

2023

SUSTAINABILITY REPORT

Telkomsel

by Telkom Indonesia 

# SUSTAINABLE BUSINESS

## FOR SUSTAINABLE FUTURE

#IniSemangatIndonesia



# SUSTAINABLE BUSINESS FOR SUSTAINABLE FUTURE

Telkomsel recognises that sustainability is crucial, not only for its own longevity but also for the well-being of society and the preservation of the environment. The Company conducts its business responsibly and sustainably, considering economic, social, and environmental factors in its decision-making processes to foster a sustainable future for all stakeholders.

**Telkomsel's efforts to integrate sustainability into every aspect of its business operations, from responsible technology integration to resource management and community engagement, demonstrate its dedication in prioritising sustainability.**

By doing so, Telkomsel aims to build a solid foundation supporting its business objectives while also contributing positively to the long-term well-being of the nation.



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# Highlights of the Year

# 01





## Economic Performance Highlights

**Mobile  
Customer Base**  
(million)

**159.3**

⌆ 1.6% YoY

**Data Payload**  
(TB)

**17,901,034**

⌆ 9.0% YoY



**IndiHome  
Customer Base**  
(million)

**8.7**

**Revenue**  
(Rp billion)

**102,371**

⌆ 15.0% YoY

**EBITDA**  
(Rp billion)

**52,078**

⌆ 3.1% YoY

**Net Income**  
(Rp billion)

**21,878**

⌆ 19.1% YoY

**Proportion of  
Spending on  
Local Suppliers**

**99.2%**





## Environmental Performance Highlights

### BTS Powered by Renewable Energy

(sites)

**208**

⬆ 23%

### Energy Supplied from Renewables

(GJ)

**7,341**

⬆ 20%

### Energy Intensity

(GJ/TB)

**0.33**

### GHG Emissions Intensity

(tonnes CO<sub>2</sub>e/TB)

**0.078**

### Emission absorbed through Telkomsel Jaga Bumi Carbon Offset Programme

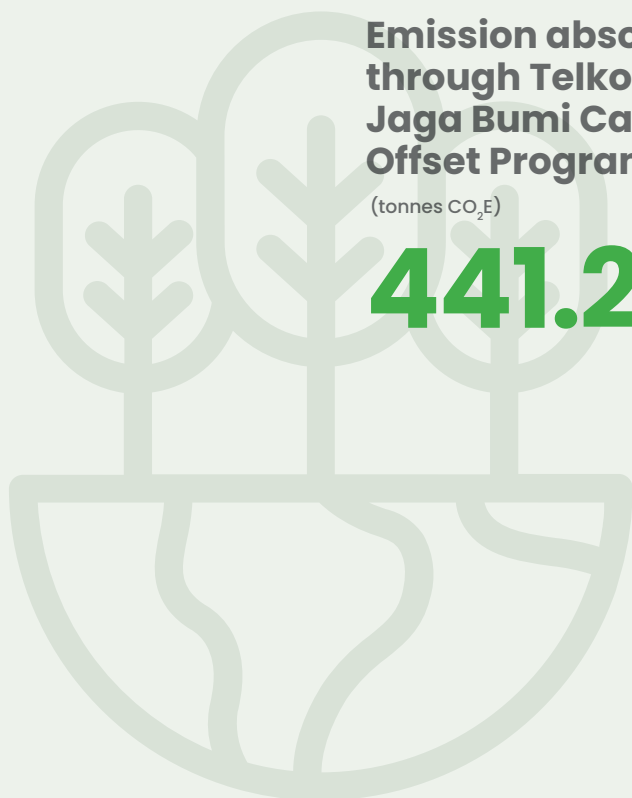
(tonnes CO<sub>2</sub>e)

**441.2**

### Indihome Modem Reutilised

(tonnes)

**28.6**



## Social Performance Highlights

**Total employees**  
(people)

**6,309**

**Average training hours per employee**  
(hours)

**44**

**BTS spread throughout Indonesia**  
(units)

**247,472**

with **97%** 4G coverage

**Startups funded by Telkomsel Ventures**

**18**

**Startups received capability enhancement through NextDev**

**12**

**Investment for startups through Telkomsel Ventures**  
(Rp billion)

**526.7**

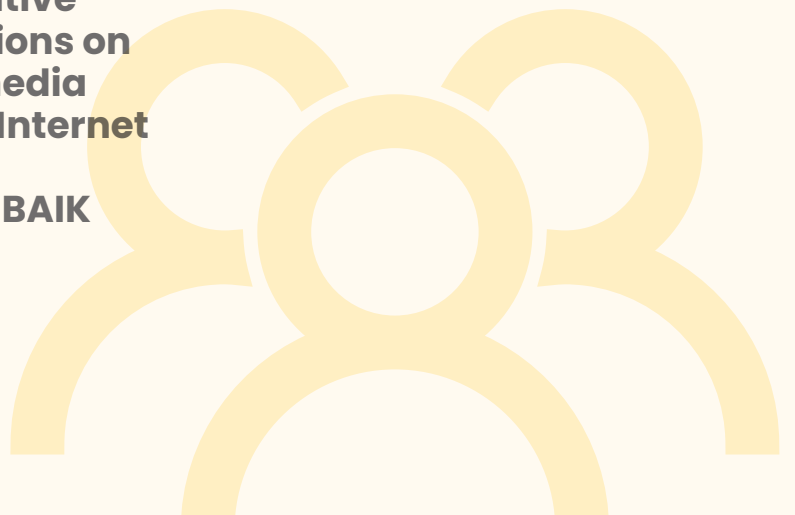
**MSEs empowered through Digital Creative Entrepreneur**

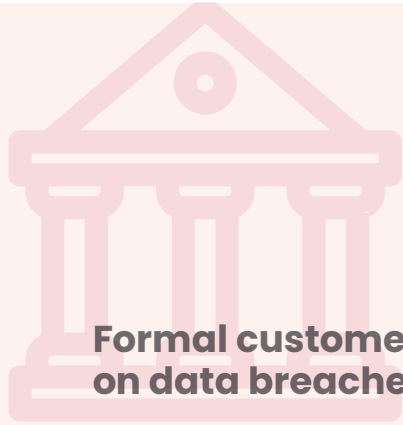
**60**

**780**  
schools from **249 cities** and districts received insight into positive interactions on social media and the Internet through Internet BAIK

**Customer Complaints Resolution Rate**  
(%)

**97**





## Governance Performance Highlights

Formal customer grievances  
on data breaches

**Zero**

Dissemination of anti-corruption  
policy to employees

**100%**

## Awards



**Business Indonesia CSR Award (BISRA) 2023**  
Silver Champion in Environmental Element  
Category for Telkomsel Jaga Bumi



**CSR Awards 2023**  
Infrastructure Sector  
for NextDev



**Detikcom Award 2023**  
Best Telecommunication  
Operator in Indonesia



**HR Asia Award 2023**  
Inclusion as Best Companies  
to Work for in Asia

# About This Report

02











## About This Report

As a private company, PT Telekomunikasi Selular (“Telkomsel” or “the Company”) is not obligated to prepare a sustainability report. However, we realise that sustainability is an important part of our business, thus it must be communicated and reported to stakeholders. Telkomsel’s commitment to sustainability is integral to our operational longevity as well as our endeavours to elevate environmental preservation and societal well-being. Our aim is to ensure a sustainable future for all stakeholders, demonstrating our dedication to integrating sustainability into every aspect of our operations.

### SCOPE AND LIMITATIONS [2-2]

The scope of this report encompasses the consolidated financial statements, including all activities of Telkomsel (as the parent company). It covers our business-related activities, specifically in production, distribution, marketing, and management. Our disclosure focuses on sustainability aspects—economic, environmental, and social—that are of significance to both our stakeholders and the Company. On subsidiaries, we cover their business activities under Digital Responsibility and Inclusion section.

### REPORTING FRAMEWORKS [2-3]

This is the inaugural Sustainability Report published by Telkomsel, refining the sustainability report that was developed for internal use in 2022. The year 2023 also marked Telkomsel’s first adoption of an internationally-recognised reporting framework in the Sustainability Report.

Telkomsel has reported in accordance with the GRI Standards for the period 1 January to 31 December 2023. The additional framework guiding this report include the OJK Circular No. 16/2021, incorporating the provisions of OJK Regulation No. 51/2017. This report’s presentation have also been aligned with the United Nations Sustainable Development Goals (SDGs).

This approach reflects our commitment to transparency and accountability, ensuring our sustainability efforts are measurable and aligned with global best practices.

### ASSURANCE [2-4] [2-5]

For the year 2023, Telkomsel has not sought external assurance for its Sustainability Report. However, this may be considered in future editions. Additionally, there are no material restatements of information from the previous report, as this edition represents the first report published by Telkomsel on its sustainability-related performance.

### ENGAGEMENT AND INQUIRY [2-3]

Telkomsel values the input and engagement of its stakeholders. More on this is detailed in a dedicated section titled “Stakeholder Engagement” in this report.

Our commitment to sustainability is a journey we wish to make alongside our stakeholders, and therefore we are open to dialogue and feedback as we strive for continuous improvement in our sustainability initiatives as well as the reporting thereof.

For inquiries or suggestions regarding this report or future editions, please reach out to the Telkomsel’s Corporate Sustainability Team via the following contact points:

#### Vice President – Financial Planning and Analysis

#### Vice President – Corporate Strategy, Innovation, Sustainability and Marketing

Telkomsel Smart Office (TSO)  
 Jl. Jenderal Gatot Subroto Kav. 52  
 Jakarta, Indonesia

# Message from the Management

03







## Message from the President Commissioner

Wishnutama  
Kusubandio  
President Commissioner



66  
Given the scale of our operations, we now see it as our critical task to tackle the intensifying sustainability challenges. While we are initiating our endeavours from the moderate impact, we aim to bring them up gradually to the bigger impact.

## Esteemed Stakeholders,

Over the decades, we have established the Telkomsel brand as Indonesia's leading telecommunications provider. Given the scale of our operations, we now see it as our critical task to tackle the intensifying sustainability challenges. While we are just initiating our endeavours from the moderate impact, we aim to bring them up gradually to the bigger impact.

With these seeds of a concerted effort, we strive to satisfy regulatory requirements and market expectations. At the same time, we are reaching beyond by making sustainability a core part of our business. We understand that adopting responsible practices in every facet of the business is the right thing to do that is crucial for our long-term success and relevance as a telco company that millions of Indonesians rely upon.

In 2023, Telkomsel took fledgling steps in which our sustainability strategy is taking shape. We have set the process into motion by establishing a clear framework and organising our team around a Sustainability focus. This year, we are excited to release our first Sustainability Report. We have aligned our objectives with the United Nations' Sustainable Development Goals (SDGs), working to reduce the environmental impact of our operations and enhance our positive social contributions. The Board of Commissioners supports this strategic approach, which takes a holistic view that encompasses economic, environmental, and social factors.



We also introduced the Purpose-Driven Sustainability Framework in 2023. This foundational construct features three pillars: Protect Environment, Empower People, and Responsible Business.

The Protect Environment pillar is about reducing our carbon footprint, improving energy efficiency, and supporting the circular economy. We are actively working to reduce waste and encourage recycling throughout our operations, always in the lookout for impactful ways to lessen our environmental impacts.

Empower People pillar reflects our belief in the transformative power of reliable connectivity. Telkomsel is helping communities by enhancing digital literacy, supporting local businesses,

and improving access to our services. The projects we have been undertaking are promoting inclusion and creating opportunities in the digital world. We are also focusing on developing our team's skills to continually improve our customer service and broaden our societal impact.

Resting upon the Responsible Business pillar are the ethical practices and principle of transparency that we firmly espouse. They are fundamental to maintaining a high level of corporate governance standards, in alignment with international best practices. We have specific mechanisms in place to ensure that all our employees conduct business responsibly along our supply chain. Furthermore, we

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**Telkomsel is strengthening data governance and formulating preventive strategies to protect entire operations and customer data. This includes continuous training for our staff, investing in top-notch security technologies, and building a vigilant company culture.**



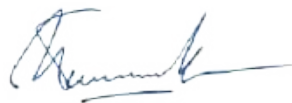
endeavour to take the lead and encourage our business partners to join us in these initiatives—we remain convinced of the power of collective action.

Looking ahead, we recognise the growing importance of cybersecurity in this digital era. With digitalisation on the rise, protecting our assets and those we serve against cyberthreats is paramount. Indeed, the responsibility is more crucial than ever. Telkomsel is strengthening data governance and formulating preventive strategies to protect entire operations and customer data. This includes continuous training for our staff, investing in top-notch security technologies, and building a vigilant company culture.

In addition to reinforcing our cybersecurity measures, Telkomsel is committed to making meaningful social contributions. We are investing in our people, engaging with customers and partners, and redoubling our efforts in digital responsibility and inclusivity. These initiatives are vital for supporting Indonesia's vision to become a leading digital economy and pave the way for a sustainable future for all its citizens.

Developing a sustainable business demands constant dedication, genuine intent, and tireless collaboration. As we move forward, we will continue to cultivate our relationships with all stakeholders, to attain our shared goals in this journey of sustainability.

Sincerely yours,



**Wishnutama Kusubandio**  
President Commissioner

## Message from the President Director

**Nugroho**

President Director



Telkomsel's merger with IndiHome, previously part of Telkom that is also Indonesia's biggest B2C home internet provider, has enhanced our operations by combining mobile and home digital services through the Fixed Mobile Convergence (FMC) initiative.

[2-22]

## Esteemed Stakeholders,

On behalf of the Board of Directors, I extend our heartfelt thanks to our stakeholders for the enduring trust and support in Telkomsel. We are grateful to the Board of Commissioners for their guidance, insight, and supervision. At Telkomsel, our dedication to enhancing business transparency has been put into practice this year with the publication of our inaugural Sustainability Report. Themed “Sustainable Business for a Sustainable Future”, we aim to lay the groundworks that will support our business goals and contribute to the nation’s long-term prosperity.

Our commitment is evident in the efforts in 2023 to expand our Digital Business portfolio. We are strengthening digital connectivity and actively seeking new opportunities beyond traditional telecommunications. Driven by our annual

theme, “Reach Beyond, Advancing the Nation”, we are harnessing digital technologies as we diversify our services. Telkomsel’s merger with IndiHome, previously part of Telkom and also Indonesia’s biggest B2C home internet provider, has enhanced our service by combining mobile and home digital through the Fixed Mobile Convergence (FMC) initiative and broadening the options for broadband available to our customers. Furthermore, through FMC initiative enabled us to realize synergistic value by merging its customer touch point, GraPARI and Plasa Telkom, for operation efficiency. We also improved our customer engagement by launching Telkomsel One initiative, a customer service of mobile and fixed in one intuitive application, helping customer enjoy hassle-free management of their services.



In 2023, to bring Telkomsel in greater alignment with the contemporary perspectives on sustainability, we established a dedicated Sustainability team and carried out a materiality assessment to pinpoint our priorities and reconfigure our ongoing initiatives accordingly. In the near future, we aim to develop a sustainability strategy, which will become the fulcrum in our forward drive along the environmental, social, and governance avenues.

To participate in protecting the environment, we have carried out a series of initiatives under Telkomsel Jaga Bumi umbrella campaign. We recycled plastic SIM cards into useful items and conducted a Carbon Offset programme through tree-planting involving customers. We also deployed energy efficiency efforts in our operational network in the form of energy-efficient equipment, network refinement, and adaptive intelligent traffic management.

In terms of social impact, Telkomsel has been focusing on education as we believe this sector holds paramount importance in nurturing and accelerating the development of digital talents in Indonesia. IndonesiaNEXT has been a flagship initiative in this regard, which we brought into action by providing 6,648 university students with access to internationally-certified training. Telkomsel's Internet BAIK programme helped boost digital literacy among the society, by fostering positive interactions on social media and the internet. In 2023, Internet BAIK engaged 11,421 participants spread across 249 cities/regencies in 36 provinces in Indonesia. The NextDev programme has supported 12 startup companies in developing their businesses further through capability enhancement, and Digital Creative Entrepreneurs (DCE) that we provided to 60 MSMEs, raising the capabilities, competence, and creativity of Indonesian MSMEs. Our Baktiku Negeriku programme empowered communities in three agricultural villages with seminars on digital and technology optimisation, accompanied by two creative digital centres to facilitate digital competence and literacy.

66

**In 2023, Internet BAIK engaged 11,421 participants spread across 249 cities/regencies in 36 provinces in Indonesia.**



We have paid considerable attention to our employees' growth and well-being, ramping up the initiatives centred around Organisation, Culture, and People. Telkomsel's merger with IndiHome had called for a major organisational restructuring. Concurrently, we are reinforcing our talent development programmes to equip employees with future-oriented capability. Telkomsel also boosts its value proposition for employees and raises the culture health index through the enactment of hybrid working.

In the governance aspect, business transparency and compliance have become our goals. We conducted the Directorship programme focused on governance and highlighting the importance of anti-corruption and anti-bribery. Our way of safeguarding cybersecurity took the shape of an internal programme called Jaga Data, that promoted employee awareness on data security. Telkomsel has obtained the ISO 27001

certification and is running a standardised data breach protocol within the data governance and protection management framework.

We realise sustainability is a long term journey that requires a constant refinement and improvement. Telkomsel is thus focusing a significant part on the transformation of employee mindset towards sustainability and the seamless integration of sustainable practices into our operations. We are strongly motivated to deliver on our commitment, relentlessly innovating and deploying strategies that promote sustainability across all aspects that we touch upon as a telecommunications company. By aligning our efforts to meet sustainable business targets, Telkomsel remains dedicated to driving positive change and contributing to a more sustainable future for all stakeholders.

On behalf of the Board of Directors of  
PT Telekomunikasi Selular,

**Nugroho**  
President Director

# About Telkomsel

04











## Vision

**Be the best Digital Telco Service Provider in the region by empowering Indonesians to make a better today and excellent tomorrow.**



## Mission

**Providing innovative and excellent connectivity, service and solution for everyone, every home, and every business to achieve more.**



## Company Values

### **AKHLAK**

As a subsidiary of PT Telkom Indonesia (Persero) Tbk (Telkom), which is a state-owned enterprise, Telkomsel is governed by the corporate core values of AKHLAK. AKHLAK was formalised with the SOE Minister Circular No. SE 7/MBU/07/2020 dated 1 July 2020, to serve as a foundational values for employees of all state-owned enterprises to uphold in their daily conduct. AKHLAK stands for Amanah – Trustworthy, Kompeten – Competent, Harmonis – Harmonious, Loyal – Loyal, Adaptif – Adaptive, Kolaboratif – Collaborative.

In Telkomsel we translate this AKHLAK value into MyACTION (Meritocracy, Integrity, Agility, Customer Centric, Transparency, Innovation, Open Mindset, Networking). Every employee is obliged to apply MyAction in their daily work, as this is also an indicator in employee assessment every semester.



## Brief Profile

[2-1] [2-6]

Telkomsel is a subsidiary of PT Telkom Indonesia (Persero) Tbk, who owns 69.9% stake upon IndiHome's integration into Telkomsel, and Singapore Telecom Mobile Pte Ltd (Singtel Mobile), with 30.1% stake. Telkomsel is currently Indonesia's largest mobile digital lifestyle and communications services provider. The Company is headquartered in Jakarta and employed 6,309 employees including the Directors as at 31 December 2023.

Since 1995, Telkomsel has served the Indonesian market and participated in the development of the nation's digital life, with more than 159 million of its customers enjoying a wide array of offerings, from mobile services to digital content and lifestyle. With Semangat Indonesia, Telkomsel is committed to opening up the widest opportunities for

the advancement of the nation through various achievements In Innovation, Initiatives, and meaningful action.

Telkomsel continues to be a champion in its field, contributing to Indonesia's future by leveraging the latest digital connectivity technologies. The Company is a pioneer in the innovation and use of and technologies to drive progress, and is at the forefront of exploring new and renewable resources utilisation to continue doing so, armed with a commitment to deploying its comprehensive assets and capabilities to achieve sustainable growth. Through inclusive corporate social responsibility programmes, Telkomsel is spreading hope and actively participating in collaborations to protect Indonesia's natural treasures. These efforts mark Telkomsel's dedication to fostering a thriving, prosperous world for posterity.



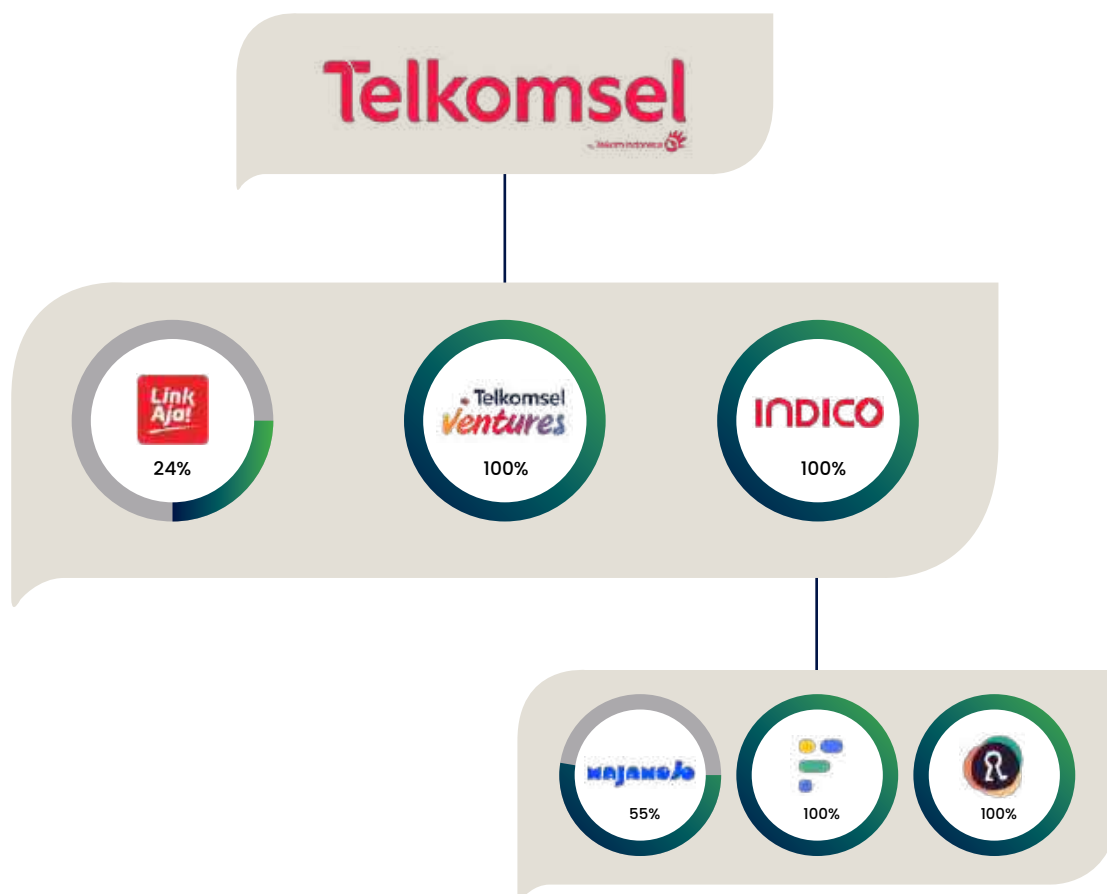
## Business Activities

[2-6]

Telkomsel is primarily engaged in the delivery of mobile telecommunications and digital lifestyle solutions, having evolved as Indonesia's first and premier mobile telecommunications provider since 1995.

Currently, Telkomsel's operations are supported by three subsidiaries: [2-2]

1. Telkomsel Ventures (TSV): corporate venture arm that invests in prospective startups in the connectivity ecosystem, including devices, content, commerce, data, and cloud.
2. PT Telkomsel Ekosistem Digital (INDICO): holding company for vertical digital business that accelerates innovation in digital technology by leveraging Telkomsel's technological and commercial assets. INDICO in turn manages three digital platforms: Kunci (EduTech), Fita (HealthTech), and Majamojo (Games).
3. PT Fintek Karya Nusantara (LinkAja): fintech operator of digital wallet services. Licensed since 2019 by Bank Indonesia for issuing electronic money and provide digital financial services.



As of the end of 2023, Telkomsel's flagship products are:

**Telkomsel  
Halo**

Telkomsel Halo has been the undisputable preference for postpaid mobile among professionals and corporate customers, having served the corporate and high-end segments for more than two decades. Rejuvenated from Telkomsel's long-standing brand, kartuHalo, in 2021, Telkomsel Halo now carries on to provide an unparalleled range of quality mobile services and a suite of exclusive privileges to its user base. Telkomsel Halo is reaching out to embrace young professionals, positioning itself as the coolest postpaid service with the best value for middle and upper segments, opening up a world of excitement and opportunity for them in their daily lives.

**Telkomsel  
PraBayar**

A powerful integration of Telkomsel's well-known prepaid brands—*simPATI*, Kartu As, and LOOP—Telkomsel PraBayar now delivers convenience and comfort to its customers' fingertips. Through the rebranding, Telkomsel PraBayar has emerged to cater to all the nuances of customer experience, thanks to its wide range of packages available across the price spectrum. Telkomsel PraBayar unveils a horizon of possibilities in the realms of productivity, entertainment, and self-actualisation on the back of Telkomsel's superior and highly reliable broadband network.

**by.U**

A prepaid cellular service supported by Telkomsel network that provide a fully customizable digital experience for all telecommunications needs, especially for youth and the digital natives with their relentless need for continuous connectivity. by.U aims to be a brand that stand alongside with youth to unleash their real uniqueness, empower themselves, and be the best version of them, #SemuanyaSemaunya.

**Telkomsel  
Orbit**

Orbit offers home broadband internet via Wi-Fi modem connected to Telkomsel's robust 4G and 5G cellular infrastructure across Indonesia. Available in postpaid and prepaid options, Orbit offers user friendly on-boarding experience with simple activation steps to instantly go online by purchasing data packages. Orbit equips users with a full-fledged service of peerless flexibility.

**IndiHome**  
by Telkomsel

IndiHome stands as a comprehensive digital home solution that offers internet, phone line, and interactive TV. With a wide array of channel choices and a plethora of highly customizable additional features, IndiHome caters to diverse preferences and needs. IndiHome's integration into Telkomsel has paved the way for a powerful convergence backed by high-quality network infrastructure spanning across Indonesia. An amalgamation of variety, flexibility, and dependability makes IndiHome a prime pick for those seeking a complete home entertainment and communication package.

**Telkomsel  
One**

Telkomsel One, established in 2023, is revolutionising connectivity through the convergence of IndiHome's features with Telkomsel's mobile broadband capabilities, to offer a singularly excellent digital experience at one's fingertips through the use of a unified app. Telkomsel One is an epitome of seamless integration, providing a superior, all-in-one digital solution that caters to all your internet and entertainment needs, both at home and on the go. With Telkomsel One, customers enjoy hassle-free management of their services, encapsulating everything from billing to customer support in one intuitive application, elevating their quality of life in the digital world.

## Membership in Associations

[2-28]



To date, Telkomsel is a member of the following organisations and associations:

- **Masyarakat Telematika Indonesia (MASTEL)**  
Indonesia Telematics Society
- **Asosiasi Kliring Trafik Telekomunikasi (ASKITEL)**  
Telecommunications Traffic Clearing Association
- **Asosiasi Penyelenggara Jaringan Internet Indonesia (APJII)**  
Indonesian Internet Service Providers Association
- **Asosiasi Penyelenggara Telekomunikasi Seluruh Indonesia (ATSI)**  
All-Indonesia Telecommunications Providers Association
- **Asosiasi Penyelenggara Pengiriman Uang Indonesia (APPUI)**  
Indonesia Money Remittance Providers Association
- **Asosiasi Sistem Pembayaran Indonesia (ASPI)**  
Indonesia Payment Systems Association
- **Asosiasi Fintech Indonesia (AFTECH)**  
Indonesia Fintech Association
- **Asosiasi IoT Indonesia (ASIOTI)**  
Indonesia IoT Association
- **Asia Pacific Telecommunication (APT)**
- **TM Forum**
- **Asia Pacific Network Information Centre (APNIC)**
- **Bridge Alliance**
- **Global System for Mobile Communications Association (GSMA)**
- **The Mobile Marketing Association (MMA)**  
Global

# Our Approach to Sustainability

# 05







## Telkomsel Purpose-Driven Sustainability Framework

[3-1]

As a leading telecommunications company in Indonesia, Telkomsel has made a long-standing commitment in integrating sustainability into its business operations. We believe that focusing in sustainability is a pivotal step to ensure the future of Telkomsel's business.

Telkomsel engages in responsible and sustainable business practices, considering economic, social, and environmental factors in its decision-making processes. From technology integration and resource management to community engagement, our actions are designed to support our business objectives while contributing positively to the nation's long-term prosperity.

In 2023, we strengthened our sustainability commitment by conducting a comprehensive materiality assessment with involved the entire Board of Directors. Telkomsel has adopted the sustainability framework of its parent companies—Telkom Group and Singtel Group—in carrying out the materiality assessment on its ESG topics.

Based on the results of the materiality assessment, we determined 7 materiality topics. This is reflected under each of our pillars. We then formulated our "Purpose-Driven Sustainability Framework", which will shape Telkomsel's focus on sustainability in the next few years. [3-2]



Telkomsel's Sustainability Pillars are represented by Three Telkomsel Portals coming together to form the shape of a windmill. Every blade of the windmill has to move together in the same direction in order to function and generate power. This symbolises the synergy of the three elements of Sustainability that work together to empower Telkomsel to Reach Beyond.

### **PILLAR #1: PROTECT ENVIRONMENT**

This pillar deals with how Telkomsel can contribute to preserve the environment, the earth where all our endeavours are made possible. Telkomsel continuously seeks to deploy environmentally-conscious actions and initiatives that demonstrate its profound commitment to increase the liveability of the earth. Telkomsel's approach goes beyond compliance, taking proactive steps to reduce the environmental impact of operations and promote a broader culture of sustainability among customers and within the industry.

### **PILLAR #2: EMPOWER PEOPLE**

As a digital telco, Telkomsel plays a significant role in fostering sustainable development in Indonesia through enhanced connectivity. By bridging geographical and digital divides, Telkomsel is not only empowering our internal

talent but also enabling society to access information, enjoy a wide array of services, and open the world for more. Telkomsel's network not only supports economic growth but also promotes innovation and inclusivity, ensuring that the benefits of digital advancements are shared across the Indonesian archipelago, championing sustainable social progress in the arenas of health, education, and citizenship.

### **PILLAR #3: RESPONSIBLE BUSINESS**

Telkomsel drives concerns not merely with economic gains, but also with advancing well-being with a high degree of accountability and responsibility. Business transparency and compliance has been highest principle in operating its business. Telkomsel's business is all aligned with the prevailing regulations and government's goals for national development.

Simultaneously with strengthening our sustainability strategy, at the end of 2023 we initiated the formulation of our long-term sustainability strategy. We are currently developing targets and roadmaps to achieve our sustainability goals.

# Sustainability Organisation

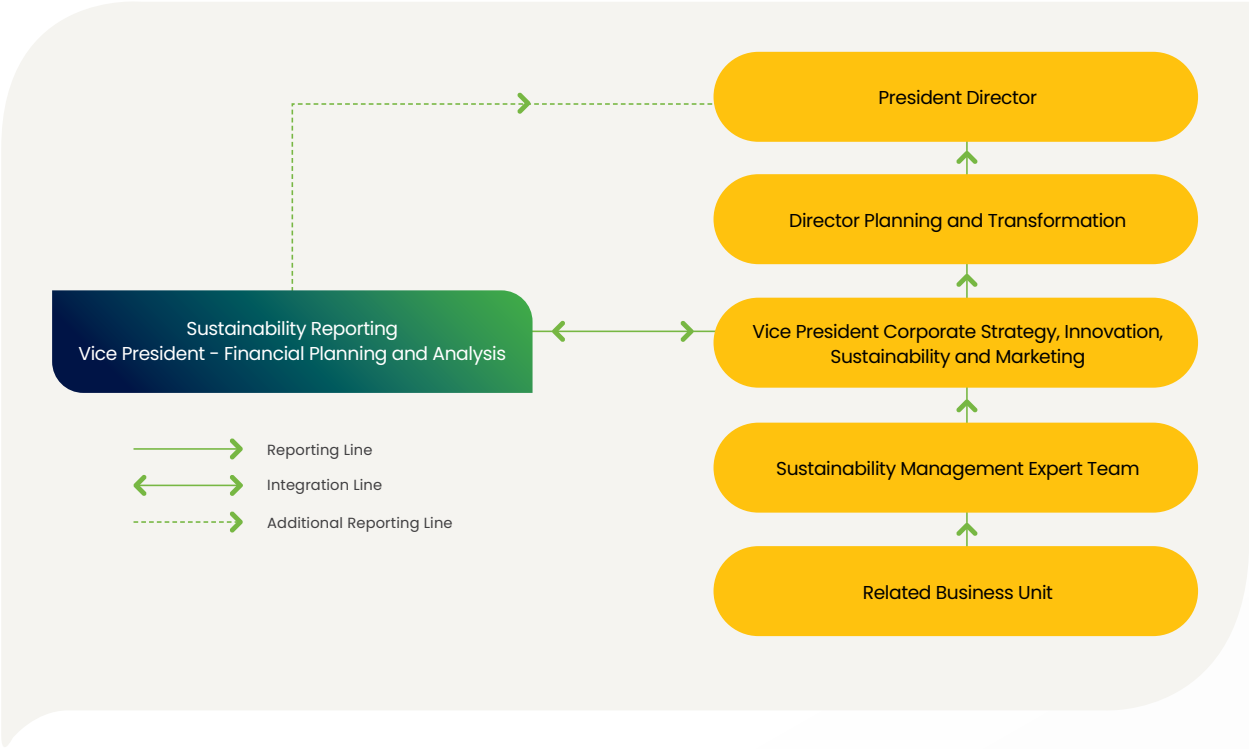
[2-12, 2-13, 2-14]

Telkomsel officially established a sustainability organisation at the end of 2023 under the Directorate of Planning and Transformation. The President Director and the Director of Planning and Transformation oversee Telkomsel’s entire sustainability initiative. It guides the strategic direction to ensure sustainability endeavours are aligned with long-term business goals and stakeholder expectations. Their responsibilities include evaluating material sustainability issues, supports the implementation of sustainability practices, fosters a culture conducive to sustainable management.

The Vice President Corporate Strategy, Innovation, Sustainability and Marketing provides overarching leadership and guidance in the domain of sustainability within Telkomsel,

with the responsibilities of orchestrating the sustainability vision and strategy, ensuring accurate sustainability reporting, and maintaining transparent communication with the Board of Directors. The Sustainability Management Expert Team plays a pivotal role in orchestrating the sustainability agenda within Telkomsel with involving cross business units, making sure that all activities are in line with the Company’s sustainability goals and compliance requirements.




The Sustainability Reporting Team coordinates the entire process related to sustainability reporting within Telkomsel. It also has the responsibility to interact with regulators and investors to demonstrate its compliance with the regulations and expectations with respect to sustainability.







## Stakeholder Engagement

To ensure that our sustainability actions are impactful, and that the impacts are in concert with what our stakeholders expect from us, we continually listen to them and communicate our advances with them through various modes of engagement. These concerns and means of engagement are summarised in the table below.

### Telkomsel's Stakeholder Engagement [2-29]

	TOPIC AND CONCERN	ENGAGEMENT METHOD	FREQUENCY
Shareholder 	Company performance	General Meeting of Shareholders	Yearly
		Performance evaluation meetings	Quarterly
	Good corporate governance	Annual Report	Yearly
	Sustainability programme	Sustainability Report	Yearly
		Website	As necessary
Customers 	Customer satisfaction on network coverage and services	Call Center Services	As necessary
		Customer Complaints Centre	As necessary
		Customer Satisfaction Survey	Monthly
	After sales services	Website dan frontline information	As necessary
		In-person visits	As necessary
		Call Center Services	As necessary
	Data privacy and security	Customer Complaints Centre	As necessary
Employees 	Rights and remuneration	Collective Labour Agreement	Yearly
		Employee Complaint Center	As necessary
	Career development	Training and learning programme	Monthly
		Innovation programme	Monthly
		Scholarship programme	Yearly
	Other aspects of employment	Wellbeing programmes	Monthly
		People survey	Yearly



	TOPIC AND CONCERN	ENGAGEMENT METHOD	FREQUENCY
Regulators 	Compliance and reporting, Ethical operational practices, Harmonious relationships	Compliance reporting Periodic engagement (meetings and hearings)	Yearly As necessary
Suppliers 	Objective procurement process, Obtaining mutually beneficial cooperation	Integrity Pact Supplier Relationship Management	As necessary As necessary
Media 	The accuracy of news Sustainability programme exposure	Press releases Media engagement Press releases	As necessary As necessary As necessary
Community 	Internet and digital exposure risks, Harmonious relationships, Contributions to economic aspect	CSR social programme Community engagement	Yearly As necessary



## Alignment with Sustainable Development Goals

We strive to align our sustainability actions and initiatives at Telkomsel with the global aspirations of the era, as best exemplified by the United Nations' Sustainable Development Goals (SDGs). The alignment of our business' key aspects with the UN SDGs is shown in the infographic below, and is embedded throughout this Sustainability Report.

### Telkomsel's Sustainability Pillars and Alignment With UN SDGs

SUSTAINABILITY PILAR	ACTIONS AND INITIATIVES	SDGS ADDRESSED
Protect Environment	Under "Telkomsel Jaga Bumi" umbrella programme: SIM card recycling, green energy BTS, modem reutilisation, network equipment repaired and reused, carbon offset loyalty programme	 
Empower People	<ul style="list-style-type: none"> <li>Employment practices (healthcare, gender equality), training, Learning and innovation programmes</li> <li>BTS area coverage Internet BAIK, Telkomsel One, TINC, INDICO, 4G/LTE equitable deployment, 5G breakthroughs, NextDev, IndonesiaNEXT, Baktiku Negeriku, TERRA, Telkomsel Enterprise</li> </ul>	      
Responsible Business	Internet BAIK, personal data protection, responsible and compliant corporate conduct, cybersecurity prevention and protection, whistleblowing mechanism, Jaga Data internal campaign for employees on security practices at work	

# Lead to Build The Nation

06









Telkomsel acknowledges the paramount importance of ensuring a sustainable business through value creation and strives to share this value commensurately with its stakeholders. Our capability to make meaningful contributions to elevating the quality of lives of our customers, suppliers, and all stakeholders, as well as preserving and enhancing the liveability of our natural environment, hinges on our continued ability to generate economic value that can sustain our efforts across various dimensions of sustainability.

2023 marked the year of IndiHome (previously part of Telkom) integration into Telkomsel, a process which we successfully performed seamlessly without any disruption for all our subscribers. Following this Fixed Mobile Convergence (FMC), we launched an all-in-one

bundled product, Telkomsel One, furthering our digital connectivity distribution to various segments of the public with our more diversified offerings.

Playing a leading role in the telecommunications sector for the sustainable development of Indonesia, we are committed to further accelerating home broadband penetration in the country. Currently, Telkomsel has the most extensive coverage of home broadband services in Indonesia. Additionally, with Telkomsel Orbit, we have been providing wireless connectivity as a home broadband solution for areas yet to be served with fibre optic network, and residential areas with limited access to operators. Our equitable services reach urban and remote areas, even outer islands and frontier zones.

## Economic Value Creation and Distribution

[201-1, 3-3:201]

Telkomsel conducts its business in a sustainable manner, underpinned by the principles of empowering people and activating businesses. Through the integration of sustainability aspects into its business activities, especially in Digital Business, Telkomsel continued to deliver top line improvement with Digital Business consistently being the engine of growth as a result of healthy conduct initiative with productivity improvement.

Telkomsel's business has delivered substantial economic impact on the Indonesian society, from our own employees to our partners, customers, and the communities at large. Our impact to

these stakeholders has increased over the years, and in 2023 the economic value we distributed rose by 15%.

Beyond that, we also reinforced our capability to grow our presence and widen the reach of our impact by improving our financial position with the profits from our operations, as attested by the 8% increase in the economic value that we retained.

These conditions reflect Telkomsel's standing as a business committed to helping the Indonesian society grow and thrive together.

### Economic Value Generated and Distributed [201-1]

DESCRIPTION (Rp billion)	2023	2022
<b>Economic value generated</b>	<b>102,371</b>	<b>89,039</b>
Revenues	102,371	89,039
<b>Economic value distributed</b>	<b>86,505</b>	<b>74,354</b>
Operations and maintenance expense	30,670	21,347
Personnel expense	7,140	6,530
Marketing and sales expense	2,916	2,333
General and administrative expense	1,618	1,598
Cost of services	6,251	5,250
Interconnection and international roaming expense	1,697	1,492
Income tax	6,217	5,755
Finance charges - net	2,477	2,090
Dividends paid to shareholders*	27,517	27,958
<b>Payments to government</b>		
Payments to government (spectrum usage fees, licenses, taxes and dividends)**	34,580	32,229
<b>Economic value retained</b>	<b>15,866</b>	<b>14,685</b>

\* Dividends to PT Telkom Indonesia Tbk (Telkom) and Singapore Telecom Mobile Pte Ltd (Singtel Mobile)

\*\* For dividends, payment through Telkom's ownership in Telkomsel

Apart from the economic value directly distributed to stakeholders, by being an integral part of Indonesia's digital life serving customers across the archipelago with various services, we have taken a substantial role in carving up opportunities for the nation's advancement. We have continued to assist our customers with all their communication needs in the digital space and, through the multiplier effect that our services provide, provided uplift for the society in numerous ways.

Telkomsel contributed 1.6% to Indonesia's Gross Domestic Product (GDP) in 2023. Furthermore, an increase in Telkomsel's data payload by 100 TB in a district or city can raise the average per capita Gross Regional Domestic Product (GRDP) in that area by Rp1.7 billion.<sup>1</sup>

Among our strategies to empower local communities has been our commitment to direct our spending on local suppliers, whenever applicable. In 2023, 99.2% of our spending goes to our local suppliers, applies to any local and non local product and services we procured. [204-1]

<sup>1</sup> Publication from A research institute under Faculty of Economic & Business Universitas Indonesia focusing on demographic-based development (LD FEB UI): [https://ldfebui.org/wp-content/uploads/2024/05/Bahan-Paparan\\_Kontribusi-Penetrasi-Internet-Telkomsel-terhadap-Perekonomian-Indonesia.pdf](https://ldfebui.org/wp-content/uploads/2024/05/Bahan-Paparan_Kontribusi-Penetrasi-Internet-Telkomsel-terhadap-Perekonomian-Indonesia.pdf)

## Economic Performance

Telkomsel has been adopting an asset-light approach by leveraging Telkom's resources with no duplication of investment for network deployment. A new rate of EBITDA will be reflected and will gradually result in a much stronger EBITDA performance in the coming years, which will make a mark in the industry for being the highest level of profitability. This will be supported by our maintained financial fundamentals and cash generation capability.

We continue to focus on market share productivity through customer centricity approach and healthier conduct with right pricing to retain customer stickiness by optimising Customer Value Management (CVM) while staying attuned to market trends. Currently, as evinced by our healthy ARPU growth from the greater amounts of payload both in Mobile and Fixed, Telkomsel has become the ultimate House of Payload in Indonesia.

Our services reach not only individuals but also household, helping our customers elevate their lives and be more productive every moment of every day, and businesses to be more profitable in their operations. Our services bring digital inclusion that reaches the farthest edges of this great archipelagic nation of Indonesia.

Telkomsel's internet services enhance the potential of the e-commerce market in Indonesia by integrating 45.7% of business owner with e-commerce and social-commerce platforms. Additionally, Telkomsel's internet can boost revenues by up to 80% and double the sales reach. This is possible because internet usage facilitates communication for business owner, both with customers (B2C) and between businesses (B2B).<sup>2</sup>

### Operational Performance

DESCRIPTION	2023	2022	GROWTH
Mobile Customer Base (thousands)	159,340	156,812	1.6%
IndiHome B2C Customer Base (thousands)	8,694	-	N/A
ARPU Mobile (Rp thousand)	47.5	44.2	7.5%
ARPU IndiHome (Rp thousand)	252.7	-	N/A
BTS on Air (units)	247,472	265,194	-6.7%
Data Payload (TB)	17,901,034	16,426,853	9.0%

### Financial Performance

DESCRIPTION	2023	2022	GROWTH
Revenue (Rp billion)	102,371	89,039	15.0%
EBITDA (Rp billion)	52,078	50,488	3.1%
Net Income (Rp billion)	21,878	18,367	19.1%
Total Assets (Rp billion)	112,966	100,991	11.9%
Total Equity (Rp billion)	30,649	30,042	2.0%
EBITDA Margin (%)	50.9	56.7	-5.8 ppt
Net Income Margin (%)	21.4	20.6	0.7 ppt
Return on Assets (ROA) (%)	20.5	18.2	2.3 ppt
Return on Equity (ROE) (%)	72.1	52.9	19.2 ppt

<sup>2</sup> Publication from A research institute under Faculty of Economic & Business Universitas Indonesia focusing on demographic-based development (LD FEB UI): [https://lcfebui.org/wp-content/uploads/2024/05/Bahan-Paparan\\_Kontribusi-Penetrasi-Internet-Telkomsel-terhadap-Perekonomian-Indonesia.pdf](https://lcfebui.org/wp-content/uploads/2024/05/Bahan-Paparan_Kontribusi-Penetrasi-Internet-Telkomsel-terhadap-Perekonomian-Indonesia.pdf)





# Protect Environment

07



Telkomsel is committed to deliver effective, balanced, and proportional measures and mitigating our environmental impact to ensure the sustainable future of our nature. As our business grows, we recognise that the risk of environmental impacts will also increase. Therefore, we continue to engage in meaningful efforts under the umbrella initiatives of

## Telkomsel Jaga Bumi

Telkomsel Jaga Bumi is an initiative of Telkomsel that consists of various programmes of energy management, GHG emissions, and waste management. This initiative's overarching aim is to reduce and mitigate our environmental impacts. It is also dedicated to supporting the

government's and communities' efforts to reduce the impact of various environmental challenges. Telkomsel Jaga Bumi provides opportunities for Indonesians to actively participate in preserving the planet's sustainability and future through collective action, while supporting the Indonesian government's sustainable development initiatives.

Telkomsel aligned its Jaga Bumi initiative with the spirit of building the nation. Indonesians have long embraced this spirit, a cultural tradition that propelled traditional community engagement by fostering unity towards common objectives.

For its environmental accomplishments in 2023, Telkomsel Jaga Bumi garnered widespread recognition, clinching the esteemed 2023 CSR Award from *Bisnis Indonesia*.

## Energy Management

[3-3:302]

As a leading telecommunications company, Telkomsel utilises energy extensively to ensure our telecommunication signals reach our subscribers even to the farthest corners of Indonesia. To achieve this aim, we make use of various sources of energy. Our energy mix has over the past years been dominated by electricity from the grid (making up nearly 98% of our total energy consumption in 2023), with diesel oil for backup generators. Albeit still in minuscule proportions to the total, an increasing share of our energy has been derived from renewable sources. This intricate energy landscape underscores our mission to deliver uninterrupted communication services nationwide, which necessitates a robust and reliable energy mix.

The global telecommunications industry contributes roughly 2% to annual CO<sub>2</sub> emissions, mainly from BTS operations. There is a promising avenue for emissions reduction, however, thanks to the use of novel, more energy-efficient technologies underpinning 5G networks. At current rates, 5G networks have been able to deliver data at 90% greater efficiency compared to 4G ones.

The energy-intensive process of maintaining our network of around 247 thousand BTS across Indonesia's vast and varied archipelagic landscape highlights the scale of our commitment to energy management. Remote areas, often with limited to no access to

traditional power grids, require innovative and self-sustaining energy solutions. These conditions have propelled us to explore and implement autonomous power supplies, ensuring reliable connectivity for our subscribers in the most isolated regions.

### Energy Consumption by Source [302-1]

SOURCE	SOURCE UNIT	LOCATION	VOLUME (SOURCE UNIT)			ENERGY (GJ)		
			2023	2022	2021	2023	2022	2021
Non-renewable Energy								
Diesel Oil	litre	BTS	2,816,769	2,851,955	2,870,731	107,037	108,374	109,088
		TTC	152,143	118,038	122,339	5,781	4,485	4,649
Total Diesel Oil			2,968,912	2,969,993	2,993,070	112,818	112,859	113,737
Grid Electricity	kWh	BTS	1,447,759,754	1,261,500,749	1,238,317,055	5,211,935	4,541,403	4,457,941
		TTC	149,586,600	153,195,600	153,389,400	538,512	551,504	552,202
		Office	3,639,860	3,440,884	2,943,750	13,103	12,387	10,598
Total Grid Electricity			1,600,986,214	1,418,137,233	1,394,650,205	5,763,550	5,105,294	5,020,741
Renewable Energy								
Solar Panels	kWh	BTS	2,033,798	1,692,432	252,288	7,322	6,093	908
Microhydro		BTS	5,256	5,256	5,256	19	19	19
Total Renewable Energy			2,039,054	1,697,688	257,544	7,341	6,112	927
Grand Total						5,883,709	5,224,265	5,135,405

**Notes:**

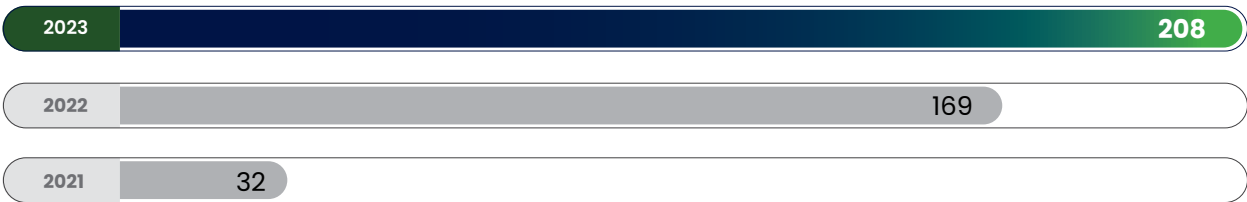
- Office electricity usage covers only Telkomsel Headquarters in Jakarta.
- Conversion factors are obtained from GHG Protocol.

In 2023, we achieved a milestone having completed the transition of our radio network controller (RNC) from 3G to 4G. The cessation of the 3G RNC brought about substantial reductions in energy use from our BTS. However, higher broadband data transfer speeds enabled by 4G and 5G—for which Telkomsel is the leading operator in Indonesia—have driven up our data traffic and density, by the with a 9% increase in total data payload, reaching 17,901,034 TB in 2023. Thus, our energy intensity in 2023 was 0.33 gigajoules (GJ) for each terabyte of data traffic. This figure was 4% higher than 2022's energy intensity of 0.32 GJ/TB. [302-3, 302-5]



Acknowledging the energy intensity of operating 4G and 5G BTS nationwide, our long-term energy management objective is to diminish our reliance on fossil fuels and augment the use of renewable energy whenever it is viable. Led by this principle, we are also preparing our facilities and BTS for greater compatibility with renewable energy sources. In the past few years the number of Telkomsel's BTS equipped with solar panels & microhydro have increased, to reach 208 units by end of 2023. [302-4]

Number of Telkomsel's BTS Equipped with Solar Panels & Microhydro



Telkomsel began trialling the deployment of Radio Access Network (RAN) Energy Efficiency technology in 2023. This innovation allows our equipped BTS to dynamically adjust power usage based on network traffic, thereby ensuring energy efficiency without compromising network quality. Further energy saving measures of the RAN also include advanced features and modules integrated into the hardware, which allows them to run at low power mode and on various frequency bands. Meanwhile, at our offices, we strive to reduce electricity consumption by developing Smart Energy Management Systems, which to date include automatic timers for light fixtures in our headquarters. All these endeavours signify our commitment to sustainable practices and aligns with the Indonesian government's Nationally Determined Contribution (NDC) of achieving net zero by 2060 and low-carbon emission objectives by 2030. [302-4]

In our office building, after Indihome integration, we enabled operation efficiency by merging its customer touch point, GraPARI and Plasa Telkom. We closed 201 Plasa Telkom and provide better experience to our customer to serve their needs on mobile and fixed product, all in one place.

Through these initiatives, Telkomsel continues to lead in providing sustainable, reliable telecommunications solutions across Indonesia, demonstrating our unwavering commitment to operational excellence while upholding our performance in environmental stewardship. As we forge ahead, our focus remains steadfast on innovation, efficiency, and responsible management of our planet's finite resources, ensuring a thriving future for all.



Telkomsel's BTS are equipped with solar panel.

## GHG Emissions

[3-3:305]

Telkomsel has engaged a range of methods to mitigate the carbon emissions arising from its extensive operational activities. At the heart of this initiative is our acknowledgment of our environmental footprint, particularly resulting from the energy consumption of our operational facilities spread across the vast archipelago of Indonesia.

We have committed ourselves to a multifaceted strategy aimed at significantly reducing this footprint. Central to these efforts is the enhancement of energy efficiency across Telkomsel's network infrastructure, a move designed to curtail energy wastage and optimize resource utilisation. Higher energy efficiency will bring about substantial dependence on fossil

fuels, which will then be accompanied by similar reductions in greenhouse gas (GHG) emissions.

Grounded upon this reasoning, Telkomsel has made substantial investments in renewable energy sources, marking our shift towards greener, more sustainable power solutions for day-to-day operations. This strategic pivot underscores our long-term trajectory of sustainable development, as we participate in the global advocacy for renewable energy. Adoption of cleaner technologies allows Telkomsel to gradually reduce reliance on conventional energy sources, thereby alleviating our environmental impact. This has been most evident in our integration of renewable resources, namely solar and hydropower, into our BTS.

### GHG Emissions by Source [305-1] [305-2]

SOURCE	LOCATION	EMISSIONS (TONNE CO <sub>2</sub> E)		
		2023	2022	2021
Scope 1				
Diesel Oil	BTS	7,490	7,583	7,633
	TTC	405	314	325
Total Scope 1		7,895	7,897	7,958
Scope 2				
Grid Electricity	BTS	1,259,551	1,097,506	1,077,336
	TTC	130,140	133,280	133,449
	Office	3,167	2,994	2,561
Total Scope 2		1,392,858	1,233,780	1,213,346
Grand Total (Scopes 1 & 2)		1,400,753	1,241,677	1,221,304

#### Emission factors:

1. Diesel: UK Department for Environment, Food and Rural Affairs Emissions Factors 2023
2. Grid electricity: *Faktor Emisi GRK Sistem Ketenagalistrikan Tahun 2021*, issued by the Ministry of Energy and Mineral Resources

#### Notes:

Telkomsel has not calculated GHG emissions from other indirect sources normally categorised under Scope 3

In terms of GHG emissions intensity—which in Telkomsel is defined as the amount of CO<sub>2</sub>e emitted per each terabyte of data transferred—we noted a roughly 2.5% increase from 0.076 tonnes CO<sub>2</sub>e/TB, in 2022 to 0.078 tonnes CO<sub>2</sub>e/TB, in 2023. The increase in our carbon emissions in 2023 was due to the rise in data traffic and the expansion of our operational sites. [305-4]

In 2023, Telkomsel managed to avoid the emissions of roughly 1,774 tonnes CO<sub>2</sub>e through the utilisation of solar panels and a microhydro power plant to supply power to 208 BTS. While this is still a minute figure compared to our total GHG emissions in 2023, of about 1.4 million tonnes CO<sub>2</sub>e, we are poised to expand our use of renewable resources in the coming years as we explore and test more types of innovative technologies that we believe hold the potential to meaningfully lessen our carbon footprint. We are also currently engaged in subscriber-oriented carbon offset programme in collaboration with key stakeholders in the field. This is further detailed in the following section on Telkomsel Jaga Bumi.

Our concerted endeavours to reduce emissions evince Telkomsel's proactive stance on environmental stewardship. Together with every stakeholder in the industry, we aim to contribute towards combating the effects of anthropogenic global warming, while also setting a benchmark for Indonesia's telecommunications sector.

## CARBON OFFSET [203-1] [413-1]

Apart from emissions mitigation undertaken throughout our operations, we also invite and facilitate our customers to contribute to our environmental initiatives through the Telkomsel Jaga Bumi's Carbon Offset programme.

Telkomsel implemented the Carbon Offset programme as a measure to reduce carbon emissions through extensive tree-planting. Trees help sequester carbon in the atmosphere and alleviate carbon's adverse effects on the environment. By planting trees capable of absorbing carbon dioxide (CO<sub>2</sub>) and generating oxygen (O<sub>2</sub>), Telkomsel is helping to foster a healthier and more sustainable ecosystem.

The Carbon Offset programme, implemented in collaboration with Jejak.in, was an environmental movement-based donation programme that invited the participation of loyal Telkomsel customers. They could participate simply by exchanging their TelkomselPOIN for tree planting activities. Through establishing an inclusive and sustainable reforestation process, Telkomsel utilised its ecosystem of assets and leading technological capabilities to support various efforts in preserving the earth and the environment, particularly in Indonesia.

Customers can access the Telkomsel Jaga Bumi campaign page from the Telkomsel website or via the carbon offset donation banner on the main menu of the MyTelkomsel app. In addition to information about carbon offsets, customers can also calculate their average daily carbon footprint using the calculator provided by Jejak.in, which uses World Agroforestry Center standards as a reference. By calculating the average usage of mobile phones, laptops, air conditioners, televisions, cars, and/or motorcycles per day, customers acquired the total carbon footprint generated (in gCO<sub>2</sub>e), along with the number of trees required for offsetting such amounts of carbon.



Telkomsel engages local communities to participate in offsetting carbon by planting trees.

Customers can track the amount of their contribution and progress by exchanging TelkomselPOIN for tree planting activities (50 points equal to 0.1 tree or 2.93 kgCO<sub>2</sub>e and 500 points equal to 1 tree or 29.3 kgCO<sub>2</sub>e). Telkomsel delivered progress updates and monitoring reports regarding the tree-planting activities via email. Customers can fill in their name and email data on the short link sent by Jejak.in.

In 2023, the Carbon Offset programme resulted in the planting of 15,060 mangrove seedlings and trees across several Indonesian mangrove forest conservation areas, spanning 3.9 hectares. The amount of CO<sub>2</sub> absorbed amounted to 441.2 tonnes CO<sub>2</sub>e. **[305-5]**

## SEMOLIS **[203-1]** **[413-1]**

We are also carrying out initiatives to support the use of low carbon vehicles for the community. Telkomsel, in partnership with Volta—a subsidiary of PT NFC Indonesia Tbk (NFCX), a member of PT M Cash Integration Tbk (MCAS) group—launched an electric motorbike bundling programme dubbed Sewa Motor Listrik (Semolis). The objective is to offer an eco-friendly transportation solution that is cost-effective, efficient, and value-added.

The programme is intended to support sustainable collaborative efforts in providing a positive impact on society and the environment through the use of environmentally friendly and energy-efficient technology, as well as to support Indonesia in achieving its carbon emission reduction target in 2030.



## TAHURA DIGITALISATION SUPPORT [203-1] [413-1]

Tahura stands for Taman Hutan Raya (City Forests), which are designated conservation zones. Tahura Digitalisation Support opens up opportunities through environmental conservation by preserving the earth and the environment while supporting Indonesia's development in an inclusive and sustainable manner. We also believe that by preserving mangrove forests we can help reduce carbon emissions.

In collaboration with the Indonesian government, Telkomsel initiated a collaboration to protect and monitor the mangrove forest ecosystem in Tahura Ngurah Rai, Bali, using Internet of Things (IoT) technology. Through this programme, Telkomsel reaffirms its commitment to running a business sustainably by integrating elements of its business processes into environmental preservation efforts.

Global mangrove deforestation, as estimated by UNESCO, has surged by 40% in the past four decades, resulting in a significant rise in

carbon emissions by up to 10% worldwide. This underscores the critical role of mangroves and associated blue carbon ecosystems like salt marshes, seagrass beds, and coastal wetlands.

In light of this, the Tahura Digitalisation Support programme optimised the capabilities of Telkomsel's leading broadband network, which covered the area of Tahura Ngurah Rai Bali, to enhance connectivity and facilitate digital monitoring of water quality in mangrove seeding areas. Utilising the IoT Smart Agriculture concept, Telkomsel's sophisticated IoT sensors measured the average values of water parameters in the mangrove ecosystem, including water quality, discharge, and pH.

Data monitoring was conducted with precision in real-time via a digital dashboard monitor located in the Tahura Office Command Centre. Telkomsel also deployed 5G augmented reality (AR) and virtual reality (VR) technology, accessible via tablet, smartphone, or laptop, to support virtual tourism for domestic and international tourists. [413-2]



Telkomsel and local government officials unveiled the digitalised Tahura Ngurah Rai in Bali.

## Waste Management

[3-3:306] [306-1] [306-2]

We are cognizant of how the waste resulting from our business operations may have an impact on the environment. Therefore, we strive to manage waste through reutilisation, reuse, and recycling activities. Currently, we categorise our waste products into four groups, namely: waste from Indihome modems, network equipment, SIM cards, and waste from office buildings.

We apply the principles of circular economy on various network and electronic equipment we utilise in our business. In 2023, we generated

about 3,434 tonnes of equipment waste, a significant 25% increase from 2022's figure. We managed to repair and then redeploy about 16 tonnes of these equipment back in our operations, while the remaining 3,418 tonnes were directed to disposal. We engage licensed third parties to handle our electronic waste, ensuring that these devices are disposed of responsibly, directing them to landfills in a manner that adheres to environmental regulations and standards.

### Waste Generated and Directed to Disposal (tonnes) [306-3] [306-4] [306-5]

NO.	DESCRIPTION	2023	2022	2021
1	Network Equipment			
	Generated	3,434	2,742	593
	Repaired/Reused/Redeployed	16	18	0
	Directed to Disposal	3,418	2,724	593
2	IndiHome Modems (starting in July 2023)			
	Generated	46.3	-	-
	Repaired/Reused/Redeployed	28.6	-	-
	Directed to Disposal	17.7	-	-
3	SIM Cards			
	Generated	139	170	235
	Recycled	0.3	0	0
4	Office Waste (only from Headquarters)			
	Generated	206	276	197
	Directed to Disposal	206	276	197
<b>Total</b>				
	<b>Generated</b>	<b>3,825.3</b>	<b>3,188</b>	<b>1,025</b>
	<b>Repaired/Reused/Redeployed/Recycled</b>	<b>44.9</b>	<b>18</b>	<b>-</b>
	<b>Directed to Disposal</b>	<b>3,780.4</b>	<b>3,170</b>	<b>1,025</b>

Furthermore, starting in July 2023 with the FMC integration of IndiHome into our scope of business, we have continued IndiHome's initiative to extend the life cycle of IndiHome modems. By repairing and refurbishing these devices that were no longer operational, we were able to redeploy and reused them, significantly reducing the volume of technological waste. For the period of July to December 2023, out of the 46.3 tonnes IndiHome modems that were no longer usable, we succeeded in repairing and refurbishing 28.6 tonnes, or about 62% of the total. [306-4]

However, notwithstanding our best efforts, there are instances where modems reach the end of their usable life and can no longer be refurbished or repurposed. As many as 3,780.4 tonnes of such materials were directed to disposal in 2023. [306-5]

## SIM CARDS RECYCLING [306-2]

Telkomsel is striving to tackle the environmental implications associated with SIM cards that incorporate non-renewable resources.

While the production of new SIM cards is inevitable, being core to our business, we are embarking on a journey to reintroduce used SIM cards that have been disposed of back into the value chain. To do so, we are activating innovative strategies to recycle SIM cards, repurposing them into useful and longer-lasting materials. This initiative showcases our commitment to applying the principles of circular economy in our business model.



Telkomsel engages customers and resellers to dispose of starter pack waste properly for recycling.

This programme was implemented by processing SIM card waste into new non-single-use products, such as mobile phone holders and pavement blocks. In this initiative, Telkomsel collaborated with PlusTik to boost recycling of plastic waste. PlusTik is a startup that aims to reduce non-sorted low-value plastic waste in landfills (TPA) and recycle it to make new, non-single-use items.

Telkomsel is dedicated to offering a solution for every used SIM card, both from Telkomsel and other providers. Those found in retail outlets all of which are recycled into new, non-single-use products. The recycled mobile phone holders were redistributed to retail outlets and used for smartphone displays, while the recycled

pavement blocks were reused by Telkomsel as materials for renovation and construction of new building facilities.

In 2023, the programme was applied in 2 branches, namely Bali and Bogor, with a total waste processed amounting to 125 kg in Bali and 135 kg in Bogor, for a total of 260 kg. SIM card waste and plastic packaging were processed into new non-single-use products, reaching 20,000 pieces of phone holders and 75,000 pavement blocks. The phone holders were distributed back to outlets that had participated in this programme, while the pavement blocks were used at Telkomsel offices.

## Water Utilisation

As part of Telkomsel's commitment to environmental preservation, we are placing emphasis on the ensuring responsible water usage in sustaining both business operations and striking an ecological balance. Telkomsel's water management focuses on rigorous consumption monitoring while we are currently exploring strategies to improve the efficiency of our water use. Recognising the necessity of water for operational continuity and community well-being, we strive to optimise our water usage, which also contributes towards reducing our environmental footprint. [303-1] [303-2]

Up to the end of 2023, Telkomsel had recorded water use only in the Jakarta Head Office. Given the FMC expansion of business with our merger with IndiHome, in 2023 our water withdrawal increased by 32% from 4.6 megaliters in 2022 to 6.1 megaliters. [303-2] [303-3]





# Empower People

08





## Talent Development and Growth

[2-25]

Embodying our commitment to advance the nation, at Telkomsel we take a holistic approach to elevate the capability and promote well-being of our people, the “TFlyers”. We are adopting the best practice in the field of employment, which covers aspects from recruitment to competency development and career progression all the way to retirement transition. With this approach, we believe that Telkomsel can exert the most substantial effect on improving livelihoods, not only beneficial to our employees, but also pushing outwards to their families, surroundings and beyond. [3-3:401, 403, 404]



Together, the team addresses challenges, sparking ingenuity and improvement

### WORKFORCE PROFILE

By end of 2023, Telkomsel employed a total of 6,301 employees and 8 members of the Board of Directors. Our employee headcount rose by nearly 16% in 2023, as a result of our continuous recruitment in line with the expansion of our business line with the integration of IndiHome.



The tables below provide a detailed look at the Company's workforce profile with respect to various categories of diversity.

### Workforce Profile by Gender and Region [2-7]

REGION	2023						2022						2021					
	PERMANENT			CONTRACT			PERMANENT			CONTRACT			PERMANENT			CONTRACT		
	F	M	Σ	F	M	Σ	F	M	Σ	F	M	Σ	F	M	Σ	F	M	Σ
Area 1	123	595	718	13	7	20	103	514	617	4	2	6	107	572	679	4	1	5
Area 2	176	585	761	12	6	18	142	523	665	6	1	7	156	565	721	8	-	8
Area 3	172	624	796	20	3	23	136	551	687	6	-	6	148	576	724	6	-	6
Area 4	140	557	697	20	12	32	117	488	605	5	2	7	128	505	633	4	-	4
HQ	690	2,404	3,094	87	63	150	578	2,169	2,747	69	39	108	541	2,040	2,581	89	92	181
<b>Total</b>	<b>1,301</b>	<b>4,765</b>	<b>6,066</b>	<b>152</b>	<b>91</b>	<b>243</b>	<b>1,076</b>	<b>4,245</b>	<b>5,321</b>	<b>90</b>	<b>44</b>	<b>134</b>	<b>1,080</b>	<b>4,258</b>	<b>5,338</b>	<b>111</b>	<b>93</b>	<b>204</b>
<b>Grand Total</b>	<b>6,309</b>						<b>5,455</b>						<b>5,542</b>					

#### Notes:

- Information on employee headcount was obtained from internal database updated monthly. Figures presented here were correct as at 31 December of the respective years.
- All employees data refers to Telkomsel as a parent company excluding subsidiaries.
- All contract employees refer to direct contract under Telkomsel.



Collective effort in solving problems leads to innovation and growth



## Employee Headcount by Gender, Employment Status, Position, Age Group, and Vulnerability

EMPLOYEE CRITERIA	2023			2022			2021		
	F	M	Σ	F	M	Σ	F	M	Σ
<b>Employment Status</b>									
Contract	152	91	243	90	44	134	111	93	204
Permanent	1,301	4,765	6,066	1,076	4,245	5,321	1,080	4,258	5,338
<b>Total</b>	<b>1,453</b>	<b>4,856</b>	<b>6,309</b>	<b>1,166</b>	<b>4,289</b>	<b>5,455</b>	<b>1,191</b>	<b>4,351</b>	<b>5,542</b>
<b>Position</b>									
Director	-	8	8	-	8	8	-	8	8
Senior Vice President	2	11	13	2	13	15	2	15	17
Vice President	12	80	92	12	82	94	12	87	99
General Manager	50	316	366	48	295	343	47	304	351
Manager	177	1,247	1,424	150	1,094	1,244	149	1,076	1,225
Staff	1,212	3,194	4,406	954	2,797	3,751	981	2,861	3,842
<b>Total</b>	<b>1,453</b>	<b>4,856</b>	<b>6,309</b>	<b>1,166</b>	<b>4,289</b>	<b>5,455</b>	<b>1,191</b>	<b>4,351</b>	<b>5,542</b>
<b>Employee age</b>									
< 30	396	753	1,149	284	687	971	292	834	1,126
30-50	856	3,660	4,516	743	3,274	4,017	802	3,219	4,021
> 50	201	443	644	139	328	467	97	298	395
<b>Total</b>	<b>1,453</b>	<b>4,856</b>	<b>6,309</b>	<b>1,166</b>	<b>4,289</b>	<b>5,455</b>	<b>1,191</b>	<b>4,351</b>	<b>5,542</b>
<b>Vulnerable</b>									
Disability	2	1	3	2	1	3	2	1	3

## Non-Employee Workers [2-8]

STATUS	2023	2022	2021
Interns	334	334	38
Sub-contractors	2,824	1,318	762
<b>Total</b>	<b>3,158</b>	<b>1,652</b>	<b>800</b>

## Notes:

- Information on workers who are not employees was obtained from outsourced workers database on internal application as well as other databases on interns.
- The nearly eightfold increase in the number of interns in 2022 arose from the implementation of Kampus Merdeka programme held in collaboration with the Indonesian Ministry of Education and Culture.
- The significant increase (91%) in the number of sub-contractors in 2023 was due to Indihome's merger with Telkomsel.

### Diversity in the Workforce [405-1]

AGE	DIVERSITY																	
	2023						2022						2021					
	BOD			EMPLOYEE			BOD			EMPLOYEE			BOD			EMPLOYEE		
	F	M	Σ	F	M	Σ	F	M	Σ	F	M	Σ	F	M	Σ	F	M	Σ
< 30	-	-	-	396	753	1,149	-	-	-	284	687	971	-	-	-	292	834	1,126
30-50	-	4	4	856	3,656	4,512	-	3	3	743	3,271	4,014	-	4	4	802	3,215	4,017
> 50	-	4	4	201	439	640	-	5	5	139	323	462	-	4	4	97	294	391
<b>Total</b>	-	<b>8</b>	<b>8</b>	<b>1,453</b>	<b>4,848</b>	<b>6,301</b>	-	<b>8</b>	<b>8</b>	<b>1,166</b>	<b>4,281</b>	<b>5,447</b>	-	<b>8</b>	<b>8</b>	<b>1,191</b>	<b>4,343</b>	<b>5,534</b>
<b>Proportion to Total (%)</b>																		
< 30	0	0	0	27	16	18		0	0	24	16	18		0	0	25	19	20
30-50	0	50	50	59	75	72		38	38	64	76	74		50	50	67	74	73
> 50	0	50	50	14	9	10		62	62	12	8	8		50	50	8	7	7

In compliance with the Law No. 20/1999, which mandates a minimum working age of 18 years for all types of employment, no employees of the Company are under the age of 18. Additionally, Telkomsel has established specific criteria for candidates participating in its Trainee programme, requiring at least a bachelor's degree to ensure that individuals possess the necessary educational background to meet the Company's competence standards. The Company also does not condone any form of forced labour and ensures that no one working in the Company has been forced to perform work unwillingly or without compensation. [408-1]

## EMPLOYEE RECRUITMENT AND TURNOVER

In 2023, in keeping with its business development needs, Telkomsel recruited 389 employees—150 of them female and 239 male—resulting in an overall new hire rate of 7%. A substantial part (62%) of these new recruits were young talent, aged 30 or lower, consistent with our strategy of maintaining an adequate and capable pool of talent to be groomed into future leaders through our extensive career development programmes. These new recruits were assigned to various positions across all our operational regions, from the headquarters to the border zones of Indonesia. [401-1]

## Recruits

RECRUITMENT PROFILE	2023			2022			2021		
	F	M	Σ	F	M	Σ	F	M	Σ
<b>Age</b>									
< 30	103	138	241	66	109	175	75	156	231
30–50	45	96	141	11	23	34	18	55	73
> 50	2	5	7	–	1	1	–	2	2
<b>Total</b>	<b>150</b>	<b>239</b>	<b>389</b>	<b>77</b>	<b>133</b>	<b>210</b>	<b>93</b>	<b>213</b>	<b>306</b>
<b>Region Assigned</b>									
Area 1	22	50	72	3	6	9	1	8	9
Area 2	13	10	23	3	3	6	4	3	7
Area 3	17	18	35	1	7	8	4	7	11
Area 4	34	58	92	5	18	23	1	19	20
HQ	64	103	167	65	99	164	83	176	259
<b>Total</b>	<b>150</b>	<b>239</b>	<b>389</b>	<b>77</b>	<b>133</b>	<b>210</b>	<b>93</b>	<b>213</b>	<b>306</b>

Notes: Recruitment figures exclude members of the Board of Directors.

## New Hire Rates

RECRUITMENT PROFILE	2023		
	F	M	Σ
<b>Age</b>			
< 30	30%	19%	23%
30–50	6%	5%	3%
> 50	1%	1%	1%
<b>Overall</b>	<b>11%</b>	<b>5%</b>	<b>7%</b>
<b>Region</b>			
Area 1	18%	9%	11%
Area 2	8%	2%	3%
Area 3	10%	3%	5%
Area 4	24%	11%	14%
HQ	9%	4%	5%
<b>Overall</b>	<b>11%</b>	<b>5%</b>	<b>7%</b>

A total of 132 employees were no longer working for the Company by end of 2023, resulting in an overall employee turnover rate of 2%. This low rate highlights TFLyers' strong workplace satisfaction, an achievement that we believe was possible owing to our diligent implementation of comprehensive workplace culture and employee well-being initiatives.

## Employee Turnover

OUTGOING EMPLOYEES	2023			2022			2021		
	F	M	Σ	F	M	Σ	F	M	Σ
Leave	5	-	5	-	2	2	-	-	-
Contract Ended	18	13	31	16	16	32	34	62	96
Traineeship Ended	-	-	-	-	-	-	36	69	105
Employment Terminated	-	1	1	-	3	3	1	4	5
Official Leave	-	-	-	1	1	2	1	-	1
Natural Death	2	7	9	-	5	5	3	18	21
Retirement	8	39	47	3	40	43	5	36	41
Early Retirement	-	2	2	40	55	95	-	3	3
Sick/Disablement Retirement	-	1	1	-	-	-	-	-	-
Probation Failed	3	1	4	2	2	4	-	-	-
Resigned	13	19	32	16	26	42	9	37	46
<b>Total</b>	<b>49</b>	<b>83</b>	<b>132</b>	<b>78</b>	<b>150</b>	<b>228</b>	<b>89</b>	<b>229</b>	<b>318</b>

## Employee Turnover Rates

GENDER	2023
Female	4%
Male	2%
<b>Overall</b>	<b>2%</b>

## INDUSTRIAL RELATIONS

To engage our employees in a fair, respectable, and equitable manner, Telkomsel maintains a Collective Labour Agreement (CLA) that is updated every two years and signed by employee representatives. The agreement that was in effect for all employees up to the end of 2022 was signed and submitted to the Indonesian Ministry of Law and Human Rights in 2020. With the expiration of said agreement, a new CLA has been prepared during 2023, and will be signed by employee representatives on early 2024. The new CLA will cover all of Telkomsel employees and will be valid until 2026. [\[2-30\]](#)

Furthermore, changes to the implementation of the CLA are carried out through a series of negotiations, which commence at least three months prior to the agreement's expiration date. These negotiations are conducted with careful consideration of their potential impact on various aspects of employment conditions. [\[402-1\]](#)



## REMUNERATION AND BENEFITS

Telkomsel prides itself for providing all its employees with a competitive remuneration scheme that sets it above its industry peers. We comply with the minimum statutory wage requirements set by the local governments in Indonesia, and ensure that none of our employees—in particular our entry-level employees—receive wage that is lower than the amount stipulated in their respective regions.

**[405-2]**

The Company upholds principles of equality and fairness by ensuring that basic salaries and remuneration packages remain uniform across all genders, without any differentiation based on gender. This approach is grounded in job levels, where the determination of salaries and remuneration is consistently applied, fostering an environment of equality and meritocracy within the organisation. **[202-1]**

At Telkomsel, wage standards are set at the same level at entry level (trainees) by taking into account the variable cost of living allowance derived from the living cost index specific to each Entry city where employees are posted. This approach entails a comprehensive assessment of local economic conditions and living expenses, enabling the Company to determine competitive and equitable wage structures that align with regional contexts. Telkomsel employs the principle of equal pay and treatment between male and female employees, and therefore there is no difference in entry level wage amount for male and female new recruits.

In addition to decent wage, Telkomsel also provides various allowances and benefits to our employees, guaranteeing the well-being of themselves and their family members. Certain allowances and benefits are afforded only to permanent employees, as detailed below.

### Allowances and Benefits **[401-2]**

DESCRIPTION	PERMANENT	CONTRACT	REMARKS
<b>Benefits</b>			
Health Insurance and Facility	Yes	Yes	
Retirement Health Fund	Yes	No	
Pension Benefit	Yes	No	
Parental Leave	Yes	Yes	
Leave Allowance	Yes	Yes	For Contract employees: only for administrative and secretarial roles
Unpaid Leave	Yes	No	
Sabbatical Leave	Yes	No	
Flexy-Time	Yes	Yes	
Hybrid Working Arrangement	Yes	Yes	

Telkomsel offers a range of benefits to its permanent employees covering their work and personal life to support their well-being and development. Aside from the basic benefits stated in the above table, additional benefits include those related to family matters and personal events; allowances that facilitate employees' day-to-day working; facilities that support employee career movement and relocation; as well as benefits that are intended to equip employees through upskilling and capability enrichment. Most of these benefits are not extended to contract employees.

## PARENTAL LEAVE

All of our employees are entitled to take parental leave, as stipulated in the Company Regulations and the CLA. Male employees are entitled to 3 working days of parental leave, while female employees may take a leave for a total of 90 days. This highlights Telkomsel's reputation as a family-friendly employer.

**[201-3] [401-3]**

In 2023, 301 female and 75 male employees took the parental leave. Return to work rate following parental leave-taking in 2023 was 100%, indicating the Company's supportive policies and conducive work environment for employees to invest their time in their family and achieve work-life balance. This also suggests how our employees feel valued and supported, which we believe will lead to increased loyalty, job satisfaction, and morale.

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**The Company upholds principles of equality and fairness by ensuring that basic salaries and remuneration packages remain uniform across all genders, without any differentiation based on gender.**

Employees Taking Parental Leave in 2023 [201-3]

PARENTAL LEAVE 2023	FEMALE	MALE	TOTAL
Employees entitled to the leave	301	75	376
Employees taking the leave in the previous year	39	256	295
Employees taking the leave in the fiscal year	301	75	376
Employees returning to work after taking the leave	301	75	376
Employees still at work 12 months after taking the leave	39	256	295
Return to work rate	100%	100%	100%
Employee retention rate	100%	100%	100%

TRAINING AND CAREER DEVELOPMENT

At Telkomsel, we believe in nurturing a supportive and dynamic work environment where every employee is encouraged to grow professionally and personally. Our initiatives for upgrading employee skills are a testament to our dedication to our employees’ success and well-being. In line with this conviction, we have implemented programmes designed to enrich and upgrade employee skills, ensuring our team members are well-prepared for both the present and future challenges of the telecommunications industry.

Telkomsel’s professional development programmes have been in recent years focused on enhancing employee skills while fostering innovation, particularly in the digital realm. These include the Data Science Academy and UX Academy that encourages internal innovation through ideation and incubation of business ideas. The assistance provided in the Company in 2023 included various learning initiatives, such as upskilling and reskilling of critical capability development, leadership development, regular capability enhancement, sharing sessions, and internal trainer. Telkomsel also delivered assistance for employee learning through widely-used online learning platforms, such as LinkedIn and Udemy, and via its internal Knowledge Management System.





A training session taking place at Telkomsel office.

Telkomsel performs regular monitoring of its employee learning progress. Employees who have participated in any professional development programme are required to log their learning activity in detail in the internal Learning Management System. This allows expeditious tracking and evaluation of each employee's learning progress.

Evaluation is conducted in an ongoing manner following these four stages:

1. "Reaction" stage is a general evaluation of any learning activity, covering issues such as quality of the learning material and the relevant presenters and facilities.
2. "Learning growth" stage involves measuring the level of knowledge and understanding of participants through the use of pre-test and post-test.
3. "Behavioural change" stage is applied to leadership development programmes, involving a survey conducted to the superiors, peers, and subordinates of the programme participants, three months after the programme has taken place.
4. "Return of training investment (ROTI)" stage is applied to special training programmes, three to six months after the programme has taken place.

In 2023, on average each employee of Telkomsel received 44 hours of training.



### Average Training Hours [404-1]

JOB LEVEL	2023		2022		2021	
	F	M	F	M	F	M
Level 5-6	72	89	51	64	36	42
Level 4	75	66	36	32	34	29
Level 3	25	34	35	33	29	48
Level 2	34	49	24	34	22	55
Level 1	31	51	43	60	18	55
<b>Overall</b>	<b>33</b>	<b>47</b>	<b>33</b>	<b>38</b>	<b>22</b>	<b>51</b>

Each year, Telkomsel performs performance review on its employees, measuring their achievement of their OKRs in alignment with their respective teams. Results of this evaluation are subsequently used to inform the shaping of their future career development path within the Company. In 2023, 100% of employees received this performance review. [404-3]

We also provide transition assistance and counselling for employees who are entering retirement period, equipping them with the life skills needed to navigate the post-employment years in a personally rewarding and financially secure manner. Moreover, Telkomsel appointed Agile Coaches to facilitate smoother transition for them. The Retirement Preparation Training (MPP) programme is provided twice to permanent employees approaching their standard retirement period. The first session occurs five years prior to retirement, followed by a subsequent session two years before retirement. The retirement programme is also divided into two schemes: regular retirement and early retirement. The regular retirement programme

is obligatory for employees aged 56, while early retirement is voluntary for those aged 40 at a minimum. In 2022, 43 employees retired under the regular retirement programme, with 95 opting for early retirement. In 2023, the number of employees retiring under the regular retirement programme was 47. [404-2] [201-3]

### INNOVATION [404-2]

Beyond learning and training programmes, Telkomsel also provides a platform to synthesise their knowledge to ideas. Telkomsel acknowledges the challenges faced by its employees in delivering innovation and meeting the complexities of a transformative journey such as one that Telkomsel is undertaking. Thus, to thrive and become a core enabler of Indonesia's digitalisation, Telkomsel is actively managing innovation through its people, and at the same time maximising value creation. The Company aims to enhance and enrich employee skills by fostering innovation through a unique approach and programmes.



Polaris event in 2023.

Since 2022, Telkomsel has been running Polaris, a programme aiming to cultivate a culture of innovation within the Company. Employees are encouraged to become the driving force behind Telkomsel's ambition to emerge as the best digital telecommunication company in the industry. Through Polaris, Telkomsel seeks to identify, develop, and empower innovative minds, equipping them with the necessary skills, mindset, and resources to propel the Company towards digital excellence.

Polaris is dedicated to nurturing founders mentality, the ideation, development and refinement of novel business concepts within

Telkomsel. By placing a strong emphasis on innovation, Polaris strives to unearth groundbreaking ideas with the potential to revolutionise the digital landscape. It focuses on finding new business ideas, internal business process, and building Minimum Viable Products (MVPs) that are commercially ready for incubation, scaling up, and potentially becoming candidates to be one of the verticals in INDICO. Polaris comprises three interrelated phases: Polaris Founders, Polaris Ideation, and Polaris Incubation.

## Polaris Founder

talent scouting programme to cultivate "founder mentality"



Top 20 founders



Exclusive Founders Class



Honing skills and attitudes  
under tutelage of accomplished  
entrepreneurs

## Polaris Ideation

internal business innovation competition



shortlisted  
ideas



further  
enrichment



showcase idea in  
front of Directors



proceed idea to  
incubation stage

## Polaris Incubation



nurturing internal ideas into  
scalable digital companies

### Ideas developed in 2023:

- POTLOC (solution to support businesses and franchises in selecting the best business locations)
- SPINS (Smart IOT problem identification system for BTS (base transceiver station) hotel)

In 2023, Polaris fostered the culture of innovation within Telkomsel through a range of ways. Polaris provided a platform for internal employees to contribute their insights, develop innovative ideas, and offer fresh perspectives. This inclusive,

forward-thinking approach encouraged collaboration, pushing forward the development of creative solutions and the exploration of new opportunities across various departments and teams within the Company.

## EMPLOYEE WELLBEING

Telkomsel is highly aware of the need of employees to maintain their wellbeing, to ensure they have the right frame of mind to deliver their best at high levels of productivity for the progress of the Company. Various events to improve and preserve employee wellbeing are held regularly across Telkomsel's offices, in both online and offline modes. These events, held under the Wellbeing campaign, cover topics such as Financial, Psychological, Physical, and Career-related, culminating in the Wellbeing Day, a series of events held throughout the year.



### Physical Wellbeing

Physical health of employees is foundational to maintaining high levels of productivity and engagement. Investing in physical wellbeing programmes, Telkomsel keeps its employees energetic and healthy, resulting in low absenteeism and healthcare costs, and in turn sustain their long-term performance and work satisfaction.

- Olympiasel
- Company-subsidised
- Sports Clubs (basketball, running, golf, etc.)
- Blood Drives
- Health & Beauty Class
- BMI Improvement Programme

### Career Wellbeing

Career growth and development are key drivers of employee retention. Telkomsel invests in its workforce with continuous access to professional development, learning, and career advancement. This in turn creates a motivated, engaged, and skilled workforce, ready to meet the challenges of the evolving telecommunications landscape. In 2023, we have conducted Career Clinic on Instagram.







### Psychological Wellbeing

Mental health has a direct impact on work performance and overall life satisfaction.

Providing support and resources for mental health, Telkomsel is cultivating a supportive work environment that mitigates work-related stress and prevents burnout, and effectively providing uplift to resilience, creativity, and job satisfaction. In 2023, we have conducted Employee Assistance Programme in collaboration with IRADAT.

### Spiritual Wellbeing

A focus on spiritual wellbeing reflects the sense of purpose Telkomsel wishes to foster in its employees. Telkomsel encourages practices that nurture spiritual wellbeing, bringing employees closer to find the deeper meaning in their work and lives through personal growth and alignment of values.

- Company-subsidised Religious Organisations
- Pilgrimage Allowance Programme



### Financial Wellbeing

Financial stress can adversely affect employee productivity and mental health, so Telkomsel offers programmes to deepen employees' financial literacy and equip them for financial planning, paving the way for long-term financial security.

- Financial class for Retirement Preparation
- Tax-Reporting Class
- Financial Class for Home Ownership

## OCCUPATIONAL HEALTH AND SAFETY

[403] [401-2] [403-1] [403-5] [403-6] [403-7] [403-8]  
 [403-2] [403-3] [403-4]

Telkomsel paid utmost attention to the health and safety of employees and undertakes a wide range of measures to protect employees from harm in the workplace, thereby preserving and elevating their overall wellbeing.

Telkomsel consistently implemented the Occupational Health, Safety, and Environmental Management System (OHSEMS) across all its work unit processes, covering 100% of employees. Each work unit adhered to the OHSEMS guidelines, encompassing the General Programme for the Protection and Prevention of Work-Related Accidents and Diseases, in carrying out tasks and engaging with third-party collaborators.

Furthermore, through the HALO K3L (Health, Safety, Security and Environment) programme, Telkomsel ensured its OHSEMS integration into corporate culture in order to create a safe work environment and increase OHS awareness among its

employees, including outsourced workers in all of the Company's operational areas, as well as related parties.

Every work unit at the Company is required to implement the HALO K3L programme in a concerted effort for the protection and prevention of work-related accidents and diseases. the HALO K3L programme covers the range from top-level elements of commitment and policy, down to personnel, facilities and infrastructure, Care programme, as well as the management system and budgeting.

The Company recruited OHS personnel and carried out the organisational structuring related to the establishment of the OHS Task Group. This included the clear formulation of duties and responsibilities, authorities, and accountability of the OHS personnel. The Company identified the competencies of its OHS personnel and implemented a competence development programme through certification. OHS personnel certification was performed by an OHS Services Company as regulated by the applicable laws and regulations.

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**Telkomsel consistently implemented the Occupational Health, Safety, and Environmental Management System (OHSEMS) across all its work unit processes, covering 100% of employees.**

Telkomsel had also established an OHS Task Group to standardise OHS implementation within the Company. This task group is responsible for devising OHS policies, identifying relevant facilities and infrastructure, and securing OHS-related permits from appropriate agencies. Additionally, it conducts routine inspections and tests while striving to enhance employee awareness according to applicable laws and regulations. The OHS Task Group performed the task of identifying hazards, evaluating, and managing risks in line with relevant OHS principles through Job Safety Analysis (JSA) for new, routine, and non-routine tasks deemed to carry a high risk.

In 2023, the OHS Task Group summarised laws and regulations on OHS and established OHS objectives for each pertinent work unit/region based on the findings of hazard identification and risk assessment and aligned the findings with the Company's policy. The OHS Task Group also determined the necessary procedures by considering these findings, and identified emergency response facilities and infrastructure as needed by the Company. This involved the formation of an Emergency Response Team that included a Fast Response Unit, which stands ready to tackle emergency situations that might arise in the Company's operations in a timely manner. Telkomsel will be complementing this

OHSEMS implementation with a system to monitor and act upon cases of occupational accidents and work-related ill health involving employees across its operations.

Employees receive annual OHS training to ensure their well-being and security in the workplace. This training encompasses a range of topics, including general occupational health and safety practices, cooling system and fire protection system protocols, troubleshooting techniques for operations and maintenance, as well as certification in data centre management, specifically focused on information technology asset management.

To ensure employee health and boost productivity at work, Telkomsel strives to maintain a healthy working environment by providing health facilities such as medical insurance benefits for outpatient and inpatient care, dental care, eyeglasses procurement, and childbirth.

In order to create a conducive and healthy work environment, Telkomsel disseminates information on healthy lifestyles through regular sharing sessions carried out by Company Doctors and the Benefit Services team. Apart from that, dissemination is also carried out in various media channels such as email, and social media (Instagram, WhatsApp) by collaborating with vendors to provide applications related to health benefits through MyAdmedika.



## Digital Responsibility and Inclusion



Telkomsel strives to provide reliable connectivity to all regions in Indonesia.

Telkomsel is genuinely committed to ensuring that its products and services uphold the highest standards in digital responsibility as they open opportunities and deliver massive benefits that elevate its customers' experiences in life. A prominent focus on quality and reliability has been what Telkomsel is known for over the decades.

Manifesting its commitment to provide robust connectivity to all Indonesians, Telkomsel has been widening its network coverage by adding new BTS particularly in areas with previously scant network access as well as remote areas and frontier zones. By end of 2023, Telkomsel's more than 247 thousand BTS had served more than 97% of the all regions in Indonesia.

### Total BTS & Coverage

TYPE OF NETWORK	NUMBER OF BTS (UNITS)			COVERAGE (%)		
	2023	2022	2021	2023	2022	2021
2G	48,980	50,158	50,241	98	98	98
3G	-	49,632	63,149	0	89	89
4G	197,838	165,120	137,613	97	97	96
5G	654	284	113	6	3	1



Merging with IndiHome in July 2023 was a landmark moment for Telkomsel in its digital inclusion strategy, as it is now able to serve not only the mobile space but also right in the home, thanks to the fixed broadband network that IndiHome has built over the years. IndiHome, with 99% coverage in Indonesia and 8.7 million subscribers, is leading the fixed broadband market. This has amplified Telkomsel's reach and presence in the Indonesian population to a large degree, with a potential for further scale up in the future.

As the leading telecommunications company in Indonesia, Telkomsel has been exercising its role in stewarding the digital experiences of its subscribers and also the greater public. As part of this, Telkomsel is deeply engaged in creating and fostering a safe space for the public when interacting in the digital realm, among others by reducing exposure to unsafe content and mitigating the risks associated with widespread digital access.

Finally, Telkomsel endeavours to establish a thriving pool of digital talent, fostering them

and augmenting relevant capabilities in the digital space through an array of development programmes, such as NextDev, IndonesiaNEXT, and Tinc. Each of these is detailed further below.

## MITIGATING INTERNET'S IMPACT WITH INTERNET BAIK



[3-3:203]

Internet BAIK embodies Telkomsel's initiative in developing an inclusive and sustainable national digital ecosystem. BAIK stands for *Bertanggung Jawab* (Responsible), *Aman* (Safe), *Inspiratif* (Inspirational), and *Kreatif* (Creative). Specifically designed to boost digital literacy, particularly in the education sector, Internet BAIK targets students, peers, teachers, and parents, aligning with government initiatives to make way for the Golden Generation 2045.

Telkomsel's Internet BAIK programme delivers sustainable impacts in the following aspects.



Internet BAIK activities taking place involving school students.



## SOCIAL IMPACT

Internet BAIK aims to positively influence society through various educational initiatives focused on digital skills, security, ethics, and culture. Through engaging activities, including seminars, online training, competitions, and recognition of Internet BAIK Heroes, the programme strives to empower individuals with the knowledge and tools needed to thrive in the digital age. Participants from schools and communities learn about digital security, personal data protection, and safe online navigation. They also gain insights into digital ethics, responsible online behaviour, and the impact of their digital footprint. Through partnerships, this programme assists digitalisation, ensuring that educational institutions possess the resources and support to integrate digital technology into their teaching. This collaboration aims to enhance digital literacy and prepare students for the demands of the digital workforce.



## INDIVIDUAL IMPACT

Students benefit from increased digital literacy and motivation to explore new opportunities in the digital realm. They receive ongoing support and guidance from programme trainers, empowering them to become confident digital citizens and content creators. Teachers acquire new skills and resources for creating interactive digital learning materials to enhance student engagement. With access to international certification opportunities, educators are inspired to further develop their digital competence and expand their teaching horizons.



## BUSINESS IMPACT

Telkomsel's Internet BAIK strengthens its brand presence and market position. By providing digital solutions and support to schools, the Company's proactive approach not only enhances its reputation but also fosters goodwill and loyalty among customers and stakeholders.



## EMPOWERING DIGITAL CREATIVITY AND EDUCATION

[203-1] [203-2] [413-1]

Internet BAIK comprises several stages, namely Seminars, Online Training, Online Competition, and Awarding Internet BAIK Heroes. The programme provides educational and financial assistance to beneficiaries who win the Internet BAIK online competition. The Seminar presents young Indonesian content creators with inspiration, tips and tricks for using social media and the internet, as well as insights into new business opportunities by optimising aspirations and creativity in creating Responsible, Safe, Inspirational, and Creative (BAIK) content. The Online Digital Creative Training is an independent learning accessible to all registered participants across Indonesia. They can take the online training classes, about 2–3 hours long each, any time they can. Training is provided for middle school students, high school students, as well as teachers, parents and the general public. The Online Competition then provides the venue for participants to compete in sharing positive, creative and inspiring videos via social media. [413-2]

In 2023, Telkomsel carried out Internet BAIK Series 7 with the theme “Inspire, Be Creative, Be Positive” to foster positive interactions on social media and the Internet. Internet BAIK participants hailed from 780 schools spread across 36 provinces, encompassing 249 cities and districts throughout Indonesia. These contents were shared on social media platforms including Instagram, TikTok, Facebook, and YouTube.

Internet BAIK Series 7 Internet Seminar was held offline in 4 major cities in Indonesia—Karawang, Lampung, Makassar and Yogyakarta—and attended by more than 2,200 participants. The Online Digital Creative Training was held in 4 batches via an independent learning method, attracting 1,800 participants. The training took place in 120 classes where participants gained access to online training classes.

In the online competition, participants competed to share positive, creative, and inspiring video content on social media. It attracted 223 content creators nationwide, who contributed 1,009 videos across diverse categories, such as education, entertainment, travel, motivation, and information.

The programme concluded with an Awarding event for Internet BAIK Heroes Series 7 in each category. Furthermore, as in the Baktiku Negeriku programme, in Internet BAIK Telkomsel also provided assistance to school digitalisation efforts by providing Telkomsel Orbit modems for 10 schools in 4 cities in Indonesia.



## PROMOTING DIGITAL TALENT



[3-3:203]

Telkomsel fulfils its function as an impact incubator through the NextDev programme, which primarily concentrates on social aspects to bolster digital inclusion in society. Through this endeavour, NextDev serves as an incubation platform for innovation and start-ups, as well as an agent of change that endeavours to enhance public access and participation in the digital revolution.

The execution of NextDev focuses on fostering innovation that not only meets high-quality standards but also aligns with national and international priorities, ensuring sustainable economic growth and global competitiveness while adhering to ethical and responsible business practices. NextDev conducts monitoring and evaluation to assess the impact of its programmes on local communities. This involves tracking key performance indicators (KPIs) and gathering feedback from participants.

By nurturing innovation, incubation, and strategic investments, our goal is to co-create a future where Telkomsel and startup communities can both flourish while developing a sustainable and interconnected digital landscape. Furthermore, in terms of outreach, startup communities serve as the primary focal point of Telkomsel's engagement, embodying the core beneficiaries of our initiatives. Telkomsel's range of products, including Kartu Halo, Indihome, and Telkomsel Orbit, among others, are strategically tailored to address the evolving needs of these burgeoning startup ecosystems.

### FOSTERING STARTUP DEVELOPMENT AND SUSTAINABLE INNOVATION [203-1] [203-2] [413-1]

Since 2021, NextDev has focused its attention on SDG-related issues and challenges. This programme grooms the next developers of startups in Indonesia through several stages—NextDev Talent Scouting, NextDev Academy, and NextDev Summit—to unlock the potentials of early-stage startups.

NextDev Talent Scouting programme encourages growth of early-stage startup companies in Indonesia through an incubation recruitment programme to improve their digital capabilities and competence.

NextDev Academy programme is a follow-up to NextDev Talent Scouting, conducted to enhance participant competencies through mentoring, skill-building, and utilisation of digital technology. Through NextDev Academy, Telkomsel provides access for startup founders to optimise Telkomsel's assets and capabilities, strengthening the foundation for continued growth and sustainable positive impact through various

activities such as digital startup diagnostics, orientation, webinars, and mentorship. Startup finalists incubated in NextDev Academy would be prepared to be accelerated or invested in by Tinc (part of Telkomsel Ventures). This thorough grooming process ensures these startups' flourishing and alignment with Telkomsel's vision for innovation and sustainability.

NextDev Summit serves as a rendezvous for experts and stakeholders in the domains of startups, technology, digital ecosystems, and impact investors at both the Asia-Pacific and national levels. Discussion topics encompass innovation, startups, technology, positive impacts, as well as the latest digital business and technology trends. Engaging activities are set in motion to deliver maximum value to all participants, including Expert Talks Sessions, Silent Workshops, Business Matching & Investors Meetings, and Startup Demo Day. Through these activities, startup stakeholders are anticipated to develop digital innovations and solutions pertinent to the diverse challenges confronting society and the environment. [413-2]



Participants are engaged in a NextDev activity.



In 2023, NextDev Academy 2023 cultivated the 12 best startups from NextDev Talent Scouting. Among them, Female in Action was one with female founders focusing on women's empowerment. Telkomsel provided these startups with mentoring assistance, capability enhancements, and digital technology utilisation to build a strong foundation and create a sustainable positive impact.

To create a collaborative platform, NextDev Summit 2023, themed "Tech with Impact for Sustainable Living", was conducted to provide opportunities for progress and collaboration across sectors.

In the eighth year of the prestigious Best Startup NextDev event, Telkomsel crowned Nuxcle as the winner for its success in converting conventional motorised vehicles into electric vehicles by utilising used spare parts—a notable example of circular economy. As the winner, Nuxcle gained access to global benchmarking and the opportunity to explore the most advanced technological innovation centres in the world. Sponsored by Telkomsel, the people behind Nuxcle paid an exclusive visit to leading tech companies, such as Google, Meta, and Apple in Silicon Valley, the United States.

Telkomsel also provides opportunities for NextDev alumni to develop further and achieve greater achievements. In 2023, Nuxcle and MyEco, as the two leading representatives of this programme, were selected to represent Indonesia at the esteemed Singtel Group Future Makers (SGFM) event. This Asia Pacific startup competition spotlighted innovation and creativity in the tech industry. At this event, MyEco—a startup in household electricity-saving applications (smart home)—was crowned the bronze medalist.

In assessing the impacts of NextDev initiatives, Telkomsel employed a Social Return on Investment (SROI) methodology, obtaining an index of 1:2.47. This metric indicates that the impact generated by NextDev on stakeholders significantly surpasses the investment the Company has allocated to this programme, with a ratio of approximately 2.5 times. This accomplishment shows that every phase of NextDev represented more than just a business progression; it signified a sustainable transformation that enhanced the positive impact within the ecosystem of innovation and technological advancement.



The IndonesiaNEXT programme stands as a cornerstone of Telkomsel's mission to nurture the digital ecosystem in Indonesia by elevating the competence, capabilities, and competitiveness of the nation's digital talent pool. At the core of this initiative is the empowerment of young Indonesians with the education, skills, and confidence they need to thrive in a digital future.

IndonesiaNEXT opens a gateway for Indonesia's youth, particularly university students ranging from Diploma 3 to postgraduate levels, to immerse themselves in internationally-certified training. The initiative is designed to sculpt the next generation of digital experts under the #WeAreTheNext movement. In its seventh season in 2023, the movement's objective was to hone the digital competencies of these emerging talents.

Through this endeavour, Telkomsel equipped students to drive meaningful, positive transformations within Indonesia, positioning the nation as a formidable contender in the global digital arena. The programme's suite of development activities engage participants in an inspiring blend of webinars, hard and soft skills training, international certification opportunities, and regional and national bootcamps. The curriculum covered critical areas such as Communication Skills, Public Speaking, Creative Thinking, UI/UX Design, and Entrepreneurship, all aimed at building a well-rounded skill set.

Since its inception in 2016, IndonesiaNEXT has made substantial strides, touching the lives of 79,412 applicants from 3,227 higher education institutions and certifying 6,546 students with internationally-recognised qualifications. In 2023, 32 exceptional digital talents from a competitive

pool of 6,648 participants were brought to the spotlight at the Season 7 crowning event. The top three talents received their reward of visiting the Silicon Valley, to gain insight into the world of digital technology directly from its most prominent figures.



Telkomsel acknowledges Small and Medium-sized Enterprises (SMEs) as essential stakeholders and a central focus in nurturing sustainable business practices in society. SMEs are potential clients for Telkomsel, given the diverse array of products and business solutions that are aligned with our mission to empower and bolster local businesses.



DCE activity in Medan

Hence, Telkomsel aims to empower potential SMEs through The Digital Creative Entrepreneurs (DCE) programme. Upon joining the DCE programme, SME communities become the centre of strategic follow-up actions by Telkomsel's specialised business units, including SME Solution, Kuncie, and MyAds. This holistic approach ensures seamless integration of Telkomsel's offerings customised to the distinct needs of SMEs, promoting growth and resilience within these economic entities.

By leveraging synergies built by DCE and subsequent engagement with SME-focused solutions, Telkomsel addresses their immediate requirements and contributes to their long-term sustainability. This strategic alignment with SMEs at the grassroots level is motivated by the drive to create shared value within a sustainable business ecosystem. [203-2] [413-1]

In 2023, the DCE programme engaged local SME communities, predominantly women, through various events and collaborative projects involving local stakeholders. The Company organised workshops, training sessions, and skill development programmes tailored to the requirements of the local creative community in four areas of Telkomsel's operations in Indonesia, such as:

1. **Networking Events:** Telkomsel facilitated networking opportunities to connect local entrepreneurs, mentors, experts, and creative professionals.
2. **Development Programmes:** Telkomsel conducted digital skill enhancement by offering programmes focused on digital creativity, including search engine optimisation (SEO), multimedia, and digital marketing skills.
3. **Access to Markets:** Telkomsel facilitated opportunities for the best 20 SMEs to showcase their products in broader markets through virtual exhibitions on digital platforms (live shopping).

4. **Inclusivity:** Telkomsel addressed the diverse needs of the local creative community, including representation from underrepresented groups. DCE is also designed to accommodate the participation of disabled communities.

The 2023 DCE 2.0 programme showcased a lineup of 19 seasoned speakers hailing from various sectors of the digital industry. These experts were supported by a team of five dedicated mentors with extensive experience in digital entrepreneurship. Throughout the programme, the top 60 participants of DCE 2.0 were given the invaluable opportunity to present their pitches online in front of these expert mentors, receiving insightful feedback and guidance to refine their business ideas. From this pool of talented entrepreneurs, only the most promising individuals, five from each category, were selected to advance to the prestigious DCE Academy programme. [413-2]

## TELKOMSEL VENTURES (TSV)



Telkomsel's aspiration to become a key driver of the digital economy through startup empowerment is manifest in a series of stages. The NextDev is intended to provide help to startup in ideation phase, while to deliver value to startups in the next developmental stage, Telkomsel Ventures (TSV) has been established to accelerate and scale up such startups.

Telkomsel Ventures (previously known as Telkomsel Mitra Inovasi) our corporate venture arm, nurtures promising startups by leveraging Telkomsel's extensive ecosystem, assets, and expertise. With a focus on enhancing connectivity through devices, content, commerce, data, and Cloud services, TSV continued to carry out

significant investments in 2023. These included leading a funding round for EdenFarm, Indonesia's largest agritech platform, together with AC Ventures and AppWorks to support sustainable food distribution. Late in 2023, Telkomsel Mitra Inovasi transitioned to Telkomsel Ventures, with a renewed commitment to impact startup growth in Indonesia by focusing on digital lifestyle, digital enablement, and emerging technologies. From 2019 to 2023, TSV had backed 18 startups with investments exceeding Rp526.7 billion.

## INDICO



INDICO, a Telkomsel subsidiary, is dedicated to enriching Indonesia's digital ecosystem through venture building and holding new business vertical. As a platform company, INDICO builds horizontal digital platforms by leveraging Telkomsel and its adjacent ecosystem's assets beyond telecom use cases. By utilizing Telkomsel's technology and commercial resources, INDICO aims to foster a new economy in various industries beyond telecommunications. It spearheads digital platforms in agritech, serving as both a platform and holding company with a mission to dominate Indonesia's digital economy through value creation and digital wealth distribution. INDICO also operates digital businesses in education (Kuncie), health (Fita), and gaming (Majamojo), with significant user engagement across these platforms in 2023. INDICO's impact on Indonesia's digital landscape in 2023 included collaborations for development programmes, agritech advancements leading to successful harvests, and launches of digital solutions and games that support national food security and promote local culture. These efforts culminated in Telkomsel receiving the World Communications Award 2023 for The Best Digital Transformation Programme in Amsterdam, The Netherlands.

## CREATING IMPACT FOR COMMUNITIES



### [3-3:413]

Baktiku Negeriku programme in 2023 focused on digitalisation and agricultural technology for village development. It highlights Telkomsel's commitment to supporting Indonesia in maintaining national food security and significantly increasing rice production to achieve rice self-sufficiency through technology.

Telkomsel is also supporting government agricultural initiatives by empowering village communities in alignment with ESG principles. This encompasses various facets to foster sustainable and inclusive development. Telkomsel concentrates on several elements to empower village communities, particularly in augmenting agricultural productivity and farmers' digital literacy through workshops with leading experts in their respective fields. In addition to workshops and internet access, the Baktiku Negeriku programme also provides assistance in business permit registration for small businesses in rural areas, effectively reducing administrative barriers for the villagers in developing their businesses.

Digital innovation and agricultural technology hold a significant role in enhancing agricultural productivity. This role is being eroded with widespread conversion of productive agricultural land to non-agricultural use, making land intensification impractical in Indonesia. Telkomsel believes that addressing this issue aligns with initiatives aimed at enhancing digital literacy among farmers, particularly the younger generation.





A demonstration plot for precision agriculture facilitated by Baktiku Negeriku. [413-2]

### ADVANCING AGRICULTURAL PRACTICES THROUGH DIGITAL INNOVATION [203-1] [203-2] [413-1]

In 2023, Telkomsel implemented Baktiku Negeriku in three villages: Jati, Karanganyar, Central Java; Kersamenak, Garut, West Java; and Pleret, Bantul, Yogyakarta. The programme focused on promoting good practices by actively utilising technology and digital tools to drive change in agriculture.

Telkomsel employees participated in Baktiku Negeriku through the Employee Volunteer Programme (EVP), which assigned them to fields or plots of land dubbed as a “living laboratory” to conduct managerial tasks. They involved utilising the platform for land management, from

preparation to harvest, in the demonstration plot for three to four months. Simultaneously, it served as a means to enhance the competence and digital literacy of farmers.

Themed “Digitalisation and Precision Agricultural Technology for Village Progress”, Baktiku Negeriku 2023 took the form of an offline seminar on digital and technology optimisation in management. It was attended by more than 400 participants consisting of village administrators, business owners, and stakeholders. Telkomsel presented Baktiku Negeriku at the Creative Digital Centre, using two desktop computers connected to the internet. These devices were equipped with a precision agricultural management platform to disseminate information and deliver training courses for digital competence and literacy, enabling users to effectively and efficiently manage their plots of land with technology.

Telkomsel also conducted an Online Competition wherein participants were encouraged to create and share positive, creative, and inspiring video content via social media. The Company deployed Telkomsel Orbit modems complemented with data packages valid for one year, guaranteeing access to high-quality internet connectivity.

Activation of demonstration plots was conducted on 1 hectare of land in each village for 1 planting cycle, spanning 5 to 6 months. The intervention involved the Japonica rice variety, originally from Japan, as it is classified as a premium variety in terms of price, but the planting process for this variety is similar to that of the local rice varieties in Indonesia. Digital technology was deployed in the monitoring and assistance process through a precision agricultural management platform to yield optimal agricultural outcomes in both quantity and quality.

Activation of demonstration plots had a significant impact, in terms of harvested tonnage and grain sale value, as the quality was much higher than previous local rice varieties. The Company recorded harvested tonnage increasing by 80% to 100% from previously 4–6 tonnes to 8–10 tonnes per hectare. Meanwhile, the grain sale value rose from previously Rp4,500–Rp6,000 to Rp6,500–Rp7,000 per kg of dry harvested grain.

Telkomsel encouraged the establishment of the Association of Farmer Groups (Gapoktan), capturing the interest of young farmers in managing superior rice farming land as well as activating Village Business Entities (BumDes) to participate in the monitoring and selling of harvest to bolster the economic ecosystem and digital literacy of village communities.



**[203-1] [203-2] [413-1] [413-2]**

The TERRA programme makes manifest Telkomsel's ongoing efforts in raising awareness on disasters and management thereof. According to the National Disaster Management Agency (BPBNB) report in 2023, 4,940 natural disasters occurred in Indonesia in that year alone. Furthermore, based on the 2022 World Risk Index score, Indonesia ranked second most prone to disasters in the world, out of 193 countries.

The Company implements the TERRA programme by organising training in disaster management and offering insights and education on disasters in Indonesia. These activities involve communities being trained by experts with a profound understanding of potential disaster risks in their areas and measures to alleviate the impact.

Additionally, communities receive assistance in enhancing their preparedness for disasters through apps providing real-time information on disaster conditions, maps of affected areas, and guidance on actions during emergencies. Therefore, TERRA training not only imparts knowledge but also provides practical ways for communities to enhance their preparedness in dealing with disasters.



As a telecommunications company with the broadest regional coverage, Telkomsel seeks to leverage its position to expedite the restoration of telecommunications networks in disaster-affected areas. Acceleration of telecommunications network repairs is facilitated by the TERRA application, which tracks personnel movements both offline and online. The TERRA application is integrated with data from several stakeholders in real time, such as BMKG and ESDM-PVMBG. Additionally, TERRA provides information on the location of the nearest PLN, TNI, POLRI, hospitals, community health centres, and BNPB/BPBD (Disaster Agencies) in areas affected by the disaster. This initiative reflects Telkomsel's potent role in Disaster Management, particularly during the initial 14 days after the disaster.

TERRA offers disaster preparedness training for both men and women, recognising gender roles in disaster readiness and striving for a more judicious division of tasks. Men and women bring distinct skills and knowledge to disaster preparedness efforts. For example, men

may possess physical advantages in certain situations like emergency evacuations, while women may demonstrate communication skills and empathy helpful in providing psychosocial support to disaster victims. Hence, a more discerning allocation of responsibilities may take into account the strengths and expertise of each gender for optimal disaster preparedness. This programme also upholds the importance of providing equal opportunities irrespective of gender. Men and women alike receive training and actively engage in disaster mitigation, response, and recovery, fostering inclusive and sustainable community participation in disaster management.

TERRA also provides aid in the form of telecommunication network recovery, media centres, Posko Siaga (standby command posts), research and rescue activities, temporary school tents, evacuation, psychosocial help for survivors, logistic support for public kitchens near the natural disaster locations, and capacity development on disasters for university students and the general public.



University students participated in the Mapala Siaga Bencana disaster awareness training facilitated by TERRA.

In 2023, Telkomsel carried out training dubbed Mapala Siaga Bencana to employees and university students in Bandung and Yogyakarta. The training was attended by 80 participants from 15 universities, involving experts from volunteer organisations, Basarnas, and BNPB/BPBD.

Via TERRA, Telkomsel also carried out philanthropic activities in several areas affected by natural disasters. TERRA's digital applications, running on Android devices and iPhones, feature a massive database of 15 philanthropic activities, 250 photos, 242 videos, and 2 tracking of 150 positions during the Mapala Siaga Bencana training, as well as 348 volunteer data and 17,229 locations of PLN, Indonesian Armed Forces (TNI), Police Force (POLRI), Hospitals, Puskesmas, and BPBD, all useful in the mitigation of disasters.

#### **SUPPORTING COMMUNITIES THROUGH RELIGIOUS PROGRAMMES [203-1] [203-2] [413-1] [413-2]**

Telkomsel's religious programmes were deployed as a society enabler during the festive moments of Ramadan and Eid Al-Fitr 1444 H (RAFI 2023), Eid al-Adha 1444 H, and Christmas 2023 and New Year 2024 (NARU). Telkomsel upholds inclusivity and social and economic sustainability within Telkomsel's operational regions, and prioritises the sharing economy concept in meeting the procurement of basic necessities aid for beneficiaries by promoting the empowerment of MSMEs in the beneficiary areas.

During the festive religious moments celebrated by Indonesians in 2023, Telkomsel conducted a series of CSR programmes.

With the #NyalakanKebersamaan theme, at Telkomsel Siaga RAFI 2023 aid was distributed to beneficiaries throughout Indonesia. The aid consisted of staple goods, predawn meals (suhoor) and breaking of the fast (iftar), donations for ill members of the Dhuafa, as well as aid for foundations, nursing homes, and great mosques.

Telkomsel distributed 720 sacrificial animals to more than 46,000 beneficiaries, spread over Indonesia during Eid al-Adha 1444 H. The sacrificial animals were acquired from local breeder MSMEs, then distributed in 600 locations. In distributing them, Telkomsel involved the crowdfunding platform KitaBisa, as well as the digital startup Ternaknesia. Telkomsel's employees also directly distributed sacrificial animals to the underprivileged. The distribution scheme was initiated by the Islamic spiritual community Telkomsel Taqwa Council (MTT).

With the #SemarakSemangat theme, Telkomsel provided communication convenience for customers during NARU. Telkomsel carried out Sambungkan Senyuman philanthropy programme in Manado, Bandung, Batam, and Kupang. Apart from these four locations, Telkomsel also provided free medical aid and distributed staple goods and food packages, starting capital grants, educational grants, and presents for orphans, handicapped groups, the disadvantaged, as well as foundations, orphanages, and churches.



## Customer Engagement

[3-3:417]

Throughout 2023, Telkomsel directed its relentless effort to enhance customer engagement and satisfaction, culminating in the integration of its services with IndiHome. This game-changing strategy will see us propel our standing in Indonesia's telecommunications market towards vastly greater heights, delivering the widest spectrum of service offerings to our subscribers spread across the archipelago.

Telkomsel's dedicated initiatives in improving network quality especially in priority cities, innovating customer service solutions, and bolstering system reliability, all illustrate our commitment to service excellence, transparency, and the safeguarding of customer privacy. This has been done to serve our customers better and enhance their satisfaction and loyalty.

In today's digital era, where transparency and accountability are paramount, aligning our operations with the prevailing international standards on marketing and labeling and customer data privacy is our priority.

In aligning our customer touch point, we revamp myTelkomsel and launched Telkomsel One initiative, a customer service of mobile and fixed in one intuitive application, helping customer enjoy hassle-free management of their services.

In our quest to ensure that all communications regarding our products and services are clear, accurate, and accessible, Telkomsel has made significant strides. The introduction of the Veronica Virtual Assistant, an AI-powered platform, offers instant and first resolution to customer inquiries responses to customer inquiries, guaranteeing that accurate product information is always at our customers' fingertips. Furthermore, the expansion of our SmartCare platform has been instrumental in providing extensive support and detailed information about our services, so our customers can make better, more-informed decisions. [417-1]

Telkomsel takes pride in ethical marketing practices and strict adherence to regulatory standards. In 2023, this diligence resulted in zero incidents of non-compliance related to product and service information and labeling in 2023. This achievement reflects our commitment to conducting business with integrity and transparency. [417-2] [417-3]

The protection of customer privacy stands at the forefront in our business. In the past year, we have fortified our security measures, implementing advanced protocols to protect customer data from unauthorised access. Regular audits and updates to our data protection measures ensure the highest standards of privacy and security for our customers' information. Our efforts have culminated in Telkomsel receiving no substantiated complaints regarding breaches of customer privacy or data loss. [418-1]



Veronica Virtual Assistant

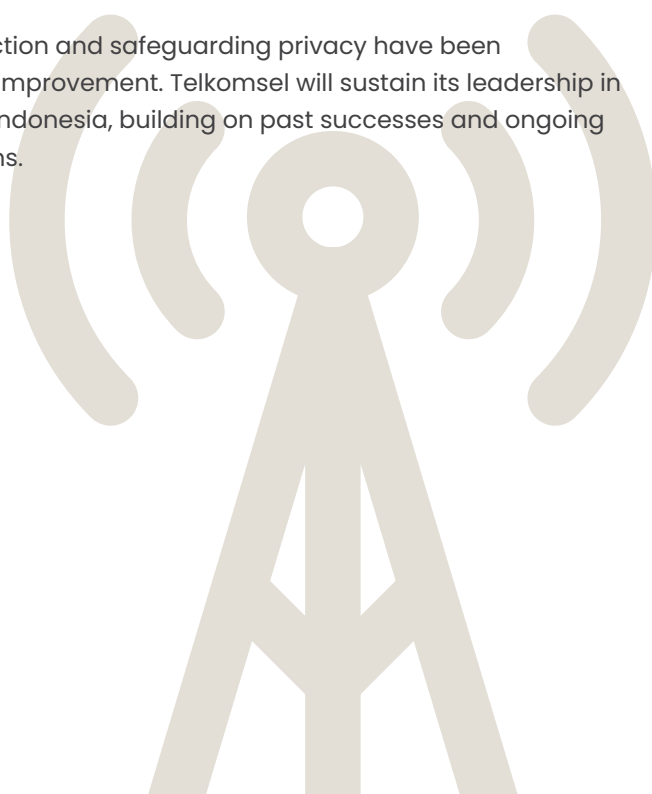
## Customer Complaints

CHANNEL	PERCENTAGE OF COMPLAINTS RESOLVED IN 2023	
	MOBILE	HOUSEHOLD
Walk-in	99.99%	99.62%
Customer Care 188	99.86%	98.99%
eCare (Incl MyTelkomsel)	99.78%	98.91%
MyIndiHome	-	99.36%

Telkomsel demonstrates a robust framework to address customer complaints through various strategic initiatives. GraPARI exemplifies this commitment through small gestures and personalised treatment, ensuring that each customer feels valued. Veronika Customer Treatment further enhances customer experience by providing tailored solutions. Implementation of Customer Network Assistance across all Customer Touch Points (CTP) ensures swift resolution of network-related issues. Furthermore, a programme to enhance network experiences in selected subdistricts and cities illustrates our dedication to improving service quality. We also conduct measures such as speeding up recharge reversals via MyTelkomsel and implementing circuit breakers to prevent transaction failures enhance operational efficiency and customer satisfaction. We provide more expeditious handling of complaints for our Diamond customers, also for grievances related to reward points and recharges from mobile channels and fintech platforms. We also apply a network predictive complaint system to enable proactive resolution, ensuring seamless service delivery and customer satisfaction.

A testament to our customer engagement and satisfaction strategies was the stronger Net Promoter Score (NPS) compared to industry average (from 30% in 2022 to 31%, above the industry's). This improvement was a direct indicator of our successful initiatives in enhancing customer experience.

Our accomplishments in boosting customer satisfaction and safeguarding privacy have been heartening, yet we remain dedicated to continuous improvement. Telkomsel will sustain its leadership in delivering superior telecommunications services in Indonesia, building on past successes and ongoing dedication to transparent and responsible operations.



# Responsible Business

09







66

## The GCG framework is built on transparency, accountability, responsibility, independence, and fairness.

Telkomsel is committed to conducting responsible business by applying the principles of Good Corporate Governance (GCG) to enhance its competitive advantage and foster market leadership and long-term value for shareholders and stakeholders.

The GCG framework is built on transparency, accountability, responsibility, independence, and fairness. These principles ensure open access

to company information, high accountability and integrity in actions, responsible decision-making, operational independence, and equitable treatment of all shareholders and stakeholders. This framework guides Telkomsel's corporate conduct and secures its prominence in the region's telecommunications industry.

## Risk Management

[2-25]

### BUILDING STRONG RISK MITIGATION

For Telkomsel, meaningful progress in doing business must be grounded upon a robust foundational understanding on risk. Such understanding and awareness of risk is paramount for building a strong risk mitigation strategy, and we made this manifest since 2021 with the establishment of the Enterprise Risk Management and Financial System Sub-directorate, a dedicated unit for addressing all aspects of risk management within Telkomsel.

We are determined to identify, manage, and mitigate risks that we encounter in our business activities. We seek to perform our utmost in the remediation of any negative impacts that we believe we have caused or contributed to. Our approach to risk management is multifaceted, encompassing Enterprise Risk Management (ERM) and specific risk areas such as Internal Control, Business Continuity Management System (BCMS), Information Security Management, Data Governance, and Fraud Risk Management. This strategy preserves our values and objectives while fostering transparency, accountability, and integrity.

Telkomsel maintains its enterprise risk management policy that aligns with its parent company Telkom's policy. This policy follows the ISO 31000: standards on risk management and comprises:

- Standards for risk management implementation across all activities of Telkomsel, subsidiaries, and/or associated companies;
- Risk management processes and implementation as well as guidelines in accordance with the Company's characteristics; and
- Risk management structure that consists of duties and responsibilities of related parties which adheres to the three-line model principles.

## MITIGATING RISK OF CORRUPT PRACTICES AND CYBERSECURITY

[3-3:205]

Upon a meticulous evaluation of its various businesses and locations, Telkomsel has ensured that no areas of its business have been identified as a particularly high-risk area with respect to corruption or other similar practices. In addition, Telkomsel also found no significant risks related to corruption during the evaluation, given the stringent standards and robust risk management framework in place. [205-1]

With particular respect to fighting practices of corruption and fraud within the Company and in its dealings with all stakeholders, the Company conducts dissemination and training on anticorruption throughout the year.

In 2023, Telkomsel specifically addressed corruption-related issues to its employees, among others via ongoing training and dissemination. A series of activities themed "Governance and Compliance Awareness" were organised to disseminate Telkomsel's policies on anti-corruption and governance to all employees in all its operational regions. The means used in this anti-corruption dissemination included email blast and internal applications. All employees received regular communication on the risk and impacts of corrupt practices, effectively emphasising the prohibition for them to engage in these activities. [205-2]

Additionally, Telkomsel also maintains several policies to guide its employees in their day-to-day conduct and the fight against corruption. These policies include the GCG Policy, Code of Conduct, and the Whistleblowing Policy. Telkomsel maintains a Disciplinary Committee and an Anti-Bribery Compliance Function Team to further bolster the Company's performance in this regard. In 2023, no substantiated cases of corruption were reported or detected in Telkomsel. [205-3]



Telkomsel, as Indonesia's leading telecommunications operator, prioritises cybersecurity to safeguard its assets and uphold its reputation as a trusted service provider. With a preventive approach, Telkomsel fortifies its cyber defense through a multi-layered security posture. This strategy entails a combination of robust security measures, including firewalls, antivirus software, and intrusion detection systems. Additionally, physical security measures, such as security guards, surveillance cameras, and access controls are implemented to protect premises, complementing the digital safeguards.

Telkomsel secures its network infrastructure with tools like secure gateways and virtual private networks (VPNs), ensuring encrypted and secure data transmission. Critical to its cybersecurity strategy is the safeguarding of applications through rigorous secure coding practices, regular updates, and security testing protocols. Data protection is paramount, and is put into action through data encryption, robust backup systems, and stringent access controls to safeguard sensitive information.

Telkomsel's commitment to cybersecurity is reinforced by its adherence to established policies, standards, and procedures. We have

internal policies that guide our information security management and telecommunications device security across the Company. We also employ a specific policy to define a structured approach to cybersecurity governance.

As our employees are key to maintaining cyber resilience, Telkomsel conducts regular training sessions to raise awareness about emerging cyber threats and best practices for mitigating risks. Moreover, we have a robust incident response plan in place, enabling swift and effective action in the event of a breach to minimise potential damages.

Collaboration with supply chain partners is part of our cybersecurity strategy, and we include strict and cybersecurity clauses in our contracts with our suppliers. Thus we have been able to ensure that our partners uphold stringent cybersecurity standards, thereby mitigating risks across the ecosystem.

To bolster our defense against evolving cyber threats, we perform continuous monitoring with Security Information and Event Management (SIEM) tools. This enables real-time threat detection and response, which has brought Telkomsel to the frontier in vulnerability detection, thus safeguarding our operations effectively.

There were no cyber data breach incidents that occurred in Telkomsel in 2023. **[418-1]**

## Value and Compliance

### CODE OF CONDUCT AND POLICY COMMITMENTS [2-23]

Telkomsel has established a code of conduct, rooted in the highest standards of ethical values and practices, applied universally to all employees in the Company. This code is designed to guide employees in fulfilling their responsibilities, ensuring compliance with prevailing laws and regulations, and acting in the best interests of the Company. It outlines clear expectations for employee behavior, emphasising the protection of the Company's assets, revenues, and compliance with applicable standards.

In conducting its business, Telkomsel upholds the principles and stipulations referenced in various existing regulations and intergovernmental instruments, including but not limited to:

1. Indonesia's Limited Liability Company Law No. 40/2007
2. Indonesia's SOE Minister's Regulation No. 2/2011 and No. 9/2012 on Implementation of Good Corporate Governance in SOEs
3. Indonesia's Personal Data Protection Law No. 27/2022
4. Indonesia's Job Creation Law No. 6/2023
5. United States' Sarbanes-Oxley Act (as a subsidiary of Telkom, which is listed on the NYSE)

This commitment to responsible business conduct is made manifest across Telkomsel's entire operations, and is underpinned by due

diligence practice through regulatory clearance or legal opinions. Furthermore, Telkomsel adopts the precautionary principle by conducting preliminary and ongoing risk assessments to mitigate any and all potential impacts of its operations on the environment and society. Respect of human rights, in particular personal data protection and industrial relations policies.

Documents delineating Telkomsel's governance policies are classified as internal and not disclosed to third parties. Approval of these policy commitments occurs at the highest level of the Company following a tiered approval process, requiring the signature of a relevant Director in the final process. These policies are subsequently enforced through various communication strategies, with sanctions given for confirmed violations. The commitment to these policies is communicated across the Company and to its partners through staff internalisation via official Human Capital Communication Unit's channels, dissemination to business partners by the Procurement Unit, and public disclosure on the website. [2-24]

Beyond the documentation of the policy commitments, Telkomsel actively engages each relevant party to embed these commitments within its activities and business interactions.





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**In 2023, the Company organised a series of activities themed “Governance and Compliance Awareness”, to disseminate its policies on anti-corruption and governance to all employees in all its operational regions.**

Responsibility for implementing these commitments is allocated across different organisational levels, with a legal compliance function present at both headquarters and regional offices. These commitments are integrated into organisational strategies, operational policies, and procedures through monitoring mechanisms like the Corporate Social Responsibility (CSR) Programme, Objectives and Key Results (OKR), and other control mechanisms such as the Control Self-Assessment (CSA).

Telkomsel maintains partnership cooperation policies that outline partnership criteria, procedures, and authorities, ensuring all partnerships align with the Company's regulations and policies. To reinforce these commitments, Telkomsel provides various training programmes, including Employee Information Security Awareness (MISCA) and Legal Awareness.

## **AVOIDANCE OF CONFLICTS OF INTEREST [2-15]**

Telkomsel has established processes within its governance framework to prevent and mitigate conflicts of interest, thereby upholding the integrity of decision-making processes. This includes a mandatory declaration from officials in corporate approval documents, indicating a potential conflict of interest whenever it occurs. Specifically, in scenarios where an individual holds multiple positions within Telkomsel and its subsidiaries, such as being a Director of Telkomsel while also serving on the BOC of a subsidiary, the individual is required to abstain from participating in related decision-making processes. This abstention policy ensures decisions are made based on the majority consensus of other Board members, preserving fairness and governance integrity.

To maintain transparency and accountability, Telkomsel also discloses any potential conflicts of interest to stakeholders. This disclosure covers several key areas, including but not limited to memberships in other companies' boards,

shareholding of Telkomsel's suppliers and other stakeholders, and related party transactions. These disclosures help Telkomsel safeguard the independence of its decision-making. The policies governing these processes are outlined in the Articles of Association, the BOD Charter, and the prevailing regulations.

## WHISTLEBLOWING AND HANDLING OF GRIEVANCES [2-25, 2-26]

Telkomsel's commitment to ethical business conduct and responsible governance is underscored by an approach that encompasses integrating high ethical standards into every facet of its operations, implementing rigorous policy commitments, as well as persistently engaging stakeholders and remediating their grievances.

A cornerstone of Telkomsel's ethical framework is its whistleblowing policy. This policy enables employees and external parties to report instances of fraud, unethical behaviour, corruption, dishonest practices, or breaches of the Company's internal controls and code of conduct directly to Telkomsel's Internal Audit team. Telkomsel commits to treating whistleblowers fairly, ensuring their protection from reprisals, thereby fostering a culture of transparency and accountability. Each report received is thoroughly investigated by a specialised audit team, with findings reported back to the Internal Audit team for appropriate follow-up actions.

Telkomsel strives to ensure that all grievances are appropriately remediated. The Company has established multiple channels for receiving suggestions and addressing grievances from the public and service users. Through physical service centers like GraPARI, as well as digital platforms such as email, phone call to 188, and AI-supported customer service on MyTelkomsel app, the Company ensures quick and effective response

to customer feedback. With a proactive approach to grievance handling, Telkomsel provides regular updates to the reporters and maintains a system that allows these parties to track the resolution process. Internally, support this framework, Telkomsel conducts training programmes on policy implementation, legal awareness, and information security.

Furthermore, Telkomsel engage stakeholders to obtain their views and input in the design and review of its grievance mechanisms. This is done to ensure that Telkomsel's products and services are customer-centric, and that its processes are held to the highest standards of practice in the telecommunications industry. Additionally, for specific types of grievances, employees and other concerned parties may obtain direct access to members of the BOD to address such grievances. This embodies the open mindset value that Telkomsel upholds across its organisation.

In 2023, Telkomsel diligently upheld GCG principles to the highest standard. Despite this, Telkomsel received three grievance reports and correspondence on critical concerns, all of which had been thoroughly followed up. Telkomsel was not found to have violated any regulations governing its business. [2-16, 2-27]



## DATA GOVERNANCE

Data governance is a foundational element for Telkomsel as a telecommunications provider. As the society and the industry navigate an increasingly digitised world, Telkomsel is committed to ensuring the proper management, security, and ethical use of data to safeguard the privacy and trust of customers.

Telkomsel's comprehensive Data Governance Framework—encompassing Metadata Management, Reference Data Management, Data Quality Management, Data Operations, Data Science Management, Privacy Protection, Data Security Management, and Data Sharing Management—sets out the practical implementation of these data governance principles.

Telkomsel recognises the significant relevance of data governance to its business sustainability as a way to mitigate risks related to data breaches, regulatory non-compliance, and related disruptions, thus safeguarding customer trust and promoting long-term resilience.

The Data Governance and Protection Management Group in Telkomsel is tasked to develop and enforce the guidelines for data governance. It also serves various responsibilities including serving as the Data Protection Officer, enforcing data standards, providing metadata services, managing reference data, ensuring data quality, overseeing data operations, conducting training and awareness programmes, supporting law enforcement agencies, and providing guidelines on AI and Machine Learning implementation.

The Company seeks to uphold the highest standard by releasing a set of corporate-wide policies on data governance and protection. These policies strictly adhere to the industry-standard Data Management (DAMA) Framework and follow Indonesia's Personal Data Protection Law No. 27/2022.

### PRIVACY OF CUSTOMER DATA [3-3:418, 418-1]

In line with contemporary digital business practices, Telkomsel's operations are susceptible to cyber security threats with the potential to cause customer data and privacy breaches along with potential financial consequences that come with it.

To mitigate these risks, Telkomsel strives to fortify its internal protocols for managing customers' Data Access Requests (DSAR) and addressing grievances related to Data Subject Rights (DSR). We have performed comprehensive efforts in safeguarding cybersecurity under our internal programme called Jaga Data, which strongly promoted data security for our employees.

The Company have implemented ISO 27001 certification and a standardised data breach protocol within our data governance and protection management framework. Moreover, the Company is actively pursuing the integration of ISO 27701 into its operations to further enhance data privacy measures.

In 2023, Telkomsel received no formal customer grievances on data breaches, and successfully averted all instances of data loss or leaks, demonstrating a proactive approach to safeguarding customer data and privacy.

## Governance Structure

[2-9]

### COMPOSITION, NOMINATION, AND RESPONSIBILITIES

Telkomsel's corporate governance structure is designed to ensure responsible and effective management of the organisation, with a focus on the impacts of its operations on the economy, environment, and people.

Telkomsel's governance framework consists of three principal organs: the Shareholders, the Board of Commissioners (BOC), and the Board of Directors (BOD). The Shareholders hold the ultimate authority in the Company, the BOC oversees the Company's management, and the BOD shoulders the responsibility for leading day-to-day operations.

To assist in its supervisory role, the BOC has the following committees that play a crucial role in BOC decision-making and overseeing the Company's various impacts:

1. Remuneration Committee
2. Audit Committee
3. Capex, Financing, and Management Process Committee

#### BOC COMPOSITION

The BOC comprised the following members as at 31 December 2023:

#### TELKOM REPRESENTATIVES

- President Commissioner: Wishnutama Kusubandio
- Commissioner: Heri Supriadi
- Commissioner: Yose Rizal
- Commissioner: Sarwoto Atmosutarno

#### SINGTEL REPRESENTATIVES

- Commissioner: Anna Yip
- Commissioner: Yuen Kuan Moon

One of six BOC members (17% of the total) is a female.

Wishnutama Kusubandio, the President Commissioner, is not a senior executive at Telkomsel and does not engage in day-to-day operations of the Company. [2-11]

#### BOD COMPOSITION

As at the end of 2023, the BOD consisted of eight members, all male:

- Nugroho
- Mohamad Ramzy
- Adiwinahyu Basuki Sigit
- R Muharam Perbawamukti
- Wong Soon Nam
- Bharat Alva
- Derrick Heng Tze Meng
- Indra Mardiatna

#### NOMINATION OF GOVERNANCE BODIES' MEMBERSHIP [2-10]

The nomination and selection processes for Telkomsel's highest governance bodies, namely the BOC and the BOD, are under the direct authority of the Shareholders, Telkom and Singtel.





## ROLES AND RESPONSIBILITIES IN IMPACT MANAGEMENT [2-12]

The role of Telkomsel's highest governance body, encompassing both the BOC and the BOD, is integral in guiding the Company towards sustainable development. As delineated in the Company's Articles of Association No. 141 dated 27 June 2023, the BOC and the BOD are tasked with upholding the Company's core cultural values—customer centricity, open mindset, collaboration, creativity, and adaptability. These values support the creation of a work environment fostering meritocracy, integrity, and transparency, all directed towards the Company's developmental goals.

The BOC is given the authority to define and approve the Company's Annual Work Plan and Budget, setting the stage for the BOD to effectively manage the Company's operations for the year. This structured approach ensures the plan's alignment with the Company's overarching purpose, values, mission statement, strategies, policies, and goals, including in ESG-related aspects. The BOD is governed by a BOD Charter as well as a set of corporate policies.

The oversight of Telkomsel's due diligence and management of its impacts on the economy, environment, and society includes process such as assessments and feasibility studies prior to making business decisions in an impartial and independent manner. Independent parties may be engaged to aid in these evaluations, ensuring an approach to impact management.

The efficacy of these processes is regularly reviewed through a mechanism outlined in the Company's Articles of Association and internal policies. Strategic initiatives and their impacts are scrutinised at periodic BOC and BOD meetings, ensuring continuous oversight and the adaptability of strategies to meet evolving sustainable development objectives. With this structured review process in place, the Company's progress towards its sustainability goals is ensured, while its trajectory can be adjusted as deemed necessary following the evaluation and management of impact. [2-13]

Telkomsel's governance structure and its Articles of Association allow the highest governance bodies (the BOC and the BOD) to delegate certain responsibilities. Members of the BOD are empowered to assign specific responsibilities among themselves, as stipulated in the BOD Charter. Directors may align each role and authority with the economic and business potentials within their purview. All BOD members are assigned distinct responsibilities to oversee and manage impacts in their respective areas of authority.

The BOC and the BOD conduct regular meetings to review business activities and impacts. Through these meetings, the BOC and the BOD continue to be informed and engaged in overseeing and managing Telkomsel's impact on the economy, the environment, and society. [2-18]

A detailed description of the roles and responsibilities of the BOC and the BOD is presented in the Company's official website and the Annual Report. Meanwhile, details of the delegation and management of sustainability-related aspects and performance are provided in a separate section titled Our Approach to Sustainability.

## COMPETENCE AND REMUNERATION

The selection process for appointing members to these bodies is conducted individually by each shareholder, adhering to their internal criteria and procedures. The final appointments are then formalised at the General Meeting of Shareholders (GMS).

The criteria used for nominating and selecting members of the highest governance body include consideration of:

1. Shareholder interest
2. Diversity in a range of dimensions
3. Relevant competencies

This structured approach ensures that Telkomsel's governance bodies are composed of individuals who are not only representative of the Shareholders' interests but also bring a diverse, competent, and independent perspective to the Company's management and strategic direction.

### COMPETENCE ENHANCEMENT

Telkomsel conducts a Directorship Programme aimed at enhancing the collective knowledge, skills, and experience of the BOD, particularly concerning sustainable development and ESG-related aspects. This programme involves inviting experts from various fields, government officials, and law enforcement officers to share insights and best practices. All members of the relevant governance organs, including the BOD, are required to attend these sessions, to ensure

that the leadership is well-versed in the principles and practices of sustainable development. The initiative is part of Telkomsel's broader commitment to corporate responsibility and ethical business practices. **[2-17]**

In 2023, the Directorship Programme was held in March, participated by all then-presiding members, and was focused on governance and promoting the importance of anti-corruption and anti bribery value in organisation. In addition, members of the BOD also participated in various capacities in an array of competence development programmes throughout the year.

### REMUNERATION STRUCTURE AND POLICY

**[2-19, 2-20]**

The GMS is authorised to determine the amount of remuneration for members of the BOC and the BOD based on the recommendations from the Remuneration Committee.

The remuneration structure for Directors and Commissioners comprises three components, namely fix compensation, variable compensation, benefits, and facilities. The details are as follows:

1. Fixed Compensation: comprises the base salary with reference to the AGMS.
2. Variable Compensation: a yearly bonus whose amount is determined in the AGMS.
3. Benefits & Facilities: including medical, allowance, housing, membership, communication, and insurance.

## Responsibility for the 2023 Sustainability Report

This Sustainability Report for the year ended December 31, 2023 was authoritatively signed by members of the Board of Commissioners and the Board of Directors of PT Telekomunikasi Selular.

Jakarta, June 2024

### BOARD OF COMMISSIONERS



**Wishnutama Kusubandio**  
President Commissioner



**Heri Supriadi**  
Commissioner



**Yose Rizal**  
Commissioner



**Sarwoto Atmosutarno**  
Commissioner



**Yuen Kuan Moon**  
Commissioner



**Anna Yip**  
Commissioner

BOARD OF DIRECTORS



**Nugroho**  
President Director



**Daru Mulyawan**  
Director of Finance &  
Risk Management



**Adiwinahyu Basuki Sigit**  
Director of Sales



**Indra Mardiatna**  
Director of Network



**Indrawan Ditapradana**  
Director of Human  
Capital Management



**Wong Soon Nam**  
Director of Planning &  
Transformation



**Derrick Heng**  
PoA of Director of  
Information Technology



**Derrick Heng**  
Director of Marketing

# Appendix







## Glossary

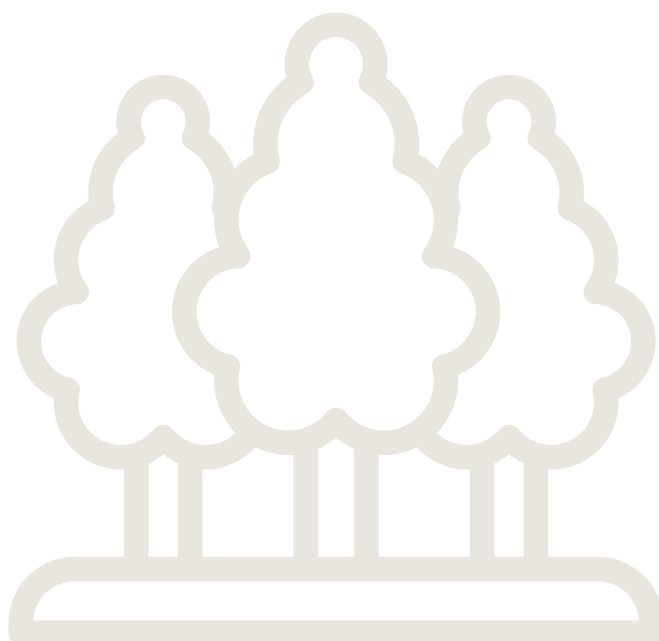
3G	Third Generation (wireless mobile telecommunications technology)
4G	Fourth Generation (broadband cellular network technology)
5G	Fifth Generation (broadband cellular network technology)
ARPU	Average Revenue Per User
B2C	Business to Consumer
BOC	Board of Directors
BOD	Board of Commissioners
BTS	Base Transceiver Station
Capex	Capital Expenditure
CSA	Control Self-Assessment
CSR	Corporate Social Responsibility
CVM	Customer Value Management
DSAR	Data Access Requests
DSR	Data Subject Rights

DX	Digital Transformation
EBITDA	Earning Before Interest, Tax, Depreciation, and Amortisation
ESG	Environmental, Social, and Governance
Fintech	Financial Technology
FMC	Fixed Mobile Convergence
GCG	Good Corporate Governance
GJ	Gigajoule
GHG	Greenhouse gases
GMS	General Meeting of Shareholders
GRI	Global Reporting Initiative
ICT	Information and Communication Technology
INDICO	PT Telkomsel Ekosistem Digital (subsidiary of Telkomsel)
IoT	Internet of Things
JSA	Job Safety Analysis
K3L	Health, Safety, Security and Environment
LinkAja	PT Fintek Karya Nusantara (subsidiary of Telkomsel)



LTE	Long-Term Evolution (standard for wireless communication)
MISCA	Employee Information Security Awareness
MSME	Micro, Small and Medium Enterprises
NDC	Nationally Determined Contribution
NPS	Net Promoter Score
NYSE	New York Stock Exchange
OHS	Occupational Health and Safety
OHSEMS	Occupational Health, Safety, and Environmental Management System
OJK	Indonesia's Financial Services Authority
OKR	Objectives and Key Results
OTT	Over-The-Top (media service)
RAN	Radio Access Network
RNC	Radio Network Controller
SCOPE 1	Direct GHG emissions that occur from sources that are controlled or owned by an organization (e.g., emissions associated with fuel combustion in boilers, furnaces, vehicles)

SCOPE 2	Indirect GHG emissions associated with the purchase of electricity, steam, heat, or cooling
SDGS	The Sustainable Development Goals
SIEM	Security Information and Event Management
SIM	Subscriber Identity Module
SME	Small Medium Enterprise
SMS	Short Messaging Service
SOE	State Owned Enterprise
TB	Terabytes
TERRA	Telkomsel Emergency Response and Recovery Activity
Tinc	Telkomsel Innovation Centre
TMI	PT Telkomsel Mitra Inovasi (subsidiary of Telkomsel)
TTC	Telkomsel Telecommunication Centre
VoLTE	Voice over LTE (high-speed wireless communication standard)
VPN	Virtual Private Network



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## Feedback Form

Thank you for taking the time to read Telkomsel's 2023 Sustainability Report and to provide your valuable feedback. Your insights are crucial for us to understand our strengths and areas for improvement. This form should take approximately 5–10 minutes to complete.

Please read each question carefully prior to providing your feedback. All responses will be kept confidential and used solely for the purpose of enhancing our sustainability practices.

1. Your Affiliation with Telkomsel:

- ☐ Employee
- ☐ Partner/Supplier
- ☐ Customer
- ☐ Regulatory Authority
- ☐ Other: \_\_\_\_\_

2. How familiar are you with sustainability practices?

- ☐ Very familiar
- ☐ Somewhat familiar
- ☐ Not familiar

3. How would you rate the comprehensiveness of our Sustainability Report?

- ☐ Very comprehensive
- ☐ Neutral
- ☐ Not comprehensive

4. Was the report concise, clear, and easy to understand?

- ☐ Yes
- ☐ Neutral
- ☐ No

5. How effective do you think Telkomsel's sustainability initiatives are based on the report?

- ☐ Very effective
- ☐ Somewhat effective
- ☐ Neutral
- ☐ Somewhat ineffective
- ☐ Very ineffective

6. Which areas of the report did you find most informative? (Select all that apply)

- ☐ Environmental initiatives
- ☐ Social impact and community engagement
- ☐ Governance and ethics
- ☐ Industry innovation and leadership
- ☐ Others: \_\_\_\_\_

7. What areas of sustainability do you think Telkomsel should focus more on?

\_\_\_\_\_

8. In your view, how can we improve our Sustainability Report for next year?

\_\_\_\_\_

Respondent's Profile (optional)

Name :  
Age :  
Gender :  
Institution :

Thank you for completing the Telkomsel 2023 Sustainability Report Feedback Form. Your input is invaluable to us as we strive to improve our sustainability efforts and reporting.

This Feedback Form is also available online here and accessible by scanning the QR code below.







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