

Risk Management System

The risk management system is essential in realizing Good Corporate Governance (GCG). By implementing a good risk management system within Telkom and its subsidiaries, the Company can identify various business risks faced and develop appropriate risk mitigation to expand the business scope for communication transformation in the digital era, improve the risk management system on an ongoing basis, and support business continuity.

GENERAL ILLUSTRATION REGARDING THE RISK MANAGEMENT SYSTEM

As a company listed on the New York Stock Exchange (NYSE), Telkom is also required to implement risk management that complies with the Sarbanes-Oxley Act, significantly articles 302 and 404. Based on the Minister of State-Owned Enterprises Regulation No. PER-2/MBU/03/2023 regarding Guidelines for Governance and Significant Corporate Activities of State-Owned Enterprises, Telkom, as a state-owned company, is also required to implement a risk management system. Implementing a risk management system is carried out to fulfill compliance aspects and maintain business continuity so that it runs well.

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

1. Decision of the Commissioners (KAKOM No. 7/2006 Risk Management regarding the Authorities and Responsibilities of the Commissioners, the Obligations of the Directors regarding the Implementation of Risk Management);
2. Resolution of the Board of Directors/Regulation of the Board of Directors (KD 13/2009 regarding Guidelines for the Management of SOX Sections 302 and 404, Company Management refers to the provisions of the US SEC;
3. Regulation of the Board of Directors of a Limited Liability Company (Persero) (Number: 614.00/r/01/HK200/COP-D0030000/2021) regarding Company Risk Management;
4. Regulation of the Director of Finance and Risk Management (PR 614.00/r.01/HK200/COP-I0000000/2022 regarding Guidelines for Implementing Corporate Risk Management (Telkom Enterprise Risk Management);
5. Standard Operation Procedure, (Number: SOP. RMPP.03/RSG/2022) regarding the explanation of the regulations for the director of finance and risk management for corporate companies (Persero) PR 614.00/r.01/HK200/COP-I0000000/2022 regarding implementation guidelines for enterprise risk management.

These various regulations and provisions form the foundation for Telkom to carry out risk management, of course referring to various existing standards and best practices.

RISK MANAGEMENT SYSTEM (FRAMEWORK) AND POLICY

Telkom's risk management implementation is based on two policies: Regulation of the Board of Directors No. PD.614.00/r.01/HK.200/COP-D0030000/2021 dated April 30, 2021 regarding Company Risk Management (Telkom Enterprise Risk Management) and Regulation of the Director of Finance and Risk Management No. PR.614.00/r.01/HK200/COP-I0000000/2022 regarding Guidelines for Implementing Enterprise Risk Management (Telkom Enterprise Risk Management). Since 2021, Telkom's risk management policy has referred to the ISO 31000:2018 Risk Management –Principles and Guidelines standard, which consists of 3 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:

1) Integrated

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

2) Structured and Comprehensive

In practice, the company takes a structured and comprehensive approach to provide consistent and comparable results.

3) 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.

4) Inclusive

It is necessary to involve the right stakeholders at the right time to take their knowledge, views, and perceptions into account, thereby increasing awareness of risk management, which is well-informed.

5) 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.

6) 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.

7) Human and Culture Factors

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

8) 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:

1) Leadership and Commitment

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

- a. Customize and implement all components of the framework;
- b. Issue a statement or policy that sets out risk management approaches, plans, or actions;
- c. Ensure that necessary resources are allocated to manage risk;
- d. 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.

2) Integrasi (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 the responsibility to manage risks.

3) 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. Authority, responsibility, and accountability related to risk management are established and communicated at all levels within the Company.
- 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 approved communication and consulting approaches to support the framework and facilitate the implementation of effective risk management.

4) Implementation

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

5) Evaluation

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

6) 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 processes.

3. Context assignment - Scope, context, and criteria;

1) Risk assessment consisting of:

i. Risk identification

It is a process to find, recognize, and describe risks in achieving the Company's objectives. Relevant, appropriate, and up-to-date information is essential in identifying risks.

ii. Risk analysis

It is a process to understand the nature and characteristics of risk, including its level of risk. Risk analysis involves a detailed consideration of the uncertainty, the source of the risk, the consequences, the possibilities, events, scenarios, controls, and their effectiveness. An event can have many causes and consequences and can also affect a variety of objectives.

iii. Risk evaluation

Is a process to support decision-making. Risk evaluation involves comparing risk analysis results with established risk criteria to determine where additional measures are needed.

2) Risk treatment

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

- a. Risk aversion
- b. Accept risk
- c. Mitigating risk
- d. Dividing/transferring risk

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

3) 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.

4) 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. It is intended to improve the quality of dialogue with stakeholders and support the Board of Directors and the Board of Commissioners in fulfilling their responsibilities.

HEAD OF RISK MANAGEMENT DEPARTMENT'S PROFILE



ROBERTO SURYA NEGARA

Age	53 years old	Citizenship	Indonesian	Domicile	Jakarta, Indonesia
Educational Background					
1996	Bachelor Degree in Economics Accounting, Faculty of Economy Universitas Indonesia, Indonesia.				
2014	Magister of Management, Universitas Gajah Mada, Indonesia				
Executive Course					
1. Overview of Operational Risk Management 2. Directorship Program 3. Application of Business Judgment in SOEs 4. Great Executive Development Program					
Professional Certifications					
2024	Certified Risk Executive Leader (CREL)				
Basis of Appointment					
Resolution of the Board of Directors Telkom' No. SK 220/PS000/TII-11/XI/2024 regarding Talent Mobility Program Employee Assignment					
Term of Office					
November 1, 2024 – present					
Work Experiences					
2024 - present	SVP Risk Management, Telkom				
2023 - 2024	CEO PINS				
2020 - 2023	CFO Telkom Sigma				
2018 - 2020	CFO Infomedia				
2017 - 2018	Executive Vice President Investment & Strategic Portfolio Telekomunikasi Indonesia International				

PRAYUDI UTOMO

Age 56 years old	Citizenship Indonesia	Domicile Bandung, Indonesia
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Educational Background

1993	Bachelor of Electrical Engineering, Universitas Gadjah Mada, Indonesia
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Executive Course

1. Great Executive Development Program (GEDP), Telkom - Indonesia
2. Studium Generale : B2B IT SERVICE TREG, Telkom - Indonesia
3. Great People Development Program (GPD) II, Telkom - Indonesia
4. Smart People Development Program - CRM, Telkom - Indonesia

Professional Certification

2023	Certified Qualified Chief Risk Officer (QCRO)
2023	Certified Professional Cert in Risk Management
2017	Certified Aplikasi KPRO & SIIS

Basis of Appointment

Resolution of Telkom Directors No. SK 783/PS720/HCB-105/2023 June 27, 2023 regarding Employee Movements

Term of Office

August 26, 2022 - present

Work Experiences

2023 - present	VP Risk Operation & Process Management
2023 - 2023	Deputy EVP Marketing Treg 2
2021 - 2023	Deputy EVP Marketing Treg 2
2021 - 2021	Senior Principal Expert Marketing & Sales Partnership
2018 - 2021	OSM Customer Touch Point
2016 - 2018	OSM Customer Interface Management
2014 - 2016	OSM Home Commerce & Caring

RINI FITRIANI

Age 47 years old	Citizenship Indonesia	Domicile Bandung, Indonesia
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Educational Background

2009	Master of Business & Information Technology, University of Melbourne
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Executive Course

Leading Digital Transformation and Innovation Programme, INSEAD - France

Professional Certifications

2024	Qualified Chief Risk Officer (QCRO), LSP MKS
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Basis of Appointment

Resolution of the Board of Directors of Telkom No. SK 18/PS720/HCP-a104/2024, dated March 28, 2024, regarding Employee Mutation

Term of Office

April 1, 2024 - present

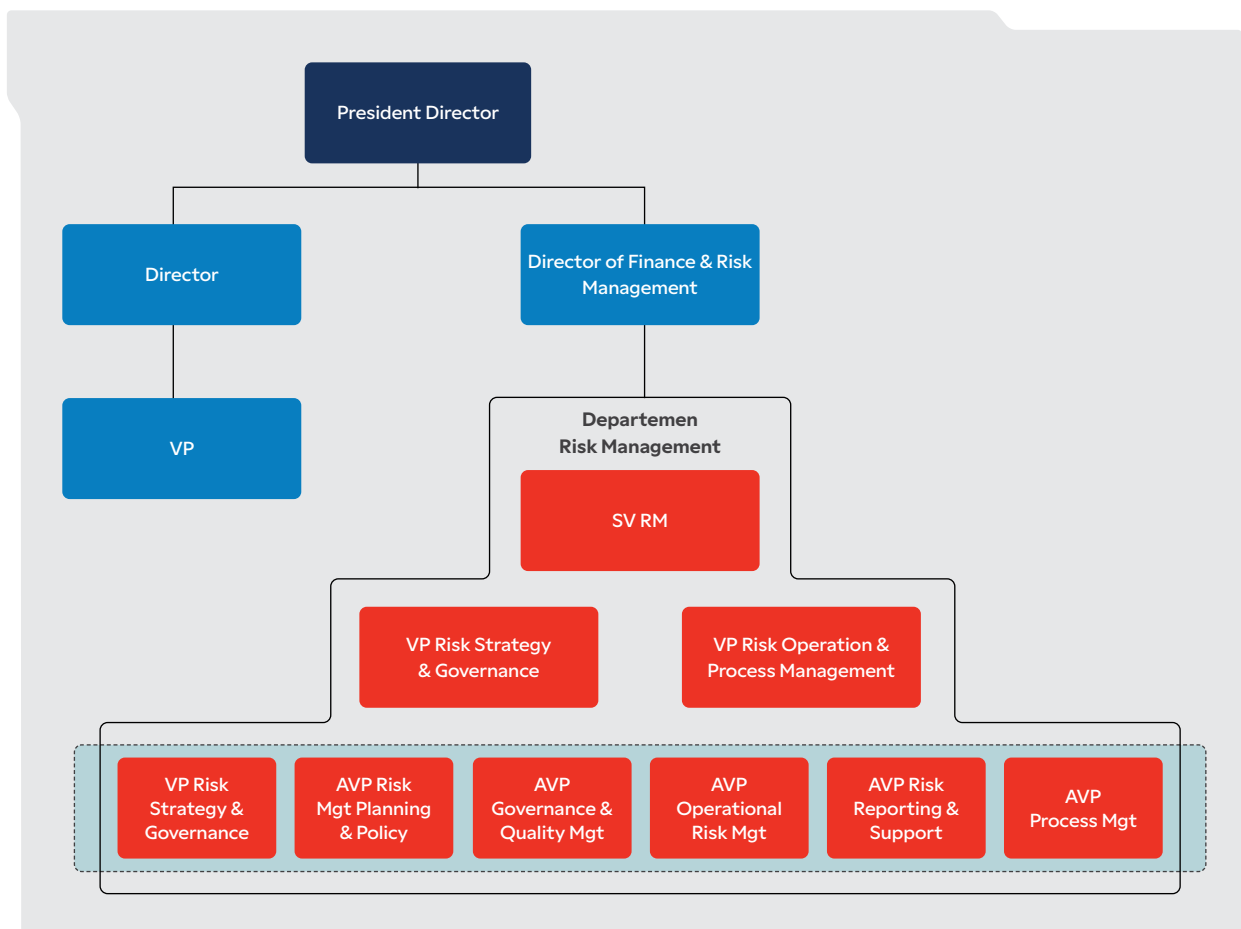
Work Experiences

2024 - present	VP Risk Strategy & Governance – Risk Management, Telkom
2023 - 2024	Deputy Deputy SGM Finance & Asset Operation – Direktorat KMR, Telkom
2018 - 2023	VP Financial Accounting & Asset Management – Direktorat KMR, Telin
2013 - 2018	VP Accounting – Direktorat KMR, Telin

RISK MANAGEMENT'S ORGANIZATIONAL STRUCTURE

As an initiative to strengthen risk management based on the directions and aspirations of the Ministry of SOEs and the Board of Commissioners, Telkom's risk management governance is under the responsibility of the Risk Management Department, which is under the Directorate of Finance & Risk Management. Appointment and dismissal of members of the Risk Management Department are carried out by the President Director, Director of HCM or SGM HCBP based on a Resolution of the President Director, Director of HCM or SGM HCBP. The Risk Management Department currently has 27 employees.

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



Risk Management Department Tasks And Responsibilities

SVP Risk Management

1. The Risk Management Department is led by the Senior Vice President of Risk management, referred to as SVP Risk Management.
2. In carrying out its duties and authorities, the SVP of Risk Management is responsible for reporting to the Director of Finance and Risk Management.

3. SVP Risk Management is responsible for managing policies, controlling, supervising, and implementing risk management functions, including the management of Enterprise Risk Management (ERM), the implementation of governance and quality management, business processes, and risk management reports within the TelkomGroup.
4. In carrying out its responsibilities, SVP Risk Management carries out the main activities, among others, but not limited to the following:
 - a. Serve as CoE and/or subject matter expert of the Directorate of Finance & Risk Management organization in risk management, among others:
 - i. Determining strategies, roadmaps, policies, governance, and mechanisms in risk management (Enterprise Risk Management), governance & 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. Coordinating the monitoring, evaluation, and reporting processes of management, governance and quality management, and process management implementation at TelkomGroup.
 - b. Ensure the implementation of strategy 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; and
 - b. Vice President (VP) Risk Operation & Process Management.
2. In carrying out its responsibilities, VP Risk Strategy & Governance carries out the main activities, among others, but not limited to the following:
 - a. Carry out the role of CoE organization of the Directorate of Finance & Risk Management in risk management, among others:
 - i. Formulating and develop Enterprise Risk Management (ERM) strategies, roadmaps, policies, and architectures;
 - ii. Compiling and managing the Company's risks, including Risk Profile, Risk Factors, RKAP, including risk management advisory activities within the TelkomGroup;
 - iii. Measuring risk maturity index (RMI), risk culture, and risk competency enhancement, as well as integrated risk governance;
 - iv. Formulating strategies, policies, and mechanisms for Good Corporate Governance (GCG) and quality management within the scope of TelkomGroup;
 - v. Carrying out advisory functions for implementing GCG and quality management within the scope of TelkomGroup.
 - b. Ensure the implementation of risk-based planning management, including RJPP, CSS, and budgeting, as well as management of unit budgets & key performance indicators (KPI) or management contracts (KM)
 - c. Ensure the implementation of coordination with the Ministry of State-Owned Enterprises (SOEs) 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. Develop, assign, and assess the Key Performance Indicator Risk Management Department and develop, manage, and update the Application Support ERM;
 - e. Coordinating and overseeing the implementation of GCG & quality management as well as mechanisms and business process disclosure (DCP) along with its evaluation and reporting;

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.

3. In carrying out its activities, VP Risk Strategy & Governance interacts among others, but is not limited to:
 - a. All units in the Company and its Subsidiaries and other entities, including the Foundation, in terms of managing enterprise quality management and Good Corporate Governance (GCG);
 - b. All units in the Company in terms of advisory on the preparation of risk register units, preparation of Risk Profile, and KPI assessment of Risk Management Effectiveness;
 - c. All Subsidiaries in terms of advisory risk management;
 - d. Financial Controller Unit in terms of risk budgeting & monitoring;
 - e. Internal Audit Department in terms of auditing the effectiveness of Enterprise Risk Management (ERM) implementation; and
 - f. Performance management unit determines and measures KPI Risk Management Department.
4. In carrying out the duties and authorities as referred to in paragraph (3), VP Risk Strategy & Governance is assisted by:
 - a. Assistant Vice Presiden (AVP) Risk Strategy & Reporting
 - b. Assistant Vice Presiden (AVP) Governance & Risk Policy
 - c. Ensuring the formulation of strategies, policies, governance, and process management mechanisms such as enterprise-wide processes and business unit processes of the Company.
 - d. Ensuring the implementation of the review process on risk management for compliance and financial aspects (including hedging and asset impairment) in TelkomGroup; and
 - e. Ensuring the design of the ICoFR business process as part of the transactional level control process and the design of entity level control documents based on the applicable internal control framework and SOX standards.
3. In carrying out its activities, VP Risk Operation & Process Management interact, among others, but is not limited to:
 - a. Infrastructure Management Business Unit and Asset Management Unit in terms of business continuity management and insurance management;
 - b. Customer Management Business Unit in terms of revenue assurance and fraud management;
 - c. Financial controller unit in terms of risk-based budgeting and budget management;
 - d. All units in terms of business risk review, risk culture management, risk competency enhancement, and risk management reporting; and
 - e. Organizational Development Management Unit, Corporate Policy Management Unit, Internal Audit Management Unit, all operational units and subsidiaries in terms of management and audit of the enterprise-wide process, business unit process, cross-functional process, and business process ICoFR (Transactional Level Control).
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 Presiden (AVP) Process Management;
 - b. Assistant Vice Presiden (AVP) Financial & Compliance Risk Management; and
 - c. Assistant Vice Presiden (AVP) Operational Risk Management.

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, but not limited to the following:
 - a. Serving as CoE and/or subject matter expert of the Finance & Risk Management Directorate organization on operational risk and business process management aspects.
 - b. Ensuring the implementation of business risk management, regularization notes, forms of waiver, and ICoFR risk assessment;

RISK MANAGEMENT DEPARTMENT’S TRAINING AND CERTIFICATION

Telkom regularly involves members of the Risk Management Department in various education and training to improve the competence and quality of its members, as well as to continue to perfect the Company's risk management system. Telkom also conducts outreach and workshops regarding risk management in offices, divisions, and subsidiaries so that all TelkomGroup units can understand the implementation of risk management. Various risk management training activities to be held in 2024 are as follows.

Risk Management Training in 2024

No.	Name	Organization Institution
1.	Qualified Risk Management Analyst	CRMS
2.	Qualified Risk Management Professional	CRMS
3.	Qualified Chief Risk Officer	CRMS
4.	Financial Risk Analyst for Corporation	CRMS
5.	Certified Risk Professional	Tap Kapital
6.	Certified Risk Management Professional	AAFM

Professional Certifications

The members of the Risk Management Department consist of professionals who are experts in their fields. Until the end of 2024, there were 22 members of the Telkom Risk Management Department who have professional certification related to risk management, including:

Professional Certifications of Members of Telkom Risk Management Department as of December 31, 2024

No.	Member’s Name	Certification	Year of Review	Status
1.	Moh Ahmad	a. Certified in Enterprise Risk Governance (CERG)	2017	Active
		b. Certified Risk Professional (CRP)	2020	Active
		c. Certified Governance Professional (CGP)	2021	Active
		d. Certified Risk Governance Professional (CRGP)	2022	Active
		e. Financial Risk Analyst for Corporation (FRAC)	2023	Active
2.	Hendri Purnaratman	a. Certified Risk Professional (CRP)	2023	Active
		b. Certified Governance Professional (CGP)	2021	Active
		c. Governance Risk & Compliance Professional (GRCP)	2022	Active
		d. Certified Compliance Professional (CCP)	2023	Active
		e. Certified Integrity Officer (CIO)	2023	Active
		f. Qualified Chief Risk Officer (QRCO)	2023	Active
		g. Financial Risk Analyst for Corporation (FRAC)	2023	Active
3.	Tatwanto Prastistho	a. Certified Risk Professional (CRP)	2021	Active
		b. Qualified Chief Risk Officer (QCRO)	2023	Active
		c. Financial Risk Analyst for Corporation (FRAC)	2023	Active

No.	Member's Name	Certification	Year of Review	Status
4.	Rizky Ponti Annastuti	a. Certified Accountant	2022	Active
		b. Certified Risk Professional (CRP)	2023	Active
		c. Qualified Risk Management Professional (QRMP)	2023	Active
		d. Certified Management Accountant	2019	Active
5.	Agus Suprijanto	a. Certified Risk Professional (CRP)	2020	Active
		b. Qualified Risk Management Professional (QRMP)	2023	Active
6.	Nofriandi Rosa	a. Certified Risk Professional (CRP)	2021	Active
		b. PECB Certified ISO 37001 Lead Auditor	2023	Active
		c. Qualified Risk Management Professional (QRMP)	2023	Active
		d. Ahli Pembangun Integritas Muda (KPK)	2023	Active
7.	Rudi Sudiro M	a. Certified Risk Professional (CRP)	2020	Active
		b. Financial Risk Analyst for Corporation (FRAC)	2023	Active
		c. Qualified Risk Management Professional (QRMP)	2023	Active
8.	Iswatoen Hasanah	a. Certified Risk Professional (CRP)	2020	Active
		b. Qualified Risk Management Professional (QRMP)	2023	Active
		c. Certified Quality Management System ISO 9001:2015 Lead Auditor (CQI IRCA)	2024	Active
		d. Certified Project Risk Manager (CPRM)	2024	Active
9.	Tati Krisnayanti	a. Certified Risk Professional (CRP)	2020	Active
		b. Financial Risk Analyst for Corporation (FRAC)	2023	Active
		c. Qualified Risk Management Professional (QRMP)	2023	Active
10.	Leonard Lolo Sutardodo Parapat	a. Certified Governance Professional (CGP)	2021	Active
		b. Qualified Risk Management Professional (QRMP)	2023	Active
		c. Ahli Pembangun Integritas Muda (KPK)	2023	Active
		d. PECB Certified ISO 37001 Lead Auditor	2023	Active
11.	Arie Hestiningdaru	a. Certified Risk Professional (CRP)	2023	Active
		b. Qualified Risk Management Professional (QRMP)	2023	Active
		c. IFRS	2012	Active
12.	Marisi P. Purba	a. ASEAN Chartered Professional Accountant	2017	Active
		b. Chartered Accountant	2014	Active
		c. Certified Professional Accountant (Australia)	2022	Active
13.	Meylia Candrawati	a. Certified Risk Professional (CRP)	2021	Active
		b. Certified Governance Professional (CGP)	2021	Active
		c. Financial Risk Analyst for Corporation (FRAC)	2023	Active
		d. Qualified Risk Management Analyst (QRMA)	2023	Active
14.	Dimas Prasetyo	a. Certified Risk Professional (CRP)	2021	Active
		b. Financial Risk Analyst for Corporation (FRAC)	2023	Active
		c. Wakil Manajer Investasi (OJK)	2017	Active
		d. Certified Management Accountant (CMA)	2021	Active
15.	Dear Ahmad Adhomul S	a. Certified Risk Professional (CRP)	2023	Active
		b. Financial Risk Analyst for Corporation (FRAC)	2023	Active
		c. Qualified Risk Management Analyst (QRMA)	2023	Active

No.	Member's Name	Certification	Year of Review	Status
16.	Umar Farouk	a. Certified Risk Professional (CRP)	2023	Active
		b. Qualified Risk Management Analyst (QRMA)	2023	Active
		c. Financial Risk Analyst for Corporation (FRAC)	2023	Active
17.	Ardistya Wirawan	a. Certified Risk Professional (CRP)	2022	Active
		b. Financial Risk Analyst for Corporation (FRAC)	2023	Active
		c. Qualified Risk Management Analyst (QRMA)	2023	Active
18.	Alya Mutiara Basti	a. Certified Risk Professional (CRP)	2022	Active
		b. Financial Risk Analyst for Corporation (FRAC)	2023	Active
		c. Qualified Risk Management Analyst (QRMA)	2023	Active
		d. Certified Risk Management Professional (CRMP)		
19.	Rizka Raniah Rahmat	a. Certified Risk Professional (CRP)	2022	Active
		b. Qualified Risk Management Analyst (QRMA)	2023	Active
		c. Certified in Financial Risk Management	2024	
20.	Niken Dwi Trisnaningati	a. Certified Risk Professional (CRP)	2022	Active
		b. Qualified Risk Management Analyst (QRMA)	2023	Active
21.	Muhammad Azhar Ashari	a. Certified Compliance Professional (CCP)	2024	Active

In 2024, Telkom implemented a Professional Certification program in Risk Management and extended certification for employees who act as key risk managers in their respective divisions and/or sub-units.

RISK AWARENESS AND CULTURE

Increasing Risk Aware Culture is an important factor in achieving the Company's targets and objectives, in line with the Strategic Plan of the Ministry of SOEs 2020-2024, especially regarding strengthening the risk management function and GCG of SOE. A good Risk Aware Culture can improve:

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

Risk Aware Culture also applies one of AKHLAK's core values, especially the KOMPETEN aspect, namely continuing to learn and develop capabilities. For this reason, the risk awareness program is carried out in 3 categories, namely the leader journey, people journey, and program journey.

1. Leader Journey

- a. Sharing Session Involving Telkom Leaders

Telkom routinely conducts sharing sessions involving C-Level Executives 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 programs that are attended by Heads of Units and Management of Subsidiaries.

- c. Webinars with External Experts

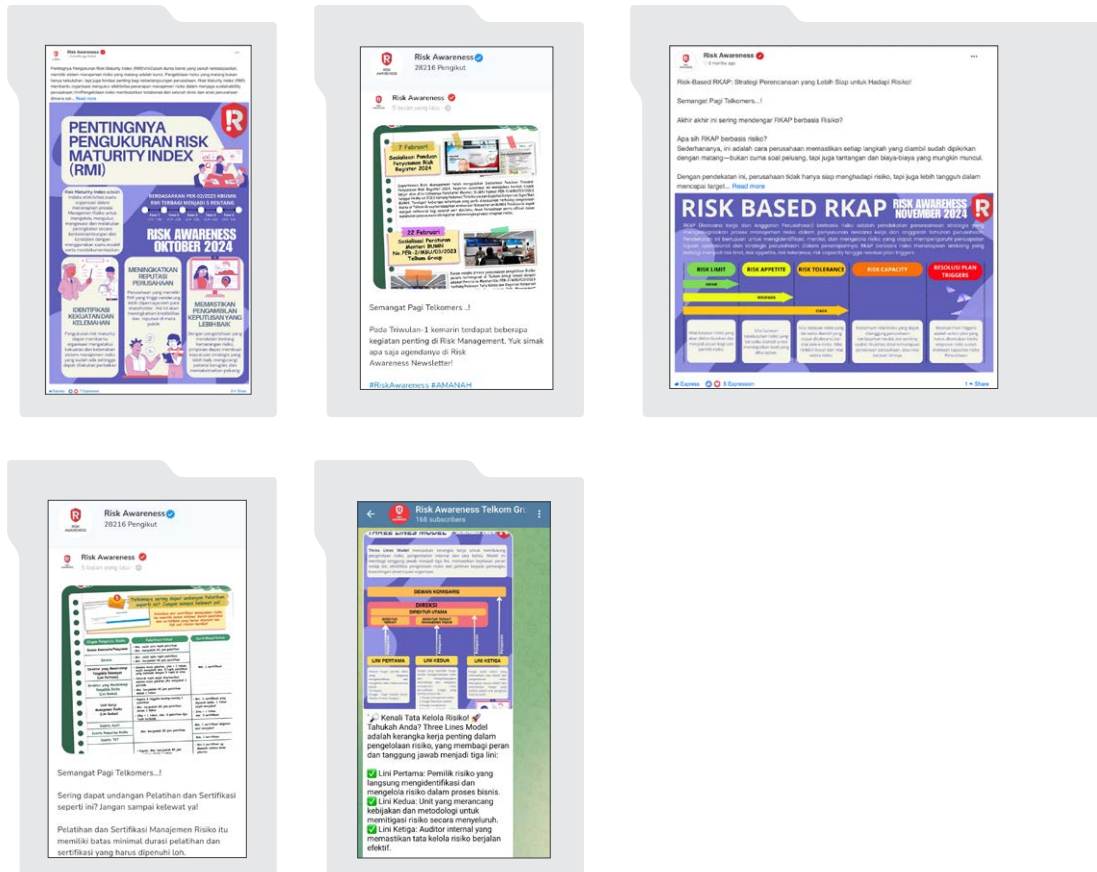
The webinar program is conducted by external experts, both consultants, practitioners, and academics.

2. People Journey

a. Communicate Clearly (Compile Story)

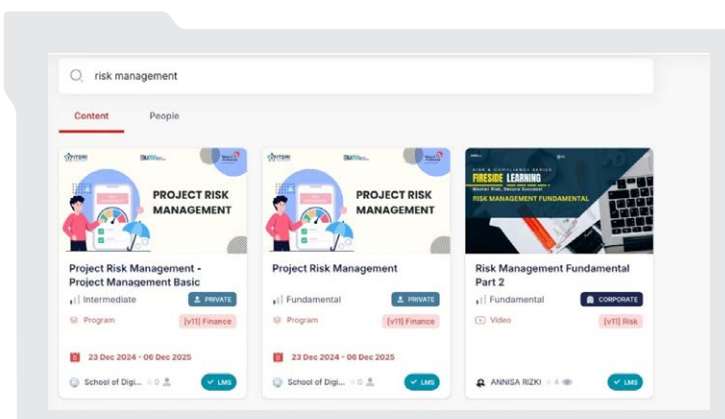
Telkom's Risk Management Department intensively conducts advisory and also provide coaching to Units and Subsidiaries in order to strengthen risk management through several platforms (information listed on the platform is available in Indonesian language) including:

- 1) Diarium (Digital Poster)
- 2) Telegram Channel



b. Mandatory Digital Learning

Telkom conducts mandatory digital training related to risk management which must be attended by all TelkomGroup entities. Besides that, after participating in digital training, awareness measurements were also carried out in the form of a risk culture survey.



c. New Employee Training Program

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

3. Program Journey

a. Breakdown Silos

The 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. Assume 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 risks 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:

- 1) Telkom and Subsidiaries' Risk Register Module
- 2) Telkom and Subsidiaries' Risk Reporting Module
- 3) Risk Project Module
- 4) EWS (Early Warning System) Module
- 5) LED Module (Loss Event Database)
- 6) Support Needed Module
- 7) Repository Module
- 8) Helpdesk and Ticketing Module
- 9) Risk Universe Module
- 10) Risk Taxonomy Module



d. Implement risk management KPIs

The Senior Leader's commitment to the implementation of risk management is evidenced by the implementation of KPI Risk Management Effectiveness as one of the performance indicators assessed for all BOD-1 units in Telkom. Assessment is carried out quarterly by Telkom's Risk Management Department on the Risk Register and Risk Reporting of all BOD-1 units. The parameters used to evaluate the effectiveness of Risk Management include completeness, quality, and reporting time delivery.

Improvement Program of Risk Awareness

No.	Issue/Obstacle	2024	2025
1.	Awareness of Risk Management	As many as 98% of respondents strongly agree and agree that the responsibility of risk culture is not only on the Risk Management Department, but also on each business unit of the Company.	The company created a program to develop a risk-aware culture for employees as well as to improve Telkom's 2025 RMI score. The Company has myDigiLearn media as a medium for the implementation of e-learning and webinars in the Company with the aim of improving competencies related to Risk Management. The company conducts webinars by inviting external practitioners to present material related to risk management.
2.	Competencies related to Risk Management	As many as 93% of respondents strongly agree and agree that the company provides training programs to improve employees' understanding in the field of risk management.	The Risk Management Department conducts socialization to each PIC Risk in each Unit The Risk Management Department provides advisory advice to each unit and subsidiary to help identify risks, develop risk mitigation programs and monitor risks.
3.	Risk management structure	A total of 89% of respondents strongly agree and agree that the Company has a clear risk governance structure for each Unit.	The company conducted a survey related to risk awareness to TelkomGroup employees as an assessment of the improvement that has been carried out in 2025.
4.	Risk management interactions	82% of respondents strongly agree and agree that there has been effective interaction between the Risk Management Department at the Head Office and CFU/FU/Subsidiaries in the Risk Management hierarchy to align risk strategies.	

RISK MANAGEMENT DEPARTMENT'S ACTIVITIES

The Risk Management Department has carried out its duties and responsibilities in risk management during 2024, namely:

1. Compiling and upgrading TelkomGroup's risk profile.
2. Compiling CSS and RKAP risk factors.
3. Coordinating and conducting advisory activities in the context of preparing risk registers, risk reviews, and escorting ERM improvements both in units and subsidiaries.
4. Updating the risk universe.
5. Conducting risk taxonomy mapping based on the Regulation of the Minister of SOEs Number PER-5/MBU/09/2022 concerning the Implementation of Risk Management in State-Owned Enterprises.
6. Categorizing parent entities and entities under TelkomGroup's parent based on risk intensity refers to the Regulation of the Minister of SOEs Number PER-5/MBU/09/2022 concerning the Implementation of Risk Management in State-Owned Enterprises.
7. Aligning the implementation of Risk Management with the Subsidiary.
8. Measuring the 2024 Risk Maturity at Telkom with independent external consultants.
9. Developing Telkom's ERM strategy and roadmap.
10. Developing and develop Risk Management architecture (risk appetite, risk acceptance criteria, risk tolerance, risk capacity).
11. Coordinating the risk-based budgeting unit together with financial control.

12. Coordinating the preparation/updating of the BCP Set.
13. Coordinating risk assessment and business impact analysis.
14. Evaluating and test BCP (sampling).
15. Implementing ISO 22301: BCMS Re-Certification.
16. Supporting the management of Insurance (Property insurance, Director & Officer/D&O, personal accident, in-orbit satellite insurance, etc.).
17. Supporting revenue assurance.
18. Overseeing the implementation of fraud management.
19. Performing Risk Assessment Scoping & Significant ICOFR periodically.
20. Performing Entity Level Control (ELC) design for ICOFR.
21. Performing design, evaluation, and remediation of Business Process & Risk Control Matrix design as part of ICOFR Transaction Level Control (TLC) design.
22. Performing Risk Assessment of ICOFR's Key Control Business Process periodically.
23. Supervising the ICOFR Control Self-Assessment process carried out by the Business Process Owner.
24. Carrying out a fraud risk assessment of the ICoFR business process.
25. Preparing risk management reporting to BOD and BOC.
26. Preparing risk management reporting and support the Risk Management agenda of the Ministry of SOEs.
27. Developing and updating ERM policies and SOPs (PR ERM, SOP ERM, guidelines for implementing risk assessment, BCMS, insurance, fraud management, and revenue).
28. Planning and facilitating the assessment of the effectiveness of Risk Management management (risk maturity assessment).
29. Preparing, developing, and assessing key performance indicators of the Risk Management effectiveness unit.
30. Developing policies, governance, and roadmap of good corporate governance.
31. Formulate policies, governance, and roadmap for quality management.
32. Formulating policies (including methods), governance, process management mechanisms, and communication.
33. Managing, designing, and developing company business processes (enterprise-wide process, business unit process).
34. Reviewing the organization's high-layer business process.
35. Conducting risk review of business initiatives (corporate actions, business cooperation, new business, business problem solving, etc.).
36. Conducting Fraud Risk Assessment of New Products/Services.
37. Preparation/Updating of SOP business continuity plan (BCP).

TYPES OF RISK AND MANAGEMENT METHOD

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

Table of Risk and Management Method

Type of Risk	Risks that is Faced	The Impact to Telkom	Mitigation/Risk Management
1. Systemic Risks			
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.	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.	<ul style="list-style-type: none"> a. Monitoring the influence of socio-political turmoil on operational/service disruptions. b. The maintenance of awareness through the improvement of safety & security functions. c. Monitoring supply chain issues related to raw materials and looking for alternatives to materials/device designs.
Macro Economy	<ul style="list-style-type: none"> 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 Penurunan peringkat kredit pemerintah atau Perseroan. 	<ul style="list-style-type: none"> a. Affects the purchasing power and ability to pay customers. b. Have the impact on the business, financial condition, business result or business prospect. c. Have a material adverse effect to the business, financial condition, business proceeds or business prospect. 	<ul style="list-style-type: none"> a. Monitoring of the influence of macroeconomy to the change to increase the expense through Cost Leadership program. b. To look for the opportunity to increase the spending of APBN pursuant to the government focus (health, energy, education, etc).
Risk of Disaster	Natural disasters such as floods, lightning, hurricanes, earthquakes, tsunamis, volcanic eruptions, epidemics, fires, droughts and pandemics, as well as other events such as power outages, riots, terrorist attacks, which are beyond Telkom's control.	Disrupting its business operations and give negative impact to the financial performance and profit, business prospect as well as market price of securities.	<ul style="list-style-type: none"> a. 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. b. Transfer of risk by using the insurance of assets to anticipate the natural disaster and fire. c. Coordination with ASKALSI (Indonesian Sea Cable Association) and BAKAMLA (Indonesian Marine Safety Agency) to secure SKKL. d. Preventive & corrective action by preparing the disaster recovery plan and crisis management team.
Sustainability	Implementation of ESG & Climate Change strategy is not in accordance with IFRS standards	Telkom may be subject to legal sanctions or fines from regulatory authorities	<ul style="list-style-type: none"> a. Fulfillment of employee capacity and capability to implement ESG based on applicable standards/requirements at NYSE and IDX. b. Develop information systems to support the fulfillment of ESG data metrics and reporting. c. Improve collaboration and synergy across entities to support the achievement of ESG targets. d. Improve communication with assessors and ESG Rating institutions. e. Integrate climate risk and its mitigation into Telkom's Risk Profile.

Type of Risk	Risks that is Faced	The Impact to Telkom	Mitigation/Risk Management
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.	Has the negative impact to the business, financial condition, proceeds from the operation and business prospect.	<ul style="list-style-type: none"> a. Implementation of BCM, BCP, and DRP. b. Certification of Integrated Management System (IMS) for infrastructure management.
	Threat of physical and cyber security, such as brute force attack, DDoS attack, and threats do Data Center.	Has the negative impact to the business, financial condition, result from the operation materially.	<ul style="list-style-type: none"> a. The upgrade of preventive action in the form of vulnerability assessment and penetration test periodically. b. Monitor and identify all types of attack in the realtime as well as to choose and conduct a necessary action immediately. c. Preparing the recommendation to handle cyber attack based on the historical incident analysis. d. Intensive coordination with relevant parties to handle the cyber attack.
	Risks related to sub-optimal internet services.	May face a lawsuit and damage the reputation.	To be more prudent in the preparation of contract with content provider partner.
	New technology.	Has an impact on the competitive power.	<ul style="list-style-type: none"> a. The preparation of Technology Roadmap by taking into account future technologies and the possible implementation of competitor's technologies. b. Acceleration of IDN (Indonesia Digital Network) program to support future services.
	The limit of operation period, damage or ruin, delay or failure to launch, or the revocation of satellite license.	Can create loss to financial condition, operation result and capability to give services.	<ul style="list-style-type: none"> a. The planning to change the satellite of which operation period will be immediately expired. b. The insurance of satellite operation during the active period. c. Insurance for manufacturing and launching of new satellite. d. Developing the understanding with regulator in relation to the satellite operation by Telkom.
Financial Risk	Interest rate risk.	Has an impact on increasing interest expenses, especially for floating interest loans.	Interest rate swap contract from the float interest rate to become the fix interest rate upon certain loan term.
	Market price risk.	Has an impact of changes in fair value on the performance of financial assets measured through profit or loss.	Perform hedging activities of financial assets.
	Foreign exchange rate risk.	Has negative impact on the financial condition or result from the operation.	Placement of time deposit and hedging to cover the fluctuation risk of foreign exchange.
	Credit risk mainly from trade receivables and other receivables.	Adverse impact on financial condition, operational performance and business prospects.	Continuous monitoring of accounts receivable balances and periodic billing.

Type of Risk	Risks that is Faced	The Impact to Telkom	Mitigation/Risk Management
	Liquidity risk.	Has an impact on the ability to meet financial obligations when these financial liabilities mature.	a. Maintaining adequate cash balances in an effort to fulfill financial liabilities. b. Perform analysis to monitor statement of financial position liquidity ratios such as current ratio and debt to equity ratio against debt agreement requirements.
	The limitation of financing the capital expenditures.	Has a material adverse effect to the business, financial condition, operational performance, and business prospect.	Maintaining and improving the Company's performance to gain trust from national or global fund institution sources.
Legal and Compliance Risk	Penalty/fine by KPPU in relation to the price-fixing and the occurrence of class action.	Reducing Telkom's revenue and has negative impact to the business, reputation, and profit.	Strengthening legal review towards corporate action plan or certain contract.
	Civil lawsuits from third parties (vendors, partners or cooperation partners)	It lowers Telkom's revenue and negatively impacts its business, reputation, and profits.	Strengthening legal review of engagement documents with third parties and escorting the settlement of rights and obligations according to contracts.
	Administrative sanctions for the implementation of business activities	It lowers Telkom's revenue and negatively impacts its business, reputation, and profits.	Complete all necessary permits in the context of the implementation of business activities.
Regulation Risk	The change of Indonesian or International Regulation.	Has the impact to the business, financial condition, operational performance, and business prospect.	a. Analysis on the impact of the regulation plan towards the industry in general and Telkom in particular. b. 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.	a. Market Assessment and strategic situation analysis on transformation initiatives. b. Preparation of strategic fit and roadmap for transformation initiatives. c. Conducting risk assessment of transformation initiatives both at the pre and post-transformation stages. d. Implementation of change management by maximizing the Project Management Office (PMO) function.

RISK MANAGEMENT SYSTEM'S REVIEW ON THE EFFECTIVENESS

During 2024, Telkom's risk management system has been effective in managing Telkom's various business risks to support every policy and process in the TelkomGroup. Telkom uses 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. The Fraud Management System (FRAMES) application is used for the early detection system of potential Customer and Third-Party Fraud.
 - b. The Online Quality Document Information System (Sidomo) is a web application that stores quality documents to ensure that Quality Management System (SMM) documents within the Digital Connectivity Service Division are always controlled and become uncontrollable when printed.
 - c. ICCA is a tool or application used to facilitate the self-assessment process and enable timely reporting of assessment results.
 - d. EITA (Enterprise IT Acquisition) Application is an application that manages the logic of data, applications and infrastructure, which is summarized in a set of policies and technical choices to achieve the company's business goals, technical standardization and integration.

Telkom has also carried out an assessment process for the effectiveness of risk management implementation in 2024, namely:

1. Measurement Risk Maturity Index (RMI).
2. Monitoring and evaluation of the effectiveness of risk mitigation through the ERM Online application.
3. Evaluation/discussion and advisory on a one-on-one basis with business units as needed.
4. Reporting and evaluation together with the BOD and the Planning and Risk Evaluation and Monitoring Committee (KEMPR).
5. Preparation and reporting of contingency plan 2024 documents.

STATEMENT OF BOARD OF DIRECTORS AND BOARD OF COMMISSIONERS ON ADEQUACY OF RISK MANAGEMENT SYSTEM

The Board of Directors and Board of Commissioners, through the Planning and Risk Evaluation and Monitoring Committee (KEMPR), regularly hold meetings with the Risk Management Department to discuss risk monitoring throughout the Company. These meetings also cover follow-up actions taken by risk owners in an effort to minimize identified risks. The Risk Management Department reports the results 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

The risk management system implemented in the Company refers to the ISO 31000:2018 framework and adopts 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 Processes

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

TELKOM'S RISK APPETITE STATEMENT

Attitude	Risk Appetite Statement Telkom
Intolerance	<ol style="list-style-type: none"> 1. TelkomGroup is intolerant in terms of integrity and compliance, including damage to the environment and negligence in cybersecurity and personal data protection that can affect the company's reputation. 2. TelkomGroup is committed to meeting the dividend payment target to SOEs in accordance with the set target.
Conservative	<ol style="list-style-type: none"> 1. TelkomGroup strives to optimize the management and development of digital connectivity business. 2. TelkomGroup is committed to fulfilling its financial obligations and maintaining a healthy financial structure and maintaining business continuity.
Moderate	<ol style="list-style-type: none"> 1. TelkomGroup strives to optimize the management and development of digital platforms & digital services. 2. TelkomGroup SOEs optimize the management of market and macroeconomic volatility by accepting the consequences of burdens in a measurable manner.
Strategic	<ol style="list-style-type: none"> 1. TelkomGroup has conducted a careful risk calculation, increased capital cost increase (CAPEX) with reasonable and measurable risks commensurate with investment returns, and increased ESG implementation.