

ANTI CORRUPTION AND FRAUD POLICIES AND PROCEDURES

Anti-corruption policies owned by Telkom include:

1. Resolution of the Board of Directors No. 43 of 2008 regarding Anti-Fraud Policy within Telkom on December 2, 2008.
2. Resolution of the Board of Directors Number.36/HK290/COP-D0053000/2009 dated November 20, 2009, regarding Integrity Pact.
3. Resolution of Board of Directors Number. PD.201.01/r.00/PS150/COP-B0400000/2014 dated May 6, 2014, regarding Business Ethics in the TelkomGroup Environment.
4. Resolution of Director of Human Capital Management Number. PR.209.04/r.00/PS000/COP-A4000000/2016 dated July 26, 2016, regarding Gratification Control.

Telkom demonstrated its commitment to anti-corruption and fraud through three approaches, namely:

1. Prevention, carried out through the preparation of accountable work procedures, such as in the process of procurement and financial transactions, a code of ethics, corporate culture, and integrity.
2. Supervision, implemented through the implementation of a control and supervision system that is carried out by the Internal Audit Unit.
3. Enforcement, carried out with the support of the Whistleblowing system and evidence from Internal Audit.

In supporting the implementation of anti-corruption policies, TelkomGroup has various mechanisms related to anti-corruption. One of them is that it requires employees to sign the Integrity Pact. Employees must avoid conflicts of interest and are prohibited from receiving gratuities by gratification control procedures. Telkom also provides the portal my.integrity.telkom.co.id and improves employee understanding of anti-corruption and anti-fraud through training.

Then, Telkom also obliges echelon I and II officer to report their assets according to applicable procedures. This provision is a form of compliance with Government Regulations that regulate the obligation for state administrators to report their assets, through:

1. Law Number 28 of 1999 regarding State Official who is Clean and Free of Corruption, Collusion, and Nepotism
2. Law Number 30 of 2002 regarding the Corruption Eradication Commission
3. Corruption Eradication Commission Regulation Number: 07 of 2016 regarding Procedures for Registration, Announcement, and Examination of State Officials Assets
4. Resolution of Director of Human Capital Management Number PR.209.03/r.01/PS000/COP-A4000000/2017 dated October 27, 2017, regarding Reporting Obligations for Assets State Assets in the TelkomGroup Environment

Our commitment to Anti-Corruption and Fraud, also reaches out to our vendors/partners following Company Policy in the form of Resolution of Director of Finance No. PR 301.08/r.02/HK240/COP-A00110000/2019 dated October 2, 2019, regarding Guidelines for Procurement Implementation. In the process of procuring goods and services, we ask each vendor/partner to sign an integrity pact, which among others states that they do not practice KKN, price collusion, and conflict of interest.

Furthermore, Telkom's commitment to preventing corruption is also reflected in Telkom's initiative to become a member of the National Integrity Budding and Rembug Integrity Collaboration Association (RIN) initiated by the Integrity Shoots and Managers of the Compliance and Gratification Control Unit of the Ministry of Organizations and Companies (KLOP) since 2015. Telkom's participation in this organization was to become an active member in various collaborative events, as resource persons, panel discussions, and benchmarking objects for KLOP and the National Private Sector in the field of Business Ethics and Integrity development.

Telkom also reviews and evaluates various mechanisms, initiatives and internal policies related to anti-corruption that will be used for future improvement. In 2019, Telkom placed one of its employees to take part in the Integrity Building Expert Certification (KPSP BNSP LSP API) and at the same time obtain the Integrity Builder Expert Certification Certificate from the LSP KPK in the Integrity Building Expert Certification event organized by the LSP KPK - BNSP. Telkom's efforts to prevent corruption and fraud received awards from stakeholders. In 2019, Telkom was awarded as the Best State-Owned Big Cap Enterprise in the 11st IICD CG Conference and Award held by IICD.