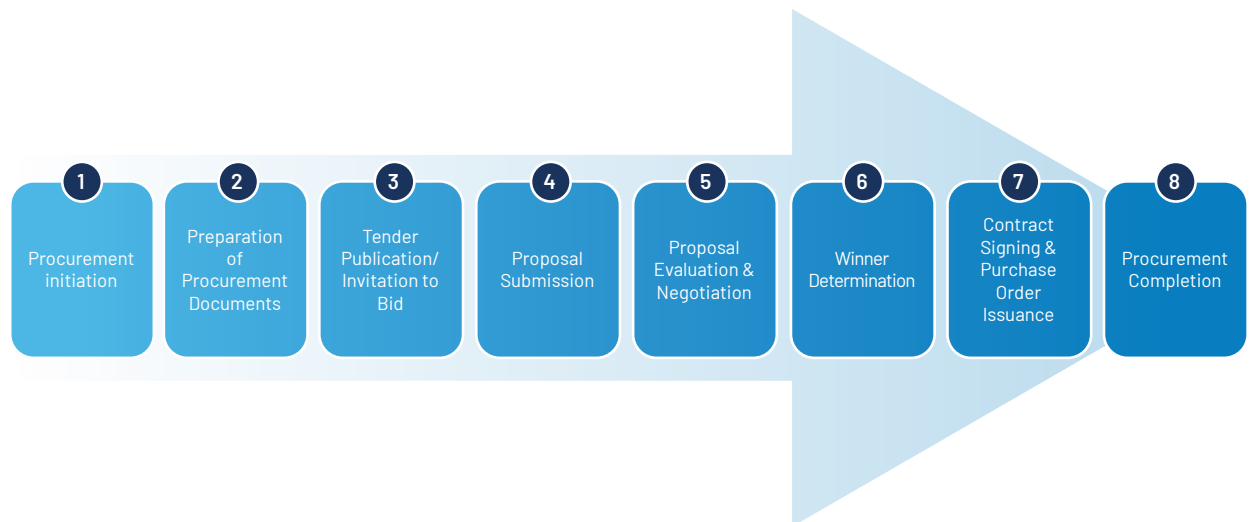


Responsible Supply Chain



TelkomGroup fosters professional relationships with partners grounded on the principles of fairness, transparency, and good governance. As a leader in the national telecommunications industry with an extensive supply chain network, TelkomGroup recognizes the significant and far-reaching impact of the company's activities in collaboration with all its partners. Therefore, TelkomGroup manages the supply chain responsibly by adhering to applicable procurement guidelines, fostering a business ecosystem built on integrity and sustainability. As part of this commitment, each partner is required to sign an Integrity Pact that affirms the prohibition of corrupt practices, price collusion, and conflicts of interest throughout the procurement process. During the reporting period, Telkom engaged with 349 suppliers to maintain seamless operational performance.

Figure 102. TelkomGroup Procurement Process



Mega Vendor Selection

Telkom conducts a supplier screening by considering the business field or classification, experience, as well as the business scale and authorized capital of the supplier. For new suppliers in certain sectors, such as infrastructure facility services, transportation, access, switching & routing, and IT projects, Telkom requires additional stages through the Digital Connectivity Service (DCS) Function Unit before participating in the procurement process within TelkomGroup. Professional consulting service, leases, and General & Administration suppliers can engage directly with related business units in accordance with applicable requirements.

Furthermore, Telkom designates economically significant suppliers or mega vendors based on several criteria, including high-value expenditures with elevated risk (dominant commodities), status as the sole provider of certain products or technologies, extensive network ownership in Telkom as a platform, and their role as potential suppliers for new technologies development or application. Telkom conducts mandatory site visits to verify documentation and assess suppliers' operational capabilities.



For network device procurement, Telkom requires providers to have nationally and/or internationally accredited certifications, such as CIQS 2000 certification for access networks. In addition, the Testing Functional Unit issues quality assurance certificates for devices that will be integrated into Telkom's network.

SMILE E-Procurement

To encourage a transparent, competitive, and accountable procurement process, TelkomGroup adopts an e-procurement system via the SMILE application. Through this system, supplier selection is conducted systematically, taking into account the aspects of Quality, Cost, Delivery, and Service (QCDS). All procurement mechanisms are operated in accordance with supplier management guidelines applicable in TelkomGroup.

Sustainable Procurement Process

As part of the commitment towards responsible and sustainable business practices, Telkom has begun implementing procurement management for goods and/or services based on ESG principles initiated this year, as stipulated in the Regulation of the Director of Finance and Risk management on Procurement Implementation Guidelines.

The implementation of ESG management in the procurement process is coordinated by the Logistics Functional Unit with support and coordination from the Sustainability Function Unit, ensuring ESG aspects are integrated consistently throughout all procurement stages while upholding principles of efficiency, effectiveness, competitiveness, transparency, fairness, openness, and accountability. ESG-related requirements that must be fulfilled by suppliers in procurement documents are aligned with Telkom's internal policies and can be referred to in [ESG Policy | Telkom](#).

Telkom requires suppliers to sign an integrity pact containing a statement that, throughout the cooperation, suppliers are expected to uphold ESG implementation, including environmental sustainability, gender equality, respect for human rights, OHS implementation, and

responsible business governance. Furthermore, Telkom routinely evaluates supplier performance, monitors the implementation of ESG commitments, and conducts socialization and capacity building through the supplier development program. This program includes knowledge-sharing activities, improving supplier project management capabilities, consulting and technical assistance, supplier workshops, periodical meetings, and supplier surveys.

If significant non-compliance with applicable provisions is identified, Telkom reserves the right to take action in accordance with the policy, including cooperation termination and blacklisting the partner. In 2025, Telkom recorded no termination of business relationships with suppliers due to corruption cases and other instances of non-compliance.

Local Parties Involvement

The involvement of local suppliers in Telkom's supply chain is expected to grow the local economy. TelkomGroup is committed to prioritizing local suppliers to fulfill the procurement needs of goods and services, as well as utilizing domestically produced components. Telkom's local partners are companies with Indonesian legal entity and have an operational office in Indonesia.

Table 53. Local Parties Involvement Performance

Local Parties Involvement Indicators	2025	2024	2023
TKDN (%)	56.9%	61%	55%
Procurement expenditures (trillion rupiah)	19.5	18.4	23.7
IBL Capex (%)	45%	41%	45%
IBL Opex (%)	39%	43%	41%
OBL (%)	16%	16%	14%
Local supplier - Expenditures (trillion rupiah)	19.5	18.4	23.5
Local supplier - Expenditures (of total spending) (%)	100%	100%	99%