be continued and improved in the future.

In the Right Governance pillar, the Company strengthens policies and strategies to run an ethical business, increase customer trust by managing data security and privacy, and comply with laws and regulations. Through the implementation of mature sustainability governance, the Board of Commissioners is optimistic that ESG management and the implementation of sustainability practices can be optimally monitored and evaluated to positively impact stakeholders.

Views on Achievement of Sustainable Performance

The acceleration of digitalization has triggered increased demand for digital telecommunications connectivity and infrastructure. The Company has a strategy to expand its product and service portfolio and continue transforming into a digital telco company. By strengthening its assets, product portfolio, and balanced ESG management, the Board of Commissioners expects the Company will be able to increase returns, optimize value for shareholders, and positively impact other stakeholders.

Throughout 2023, the Company has recorded positive sustainability performance, covering both business and ESG aspects. The Board of Commissioners appreciates the leadership of the Board of Directors, supported by the contribution and integration of all functions in carrying out their duties and responsibilities. Telkom's good sustainability performance in 2023, among others, is evidenced by the acquisition of several awards in the ESG aspect from external parties, such as the BUMN Corporate Communication & Sustainability (BCOMMS) 2023 award from the Ministry of BUMN, the Most Excellence GCG Implementation award from CNBC Indonesia, the Asia Pacific Climate Leaders Award 2023 award from Financial Times and Statista, the Corporate Governance Award from IICD. In addition, Telkom also managed to get an ESG Rating with an A rating from Morgan Stanley Capital International and a Score of 27.1 (Medium Risk) from Sustainalytics.

The Journey Ahead

The Board of Commissioners observed that global risks and challenges that must be mitigated include cybersecurity risks, technological sophistication impact, and human resources quality. As a company engaged in the telecommunications sector that is transforming into a digital telco, the Company needs to strengthen governance and implement preventive strategies to minimize the negative impact of the risks and challenges faced.

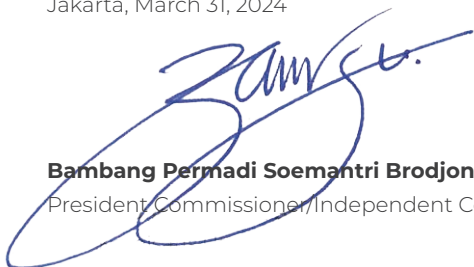
Amid the growing era of technology and digitalization, Telkom will strive to continue developing innovations and improving customer experience. These efforts are a priority to support Indonesia's transformation towards a superior digital economy and realize a better and more sustainable future for all Indonesians.

Appreciation

The Board of Commissioners would like to thank and appreciate all TelkomGroup personnel and stakeholders who have supported the company in implementing sustainability practices and achieving positive performance. We are excited to face the period ahead with even better sustainability performance achievements to increase added value for all stakeholders.

On behalf of the Board of Commissioners, I thank you and look forward to strengthening our collaboration and synergy to continue our partnership and realize a sustainable future.

Jakarta, March 31, 2024



Bambang Permadi Soemantri Brodjonegoro
President Commissioner/Independent Commissioner

EXPLANATION OF THE PRESIDENT DIRECTOR [2-14]

“By managing environmental, social, and governance aspects or ESG, Telkom is optimistic that it will be able to achieve the sustainability performance targets that have been set and support the achievement of the Sustainable Development Goals (TPB/SDGs). More serious ESG management is also part of TelkomGroup’s transformation into a digital telco company that provides innovative solutions and creates sustainable added value for stakeholders and a positive environmental impact.”



Ririek Adriansyah

President Director

Esteemed stakeholders,

Current global dynamics pay special attention to the importance of environmental and social aspects in managing risks and supporting sustainable economic growth. PT Telkom Indonesia (Persero) Tbk ("Telkom" or the "Company"), as the leading player in the telecommunications industry, is committed to strengthening its culture of sustainability. TelkomGroup focuses on best practices to support SDGs and run business ethically.

Telkom consistently manages ESG risks with maximum efforts to suppress and reduce negative impacts on business activities while optimizing opportunities to support the Company's transformation. This approach aligns with the planet, people, partnership, prosperity, & peace (5P) values as the basis for improving sustainability performance. Telkom is a digital telecommunications company that manages ESG risks and innovates in digital technology to create convenience and comfort in everyday life. ESG risk mapping and sustainability pillars provide a solid basis for running a business sustainably, contributing positively to sustainable development, and creating positive value for society and the surrounding environment.

Policies to Respond to Challenges

In facing challenges related to ESG aspects, Telkom implements sustainability policies and strategies guided by the pillars of sustainability: the Right Environmental Approach, the Right People, and the Right Governance.

- The Right Environmental Approach pillar reflects a commitment to running a business environmentally responsible. By focusing on reducing the negative impact of the business chain, the Company strives to continue improving electronic waste management, working with vendors to manage waste, implementing energy efficiency and innovating to reduce emissions in Data Centers, to building green BTS that use New and Renewable Energy sources (EBT). Implementation of this pillar is also Telkom's effort to mitigate climate challenges and risks.
- The Right People pillar signifies dedication to positively impacting all stakeholders, including employees, customers, and society. The main challenge, especially in the social aspect, is related to talent management, including digital talent readiness. The Company's response to these challenges is to strengthen human resource management and adapt policies that can support diversity, prosperity, and equality, including increasing HR competency and empowering people with disabilities to face the digital acceleration and transformation of the Company.
- The Right Governance pillar includes a commitment to implementing strong sustainability governance, including legal compliance, business ethics, customer privacy, and human rights, especially in facing the biggest challenge in the telecommunications business, namely data security and cybersecurity, which is carried out through good data security governance and compliance with regulations to maintain customer privacy and data.

By implementing these three pillars, we aim to achieve a balanced and sustainable ESG performance and ensure that our digital transformation provides sustainable positive benefits for all stakeholders.

HIGHLIGHT

Sustainability Performance Achievements

Telkom believes that by integrating ESG into all aspects of our business, we can achieve sustainability performance targets and create a positive impact for a better future. Sustainability is a social responsibility and an integral element in business strategy, positively impacting the environment and society and contributing to sustainable business growth. Telkom's sustainability performance achievements are described in each of the following three sustainability pillars:

Right Environmental Approach

During 2023, TelkomGroup has implemented various initiatives to support sustainability practices and address the challenges faced as a digital telecommunications company. Focusing on the environmental aspect, the Company has proactively taken concrete actions, such as reducing carbon emissions through waste management activities, especially e-waste, planting 45,500 mangrove trees, revegetating 62,150 trees in 10 locations, and rehabilitating 3,920 coral reefs. TelkomGroup has used environmentally friendly energy sources at 830 sites, such as solar cells, biodiesel, and micro hydro. In addition, TelkomGroup also supports the use of environmentally friendly transportation by encouraging the use of electric vehicles (EVs) among its employees. Through these initiatives, in 2023, the GHG emissions generated amounted to 1,724,335.18 tons CO₂eq, a 7% decrease compared to 2022.

In the corporate environment, TelkomGroup builds an environmentally friendly culture by managing resources effectively and efficiently, including reducing the use of paper, water, and electricity to record a 4-21% reduction in the use of paper, water, and electricity in 2023. This effort also includes reducing employee personal waste. Telkom actively engages employees in e-waste management by providing e-boxes at each work location. By collaborating with partners, we ensure that e-waste is recycled into value-added items that can be utilized and distributed to the community. All of these efforts reflect TelkomGroup's commitment to sustainability and ongoing environmental responsibility.

Right People

During 2023, efforts to develop HR competencies continued to be strengthened through increased training and education programs. Concrete steps have been taken in managing the Digital Talent Readiness Program, an initiative aimed at developing employees' digital capabilities to adapt to changes in digital technology. By 2023, Telkom has 4,033 digital talents, or 17.18% of total employees.

Our focus also involves fair and ethical labor management, prioritizing human rights, gender equality, diversity, and inclusiveness in the company environment. Currently, as many as 36.95% of Telkom's total employees are women, including 29.96% at the managerial level, and actively participate in empowering individuals from among people with disabilities.

Not only are we internally oriented, but we are also committed to providing the best customer experience. The transformation of MyTelkomsel is clear evidence of our efforts to maintain and increase customer loyalty through end-to-end service/product integration that provides convenience and comfort in one efficient application solution. Through these various measures, Telkom's Net Promoter Score (NPS) value has improved to 56 points by the end of 2023.

Within the community, the Company is actively involved in managing the capacity building of Micro and Small Enterprises (MSEs). This effort aims to improve the quality of MSEs through digital empowerment and adaptation. The Digital Empowerment for the Nation initiative through MSE empowerment is our foundation for mobilizing a positive role in driving economic progress. By 2023, Telkom has fostered 11,180 MSEs, and as many as 11.76% of MSEs moved up to a higher class (Class Up).

Right Governance

The Company consistently implements sustainability governance, business ethics, and compliance with applicable regulations and supervises to ensure compliance with relevant norms and business ethics. In 2023, we made structural improvements by establishing a Data Protection Officer (DPO) organization with a more precise map of roles and functions. The Company also changed the Privacy Policy and Company Regulations to align with the provisions of the Personal Data Protection Law (PDP).

The Company also refers to the provisions of international standards, one of which is ISO 27001, to intensify data protection and security. This step ensures that TelkomGroup always meets global data management and protection standards and that, no data leakage incidents occur throughout 2023. All of these efforts are directed at ensuring that TelkomGroup not only complies with applicable regulations but also provides an optimal level of protection and security for data while adhering to the principles of high business ethics.

Economic Growth

TelkomGroup recorded positive achievements in operational and financial performance throughout 2023. These achievements reflect the positive impact of ESG management and sustainability practices on business growth. TelkomGroup's revenue in 2023 reached Rp149,216 billion, an increase of 1.30% compared to the previous year. TelkomGroup managed to record a net profit of Rp24,560 billion, which grew by 18.34% compared to last year. Overall, this positive achievement reflects the success of TelkomGroup's efforts to achieve financial targets and increase its positive impact in the context of sustainability practices.

Target Achievement Strategy

All TelkomGroup personnel, including the Board of Directors, Board of Commissioners, and Employees, will continue to work together and be responsible for implementing sustainability practices in daily operations. Management will consistently monitor and evaluate the achievement of operational performance targets, financial performance, and ESG performance.

On the other hand, the Company will also proactively identify potential challenges and opportunities. The awareness of the role of digital telecommunications as the main driver of the progress of the digital economy has become the basis for us to continue to innovate and carry out transformation. Digital telecommunications, in addition to providing convenience and connectivity, is considered the key to expanding the business value chain. TelkomGroup has strengthened its resolve to carry out comprehensive ESG risk management, aiming to reduce business risks and open up strategic new opportunities in the digital telecommunications era. The management and related divisions are also preparing a sustainability strategy that can be implemented holistically to minimize risks, optimize opportunities, and create a sustainable positive impact.

Appreciation

To conclude this explanation, we thank all stakeholders for supporting PT Telkom Indonesia (Persero) Tbk in implementing sustainability practices. This support is essential to the Company's journey to become the Digital Telco of choice to advance society. Telkom can continue to innovate amid various challenges and opportunities in the digital era to grow sustainably, create higher company value, and provide the best service to meet national digital needs.

Jakarta, March 31, 2024



Ririek Adriansyah

President Director

STATEMENT LETTER RESPONSIBILITY FOR THE 2023 SUSTAINABILITY REPORT

We, the undersigned, declare that the Board of Commissioners have reviewed and approved the 2023 Sustainability Report of PT Telkom Indonesia (Persero) Tbk and declare that all information in the Sustainability Report has been contained in full, and we are fully responsible for the correctness of the contents of the Company's Sustainability Report.

This statement was made with actual.

Jakarta, March 31, 2024

Board of Commissioners



Bambang Permadi Soemantri Brodjonegoro
President Commissioner/Independent Commissioner



Wawar Iriawan
Independent Commissioner




Bono Daru Adji
Independent Commissioner



Abdi Negara Nurdin
Independent Commissioner



Marcelino Rumambo Pandin
Commissioner



Ismail
Commissioner



Rizal Mallarangeng
Commissioner



Isa Rachmatarwata
Commissioner



Arya Mahendra Sinulingga
Commissioner



Silmy Karim
Commissioner

STATEMENT LETTER

RESPONSIBILITY FOR THE 2023 SUSTAINABILITY REPORT

We, the undersigned, declare that the Directors have reviewed and approved the 2023 Sustainability Report of PT Telkom Indonesia (Persero) Tbk and declare that all information in the Sustainability Report has been contained in full, and we are fully responsible for the correctness of the contents of the Company's Sustainability Report.

This statement was made with actual.

Jakarta, March 31, 2024

Board of Directors



Ririek Adriansyah
President Director



Heri Supriadi
Director of Finance & Risk
Management



FM Venusiana R
Director of Enterprise &
Business Service



Herlan Wijanarko
Director of Network & IT Solution



Muhamad Fajrin Rasyid
Director of Digital Business



Budi Setyawan Wijaya
Director of Strategic Portfolio



Afriwandi
Director of Human Capital
Management



Bogi Witjaksono
Director of Wholesale & International Service



Honesti Basyir
Director of Group Business Development