

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 Telkom, 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 Telkom 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, Telkom Management refers to the provisions of the US SEC;
3. Regulation of the Board of Directors of a Limited Liability Telkom (Persero) (Number: 614.00/r/01/HK200/COP-D0030000/2021) regarding Telkom 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 Telkom.

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

2) Integration

- i. Risk management becomes inseparable from the Telkom'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 Telkom.
- 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 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 plan should be integrated into the Company's management plans and processes in consultation with appropriate stakeholders.

3) Monitoring dan 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

JATI WIDAGDO

**Age**

50 years old

Nationality

Indonesian

Domicile

Jakarta, Indonesia

Educational Background

- 1996 Bachelor Degree in Industrial Engineering, Sekolah Tinggi Teknologi Telkom, Indonesia.

Executive Course

- Executive Education: INSEAD (Global Leadership Course)
- Kellogg Northwestern (Operational Strategy)
- Stanford (Driving Innovation)
- BCI (Risk Management & Business Continuity Plan)
- Certified Qualified Chief Risk Officer (QCRO)

Basis of Appointment

Decision Letter of Telkom Directors No. SK 1804/PS720/HCB-105/2021 dated July 30, 2021 regarding Employee Movements.

Term of Office

August 1, 2021 – up to present.

Career Experience

- 2021 - Present SVP Risk Management, Telkom.
- 2020 - 2021 CEO, Admedika.
- 2019 - 2020 CEO, BOSNET Distribution Indonesia.
- 2016 - 2019 Director IT and Operation, PT Integrasi Logistik Cipta Solusi.
- 2009 - 2016 Assistant Vice President RPM, Telkom.

Experience Engaged in Strategic Projects

- 2020 - 2021 Head of PMO Digital Market (PADL) MSME Ministry of SOE
- 2020 Digital Healthcare.
- 2017 - 2019 Lead of Digitization Port and Logistics.

PRAYUDI UTOMO

Age

55 years old

Nationality

Indonesian

Domicile

Jakarta, Indonesia

Educational Background

- 1993 Bachelor of Electrical Engineering, Universitas Gadjah Mada, Indonesia

Executive Course

- Great Executive Development Program (GEDP), Telkom - Indonesia
- Studium Generale : B2B IT SERVICE TREG, Telkom - Indonesia
- Great People Development Program (GPDP) II, Telkom - Indonesia
- Smart People Development Program - CRM, Telkom - Indonesia

Certification

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

Basis of Appointment

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

Term of Office

July 1, 2023 – up to present.

Career Experience

- 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.

GUNAWAN WASISTO CIPTANING ANDRI

Age

46 years old

Nationality

Indonesian

Domicile

Bogor, Indonesia

Educational Background

- 2001 Bachelor of Electrical Engineering – Telekomunikasi Multimedia, ITS Surabaya

Executive Course

- International Leadership Program (ILP) : Sofrecom-Orange - France
- Global Talent Program (GTP) : ZTE University - China
- Great Executive Development Program (GEDP): Telkom - Indonesia

Certification

- 2023 Qualified Chief Risk Officer (QCRO), LSP MKS.

Basis of Appointment

Decision Letter No. 782/PS720/HCB-105/2023 date June 27, 2023 regarding Employee Movements.

Term of Office

July 1, 2023 – up to present.

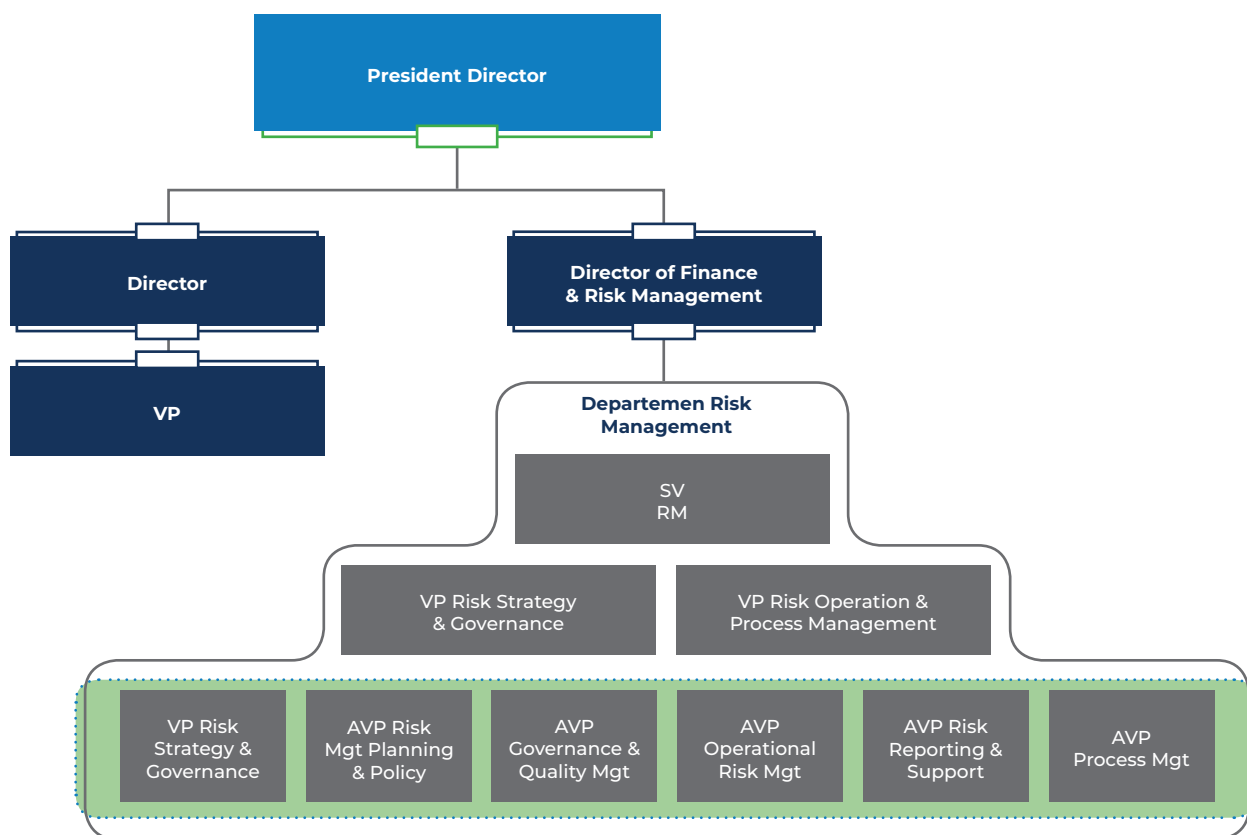
Career Experience

- 2023 - present VP Risk Strategy & Governance – Risk Management, Telkom.
- 2019 - 2022 Deputy EGM Infrastructure & Operation – Divisi TV Video, Telkom.
- 2016 - 2018 Senior Manager Programming – Divisi TV Video, Telkom.
- 2014 - 2015 Media Operation Coordinator – Probis UseeTV, Telkom.

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 28 employees.

Management of the risk management function is regulated in Directors Regulation No. PD.202.47/r.08/HK200/COP-A2000000/2023 regarding the Organization of the Directorate of Finance & Risk Management which explains that the Risk Management & Sustainability Department is responsible for the availability of functional and cross-functional business processes based on internal control (SOA/ICoFR), implementation governance and quality management, managing strategic & operational risk management and managing enterprise risk management (ERM), as well as carrying out the role as a governance orchestrator for the implementation of sustainability initiatives including environmental, social and governance (ESG) aspects and acting as a Center of Excellence in matters of risk management & sustainability within the scope of TelkomGroup. Meanwhile, the organizational structure of the Risk Management Department in 2023 is as follows.



RISK MANAGEMENT DEPARTEMEN 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. If not otherwise determined by the Board of Directors or Company Regulations related to the Executive Committee, the SVP of Risk Management is responsible as Secretary of the Executive Committee of the Risk Management, Compliance, and Revenue Assurance Telkom.
5. In carrying out its responsibilities, SVP Risk Management carries out the main activities, among others, but not limited to the following:
 - a. Determine strategies, roadmaps, policies, governance, and mechanisms in risk management (Enterprise Risk Management), governance & quality management, and process management at TelkomGroup;
 - b. Coordinating the implementation of risk management, Good Corporate Governance, quality management, and process management with related units within the TelkomGroup;
 - c. Coordinating strategies and implementation of risk management and GCG with external parties, including regulators; and
 - d. Coordinate the monitoring, evaluation, and reporting processes of management, GCG, quality management, and process management implementation at TelkomGroup.
5. In carrying out the duties and authorities as referred to in paragraph (3), SVP Risk Management is assisted by:
 - a. VP Risk Strategy & Governance; and
 - b. 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, but not limited to the following:
 - a. Formulate and develop Enterprise Risk Management (ERM) strategies, roadmaps, policies, and architectures;
 - b. Compiling and managing the Company's risks, including Risk Profile, Risk Factors, RKAP, including risk management advisory activities within the TelkomGroup;
 - c. Develop, assign, and assess the Key Performance Indicator Risk Management Department and develop, manage, and update the Application Support ERM;
 - d. Formulate strategies, policies, and mechanisms for Good Corporate Governance (GCG) and quality management within the scope of TelkomGroup;
 - 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;
 - f. Carry out advisory functions for implementing GCG and quality management 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. AVP Strategic Risk Management;
 - b. AVP Risk Management Planning & Policy; dan
 - c. AVP Governance & Quality Management.

VP Risk Operation & Process Management

1. VPRiskOperation&ProcessManagement 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. Coordinate management business continuity management (BCP), insurance management, revenue assurance, and fraud management;
 - b. Conduct business risk reviews, regularization notes, waivers, and ICoFR risk assessments;
 - c. Coordinating risk-based budgeting, support hedging, budget management & KPI/KM, risk culture, and risk competency enhancement;
 - d. Prepare the Company's risk management reporting;
 - e. Formulate strategies, policies, governance, and management mechanism management processes that include, among others, enterprise-wide process, business unit process, cross-functional process, and business process ICoFR (Transactional Level Control) of the Company;

- f. Ensure that all ICoFR business processes are by the provisions of SOA 404 to meet compliance with financial and internal control audits (integrated audits); and
 - g. Formulate strategies, policies, governance, and control mechanisms for the Company's Internal Entity Level Control.
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).
 3. In carrying out the duties and authorities as referred to in paragraph (3), VP Risk Operation & Process Management is assisted by:
 - a. AVP Process Management;
 - b. AVP Risk Reporting & Support; dan
 - c. AVP Operational Risk Management.

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 Telkom Group units can understand the implementation of risk management. Various risk management training activities to be held in 2023 are as follows.

Risk Management Training in 2023

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

Professional Certification

The members of the Risk Management Department consist of professionals who are experts in their fields. Until the end of 2023, there are 22 members of the Telkom Risk Management Department who have professional certification related to risk management, including:

Professional Certification of Members of Telkom Risk Management Department as of December 31, 2023

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
		h. <i>Ahli Pembangun Integritas (KPK)</i>	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
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. <i>Ahli Pembangun Integritas Muda (KPK)</i>	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
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. <i>Ahli Pembangun Integritas Muda (KPK)</i>	2023	Active
		d. PECB Certified ISO 37001 Lead Auditor	2023	Active

No.	Member's Name	Certification	Year of Review	Status
11.	Arie Hestingindaru	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.	Fivtina Marbelanty	a. Certified Risk Professional (CRP)	2020	Active
		b. Qualified Risk Management Analyst (QRMA)	2023	Active
14.	Sophia Khana	a. Certified Risk Professional (CRP)	2021	Active
		b. Certified Governance Professional (CGP)	2021	Active
		c. Qualified Risk Management Analyst (QRMA)	2023	Active
		d. <i>Ahli Pembangun Integritas Muda (KPK)</i>	2023	Active
15.	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
16.	Dimas Prasstyio	a. Certified Risk Professional (CRP)	2021	Active
		b. Financial Risk Analyst for Corporation (FRAC)	2023	Active
		c. <i>Wakil Manajer Investasi (OJK)</i>	2017	Active
17.	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
18.	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
19.	Rizka Raniah Rahmat	a. Certified Risk Professional (CRP)	2022	Active
		b. Qualified Risk Management Analyst (QRMA)	2023	Active
20.	Niken Dwi Trisnaningati	a. Certified Risk Professional (CRP)	2022	Active
		b. Qualified Risk Management Analyst (QRMA)	2023	Active
21.	Fenita Nabilah	a. Certified Risk Professional (CRP)	2023	Active
		b. Qualified Risk Management Analyst (QRMA)	2023	Active
22.	Rifqi Ali Raffi	a. Certified Risk Professional (CRP)	2023	Active
		b. Qualified Risk Management Analyst (QRMA)	2023	Active

In 2023, a Professional Certification program in Risk Management will be carried out, and there will be an extension of Professional Certification for 54 Telkom employees who are the main risk managers in their divisions and/or sub-units. Thus, since 2021, 128 TelkomGroup employees have taken and have Professional Certification in Risk Management.

RISK AWARENESS AND CULTURE

Increasing Risk Aware Culture is an important factor in achieving the Telkom'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 Telkom performance targets.

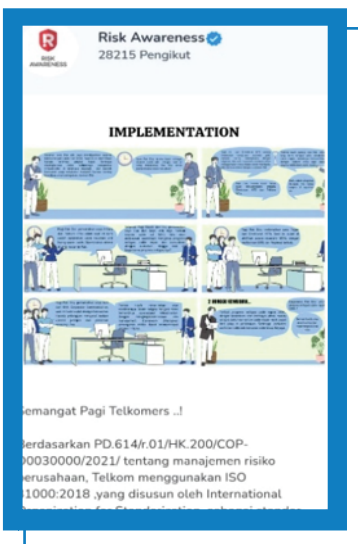
Risk Aware Culture also applies one of AKHLAK's core values, especially the KOMPETEN aspect, namely continuing to learn and develop capabilities. For this reason, the risk awareness program is carried out in 3 categories, namely the leader journey, people journey, and program journey.

1. Leader Journey

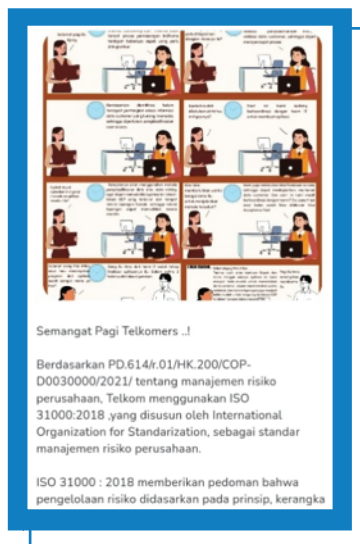
- a. Sharing Session Involving Telkom Leaders
Telkom routinely conducts sharing sessions involving C-Level Executives from divisions and subsidiaries with the aim of building a commitment to risk management implementation.
- b. Training and Certification
Telkom also strengthens risk management through 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

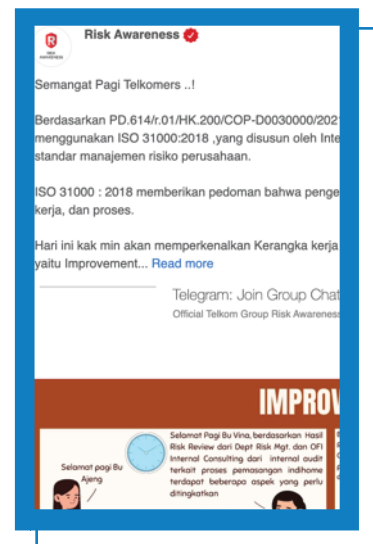
- a. Communicate Clearly (Compile Story)
Telkom's Risk Management Department intensively conducts advisory and also provide coaching to Units and Subsidiaries in order to strengthen risk management through several platforms (information listed on the platform is available in Indonesian language) including
 - 1) Diarium (Digital Poster)
 - 2) Telegram Channels



Display of the Risk Awareness Channel on the TelkomGroup Diarium Platform



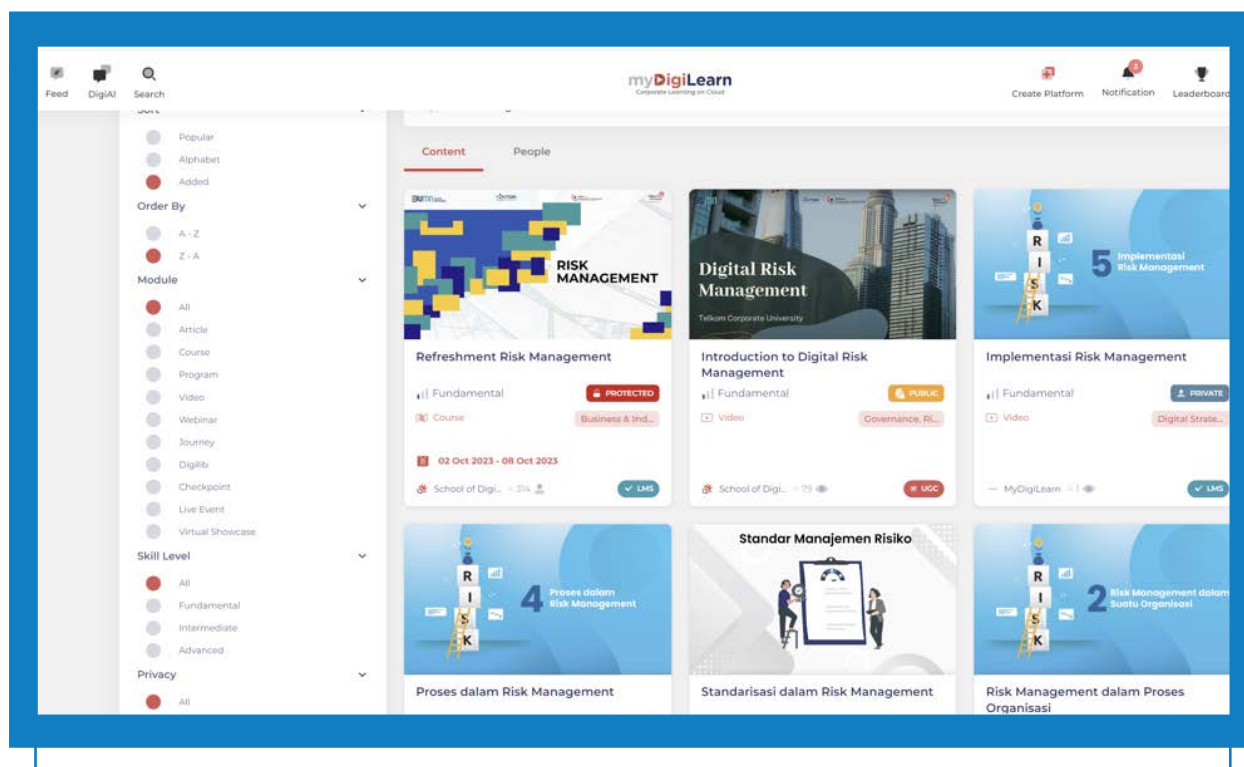
Display Broadcast on Whatsapp Diarium



Display of the Risk Awareness Channel on Telegram

b. Mandatory digital learning

Telkom conducts digital training related to risk management knowledge refreshment, which all TelkomGroup entities must follow. The minimum score to meet the graduation threshold is 70.



Display of ERM TelkomGroup Online Application

Summary Improvement Program Risk Awareness

No.	Issue	2022	2023
1.	Policies, regulations and SOPs related to Risk Management	As many as 89% of respondents strongly agree and agree that information regarding risk management policies and procedures can be accessed easily by all units.	Including ERM strengthening aspects consisting of risk culture strengthening programs in each unit as part of the KPI Risk Management Effectiveness assessment, which is one of the KPI/ Management Contract indicators at all BOD-1 levels.
2.	Implementation of Risk Management (Risk Monitoring)	As many as 86% of respondents strongly agree and agree that they have monitored risks, have used ERM Online in compiling and regularly updating the Risk Register and Risk Reporting.	The company has added a risk management strengthening component as a KPI assessment component in 2023. The risk management strengthening component can take the form of support from other divisions in increasing the effectiveness of mitigation and implementation of risk culture activities.
3.	Implementation of Risk Management (Risk Evaluation)	As many as 92% of respondents strongly agree and agree that periodic monitoring and updating of risk mitigation reports have been carried out which have been evaluated by the Risk Management Department.	The company uses myDigiLearn media to implement e-learning and webinars.
4.	Risk management budget	As many as 93% of respondents strongly agree and agree that the risk mitigation plan has been integrated with the budget preparation process to mitigate risk.	The company has internalized and developed a risk awareness culture for employees through CFU/FU and business units.
5.	Risk management competency	As many as 90% of respondents strongly agree and agree have PIC Risk Management to help identify and manage risks.	

- 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 Telkom.
- 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:
Modul Risk Register Telkom dan Anak Perusahaan
1) Telkom and Subsidiaries' Risk Register Module
2) Project Risk Module
3) EWS (Early Warning System) Module
4) LED Module (Loss Event Database)
5) Support Needed Module



Display of ERM TelkomGroup Online Application

- 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.

RISK MANAGEMENT DEPARTMENT'S ACTIVITIES

The Risk Management Department has carried out its duties and responsibilities in risk management during 2023, namely:

1. Compile and update the TelkomGroup risk profile.
2. Developing CSS and RKAP risk factors.
3. Coordinate and carry out advisory activities in the context of compiling risk registers, risk reviews, and escorting ERM improvements in both units and subsidiaries.

4. Updating the risk universe.
5. Conduct risk taxonomy mapping based on SOE Minister Regulation Number PER-5/MBU/09/2022 regarding Implementation of Risk Management in State-Owned Enterprises.
6. Categorizing parent entities and entities under the TelkomGroup parent Telkom based on risk intensity referring to the Minister of SOE Regulation Number PER-5/MBU/09/2022 regarding Implementation of Risk Management in State-Owned Enterprises.
7. Perform alignment of risk management implementation with Subsidiaries.
8. Conducting Risk Maturity 2022 measurements at Telkom and 12 Subsidiaries with external independent consultants.
9. Develop a TelkomGroup ERM strategy and roadmap.
10. Develop and implement a 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. Coordinate risk assessment and business impact analysis.
14. Perform BCP (sampling) evaluation and testing.
15. Carry out ISO 22301 Certification: BCMS.
16. Managing Insurance (property, Director & Officer/DNO, personal accident, in-orbit satellite insurance, etc.).
17. Support revenue assurance.
18. Oversee the implementation of fraud management.
19. Carry out the ICoFR fraud risk assessment business process.
20. Prepare risk management reports to BOD and BOC.
21. Prepare risk management reporting and support the risk management agenda of the Ministry of SOEs.
22. Develop and update ERM policies and SOPs (ERM PR, ERM SOP, guidelines for implementing risk assessment, BCMS, insurance, fraud management, and revenue).
23. Planning and facilitating the assessment of the effectiveness of risk management (risk maturity assessment).
24. Compiling, developing, and evaluating key performance indicators for risk management effectiveness units.
25. Develop policies, governance, and good corporate governance roadmaps.
26. Develop policies, governance, and quality management roadmaps.
27. Formulate policies (including methods), governance, process management mechanisms, and communications.
28. Manage, design, and develop Telkom business processes (enterprise-wide processes, business unit processes).
29. Manage, design, and remediate ICoFR business processes.
30. Review the organization's high-layer business processes.

TYPES OF RISK AND MANAGEMENT METHOD

The Risk Management Department at Telkom has a function to assist the Telkom's management in identifying strategic risks related to business processes. The following table presents some of the main risks that affect Telkom's business activities.

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.	<ol 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.

Type of Risk	Risks that is Faced	The Impact to Telkom	Mitigation/Risk Management
Macro Economy	Changes in the rate of inflation.	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.	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).
	The fluctuation of Rupiah Exchange rate		
	Increase in energy and fuel prices		
	Increase in loan interest rates		
	The decrease of government or Telkom's credit rating		
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.	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.
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.	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.	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 real-time 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.

Type of Risk	Risks that is Faced	The Impact to Telkom	Mitigation/Risk Management
	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.
	Liquidity risk.	Has an impact on the ability to meet financial obligations when these financial liabilities mature.	<ul style="list-style-type: none"> 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.

Type of Risk	Risks that is Faced	The Impact to Telkom	Mitigation/Risk Management
	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 Telkom'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.
Regulation Risk	The change of Indonesian or International Regulation.	Has the impact to the business, financial condition, operational performance, and business prospect.	<ul style="list-style-type: none"> 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 Telkom and industry.
Transformation Risk	The failure of significant business and organizational transformation initiatives.	Has an impact on business growth and the Telkom's financial performance in the short and long term.	<ul style="list-style-type: none"> 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 2023, Telkom's risk management system has effectively managed various Telkom business risks to support every policy and process in the TelkomGroup. Telkom uses several tools or risk management information systems, including:

1. Generic Tools Enterprise Risk Management Online (ERM Online), which is used by all units to manage risk register.
2. Specific Tools for certain Risk Management which are:
 - a. Fraud Management System (FRAMES) application is used as an early detection system for the possibility of Customer and Third Party Fraud.
 - b. i-Library application managed by Service Operation Division and to be used to manage the documentation system of the Integrated Management System.
 - c. SMK 3 Online application managed by Security & Safety unit for Health and Safety Documentation Management.

The evaluation process for assessing the effectiveness of Risk Management implementation will be carried out in 2023, namely:

1. Measurement of Risk Maturity Index (RMI).
2. Monitoring and evaluation of the effectiveness of risk mitigation through the ERM Online application.
3. One-on-one evaluation/discussion and advisory with business units as needed.
4. Joint reporting and evaluation with BOD and Committee for Planning and Risk Evaluation and Monitoring (KEMPR).

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), hold regular meetings with the Risk Management Department to discuss risk monitoring within the Company as well as follow-up actions that risk owners have carried out to minimize risks that occur. The Risk Management Department will report risk monitoring results to the Board of Directors and Board of Commissioners every quarter.

The Board of Directors and Board of Commissioners assess that Telkom's risk management system in 2023 has run well and meets the adequacy of the policies and standards referred to. These adequacies include, among others:

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 Company has utilized the ERM Online application to compile risk registers and risk profiles and monitor and evaluate risks.

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.