Risk Management System

Risk management system plays a crucial role in realizing good corporate governance at Telkom and all its subsidiaries. Through the implementation of effective risk management, the company can identify various business risks and formulate appropriate mitigation strategies. The implementation of a structured risk management system enables Telkom to expand its business scope in the context of communication transformation in the digital era, while continuing to improve its risk management processes on an ongoing basis to support long-term business sustainability.

General Illustration Regarding the Risk Management System

As a company listed on New York Stock Exchange (NYSE), Telkom is required to implement risk management in accordance with SOX provisions, particularly Articles 302 and 404. In addition, based on Regulation of the Minister of State-Owned Enterprises No. PER-2/MBU/03/2023 regarding Guidelines for Corporate Governance and Significant Corporate Activities of State-Owned Enterprises, Telkom, as a state-owned enterprise, is also required to implement a risk management system. The implementation of risk management is not only to fulfill compliance aspects, but also to ensure that business continuity runs smoothly and effectively.

Telkom publishes various company policies relating to risk management implementation arrangements, among others:

1. Resolution of the Board of Directors/Regulation of the Board of Directors (KD 13/2009 regarding Guidelines for Management of SOX Section 302 and 404, Company Management refers to US SEC provision).
2. Regulation of the Board of Directors (Number: PD.614.00/r.02/HK.290/COP-K0A10000/2024) regarding Corporate Risk Management.
3. Regulation of the Director of Finance and Risk Management (PR 614.00/r.02/HK200/COP-K0000000/2024) regarding Guidelines for Implementing Corporate Risk Management.
4. Standard Operation Procedure (Number: SOP.01.00/RSG/2024) regarding Risk Management Process and Corporate Risk Integration.
5. Standard Operation Procedure (Number: SOP.02.00/RSG/2024) regarding Risk Management Reporting and Performance Evaluation.
6. Standard Operation Procedure, (Number: SOP.03.00/RSG/2024) regarding Risk Maturity Index Assessment.

These regulations and provisions form the basis for Telkom's risk management and have been developed with reference to various existing standard and best practice.

Risk Management System (Framework) and Policy

Telkom's risk management implementation is based on two policies, namely Regulation of the Board of Directors No. PD.614.00/r.02/HK.290/COP-K0A10000/2024 dated September 3, 2024 regarding Corporate Risk Management and Regulation of the Director of Finance and Risk Management PR.614.00/ r.02/HK200/COP-K0000000/2024 regarding Guidelines for the Implementation of Corporate Risk Management. Telkom's risk management policy refers to ISO 31000:2018 Risk Management - Principles and Guidelines standard, which consists of three main components, namely:

1. Principle

Risk Management Principles as the foundation for how risk management works to ensure the creation and protection of value, including:

a. Integrated

Risk management is an integrated part of the company's overall activities.

b. Structured and Comprehensive

In its implementation, the company takes a structured and comprehensive approach, thus providing consistent and comparable results.

c. Customized

The risk management framework and process must be adapted and proportionate to the external and internal context of the organization in line with the company's goals.

d. Inclusive

It is necessary to involve the right stakeholders at the right time so that their knowledge, views and perceptions can be considered, thereby increasing awareness of risk management which is then well informed.

e. Dynamic

Risks can appear, change, and disappear along with the changes in the context and conditions of the company's internal and external environment. The application of risk management must be able to anticipate, detect, acknowledge, and respond to these changes and events in an appropriate and timely manner.

f. Best Available Information

Risk management is based on historical, current information, and expectations for the future. Risk management explicitly considers all limitations and uncertainties associated with such information and expectations. Information must be timely, clear, and available to relevant stakeholders.

g. Human and Culture Factors

Behavior and culture significantly affect all aspects of risk management at every level and stage of the company's activities.

h. Continuous Improvement

Risk management is continuously improved through learning and experience.

2. Framework

The framework that regulates the commitment to the role and division of Telkom's risk management functions includes:

a. Leadership and Commitment

i. The Board of Directors ensures that risk management is integrated into all company activities and must demonstrate leadership and commitment, with:

(1) Customize and implement all components of the framework.

(2) Issue a statement or policy that implements a risk management approach, plan, or action.

(3) Ensure that necessary resources are allocated to manage risk.

(4) Establish authority, responsibility, and accountability at the appropriate level within the company.

ii. Risk management becomes inseparable from the company's objectives, governance, leadership and commitment, strategy, goals, and operations.

b. Integration

i. Risk management becomes inseparable from the company's objectives, governance, leadership and commitment, strategy, goals, and operations.

ii. The integration of risk management into the company is a dynamic and iterative process and must be adapted to the needs and culture of the company.

iii. Risks are managed in every part of the company's structure, where everyone in the company has responsibility for managing risk.

c. Design

i. The design of the risk management framework is carried out by examining and understanding the external and internal context of the company.

ii. The Board of Directors and the Board of Commissioners demonstrate and articulate their ongoing commitment to risk management through policies, statements, or other forms, and are communicated within the company and stakeholders.

iii. Authority, responsibility, and accountability related to risk management are established and communicated at all levels within the company.

iv. Management ensures the appropriate allocation of resources for risk management.

v. The company establishes an agreed communication and consultation approach to support the framework and facilitate the implementation of effective risk management.

d. Implementation

Risk management implementation requires stakeholders' involvement and awareness, thus allowing the company to consider uncertainty in decision-making explicitly.

e. Evaluation

The company evaluates the effectiveness of the risk management framework by periodically measuring its performance of the risk management framework.

f. Improvement

i. The company monitors and adjusts the risk management framework in anticipation of external and internal changes.

ii. The company is constantly improving the suitability, adequacy, and effectiveness of the risk management framework and how to integrate risk management process.

3. Context Assignment - Scopes, Context, and Criteria

a. Risk assessment consisting of:

i. Risk identification

It is a process to find, recognize, and describe risk in achieving company goals, where in its implementation relevant, appropriate, and current information is important in identifying risk.

ii. Risk analysis

It is a process to understand the nature and characteristic of risk, including its level of risk. Risk analysis involves detailed consideration of uncertainty, risk source, impact, probability, event, scenario, control, and their effectiveness. An event can have multiple causes and impact and can also impact multiple objectives.

iii. Risk evaluation

It is a process to support decision making, the implementation of which involves comparing the results of risk analysis with established risk criteria to determine where additional action is required.

b. Risk treatment

i. Risk treatment is to select and implement options for dealing with risk, which consists of:

(1) Risk aversion.

(2) Accept risk.

(3) Mitigating risk.

(4) Dividing/transferring risk.

ii. The risk treatment plan should be integrated into the company's management plans and processes in consultation with appropriate stakeholders.

c. Monitoring and review

i. Monitoring and review are to ensure and improve the quality and effectiveness of the process design, implementation, and risk management outcomes.

ii. Monitoring and review should be carried out at all process stages, including planning, collecting, analyzing information, documenting results, and providing feedback.

d. Recording and reporting

i. The risk management process and its results should be documented and reported through appropriate mechanisms.

ii. Reporting is an integral part of corporate governance and is intended to improve the quality of dialogue with stakeholders and support the Board of Directors and Board of Commissioners in fulfilling their responsibilities.

Head of Risk Management Department's Profile

Rini Fitriani
SVP Risk Management

Age	47 years old	
Citizenship	Indonesia	
Domicile	Jakarta, Indonesia	
Educational Background	• 2009	Master of Business & Information Technology, University of Melbourne, Australia
	• 2000	Accounting, Universitas Padjadjaran, Indonesia
Executive Course	• Leading Digital Transformation and Innovation Programme, INSEAD, France	
Basis of Appointment	Resolution of Telkom's Board of Directors No. SK 18/PS720/HCP-a104/2024 dated March 28, 2024 regarding Employee Transfer	
Term of Service	January 1, 2026 - Present	
Work Experience	• 2025 - Present	SVP Risk Management, Telkom
	• 2024 - 2025	VP Risk Strategy & Governance Risk Management, Telkom
	• 2023 - 2024	Deputy SGM Finance & Asset Operation Directorate of KMR, Telkom
	• 2018 - 2023	VP Financial Accounting & Asset Management Directorate of KMR, Telin
	• 2013 - 2018	VP Accounting Directorate of, Telin
Professional Certification	• 2024	Qualified Chief Risk Officer (QCRO)

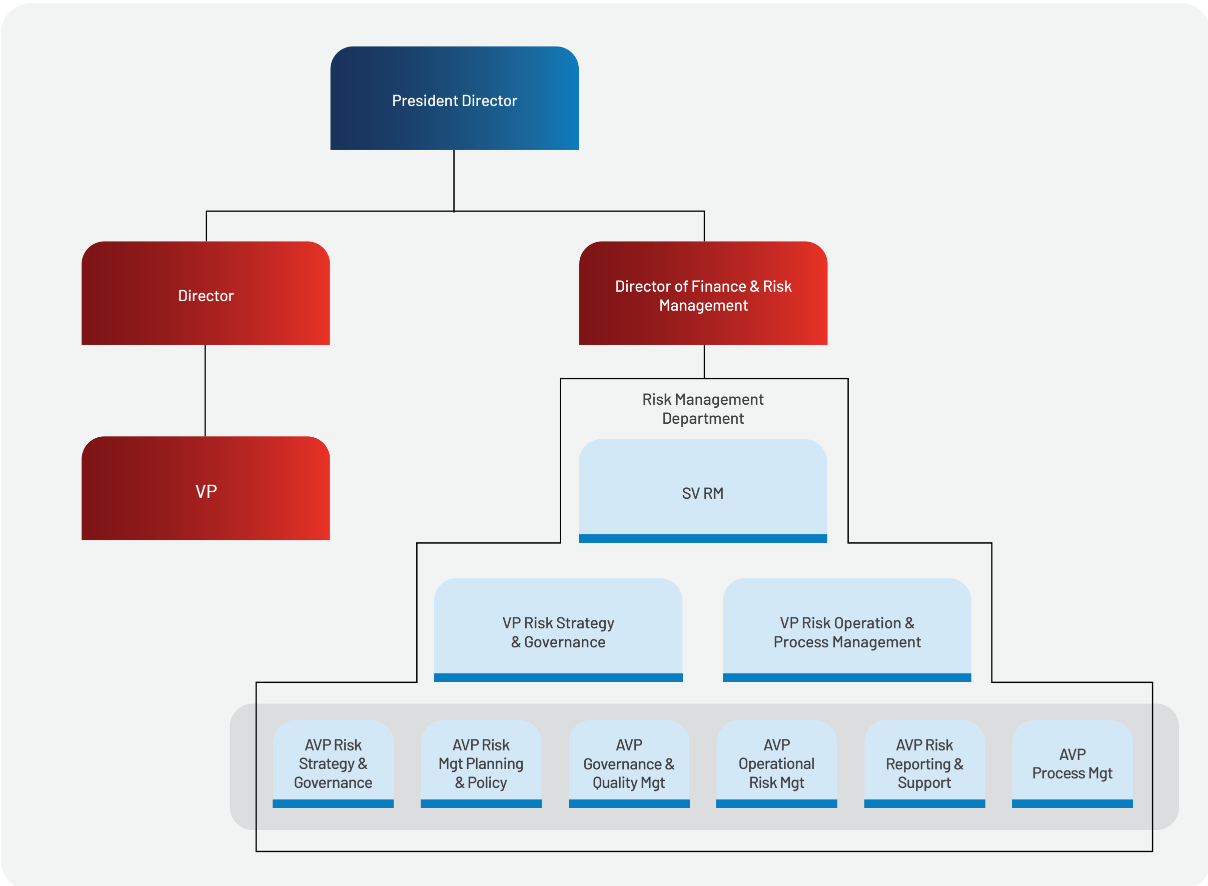
M. Rosadi
VP Risk Operation & Process Management

Age	54 years old	
Citizenship	Indonesia	
Domicile	Jakarta, Indonesia	
Educational Background	• 1999	Business Administration, Southeastern University, United States of America
	• 1998	Economics, Universitas Indonesia, Indonesia
Executive Course	• Leadership GRC - BP 1 (Batch 2), Indonesia	
	• Great People Managerial Program II Batch 14, Indonesia	
	• Suspim 3 International MBS Batch 3 W4, Bandung	
	• Suspim 3 International MBS Batch 3 W1-W3, Australia	
Basis of Appointment	Resolution of the Board of Directors of PT Telekomunikasi Indonesia Tbk No. SK 684/PS720/HCP-A104/2025 dated July 28, 2025 regarding Employee Transfer	
Term of Service	July 1, 2025 - Present	
Work Experience	• 2025 - Present	VP Risk Operation & Process Management
	• 2025 - 2025	Vice President Global Strategic Partnership Sub Directorate Global Strategic Partnership, Telkom Directorate of Strategic Portfolio
	• 2023 - 2024	Assistant Vice President Synergy & Partnership Synergy & Partnership, Telkom Directorate of Group Business Development
	• 2018 - 2023	Assistant Vice President Parenting & Investment Parenting & Investment, Telkom Directorate of Wholesale & International Services
	• 2016 - 2018	Engine Team Group, Telkom Directorate of Wholesale & International Services
	• 2015 - 2016	VP Strategic Alliances, PT Telkom Infra
Professional Certification	• 2025	TCCX Foundation Batch 3
	• 2025	TCCX Batch 2
	• 2024	DCFC (Data Centre Foundation Certificate)

Risk Management's Organizational Structure

As part of an initiative to strengthen risk management in accordance with the direction and aspirations of Ministry of State-Owned Enterprises and the Board of Commissioners, Telkom places responsibility for risk management governance under Risk Management Department, which is under the auspices of Directorate of Finance & Risk Management. The appointment and dismissal of members of Risk Management Department are carried out by the President Director, Director of HCM, or SGM HCBP through Resolution issued by them. Currently, Risk Management Department has 27 employees.

Management of the risk management function is regulated by Regulation of the Board of Directors No. PD.202.47/r.09/HK250/COP-A0200000/2024 regarding Organization of Directorate Finance & Risk Management. Directorate of Finance & Risk Management is responsible for several important aspects, including the availability of functional and cross-functional business processes based on internal control (SOA/ICoFR), implementation of governance, strategic and operational risk management, and Enterprise Risk Management (ERM). Organizational structure of Risk Management Department in 2025 is as follows:



Risk Management Departmentt's Duties and Responsibilities

SVP Risk Management

1. Risk Management Department is led by Senior Vice President of Risk Management (SVP Risk Management).
2. In carrying out its duties and authorities, SVP of Risk Management is responsible for reporting to the Director of Finance and Risk Management.
3. SVP Risk Management is responsible for the availability of functional and cross-functional business processes based on Sarbanes-Oxley Act (SOA) Internal Control over Financial Reporting (ICoFR), implementation of governance and quality management, strategic & operational risk management, Enterprise Risk Management (ERM), and implementation of the role as CoE in terms of risk management.
4. In carrying out its responsibilities, SVP Risk Management carries out the main activities, among others, but not limited to the following:
    a. Serving as CoE and/or subject matter expert of Directorate of Finance & Risk Management organization in risk management, among others:
        i. Determine strategies, roadmaps, policies, governance, and mechanisms in risk management (ERM), governance and quality management, and process management at TelkomGroup.
        ii. Coordinating the implementation of risk management, governance and quality management, and process management with related units within the TelkomGroup.
        iii. Coordinate the process of monitoring, evaluating, and reporting the implementation of risk management, governance and quality management, and process management in TelkomGroup.
    b. Ensuring the implementation of strategic management and implementation of risk management and governance with external parties including regulators.
5. In carrying out the duties and authorities as referred to in paragraph (3), SVP Risk Management is assisted by:
    a. Vice President (VP) Risk Strategy & Governance.
    b. Vice President (VP) Risk Operation & Process Management.

VP Risk Strategy & Governance

1. VP Risk Strategy & Governance is responsible for managing Enterprise Risk Management (ERM) at an adequate and effective strategic level and implementing governance and quality within the scope of TelkomGroup.
2. In carrying out its responsibilities, VP Risk Strategy & Governance carries out the main activities, among others:
    a. Carrying out the role of CoE organization of the Directorate of Finance & Risk Management in risk management, among others:
        i. Formulate and develop strategy, roadmap, policy, and architecture of Enterprise Risk Management (ERM).
        ii. Compile and manage the company's risk, including Risk Profile, Risk Factor, RKAP, including risk management advisory activities within TelkomGroup.
        iii. Measure Risk Maturity Index (RMI), risk culture, and risk competency enhancement, as well as integrated risk governance.
        iv. Formulate strategies, policies, and mechanisms for Good Corporate Governance (GCG) and quality management within TelkomGroup.
        v. Carry out advisory function, implementing GCG, and quality management within TelkomGroup.
    b. Ensure the implementation of risk-based planning management, including RJPP, CSS, and budgeting, as well as management of unit budgets & Key Performance Indicator (KPI) or Management Contract (KM).
    c. Ensure the implementation of coordination with the Ministry of State-Owned Enterprises (SOE) and other external parties, related to the establishment of risk strategies, risk assessment, risk mitigation, and reporting on the implementation of the company's risk management and other purposes;
    d. Ensure the preparation and measurement of risk management unit KPI as well as the development, management, and updating of ERM application.

   e. Ensure the coordination and monitoring of GCG & quality management implementation, as well as Disclosure Control & Procedure (DCP) mechanisms and business processes along with their evaluation and reporting.
3. In carrying out its activities, VP Risk Strategy & Governance interacts among others, but is not limited to:
   a. Telkom's work unit, subsidiaries, and affiliates, in terms of GCG management.
   b. Work unit, in terms of advisory preparation of risk register unit, risk profile, and assessment of KPI risk management effectiveness.
   c. Subsidiaries, in terms of risk management advisory and integrated risk governance.
   d. Financial planning and analysis management work unit, in terms of preparing risk-based budgeting & monitoring, as well as an application system integrated with the Ministry of State-Owned Enterprises.
   e. Internal audit management work unit, in terms of auditing the effectiveness of ERM implementation.
   f. Performance management work unit, in terms of determining and measuring KPI risk management unit.
4. In carrying out the activities, VP Risk Strategy is assisted by:
   a. Assistant Vice President (AVP) Risk Strategy & Reporting.
   b. Assistant Vice President (AVP) Governance & Risk Policy.

VP Risk Operation & Process Management

1. VP Risk Operation & Process Management is responsible for managing Enterprise Risk Management (ERM) at the operational level and the availability of adequate and effective business processes within the scope of the company.
2. In carrying out its responsibilities, VP Risk Operation & Process Management carries out the main activities, among others:
   a. Serve as CoE and/or subject matter expert of Directorate of Finance & Risk Management organization on operational risk and business process management aspect.
   b. Ensure the implementation of business risk management, regularization notes, form of waiver, and ICoFR risk assessment.
   c. Ensure the formulation of strategy, policy, governance, and process management mechanisms such as enterprise-wide process and business unit process of the company.
   d. Ensure the implementation of the review process on risk management for compliance and financial aspects (including hedging and asset impairment) in TelkomGroup.
   e. Ensure the design of ICoFR business process as part of the transactional level control process and the design of entity level control document based on the applicable framework internal control and SOA standard.
3. In carrying out its activities, VP Risk Operation & Process Management interacts with, among others:
   a. Infrastructure and asset management business unit, in terms of business continuity management and insurance management.
   b. Customer management business unit, in terms of revenue assurance and fraud management.
   c. The company's organizational management work unit, the company's policy management work unit, internal audit management work unit, all operating units, and subsidiaries, in terms of managing enterprise-wide process, business unit process, and ICoFR business process.
   d. The company's policy management work unit, internal audit, and all operational units, in terms of managing the design of transaction level control & entity level control to support the effectiveness of the company's ICoFR management.
4. In carrying out the duties and authorities as referred to in paragraph (3), VP Risk Operation & Process Management is assisted by:
   a. Assistant Vice President (AVP) Process Management.
   b. Assistant Vice President (AVP) Financial & Compliance Risk Management.
   c. Assistant Vice President (AVP) Operational Risk Management.

Risk Management Department's Training and Certification

To improve the competency and quality of risk management, Telkom regularly involves members of Risk Management Department in various professional education and training programs. Furthermore, the company also holds outreach activities and workshops at its head office, regional divisions, and all subsidiaries to ensure a comprehensive understanding of risk management implementation across all TelkomGroup unit.

Risk Management Training in 2025

No.	Name	Organization Institution
1.	GRC Professional	OCEG (Open Compliance & Ethics Group)
2.	Financial Risk Analyst for Corporation	CRMS
3.	Certified Risk Professional	Tap Kapital
4.	Qualified Risk Management Professional	CRMS
5.	Financial Risk Academy Preparation Program	BINUS
6.	IRCA BCMS ISO 22301:2019	BSI Training Academy

Risk Management Professional Certification

Members of Telkom's Risk Management Department are professionals with in-depth expertise and experience in risk management. By the end of 2025, 23 members of this department had successfully obtained various professional certifications relevant to risk management. These certifications cover various aspects of risk management to ensure that the risk management system is implemented effectively and in accordance with international standards, while continuing to support the company's business sustainability.

Professional Certification of Members of Telkom's Risk Management Department as of December 31, 2025

No.	Member's Name	Certification	Year of Obtained	Status
1.	Hendri Purnaratman	Qualified Chief Risk Officer (QCRO)	2023	Active
		Certified Integrity Officer	2023	Active
		Certified Compliance Professional	2023	Active
		Certified Governance Professional	2024	Active
		GRC Professional	2025	Active
		Financial Risk Analyst for Corporation	2025	Active
2.	Tatwanto Prastistho	Compliance Management Fundamentals with CCP Certification) Batch 3	2024	Active
		Qualified Chief Risk Officer (QCRO)	2023	Active
		Financial Risk Analyst for Corporation	2025	Active
		Certified Risk Professional	2025	Active
3.	Rizky Ponti Annastuti	Certified Accountant	2022	Active
		Certified Management Accountant	2014	Active
		Certified Risk Professional	2023	Active
		Qualified Risk Mgt Professional	2023	Active
4.	Bima Aryo Putro	Certified Management Accountant	2019	Active
		Certified Risk Professional	2024	Active

No.	Member's Name	Certification	Year of Obtained	Status
5.	Arie Hestiningdaru	Qualified Risk Management Professional (QRMP)	2023	Active
		Certified Risk Professional	2023	Active
		IFRS Training & Certification	2012	Active
6.	Rudi Sudiro	Certified Risk Professional	2024	Active
		Qualified Risk Management Professional (QRMP)	2023	Active
		Financial Risk Analyst for Corporation (FRAC)	2025	Active
7.	Leonard Sutardodo Parapat	Qualified Risk Management Professional (QRMP)	2023	Active
		Certified Governance Professional	2024	Active
		Ahli Pembangun Integritas Muda	2023	Active
		PECB Certified ISO 37001 Lead Auditor	2023	Active
8.	Mahditya	Governance, Risk and Compliance for Executives	2023	Active
		Qualified Risk Management Professional (QRMP)	2025	Active
9.	Tati Krisnayanti	Qualified Risk Management Professional (QRMP)	2023	Active
		Financial Risk Analyst for Corporation (FRAC)	2025	Active
		Certified Risk Professional	2024	Active
		Certified of Professional Industrial Relation (CPIR)	2024	Active
10.	Marisi P. Purba	ASEAN Chartered Professional Accountant	2017	Active
		Chartered Accountant	2014	Active
		Certified Professional Accountant (Australia)	2022	Active
11.	Nofriandi Rosa	Certified Risk Professional	2024	Active
		PECB Certified ISO 37001 Lead Auditor	2023	Active
		Qualified Risk Management Professional	2023	Active
		Ahli Pembangun Integritas Muda	2023	Active
12.	Iswatoen Hasanah	Lead Auditor IRCA BCMS ISO 22301:2019	2025	Active
		Lead Auditor IRCA QMS ISO 9001:2015	2024	Active
		Certified Project Risk Manager	2024	Active
		Qualified Risk Management Professional	2023	Active
		Certified Risk Professional	2027	Active
13.	Dear Ahmad A'dhomul Syafaat	Certified Risk Professional	2023	Active
		Certified Risk Professional	2023	Active
		Financial Risk Analyst for Corporation	2023	Active
14.	Meylia Candrawati	Certified Governance Professional	2024	Active
		Good Corporate Governance	2023	Active
		Certified Public Accountant of Indonesia	2025	Active
		Qualified Risk Management Analyst (QRMA)	2023	Active
		Financial Risk Analyst for Corporation	2025	Active

No.	Member's Name	Certification	Year of Obtained	Status
15.	Ardistya Wirawan	Certified Risk Professional	2025	Active
		Financial Risk Analyst for Corporation	2025	Active
		Qualified Risk Management Analyst	2023	Active
16.	Alya Mutiara Basti	Certified Risk Professional	2025	Active
		Qualified Risk Management Analyst (QRMA)	2023	Active
		Financial Risk Analyst for Corporation (FRAC)	2025	Active
		Financial Risk Academy Preparation Program	2025	Active
		Certified Financial Risk Management (CFRM)	2024	Active
17.	Rizka Raniah Rahmat	Qualified Risk Management Analyst	2023	Active
		Certified in Financial Risk Management (CFRM)	2024	Active
		Certified Risk Professional	2025	Active
		Qualified Risk Management Professional	2025	Active
18.	Fabri Tobal H. Situmeang	Certified Risk Professional	2025	Active
19.	Niken Dwi T.	Certified Risk Professional	2022	Active
		Qualified Risk Management Analyst (QRMA)	2023	Active
		Certified Project Risk Manager (CPRM)	2024	Active
20.	Dimas Prasstyo	Certified Management Accountant	2019	Active
		Financial Risk Analyst for Corporations	2025	Active
		Certified Financial Risk Management (CFRM)	2024	Active
		Certified Risk Professional	2021	Active
21.	Gustaf Geysbert Lontoh	Financial Risk Manager	2024	Active
22.	Muhammad Azhar Ashari	Certified Compliance Professional	2024	Active
		Certified Risk Professional	2025	Active
23.	Lely Firda Anggraeni	Certified Risk Professional	2025	Active
		User Experience Research and Design	2020	Active

In 2025, Telkom will implement a professional certification program in the field of risk management and extend certification for employees who act as primary risk manager in their respective division and/or sub-unit.

Risk Awareness and Culture

Enhancing Risk Aware-Culture is one of the key factors in achieving the company's targets and objectives, in line with 2020-2025 Strategic Plan for State-Owned Enterprises Regulatory Agency, particularly in relation to strengthening risk management and corporate governance functions of state-owned enterprises. A good Risk Aware-Culture can improve:

1. Organizational capability to manage measurable risk level.
2. Improving Corporate Governance Compliance.
3. Achievement of company performance target.

Risk Aware-Culture also embodies one of AKHLAK's Core Values, specifically the Competence aspect, which involves continuous learning and developing capabilities. Therefore, the risk awareness program is divided into three categories: leader journey, people journey, and program journey.

1. **Leader Journey**
   a. Sharing session involving Telkom leaders

      Telkom routinely conducts sharing sessions involving C-Level Executive from divisions and subsidiaries with the aim of building a commitment to risk management implementation.

   b. Training and certification

      Telkom also strengthens risk management through relevant training program that are attended by head of unit and management of subsidiaries.

   c. Webinar with external expert

      The webinar program is conducted by external expert, both consultant, practitioner, and academic.

2. **People Journey**
   a. Communicate clearly (Compile Story)

      Telkom's Risk Management Department intensively provides advisory and coaching to units and subsidiaries in order to strengthen risk management through several platforms, including:

      i. Diarium (Digital Poster).
      ii. Telegram Channel.

   b. Mandatory digital learning

      Telkom is conducting digital training on refreshment knowledge of risk management, which is mandatory for all TelkomGroup entities. The minimum score to meet the passing threshold is 70.

   c. New employee training program

      Every new employee is required to attend several training courses, one of which is regarding Risk Management.

3. **Program Journey**
   a. Breakdown silos

      Risk Management Department acts as an intermediary and communication center across divisions and subsidiaries to be able to carry out collaborative cooperation in the context of mitigating corporate risk. One form of activity that has been implemented is advisory for the alignment of strategy and risk management of all units.

   b. Assigning responsibility for risk

      There is a risk manager in each division and subsidiary who conducts direct identification and monitoring so that it is expected to be able to capture all possible risk that exist in the company.

   c. Utilization of technology and IT Tools

      Telkom has an online ERM application that is used by all divisions and subsidiaries in real time. Some of the modules that have been developed include:

      i. Telkom and subsidiaries' Risk Register Module.
      ii. Telkom and subsidiaries' Risk Reporting Module.
      iii. Risk Project Module.
      iv. EWS (Early Warning System) Module.
      v. LED (Loss Event Database) Module.
      vi. Support Needed Module.
      vii. Repository Module.
      viii. Helpdesk dan Ticketing Module.
      ix. Risk Universe Module.
      x. Risk Taxonomy Module.

   d. Implementing risk management KPI
   e. Senior Leader's commitment to implementing risk management is demonstrated by the implementation of Risk Management Effectiveness KPI as one of the performance indicators assessed for all BOD-1 unit at Telkom. The assessment is conducted quarterly by Telkom's Risk Management Department on the Risk Register and Risk Reporting of all BOD-1 unit. The parameter used to assess Risk Management effectiveness include completeness, quality, and reporting time delivery

List of Risk Awareness Program Improvement

No.	Dimension	2025	2026
1.	Risk Culture and Capability	The company has a comprehensive risk culture program and risk skill enhancement training program for risk manager.	Develop a corporate risk culture program based on the result of the risk culture evaluation.
2.	Organization and Risk Governance	The completeness of risk management organ, their function, and responsibility are in accordance with the provisions in PER-2/MBU/03/2023.	Encourage subsidiaries to carry out RMI assessment periodically.
3.	Risk and Compliance Framework	The company has a risk management policy that is continually reviewed and updated. The company also has a risk capacity, which serves as the basis for determining threshold values and their derivatives.	Update to risk management policiy in accordance with the latest shareholder provision.
4.	Risk Process and Control	The company has conducted an assessment of the company's objective target and monitored them to ensure the achievement of the company's objective.	Conduct regular monitoring of the alignment of business strategy planning and corporate risk management.
5.	Model, Data, and Risk Technology	The company has a risk reporting mechanism from business unit and subsidiary using an online application.	Develop a risk management application support system in stages by taking into account the company's needs.

Risk Management Department's Implementation Activities

The duties and responsibilities carried out by Risk Management Department in managing risk during 2025 are:

1. Develop and update Risk Strategy which includes a Risk Appetite Statement and Risk Limits (Risk Capacity, Risk Tolerance and Risk Appetite).
2. Calculate unexpected loss and tail loss along with developing management strategies.
3. Assist in the preparation of risk factors for documents:
   a. Company Long-Term Plan (RJPP) for a 5 years period; and
   b. Corporate Strategic Scenario for a 3 years period.
4. Compile and update TelkomGroup's risk profile and reporting on its implementation.
5. Assist in the preparation of Risk-Based RKAP.
6. Prepare Contingency Plan and Stress Testing documents for potentially detrimental macro condition.
7. Coordinate and carry out advisory activities in the context of preparing risk register, risk review, and overseeing ERM improvement in both unit and subsidiary.
8. Perform risk universe update.
9. Conduct risk taxonomy mapping based on Regulation of Minister of State-Owned Enterprises Number PER-2/MBU/03/2023 regarding Guidelines for Governance and Significant Corporate Activity.
10. Conduct a review of the Risk Profile and Parameter based on the Letter from PT Danantara Asset Management Number SR.122/DI-DAM/DO/2025 regarding Strategic Guidelines for the Preparation of the Company Work Plan and Budget (RKAP) of PT Danantara Asset Management's Subsidiary.
11. Conduct alignment the implementation of Risk Management with subsidiary.

12. Support the 2025 Risk Maturity Index measurement activity for 2024 performance at TelkomGroup together with the company's Internal Audit.
13. Monitor the follow-up of recommendation for the company's ERM improvement roadmap.
14. Develop and update policies:
    a. Integrated Governance Guidelines;
    b. ICoFR Policy;
    c. Good Corporate Governance (GCG) Guideline; and
    d. Guideline Key Performance Indicator Risk Management Effectiveness (KPI RME).
15. Support Performance and Financial Accountability Assessment activity by BPKP.
16. Support ACGS Leadership Governance GCG Assessment activity.
17. Support and carry out Anti-Bribery Management System (SMAP) Surveillance activity.
18. Conduct advisory and outreach regarding company risk management policy.
19. Conduct quarterly KPI RME assessment.
20. Conduct liaison officer survey and online ERM application.
21. Monitor the implementation of risk competency qualification fulfillment (training module, risk management organ certification, and people development plan).
22. Monitor and support the implementation of Charter 8 Policy & Process.
23. Orchestrate the fulfillment of competency and/or certification of risk management organ at the level of the Board of Directors, Board of Commissioners, senior leader, and all employees.
24. Coordinate the preparation/updating of the BCP Set.
25. Coordinate risk assessment and business impact analysis.
26. Conduct BCP evaluation and testing.
27. Conduct the 1st Surveillance Audit of ISO 22301: 2019 BCMS.
28. Support insurance management (property all risk (PAR) insurance, Director & Officer/D&O, personal accident (ASKEDIR), in-orbit satellite insurance, etc.).
29. Support revenue assurance.
30. Monitor the implementation of fraud management.
31. Conduct Risk Assessment Scoping & Significant ICoFR periodically.
32. Conduct ICoFR Entity Level Control (ELC) design.
33. Conduct design, evaluation, and remediation of the Business Process & Risk Control Matrix design as part of ICoFR Transaction Level Control (TLC) design.
34. Conduct Risk Assessment Key Control Business Process ICoFR periodically.
35. Monitor and evaluate ICoFR Control Self-Assessment carried out by the Business Process Owner.
36. Carry out ICoFR fraud risk assessment business process.
37. Develop and update ERM policies and SOPs (ERM PR, ERM SOP, risk assessment implementation instruction, BCMS, insurance, fraud management, and revenue).
38. Review the organization's business process high layer.
39. Conduct Fraud Risk Assessment of new product/service.
40. Preparation/update of SOP Business Continuity Plan (BCP).
41. Conduct a review of the risk aspect of the company's corporate action plan.
42. Conduct a review of the risk aspect of the company's collaboration initiative.
43. Carry out advisory activity for risk aspect to prepare a risk register for the company's corporate action plan.
44. Conduct a review of risk aspect related to changes in company policy/regulation.
45. Conduct a review of risk aspect in the company's OPEX & CAPEX management.

Type of Risk and Management Method

Risk Management Department identified several strategic risks that impact Telkom's business activities, including:

Type of Risk	Risk that is Faced	Impact to Telkom	Mitigation/Risk Management
1. Systemic Risk			
Political and Social	Disruptions to political stability, social, and security turmoil both domestically and internationally caused by specific issues such as geopolitical crises, trade wars, and so on.	It has a negative impact on business growth, operations, financial condition, results of operations, supply chain of production equipment and prospects, as well as market prices of securities.	• Monitoring the influence of socio-political turmoil on operational/service disruptions. • The maintenance of awareness through the improvement of safety & security functions. • Monitoring supply chain issues related to raw materials and looking for alternatives to materials/device designs.
Macro Economy	• Changes in the rate of inflation. • The fluctuation of Rupiah exchange rate. • Increase in energy and fuel prices. • Increase in loan interest rates. • The decrease of government or company's credit rating.	• Affects the purchasing power and ability to pay customers. • Have the impact on the business, financial condition, business result or business prospect. • Have a material adverse effect to the business, financial, condition, business proceeds or business prospect.	• Monitoring of the influence of macroeconomy to the change to increase the expense through Cost Leadership program. • Maintain healthy financial ratio to get competitive interest rates. • Loan restructuring with less competitive interest rates. • Maintain sufficient foreign currency asset according to business needs.
Risk of Disaster and Epidemic	Natural disasters such as hurricane, earthquake, tsunami, volcanic eruption, fire, drought, endemic, and pandemic.	Disrupting its business operations and give negative impact to the financial performance and profit, business prospect as well as market price of securities.	• Monitoring indicators that have the potential to cause disturbances to equipment such as device humidity and temperature, ship traffic on the SKKL route through the system. • Transfer of risk by using the insurance of asset to anticipate the natural disaster and fire. • Coordination with ASKALSI (Indonesian Sea Cable Association) and BAKAMLA (Indonesian Marine Safety Agency) to secure SKKL. • Preventive & corrective action by preparing the disaster recovery plan and crisis management team.

Type of Risk	Risk that is Faced	Impact to Telkom	Mitigation/Risk Management
Risk of Climate Change	Unpreparedness to respond to climate-related risk is driving extreme weather event such as flood, and long-term change in climate pattern such as rising temperature.	Damage to network asset and infrastructure, operational disruption including on-grid power outage, decreased employee productivity due to disruption to transportation or site access, and safety threat to field employee.	• Upgrade infrastructure to increase resilience to climate change-induced disaster. • Have Business Continuity Management procedure and disaster management guideline. • Mitigate the risk of overheating by ensuring the building has optimal cooling condition. • Establish GHG emission reduction initiative. • Carbon-offset program through reforestation and conservation effort, utilization of renewable energy and energy efficiency. • The Energy Efficiency Awareness Movement (GePEE) is implemented in all office buildings and Plazas.
2. Business Related Risks			
Operational Risk	The failure in the sustainability of network operation, main system, gateway on Telkom's network, or other operator's network.	It has a negative impact to the business, financial condition, proceeds from the operation and business prospect.	• Implementation of BCM, BCP, and DRP. • Integrated Management System (IMS) Certification for infrastructure management.
	Physical security threats such as theft, vandalism, riot, terrorist attack that are beyond Telkom's control or other actions as well as cyber security threats such as brute force attack, DDoS attack, and threat in Data Center.	Has the negative impact to the business, financial condition, result from the operation materially.	• The upgrade of preventive action in the form of vulnerability assessment and penetration test periodically. • Monitor and identify all types of attack in the real-time as well as to choose and conduct the necessary action immediately. • Preparing the recommendation to handle cyber-attack based on the historical incident analysis. • Intensive coordination with relevant parties to handle the cyber-attack. • Monitor the situation and coordinate with relevant law enforcement officer (e.g., Police) to maintain the security of asset and building.

Type of Risk	Risk that is Faced	Impact to Telkom	Mitigation/Risk Management
	Delay in adoption of new technology.	Negative impact on competitiveness.	• Preparation of a technology roadmap by considering future technology and potential implementation of competitor technology. • High-Level-Design (HLD) evaluation and validation through LAN simulation to check interoperability between platform.
Financial Risk	Credit risk mainly comes from trade receivable and other receivable.	Have an adverse impact on financial condition, operational performance, and business prospect.	• Continuous monitoring of account receivable balance and carrying out regular collection effort.
	Liquidity risk.	Impact on the ability to meet financial liability, when these financial liabilities fall due.	• Preparation of a technology roadmap by considering future technology and potential implementation of competitor technology. • Conduct analysis to monitor the liquidity ratios of the financial position statement such as the current ratio and debt to equity ratio against the requirements required by the debt agreement.
	Limitation in finding funding source for investment initiative.	Have a material adverse impact on the business, financial condition, operational performance, and business prospect.	• Maintain and improve company performance to gain trust from national and global funding institution/source.
Legal and Compliance Risk	Civil lawsuit and/or breach of contract from third party (vendor, partner or cooperation partner).	Reduce Telkom's revenue and negative impact on business, reputation, and profit.	• Strengthening legal review of contract document with third party and monitoring the settlement of right and obligation according to the contract. • Strengthening internal policy related to procurement and cooperation process.
	Personal data leak.	A maximum fine of 2% of income based on regulation on personal data protection.	• Program to increase employee awareness of personal data protection regulation. • Supervision and evaluation of data transaction mechanism and implementation within the company. • Strengthening cyber security to ensure protection of personal data managed in the company.

Type of Risk	Risk that is Faced	Impact to Telkom	Mitigation/Risk Management
Regulation Risk	The change of Indonesian or International regulation.	Has the impact to the business, financial condition, operational performance, and business prospect.	• Analysis on the impact of the regulation plan towards the industry in general and Telkom in particular. • Giving inputs so that the regulation that will be stipulated will give positive impact to the company and industry.
Transformation Risk	The failure of significant business and organizational transformation initiatives.	Has an impact on business growth and the company's financial performance in the short and long-term.	• Preparation of strategic fit and roadmap for transformation initiative. • Conduct risk assessment on transformation initiative both at the pre- and post-transformation stage (including ensuring that customer service continue to run). • Implementation of change management by maximizing the Project Management Office (PMO) function.

Risk Management System's Review on the Effectiveness

Throughout 2025, Telkom's risk management system has been operating effectively in managing various business risks to support every policy and process within the TelkomGroup. Telkom utilizes several risk management tools or information systems, including:

1. Generic Tools Enterprise Risk Management Online (ERM Online) which is used by all units for Risk Register management.
2. Specific Tools for specific risk management purposes e.g.:
   a. Fraud Management System (FRAMES) application is used for the early detection system of potential Customer and Third-Party Fraud.
   b. Telkom Legal Intelligence System (TELIS) is used as a repository for internal policy and external company regulation.
   c. ICoFR Control Self-Assessment (ICSA) is a tool or application used to facilitate the self-assessment process for the implementation of business process at the transaction level control (TLC) level and enable timely reporting of self-assessment result.
   d. EITA (Enterprise IT Architecture) application is an application that manages the ICoFR business process repository.

Telkom has also carried out an assessment process for the effectiveness of risk management implementation in 2025, namely:

1. Measurement of Risk Maturity Index (RMI).
2. Monitoring and evaluation of the effectiveness of risk mitigation through ERM Online application.
3. Evaluation/discussion and advisory on a one-on-one basis with business unit as needed.
4. Reporting and evaluation together with the BOD and Committee for Planning and Risk Evaluation and Monitoring (KEMPR).
5 Preparation and reporting document of 2025 Contingency Plan.

Statement of the Board of Directors and Board of Commissioners on Adequacy of Risk Management System

The Board of Directors and Board of Commissioners, through Committee for Planning and Risk Evaluation and Monitoring (KEMPR), regularly hold meetings with Risk Management Department to discuss risk monitoring throughout the company. This meeting also covers follow-up actions taken by risk owner to minimize identified risk. Risk Management Department reports the result of risk monitoring to the Board of Directors and Board of Commissioners on a quarterly basis, ensuring that risk management is carried out effectively and sustainably.

1. **Adequacy of Risk Management Information System**

   Risk management system implemented in the company refers to the ISO 31000:2018 framework and adopt various international standards to ensure the best implementation of risk management. The preparation of the company's risk register and risk profile has utilized the ERM Online application, as well as the monitoring and evaluation process as well as the dashboard.

2. **Adequacy of Risk Identification, Measurement, Monitoring, and Control Process**

   The Board of Directors through Internal Audit function has carry out inspection, evaluation, report, and/or recommendation for improvement of adequacy and the effectiveness of the risk management process then followed up through evaluation by Committee for Planning and Risk Evaluation and Monitoring.

Telkom Risk Appetite Statement

Attitude	Telkom Risk Appetite Statement
Intolerance	1. TelkomGroup does not tolerate any deviation from integrity and compliance, including environmental damage and negligence regarding cybersecurity and personal data protection, which could impact the company's reputation.
	2. TelkomGroup is committed to meeting the target of dividend payment to SOE in accordance with the target that has been set.
Conservative	1. TelkomGroup strives to maximize the potential of Digital Infrastructure, Integrated B2C Service, and B2B ICT Service business, which are included in "Core Investment" category, with achievement that are right on target.
	2. TelkomGroup is committed to fulfilling its financial obligation and maintaining a healthy financial structure and ensuring sustainable business continuity.
	3. TelkomGroup is committed to carrying out its core business activity with the highest quality by fulfilling ESG aspect.
Moderate	1. TelkomGroup strives to optimize the business potential of Digital Infrastructure, Integrated B2C Service, and B2B ICT Service which are included in "Next Core Investment" category with prudent and measurable management.
	2. TelkomGroup SOE optimize the management of market and macroeconomic volatility by accepting the consequences of these burdens in a measured manner.
Strategic	1. TelkomGroup strives to carry out transformation with strict governance for the management and development of selective "New Play Investment" business, with reasonable and measurable risk and commensurate investment return.